

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

IN THE MATTER OF:

████████████████████
████████████████████
██

Reg. No.: 2014-228
Issue No(s): 2006
Case No.: ██████████
Hearing Date: July 31, 2014
County: Macomb (12)

ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton

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 July 31, 2014, from Detroit, Michigan. Participants on behalf of the Department included ██████████, Recoupment Specialist.

Respondent did not appear. This matter having been initiated by the Department and due notice having been provided to Respondent, the hearing was held in Respondent's absence in accordance with Department of Human Services Bridges Administrative Manual (BAM) 725 (August 2012), p. 16.

ISSUE

Did Respondent receive an OI of Family Independence Program (FIP) 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 FIP benefits from the Department.
2. The Department alleges Respondent received a FAP OI during the period January 1, 2013 through April 30, 2013, due to Respondent's error.

3. The Department alleges that Respondent received a \$1,592.00 OI that is still due and owing to the Department.

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 Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and 42 USC 601 to 679c. The Department (formerly known as the Family Independence Agency) administers FIP pursuant to 45 CFR 233-260, MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3101 to .3131.

Additionally, when a client group receives more benefits than they are entitled to receive, the Department must attempt to recoup the OI. BAM 700 (July 2013), p. 1. An agency error OI is caused by incorrect actions by the Department, including delayed or no action, which result in the client receiving more benefits than they were entitled to receive. BAM 700, p.4. A client error OI occurs when the client received more benefits than they were entitled to because the client gave incorrect or inaccurate information to the Department. BAM 700, p.6.

The amount of the OI is the benefit amount the client actually received minus the amount the client was eligible to receive. BAM 715 (July 2013), pp. 1, 6; BAM 705 (July 2013), p 6.

In this case, the Department alleges that Respondent received an OI of FAP benefits from January 1, 2013 through April 30, 2013 in the amount of \$1,592.00 due to client error for failing to report her husband's earned income. Upon request by the Department, Respondent submitted her husband's paystubs. At the time Respondent requested the hearing, she stated that she believed she was entitled to benefits because her household experienced periods where there was no income. The Department stated that it provided Respondent with an opportunity to submit verification of loss of income but she failed to do so. Respondent also failed to appear at the hearing and therefore did not provide any evidence that the household was entitled to the benefits received.

At the hearing, the Department provided FAP OI budgets for review. A review revealed that the Department provided the FAP OI budgets for January 2013, February 2013 and April 2013 but failed to provide a FIP OI budget for March 2013. Further, the Department only provided the January 2013 and February 2013 budgets used in the original calculation of Respondent's FIP benefits.

The initial January 2013 budget which did not include earned income revealed that Respondent was entitled to \$597.00. However, when the unreported earned income

was calculated, it showed that Respondent was only entitled to \$10.00 in FIP benefits. Likewise, the initial February 2013 budget that did not include earned income revealed that Respondent was entitled to \$597.00. When the unreported earned income was calculated, it showed that Respondent was also only entitled to \$10.00 in FIP benefits. Therefore, it is found that the Department established an FIP OI in the amount of \$1,174.00, the difference between the amount received (\$1,194.00 total for January and February 2013) and the amount she was entitled to receive (\$20.00 total for January and February 2013). Accordingly, because Respondent received more benefits than she was entitled, the Department is entitled to recoupment.

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, finds that because of the discrepancies in the information presented, the Department did establish a FAP benefit OI to Respondent totaling \$1,174.00.

DECISION AND ORDER

Accordingly, the Department is **AFFIRMED** in part.

The Department is **ORDERED** to initiate collection procedures for a \$1,174.00 OI in accordance with Department policy.



JACQUELYN A. MCCLINTON
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: August 20, 2014

Date Mailed: August 20, 2014

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides or has its principal place of business in the State, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration 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 party requesting a rehearing or reconsideration 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 this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, 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

JAM/cl

cc: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
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