

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

IN THE MATTER OF:



Reg. No: 200817225
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 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?

FINDINGS OF FACT

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

1. On February 10, 2006, Claimant turned in an application for FAP benefits. Claimant indicated on the application she was not working and had no earned income. (Department Exhibit 1-8).
2. On February 13, 2006, Claimant began working at the Flint Cultural Center. Claimant did not notify the Agency of their new employment. (Hearing Summary).

3. Just prior to March 20, 2006, an employment cross-match program indicated the Claimant was employed with the Flint Cultural Center. (Hearing Summary, Department Exhibit 10-11).
4. On March 20, 2006, the Department sent Claimant a New Hire Employment Notice. (Department Exhibit 10-11).
5. In April of 2006, the Department issued the Claimant an OI of FAP benefits due to Claimant not reporting their new job in a timely manner. The OI for April of 2006 totaled [REDACTED].
6. On April 5, 2006, the Department ran a new budget for the Claimant. The new budget included new additional earned income. The Department never input the new budget into CIMS.
7. From May 2006 through January 2007, the Respondent received an OI of FAP benefits due to Department error. (Hearing Summary).
8. The Department did not process the OI of FAP benefits for May 2006 and June 2006 because they were over 12 months from the date of discovery. The Department processed an error for July 2006 through January 2007 in the amount of [REDACTED]. (Hearing Summary).
9. 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).

The Department must recoup the OIS if the client group receives more benefits than the group is entitled to receive. 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 members 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 their employment or the earned income from their employment. Because of the Claimant's non-reporting of earnings, the Claimant received an OI of benefits in the amount of \$142 for the month of April 2006.

In addition, the Department made an error when they failed to input the Claimant's updated budget into CIMS. The error resulted in the Claimant receiving an additional OI of FAP benefits from May 2006 through January 2007. However, the Department did not process the OI from May 2006 and June 2006 since they were over 12 months from the date of discovery. Therefore the repayable OI of FAP benefits is only for the period of July 2006 through January 2007 in the amount of [REDACTED].

Regardless of fault, the Department must attempt to recoup the OI.

I find the evidence presented by the Department shows the Respondent received more benefits than they were entitled to receive. Therefore, Respondent is responsible for repayment of the OI.

DECISION AND ORDER

I, based upon the above findings of fact and conclusions of law, decide the Respondent received an OI of FAP benefits for the month of April 2006 and for the months of July 2006 through January 2007. The Department is entitled to recoup those OI benefits.

The Department is therefore entitled to recoup a FAP OI total of [REDACTED] from the Respondent.

The Department shall initiate collection procedures in accordance with Department policy.

