

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-019603  
Issue No.: 3005  
Case No.: [REDACTED]  
Hearing Date: March 31, 2015  
County: Genesee-District 6

**ADMINISTRATIVE LAW JUDGE:** Gary Heisler

**REHEARING DECISION FOR INTENTIONAL PROGRAM VIOLATION**

Upon the request for a hearing by the Department of Human Services (Department), this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9, and in accordance with Titles 7, 42 and 45 of the Code of Federal Regulation (CFR), particularly 7 CFR 273.16, and with Mich Admin Code, R 400.3130 and R 400.3178. After due notice, this telephone hearing was held on March 2, 2015, from Lansing, Michigan. The Department was represented by Regulation Agent [REDACTED] of the Office of Inspector General (OIG) and Recoupment Specialist [REDACTED]. Respondent appeared and testified.

On January 14, 2015, a previous Decision and Order in this matter was vacated. The order requires a De Novo, rehearing on all the issues addressed in the vacated Decision and Order. This hearing was combined with a Debt Establishment Hearing requested by Respondent regarding the over-issuance established in the earlier Decision and Order. Since the earlier Decision and Order no longer has any legal effect, no legitimate issues could arise from it. The request for a Debt Collection Hearing under Register # 14-019083 is dismissed.

**ISSUE**

Whether Respondent committed an Intentional Program Violation (IPV) and whether that Intentional Program Violation (IPV) caused Respondent to receive a \$ [REDACTED] over-issuance of Food Assistance Program (FAP) benefits from May 1, 2012 to January 31, 2013, which the Department is entitled to recoup?

**FINDINGS OF FACT**

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

1. Respondent signed the affidavits in the Assistance Applications (DHS-1171) and Redeterminations (DHS-1010) he submitted in order to receive Food Assistance Program benefits. Respondent's signature certifies notice of reporting requirements as well as the conditions that constitute fraud/IPV and trafficking and the potential consequences.

2. Respondent had no apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement.
3. Respondent committed an Intentional Program Violation (IPV) by intentionally failing to report his change of physical residence to Ohio and continuing to receive and use Food Assistance Program benefits through Michigan when he was no longer a physical resident of Michigan.
4. In accordance with Bridges Administration Manual (BAM) 720 May 1, 2012 to January 31, 2013 has correctly been determined as the over-issuance period associated with this Intentional Program Violation (IPV).
5. During the over-issuance period, May 1, 2012 to January 31, 2013, Respondent received a \$ [REDACTED] over-issuance of Food Assistance Program benefits.
6. This is Respondent's 1<sup>st</sup> Intentional Program Violation (IPV).
7. The Department's OIG filed a disqualification hearing request on March 8, 2014.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services Reference Tables Manual (RFT). Prior to August 1, 2008, Department policies were contained in the Department of Human Services Program Administrative Manuals (PAM), Department of Human Services Program Eligibility Manual (PEM), and Department of Human Services Reference Schedules Manual (RFS).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10; the Social Welfare Act, MCL 400.1-.119b; and Mich Admin Code, R 400.3001 to .3011.

During this hearing, Respondent testified that he did not read all the information and did not report that he was in Ohio. Respondent testified his failure to report was not intentional, he did not read all the information he was provided with. While Respondent may not have read all the information, his signature legally binds him to the responsibilities he did not read about.

Bridges Administration Manual (BAM) 720 Intentional Program Violation (2014) governs the Department's actions in this case. The Department's OIG requests IPV hearings for the following cases:

Prosecution of welfare fraud or FAP trafficking is declined by the prosecutor for a reason other than lack of evidence, **and**

The total amount for the FIP, SDA, CDC, MA and FAP programs combined is \$500 or more, **or**

The total OI amount is less than \$500, **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.

### **Intentional Program Violation**

BAM 720 states that a 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 reporting responsibilities.

An IPV requires that the Department establish by 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. In other words, the Department must show that the Respondent engaged in a fraudulent act or omission they knew would result in receiving assistance they were not eligible for.

In this case, the Department presented Assistance Applications (DHS-1171) and Redeterminations (DHS-1010) that Respondent submitted to the Department prior to the alleged OI period. These applications are sufficient to establish that Respondent certified knowledge of reporting requirements as well as the conditions that constitute fraud/IPV and trafficking and the potential consequences. Subsequently Respondent used his Michigan Food Assistance Program benefits in Ohio between March 24, 2012 and February 11, 2013 and did not report the change of physical residence.

This constitutes clear and convincing evidence that Respondent was aware of the responsibility to report changes and that he intentionally failed to report the change of physical residence. Therefore, the Department has established that Respondent committed an IPV.

### **Over-issuance Period**

BAM 720 states that the over-issuance period begins the first month (or pay period for CDC) benefit issuance exceeds the amount allowed by policy or 72 months (6 years) before the date it was referred to the RS, whichever is later.

To determine the first month of the over-issuance period (for over-issuances 11/97 or later) Bridges allows time for:

The client reporting period, per BAM 105.

The full standard of promptness (SOP) for change processing, per BAM 220.

The full negative action suspense period.

The over-issuance period ends the month (or pay period for CDC) before the benefit is corrected.

In this case, the Department submitted evidence showing that Respondent began using Michigan Food Assistance Program benefits outside Michigan beginning March 24, 2012. Applying these requirements, the over-issuance period began May 1, 2012.

### **Over-issuance Amount**

BAM 720 states the over-issuance amount is the benefit amount the client actually received minus the amount the client was actually eligible to receive. The Department presented a benefit summary showing that the State of Michigan issued a total of \$ [REDACTED] in Food Assistance Program benefits to Respondent during the over-issuance period. Once Respondent was no longer a physical resident of Michigan, he was not eligible for any Michigan Food Assistance Program benefits. Respondent received a \$ [REDACTED] over-issuance of Food Assistance Program benefits.

### **Disqualification**

BAM 720 states that a court or hearing decision that finds a client committed an IPV disqualifies that client from receiving program benefits. A disqualified recipient remains a member of an active group as long as he lives with them, and other eligible group members may continue to receive benefits.

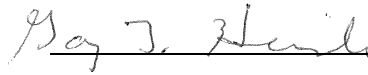
Clients who commit an IPV are disqualified for a standard disqualification period of one year for the first IPV, two years for the second IPV and a lifetime disqualification for the third IPV.

## **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 committed an Intentional Program Violation (IPV) which resulted in a \$ [REDACTED] over-issuance of Food Assistance Program benefits that the Department is entitled to recoup.

This is Respondent's 1<sup>st</sup> Intentional Program Violation (IPV) of the Food Assistance Program and the Department may disqualify Respondent from receiving Food Assistance Program benefits in accordance with Department of Human Services Bridges Administration Manual (BAM) 720.

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



**Gary Heisler**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **5/5/2015**

Date Mailed: **5/5/2015**

GH/las

**NOTICE:** The law provides that within 30 days of receipt of the above Hearing Decision, the Respondent may appeal it to the circuit court for the county in which he/she lives or the circuit court in Ingham County. A copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

cc:

