

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 2010-49546  
Issue No: 4060

[REDACTED]

Eaton County DHS

ADMINISTRATIVE LAW JUDGE: Vicki L. Armstrong

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to 7 CFR 273.18, 45 CFR 233.20(a)(13), MCL 400.9, MCL 400.37, MCL 400.43(a), MAC R 400.941 and MCL 24.201, *et seq.*, upon a hearing request by the Department of Human Services (department) to establish an overissuance of benefits to Respondent. After due notice was mailed to Respondent, a hearing was held July 7, 2011, at which Respondent did not appear. This matter having been initiated by the department and due notice having been provided to the Respondent, the hearing was held in Respondent's absence in accordance with Bridges Administrative Manual, Item 725.

ISSUE

Whether Respondent received an overissuance of Child Development and Care (CDC) benefits that the department is entitled to recoup?

FINDINGS OF FACT

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

1. Respondent was receiving CDC benefits at all times pertinent to this hearing. (Hearing Summary).
2. Respondent signed Child Care and Development Application (DHS-4583) on November 26, 2008, acknowledging that she understood her failure to give timely, truthful, complete and accurate information about her circumstances could result in a civil or criminal action or an administrative

- claim against her. Respondent listed Walmart as her employer. (Department Exhibits 1-4).
3. On December 3, 2008, Respondent submitted an Application for State Emergency Relief on which she listed Walmart as her only employer. (Department Exhibits 5-9).
  4. On December 12, 2008, Respondent submitted an Assistance Application (DHS-1171), listing Walmart as her only employer. (Department Exhibits 10-25).
  5. On April 22, 2009, the department mailed Claimant a Notice of Case Action denying her CDC effective February 1, 2009. The Notice explained that her children were no longer eligible for CDC benefits because her gross income exceeded the limit. (Department Exhibits 27-30).
  6. On May 24, 2010, the department received verification of employment from GT Financial showing Respondent had been and was still employed at GT Financial since November 18, 2008. (Department Exhibits 31-32).
  7. Respondent received [REDACTED] in CDC benefits during the period of March 1, 2009 through April 11, 2009. If the income had been properly reported and budgeted by the department, Respondent would not have been eligible to receive CDC benefits. (Department Exhibits 27-30, 31-37).
  8. Respondent was clearly instructed and fully aware of the responsibility to report all employment and income to the department.
  9. Respondent has no apparent physical or mental impairment that would limit the understanding or ability to fulfill the income reporting responsibilities.
  10. Respondent submitted a hearing request on June 28, 2010, protesting the CDC debt establishment. (Hearing Request).

#### CONCLUSIONS OF LAW

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 (DHS or Department) 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 Reference Table Manual (RFT).

Departmental policy, states that when the client group receives more benefits than the group is entitled to receive, DHS must attempt to recoup the overissuance (OI). Repayment of an OI is the responsibility of anyone who was an eligible, disqualified, or other adult in the program group at the time the OI occurred. Bridges will collect from all adults who were a member of the case. OIs on active programs are repaid by lump sum cash payments, monthly cash payments (when court ordered), and administrative recoupment (benefit reduction). OI balances on inactive cases must be repaid by lump sum or monthly cash payments unless collection is suspended. BAM 725.

The OI period begins the first month (or pay period for CDC) benefit issuance exceeds the amount allowed by policy or 72 months before the date the OI was referred to the RS, whichever is later. The OI period ends the month (or pay period for CDC) before the benefit is corrected. The OI discovery date for a client or provider error is the date the RS can determine there is a client or provider error. The amount of the OI is the benefit amount the group or provider actually received minus the amount the group was eligible to receive. BAM 700.

In this case, the department has established that Respondent was aware of the responsibility to report all income and employment to the department. Department policy requires clients to report any change in circumstances that will affect eligibility or benefit amount within ten days. BAM 105. Respondent has no apparent physical or mental impairment that limits the understanding or ability to fulfill the reporting responsibilities.

Respondent completed a Child Care and Development Application on November 26, 2008, an Application for State Emergency Relief on December 3, 2008, and an Assistance Application on December 12, 2008, and listed Walmart as her only employer. The department received verification of employment from GT Financial showing that Respondent had been employed at GT Financial since November 18, 2008. This income was not reported to the department.

This Administrative Law Judge finds that the evidence presented by the department shows that Respondent failed to timely report her income to the department resulting in an overissuance of [REDACTED]. Therefore, Respondent is responsible for repayment of the overissuance.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that Respondent received an overissuance of CDC benefits for the time period of March 1, 2009 through April 11, 2009, that the department is entitled to recoup.

The department is therefore entitled to recoup CDC overissuance of [REDACTED] from Respondent.

It is SO ORDERED.

\_\_\_\_\_/s/\_\_\_\_\_  
Vicki L. Armstrong  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 7/8/11

Date Mailed: 7/8/11

**NOTICE:** The law provides that within 60 days of mailing of the above Decision the Claimant may appeal it to the circuit court for the county in which he/she resides or has his or her principal place of business in this state, or in the circuit court for Ingham County. Administrative Hearings, on its own motion, or on request of a party within 60 days of the mailing date of this Hearing Decision, may order a rehearing.

VLA/ds

■ [REDACTED]