

STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No: 200722432

Issue No: 3055

[REDACTED]  
Kent County DHS

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Department of Human Services ("DHS" or "department") request for a disqualification hearing. After due notice, a telephone hearing was held on June 21, 2011. A department representative and the respondent both personally appeared and provided testimony.

ISSUE

Whether the respondent received an overissuance of Food Assistance Program (FAP) benefits that the department is entitled to recoup?

FINDINGS OF FACT

The Administrative Law Judge, based upon the clear and convincing evidence on the whole record, finds as material fact:

1. Respondent had been a FAP recipient at all times relevant to this matter.
2. On September 19, 2005, the department received the respondent's application for benefits. On the application, the respondent did not indicate that her boyfriend, who was a member of the household, had monthly employment income. (Department Exhibits 2-9)
3. On July 11, 2006, the department received a Quarterly MESC Wage Match (UB-120) which revealed that respondent's boyfriend had been employed at Manpower Inc at the time she applied for benefits in 2005. This income was not reported to the department. (Department Exhibit 10).
4. The respondent received [REDACTED] in FAP benefits from February 2006 through March 2006. If the income had been properly reported and

budgeted by the department, the respondent would only have been eligible to receive [REDACTED] in FAP. (Department Exhibits 1-8, 15-21).

5. The respondent failed to report her boyfriend's income in a timely manner, resulting in a [REDACTED] FAP overissuance for the months of February 2006 through March 2006. (Department Exhibits 1-8, 15-21).
6. The respondent was clearly instructed and fully aware of the responsibility to report all employment and income to the department.
7. The respondent has no apparent physical or mental impairment that would limit the understanding or ability to fulfill the income reporting responsibilities.
8. On or about April 24, 2007, the department mailed the respondent Notice of Overissuance and Overissuance Summary which indicated the OI and that requests that she pay the OI amount. (Department Exhibits 20-23)
9. The respondent requested a hearing on May 4, 2007. (Hearing Request)

#### CONCLUSIONS OF LAW

The Food Assistance Program (FAP) (formerly known as the Food Stamp (FS) program) is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department) administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015. The applicable department policies pertaining to the instant matter are the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

When a client group receives more benefits than they are entitled to receive, DHS must attempt to recoup the overissuance (OI). PAM 700. An overissuance (OI) is the amount of benefits issued to the client group or CDC provider in excess of what they were eligible to receive. PAM 700. For FAP benefits, an OI is also the amount of benefits trafficked (traded or sold). PAM 700. Recoupment is a DHS action to identify and recover a benefit OI. PAM 700.

Department errors are caused by incorrect actions by the Department. PAM 705. Department error OIs are not pursued if the estimated overissuance is less than [REDACTED] per program. PAM 700. Client errors occur when the customer gave incorrect or incomplete information to the Department. Client errors are not established if the overissuance is less than [REDACTED] unless the client group is active for the overissuance program, or the overissuance is a result of a quality control audit finding. PAM 700.

Here, the respondent received a FAP OI in the amount of [REDACTED] for the months of February through March, 2006. The benefits issued during this period were in error as the respondent, in her application for benefits, failed to report monthly employment income from her boyfriend, who was a household group adult member at the time. Had

the respondent reported this income, the FAP would have resulted in a [REDACTED] monthly FAP allotment. The difference between what the respondent actually received [REDACTED] and what she was eligible to receive [REDACTED]. Thus, the total OI for FAP is [REDACTED]

In this case, the department has established that the respondent was aware of the responsibility to report all income and employment to the department. Department policy requires clients to report any change in circumstances that will affect eligibility or benefit amount within ten days. BAM 105. There is no evidence that the respondent has no apparent physical or mental impairment that limits the understanding or ability to fulfill the reporting responsibilities.

Based on the evidence and testimony available during the hearing, the department has established that the respondent received a [REDACTED] FAP overissuance, which the department is required to recoup.

### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department established that the respondent received a [REDACTED] FAP overissuance.

The department's recoupment of overissued FAP benefits is AFFIRMED.

It is SO ORDERED.

/s/ \_\_\_\_\_  
C. Adam Purnell  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 6/27/11

Date Mailed: 6/27/11

**NOTICE:** The law provides that within 30 days of receipt of the above Decision and Order, the respondent may appeal it to the circuit court for the county in which he/she lives.

CAP/ds

cc: [REDACTED]