



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON  
DIRECTOR



Date Mailed: September 21, 2017  
MAHS Docket No.: 17-008880  
Agency No.: [REDACTED]  
Petitioner: [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 August 24, 2017, from Lansing, Michigan. Petitioner was represented by himself. The Department was represented by Recoupment Specialist [REDACTED] [REDACTED]

**ISSUE**

Did Petitioner receive a \$ [REDACTED] Agency Error over-issuance of Family Independence Program (FIP) benefits from July 1, 2016 to June 30, 2017?

**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 October 21, 2016, Petitioner submitted a Assistance Application (DHS-1171) for Family Independence Program (FIP) benefits and listed [REDACTED] age 16, [REDACTED] [REDACTED] age 14, [REDACTED] age 13 and [REDACTED] age 11 as members of his household. Petitioner electronically signed the application certifying knowledge of all rights and responsibilities for receipt of assistance including recoupment liability.
2. While Petitioner had a close personal relationship with the children and their mother, Petitioner did not have the required, legal relationship or authority to be an eligible caretaker of the children in accordance with Bridges Eligibility Manual (BEM) 210 FIP Group Composition.

3. On November 16, 2015, Petitioner was incorrectly approved as an ineligible grantee and began receiving Family Independence Program (FIP) benefits for the children.
4. July 1, 2016 to June 30, 2017 has been properly determined as the over-issuance period caused by this Agency Error over-issuance.
5. Due to Agency Error of the Department incorrectly approving Petitioner as an ineligible grantee, he received a \$ [REDACTED] over-issuance of Family Independence Program (FIP) benefits during the over-issuance period.
6. On June 13, 2017, Petitioner was sent a Notice of Over-Issuance (DHS-4358) packet.
7. On June 20, 2017, Petitioner submitted a hearing request.

### **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 Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and 42 USC 601 to 679c. The Department (formerly known as the Department of Human Services) administers FIP pursuant to 45 CFR 233-260, MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3101-.3131.

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 October 21, 2016 that Petitioner signed and submitted to the Department prior to the alleged over-issuance period. This application is sufficient to establish that Petitioner was provided the recoupment responsibilities of receiving assistance.

During this hearing Petitioner did not dispute a lack of the required legal relationships described in Bridges Eligibility Manual (BEM) 210 FIP Group Composition. Petitioner testified that they have had a long term, close relationship to the children and their

mother. Petitioner also testified that the mother approved of the children living with them.

**Over-issuance Period**  
**Agency Error**

BAM 705 Agency Error Over-Issuances, states that the over-issuance period begins the first month (or first pay period for CDC) when benefit issuance exceeds the amount allowed by policy, or 12 months before the date the over-issuance was referred to the RS, whichever 12 month period is later.

To determine the first month of the over-issuance period for changes reported timely and not acted on, Bridges allows time for:

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 over-issuance period for this Agency Error over-issuance has been calculated in accordance with the requirements cited above.

**Over-issuance Amount**

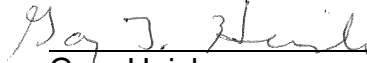
BAM 705 Agency Error Over-Issuances, states the over-issuance amount is the benefit amount the group actually received minus the amount the group was eligible to receive. The Department presented a benefit summary showing that the State of Michigan issued a total of \$ [REDACTED] in Family Independence Program (FIP) benefits to Petitioner during the over-issuance period. Due to the lack of a proper legal relationship to the children, Petitioner was not eligible to receive any Family Independence Program (FIP) benefits during the over-issuance period. Petitioner received a \$ [REDACTED] over-issuance of Family Independence Program (FIP) 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/not establish that Petitioner received a \$ [REDACTED] Agency 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]

Petitioner

[REDACTED]