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

IN THE MATTER OF: Reg.

No.: 2010-42594 Issue No.: 1052/3052 Case No.:

Hearing Date: October 12, 2011
DHS County: Genesee (05)

ADMINISTRATIVE LAW JUDGE: Michael J. Bennane

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 Service (Department) request for a disqualification hearing. After due notice, a telephone hearing was held on October 12, 2011. The Respondent did not appear and testify. The Depart ment was represented by Inspector General (OIG).

<u>ISSUES</u>

- (1) Did Respondent commit an Intentional Program Violation (I PV) of the Food Assistance Program (FAP) and the Family Independence Program (FIP)?
- (2) Is the Department entitled to recoup \$1,716.00 in FAP benefits and 2,418.00 in FIP benefits?
- (3) Should the Respondent be disqualified from FAP and FIP for one year?

FINDINGS OF FACT

The Administrative Law Judge, based upon clear and convincing evidence on the whole record, finds as material fact:

- (1) On June 20, 2011, the Department's OIG filed a hearing request to establish Respondent allegedly intention ally with held information and received an overissuance of FAP benefits; and the Department is requesting to recoup \$1,716.00 in FAP benefits and \$2,418.00 for the period of July 1, 2009, through December 31, 2009.
- (2) On the Respondent signed applications/re-determinations and acknowledged the obligation to report change in the circumstances that might affect the Respondent's benefits. (Department exhibits pp. 5-12).

- (3) On the claim of the claimant notified the Department that the Respondent married in the claim of the during a redetermination. The claimant further notified the Department that she had begun to receive income no t previously reported upon this marriage. (Department exhibit 16).
- (4) The Respondent did not r eport a physic al or mental c ondition that may limit the Respondent's understandin g or ability to fulfill the employment and in come reporting responsibilities.

CONCLUSIONS OF LAW

The Food Assistance Program (FAP) (formerly known as the Food Stamp 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 administers the FAP program pursuant to MCL 400.10, 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).

The Family Independence Progr am (FIP) was established pursuant to the Personal Responsibility and W ork Opportunity Reconc iliation Act of 1996, Public Law 104-193, 8 USC 601, et seq. The Department of Human Services (formerly known as the Family Independence Agency) administers the FIP program pursuant to MCL 400.10, et seq., and MAC R 400.3101-3131. The FIP program replaced the Aid to Dependent Children (ADC) program effective October 1, 1996. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Elig ibility Manual (B EM) and the Bridges Reference Manual (BRM).

In this case, the Department requested a disqualification hearing; to establish an overissuance of benefits; to recoup the overissuance, and the Department is seeking a disqualification of the Resepondent barring the receipt of benefits. The Department's manuals provide the relevant policy statements and instructions for Department caseworkers. In part, the policies provide:

BENEFIT OVERISSUANCES: BAM 700, p. 1

DEPARTMENT POLICY

All Programs

When a customer group receiv es more benefits than they are entitled to receive, the department must attempt to recoup the over issuance (OI).

The **Automated Recoupment System (ARS)** is the part of CIMS that tracks all FIP, SD A and FAP OIs and payments,

issues automated collection notices and triggers automated benefit reductions for active programs.

An **over issuance (OI)** is the amount of benefits iss ued to the customer group in excess of what they were eligible to receive.

Over issuance T ype identifies the cause of an over issuance.

Recoupment is a department action to identify and recover a benefit over issuance. BAM 700, p.1.

PREVENTION OF OVERISSUANCES

All Programs

The depar tment must inform cu stomers of their reporting responsibilities and act on the information reported within the standard of promptness.

During eligibility determination a nd while the case is active, customers are repeatedly reminded of reporting responsibilities, including:

- acknowledgments on the application form, and
- your explanation at application/re-determination interviews,
 and
- customer notices and program pamphlets.

The department must prevent Ols by following BAM 105 requirements and by informing the customer or authorized representative of the following:

- Applic ants and recipients are required by law to giv e complete and accurate information about their circumstances.
- Applicant's and rec ipients are r equired by law to promptly notify the department of any changes in circum stances within 10 days.
- Incorrect, late reported or omitted information causing an OI can result in cash repayment or benefit reduction.

• A timely hearing r equest can delete a proposed benefit reduction.

If the department is upheld or the customer fails to appear at the hearing, the customer must repay the OI.

Record on the applic ation the customer's comments and/or questions about the above responsibilities. BAM 700, p.2.

INTENTIONAL PROGRAM VIOLATION

SUSPECTED IPV

All Programs

Suspected IPV means an OI exists for which all three of the following conditions exist:

- the customer intentionally failed to report information or intentionally gave incomplete or inaccurate information needed to make a correct benefit determination; and
- the customer was clearly and correctly instructed regarding his or her reporting responsibilities; and
- the cus tomer has no appa rent physical or m ental impairment that limits his or her understanding or ability to fulfill his reporting responsibilities.

Intentional Program Violation (IPV) is s uspected when the customer 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 customer acted intentionally for this purpose. BAM 720, p.1

OVERISSUANCE AMOUNT

FIP, SDA, CDC and FAP Only

The amount of the OI is the amount of benefits the group actually received minus the amount the group was eligible to receive. BAM 720, p. 6.

IPV Hearings

FIP, SDA, CDC, MA and FAP Only

OIG represents the department during the hearing process for IPV hearings.

OIG requests IPV hearings when no signed FIA-826 or FIA-830 is obtained, and c orrespondence to the customer is not returned as undeliverable, or a new address is located.

OIG requests IPV hearings for cases involving:

1. Prosecution of we Ifare fraud or . . . is declined by the prosecutor for a reason other than lack of evidence, **and**

The total OI amount of FIP, SDA, CDC, MA and FAP programs combined is \$1,000.00 or more or

DISQUALIFICATION

FIP, SDA and FAP Only

Disqualify an active **or** inactive recipient who:

- is found by a court or hearing decision to have committed IPV, **or**
- has signed an FIA-826 or FIA-830, or
- is convicted of concurrent receipt of assistance by a court,
 or

A disqualified recipient remains a member of an active group as long as he lives wit h them. Other eligible group members may continue to receive benefits.

Standard Disqualification Periods BAM 720, pp. 12, 13 FIP, SDA and FAP

The standard disqualification peri od is used in all inst ances except when a **court** orders a different period (see **Non-Standard Disqualification Periods** in this item).

Apply the following disqualific ation periods to recipients determined to have committed IPV:

- One year for the first IPV
- Two years for the second IPV
- · Lifetime for the third IPV

The federal Food Stamp regulations read in part:

(c) Definition of intentional program violation . For purposes of determining through administrative disqualification hearings wheether or not a person has committed an intentional progra m violation, intentional program violations shall consist of having intentionally: (1) Made a false or misleading st atement, or misrepresented, concealed or withheld facts, or (2) committed any act that constitutes a violation of the Food Stamp Act, the Food Stamp Program regulations, or any State statute related to the use, presentation, transfe r, acquisition, receipt, or possession of food stamp coupons or ATP's, 7 CFR 273.16(c).

The federal Food Stamp regulations read in part:

(6) Criteria for determining intentional program violation. The hearing authority shall base the determination of intentional program violation on clear an d convincing evidence which demonstrates that the household member(s) committed, and intended to commit, intentional program violation as de fined in paragraph (c) of this section. 7 CFR 273.16(c) (6).

In this case, the Department has not established by clear and convincing evidence that Respondent knowingly withheld information on from the Department. Respondent's testimony at the hearing shows that it was her marriage that caused her to be ineligible and that she notified the Department of same at the time of her redetermination.

All Programs

Suspected IPV means an OI exists for which all three of the following conditions exist:

- the customer intentionally failed to report information or intentionally gave incomplete or inaccurate information needed to make a correct benefit determination; and
- the customer was clearly and correctly instructed regarding his or her reporting responsibilities; and
- the cus tomer has no appa rent physical or m ental impairment that limits his or her understanding or ability to fulfill his/her reporting responsibilities. BAM 720, p. 1.

The Depar tment is entitled to recoup t he amount issued in excess of what the respondent was eligible to receive. The undersigned reviewed the FAP budgets presented and the overissuance amount of FAP benefits they show; and finds the Department's FAP budget computations to be correct. Respondent owes \$1,716.00 in

FAP benefits and \$2,418.00 in FIP benefits. The Department is entitled to recoup these amounts.

DECISION AND ORDER

The Administrative Law Judge, based upon the clear and convincing evidence, decides the following:

- (1) The evidence does not establish that the Respondent committed a first IPV of the FAP program. The Department's request for disqualification from the FAP program for one year is DENIED.
- (2) The Department is entitled to recoup overissuance of FAP and FIP benefits for a total of \$4,134.00.

Michael Administrative for

Department

Date Signed: October 24, 2011

Date Mailed: October 24, 2011

J. Bennane Law Judge Maura Corrigan, Director of Human Services

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.

MJB/cl

cc: