



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: October 31, 2016  
MAHS Docket No.: 16-014037

[REDACTED]  
[REDACTED]  
[REDACTED]

**ADMINISTRATIVE LAW JUDGE: Aaron McClintic**

**HEARING DECISION**

Upon the request for a hearing by the Department of Health and Human Services (Department), this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9, and in accordance with Titles 7, 42 and 45 of the Code of Federal Regulation (CFR), particularly 7 CFR 273.16 and 45 CFR 235.110; and with Mich Admin Code, R 400.3130 and 400.3178. After due notice, a telephone hearing was held on October 25, 2016, from Lansing, Michigan. The Department was represented by [REDACTED], Regulation Agent of the Office of Inspector General (OIG). The Respondent was represented by herself. Department Exhibit 1, pp.1-52 was received and admitted.

**ISSUE**

Did Respondent receive an over-issuance (OI) of Food Assistance 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 FAP benefits from the Department.
2. The Department alleges Respondent received a [REDACTED] OI during the period July 1, 2015, through February 29, 2016, due to **Department** error.
3. On July 15, 2015, Petitioner submitted a semi-annual contact report that reported no changes in household income. (Dept. Ex.1, pp.17-18)
4. On January 14, 2016, the Department received a wage match showing Petitioner's husband's income from [REDACTED] that exceeded the simplified reporting monthly income limit. (Dept. Ex.1, pp.19-20)

5. The Department alleges that Respondent received [REDACTED] OI that is still due and owing to the Department.
6. Respondent requested hearing on September 20, 2016 disputing the overissuance determination.
7. Respondent failed to report an increase in her husband's employment income with [REDACTED]

### CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), and Department of Health and 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 .3015.

#### **Client Error**

##### **All Programs**

A **client error** occurs when the client received more benefits than they were entitled to because the client gave incorrect or incomplete information to the department. BAM 700

Additionally, Petitioner failed to report when her husband's employment income exceeded the simplified reporting monthly income limit. Petitioner testified that she was always forthcoming about her husband's employment income and that her worker told her that she had access to her husband's employment income information so "don't worry about it". Petitioner also testified that her husband's employment income with [REDACTED] varied due to irregular hours. It is apparent that Petitioner's husband's increased employment income was not budgeted and therefore Petitioner received an overissuance of FAP benefits. The only issue that appears to be in dispute is whether that was the result of client error or agency error. The semi-annual contact report submitted by Petitioner on July 15, 2015, reported no changes in household income. (Dept. Ex.1, pp.17-18) The failure to report increased employment income on that form requires a finding of client error. BAM 700

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 [REDACTED] due to client error.

**DECISION AND ORDER**

Accordingly, the Department is AFFIRMED.

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



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**Aaron McClintic**  
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

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]