

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

IN THE MATTER OF:



Reg No: 200930316
Issue No. 1030,4060
Case No: [REDACTED]
Hearing Date:
April 20, 2011
Wayne County DHS (17)

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 April 20, 2011. The Claimant did not appear. Rebecca Boyd, 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 \$1644 for a FIP over-issuance during the period November 1, 2008 through February 28, 2009, due to the Claimant's continuing to receive FIP benefits during the period when her request for a hearing, regarding JET non compliance, was pending.

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) cash assistance recipient during the period November 1, 2008 through February 28, 2009. The Claimant received \$205.50 in FIP benefits every two weeks during the period. Exhibit 2 #3A, 3B, and 3C. The Department seeks a recoupment and to establish a debt due to an over-issuance of FIP benefits in the amount of \$1644. Exhibit 2, # 3A, 3B and 3C.
2. The Client was over-issued FIP benefits from November 1, 2008 through February 28, 2009 in the amount of \$1644 Exhibit 2, # 3A, 3B and 3C.
3. The Claimant timely requested a hearing regarding the Department's finding of non compliance with the Work First program.
4. During the period November 1, 2008 through February 28, 2009, while her hearing request was pending, Claimant continued to receive FIP benefits. The Department's determination of non compliance and the closure of the Claimant's FIP case was upheld.
5. The Claimant's FIP case was closed February 28, 2009, after the Department received an Order of Dismissal. Exhibit 2, #4.
6. On June 22, 2009, the Department received the Claimant's written request for a hearing protesting the proposed over-issuance and recoupment 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).

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 or client error. BAMs 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. BAM 705, p. 1. In this case the amount of the 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 has established its entitlement to collect the debt as the evidence presented at the hearing clearly established its entitlement to recovery of FIP benefits paid to the Claimant. The overpayments occurred due to the claimant's request for hearing with regard to her non compliance with the Work First program. The hearing request was timely, and thus the Claimant's benefits continued until a hearing decision was issued. When the Claimant did not appear at the hearing regarding her non compliance, an Order of Dismissal was issued due to the Claimant's failure to appear for the hearing. Exhibit 2, #4. Once the order of dismissal was issued,

the Department was allowed to pursue over-issuance for the period the Claimant's hearing request was pending.

The Department seeks to recoup for the period the Claimant received FIP benefits while awaiting a hearing and decision in the matter. Once the order of dismissal of Claimant's hearing was received the Department promptly sought to close the Claimant's FIP case and referred her case for recovery of the over issued benefits. The budgets submitted by the department for each month, in question, November 2008 through February 2009 were reviewed and clearly established that the Claimant received FIP benefits during those months she was not entitled to receive them.

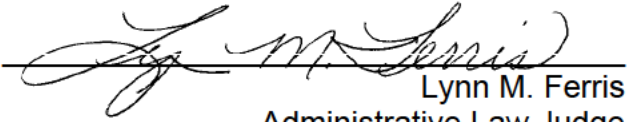
The undersigned has reviewed the FIP budgets for the period and Exhibits pages 1, 3A, 3B, 3C, 4, 5, 6A, 6B and 6C, as well as the hearing summary and testimony presented by the Department at the hearing and admitted as evidence, and finds that there was an over-issuance and that the Department is entitled to collect, as a debt, the amount of \$1644 in FIP benefits, which were over-issued to the Claimant. Accordingly, the Department's action for OI and debt establishment of the Claimant's FIP benefits is established by the evidence presented, and the Department is entitled 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 \$1644 and that the Department has established that a debt is owed by the Claimant and is entitled to pursue debt collection proceedings to recoup FIP benefits improperly received by the Claimant

It is, therefore, ORDERED:

1. The claimant shall reimburse the Department for the FIP over-issuance in the total sum of \$1644.
2. 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: 05/19/11

Date Mailed: 05/20/11

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:

