



GRETCHEN WHITMER  
GOVERNOR

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

ORLENE HAWKS  
DIRECTOR

[REDACTED]  
[REDACTED], MI [REDACTED]

Date Mailed: March 12, 2020  
MOAHR Docket No.: 19-012229  
Agency No.: [REDACTED]  
Petitioner: OIG  
Respondent: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

### **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 Titles 7, 42 and 45 of the Code of Federal Regulation (CFR), particularly 7 CFR 273.16, and with Mich Admin Code, R 400.3130 and R 400.3178. After due notice, telephone hearing was held on February 20, 2020, from Lansing, Michigan. The Department was represented by Stephanie Janowiak, Regulation Agent of the Office of Inspector General (OIG). Respondent did not appear at the hearing and it was held in Respondent's absence pursuant to 7 CFR 273.16(e), Mich Admin Code R 400.3130(5), or Mich Admin Code R 400.3178(5).

### **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 the Food Assistance Program (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 28, 2017, Respondent married [REDACTED], and they both reported their residence as [REDACTED], MI. Exhibit A, p 23.
2. On a Redetermination (DHS-1010) received by the Department on June 12, 2017, Respondent acknowledged her duties and responsibilities including the duty to report changes of employment, household income, and persons in the

home. Respondent did not have an apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement. Exhibit A, pp 15-22.

3. Respondent acknowledged under penalties of perjury that her June 12, 2017, Redetermination form was examined by or read to her, and, to the best of her knowledge, contained facts that were true and complete. Exhibit A, p 21.
4. Respondent reported on her June 12, 2017, Redetermination form that she was living with two children at [REDACTED], but that no one in the home was employed. Exhibit A, pp 19-20.
5. Department records indicate that Respondent reported living with two children during an eligibility interview on June 20, 2017, and that another person is paying her housing expenses for her. Exhibit A, p 48.
6. On June 26, 2017, the Department notified Respondent that she was eligible for Food Assistance Program (FAP) benefits as a household of three not receiving any income. Exhibit A, pp 24-27.
7. On a Redetermination (DHS-1010) received by the Department on May 22, 2018, Respondent acknowledged her duties and responsibilities including the duty to report changes of employment, household income, and persons in the home. Respondent did not have an apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement. Exhibit A, pp 40-47.
8. Respondent acknowledged under penalties of perjury that her May 22, 2018, Redetermination form was examined by or read to her, and, to the best of her knowledge, contained facts that were true and complete. Exhibit A, p 46.
9. Respondent reported on her May 22, 2018, Redetermination form that she was living with two children, but that no one in the home was employed. Exhibit A, pp 19-20.
10. Department records indicate that on July 9, 2018, Respondent reported that her child's father owns the home she lives in and that she does not pay any housing expenses but denied that the father of her child lives in the home. Exhibit A, p 48.
11. On an application for assistance dated October 22, 2018, Respondent acknowledged her duties and responsibilities including the duty to report changes of employment status, increases of household income, and persons in the home. Respondent did not have an apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement. Exhibit A, pp 53-59.
12. Respondent reported on her October 22, 2018, application for assistance that no one in the household of four people was employed. Exhibit A, pp 53-59.

13. On October 25, 2018, the Department notified Respondent that she was eligible for Food Assistance Program (FAP) benefits as a household of five not receiving any income. Exhibit A, pp 60-66.
14. On November 21, 2018, the Department notified Respondent that she was not eligible for Food Assistance Program (FAP) benefits effective January 1, 2019. Exhibit A, pp 67-70.
15. Respondent received Food Assistance Program (FAP) benefits totaling \$8,720 from September 1, 2017, through December 31, 2018. Exhibit A, pp 76-80.
16. Respondent failed to report that [REDACTED] was employed, and received earned income from July 21, 2017, through December 28, 2018. Exhibit A, pp 28-39.
17. [REDACTED] reported [REDACTED], [REDACTED], Michigan to his employer as his home residence. Exhibit A, pp 28-39.
18. On June 6, 2017, [REDACTED] reported his residence to the Michigan Department of State as [REDACTED], [REDACTED], Michigan. Exhibit A, pp 74-75.
19. Respondent failed to report when she started employment on August 13, 2018, and received earned income from August 30, 2018, through September 12, 2019. Exhibit A, pp 50-52.
20. On October 28, 2019, the Department sent Respondent an Intentional Program Violation Repayment Agreement (DHS-4350) with notice of a \$8,552 overpayment, and a Request for Waiver of Disqualification Hearing (DHS-826). Exhibit A, pp 7-11.
21. The Department's OIG filed a hearing request on October 28, 2019, to establish an OI of benefits received by Respondent as a result of Respondent having allegedly committed an IPV. Exhibit A, p 3.
22. This was Respondent's first established IPV.
23. A notice of hearing was mailed to Respondent at the last known address and 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), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

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-.3011.

