

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],
Claimant

Reg. No: 2010-23011
Issue No: 1030
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
August 12, 2010
Eaton County DHS

ADMINISTRATIVE LAW JUDGE: Ivona Rairigh

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on August 12, 2010. Claimant personally appeared and testified.

ISSUE

Did the department correctly determine that the claimant received Family Independence Program (FIP) benefits she was not entitled to receive, and that such benefits are subject to recoupment as department/client error?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. According to department's Hearing Summary, "On 10/23/09, Bridges determined an overpayment of cash assistance was made for the period 5/1 to 5/31/09 as client was

employed with earnings of \$1,815.08 in the 2nd quarter and \$3,573.96 in the 3rd quarter making her ineligible for cash assistance payments”.

2. Department’s Hearing Summary continues to say “Agency and client errors are subject to recoupment action”.

3. Department mailed the claimant some type of notice (not provided for this hearing) regarding the alleged FIP overissuance on October 23, 2009. Claimant requested a hearing on November 4, 2009.

4. Department provided as documentation for this hearing a Memorandum from the Director of Field Operations Administration regarding recoupment actions, hand-written page of what was explained in the hearing to be FIP benefits received by the claimant with dates from 2008 and 2009, and Bridges printouts of what the claimant received in FAP, FIP and CDC 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 (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) and the Program Reference Manual (RFT).

In this case the department is trying to show that the claimant received a FIP overissuance that is subject to recoupment. That the department must attempt to recoup any benefit overissuances in any of the programs it administers is clearly stated in departmental policy. BAM 700, 705. However, in order for the department to do so, documentation and budgets clearly showing how the benefit overissuance occurred must be done. In claimant's case the department has provided no budgets, income verification or even a notice to show the amount of alleged FIP overissuance. Department's Hearing Summary indicates that the Bridges system provided quarterly wages for the claimant, but these amounts would not show how much she earned per month and overissuances for each month in the alleged overissuance period. Department therefore must review claimant's case, obtain any necessary verifications, and compute a clearly explained overissuance.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department's recoupment action is not correct at the present time, as no documentation to support it has been provided.

Accordingly, department's action is REVERSED. Department shall:

1. Obtain income verification from the claimant for the periods of time the alleged overissuance occurred, by giving her a Verification Checklist, DHS-3503 with a 10 day deadline to do so.
2. Compute overissuance budgets and determine if a FIP overissuance indeed occurred.
3. Notify the claimant of this determination in writing.
4. Claimant has a right to request a hearing once department completes the actions if she disagrees with department's determination.

SO ORDERED.

/s/ _____
Ivona Rairigh
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: August 17, 2010

Date Mailed: August 18, 2010

NOTICE: Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

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.

IR/tg

cc:

