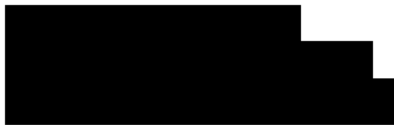


STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No: 20097499  
Issue No: 4060  
Case No: [REDACTED]  
Hearing Date: August 3, 2011  
Kent County DHS

**ADMINISTRATIVE LAW JUDGE:** Corey A. Arendt

**HEARING DECISION**

This matter is assigned to me 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 over issuance of benefits to Respondent. After due notice was mailed to Respondent, a hearing was held on August 3, 2011, at which Respondent did appear. This matter having been initiated by the Department and due notice having been provided to Respondent, the hearing was held in accordance with Bridges Administrative Manual, Item 725.

**ISSUE**

Did the Claimant receive an over issuance (OI) of Child Development Care (CDC) benefits?

**FINDINGS OF FACT**

I, based upon the competent, material, and substantial evidence on the whole record, find as material fact:

1. On July 12, 2007, the Claimant filed an application for CDC review for CDC benefits. (Department Exhibit 10).
2. On July 17, 2007, the Department determined Claimant's eligibility for CDC benefits and determined Claimant's gross monthly income exceeded the eligibility limits for the CDC program. (Department Exhibit 15, 16).
3. On July 17, 2007, the Department mailed the Claimant a notice indicating she was not eligible for CDC services. (Department Exhibit 17).
4. On July 21, 2007, the Claimant requested a hearing regarding the July 17, 2007 notice. (Department Exhibit 18).

5. On July 27, 2007, the Department mailed the Claimant a letter indicating she was eligible for CDC services for her daughter until 99/99/9999. (Claimant Letter 4).
6. On October 16, 2007, the Claimant filed with the Department a hearing withdrawal. (Department Exhibit 21).
7. On July 29, 2008, the Claimant filed an application for CDC review. (Department Exhibit 22-30).
8. On July 31, 2008, the Department determined Claimant's eligibility for CDC benefits and determined Claimant's gross monthly income exceeded the eligibility limits for the CDC program. (Department Exhibit 32).
9. On July 31, 2008, the Department mailed the Claimant a notice indicating she was not eligible for CDC services. (Department Exhibit 34).
10. On August 1, 2008, the Claimant requested a hearing regarding the July 31, 2008, notice. (Department Exhibit 35).
11. On September 5, 2008, the State Office of Administrative Hearings and Rules scheduled a hearing for September 15, 2008 at 8:30 am. (Department Exhibit 39).
12. On September 15, 2008, the Claimant did not show up for the scheduled hearing. On September 24, 2008, the State Office of Administrative Hearings and Rules dismissed the scheduled hearing. (Department Exhibit 40).
13. On October 8, 2008, the Department closed the Claimant's CDC case. (Department Exhibit 41).
14. From August 1, 2007 through October 31, 2007, the Claimant received an OI of FAP benefits in the amount of [REDACTED] due to Client error.
15. From August 1, 2008 through October 31, 2008, the Claimant received an OI of FAP benefits in the amount of [REDACTED] due to Client error.
16. From November 1, 2007 through July 31, 2008, the Claimant received an OI of FAP benefits in the amount of [REDACTED] due to Agency error.
17. The entire amount of the FAP OI is still due and owing to the Department.

## **CONCLUSIONS OF LAW**

The FAP 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 administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

The Department must recoup the OI if the client group receives more benefits than the group is entitled to receive. 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 members 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. BAM 725.

### **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.

In this case, the Claimant continued to receive benefits during two periods of time in which a hearing was pending. The reason the Claimant continued to receive benefits during these periods was because of the hearing requests filed. At no time were hearings ever held. So the OI's that occurred between the notices of closure and the hearing withdrawal and hearing dismissal are attributable to Client error. Therefore, the Claimant received an OI of benefits between August 1, 2007 through October 31, 2007 ( ) and from August 1, 2008 through October 31, 2008 ( ). Therefore the total OI attributable to Client error equals ( ).

In addition, the Department made an error when they failed to close the Claimant's CDC benefits on October 12, 2007. This resulted in an OI of ( ) due to Agency error for the months of November 1, 2007 through July 31, 2008.

Regardless of fault, the Department must attempt to recoup the OI.

I find the evidence presented by the Department shows the Respondent received more benefits than they were entitled to receive. Therefore, Respondent is responsible for repayment of the OI.

**DECISION AND ORDER**

I, based upon the above findings of fact and conclusions of law, decide the Respondent received an OI of CDC benefits for the months of August 1, 2007 through October 31, 2007 (Client Error), November 1, 2007 through July 31, 2008 (Agency Error) and August 1, 2008 through October 31, 2008 (Client Error). The Department is entitled to recoup those OI benefits.

The Department is therefore entitled to recoup a CDC OI total of [REDACTED] from the Claimant.

The Department shall initiate collection procedures in accordance with Department policy.

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/s/

Corey A. Arendt  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: August 4, 2011

Date Mailed: August 5, 2011

**NOTICE:** The law provides that within 60 days from the mailing date of the above hearing 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.

20097499/CAA

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

CAA/cr

cc:

