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STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

FINAL DECISION

OAL DKT. NO. HPW 12353-23 V.D.

AGENCY DKT. NO. C184358013 (MONMOUTH COUNTY DIV. OF SOC. SVCS)

Petitioner challenges the correctness of the Respondent Agency's claim for recovery of Supplemental Nutrition Assistance Program ("SNAP") benefits issued to Petitioner's household during various periods of 2017, 2018, 2019, and 2020. The Agency asserts that Petitioner's household received SNAP benefits to which it was not entitled, thereby resulting in an overissuance of benefits, which must be repaid. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law for a hearing. On April 10, 2024, and continuing on June 3, 2024, the Honorable Kim C. Belin, Administrative Law Judge ("ALJ,"), held the plenary hearing, took testimony, and admitted documents into evidence. The record was held upon until July 5, 2024, for receipt of post-hearing documents, and then closed. On July 19, 2024, the ALJ issued an Initial Decision, affirming, in part, and reversing, in part, the Agency's determination.

Exceptions to the Initial Decision were received from the Agency on July 29, 2024. Exceptions to the Initial Decision were received from Petitioner on July 30, 2024.

As Assistant Commissioner, Division of Family Development, Department of Human Services, I have considered the ALJ's Initial Decision, and following an independent review of the record, I hereby MODIFY the ALJ's Initial Decision, and MODIFY the Agency determination, based on the discussion below.

SNAP is designed to promote the general welfare and to safeguard the health and well-being of the population by raising the levels of nutrition among low-income households. See N.J.A.C. 10:87- 1.1(a). In the instance of an overpayment of benefits, the Agency must recoup the overissuance. See N.J.A.C. 10:87-11.20. One type of overpayment which is subject to recoupment is one which results from "a misunderstanding or unintended error on the part of the household" receiving benefits, called an "Inadvertent Household Error" ("IHE"). See N.J.A.C. 10:87-11.20(e)(2). Repayment of overissuances may be sought for up to six years following the time that the Agency becomes aware of the overpayment. See N.J.A.C. 10:87-11.20(f)(1)(i).

The ALJ in this matter issued a very thorough and comprehensive Initial Decision, outlining the procedural history, providing a detailed factual timeline, and rendering a well thought out analysis, applying law to fact. See Initial Decision at 2-16. Here, Petitioner's household received varying amounts of SNAP benefits, based upon the earned and unearned income information provided, over several years. See Initial Decision at 2-5; see also Exhibits R-4, R-10, R-11, R-12, R-13, R-21. Petitioner's SNAP benefits were ultimately terminated effective August 1, 2020, due to the household earnings exceeding the maximum allowable amount for SNAP eligibility. Id. at 5. Thereafter, in August, 2023, the Agency requested information regarding Petitioner's household income including copies of paystubs from August, 2017, to July, 2020, or alternatively tax returns from 2019 and 2020 for Petitioner's spouse ("E.D."), copies of paystubs from August, 2017 to July, 2020 for Petitioner, copies of 2019 and 2020 household tax returns, and any other proof of income from



August, 2017 to July, 2020. Id. at 5-6; see also Exhibit R-5. Petitioner responded, on August 28, 2023, but did not supply the paystubs requested. Id. at 5-6. The Agency determined that Petitioner had unreported income for October through December, 2019 as well as from January, 2020 through July, 2020 and informed Petitioner of the overpayments. Id. at 5-6, see also Exhibits R-6, R-17, R-18.

The Agency representative testified that Petitioner's income was underreported for January, 2017 through August, 2017, February, 2018, January, 2019, and November, 2019 through July, 2020, such that her income, in combination with E.D.'s Retirement Survivors and Disability Insurance ("RSDI") benefits, would have made the household ineligible for SNAP benefits. Id. at 7. At the time the initial claim was established by the Agency, the average amount of Petitioner's income was determined from the provided tax returns and annual salary, as the Agency had not been provided Petitioner's paystubs. Ibid. Following the April 2024 hearing, Petitioner supplied the Agency with paystubs and the Agency revised their overissuance calculations using Petitioner's actual income. Id. at 7-9; see also Exhibits R-23, R-24, R-25, R-26.

