

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

**IN THE MATTER OF:**



Reg. No.: 14-008574  
Issue No.: 3001  
Case No.: [REDACTED]  
Hearing Date: September 17, 2014  
County: DHS SSPC-WEST

**ADMINISTRATIVE LAW JUDGE: Darryl Johnson**

**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 three-way telephone hearing was held on September 17, 2014, from Lansing, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included Hearings Facilitator [REDACTED].

**ISSUE**

Did the Department properly deny Claimant's 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. Claimant applied for FAP on May 22, 2014.
2. On June 5, 2014, a telephone interview was conducted, and a Verification Checklist (VCL) was mailed to Claimant with his response due by June 16, 2014. (Exhibit 1 Pages 7-8.)
3. Claimant responded by submitting documents on June 20, 2014, including a copy of his transaction history from his bank account, which did not include any information to substantiate it was his account, and a copy of the first page of his lease but not the signature page. (Exhibit 1 Pages 16-20.)

4. Claimant also submitted a statement of his wife's income from a florist business, but he did not submit any expenses for the Department to use in determining the actual business income. (Exhibit 1 Page 16.)
5. On June 20, 2014, the Department mailed to Claimant a Notice of Case Action (NCA) stating his application was denied because he had not submitted sufficient verification, and because the group's income of [REDACTED] was higher than the monthly income limit of [REDACTED]. (Exhibit 1 Pages 24-25.)
6. On August 5, 2014, the Department received Claimant's hearing request.

### **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.

"Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes completion of necessary forms; see Refusal to Cooperate Penalties in this item. Clients must completely and truthfully answer all questions on forms and in interviews." BAM 105. Per BEM 103, the Department is to:

"Send a negative action notice when:

"The client indicates refusal to provide a verification, or

"The time period given has elapsed and the client has not made a reasonable effort to provide it."

For all programs, when it comes to verification, BAM 130 states, "The client must obtain required verification, but you must assist if they need and request help.

"If neither the client nor you can obtain verification despite a reasonable effort, use the best available information. If no evidence is available, use your best judgment."

The first issue is whether the Claimant provided timely verification in response to the request, or made a reasonable effort to verify. The Claimant submitted a copy of a transaction history from his bank, but it did not identify him as the account owner. He

submitted a copy of the first page of his lease, but not the signature page. He submitted an income statement from his wife's business, but did not report business expenses. Clearly, he tried to comply, even though he did not fulfill the specific dictates of the VCL. The evidence is persuasive that Claimant made a reasonable effort to comply with the verification requirements. That does not end the inquiry, however.

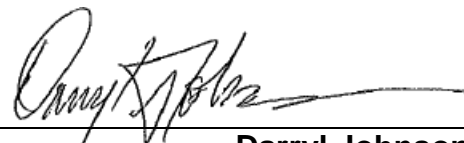
Claimant and his wife both receive Social Security benefits. His gross benefit is [REDACTED] per month, and hers is [REDACTED] per month. Combined, they have unearned income of [REDACTED] per month. Claimant's wife also had business income of [REDACTED] (exclusive of sales tax) in March 2014 from one customer. (Exhibit 1 Page 15.) Per BEM 502 (4/1/14) P 3, "Allowable expenses are the higher of 25 percent of the total proceeds, or actual expenses if the client chooses to claim and verify the expenses." Her countable earned income (since no expenses were verified) was [REDACTED]. In the FAP budget (Exhibit 1 Page 25) the Department only included [REDACTED] in earned income in the budget. That, combined with their unearned income, put them at nearly 250% of the monthly income limit. Even if the Department had considered their monthly rent of [REDACTED] (Exhibit 1 Page 16) in the budget, they still would have been over the income limit.

Claimant testified that his wife's business has dried up, and that they are filing for protection under the bankruptcy code. His circumstances could have changed significantly from the past, and he might be eligible for FAP at this point. His past circumstances do not prejudice his potential eligibility now or in the future.

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 acted in accordance with Department policy when it denied Claimant's application for FAP.

### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.



**Darryl Johnson**

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

Date Signed: **9/22/2014**

Date Mailed: **9/22/2014**

DJ/jaf

**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:

