

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 2007-11746
Issue No: 4060

[REDACTED]

Muskegon County DHS

ADMINISTRATIVE LAW JUDGE: Vicki L. Armstrong

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to 7 CFR 273.18; 45 CFR 233.20(a)(13); MCL 400.9; MCL 400.37; MCL 400.43(a); MAC R 400.941 and MCL 24.201, *et seq.*, upon a hearing request by the Department of Human Services (department) to establish an overissuance of benefits to Respondent. After due notice was mailed to Respondent, a hearing was held [REDACTED]. Respondent personally appeared and provided testimony.

ISSUE

Whether 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 was receiving FAP at all times pertinent to this hearing, based on submitting an Assistance Application, acknowledging that she understood her failure to give timely, truthful, complete and accurate information about her circumstances could result in a civil or criminal action or an administrative claim against her. (Hearing Summary).
2. As a result of the cross reference with CDC payment history and interviews with the day care employer, the department discovered it had erred by failing to budget Respondent's son's income as a day care aide. (Hearing Summary; Department Exhibits 4, 9, 61).

3. Respondent received [REDACTED] in FAP benefits during the alleged fraud period of January 2006 to March, 2006. If the department had properly budgeted Respondent's son's income, Respondent would only have been eligible to receive [REDACTED] in FAP benefits. (Department Exhibits 7-9, 15-24).
4. The department failed to verify or properly budget Respondent son's income, resulting in a FAP overissuance for the months of January 2006 to March, 2006, in the amount of [REDACTED]. (Department Exhibits 7-9, 15-24).
5. Respondent submitted a hearing request on January 22, 2007, protesting the recoupment action. (Request for a Hearing).

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. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

Departmental policy, BAM 725, Collection Actions, states that when the client group receives more benefits than entitled to receive, DHS must attempt to recoup the overissuance (OI). Repayment of an OI is the responsibility of anyone who was an eligible, disqualified, or other adult in the program group at the time the OI occurred. Bridges will collect from all adults who were a member of the case. OIs on active programs are repaid by lump sum cash payments, monthly cash payments (when court ordered), and administrative recoupment (benefit reduction). OI balances on inactive cases must be repaid by lump sum or monthly cash payments unless collection is suspended.

In this case, the department has admitted that Respondent reported her son's income and that the department did not follow their own policies in verifying Respondent's income. Because the department failed to verify Respondent's son's income, Respondent's son's income was not budgeted. Regardless of fault, the department must attempt to recoup the overissuance. Here, Respondent received [REDACTED] during the period of January 2006 to March, 2006. If the department had properly budgeted Respondent's income, Respondent would only have been eligible to receive [REDACTED]. As a result, Respondent received an overissuance of [REDACTED].

This Administrative Law Judge finds that the evidence presented by the department shows that Respondent received more benefits that she was entitled to receive. Therefore, Respondent is responsible for repayment of the overissuance.

