

## ISSUE

Did the Department properly determine that Petitioner received Food Assistance Program (FAP) benefits that he 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 July 1, 2020 to December 31, 2020, Petitioner received FAP benefits totaling \$990.00. (Exhibit A, pp. 16-19)
2. On **REDACTED**, 2020, Petitioner submitted an Assistance Application for FAP benefits for himself. No employment income was reported. (Exhibit A, pp. 63-68)
3. On January 27, 2020, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household size of one effective January 16, 2020. A budget summary was included showing no earned income was included in the FAP budget. The Notice reminded Respondent of the responsibility to report changes, including changes with income, within 10 days. A blank Change Report form was included. (Exhibit A, pp. 33-40)
4. Payroll records documented Petitioner's earnings from employment with **REDACTED REDACTED** from pay dates March 19, 2020 to December 29, 2020. (Exhibit A, pp. 41-62)
5. The Department determined that Petitioner was overissued FAP benefits from July 1, 2020 to December 31, 2020, in the amount of \$990.00, due to client error of failing to timely report earned income. (Exhibit A, pp. 19-31)
6. On January 9, 2026, the Department sent Petitioner a Notice of Overissuance instructing him that a \$990.00 overissuance of FAP benefits occurred from July 1, 2020 to December 31, 2020, due to client error of failing to timely report earned income, and the overissuance would be recouped. (Exhibit A, pp. 9-14)
7. On January 27, 2026, the Department received Petitioner's request for hearing protesting the recoupment of FAP benefits. (Exhibit A, pp. 3-4)
8. The Department subtracted expungement of \$3.36 for the December 2020 issuance from the overpayment. (Exhibit A, pp. 15-16)

## 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 (October 1, 2023) p. 7. Clients must also report changes in circumstance that potentially affect eligibility or benefit amount within 10 days. BAM 105, pp. 10-12.

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. 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 July 1, 2020 to December 31, 2020, in the amount of \$990.00, due to client error of failing to timely report earned income. (Exhibit A, pp. 19-31).

On **REDACTED**, 2020, Petitioner submitted an Assistance Application for FAP benefits for himself. No employment income was reported. (Exhibit A, pp. 63-68). On January 27, 2020, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household size of one effective January 16, 2020. A budget summary was included showing no earned income was included in the FAP budget. The Notice reminded Respondent of the responsibility to report changes, including changes with income, within 10 days. A blank Change Report form was included. (Exhibit A, pp. 33-40).

Payroll records documented Petitioner's earnings from employment with **REDACTED REDACTED** from pay dates March 19, 2020 to December 29, 2020. (Exhibit A, pp. 41-62). The Department asserts that Petitioner did not timely report the employment income.

Further, there was no New Hire match for the Department to act on. (Exhibit A, p. 1). Accordingly, on January 9, 2026, the Department sent Petitioner a Notice of Overissuance instructing him that a \$990.00 overissuance of FAP benefits occurred from July 1, 2020 to December 31, 2020, due to client error of failing to timely report earned income, and the overissuance would be recouped. (Exhibit A, pp. 9-14).

Petitioner asserted that he told the Department about the employment income. However, Petitioner had no idea when he reported the employment income to the Department. Petitioner noted that 2020 was a long time ago. Further, Petitioner's testimony also indicated he believed the Department would have known about employment income from data matches. (Petitioner Testimony).

Overall, the evidence supports the Department's determinations that Petitioner was overissued FAP benefits from July 1, 2020 to December 31, 2020, in the amount of \$990.00, due to client error of failing to timely report income from employment with **REDACTED**. Data match reports are not always available for all employment, and there can be delays with employment information being available even when employers participate with these systems. Further, Petitioner had an obligation to timely report the employment income. Petitioner's testimony that he reported the employment income, but he had no idea when, was not sufficient to establish that he complied with the reporting requirements. Therefore, the Department properly sought recoupment of the alleged \$990.00 client error overpayment of FAP benefits from Petitioner. The Department subtracted expungement of \$3.36 for the December 2020 issuance from the overpayment. (Exhibit A, pp. 15-16).

## **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 that Petitioner received FAP benefits that he was not eligible for and must be recouped.

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