



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: January 30, 2017
MAHS Docket No.: 16-018335

[REDACTED]
[REDACTED]
[REDACTED]

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 Regulations, particularly 7 CFR 273.16 and 45 CFR 235.110, and with Mich Admin Code, R 400.3130 and R 400.3178. After due notice, a telephone hearing was held on January 24, 2017, from Lansing, Michigan.

The Department was represented by [REDACTED] of the Office of Inspector General (OIG). [REDACTED] testified on behalf of the Department. The Department submitted [REDACTED] exhibits which were admitted into evidence.

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). The record was closed at the conclusion of the hearing.

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 FAP benefits for 12 months?

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 December 12, 2016, to establish an OI of benefits received by Respondent as a result of Respondent having allegedly committed an IPV.
2. Respondent was a recipient of FAP benefits issued by the Department.
3. The OIG has requested that Respondent be disqualified from receiving program benefits.
4. Respondent was aware of the responsibility to report all changes within 10 days as evidenced by his signature on the FAP application dated December 16, 2015. [Dept. Exh. 10-35].
5. The Recoupment Specialist testified that she was unaware of any apparent physical or mental impairment that would limit Respondent's understanding or ability to fulfill this requirement. [Testimony].
6. Respondent indicated on the FAP application of December 16, 2015, that he had a physical disability or mental health condition. [Dept. Exh. 14].
7. On November 18, 2016, the Work Number showed Respondent had worked at, and was still employed at, [REDACTED] in [REDACTED] beginning July 10, 2016. Respondent provided a home address to his employer of [REDACTED] [Dept. Exh. 36-38].
8. On March 19, 2016, Respondent announced his move to [REDACTED], on [REDACTED]. [Dept. Exh. 39].
9. The Department's OIG indicates that the time period it is considering the fraud period is June 1, 2016 through August 31, 2016 (fraud period). [Dept. Exh. 40].
10. Beginning April 3, 2016 through July 15, 2016, Respondent's FAP Purchase History shows Respondent used his Michigan FAP benefits solely in [REDACTED] [Dept. Exh. 41-45].
11. During the fraud period, Respondent was issued [REDACTED] a month in FAP benefits by the State of Michigan, and the Department alleges that Respondent was not entitled to FAP benefits during this time period. [Dept. Exh. 40].

12. The Department alleges that Respondent received an OI in FAP benefits in the amount of [REDACTED] from June 1, 2016 through August 31, 2016.
13. The FAP Purchase History only demonstrates that Respondent used FAP benefits for June and July of the alleged fraud period of June 1, 2016 through August 31, 2016.
14. 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

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), Adult Services Manual (ASM), and Reference Tables Manual (RFT).

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 .3015.

Effective January 1, 2016, the Department's Office of Inspector General requests Intentional Program Violation hearings for the following cases:

- Willful overpayments of \$500.00 or more under the AHH program.
- FAP trafficking overissuances 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 amount for the FIP, SDA, CDC, MA and FAP programs combined is \$500 or more, or
 - the total 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 (1/1/2016).

Intentional Program Violation

Suspected IPV means an overissuance 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 720, p 1; BAM 700, p 6.

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.

In this case, the Respondent intentionally failed to report that he moved to [REDACTED] and was receiving FAP benefits from Michigan. Respondent's signature on the FAP application dated December 16, 2015, certifies that he was aware that fraudulent participation in FAP could result in criminal, civil or administrative claims.

Overissuance

When a client group receives more benefits than entitled to receive, the Department must attempt to recoup the OI. BAM 700, p. 1 (1/1/2016).

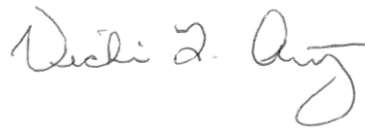
In this case, Respondent moved to [REDACTED] on March 19, 2016. Respondent received FAP benefits of [REDACTED] a month for June, July and August of 2016. Respondent's FAP Purchase History only shows he used the June and July, 2016 FAP benefits. No evidence was submitted that Respondent actually used the August, 2016 benefits, only that they were issued. Furthermore, Respondent indicated on his FAP application that he had a physical/mental impairment, which the Recoupment Specialist was unaware of. Therefore, this Administrative Law Judge finds Respondent received an overissuance of [REDACTED] for the months of June and July, 2016, based on his failure to report his move to [REDACTED]

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 not established by clear and convincing evidence that Respondent committed an IPV because they were unaware of Respondent's claim of a physical/mental impairment and did not know whether or not this impairment affected his ability to understand what was required.
2. Respondent did receive an OI of FAP benefits in the amount of [REDACTED] for the months of June and July, 2016, as shown by his FAP Purchase History.

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



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

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; Attention: MAHS Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] [REDACTED]