

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

IN THE MATTER OF:

[REDACTED]

Registration No: 201316122
Issue No: 3055
Case No: [REDACTED]
Hearing Date: January 23, 2013
Genesee County DHS #6

Administrative Law Judge: Suzanne D. Sonneborn

HEARING DECISION

This matter is before the undersigned Administrative Law Judge in accordance with 7 CFR 273.16, MCL 400.9, MCL 400.37, and Mich Admin Code, R 400.3130, on the Department of Human Services' (the Department's) request for hearing. After due notice, a hearing was held on January 23, 2013, at which Respondent appeared and provided testimony. The Department was represented by [REDACTED] [REDACTED] a lead regulation agent with the department's Office of Inspector General (OIG).

ISSUE

Whether Respondent committed an intentional program violation (IPV) involving the Food Assistance Program (FAP) and the Medical Assistance (MA) program and whether Respondent received an over issuance of FAP and MA benefits that the Department is entitled to recoup?

FINDINGS OF FACT

Based on the clear and convincing evidence pertaining to the whole record, the Administrative Law Judge finds as material fact:

1. The Department's OIG filed a request for hearing to establish an over issuance of FAP and MA benefits received as a result of a determination that Respondent committed an IPV. The OIG further requested that Respondent be disqualified from receiving further FAP benefits for a period of one year.
2. On June 25, 2010 and June 15, 2011, respectively, Respondent signed an assistance application (DHS-1171) and a redetermination (DHS-1010). In doing so, Respondent acknowledged her obligation to report changes in her circumstances and that she understood her failure to give timely, truthful, complete, and accurate information about her circumstances

could result in a civil or criminal action, or an administrative claim, against her. (Department Exhibit 1, pp. 7-22; Department Exhibit 2, pp. 23-26)

3. During the period August 7, 2011 through April 24, 2012, Respondent used her Michigan Bridge exclusively in the states of Maryland, Georgia, Alabama, Tennessee, and Kansas and failed to timely report that she was no longer a Michigan resident during this period of time. (Department Exhibit 5, pp. 30-33)
4. On June 7, 2012, Respondent signed an assistance application (DHS-1171) in which she did not report her out of state residency, a need to use her Michigan Bridge card out of state, or that she used her Michigan Bridge card out of state for nine months of 2011. (Department Exhibit 7, pp. 52-73)
5. In her June 7, 2012 assistance application, Respondent reported that she intended to remain in Michigan and provided her residential address as [REDACTED], which property had been quit-claim deeded to Genesee County on April 2, 2012. (Department Exhibit 7, pp. 52-73; Department Exhibit 9, pp. 75-76)
6. In her June 7, 2012 assistance application, Respondent reported her telephone number as being (404)781-7380, which is a land line telephone in Georgia. (Department Exhibit 7, pp. 52-73; Department Exhibit 8, p. 74)
7. During the alleged fraud period, Respondent established a residency in Georgia. (Department Exhibit 6, pp. 34-51)
8. As a result of Respondent's refusal or failure to properly report that she was no longer a Michigan resident, she received an over issuance of FAP benefits in the amount of \$ [REDACTED] during the period October 1, 2011 through April 30, 2012 and an over issuance of MA benefits in the amount of \$ [REDACTED] for the same time period, for a total over issuance amount of \$ [REDACTED] (Department Exhibit 2, pp. 23-26; Exhibit 3, pp. 27-28)
9. Respondent was clearly instructed and fully aware, or should have been fully aware, of her responsibility to report all changes in circumstances, including her change of residency, to the Department within ten days of the occurrence, as required by agency policy.
10. There was no apparent physical or mental impairment present that limited Respondent's ability to understand and comply with her reporting responsibilities.
11. This was the first determined IPV committed by Respondent.

CONCLUSIONS OF LAW

The FAP – formerly known as the Food Stamp Program – was established by the Food Stamp Act of 1977, 7 USC 2011, *et seq.*, as amended, and is implemented through federal regulations found in 7 CFR 273.1 *et seq.* The Department administers the FAP under MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3001 through R 400.3015. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

In the present matter, the Department requested a hearing to establish an overissuance of FAP and MA benefits, claiming that the overissuance was a result of an IPV committed by Respondent. Further, the Department asked that Respondent be disqualified from the FAP for a period of ten years.

To be eligible for FAP and MA benefits, a person must be a Michigan resident. For FAP purposes, a person is considered to be a Michigan resident if he is living in the state, except for vacationing, even if he has no intent to remain in the state permanently or indefinitely. BEM 220, p 1. Generally, a client is responsible for reporting any change in circumstances that may affect eligibility or benefit level, including a change in residency, within ten days of the change. BAM 105, p 7.

When a client or group receives more benefits than they are entitled to receive, the Department must attempt to recoup the overissuance. BAM 700, p 1. A suspected IPV is defined as 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. [BAM 720, p 1.]

An IPV is suspected by the Department when a client intentionally withheld or misrepresented information for the purpose of establishing, maintaining, increasing, or

preventing a reduction of, program eligibility or benefits. BAM 720, p 1. In bringing an IPV action, the agency carries the burden of establishing the violation with clear and convincing evidence. BAM 720, p 1.

An overissuance period begins the first month the benefit issuance exceeds the amount allowed by Department policy or six years before the date the overissuance was referred to an agency recoupment specialist, whichever is later. This period ends on the month before the benefit is corrected. BAM 720, p 6. The amount of overissuance is the benefit amount the client actually received minus the amount the client was eligible to receive. BAM 720, p 6.

Suspected IPV matters are investigated by the OIG. This office: refers suspected IPV cases that meet criteria for prosecution to the appropriate prosecuting attorney; refers suspected IPV cases that meet criteria for IPV administrative hearings to the Michigan Administrative Hearings System (MAHS); and returns non-IPV cases back to the Department's recoupment specialist. BAM 720, p 9.

The OIG will request an IPV hearing when:

- Benefit overissuances are not forwarded to the prosecuting attorney's office;
- Prosecution of the matter is declined by the prosecuting attorney's office for a reason other than lack of evidence, and
- The total OI amount for the FAP is \$1000 or more, or
- The total OI amount is less than \$1000, and
 - The group has a previous IPV, or
 - The alleged IPV involves FAP trafficking, or
 - The alleged fraud involves concurrent receipt of assistance or
 - The alleged fraud is committed by a state/government employee. BAM 720, p 10.

The OIG represents the Department during the hearing process in IPV matters. BAM 720, p 9. When a client is determined to have committed an IPV, the following standard periods of disqualification from the program are applied (unless a court orders a different length of time): one year for the first IPV; two years for the second IPV; and lifetime for the third IPV. BAM 720, p 13. Further, IPV's involving the FAP result in a ten-year disqualification for concurrent receipt of benefits (i.e., receipt of benefits in more than one State at the same time). BAM 720, p 13.

A disqualified client remains a member of an active benefit group, as long as he or she continues to live with the other group members – those members may continue to receive benefits. BAM 720, p 12.

In this case, at the January 23, 2013 hearing, the OIG provided credible and sufficient testimony and other evidence establishing that, on June 25, 2010 and June 15, 2011, respectively, Respondent signed an assistance application (DHS-1171) and a redetermination (DHS-1010). In doing so, Respondent acknowledged her obligation to report changes in her circumstances and that she understood her failure to give timely, truthful, complete, and accurate information about her circumstances could result in a civil or criminal action, or an administrative claim, against her. The OIG further established that, during the period August 7, 2011 through April 24, 2012, Respondent used her Michigan Bridge exclusively in the states of Maryland, Georgia, Alabama, Tennessee, and Kansas and failed to timely report that she was no longer a Michigan resident during this period of time. The OIG further established that during the alleged fraud period, Respondent established a residency in Georgia. The OIG further established that on June 7, 2012, Respondent signed an assistance application (DHS-1171) in which she did not report her out of state residency, a need to use her Michigan Bridge card out of state, or that she used her Michigan Bridge card out of state for nine months of 2011. The OIG further established that, in her June 7, 2012 assistance application, Respondent not only provided as her residential address a property that had been quit-claim deeded to Genesee County on April 2, 2012, but Respondent reported her telephone number as being [REDACTED] which is a land line telephone in Georgia. Finally, the OIG established that, as a result of Respondent's refusal or failure to properly report that she was no longer a Michigan resident, she received an over issuance of FAP benefits in the amount of \$ [REDACTED] during the period October 1, 2011 through April 30, 2012 and an over issuance of MA benefits in the amount of \$ [REDACTED] for the same time period, for a total over issuance amount of \$ [REDACTED].

In response to the OIG's testimony and evidence, Respondent denied that used her Michigan Bridge card out of state without properly reporting that she was no longer a Michigan resident. However, Respondent's only explanation for the fact that she used her Michigan Bridge card exclusively in five other states for a nine-month period of time was that she was "vacationing." Moreover, Respondent failed to present any evidence that she had properly and timely reported to the Department her out of state residency or a need to use her Michigan Bridge card out of state. Indeed, the evidence indicates otherwise – specifically, that Respondent failed to report any of this when she signed an assistance application on June 7, 2012.

Testimony and other evidence must be weighed and considered according to its reasonableness. *Gardiner v Courtright*, 165 Mich 54, 62; 130 NW 322 (1911); *Dep't of Community Health v Risch*, 274 Mich App 365, 372; 733 NW2d 403 (2007). Moreover, the weight and credibility of this evidence is generally for the fact-finder to determine. *Dep't of Community Health*, 274 Mich App at 372; *People v Terry*, 224 Mich App 447, 452; 569 NW2d 641 (1997).

Respondent was, or should have been, fully aware of her responsibility to timely report her change of residence. Moreover, Respondent's signature on her assistance application established that she was, or should have been, fully aware that the intentional withholding or misrepresentation of information potentially affecting her eligibility or benefit level could result in criminal, civil, or administrative action. Finally, there was no evidence presented indicating that Respondent suffered from any physical or mental impairment that limited her ability to understand and fulfill her reporting responsibilities. See BEM 720, p 1.

Based on the credible testimony and other evidence presented by the OIG, as well as the incredible testimony presented by Respondent, the Administrative Law Judge finds that the OIG established, under the clear and convincing standard, that Respondent committed an IPV in this matter, resulting in an over issuance of FAP benefits in the amount of \$ [REDACTED] during the period October 1, 2011 through April 30, 2012 and an over issuance of MA benefits in the amount of \$ [REDACTED] for the same time period, for a total over issuance amount of \$ [REDACTED]. Further, because this was Respondent's first IPV, the one-year disqualification period from the FAP program is appropriate.

DECISION AND ORDER

Based on the above findings of fact and conclusions of law, this Administrative Law Judge decides that Respondent committed an intentional program violation by refusing or failing to report a change in state residency.

It is therefore ORDERED THAT:

- Respondent shall reimburse the Department for the FAP and MA benefits ineligibly received as a result of her intentional program violation in the amount of \$ [REDACTED] and
- Respondent is personally disqualified from participation in the FAP for a period of one year. The disqualification period will begin to run IMMEDIATELY as of the date of this order.

/s/ _____

Suzanne D. Sonneborn
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: January 30, 2013

Date Mailed: January 30, 2013

201316122/SDS

NOTICE: Respondent may appeal this decision and order to the circuit court for the county in which she resides within 30 days of receipt of this decision and order.

SDS/cr

cc:

