

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2008-8718  
Issue No.: 1052/3052  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: September 15, 2010  
Genesee County DHS (2)

**ADMINISTRATIVE LAW JUDGE:** Michael J. Bennane

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Department of Human Service (Department) request for a disqualification hearing. After due notice, a telephone hearing was held on September 15, 2010. The claimant appeared and testified. The Department was represented by [REDACTED], recoupment specialist.

**ISSUE**

Is the Department entitled to recoup \$1,633.00 in Family Independence Program (FIP) benefits and \$698.00 in Food Assistance Program (FAP) benefits?

**FINDINGS OF FACT**

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

1. On November 15, 2007, the Department filed a hearing request to establish respondent allegedly received an over issuance of benefits; and the Department is requesting to recoup \$1,633.00 in FIP benefits and \$698.00 in FAP benefits for the period of September 1, 2005, through December 31, 2005.

**CONCLUSIONS OF LAW**

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 Department of Human Services (formerly known as the Family Independence Agency) administers the FIP program pursuant to MCL 400.10, et seq., and MAC R 400.3101-3131. The FIP program replaced the Aid to Dependent Children

(ADC) program effective October 1, 1996. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

The Food Assistance Program (FAP) (formerly known as the Food Stamp 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 administers the FAP program pursuant to MCL 400.10, and MAC R 400.3001-3015. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

In this case, the department requested a hearing; to establish an over issuance of benefits and to recoup the over issuance. The department's manuals provide the relevant policy statements and instructions for department caseworkers. In part, the policies provide:

**BENEFIT OVERISSUANCES: PAM 700, p. 1**

**DEPARTMENT POLICY**

**All Programs**

When a customer group receives more benefits than they are entitled to receive, the department must attempt to recoup the over issuance (OI).

The **Automated Recoupment System (ARS)** is the part of CIMS that tracks all FIP, SDA and FAP OIs and payments, issues automated collection notices and triggers automated benefit reductions for active programs.

An **over issuance (OI)** is the amount of benefits issued to the customer group in excess of what they were eligible to receive.

**Over issuance Type** identifies the cause of an over issuance.

**Recoupment** is a department action to identify and recover a benefit over issuance. PAM 700, p.1.

**PREVENTION OF OVERISSUANCES**

## **All Programs**

The department must inform customers of their reporting responsibilities and act on the information reported within the standard of promptness.

During eligibility determination and while the case is active, customers are repeatedly reminded of reporting responsibilities, including:

- acknowledgments on the application form, **and**
- your explanation at application/re-determination interviews, **and**
- customer notices and program pamphlets.

The department must prevent OIs by following PAM 105 requirements and by informing the customer or authorized representative of the following:

- Applicants and recipients are required by law to give complete and accurate information about their circumstances.
- Applicants and recipients are required by law to promptly notify the department of any changes in circumstances within 10 days.
- Incorrect, late reported or omitted information causing an OI can result in cash repayment or benefit reduction.
- A timely hearing request can delete a proposed benefit reduction. If the department is upheld or the customer fails to appear at the hearing, the customer must repay the OI.

Record on the application the customer's comments and/or questions about the above responsibilities. PAM 700, p.2.

20088718/MJB

Here, the department continued FIP and FAP benefits to the respondent after she began to work. "WorkFirst" personnel were aware of her employment but failed to inform the department.

The evidence shows that the respondent received \$1,633.00 in excess FIP benefits and \$698.00 in excess FAP benefits.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the clear and convincing evidence, decides the following:

The evidence does establish that the respondent received an over issuance of FIP and FAP benefits. The department's request to recoup \$1,633.00 in FIP benefits and \$698.00 in FAP benefits is GRANTED.



---

Michael J. Bennane  
Administrative Law Judge  
For Ismael Ahmed, Director  
Department of Human Services

Date Signed: 10/04/2010

Date Mailed: 10/04/2010

**NOTICE:** The law provides that within 60 days from the mailing date 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.

MJB/jlg

20088718/MJB

cc:

