

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.: 2010-33993  
Issue No.: 3022  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date:  
June 7, 2010  
Wayne County DHS (41)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 conducted from Detroit, Michigan on June 7, 2010. Claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, and [REDACTED] [REDACTED] Manager, appeared and testified.

ISSUE

Whether DHS properly denied Claimant's redetermination for Food Assistance Program, Child Development and Care and Medical Assistance benefits due to Claimant's failure to clarify conflicting income information.

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 was an ongoing Medical Assistance (MA), Food Assistance Program (FAP) and Child Development and Care (CDC) benefits recipient.

2. On 3/2/10, DHS received Claimant's Redetermination (DHS-1010) for Claimant's FAP, MA and CDC benefit recertification. Exhibit 2.
3. On the DHS-1010, Claimant stated that she received bi-weekly employment income.
4. Claimant also submitted two checkbook ledger stubs as part of her employment income verifications needed for the redetermination. Exhibit 4.
5. The checkbook stubs indicated a 2/12/10 gross payment for \$300 and a 2/26/10 gross payment for \$300.
6. Claimant subsequently indicated to DHS that she completed the checkbook stubs, not her employer.
7. DHS then requested a Verification of Employment (DHS-38) for her employer to verify her income.
8. Claimant submitted a DHS-38 (Exhibit 3) on 4/23/10 which listed Claimant's employment income from 3/12/10, 3/26/10 and 4/9/10 as \$450 for each date.
9. Claimant's pay dates listed on Exhibit 3 conflicted with a different set of checkbook ledger stubs submitted by Claimant.
10. The DHS-38 was completed by Claimant but signed by her employer.
11. DHS subsequently requested another DHS-38 to clarify the conflicting information.
12. The due date for the second DHS-38 was 5/14/10.
13. Claimant submitted the second DHS-38 on 5/17/10.
14. Claimant's FAP, MA and CDC benefits closed on 4/30/10 due to Claimant's failure to verify employment income.
15. Claimant submitted a hearing request on 4/30/10 regarding termination of her FAP, MA and CDC benefits.

CONCLUSIONS OF LAW

The Food Assistance Program (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 (formerly known as the Family Independence Agency) 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) and the Reference Tables Manual (RFT).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

The Child Development and Care program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department of Human Services (formerly known as the Family Independence Agency) provides services to adults and children pursuant to MCL 400.14(1) and MAC R 400.5001-5015. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

DHS must periodically redetermine an individual's eligibility for benefit programs. BAM 210 at 1. The redetermination process includes submitting redetermination documents and verifying necessary information. *Id* at 4. Employment income must be verified at redetermination for all programs. BEM 500 at 9. The penalty for failing to verify income is denial of the redetermination. *Id* at 8.

In the present case, Claimant's FAP, MA and CDC benefits were due for redetermination. As part of the redetermination, Claimant initially submitted copies of checkbook ledger stubs to verify her income. DHS subsequently discovered that Claimant, not her employer completed the stubs. "Check stubs" are listed as an appropriate verification for employment income. BEM 501 at 8. DHS policy does not define "check stubs", however, stubs completed by a client are not true check stubs; they are no more reliable than client's statement of income which is not an acceptable verification; It is found that DHS properly did not find Claimant's checkbook ledger stubs as an appropriate verification of employment income because they were not completed by Claimant's employer..

Claimant subsequently submitted a DHS-38 on 4/23/10. DHS was troubled because the DHS-38 was completed by Claimant. The DHS-38 was completed by Claimant but signed by the employer. Some employers may not be cooperative in completing a DHS-38. It is not unreasonable for a client to complete information on the form and then to submit it to the employer for a signature only. It is found that Claimant's DHS-38 dated 4/23/10 should not have been discounted simply because it was completed by Claimant as long as it was signed by the employer.

DHS also claims that the DHS-38 pay history conflicted with a different set of checkbook ledger stubs submitted by Claimant. These stubs were also completed by Claimant. DHS must

resolve discrepancies prior to processing the redetermination. BAM 210 at 8. DHS had conflicting information about Claimant's income. Claimant created the discrepancy by writing one income amount on the checkbook stubs and a different amount on a DHS-38. It is found that DHS properly did not recertify Claimant's FAP, MA and CDC benefits due to the conflicting employment income information submitted by Claimant.

DHS mailed Claimant a second DHS-38 as a method to resolve the income discrepancies. Claimant was given until 5/14/10 to submit the form. Claimant submitted the form on 5/17/10. Claimant's FAP, MA and CDC benefits were denied by 5/17/10. It is found that DHS properly disregarded the DHS-38 submitted on 5/17/10 for being submitted too late.

Whether Claimant received any DHS benefits based on fraudulent information was not the subject of the hearing. The finding that DHS properly denied Claimant's CDC, MA and FAP redeterminations due to conflicting verifications is not a finding of fraud or duplicity by Claimant; it is merely a finding that DHS had an appropriate basis to deny Claimant's redetermination for CDC, MA and FAP benefits. The only penalty to Claimant is having to reapply for these benefits should she wish to continue to receive them. As discussed during the hearing, Claimant can reapply for benefits at any time.

DECISION AND ORDER

The actions taken by DHS are AFFIRMED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly denied Claimant's redetermination for CDC, MA and FAP benefits due to Claimant's failure to clarify conflicting income information.

*Christian Gardocki*

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Christian Gardocki  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: 6/11/2010

Date Mailed: 6/11/2010

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.

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