

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

IN THE MATTER OF:



Reg. No.: 14-003951
Issue No.: 3001
Case No.: [REDACTED]
Hearing Date: JULY 10, 2014
County: DHS SSPC-EAST

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

HEARING DECISION

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 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 10, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Assistance Payment Worker.

ISSUE

Did the Department properly deny Claimant's May 2, 2014 application for 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. On May 2, 2014, Claimant applied for FAP benefits.
2. On May 14, 2014, the Department sent Claimant a Verification Checklist (VCL) requesting, among other things, verification of Claimant's checking account and her rental expenses by May 27, 2014.
3. On May 18, 2014, Claimant submitted her response to the VCL.
4. On May 30, 2014, the Department sent Claimant a Notice of Case Action notifying her that her FAP application was denied because she had failed to verify requested information.

5. On June 9, 2014, Claimant filed a request for hearing disputing the Department's actions.

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), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

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.

Additionally, the Department explained at the hearing that Claimant's FAP application was denied because the verification of her checking account and her shelter expenses was inadequate.

When shelter expenses are reported in an application, the client must verify the expenses. BEM 554 (May 2014), p. 14. In this case, Claimant submitted a rental application. However, the rental application does not establish that Claimant had a shelter expense or contributed to a shelter expense. In fact, the rental application indicates that it is subject to a credit check and that possession of the premises is not granted until a lease is signed. Under these circumstances, the lease application did not serve as sufficient verification of monthly shelter expenses. See BEM 554, pp. 12, 14. However, when a shelter expense is not verified by the client, the Department excludes it from the calculation of the client's FAP eligibility and benefit amount. BEM 554, p. 14. Therefore, the Department erred to the extent that it relied on the lack of verification of shelter expenses to deny Claimant's FAP application.

The Department contended that, even if shelter expense verification was not required, Claimant's FAP application was properly denied based on the fact that the verification of her [REDACTED] checking account was inadequate. Checking accounts are assets, the value of which must be verified at application in order to determine whether a client exceeds the \$5000 FAP asset limit for FAP eligibility. BEM 400 (February 2014), pp. 5, 13-14, 55.

The Department contended that the checking statement Claimant provided on May 18, 2014 in response to the VCL was inadequate because it did not identify the financial institution. Claimant testified that [REDACTED] was not a brick-and-mortar institution. Rather, it was an online establishment and she could only obtain the online verification of the account that she provided to the Department. She pointed out that

the statement referred the customer to [REDACTED]." if there were any problems or errors. She further testified that, after she pointed this out to the workers at the prehearing conference, the Department agreed to accept the statement as verification of the checking account, and, after she provided a copy of her lease, she was approved for FAP benefits effective June 16, 2014. While the worker at the hearing was not aware of whether additional bank verification was requested in connection with the June 16, 2014 application, she acknowledged that there was no additional checking account verification in Claimant's file other than the one she provided to the Department on May 18, 2014. Claimant's testimony was sufficient to establish that the checking account statement she submitted to the Department on May 18, 2014 concerned her Higher One checking account. Therefore, the Department did not act in accordance with Department policy when it denied Claimant's FAP application on the fact that the checking account verification was inadequate.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department did not act in accordance with Department policy when it denied Claimant's FAP application.

DECISION AND ORDER

Accordingly, the Department's decision is REVERSED.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reinstate and reprocess Claimant's May 2, 2014 FAP application;
2. Issue supplements to Claimant for any FAP benefits she was eligible to receive but did not from May 2, 2014 ongoing; and
3. Notify Claimant in writing of its decision.



Alice C. Elkin
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: **7/14/2014**

Date Mailed: **7/16/2014**

ACE / tlf

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, 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

CC:

