



GRETCHEN WHITMER
GOVERNOR

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

MARLON I. BROWN
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: May 13, 2024
MOAHR Docket No.: 23-006515
Agency No.: [REDACTED]
Petitioner: OIG
Respondent: [REDACTED] [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, a telephone hearing was held on May 7, 2024, from Lansing, Michigan. The Department was represented by William Etienne, 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 an application for assistance dated October [REDACTED] 2017, Respondent acknowledged his duties and responsibilities including the duty to report people living in his home as well as all household income. Respondent did not have an apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement. Exhibit A, pp 12-31.

2. Respondent reported on his October [REDACTED] 2017, application form that he was living at [REDACTED]. Exhibit A, p 13.
3. Respondent acknowledged under penalties of perjury that his October [REDACTED] 2017, application form was examined by or read to him, and, to the best of his knowledge, contained facts that were true and complete. Exhibit A, pp 14-20.
4. Department records indicate that the [REDACTED] address is invalid and that the correct address is [REDACTED] Exhibit A, p 38.
5. On August [REDACTED] 2018, the Department received Respondent's Mid-Certification Contact Notice where he reported that there had been no change to the persons in his home and he certified that the statements on that form were true and correct to the best of his knowledge. Exhibit A, pp 32-34.
6. Respondent reported on his August [REDACTED] 2018, Mid-Certification Contact Notice that he was living by himself at 1 [REDACTED] Exhibit A, p 32
7. On August [REDACTED] 2019, the Department received Respondent's Redetermination form where he reported that he had been living alone at [REDACTED], since July [REDACTED] 2017. Exhibit A, pp 46-53.
8. Respondent acknowledged under penalties of perjury that his August [REDACTED] 2019, Redetermination form was examined by or read to him, and, to the best of his knowledge, contained facts that were true and complete. Exhibit A, p 53.
9. On August [REDACTED] 2019, the Department notified Respondent that he was eligible for ongoing Food Assistance Program (FAP) benefits as a household of one. Exhibit A, pp 55-62.
10. On July [REDACTED] 2020, the Department received Respondent's Mid-Certification Contact Notice where he reported that there had been no change to the persons in his home at [REDACTED] and he certified that the statements on that form were true and correct to the best of his knowledge. Exhibit A, pp 63-66.
11. On July [REDACTED] 2023, the Department received Respondent's Redetermination form where he reported that he was living alone at [REDACTED] Exhibit A, pp 67-71.
12. Respondent acknowledged under penalties of perjury that his July [REDACTED] 2021, Redetermination form was examined by or read to him, and, to the best of his knowledge, contained facts that were true and complete. Exhibit A, p 70.
13. On February [REDACTED] 2019, Respondent reported to the Michigan Department of Sate that he was living at [REDACTED] Exhibit A, p 35.

14. On February █ 2019, █ █ reported to the Michigan Department of State that she was living at █. Exhibit A, p 36.
15. █ █ was employed and received earned income from November 19, 2021, through September 22, 2023, while reporting to her employer that she was living at █. Exhibit A, pp 39-41.
16. █ █ received other earned income from employment from May 22, 2019, through June 30, 2023, while reporting to her employer that she was living at █. Exhibit A, pp 42-45.
17. Respondent filed a 2020 federal tax return jointly with his spouse █ █ and reported to the IRS that his home address was █. Exhibit A, p 75.
18. Respondent filed a 2021 federal tax return jointly with his spouse █ █ and reported to the IRS that his home address was █. Exhibit A, p 207.
19. Respondent received Food Assistance Program (FAP) benefits totaling \$ █ from September 1, 2019, through August 31, 2022. Exhibit A, pp 214-225.
20. The Department's OIG filed a hearing request on October 4, 2023, to establish that Respondent committed an Intentional Program Violation (IPV). Exhibit A, p 3.
21. On October █ 2023, the Department sent Respondent an Intentional Program Violation Repayment Agreement (DHS-4350) with notice of a \$ █ overpayment. Exhibit A, pp 312-314.
22. On October █ 2023, the Department sent Respondent a Request for Waiver of Disqualification Hearing (DHS-826). Exhibit A, pp 7-8.
23. This was Respondent's first established IPV.
24. 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) is funded under the federal Supplemental Nutrition Assistance Program (SNAP) established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 through 7 USC 2036a. It is implemented by the federal regulations

contained in 7 CFR 273. The Department administers FAP pursuant to MCL 400.10 of the Social Welfare Act, MCL 400.1 *et seq*, and Mich Admin Code, R 400.3001 through 400.3011.

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 (October 1, 2017), pp 12-13.

Overissuance

An “overissuance” is an amount owed because of benefits that are overpaid, which the Department must establish and collect. 7 CFR 273.18(a). 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 persons living in the home and all household income. Department of Health and Human Services Bridges Administrative Manual (BAM) 105 (March 1, 2024), 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 (November 1, 2024), p 7. A pended 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.

On an application for assistance dated October [REDACTED] 2017, Respondent acknowledged the duty to truthfully and accurately report the persons living in his home and all household income. Respondent did not have an apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement. On August [REDACTED] 2019, Respondent reported on a Redetermination form that his wife was no longer living with him. Respondent acknowledged under penalties of perjury that his August [REDACTED] 2019, Redetermination form was examined by or read to him, and, to the best of his knowledge, contained facts that were true and complete.

Respondent filed his 2020 federal income tax return jointly with his wife. The address of record for Respondent's wife with the Michigan Department of State and her employer was the same address as Respondent. In the absence of any evidence to the contrary, the hearing record supports a finding that Respondent's wife was living with him. Respondent's wife received earned income that was not applied to Respondent's eligibility for FAP benefits. If the income of Respondent's wife had been considered, Respondent would not have been eligible for any FAP benefits as a household of two.

Respondent received FAP benefits totaling \$[REDACTED] from September 1, 2019, through August 31, 2022, as a household of one. Respondent was not eligible for any of those benefits. Therefore, the hearing record supports a finding that Respondent received a \$[REDACTED] overissuance of FAP benefits.

Intentional Program Violation

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).

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 an application for assistance dated October [REDACTED] 2017, including the duty to truthfully report

the persons living in his household. Respondent did not have an apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement. It is the Department's practice to provide pamphlet material to eligible FAP recipients advising them of their duty to truthfully and accurately report the persons living in the household as well as all countable household income. The hearing record supports a finding that Respondent was provided with notice that he was given notice of the requirement to report that his wife was living in his home.

Respondent reported that he was not living with his wife. This information was contradicted by the information reported to the Michigan Department of State, the IRS, and the employer of Respondent's wife. As a household of two, Respondent and his wife would not have been eligible for any FAP benefits based on their combined incomes. As a household of one, Respondent was able to receive FAP benefits totaling \$ [REDACTED]

This Administrative Law Judge finds that the Department has presented clear and convincing evidence that Respondent intentionally reported that his wife was not living with him for the purposes of maintaining his eligibility for FAP benefits that he 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 if 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. Department of Health and Human Services Bridges Administrative Manual (BAM) BAM 710 (January 1, 2018), 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).

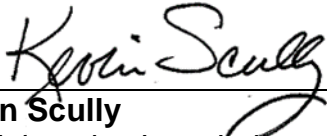
DECISION AND ORDER

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 Intentional Program Violation (IPV).
2. Respondent did receive an overissuance of Food Assistance Program (FAP) benefits in the amount of \$ [REDACTED]

3. The Department is ORDERED to initiate recoupment procedures for the amount of \$[REDACTED] 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/dm



Kevin Scully
Administrative Law Judge
Michigan Office of Administrative Hearings
and Rules (MOAHR)

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

