

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

IN THE MATTER OF:



Reg. No: 20133295
Issue No: 3055, 1052
Case No: [REDACTED]
Hearing Date: December 12, 2012
Hillsdale 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 December 12, 2012. This Respondent appeared and provided testimony.

ISSUES

1. Whether Respondent committed an Intentional Program Violation (IPV) of the Food Assistance Program (FAP)?
2. Whether Respondent committed an Intentional Program Violation (IPV) of the Family Independence Program (FIP)?

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 overissuance 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 a redetermination form for public assistance on December 3, 2010 (DHS 1010), acknowledging her responsibility to report any changes in her income, resources, or living arrangements to the department within ten days of the change. (Department Exhibits 10-13).
3. The Respondent submitted a redetermination to the department signed on December 9, 2011. (Department Exhibits 14-17).

4. The Respondent submitted an application for State Emergency Relief (SER) benefits on January 5, 2012. (Department Exhibits 18-22).
5. On both the December 9, 2011 redetermination and the January 5, 2012 SER application, the Respondent stated that her household had no income. (Department Exhibits 14-22).
6. The Respondent has been employed periodically as a substitute teacher since January 18, 2011. (Department Exhibits 23-28).
7. As a result of her employment, the Respondent received income which was not reported to the department.
8. Because the Respondent did not report her income to the department, the department contends that she received an overissuance of FAP benefits in the amount of \$ [REDACTED] for the time period of April 1, 2011 through January 31, 2012 and an overissuance of FIP benefits in the amount of \$ [REDACTED] for the time period of April 1, 2012 through December 31, 2011. (Department Exhibits 29-54).
9. Respondent was clearly instructed and fully aware of the responsibility to report true and accurate information to the department.
10. Respondent has no apparent physical or mental impairment that would limit the understanding or ability to fulfill the income reporting responsibilities.
11. Respondent has not previously committed any intentional program violations.

CONCLUSIONS OF LAW

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 of Human Services (DHS or department) administers the FAP program pursuant to MCL 400.10, *et seq.*, 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 Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, *et seq.* The Department of Human Services (DHS or department) 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 Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

In this case, the department has requested a disqualification hearing to establish an overissuance 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 overissuance. BAM 700. A suspected intentional program violation means an overissuance 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 overissuances 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 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 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, the department contends that the Respondent did not report to the department that she was employed and was receiving income as a result of that employment. The department therefore asserts that had the Respondent accurately reported her income, she would not have been eligible for the benefits received. At the hearing, the Respondent testified that she did not intentionally withhold her income information from the department. She testified that she worked sporadically as a substitute teacher and that was her only employment. She additionally testified that her son filled out her paperwork for the department and that she signed said paperwork. The Respondent therefore contends that she did not know that her income information was excluded from her department paperwork.

Yet the Respondent submitted two separate documents indicating that she had no income during the time that she was in fact receiving income (see Department Exhibits 14-22). The Respondent is ultimately still responsible for information on a document that she has affixed her signature to. This Administrative Law Judge does not find that Respondent's testimony credible in that she simply wasn't paying attention to the information relayed on the department paperwork. Accordingly, this Administrative Law Judge finds that the department has shown by clear and convincing evidence that the Respondent committed an intentional program violation of the FAP and FIP programs by not accurately reporting her earned income.

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 failing to notify the department that she was employed and receiving income as a result of that employment.

Therefore, it is HEREBY ORDERED that:

1. The Respondent shall reimburse the department for FAP benefits ineligibly received as a result of her 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.
3. The Respondent shall reimburse the department for FIP benefits ineligibly received as a result of her intentional program violation in the amount of \$ [REDACTED]
4. The Respondent is personally ineligible to participate in the FIP 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: January 11, 2013

Date Mailed: January 11, 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.

CSS/cr

cc:

[REDACTED]