



Date Mailed: October 17, 2025
Docket No.: 25-033274
Case No.: [REDACTED]
Petitioner: [REDACTED]

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

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

Date Mailed: October 17, 2025

Docket No.: 25-033274

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 7, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Kathleen Zewatsky, Overpayment Establishment Analyst (OEA).

During the hearing proceeding, the Department's Hearings Summary packet was admitted as Exhibit A, pp. 1-46.

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 March 1, 2025 through May 31, 2025, Petitioner received FAP benefits totaling \$876.00. (Exhibit A, p. 15)
2. On [REDACTED] 2025, Petitioner applied for FAP and other benefits for herself. Employment income with [REDACTED] was reported. (Exhibit A, pp. 33-40)
3. On January 23, 2025, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household size of one. A budget summary was included showing no earned or unearned income was included in the FAP budget. The Notice indicated Petitioner was a simplified reporter and was required to report when household gross monthly income exceeded \$1,632.00. A change in income over this amount was to be reported by the 10th day of the following month. (Exhibit A, pp. 23-30)

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4. A Wage History showed Petitioner had income from employment with ██████████ ██████████ in the fourth quarter of 2024 as well as the first and second quarters of 2025. (Exhibit A, p. 31)
 5. Employee check records document Petitioner's employment earnings from ██████████ in January 2025. (Exhibit A, p. 32)
 6. On May 15, 2025, Petitioner submitted a Semi-Annual Contact Report and Petitioner noted she quit her job and needed help. (Exhibit A, pp. 41-43)
 7. The Department determined that Petitioner was overissued FAP benefits from March 2025 through May 2025, in the amount of \$807.00, due to the Department failing to include reported income in the FAP budget. (Exhibit A, pp. 16-22)
 8. On September 4, 2025, the Department sent Petitioner a Notice of Overissuance instructing her that a \$807.00 overissuance of FAP benefits occurred from March 1, 2025 to May 31, 2025, due to agency error incorrectly marking reported income as not accessible, and the overissuance would be recouped. (Exhibit A, pp. 7-12)
 9. On September 16, 2025, the Department received Petitioner's request for hearing protesting the recoupment of FAP benefits. (Exhibit A, pp. 4-5)

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 (January 1, 2025) p. 8. 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

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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 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, October 1, 2024, 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 March 2025 through May 2025, in the amount of \$807.00, due to the Department failing to include reported income in the FAP budget. (Exhibit A, pp. 16-22).

On [REDACTED] 2025, Petitioner applied for FAP and other benefits for herself. Employment income with [REDACTED] was reported. (Exhibit A, pp. 33-40). On January 23, 2025, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household size of one. A budget summary was included showing no earned or unearned income was included in the FAP budget. (Exhibit A, pp. 23-30). The OEA explained that the reported income was incorrectly marked as not accessible in the computer system, which caused the income to not be counted in Petitioner's FAP budget. (Exhibit A, p. 1; OEA Testimony).

A Wage History showed Petitioner had income from employment with [REDACTED] in the fourth quarter of 2024 as well as the first and second quarters of 2025. (Exhibit A, p. 31). Employee check records document Petitioner's employment earnings from [REDACTED] in January 2025. (Exhibit A, p. 32). The Department redetermined Petitioner's eligibility for FAP with the verified income from employment. The Department determined that Petitioner was overissued FAP benefits from March 2025 through May 2025, in the amount of \$807.00, due to the Department failing to include reported income in the FAP budget. (Exhibit A, pp. 16-22). On September 4, 2025, the Department sent Petitioner a Notice of Overissuance instructing her that a \$807.00 overissuance of FAP benefits occurred from March 1, 2025 to May 31, 2025, due to agency error of incorrectly marking reported income as not accessible, and the overissuance would be recouped. (Exhibit A, pp. 7-12).

Petitioner stated that she is poor and questioned how she is supposed to pay the Department back. Petitioner also noted that she stopped work at Sam's Korner on April 21, 2025 and was unemployed until June 17, 2025. (Exhibit A, p. 5; Petitioner Testimony).

Overall, the evidence does not support the Department's determination that Petitioner received an overpayment of FAP benefits from March 2025 through May 2025, in the amount of \$807.00 due to agency error, because the budgeted income is not consistent with the income documented on the verifications. The employee check record only shows the earnings from January 2025. There were five checks in January 2025 each for a gross pay of \$499.20. The month to date, quarter to date, and year to date earnings were all \$2,496.00. (Exhibit A, p. 32). The Wage History showed Petitioner had income from employment with [REDACTED] of \$ [REDACTED] in the first quarter of 2025 and \$ [REDACTED] in the second quarter of 2025. (Exhibit A, p. 31). However, the Department budgeted gross pay of \$ [REDACTED] for March 2025, \$ [REDACTED] for April 2025, and \$ [REDACTED] for May 2025. (Exhibit A, pp. 17-22). It appears that the Department inaccurately used the earnings from the month of January 2025 in the budgets for March, April, and May. The quarterly wages for the second quarter of 2025 were less than the earnings for the month of January 2025. It is also noted that the second quarter earnings are consistent with Petitioner's testimony that she stopped working at Sam's Corner April 21, 2025.

Therefore, the Department has not properly sought recoupment of the alleged \$807.00 agency error overpayment of FAP benefits from Petitioner.

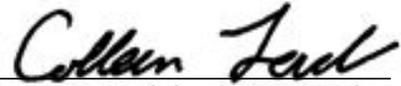
DECISION AND ORDER

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 was overissued FAP benefits from March 2025 through May 2025, in the amount of \$807.00.

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

1. Delete the agency error overpayment claim for the period of March 1, 2025 to May 31, 2025, in the amount of \$807.00.
2. Redetermine whether an overpayment of FAP benefits occurred during the alleged overpayment period.



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

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Via Electronic Mail:

Respondent

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