



GRETCHEN WHITMER  
GOVERNOR

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

ORLENE HAWKS  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED] MI [REDACTED]

Date Mailed: February 24, 2020  
MOAHR Docket No.: 19-012143  
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 Regulations (CFR), particularly 7 CFR 273.16. After due notice, a telephone hearing was held on February 13, 2020, from Lansing, Michigan. The Department was represented by Stephanie Janowiak, 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. An 83-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 [REDACTED] 2018, Respondent applied for assistance from the Department, including FAP benefits.

2. On July 31, 2018, the Department mailed a notice of case action to Respondent to notify her that she was approved for FAP benefits effective July 18, 2018, based on a household size of three and a reported income of [REDACTED] per month. The three household members were listed as Respondent, [REDACTED] and [REDACTED]. The notice instructed Respondent to report when her income exceeded [REDACTED] per month. The notice also instructed Respondent to report all other changes which could affect her eligibility for assistance within 10 days of the date of the change.
3. On October 19, 2018, Respondent moved into an apartment with her mother, [REDACTED]. Respondent's children, [REDACTED] and [REDACTED] also moved in.
4. Respondent's mother was receiving income from employment, a pension, and social security.
5. Everyone in the household bought and prepared food together.
6. On October 25, 2018, Respondent reported to the Department that she moved in with her mother. Respondent did not report to the Department that her household had a change in income from her mother's income.
7. The Department continued to issue FAP benefits to Respondent as if her household did not have a change in income.
8. On January 22, 2019, Respondent applied for assistance from the Department again, including FAP benefits. In the application, Respondent omitted her mother as a household member, and Respondent did not provide any information about her mother's income.
9. On January 29, 2019, the Department mailed a notice of case action to Respondent to notify her that she was approved for FAP benefits effective February 1, 2019, based on a household size of three and a reported income of [REDACTED] per month. The three household members were listed as Respondent, [REDACTED] and [REDACTED]. The notice instructed Respondent to report all changes which could affect her eligibility for assistance within 10 days of the date of the change.
10. The Department investigated Respondent's case and determined that Respondent was overissued FAP benefits because she was issued FAP benefits based on a budget that did not consider her mother's income when it should have.
11. On October 21, 2019, the Department's OIG filed a hearing request to establish that Respondent received an overissuance of benefits and that Respondent committed an IPV.

12. The OIG requested Respondent be disqualified from FAP for 12 months for a first IPV. The OIG requested recoupment of \$3,453.00 in FAP benefits issued from January 2019 through July 2019.
13. 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 (October 1, 2018), p. 1.

In this case, Respondent received more benefits than she was entitled to receive because she received FAP benefits that were based on a household income which did not include all of Respondent's household income since Respondent did not report her mother's income. FAP benefits are income-based, so the amount of income a household has determines the household's FAP benefit. Here, the Department overissued FAP benefits to Respondent because the Department issued FAP benefits to Respondent based on a budget which did not include Respondent's mother's income when it should have because Respondent was living with her mother and they were preparing food together. The Department presented sufficient evidence to establish that Respondent was overissued \$3,453.00 in FAP benefits from January 2019 through July 2019.

#### **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 met its burden. Respondent was required to report changes in her circumstances to the Department within 10 days of the change. 7 CFR 273.12(a)(2). The Department clearly and correctly instructed Respondent to report changes to the Department within 10 days, including changes in household income. Respondent failed to report that her household had a change in income when she moved in with her mother. Respondent also omitted her mother and her mother's income from her subsequent application. Respondent did not provide any explanation for her actions since she did not appear for the hearing. Respondent's actions must be considered an intentional misrepresentation to maintain or obtain benefits from the Department since Respondent knew or should have known that she was required to report her mother's income to the Department and that reporting it to the Department would have caused her benefits to be reduced. Respondent did not have any apparent physical or mental impairment that would limit her understanding or ability to fulfill her reporting requirement.

### **Disqualification**

In general, individuals found to have committed an intentional program violation through an administrative disqualification hearing shall be ineligible to participate in FAP: (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, 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 12-month disqualification from FAP.

### **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 \$3,453.00 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 FAP for 12 months.

IT IS SO ORDERED.

JK/ml



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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

**DHHS**

Oakland (District 2) County DHHS – Via  
Electronic Mail

Recoupment – Via Electronic Mail

L. Bengel – Via Electronic Mail

**Petitioner**

OIG – Via Electronic Mail  
P.O. Box 30062  
Lansing, MI 48909-7562

**Respondent**

[REDACTED] – Via First Class Mail  
[REDACTED]  
[REDACTED] MI [REDACTED]