

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2013-15694
Issue No.: [REDACTED]
Case No.: 103136692
Hearing Date: January 23, 2013
County: Wayne (82-17)

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

HEARING DECISION FOR DEBT COLLECTION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Department of Human Services' (Department) request for a hearing. After due notice, a telephone hearing was held on January 23, 2013, from Detroit, Michigan. The Department was represented by [REDACTED], also [REDACTED], appeared as a witness.

Participants on behalf of Respondent included: .

Respondent did not appear at the hearing and it was held in Respondent's absence pursuant to 7 CFR 273.16(e), Mich Admin Code R 400.3130(5), or Mich Admin Code R 400.3187(5).

ISSUES

1. Did Respondent receive an overissuance (OI) of

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|--|--|
| <input type="checkbox"/> Family Independence Program (FIP) | <input type="checkbox"/> Food Assistance Program (FAP) |
| <input type="checkbox"/> State Disability Assistance (SDA) | <input checked="" type="checkbox"/> Child Development and Care (CDC) |
| <input type="checkbox"/> Medical Assistance (MA) | |

benefits that the Department is entitled to recoup?

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 OIG filed a hearing request on December 12, 2012, to establish an OI of benefits received by Respondent as a result of Respondent having allegedly receiving CDC benefits improperly from alleged employment which could not be verified.
2. Respondent was a recipient of FIP FAP SDA CDC MA benefits during the relevant periods at issue.
3. The Department's OIG indicates that the time period they are considering the OI period is April 13, 2008, through April 11, 2009.
4. During the alleged OI period, Respondent was issued \$12,315 in FIP FAP SDA CDC MA benefits from the State of Michigan.
5. The OIG alleges that Respondent was entitled to \$0 in FIP FAP SDA CDC MA during this time period.
6. Respondent did did not receive an OI in the amount of \$12,315 under the FIP FAP SDA CDC MA program.
7. A notice of hearing was mailed to Respondent at the last known address and was was not returned by the US Post Office as undeliverable.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT). Prior to August 1, 2008, Department policies were contained in the Department of Human Services, Program Administrative Manuals (PAM), Program Eligibility Manual (PEM), and Reference Schedules Manual (RFS).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq.* The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3101 through R 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

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 (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3001 through R 400.3015.

The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department of Human

Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3151 through R 400.3180.

The Child Development and Care (CDC) 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 provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001 through R 400.5015.

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

Recoupment of Overissuance

When a client group receives more benefits than they are entitled to receive, the Department must attempt to recoup the OI. BAM 700 (December 1, 2011), p. 1. The amount of the OI is the benefit amount the client actually received minus the amount the client was eligible to receive. BAM 720, p. 6; BAM 715 (December 1, 2011), pp. 1, 5; BAM 705 (December 1, 2011), p. 5.

At the hearing, the Department established that \$12,315 in CDC benefits were issued by the State of Michigan to Respondent from April 13, 2008, through April 11, 2009. Exhibit 1, pp. 38-47. The Department alleges that Respondent was eligible for \$0 in CDC benefits during this period.

In support of its CDC OI case, the Department presented a Verification of Employment that could not be independently verified by the investigating OIG agent. The Agent credibly testified that she attempted to verify with the employer who signed the initial Verification of Employment for Respondent and was unable to contact the employer after leaving several messages and attempting to make contact at the premises the employer listed as the address for the business. The original verification was also completed without a date and no federal tax identification number was listed with the verification. Exhibit 1, pp. 20, 21. The OIG investigator also learned from Respondent that she reported to work at 3:30 p.m. but her provider did not get off work until 5:30 p.m. Under the totality of these circumstances, it could not be verified or established that Respondent was employed as represented in her applications and, thus, it is determined that she did not have a need for CDC benefits. Respondent listed the employer as [REDACTED] on both her 2008 and 2009 applications. Exhibit 1, pp. 15 and 31.

In reviewing the evidence submitted to support the OI total, it is established that Respondent did receive an OI of \$12,315 based upon the schedules of payments made

for each child. Exhibit 1, pp. 39-47. Thus, the Department is entitled to an OI in the amount \$12,315 that it sought in its hearing request.

Therefore, the Department is entitled to recoup \$12,315 in CDC benefits it issued to Respondent for the period April 13, 2008, through April 11, 2009, as proof of receipt of benefits was established.

1. Respondent did did not receive an OI of program benefits in the amount of \$12,315 from the following program(s) FIP FAP SDA CDC MA.

The Department is ORDERED to

initiate recoupment procedures for the amount of \$12,315 in accordance with Department policy.



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

Date Signed: March 21, 2013

Date Mailed: March 25, 2013

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.

LMF/pf

cc:

