

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: 2009 18538  
Issue No: 4060  
Case No: [REDACTED]  
Hearing Date:  
February 16, 2011  
Oakland County DHS (02)

**ADMINISTRATIVE LAW JUDGE:** Lynn M. Ferris

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a telephone hearing was conducted from Detroit, Michigan on February 16, 2011. The Claimant appeared and testified. Jan Carroll, Recoupment Specialist appeared on behalf of the Department.

ISSUE

Whether the Department is entitled to a recoupment of the Claimant's FIP benefits in the amount of \$942 for a FIP over-issuance for the period from 4/08 through 9/08 due to Agency Error arising from the Department's failure to properly include Claimant's son RSDI unearned income.

FINDINGS OF FACT

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

1. The Claimant was an active Family Independence Program (FIP) recipient of cash assistance benefits during the period April 2008 through September 2008.
2. The Department sought a recoupment due to an over-issuance of FIP benefits in the amount of \$942. Exhibit 1 and Exhibit 2.
3. The period of over-issuance began April 2008 and ended September 19, 2008.
4. The Claimant provided the Department notification that her grandson was receiving RSDI unearned income.
5. The Claimant was over-issued FIP benefits in the amount of \$942 during the period. Exhibit 2.
6. The Department caused an Agency Error to occur when it failed to include the Claimant's grandson's RSDI monthly income in the amount of \$556 when computing the FIP benefits. Exhibit 3
7. The Department provided monthly budgets for the period of over-issuance, April 2008 through September 19, 2008, which calculated the FIP benefits the claimant should have received during the period which were \$0.
8. During the period April 2008 through September 2008, the Claimant was not entitled to receive the FIP benefits which she received. Exhibit 4 (Monthly FIP comparison budgets April, 2008 through September 2008).
9. The Budgets as calculated by the Department are correct. Exhibit 3.

10. On February 19, 2009, the Department received the Claimant's written request for a hearing protesting the proposed request for overissuance and the Department's action to collect a debt from the Claimant for the overpayment of FIP benefits.

### 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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Program Reference Manual (PRM).

In this case, the Department seeks recoupment of an over-issuance of Family Independence Program benefits (FIP) due to the Department's failure to include the the Claimant's grandson's RSDI income which was received during the period of overissuance.

An over-issuance ("OI") occurs when a client group receives more benefits than they are entitled to receive. BAM 700, p. 1. A claim is the resulting debt created by the over issuance of benefits (OI). Id. Recoupment is an action to identify and recover a benefit. Id. The Department must take reasonable steps to promptly correct any overpayment of public assistance benefits, whether due to Department (agency error) or client error. BAM 700, 705, 715, and 725.

An agency error OI is caused by incorrect actions by DHS, DIT staff, or Department processes. BAM 705, p. 1. In general, agency error OIs are not pursued if OI amount is under \$500.00 per program. PAM 705, pp. 1-3. In this case the amount of over issuance exceeds \$500 dollars so the Department is entitled to pursue the FIP over issuance involved in this matter.

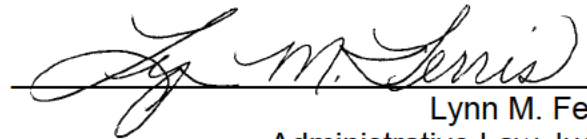
In the subject case, the Department paid the Claimant FIP benefits without including the RSDI income of \$556 a month when calculating the FIP allotment. The Department's failure to include the income from the Claimant's grandson's RSDI caused an overissuance of FIP benefits. The Claimant made no error and provided the Department with the correct unearned income amounts received from RSDI. The undersigned has reviewed the FIP budgets for the entire period and the over-issuance summaries and finds that there was an over-issuance and that the Department is entitled to a recoupment in the amount of \$942 in FIP benefits. Accordingly, the Department's action for OI and recoupment of the Claimant's FIP benefits is correct and the Department is entitled to recoupment and to initiate collection procedures in accordance with Department policy.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department properly calculated the Claimant's FIP benefits to be over issued in the amount of \$942, and that the Claimant received over issuances in FIP benefits in that amount, thus the Department is entitled to a recoupment in that amount.

It is, therefore, ORDERED:

1. That the respondent reimburses the Department for the FIP benefits over issuance in the total sum of \$942.
2. That the Department is entitled to and shall initiate collection procedures in accordance with Department policies.



Lynn M. Ferris  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: 03/04/11

Date Mailed: 03/08/11

**NOTICE:** The law provides that within 30 days of receipt of the above Decision and Order, the respondent may appeal it to the circuit court for the county in which he/she lives.

LMF/dj

cc:

