

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 20134222  
Issue No: 3055  
Case No: [REDACTED]  
Hearing Date: January 3, 2013  
Kent County DHS

**ADMINISTRATIVE LAW JUDGE:** Corey A. Arendt

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 January 3, 2013 from Lansing, Michigan. The Department was represented by [REDACTED] of the Office of Inspector General (OIG). The Respondent appeared by telephone and provided testimony.

**ISSUES**

1. Did Respondent receive an overissuance (OI) of

- |   |   |
|---|---|
| <input type="checkbox"/> Family Independence Program (FIP)  | <input type="checkbox"/> Food Assistance Program (FAP)    |
| <input type="checkbox"/> State Disability Assistance (SDA)  | <input type="checkbox"/> Child Development and Care (CDC) |
| <input checked="" type="checkbox"/> Medical Assistance (MA) |   |
- benefits that the Department is entitled to recoup?

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

**FINDINGS OF FACT**

I find as material fact, based on the competent, material, and substantial evidence on the whole record:

1. The Department's OIG filed a hearing request on October 11, 2012 to establish an OI of benefits received by Respondent as a result of Respondent having allegedly committed an IPV.
2. Respondent was a recipient of MA benefits during the period of March 1, 2007 through March 31, 2008.
3. Respondent ☒ was ☐ was not aware of the responsibility to report all changes within 10 days.

4. Respondent had no apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement.
5. The Department's OIG indicated the time period they are considering the fraud period is March 1, 2007 through March 31, 2008.
6. During the alleged fraud period, Respondent was is sued \$ [REDACTED] in MA benefits from the State of Michigan.
7. The Department ☐ has ☒ has not established that Respondent committed an IPV.
8. 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**

The 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.

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 the case at hand, the department alleges the Respondent committed an intentional program violation by failing to report her son no longer lived with her. However the Department had zero evidence outside of hearsay statements made by a prior OIG Agent. Therefore, the Department failed to provide the needed evidence to establish the existence of an IPV.

### **DECISION AND ORDER**

I find, based upon the above findings of fact and conclusions of law, cannot determine by clear and convincing evidence that the respondent has committed an intentional program violation of the MA program.

Accordingly, this matter is **DISMISSED** without prejudice.

/s/

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

Date Signed: January 4, 2013

Date Mailed: January 4, 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:

[REDACTED]