

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

**IN THE MATTER OF:**

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

Reg. No.: 2014-35197  
Issue No(s): 3006  
Case No.: ██████████  
Hearing Date: September 8, 2014  
County: Genesee Co. (2)

**ADMINISTRATIVE LAW JUDGE:** Eric Feldman

**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, telephone hearing was held on September 8, 2014, from Detroit, Michigan. Participants on behalf of the Department or DHS 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 (July 2014), pp. 16-17.

**ISSUE**

Did Respondent receive an OI of

- |   |  |
|---|--|
| <input type="checkbox"/> Family Independence Program (FIP)        | <input type="checkbox"/> State Disability Assistance (SDA) |
| <input checked="" type="checkbox"/> Food Assistance Program (FAP) | <input type="checkbox"/> Child Development and Care (CDC)  |
- 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  FAP  SDA  CDC benefits from the Department.

2. The Department alleges Respondent received a  
 FIP  FAP  SDA  CDC  
OI during the period January 1, 2013 to November 30, 2013 due to  
 Department's error  Respondent's error.
3. The Department alleges that Respondent received a \$1,764 OI that is still due and owing to the Department.
4. On April 8, 2014, Respondent filed a hearing request, protesting the OI amount.

### **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 273. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001 to .3015.

In this case, the Department alleges that Respondent received an OI for her FAP benefits based on agency error because the Department failed to budget her income.

When a client group receives more benefits than they are entitled to receive, the Department must attempt to recoup the OI. BAM 700 (May 2014), p. 1. The amount of the OI is the benefit amount the group or provider actually received minus the amount the group was eligible to receive. BAM 705 (July 2014), p. 6.

An agency error is caused by incorrect actions (including delayed or no action) by the Department of Human Services (DHS) staff or department processes. BAM 705, p. 1. Some examples are:

- Available information was not used or was used incorrectly.
- Policy was misapplied.
- Action by local or central office staff was delayed.
- Computer errors occurred.
- Information was not shared between department divisions such as services staff.
- Data exchange reports were not acted upon timely (Wage Match, New Hires, BENDEX, etc.).

At the hearing, the Department presented Respondent's Notice of Overissuance dated February 18, 2014, which stated she received more benefits than she was eligible to receive from January 1, 2013 to November 30, 2013. See Exhibit 1, p. 60. Moreover, the Notice of Overissuance stated that the OI balance is \$1,764 based on agency error because because the Department failed to budget her income. See Exhibit 1, p. 60.

Additionally, it was discovered that Respondent signed a Department and Client Error Information and Repayment Agreement (DHS-4358-B) (repay agreement) on April 21, 2014 and it was received by the Department on April 22, 2014. See Exhibit 1, p. 72. By the Respondent signing the repayment agreement, the Department can initiate recoupment of the \$1,764 OI amount for the time period of January 1, 2013 to November 30, 2013. See BAM 705, p. 10. Based on this information, this hearing decision will not address the OI amount further due to the discovery of the Respondent signing the repay agreement on April 21, 2014. Because Respondent signed the repayment agreement, the evidence established a FAP benefit OI to Respondent totaling \$1,764.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, finds that the Department  did  did not establish a  FIP  FAP  SDA  CDC benefit OI to Respondent totaling \$1,764.

Accordingly, the Department is

AFFIRMED.

The Department is ORDERED to initiate collection procedures for a \$1,764 OI in accordance with Department policy.



**Eric Feldman**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: September 16, 2014

Date Mailed: September 16, 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

EJF/cl

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