

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 2010-49765

Issue No: 3055; 1052

[REDACTED]

Delta County DHS

ADMINISTRATIVE LAW JUDGE: Vicki L. Armstrong

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Department of Human Services (department) request for a disqualification hearing. After due notice, a telephone hearing was held on May 24, 2011, at which Respondent did not appear. This matter having been initiated by the department and due notice having been provided to Respondent, the hearing was held in Respondent's absence in accordance with Bridges Administrative Manual, Item 725.

ISSUE

Whether Respondent committed an Intentional Program Violation (IPV) of the Food Assistance Program (FAP) and Family Independence Program (FIP) and whether Respondent received 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. 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.
2. Respondent signed Assistance Application (DHS-1171) on September 21, 2007, acknowledging that she understood her failure to give timely, truthful, complete and accurate information about her circumstances could result in a civil or criminal action or an administrative claim against her. (Department Exhibits 10-17).
3. On May 15, 2008, the department was notified by the Office of Inspector General that Respondent's household was suspected of no longer living in

Michigan because at least as of March 2008 through May 2008, all of Respondent's FAP purchases were outside the state of Michigan. Case closure was initiated and Respondent's case was referred to a recoupment specialist. (Department Exhibit 18).

4. An Electronic Benefits Transaction (EBT) history shows Respondent used her FAP benefits solely in Louisiana beginning January 14, 2008 through May 13, 2008. (Department Exhibits 19-21).
5. An EPPIC Recipient Transaction History shows Respondent began using her FAP on October 5, 2007, in Florida without informing the department. The history also shows Respondent used her FAP and FIP in Florida through March 4, 2008. (Department Exhibits 23-28).
6. Respondent received [REDACTED] in FAP benefits during the alleged fraud period of December 2007 through June, 2008. Respondent received \$3,423.00 in FIP benefits during the alleged fraud period of December 2007 through June, 2008. If Respondent had properly reported that she had moved out of Michigan, Respondent would not have been eligible to receive FIP or FAP benefits. (Department Exhibits 29-31).
7. Respondent failed to report her move out of Michigan in a timely manner, resulting in a FAP overissuance for the months of December 2007 through June, 2008, in the amount of [REDACTED], and a FIP overissuance of [REDACTED]. Therefore, Respondent received a total overissuance of [REDACTED]. (Department Exhibits 29-31).
8. Respondent was clearly instructed and fully aware of the responsibility to report all changes within 10 days to the department.
9. Respondent has no apparent physical or mental impairment that would limit the understanding or ability to fulfill the reporting responsibilities.
10. Respondent had not committed any previous intentional program violations of the FIP or FAP programs. (Department Hearing Request).

#### 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 Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, *et seq.* The FIP program replaced the Aid to Dependent Children (ADC) program effective October 1, 1996. The Department of Human Services (DHS or department) administers the FAP and FIP programs pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015 and MAC R 400.3101-3131 respectively. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

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 the respondent be disqualified from receiving benefits. The department's manuals provide the following relevant policy statements and instructions for department caseworkers.

When a customer client group receives more benefits than they are entitled to receive, the department must attempt to recoup the overissuance. BAM 700. A suspected intentional program violation means an overissuance where:

- 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.

The department suspects an intentional program violation when the client 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 client acted intentionally for this purpose. BAM 720.

The department's Office of Inspector General processes intentional program hearings for overissuances referred to them for investigation. The Office of Inspector General represents the department during the hearing process. The Office of Inspector General requests intentional program hearings for cases when:

- benefit overissuances are not forwarded to the prosecutor.
- prosecution of welfare fraud is declined by the prosecutor for a reason other than lack of evidence, and
  - the total overissuance amount is \$1000 or more, or
  - the total overissuance amount is less than \$1000, and
    - the group has a previous intentional program violation, or
    - the alleged IPV involves FAP trafficking, or

- the alleged fraud involves concurrent receipt of assistance,
- the alleged fraud is committed by a state/government employee.

A court or hearing decision that finds a client committed an intentional program violation disqualifies that client from receiving program benefits. 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. BAM 720.

Clients that commit an intentional program violation are disqualified for a standard disqualification period except when a court orders a different period. Clients are disqualified for periods of one year for the first IPV, two years for the second IPV, lifetime disqualification for the third IPV, and ten years for a concurrent receipt of benefits. BAM 720. This is the respondent's first intentional program violation of the FIP and FAP programs.

In this case, the department has established that Respondent was aware of the responsibility to report all income and employment to the department. Department policy requires clients to report any change in circumstances that will affect eligibility or benefit amount within ten days. BAM 105. Respondent has no apparent physical or mental impairment that limits the understanding or ability to fulfill the reporting responsibilities.

Respondent completed an application for assistance on September 21, 2007. Prior to October 5, 2007, Respondent moved to [REDACTED] without notifying the department. To be eligible for FAP and FIP benefits, a person must be a Michigan resident. BEM 220. A resident is a person living in Michigan for any purpose other than a vacation, even if she has no intent to remain in the state permanently or indefinitely. BEM 220. Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105. Changes must be reported within 10 days of receiving the first payment reflecting the change, including address and shelter cost changes that result from the move. BAM 105. After the move from Michigan to Florida, Respondent continued to receive FAP and FIP benefits from Michigan and used those benefits in Florida and Louisiana.

Respondent's signature on the Assistance Application from September 21, 2007, certifies that she was aware that fraudulent participation in FAP and FIP could result in criminal or civil or administrative claims. This Administrative Law Judge therefore concludes that the department has shown, by clear and convincing evidence, that Respondent committed a first intentional violation of the FAP and FIP programs, resulting in a [REDACTED] FAP overissuance and a [REDACTED] FIP overissuance from December 2007 to June, 2008. Consequently, the department's request for FAP and FIP program disqualification and full restitution must be granted.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that Respondent committed an Intentional Program Violation by failing to

