

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

IN THE MATTER OF:

[REDACTED]

[REDACTED]  
Kalamazoo County DHS

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

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 on September 8, 2011, at which Respondent did not appear. This hearing was held in Respondent's absence in accordance with Bridges Administrative Manual (BAM) Item 725.

ISSUE

Whether Respondent received an overissuance of 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 was a FAP recipient at all relevant times.
2. Respondent began working at JCPenney on September 27, 2006, but failed to report her employment to the Department until October 31, 2006. (Department Exhibits 19-23). Respondent's gross income in September, 2006 was [REDACTED]. (Department Exhibits 19-23).
3. On December 16, 2008, the Department ran a consolidated inquiry and discovered that Respondent had been employed at [REDACTED], [REDACTED] but that she had not reported this income to the Department.

(Department Exhibits 24-28). Respondent's gross income in November, 2006 was [REDACTED]. (Department Exhibits 24-28).

4. Respondent received [REDACTED] in FAP benefits in September, 2006. If Respondent's income from [REDACTED] had been timely and properly reported and budgeted by the Department, Respondent would have been eligible for FAP in the amount of [REDACTED] during this time period. (Department Exhibits 5, 16-19).
5. Respondent received [REDACTED] in FAP benefits in December, 2006. If Respondent's income from [REDACTED] had been timely and properly reported and budgeted by the Department, Respondent would have been eligible for FAP in the amount of [REDACTED] during this time period. (Department Exhibits 5, 24-26).
6. Respondent failed to report her earned income from [REDACTED] in a timely manner in September, 2006 which resulted in a FAP OI of [REDACTED]. Respondent also failed to report her earned income from [REDACTED] in a timely manner in November, 2006, resulting in a [REDACTED] FAP OI. (Department Exhibits 5-15).
7. On or about November 26, 2008, the department mailed Respondent Notice of Overissuance and Overissuance Summary which indicated the OI and that requested that she pay the OI amount. (Department Exhibits 1-7).
8. Respondent requested a hearing on December 8, 2008. (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).

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 [REDACTED] 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 [REDACTED] 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, Respondent failed to timely report her employment at [REDACTED] to the Department in September, 2006. During this time period, Respondent's gross earned income was [REDACTED]. The Department ran a consolidated inquiry in December, 2006, and verified that Respondent had been employed at [REDACTED]. The evidence presented to this Administrative Law Judge shows that Respondent had not reported her November, 2006 income from [REDACTED] to the Department. At this time, Respondent's gross income from [REDACTED] was [REDACTED]. Both OIs were due to client error.

Respondent failed to report her earned income from JCPenney in a timely manner in September, 2006 which resulted in a FAP OI of [REDACTED]. Respondent also failed to report her earned income from Delphi Corp. in a timely manner in November, 2006, resulting in a [REDACTED] FAP OI. As indicated above, 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 client error, as Respondent failed to timely report his earned income from employment. Client error OIs are recouped if the amount is more than [REDACTED]. PAM 700. Here, the total FAP OI is [REDACTED]. Per policy, this OI amount 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 FAP for the months of September, 2006 and November, 2006. Based on the evidence and testimony available during the hearing, the department has established that Respondent received a 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 [REDACTED] FAP overissuance.

The department's recouping of overissued FAP benefits is AFFIRMED.

2009-10675/CAP

It is SO ORDERED.



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C. Adam Purnell  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 9/20/11

Date Mailed: 9/20/11

**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.

■ [REDACTED]