



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS  
DIRECTOR

[REDACTED]  
MI [REDACTED]

Date Mailed: July 16, 2019  
MOAHR Docket No.: 19-004990  
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 11, 2019, from Lansing, Michigan. The Department was represented by Maria Williams, 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).

One exhibit was admitted into evidence during the hearing. A 143-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

### **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 August 7, 2000, [REDACTED] [REDACTED] pled guilty to a controlled substance felony in the 6<sup>th</sup> Judicial Circuit Court. The controlled substance offense occurred on June 30, 2000.
2. On September 8, 2010, [REDACTED] [REDACTED] pled guilty to a controlled substance felony in the 6<sup>th</sup> Judicial Circuit Court. The controlled substance offense occurred on August 6, 2010.
3. On [REDACTED] [REDACTED] 2015, Respondent applied for assistance from the Department, including FAP benefits. In the application, Respondent represented that [REDACTED] [REDACTED] was her spouse. Respondent answered "No" when asked if anyone in her household had been convicted of a drug-related felony occurring after August 22, 1996. Respondent signed her application and thereby affirmed that she understood the questions and that she provided true and complete information.
4. Respondent did not have any apparent physical or mental impairment which would have limited her understanding or her ability to answer the questions on her application truthfully and completely.
5. The Department approved Respondent for FAP benefits and included [REDACTED] [REDACTED] as a non-disqualified group member based on the information Respondent provided to the Department.
6. The Department conducted an investigation of Respondent's case and determined that Respondent's spouse had two or more felony drug convictions for offenses occurring after August 22, 1996, which Respondent had not reported on her application. The Department determined that it overissued Respondent FAP benefits as a result because it included her spouse as a group member when he should have been disqualified for his felony drug convictions. The Department determined that Respondent was overissued \$3,923.00 in FAP benefits from August 2015 through October 2017.
7. The Department attempted to contact Respondent to obtain an explanation for her failure to disclose her spouse's felony drug convictions, and Respondent asserted that she reported everything that was required.
8. On May 7, 2019, the Department's OIG filed a hearing request to establish that Respondent received an overissuance of benefits and that Respondent committed an IPV.
9. The OIG requested recoupment of a \$3,923.00 overissuance of FAP benefits issued from August 2015 through October 2017, and the OIG requested that Respondent be disqualified from FAP for 12 months for a first IPV.
10. A notice of hearing was mailed to Respondent at her 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.

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. Here, Respondent's spouse had been convicted of two felony drug offenses which occurred after August 22, 1996. Respondent's spouse was included in Respondent's group and FAP benefits were issued for him when they should not have been because he should have been disqualified for his felony drug convictions.

The Department presented sufficient evidence to establish that Respondent was overissued FAP benefits (of at least \$500.00) because Respondent was issued FAP benefits for a group member who should have been disqualified. However, the Department did not present sufficient evidence to establish the amount of the overissuance. The Department presented overissuance budgets prepared by a recoupment specialist who was not present to testify. The budgets took into consideration factors in addition to the exclusion of the disqualified group member. However, the Department did not present any evidence to support those factors.

For these reasons, I must find that Respondent received a FAP overissuance (of at least \$500.00) but that there is insufficient evidence to establish the amount of the overissuance. The Department shall review its FAP overissuance budget, determine its overissuance in accordance with this decision, and then issue a new notice of overissuance to Respondent pursuant to 7 CFR 273.18(a)(3)(iii).

### **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. The Department alleged that Respondent withheld information on her application to obtain FAP benefits when she failed to disclose her spouse’s felony drug convictions. The Department did not present sufficient evidence to establish that Respondent knew or should have known about her spouse’s convictions. Since there was insufficient evidence that Respondent knew about her spouse’s felony drug convictions, there was insufficient evidence to establish that she intended to withhold information about his felony drug convictions.

### **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, the Department did not establish that Respondent committed an intentional program violation, so Respondent is not disqualified from FAP for an IPV.

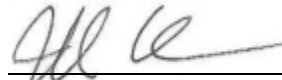
### **DECISION AND ORDER**

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

IT IS ORDERED that the Department shall initiate a review of the FAP overissuance budget to determine the amount of the FAP overissuance and then issue a new notice to Respondent. The Department shall begin to implement this decision within 10 days.

JK/nr



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Jeffrey Kemm  
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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

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

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

**Petitioner**

OIG  
PO Box 30062  
Lansing, MI  
48909-7562

Oakland 4 County DHHS- via electronic  
mail

MDHHS- Recoupment- via electronic mail

L. Bengel- via electronic mail

**DHHS**

Renee Swiercz  
51111 Woodward Ave 5th Floor  
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48342

**Respondent**

[REDACTED]  
MI