

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 200812028  
Issue No: 4060  
Case No: [REDACTED]  
Hearing Date: July 5, 2011  
Genesee County DHS

ADMINISTRATIVE LAW JUDGE: Corey A. Arendt

**HEARING DECISION**

This matter is assigned to me 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 over issuance of benefits to Respondent. After due notice was mailed to Respondent, a hearing was held on July 5, 2011, at which Respondent did not appear. This matter having been initiated by the Department and due notice having been provided to Respondent, the hearing was held in accordance with Bridges Administrative Manual, Item 725.

**ISSUE**

Did the claimant receive an over issuance (OI) of Food Assistance Program (FAP) benefits during the period of February 2005?

**FINDINGS OF FACT**

I, based upon the competent, material, and substantial evidence on the whole record, find as material fact:

1. On January 13, 2005, Claimant turned in an application for FAP benefits. Claimant indicated on the application he was not working and had no earned income. (Department Exhibit 1-8).
2. On approximately February 3, 2005, [REDACTED] sent the Department form FIA-38 (Verification of Employment). [REDACTED] indicated Claimant had been working since October 21, 2004 and was still working as of February 3, 2005. (Department Exhibit 11-14).

3. Claimant's non-reporting of earnings resulted in an OI for February 2005 in the amount of [REDACTED].
4. The entire amount of the FAP OI is still due and owing to the Department.

### **CONCLUSIONS OF LAW**

The FAP 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 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, states that when the client group receives more benefits than the group is entitled to receive, the Department must attempt to recoup the 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. BAM 725.

### **OVERISSUANCE THRESHOLD**

#### **FIP, SDS, CDC and FAP Only**

Department error OIs are not pursued if the estimated OI amount is less than \$500 per program.

Client error OIs are not established if the OI amount is less than \$125, unless:

- . the client or provider is active for the OI program, or
- . the OI is a result of a Quality Control (QC) audit finding.  
PAM 700, p. 7.

In this case, the Claimant did not timely or properly notify the Department of his employment and the earned income he received from his employment. Because of the Claimant's non-reporting of earnings, the Claimant received an OI of benefits in the amount of [REDACTED] for the month of February 2005. Regardless of fault, the Department must attempt to recoup the OI.

