

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

██████████

Claimant,

Reg No: 2008-13236

Issue No: 3020

Case No:

██████████

Load No:

Hearing Date:

September 8, 2009

Ottawa County DHS

ADMINISTRATIVE LAW JUDGE: Steven M. Brown

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon Department's request for a hearing. After due notice, a telephone hearing was conducted from ██████████ on September 8, 2009.

ISSUE

Whether Claimant's failure to report earned income resulted in an overissuance of Food Assistance Program (FAP) benefits to her?

FINDINGS OF FACT

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

- (1) On March 28, 2007, Claimant applied for FAP benefits. (Exhibits 1-7)
- (2) On April 5, 2007, the Department completed a FAP budget which resulted in a monthly allotment of ██████████. (Exhibit 9-11)

(3) On May 29, 2007, the Department received a [REDACTED] which revealed that Claimant had earned income that she did not report on her March 28, 2007 application. (Exhibits 12-13)

(4) On November 5, 2007, the Department completed a new budget(s) which included Claimant's unreported earned income. (Exhibits 16-27)

(5) On January 17, 2008, the Department mailed Claimant a Notice of Overissuance, Department and Client Error Information and Repayment Agreement, Overissuance Summary and Hearing Request for Overissuance or Recoupment which informed Claimant that she was overissued FAP benefits in the amount of [REDACTED] for the period of March 2007 – June 2007 due to client error. (Exhibits 31-35)

(6) On January 28, 2008, the Department received Claimant's hearing request protesting the Department's request for repayment of the overissuance. (Exhibits 36-37)

(7) On July 22, 2009, the Department sent Claimant a Notice of Debt Collection with a hearing date of August 6, 2009. (Exhibit 38)

(8) Claimant became FAP active after the Notice of Debt Collection was issued.

(9) The August 6, 2009 hearing was adjourned twice, once at the request of the Department (August 6<sup>th</sup>) and once at the request of Claimant (August 18<sup>th</sup>).

(10) On September 8, 2009, the Department appeared and was ready to proceed. Claimant failed to appear for the 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. Departmental policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM), and the Program Reference Manual (PRM).

An overissuance is the amount of benefits issued to the client group or CDC provider in excess of what they were eligible to receive. PAM 705, p.5 The amount of the overissuance is the amount of benefits the group or provider actually received minus the amount the group was eligible to receive. PAM 720, p. 6. When a client group receives more benefits than they are entitled to receive, DHS must attempt to recoup the overissuance (OI). PAM, Item 700, p. 1.

Agency errors are caused by incorrect actions by DHS. PAM 705, p.1 Agency error overissuances are not pursued if the estimated overissuance is less than \$500 per program. PAM 700, p.6 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 \$125 unless the client group is active for the overissuance program or the overissuance is a result of a QC audit finding. PAM 700, p. 4, 5

In the instant case, Claimant failed to report earned income which resulted in an overissuance of FAP benefits to her during the time period in question. As such, the Department is authorized to recoup from Claimant the [REDACTED] overissuance of FAP benefits.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department acted in accordance with policy in requesting repayment of a [REDACTED] overissuance of FAP benefits to Claimant. The Department is authorized to recoup the overissuance from Claimant.

Accordingly, the Department's FAP eligibility determination AFFIRMED, it is SO ORDERED.

/S/  
\_\_\_\_\_  
Steven M. Brown  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: September 15, 2009

Date Mailed: September 16, 2009

**NOTICE:** Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 60 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

SMB/db

cc: [REDACTED]