



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

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████████████████████, MI ██████████

Date Mailed: January 12, 2023
MOAHR Docket No.: 22-005775
Agency No.: ██████████
Petitioner: ██████████ ██████████

ADMINISTRATIVE LAW JUDGE: Aaron McClintic

HEARING DECISION

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on January 5, 2023, from Lansing, Michigan. The Petitioner was represented by himself. The Department of Health and Human Services (Department) was represented by Danielle Shanley. Department Exhibit 1, pp. 1-30 was received and admitted.

ISSUE

Did the Department properly deny Petitioner's Food Assistance Program (FAP) application for failing to verify assets?

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 ██████████ ██████████ Petitioner applied for FAP benefits. (Ex. 1, pp. 3-)
2. On November 15, 2022, a Verification Checklist was sent to Petitioner requesting verification of bank statements. (Ex. 1, pp. 10-12)
3. On November 29, 2022, Notice of Case Action was sent to Petitioner informing him that his FAP application was denied for failing to verify assets. (Ex. 1, pp. 13-16)
4. On ██████████ ██████████ Petitioner verbally requested hearing disputing the denial of FAP benefits.
5. On December 7, 2022, a Quick Note was sent to Petitioner outlining verifications that were needed to show where the real property proceeds were held or how they

were spent and verifications regarding Petitioner's trust and trust assets. (Ex. 1, p.29)

6. Petitioner testified at hearing that he has an ownership interest in a business and that business holds the proceeds of the January 2022 sale of the real property in an account.

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.

DEPARTMENT POLICY

All Programs

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements.

Obtain verification when:

- Required by policy. Bridges Eligibility Manual (BEM) items specify which factors and under what circumstances verification is required.
- Required as a local office option. The requirement **must** be applied the same for every client. Local requirements may **not** be imposed for Medicaid Assistance (MA).
- Information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. The questionable information might be from the client or a third party. BAM 130

**FAP Asset
Limits**

FAP

\$15,000 or less. BEM 400

**Joint Cash
and
Retirement
Plans**

**FIP, RCA, SDA, G2U, G2C, RMA, SSI-Related MA Only,
CDC and FAP**

This section applies to the types of assets listed under **CASH and RETIREMENT PLANS** in this item.

Count the entire amount **unless** the person claims and verifies a different ownership. Then, each owner's share is the amount they own. BEM 400

In this case, Petitioner sold a parcel a real property in January 2022 through a company he owns. The sale price of the property was \$[REDACTED] Petitioner was asked to provide verification showing where the proceeds from the sale were held and how the proceeds were spent. On November 15, 2022, a verification checklist was sent to Petitioner requesting verification of "all bank accounts held since January". Petitioner did not provide verification of the bank accounts where the proceeds from the sale of real property are held, that account is in a company's name and Petitioner has an ownership interest in that company. Petitioner was required to verify all bank accounts that he has an ownership interest in, and he failed to do. Therefore, the Department denial for failing to verify assets was proper and correct and consistent with Department policy. BAM 130 Petitioner's application could have been denied for failing to disclose and verify the trust he has an ownership interest in.

Petitioner initially asserted that the proceeds from the sale of real property were held in escrow due to his intention to utilize a 1031 exchange. Petitioner admitted at hearing that the proceeds are now in an account held by the company he owns and not in escrow. Petitioner admitted to having an ownership interest in the company but did not divulge the ownership structure. Petitioner expressed some confusion about whether his company would be considered a personal asset and pointed out that he did provide account records for the bank accounts he holds solely in his name. Petitioner testified at hearing that the proceeds from the sale of real estate in January 2022 were in excess of \$[REDACTED], well over the \$15,000 asset limit for FAP.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in

accordance with Department policy when it denied Petitioner's FAP application for failing to verify assets. BAM 130

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.

AM/nr



Aaron McClintic
Administrative Law Judge

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

Via-Electronic Mail :

DHHS

Andrea Stevenson (Chippewa DHHS)
Chippewa County DHHS
463 East 3 Mile Rd.
Sault Ste. Marie, MI 49783

MDHHS-

906EUPHearings@michigan.gov

Interested Parties

Chippewa County (906EUPHearings)
BSC1
M. Holden
D. Sweeney
MOAHR

Via-Electronic and First Class Mail :

Petitioner

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