

**BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON REFERRAL  
BY THE COMMISSIONER OF HEALTH AND SOCIAL SERVICES**

In the Matter of )  
 )  
K S ) OAH No. 18-0970-SNA  
 ) Agency No. 05354502  
\_\_\_\_\_ )

**DECISION**

**I. Introduction**

K S began receiving Food Stamp benefits in April of 2017.<sup>1</sup> The Division of Public Assistance (Division) subsequently determined that Ms. S received Food Stamp benefits that she was not entitled to receive. The Division notified Ms. S that she was required to repay the Food Stamp benefits overpaid to her, which totaled \$894. Ms. S requested a hearing.

Ms. S did not appear at the hearing, originally scheduled for October 16, 2018. She requested a new hearing date, stating that she had not received written notice of the hearing. The rescheduled hearing took place on November 16, 2018. Ms. S appeared in person and represented herself. Michelle Cranford represented the Division, appearing telephonically.

The Division showed that Ms. S had received \$894 in Food Stamp benefits that she should not have received from October of 2017 through March of 2018 because her income exceeded the income limit for her household size. Although this was an inadvertent household error, federal law requires the Division to seek recoupment.

**II. Facts**

*A. Background*

K S submitted a Food Stamp application to the Division on January 30, 2017.<sup>2</sup> At the time she submitted that application, her only income was \$541.80 a month from unemployment.<sup>3</sup> She also signed an agreement with Residential Center A, allowing Residential Center A to be her authorized representative to obtain and utilize her Food Stamps.<sup>4</sup>

The Division notified Ms. S that she was approved to receive \$154 in Food Stamp benefits beginning in April of 2017. The notice of approval also advised Ms. S that if her household's monthly

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<sup>1</sup> The Supplemental Nutrition Assistance Program (SNAP) is commonly referred to as the Food Stamp program.

<sup>2</sup> Ex. 2.4.

<sup>3</sup> Ex. 2.17.

<sup>4</sup> Ex. 2.1. At the time she submitted her Food Stamp application, Ms. S was living at Residential Center A.

income exceeded \$1,608 a month, she would need to report this to the Division within 10 days after she learned of that change.<sup>5</sup>

Ms. S submitted a renewal application for Food Stamp benefits on January 5, 2018.<sup>6</sup> In that renewal application, Ms. S disclosed that she was employed by Employer A.<sup>7</sup> On her Eligibility Review Form, submitted to the Division on March 13, 2018, Ms. S stated she was working 40 hours a week in her job at Employer A and was receiving \$11.25 an hour.<sup>8</sup> Based on the information Ms. S had provided, the Division calculated that Ms. S was earning \$1,935 a month. The Division noted that Ms. S was over the income limit for her household to receive Food Stamps and that there may have been possible overpayments of Food Stamp Benefits.<sup>9</sup>

The Division informed Ms. S that her March 13, 2018 Food Stamp application was being held until she provided proof of her income from Employer A.<sup>10</sup> On May 15, 2018, a Division representative contacted Employer A to ascertain the gross pay that Ms. S had received since she started working there

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After reviewing the information received from Employer A, the Division determined that Ms. S had been over the income limit for Food Stamps for her household since August 25, 2017.<sup>12</sup> The Division noted that Ms. S should have reported this income change within 10 days, but did not do so. This meant that beginning in October of 2017 through March of 2018, Ms. S had received Food Stamp benefits in the amount of \$149 a month that she was not entitled to receive. In the aggregate, she was overpaid \$894 in Food Stamp benefits.<sup>13</sup> On May 21, 2018, the Division then sent Ms. S a notice denying her Food Stamp recertification application because Ms. S's income had exceeded the limit for the Food Stamp program.<sup>14</sup>

#### *B. The Division Seeks Recoupment*

The Division notified Ms. S on July 18, 2018 that she had received \$894 in Food Stamp benefits that she was not entitled to receive. This overpayment was due to "inadvertent household error," according to the notice. The Division then asked Ms. S to repay the overpaid

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<sup>5</sup> Ex. 2.18.

<sup>6</sup> Ex. 5.

<sup>7</sup> Ex. 4.5.

<sup>8</sup> Ex. 5.2.

<sup>9</sup> Ex. 6.

<sup>10</sup> Ex. 6.1.

<sup>11</sup> Ex. 8.

<sup>12</sup> Ex. 8.2.

<sup>13</sup> Ex. 9.

<sup>14</sup> Ex. 10.

benefits and advised her of her right to request a hearing if she disagreed with the Division’s decision on repayment.<sup>15</sup> Ms. S request a hearing, noting in her request that “[r]epayment of snap benefits is incorrect and I have supporting documents.”<sup>16</sup> The Division was unable to reach Ms. S to schedule a pre-hearing conference, so the case proceeded to a hearing.<sup>17</sup>

At the hearing, Ms. S produced no documents in support of her case. She testified that she thought her Food Stamp benefits had ended. She also explained that Clitheroe Center – Residential had her Food Stamps card pursuant to the authorization she had given to them and she had not been using the card herself. The Division’s representative noted that the Food Stamp benefits had been issued and purchases were made on her Food Stamps card during the relevant time period, regardless of whether she had personally used her Food Stamps card.

### **III. Discussion**

The issue in this case is whether Ms. S is required to repay the \$894 in Food Stamp benefits issued to her in error. No relevant facts are in dispute.<sup>18</sup> The Division acknowledges that the overpayment was due to an inadvertent household error, resulting from Ms. S’s failure to notify the Division within 10 days after she began working at Employer A.<sup>19</sup> Although Ms. S may not have used her Food Stamps card during the time period at issue in this case, Residential Center A would have been receiving and using the Food Stamps under the terms of its authorization agreement with Ms. S.<sup>20</sup>

The Food Stamp program is a federal program administered by the State. As a result, Food Stamp benefits are governed by federal law, which explicitly addresses situations like this one. When an overpayment occurs, even if it was due to an inadvertent household error, federal law requires the Division to recoup the overpayment.<sup>21</sup>

### **IV. Conclusion**

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<sup>15</sup> Ex. 11.

<sup>16</sup> Ex. 12.

<sup>17</sup> Ex. 13, Ex. 14.

<sup>18</sup> Although Ms. S expressed consternation that somebody had been using her Food Stamps card, she had signed an authorization form allowing Residential Center A to utilize her Food Stamps. *See* Ex. 2.1.

<sup>19</sup> Presentation of Ms. Cranford.

<sup>20</sup> Ex. 2.1.

<sup>21</sup> Ex. 21 (stating that if benefits are overpaid, this is a federal debt which the State agency must collect from a person who was an adult member of the household when the overpayment occurs). However, the Division may compromise (write-off or forgive) all or a portion of the overpaid benefits. *See* Ex. 21.5. However, the Division can only compromise a claim if it can be “reasonably determined that a household’s economic circumstances dictate that the claim will not be paid in three years.” *Id.*

The Division showed that Ms. S was overpaid Food Stamp benefits totaling \$894 from October 2017 through March 2018. Under applicable federal law, Ms. S is required to pay those benefits to the Division. The Division's decision requiring overpayment in the amount of \$894 is affirmed.

Dated: December 13, 2018

By: Signed  
Name: Kathleen A. Frederick  
Title: Administrative Law Judge

[This document has been modified to conform to the technical standards for publication. Names may have been changed to protect privacy.]

## Adoption

The undersigned, by delegation from the Commissioner of Health and Social Services, adopts this Decision, under the authority of AS 44.64.060(e)(1), as the final administrative determination in this matter.

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after the date of this decision.

DATED this 19<sup>th</sup> day of December, 2018.

By: Signed  
Name: Andrew M. Lebo  
Title: Administrative Law Judge

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