

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

**IN THE MATTER OF:**

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

Reg. No.: 14-013624  
Issue No.: 3006  
Case No.: ██████████  
Hearing Date: March 23, 2015  
County: GENESEE-DISTRICT 6  
(CLIO RD)

**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, a telephone hearing was held on March 23, 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 (July 2014), pp. 1-17.

**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 of FAP benefits from the Department.
2. On September 5, 2014, the Department sent Respondent a Notice of Overissuance (OI notice) informing her of a FAP overissuance (OI) for the period of September 1, 2010 to August 31, 2011, due to client error. See Exhibit 1, pp. 51-56. The OI notice also indicated that the OI balance was \$ ██████████ due to Respondent's failure to properly report employment earnings. See Exhibit 1, p. 51.

3. On October 1, 2014, Respondent filed a hearing request, protesting the Department's action. See Exhibit 1, pp. 57-58.
4. On October 1, 2014, DHS requested a debt collection hearing.

### **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.

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 715 (July 2014), p. 6.

A client/CDC provider error OI occurs when the client received more benefits than they were entitled to because the client/CDC provider gave incorrect or incomplete information to the department. BAM 715, p. 1.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105 (January 2010), p. 7. Changes must be reported within 10 days of receiving the first payment reflecting the change. BAM 105, p. 7.

Income reporting requirements are limited to the following:

- Earned income:
  - Starting or stopping employment.
  - Changing employers.
  - Change in rate of pay.
  - Change in work hours of more than five hours per week that is expected to continue for more than one month.

BAM 105, p. 7.

First, the Department presented Respondent's application dated September 28, 2010, to show that she acknowledged her responsibility to report changes as required. See

Exhibit 1, pp. 1-9. In the application, Respondent did not report any changes in employment in the last 30 days. See Exhibit 1, p. 4.

Second, the Department presented Respondent's application dated October 4, 2010, to show that she acknowledged her responsibility to report changes as required. See Exhibit 1, pp. 10-17. In the application, Respondent did not report any changes in employment in the last 30 days. See Exhibit 1, p. 13.

Third, on July 11, 2013, the Department sent Respondent a Wage Match Client Notice (wage match) indicating that she was employed. See Exhibit 1, p. 18.

Fourth, on or around January 27, 2014, the Department received verification of Respondent's employment. See Exhibit 1, pp. 19-23. The employment verification indicated that Respondent began employment on December 28, 2009, and that she received wages from September 2010 to August 2011. See Exhibit 1, pp. 19-23.

Based on the foregoing information and evidence, the Department did establish a FAP benefit OI to Respondent for September 1, 2010 to August 31, 2011. There is a client error is present in this situation because the evidence presented that Respondent failed to notify the Department of her employment income. See BAM 105, p. 7 and Exhibit 1, pp. 1-23. Respondent submitted two applications in which she reported no employment earnings, even though the evidence indicated that she was employed at the time of submissions. See Exhibit 1, pp. 1-23.

Applying the overissuance period standards, it is found that the Department applied the appropriate OI begin date of September 1, 2010. See BAM 715, pp. 4-5 and Exhibit 1, pp. 4-5 and 51.


In this case, the Department presented OI budgets for September 2010 to August 2011. See Exhibit 1, pp. 24-50. The budgets included Respondent's income that was not previously reported from the employer's verifications. See Exhibit 1, pp. 20-23. A review of the OI budgets found them to be fair and accurate. Therefore, the Department is entitled to recoup ████████ of FAP benefits for the time period of September 1, 2010 to August 31, 2011. See BAM 715, pp. 7-8.

### **DECISION AND ORDER**

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 ████████

Accordingly, the Department is AFFIRMED.

The Department is ORDERED to initiate collection procedures for a [REDACTED] OI in accordance with Department policy.



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**Eric Feldman**  
Administrative Law Judge  
for Nick Lyon, Interim Director  
Department of Human Services

Date Signed: **3/24/2015**

Date Mailed: **3/24/2015**

EJF/tm

**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

