



GRETCHEN WHITMER  
GOVERNOR

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

MARLON I. BROWN, DPA  
ACTING DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: October 16, 2023  
MOAHR Docket No.: 23-002635  
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 September 20, 2023, from Lansing, Michigan. The Department was represented by William Etiene, 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 February [REDACTED] 2021, Respondent acknowledged his duties and responsibilities including the duty to report persons 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. Exhibit A, pp 12-17.



15. The mother of Respondent's children reported to her employer that she was living at [REDACTED] Exhibit A, p 68.
16. Respondent received Food Assistance Program (FAP) benefits totaling \$ [REDACTED] from July 1, 2021, through January 31, 2022. Exhibit A, pp 73-76.
17. The Department's OIG filed a hearing request on May 9, 2023, to establish that Respondent committed an Intentional Program Violation (IPV). Exhibit A, p 3.
18. On May 9, 2023, the Department sent Respondent an Intentional Program Violation Repayment Agreement (DHS-4350) with notice of a \$ [REDACTED] overpayment. Exhibit A, pp 97-99.
19. On May 9, 2023, the Department sent Respondent a Request for Waiver of Disqualification Hearing (DHS-826). Exhibit A, pp 7-8.
20. This was Respondent's first established IPV.
21. 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.

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 reside in an eligible living situation. Parents and their children must be placed in the same FAP benefit group. Department of Human Services Bridges Eligibility Manual (BEM) 212 (January 1, 2022), 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 in the home and all household income. Department of Health and Human Services Bridges Administrative Manual (BAM) 105 (July 1, 2023), 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 (July 1, 2023), 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 February ■■■ 2021, Respondent acknowledged the duty to report all persons in the 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. Respondent reported on his February ■■■ 2012, application for assistance that he was homeless and using his mother’s address as a mailing address only.

Respondent was listed as the customer for electric service for the home at ■■■■■■■■■■ where the mother of his children was living and receiving FAP benefits as a separate household. Respondent reported to the Michigan Department of State that his home

address was [REDACTED] [REDACTED] as of May [REDACTED] 2021. Respondent started employment on July [REDACTED] 2021, and received earned income from August 6, 2021, through December 2, 2022, while reported to his employer that his home address was [REDACTED] [REDACTED]. The mother of Respondent's children started employment on May [REDACTED] 2021, and received earned income from June 14, 2021, through February 18, 2022, while reported to her employer that her home address was [REDACTED] [REDACTED].

On February [REDACTED] 2021, Respondent reported that he was homeless and that he bounces from house to house while using the address of his children's mother as a mailing address. The hearing record supports a finding that Respondent was living with his children at [REDACTED] [REDACTED]. If Respondent had truthfully reported that he was living at [REDACTED] [REDACTED] in a timely manner, the Department would have included him in the FAP benefit group as his children.

Respondent received FAP benefits as a household of one totaling \$[REDACTED] from July 1, 2021, through January 31, 2022. The gross monthly income limit for a household of one was \$1,383. Department of Health and Human Services Reference Table Manual (RFT) 250 (October 1, 2020), p 1. During that time, the earned income he received was not applied towards his eligibility for FAP benefits and that income exceeded \$1,383 in each month. Therefore, 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.*

The Department's representative presented as a knowledgeable witness who provided a credible account of an investigation of a FAP recipient claiming to be homeless and not receiving any earned income from employment.

Respondent acknowledged the duties and responsibilities of receiving FAP benefits on an application for assistance dated February [REDACTED] 2021, including the duty to report all persons in the 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. It is the Department's practice to provide pamphlet material to eligible FAP recipients advising them of their duty to report all household income. The hearing record supports a finding that Respondent was provided with notice that he was required to report all household income in a timely manner.

The hearing record supports a finding that Respondent failed to report earned income from employment that exceeded the limit for a household of one to remain eligible for FAP benefits. Further, the hearing record supports a finding that Respondent failed to report that he was living with his children and that the children's mother also failed to report her earned income in a timely manner. This Administrative Law Judge finds that the Department has presented clear and convincing evidence that Respondent intentionally failed to report his earned income from employment for the purposes of becoming eligible for FAP benefits as a separate household 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.

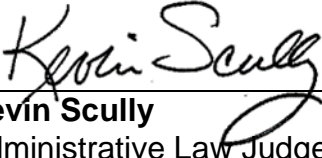
The Department has established an Intentional Program Violation (IPV).

**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

**Via-Electronic Mail :**

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

**DHHS**  
Trista Waishkey  
Washtenaw County DHHS  
**MDHHS-Washtenaw-  
Hearings@michigan.gov**

**Policy-Recoupment**

**StebbinsN**

**MOAHR**

**Via-First Class Mail :**

**Respondent**

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