



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 15, 2017
MAHS Docket No.: 17-004604
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Gary Heisler

HEARING DECISION

Petitioner filed a request for a hearing, under a United States District Court Order issued on January 9, 2015, which allowed the pursuit of potential benefit recovery related to a Michigan Department of Health and Human Services (Department) criminal justice disqualification. This matter is now before the undersigned Administrative Law Judge pursuant to the United States District Court Order.

After due notice, a 3-way telephone hearing was held on May 11, 2017, from Lansing, Michigan. Petitioner appeared on their own behalf. Eligibility Specialist [REDACTED] appeared on behalf of the Department.

ISSUE

Did the Department properly deny Petitioner's May 29, 2014. Food Assistance Program (FAP) application for failure to provide verifications?

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 May 29, 2014, Petitioner filed an Assistance Application (DHS-1171) for Food Assistance Program (FAP) benefits.
2. On June 10, 2014, Petitioner was sent a Verification Checklist (DHS-3503) requesting verification of home rent in the name of [REDACTED] and checking account verification in the name of [REDACTED]. The verifications were due on June 20, 2014. (Department Exhibit A pages 5 & 6)

3. On June 26, 2014, Petitioner was sent a Notice of Case Action (DHS-1605) which stated his Food Assistance Program (FAP) application was denied for failure to provide the rent verification or the checking account verification.
4. On March 30, 2017, Petitioner filed a Barry v. Lyon Request for Hearing Form, after receiving a notice of denial of back Food Assistance Program (FAP) benefit payments under the Barry v. Lyon lawsuit.

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), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

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-.3011.

This hearing has been convened under the direction of a United States District Court Order. The purpose of this hearing is to determine if the Department's closure of Petitioner's Food Assistance Program (FAP) was a valid action, for a reason other than fugitive felon status.

During this hearing Petitioner testified that he did not have a checking account. His Social Security Administration benefits have always been loaded onto a debit card. Petitioner testified that he told his case worker that he did not have a checking account and asked what he was supposed to do but was not told anything else.

The Department representative testified that the failure to provide home rent is not a valid closure reason. Bridges Eligibility Manual (BEM) 554 FAP Allowable Expenses and Expense Budgeting (5-1-2014) provides that failure to verify shelter expenses does not make a group ineligible, it simply means the expense is not included in the financial eligibility budget.

The Department has submitted a portion of Bridges Eligibility Manual (BEM) 400 Assets (2-1-2014) which was in effect at the time. It provides a description for acceptable verification sources for a vendor pre-paid debit card. The Department argues that Petitioner was required to provide verification of the account balance of his SSA benefit account.

Bridges Administration Manual (BAM) 130 Verification and Collateral Contacts (4-1-2014) provides:

**Obtaining Verification
All Programs**

Tell the client what verification is required, how to obtain it, and the due date; see **Timeliness of Verifications** in this item. Use the DHS-3503, Verification Checklist (VCL), or for MA redeterminations, the DHS-1175, MA Determination Notice, to request verification.

The client must obtain required verification, but you must assist if they need and request help.

The Verification Checklist (DHS-3503) sent to Petitioner on June 10, 2014, clearly states "Checking Account", not vendor per-paid debit card. Petitioner's undisputed testimony is that he told the case worker he did not have a checking account and asked what he was supposed to do but was not told anything else. The evidence in this record shows that the Department did not comply with BAM 130.

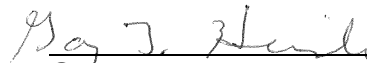
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department did not act in accordance with Department policy when it denied Petitioner's May 29, 2014, Food Assistance Program (FAP) application for failure to provide verifications. Petitioner should be an eligible class member for a lump sum payment.

DECISION AND ORDER

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

THE DEPARTMENT IS ORDERED TO DESIGNATE PETITIONER AS AN ELIGIBLE CLASS MEMBER FOR THE LUMP SUM PAYMENT AND CONTINUE TO PROCESS THIS CASE IN ACCORDANCE WITH THE UNITED STATES DISTRICT COURT ORDER.

GH/nr



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

DHHS

[REDACTED]

Petitioner

[REDACTED]