

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 January 1, 2024 to September 30, 2024, Petitioner received FAP benefits totaling \$521.00. (Exhibit A, pp. 21-23)
2. From December 1, 2024 to October 31, 2025, Petitioner received FAP benefits totaling \$1,408.00. (Exhibit A, pp. 20-26)
3. On **REDACTED**, 2024, Petitioner submitted an Assistance Application for FAP benefits for himself. No employment income was reported. (Exhibit A, pp. 74-88)
4. On January 25, 2024, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household size of one effective January 18, 2024. 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. 89-96)
5. On November 5, 2025, a Notice of Case Action was issued to Petitioner closing the FAP benefit case effective December 1, 2025 based on not returning wage match forms. (Exhibit A, pp. 97-101)
6. Records from **REDACTED** document that Petitioner began working there September 25, 2019. (Exhibit A, p. 69)
7. A report from The Work Number documented Petitioner's earnings from employment with **REDACTED** from pay dates October 6, 2023 through December 26, 2025. (Exhibit A, pp. 70-73)
8. The Department determined that Petitioner was overissued FAP benefits from January 1, 2024 to September 30, 2024, in the amount of \$521.00, due to client error of failing to report income from employment with **REDACTED**. (Exhibit A, pp. 27-45)
9. The Department determined that Petitioner was overissued FAP benefits from December 1, 2024 to October 31, 2025, in the amount of \$1,408.00, due to agency error of failing to timely act on the Wage Match report run on July 21, 2024 for first quarter 2024 earnings. The Department allowed for the 45 day timeframe for Wage Match processing and reduced the agency error overpayment to the most recent 12 months. (Exhibit A, pp. 46-68)

10. On January 5, 2026, the Department sent Petitioner a Notice of Overissuance instructing him that a \$521.00 overissuance of FAP benefits occurred from January 1, 2024 to September 30, 2024, due to client error of failing to report earned income, and the overissuance would be recouped. (Exhibit A, pp. 9-14)
11. On January 5, 2026, the Department sent Petitioner a Notice of Overissuance instructing him that a \$1,408.00 overissuance of FAP benefits occurred from December 1, 2024 to October 31, 2025, due to agency error of failing to timely act on earnings discrepancies, and the overissuance would be recouped. (Exhibit A, pp. 15-20)
12. On January 20 2026, the Department received Petitioner's request for hearing protesting the recoupment of FAP benefits. (Exhibit A, pp. 3-6)

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 January 1, 2024 to September 30, 2024, in the amount of \$521.00, due to client error of failing to report income from employment with **REDACTED**. (Exhibit A, pp. 27-45). The Department determined that Petitioner was overissued FAP benefits from December 1, 2024 to October 31, 2025, in the amount of \$1,408.00, due to agency error of failing to timely act on the Wage Match report run on July 21, 2024 for first quarter 2024 earnings. The Department allowed for the 45 day timeframe for Wage Match processing and reduced the agency error overpayment to the most recent 12 months. (Exhibit A, pp. 46-68).

On **REDACTED**, 2024, Petitioner submitted an Assistance Application for FAP benefits for himself. No employment income was reported. (Exhibit A, pp. 74-88). On January 25, 2024, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household size of one effective January 18, 2024. 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. 89-96).

However, records from **REDACTED** document that Petitioner began working there September 25, 2019. (Exhibit A, p. 69). A report from The Work Number documented Petitioner's earnings from employment with **REDACTED** from pay dates October 6, 2023 through December 26, 2025. (Exhibit A, pp. 70-73).

Petitioner asserted he told the Department about the employment income and questioned why he was approved for benefits. (Petitioner Testimony). However, Petitioner failed to report this income on the **REDACTED**, 2024 Assistance Application. (Exhibit A, p. 79).

Petitioner explained that he never used the FAP benefits because he believed the approval was in error. (Petitioner Testimony). The OEA reviewed the FAP usage history and confirmed that there are no transactions from January 2024 to present. (OEA Testimony).

Overall, the evidence supports the Department's determinations that Petitioner was overissued FAP benefits from January 1, 2024 to September 30, 2024, in the amount of \$521.00, due to client error of failing to report income from employment with **REDACTED** when he applied for FAP benefits and that Petitioner was overissued FAP benefits from December 1, 2024 to October 31, 2025, in the amount of \$1,408.00, due to agency error of failing to timely act on the Wage Match report run on July 21, 2024 for first quarter 2024 earnings. Therefore, the Department properly sought recoupment from Petitioner of the alleged \$521.00 client error overpayment of FAP benefits and the alleged \$1,408.00 agency error overpayment of FAP benefits.

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**.