

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

In the Matter of:)
)
 B.U.) OAH No. 18-0456-SNA
) Agency No. 05303893
_____)

DECISION

I. Introduction

B.U. received food stamp benefits from the Division of Public Assistance for his household. The household submitted a required recertification application, and the application was approved. Subsequently, the division found that the recertification application did not list all of the vehicles registered in the name of various members of B.U.'s household. The division requested additional information about the household's vehicles. The household provided some additional information, but not everything the division had requested. The division discontinued the household's food stamp benefits. The U Family requested a fair hearing.

Because The U Family did not disclose all the vehicles owned by the household in response to the division's request, the division's decision to close the household's food stamp case is affirmed. However, nothing in this decision prevents The U Family from filing a new application for food stamp benefits.

II. Facts

B.U. and his wife J.U. live in City A with seven of their children, three of whom are adults. The household was receiving assistance from the food stamp program. The program periodically reviews participants' eligibility. On February 6, 2018, The U Family completed an eligibility review form.¹ The form asked for a list of all vehicles owned or being purchased by anyone in the household. The U Family listed one vehicle. On March 13, 2018, an eligibility technician interviewed J.U. At the interview, J.U. reported that the family had two vehicles a 1998 and a 2003, and that one of the vehicles was for parts. The eligibility technician approved the continuation of food stamp benefits for the household.²

On March 15, 2018, the eligibility technician received information showing that that household had several vehicles registered in various family member's names, however, none

¹ Exhibit 2.1.

² Exhibit 2.

of these vehicles was a make that was mentioned.³ On March 16, 2018, the division sent The U Family a notice that it needed more information about the household's food stamp application. The notice asked for "a full list of all vehicles owned by your household and their disposition of value and usage. Even if a vehicle is disabled, it is still a countable resource if it is registered to your household."⁴ In response, J.U. submitted a note to the division explaining that she made a mistake at the interview and that the family had only one vehicle, the 2003, and a 2003 truck.⁵

On April 10, 2018, the division sent The U Family another notice, this one saying the family's February 6, 2018 application for food stamps was denied for failure to provide the requested information, noting that J.U. had reported only two vehicles, while the division's records showed 16 vehicles registered to household members.⁶ On April 13, 2018, The U Family requested a fair hearing. With the fair hearing request, J.U. submitted another note about the family vehicles, this time stating that she and B.U. had only two cars in their names.⁷

After the fair hearing request but before the hearing, the division reviewed the denial notice. On May 11, 2018, the division sent a corrected notice replacing the denial notice. Instead of denying the application, the corrected notice closed The U Family food stamp case based on the household's failure to provide complete information about the household's vehicles. The division also issued two more months of benefits, for April 2018 and May 2018, to The U Family.⁸

A telephonic hearing was convened on May 14, 2018 and continued on May 24, 2018. B.U.'s wife J.U. presented the household's case. B.U. and J.U. both testified. Fair Hearing Representative Sally Dial represented the division.

III. Discussion

The food stamp program is a federally funded program administered by the state. Federal regulations govern administration of the program. The federal regulations set limits

³ Exhibit 3.

⁴ Exhibit 4.

⁵ Exhibit 5.

⁶ Exhibit 6.

⁷ Exhibit 7.3.

⁸ Exhibit 12. At the hearing, the division noted that separate appeal rights apply to the corrected notice.

on the financial resources a household may have in order to qualify for the food stamp program.

The relevant federal regulation specifically defines “resources” to include vehicles, both licensed and unlicensed.⁹ This regulation permits the division to exclude certain vehicles in determining a household’s total resources for purposes of determining eligibility, including licensed vehicles if “[t]he value of the vehicle is inaccessible . . . because its sale would produce an estimated return of not more than \$1,500.”¹⁰ This rule is echoed in the division’s policy manual for the food stamp program, which provides that a vehicle is exempt when its equity value is \$1,500 or less.¹¹

In order for the division to determine whether a vehicle’s value is \$1,500 or less, the division first has to know the vehicle exists. In this case, The U Family’ application was approved based on their report that they had two vehicles. The division subsequently received information from a different source indicating that The U Family had 16 vehicles. Where the division receives unclear information about a household’s circumstances that might affect the household’s continuing eligibility to participate in the food stamp program, the division has to pursue verification and clarification of that information.¹²

Under the federal regulations, if an agency receives information conflicting with the information a household provides at the time of certification, the agency must issue a written request for contact that advises the household of the actions it must take and the consequences of failure to respond.¹³ The division notified The U Family of the conflicting information it had received about the household’s vehicles. It asked them to “provide a full list of all vehicles owned by your household and their disposition of value and usage. Even if a vehicle is disabled, it is still a countable resource if it is registered to your household.” The notice went on to inform The U Family that if they did not provide the information, they would not get food stamps after March 2018.¹⁴

⁹ 7 C.F.R. § 273.8(c)(2).

¹⁰ 7 C.F.R. § 273.8(e)(3)(i)(G). This portion of the regulation includes a cross-reference to 7 C.F.R. § 273.8(e)(18), which permits the division to require verification of the value of a vehicle to be excluded for the resource calculation if the information provided by the household is questionable.

¹¹ Exhibit 11.4 (Alaska SNAP Manual at 602-2 C.2). *See also* Alaska SNAP Manual at 602-2 B.27.

¹² 7 C.F.R. § 273.12(c)(3).

¹³ 7 C.F.R. § 273.12(c)(3)(i).

¹⁴ Exhibit 4.

J.U. responded to the division's notice on March 23, 2018, with the note explaining that the family had only one vehicle, and the family's other car was a 2003 pickup with a transmission problem that rendered it inoperable.¹⁵ This response did not adequately address the division's request for additional information, because it did not provide a full list of vehicles owned, the value of the vehicles, and the usage of the vehicles. The agency then stopped paying the household's food stamp benefits.¹⁶ At the hearing, the division noted that the April 10, 2018 notice failed to adequately inform The U Family of the adverse action taken by the division, because it did not specify the date the food stamp benefits would end. However, to remedy this, the division issued the corrected notice on May 11, 2018, along with benefits for April and May 2018.¹⁷

At the hearing, J.U. argued that she had responded to the division's request for information multiple times. She admitted that her son had an additional vehicle, an inoperable Ford that a neighbor had given them rather than taking the car to the junkyard. He hopes to repair the car and return it to drivable condition. She emphasized although there might be other vehicles in various family members' names, these vehicles were not drivable. However, the division's request had specifically asked the household to include disabled vehicles.

The division's decision in this case was not based on a finding about the value of the household's resources, rather, the division closed The U Family's case for failure to provide requested information. J.U. did not demonstrate that the household had provided the information that the division had requested -- a full list of the household's vehicles, regardless of condition, specifying value and usage.

Where a household responds to a request for information but does not provide sufficient information to clarify its circumstances, the division may terminate the household's food stamp benefits, and require the household to submit a new application in order to continue participating in the program.¹⁸

The division received conflicting information about the Tatarenko household's resources. It notified the household that it needed further information, and that failure to provide the information would result in the loss of food stamp benefits. The household

¹⁵ Exhibit 5.

¹⁶ Exhibit 6.

¹⁷ Exhibit 12. The division also noted that separate appeal rights apply to the May 11, 2018 notice.

¹⁸ 7 C.F.R. § 273.12(c)(3)(i)(B)(1).

failed to provide the information. Without it, the division did not have clear information with which to evaluate the household's continuing eligibility for the food stamp program. Therefore, the division's decision to terminate The U Family's food stamp benefits based on failure to provide the requested information should be affirmed.

IV. Conclusion

The division's April 10, 2018 decision to terminate the U Family household's food stamp benefits due to the household's failure to provide a complete list of vehicles owned is upheld.

Dated: June 1, 2018.

Signed _____
Kathryn L. Kurtz
Administrative Law Judge

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 20th day of June, 2018.

By: *Signed* _____
Name: Erine Shime
Title/Agency: DHSS

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