

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 201341875  
Issue No: 3006  
Case No: [REDACTED]  
Hearing Date: February 27, 2014  
Calhoun County DHS

**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 27, 2014 from Lansing, Michigan. Respondent appeared and provided testimony. The Department was represented by [REDACTED] a recoupment specialist with the Department's Calhoun County office

**ISSUE**

Whether Respondent received an overissuance (OI) of Food Assistance Program (FAP) 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 benefits at all times relevant to this matter.
2. On July 16, 2012, the Department discovered that, due to client error, the department failed to budget Respondent's employment earnings for the months of June and July 2012, which employment began in April 2012 but Respondent had not reported to the Department until July 16, 2012. (Department Exhibits A, D, F, G)
3. Due to this budgeting error, Respondent received an overissuance of FAP benefits in the amount of \$ [REDACTED] for the period June 1, 2012 through July 31, 2012. (Department Exhibit E)
4. On April 5, 2013, the Department mailed Respondent a written notice (DHS-4358-A) that she received an overissuance of FAP benefits in the amount of

§ [REDACTED] for the period June 1, 2012 through July 31, 2012. (Department Exhibit C)

5. On April 17, 2013, Respondent submitted a hearing request, protesting the department's determination that she must repay the FAP over issuance.

### **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).

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 \$250 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 benefits and, due to client error, she received an over issuance of such benefits in the amount of \$ [REDACTED] for the period June 1, 2012 through July 31, 2012.

At the February 27, 2014 hearing, the department's representative, recoupment specialist, Kerry Moore, provided testimony and documentary evidence establishing that Respondent began employment at Lowe's in April 2012 and provided verification of her employment earnings in July 2012. Ms. Moore further established that, once the Department properly budgeted Respondent's employment income, the Department determined that Respondent had received an over issuance of FAP benefits in the amount of \$384.00 for the period June 1, 2012 through July 31, 2012.

In response to the Department's presentation, Respondent testified that she felt she made a timely effort in April 2012 to report her employment with Lowe's and that, through no fault of her own, her mailed employment verification was returned undeliverable.

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).

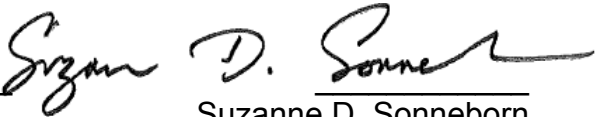
This Administrative Law Judge has carefully considered and weighed the testimony and other evidence in the record, including Respondent's sincere testimony regarding her efforts to timely report her income. This Administrative Law Judge nonetheless finds, based on the competent, material, and substantial evidence presented during the February 27, 2014 hearing, the Department properly determined that Respondent received an over issuance of FIP benefits in the amount of \$384.00 for the period June 1, 2012 through July 31, 2012, 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 June 1, 2012 through

July 31, 2012, which the department is required to recoup. Accordingly, the department's recoupment of Claimant's over issuance of FAP 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**.



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

Date Signed: March 5, 2014

Date Mailed: March 5, 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.

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:

