

STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2010-16784
Issue No.: 3055
Case No.: [REDACTED]
Hearing Date: May 4, 2011
DHS County: Washtenaw

ADMINISTRATIVE LAW JUDGE: Jan Leventer

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to Michigan Compiled Laws (MCL) 400.9 and 400.37 and the Department of Human Services' (DHS) request for a hearing. After due notice, a telephone hearing was held on May 4, 2011. Respondent [REDACTED] did not appear. [REDACTED] [REDACTED], appeared and testified on behalf of the Department of Human Services (DHS).

ISSUE

Whether there is clear and convincing evidence to establish that Respondent committed an Intentional Program Violation (IPV) of the Food Assistance Program (FAP)?

FINDINGS OF FACT

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

1. On August 16, 2006, Respondent signed a Group FAP Review Application for FAP benefits. Her signature appears under this printed statement:

AFFIDAVIT

I certify, under penalty of perjury, that all of the information that I have written on this form or told to a specialist is true. I understand that I can be prosecuted for perjury if I have intentionally given false information. I also know that I may be asked to show proof of any information I have given. I also know that if I have intentionally left out any information or if I have given false information, which causes me to receive assistance I am not entitled to or more assistance than I am entitled to, I can be

prosecuted for fraud and/or required to repay the amount wrongfully received.

IMPORTANT: YOU MUST SIGN THE APPLICATION

2. Respondent's application states that she and her son [REDACTED] are unemployed.
3. On March 23, 2007, DHS received a Verification of Employment from [REDACTED], stating that Respondent's son [REDACTED] was employed at [REDACTED] beginning May 10, 2005, he is paid \$9.50 per hour, and he works twenty hours per week. As of March 10, 2007, he was an active [REDACTED].
4. On September 14, 2009 DHS sent Respondent an IPV Repayment Agreement and requested her signature. Respondent failed to sign the Repayment Agreement.
5. On March 31, 2011 DHS sent a Notice of Disqualification Hearing to Respondent notifying her of the May 4, 2011 Administrative Hearing.
6. The recoupment amount requested by DHS is \$1,254, received from September 1, 2006-April 30, 2007, a period of eight months.

CONCLUSIONS OF LAW

FAP was established by the U.S. Food Stamp Act of 1977 and is implemented by Federal regulations found in Title 7 of the Code of Federal Regulations. DHS administers FAP pursuant to MCL 400.10 *et seq.* and Michigan Administrative Code Rules 400.3001-400.3015. DHS' FAP policies and procedures are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables (RFT). These manuals are available online at www.michigan.gov/dhs-manuals.

In this case, DHS has requested a finding of IPV of the FAP program and, in the event that the Administrative Law Judge makes this decision, DHS asks that Respondent be disqualified from receiving benefits. DHS requests the penalty for a FAP first-time offense in this case and an Order permitting recoupment of benefits unlawfully received.

The applicable manual section in this case is Program Administrative Manual (PAM) 720, "Intentional Program Violation," which was adopted October 1, 2005, and was in effect on August 16, 2006, the date Respondent applied for FAP benefits. PAM 720 is not available online. However, the definition of IPV is the same in both versions.

BAM 720 sets forth the definition of IPV in effect August 16, 2006, on page 1:

INTENTIONAL PROGRAM VIOLATION

DEFINITIONS

All Programs

Suspected IPV

Suspected IPV means an OI [overissuance] 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.

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.

BAM 720, p. 1 (boldface in original).

In this case, I must apply BAM 720 to the facts to determine if all three of the elements of IPV have been met. I begin with the first element, which requires that the client must have intentionally failed to report information or intentionally given incomplete or inaccurate information needed to make a correct benefit determination. If I determine that any piece of the first element did not occur, I must find that the first element has not been met. Furthermore, BAM 720 requires that all three elements be met. So, if the first element, or any other element, is not met, then I must find that DHS has failed to prove IPV by clear and convincing evidence and DHS' request must be denied.

With regard to the first element, I find that I must determine whether Respondent failed to report information or gave incomplete or inaccurate information when she applied. In order to determine if one of these acts occurred, I must go to the second element, whether she had knowledge of her responsibility. I do this because if Respondent did not have knowledge of her responsibility, she is not capable of intentionally failing to perform it.

I have examined all of the evidence and testimony in this case as a whole. I find that Respondent signed the application beneath the Affidavit requiring her to give truthful information. I find this is clear and convincing evidence that she was informed of her responsibility.

Now, going back to the first element, I find and conclude that on August 16, 2006, Claimant intentionally failed to report her son's income on the application. I find and decide that Claimant was in violation of her responsibility to report her son's income on the application.

To summarize my findings up to this point, I find that DHS has presented clear and convincing evidence to establish that the first two elements of IPV are met. I now turn to the third element, mental or physical impairment, to see if DHS has established this element as well. Again, having reviewed all of the testimony and evidence in this case as a whole, I find nothing in the record to indicate that Respondent has a mental or physical impairment that limited her understanding or ability to fulfill the reporting responsibilities. Therefore, I find and conclude that the third IPV element also has been satisfied by DHS by clear and convincing evidence.

Based on the findings of fact and conclusions of law above, as all three of the elements of IPV have been established by clear and convincing evidence, I find and decide that an IPV of the FAP program has occurred. DHS' request for an Administrative Hearing decision of IPV of the FAP program is GRANTED.

I next turn to the penalty DHS has requested in this case, which is a first-time penalty for IPV. I find that the record does establish that a first-time penalty is appropriate, as there is no allegation that Respondent committed previous IPV's.

In conclusion, DHS is also entitled to an order permitting recoupment of the full amount of overissuance, \$1,254, as I find and determine that all of the requested money is proved to be overissued to Claimant.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, GRANTS DHS' request for a finding of IPV of FAP. IT IS ORDERED that the penalty for the FAP IPV shall be the penalty for a first-time offense.

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IT IS FURTHER ORDERED that DHS is entitled to recoup the FAP overissuance to Respondent of \$1,254. DHS shall proceed in accordance with all DHS policies and procedures.



Jan Leventer
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: May 9, 2011

Date Mailed: May 10, 2011

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.

JL/pf

cc:

