



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]
MI [REDACTED]

Date Mailed: September 13, 2018
MAHS Docket No.: 18-005615
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 September 12, 2018, from Lansing, Michigan. The Department was represented by James Linaras, 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 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. On May 1, 1997, Respondent pled guilty to a controlled substance felony which occurred on March 5, 1996. Exhibit A, p. 16-17.
2. On November 13, 2002, Respondent pled guilty to a controlled substance felony which occurred on December 17, 2001. Exhibit A, p. 18-21.

3. On February 10, 2015, the Department issued a Redetermination to Respondent to obtain information from Respondent to review his eligibility for assistance. Exhibit A, p. 22-27.
4. On February 27, 2015, Respondent signed his completed Redetermination. In the completed Redetermination, Respondent answered "No" when asked if anyone in his household "had been convicted of a drug-related felony occurring after August 22, 1996." Respondent signed the Redetermination and thereby affirmed that he understood the questions and that he provided true and complete information. Exhibit A, p. 22-27.
5. On August 22, 2016, Respondent applied for assistance from the Department, including FAP benefits. In Respondent's application, Respondent answered "No" when asked "convicted of a drug felony?" Respondent signed the application and thereby affirmed that he understood the questions and that he provided true and complete information. Exhibit A, p. 28-57.
6. On January 2, 2017, Respondent applied for assistance from the Department, including FAP benefits. In Respondent's application, Respondent answered "No" when asked "convicted of a drug felony?" Respondent signed the application and thereby affirmed that he understood the questions and that he provided true and complete information. Exhibit A, p. 58-90.
7. The Department approved Respondent for FAP benefits based on the information he provided to the Department. The Department issued \$6,240.00 in FAP benefits to Respondent from March 2015 through December 2017. Exhibit A, p. 94-99.
8. The Department conducted an investigation of Respondent's case and determined that Respondent had two or more felony drug convictions which he had not reported. The Department determined that it overissued Respondent \$6,240.00 in FAP benefits from March 2015 through December 2017.
9. On May 30, 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.
10. The OIG requested recoupment of a \$6,240.00 overissuance of FAP benefits issued from March 2015 through December 2017, and the OIG requested that Respondent be disqualified from receiving program benefits for 12 months for a first IPV.
11. A notice of hearing was mailed to Respondent at his last known address and it was not returned by the United States Postal Service as undeliverable.

CONCLUSIONS OF LAW

The Supplemental Nutrition Assistance Program (SNAP) is a federal food assistance program designed to promote general welfare and to safeguard well-being by increasing food purchasing power. 7 USC 2011 and 7 CFR 271.1. The Department administers its Food Assistance Program (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 Health and Human Services Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Overissuance

A recipient claim is an amount owed because of benefits that were overpaid or benefits that were trafficked. 7 CFR 273.18(a)(1). When a client group receives more benefits than entitled to receive, the Department must attempt to recoup the overissuance. BAM 700 (January 1, 2018), p. 1.

In this case, the Department did not establish that Respondent received more FAP benefits than he was entitled to receive. An individual who has been convicted of two or more felony drug offenses which occurred after August 22, 1996, is ineligible for FAP benefits. 21 USC 862a and 2017 PA 107, Article X, Part 2, Section 619. Respondent only had one felony drug conviction for an offense which occurred after August 22, 1996. The offense for Respondent's May 1, 1997, conviction actually occurred on March 5, 1996, so it occurred before August 22, 1996. Thus, Respondent only had one felony drug offense which occurred after August 22, 1996. Since Respondent did not have two or more felony drug offenses which occurred after August 22, 1996, Respondent was not ineligible for FAP benefits. Therefore, Respondent was not overissued benefits.

Intentional Program Violation

An intentional program violation (IPV) "shall consist of having intentionally: (1) Made a false or misleading statement, or misrepresented, concealed or withheld facts; or (2) Committed any act that constitutes a violation of SNAP, SNAP regulations, or any State statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of SNAP benefits or EBT cards." 7 CFR 273.16(c). 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. 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 not met its burden. Respondent failed to disclose his felony drug conviction for an offense occurring after August 22, 1996, but it

did not affect his benefits because Respondent would not have been ineligible even if he had disclosed his conviction. The Department did not establish that Respondent intended to misrepresent information to the Department to obtain, maintain, or increase his benefits.

Disqualification

In general, individuals found to have committed an intentional Program violation through an administrative disqualification hearing shall be ineligible to participate in the Program: (i) for a period of 12 months for the first violation, (ii) for a period of 24 months for the second violation, and (iii) permanently for a third violation. 7 CFR 273.16(b). Only the individual who committed the violation shall be disqualified – not the entire household. 7 CFR 273.16(b)(11).

In this case, Respondent did not commit an IPV, so he is not disqualified.

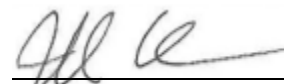
DECISION AND ORDER

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 did not receive an overissuance of FAP benefits.
2. The Department has not established, by clear and convincing evidence, that Respondent committed an IPV.
3. Respondent should not be disqualified from FAP.

IT IS ORDERED THAT Respondent shall not be disqualified from FAP for an IPV.

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

Wayne 19 County DHHS- via electronic mail

MDHHS- Recoupment- via electronic mail

M. Shumaker- via electronic mail

DHHS

Susan Noel
26355 Michigan Ave.
Inkster, MI
48141

Respondent

[REDACTED]
MI