



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: November 16, 2016  
MAHS Docket No.: 16-014216  
Agency No.: [REDACTED]  
Petitioner: OIG  
Respondent: [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 October 26, 2016 from Lansing, Michigan. Participants on behalf of the Department included Recoupment Specialist [REDACTED]. Respondent did not appear and the hearing was conducted in her absence.

### **ISSUE**

Did Respondent receive a \$ [REDACTED] Client Error over-issuance of Food Assistance Program benefits from October 1, 2015 to March 31, 2016?

### **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 April 7, 2015, Respondent submitted an online application for Food Assistance Program benefits from the Department.
2. Sometime during the 3<sup>rd</sup> quarter of 2015, Respondent began receiving earned income from [REDACTED]. Respondent did not report the start of earned income.
3. October 1, 2015 to March 31, 2016 has been determined as a proper over-issuance period caused by this Client Error.

4. Due to Client Error of Respondent not reporting the start of earned income, she received a \$ [REDACTED] over-issuance of Food Assistance Program benefits during the over-issuance period.
5. On May 24, 2016, Respondent was sent a Wage Match Client Notice (DHS-4638). The notice required submission of employment verification within 30 days. No employment verification was submitted.
6. On August 9, 2016, Respondent was sent a Notice of Over-Issuance (DHS-4358).
7. On August 26, 2016, Respondent submitted a hearing request.
8. On October 4, 2016, 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.

The Department submitted an Assistance Application (DHS-1171) dated April 7, 2015 that Respondent signed and submitted to the Department prior to the alleged over-issuance period. On the application Respondent indicated she had no income. This application is sufficient to establish that Respondent was provided the reporting and recoupment responsibilities of receiving assistance.

**Over-issuance Period**  
**Client/CDC Provider Error**

Bridges Administration Manual (BAM) 715 Client/CDC Provider Error Over-Issuances (1-1-2016), states that the over-issuance period begins the first month (or pay period for CDC) benefit issuance exceeds the amount allowed by policy or 72 months before the date it was referred to the RS, whichever is later.

Bridges Administration Manual (BAM) 802 Wage Match and UCB (10-1-2016) provides that if employment verification required by a Wage Match Client Notice (DHS-4638) is not provided, the Recoupment Specialist uses the first and last month of the time period as the over-issuance begin and end date. In accordance with this direction October 1, 2015 to March 31, 2016 is a proper over-issuance period.

**Over-issuance Amount**

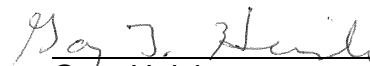
Bridges Administration Manual (BAM) 715 Client/CDC Provider Error Over-Issuances (1-1-2016), states the over-issuance amount is the benefit amount the group actually received minus the amount the group was eligible to receive. The Department presented a benefit summary showing that the State of Michigan issued a total of \$ [REDACTED] in Food Assistance Program (FAP) benefits to Respondent during the over-issuance period. The over-issuance budgets submitted by the Department were reviewed and found to be correct. The over-issuance budgets show that Respondent was only eligible for \$ [REDACTED] of Food Assistance Program (FAP) benefits during the over-issuance period. Respondent received a \$ [REDACTED] over-issuance of Food Assistance Program (FAP) benefits.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, finds that the Department did establish that Respondent received a \$ [REDACTED] Client Error over-issuance of Food Assistance Program.

**DECISION AND ORDER**

Accordingly, the Department's decision is **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**

[REDACTED]

**Respondent**

[REDACTED]