STATE OF CONNECTICUT DEPARTMENT OF SOCIAL SERVICES OFFICE OF LEGAL COUNSEL, REGULATIONS, AND ADMINISTRATIVE HEARINGS 55 FARMINGTON AVENUE HARTFORD, CT 06105-3725

2021 Signature Confirmation

Request #178319	
Client ID #	
Case ID #	

ADMINISTRATIVE DISQUALIFICATION HEARING NOTICE OF DECISION

PARTY



The Department of Social Services (the "Department" or "DSS") requested an Administrative Disqualification Hearing ("ADH") to determine whether **Mathematical Services** (the "Defendant") committed an Intentional Program Violation ("IPV") in the Supplemental Nutritional Assistance Program ("SNAP") by failing to report income in order to qualify for benefits. The Department proposed to disqualify the Defendant from SNAP participation for a period of one year. The Department also asserted a claim to recover \$970.00 in SNAP benefits alleged to have been overpaid to the Defendant as a direct result of his commission of an IPV. The Defendant has not committed any prior IPV offenses in the SNAP program.

On 2021, the Department requested that an ADH be scheduled for the Defendant.

On 2021, the Office of Legal Counsel, Regulations, and Administrative Hearings ("OLCRAH") scheduled the ADH for 2021. Notice was sent to the Defendant via certified mail of the initiation of the ADH process. The mailing contained Information outlining a defendant's rights in these proceedings and included the publication, *List of Legal Services in Connecticut*. The U.S. Postal Service confirmed the certified mail was delivered on 2021.

On 2021, in accordance with sections 17b-60, 17-61 and 4-176e to 4-189, inclusive, of the Connecticut General Statutes, OLCRAH held an Administrative Disqualification Hearing.

The following individuals were present at the hearing:

Garfield White, Fair Hearing Liaison George Jones, Lead Investigator for the Department James Hinckley, Hearing Officer

The hearing record was held open 7 days to provide the Defendant time to present additional evidence. No additional information was received and on 2021, the hearing record closed.

STATEMENT OF THE ISSUES

- 1. The first issue is whether the Defendant is subject to a SNAP disqualification penalty for committing an IPV in the SNAP program.
- 2. The second issue is whether the Department has a claim to recover \$970.00 in SNAP benefits overpaid to the Defendant as a result of his commission of an IPV.

FINDINGS OF FACT

- On 2019, the Department sent the Defendant a notice of action ("NOA") granting his application for SNAP benefits for a household of one person effective 2019. (Ex. 3: NOA)
- The certified period of eligibility for the Defendant's SNAP household was from 2019 to 2020. (Ex. 3)
- 3. At the time his SNAP benefits were granted the Defendant was working for the company **sector** but had no hours assigned to him and received no pay from the company. (Defendant's testimony)
- 4. At the time his SNAP benefits were granted the Defendant had no obligation for rent or utilities. (Hearing Record)
- 5. The 2019 NOA informed the Defendant, "You are legally required to report certain changes that could affect your eligibility for SNAP benefits. Read about what you must report at the end of this notice.... You must call the Benefit Center...to report the following changes to us during your SNAP period of eligibility: 1. If your household's total monthly gross income is more than \$1,316.00. Total monthly gross income is all wages from working and

money you get from any other source before taxes and deductions.... You must report changes to us by the 10th day of the month following the month of the change. For example, if your income goes over the limit in March you must tell us by April 10th." (Ex. 3)

- 6. The 2019 NOA further informed the Defendant, "In 2019, we will send you a form called a Periodic Report Form (PRF). When you get the PRF, you must fill it out and send it to us by 2019/2019 to keep getting SNAP benefits." (Ex. 3)
- 7. The Defendant became employed by and worked as a part time Customer Service Representative for the company through 2020. (Ex. 5-A: Letter from HR Program Coordinator for 2020.)
- In 2019, the Defendant received three paychecks from 2019. The pays were in the gross amounts of \$797.83 on 2019. (19, \$940.13 on 2019. (Hearing Record)
- The Defendant's income of \$2,620.59 in 2019 exceeded the \$1,316.00 reporting threshold that was explained in his NOA. According to the instructions in the NOA, he had to report the change to the Department by 10th. (Ex. 3)
- 10. The Defendant did not report to the Department by 2019 that his 2019 income exceeded the reporting threshold. (Hearing Record)
- 11. On 2019, the Defendant appeared at his local DSS office because his benefits ended on 2019, due to his failure to timely file a completed PRF. (Ex. 12: Case Notes, Fact #6)
- 12. On Eligibility Determination Document as a substitute form to be used to complete his periodic review. (Ex. 4: W-1EDD form, Hearing Record)
- 13. The Defendant reported on the **Example** 2019 EDD that he was still employed by **Example** but not working any hours or receiving any wages. The Defendant did not report on the form that he was employed by **Example** The Defendant attested with his signature that the information he provided on the form was true and complete to the best of his knowledge. He also informed the worker he spoke with on that date that he had no income of any kind. (Ex. 4, Ex. 12)
- 14. The EDD completed and signed by the Defendant on **2019** did not provide true and complete information regarding his circumstances. It

failed to disclose that the Defendant was employed by and had been since 2019. (Ex. 4, Ex. 5-B: pay records)

- 15. The Defendant reported on the 2019 EDD that he had no shelter or utility expense. He also informed the worker he spoke with on that date that he had no rental obligation. (Ex. 4, Ex. 12)
- 16. On **Contract 16** 2019, the Department reinstated and approved the Defendant's ongoing eligibility for the maximum monthly SNAP benefit based on the information he reported for his periodic review. (Ex. 12)
- 17. The Department issued SNAP allotments to the Defendant for the listed months in the following amounts:

2019	2019	2019	2020	2020	2020
\$194.00	\$194.00	\$194.00	\$194.00	\$194.00	\$194.00

(Ex. 7: Benefit Issuance Search results)

18. U-Haul paid the Defendant the following total gross wages in the listed months based on pay dates that fell in each month:

2019	2019	2019	2020	2020	2020
\$2, 315.83	\$1,224.76	\$1,627.26	\$2,243.89	\$1,203.00	\$294.00

(Ex. 5-B)

- 19. On 2020, the Defendant's SNAP benefits ended. (Ex. 7)
- 20. On 2020, a Department employee referred the Defendant's case for investigation of a suspected Intentional Program Violation overpayment (Ex. 1: W-262CF form)
- 21. On 2021, the Department notified the Defendant that it believed he broke SNAP rules intentionally and was overpaid \$970.00 in benefits for the period from 2019 to 2019 to 2020. The mailing scheduled a prehearing interview for 2021 and included a Waiver of Disqualification Hearing form. (Ex. 7: Notice of Pre-Hearing Interview, Ex. 8: Waiver of Disqualification Hearing)
- 22. The Defendant did not appear for the scheduled Pre-Hearing interview and did not return the waiver form. (Hearing Record)
- 23. The Defendant has not committed any prior IPVs in the SNAP program. (Ex. 10: edrs query results)

CONCLUSIONS OF LAW

- 1. Section 17b-2 of the Connecticut General Statutes (Conn. Gen. Stat.) authorizes the Commissioner of the Department of Social Services to administer the SNAP program in accordance with federal law.
- Conn. Gen. Stat. § 17b-88 authorizes the Commissioner of the Department of Social Services to recover any public assistance overpayment and take such other action as conforms to federal regulations, including, but not limited to, conducting administrative disqualification hearings.
- 3. Title 7 of the Code of Federal Regulations ("C.F.R.") section 273.16(a)(1) provides, in pertinent part, as follows:

The State agency shall be responsible for investigating any case of alleged intentional Program violation, and ensuring that appropriate cases are acted upon either through administrative disqualification hearings or referral to a court of appropriate jurisdiction.... The State agency should conduct administrative disqualification hearings in cases in which the State agency believes the facts of the individual case do not warrant civil or criminal prosecution...

- "The State agency shall base administrative disqualifications for intentional Program violations on the determinations of hearing authorities arrived at through administrative disqualification hearings in accordance with paragraph (e) of this section..." 7 C.F.R. § 273.16(a)(3)
- 5. 7 C.F.R. § 273.16(e)(3)(i) provides, in pertinent part, as follows:

The State agency shall provide written notice to the individual suspected of committing an intentional Program violation at least 30 days in advance of the date a disqualification hearing initiated by the State agency has been scheduled. If mailed, the notice shall be sent either by first class mail or certified mail-return receipt requested. The notice may also be provided by any other reliable method. If the notice is sent using first class mail and is returned as undeliverable, the hearing may still be held.

6. Proper notice was sent to the Defendant by certified mail more than 30 days in advance of the hearing, and the Defendant received the mail.

7. "The hearing authority shall base the determination of intentional Program violation on clear and convincing evidence which demonstrates that the household member(s) committed, and intended to commit, intentional Program violation as defined in paragraph (c) of this section." 7 C.F.R. § 273.16(e)(6)

8. 7 C.F.R. § 273.16(c) provides as follows:

Definition of intentional Program violation. Intentional Program violations shall consist of having intentionally: (1) Made a false or misleading statement, or misrepresented, concealed or withheld facts; or (2) Committed any act that constitutes a violation of SNAP, SNAP regulations, or any State statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing, or trafficking of SNAP benefits or EBT cards.

 "The State agency may establish a simplified reporting system in lieu of the change reporting requirements specified under paragraph (a)(1) of this section...." 7 C.F.R. § 273.12(a)(5)

10. The Department has elected to establish a simplified reporting system pursuant to 7 C.F.R. § 273.12(a)(5).

11. "Submission of periodic reports by non-exempt households. Households that are certified for longer than 6 months, except those households described in § 273.12(a)(5)(iii)(A), must file a periodic report between 4 months and 6 months, as required by the State agency." 7 C.F.R. § 273.12(a)(5)(iii)(B)

12. The Defendant was required to file a PRF between 4 and 6 months into his certification period.

- 13. "The periodic report form shall be the sole reporting requirement for any information that is required to be reported on the form, except that a household required to report less frequently than quarterly shall report: (1) When the household monthly gross income exceeds the monthly gross income limit for its household size in accordance with paragraph (a)(5)(v) of this section." 7 C.F.R. § 273.12(a)(5)(iii)(G)
- 14. "Reporting when gross income exceeds 130 percent of poverty. A household subject to simplified reporting in accordance with paragraph (a)(5)(i) of this section, whether or not it is required to submit a periodic report, must report when its monthly gross income exceeds the monthly gross income limit for its household size, as defined at § 273.9(a)(1). ..." 7 C.F.R. § 273.12(a)(5)(v)
- 15. The Defendant failed to comply with SNAP reporting requirements when he failed to report that his 2019 income, which was \$2,620.59, exceeded \$1,316.00, which was the monthly gross income limit for his household size at the time. When income exceeds 130 percent of poverty it must be reported outside of a PRF.

- 16. "The periodic report form must request from the household information on any changes in circumstances in accordance with paragraphs (a)(1)(i) through (a)(1)(vii) of this section..." 7 C.F.R. § 273.12(a)(5)(iii)(C)
- 17. "Certified change reporting households are required to report the following changes in circumstances: ...(B) A change in the source of income, including starting or stopping a job or changing jobs, if the change in employment is accompanied by a change in income..." 7 C.F.R. § 273.12(a)(1)
- 18. When the Defendant failed to report on his **Example** 2019 EDD (which form acted as the Defendant's PRF) that he was working at **Example** it was his second violation of SNAP reporting requirements. The Defendant signed his name to the EDD, representing that the information he provided on the form was "true and complete" when, in fact, it concealed his employment income, thus allowing him to receive more SNAP benefits than he was entitled to.
- 19. Clear and convincing evidence establishes that the Defendant intentionally misrepresented, concealed or withheld facts in violation of SNAP regulations for the purpose of receiving SNAP benefits.
- 20. The Defendant committed, and intended to commit, an IPV in the SNAP program.
- 21.7 C.F.R. § 273.16 (b)(1) provides, in pertinent part, as follows:

Individuals found to have committed an intentional Program violation either through an administrative disqualification hearing or by a Federal, State or local court, or who have signed either a waiver of right to an administrative disqualification hearing or a disqualification consent agreement in cases referred for prosecution, shall be ineligible to participate in the Program: (i) For a period of twelve months for the first intentional program violation, except as provided under paragraphs (b)(2), (b)(3), (b)(4), and (b)(5) of this section...

- 22. The Defendant is guilty of committing a first IPV in the SNAP program. For a first violation he must be disqualified from participation in SNAP for a period of twelve months
- 23. "Earned income shall include: (i) All wages and salaries of an employee." 7 C.F.R. § 273.9(b)(1)(i)
- 24. The Defendant's gross earnings were countable for the SNAP determination of eligibility.

- 25. The Defendant's SNAP eligibility was determined incorrectly for the months from 2019 to 2019 to 2020, because the Department's calculations did not include the Defendant's earnings. Under SNAP reporting requirements, the Defendant was required to report his earnings by 2019. 2019 was the first month the change was required to be reflected under SNAP rules and was the first month the Defendant was overpaid.
- 26.7 CFR § 273.9 (a) provides in relevant part that, "Participation in the Program shall be limited to those households whose incomes are determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet. Households which contain an elderly or disabled member shall meet the net income eligibility standards for the Food Stamp Program. Households which do not contain an elderly or disabled member shall meet both the net income eligibility standards and the gross income eligibility standards for the Food Stamp Program. Households which are categorically eligible as defined in §273.2(j)(2) or 273.2(j)(4) do not have to meet either the gross or net income eligibility standards. The net and gross income eligibility standards shall be based on the Federal income poverty levels established as provided in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))".

The Appellant's household did not contain a disabled member, thus it was required to meet both the gross and net income eligibility standards for SNAP, except that if the household was determined categorically eligible as defined in 7 CFR § 273.2(j)(2) or § 273.2(j)(4) it was not required to meet either standard.

7 CFR § 273.2(j)(4) discusses categorical eligibility for households in which each member receives benefits from a State or local GA (General Assistance) program.

The Appellant's household did not qualify as categorically eligible under the provisions of 7 CFR § 273.2(j)(4) because no member of his household received GA.

7 CFR § 273.2(j)(2)(i) discusses categorical eligibility for households in which all members receive or are authorized to receive benefits from PA (Public Assistance) or SSI (Supplemental Security Income).

The Appellant's household did not qualify as categorically eligible under the provisions of 7 CFR § 273.2(j)(2)(i) because no household member received SSI or PA.

Paragraph (j)(2)(ii) of 7 CFR § 273.2 discusses a provision whereby State agencies may, at their option, extend broad based categorical eligibility to

certain households whose members receive, or are authorized to receive, noncash or in-kind services from a program whose funding source meets certain requirements outlined within the paragraph.

Households in Connecticut with incomes below 185% of the federal poverty level ("FPL") qualify for the State's "Help for People in Need" program, which meets the requirements outlined in 7 CFR § 273.2(j)(2)(ii), allowing the Department to extend broad-based categorical eligibility for SNAP to all such qualifying households.

The 2019 Poverty Guidelines (FPL) for the 48 Contiguous States and the District of Columbia are published in the Federal Register Vol. 84, No 22, February 1, 2019, pp. 1167-1138. The 2019 Poverty Guideline for a household of 1 person was \$12,490 annually or \$1,041.83 monthly. Associated SNAP guidelines are not adjusted until October of the year in which new FPL guidelines are published, thus the 2019 poverty guidelines were not applied for SNAP until October 2019.

185% of the FPL for a household of one person beginning 2019 was \$1,926.00 monthly. The Appellant's household's gross countable income was \$2,315.83 in 2019 and \$2,243.89 in 2020. Because his income exceeded 185% of the FPL in those two months, his household was not eligible for "Help for People in Need" and did not qualify for broad-based categorical eligibility for SNAP under the provisions of 7 CFR § 273.2(j)(2)(ii) in either of the months.

The Appellant's household was required to meet the gross income eligibility standard for SNAP in 2019 and 2020, because his household was not categorically eligible in either of the months.

