

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201368068  
Issue No.: [REDACTED]  
Case No.: [REDACTED]  
Hearing Date: November 26, 2013  
County: Wayne

**ADMINISTRATIVE LAW JUDGE:** Gary F. Heisler

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge for an Intentional Program Violation hearing pursuant to MCL 400.9 and MCL 400.37, 7 CFR 273.16, MAC R 400.3130, and MAC R 400.3178 upon the Department of Human Services' request. After due notice, a hearing was held on November 26, 2013. Respondent did not appear. The record did not contain returned mail. In accordance with Bridges Administration Manual (BAM) 720 the hearing proceeded without Respondent. Participants on behalf of the Department of Human Services (Department) included RA [REDACTED].

**ISSUE**

Whether Respondent engaged in trafficking Food Assistance Program (FAP) benefits in the amount of [REDACTED]?

**FINDINGS OF FACT**

The Administrative Law Judge, based upon the clear and convincing evidence on the whole record, finds as material fact:

- (1) Respondent was an ongoing recipient of Food Assistance Program (FAP) benefits.
- (2) Between December 1, 2011 and October 31, 2012 Respondent's Food Assistance Program (FAP) Electronic Benefit Transfer (EBT) card was used for transactions totaling [REDACTED] at [REDACTED]. and [REDACTED] at [REDACTED]. (Exhibit 3) There are a total of 27 transactions between the two locations. The pattern is multiple large transactions within 1 or 2 minutes of each other.
- (3) On September 13, 2013, the Office of Inspector General submitted the agency request for hearing of this case

## **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 (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq.*, and 1997 AACRS R 400.3001-3015.

In this case, the Department has requested a disqualification hearing to establish an over-issuance of benefits as a result of Food Assistance Program (FAP) trafficking and the Department has asked that Respondent be disqualified from receiving benefits. Department policies provide the following guidance and are available on the internet through the Department's website.

### **BPG GLOSSARY**

#### **TRAFFICKING**

The buying or selling of FAP benefits for cash or consideration other than eligible food.

### **BEM 203 CRIMINAL JUSTICE DISQUALIFICATIONS**

#### **DEPARTMENT POLICY FIP, RAP, SDA, CDC and FAP**

People convicted of certain crimes, fugitive felons, and probation or parole violators are not eligible for assistance.

Policy for IPV disqualifications and over issuances is found in BAM 700 and 720.

#### **FAP TRAFFICKING FAP**

A person is disqualified from FAP when an administrative hearing decision, a repayment and disqualification agreement or court decision determines FAP benefits were trafficked. These FAP trafficking disqualifications are a result of the following actions:

- Fraudulently using, transferring, altering, acquiring, or possessing coupons, authorization cards, or access devices; or
- Redeeming or presenting for payment coupons known to be fraudulently obtained or transferred.

#### **BAM 720 INTENTIONAL PROGRAM VIOLATIONS DEPARTMENT POLICY All Programs**

Recoupment policies and procedures vary by program and over-issuance (OI) type. This item explains Intentional Program Violation (IPV) processing and establishment.

## **DEFINITIONS**

### **FAP Only**

IPV is suspected for a client who is alleged to have trafficked FAP benefits.

### **IPV**

#### **FIP, SDA and FAP**

The client/authorized representative (AR) is determined to have committed an IPV by:

- A court decision.
- An administrative hearing decision.
- The client signing a DHS-826, Request for Waiver of Disqualification Hearing or DHS-830, Disqualification Consent Agreement or other recoupment and disqualification agreement forms.

### **FAP Only**

IPV exists when an administrative hearing decision, a repayment and disqualification agreement or court decision determines FAP benefits were trafficked.

## **OVER-ISSUANCE AMOUNT**

**FAP Trafficking** The OI amount for trafficking-related IPV is the value of the trafficked benefits as determined by:

- The court decision.
- The individual's admission.
- Documentation used to establish the trafficking determination.

## **DISQUALIFICATION**

### **FIP, SDA, CDC AND FAP ONLY**

Disqualify an active **or** inactive recipient who:

Is found by a court or hearing decision to have committed IPV, **or**;

Has signed a DHS-826 or 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.

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.

**Standard Disqualification Periods  
FIP, SDA, CDC and FAP**

The standard disqualification period is used in all instances except when a **court** orders a different period (see Non-Standard Disqualification Periods in this item).

Apply the following disqualification periods to recipients determined to have committed IPV:

- One year for the first IPV.
- Two years for the second IPV.
- Lifetime for the third IPV.

Admission of evidence during an Administrative Law Hearing on Department of Human Services' matters is not strictly governed by the Michigan Rules of Evidence. In accordance with the Michigan Administrative Procedures Act, an Administrative Law Judge may admit and give probative effect to any evidence. However, the final decision and order must be supported by and in accordance with competent, material, and substantial evidence.

The evidence in this record had significant deficiencies with regard to being competent. However, the history usage of Respondent's EBT card shows an unmistakable pattern of trafficking.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department has established by clear and convincing evidence that Respondent engaged in Food Assistance Program (FAP) trafficking in the amount of [REDACTED] which the Department is entitled to recoup. The Department may also disqualify Respondent from receiving Food Assistance Program (FAP) benefits in accordance with Bridges Administration Manual 720.

It is ORDERED that the actions of the Department of Human Services, in this matter, are **UPHELD**.

/s/  
Gary F. Heisler  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 12/13/2013

Date Mailed: 12/16/2013

201368068/GFH

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.

GFH/sw

cc:

