

[REDACTED]

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED]

Claimant

Reg. No.: 2009-11074

Issue No.: 3052

Case No.: [REDACTED]

Load No.: [REDACTED]

Hearing Date:

March 11, 2009

Genesee County DHS [REDACTED]

ADMINISTRATIVE LAW JUDGE: Michael J. Bennane

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; and MCL 400.37, 7 CFR 273.16, MAC R 400.3130, and MAC R 400.3178 upon the Department of Human Service (Department) request for a disqualification hearing. After due notice, a telephone hearing was held on March 11, 2009. The Claimant personally appeared and testified. The Department was represented by [REDACTED], Agent, Office of Inspector General (OIG).

ISSUES

- (1) Did Claimant commit an Intentional Program Violation (IPV) of the Food Assistance Program (FAP)?
- (2) Is the Department entitled to recoup [REDACTED] in FAP benefits?
- (3) Should the Claimant be disqualified from FAP for one year?

FINDINGS OF FACT

The Administrative Law Judge, based upon clear and convincing evidence on the whole record, finds as material fact:

- (1) On December 26, 2008, the Department's OIG filed a hearing request to establish Claimant allegedly intentionally withheld information and received an over issuance of benefits; and the Department is requesting to recoup [REDACTED] in FAP benefits for the periods of March 1, 2005, through March 31, 2005, June 1, 2005 through December 31, 2005, and June 1, 2006, through November 30, 2006.
- (2) On November 23, 2004, June 14, 2005, and June 8, 2006, the Claimant signed applications/re-determinations and acknowledged the obligation to report change in the circumstances that might affect the Claimant's benefits. (Department's exhibits pp. 8-30).
- (3) On February 2, 2007, the Department received an employment verification report that showed that the Claimant was employed [REDACTED]. (Department exhibit pp. 42 - 45).
- (4) On February 26, 2007 the Department received documentation that the Claimant received child support from March 18, 2006, through February 20, 2007. (Department exhibit p. 46).
- (5) On March 5, 2007, the department received employment verification that showed the Claimant's employment at [REDACTED] from May 25, 2005, through December 7, 2005. (Department exhibit pp. 31 - 38).
- (6) On April 4, 2007, the department received employment verification that showed the Claimant's employment at [REDACTED] from January 16, 2004, through February 13, 2004; January 14, 2005, through April 22, 2005; and January 13, 2006, through February 24, 2006. (Department exhibit pp. 39 -41).

- (7) The Claimant did not report a physical or mental condition that may limit the Claimant's understanding or ability to fulfill the employment and income reporting responsibilities.

CONCLUSIONS OF LAW

The Food Assistance Program (FAP) (formerly known as the Food Stamp program) is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department of Human Services administers the FAP program pursuant to MCL 400.10, and MAC R 400.3001-3015. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

In this case, the department requested a disqualification hearing; to establish an over issuance of benefits; to recoup the over issuance, and the department is seeking a disqualification of the Claimant barring the receipt of benefits. The department's manuals provide the relevant policy statements and instructions for department caseworkers. In part, the policies provide:

BENEFIT OVERISSUANCES: PAM 700, p. 1

DEPARTMENT POLICY

All Programs

When a customer group receives more benefits than they are entitled to receive, the department must attempt to recoup the over issuance (OI).

The **Automated Recoupment System (ARS)** is the part of CIMS that tracks all FIP, SDA and FAP OIs and payments, issues automated collection notices and triggers automated benefit reductions for active programs.

An **over issuance (OI)** is the amount of benefits issued to the customer group in excess of what they were eligible to receive.

Over issuance Type identifies the cause of an over issuance.

Recoupment is a department action to identify and recover a benefit over issuance. PAM 700, p.1.

PREVENTION OF OVERISSUANCES

All Programs

The department must inform customers of their reporting responsibilities and act on the information reported within the standard of promptness.

During eligibility determination and while the case is active, customers are repeatedly reminded of reporting responsibilities, including:

- Acknowledgments on the application form, **and**
- Your explanation at application/re-determination interviews, **and**
- Customer notices and program pamphlets.

The department must prevent OIs by following PAM 105 requirements and by informing the customer or authorized representative of the following:

- Applicants and recipients are required by law to give complete and accurate information about their circumstances.
- Applicants and recipients are required by law to promptly notify the department of any changes in circumstances within 10 days.
- Incorrect, late reported or omitted information causing an OI can result in cash repayment or benefit reduction.
- A timely hearing request can delete a proposed benefit reduction. If the department is upheld or the customer fails to appear at the hearing, the customer must repay the OI.

Record on the application the customer's comments and/or questions about the above responsibilities. PAM 700, p.2.

INTENTIONAL PROGRAM VIOLATION

SUSPECTED IPV

All Programs

Suspected IPV means an OI exists for which all three of the following conditions exist:

- The customer intentionally failed to report information or intentionally gave incomplete or inaccurate information needed to make a correct benefit determination; **and**
- The customer was clearly and correctly instructed regarding his or her reporting responsibilities; **and**
- The customer has no apparent physical or mental impairment that limits his or her understanding or ability to fulfill his reporting responsibilities.

Intentional Program Violation (IPV) is suspected when the customer has **intentionally** withheld or misrepresented information for the **purpose** of establishing, maintaining, increasing or preventing reduction of program benefits or eligibility. There must be clear and convincing evidence that the customer acted intentionally for this purpose. PAM 720, p.1

OVERISSUANCE AMOUNT

FIP, SDA, CDC and FAP Only

The amount of the OI is the amount of benefits the group actually received minus the amount the group was eligible to receive. PAM 720, p. 6.

IPV Hearings

FIP, SDA, CDC, MA and FAP Only

OIG represents the department during the hearing process for IPV hearings.

OIG requests IPV hearings when no signed FIA-826 or FIA-830 is obtained, and correspondence to the customer is not returned as undeliverable, or a new address is located.

OIG requests IPV hearings for cases involving:

1. Prosecution of welfare fraud or . . . is declined by the prosecutor for a reason other than lack of evidence, **and**

The total OI amount of FIP, SDA, CDC, MA and FAP programs combined is \$1,000.00 or more or

DISQUALIFICATION

FIP, SDA and FAP Only

Disqualify an active **or** inactive recipient who:

- is found by a court or hearing decision to have committed IPV, **or**
- has signed an FIA-826 or FIA-830, **or**
- is convicted of concurrent receipt of assistance by a court, **or**

A disqualified recipient remains a member of an active group as long as he lives with them. Other eligible group members may continue to receive benefits.

Standard Disqualification Periods PAM 720, pp. 12, 13 FIP, SDA and FAP

The standard disqualification period is used in all instances except when a **court** orders a different period (see **Non-Standard Disqualification Periods** in this item).

Apply the following disqualification periods to recipients determined to have committed IPV:

- One year for the first IPV
- Two years for the second IPV
- Lifetime for the third IPV

The federal Food Stamp regulations read in part:

(c) Definition of **intentional program violation**. For purposes of determining through administrative disqualification hearings whether or not a person has committed an intentional program violation, intentional program violations shall consist of having intentionally: (1) Made a false or misleading statement, or misrepresented, concealed or withheld facts, or (2) committed any act that constitutes a violation of the Food Stamp Act, the Food Stamp Program regulations, or any State statute related to the use, presentation, transfer, acquisition, receipt, or possession of food stamp coupons or ATP's. 7 CFR 273.16(c)

The federal Food Stamp regulations read in part:

(6) Criteria for determining intentional program violation. The hearing authority shall base the determination of intentional program violation on clear and convincing evidence which demonstrates that the household member(s) committed, and intended to commit, intentional program violation as defined in paragraph (c) of this section. 7 CFR 273.16(c) (6)

In this case, the Department has established by clear and convincing evidence that Claimant knowingly withheld the information about income and employment. The evidence shows that the Claimant completed applications/re-determinations and failed to report earned and unearned income.

At the hearing the Claimant testified that the account as summarized by the office of inspector general was correct.

All Programs

Suspected IPV means an OI exists for which all three of the following conditions exist:

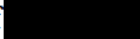
- The customer intentionally failed to report information or intentionally gave incomplete or inaccurate information needed to make a correct benefit determination; **and**
- The customer was clearly and correctly instructed regarding his or her reporting responsibilities; **and**
- The customer has no apparent physical or mental impairment that limits his or her understanding or ability to fulfill his/her reporting responsibilities. PAM 720, p. 1.

The Department is entitled to recoup the amount issued in excess of what the Claimant was eligible to receive. The undersigned reviewed the FAP budgets presented and the over-issuance amount of FAP benefits they show; and finds the Department's FAP budget computations to be correct. Claimant owes ██████████ in FAP benefits; The Department is entitled to recoup this amount.

DECISION AND ORDER

The Administrative Law Judge, based upon the clear and convincing evidence, decides the following:

The evidence does establish that the Claimant committed a first IPV of the FAP program. The Department's request for disqualification from the FAP program for one year is GRANTED.

The Department is entitled to recoup over issuance of FAP benefits a total of 

/s/

Michael J. Bennane
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 04/07/09

Date Mailed: 04/07/09

NOTICE: The law provides that within 30 days of receipt of the above Decision and Order, the Claimant may appeal it to the circuit court for the county in which he/she lives.

MJB/jlg

cc:

