

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-017555  
Issue No.: 3005  
Case No.: [REDACTED]  
Hearing Date: April 23, 2015  
County: Saginaw

**ADMINISTRATIVE LAW JUDGE:** Gary Heisler

**HEARING 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, a telephone hearing was held on April 23, 2015, from Lansing, Michigan. The Department was represented by Regulation Agent [REDACTED] of the Office of Inspector General (OIG). Respondent did not appear at the hearing. In accordance with 7 CFR 273.16(e), Mich Admin Code R 400.3130(5), or Mich Admin Code R 400.3178(5), and Bridges Administration Manual (BAM) 720 the hearing proceeded in Respondent's absence.

**ISSUE**

Whether Respondent committed an Intentional Program Violation (IPV) by making a fraudulent statement or representation regarding her identity or residence in order to receive multiple Food Assistance Program benefits simultaneously and whether Respondent received a \$ [REDACTED] over-issuance of Food Assistance Program (FAP) benefits from June 1, 2013 to November 30, 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 affidavit in the December 5, 2012 Assistance Application (DHS-1171) certifying 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 a change of physical residence to Tennessee and continuing to receive and use Michigan Food Assistance Program (FAP) benefits when no longer a physical resident of Michigan and no longer eligible for benefits through Michigan.
4. Respondent committed an Intentional Program Violation (IPV) by making a fraudulent representation regarding her residence on a Tennessee Food Assistance Program application and received Food Assistance Program benefits simultaneously from Michigan and Tennessee from June 3, 2013 to November 30, 2013.
5. June 3, 2013 to November 30, 2013 has correctly been determined as the over-issuance period associated with this Intentional Program Violation (IPV).
6. During the over-issuance period, Respondent received a \$ [REDACTED] over-issuance of Food Assistance Program benefits.
7. This is Respondent's 1<sup>st</sup> Intentional Program Violation (IPV).
8. The Department's OIG filed a disqualification hearing request on December 12, 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.

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 an Assistance Application (DHS-1171) dated December 5, 2012 which Respondent submitted to the Department prior to the alleged OI period. This application is 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.

In addition, the Department presented evidence of the information Respondent used to apply for Food Assistance Program benefits in Tennessee, while still receiving Food Assistance Program benefits in Michigan. There is also another Michigan Assistance Application (DHS-1171) dated August 30, 2013 on which Respondent stated she was a resident of Michigan.

This constitutes clear and convincing evidence that Respondent was aware of the responsibility to report changes and made fraudulent representations about her residence in order to receive Food Assistance Program benefits simultaneously from Michigan and Tennessee. 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 over-issuance period is the time during which Respondent received Food Assistance Program benefits simultaneously from Michigan and Tennessee.

### **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 Respondent a total of \$ [REDACTED] of Food Assistance Program benefits during the over-issuance period. Respondent was not eligible for any Food Assistance Program benefits during the time she was receiving Food Assistance Program benefits simultaneously from Michigan and Tennessee. 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.

Bridges Eligibility Manual (BEM) 203 Criminal Justice Disqualifications (2015) at page 1, states:

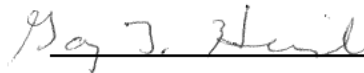
A person is disqualified for a period of 10 years if found guilty through the administrative hearing process, convicted in court or by signing a repayment and disqualification agreement (such as a DHS-826, Request for Waiver of Disqualification Hearing, or DHS-830, Disqualification Consent Agreement,) or having made a fraudulent statement or representation regarding his identity or residence in order to receive multiple FAP benefits simultaneously.

**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. The Department may disqualify Respondent from receiving Food Assistance Program benefits in accordance with Department of Human Services Bridges Administration Manual (BAM) 203 for having made a fraudulent statement or representation regarding his identity or residence in order to receive multiple FAP benefits simultaneously.

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: **5/6/2015**

Date Mailed: **5/6/2015**

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:

