

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 2008-24816

Issue No: 4060

[REDACTED]

[REDACTED]

Washtenaw 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 June 14, 2011. 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 benefits at all times pertinent to this hearing. (Hearing Summary)
2. Respondent signed Assistance Application (DHS-1171) on March 23, 2004, 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. (Department Exhibits 24-26).
3. As a result of a Wage Match, the department discovered it had erred by failing to budget Respondent's reported income. Investigation showed that Respondent had reported her income to Work First on February 25,

2005 and the information was not shared between agencies. (Department Exhibits 2-3; Hearing Summary).

4. Respondent received [REDACTED] in FAP benefits and [REDACTED] in FIP benefits during the alleged fraud period of May 2005 through July, 2005. If the income had been properly budgeted by the department, Respondent would not have been eligible to receive FIP or FAP benefits. (Department Exhibits 4-7, 10-23).
5. Respondent submitted a hearing request on June 27, 2008, protesting the recoupment action of her FIP and FAP benefits. (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 Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, *et seq.* The FIP program replaced the Aid to Dependent Children (ADC) program effective October 1, 1996. The Department of Human Services (DHS or department) administers the FAP and FIP programs pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015 and MAC R 400.3101-3131 respectively. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

Departmental policy, states that when the client group receives more benefits than the group is 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. BAM 725.

In this case, the department admitted that Respondent reported her employment income to Work First and Work First did not communicate the information to the department. As a result, the departments did not follow their own policies in reporting and budgeting Respondent's income. Because the department failed to budget Respondent's income, Respondent [REDACTED] in FAP benefits and [REDACTED] in FIP benefits for the time period of May 2005 through July, 2005, when she was not entitled to FIP or FAP based on her earned income. Regardless of fault, the department must attempt to recoup the overissuance. As a result, Respondent received an overissuance of a total of [REDACTED].

The 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.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that Respondent received an overissuance of FIP and FAP benefits for the time period of May 2005 through July, 2005 that the department is entitled to recoup.

The department is therefore entitled to recoup a total overissuance of [REDACTED] from Respondent.

It is SO ORDERED.

/s/ _____
Vicki L. Armstrong
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: 6/15/11

Date Mailed: 6/15/11

NOTICE: The law provides that within 60 days of mailing of the above Decision the Respondent may appeal it to the circuit court for the county in which he/she 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 mailing date of this Hearing Decision, may order a rehearing.

VLA/ds

[REDACTED]