State of New Jersey

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DEPARTMENT OF HUMAN SERVICES
DIVISION OF FAMILY DEVELOPMENT
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STEPHEN CHA, MD, MHSR
*Commissioner*

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 **09495-26 S.S.**

AGENCY DKT. NO. **S973770009** (**HUDSON COUNTY DEPT OF FAM SVCS**)

Petitioner challenges the Respondent Agency's claim for recovery of Supplemental Nutrition Assistance Program ("SNAP") benefits. The Agency asserts that Petitioner failed to accurately report her household's earned income, thereby causing Petitioner to receive overissuances of benefits to which she was not entitled from April, 2024 through August, 2025. Because Petitioner requested a fair hearing, the matter was transmitted to the Office of Administrative Law ("OAL"). On September 28, 2026, the Honorable Joann Lasala Candido, Administrative Law Judge ("ALJ"), held the plenary hearing, took testimony, and admitted documents into evidence. On October 2, 2026, the ALJ issued an Initial Decision affirming the overissuance and opining that the Agency should consider exercising its legal authority to compromise the amount of the claim, as the amount poses a hardship to Petitioner.

No Exceptions to the Initial Decision were filed.

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 ADOPT the ALJ's Initial Decision, MODIFY the Agency's determination, and REMAND to the Agency, based on the discussion below.

SNAP is designed to promote the general welfare and to safeguard the health and well-being of the population by raising the levels of nutrition among low-income households. In the instance of an overpayment of SNAP 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 amounts going back six years prior to the time that the Agency becomes aware of the overpayment. See N.J.A.C. 10:87-11.20(f)(1)(i). Further, each person who was an adult member of the household when the overpayment occurred is responsible for repayment of the claim. See N.J.A.C. 10:87-11.20(d)(1).

Here, the record reflects that Petitioner was in receipt of SNAP benefits in April, 2024 through August, 2025, and that Petitioner's now ex-partner ("A.F") did not correctly report the amount of his earned income. See Initial Decision at 2. Petitioner testified credibly at the hearing that she did not have access to A.F.'s paystubs or bank account and therefore was unable to report his correct wage information. Ibid. At the time of the application for SNAP benefits, A.F. was unemployed, however, in April, 2024, A.F. did provide a letter from his employer regarding his income, however, the Agency failed to recalculate the SNAP benefits considering such information. Ibid.; see also Exhibit R-1.

At the hearing, Petitioner testified that her current income and expenses would make it impossible for her to repay the $13,218 overissuance within a period of three years. See Initial Decision at 3.

Based upon the testimonial and documentary evidence presented, the ALJ concluded that the overpayment should stand. See Initial Decision at 3-5. I agree. Further, the ALJ opined that the Agency should consider compromising the amount due and owing. Ibid. Pursuant to regulatory authority, only the Agency may 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. See Initial Decision at 4-5; see also N.J.A.C. 10:87-11.20(m) and 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 Initial Decision at 4-5; see also DFD Claims Management Plan (revised August, 2026).

Accordingly, I am remanding this matter back to the Agency with the following instructions. The Agency shall consider whether Respondent's claim, or any portion of the 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 Respondent. In determining Respondent'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, Respondent shall promptly provide to the Agency, all current household financial information, including, but not limited to, the household's current monthly gross income. If, as a result of this reevaluation for claim comprise, Petitioner is deemed eligible for same, the monthly repayment amount shall be adjusted accordingly. Further, pursuant to regulatory authority, each person who was an adult member of the household when the overpayment occurred is responsible for repayment of the claim, and as such, the claim may be established and pursued against A.F. See N.J.A.C. 10:87-11.20(d)(1). The Agency determination is modified to reflect these findings.

Based on the foregoing, I ORDER and direct the Agency to continue to recoup the overissuance.

Accordingly, the Initial Decision in this matter is ADOPTED, the Agency's determination is MODIFIED, and the matter is REMANDED to the Agency, as outlined above.

Officially approved final version. October 15, 2026

Natasha Johnson
Assistant Commissioner