

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 2009-25207

Issue No: 4060

[REDACTED]

Genesee 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 August 30, 2011, at which Respondent did not appear. This matter having been initiated by the department and due notice having been provided to the Respondent, the hearing was held in Respondent's absence in accordance with Bridges Administrative Manual, Item 725.

ISSUE

Whether Respondent received an overissuance of Food Assistance Program (FAP) and Family Independence Program (FIP) 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 FIP and FAP benefits at all times pertinent to this hearing. (Hearing Summary)
2. Respondent signed Assistance Application (DHS-1171) on August 7, 2006, 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 1-7).

3. As a result of a Consolidated Inquiry on March 16, 2007, the agency discovered it had erred by failing to budget Respondent's income. (Department Exhibits 8-9).
4. On March 21, 2007, verifications of employment were received by the department from the [REDACTED] showing Respondent's live-in partner and Respondent had been employed since October 2006. (Department Exhibits 23-24, 25-26).
5. Respondent received [REDACTED] in FIP benefits and [REDACTED] in FAP benefits during the time period of April 2007 to May, 2007. If the income had been properly budgeted by the department, Respondent would not have been eligible to receive FIP benefits and only eligible to receive [REDACTED] in FAP benefits. (Department Exhibits 10-20, 27-28).
6. The department failed to verify or properly budget Respondent's income, resulting in a FIP overissuance of [REDACTED] and a FAP overissuance of [REDACTED] for the months of April 2007 to May, 2007. (Department Exhibits 10-20, 27-28).

#### 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, BAM 725, Collection Actions, states that when the client group receives more benefits than 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.

In this case, the department has admitted that Respondent reported her and her live-in partner's income and that the department did not follow their own policies in verifying

the income. Because the department failed to verify Respondent's income, Respondent's income was not budgeted. Regardless of fault, the department must attempt to recoup the overissuance.

This 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 April 2007 to May, 2007, that the department is entitled to recoup.

The department is therefore entitled to recoup the FIP overissuance of [REDACTED] and the FAP overissuance of [REDACTED] from Respondent, for a total of [REDACTED].

It is SO ORDERED.

/s/

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

Date Signed: 9/1/11

Date Mailed: 9/1/11

**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]