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

IN THE MATTER OF:

Reg. No: 2009-36704
Issue No: 1030, 3052

Genesee County DHS

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

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 Services ("DHS" or "department") request for a disqualification hearing. After due notice, a telephone hearing was held on August 25, 2011. A department representative and Respondent both personally appeared and provided testimony.

ISSUE

Whether Respondent received an overissuance of Family Independence Program (FIP) benefits and Food Assistance Program (FAP) benefits that the department is 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.   Respondent had been a FIP and FAP recipient at all times relevant to this matter.

2.   On September 14, 2009, the department received Respondent's application for benefits. On the application, Respondent reported that she was working at Havenwyck Hospital. (Department Exhibits 1-7).

3.   On August 6, 2009, the department discovered when Respondent applied for Child Day Care (CDC) benefits that Respondent's earnings from Havenwyck had not been budgeted when Respondent's FIP and FAP was issued. (Department Exhibits 11-12).

4.   Respondent received █████ in FAP benefits from December, 2007 through March, 2008 and $██ in FAP during the month of April, 2008. Respondent also collected ████ in FIP from December, 2007 through April, 2008. If the income had been properly budgeted by the department, Respondent would not have been eligible for FIP and would have only have been eligible to receive ████ in FAP during the month of April, 2008. (Department Exhibits 13-33).

5.   The department failed to properly budget Respondent's income in a timely manner, resulting in a ██████0 FIP overissuance for the months of December, 2007 through April, 2008 and ████████ FAP overissuance for December, 2007 through April, 2008. (Department Exhibits 13-33, 34-37).

6.   On July 22, 2009, the department mailed Respondent Notice of Overissuance and Overissuance Summary which indicated the OI and that requests that she pay the OI amount. (Department Exhibits 38-47).

7.   Respondent requested a hearing on July 31, 2009. (Hearing Request)

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. The applicable department policies pertaining to the instant matter are the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

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 (DHS or Department) 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), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

When a client group receives more benefits than they are entitled to receive, DHS must attempt to recoup the overissuance (OI). PAM 700. An overissuance (OI) is the amount of benefits issued to the client group or CDC provider in excess of what they were eligible to receive. PAM 700. For FAP benefits, an OI is also the amount of benefits trafficked (traded or sold). PAM 700. Recoupment is a DHS action to identify and recover a benefit OI. PAM 700.

Department errors are caused by incorrect actions by the Department. PAM 705. Department error OIs are not pursued if the estimated overissuance is less than ███ per program. PAM 700. Client errors occur when the customer gave incorrect or incomplete information to the Department. Client errors are not established if the overissuance is less than ███ unless the client group is active for the overissuance program, or the overissuance is a result of a quality control audit finding. PAM 700.

Here, the department is requesting recoupment for an alleged FAP overissuance of ███████ and FIP overissuance in the amount of ███████ for the period of December, 2007 through April, 2008. At the time Respondent had been employed at Havenwyck Hospital since October, 2007, but the department failed to properly budget Respondent's earned income from her employment from December, 2007 through April, 2008. Department policy indicates that when a client group receives more benefits than they are entitled to receive, the department must attempt to recoup the overissuance. PAM 700. In this case, the error was a department error, as the appropriate action was not taken timely by the department staff. Department error overissuances are recouped if the amount is more than $125. PAM 700. The FIP overissuance is ███████ and FAP is ███████. Per policy, both of these overissuance amounts must be recouped by the department.

This Administrative Law Judge finds that the evidence presented by the department shows that Respondent is responsible for repayment of the overissuance of FIP and FAP from December, 2008 through April, 2008. Based on the evidence and testimony available during the hearing, the department has established that Respondent received a FIP and FAP overissuance, which the department is required to recoup.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department established that Respondent received a ███████ FIP overissuance and a ███████ FAP overissuance.

The department's recoupment of overissued FIP and FAP benefits is AFFIRMED.

It is SO ORDERED.

                               __/s/_____

                               C. Adam Purnell
                               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 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.