



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON
DIRECTOR

[REDACTED]
MI [REDACTED]

Date Mailed: July 27, 2018
MAHS Docket No.: 18-001799
Agency No.: [REDACTED]
Petitioner: OIG
Respondent: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Jeffrey Kemm

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 Title 7 of the Code of Federal Regulation (CFR), particularly 7 CFR 273.16. After due notice, a telephone hearing was held on July 25, 2018, from Lansing, Michigan. The Department was represented by Allyson Carneal, Regulation Agent of the Office of Inspector General (OIG). Respondent, [REDACTED] did not appear. The hearing was held in Respondent's absence pursuant to 7 CFR 273.16(e)(4).

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?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On August 9, 2017, Respondent was incarcerated on a warrant out of Kalamazoo County. Exhibit A, p. 12.
2. On August 10, 2017, Respondent was released from incarceration on a personal recognizance bond and instructed to report to probation at 8:00 AM the following morning. Exhibit A, p. 12.

3. On August 11, 2017, Respondent failed to report to probation as instructed. Exhibit A, p. 12.
4. On August 11, 2017, Respondent submitted an application for assistance from the Department, including FAP benefits. Respondent submitted the application at 1:08 PM. In the application, Respondent denied that he was in violation or non-compliance with probation or parole. Exhibit A, p. 14-25.
5. The Department approved Respondent for FAP benefits based on the information he provided in his application. The Department issued Respondent \$874.00 in FAP benefits from September 1, 2017, through January 31, 2018. Exhibit A, p. 27.
6. On January 15, 2018, Respondent was apprehended and incarcerated. Exhibit A, p. 10.
7. Respondent did not report to the Department that he was incarcerated.
8. The Department issued Respondent \$192.00 in FAP benefits on February 15, 2018 for February 2018. Exhibit A, p. 27.
9. The Department conducted an investigation of Respondent's case and determined that Respondent was in violation or non-compliance with his probation at the time that he filed his application and that he failed to report it. The Department determined that it overissued Respondent \$1,066.00 in FAP benefits from September 2017 through February 2018.
10. On February 27, 2018, the Department's OIG filed a hearing request to establish that Respondent received an overissuance of benefits and that Respondent committed an IPV. Exhibit A, p. 1.
11. The OIG requested recoupment of a \$1,066.00 overissuance of FAP benefits issued from September 2017 through February 2018, and the OIG requested that Respondent be disqualified from receiving program benefits for 12 months for a first IPV.
12. A notice of hearing was mailed to Respondent at his last known address and it was returned by the United States Postal Service 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.

Overissuance

An overissuance is the amount of benefits issued to the client group in excess of what it was eligible to receive. BAM 700 (October 1, 2016), p. 1. When a client group receives more benefits than entitled to receive, the Department must attempt to recoup the overissuance. BAM 700, p. 1. In this case, Respondent received more FAP benefits than he was entitled to receive.

A person who is violating a condition of probation or parole is disqualified from receiving benefits. BEM 203 (October 1, 2015), p. 2. Here, Respondent was violating his probation as of August 11, 2017, when he failed to report to probation at 8:00 AM as instructed. Respondent's violation continued until he was apprehended on January 15, 2018. Since Respondent was in violation of his probation from August 11, 2017, to January 15, 2018, Respondent was disqualified from receiving FAP benefits from September 2017 through January 2018. Therefore, all benefits issued to him during that time were overissued.

Thereafter, Respondent was incarcerated. A person who is incarcerated for more than 30 days is ineligible for FAP benefits. BAM 804 (July 1, 2014), p. 1. However, once Respondent became incarcerated, Respondent had 10 days to report the change to the Department. BAM 105 (October 1, 2016), p. 11-12. The Department then had 10 days to act on the reported change. BAM 220 (July 1, 2017), p. 7. Then, any negative action would have required a waiting period of at least 12 days. BAM 220, p. 10. Thus, the first month that the change in Respondent's status could have affected his FAP benefits would have been March 2018. Therefore, the FAP benefits issued to Respondent for February 2018 were proper.

For these reasons, I find that that Respondent was overissued \$874.00 in FAP benefits from September 2017 through January 2018.

Intentional Program Violation

The Department's policy in effect at the time of Respondent's alleged IPV defined an IPV as an overissuance in which the following three conditions exist: (1) The client intentionally failed to report information or intentionally gave incomplete or inaccurate information needed to make a correct benefit determination, and (2) The client was clearly and correctly instructed regarding his or her reporting responsibilities, and (3) The client has no apparent physical or mental impairment that limits his or her understanding or ability to fulfill their reporting responsibilities. BAM 720 (January 1, 2016) 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; see also 7 CFR 273.16(e)(6). Clear and convincing evidence is evidence which is so clear, direct, weighty, and convincing that it enables a firm belief as to the truth of the allegations sought to be established. *In re Martin*, 450 Mich 204, 227; 538 NW2d 399 (1995) (citing *In re Jobes*, 108 NJ 394 (1987)).

In this case, I find that the Department has met its burden. Respondent was required to completely and truthfully answer all questions on forms and in interviews. BAM 105, p. 9. The Department clearly and correctly instructed Respondent to provide true and complete information on his application. Respondent failed to completely and truthfully answer all questions on his application for assistance. In the application, the Department asked Respondent if he was in violation or non-compliance with probation or parole, and Respondent answered "No" when in fact he was. Respondent intentionally misrepresented information to the Department to obtain benefits because he withheld information about his absconder status when he knew or should have known that the Department would consider the information in determining his eligibility for benefits. Respondent did not have any apparent physical or mental impairment that would limit his understanding or ability to answer truthfully and completely.

Disqualification

A client who is found to have committed an IPV by a court or hearing decision is disqualified from receiving program benefits. BAM 720, p. 15-16. In general, clients are disqualified for standard disqualification periods of one year for the first IPV, two years for the second IPV, and lifetime for the third IPV. BAM 720, p. 16. A disqualified recipient remains a member of an active group as long as he/she lives with them, and other eligible group members may continue to receive benefits. BAM 720, p. 16.

In this case, there is no evidence that Respondent has ever been found to have committed an IPV related to FAP benefits. Thus, this is Respondent's first IPV related to FAP benefits. Therefore, Respondent is subject to a one-year disqualification.

DECISION AND ORDER

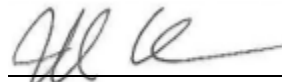
The Administrative Law Judge based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, concludes that:

1. Respondent received an overissuance of FAP benefits in the amount of \$874.00 that the Department is entitled to recoup.
2. The Department has established, by clear and convincing evidence, that Respondent committed an IPV.
3. Respondent should be disqualified from receiving FAP benefits.

IT IS ORDERED THAT the Department may initiate recoupment procedures for the amount of \$874.00 in accordance with Department policy.

IT IS FURTHER ORDERED that Respondent shall be disqualified from FAP benefits for a period of one year.

JK/nr



Jeffrey Kemm
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) 763-0155; 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

Petitioner

OIG
PO Box 30062
Lansing, MI
48909-7562

Kalamazoo County DHHS- via electronic
mail

MDHHS- Recoupment- via electronic mail

M. Shumaker- via electronic mail

DHHS

Renee Olian
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Respondent

[REDACTED]
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[REDACTED], MI
[REDACTED]