

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 2013-21276  
Issue No: 3055  
Case No: [REDACTED]  
Hearing Date: June 11, 2013  
Wayne-43 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 June 11, 2013, from Lansing, Michigan. The Department was represented by [REDACTED] [REDACTED] of the Office of Inspector General (OIG).

Respondent did not appear at the hearing and it was held in Respondent's absence pursuant to 7 CFR 273.16(e), Mich Admin Code R 400.3130(5), or Mich Admin Code R 400.3187(5).

**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 December 19, 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 December 1, 2010 through January 31, 2012.
4. Respondent  was  was not aware of the responsibility to report all changes within 10 days.
5. Respondent is blind.
6. The Department's OIG indicates the time period they are considering the fraud period is December 1, 2010 through January 31, 2012.
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. 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 (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, *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.

Departmental policy, states that when the client group receives more benefits than the group is entitled to receive, the Department must attempt to recoup the OI. Repayment of an OI is the responsibility of anyone who was an eligible, disqualified, or other adult in the program group at the time the OI occurred. Bridges will collect from all adults who were a member of the case. OIs on active programs are repaid by lump sum cash payments, monthly cash payments (when court ordered), and administrative recoupment (benefit reduction). OI balances on inactive cases must be repaid by lump sum or monthly cash payments unless collection is suspended. BAM 725.

Here the OIG provided unequivocal evidence that Respondent was no longer a resident of Michigan as early as November 25, 2010 when the Respondent began using his EBT card exclusively outside the state of Michigan. On that date, the Respondent was no longer eligible to receive FAP benefits. BEM 220, p. 1.

However, the Department could not verify the signature on the application and did not provide testimony regarding what was told or explained to the Respondent regarding the FAP reporting requirements. Additionally, the Respondent is blind and this could foreseeably interfere with the Respondent's ability to understand his reporting requirements. For these reasons, I cannot find the Respondent to have committed an IPV.


This being said, the Respondent still received benefits of which he was not entitled. The Department provided evidence to show the Respondent resided outside the state of Michigan as early as November 25, 2010 and therefore the benefits received during the out of state period is considered an OI and needs to be recouped.

**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.



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

Date Signed: June 12, 2013

Date Mailed: June 12, 2013

**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.

CAA/las

cc:

