

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 201356208  
Issue No: 3006  
Case No: [REDACTED]  
Hearing Date: March 6, 2014  
Macomb County DHS #20

**ADMINISTRATIVE LAW JUDGE:** Suzanne D. Sonneborn

**HEARING DECISION**

Upon a hearing request by the Department of Human Services (Department) to establish an over issuance (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. The Department was represented by [REDACTED] a recoupment specialist with the Department's Macomb County office.

**ISSUE**

Whether Respondent received an over issuance of Child Development Care (CDC) 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 CDC benefits at all times relevant to this matter.
2. On June 25, 2013, the Department discovered that, due to agency error, the department failed to accurately budget Respondent's countable income and adoption subsidy following Respondent's February 2011 adoption of her son, which status Respondent timely reported to the Department. (Department Exhibits 1A-1D; 2A-2D; 3A-3E; 4A-4B; 5A-5D)
3. Due to this Department error, Respondent received an over issuance of CDC benefits in the amount of \$ [REDACTED] for the period June 17, 2012 through May 4, 2013. (Department Exhibit 7D, 7E)
4. On June 27, 2013, the Department mailed Respondent a written notice (DHS-4358-A) that she received an over issuance of CDC benefits \$ [REDACTED] for the period June 17, 2012 through May 4, 2013. (Department Exhibit 7A-7G)

5. On July 8, 2013, Respondent submitted a hearing request, protesting the department's determination that she must repay the CDC 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 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 1999 AC, Rule 400.5001 through Rule 400.5015.

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 \$250 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 \$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, at the March 6, 2014 hearing, the department's representative, recoupment specialist, Drema Piech, provided sufficient testimony and documentary evidence establishing that, despite Respondent having timely reported her adoption of a foster child in her care, the Department erroneously failed to budget Respondent's income and adoption subsidy thereafter, resulting in Respondent's receipt of an over issuance of CDC benefits in the amount of \$ [REDACTED] for the period June 17, 2012 through May 4, 2013.

In response to the Department's presentation, Respondent expressed understandable frustration with the Department's error and felt that she should not be punished for an error caused by the Department.

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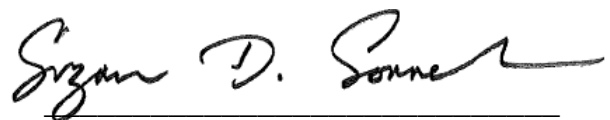
Testimony and other evidence must be weighed and considered according to its reasonableness. *Gardiner v Courtright*, 165 Mich 54, 62; 130 NW 322 (1911); *Dep't of Community Health v Risch*, 274 Mich App 365, 372; 733 NW2d 403 (2007). Moreover, the weight and credibility of this evidence is generally 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). 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 CDC benefits in the amount of \$ [REDACTED] for the period June 17, 2012 through May 4, 2013.

### **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 CDC benefits in the amount of \$ [REDACTED] for the period June 17, 2012 through May 4, 2013, which the department is required to recoup. Accordingly, the department's recoupment of Respondent's over issuance of CDC 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 12, 2014

Date Mailed: March 12, 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:

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- 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:

