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STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

FINAL DECISION

OAL DKT. NO. HPW **01750-25 J.N.**

AGENCY DKT. NO. **C229302020 (UNION COUNTY DIVISION OF SOC. SVCS.)**

Petitioner challenges the Respondent Agency's claim for recovery of Work First New Jersey/Temporary Assistance for Needy Families ("WFNJ/TANF"), and Supplemental Nutrition Assistance Program ("SNAP"), benefits. The Agency asserts that Petitioner failed to accurately report her earned income, thereby causing Petitioner to receive overissuances of benefits to which she was not entitled, and further, that Petitioner has previously executed waivers for a right to a fair hearing and entered into repayment agreements with the Agency. Because Petitioner requested a fair hearing, the matter was transmitted to the Office of Administrative Law ("OAL"). On May 2, 2025, the Honorable Andrew M. Baron, Administrative Law Judge ("ALJ"), held the plenary hearing, took testimony, and admitted documents into evidence. On July 29, 2026, the ALJ issued an Initial Decision affirming the overissuances, opining that the transmitted issues were moot as Petitioner had waived her right to a fair hearing and entered into payment arrangements with the Agency, but also that the Agency and/or this office should exercise its legal authority to compromise the amount of the claim.

Exceptions to the Initial Decision were filed by the Agency on August 5, 2026.

As Assistant Commissioner, Division of Family Development ("DFD"), 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 AFFIRM the Agency's determinations, 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.

In accordance with N.J.A.C. 10:87-9.5(a), SNAP households must report changes which occur within the certification period and affect a household's eligibility or benefit allotment amount within 10 days the change is known to the household. Similarly, new employment is to be reported within 10 days of the date of the household member's first pay. See N.J.A.C. 10:87-9.5(b).

In the instance of an overpayment of SNAP benefits, the Agency must recoup the overissuance. See N.J.A.C. 10:87-11.20. An Intentional Program Violation ("IPV") of SNAP occurs where the person intentionally "made a false or misleading statement, or misrepresented, concealed or withheld facts." See N.J.A.C. 10:87-11.3 and 7 C.F.R. 273.16(c). Repayment of overissuances may be sought for amounts going back six years prior to the time that the Agency becomes aware of the overpayment. See N.J.A.C. 10:87-11.20(f)(1)(i).



Individuals found to have committed an IPV under SNAP, are subject to a mandatory regulatory penalty of a 12-month disqualification from receipt of SNAP benefits for the first violation. See N.J.A.C. 10:87-11.2(a)(1) and 7 C.F.R. 273.16(b)(1)(i).

Similarly, under the WFNJ regulations, a recipient is required to satisfy any repayment obligation pursuant to state or Federal law governing public assistance. See N.J.A.C. 10:90-2.2(a)(7). An overpayment of WFNJ benefits, including Emergency Assistance benefits, is subject to recoupment, "regardless of fault, including overpayments caused by administrative action or inaction[.]" See N.J.A.C. 10:90-3.21(a)(1).

Pursuant to N.J.A.C. 10:90-3.11(e), "WFNJ assistance units shall be required to report any change in unearned income and circumstances that could affect eligibility and the benefit amount as soon as possible to the county or municipal agency, but in no event later than 10 calendar days of the date the change happened or in the case of new earnings no later than 10 days from the date of receipt of the first paycheck."

An IPV of the WFNJ program is any statement or act by an individual for the purpose of establishing or maintaining the assistance unit's eligibility for WFNJ assistance, for increasing or preventing a reduction in the WFNJ assistance, which is intentionally: a false or misleading statement or misrepresentation, concealment, or withholding of facts; or an act intended to mislead, misrepresent, conceal, withhold facts, or to propound a falsity. See N.J.A.C. 10:90-11.1(a).

Individuals found to have committed an IPV [of the WFNJ program] shall be ineligible to participate in the program for a period of six months for the first violation. See N.J.A.C. 10:90-11.11(a)(1).

