

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

IN THE MATTER OF:

██████████
████████████████████
████████████████████

Reg. No.: 2013-40923
Issue No.: 6046
Case No.: ██████████
Hearing Date: July 15, 2013
County: Wayne (49)

ADMINISTRATIVE LAW JUDGE: Eric Feldman

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, a telephone hearing was held on July 15, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department or DHS) included ██████████, Eligibility Specialist.

ISSUE

Did the Department properly process Claimant's Direct Support Services (DSS) application?

FINDINGS OF FACT

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

1. In August 2012, Claimant submitted a DSS request for emergency services funds for furniture. Exhibit 1.
2. In August 2012, the Department approved Claimant's DSS request.
3. On September 21, 2012, the Department issued a Local Payment Authorization (DHS-1291) for furniture expenses in the amount of \$1,139.49. Exhibit 1.
4. In October 2012, the Department sent payment to the vendor in the amount of \$1,349.49. See Exhibit 1.

5. The vendor never received any payment nor did the Claimant ever receive any furniture.
6. On April 9, 2013, Claimant filed a hearing request, regarding her DSS application. Exhibit 1.

CONCLUSIONS OF LAW

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

DHS assists families to achieve self-sufficiency. BEM 232 (May 2012), p. 1. The primary avenue to self-sufficiency is employment. BEM 232, p. 1. DHS and the work participation program provide DSS to help families become self-sufficient. BEM 232, p. 1. There is no entitlement for DSS. BEM 232, p. 1. The decision to authorize DSS is within the discretion of the DHS or the work participation program. BEM 232, p. 1. DSS supports FIP, CDC, MA and FAP Families programs. BEM 232, pp. 1-2.

For authorizations based on actual costs supported by an invoice, the Department uses the Employment and Training Expenditures Authorization (DHS-4663) in its system to direct the accounting office to issue a vendor payment. BEM 232, p. 6.

For authorizations based on an estimated cost, the Department uses the DHS-4663 on its system to direct the accounting office to issue a DHS-2083, Purchase Order Invoice. The DHS-2083 authorizes the vendor to provide the service (for example, vehicle repair) and bill the local office. BEM 232, p. 6. The accounting office will inform the specialist when the final bill or purchase order is received, if the amount is different. BEM 232, pp. 6-7. The specialist then re-processes the payment amount in Bridges. BEM 232, p. 7.

Bulk purchased items are managed by designated local office staff. BEM 232, p. 7. An inventory of bulk items is maintained outside of the Department's system. BEM 232, p. 7. When purchasing bulk items, designated staff complete a DHS-1291, Local Payment Authorization, attaching the original bill. BEM 232, p. 7.

In this case, in August 2012, Claimant submitted a DSS request for emergency services funds for furniture. Exhibit 1. In August 2012, the Department approved Claimant's DSS request. On September 21, 2012, the Department issued a Local Payment Authorization (DHS-1291) for furniture expenses in the amount of \$1,139.49. Exhibit 1. In October 2012, the Department sent payment to the vendor in the amount of \$1,349.49. See Exhibit 1. The vendor never received the payment and Claimant never received the furniture. On April 9, 2013, Claimant filed a hearing request, regarding her DSS application. Exhibit 1.

At the hearing, the Department testified that its local fiscal unit office stated that the vendor never received the authorized payment. Claimant testified that she contacted the vendor itself and they as well stated that it never received the authorized payment. It was determined during the hearing that the address of the vendor was incorrect. See Exhibit 1. Moreover, the check was sent to this incorrect address.

Based on the foregoing information and evidence, the Department improperly processed Claimant's DSS application. Both parties agreed that the payment was sent to the incorrect address. Moreover, the Department did not provide any evidence that the check was processed by the vendor. Thus, the Department did not act in accordance with Department policy when it processed Claimant's DSS application.

It should also be noted that the Local Payment Authorization form indicates that the vendor check was to be issued in the amount of \$1,139.49. See Exhibit 1. However, the Department provided a fiscal tracking document, which indicated the check was mailed to the vendor in the amount of \$1,349.49. Exhibit 1. It appears that the Department sent the incorrect amount. Nevertheless, both parties agreed that the amount the vendor should receive is \$1,139.49.

DECISION AND ORDER

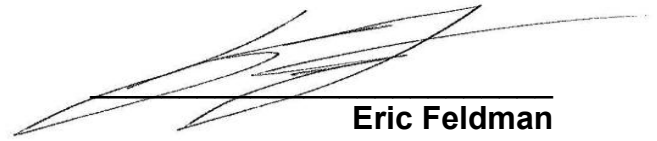
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department did not act in accordance with Department policy when it processed Claimant's DSS application.

Accordingly, the Department's DSS decision is REVERSED for the reasons stated above and on the record.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reregister the August 2012 DSS application;
2. Begin reprocessing the DSS application for August 2012, ongoing, in accordance with Department policy;
3. Issue payment to the vendor in the amount of \$1,139.49 the Department agreed to pay in September 2012, the Local Payment Authorization, less any amounts the Department did in fact pay; and

4. Notify Claimant of its decision in accordance with Department policy.



Eric Feldman
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: July 30, 2013

Date Mailed: July 30, 2013

NOTICE: 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)

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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
 - misapplication of manual policy or law in the hearing decision,
 - typographical errors, mathematical error, or other obvious errors in the hearing decision that affect the substantial rights of the claimant,
 - failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at
Michigan Administrative Hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

EJF/cl

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