

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

IN THE MATTER OF:



Reg. No: 201110211  
Issue No: 3055  
Case No: [REDACTED]  
Hearing Date June 27, 2011  
Delta County DHS

**ADMINISTRATIVE LAW JUDGE: Kandra Robbins**

**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 (department) request for a disqualification hearing. After due notice, a telephone hearing was held on June 27, 2011. 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). The mail sent to the Respondent was returned as undeliverable.

**ISSUE**

Whether the respondent committed an Intentional Program Violation (IPV) of the Food Assistance Program (FAP) and whether the 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 the respondent as a result of the respondent having committed an IPV; the OIG also requested that the respondent be disqualified from receiving program benefits.
2. Respondent signed Assistance Application (DHS-1171) on April 15, 2009, acknowledging that he understood his 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 him. (Department Exhibit 1, pages 7-14).

3. The respondent listed his daughter, [REDACTED], as a member of his household. (Department Exhibit 1, page 10).
4. The minor child, [REDACTED] was added to [REDACTED] FAP case in Wisconsin on August 1, 2009. (Department Exhibit 1, page 26).
5. The respondent did not report the change in his household to the department.
6. The OIG indicates that the time period they are considering the fraud period is October 1, 2009, through May 1, 2010, for the FAP. (Department Hearing Summary).
7. During the alleged fraud period, the respondent was issued [REDACTED] in FAP benefits from the State of Michigan. (Department Exhibit 1, page 32).
8. The respondent was entitled to [REDACTED] in FAP benefit during this time period. (Department Exhibit 1, page 28-33).
9. Respondent was clearly instructed and fully aware of his responsibility to report any changes in his household to the department.
10. Respondent was physically and mentally capable of performing his reporting responsibilities.
11. Respondent has not committed any previous intentional FAP program violations.
12. A Notice of Disqualification Hearing was mailed to the respondent at the last known address and was returned by the U.S. Post Office as undeliverable. Respondent's last known address is: 7593 County Road 426 M 5 Rd. Gladstone, MI 49837.

### **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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), Reference Table Manual (RFT), State Emergency Relief Manual (ERM) 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 IPV 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 IPV 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 overissuance 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 overissuance 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 IPV 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 IPV 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 IPV.

In this case, the respondent intentionally failed to report a change in his household. His minor daughter moved out of his household. She moved to Wisconsin with her mother. The minor daughter was added to her mother's FAP benefit case in Wisconsin. Respondent's signature on this document certifies that he was aware that fraudulent participation in FAP could result in criminal or civil or administrative claims. Because of respondent's failure to report a reduction in the number of group members in his household, he received an overissuance and the department is entitled to recoup

The benefits issued during this period were in error as the respondent's household size was less than reported. The Respondent would not have been eligible to receive benefits if he had reported this change.

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 program, resulting in a overissuance. Consequently, the department's request for FAP disqualification and full restitution must be granted.

Based on clear and convincing evidence, it is found that the rRespondent intentionally committed the program violation as he failed to report a change in the household composition.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the clear and convincing evidence, decides respondent committed a first intentional FAP program violation.

Therefore it is ORDERED that:

1. Respondent shall be personally disqualified from participation in the FAP for one year. This disqualification period shall begin to run immediately as of the date of this Order.
2. Respondent is responsible for full restitution of the FAP overissuance caused by his IPV.

/s/

Kandra Robbins  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: June 28, 2011

Date Mailed: June 28, 2011

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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.

KR/ar

cc:

