

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: 2010-55742

Issue No: 3008

[REDACTED]

Hearing Date:

November 9, 2010

Cass County DHS

ADMINISTRATIVE LAW JUDGE: Suzanne L. Morris

**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 November 9, 2010. The claimant personally appeared and provided testimony.

**ISSUE**

Did the department properly deny the claimant's Food Assistance Program (FAP) application for conflicting 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. The claimant submitted an application for FAP benefits on July 20, 2010. (Department Exhibit 3 - 18)
2. On July 20, 2010, the claimant was given a Verification Checklist (DHS-3503) that required Self-Employment Income and Expense Statements (DHS-431) for two businesses that she was involved in to be completed and returned to the department by July 30, 2010. The claimant returned the forms for April, May and June, 2010 on July 28, 2010. (Department Exhibit 19 – 34)

3. When the department worker attempted to process the information on the forms, there were several discrepancies between the DHS-431 and the attached receipts. (Department Exhibit 19 – 34)
4. On August 13, 2010, the department denied the claimant's FAP application due to the conflicting information provided. (Department Exhibit 43 – 44)
5. On September 15, 2010, the department received a hearing request from the claimant.

### **CONCLUSIONS OF LAW**

The Food Assistance Program (FAP) (formerly known as the Food Stamp (FS) 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) and the Program Reference Manual (PRM).

Department policy states:

#### **CLIENT OR AUTHORIZED REPRESENTATIVE RESPONSIBILITIES**

##### **Responsibility to Cooperate**

##### **All Programs**

**Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes completion of the necessary forms. BAM, Item 105, p. 5.**

##### **Refusal to Cooperate Penalties**

##### **All Programs**

Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. BAM, Item 105, p. 5.

##### **Verifications**

##### **All Programs**

Clients must take actions within their ability to obtain verifications. DHS staff must assist when necessary. See BAM 130 and BEM 702. BAM, Item 105, p. 8.

## **Assisting the Client**

### **All Programs**

The local office must assist clients who ask for help in completing forms (including the DCH-0733-D) or gathering verifications. Particular sensitivity must be shown to clients who are illiterate, disabled or **not** fluent in English. BAM, Item 105, p. 9.

Verification is usually required at application/redetermination **and** for a reported change affecting eligibility or benefit level. BAM, Item 130, p. 1.

## **Obtaining Verification**

### **All Programs**

Tell the client what verification is required, how to obtain it, and the due date (see "**Timeliness Standards**" in this item). Use the DHS-3503, Verification Checklist, or for MA redeterminations, the DHS-1175, MA Determination Notice, to request verification. BAM, Item 130, p. 2.

The client must obtain required verification, but you must assist if they need and request help. BAM, Item 130, p. 2.

## **Timeliness Standards**

### **All Programs (except TMAP)**

Allow the client 10 calendar days (**or** other time limit specified in policy) to provide the verification you request. If the client cannot provide the verification despite a reasonable effort, extend the time limit at least once. BAM, Item 130, p. 4.

Send a negative action notice when:

- . the client indicates refusal to provide a verification, **or**
- . the time period given has elapsed and the client has not made a reasonable effort to provide it. BAM, Item 130, p. 4.

In this case, the claimant is disputing the denial of her FAP application for failure to submit proper verifications. The claimant admits that there were some mistakes made on the forms she submitted, but indicated that the department should have been able to figure out the mistakes.

Claimants are required to comply with the local office to allow the department to determine initial or ongoing eligibility. BAM 105. The department informs the client what verification is required, how to obtain it, and the due date by using the Verification Checklist form (DHS-3503). BAM 130. Clients are provided ten days to return the verifications, but can request an extension of time to provide the verifications. BAM 130. If the time period to provide the verifications elapses and the verifications have not been provided, the department is directed to send a negative action notice. BAM 130.

The claimant admits that she received the Verification Checklist (DHS-3503) and the Self-Employment Income and Expense Statements (DHS-431) to complete and return to the department. The verifications were due on July 30, 2010. The claimant did return the DHS-431 and supporting documentation on July 28, 2010.

However, when the department worker attempted to process the information, several discrepancies in the documents were noted. For example, the claimant indicates on the April, 2010 DHS-431 for Integrity Medical Supplies that there was interest and principal on loans for equipment, real estate or income-producing property in the amount of \$3034.62. However, there is no way to determine how the claimant computed this figure from the profit and loss sheet attached as proof of expenses. Similarly, the claimant's figures for interest and principal on loans for equipment, real estate or income-producing property on the May, 2010 Integrity DHS-431 do not correspond to anything listed in the profit and loss statement. Further, the claimant indicated that \$262.50 was an expense for insurance premiums on loans for equipment, real estate and income-producing property, but it is listed as life insurance premiums on the profit and loss statement. Lastly, on the DHS-431 for June, 2010, the claimant listed \$13544.32 as an expense for merchandise, but on the profit and loss statement, it is listed as the gross profit for the month.

The department workers can not be expected to have enough knowledge of the claimant's situation to be able to correct any mistakes that she may have made in completing the forms. Thus, due to the conflicting information and mistakes made by the claimant, eligibility could not be determined and the department properly denied the claimant's FAP application.

