



State of West Virginia
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Office of Inspector General
Board of Review
4190 Washington Street, West
Charleston, WV 25313

Earl Ray Tomblin
Governor

Rocco S. Fucillo
Cabinet Secretary

August 23, 2012

Dear -----:

Attached is a copy of the Findings of Fact and Conclusions of Law on your hearing held August 21, 2012. Your hearing request was based on the Department of Health and Human Resources' action to reduce your SNAP and WV WORKS cash assistance effective April 2012 based on its decision to count an amount (\$573.10) you submitted as a business expense as earned income instead.

In arriving at a decision, the State Hearing Officer is governed by the Public Welfare Laws of West Virginia and the rules and regulations established by the Department of Health and Human Resources. These same laws and regulations are used in all cases to assure that all persons are treated alike.

Eligibility and benefit levels for SNAP and WV WORKS are based on current policy and regulations. Some of these regulations state that gross profit from self-employment is the income remaining after deducting any identifiable costs of doing business from the gross income. (WV Income Maintenance Manual § 10.4 and 10.24)

The information submitted at your hearing supports that your gross income for April 2012 included an amount (\$573.10) you listed as a business expense. Based on the information available to the Department at the time, it was reasonable for the Department to consider this listed expense as income.

It is the decision of the State Hearing Officer to **uphold** the action of the Department in reducing your SNAP and WV WORKS cash assistance effective April 2012.

Sincerely,

Cheryl Henson, State Hearing Officer
Member, State Board of Review

cc: Erika H. Young, Chairman, Board of Review / Addison Hamilton, [REDACTED] DHHR

**WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BOARD OF REVIEW**

IN RE: -----,

Claimant,

v.

**ACTION NO.: 12-BOR-1723 WV WORKS
12-BOR-1724 SNAP**

**WEST VIRGINIA DEPARTMENT OF
HEALTH AND HUMAN RESOURCES,**

Respondent.

DECISION OF STATE HEARING OFFICER

I. INTRODUCTION:

This is a report of the State Hearing Officer resulting from a Fair Hearing for ----- . This hearing was held in accordance with the provisions found in Chapter 700 of the West Virginia Department of Health and Human Resources' Common Chapters Manual. This hearing was convened on August 21, 2012.

II. PROGRAM PURPOSE:

The purpose of the Supplemental Nutrition Assistance Program (SNAP) is to provide an effective means of utilizing the nation's abundance of food "to safeguard the health and well-being of the nation's population and raise levels of nutrition among low-income households." This is accomplished through the issuance of benefits to households who meet the eligibility criteria established by the Food and Nutrition Service of the U.S. Department of Agriculture.

The purpose of WV WORKS is to help economically dependent, at-risk families become self-supporting. It is a work-oriented, performance-based, time-limited Program that emphasizes employment and personal responsibility. The goals of WV WORKS are to achieve more efficient and effective use of public assistance funds, reduce dependency on public programs by promoting self-sufficiency, and structure assistance to emphasize employment and personal responsibility.

III. PARTICIPANTS:

-----, Claimant

-----, Claimant's witness

Addison Hamilton, Department representative

Presiding at the Hearing was Cheryl Henson, State Hearing Officer and a member of the State Board of Review.

IV. QUESTION TO BE DECIDED:

The question to be decided is whether the Department was correct in its decision to count an amount (\$573.10) reported by the Claimant to be a business expense as gross income.

V. APPLICABLE POLICY:

West Virginia Income Maintenance Manual §10.4 and 10.24

VI. LISTING OF DOCUMENTARY EVIDENCE ADMITTED:

Department's Exhibits:

D-1 Verification submitted by the Claimant to the Department regarding April 2012 gross business income and expenses

Claimant's Exhibits:

C-1 Invoice from -----, LLC, dated April 10, 2012

C-2 Information submitted by Claimant to Department on June 19, 2012

VII. FINDINGS OF FACT:

- 1) The Claimant was receiving SNAP and WV WORKS cash assistance during April 2012 when the Department requested verification of her income from self-employment. The Claimant owns a business called "-----, Inc.," and reported to the Department her gross income and expenses (D-1) for the month of April 2012.
- 2) The disagreement between the parties centers on whether an amount (\$573.10) reported by the Claimant as a business expense (D-1) is actually gross income. The Claimant contends that the amount reported (\$573.10) was actually an expense wherein she purchased business-related items from a company called "-----, LLC." The Department contends the reported amount is gross income.

- 3) Addison Hamilton is a Family Support Specialist employed with the Department. He stated that the Department's records show (D-1) that although the Claimant listed the \$573.10 as a business expense, the invoice provided by the Claimant closely resembles invoices used by her to report other income she received during the same month. The invoice lists two (2) different dates – April 2, 2012, and March 10, 2012. The invoice lists numerous items and includes a subtotal amount, a shipping amount, and a total amount due of \$573.10. Mr. Hamilton stated that the Department attempted to verify with the company (-----) that the invoice submitted by the Claimant was accurate and that it represented an expense for her; however, he added that the company would not release the information. He added that the Department counted the reported amount as gross income because it was provided on the same form used by the Claimant to report other earned income she received.
- 4) The Claimant stated that she obtained and submitted verification to the Department which she contends verifies that the amount was an expense. She submitted a copy (C-1 and C-2) of an invoice numbered 128774 from the company as well as an email communication. The invoice (C-1) is dated April 10, 2012, and indicates that the Claimant's company made a purchase on April 4, 2012, in the amount of \$585.32. The Claimant contends this is the same transaction she reported as an expense and the Department counted as income. She provided an email communication dated May 31, 2012, she purportedly received from the ----- at ----- . In the email, the sales consultant validates that the invoice numbered 128774 is an open invoice in the amount of \$585.32, and that the final invoice may vary depending on the shipping costs and any miscellaneous fees that may be incurred after the completion of the order. Neither the date nor amount owed on this invoice matches the invoice in question.
- 5) The West Virginia Income Maintenance Manual §10.4, and 10.24, state that when an individual has business income, gross profit is determined by subtracting allowable expenses from the gross income of the business. This policy is the same for the WV WORKS cash assistance program and SNAP.

VIII. CONCLUSIONS OF LAW:

- 1) WV Income Maintenance Policy provides that for both SNAP and WV WORKS cash assistance, gross profit from business income is determined by subtracting allowable expenses from the gross income of the business.
- 2) The question for this hearing is whether the Department was correct to count an amount (\$573.10) reported by the Claimant to be an expense as income. The totality of the evidence supports that the Department was correct to count the reported amount as income. The amount was reported on forms which closely resemble forms used by the Claimant to report other income she received in the same month. The verification from the company itself (C-1 and C-2) is not sufficient to support that the amount was an expense. The dates on the documents do not match the dates the Claimant reportedly incurred the expense, and the amounts do not match.
- 3) The Department was correct in its decision to count the amount as income.

IX. DECISION:

It is the decision of the State Hearing Officer to **uphold** the Department's action to count the amount in question as income.

X. RIGHT OF APPEAL:

See Attachment

XI. ATTACHMENTS:

The Claimant's Recourse to Hearing Decision

Form IG-BR-29

ENTERED this 23rd Day of August 2012.

**Cheryl Henson
State Hearing Officer**