

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 15-003267
Issue No.: 3005
Case No.: [REDACTED]
Hearing Date: May 27, 2015
County: Washtenaw

ADMINISTRATIVE LAW JUDGE: Vicki Armstrong

HEARING DECISION FOR INTENTIONAL PROGRAM VIOLATION

Upon the request for a hearing by the Department of Health and 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 45 CFR 235.110; and with Mich Admin Code, R 400.3130 and 400.3178. After due notice, a telephone hearing was held on May 27, 2015, from Lansing, Michigan. The Department was represented by [REDACTED], Regulation Agent of the Office of Inspector General (OIG).

Respondent did not appear at the hearing and it was held in Respondent's absence pursuant to 7 CFR 273.16(e), Mich Admin Code R 400.3130(5), or Mich Admin Code R 400.3178(5).

ISSUES

1. Did Respondent receive an overissuance (OI) of Food Assistance Program (FAP) benefits that the Department is entitled to recoup?
2. Did the Department establish, by clear and convincing evidence, that Respondent committed an Intentional Program Violation (IPV)?
3. Should Respondent be disqualified from receiving benefits for 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 March 11, 2015, 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 program benefits.

3. Respondent was a recipient of FAP benefits issued by the Department.
4. Respondent signed an Assistance Application (DHS-1171) on June 9, 2009, acknowledging that he understood his failure to give timely, truthful, complete and accurate information could result in a civil or criminal action or an administrative claim against him. (Dept. Ex A, pp 11-18).
5. Respondent's FAP Purchase History from November 17, 2012, through May 18, 2013, shows purchases solely in Missouri except for one purchase on March 2, 2013 in Michigan. (Dept. Ex A, pp 19-22).
6. On September 13, 2013, Respondent signed an Assistance Application (DHS-1171), acknowledging that he understood his failure to give timely, truthful, complete and accurate information could result in a civil or criminal action or an administrative claim against him. Respondent did not indicate he had moved to Missouri or that he had received assistance from Missouri. (Dept. Ex A, pp 26-57).
7. According to the State of Missouri, during the period of May, 2013, through April, 2014, Respondent was receiving FAP benefits from the State of Missouri. (Dept. Ex A, pp 23-25).
8. Respondent received \$ [REDACTED] in FAP benefits from the State of Michigan during the alleged fraud period of January 1, 2013, through May 31, 2013. If Respondent had properly reported that he had moved to Missouri, Respondent would have been entitled to receive \$0 in FAP. (Dept. Ex A, pp 19-22).
9. Respondent also received \$ [REDACTED] in FAP benefits from the State of Michigan during the alleged fraud period of September 1, 2013, through April 30, 2014. If Respondent had properly reported he moved to and was receiving benefits from Missouri during the same fraud period, Respondent would have been eligible to receive \$0 benefits from the State of Michigan. (Dept. Ex A, p 23).
10. Respondent failed to report his move to Missouri in a timely manner, resulting in a FAP overissuance of \$ [REDACTED] for the fraud period of January 1, 2013, through May 31, 2013.
11. Respondent failed to report his move and receipt of benefits from the State of Missouri when applying for FAP benefits from the State of Michigan on September 13, 2013, resulting in concurrent receipt of \$ [REDACTED] in FAP benefits from May, 2013, through April, 2014.
12. The Department alleges that Respondent received an OI in FAP benefits in the amount of \$ [REDACTED] and \$ [REDACTED] for a total of \$ [REDACTED]
13. Respondent was clearly instructed and fully aware of the responsibility to report all changes to the Department within 10 days.
14. Respondent did not have an apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement.

15. A notice of hearing was mailed to Respondent at the last known address and was not returned by the US Post Office as undeliverable.

CONCLUSIONS OF LAW

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 Family Independence Agency) administers FAP pursuant to MCL 400.10; the Social Welfare Act, MCL 400.1-.119b; and Mich Admin Code, R 400.3001 to .3015.

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 following are the relevant policy statements and instructions Department caseworkers follow.

The Department's OIG requests IPV hearings for the following cases:

- FAP trafficking OIs that are not forwarded to the prosecutor.
- 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 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. BAM 720, p 12 (10/1/2014).

Intentional Program Violation

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. BAM 700 (10/1/2014), p 7; BAM 720, p 1.

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. BAM 720, p 1 (emphasis in original); see also 7 CFR 273(e)(6). Clear and convincing evidence is evidence sufficient to result in a clear and firm belief that the proposition is true. See M Civ JI 8.01.

Disqualification

A court or hearing decision that finds a client committed an IPV disqualifies that client from receiving program benefits. BAM 720, p 15. 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. BAM 720, p 16.

Clients who commit an IPV are disqualified for a standard disqualification period except when a court orders a different period, or except when the OI relates to MA. BAM 720, p 13. Refusal to repay will not cause denial of current or future MA if the client is otherwise eligible. BAM 710 (7/1/2013), p 2. Clients are disqualified for periods of one year for the first IPV, two years for the second IPV, lifetime disqualification for the third IPV, and ten years for a FAP concurrent receipt of benefits. BAM 720, p 16.

In this case, this is a concurrent receipt of FAP benefits intentional program violation.

Overissuance

When a client group receives more benefits than they are entitled to receive, the Department must attempt to recoup the OI. BAM 700, p 1.

The Department submitted an email from the State of Missouri dated November 26, 2014, showing Respondent received assistance from May, 2013, through April, 2014. During this same fraud period, Respondent received \$ [REDACTED] in FAP benefits from Michigan. Therefore, Respondent was receiving concurrent benefits in Michigan and Missouri from May, 2013, through April, 2014.

The Department submitted the FAP Purchase History from January, 2013, through June, 2013, showing Respondent's last purchase in Missouri was on May 18, 2013. As a result, although the Department's alleged fraud period was January 1, 2013, through June 30, 2013, the evidence only support January 1, 2013, through May 31, 2013.

The FAP issuance summary from January, 2013, through May, 2013, shows Respondent received \$ [REDACTED] a month in Michigan FAP. The summary supports that Respondent received a total of \$ [REDACTED] in Michigan FAP benefits from January, 2013, through May, 2013. (Dept. Ex A, p 58).

In this case, the Department has shown that Respondent received an OI of benefits in the amount of \$ [REDACTED] for having moved to and used his benefits in Missouri from January, 2013, through May, 2013, without informing the Department of his move. The second overissuance of \$ [REDACTED] was due to Respondent receiving concurrent FAP benefits in Missouri and Michigan from May, 2013, to April, 2014. According to BAM 700, the Department may recoup these overissuances.

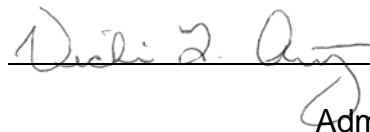
DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, concludes that:

1. The Department has established by clear and convincing evidence that Respondent committed an IPV.
2. Respondent did receive an overissuance of FAP benefits in the amount of \$ [REDACTED] from January 1, 2013, through May 31, 2013, and a concurrent \$ [REDACTED] FAP overissuance from September, 2013, through April 30, 2014.

The Department is ORDERED to initiate recoupment procedures for the total amount of \$ [REDACTED] in accordance with Department policy.

It is FURTHER ORDERED that Respondent be personally disqualified from participation in the FAP program for 10 years.



Vicki Armstrong
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **5/28/2015**

Date Mailed: **5/28/2015**

VLA/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:

