



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 **05402-26 J.B.**

AGENCY DKT. NO. **C269804020 (UNION COUNTY DIVISION OF SOC. SVCS.)**

Petitioner challenges the correctness of the Respondent Agency's claim for recovery of Supplemental Nutrition Assistance Program ("SNAP") benefits issued to Petitioner from October, 2022 through December, 2022. The Agency asserts that Petitioner received SNAP benefits to which she was not entitled, thereby resulting in the overissuance of benefits which must be repaid. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law ("OAL") for a hearing. On May 22, 2026, the Honorable Andrew M. Baron, Administrative Law Judge ("ALJ"), held a plenary hearing, took testimony, and admitted documents into evidence. On August 11, 2026, the ALJ issued an Initial Decision, affirming the Agency's determination.

Exceptions to the Initial Decision were filed by Petitioner on August 18, 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, MODIFY the Agency's determination, and REMAND to the Agency, based on the discussion below.

In the instance of an overpayment of 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 which results from "a misunderstanding or unintended error on the part of the household" receiving benefits, 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 indicates that Petitioner failed to report to the Agency that she received earned income, as verified through various sources. See Initial Decision at 2-4; see also Exhibit R-1. As a result, the Agency determined that SNAP benefits had been overissued in the amount of \$1,833 from October, 2022 through December, 2022. Ibid. The ALJ found that the Agency had met its burden in establishing, by a preponderance of the credible evidence, that Petitioner received an overissuance of SNAP benefits to which she was not entitled, which must now be repaid. See Initial Decision at 3-4; see also N.J.A.C. 10:87-5.4(a)(1), -9.5, -11.20. 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 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 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.

By way of comment, I have reviewed Petitioner's Exceptions, and I find that the arguments made therein do not alter my decision in this matter. Further, a review of the official records of this office do not indicate any fraud investigation ever being initiated regarding the use of Petitioner's benefits.

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. September 17, 2026

Natasha Johnson
Assistant Commissioner

