

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201354188
Issue No: 3006, 4006
Case No: [REDACTED]
Hearing Date: March 6, 2014
Macomb County DHS #12

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 March 6, 2014 from Lansing, Michigan. Respondent appeared and provided testimony. Respondent's witness, [REDACTED] [REDACTED] also appeared and provided testimony on Respondent's behalf. The Department was represented by [REDACTED] [REDACTED] [REDACTED] a recoupment specialist with the Department's Macomb County office

ISSUE

Whether Respondent received an over issuance (OI) of Food Assistance Program (FAP) benefits and State Disability Assistance (SDA) 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. On May 27, 2009, Respondent applied for FAP and SER assistance. In doing so, Respondent reported that he had no income. In signing the application, Respondent certified with his signature, under penalty of perjury, that all the information he had written on the form or told to a specialist was true. Respondent further certified with his signature that he received and reviewed a copy of the Acknowledgements, which include the obligation to report changes in one's circumstances within ten days. Respondent further certified with his signature that he understood he could be prosecuted for fraud and/or be required

to repay the amount wrongfully received if he intentionally gave false or misleading information, misrepresented, hid or withheld facts that may cause him to receive assistance he should not have received. (Department Exhibit 1, pp. 3-17)

2. On October 7, 2010, the Department discovered that, due to agency error, the department erroneously failed to budget Respondent's receipt of social security benefits, which began in April 2010 in the amount of \$ [REDACTED] (Department Exhibit 2, pp. 18-20).
3. Due to the Department's agency error, Respondent received an over issuance of FAP benefits in the amount of \$ [REDACTED] for the period June 1, 2010 through October 31, 2010 and an over issuance of SDA benefits in the amount of \$ [REDACTED] for the same period. (Department Exhibit 3, pp. 21-30; Department Exhibit 4, pp. 31-49; Department Exhibit 5, pp. 50-51; Department Exhibit 6, p. 52; Department Exhibit 7, p. 53; Department Exhibit 8, p. 54)
4. On June 14, 2013, the Department mailed Respondent a written notice (DHS-4358-A) that he received an over issuance of FAP and SDA benefits in the amounts of \$ [REDACTED] and \$ [REDACTED] respectively, for the period June 1, 2010 through October 31, 2010 as a result of agency error. (Department Exhibit 9, pp. 55-58; Department Exhibit 10, pp. 59-62)
5. On June 21, 2013, Respondent submitted a hearing request, protesting the department's determination that he must repay the FAP and SDA 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 State Disability Assistance (SDA) program was established by 2004 PA 344 and is a financial assistance program for individuals who are not eligible for the Family Independence Program (FIP) and are either disabled or the caretaker of a disabled person. The Department of Human Services (DHS or department) administers the SDA program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3151-400.3180.

The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. For FAP purposes, all earned and unearned income available to Claimant 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 (AMP), 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.

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. 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 \$ [REDACTED] 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 SDA benefits and, due to agency error, he received an over issuance of FAP and SDA benefits in the amounts of \$ [REDACTED] and \$ [REDACTED] respectively, for the period June 1, 2010 through October 31, 2010.

At the March 5, 2014 hearing, the department's representative, recoupment specialist, Linda Clark-Blythe, provided testimony and documentary evidence establishing that, while Respondent failed to timely and accurately report his receipt of Social Security benefits, the Department was ultimately responsible for failing to timely match recipient data with the SSA through computer data exchange processes. The Department's failure to timely determine Respondent's receipt of Social Security benefits in this manner resulted in Respondent's receipt of an over issuance of FAP and SDA benefits

in the amounts of \$ [REDACTED] and \$ [REDACTED] respectively, for the period June 1, 2010 through October 31, 2010.

In response to the Department's presentation, Respondent did not disagree with the fact that he began receiving Social Security benefits in April 2010. However, Respondent expressed frustration with the Department's error and felt that he should not be punished for an error caused by the Department in failing to accurately determine his FAP and SDA budgets. Respondent also questioned whether he did in fact receive the FAP amount of \$ [REDACTED] attributed to him – however, Ms. Clark-Blythe produced Respondent's EBT Bridge card history of his transactions, which established that Respondent received at least \$ [REDACTED] in FAP benefits between May 21, 2010 and October 15, 2010.

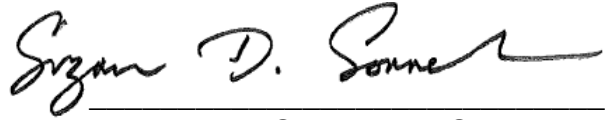
Testimony and other evidence must be weighed and considered according to its reasonableness. *Gardiner v Courtright*, 165 Mich 54, 62; 130 NW 322 (1911); *Dep't of Community Health v Risch*, 274 Mich App 365, 372; 733 NW2d 403 (2007). Moreover, the weight and credibility of this evidence is generally 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 must note that, notwithstanding Respondent's testimony regarding principles of fairness, administrative adjudication is an exercise of executive power rather than judicial power, and restricts the granting of equitable remedies. *Michigan Mutual Liability Co. v Baker*, 295 Mich 237; 294 NW 168 (1940). This Administrative Law Judge further finds that it was Respondent's obligation to timely and accurately report the onset of his receipt of SSA benefits, that Respondent understood this obligation, and that Respondent failed to comply with this obligation. Accordingly, based on the competent, material, and substantial evidence presented during the March 6, 2014 hearing, the department properly determined that Respondent received an over issuance of FAP and SDA benefits in the amounts of \$ [REDACTED] and \$ [REDACTED] respectively, for the period June 1, 2010 through October 31, 2010.

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 Respondent received an over issuance of FAP and SDA benefits in the amounts of \$ [REDACTED] and \$ [REDACTED] respectively, for the period June 1, 2010 through October 31, 2010, which the department is required to recoup. Accordingly, the department's recoupment of Respondent's over issuance of FAP and SDA 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: March 7, 2014

Date Mailed: March 11, 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

201354188/SDS

SDS/hj

cc:

