

ISSUE

Did the Department properly process Petitioner's request for replacement 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. Between June 2024 and September 2024, Petitioner submitted Food Replacement Affidavits to the Department for destroyed food and stolen FAP benefits due to Electronic Benefit Transfer (EBT) fraud. (Exhibit 1, pp. 1 – 2, 6 – 8, 10).
2. On November 18, 2024, Petitioner spoke to the Department. (Exhibit 1, pp. 9, 14).
3. On REDACTED 2025, the Department received an application for State Disability Assistance (SDA) from Petitioner. (Exhibit A, pp. 11 – 16).
4. On November 6, 2025, the Department sent Petitioner a Notice of Case Action (NOCA) that denied her SDA benefits due to excess assets. (Exhibit A, pp. 21 – 22).
5. On February 4, 2026, the Department received a request for hearing from Petitioner, disputing the denial of her application for SDA and the Department's failure to issue her replacement FAP benefits. (Exhibit A, pp. 4 – 8).
6. On February 17, 2026, the Department re-registered Petitioner's application for SDA with the original application date and requested additional documents from Petitioner.
7. On February 26, 2026, the Department received all required documents from Petitioner and her application for SDA was sent to the Department's Disability Determination Service (DDS) on February 27, 2026, for review.

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.

In this case, Petitioner requested a hearing to dispute the denial of her application for SDA and the Department's failure to issue her replacement FAP benefits related to two Food Replacement Affidavits she submitted to the Department between June and September 2024.

The Department testified that it initially denied Petitioner's application for SDA benefits due to excess assets but subsequently determined it denied her application in error. The Department further testified that it received all required documents from Petitioner and on February 27, 2026, it submitted Petitioner's application for SDA to its DDS for review. Petitioner requested to withdraw her request for hearing as to SDA and the Department had no objection. Thus, Petitioner's request for hearing regarding SDA was dismissed and the hearing proceeded regarding her request for replacement FAP benefits only.

When food purchased with FAP benefits has been destroyed in a domestic misfortune or disaster and reported timely, the Department may issue replacement FAP benefits to the client. BAM 502 (January 2024), p. 1. Clients must report such a loss to the Department within 10 days. BAM 502, p. 1. Once the client reports the loss, the Department must give or send the client a Food Replacement Affidavit and a VCL giving them 10 days to return the Affidavit. BAM 502, p. 1. The Department must approve or deny the replacement by sending a Client Notice within 10 days. BAM 502, p. 1.

The Economic Stability Administration (ESA), a division of the Department, issues supplemental policies and processes concerning or addressing issues related to the Food Assistance Program, among others, as needed. Until December 20, 2024, ESA Memo 2023-53 (ESA 2023-53) and its attached Process Guide (Process Guide) addressed the issue of Bridge Card Fraud as it related to FAP benefits and other programs. (October 2023, updated October 2024). Clients requesting replacement of stolen benefits were required to report the loss to the Department within 60 days of the occurrence and complete the required Food Replacement Affidavit within 10 days. ESA 2023-53, p. 1. Once the completed Affidavit was returned to the local office, the Department was required to review the form to ensure it was complete and send a request for FAP Bridge card fraud benefit replacement to the FAP Policy unit within five business days. ESA 2023-53, pp. 2 – 4. The Department's Central Office was required to inform the client in writing of the approval or denial of the client's request for replacement benefits. ESA 2023-53, p. 4; Process Guide, pp. 2 – 3.

Here, Petitioner's dispute regarding replacement FAP benefits was related to the Food Replacement Affidavits she submitted to the Department in 2024, in which she requested replacement benefits for destroyed food and stolen FAP benefits. There was no dispute that Petitioner requested replacement FAP benefits in 2024. However, the Department was unable to confirm that it processed Petitioner's Food Replacement Affidavits in accordance with policy, or that it issued any notices to Petitioner that approved or denied her requests for replacement FAP benefits. Therefore, the Department failed to meet its

initial burden that it acted in accordance with applicable policy regarding Petitioner's Food Replacement Affidavits.

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 processed Petitioner's Food Replacement Affidavits in accordance with Department policy in 2024.

Accordingly, Petitioner's request for hearing as to SDA is **DISMISSED** and the Department's decision as to FAP replacement benefits 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. Process Petitioner's two Food Replacement Affidavits submitted to the Department between June and September 2024, in accordance with applicable policy and ESA 2023-53;
2. If eligible, issue any replacement FAP benefits Petitioner is determined to be entitled to; and
3. Notify Petitioner of its decision in writing.