



GRETCHEN WHITMER
GOVERNOR

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

MARLON BROWN
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: July 23, 2024
MOAHR Docket No.: 23-008342
Agency No.: [REDACTED]
Petitioner: OIG
Respondent: [REDACTED] [REDACTED]

ADMINISTRATIVE LAW JUDGE: Colleen Lack

HEARING DECISION FOR INTENTIONAL PROGRAM VIOLATION

The Michigan Department of Health and Human Services (MDHHS or the Department) requested a hearing alleging that Respondent [REDACTED] [REDACTED] committed an intentional program violation (IPV). Pursuant to MDHHS' request and in accordance with MCL 400.9, 7 CFR 273.16, 42 CFR 431.230(b), and 45 CFR 235.110, and Mich Admin Code, R 400.3130 and R 400.3178, this matter is before the undersigned Administrative Law Judge. After due notice, a hearing was held via telephone conference on June 27, 2024.

Bethany Belill, Regulation Agent of the Office of Inspector General (OIG), represented MDHHS.

ISSUES

1. Did MDHHS establish, by clear and convincing evidence, that Respondent committed an IPV concerning Food Assistance Program (FAP) benefits?
2. Should Respondent be disqualified from receiving benefits for 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. From October 1, 2019 through February 29, 2020, Respondent received FAP benefits. (Exhibit A, p. 34)
2. On March [REDACTED] 2019, Respondent submitted an Assistance Application. Respondent's signature on the Assistance Application certified that she read and

understood the rights and responsibilities. This would include timely reporting changes. (Exhibit A, pp. 7-17)

3. On March ■ 2019, a Notice of Case Action was issued to Respondent approving FAP for a household of one. The Notice reminded Respondent of the responsibility to report changes within 10 days. A blank Change Report form was included. (Exhibit A, pp. 18-23)
4. On June ■ 2019, a Notice of Case Action was issued to Respondent approving FAP for a household of one. The Notice reminded Respondent of the responsibility to report changes within 10 days. A blank Change Report form was included. (Exhibit A, pp. 24-31)
5. The Department confirmed that Respondent was incarcerated from August ■ 2019 to February ■ 2020. (Exhibit A, pp. 32-33)
6. Respondent was aware of the responsibility to timely report changes. (Exhibit A, p. 15)
7. Respondent did not have an apparent physical or mental impairment that would limit the ability to understand or fulfill the FAP responsibilities. (Exhibit A, p. 10)
8. The FAP debt has been established by the Department. (Exhibit A, pp. 1 and 37)
9. Respondent has no prior FAP IPV disqualifications. (Exhibit A, pp. 1 and 3-4)
10. On November 17, 2023, MDHHS' OIG filed a hearing request alleging that Respondent intentionally failed to report that she was incarcerated and as a result, Respondent is responsible for an overpayment of FAP benefits from August 28, 2019 through February 3, 2020 (fraud period). OIG requested that Respondent be disqualified from receiving FAP benefits for a period of 12 months due to committing an IPV. (Exhibit A, pp. 1-37)
11. A notice of hearing was mailed to Respondent at the last known address and was not returned by the United States Postal Services as undeliverable.

CONCLUSIONS OF LAW

MDHHS policies are contained in the MDHHS Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), Adult Services Manual (ASM), and Reference Tables Manual (RFT).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is funded under the federal Supplemental Nutrition Assistance Program (SNAP) established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 7 USC 2036a. It is

implemented by the federal regulations contained in 7 CFR 273. MDHHS administers FAP pursuant to MCL 400.10 of the Social Welfare Act, MCL 400.1 *et seq.*, and Mich Admin Code, R 400.3001 to R 400.3031.

Intentional Program Violation

An IPV occurs when a recipient of MDHHS benefits intentionally made a false or misleading statement, or misrepresented, concealed, or withheld facts. 7 CFR 273.16(c)(1). Effective October 1, 2014, MDHHS's OIG requests IPV hearings for cases where (1) the total repayment amount sought from Respondent for all programs combined is \$500 or more or (2) the total repayment amount sought from Respondent for all programs combined is less than \$500 but the group has a previous IPV, the matter involves concurrent receipt of assistance, the IPV involves FAP trafficking, or the alleged fraud is committed by a state government employee. BAM 720 (October 1, 2017), p. 12-13.

To establish an IPV, MDHHS must present clear and convincing evidence that the household member committed, and intended to commit, the IPV. 7 CFR 273.16(e)(6); BAM 720, p. 1. Clear and convincing evidence is evidence sufficient to result in "a firm belief or conviction as to the truth of the precise facts in issue." *Smith v Anonymous Joint Enterprise*, 487 Mich 102, 114-115; 793 NW2d 533 (2010); see also M Civ JI 8.01. Evidence may be uncontroverted and yet not be clear and convincing; conversely, evidence may be clear and convincing despite the fact that it has been contradicted. *Smith* at 115. The clear and convincing standard is "the most demanding standard applied in civil cases." *In re Martin*, 450 Mich

In this case, MDHHS alleges that Respondent committed an IPV based on a failure to report that she was incarcerated and as a result, Respondent is responsible for an overpayment of FAP benefits from October 1, 2019 through February 29, 2020 (fraud period).

The Department has established that Respondent was aware of the responsibility to timely report changes to the Department. Households are required to report changes in residence and the resulting change in shelter costs. 7 CFR 273.12(a)(1)(i)(D)(iii). Department policy requires clients to report any change in circumstances that will affect eligibility or benefit amount within 10 days. BAM 105, (April 1, 2022), pp. 11-13.

Respondent's signature on the Assistance Application certified that she read and understood the rights and responsibilities, which would include timely reporting changes. The Notices of Case Action reminded Respondent of the responsibility to report changes. (Exhibit A, pp. 15, 21-23, and 28-31). Respondent did not have an apparent physical or mental impairment that would limit the ability to understand or fulfill the FAP responsibilities. (Exhibit A, p. 10).

The Department asserted that Respondent intentionally failed to report that she was incarcerated and as a result, Respondent is responsible for an overpayment of FAP

benefits from October 1, 2019 through February 29, 2020 (fraud period). From October 1, 2019 through February 29, 2020, Respondent received FAP benefits. (Exhibit A, p. 34). The Department confirmed that Respondent was incarcerated from August ■ 2019 to February ■ 2020. (Exhibit A, pp. 32-33). There was no evidence that Respondent reported that she was incarcerated to the Department.

Respondent's failure to timely report the incarceration resulted in an OI of FAP benefits. Respondent was not eligible for FAP while she was incarcerated. Therefore, MDHHS has presented clear and convincing evidence that Respondent committed an IPV.

IPV Disqualification

An individual who is found pursuant to an IPV disqualification hearing to have committed a FAP IPV is disqualified from receiving benefits for the same program for 12 months for the first IPV, 24 months for the second IPV, and lifetime for the third IPV. 7 CFR 273.16(b)(1); BAM 720, p. 16. As discussed above, MDHHS has established by clear and convincing evidence that Respondent committed an IPV. Respondent has no prior FAP IPV disqualifications. (Exhibit A, 1 and 3-4). Because this was Respondent's first IPV for FAP, Respondent is subject to a 12-month disqualification from receipt of FAP benefits.

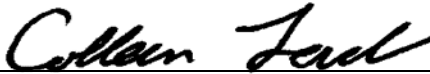
DECISION AND ORDER

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. MDHHS has established by clear and convincing evidence that Respondent committed an IPV.
2. Respondent is subject to a 12-month disqualification from FAP.

IT IS ORDERED that Respondent be personally disqualified from FAP for a period of 12 months.

CL/dm



Colleen Lack
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 :

Petitioner
OIG
**MDHHS-OIG-
HEARINGS@michigan.gov**

DHHS
Melissa Erdman
Huron County DHHS
**MDHHS-Huron-
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StebbinsN

Policy-Recoupment

MOAHR

Via-First Class Mail :

Respondent

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]