

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

IN THE MATTER OF:



Reg. No.: 201136270
Issue No.: 4060
Case No.: [REDACTED]
Hearing Date: August 24, 2011
Wayne County DHS (55)

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a telephone hearing was held on August 24, 2011. The Claimant did not appear. Agent [REDACTED], Office of Inspector General appeared for the Department of Human Services.

ISSUE

Whether the Department is entitled to recoup an overissuance of Child Development and Care (CDC) benefits and whether the Department is entitled to collect a debt.

FINDINGS OF FACT

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

1. The Department's Office of Inspector General (OIG) filed a hearing request to establish an overissuance of benefits received by Respondent, as a result of Respondent having misrepresented her need for CDC benefits, due to her employment. The OIG also requested that a debt be established as a result of an overissuance of CDC benefits to the Respondent.
2. Respondent was a recipient of Child Development and Care (CDC) during the period of January 8, 2006 through April 1, 2006, and July 23, 2006 through March 31, 2007. Item 21 pages 85 through 95.

3. The Department alleged that the Respondent misrepresented her employment and thus her need based on alleged employment with [REDACTED], who Respondent represented that she provided child care for.
4. The address ([REDACTED]) the Respondent listed where she provided day care for [REDACTED] did not exist within the [REDACTED] or the [REDACTED]. Item 16.
5. The Respondent claimed that she was working for [REDACTED] in an unsigned verification of employment indicating a start date of 1/9/06 at a the non existent address, [REDACTED]. Item 16.
6. [REDACTED], as a client of DHS on her own behalf filed a shelter verification, and represented to the Department that her address was [REDACTED]. Item 11.
7. On the employment verification filed by the Respondent, and allegedly signed by [REDACTED] on 9/1/06, the form indicates that employment began 1/20/06 and was ongoing as of 9/1/06 and lists a non existent address. Item 12.
8. On 9/5/06 the Respondent filed an application for CDC benefits to attend Work First and to work. The Respondent did not attend Work First, except for orientation. Item 14 and Item 16.
9. Respondent was aware of the responsibility to report all household employment and income to the Department and to honestly verify employment, and had no apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement.
10. Respondent was not employed during the periods of January 8, 2006 through April 1, 2006 and July 23, 2006 through March 31, 2007.
11. Respondent did not honestly verify her employment and the need for CDC benefits was not established by the Claimant.
12. Respondent verified employment incorrectly for the purpose of receiving CDC benefits to which Respondent was not entitled.
13. The Respondent received CDC benefits as a result of her employment in the following amounts: \$3,696.32 and \$14,578.32. Item 21.
14. As result of the failure to properly verify her employment the Respondent did not establish an employment need for CDC benefits due to employment, Respondent

received an overissuance is in the amount of \$3,696.32 for the period January 2006 through April 2006 and \$14,578.32 for the period 7/23/06 through 3/31/07 under the CDC program.

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 (formerly known as the Family Independence Agency) provides services to adults and children pursuant to MCL 400.14(1) and Michigan Administrative Code Rules R 400.5001-5015. Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

In this case, the Department seeks debt establishment for an over-issuance of Child Development and Care benefits (CDC) due to client error resulting from the Respondent filing verifications of employment for her employment as a Child Day Care provider for an address which did not exist on two separate occasions when she submitted verifications of employment.

An over-issuance ("OI") occurs when a client group receives more benefits than they are entitled to receive. BAM 700, p. 1. A claim is the resulting debt created by the over issuance of benefits (OI). Id. Recoupment is an action to identify and recover a benefit. Id. The Department must take reasonable steps to promptly correct any overpayment of public assistance benefits, whether due to department or client error. BAMs 700, 705, 715, and 725. A client error OI occurs when the client received more benefits than they were entitled to because the client gave incorrect or incomplete information to the Department. BAM 700 p, 5. In this case the amount of the over issuance exceeds \$125 dollars so the department is entitled to pursue the CDC over issuance involved in this matter.

In the subject case, the Department has established its entitlement to collect the debt, as the evidence presented at the hearing clearly established its entitlement to recovery of CDC benefits improperly paid to the Respondent due to client error. Recipients of CDC benefits are not entitled to collect CDC benefits under circumstances where employment does not exist. BEM 703. The uncontroverted evidence showed the Respondent filed several verifications of employment for an alleged employer, [REDACTED] at an address that did not exist in the City of Detroit. Therefore it is concluded that the verifications were not properly prepared and were incorrect, and no such employment could be established. As no employment was established, the

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Respondent had no need basis for CDC benefits and was not entitled to benefits based on employment. BEM 703.

The proof of payments of CDC benefits received by the Respondent submitted by the Department for the period in question were reviewed and clearly established that the Respondent received an overissuance in CDC benefits in the amount of \$18,274.64, which the Department is entitled to collect. Item 21 pages 85 and 95.


The undersigned after a thorough review of the documents submitted by the Department (Items 1 through 21), presented at the hearing and admitted as evidence, and the testimony of the Agent who investigated the matter finds that there was an over-issuance and that the Department is entitled to collect as a debt the amount of \$18,274.64 (\$3,696.32 + \$14,578.32) in CDC benefits which were over issued to the Respondent. Accordingly, the Department's action for OI and debt establishment of the Respondent's CDC benefits is established by the evidence presented, and the Department is entitled to initiate collection procedures in accordance with Department policy.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds that the Respondent committed and IPV with regards to the and CDC program and received over issuance of \$18,274.64 in CDC program benefits.

It is Ordered:

1. The Department shall initiate debt collection proceedings for overissuances of CDC benefits in the amount of \$18,274.64.


Lynn M. Ferris
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: September 15, 2011

Date Mailed: September 15, 2011

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NOTICE: The law provides that within 30 days of receipt of the above Decision and Order, the respondent may appeal it to the circuit court for the county in which he/she lives.

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