



State of New Jersey

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TRENTON, NJ 08625-0716

NATASHA JOHNSON
Assistant Commissioner

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 16259-25 J.K.

AGENCY DKT. NO. C172082015 (OCEAN COUNTY BOARD OF SOC. SVCS.)

Petitioner challenges the correctness of a benefits recoupment due to an overissuance of Supplemental Nutrition Assistance Program ("SNAP") benefits, contending that the Agency had to offer to compromise the amount of the overissuance. Respondent Agency asserts that Petitioner received SNAP benefits to which she was not entitled, which must be repaid. Because Petitioner appealed, the matter was transmitted to the Office of Administrative Law for a hearing. On October 21, 2025, a pre-hearing conference was held, at which time it was determined that Petitioner did not dispute the overissuance, but rather contested whether the Agency had to offer a compromise regarding the amount of the overissuance. The matter was then adjourned. On December 8, 2025, the Honorable Advia Knight Foster, Administrative Law Judge ("ALJ"), held a telephonic plenary hearing, took testimony and admitted documents into evidence. On December 24, 2025, the ALJ issued an Initial Decision affirming the Agency's determination to recoup the entire overissuance of SNAP benefits issued to Petitioner.

No Exceptions to the Initial Decision were filed.

As the Assistant Commissioner of the Division of Family Development ("DFD"), Department of Human Services, I have reviewed the record in this matter and I hereby MODIFY the Initial Decision and AFFIRM the Agency determination.

In the instance of an overpayment of SNAP benefits, the Agency must recoup the overissuance. See N.J.A.C. 10:87-11.20. The Agency may compromise a claim, or a portion thereof, if circumstances dictate that said claim will not be repaid within three years. See N.J.A.C. 10:87-11.20(m).

Here, the record reveals that the Petitioner completed a recertification for SNAP benefits on August 17, 2023, at which time she failed to report her earned income. See Initial Decision at 2. Further, on January 25, 2024, the Petitioner completed an Interim Reporting Form ("IRF"), at which time she failed to report her earned income. See Initial Decision at 3. On May 25, 2025, the Agency received a wage verification confirming that Petitioner had earned income since February, 2023, which she had failed to report. See Initial Decision at 3; see also Exhibits R-1, R-2. Petitioner's earned income, in combination with her household member's unearned income, was found to exceed the maximum gross income in order to be eligible for receipt of SNAP benefits. See Initial Decision at 3; see also Exhibit R-3. Based on the foregoing, the Agency concluded that Petitioner had received SNAP benefits, to which she was not entitled, from May, 2023 through June, 2024, totaling \$10,594. See Initial Decision at 3.

Accordingly, the Agency issued a Notice to Repay a SNAP overissuance, as a result of an inadvertent household error ("IHE"), on May 27, 2025. See Initial Decision at 3; see also Exhibit R-5. Thereafter, on July 7, 2025, Petitioner admitted to an intentional program violation ("IPV"), and Petitioner signed a Waiver of Right to Administrative Disqualification



Hearing. See Initial Decision at 2; see also Exhibit R-4. On July 22, 2025, the Agency sent Petitioner a Notice to Repay the overissuance of SNAP benefits due to an IPV, and on that same date, sent a Notice of Disqualification from SNAP benefits, effective August 1, 2025. See Initial Decision at 3; see also Exhibits R-4, R-5. The Notice to Repay included notification to Petitioner that she could request a repayment plan within thirty days, and that, if she failed to do so, her future SNAP benefits would be automatically reduced, in order to repay the overissuance. See Initial Decision at 3; see also Exhibit R-5.

At the time of the hearing, Petitioner contended that she does not have the financial ability to repay the overissuance of SNAP benefits and that the Agency must offer a compromise pursuant to N.J.A.C. 10:87-11.20(m).

Based upon the testimonial and documentary evidence in this matter, the ALJ found that the language at N.J.A.C. 10:87-11.20 includes a claim compromise as a “discretionary tool” and that “there is no requirement that the agency offer it to [Petitioner]”. See Initial Decision at 4. Specifically, the ALJ notes that the regulatory language states that the Agency “may” compromise a claim or a portion of the claim. *Ibid.*; see also N.J.A.C. 10:87-11.20(m)(1). Further, the ALJ found that, pursuant to N.J.A.C. 10:87-11.20(p)(1)(ii), the Agency did previously offer a repayment plan option that could be accomplished through a reduction of Petitioner’s current SNAP benefits, or by offsetting Petitioner’s current SNAP benefits to repay the overissuance. See Initial Decision at 4. Accordingly, the ALJ concluded that the Agency was not mandated to offer Petitioner a compromise of her SNAP overissuance amount, as it was within the Agency’s discretion whether or not to offer such compromise, and further that there is no conflict between the 2024 Claims Management Plan and the applicable regulation. See Initial Decision at 5. I agree generally with the legal analysis of the ALJ in this matter, and note that, as stated in applicable state and federal regulations, the decision to compromise a claim is discretionary, not mandatory, and lies solely with the Agency. See 7 C.F.R. 273.18(e)(7) and N.J.A.C. 10:87-11.20(m). Moreover, regulatory authority outlines that overissuance claims may be collected via a reduction of benefit allotment. See N.J.A.C. 10:87-11.20(o), (p) and 7 C.F.R. 273.18(f)(1), (g)(1). This option is clearly denoted on the Agreement to Repay Overissued NJ SNAP Benefits which was provided to Petitioner. See Exhibit R-5. However, in this instance, Petitioner agreed to the IPV, see Exhibit R-4, and pursuant to the discretion provided by Federal regulation under 7 CFR 273.18(e)(7), states may establish their own compromise criteria using state-level discretion, and, as such, New Jersey does not allow for IPV claims to be compromised, only claims established as an Agency Error or Inadvertent Household Error. See Exhibit P-2 (DFD Claims Management Plan, p. 14 (revised August, 2024)). The Initial Decision is modified to reflect this analysis.

Accordingly, based upon the foregoing, I hereby MODIFY the Initial Decision, AFFIRM the Agency determination, and ORDER the Agency to proceed to recoup the overissuance.

Officially approved final version. February 11, 2026

Natasha Johnson
Assistant Commissioner

