



STATE OF WISCONSIN
Division of Hearings and Appeals

In the Matter of



DECISION

FTI/149701

PRELIMINARY RECITALS

Pursuant to a petition filed May 31, 2013, under Wis. Stat. § 49.85(4), and Wis. Admin. Code §§ HA 3.03(1), (3), to review a decision by the Milwaukee Enrollment Services in regard to FoodShare benefits (FS), a telephonic hearing was held on June 26, 2013, at Milwaukee, Wisconsin. At the request of petitioner, an interpreter, Mr. [REDACTED], translated for the petitioner during the hearing.

The issue for determination is whether the Department correctly sought to intercept the Petitioner's tax refund to collect an overpayment of FoodShare benefits.

There appeared at that time and place the following persons:

PARTIES IN INTEREST:

Petitioner:



Respondent:

Department of Health Services
1 West Wilson Street
Madison, Wisconsin 53703

By: Belinda Bridges, HSPC senior
Milwaukee Enrollment Services
1220 W Vliet St
Milwaukee, WI 53205

ADMINISTRATIVE LAW JUDGE:

Gary M. Wolkstein
Division of Hearings and Appeals

FINDINGS OF FACT

- 1. Petitioner (CARES # [REDACTED]) is a resident of Milwaukee County who resided in a FS group of seven during the FS overpayment period of March 1, 2010 to September 30, 2010.
2. On October 11, 2011, Milwaukee Enrollment Services issued a Notification of Food Stamp Overissuance to the petitioner at her correct address of record advising her that it had opened

Claim no. [REDACTED], and was seeking repayment of \$3,388.00 in FS benefit overpayments from the period of March 1, 2010 to September 30, 2010, due to Milwaukee Enrollment Services not budgeting the petitioner's household's earned income.

3. The Department sent Dunning notices to the petitioner regarding her FS overpayment on December 2, 2011, January 3, 2012, and February 2, 2012.
4. The petitioner did not file any timely appeal to the Division of Hearings and Appeals (DHA) regarding her October 11, 2011 FS overpayment notice.
5. The Department sent a May 17, 2013 FS tax intercept notice to the petitioner at her correct address notifying petitioner that the remaining unpaid FS overpayment of \$3,118.00 would be recovered through interception of her state or federal income taxes or credits.
6. The Petitioner faxed a May 31, 2013 appeal letter to the Division of Hearings and Appeals (DHA) requesting an appeal of her May 17, 2012 tax intercept notice and the underlying FS overpayment from the period of March 1, 2010 to September 30, 2010.
7. The petitioner was unable to establish that she had filed any FS overpayment or tax intercept appeal with DHA prior to May 31, 2013.
8. During the June 26, 2013 hearing, the Milwaukee Enrollment Services representative explained that \$270 has been recouped from the petitioner's FS benefits since November, 2012 as of that date. The remaining amount of petitioner's FS overpayment was \$3,118.00 as of the June 26, 2013 hearing date.

### DISCUSSION

Wis. Stat. § 49.85, provides that the department shall, at least annually, certify to the Department of Revenue the amounts that it has determined that it may recover resulting from overpayment of general relief benefits, overissuance of Food Stamps, overpayment of AFDC and Medical Assistance payments made incorrectly.

The Department of Workforce Development must notify the person that it intends to certify the overpayment to the Department of Revenue for setoff from his/her state income tax refund and must inform the person that he/she may appeal the decision by requesting a hearing. Id. at § 49.85(3).

The hearing right is described in Wis. Stat. § 49.85(4) (b), as follows:

If a person has requested a hearing under this subsection, the department ... shall hold a contested case hearing under s. 227.44, except that the department ... **may limit the scope of the hearing to exclude issues that were presented at a prior hearing or that could have been presented at a prior opportunity for hearing.**

(Emphasis added)

As noted in Findings of Fact #2 - #4 above, the Petitioner had the opportunity for a prior hearing on the merits of her FS overpayment but failed to file any timely appeal to DHA.

During the hearing, the petitioner did not contest that she received her FS overpayment or dunning notices. Furthermore, there is no evidence that any of those notices were returned as undeliverable. Moreover, petitioner did not establish with any reliable evidence that she has any problems with her mail delivery.

The petitioner did not dispute the calculation of the FS original overpayment amount of \$3,388.00 and did not dispute that she had not filed a timely appeal of that FS overpayment. In addition, there have been no issues raised regarding the accuracy of the tax intercept calculation, which is the subject of this review, I must conclude that the interception action is appropriate. Based upon the above, the determination by the Department that petitioner was overpaid is affirmed. The petitioner explained that it would be a difficult financial burden to repay the FS overpayment and the overpayment was not her fault. However, the Department is required to recover all overpayments of public assistance benefits due to client and non-client error, and the state must take all reasonable steps necessary to promptly correct any overpayment. *See also*, Wis. Stat. § 49.195(3) (...the department shall promptly recover all overpayments made under s. 49.19....); 7 C.F.R. § 273.18(a) (“...The State agency shall establish a claim against any household that has received more food stamp benefits than it is entitled to receive....”), Wis. Stat. § 49.125(1). The Department may utilize tax intercept as a means of recovering the overpayment. *See*, Wis. Stat. § 46.85.

### **CONCLUSIONS OF LAW**

That the Department has correctly certified a public assistance remaining debt of \$3,188.00 as of June 26, 2013 in overpaid FS benefits to the Wisconsin Department of Revenue for state income tax refund intercept from the petitioner.

**THEREFORE, it is**

**ORDERED**

The petition for review herein be and the same is hereby Dismissed.

### **REQUEST FOR A REHEARING**

This is a final administrative decision. If you think this decision is based on a serious mistake in the facts or the law, you may request a rehearing. You may also ask for a rehearing if you have found new evidence which would change the decision. Your request must explain what mistake the Administrative Law Judge made and why it is important or you must describe your new evidence and tell why you did not have it at your first hearing. If you do not explain these things, your request will have to be denied.

To ask for a rehearing, send a written request to the Division of Hearings and Appeals, P.O. Box 7875, Madison, WI 53707-7875. Send a copy of your request to the other people named in this decision as "PARTIES IN INTEREST." Your request for a rehearing must be received no later than 20 days after the date of the decision. Late requests cannot be granted.

The process for asking for a rehearing is in Wis. Stat. § 227.49. A copy of the statutes can be found at your local library or courthouse.

### **APPEAL TO COURT**

You may also appeal this decision to Circuit Court in the county where you live. Appeals must be served and filed with the appropriate court no more than 30 days after the date of this hearing decision (or 30 days after a denial of rehearing, if you ask for one).

For purposes of appeal to circuit court, the Respondent in this matter is the Department of Health Services. After filing the appeal with the appropriate court, it must be served on the Secretary of that Department, either personally or by certified mail. The address of the Department is: 1 West Wilson Street, Madison, Wisconsin 53703. A copy should also be sent to the Division of Hearings and Appeals, 5005 University Avenue, Suite 201, Madison, WI 53705-5400.

The appeal must also be served on the other "PARTIES IN INTEREST" named in this decision. The process for appeals to the Circuit Court is in Wis. Stat. §§ 227.52 and 227.53.

Given under my hand at the City of Madison,  
Wisconsin, this 29th day of July, 2013

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\sGary M. Wolkstein  
Administrative Law Judge  
Division of Hearings and Appeals



**State of Wisconsin\DIVISION OF HEARINGS AND APPEALS**

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The preceding decision was sent to the following parties on July 29, 2013.

Milwaukee Enrollment Services  
Public Assistance Collection Unit