

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201136269
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; MCL 400.43(a); 1997 AACS R 400.941 and MCL 240201, et seq., upon the hearing request by the Department of Human Services to establish an over issuance (OI) of benefits to Respondent. After due notice, a telephone hearing was held on August 24, 2011 in Detroit, Michigan.

The Respondent did not appear. The matter having been initiated by the Department and after due notice having been provided to the Respondent, the hearing was held in the Respondent's absence in accordance with Bridges Administrative Manual (BAM) policy 725. Agent [REDACTED], Office of Inspector General, appeared on behalf of the Department.

ISSUE

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

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 over issuance of CDC benefits received by Respondent.
2. Respondent was a recipient of Child Development and Care (CDC) during the period of 2/17/2008 through 5/23/09, due to client error in failing to report that she graduated and received her GED and employment that was not reported.

201136269/LMF

3. Respondent was aware of the responsibility to report all household 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.
4. Respondent's need for CDC benefits stopped when she graduated from Clintondale with her GED, and need basis for CDC no longer existed. Respondent was employed and received earnings during the period of 4/17/09 through 5/23/09.
5. Respondent did not fully report all employment and income to the Department, or her change in circumstances regarding attending school after she earned her GED.
6. Respondent failed to report income and earnings for the purpose of receiving benefits to which Respondent was not entitled.
7. As result of Respondent receiving over issuance in the amount of \$1,527.72 under the CDC program.
8. The Department has established that the Respondent received an overissuance of CDC benefits.
9. A Notice of Disqualification hearing was mailed to the Respondent at the last known address, and was not returned by the US Post Office as undeliverable.

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 Food Assistance benefits (FAP) due to client error, resulting from the Claimant's s failure to report earned income and graduation from school. .

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. An agency error OI is caused by incorrect actions by DHS, DIT staff, or Department processes. BAM 705, p. 1. In general, agency error OIs are not pursued if OI amount is under \$125.00 per program. BAM 705, p. 1. 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 Claimant due to client error. Recipients of CDC benefits are not entitled to collect CDC benefits when their need basis changes. The uncontroverted evidence showed the Claimant’s income was not reported or budgeted during the period she worked, and was not entitled to receive CDC benefits for the period 4/17/09 through 5/23/09 in question. The proof of payments of CDC benefits received by the Claimant submitted by the Department for each month, for the period in question 2/15/09 through 5/23/09 were reviewed and it was clearly established that the Claimant’s change in need circumstance (GED) and income disqualified her from receiving CDC benefits. Item 10 pages 59 and 60; Item 6 page 47 and 48.

The undersigned after a thorough review of the documents submitted by the Department pages 1 through 60 presented at the hearing and admitted as evidence, finds that there was an over-issuance and that the Department is entitled to collect as a debt the amount of \$1527.72 in CDC benefits which were over issued to the Claimant. Accordingly, the Department’s action for OI and debt establishment of the Claimant’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 with regards to the CDC program, and received over issuance of \$1527.72 in program benefits and that the Department’s determination of overissuance is correct.

Accordingly it is Ordered:

201136269/LMF

1. The Department shall initiate collection procedures in accordance with Department policy for over issuances of CDC benefits in the amount of \$1527.72.



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

Date Signed: September 1, 2011

Date Mailed: September 1, 2011

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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