

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

IN THE MATTER OF:



Reg. No: 2009-16340

Issue No: 3055

11
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 the respondent both personally appeared and provided testimony.

ISSUE

Whether the 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 had been a FAP recipient at all times relevant to this matter.
2. On August 22, 2008, the department received Respondent’s application for benefits. On the application, Respondent indicated that her daughter did not have any income.
3. The department discovered that Respondent’s daughter had RSDI income but, due to department error, the RSDI income was not included in the FAP budget. (Department Exhibits 50).
4. In September, 2008, Respondent was issued FAP in the amount of \$199.00 and from October, 2008 through January, 2009, she collected \$247.00 per month. (Department Exhibits 33-34).

5. Respondent received [REDACTED] in FAP benefits from October, 2008 through January, 2009. (Department Exhibit 49). If the income had been properly budgeted by the department, Respondent would not have been eligible to receive FAP benefits. (Department Exhibits 35-47).
6. The department failed to properly budget Respondent's daughter's RSDI income in a timely manner, resulting in a [REDACTED] FAP overissuance for the months of September, 2008 through January, 2009. (Department Exhibits 35-47).
7. On February 3, 2009, per an SOLQ, the department discovered the overissuance of RSDI benefits. (Department Exhibit 48).
8. On February 5, 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 50-53).
9. Respondent requested a hearing on February 18, 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).

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 received a FAP OI in the amount of [REDACTED] for the months of September, 2008 through January, 2009. The benefits issued during this period were in error as the department failed to properly calculate RSDI income from Respondent's daughter (a household group member). The department discovered the OI on February

