



Date Mailed: October 10, 2025
Docket No.: 25-032824
Case No.: [REDACTED]
Petitioner: [REDACTED]



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هذه وثيقة قانونية مهمة. يرجى أن يكون هناك شخص ما يترجم المستند.

এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

Este es un documento legal importante. Por favor, que alguien traduzca el documento.

这是一份重要的法律文件。请让别人翻译文件。

Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

Date Mailed: October 10, 2025

Docket No.: 25-032824

Case No.: [REDACTED]

Petitioner: [REDACTED]

HEARING DECISION

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a hearing was held via telephone conference on October 1, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Alison Peck, Overpayment Establishment Analyst (OEA).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-107.

ISSUE

Did the Department properly determine that Petitioner received Food Assistance Program (FAP) benefits that she was not eligible for and must be recouped?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. From October 2024 through July 2025, Petitioner received FAP benefits totaling \$3,297.00. (Exhibit A, pp. 15-16)
2. On June 12, 2024, Petitioner submitted a Renew Benefits form for FAP benefits for her household. Petitioner did not report any additional household members and reported her employment with [REDACTED]. (Exhibit A, pp. 62-63)
3. On July 8, 2024, an interview was completed with Petitioner. Petitioner reported she was not married. Petitioner did not report any additional household members and reported her employment with [REDACTED]. The rights and responsibilities were reviewed with Respondent. (Exhibit A, pp. 64-70)
4. On July 8, 2024, a Notice of Case Action was issued to Petitioner, approving FAP benefits for a household size of one. The Notice indicated Petitioner was a simplified reporter and was only required to report: lottery or gambling winnings of \$4,250.00 or more, when household gross monthly income exceeded \$1,580.00, and if she was subject to time limited food assistance requirements

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(TANF) to report when hours of employment drop below 80 hours a month. A change in income over the SR limit was to be reported by the 10th day of the following month. (Exhibit A, pp. 71-75)

5. On July 8, 2024, a Simplified Six Month Review was issued explaining the simplified reporting process, including that changes in household members would be asked about during the six month review. (Exhibit A, pp. 76-77)
6. Marriage Records show that Petitioner married [REDACTED] on July 20, 2024. (Exhibit A, p. 102)
7. On December 4, 2024, Petitioner submitted a Renew Benefits form for FAP benefits for her household. Petitioner did not report any additional household members and reported her employment with [REDACTED]. (Exhibit A, pp. 78-79)
8. On January 22, 2025, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household size of one. The Notice did not indicate Petitioner was a simplified reporter. Petitioner was advised of the general requirement to report changes within 10 days, such as changes with the number of persons in the home. (Exhibit A, pp. 80-84)
9. On March 23, 2025, Petitioner submitted a Report Changes form and reported an additional household member as of August 1, 2024, her husband [REDACTED]. (Exhibit A, pp. 85-86)
10. On April 22, 2025, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household of two. The Notice did not indicate Petitioner was a simplified reporter. Petitioner was advised of the general requirement to report changes within 10 days, such as changes with the number of persons in the home. (Exhibit A, pp. 87-91)
11. On July 20, 2025, a Wage Match showed Petitioner's husband had earnings from employment. (Exhibit A, pp. 96-97)
12. On July 24, 2025, a Notice of Case Action was issued to Petitioner closing the FAP case effective August 1, 2025 based on gross income in excess of program limits. (Exhibit A, pp. 92-95)
13. Employment Verification documented Petitioner's earnings from employment with [REDACTED] from pay dates August 19, 2022 to July 18, 2025. (Exhibit A, pp. 53-56)
14. Employment Verification documented Petitioner's husband's earnings from employment with [REDACTED] from pay dates February 10, 2023 to May 8, 2025. (Exhibit A, pp. 57-60)

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15. Payroll records document Petitioner's husband's earnings from employment with [REDACTED] from pay dates January 10, 2025 to August 1, 2025. (Exhibit A, pp. 38-52)
 16. The Department determined that Petitioner was overissued FAP benefits from October 1, 2024 to July 31, 2025, in the amount of \$3,251.00, due to exceeding the simplified reporting limit as of August 2024 when her husband and his income are included in the FAP group. (Exhibit A, pp. 1 and 17-37; OEA Testimony)
 17. On August 28, 2025, the Department sent Petitioner a Notice of Overissuance instructing her that a \$3,251.00 overissuance of FAP benefits occurred from October 1, 2024 to July 31, 2025, due to client error of not timely reporting her marriage as well as her husband's income, and the overissuance would be recouped. (Exhibit A, pp. 8-13)
 18. On September 8, 2025, the Department received Petitioner's request for hearing protesting the recoupment of FAP benefits. (Exhibit A, pp. 5-6)

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

Department policy requires clients to completely and truthfully answer all questions on forms and in interview. BAM 105 (March 1, 2024) p. 7. Generally, clients must also report changes in circumstance that potentially affect eligibility or benefit amount within 10 days. BAM 105, pp. 10-12. However, the change reporting requirements are different for FAP simplified reporters. FAP simplified reporting households must report when the household monthly income exceeds the monthly gross income limit for its household size. 7 CFR 273.12(a)(5)(ii)(G)(1) Further, periodic reports are to be submitted on which it is requested that the household report any changes in circumstances. 7 CFR 273.12(a)(5)(iii). Similarly, Department policy regarding change reporting for FAP simplified reporting household indicates that simplified reporting groups are required to report only when: the group's actual gross monthly income (not converted) exceeds the SR income limit for their group size; the group receives a single lottery or gambling winning of \$4,250 or more; a mandatory TLFA participant is working less than 20 hours per week (80 hours a

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month). No other change reporting is required. If the group has an increase in income, the group must determine their total gross income at the end of that month. If the total gross income exceeds the group's SR income limit, the group must report this change to their specialist by the 10th day of the following month, or the next business day if the 10th day falls on a weekend or holiday. Once assigned to SR, the group remains in SR throughout the current benefit period unless they report changes at their semi-annual contact or redetermination that make them ineligible for SR. BAM 200, July 1, 2023, p. 1. Groups meeting the simplified reporting category at application and redetermination are assigned a 12-month benefit period and are required to have a semi-annual contact. BAM 200, p. 3.

For FAP, the Department will act on a change reported by means other than a tape match within 10 days of becoming aware of the change. BAM 220, November 1, 2023, p. 7. A pended negative action occurs when a negative action requires timely notice based on the eligibility rules in this item. Timely notice means that the action taken by the department is effective at least 12 calendar days following the date of the department's action. BAM 220, p. 13.

When a client group receives more benefits than it is entitled to receive, the Department must attempt to recoup the overpayment. BAM 700, June 1, 2024, p. 1. An agency error is a type of overpayment or underissuance resulting from an incorrect action or failure to take action by the state agency. A client error is a type of overpayment or underissuance resulting from inaccurate reporting on the part of the household. BAM 700, p. 5. An overpayment may involve more than one overpayment type. If an agency error and client error occur in the same OP period, process as an agency error. BAM 700, p. 3. Agency and client errors are not pursued if the OP amount is equal to or less than \$250 per program. BAM 700 p. 5.

The Department determined that Petitioner was overissued FAP benefits from October 1, 2024 to July 31, 2025, in the amount of \$3,251.00, due to exceeding the simplified reporting limit as of August 2024, when her husband and his income are included in the FAP group. (Exhibit A, pp. 1 and 17-37; OEA Testimony).

On June 12, 2024, Petitioner submitted a Renew Benefits form for FAP benefits for her household. Petitioner did not report any additional household members and reported her employment with [REDACTED]. (Exhibit A, pp. 62-63). On July 8, 2024, an interview was completed with Petitioner. Petitioner reported she was not married. Petitioner did not report any additional household members and reported her employment with [REDACTED]. The rights and responsibilities were reviewed with Respondent. (Exhibit A, pp. 64-70). On July 8, 2024, a Notice of Case Action was issued to Petitioner, approving FAP benefits for a household size of one. The Notice indicated Petitioner was a simplified reporter and was only required to report: lottery or gambling winnings of \$4,250.00 or more, when household gross monthly income exceeded \$1,580.00, and if she was subject to TANF to report when hours of employment drop below 80 hours a month. A change in income over the SR limit was to be reported by the 10th day of the following month. (Exhibit A, pp. 71-75). On July 8,

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2024, a Simplified Six Month Review was issued explaining the simplified reporting process, including that changes in household members would be asked about during the six month review. (Exhibit A, pp. 76-77).

Marriage Records show that Petitioner married [REDACTED] on July 20, 2024. (Exhibit A, p. 102). This was after the July 8, 2024 eligibility determination was made. Based on the above cited policies, Petitioner was not required to report her marriage and any addition of a household member within 10 days. As a simplified reporter, any changes with household members would be reported at the next six month review.

Regarding the alleged failure to report exceeding the SR limit starting in August 2024 based on including her husband's income in the FAP budget, Petitioner would not have been aware of the applicable SR limit for a group size of two. Petitioner was only notified of the applicable SR limit for a group size of one because that was the correct household composition at the time of the July 8, 2024, determination based on the available information.

On December 4, 2024, Petitioner submitted a Renew Benefits form for FAP benefits for her household. Petitioner did not report any additional household members and reported her employment with [REDACTED]. (Exhibit A, pp. 78-79). Petitioner explained that she was told she did not have to report her husband as part of the household until he moved in. (Petitioner Testimony). On January 22, 2025, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household size of one. The Notice did not indicate Petitioner was a simplified reporter. Petitioner was advised of the general requirement to report changes within 10 days, such as changes with the number of persons in the home. (Exhibit A, pp. 80-84).

Petitioner testified that she tried to add her husband in January 2025, but it did not go through. When Petitioner realized that, she tried again in March 2025. (Petitioner Testimony).

On March 23, 2025, Petitioner submitted a Report Changes form and reported an additional household member as of August 1, 2024, her husband [REDACTED]. (Exhibit A, pp. 85-86). During phone contact with the Department, they were able to view the employment income verification for both Petitioner and her husband on the computer. (Petitioner Testimony). On April 22, 2025, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household of two. The Notice did not indicate Petitioner was a simplified reporter. Petitioner was advised of the general requirement to report changes within 10 days, such as changes with the number of persons in the home. (Exhibit A, pp. 87-91).

Regarding the effective date of August 1, 2024 on the change report, Petitioner testified that this was a mistake. Petitioner explained that her husband was supposed to move in on August 1, 2024, but he had other obligations to stay where he was at with his previous address until the new year. That is why she tried to add him to the household in January 2025. Petitioner acknowledged that she was unable to get documentation to

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verify that her husband was unable to move in until January 2025. (Petitioner Testimony).

Overall, the evidence does not support that the alleged overissuance determination was in accordance with Department policies. Based on the available information, the July 8, 2024 determination to approve FAP benefits for a household size of one, just Petitioner, was correct at that time. Petitioner was not yet married and the available evidence does not establish that [REDACTED] was residing in Petitioner's home and that they were purchasing and preparing food together at that time. Petitioner subsequently married [REDACTED] on July 20, 2024. Based on the reporting requirement for simplified reporters, any changes with household members would be reported at the next six month review. As noted above, Petitioner was only notified of the applicable SR limit for a group size of one because that was the correct household composition at the time of the July 8, 2024, determination. Accordingly, a client error overpayment based on failing to timely report the marriage and her husband's income, or failing to report exceeding the SR limit with her husband's income included in the household income, cannot begin before the next six month review. Therefore, there was no client error OP based on these reasons for the period of October 1, 2024 through December 31, 2024. Regarding the remainder of the OP period, Petitioner did not report her marriage or any additional household member on the December 4, 2024 Renew Benefits form. Based on the March 23, 2025 Report Changes form, Petitioner reported an additional household member as of August 1, 2024, her husband [REDACTED]. (Exhibit A, pp. 85-86). Petitioner acknowledged that she did not have any documentation to verify her assertion that the August 1, 2024 date was a mistake. Accordingly, a client error OP period can begin when the Department would have acted on a change with household composition that should have been reported on the December 4, 2024 Renew Benefits form. However, Petitioner's testimony indicated that her husband's employment was discussed during a telephone contact in March 2025 and the Department was able to verify his income at that time over the computer. If there was a report of Petitioner's husband's employment at that time and an overpayment of benefits still occurred, overpayment would then be due to Department error.

DECISION AND ORDER

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined that Petitioner received an overpayment of FAP benefits from October 1, 2024 to July 31, 2025, in the amount of \$3,251.00, due to exceeding the simplified reporting limit as of August 2024, when her husband and his income are included in the FAP group.

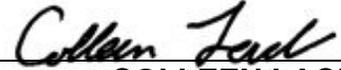
Accordingly, the Department's decision is **REVERSED**.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS

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HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS
DECISION AND ORDER:

1. Redetermine the alleged FAP overpayment in accordance with Department policy.



COLLEEN LACK
ADMINISTRATIVE LAW JUDGE

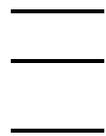
APPEAL RIGHTS: Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to MOAHR-BSD-Support@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

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Via Electronic Mail:

Agency Representative

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