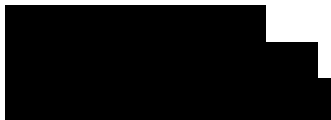


STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Registration. No: 2007-26378  
Issue No: 4060  
Case No: [REDACTED]  
Hearing Date: July 19, 2011  
Oakland County DHS

**Administrative Law Judge:** Mark A. Meyer

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge in accordance with 7 CFR 273.18, 45 CFR 233.20(a)(13), MCL 400.9, MCL 400.37, MCL 400.43(a), MCL 24.201, *et seq.*, and 1999 AC, R 400.941, upon a hearing request by the Department of Human Services (the Department) to establish a debt based on a claimed overissuance of benefits to Respondent. Following due notice mailed to Respondent, a hearing was held on July 19, 2011. Respondent failed to appear.<sup>1</sup> The Department of Human Services (the Department) was represented by agency personnel.

**ISSUE**

In dispute was whether Respondent received an overissuance of Family Independence Program (FIP) benefits, which entitled the Department to recoupment.

**FINDINGS OF FACT**

Based on the competent, material, and substantial evidence on the whole record, the Administrative Law Judge finds as relevant fact:

1. At all times relevant to this matter, Respondent was receiving FIP benefits. (Department's Exhibits D-2; D-3; D-4.)

---

<sup>1</sup> Nothing in the record indicated that the notice of hearing in this matter was returned to the Department of Human Services (the Department), or to the Michigan Administrative Hearing System, by the United States Postal Service as undeliverable. The hearing thus proceeded in Claimant's absence. See Bridges Administrative Manual (BAM) 725, p. 17.

2. On October 19, 2006, the Department informed Respondent that her FIP case would be closed, effective October 31, 2006, because of a change in the group membership. (Department's Exhibit D-3, p. 2.)
3. Respondent timely filed a hearing request on October 26, 2006, to contest the agency's proposed action. (Department's Exhibit D-3, p. 3.)
4. The proposed negative action (i.e., closure of Respondent's FIP case) was deleted pending the outcome of hearing. (Department's hearing summary, dated June 20, 2007.)
5. A hearing was held regarding the matter on February 7, 2007. On February 23, 2007, the administrative law judge upheld the Department's FIP closure action.
6. Between October 2006 and March 2007, when Respondent's FIP case was ultimately closed, she continued to receive benefits totaling [REDACTED]. (Department's Exhibit 2.)
7. On May 25, 2007, the Department informed Respondent that she was responsible for repaying the amount of FIP benefits overissued to her between October 2006 and March 2007 in the amount of [REDACTED]. (Department's Exhibit D-4.)
8. From the Department's notice of overissuance, Respondent filed a request for hearing. (Respondent's hearing request, dated June 19, 2007.)

### **CONCLUSIONS OF LAW**

The FIP was established under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 8 USC 601, *et seq.* The Department administers the FIP in accordance with MCL 400.10, *et seq.*, and Rules 400.3101 through 400.3131. The FIP replaced the Aid to Dependent Children (ADC) program, effective October 1, 1996. Agency policies pertaining to the FIP are found in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and program reference manuals (RFT). The program's purpose is to provide temporary cash assistance to support a family's movement to self-sufficiency. BEM 230A, p. 1.

In the present matter, Respondent's FIP case was scheduled to be closed, effective October 31, 2006, because of a determined change in group membership. But, the closure did not take place due to her timely filing of a request for hearing. See BAM 600, pp. 17-18. This resulted in her continuing to receive FIP benefits. See BAM 600, p. 18.

If a hearing request is filed timely, program benefits are restored, and a subsequent hearing decision upholds the Department's proposed action, as occurred here, the

agency must recoup the amount of overissued benefits. BAM 600, p. 20; BAM 700, p. 1. An overissuance is the amount of benefits issued to a client in excess of what he or she was entitled to receive. BAM 700, p. 1.

Here, the Department's proposed October 2006 action to close Respondent's FIP case was upheld by the administrative law judge on February 23, 2007; the case was subsequently closed sometime after March 21, 2007 (when Respondent received her last FIP benefits payment). In other words, she received [REDACTED] in benefits to which she was not entitled.

Generally, when an overissuance is determined and the client is not currently within an active benefits case, the Department must request a hearing to establish the outstanding debt. See BAM 705, p. 9. The agency did so here.

Overissuance balances on inactive cases must be repaid by lump sum or monthly cash payments unless collection is suspended. BAM 725, p. 7. Repayment of an overissuance is the responsibility of anyone who was an eligible, disqualified, or other adult in the program group at the time the overissuance occurred. BAM 725, p. 1.

Where benefits are continued pending the outcome of a timely request for hearing, the amount of benefit overissuance is calculated from the date the negative action would have taken effect until the date the negative action is subsequently implemented. BAM 600, p. 20.

In the present matter, Respondent's FIP benefits were to be closed on October 31, 2006. Due to her timely hearing request, however, she continued to receive benefits totaling [REDACTED] through March 21, 2007, when her case was finally closed pursuant to the hearing decision. Under BAM 600, 700, and 725, the Department was thus entitled to recoup this amount of overissuance.

In her request for hearing, Respondent effectively argued that her FIP group membership remained unchanged during the months of November and December 2006, and until mid-January 2007. This argument was, however, addressed at the February 7, 2007, hearing on the merits of the Department's action to close her FIP case. It was viewed as unpersuasive by the administrative law judge at that time. The argument will not be reviewed again here.

### **DECISION AND ORDER**

Based on the above findings of fact and conclusions of law, the Administrative Law Judge decides that Respondent received an overissuance of FIP benefits for the time period November 1, 2006 through March 21, 2007.

Therefore, the Department is entitled to recoup the FIP overissuance from Respondent in the amount of [REDACTED].

It is SO ORDERED.

---

Mark A. Meyer  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: \_\_\_\_\_

Date Mailed: \_\_\_\_\_

NOTICE: Respondent may appeal this decision and order within 60 days of the above mailing date. The appeal may be made to the circuit court for the county in which Respondent resides or has his or her principal place of business in this State, or in the circuit court for Ingham County. Administrative Hearings, on its own motion, or on request of a party within 60 days of the above mailing date, may order a rehearing.

MAM/sc

cc:

