

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201237789
Issue No: 1006, 3006
Case No: [REDACTED]
Hearing Date: February 6, 2014
Oakland County DHS #02

ADMINISTRATIVE LAW JUDGE: Suzanne D. Sonneborn

HEARING DECISION

Upon a hearing request by the Department of Human Services (Department) to establish an overissuance (OI) of benefits to Respondent, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9, 400.43a, and 24.201, *et seq.*, and Mich Admin Code, R 400.941, and in accordance with 7 CFR 273.15 to 273.18, 42 CFR 431.200 to 431.250, 45 CFR 99.1 to 99.33, and 45 CFR 205.10. After due notice, a telephone hearing was held on February 6, 2014 from Lansing, Michigan. Respondent appeared and provided testimony. Respondent's mother, [REDACTED] also appeared and provided testimony on Respondent's behalf. The department was represented by [REDACTED] a recoupment specialist with the department's Oakland County office.

ISSUE

Whether Respondent received an overissuance (OI) of Food Assistance Program (FAP) benefits and Family Independence Program (FIP) benefits that the department is entitled to recoup?

FINDINGS OF FACT

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

1. Respondent was a recipient of FAP and FIP benefits at all times relevant to this matter.
2. On November 8, 2011, the Department closed Respondent's FIP and FAP benefits cases for failure to verify information.

3. On November 17, 2011, Respondent submitted a timely hearing request and, in doing so, requested reinstatement of her benefits during the pendency of the hearing process.
4. On February 1, 2012, Administrative Law Judge Michael Bennane issued a Hearing Decision and Order concluding that the Department properly closed Respondent's FIP and FAP benefits cases on November 8, 2011 due to her failure to verify income information regarding the father of her child once he became a member of her household and a mandatory member of her FIP and FAP group. (Department Exhibits D-K)
5. Respondent did not appeal the February 1, 2012 Hearing Decision and Order.
6. On February 17, 2012, the department mailed Claimant a written notice (DHS-4358-A) that she received an over issuance of FAP benefits in the amount of \$ [REDACTED] for the period of December 1, 2011 through February 29, 2012 and an over issuance of FIP benefits in the amount of \$ [REDACTED] for the same period, for a total over issuance amount of \$ [REDACTED] as a result of client error. (Department Exhibits A, B, C)
7. On February 29, 2012, Claimant submitted a hearing request, protesting the department's determination that she must repay the FAP and FIP over-issuances.

CONCLUSIONS OF LAW

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness of that decision. Department of Human Services Bridges Administrative Manual (BAM) 600 (2011), p. 1. The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in sections 400.901 to 400.951 of the Michigan Administrative Code (Mich Admin Code). An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. Mich Admin Code R 400.903(1).

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 Bridges Reference Manual (BRM).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193, and 42

USC 601 to 679c. The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MC L 400.10 and 400.57a and Mich Admin Code, R 400.3101 to .3131.

All earned and unearned income available to the client is countable. Earned income means income received from another person or organization or from self-employment for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. BEM 500.

The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Actual income is income that was already received. Prospective income is income not yet received but expected. Prospective budgeting is the best estimate of the client's future income. BEM 505.

All income is converted to a standard monthly amount. If the client is paid weekly, the Department multiplies the average weekly amount by 4.3. If the client is paid every other week, the Department multiplies the average bi-weekly amount by 2.15. BEM 505.

An over issuance is the amount of benefits issued to the client group in excess of what they were eligible to receive. BAM 705. The amount of the over issuance is the amount of benefits the group actually received minus the amount the group was eligible to receive. BAM 720. When a client group receives more benefits than they are entitled to receive, the Department must attempt to recoup the over issuance. BAM 700.

Department errors are caused by incorrect actions by the Department. BAM 705. Department error over issuances are not pursued if the estimated over issuance is less than \$ [REDACTED] per program. BAM 705. The agency error threshold was raised to \$ [REDACTED] from \$ [REDACTED] with an effective date of December 1, 2012. BAM 705. Client errors occur when the customer gave incorrect or incomplete information to the Department. Client errors are not established if the over issuance is less than \$125 unless the client group is active for the over issuance program, or the over issuance is a result of a quality control audit finding. BAM 700.

In this case, Respondent was a recipient of FAP and FIP benefits and, due to client error, she received an over issuance of such benefits in the amounts of \$ [REDACTED] and \$ [REDACTED] for the period December 1, 2011 through February 29, 2012, for a total over issuance amount of \$ [REDACTED]

At the February 6, 2014 hearing, the department's representative, recoupment specialist, Michelle Corgan, provided testimony and documentary evidence establishing that Respondent failed to accurately and timely verify income information regarding her group member, [REDACTED], the father of one of her children. Ms. [REDACTED] further established that, as a result of Claimant's failure to verify Mr. [REDACTED] income information, the Department closed Respondent's FIP and FAP cases on November 8, 2011 and this closure was upheld in a Hearing Decision issued by Administrative Law Judge Michael Bennane on February 1, 2012, which decision Respondent failed to appeal. And, because the Department's closure of Respondent's FIP and FAP benefits was ultimately upheld, the Department was entitled to recoup the FIP and FAP benefits that Respondent continued to receive during the pendency of the hearing process.

In response to the Department's presentation, Respondent testified that she tried to obtain Mr. [REDACTED] cooperation in verifying information needed by the Department. Respondent further testified that she did not fully understand the consequences of her failure to verify information regarding Mr. [REDACTED], including that she could be required to repay any FIP and FAP benefits that she received despite her failure to verify information.

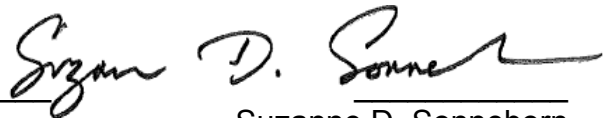
Testimony and other evidence must be weighed and considered according to its reasonableness. *Gardiner v Courtright*, 165 Mich 54, 62; 130 NW 322 (1911); *Dep't of Community Health v Risch*, 274 Mich App 365, 372; 733 NW2d 403 (2007). Moreover, the weight and credibility of this evidence is generally for the fact-finder to determine. *Dep't of Community Health*, 274 Mich App at 372; *People v Terry*, 224 Mich App 447, 452; 569 NW2d 641 (1997).

This Administrative Law Judge has carefully considered and weighed the testimony and other evidence in the record and finds that Respondent's testimony regarding her efforts to comply with the Department's verification requests related to her group member are not relevant to this hearing process, having already been made and adjudicated or heard by an Administrative Law Judge, resulting in an administrative hearing decision not appealed by Respondent. This Administrative Law Judge further finds that, regarding the issue at hand, Respondent has provided no testimony or documentary evidence disputing that she received the over issuances indicated. Accordingly, based on the competent, material, and substantial evidence presented during the February 6, 2014 hearing, the department properly determined that Claimant received an over issuance of FAP benefits in the amount of \$ [REDACTED] for the period of December 1, 2011 through February 29, 2012 and an over issuance of FIP benefits in the amount of \$ [REDACTED] for the same period, for a total over issuance amount of \$ [REDACTED] which the department is required to recoup.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly determined that Claimant received an over issuance of FAP benefits in the amount of \$ [REDACTED] for the period of December 1, 2011 through February 29, 2012 and an over issuance of FIP benefits in the amount of \$ [REDACTED] for the same period, for a total over issuance amount of \$ [REDACTED] which the department is required to recoup. Accordingly, the department's recoupment of Claimant's over issuance of FAP and FIP benefits in the amount of \$ [REDACTED] is **UPHELD** and the Department is ORDERED to initiate collection procedures in this amount in accordance with Department policy.

It is **SO ORDERED**.



Suzanne D. Sonneborn
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: February 6, 2014

Date Mailed: February 7, 2014

NOTICE OF APPEAL: 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

Michigan Administrative Hearing System (MAHS) 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. MAHS 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 (60 days for FAP cases).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

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The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-07322

SDS/hj

cc:

