



Date Mailed: December 26, 2025
Docket No.: 25-041610
Case No.: [REDACTED]
Petitioner: [REDACTED]

[REDACTED]
MI [REDACTED]

This is an important legal document. Please have someone translate the document.

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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: December 26, 2025

Docket No.: 25-041610

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 December 11, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Rachel Smith, Overpayment establishment Analyst (OEA).

During the hearing proceeding, the Department's hearing summary packet was admitted as exhibit A, pp. 1-65 and Petitioner's additional documentation was admitted as Exhibit 1, pp. 1-137.

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 April 1, 2025 to April 30, 2025, Petitioner received FAP benefits in the amount of \$408.00. (Exhibit A, p. 17)
2. On December 26, 2024, Petitioner submitted a Redetermination for FAP benefits for a household of seven, Petitioner, her husband, and five children. It was reported that one child is disabled and receives social security benefits. Employment income was reported for Petitioner with [REDACTED] and for Petitioner's husband with [REDACTED]. Child support income for two children was also reported. (Exhibit A, pp. 34-38; Petitioner Exhibit 1, p. 13)
3. On January 30, 2025, an interview was completed with Petitioner. The household composition was confirmed. The same household income as reported on the Redetermination form was reported. (Exhibit A, pp. 39-45)
4. The Department verified household income from social security benefits on January 30, 2025. (Exhibit A, pp. 22-24)

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5. On January 30, 2025, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household size of seven effective February 1, 2025. A budget summary was included showing unearned income of \$ [REDACTED] and earned income of \$ [REDACTED] was included in the FAP budget. The Notice indicated Petitioner was a simplified reporter and was only required to report when household gross monthly income exceeded \$5,129.00. A change in income over this amount was to be reported by the 10th day of the following month. (Exhibit A, pp. 46-52)
 6. On February 3, 2025, Petitioner reported that her husband obtained employment with the [REDACTED] and was sworn in on January 13, 2025. It was reported that Petitioner's husband would be working at both [REDACTED] until his training is over and his shift commitments to [REDACTED] are fulfilled. Verifications of household income from January 2025 were submitted. (Exhibit 1, pp. 14-28)
 7. On April 10, 2025, Petitioner notified the Department that her husband now worked full time for the [REDACTED] and did not have any shifts scheduled with C [REDACTED] at that time. (Exhibit 1, p. 29)
 8. On April 10, 2025, a Notice of Case Action was issued to Petitioner closing the FAP case effective May 1, 2025, due to income in excess of program limits. (Exhibit A, pp. 53-57)
 9. On May 7, 2025, Petitioner notified the Department that her husband was still working full time for the [REDACTED] and he had one shift scheduled with the [REDACTED] that month. Petitioner also notified the Department that her son no longer qualified for social security as of April 2025 due to household income changes in March 2025. (Exhibit 1, p. 30)
 10. A Wage Match showed that Petitioner's husband had earnings from employment with [REDACTED] and [REDACTED] the first quarter of 2025 totaling \$ [REDACTED], and the second quarter of 2025 totaling \$ [REDACTED]. (Exhibit A, p. 32)
 11. A Wage Match showed that Petitioner had earnings from employment with [REDACTED] the first quarter of 2025 totaling \$ [REDACTED], and the second quarter of 2025 totaling \$ [REDACTED]. (Exhibit A, p. 33)
 12. A Wage Verification documented that Petitioner's husband began employment with [REDACTED] as a [REDACTED] on January 13, 2025 and his first pay date was January 21, 2025. Petitioner's husband's earnings were documented. (Exhibit A, pp. 63-65)
 13. The Department determined that Petitioner was overissued FAP benefits from April 1, 2025 to April 30, 2025, in the amount of \$408.00 due to client error of

failing to report that the household exceeded the SR limit from February 2025 through April 2025. (Exhibit A, pp. 18-21)

14. On October 30, 2025, the Department sent Petitioner a Notice of Overissuance instructing her that a \$408.00 overissuance of FAP benefits occurred from April 1, 2025 to April 30, 2025 due to client error and would be recouped. (Exhibit A, pp. 10-15)
15. On November 7, 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 household indicates that simplified reporting groups are required to report only when: the group's actual gross monthly income (not converted) exceeds the Simplified Reporting (SR) income limit for their group size; the group receives a single lottery or gambling winning of \$4,500 or more; or A mandatory TLFA participant is working less than 20 hours per week (80 hours a month). 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,

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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 pending 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. 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 April 1, 2025 to April 30, 2025, in the amount of \$408.00 due to client error of failing to report that the household exceeded the SR limit from February 2025 through April 2025. (Exhibit A, pp. 18-21).

A Wage Verification documented that Petitioner's husband began employment with [REDACTED] as a [REDACTED] on January 13, 2025, and his first pay date was January 21, 2025. Petitioner's husband's earnings were documented. (Exhibit A, pp. 63-65).

On December 26, 2024, Petitioner submitted a Redetermination for FAP benefits for a household of seven, Petitioner, her husband, and five children. It was reported that one child is disabled and receives social security benefits. Employment income was reported for Petitioner with [REDACTED] and for Petitioner's husband with [REDACTED]. Child support income for two children was also reported. (Exhibit A, pp. 34-38; Petitioner Exhibit 1, p. 13). Petitioner did not fail to report her husband's employment with [REDACTED] at that time because the employment with [REDACTED] had not yet started.

On January 30, 2025, an interview was completed with Petitioner. The household composition was confirmed. The same household income as reported on the Redetermination form was reported. (Exhibit A, pp. 39-45). Petitioner should have reported her husband's employment with [REDACTED] at that time because the employment with [REDACTED] started January 13, 2025, further the first pay date for this employment was January 21, 2025.

On January 30, 2025, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household size of seven effective February 1, 2025. A budget summary was included showing unearned income of \$ [REDACTED] and earned income of \$ [REDACTED] was included in the FAP budget. The Notice indicated that Petitioner was a simplified reporter and was only required to report when household gross monthly income exceeded \$5,129.00. A change in income over this amount was to be reported by the 10th day of the following month. (Exhibit A, pp. 46-52).

On February 3, 2025, Petitioner reported that her husband obtained employment with the [REDACTED] and was sworn in on January 13, 2025. It was explained that Petitioner's husband would be working at both [REDACTED] until his training is over and his shift commitments to [REDACTED] are fulfilled. Verifications of household income from January 2025 were submitted. (Exhibit 1, pp. 14-28). The Department verified household income from social security benefits on January 30, 2025. (Exhibit A, pp. 22-24). A Wage Match showed that Petitioner's husband had earnings from employment with [REDACTED] and [REDACTED] the first quarter of 2025 totaling \$ [REDACTED] and the second quarter of 2025 totaling \$ [REDACTED]. (Exhibit A, p. 32). A Wage Match showed that Petitioner had earnings from employment with [REDACTED] the first quarter of 2025 totaling \$ [REDACTED] and the second quarter of 2025 totaling \$ [REDACTED]. (Exhibit A, p. 33).

A Wage Verification documented that Petitioner's husband began employment with [REDACTED] as a [REDACTED] on January 13, 2025 and his first pay date was January 21, 2025. Petitioner's husband's earnings were documented. (Exhibit A, pp. 63-65). The Department determined that Petitioner was overissued FAP benefits from April 1, 2025 to April 30, 2025 in the amount of \$408.00 due to client error of failing to report that the household exceeded the SR limit from February 2025 through April 2025. (Exhibit A, pp. 18-21). On October 30, 2025, the Department sent Petitioner a Notice of Overissuance instructing her that a \$408.00 overissuance of FAP benefits occurred from April 1, 2025 to April 30, 2025, due to client error and would be recouped. (Exhibit A, pp. 10-15).

Petitioner notes that the Department's documentation incorrectly state that she failed to report her husband's employment with [REDACTED]. (Exhibit A, p. 6; Petitioner Testimony). As discussed above, the Department's exhibits document that Petitioner consistently reported her husband's employment with [REDACTED]. Rather, it appears that the Department meant to assert that Petitioner failed to report her husband's employment with the [REDACTED]. Petitioner first reported this employment income on February 3, 2025. Petitioner also provided current pay verification for all household employment income, including [REDACTED], at that time. (Exhibit 1, pp. 14-28). Petitioner asserted that the Department did not correctly calculate the April 1, 2025 income. (Exhibit 1, pp. 6 and 80; Petitioner Testimony). Petitioner reported changes with household income regarding her husband's employment and her son's social security benefits on February 3, 2025 and April 10, 2025. (Exhibit 1, pp. 14-29). Yet the Department appears to have utilized the January 30, 2025 verification of the social security benefit income and the wage matches

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showing quarterly earnings for Petitioner's husband's income. (Exhibit A, pp. 9 and 22-24). Petitioner provided verification that the child no longer received social security benefits in April 2025. (Exhibit A, pp. 34-35). Petitioner also provided verification of the employment income for herself and her husband in April 2025. (Exhibit 1, pp. 63-71). The submitted documentation shows that the actual household income for April 2025 is different than the figures the Department utilized to calculate the alleged overpayment. It appears that the Department did not consider the information Petitioner reported to the Department on February 3, 2025 and April 10, 2025 when the overpayment determination was made. The Department's October 30, 2025 determination that Petitioner received an overpayment of FAP benefits for the month of April 2025 in the amount of \$408.00 due to client error cannot be upheld at this time. Accordingly, the Department should redetermine whether Petitioner received an overpayment of FAP benefits for April 2025.

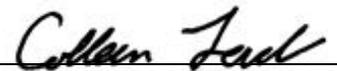
DECISION AND ORDER

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined that Petitioner received the \$408.00 overpayment of FAP benefits for April 2025 due to client error.

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. Redetermine whether an overpayment of FAP benefits occurred for the month of April 2025 in accordance with Department policy, which would include considering that Petitioner reported changes with household income in February and April 2025 as well as the verifications of actual household income Petitioner submitted.



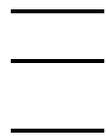
COLLEEN LACK
ADMINISTRATIVE LAW JUDGE

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.



Via Electronic Mail:

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