

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201125055
Issue No: 3055
Case No: [REDACTED]
Hearing Date: July 6, 2011
Genesee 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 July 6, 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)?

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 over issuance 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 August 23, 2005 (DHS 1171), acknowledging his responsibility to accurately report his income and expenses to the department. (Department Exhibit 7-13).
3. At the time Respondent submitted his application he indicated he had a monthly rent obligation of [REDACTED] (Department Exhibit 7).

4. Respondent was later given a shelter verification which he submitted to the department on October 27, 2005. (Department Exhibit 15).
5. The shelter verification shows a figure scratched out on the line for "total monthly shelter obligation" and a figure of [REDACTED] written in next to the scratched out figure. (Department Exhibit 15).
6. Respondent submitted an application/re-determination on July 30, 2007 which stated a monthly rental obligation of [REDACTED]. (Department Exhibit 16-22).
7. Respondent submitted a second shelter verification on August 9, 2007, again having a figure scratched out on the line for "total monthly shelter obligation" and having the figure of [REDACTED] written in next to the scratched out figure. (Department Exhibit 24).
8. The Respondent's landlord, [REDACTED], was contacted by the department on August 17, 2007. [REDACTED] stated that the Respondent pays [REDACTED] per month in rent and had done so for the last two to three years. (Department Exhibit 25).
9. The Respondent admitted to the OIG that his rent during the IPV period was [REDACTED] and agreed to sign a repayment agreement. (Department Exhibit 2).
10. To date, the Respondent has not signed a repayment agreement.
11. As a result of the Respondent falsely reporting his rent expenses, he received an over issuance of FAP benefits in the amount of [REDACTED] 0 for the period of November 1, 2005 to August 31, 2007. (Department Exhibit 31-76).
12. Respondent was clearly instructed and fully aware of the responsibility to report true and accurate information to the department.
13. Respondent has no apparent physical or mental impairment that would limit the understanding or ability to fulfill the income reporting responsibilities.
14. Respondent had not committed any previous intentional program violations. (Department Hearing Request).

CONCLUSIONS OF LAW

The Food Assistance Program (FAP) was established pursuant to 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 400.30001-3015. The Adult Medical Program (AMP) was established by Title XXI of the Social Security Act; (1115)(a)(1) of the Social Security Act, and is also administered by the department pursuant to MCL 400.10, *et seq.* Department policies for both programs are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), the Bridges Reference Manual (BRM), and the Reference Tables Manual (RFT).

In this case, the department has requested a disqualification hearing to establish an over issuance 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 over issuance. BAM 700. A suspected intentional program violation means 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.

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 over issuances 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 over issuances 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 over issuance amount is \$1000 or more, or
 - the total over issuance 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 provided the department with false information pertaining to the amount of rent he was paying on a monthly basis. Not only did the Respondent give false information to the department one time, he continued to provide the department with false information as his case remained active. As a result of the false information provided by the Respondent, he received an over issuance of FAP benefits in the amount of [REDACTED] from November 1, 2005 to August 31, 2007. Because this is the Respondent's first IPV, the one year disqualification period is appropriate.

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 providing the department with false information regarding his monthly rental expenses.

Therefore, it is HEREBY ORDERED that:

1. The Respondent shall reimburse the department for the FAP benefits ineligibly received as a result of his intentional program violation in the amount of [REDACTED]
2. The Respondent is personally ineligible to participate in the FAP program for the period of one year. The disqualification period shall be applied immediately.

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

Date Signed: July 8, 2011

Date Mailed: July 11, 2011

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:

