

Date Mailed: October 30, 2025
Docket No.: 25-034371
Case No.: [REDACTED]
Petitioner: KAYLA M BERRO

HEARING DECISION

On September 25, 2025, Petitioner [REDACTED] requested a hearing to dispute a Food Assistance Program (FAP) benefit overpayment. Following Petitioner's hearing request, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9, 7 CFR 273.15, 45 CFR 205.10, and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on October 28, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Alicia Seibenick, Overpayment Establishment Analyst.

A 92-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

A 1-page document provided by Petitioner was admitted as Petitioner's Exhibit 1.

ISSUE

Did the Department properly determine that Petitioner owes the Department a debt of \$478.00 for FAP benefits that were overpaid to Petitioner from July 1, 2025, to August 31, 2025, due to an agency error?

FINDINGS OF FACT

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

1. On March 28, 2025, Petitioner submitted an assistance application and reported that Petitioner's employment at [REDACTED] ended within the last 30 days. No other employment or income was reported.
2. On April 11, 2025, Petitioner completed an interview with the Department and reported that Petitioner's employment at [REDACTED] ended, and Petitioner's last paycheck was received on March 28, 2025. Petitioner reported no other employment or income.
3. On April 11, 2025, the Department mailed a notice of case action to Petitioner to notify Petitioner that Petitioner was approved for FAP benefits of [REDACTED] per month from April 1, 2025, to April 30, 2025, and [REDACTED] per month from May 1,

2025, to March 31, 2026. The notice instructed Petitioner to report to the Department when Petitioner's household income exceeds the simplified reporting (SR) income limit of [REDACTED].

4. From May 9, 2025, to September 2, 2025, Petitioner received unemployment compensation benefits (UCB).
5. On August 2, 2025, Petitioner submitted a renew benefits form and reported no income.
6. On August 19, 2025, the Department received a consolidated income report showing Petitioner's UCB income and became aware of a system error that resulted in the Unemployment Insurance Agency's system failing to interface with the Department's system. Therefore, Petitioner's receipt of UCB was not considered prior to the issuance of FAP benefits to Petitioner from July 1, 2025, to August 31, 2025.
7. On August 19, 2025, the Department mailed a notice of case action to Petitioner to notify Petitioner that Petitioner's FAP benefit case would be closing beginning September 1, 2025, due to Petitioner's income exceeding the monthly income limit.
8. On August 25, 2025, Petitioner applied for FAP benefits and reported no income.
9. On August 29, 2025, the Department mailed a notice of case action to Petitioner to notify Petitioner that Petitioner was approved for FAP benefits of [REDACTED] per month from September 1, 2025, to August 31, 2026. The notice instructed Petitioner to report to the Department when Petitioner's household income exceeds the SR income limit of \$1,632.00.
10. From May 2025 to August 2025, Petitioner received the following [REDACTED] that exceeded Petitioner's SR limit of \$1,632.00:
 - a. [REDACTED] in May 2025
 - b. [REDACTED] in June 2025
 - c. [REDACTED] in July 2025
 - d. [REDACTED] in August 2025
11. Petitioner received FAP benefits of [REDACTED] from July 1, 2025, to July 31, 2025, and [REDACTED] from August 1, 2025, to August 31, 2025.
12. The Department failed to consider that Petitioner began receiving UCB before paying FAP benefits to Petitioner from July 1, 2025, to August 31, 2025.

13. The Department paid Petitioner FAP benefits of [REDACTED] from July 1, 2025, to July 31, 2025, and [REDACTED] from August 1, 2025, to August 31, 2025, when Petitioner was eligible for [REDACTED] per month from July 1, 2025, to August 31, 2025.

14. On September 16, 2025, the Department notified Petitioner of the overpayment.

15. On September 25, 2025, Petitioner requested a hearing to dispute the overpayment.

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 FAP 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 administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-119b, and Mich Admin Code, R 400.3001-.3011.

In this case, the Department determined that it overpaid FAP benefits to Petitioner because it did not consider Petitioner's receipt of UCB. When a client receives more benefits than the client was entitled to receive, the Department must attempt to recoup the overpayment. BAM 700 (June 1, 2024), p. 1. When an overpayment of more than \$250.00 occurs, the Department must pursue recoupment, regardless of whether fault lies with the Agency or by client error. *Id.* at p. 5. The overpayment amount is the amount of benefits in excess of the amount the client was eligible to receive. *Id.* at p. 2. Based on the evidence presented, the Department overpaid FAP benefits to Petitioner.

From July 1, 2025, to August 31, 2025, Petitioner was paid [REDACTED] in FAP benefits when Petitioner was eligible for [REDACTED] per month. The Department paid these FAP benefits to Petitioner without properly considering Petitioner's receipt of UCB. This caused the Department to pay Petitioner more FAP benefits than Petitioner was eligible to receive. The overpayment was due to an agency error as the Unemployment Insurance Agency's system failed to interface with the Department's system resulting in the Department not considering Petitioner's UCB. Because Petitioner was receiving UCB, Petitioner was eligible for [REDACTED] per month in FAP benefits from July 1, 2025, to August 31, 2025.

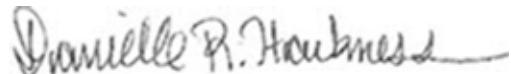
At the hearing, Petitioner testified that Petitioner spoke with a department representative on September 8, 2025, and was advised that Petitioner would not be at fault for the overpayment due to the Department's error. See Exhibit 1. However, the Department presented sufficient evidence to establish that the total amount overpaid was [REDACTED], from July 1, 2025, to August 31, 2025, and Petitioner did not present any evidence to

rebut the Department's evidence. Therefore, I must find that the Department properly determined that Petitioner owes the Department a debt of [REDACTED] for FAP benefits paid to Petitioner from July 1, 2025, to August 31, 2025.

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 acted in accordance with its policies and the applicable law when it determined that Petitioner owes the Department a debt of [REDACTED] for FAP benefits that were overpaid to Petitioner from July 1, 2025, to August 31, 2025.

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



DANIELLE R. HARKNESS
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.

Via Electronic Mail:

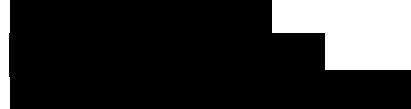
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Via First Class Mail:

Petitioner

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