

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

IN THE MATTER OF:



Reg. No.: 201127782  
Issue No.: 6052  
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 appeared and testified. Agent [REDACTED], Office of Inspector General appeared and testified on behalf of the Department.

**ISSUE**

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

**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 Respondents as a result of Respondent having misrepresented her employment.
2. Respondent was a recipient of Child Development and Care (CDC) during the period of 3/23/03 through 8/20/05.
3. During the period in question, the Respondent claimed employment with [REDACTED].

4. Several verifications of employment for [REDACTED] were submitted by the Respondent, but no such business existed at several of the addresses reported on the verifications. [REDACTED] was the address listed on one of the verifications and no such address exists in the [REDACTED]. Item 1, Item 9.
5. The Respondent could not remember if she worked for this employer.
6. The Respondent submitted another verification of employment for the same employer with another address, [REDACTED]. This address also does not exist. Item 2.
7. The signatures of the person filling the information out for the employer are completely different but purport to be the same person, [REDACTED]. Items 1 and 2.
8. Another verification of employment for [REDACTED] at [REDACTED], [REDACTED] was completed and submitted.
9. The verifications of employment could not be verified, as no such address existed for the the addresses.
10. During the period of overissuance 3/23/05 through 8/20/2005 the Respondent received CDC benefits for 4 of her children, [REDACTED], \$11,699.25, [REDACTED], \$11699.25, [REDACTED], [REDACTED] \$1988 for a total of \$37,165.
11. During the hearing the Respondent could not recall any facts or details of her employment and whether she worked for [REDACTED].
12. Respondent was aware of the responsibility to report all household employment , lack of employment and income to the Department, and had no apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement.
13. The Respondent received an overissuance of CDC benefits for employment that could not be verified.
14. Respondent was not employed and did not receive earnings during the period in question.
15. The Department requested a hearing to establish a debt owed by the Respondent to the Department in the amount of \$37, 165.

### **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 overissuance of Child Development and Care benefits CDC, due to client error resulting from the Respondent filing verifications of employment for her work at a coney island, which did not exist at the addresses listed on the verifications. Additionally, the Respondent could not confirm the addresses at the hearing and could not remember whether she had such employment.

An overissuance ("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 [REDACTED] at addresses which did not exist in the [REDACTED]. 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 Respondent had no need basis for CDC benefits and was not entitled to benefits. BEM 703.

The proof of payments of CDC benefits received by the Respondent submitted by the Department for the period in question (3/23/03 through 8/20/05) were reviewed and

clearly established that the Respondent received an overissuance in CDC benefits in the amount of \$37,165, which the Department is entitled to collect. Item 11 pages 51 and 55.

The undersigned, after a thorough review of the documents submitted by the Department Items 1 through 11 presented at the hearing and admitted as evidence, and the testimony of the parties to the proceeding finds that there was an overissuance and that the Department is entitled to collect as a debt the amount of \$37,165 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 received an overissuance of CDC benefits and that the Department has established a debt with regards to the and Respondent's improper receipt CDC benefits in the amount of \$37,165 in program benefits.

It is Ordered:

1. The Department shall initiate debt collection proceedings for over issuances of CDC benefits in the amount of \$37,165.



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

Date Signed: September 15, 2011

Date Mailed: September 15, 2011

**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 90 days of the filing of the original request.

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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.

LMF/hw

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