The Department's OIG requests IPV hearings for the following cases:

- FAP trafficking OIs that are not forwarded to the prosecutor.
- Prosecution of welfare fraud or FAP trafficking is declined by the prosecutor for a reason other than lack of evidence, and
  - the total OI amount for the FIP, SDA, CDC, MA and FAP programs is \$500 or more, or
  - the total OI amount is less than \$500, and
    - the group has a previous IPV, or
    - the alleged IPV involves FAP trafficking, or
    - the alleged fraud involves concurrent receipt of assistance (see BEM 222), or
    - the alleged fraud is committed by a state/government employee.

Department of Health and Human Services Bridges  
Administrative Manual (BAM) 720 (January 1, 2016), pp 12-13.

### **Overissuance**

When a client group receives more benefits than it is entitled to receive, the Department must attempt to recoup the overissuance. Department of Human Services Bridges Administrative Manual (BAM) 700 (October 1, 2018), p 1.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount within 10 days of receiving the first payment reflecting the change. Changes that must be reported include changes of employment status, increases of household income, and persons in the home. Department of Health and Human Services Bridges Administrative Manual (BAM) 105 (October 1, 2019), p 12. The Department will act on a change reported by means other than a tape match within 15 workdays after becoming aware of the change, except that the Department will act on a change other than a tape match within 10 days of becoming aware of the change. Department of

Health and Human Services Bridges Administrative Manual (BAM) 220 (April 1, 2019), p 7. A pending negative action occurs when a negative action requires timely notice based on the eligibility rules in this item. Timely notice means that the action taken by the department is effective at least 12 calendar days following the date of the department's action. BAM 220, p 12.

FAP group composition is established by determining who lives together, the relationship of the people who live together, whether the people living together purchase and prepare food together or separately, and whether the persons resides in an eligible living situation. Parents and their children must be in the same FAP household. Department of Human Services Bridges Eligibility Manual (BEM) 212 (July 1, 2019), p 1.

On a Redetermination (DHS-1010) form received by the Department on June 12, 2017, Respondent acknowledged the duty to report changes of employment status, increases of household income, and persons in the home. Respondent did not have an apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement. Respondent acknowledged under penalties of perjury that her June 12, 2017, Redetermination form was examined by or read to her, and, to the best of her knowledge, contained facts that were true and complete. Respondent reported that she was living with two children and that no one in the household was employed.

Respondent was married on [REDACTED], 2017, to [REDACTED]. Respondent failed to report that her husband, and father of her child was living in the home. Mr. [REDACTED]'s residence in Respondent's home is established by his reported address on the marriage license, the address he reported for his diver's license with the Michigan Department of State, and the address he reported to his employer. As the father of Respondent's child, Mr. [REDACTED] was a mandatory member of Respondent's FAP household.

On May 22, 2018, Respondent again acknowledged the duties and responsibilities of receiving FAP benefits. Respondent did not have an apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement. Respondent acknowledged under penalties of perjury that her May 22, 2018, redetermination form was examined by or read to her, and, to the best of her knowledge, contained facts that were true and complete. Respondent again reported that she was living with two children and that no one in the household was employed.

Respondent had reported that no one in her home was receiving any income, and on June 26, 2017, the Department notified her that she was eligible for FAP benefits as a household of three receiving no income.

Respondent failed to report that Mr. [REDACTED] was employed and received earned income from employment from July 21, 2017, through December 28, 2018. As a mandatory FAP household member, his income was countable towards the household's eligibility for ongoing FAP benefits. If Respondent had reported Mr. [REDACTED]'s July 21, 2017, paycheck then the Department would have redetermined her eligibility for ongoing FAP benefits by the first benefit period after August 22, 2017. Respondent also failed to

report that she had started employment on August 13, 2018, and received earned income from August 30, 2018, through September 12, 2019. Respondent received FAP benefits totaling \$8,720 from September 1, 2017, through December 31, 2018. If Respondent had reported her income, and her husband's income in a timely manner, then she would have been eligible for only \$168 of those benefits. Therefore, Respondent received a \$8,552 overissuance of FAP benefits.

