

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: 2010-24201  
Issue No: 3008  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
March 31, 2010  
Allegan County DHS

ADMINISTRATIVE LAW JUDGE: Kevin Scully

HEARING DECISION

This matter is before the undersigned Administrative Law Judge by authority of MCL 400.0 and MCL 400.27. Claimant's request for a hearing was received on February 9, 2010. After due notice, a telephone hearing was held on Wednesday, March 31, 2010.

ISSUE

Whether the Department of Human Services (Department) correctly terminated the Claimant's Food Assistance Program (FAP) benefits?

FINDINGS OF FACT

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

- (1) Claimant applied for FAP benefits on November 30, 2009.
- (2) The Department sent a Verification Checklist to the Claimant on January 8, 2010, with a due date of January 19, 2010.

(3) The Department sent three Self-Employment Income and Expense Statement forms to the Claimant on January 8, 2010.

(4) The Claimant returned a spreadsheet to the Department containing a listing of accounts receivable from her self-employment business.

(4) The Department sent a Notice of Case Action to the Claimant on January 27, 2010, informing her that her FAP benefits had been denied.

(5) The Department received the Claimant's request for a hearing on February 8, 2010, protesting the denial of her FAP benefits.

### CONCLUSIONS OF LAW

The Food Assistance Program (FAP) (formerly known as the Food Stamp 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. 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).

Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes the completion of necessary forms. BAM 105, p. 5. Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. BAM 130, p. 1. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required

as a local office option, or information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. BAM 130, p. 1. The Department uses documents, collateral contacts, or home calls to verify information. BAM 130, p. 1. A collateral contact is a direct contact with a person, organization, or agency to verify information from the client. BAM 130, p. 2. When documentation is not available or needs clarification, collateral contact may be necessary. BAM 130, p. 2.

Clients are allowed ten calendar days to provide the verifications requested by the Department. BAM 130, p. 4. The Department should send a negative action notice when the client indicates a refusal to provide the verification, or the time period provided has lapsed and the client has not made a reasonable effort to provide it. BAM 130, p. 4. The Department should extend the time limit no more than once if the client cannot provide the verification despite a reasonable effort. BAM 130, p. 4.

In this case, the Department gave the Claimant notice on January 8, 2010, that if she did not return proof of her self-employment income by January 19, 2010, that it would deny her FAP application. The Claimant did not use the forms provided by the Department for verifying her self-employment income for a three-month period, but instead provided a listing of her income for the entire year.

Claimant testified that she called her caseworker around the middle of January 2010 with questions about what proof would satisfy the verification checklist. Claimant testified that her caseworker did not return her calls after leaving voicemail messages concerning her FAP application. The Department has no record of contacting the Claimant by phone until after the due date for verification.

This Administrative Law Judge finds that the Claimant made a reasonable effort to verify her self-employed income. The Claimant submitted documentation of her income in a timely manner, although it was not as complete, or in the format the Department's worker would have preferred. However, this Administrative Law Judge finds that providing verification of self-employment income is considerably more complicated than verification of earned income, which merely requires submission of paycheck stubs. Claimant did not compile her business records for the purposes of applying for FAP benefits, and did not receive further instructions from her caseworker on how to format her submission. The Department did not provide the Claimant any explanation of how her submission was insufficient, or give her an extension to clarify her proof of income.

In conclusion, this Administrative Law Judge cannot uphold the denial of claimant's FAP application. The department failed to provide the necessary evidence to establish that the Claimant failed to cooperate in providing verification to determine her FAP eligibility.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Claimant cooperated with the Department in providing verification needed to determine her eligibility for FAP benefits.

The Department's FAP eligibility determination is REVERSED. It is further ORDERED that the Department shall:

1. Redetermine the Claimant's eligibility for FAP benefits based on her application dated November 30, 2009.
2. Give the Claimant an extension to clarify her self-employment income verification.

3. Provide the Claimant any retroactive benefits she may be eligible for.
4. Provide the Claimant with documentation of how her FAP eligibility was determined.

/s/ \_\_\_\_\_  
Kevin Scully  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: April 6, 2010

Date Mailed: April 7, 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 60 days of the filing of the original request.

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

KS/vmc

cc:

