

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

IN THE MATTER OF:

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

Reg. No.: 14-009804
Issue No.: 1006
Case No.: ██████████
Hearing Date: February 09, 2015
County: GENESEE-DISTRICT 2
(MC CREE)

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 February 9, 2015, 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 (7/1/14), pp. 7.

ISSUE

Did Respondent receive an OI of Family Independence Program (FIP) program 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 cash assistance benefits from the Department.
2. The Department alleges Respondent received an overissuance of FIP due to Agency Error.

3. The OI occurred during the period October 1, 2013 through June 30, 2014, due to Department's error.
4. The Department alleges that Respondent received a \$642 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.

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.).

BAM 705, p. 1. If the Department is unable to identify the type of record, it is an agency error. BAM 705, p. 1.

In this case, the Department alleges that Respondent received a FIP OI in the amount of \$642 based on agency error for the time period of October 1, 2013 through June 30, 2014.

Based on the foregoing information and evidence, the Department established a FIP benefit OI to Respondent. The evidence presented based upon budgets presented for

each month of the overissuance period were reviewed and correctly determined the amount of the overissuance for each month. Even though Respondent notified the Department of her employment changes, the Department can still proceed with recoupment based on agency error. As such, the evidence presented that Respondent received an OI of her FIP benefits based on agency error because the Department incorrectly determined her income.

Applying the agency error overissuance period standard and in consideration that the the Department determined that the OI period began on August 28, 2013, it is found that the Department applied the appropriate OI period begin date. See BAM 705, p. 5.

In establishing the OI amount, the Department presented a benefit summary inquiry showing that Respondent was issued FIP benefits by the State of Michigan from October 1, 2013 through June 30, 2014 totalling \$642. See Exhibit 1, pp. 5-24. Thus, the Department is entitled to recoup \$642.

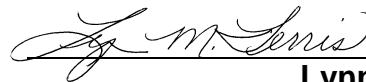
The record clearly demonstrated that Respondent advised the Department caseworker when her employment ended by Verification of Employment dated June 13, 2013. Thereafter on August 23, 2013 the Department received information that the Claimant began a job with [REDACTED]. The Department improperly projected the income which was not accurate and the actual income received by Claimant was too high for her to be eligible. Thus due to agency error an overissuance occurred.

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, finds that the Department did establish a FIP benefit OI to Respondent totaling \$642.

DECISION AND ORDER

Accordingly, the Department is AFFIRMED.

The Department is ORDERED to initiate collection procedures for a \$642 in accordance with Department policy.



Lynn M. Ferris
Administrative Law Judge
for Nick Lyon, Interim Director
Department of Human Services

Date Signed: **3/5/2015**

Date Mailed: **3/5/2015**

LMF / cl

