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

IN THE MATTER OF:



Reg. No.: 2012-35619

Issue No.: Case No.:

6052

Hearing Date: May 9, 2012

County: Wayne (82-55)

ADMINISTRATIVE LAW JUDGE: Jan Leventer

HEARING DECISION FOR INTENTIONAL PROGRAM VIOLATION

MCL 400.37 and the Department of Hum hearing. After due notice, a telephone hea Michigan. The Department was represent	nan Services' (Department) request for a aring w <u>as held on May 9, 2012, at Detroit</u>	
□ Participants on behalf of Respondent inc	luded: Respondent.	
Respondent did not appear at the hearing pursuant to 7 CFR 273.16(e), Mich Admin C400.3187(5).	ng and it was held in Respondent's absence node R 400.3130(5), or Mich Admin Code F	
<u>ISSUES</u>		
Did Respondent receive an overissuance	(OI) of	
☐ Family Independence Program (FIP) ☐ State Disability Assistance (SDA) ☐ Medical Assistance (MA)	☐ Food Assistance Program (FAP) ☐ Child Development and Care (CDC)	
benefits that the Department is entitled to	recoup?	

2. Did Respondent commit an Intentional Program Violation (IPV)?

3.	Should Respondent be disqualified from receiving
	☐ Family Independence Program (FIP)☐ State Disability Assistance (SDA)☐ Food Assistance Program (FAP)☐ Child Development and Care (CDC)?
	FINDINGS OF FACT
	e Administrative Law Judge, based on the competent, material, and substantial idence on the whole record, finds as material fact:
1.	The Department's OIG filed a hearing request on March 26, 2012, to establish an OI of benefits received by Respondent as a result of Respondent having allegedly committed an IPV.
2.	The OIG \square has \boxtimes has not requested that Respondent be disqualified from receiving program benefits.
3.	Respondent was a recipient of \square FIP \square FAP \square SDA \boxtimes CDC \square MA benefits during the period of October 5, 2003, through December 11, 2005.
4.	Respondent \boxtimes was \square was not aware of the responsibility to report income accurately and completely.
5.	Respondent had no apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement.
6.	The Department's OIG indicates that the time period they are considering the fraud period is November 5, 2003-December 31, 2005.
7.	During the alleged fraud period, Respondent was issued \$27,706 in ☐ FIP ☐ FAP ☐ SDA ☒ CDC ☐ MA benefits from the State of Michigan.
8.	Respondent was entitled to \$27,706 in \square FIP \square FAP \square SDA \boxtimes CDC \square MA during this time period.
9.	Respondent 🖂 did 🗌 did not receive an OI in the amount of \$27,706 under the 🗌 FIP 🔲 FAP 🔲 SDA 🔀 CDC 🔲 MA program.
10	.The Department $oxtimes$ has $oxtimes$ has not established that Respondent committed an IPV.
11	.This was Respondent's $igtimes$ first $igcirc$ second $igcirc$ third IPV.
12	. A notice of hearing was mailed to Respondent at the last known address and \square was \bowtie was not returned by the US Post Office as undeliverable.

CONCLUSIONS OF LAW

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).
☐ The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, et seq. The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10, et seq., and 1999 AC, Rule 400.3101 through Rule 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.
☐ 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 (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, <i>et seq.</i> , and 1999 AC, Rule 400.3001 through Rule 400.3015.
☐ The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, et seq., and 2000 AACS, Rule 400.3151 through Rule 400.3180.
∑ The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department provides services to adults and children pursuant to MCL 400.14(1) and 1999 AC, Rule 400.5001 through Rule 400.5015.
☐ The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, et seq., and MCL 400.105.

When a client group receives more benefits than they are entitled to receive, the Department must attempt to recoup the OI. BAM 700.

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

• 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.

IPV is suspected when there is clear and convincing evidence that the client has intentionally withheld or misrepresented information for the purpose of establishing, maintaining, increasing or preventing reduction of program benefits or eligibility. BAM 720.

The Department's OIG requests IPV 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 IPV disqualifies that client from receiving certain 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 who commit an IPV are disqualified for a standard disqualification period except when a court orders a different period, or except when the overissuance relates to MA. Refusal to repay will not cause denial of current or future MA if the client is otherwise eligible. BAM 710. 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.

Additionally, at the hearing, Respondent testified that she committed an IPV and received the OI alleged by the Department. It is found and determined that Claimant's admission under oath, and all of the evidence presented in this case as a whole, establishes that an IPV and OI occurred in this case

DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, concludes that:

1.	Respondent ⊠ did ☐ did not commit an IPV.
2.	Respondent \boxtimes did \square did not receive an OI of program benefits in the amount of \$27,606 from the following program(s) \square FIP \square FAP \square SDA \boxtimes CDC \square MA.
	The Department is ORDERED to delete the OI and cease any recoupment action.
	The Department is ORDERED to initiate recoupment procedures for the amount of 7,606 in accordance with Department policy.
	The Department is ORDERED to reduce the OI to for the period , in cordance with Department policy.
	It is FURTHER ORDERED that Respondent be disqualified from
	☐ FIP ☐ FAP ☐ SDA ☐ CDC for a period of ☐ 12 months. ☐ 24 months. ☐ lifetime.
	Jan Goenly
	Jan Leventer Administrative Law Judge for Maura Corrigan, Director Department of Human Services
Da	te Signed: <u>May 16, 2012</u>
Da	te Mailed: <u>May 16, 2012</u>
	DTICE : The law provides that within 30 days of receipt of the above Decision and der, the Respondent may appeal it to the circuit court for the county in which he/shees.
JL	/pf
CC	