

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No: 201048898  
Issue No: 1030  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
September 15, 2010  
Kalamazoo County DHS

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge by authority of MCL 400.9 and MCL 400.37. Claimant's request for a hearing was received on June 25, 2010. After due notice, a telephone hearing was held on Wednesday, September 15, 2010.

**ISSUE**

Whether the Department of Human Services (Department) properly determined the Claimant received an overissuance of Food Assistance Program (FAP) and Family Independence Program (FIP) 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. The Claimant was an ongoing an FAP and FIP recipient.
2. The Claimant's income increased and the Department added this income to her FAP and FIP budgets.
3. Due to Department error, the Department incorrectly entered the date of the Claimant's income into its computer system.
4. The Department notified the Claimant that she had received an overissuance of FAP and FIP benefits on May 20, 2010.

5. The Department received the Claimant's request for an appeal on June 25, 2010, protesting the recoupment of FAP and FIP 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).

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), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

An overissuance is the amount of benefits issued to the client group in excess of what they were eligible to receive. BAM 705. The amount of the overissuance is the amount of benefits the group actually received minus the amount the group was eligible to receive. BAM 720. When a client group receives more benefits than they are entitled to receive, the Department must attempt to recoup the overissuance. BAM 700.

Department errors are caused by incorrect actions by the Department. BAM 705. Department error overissuances are not pursued if the estimated overissuance is less than \$125 per program. BAM 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 \$125 unless the client group is active for the overissuance program, or the overissuance is a result of a quality control audit finding. BAM 700.

The Claimant was an ongoing FAP and FIP recipient when the Department entered income reported by the Claimant into its computer system. Due to Department error, the income was entered under an incorrect date, which caused the Department's computer system to issue the Claimant a benefit overissuance notice. The Department testified that due to difficulties with its computer system, it has not been able to remove the income that triggered the overissuance, or correct the income dates.

The Department did not establish that the Claimant received a FAP/FIP overissuance that the Department is entitled to recoup.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department had not established that the Claimant received an overissuance of FAP and FIP benefits.

Accordingly, the Department's recoupment of FAP and FIP benefits are REVERSED. It is further ORDERED that the Department shall:

1. Allow the Claimant the opportunity to clarify her benefit group's income from April 1, 2010, through June 30, 2010.
2. Initiate a determination of the Claimant's eligibility for FAP and FIP benefits from April 1, 2010, through June 30, 2010.
3. Re-determine whether the Claimant received an overissuance of FAP and FIP benefits.
4. Provide the Claimant with written notification of the Department's revised eligibility determination.

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

Date Signed: September 23, 2010

Date Mailed: September 24, 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/vc

cc:

