

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

IN THE MATTER OF:



Reg. No: 201142558  
Issue No: 3055, 2006  
Case No: [REDACTED]  
Hearing Date: September 7, 2011  
St. Clair County DHS

**ADMINISTRATIVE LAW JUDGE:** Christopher S. Saunders

**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 September 7, 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 Medical Assistance Program (MA)?

**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 completed an application for public assistance on September 13, 2010 (DHS 1171), acknowledging her responsibility to report any changes in her income, resources, or living arrangement to the department within ten days of the change. (Department Exhibits 9-24).
3. Respondent's EBT history shows the use of her EBT for FAP benefits from October 14, 2010 through May 1, 2011 exclusively in the state of West Virginia. (Department Exhibits 25-27).
4. The West Virginia Department of Health and Human Resources was contacted and provided information showing that the respondent was also

receiving Food Assistance and Medical Assistance benefits through the state of West Virginia from December 2010 through May 2011. (Department Exhibits 33-38).

5. As a result of her continued use of her EBT card while in West Virginia, the Respondent received a FAP benefit over issuance for the period of December 1, 2010 through May 31, 2011 in the amount of [REDACTED] and a MA over issuance for the period of December 1, 2010 through May 31, 2011 in the amount of [REDACTED] (Department Exhibits 28-32).
6. Respondent was clearly instructed and fully aware of the responsibility to report true and accurate information to the department.
7. Respondent has no apparent physical or mental impairment that would limit the understanding or ability to fulfill the income reporting responsibilities.
8. Respondent had not committed any previous intentional program violations. (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 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) and the Program Reference Manual (PRM).

The Medical Assistance (MA) program was established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The department administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. Medicaid is also known as Medical Assistance (MA).

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.

In this case, Respondent failed to notify the department that she had relocated to West Virginia. While in West Virginia, the Respondent continued to use her department provided EBT card. The use of this card was improper as the Respondent was ineligible for FAP benefits because she was no longer a resident of the State of

Michigan. Furthermore, Respondent continued to use her EBT card while concurrently receiving Food Assistance benefits from the state of West Virginia. Respondent has therefore committed an Intentional Program Violation of the FAP program. Because Respondent was receiving FAP benefits while simultaneously receiving Food Assistance benefits from the state of West Virginia, the ten year disqualification period is appropriate. Respondent also committed an Intention Program Violation of the MA program by not informing the department that she was no longer a resident of the state of Michigan.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds clear and convincing evidence that the Respondent committed an Intentional Program Violation by failing to notify the department that she was no longer a resident of the State of Michigan, continuing to use FAP and MA benefits while not eligible, and by using her FAP benefits concurrently with Food Assistance benefits from the state of West Virginia.

Therefore, it is HEREBY ORDERED that:

1. The Respondent shall reimburse the department for FAP benefits ineligibly received as a result of her Intentional Program Violation in the amount of [REDACTED]
2. The Respondent is personally ineligible to participate in the FAP program for the period of ten years. The disqualification period shall be applied immediately.
3. The Respondent shall reimburse the department for MA benefits ineligibly received as a result of her Intentional Program Violation in the amount of [REDACTED]

/s/

Christopher S. Saunders  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: September 9, 2011

Date Mailed: September 12, 2011

2011-42558/CSS

**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.

CSS/cr

cc:

