



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: November 30, 2018  
MAHS Docket No.: 18-011048  
Agency No.: [REDACTED]  
Petitioner: [REDACTED] [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Jeffrey Kemm

**HEARING DECISION**

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9, 7 CFR 273.15, and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on November 29, 2018, from Lansing, Michigan. Petitioner, [REDACTED] [REDACTED] appeared with her ex-husband, [REDACTED] [REDACTED] Minnie Egbuonu, Recoupment Specialist, appeared for the Department. Neither party had any additional witnesses.

One exhibit was admitted into evidence during the hearing. A 55-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

**ISSUE**

Does Petitioner owe the Department a debt for FAP benefits overissued?

**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 is a FAP benefit recipient.
2. In 2017, Petitioner was issued FAP benefits for a group size of 4. Petitioner's group included her child, [REDACTED] [REDACTED]
3. On [REDACTED] [REDACTED] 2017, the Department issued a Redetermination to Petitioner to obtain information to review her eligibility for FAP benefits.
4. On August 1, 2017, Petitioner completed and signed the Redetermination. In the completed Redetermination, Petitioner listed herself and her ex-husband as being the only sources of income in her household. Petitioner represented that

her income was \$ [REDACTED] biweekly and that her ex-husband's income was \$ [REDACTED] per month.

5. Petitioner's actual gross income averaged \$ [REDACTED] biweekly for the three months immediately preceding August 1, 2017.
6. Petitioner's child, [REDACTED] [REDACTED] worked for Done Right Lawn Service beginning in the second quarter of 2017. Petitioner did not disclose [REDACTED] [REDACTED] employment when Petitioner completed the Redetermination.
7. [REDACTED] [REDACTED] earned \$ [REDACTED] from April through June, \$ [REDACTED] from July through September, and \$ [REDACTED] from October through December.
8. On September 5, 2017, the Department issued a Notice of Case Action which notified Petitioner that she was eligible for a FAP benefit of \$ [REDACTED] per month starting September 1, 2017, based on a group size of 4 and a countable income of \$ [REDACTED]
9. The Department discovered that Petitioner's household had unreported income because [REDACTED] [REDACTED] income was not reported and Petitioner's income was under-reported. The Department determined that Petitioner's household income was understated as a result, which caused the Department to overissue FAP benefits to Petitioner.
10. On October 18, 2018, the Department issued a Notice of Overissuance to Petitioner which notified Petitioner that she was overissued \$ [REDACTED] in FAP benefits from September 2017 through December 2017 due to [REDACTED] [REDACTED] unreported income.
11. On [REDACTED] [REDACTED] [REDACTED] Petitioner filed a hearing request to dispute the overissuance.

### **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 amount of benefits issued to the client group in excess of what it was eligible to receive. BAM 700 (January 1, 2018), p.1. When a client group receives more benefits than entitled to receive, the Department must attempt to recoup the overissuance. BAM 700, p. 1. In this case, Petitioner received more benefits than she was entitled to receive because she had unreported income. FAP benefits are income-based, so the amount of income a household has determines the household's FAP benefit. Here, the Department overissued FAP benefits to Petitioner because the Department issued FAP benefits to Petitioner without budgeting all of Petitioner's household income. The Department presented sufficient evidence to establish that it overissued \$ [REDACTED] in FAP benefits to Petitioner from September 2017 through December 2017.


### **DECISION AND ORDER**

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 act in accordance with its policies and the applicable law when it determined Petitioner was overissued \$ [REDACTED] in FAP benefits.

IT IS ORDERED the Department's decision is AFFIRMED.

IT IS FURTHER ORDERED that the Department may initiate recoupment procedures to collect the \$ [REDACTED] debt Respondent owes the Department for the benefits she was overissued.

JK/nr



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Jeffrey Kemm  
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**

Denise McCoggle  
27260 Plymouth Rd  
Redford, MI  
48239

Wayne 15 County DHHS- via electronic mail

MDHHS- Recoupment- via electronic mail

M. Shumaker- via electronic mail

**DHHS Department Rep.**

MDHHS-Recoupment  
235 S Grand Ave  
Suite 1011  
Lansing, MI  
48909

**Petitioner**

[REDACTED]  
[REDACTED]  
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[REDACTED]