



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: May 6, 2016
MAHS Docket No.: 15-016645
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Gary Heisler

HEARING DECISION

Upon a hearing request by the Department of Health and Human Services (Department) to establish an over-issuance (OI) of benefits to Petitioner, 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 May 5, 2016, from Lansing, Michigan. Participants on behalf of the Department included Recoupment Specialist [REDACTED]. Respondent appeared and testified.

ISSUE

Did Respondent receive a \$ [REDACTED] Client Error over-issuance of Food Assistance Program benefits from August 1, 2012 to December 31, 2012?

Did Respondent receive a \$ [REDACTED] Client Error over-issuance of Food Assistance Program benefits from April 1, 2013 to September 30, 2013?

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 January 26, 2012, Respondent submitted an application for Food Assistance Program (FAP) benefits. Respondent reported two sources of earned income on the application.
2. On February 3, 2012, Respondent was sent a Notice of Case Action (DHS-1605) which stated she was approved for Food Assistance Program (FAP) benefits in the amount of \$ [REDACTED] per month based on \$ [REDACTED] of earned income. The notice also stated Respondent was: on Simplified Reporting;

had a \$ [REDACTED] income limit; and was required to report if her monthly income exceeded the \$ [REDACTED] income limit (Department Exhibit A pages 45 & 46).

3. On May 30, 2012, one of Respondent's earned income streams ended.
4. On July 19, 2012, Respondent was sent a Notice of Case Action (DHS-1605) which stated her Food Assistance Program (FAP) benefits were approved for \$ [REDACTED] per month based on \$ [REDACTED] of earned income. The notice did not state Respondent was on Simplified Reporting and did not provide notice of an income limit or the requirement to report exceeding the income limit (Department Exhibit A pages 100 - 104).
5. On November 30, 2012, Respondent submitted a Redetermination (DHS-1010) for her Food Assistance Program (FAP) benefits.
6. On January 16, 2013, Respondent was sent a Notice of Case Action (DHS-1605) which stated she was approved for Food Assistance Program (FAP) benefits in the amount of \$ [REDACTED] per month beginning January 1, 2013 based on \$ [REDACTED] of earned income. The notice also stated Respondent was: on Simplified Reporting; had a \$ [REDACTED] income limit; and was required to report if her monthly income exceeded the \$ [REDACTED] income limit (Department Exhibit A pages 43 & 44).
7. On February 19, 2013, Respondent was sent a Notice of Case Action (DHS-1605) which stated her Food Assistance Program (FAP) benefits were increased to \$ [REDACTED] per month beginning March 1, 2013 based on \$ [REDACTED] of earned income. The notice did not state Respondent was on Simplified Reporting and did not provide notice of an income limit or the requirement to report exceeding the income limit (Department Exhibit A pages 95 - 99).
8. On August 8, 2015, Respondent was sent a Notice of Over-Issuance (DHS-4358) alleging a Client error over-issuance of \$ [REDACTED] during the period August 1, 2012 to December 31, 2012 due to her failure to report increased earnings.
9. On August 8, 2015, Respondent was sent a separate Notice of Over-Issuance (DHS-4358) alleging a Client error over-issuance of \$ [REDACTED] during the period April 1, 2013 to September 30, 2013 due to her failure to report increased earnings.
10. On September 2, 2015, Respondent submitted a hearing request.
11. On September 11, 2015, the Department requested this Debt Establishment hearing on behalf of Respondent.

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 and Nutrition Act of 2008, 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 Department of Human Services) administers FAP pursuant to MCL 400.10; the Social Welfare Act, MCL 400.1-.119b; and Mich Admin Code, R 400.3001 to .3011.

Bridges Administration Manual (BAM) 725 Collection Actions states that when the client group or CDC provider receives more benefits than entitled to receive, DHS must attempt to recoup the over-issuance. Additionally, anyone who was an eligible, disqualified, or other adult in the program group at the time the over-issuance occurred is responsible for repayment of the over-issuance.

DHHS requests a debt collection hearing when the grantee of an inactive program requests a hearing after receiving the DHS-4358B, Agency and Client Error Information and Repayment Agreement. Active recipients are afforded their hearing rights automatically, but DHHS must request hearings when the program is inactive.

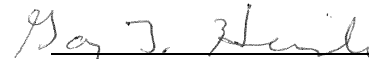
In this case the Department alleges that Respondent caused two separate client error over-issuances by failing to report she had exceeded her Food Assistance Program (FAP) Simplified Reporting income limit. The evidence in this record shows that Respondent was not on Food Assistance Program (FAP) Simplified Reporting during the alleged over-issuance periods and had no requirement to calculate and report if her income exceeded a Simplified Reporting income limit.

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 establish that Respondent received a \$ [REDACTED] Client Error over-issuance of Food Assistance Program or a \$ [REDACTED] Client Error over-issuance of Food Assistance Program.

DECISION AND ORDER

Accordingly, the Department's decision is **NOT UPHELD**.

GH/nr



Gary Heisler
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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 48909-8139

DHHS






Respondent

[REDACTED]

[REDACTED]

[REDACTED]