
Date Mailed: January 23, 2026

Docket No.: 25-047721

Case No.: [REDACTED]

Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 telephone hearing was held via Microsoft Teams on January 21, 2026. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Walita Randle, overpayment establishment analyst

ISSUE

The issue is whether MDHHS established against Petitioner a claim caused by agency error stemming from an alleged over-issuance (OI) of Food Assistance Program (FAP) benefits.

FINDINGS OF FACT

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Beginning August 2023, Petitioner received Retirement, Survivor's, Disability Insurance (RSDI) benefits.
2. On [REDACTED] 2023, Petitioner submitted to MDHHS a benefit application reporting receipt of RSDI.
3. From September 2024 through August 2025, Petitioner received FAP issuances totaling \$3,503 based on [REDACTED] RSDI.
4. During 2024, Petitioner received [REDACTED] in gross monthly RSDI.
5. During 2025, Petitioner received [REDACTED] in gross monthly RSDI.
6. On August 21, 2025, Petitioner's case was referred to MDHHS's recoupment unit.

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7. On December 1, 2025, MDHHS calculated that Petitioner received an OI of \$2,674 in FAP benefits after factoring Petitioner's RSDI income.
 8. On December 1, 2025, MDHHS sent Petitioner a Notice of Overissuance stating that Petitioner received an OI of \$2,674 in FAP benefits from September 2024 through August 2025 caused by MDHHS's error.
 9. On December 12, 2025, Petitioner requested a hearing to dispute the alleged OI of \$2,674.

CONCLUSIONS OF LAW

The 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. MDHHS administers the FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-119b, and Mich Admin Code, R 400.3001-.3011. FAP policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute MDHHS's efforts to establish a claim. Exhibit A, pp. 4-6. A Notice of Overissuance dated December 1, 2025, alleged that Petitioner received an OI of \$2,674 in FAP benefits from September 2024 through August 2025 due to agency error. Exhibit A, pp. 8-13.

An OI (also known as an overpayment) is the benefits issued to the client group in excess of what it was eligible to receive. BAM 700 (June 2024) pp. 1-2. When a client group receives more benefits than it is entitled to receive, MDHHS must attempt to recoup the OI. *Id.* Recoupment is an MDHHS action to identify and recover a benefit OI. *Id.* A claim is the resulting debt created by an OI (or from benefit trafficking). 7 CFR 273.18(a)(1).

Federal regulations refer to FAP benefit OIs as "recipient claims" and mandate states to collect them. 7 CFR 273.18(a). Recipient claims not caused by trafficking are calculated by subtracting the correct benefit amount from the actual issuance. 7 CFR 273.18(c)(1). Additionally, expunged benefits (i.e., unused benefits which eventually expire from non-use) are to be subtracted from the OI.¹ Recipient claims may be caused by agency error, unintentional client error, and intentional program violations. 7 CFR 273.18(b).

If a household receives benefits, and MDHHS makes an error, the adult(s) in the household must repay the extra benefits they are not eligible for. BAM 705 (June 2024) p. 1. The benefits must be repaid even if there was no fraud. *Id.*

Agency-related OIs are restricted in how far MDHHS may go back to establish an OI. The overpayment period for agency errors can be for no more than the latest 12 months

¹ There was no evidence that FAP benefits issued to Petitioner during the alleged OI period were expunged.

from the date of referral to the overpayment establishment unit (OEU). BAM 705 (June 2024) p. 3.

In the present case, an OI referral was made to MDHHS's OEU on August 21, 2025. Exhibit A, p. 68. Going back 12 months from August 2025 allows MDHHS to pursue an OI caused by agency error beginning September 2024. Thus, MDHHS is not barred in the present case from pursuing an OI against Petitioner beginning September 2024

Petitioner reported receiving RSDI on an application dated [REDACTED] 2023. Petitioner again reported receiving RSDI on redetermination documents dated July 24, 2024. Exhibit A, pp. 51-55. Despite Petitioner's reporting of receiving RSDI, MDHHS acknowledged that it did not budget RSDI in Petitioner's FAP eligibility until September 2025

MDHHS presented documentation from the Social Security Administration listing Petitioner's past RSDI benefits. Exhibit A, p. 42. The documentation listed Petitioner's gross monthly RSDI during 2024 as [REDACTED] and during 2025 as [REDACTED] *Id.*

MDHHS presented FAP-OI budgets from September 2024 through August 2025 demonstrating how an OI was calculated. Exhibit A, pp. 17-41. Actual FAP issuances totaling \$3,503 from September 2024 through August 2025 were taken from documentation of Petitioner's FAP issuance history. Exhibit A, pp. 15-16. The overpayment analyst credibly testified that the same group size, income, and expenses from original budgets were used other than the inclusion of Petitioner's actual gross RSDI. Errors in the budgets were neither alleged nor apparent. Using the budget procedures set forth in BEM 556 for calculating FAP eligibility, an OI of \$2,674 was calculated.

Petitioner's primary stated concern during the hearing was the hardship in repaying the OI. MDHHS can reduce or vanquish recipient claims when the OI cannot be paid within three years due to economic hardship. BAM 725 (January 2021) p. 1. Requests for hardship must be made from the overpayment establishment analyst to the Overpayment, Research and Verification Section office outlining the facts of the situation and client's financial hardship. *Id.* The manager of the MDHHS Overpayment, Research and Verification Section has final authorization on the determination for all compromised claims.² *Id.*

The evidence established that Petitioner received an OI of \$2,674 in FAP benefits from September 2024 through August 2025 due to agency-error. Thus, MDHHS established a recipient claim of \$2,674 against Petitioner due to agency error.

² MDHHS limits jurisdiction to determining hardships to its own agency. Thus, administrative hearing jurisdiction cannot be extended to consider whether Petitioner is eligible for a hardship. Petitioner is encouraged to pursue a hardship if needed.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly established against Petitioner a recipient claim of \$2,674 for FAP benefits over-issued from September 2024 through August 2025 due to agency-error. The actions taken by MDHHS are **AFFIRMED**.



**CHRISTIAN GARDOCKI
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.

