

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

**IN THE MATTER OF:**



Reg. No.: 20145781  
Issue No.: [REDACTED]  
Case No.: [REDACTED]  
Hearing Date: January 23, 2014  
County: Kent

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

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 and in accordance with 7 CFR 273.16 and Mich. Admin Code, Rule 400.3130 upon the Department of Human Services' (Department) request for a hearing. After due notice, a hearing was held on January 23, 2014. Respondent did not appear. The record did not contain returned mail. In accordance with Bridges Administration Manual (BAM) 720 the hearing proceeded without Respondent. The Department was represented by [REDACTED] of the Office of Inspector General (OIG).

**ISSUE**

Whether Respondent committed an Intentional Program Violation (IPV) and whether Respondent received a [REDACTED] over-issuance of Food Assistance Program (FAP) benefits from April 1, 2012, to October 31, 2012, 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) On February 16, 2012, Respondent submitted an online application for Food Assistance Program (FAP) through Michigan. The application only indicates one person in the benefit group. The application notes state that Respondent moved from Missouri to Michigan in January 2012 and his wife moved to Ohio.
- (2) The investigation report states that the Michigan case worker contacted Missouri and was told Respondent's benefits through Missouri would end on March 31, 2012.

(3) On April 21, 2012, the Department began issuing Respondent [REDACTED] per month of Food Assistance Program (FAP) benefits.

(4) On April 21, 2012, Respondent's Electronic Benefit Transfer (EBT) card was used in Arkansas. All subsequent transactions using the EBT were in Arkansas.

(5) On October 17, 2013, the Office of Inspector General submitted this request for a hearing to disqualify Respondent from receiving Food Assistance Program (FAP) benefits.

### **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 an Intentional Program Violation (IPV) 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.

### **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.

BAM 700 explains OI discovery, OI types and standards of promptness. BAM 705 explains agency error and BAM 715 explains client error.

#### **DEFINITIONS**

##### **All Programs**

**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.

IPV is suspected when there is clear and convincing evidence that the client or CDC provider has intentionally withheld or misrepresented information for the purpose of establishing, maintaining, increasing or preventing reduction of program benefits or eligibility.

## **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.

## **OVERISSUANCE PERIOD**

### **OI Begin Date FIP, SDA, CDC and FAP**

The OI 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 the OI was referred to the RS, whichever is later.

To determine the first month of the OI period (for OIs 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.

**Note:** For FAP simplified reporting, the household has until 10 days of the month following the change to report timely. See BAM 200.

### **OI End Date FIP, SDA, CDC and FAP**

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

## **IPV Hearings**

### **FIP, SDA, CDC, MA and FAP**

OIG represents DHS during the hearing process for IPV hearings.

OIG requests IPV hearings when no signed DHS-826 or DHS-830 is obtained, and correspondence to the client is not returned as undeliverable, or a new address is located.

**Exception:** For FAP only, OIG will pursue an IPV hearing when correspondence was sent using first class mail and is returned as undeliverable.

OIG requests IPV hearing for cases involving:

1. FAP trafficking OIs that are not forwarded to the prosecutor.
2. Prosecution of welfare fraud or FAP trafficking is declined by the prosecutor for a reason other than lack of evidence, **and;**

- The total OI amount for the FIP, SDA, CDC, MA and FAP programs combined 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 (see BEM 222), **or;**
  - The alleged fraud is committed by a state/government employee.

Excluding FAP, OIG will send the OI to the RS to process as a client error when the DHS-826 or DHS-830 is returned as undeliverable and no new address is obtained.

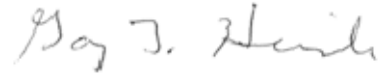
The evidence in this record does not erase a suspicion of fraud from Respondent. It does raise questions about the Department's actions. The February 16, 2012 application in evidence indicates only one member in the benefit group. The April 21, 2012 issuance of [REDACTED] is [REDACTED] more than the maximum benefit for a group of 1. The Department has a burden of presenting clear and convincing evidence that Respondent committed an Intentional Program Violation (IPV). An evidentiary record that requires speculations about the actions of both Respondent and the Department, does not reach the level of "clear and convincing."

**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 not established by clear and convincing evidence that Respondent committed an Intentional Program Violation (IPV).

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

The Department is ORDERED to delete the OI and cease any recoupment action.



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

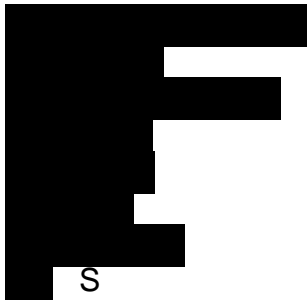
Date Signed: 02/14/2014

Date Mailed: 02/14/2014

**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:



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