



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED]

Date Mailed: August 13, 2018
MAHS Docket No.: 18-002104
Agency No.: [REDACTED]
Petitioner: OIG
Respondent: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Amanda M. T. Marler

HEARING DECISION FOR INTENTIONAL PROGRAM VIOLATION

Upon the request for a hearing by the Department of Health and Human Services (Department), this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9, and in accordance with Titles 7, 42 and 45 of the Code of Federal Regulation (CFR), particularly 7 CFR 273.16, 42 CFR 431.230(b), and 45 CFR 235.110, and with Mich Admin Code, R 400.3130 and 400.3178. After due notice, a telephone hearing was held on July 23, 2018, from Detroit, Michigan. The Department was represented by Valerie Mathis, Regulation Agent of the Office of Inspector General (OIG). Respondent did not appear at the hearing; and it was held in Respondent's absence pursuant to 7 CFR 273.16(e), Mich Admin Code R 400.3130(5), or Mich Admin Code R 400.3178(5).

ISSUES

Did Respondent receive an overissuance (OI) of State Emergency Relief (SER) benefits that the Department is entitled to recoup?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. The Department's OIG filed a hearing request on March 7, 2018, to establish an OI of benefits received by Respondent as a result of Respondent intentionally misrepresenting household information on an application for assistance.
2. Respondent was a recipient of SER benefits issued by the Department.
3. Respondent **was** aware of the responsibility to truthfully and accurately answer all questions on the application for benefits.

4. Respondent **did not have** an apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement.
5. Respondent was issued \$ [REDACTED] in SER benefits by the State of Michigan, and the Department alleges that Respondent was entitled to \$0.00 in such benefits.
6. The Department alleges that Respondent received an OI in SER benefits in the amount of \$ [REDACTED]
7. A notice of hearing was mailed to Respondent at the last known address and **was not** returned by the United States Postal Service as undeliverable.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), Adult Services Manual (ASM), and Reference Tables Manual (RFT).

The State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1-.119b. The SER program is administered by the Department (formerly known as the Department of Human Services) pursuant to MCL 400.10 and Mich Admin Code, R 400.7001-.7049.

In this case, the Department is seeking an overissuance (OI) of SER benefits because Respondent falsified her SER application. When a client group receives more benefits than entitled to receive, the Department must attempt to recoup the OI. BAM 700 (January 2016), p. 1. The OI amount is the amount of benefits issued to the group in excess of what it was eligible to receive. *Id.* There are two main types of OI. The first type is an Agency Error where an error is caused by an incorrect action of the Department including delayed or no action. BAM 700, p. 4. A client error occurs when the client gave incorrect or incomplete information to the Department. The Department attempts to obtain repayment from the SER group for all SER overpayments. ERM 404 (March 2013), p. 1. SER overpayments are recouped only by requesting the SER group to repay the amount overpaid in cash (cash recoupment). *Id.*

In this case, Respondent applied for SER assistance for relocation costs on August 8, 2016. This application was ultimately denied because she had no income; therefore, the new location was determined to be unaffordable. On September 13, 2016, Respondent submitted a new SER Application and listed employment with [REDACTED] (CSI) effective August 26, 2016. In October 2016, an investigation was conducted by the Department to determine the validity of Respondent's statements about her employment. During the investigation, the Department determined that Respondent had falsified paystubs and the Application. Her Wage History by Social Security Number provided multiple employers, but did not list CSI. Upon further inquiry, the business was not registered with LARA or in any Clear Report databases. When the

OIG Agent visited the address of Respondent's alleged Employer, she arrived at Henry Ford Medical Center - Detroit Northwest. When she went inside, security and the reception desk confirmed that CSI did not have offices on the premises. Finally, the OIG Agent attempted to call the business using the phone number listed on documents provided by the Respondent; however, all calls were forwarded to a personal phone number and not a business.

Given the considerable effort made by the OIG Agent to verify Respondent's employment without any success, and the Respondent's denial for SER assistance one month prior, the evidence demonstrates that Respondent falsified her application from September 13, 2016. Since Respondent did not receive the income listed on her application, she was not eligible to receive SER benefits. The Department has established an OI of \$ [REDACTED] the value of SER benefits she received but to which she was not entitled.

DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, concludes that:

The Department is ORDERED to initiate recoupment/collection procedures for the amount of \$ [REDACTED] in accordance with Department policy.



AMTM/jaf

Amanda M. T. Marler
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) 763-0155; 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

LaClair Winbush
MDHHS-Wayne-31-Hearings

Petitioner

MDHHS-OIG-Hearings

Respondent

[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED] [REDACTED]

M Shumaker
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