

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2014-11933  
Issue No.: 3006  
Case No.: [REDACTED]  
Hearing Date: March 26, 2014  
County: Wayne (19)

**ADMINISTRATIVE LAW JUDGE:** C. Adam Purnell

**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 26, 2014 from Lansing, Michigan. Participants on behalf of the Department included [REDACTED] (Recoupment Specialist) and [REDACTED] (Assistance Payments Worker). Participants on behalf of Respondent included [REDACTED] [REDACTED] i (Claimant's daughter/Arabic-English Interpreter) and [REDACTED] (Respondent).

**ISSUE**

Did Respondent receive an overissuance (OI) of Food Assistance Program (FAP) benefits?

**FINDINGS OF FACT**

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

1. Respondent was a recipient of FAP benefits from the Department.
2. The Department alleges Respondent received a FAP OI during the period of March 1, 2012 through October 31, 2012 due to Respondent's error.
3. The Department alleges that Respondent received a \$ [REDACTED] OI that is still due and owing to the Department.
4. The Department requested a hearing on November 5, 2013.

## CONCLUSIONS OF LAW

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

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food Stamp Act of 1977, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 271.1 to 285.5. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10 and Mich Admin Code, R 400.3001 to .3015.

When a client group receives more benefits than it is entitled to receive, DHS must attempt to recoup the overissuance (OI). BAM 700, p 1 (12-1-2011). An overissuance (OI) is the amount of benefits issued to the client group or CDC provider in excess of what it was eligible to receive. For FAP benefits, an OI is also the amount of benefits trafficked (traded or sold). BAM 700, p 1 (12-1-2011).

An agency error OI is caused by incorrect action (including delayed or no action) by DHS staff or department processes. BAM 700, p 3 (12-1-2011). If unable to identify the type of OI, the Department records it as an agency error. BAM 700, p 3 (12-1-2011). A client error OI occurs when the client received more benefits than they were entitled to because the client gave incorrect or incomplete information to the department. BAM 700, p 5 (12-1-2011).

Here, the Department contends that Respondent received an OI of FAP benefits due to a client error. Specifically, the Department contends the following: (1) In August, 2012 Respondent's unearned monthly income increased from \$ [REDACTED] to \$ [REDACTED] and (2) Respondent failed to timely and properly report that her shelter expense decreased from \$ [REDACTED] to \$ [REDACTED] from March, 2012 through October 2012. Respondent's daughter testified that she handles all of her mother's business affairs and that Respondent does not personally handle the mail in the household. Respondent contends that she properly and timely reported any changes in their shelter expense to the Department.

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). 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). Moreover, it is for the fact-finder to gauge the demeanor and veracity of the witnesses who appear before him, as best he is able. See, e.g., *Caldwell v Fox*, 394 Mich 401, 407; 231 NW2d 46 (1975); *Zeeland Farm Services, Inc v JBL Enterprises, Inc*, 219 Mich App 190, 195; 555 NW2d 733 (1996).

This Administrative Law Judge has carefully considered and weighed the testimony and other evidence in the record. The record evidence contains a copy of a Notice of Change to Lease and Contract-Tenant Copy dated December 14, 2011 which showed that Respondent's rent was reduced from \$ [REDACTED] to \$ [REDACTED] effective January 1, 2012.

The record further shows that the Department budgeted Respondent's monthly unearned income as \$ [REDACTED] for the certification period of November 1, 2011 through October 31, 2012 and that the excess shelter deduction used was \$ [REDACTED]. The Administrative Law Judge finds that the hearing record shows that Respondent received an OI of FAP benefits during the period indicated above because her unearned income and the shelter expense were not properly considered when her FAP was budgeted.

Respondent's letter confirms that her shelter expense did change, but it does not prove that she reported the shelter expense to the Department. Clients are required to report changes in circumstances within 10 (ten) days after the client is aware of them. BAM 105. These changes include, but are not limited to changes regarding: (1) persons in the home; (2) marital status; (3) address and shelter cost changes that result from the move; (4) vehicles; (5) assets; (6) child support expenses paid; (7) health or hospital coverage and premiums; or (8) child care needs or providers. BAM 105. This Administrative Law Judge finds the Department's evidence to be credible that Respondent failed to report the change in her housing expense. Thus, this could be construed as a client error. However, the record shows that the Department failed to properly interface Respondent's unearned income reduction from the Social Security Administration (SSA). The Department did not include a State Online Query Report (SOLQ) or other documentation in this regard. Thus, this Administrative Law Judge finds that this is a Department error rather than Respondent's error.

The substantial, material and competent evidence, based on the whole record, indicates that Respondent received a FAP OI due to a Department error rather than a client error.

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, finds that the Department did establish a FAP benefit OI to Respondent totaling \$ [REDACTED].

### **DECISION AND ORDER**

Accordingly, the Department is **AFFIRMED IN PART** with respect to the establishment of a FAP OI from March, 2012 through October, 2012 and **REVERSED IN PART** with respect to the assertion that the OI was due to a client error.

The Department is **ORDERED** to change the FAP OI type from client error to Department error and the Department is **ORDERED** to initiate collection procedures for a \$ [REDACTED] OI in accordance with Department policy.



**C. Adam Purnell**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: April 1, 2014

Date Mailed: April 1, 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

CAP/las

cc:

