

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201252793
Issue No: 3055
Case No: [REDACTED]
Hearing Date: October 10, 2012
Washtenaw County DHS

ADMINISTRATIVE LAW JUDGE: Corey A. Arendt

HEARING DECISION FOR INTENTIONAL PROGRAM VIOLATION

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 hearing. After due notice, a telephone hearing was held on October 10, 2012, from Lansing, Michigan. The Department was represented by [REDACTED] of the Office of Inspector General (OIG). Participants on behalf of Claimant included [REDACTED] and [REDACTED].

ISSUES

1. Did Respondent receive an overissuance (OI) of Family Independence Program (FIP), Food Assistance Program (FAP), State Disability Assistance (SDA), 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), Food Assistance Program (FAP), State Disability Assistance (SDA), Child Development and Care (CDC)?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. The Department's OIG filed a hearing request on May 22, 2012 to establish an OI of benefits received by Respondent as a result of Respondent having allegedly committed an IPV.
2. The OIG has has not requested that Respondent be disqualified from receiving program benefits.

3. Respondent was a recipient of FAP benefits from March 1, 2010 through June 30, 2010.
4. Respondent was was not aware of the responsibility to report all changes within 10 days.
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 the time period they are considering the fraud period is March 1, 2010 through June 30, 2010.
7. During the alleged fraud period, Respondent was is sued \$ [REDACTED] in FAP benefits from the State of Michigan.
8. Respondent was entitled to \$0 in FIP FAP SDA CDC during this time period.
9. Respondent did did not receive an OI in the amount of \$ [REDACTED] in FAP benefits.
10. The Department has has not established that Respondent committed an IPV.
11. This was Respondent's first second third IPV.
12. A notice of disqualification hearing was mailed to Respondent at the last known address and was 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 FAP [formerly known as the Food Stamp (F S) 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, *et seq.*, and 1999 AC, Rule 400.3001 through Rule 400.3015.

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.

A court or hearing decision that finds a client committed an IPV 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 who commit an IPV 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.

Here the OIG provided unequivocal evidence that Respondent became a resident of Maryland as early as February 1, 2010 when the Respondent began using her EBT card almost exclusively in the state of Maryland for periods exceeding thirty days at a time. On that date, the Respondent was no longer eligible to receive FAP benefits. BEM 220, p. 1. Furthermore, the evidence presented by the OIG included a rental agreement for a residence in Maryland that contained the Respondent's signature. Although the Respondent indicated she did not live in Maryland and further disputed the signature on the Maryland lease agreement, the Respondent did in fact stay in Maryland and the signature on the lease agreement matches the signature found on her license and subsequent lease agreement signed by the Respondent.

Although the Respondent signed a second lease agreement that also covered the time period in question, there was nothing preventing the Respondent from signing more than one lease agreement during this time period.

Additionally, the medical evidence submitted by the Respondent does not indicate a specific date in which the Claimant had returned to Michigan to receive medical care for her child. The documentation provided also does not identify a hospital or location in which the Claimant alleged to have attended.

Based upon the extensive and continuous out of state EBT usage as well as the Maryland lease agreement and Respondent's own testimony reflecting the fact she did reside out of the state of Michigan for significant periods of time, I find the Respondent committed an IPV in this case as the Respondent failed to notify the Department as to her move to Maryland in order to collect additional FAP benefits of which she was not entitled to.

DECISION AND ORDER

I have concluded, based upon the above Findings of Fact and Conclusions of Law:

1. Respondent did did not commit an IPV.
2. Respondent did did not receive an overissuance of program benefits in the amount of \$ [REDACTED] from the following program(s) FIP FAP SDA CDC.

The Department is ORDERED to initiate recoupment procedures for the amount of \$ [REDACTED] in accordance with Department policy.

It is FURTHER ORDERED that Respondent be disqualified from FAP for a period of 1 year.

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

Date Signed: October 11, 2012

Date Mailed: October 11, 2012

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.

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CAA/las

cc:

