



**Date Mailed:** November 14, 2025  
**Docket No.:** 25-034500  
**Case No.:** [REDACTED]  
**Petitioner:** [REDACTED]

[REDACTED]  
MI [REDACTED]

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

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**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; 42 CFR 438.400 to 438.424; 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 by telephone on November 6, 2025. Petitioner was represented by their Authorized Hearing Representative (AHR) and mother, [REDACTED], as stipulated to by the parties previously. The Department of Health and Human Services (Department) was represented by Julie Luczak, Overpayment Establishment Analyst.

### **ISSUE**

Did the Department properly determine that Petitioner received an overpayment (OP) of Food Assistance Program (FAP) benefits due to agency error (AE)?

### **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 September 15, 2023, the Department received a completed Mid-Certification Contact Notice for FAP benefits from Petitioner. (Exhibit A, pp. 46 – 48).
1. On November 3, 2023, the Department sent Petitioner a Notice of Case Action (NOCA) that approved him for FAP benefits of \$291 per month effective November 1, 2023, for a one-person FAP group based on \$[REDACTED] earned income and \$[REDACTED] per month unearned income. (Exhibit A, pp. 49 – 50).
2. On September 16, 2024, the Department began issuing quarterly State SSI Payments (SSP) of \$[REDACTED] to Petitioner. (Exhibit A, p. 45).
3. On September 24, 2024, the Department received a completed redetermination application for FAP benefits from Petitioner. Petitioner reported that he received \$[REDACTED] per month in Supplement Security Income (SSI) and that his mother worked 40 hours per week. (Exhibit A, pp. 56 – 60).
4. On October 30, 2024, the Department sent Petitioner a NOCA that approved him for FAP benefits of \$292 per month effective November 1, 2024, for a one-person

FAP group based on \$█ earned income and \$█ per month unearned income. (Exhibit A, pp. 61 – 62).

5. On May 21, 2025, the Department completed a Quality Control Audit (QC) and discovered that Petitioner had Retirement, Survivors, and Disability Insurance (RSDI) income that had not been budgeted for purposes of determining his FAP benefit amount. (Exhibit A, pp. 44, 71 – 75).
6. On June 10, 2025, the Department sent Petitioner a NOCA that decreased his FAP benefits to \$52 per month effective July 1, 2025, for his one-person FAP group based on \$█ earned income and \$█ per month unearned income. (Exhibit A, pp. 66 – 67).
7. From July 1, 2024 to June 30, 2025, Petitioner received FAP benefits in the amount of \$3,501. (Exhibit A, pp. 14 – 15).
8. The Department did not budget all of Petitioner's RSDI income when it determined his FAP eligibility and benefit amount. (Exhibit A, pp. 44, 71).
9. On July 17, 2025, the Department sent Petitioner a Notice of Overissuance informing him that he received more benefits than he was eligible to receive for the period of July 1, 2024 to June 30, 2025, due to AE, for a total OP of \$2,822. (Exhibit A, pp. 7 – 12).
10. On September 15, 2025, the Department received a request for hearing from Petitioner regarding the Department's request to recoup an OP 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.

Petitioner requested a hearing in this matter to dispute the Department's determination that he received a FAP OP that he is required to repay. The Department alleged

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Petitioner received a FAP OP for the period of July 1, 2024 to June 30, 2025, in the amount of \$2,822 due to AE.

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When a client group receives more benefits than entitled to receive, the Department must attempt to recoup the OP. BAM 700 (June 2024), p. 1; 7 CFR 273.18(a)(2). The amount of a FAP OP is the benefit amount the client actually received minus the amount the client was eligible to receive. BAM 705 (June 2024), p. 6; 7 CFR 273.18(c)(1). An OP can be caused by client error (CE), AE, or an intentional program violation (IPV). BAM 700, pp. 5 – 9. An AE is caused by incorrect actions by the Department, including not using available information. BAM 700, p. 2; 705, p. 1; 7 CFR 273.18(b)(3).

When an OP, due to AE, in excess of \$250 is discovered, the Department is required to establish a claim for repayment for the OP. BAM 700, p. 5; BAM 705, p. 7; 7 CFR 273.18(d)(3). An OP of FAP benefits due to AE is limited to the latest 12 months of the OP period and cannot include benefits issued more than six years prior to the date the Department discovered the OP. BAM 705, pp. 3 – 4.

In this case, although the Department alleged Petitioner received an OP of FAP benefits from April 2019 through June 30, 2025, it properly limited the OP period to July 1, 2024 to June 30, 2025 (OP period), pursuant to policy. The Department testified that it discovered that Petitioner began receiving dual RSDI benefits in April 2019 that it did not budget when it determined his FAP benefit eligibility and as a result, Petitioner received an OP of FAP benefits due to AE. BAM 705, p. 1; BEM 505 (October 2023), pp. 1 – 3. Although Petitioner's AHR did not dispute that Petitioner received dual RSDI benefits during the OP period, she disputed that Petitioner should be responsible for repaying an OP of FAP benefits to the Department when the OP was caused by the Department's error. However, when Petitioner applied for FAP benefits from the Department, he acknowledged that he understood that he would have to repay any benefits he should not have received, even if it was due to an error by the Department. (Exhibit A, p. 58). It is also noted that there was no evidence that Petitioner reported to the Department at any time that his budgeted income was inaccurate.

In support of its calculations of an OP, the Department presented OP budgets for each month of the OP period. (Exhibit A, pp. 16 – 40). The Department testified that it calculated the OP total by budgeting Petitioner's correct RSDI income for each month of the OP period but made no other changes to Petitioner's FAP budgets. BEM 505, pp. 13 – 14. The evidence established that Petitioner received a total of \$3,501 in FAP benefits during the OP period and that when the Department properly budgeted Petitioner's RSDI income, he was only eligible for a total of \$679 in FAP benefits during that period. Therefore, Petitioner received an OP of FAP benefits during the OP period in the amount of \$2,822 that the Department is entitled to recoup.

It is noted that Petitioner's AHR also testified that Petitioner did not have the means to repay an OP. The Department may compromise, i.e. reduce or eliminate, an OP if it

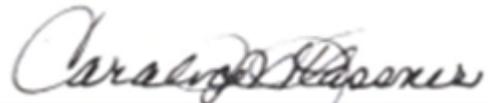
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determines that the client's economic circumstances are such that the OP cannot be paid within three years. BAM 725 (January 2021), pp. 16 – 17. A request for a policy exception must be made from the Department to the Overpayment, Research and Verification Section (ORVS) office outlining the facts of the situation and the client's financial hardship, and the manager of OVRs has final authority on the determination for all compromised claims. BAM 725, p. 16. Therefore, the undersigned has no authority to consider Petitioner's ability to repay an OP of benefits, and any concerns Petitioner has in that regard must be directed to the Department.

**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 Department policy when it determined Petitioner received an OP of FAP benefits due to AE in the amount of \$2,822 for the period of July 1, 2024 to June 30, 2025, that the Department is entitled to recoup.

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



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**CARALYCE M. LASSNER  
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](mailto: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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