



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: January 24, 2019
MAHS Docket No.: 18-010001
Agency No.: [REDACTED]
Petitioner: OIG
Respondent: [REDACTED]

ADMINISTRATIVE LAW JUDGE: John Markey

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 January 23, 2019, from Detroit, Michigan. The Department was represented by [REDACTED] Regulation Agent of the Office of Inspector General (OIG). Respondent did not appear. The hearing was held in Respondent's absence pursuant to 7 CFR 273.16(e). During the hearing, 54 pages of documents were offered and admitted as Department's Exhibit A, pp. 1-54.

ISSUES

1. Did the Department establish, by clear and convincing evidence, that Respondent committed an Intentional Program Violation (IPV) with respect to the Food Assistance Program (FAP)?
2. 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 June 28, 1999, Respondent was placed on felony probation after he was convicted of a controlled substance felony in Berrien County, Michigan. Exhibit A, pp. 11-12.

2. On February 27, 2006, Respondent was placed on felony probation after he was convicted of a controlled substance felony in Berrien County, Michigan. Exhibit A, p. 13.
3. On October 28, 2010, Respondent was convicted of a controlled substance felony in Kent County, Michigan. Exhibit A, p. 14.
4. Respondent was an ongoing recipient of FAP benefits dating back to at least sometime in 2014.
5. For four straight years from 2014 through 2017, the Department issued to Respondent a September Redetermination to gather relevant information regarding Respondent's ongoing eligibility for FAP benefits. Exhibit A, pp. 15-40.
6. In each of those years, the Department received the completed Redetermination forms from Respondent. On each of the Redeterminations, Respondent was asked if he had been convicted of a drug felony and if he had been convicted of a drug felony more than once. Respondent dishonestly answered "no" to both questions in all four returned Redeterminations. Exhibit A, pp. 15-40.
7. Respondent signed the Redeterminations and thereby certified that he understood the questions in the application and that he provided true and complete information. Exhibit A, pp. 15-40.
8. Respondent did not have any apparent physical or mental impairment which would have limited his understanding or his ability to answer the questions from the Department truthfully and completely.
9. The Department approved Respondent for continued FAP benefits based on the information he provided in his Redeterminations. The Department issued Respondent \$6,982 in FAP benefits from November 1, 2014 through October 31, 2017. Exhibit A, pp. 1-4; 41-47.
10. 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 has already established that it overissued Respondent \$6,982 in FAP benefits from November 1, 2014 through October 31, 2017. Exhibit A, pp. 1-4; 50-54.
11. On September 30, 2018, the Department's OIG filed a hearing request to establish that Respondent committed an IPV with respect to his FAP benefits. Exhibit A, pp. 1-4.
12. The OIG requested Respondent be disqualified from receiving program benefits for 12 months for a first IPV. Exhibit A, pp. 1-4.

13. 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

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).

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 2015), 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. An individual who has been convicted of two or more felony drug offenses which occurred after August 22, 1996, is permanently disqualified from receiving FAP benefits. BEM 203 (October 2015), p. 2. Respondent had two felony drug convictions which occurred after August 22, 1996, so he was permanently disqualified from receiving benefits as of the date of his second conviction, February 27, 2006. Thus, all benefits issued to Respondent after February 27, 2006, were overissued because Respondent was not entitled to any benefits. Prior to the hearing in this matter, the Department had already established that Respondent was overissued \$6,982 of FAP benefits from November 1, 2014 through October 31, 2017.

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; (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 (October 2015), 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, the Department has met its burden. Respondent was required to completely and truthfully answer all questions on forms and in interviews. BAM 105 (July 2015), p. 8. The Department clearly and correctly instructed Respondent to provide true and complete information on his Redeterminations. There is no evidence in the record to suggest that Respondent suffered from a physical or mental impairment that would limit his understanding or ability to fulfill his reporting responsibilities.

Despite being clearly instructed to answer questions honestly and certifying that he had done so on each Redetermination, Respondent failed to completely and truthfully answer all questions all four of the Redeterminations. The Department asked Respondent if he had been convicted of a drug felony and whether he had two or more such convictions, and Respondent dishonestly answered "No" to each question. Respondent made at least eight affirmative misrepresentations concerning his criminal history. Respondent intentionally misrepresented his criminal past to the Department to obtain benefits when he knew or should have known that the Department would consider the information in determining his eligibility for benefits.

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, pp. 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.

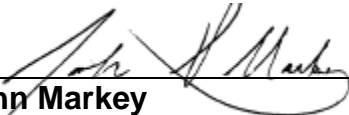
DECISION AND ORDER

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. The Department has established, by clear and convincing evidence, that Respondent committed an IPV with respect to the FAP.
2. Respondent is disqualified from receiving FAP benefits for a period of one year.

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

JM/cg



John Markey
Administrative Law Judge
for Robert Gordon, 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

Via Email:

MDHHS-Berrien-Hearings
OIG Hearings
Recoupment
MAHS

Respondent – Via First-Class Mail:

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