



State of New Jersey

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The following Decision is distributed for your information. This Decision has been made in consideration of the specific facts of this case. This Decision is not to be interpreted as establishing any new mandatory policy or procedure otherwise officially promulgated.

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

FINAL DECISION

OAL DKT. NO. HPW **20398-25 M.C.**

AGENCY DKT. NO. **C273505020 (UNION COUNTY DIVISION OF SOC. SVCS.)**

Petitioner challenges the correctness of the Respondent Agency's notice to repay Supplemental Nutrition Assistance Program ("SNAP") benefits that were allegedly overpaid to Petitioner. The Agency maintains that Petitioner received SNAP benefits to which she was not entitled, as a result of her failure to accurately report her residence. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law ("OAL") for a hearing. On January 16, 2026, the Honorable Andrew M. Baron, Administrative Law Judge ("ALJ,") held a telephonic plenary hearing, took testimony, and admitted documents into evidence. On July 30, 2026, the ALJ issued an Initial Decision, affirming the Agency's determination, in part, and reversing the Agency's determination, in part.

No Exceptions to the Initial Decision were filed.

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, MODIFY the Agency's determination, and REMAND to the Agency, based on the discussion below.

In the instance of an overpayment of [SNAP] 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 resulting from a misunderstanding or unintended error on the part of the household, 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).

Here, the record reflects that Petitioner received SNAP benefits from January, 2023, through April, 2025. See Initial Decision at 2; see also Exhibit R-1. Throughout the time Petitioner received SNAP benefits, the majority of benefits were spent at retail locations within Maryland, where she was living with a family member, rather than in Union County where she maintained a New Jersey address. Ibid. Following an Agency review of the matter, the Agency notified Petitioner that she had received SNAP benefits to which she was not entitled from June, 2023, to April, 2023, and from October, 2023 through April, 2025, which resulted in an IHE and an overpayment of \$6,840.70 in SNAP benefits. See Initial Decision at 2-3; see also Exhibit R-1.

Based on the testimonial and documentary evidence presented, the ALJ found that Petitioner received SNAP benefits from Union County, while residing out of state in Maryland. See Initial Decision at 3. Thus, the ALJ concluded that the Agency had met its burden, by a preponderance of the evidence, that Petitioner was not a resident of Union County from January, 2023, through April, 2023, and from October, 2023 through April, 2025, and therefore was ineligible for SNAP



benefits. See Initial Decision at 3; see also N.J.A.C. 10:87-3.2(a). Accordingly, the ALJ found that the Agency had met its burden in establishing, by a preponderance of the credible evidence, that Petitioner had received an overissuance of SNAP benefits to which she was not entitled, and concluded that Petitioner did commit an IHE, due to her residency, and that the determination that Petitioner repay overissued SNAP benefit should be upheld. See Initial Decision at 3; see also N.J.A.C. 10:87-3.2(a). I agree.

Further, the ALJ concluded that the Agency has the discretion to compromise, terminate, or write-off claims, specifically when a household's economic conditions dictate that the claim will not be paid within three years. See Initial Decision at 3-4; see also N.J.A.C. 10:87-11.20(m), 7 C.F.R. 273.18(e)(7). Based upon this, the ALJ ordered the Agency to consider compromising the claim at issue in this matter. See Initial Decision at 3-4.

Pursuant to regulatory authority, only the Agency has the discretion to compromise a claim, or any portion of a claim, if it can reasonably determine that household's economic circumstances dictate that the claim will not be paid in three years, and further, there is no requirement that an Agency offer a compromise. 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 August, 2025).

Accordingly, I am remanding this matter back to the Agency with the following instructions. The Agency shall consider whether Petitioner's claim is eligible for a compromise. Thereafter, the Agency shall provide a Notice Regarding Eligibility for Compromise of SNAP Claim (NJ SNAP-909) form to Petitioner. In determining Petitioner's eligibility for a claim compromise, the Agency shall refer to all applicable regulatory authority, and the DFD Claims Management Plan. Upon the Agency's request, Petitioner shall promptly provide to the Agency, all current household financial information, including, but not limited to, the household's current monthly gross income. The Initial Decision and the Agency determination are both modified to reflect these findings.

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

Officially approved final version. August 27, 2026

Natasha Johnson
Assistant Commissioner