Here, the record reflects that Petitioner applied for WFNJ/TANF and SNAP benefits in April 2023, at which time she did not provide any employer or earned income information. See Initial Decision at 2-3. Subsequently, the Agency determined that Petitioner had been overissued WFNJ/TANF benefits in the amount of \$8,844, and SNAP benefits in the amount of \$10,067, (which, due to a typographical error is stated as \$10,667 within the Initial Decision) due to her failure to report earned income. See Initial Decision at 2; see also Exhibit R-1. On December 13 and 16, 2024, Petitioner signed Waivers of Right to Administrative Disqualification Hearing for both the SNAP and WFNJ/TANF matters, and, without admission of any facts, agreed to the applicable mandatory periods of disqualification from SNAP (12-months) and WFNJ/TANF (six-months) benefits. See Exhibit R-1. On January 14, 2025, Petitioner signed Agreements to Repay both the overissued WFNJ/TANF and SNAP benefits. See Initial Decision at 3; see also Exhibit R-1.

The ALJ concluded that the overpayments should stand. See Initial Decision at 3-4. I agree. The ALJ further opines that the hearing is moot because Petitioner has already signed repayment agreements and waived her rights to a fair hearing. I further agree. In addition, however, the ALJ opines that the Agency should have compromised the amount due and owing. Ibid. Pursuant to regulatory authority, only the Agency may compromise a claim, or any portion of a claim, if it can reasonably determine that the household's economic circumstances dictate that the claim will not be paid in three years. See N.J.A.C. 10:87-11.20(m); see also 7 C.F.R. 273.18(e)(7). Additionally, the Agency may compromise a portion of a claim, but only if the individual meets the financial criteria, namely, if the current household monthly gross income is less than 200 percent of the Federal Poverty Level. See DFD Claims Management Plan, p. 14 (revised October, 2025). Similarly, regulatory authority allows the Agency "with the consent and approval of DFD to compromise and settle any claim for repayment of WFNJ benefits Primary consideration shall be given to whether or not release of additional funds will promote the goal of self-sufficiency, if this consideration is appropriate under the circumstances." Further, New Jersey does not allow for IPV claims to be compromised, only claims established as an Agency Error or Inadvertent Household Error. See DFD Claims Management Plan, p. 14 (revised August, 2025), 7 C.F.R. 273.18(e)(7); see also N.J.A.C. 10:90-3.21(a)(11)(ii) (stating that recovery of overpayments due to an IPV shall not be waived regardless of the amount of overpayment).

As noted above, Petitioner executed a Waiver of Right to Administrative Disqualification Hearing on December 13, 2024, and accepted a disqualification from the SNAP program for a period of 12 months due to an alleged IPV. See Exhibit R-1. Of note, the waiver of a right to an Administrative Disqualification Hearing establishes the related SNAP claim as an IPV claim, regardless of whether the individual admits to the underlying facts. See 7 C.F.R. 273.18(b)(1), N.J.A.C. 10:87-11.20(e)(1). Petitioner also executed a Waiver of Right to Administrative Disqualification Hearing on December 16, 2024, and accepted a disqualification from the WFNJ program for a period of six months due to an alleged IPV. Ibid. Then, on January 14, 2025, Petitioner executed an Agreement to Repay Overissued WFNJ Benefits, based upon a payment plan of \$50.00 per month and an Agreement to Repay Overissued SNAP Benefits, based upon a payment plan of \$50.00 per month. Ibid. Based upon Petitioner signing the agreements, and waiving her right to Administrative Disqualification Hearings, the current repayment amounts shall stand and not be considered for compromise. Further, while the decision to compromise a claim arising from an Agency Error or an Inadvertent Household Error is discretionary, not mandatory, and lies solely with the Agency, the claims in this matter arise from IPV's, and as such, may not be



compromised. See DFD Claims Management Plan, p. 14 (revised August, 2025), 7 C.F.R. 273.18(e)(7); see also N.J.A.C. 10:90-3.21(a)(11)(ii) The Initial Decision is modified to reflect these findings.

Based on the foregoing, I ORDER and direct the Agency to continue to recoup the overissuances.

By way of comment, in accordance with applicable regulatory authority, in cases involving SNAP benefits, a fair hearing, Initial Decision, and Final Decision are all to be completed within 60 days from the receipt of an individual's request for a fair hearing. See 7 C.F.R. § 273.15(c)(1). With this time frame in mind, it should also be noted that Initial Decisions in SNAP cases are to be issued within 14 days from the date of the hearing before the ALJ. See N.J.A.C. 1:10-18.1(b).

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

Officially approved final version. August 27, 2026

Natasha Johnson
Assistant Commissioner

