

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],
Respondent

Reg. No: 2009-27792
Issue No: 3055
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
September 23, 2009
Macomb County DHS

ADMINISTRATIVE LAW JUDGE: Robert J. Chavez

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 Services' request for a disqualification hearing. After due notice, a telephone hearing was held on September 23, 2009. Respondent did not appear at the hearing and it was held in respondent's absence pursuant to 7 CFR 273.16(e), MAC R 400.3130(5), or MAC R 400.3187(5).

ISSUE

Did the respondent commit an Intentional Program Violation (IPV) and did the respondent receive an overissuance of benefits that the department is entitled to recoup?

FINDINGS OF FACT

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

- 1) Respondent was a recipient of FAP benefits during the period of October 1, 2007 through March 31, 2008.

- 2) On October 8, 2007, respondent completed a DHS-1171, Application for Assistance, in which she listed her husband as part of the member group.
- 3) This application was sent in as part of an assistance redetermination.
- 4) On this application, she did not list her husband as having any employment.
- 5) On July 1, 2007, respondent's husband became employed with [REDACTED].
- 6) Respondent's husband received income during this period ranging as high as \$2162 per month.
- 7) Respondent received FAP benefits during this time, but did not report this income.
- 8) In July, 2008, DHS ran a wage match on respondent, and discovered that respondent's husband had unreported income since the initial assistance application.
- 9) At no time did respondent notify DHS of this employment.
- 10) Respondent was aware of the responsibility to report all employment and income to the department.
- 11) On March 30, 2009, the Department's Office of Inspector General (OIG) filed a hearing request to establish an overissuance of benefits received by respondent as a result of respondent having committed an Intentional Program Violation (IPV); the OIG also requested that respondent be disqualified from receiving program benefits.
- 12) A Notice of Disqualification Hearing was mailed to respondent at the last known address and was not returned by the U.S. Post Office as undeliverable.
Respondent's last known address is: [REDACTED].

13) OIG Agent James Linaras represented the Department at the hearing; respondent did not appear.

14) This is respondent's first alleged IPV.

CONCLUSIONS OF LAW

The Food Assistance Program (FAP) (formerly known as the Food Stamp (FS) 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 (DHS or department) administers the FAP program pursuant to MCL 400.10, *et seq.*, 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 has requested a disqualification hearing to establish an overissuance of benefits as a result of an IPV and the department has asked that respondent be disqualified from receiving benefits. The department's manuals provide the following relevant policy statements and instructions for department caseworkers:

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

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

Intentional Program Violation (IPV) is suspected when there is clear and convincing evidence that the client or CDC provider has intentionally withheld or misrepresented

information for the purpose of establishing, maintaining, increasing or preventing reduction of program benefits or eligibility. PAM, Item 720, p. 1.

The federal Food Stamp regulations read in part:

- (c) Definition of Intentional Program Violation. Intentional Program Violation 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 for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of coupons, authorization cards or reusable documents used as part of an automated benefit delivery system (access device). 7 CFR 273.16(c).
 - (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).

Therefore, the undersigned may only find an IPV if there is clear and convincing evidence that the respondent intentionally made a false or misleading statement for the purpose of defrauding the Department with regard to the FAP program.

In this case, the Department has established that respondent was aware of the responsibility to report all income and employment to the department. Respondent has no apparent physical or mental impairment that limits the understanding or ability to fulfill the reporting responsibilities. Furthermore, there is clear and convincing evidence that the respondent intended to mislead the Department with regard to her FAP eligibility.

Respondent filled out an assistance application in October, 2007. However, during this time, respondent's was active with [REDACTED], a fact that was verified by the employer. At no time did respondent notify the Department that her husband was active; in fact, she specifically told the Department that he was unemployed on her application. This was false. According to Department Exhibit 6, Wage Match, respondent's husband started working with [REDACTED] in July, 2007, more than three months before she signed the application. Respondent's husband received his first paycheck in July, 2007, months before she told the Department he was unemployed. Respondent's husband continued this employment well into 2008; at no time did she notify the Department of this employment. Had the underlying issue been merely a failure to report income, the Administrative Law Judge would admit that there would be doubts as to whether the respondent intentionally meant to mislead the Department, or had a simple lapse of memory.

However, it is clear that respondent's husband was working at the time of the application; she had a chance to report it on the application and did not; the undersigned views this as clear and convincing evidence that the respondent specifically misled the Department. This moves respondent's actions from potential memory lapse to outright falsehood. The undersigned believes that this falsehood was clear and convincing evidence of intent to mislead the Department in an attempt to secure a greater FAP allotment—an intentional program violation.

Therefore, as a result of the failure to report all income, respondent committed an IPV, and received an overissuance in benefits. In Exhibit 9, the Department convincingly established that the correct overissuance amount that they are entitled to recoup was in the amount of \$1963.


Finally, as a result of the IPV, the Department properly requested that the respondent be disqualified from participation in the FAP programs for the period of one year.

DECISION AND ORDER

The Administrative Law Judge, based upon the clear and convincing evidence, decides respondent committed an Intentional Program Violation of the FAP program and the department is entitled to recoup the overissuance of \$1,963.00.

Accordingly, the respondent is disqualified from participation in the FAP program for a period of one year.

The department is entitled to recoup the overissuance of benefits respondent ineligibly received. Respondent is ORDERED to reimburse the department for the overissuance.



Robert J. Chavez
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 10/29/09

Date Mailed: 10/30/09

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

RJC/dj

cc:

