



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: January 27, 2017  
MAHS Docket No.: 16-018579  
Agency No.: [REDACTED]  
Petitioner: OIG  
Respondent: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Gary Heisler

### **HEARING DECISION**

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on January 19, 2016, from Lansing, Michigan. Petitioner was represented by herself. The Department was represented by Recoupment Specialist [REDACTED]

### **ISSUE**

Did Petitioner receive a \$ [REDACTED] Client Error over-issuance of Food Assistance Program benefits from November 1, 2015 to February 29, 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 August 16, 2015, Petitioner submitted an online application for Food Assistance Program (FAP) benefits. Petitioner electronically signed the application, certifying notice of reporting requirements and the recoupment responsibilities of receiving assistance. On the application Petitioner indicated she had no sources of income.
2. On August 17, 2015. Petitioner was sent a Notice of Case Action (DHHS-1605) which stated she was approved for Food Assistance Program (FAP) benefits. The notice also included information from Petitioner's Food Assistance Program (FAP) financial eligibility budget and showed that her Food Assistance Program (FAP) amount was based on \$ [REDACTED] income.

3. On September 24, 2015, Petitioner began employment at [REDACTED]. Petitioner did not report the start of her earned income.
4. On December 11, 2015, Petitioner began employment at [REDACTED]. Petitioner did not report the start of her earned income.
5. On December 31, 2015, Petitioner's employment at [REDACTED] ended.
6. On February 19, 2016, Petitioner's employment at [REDACTED] ended.
7. November 1, 2015 to February 29, 2016 has been properly determined as the over-issuance period caused by this Client Error.
8. Due to Client Error of Petitioner not reporting earned income, she received a \$ [REDACTED] over-issuance of Food Assistance Program benefits during the over-issuance period.
9. On November 30, 2016, Petitioner was sent a Notice of Over-Issuance (DHS-4358).
10. On December 12, 2016, Petitioner submitted a hearing request.
11. On December 20, 2016, the Department requested this case as a 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 August 16, 2015 that Petitioner submitted to the Department prior to the alleged over-issuance period. When Petitioner electronically signed the application, she certified receiving notice of reporting requirements and the recoupment responsibilities of receiving assistance. On the application Petitioner indicated she had no sources of income.

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

BAM 715 Client/CDC Provider Error Over-Issuances, 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.

To determine the first month of the over-issuance period (for over-issuances 11/97 or later) Bridges allows time for:

The client reporting period, per BAM 105.

The full standard of promptness (SOP) for change processing, per BAM 220.

The full negative action suspense period: see BAM 220.

The over-issuance period ends the month (or pay period for CDC) before the benefit is corrected.

The error which caused this over-issuance occurred on September 24, 2015 when Petitioner began employment and did not report it. Applying the over-issuance period definition, the over-issuance period began November 1, 2015. The over-issuance period ended on February 29, 2016 because Petitioner was no longer receiving unreported earned income after February 19, 2016.

**Over-issuance Amount**

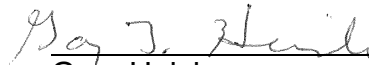
BAM 705 Agency Error Over-Issuances and BAM 715 Client/CDC Provider Error Over-Issuances, states the over-issuance amount is the benefit amount the group actually received minus the amount the group was eligible to receive. The Department presented a benefit summary showing that the State of Michigan issued a total of \$ [REDACTED] in Food Assistance Program (FAP) benefits to Petitioner 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 Petitioner was actually eligible for only \$ [REDACTED] of Food Assistance Program (FAP) benefits during the over-issuance period. Petitioner 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, and for the reasons stated on the record, if any, finds that the Department did establish that Petitioner received a \$ [REDACTED] Client Error over-issuance of Food Assistance Program.

**DECISION AND ORDER**

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

GH/nr



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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]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**Respondent**

[REDACTED]