### **Intentional Program Violation**

Suspected IPV means an OI exists for which all three of the following conditions exist:

- The client intentionally failed to report information or intentionally gave incomplete or inaccurate information needed to make a correct benefit determination, and
- The client was clearly and correctly instructed regarding the reporting responsibilities, and
- The client has no apparent physical or mental impairment that limits the understanding or ability to fulfill reporting responsibilities.

BAM 700, p 7, BAM 720, p. 1.

An IPV is also suspected for a client who is alleged to have trafficked FAP benefits. BAM 720, 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 (emphasis in original); see also 7 CFR 273.16(e)(6).

The Department has the burden of establishing by clear and convincing evidence that Respondent committed an Intentional Program Violation (IPV). The clear and convincing evidence standard, which is the most demanding standard applied in civil cases, is established where there is evidence so clear, direct and weighty and convincing that a conclusion can be drawn without hesitancy of the truth of the precise facts in issue. *Smith v Anonymous Joint Enterprise*, 487 Mich 102; 793 NW2d 533 (2010), reh den 488 Mich 860; 793 NW2d 559 (2010).

Clear and convincing proof is that which produces in the mind of the trier of fact a firm belief or conviction as to the truth of the precise facts in issue. Evidence may be uncontroverted and yet not be clear and convincing. Conversely, evidence may be clear and convincing even if contradicted. *Id.*

Respondent acknowledged the duties and responsibilities of receiving FAP benefits on Redetermination (DHS-1010) forms received by the Department on June 12, 2017, and May 22, 2018, and an application for assistance dated October 25, 2018. These duties included the duty to report changes of employment status, increases of household income, and persons living in the home. Respondent did not have an apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement.

Respondent failed to report that she had married the father of her child [REDACTED] on May 28, 2017. Respondent failed to report that her husband, a mandatory FAP household member as father of her child, was living in her home and was receiving earned income. Respondent also failed to report her own earned income in a timely manner. As a result of Respondent's failure to report persons living in her home as well as their income, Respondent received an overissuance of FAP benefits.

This Administrative Law Judge finds that the Department has presented clear and convincing evidence that Respondent intentionally failed to report persons living in her home, and the earned income of mandatory household members, for the purposes of maintaining her eligibility for FAP benefits that she would not have been eligible for otherwise.

### **Disqualification**

A court or hearing decision that finds a client committed IPV disqualifies that client from receiving program benefits. BAM 720, p. 15-16. A disqualified recipient remains a member of an active group as long as the disqualified person lives with them, and other eligible group members may continue to receive benefits. BAM 720, p. 16.

Clients who commit an IPV are disqualified for a standard disqualification period except when a court orders a different period, or except when the OI relates to MA. BAM 720, p. 13. Refusal to repay will not cause denial of current or future MA if the client is otherwise eligible. BAM 710 (July 1, 2013), p. 2. Clients are disqualified for periods of one year for the first IPV, two years for the second IPV, lifetime disqualification for the third IPV, and ten years for a FAP concurrent receipt of benefits. BAM 720, p. 16.

The record evidence indicates that this is Respondent's first established IPV violation.

The Department has established an Intentional Program Violation (IPV).

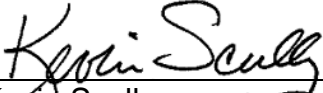
### **DECISION AND ORDER**

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. The Department has established by clear and convincing evidence that Respondent committed an IPV.

2. Respondent did receive an OI of Food Assistance Program (FAP) benefits in the amount of \$8,552.
3. The Department is ORDERED to initiate recoupment procedures for the amount of \$8,552 in accordance with Department policy.
4. It is FURTHER ORDERED that Respondent be disqualified from the Food Assistance Program (FAP) for a period of 12 months.

KS/nr

  
\_\_\_\_\_  
Kevin Scully  
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**

Linda Gooden  
25620 W. 8 Mile Rd  
Southfield, MI  
48033

Oakland 3 County DHHS- via electronic  
mail

MDHHS- Recoupment- via electronic mail

L. Bengel- via electronic mail

**Petitioner**

OIG  
PO Box 30062  
Lansing, MI  
48909-7562

**Respondent**

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