The ALJ ultimately concluded that the Agency had met its burden in establishing, by a preponderance of the credible evidence, that Petitioner's household received an overissuance of SNAP benefits to which it was not entitled. See Initial Decision at 2-16. Specifically, the ALJ found that, due to an IHE, Petitioner had failed to report earned income, as well as unearned income, which resulted in an overissuance of SNAP benefits to Petitioner's household. Id. at 2-16; see also N.J.A.C. 10:87-5.4(a)(1), -9.5. Regarding the January, 2017, through August, 2017 overissuance, the Agency asserted an overissuance of \$9,352. See Initial Decision at 11; see also Exhibits R-6, R-10. Following the June 3, 2024 hearing, Petitioner did submit payroll records, evidencing unreported gross income for the months of January, 2017 through August, 2017. See Initial Decision at 12-13; see also Exhibit R-11. In examining the income information provided by Petitioner, and including E.D.'s income and RSDI benefits, the ALJ determined that, during that time period, the household was only eligible for SNAP benefits during May, 2017 and August, 2017, thus finding the Agency had met their burden, by a preponderance of the evidence, that Petitioner's household income exceeded the SNAP income limits for January, 2017 through April, 2017, and June through July, 2017. See Initial Decision at 13-14. I agree, however, based upon the discussion below of the Agency's Exceptions, the household was only eligible for SNAP benefits during May, 2017, and June, 2017, and I therefore modify the ALJ's decision to reflect eligibility for June, 2017 rather than August, 2017.

Regarding the November, 2019 to July, 2020 overissuance, the Agency asserted an overissuance of \$7,198. See Initial Decision at 15. Petitioner submitted her SNAP recertification application on June 30, 2019, although the Agency did not date stamp the application as received until July 6, 2020. Id. at 15; see also Exhibit R-14. The recertification application shows an increase in E.D.'s RSDI benefits; as well as receipt of Unemployment Insurance Benefits ("UIB"), which was not used in the overissuance calculation. Ibid. The recertification further showed receipt by Petitioner of disability insurance benefits for October and November, 2019. Ibid. Petitioner did not report any income from November, 2019 through July, 2020, although the payroll records received following the June 3, 2024 hearing confirm receipt of income during November, 2019, December, 2019, January, 2020, June, 2020, July, 2020, and December 2020. Ibid. In considering the payroll records, and including E.D.'s RSDI income, the Agency confirmed overissuances during November, 2019, December, 2019, and January, 2020. Ibid. The payroll records further revealed Petitioner's gross salary exceeded the income limits for SNAP benefits, even without the addition of E.D.'s RSDI benefits. Ibid. Based upon the evidence presented at, and following, the hearings, the ALJ found that the Agency met its burden by a preponderance of the evidence that Petitioner underreported her gross income resulting in the receipt of SNAP benefits from November, 2019 through July, 2020 for which Petitioner was ineligible. Id. at 16. I agree.

The ALJ concluded, following such analysis, that Petitioner's household had received an overissuance of SNAP benefits to which it was not entitled, which must be repaid, and affirmed the Agency's demand for repayment. Id. at 13-17. I agree. The ALJ further concluded that the Agency must recalculate the overpayment for the January 2017 through August 2017 claim, removing May 2017 and August 2017 from ineligibility. Id. at 17.

The overissuance originally sought by the Agency was in the total amount of \$18,832 representing January, 2017 to August, 2017, February, 2018, January, 2019, and October, 2019 through July, 2020. Id. at 10. Following additional review, and a portion of the hearing, the Agency rescinded and reduced certain claims, resulting in a revised total overissuance amount of \$16,657. Id. at 10.

I have reviewed the Exceptions filed by the Agency in this matter, and determined that, as ordered by the ALJ, the Agency conducted a review of the months of January, 2017 to August, 2017, with all available documentation as of July 22, 2024, and adjusted the overissuance balance accordingly. The Agency is without prejudice to perform further recalculations as to the total overissuance balance, should same be warranted by the submission of any additional documentation.

By way of comment, I have reviewed Petitioner's Exceptions, and I find that the arguments therein do not alter my decision in this matter.



I ORDER and direct that the Agency proceed to recoup the overissuance.

Accordingly, the Initial Decision in this matter is hereby MODIFIED and the Agency's determination is MODIFIED, as outlined above.

Officially approved final version. March 20, 2025

Natasha Johnson
Assistant Commissioner

