

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

IN THE MATTER OF:

[REDACTED]

Registration No: 201125088  
Issue No: 3055  
Case No: [REDACTED]  
Hearing Date: October 20, 2011  
Genesee County DHS

**Administrative Law Judge:** Corey A. Arendt

**HEARING DECISION**

This matter is before me in accordance with 7 CFR 273.16, MCL 400.9, MCL 400.37, and 1999 AC, R 400.3130, on the Department of Human Services' (the Department's) request for hearing. After due notice, a hearing was held on October 20, 2011, at which Respondent did not appear. The hearing was held in the absence of the Respondent in accordance with Bridges Administrative Manual (BAM) 720, pp 9-10. The Department was represented by its Office of Inspector General (OIG).

**ISSUE**

In dispute was whether Respondent committed an intentional program violation (IPV) involving the Food Assistance Program (FAP), thereby receiving an overissuance of benefits the Department is entitled to recoup.

**FINDINGS OF FACT**

Based on the clear and convincing evidence pertaining to the whole record, I find as material fact:

1. The Department's OIG filed a request for a hearing to request a program disqualification and establish an over issuance of FAP benefits received as a result of a determination that Respondent committed an IPV.
2. On August 18, 2006 and December 1, 2006, the Respondent signed applications for benefits. (Department Exhibit 1, 2)
3. On December 14, 2006, the Department notified the Respondent about the Simplified Reporting (SR) process. The notification indicated the Respondent was to notify the Department if her gross income exceeded [REDACTED] in any month. (Department Exhibit 3)

4. Respondent acknowledged she understood her failure to give timely, truthful, complete, and accurate information about her circumstances and could result in a civil or criminal action, or an administrative claim, against her. (Department's Exhibit 1, 2)
5. From March 2007 through July 2007, the Respondent's monthly gross income exceeded [REDACTED]. Between March 2007 and July 2007, the Respondent at no time notified the Department of her monthly income.
5. On October 9, 2007, the Department ran a wage match for the Respondent. At that time, the Department discovered the Respondent's excess income in excess of the SR amounts for the months of March 2007 through July 2007. (Department Exhibit 4)
6. From March 1, 2007 through July 31, 2007, the Respondent received an over issuance of FAP benefits totaling [REDACTED] 5. (Department Exhibit 6, 7)
7. There was no apparent physical or mental impairment present that limited Respondent's ability to understand and comply with her reporting responsibilities.
8. This was the first determined IPV committed by Respondent.

#### **CONCLUSIONS OF LAW**

The FAP (formerly known as the Food Stamp (FS) program) was 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 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) and the Bridges Reference Manual (BRM).

In the present matter, the Department requested a hearing to establish an overissuance of FAP benefits, claiming that the overissuance was a result of an IPV committed by Respondent.

Here, the OIG presented unequivocal evidence that Respondent did not report her monthly income when it exceeded the SR amount. The failure of the Respondent to notify the Department lead to an over issuance of FAP benefits as the Department was unable to properly determine and budget the Respondent's eligibility for FAP benefits.

When a client or group receives more benefits than they are entitled to receive, the Department must attempt to recoup the over issuance. BAM 700, p 1. A suspected IPV is defined as an over issuance 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. [BAM 720, p 1.]

An IPV is suspected by the Department when a client intentionally withheld or misrepresented information for the purpose of establishing, maintaining, increasing, or preventing a reduction of, program eligibility or benefits. BAM 720, p 1. In bringing an IPV action, the agency carries the burden of establishing the violation with clear and convincing evidence. BAM 720, p 1.

Based on the credible testimony and other evidence presented, I have concluded the OIG established, under the clear and convincing standard, that Respondent committed an IPV in this matter. As at no time did the Respondent inform the Department of her monthly income when it exceeded the SR amounts as she knew she was required to do.

### **DECISION AND ORDER**

Based on the above findings of fact and conclusions of law, I find Respondent committed an intentional program violation.

It is therefore ORDERED:

1. Respondent shall reimburse the Department for the FAP benefits ineligibly received as a result of her IPV in the amount of [REDACTED].

/s/  
Corey A. Arendt  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: October 24, 2011

Date Mailed: October 26, 2011

2011-25088/CAA

NOTICE: Respondent may appeal this decision and order to the circuit court for the county in which he / she resides within 30 days of receipt of this decision and order.

CAA/cr

cc:

