

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2013-4782
Issue No.: 1052, 2006, 3055
Case No.: [REDACTED]
Hearing Date: March 14, 2012
County: St. Joseph

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

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 March 14, 2012 from Lansing, Michigan. Respondent appeared and provided testimony. The Department was represented by [REDACTED] of the Office of Inspector General (OIG).

ISSUES

1. Did Respondent commit an Intentional Program Violation (IPV)?
2. Did Respondent receive an overissuance (OI) of Family Independence Program (FIP), Food Assistance Program (FAP) and Medical Assistance (MA) benefits that the Department is entitled to recoup?
3. Should Respondent be disqualified from receiving Family Independence Program (FIP) and Food Assistance Program (FAP)?

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 October 12, 2012 to establish an OI of benefits received by Respondent as a result of Respondent having allegedly committed an IPV.
2. The OIG has requested that Respondent be disqualified from receiving FIP and FAP program benefits.

3. Respondent was a recipient of FAP and MA benefits during the period of November 1, 2011 through March 31, 2012 and was a recipient of FIP from December 1, 2012 through March 31, 2012.
4. Respondent was aware of the responsibility to timely report to the Department that she relocated from Michigan to Indiana.
5. Respondent had no apparent physical or mental impairment that would limit her understanding or ability to fulfill the above-mentioned requirement.
6. The Department's OIG indicates that the time period they are considering the fraud period is November 1, 2011 through March 31, 2012 for FAP and MA and December 1, 2012 through March 31, 2012 for FIP.
7. During the alleged fraud periods, Respondent was issued \$ [REDACTED] in FIP, \$ [REDACTED] in FAP and \$ [REDACTED] in MA benefits from the State of Michigan.
8. Respondent was entitled to \$0 in FIP, FAP and MA during this time period.
9. Respondent did receive OIs in the following amounts: \$ [REDACTED] in FIP, \$ [REDACTED] in FAP and \$ [REDACTED] in MA benefits for a total of \$ [REDACTED].
10. The Department has established that Respondent committed an IPV.
11. This was Respondent's first IPV with regard to the FIP and FAP.
12. A notice of disqualification hearing was mailed to Respondent at the last known address and 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 Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq.* The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10, *et seq.*, and 1999 AC, Rule 400.3101 through Rule 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

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 (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.

The Medical Assistance (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.

When a client group receives more benefits than they are entitled to receive, the Department must attempt to recoup the OI. BAM 700. According to BAM 720, "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.

An 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.

The Department's OIG requests IPV hearings for cases when:

- FAP trafficking OIs 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 IPV, **or**
 - The alleged IPV involves FAP trafficking, **or**
 - The alleged fraud involves concurrent receipt of assistance (see BEM 222), **or**
 - The alleged fraud is committed by a state/government employee. BAM 720.

With regard to FAP cases only, an IPV exists when an administrative hearing decision, a repayment and disqualification agreement or court decision determines FAP benefits were trafficked. BAM 720.

For MA and CDC cases, an IPV exists when the client/AR or CDC provider:

- Is found guilty by a court, **or**

- Signs a DHS-4350 **and** the prosecutor or the office of inspector general (OIG), authorizes recoupment in lieu of prosecution, **or**
- Is found responsible for the IPV by an administrative law judge conducting an IPV or debt establishment hearing. BAM 720.

For FIP, SDA, CDC and FAP cases, the Department will disqualify an active **or** inactive recipient who:

- Is found by a court or hearing decision to have committed IPV, **or**
- Has signed a Request for Waiver of Disqualification Hearing (DHS-826) or Disqualification Consent Agreement (DHS-830), **or**
- Is convicted of concurrent receipt of assistance by a court, **or**
- For FAP, is found by SOAHR or a court to have trafficked FAP benefits. BAM 720.

Clients who committed an IPV while receiving Aid to Families with Dependent Children (ADC) are to be disqualified under the FIP program. BAM 720.

A disqualified recipient remains a member of an active group as long as he lives with them. BAM 720. 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. BAM 720. If the court does not address disqualification in its order, the standard period applies. BAM 720. Clients are disqualified for periods of 1 (one) year for the first IPV, 2 (two) years for the second IPV, a lifetime disqualification for the third IPV, and 10 (ten) years for a concurrent receipt of benefits. BAM 720.

Clients must report changes in circumstances that potentially affect eligibility or benefit amount. BAM 105. Clients are required to report changes within 10 (ten) days of receiving the first payment reflecting the change. BAM 105. Clients are required to report changes in circumstances within 10 (ten) days after the client is aware of them. BAM 105. These changes include, but are not limited to changes regarding: (1) persons in the home; (2) marital status; (3) address and shelter cost changes that result from the move; (4) vehicles; (5) assets; (6) child support expenses paid; (7) health or hospital coverage and premiums; or (8) child care needs or providers. BAM 105.

Clients must cooperate with the local office in determining initial and ongoing eligibility. BAM 105. This includes completion of necessary forms. BAM 105. Clients must completely and truthfully answer all questions on forms and in interviews. BAM 105. Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. BAM 105.

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). In evaluating the credibility and weight to be given the testimony of a witness, the fact-finder may consider the demeanor of the witness, the reasonableness of the witness's testimony, and the interest, if any, the witness may have in the outcome of the matter. *People v Wade*, 303 Mich 303 (1942), *cert den*, 318 US 783 (1943).

In the instant matter, the Department has established that Respondent was aware of the responsibility to timely and accurately report to the Department that she had changed her residency from Michigan to Indiana. The record reflects that Respondent, on October 3, 2011, submitted an application for residency with [REDACTED] [REDACTED] [REDACTED] located in Indiana. The Department also provided documentation that Respondent enrolled her child at the local elementary school ([REDACTED] [REDACTED] [REDACTED]) also located in Indiana. Department policy requires clients to report any change in circumstances that will affect eligibility or benefit amount within ten days. BAM 105. In addition, the Department provided evidence that Respondent misrepresented the circumstances of her eligibility in assistance applications dated November 16, 2011, November 28, 2011 and February 7, 2012. According to the applications, Respondent indicated that she had relocated from Indiana to Michigan in 2010. However, the above documentation revealed that Respondent was actually residing in Indiana at the time she applied for assistance in Michigan. Finally, the Department provided Michigan EBT card usage history reports that showed Respondent made FAP purchases from November, 2011 through March, 2012.

Respondent did not testify that she ever informed the Department that she relocated to Indiana and stated that she was not certain regarding the specific dates she lived in Indiana and Michigan. This Administrative Law Judge finds that Respondent's testimony is not persuasive.

Respondent's signature on the Assistance Applications from November 16, 2011, November 28, 2011 and February 7, 2012 certifies that she was aware that fraudulent participation in FIP, FAP and MA could result in criminal or civil or administrative claims. Respondent has no apparent physical or mental impairment that limits the understanding or ability to fulfill the reporting responsibilities.

This Administrative Law Judge therefore concludes that the Department has shown, by clear and convincing evidence, that Respondent committed an intentional violation of the FIP, FAP and MA programs. Because this is Respondent's first FIP and FAP IPV, the Department's request for FIP and FAP program disqualification and full restitution must be granted.

DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law concludes that:

1. Respondent did commit an IPV.
2. Respondent did receive an overissuance of program benefits in the following amounts: \$ [REDACTED] in FIP, \$ [REDACTED] in FAP and \$ [REDACTED] in MA benefits for a total of \$ [REDACTED]

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 FIP and FAP for a period of 12 months.

IT IS SO ORDERED.

/s/
C. Adam Purnell
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: March 18, 2013

Date Mailed: March 18, 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.

CAP/las

cc:

[REDACTED]