



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: September 15, 2017
MAHS Docket No.: 17-010284
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Carmen G. Fahie

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 September 7, 2017, from [REDACTED] Michigan. Petitioner was represented by himself and his ex-wife, [REDACTED]. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearing Facilitator, and [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly close Petitioner's Food Assistance Program (FAP) case due to failure to verify income?

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 with a redetermination due in June 2017.
2. On June 5, 2017, the Department Caseworker sent Petitioner a Redetermination Application, DHS 1010 and Redetermination Telephone Interview, DHS 574, for an interview July 7, 2017, and to provide the required verification to determine continued FAP eligibility. Department Exhibit 1, pgs. 6-14.
3. On June 16, 2017, the Department Caseworker received the required verifications and application from Petitioner. Department Exhibit 1, pgs. 15-29.

4. On June 22, 2017, the Department Caseworker submitted a fee referral for the Petitioner because Petitioner's expenses exceeded his reported income. Department Exhibit 1, pgs. 30-31 and 56-58.
5. On June 22, 2017, the Department Caseworker received Petitioner's self-employment of \$█ for the month of June 2017 and bank account verification. Department Exhibit 1, pgs. 36-40.
6. On July 11, 2017, the Department Caseworker sent Petitioner a Verification Checklist, DHS 3503, which was due on July 21, 2017, for Petitioner to submit written verification of lottery and gambling winnings. Department Exhibit 1, pgs. 45-46.
7. On July 14, 2017, the Department Caseworker received written verification from Petitioner about his lottery and gambling winnings. Department Exhibit 1, pg. 47.
8. On July 27, 2017, the OIG Fee Investigation was completed that showed the possibility of unreported full-time employment by Petitioner and that Petitioner erroneously thought he was still a simplified reporter. Department Exhibit 1, pgs. 52-55.
9. On July 27, 2017, the Department Caseworker sent Petitioner a Notice of Case Action, DHS 1605 that his FAP case was closed effective August 1, 2017, ongoing because he did not provide acceptable verification of his income for redetermination interview. Department Exhibit 1, pgs. 48-51.
10. On August 1, 2017, the Department received a hearing request from Petitioner, contesting the Department's negative action.

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.

In this case, Petitioner was a recipient of FAP benefits with a redetermination due in June 2017. On June 5, 2017, the Department Caseworker sent Petitioner a Redetermination Application, DHS 1010 and Redetermination Telephone Interview,

DHS 574, for an interview July 7, 2017, and to provide the required verification to determine continued FAP eligibility. Department Exhibit 1, pgs. 6-14. On June 16, 2017, the Department Caseworker received the required verifications and application from Petitioner. Department Exhibit 1, pgs. 15-29.

On June 22, 2017, the Department Caseworker submitted a fee referral for Petitioner because Petitioner's expenses exceeded his reported income. Department Exhibit 1, pgs. 30-31 and 56-58. On June 22, 2017, the Department Caseworker received Petitioner's self-employment of \$ [REDACTED] for the month of June 2017 and bank account verification. Department Exhibit 1, pgs. 36-40. On July 11, 2017, the Department Caseworker sent Petitioner a Verification Checklist, DHS 3503, which was due on July 21, 2017, for Petitioner to submit written verification of lottery and gambling winnings. Department Exhibit 1, pgs. 45-46.

On July 14, 2017, the Department Caseworker received written verification from Petitioner about his lottery and gambling winnings. Department Exhibit 1, pg. 47. On July 27, 2017, the OIG Fee Investigation was completed that showed the possibility of unreported full-time employment by Petitioner and that Petitioner erroneously thought he was still a simplified reporter. Department Exhibit 1, pgs. 52-55. On July 27, 2017, the Department Caseworker sent Petitioner a Notice of Case Action, DHS 1605 that his FAP case was closed effective August 1, 2017, ongoing because he did not provide acceptable verification of his income for redetermination interview. Department Exhibit 1, pgs. 48-51. On August 1, 2017, the Department received a hearing request from Petitioner, contesting the Department's negative action. BAM 105, 115, 130, 200, 210, and 220. BEM 400, 500, 501, 502, 503, and 504.

During the hearing, the Department Caseworker stated that Petitioner's expenses did not equal his reported income. The Petitioner thought he was a simplified reporter and did not have to report additional income, but he is not anymore. In addition, he didn't think that he had to report his gambling/lottery winnings. He is now aware that he had to report all unearned and earned income to the Department as required by policy. Petitioner is required to verify his income in order to be eligible for benefits. Petitioner stated that he has income from gambling and lottery winnings with additional odd jobs. However, the income verifications that he provided still did not add up to his expenses. As a result, the Department properly closed Petitioner's FAP case because his income was unverified.

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 acted in accordance with Department policy when it determined that Petitioner had unreported income that was not verified for FAP because his expenses exceeded his reported income, which resulted in the case closure of his FAP benefits.

DECISION AND ORDER

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

Carmen G. Fahie

CF/md

Carmen G. Fahie
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]