



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
MI [REDACTED]

Date Mailed: October 1, 2018  
MAHS Docket No.: 18-007714  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Vicki L. Armstrong

**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 26, 2018, from Lansing, Michigan. Petitioner personally appeared and testified.

The Michigan Department of Health and Human Services (Department) was represented by Regulation Agent Michelle Corgan. Ms. Corgan testified on behalf of the Department. The Department submitted 64 exhibits which were admitted into evidence. The record was closed at the conclusion of the hearing.

**ISSUE**

Did the Petitioner receive an overissuance of Food Assistance Program (FAP) based on agency error?

**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 [REDACTED], 2013, Petitioner applied for FAP benefits. [Dept. Exh. 37-58].
2. On July 25, 2013, the Department issued a Notice of Case Action to Petitioner indicating that she had been approved for monthly FAP benefits in the amount of \$205.00 beginning August 1, 2013 ongoing. The Notice also informed Petitioner that she was a Simplified Reporter and she was only required to report changes for the FAP program when her household income exceeded \$2,069.00 a month, based on a group of 3. [Dept. Exh. 28-32].

3. During the hearing, the Department submitted a copy of Petitioner's FAP Purchases for the period of November 7, 2013 through May 14, 2014. [Dept. Exh. 60-61].
4. On May 5, 2014, the Recoupment Specialist received an Overissuance Referral alleging Petitioner had unreported earnings. [Dept. Exh. 59].
5. On May 5, 2014, the Department mailed Petitioner a Wage Match Client Notice indicating she was employed at [REDACTED] and had earned \$ [REDACTED] [Dept. Exh. 22-24].
6. On June 16, 2016, the Department received verification from [REDACTED] that Petitioner was hired on August 5, 2013. [Dept. Exh. 20-21].
7. On June 21, 2018, the Department issued a Notice of Overissuance to Petitioner, informing her that she had received more benefits than she was eligible to receive in the amount of \$670.00 through an agency error, from January 1, 2014 through May 31, 2014, based on her unreported income exceeding the Simplified Reporting limit beginning September 2013. [Dept. Exh. 1-17].
8. On July 23, 2018, Petitioner submitted a hearing request, contesting the Department's actions. [Dept. Exh. 1].

### **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.

An overissuance is the benefit amount the group actually received minus the amount the group was eligible to receive. BAM 705, p 6 (10/1/2018). When a client group receives more benefits than it is entitled to receive, the Department must attempt to recoup the overissuance. BAM 700, p 1 (10/1/2018).

Food assistance groups with countable earnings, as currently defined in the BEM 500 series, are assigned to the simplified reporting (SR) category. BAM 200, p 1 (1/1/2017).

This reporting option increases Food Assistance Program (FAP) participation by employed households and provides workload relief. *Id.*

Simplified reporting groups are required to report only when the group's actual gross monthly income (not converted) exceeds the SR income limit for their group size. *Id.* No other change reporting is required. *Id.* If the group has an increase in income, the group must determine their total gross income at the end of that month. *Id.* If the total gross income exceeds the group's SR income limit; see RFT 250, the group must report this change to their specialist by the 10th day of the following month, or the next business day if the 10th day falls on a weekend or holiday. *Id.* Once assigned to SR, the group remains in SR throughout the current benefit period unless they report changes at their semi-annual contact or redetermination that make them ineligible for SR. *Id.*

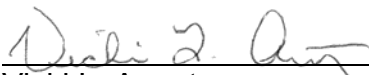
In this case, Petitioner was a Simplified Reporter. Petitioner credibly testified that she was unaware she was a Simplified Reporter and did not recall receiving FAP benefits during the time frame of January 1, 2014 through May 31, 2014. Once the Department showed Petitioner the FAP Purchases for that period, Petitioner identified the retailers as the ones she would have frequented. However, she still had no memory of receiving benefits for that time period. Petitioner was very disappointed in the fact that she had to repay an error that the Department took responsibility in making.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department acted in accordance with Department policy when it found Petitioner had received an agency error overissuance of \$670.00 for the period of November 1, 2013 through December 31, 2013.

### **DECISION AND ORDER**

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

VLA/nr



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Vicki L. Armstrong  
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 Department Rep.**

MDHHS-Recoupment  
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Oakland 3 County DHHS- via electronic mail

MDHHS- Recoupment- via electronic mail

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**DHHS**

Randa Chenault  
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48033

**Petitioner**

[REDACTED]  
MI