

## 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 September 30, 2025, Petitioner received FAP benefits totaling **\$REDACTED**. (Exhibit A, p. 14)
2. On **REDACTED**, 2024, Petitioner submitted an Assistance Application for FAP benefits for herself, husband, and two children. Self-employment income was reported for Petitioner and her husband for **REDACTED** of **\$REDACTED** per week in the past and **\$REDACTED** per week the last two to four months. (Exhibit A, pp. 32-46)
3. On December 13, 2024, an interview was completed with Petitioner. Self-employment income of around **\$REDACTED** per month was reported. (Exhibit A, pp. 47-53)
4. On December 30, 2024, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household size of four. A budget summary was included showing self-employment income of **\$REDACTED** was included in the FAP budget and no earned income was included. The Notice indicated Petitioner was a simplified reporter and was only required to report when household gross monthly income exceeded **\$REDACTED**. A change in income over this amount was to be reported by the 10<sup>th</sup> day of the following month. A Simplified Six Month Review was issued explaining that changes with income, such as employment, will be asked about during the six month review. (Exhibit A, pp. 54-61)
5. A new hire report run on January 20, 2025 indicated Petitioner had employment with **REDACTED**. (Exhibit A, pp. 79-89)
6. A Wage match shows that Petitioner had earnings from employment with **REDACTED** the first quarter of 2025 and with **REDACTED** starting the first quarter of 2025. (Exhibit A, p. 28)
7. On May 16, 2025, Petitioner submitted a Semi-Annual Contact Report and it was reported that the household's monthly income from employment had not changed by more than \$125.00 from **\$REDACTED**. (Exhibit A, pp. 62-64)
8. On May 16, 2025, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household size of four. A budget summary was included showing no

self-employment income of \$**REDACTED** was included in the FAP budget and no earned income was included. (Exhibit A, pp. 65-69)

9. On August 25, 2025, a New Hire Client Notice was issued to Petitioner requesting information regarding her employment with **REDACTED** with a due date of September 4, 2025. (Exhibit A, pp. 75-77)
10. On September 8, 2025, a Notice of Case Action was issued to Petitioner closing the FAP case due to failing to provide verifications. (Exhibit A, pp. 70-74)
11. On October 11, 2025, Petitioner returned the New Hire Client Notice and it was reported that **REDACTED** is a sister restaurant to **REDACTED**. Petitioner was hired into **REDACTED** for training and moved to **REDACTED** after. The form was filled out as **REDACTED** for the employer. (Exhibit A, pp. 75-78)
12. The Department determined that Petitioner was overissued FAP benefits from April 1, 2025 to September 30, 2025, in the amount of \$801.00, due to agency error of failing to timely act on the New Hire report. (Exhibit A, pp. 13 and 15-27)
13. On December 18, 2025, the Department sent Petitioner a Notice of Overissuance instructing her that a \$801.00 overissuance of FAP benefits occurred from April 1, 2025 to September 30, 2025, due to agency error regarding employment income, and the overissuance would be recouped. (Exhibit A, pp. 7-12)
14. On February 24, 2026, 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 (April 1, 2025) p. 7.

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 April 1, 2025 to September 30, 2025, in the amount of \$801.00, due to agency error of failing to timely act on a New Hire report. (Exhibit A, pp. 13 and 15-27).

On **REDACTED**, 2024, Petitioner submitted an Assistance Application for FAP benefits for herself, husband, and two children. Self-employment income was reported for Petitioner and her husband for **REDACTED** of **\$REDACTED** per week in the past and **\$REDACTED** per week the last two to four months. (Exhibit A, pp. 32-46). On December 13, 2024, an interview was completed with Petitioner. Self-employment income of around **\$REDACTED** per month was reported. (Exhibit A, pp. 47-53). On December 30, 2024, a Notice of Case Action was issued to Petitioner approving FAP benefits for a household size of four. A budget summary was included showing self-employment income of **\$REDACTED** was included in the FAP budget and no earned income was included. The Notice indicated Petitioner was a simplified reporter and was only required to report when household gross monthly income exceeded **\$REDACTED**. A change in income over this amount was to be reported by the 10<sup>th</sup> day of the following month. A Simplified Six Month Review was issued explaining that changes with income, such as employment, will be asked about during the six month review. (Exhibit A, pp. 54-61).

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budget summary was included showing no self-employment income of \$**REDACTED** was included in the FAP budget and no earned income was included. (Exhibit A, pp. 65-69.)

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The Department determined that Petitioner was overissued FAP benefits from April 1, 2025 to September 30, 2025, in the amount of \$801.00, due to agency error of failing to timely act on the New Hire report. (Exhibit A, pp. 13 and 15-27). On December 18, 2025, the Department sent Petitioner a Notice of Overissuance instructing her that a \$801.00 overissuance of FAP benefits occurred from April 1, 2025 to September 30, 2025, due to agency error regarding employment income, and the overissuance would be recouped. (Exhibit A, pp. 7-12).

Petitioner explained the circumstances the family has been going through over the past year. They were more than 90 days behind on everything when she applied for benefits and got a job. Petitioner no longer has the job at **REDACTED** because it was seasonal. The business did not even make enough money to pay for itself. Petitioner has only been able to go to food pantries and has not been able to go to the grocery store in six months. Petitioner just cannot afford to repay the overpayment of FAP benefits. Petitioner also has a special needs child. (Petitioner Testimony). However, this Administrative Law Judge must review the Department's determination under the existing policies and has no authority to make any exceptions. The policy does require the Department to pursue recoupment when a FAP group receives more benefits than it is entitled to receive.

Overall, the evidence supports the Department's determination that Petitioner was overissued FAP benefits from April 1, 2025 to September 30, 2025, in the amount of \$801.00, due to agency error of failing to timely act on the New Hire report. Therefore, the Department properly sought recoupment of the alleged \$801.00 agency error overpayment of FAP benefits from Petitioner.

### **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 she was not eligible for and must be recouped.

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