

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED]

Claimant

Reg. No: 2009-20683

Issue No: 3020

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

June 2, 2009

Calhoun County DHS

ADMINISTRATIVE LAW JUDGE: Ivona Rairigh

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on June 2, 2009. Claimant personally appeared and testified.

ISSUE

Did the department correctly determine that the claimant received an overissuance of Food Assistance Program (FAP) benefits that the department was entitled to recoup?

FINDINGS OF FACT

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

1. Claimant was a FAP recipient when the department discovered that she received an overissuance of FAP benefits due to her employment income not being budgeted, due to the claimant not reporting such income in a timely manner.

2. Department then attempted to obtain detailed income information from claimant's employer, however the employer did not provide such information.

3. Department used Quarterly MESC Wage Match report, UB-120, and divided income information from this report by 3 to come up with a monthly income figure. Such monthly income figures resulted in a conclusion that the claimant was overissued \$1,095 in FAP benefits for the period of time from December, 2007 to April, 2008, due to client error.

4. Claimant was notified of this overissuance with a notation that department would recalculate the amount of the overissuance if actual earnings were provided.

5. Claimant requested a hearing on March 10, 2009 saying there must be a mistake, as she turned in all of the paperwork requested of her.

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 Department of Human Services (DHS or department) administers the FAP program pursuant to MCL 400.10, *et seq.*, 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).

Departmental policy states:

BENEFIT OVERISSUANCES

DEPARTMENT POLICY

All Programs

When a client group receives more benefits than they are entitled to receive, DHS must attempt to recoup the overissuance (OI).

This item explains OI types and standard of promptness. PAM, Item 700, p. 1.

Client Error

All Programs

A **client error** OI occurs when the client received more benefits than they were entitled to because the client gave incorrect or incomplete information to the department.

A client error also exists when the client's timely request for a hearing results in deletion of a DHS action, **and**

- . The hearing request is later withdrawn, **or**
- . SOAHR denies the hearing request, **or**
- . The client or administrative hearing representative fails to appear for the hearing and SOAHR gives DHS written instructions to proceed, **or**
- . The hearing decision upholds the department's actions. See PAM 600. PAM Item 700, p. 5.

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.

Department's representative explained and cited the entire information department used in concluding that a client error occurred that resulted in FAP overissuance. At the conclusion of department's presentation claimant stated that it is obvious that there was an overissuance and she agreed that she has to repay such overissuance. Claimant has an active FAP case and it was

explained to her that collection of the overissuance amount will be through a 10% monthly reduction in benefits. Claimant was also advised to attempt to provide actual employment income she received for overissuance months, as this may result in a lower overissuance amount.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department correctly determined that the claimant received a FAP overissuance that the department was entitled to recoup.

Accordingly, department's action is AFFIRMED, and it is SO ORDERED.

/s/
Ivona Rairigh
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: June 9, 2009

Date Mailed: June 10, 2009

NOTICE: Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 60 days of the filing of the original request.

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

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