

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 20082867
Issue No: 3052
Case No: [REDACTED]
Hearing Date: July 6, 2011
Kent 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 6, 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 November 21, 2002, the Claimant submitted an application for FAP benefits. The Claimant indicated on the application she wasn't working. (Department Exhibit 2-8).
2. On March 12, 2003, Claimant began working at [REDACTED].
2. On August 23, 2003, the Claimant submitted a second application for FAP benefits. Claimant indicated on the application she was working. (Department Exhibit 10-17).
3. On October 8, 2003, the Department ran an MESC Quarterly Wage Match for the Claimant. The Wage Match indicated Claimant began working for [REDACTED] sometime in the 1st quarter of 2003. (Department Exhibit 18).

4. On January 12, 2004, the Department received from [REDACTED] an employment verification form. The form indicated Claimant began working for [REDACTED] on March 12, 2003. (Department Exhibit 19-22).
5. On April 7, 2004, the Department processed OI budgets for the Claimant and referred the file to the Office of Inspector General (OIG). (Department Exhibit 24-32).
6. On September 6, 2007, the OIG returned the file to the Department. (Hearing Summary).
7. On September 13, 2007, the Department processed the OI as client error for the time period of May 2003 through August 2003 in the amount of [REDACTED]. At this time, the Department issued to the Claimant a Notice of OI. (Department Exhibit 43).
8. On September 19, 2007, the Department received from the Claimant a hearing request concerning the September 13, 2007, Notice of OI. (Department Exhibit 1).

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 her employment and the earned income she received from her employment. Because of the Claimant's non-reporting of earnings, the Claimant received an OI of benefits in the amount of [REDACTED] for the time period of May 2003 through August 2003. **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 she was 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 and the Department is entitled to recoup those OI benefits.

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

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

/s/

Corey A. Arendt
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: July 8, 2011

Date Mailed: July 11, 2011

NOTICE: The law provides that within 60 days from the mailing date of the above hearing 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.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing 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.

CAA/cr

cc:

