



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: August 24, 2017  
MAHS Docket No.: 17-009431  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Aaron McClintic

### **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; 42 CFR 438.400 to 438.424; 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 August 16, 2017, from Lansing, Michigan. Petitioner was represented by herself. [REDACTED] [REDACTED] served as [REDACTED] interpreter. The Department of Health and Human Services (Department) was represented by [REDACTED] [REDACTED] Recoupment Specialist. [REDACTED] [REDACTED] Hearing Facilitator, also appeared for the Department. Department Exhibit 1, pp. 1-68 was received and admitted. Petitioner Exhibit A, pp. 1-4 was received and admitted.

### **ISSUE**

Did the Department properly determine that Petitioner received an overissuance of Food Assistance Program (FAP) 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. Petitioner was a recipient of FAP benefits.
2. On July 19, 2016, Petitioner submitted a Change Report that reported she had employment income. Petitioner also submitted a check stub from [REDACTED] [REDACTED]. (Petitioner Ex. A, p.1)

3. On June 27, 2017, Notice of Overissuance was sent to Petitioner alleging that she received an overissuance of \$ [REDACTED] from the FAP program due to client error.
4. On July 10, 2017, Petitioner requested hearing contesting the overissuance determination.
5. Petitioner's submission reporting employment income was not processed.

### **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.

#### **Overissuance**

When a client group receives more benefits than entitled to receive, the Department must attempt to recoup the OI. BAM 700, p. 1.

#### **AGENCY ERROR EXCEPTIONS**

##### **FIP, SDA, CDC and FAP**

Agency error overissuances are not pursued if the estimated amount is less than \$250 per program. BAM 705 p.1

In this case, on July 19, 2016, Petitioner submitted a change report and check stub from State Farm Insurance. (Petitioner Exhibit A, p.1) The Department failed to process this submission. From September 1, 2016, through April 30, 2017, Petitioner received \$ [REDACTED] in FAP benefits that she was not entitled to due to agency error. Even though the overissuance resulted due to agency error, Department policy requires that the Department recoup the overissuance if it is over \$250. BAM 705

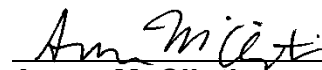
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, finds that the Department **did** establish a FAP benefit OI to Petitioner totaling \$ [REDACTED] due to Department error.

**DECISION AND ORDER**

Accordingly, the Department is AFFIRMED IN PART with respect to the amount of the Overissuance and REVERSED IN PART with respect to agency error determination.

The Department is ORDERED to initiate collection procedures for a \$ [REDACTED] OI due to agency error in accordance with Department policy.

AM/md



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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

**DHHS**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**Petitioner**

[REDACTED]