7 CFR § 273.9(a)(1) discusses the gross income eligibility standards for the Food Stamp Program and provides that: (i) "The income eligibility standards for the 48 contiguous States and the District of Columbia, Guam and the Virgin Islands shall be 130 percent of the Federal income poverty levels for the 48 contiguous States and the District of Columbia".

The gross income limit for SNAP for a household of one person, equal to 130% of the FPL, was \$1,354.00 per month beginning 2019.

The Appellant's gross income exceeded the SNAP gross income limit in both 2019 and 2020, thus he was not entitled to a benefit in either month.

For the months of **2019**, **2019**, **2019**, **2019**, **2019**, **2020**, and **2020**, benefit calculations must be performed. In the SNAP benefit determination, household income and deductions are calculated pursuant

to 7 C.F.R. § 273.9. Net income and SNAP benefit levels are then calculated pursuant to 7 C.F.R. § 273.10(e). Because the Defendant committed an IPV, one provision in 7 C.F.R. § 273.18 also applies to his calculations. They are as follows:

Only certain income deductions are allowable in the calculation of SNAP benefits. The household expenses which may be used as deductions are described in paragraphs (d)(1) to (d)(6) of 7 C.F.R. § 273.9.

The standard deduction for a household size of one to six persons is equal to 8.31 percent of the monthly net income standard for each household size established under § 273.9(a)(2) rounded up to the nearest whole dollar. 7 C.F.R. § 273.9(d)(1)

The Defendant's household qualified for a *standard deduction* of \$167.00 for a household of one person in all overpayment months.

"[D]o not apply the earned income deduction to that part of any earned income that the household failed to report in a timely manner when this act is the basis for the claim." 7 C.F.R. § 273.18(c)(1)(B)

The Defendant did not qualify for any of the remaining deductions provided for in paragraphs (d)(1) to (d)(5) of 7 C.F.R. § 273.9, the earned income deduction, excess medical deduction, dependent care deduction, or child support deduction. Although the Defendant had earnings, he was not entitled to the earned income deduction in the calculation of any overpayment claim, because the reason for the overpayment was his failure to timely report the earnings.

7 C.F.R. § 273.9(d)(6)(ii) provides for the *excess shelter deduction*. Monthly shelter expenses in excess of 50 percent of the household's income after all other deductions in paragraphs (d)(1) to (d)(5) of 7 C.F.R. § 273.9 have been allowed, are allowed as an excess shelter deduction.

The Defendant had no shelter expenses. He did not pay rent or other housing costs, or utilities. He, therefore, did not qualify for any excess shelter deduction.

The Defendant's *net income* after all deductions allowed pursuant to 7 C.F.R. § 273.9(d) was:

In 2019: \$1,057.76 (\$1,224.76 total gross income, minus \$167.00 standard deduction).

In 2019: \$1,460.26 (\$1,627.26 total gross income, minus \$167.00 standard deduction).

In 2020: \$1,036.00 (1,203.00 total gross income, minus \$167.00 standard deduction).

In **Example** 2020: \$127.00 (\$294.00 total gross income, minus \$167.00 *standard deduction*).

"Except as provided in paragraphs (a)(1), (e)(2)(iii) and (e)(2)(vi) of this section, the household's monthly allotment shall be equal to the maximum

SNAP allotment for the household's size reduced by 30 percent of the household's net monthly income as calculated in paragraph (e)(1) of this section...." 7 C.F.R. § 273.10(e)(2)(ii)(A)

30% of the Defendant's household's net monthly income [rounded up pursuant to 7 C.F.R. 273.10(e)(2)(ii)(A)(1)] was:

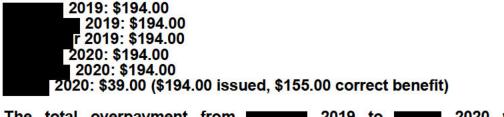
\$318.00 in	2019
\$439.00 in	2019
\$311.00 in	2020
\$39.00 in	2020

The maximum SNAP allotment (known as the "thrifty food plan") for a household of one person was \$194.00 in all months.

The Defendant's household did not qualify for a SNAP allotment in 2019, 2019, 2019 or 2019 or 2020, because 30% of his household's net income was more than the maximum allotment for a household of one person in each month.

The Defendant's household qualified for a SNAP allotment of \$155.00 in 2020 (\$194.00 Thrifty Food Plan minus \$39.00 30% of net income)

The Defendant was overpaid:



The total overpayment from 2019 to 2020 was \$1,009.00.

- 27. "A recipient claim is an amount owed because of benefits that are overpaid..." 7 C.F.R. §273.18(a)(1)
- 28. "This claim is a Federal debt subject to this and other regulations governing Federal debts. The State agency must establish and collect any claim by following these regulations." 7 C.F.R.§273.18(a)(2)
- 29. "An Intentional Program violation (IPV) claim is any claim for an overpayment or trafficking resulting from an individual committing and IPV. An IPV is defined in § 273.16." 7 C.F.R. 273.18(b)(1)
- 30. "As a State agency, you must calculate a claim back to at least twelve months prior to when you became aware of the overpayment and for an IPV claim, the claim must be calculated back to the month the act of IPV first occurred and for all claims, don't include any amounts that occurred more than six years before you became aware of the overpayment." 7 C.F.R. § 273.18(c)(1)

- 31. The month the IPV first occurred was 2019. This was the first month SNAP rules required the Defendant's earnings to be reflected, had he reported them.
- 32. The period defined in 7 C.F.R. § 273.18(c)(1) for which the Department had to calculate an IPV claim for the Defendant was from 2019 to 2020.
- 33. The total overpayment from 2019 to 2020 was \$1,009.00.
- 34. All \$1,009.00 in overpaid SNAP benefits were the direct result of the Defendant's commission of an IPV. Accordingly, the Department is authorized to establish an IPV claim to recover the overpaid benefits pursuant to 7 C.F.R. § 273.18.

DISCUSSION

The Defendant provided no credible testimony that refuted the Department's assertions that he committed an IPV.

The Defendant testified at the hearing that he paid rent to his mother, who was his landlord, in each of the months that the Department was pursuing an overpayment. This, despite having reported having no rental expense, both at the time of his application and at the time of his periodic review. He testified that he struggled to pay the rent and sometimes made partial or late payments. At the same time, he submitted for the hearing record six rent receipts, for the months from 2019 to 2020, inclusive; each receipt was for \$800.00, and each was dated on the first of the month. The receipts lacked credibility because they both conflicted with the Defendant's testimony and with his apparent ability to pay based on his earnings. For all of the above reasons, no shelter expense was allowed in the calculations of the Defendant's overpayments.

DECISION

- 1. The Defendant is **<u>GUILTY</u>** of committing a first IPV in the SNAP program.
- 2. As a result of committing a first offense IPV, the Defendant is ineligible to participate in SNAP for a period of twelve months.
- 3. The Department must establish an IPV claim to recover \$1,009.00 in SNAP benefits overpaid to the Defendant as a result of his commission of an IPV.

<u>James Hinckley</u>

James Hinckley Hearing Officer

cc: OLCRAH.QA.DSS@ct.gov George Jones

RIGHT TO APPEAL

The defendant has the right to appeal this decision to Superior Court within 45 days of the mailing of this decision. The right to appeal is based on §4-183 of the Connecticut General Statutes. To appeal, a petition must be filed at Superior Court. A copy of the petition must be served upon the Office of the Attorney General, 165 Capitol Avenue, Hartford, CT 06106 or the Commissioner of the Department of Social Services, 55 Farmington Avenue, Hartford, CT 06105. A copy of the petition must also be served on all parties to the hearing.

The **45**-day appeal period may be extended in certain instances if there is good cause. The extension request must be filed with the Commissioner of the Department of Social Services in writing no later than **90** days from the mailing of the decision. Good cause circumstances are evaluated by the Commissioner or his designee in accordance with §17b-61 of the Connecticut General Statutes. The Agency's decision to grant an extension is final and is not subject to review or appeal.

The appeal should be filed with the clerk of the Superior Court in the Judicial District of New Britain or the Judicial District in which the defendant resides.