

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

**IN THE MATTER OF:**

██████████  
██████████  
██████████

Reg. No.: 14-011435  
Issue No.: 3006  
Case No.: ██████████  
Hearing Date: February 09, 2015  
County: MUSKEGON

**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. 6.

**ISSUE**

Did Respondent receive an OI of 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. Respondent was a recipient FAP benefits from the Department.
2. The Department alleges Respondent received a FAP OI during the period August 1, 2011 through August 31 2011, due to Department's error.
3. The Department alleges that Respondent received a \$171 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 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, 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 the Claimant's unearned income from unemployment benefits.

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 unable to identify the type record it as an agency error. BAM 705, p. 1.

On June 3 2011 the Respondent applied for benefits and reported to the Department that she had applied for unemployment benefits. Exhibit 1 pp. 3-20. Thereafter the Respondent applied for MI Child and reported her Unemployment income. Exhibit 1 pp. 23-29. On August 28, 2014, the Department sent Respondent a Notice of Overissuance, which notified Respondent that she received more FAP benefits than she was eligible to receive for the time period of August 2011 in the amount of \$171. Exhibit

1 pp. 40-44 The Notice of Overissuance further indicated the overissuance balance was \$171 based on agency error and due to failure to budget the reported unearned income. See Exhibit 1, p. 3.

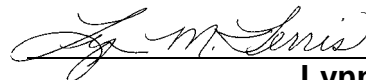
At the hearing, the Department presented evidence to show why an agency error is present based on the Department's failure to budget the reported earned income. The Agency also produced a FAP budget for the month of August 2011 which correctly included the unemployment benefits received for August and which were previously not included by the Department. Based upon a review of the FAP budget, it is determined that the Department correctly calculated the overissuance amount. Exhibit 1 pp. 33-37. Even though Respondent notified the Department of her unemployment benefit application and receipt of unemployment benefits, the Department can still proceed with recoupment based on agency error. At the time the threshold amount for recouping FAP benefits overissued was \$125; thus, the amount sought to be recouped is over the threshold. BEM 705

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, finds that the Department did establish a FAP benefit OI to Respondent totaling \$171.

#### **DECISION AND ORDER**

Accordingly, the Department is AFFIRMED.

The Department is ORDERED to initiate collection procedures for a \$171 OI 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

**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.

