



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

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Date Mailed: December 7, 2023
MOAHR Docket No.: 23-003008
Agency No.: ██████████
Petitioner: OIG
Respondent: ██████ ██████

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 ██████ ██████ 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 November 9, 2023.

John Bower, Regulation Agent of the Office of Inspector General (OIG), represented MDHHS.

Respondent did not appear at the hearing, and it was held in Respondent's absence pursuant to 7 CFR 273.16(e)(4); Mich Admin Code, R 400.3130(5); or Mich Admin Code, R 400.3178(5).

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?
3. Did Respondent receive an overissuance (OI) of FAP benefits that MDHHS is entitled to recoup and/or collect as a recipient claim?

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 September 1, 2020 to September 30, 2020 (fraud period 1), Respondent received \$[REDACTED] in FAP benefits. (Exhibit A, p. 150)
2. From November 1, 2020 to November 30, 2020 (fraud period 2), Respondent received \$[REDACTED] in FAP benefits. (Exhibit A, p. 151)
3. From February 2, 2021 to May 31, 2021 (fraud period 3), Respondent received \$[REDACTED] in FAP benefits. (Exhibit A, pp. 152-153)
4. From November 1, 2021 to November 30, 2021 (fraud period 4), Respondent received \$[REDACTED] in FAP benefits. (Exhibit A, p. 154)
5. On August [REDACTED] 2020 Respondent applied for food assistance benefits in Indiana for herself and reported she resided in [REDACTED] Indiana. (Exhibit A, pp. 23-41)
6. On October [REDACTED] 2020 Respondent applied for food assistance benefits in Indiana for herself and reported she resided in [REDACTED], Indiana. (Exhibit A, pp. 42-60)
7. On November [REDACTED] 2020, Respondent completed a Renew Benefits for her Michigan FAP case and reported no one in the household had received food assistance from another state. (Exhibit A, pp. 139-140)
8. On February [REDACTED] 2021, Respondent submitted an Assistance Application for FAP in Michigan for herself and reported she resided in [REDACTED] Michigan. Respondent reported no one in the household had received food assistance from another state in the last 30 days. (Exhibit A, pp. 141-146)
9. Respondent's signature on the Assistance Application certified that she read and understood the rights and responsibilities. This would include providing accurate information and timely reporting changes. (Exhibit A, pp. 15-22 and 146; Regulation Agent Testimony)
10. On February [REDACTED] 2021, an interview for the Michigan FAP case was completed with Respondent, who verified her address and indicated she intended to remain in Michigan. (Exhibit A, p. 148)
11. On June [REDACTED] 2021 Respondent applied for food assistance benefits in Indiana for herself and reported she resided in [REDACTED] Indiana. (Exhibit A, pp. 61-79)

12. On June █ 2021, an interview for the Michigan FAP case was completed with Respondent, who verified her address and indicated she intended to remain in Michigan. (Exhibit A, p. 148)
13. On August █ 2021 Respondent applied for food assistance benefits in Indiana for herself and reported she resided in █ █ Indiana. (Exhibit A, pp. 80-98)
14. On October █ 2021 Respondent applied for food assistance benefits in Indiana for herself and reported she resided in █ █ Indiana. (Exhibit A, pp. 99-117)
15. The Department verified that Respondent received food assistance benefits from the state of Indiana during the months of August 2020 through June 2021, August 2021, and September 2021 through December 2021. (Exhibit A, pp. 117-119)
16. From September 4, 2020 to November 11, 2021, Respondent's Indiana issued FAP benefits were utilized almost exclusively in Indiana, with a few purchases in Texas. (Exhibit A, pp. 120-129)
17. From August 5, 2020 to December 28, 2021, Respondent's Michigan issued FAP benefits were utilized extensively in Indiana with occasional purchases in Michigan. (Exhibit A, pp. 130-138)
18. Respondent was aware of the responsibility to accurately report information and any changes to the Department. (Exhibit A, pp. 15-22 and 146; Regulation Agent Testimony)
19. Respondent did not have an apparent physical or mental impairment that would limit the ability to understand or fulfill the reporting requirements. (Exhibit A, pp. 144 and 159)
20. Respondent has no prior IPV disqualifications. (Exhibit A, p. 1)
21. On June 2, 2023, MDHHS' OIG filed a hearing request alleging that Respondent intentionally failed to report receiving concurrent benefits in Michigan and Indiana and as a result, received FAP benefits from September 1, 2020 to September 30, 2020 (fraud period 1), November 1, 2020 to November 30, 2020 (fraud period 2), February 2, 2021 to May 31, 2021 (fraud period 3), and November 1, 2021 to November 30, 2021 (fraud period 4) that Respondent was ineligible to receive. OIG requested that (i) Respondent repay to MDHHS \$█ for FAP benefits that Respondent was ineligible to receive and (ii) Respondent be disqualified from receiving FAP benefits for a period of 12 months due to committing an IPV. (Exhibit A, pp. 1-162)
22. 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 204, 227; 538 NW2d 399 (1995). For an IPV based on inaccurate reporting, MDHHS policy also requires that the individual have been clearly and correctly instructed regarding the reporting responsibilities and have no apparent physical or mental impairment that limits the ability to understanding or fulfill these reporting responsibilities. BAM 720, p. 1.

In this case, MDHHS alleges that Respondent committed an IPV based on a failure to report receiving concurrent benefits in Michigan and Indiana and as a result, received FAP benefits from September 1, 2020 to September 30, 2020 (fraud period 1), November 1, 2020 to November 30, 2020 (fraud period 2), February 2, 2021 to May 31, 2021 (fraud period 3), and November 1, 2021 to November 30, 2021 (fraud period 4) that Respondent was ineligible to receive.

The Department has established that Respondent was aware of the responsibilities to accurately report information and to timely report any 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. This includes changes with residence and income. BAM 105 (July 1, 2020), pp. 11-13. Further, clients must completely and truthfully answer all questions on forms and in interviews. BAM 105, p. 9. It appears that the Department inadvertently included an Assistance Application for another case in the hearing packet. (Exhibit A, pp. 10-14). Respondent's signature on the February 2, 2021 Assistance Application certified that that she read and understood the rights and responsibilities. This would include providing accurate information and timely reporting changes. (Exhibit A, pp. 15-22 and 146; Regulation Agent Testimony) Accordingly, the Department only established that Respondent was aware of the reporting responsibilities for the third and fourth fraud periods. Respondent did not have an apparent physical or mental impairment that would limit the ability to understand or fulfill the reporting requirements. (Exhibit A, pp. 144 and 159).

On August █ 2020 Respondent applied for food assistance benefits in Indiana for herself and reported she resided in █ █ Indiana. (Exhibit A, pp. 23-41). On October █ 2020 Respondent applied for food assistance benefits in Indiana for herself and reported she resided in █ █ Indiana. (Exhibit A, pp. 42-60). However, on November █ 2020, Respondent completed a Renew Benefits for her Michigan FAP case and reported no one in the household had received food assistance from another state. (Exhibit A, pp. 139-140)

On February █ 2021, Respondent submitted an Assistance Application for FAP in Michigan for herself and she resided in █ Michigan. Respondent reported no one in the household had received food assistance from another state in the last 30 days. (Exhibit A, pp. 141-146). On February █ 2021, an interview for the Michigan FAP case was completed with Respondent, who verified her address and indicated she intended to remain in Michigan. (Exhibit A, p. 148).

On June █ 2021 Respondent applied for food assistance benefits in Indiana for herself and reported she resided in █ █ Indiana. (Exhibit A, pp. 61-79). On June █ 2021, an interview for the Michigan FAP case was completed with Respondent, who verified her address and indicated she intended to remain in Michigan. (Exhibit A, p. 148). On August █ 2021 Respondent applied for food assistance benefits in Indiana for herself and reported she resided in █ █ Indiana. (Exhibit A, pp. 80-98). On October █ 2021 Respondent applied for food assistance benefits in Indiana for herself and reported she resided in █ █ Indiana. (Exhibit A, pp. 99-117)

From September 1, 2020 to September 30, 2020 (fraud period 1), Respondent received \$█ in FAP benefits. (Exhibit A, p. 150). From November 1, 2020 to November 30, 2020 (fraud period 2), Respondent received \$█ in FAP benefits. (Exhibit A, p. 151). From February 2, 2021 to May 31, 2021 (fraud period 3), Respondent received \$█ in FAP benefits. (Exhibit A, pp. 152-153). From November 1, 2021 to November 30, 2021 (fraud period 4), Respondent received \$█ in FAP benefits. (Exhibit A, p. 154). The

Department verified that Respondent received food assistance benefits from the state of Indiana during the months of August 2020 through June 2021, August 2021, and September 2021 through December 2021. (Exhibit A, pp. 117-119). Accordingly, the Department has established that Respondent was concurrent benefits in Michigan and Indiana during the fraud periods. Further, it was noted that from August 5, 2020 to December 28, 2021, Respondent's Michigan issued FAP benefits were utilized extensively in Indiana with occasional purchases in Michigan. (Exhibit A, pp. 130-138). Similarly, from September 4, 2020 to November 11, 2021, Respondent's Indiana issued FAP benefits were utilized almost exclusively in Indiana, with a few purchases in Texas. (Exhibit A, pp. 120-129). There was no evidence that Respondent reported moving out of state and receiving food assistance benefits from the state of Indiana to the Department in accordance with the reporting responsibilities.

The evidence establishes that Respondent failed to timely report her move out of state and receiving food assistance benefits from another state to the Department within 10 days, as required by policy. Respondent's change in residency was utilized to re-determine FAP eligibility during the fraud period. Respondent's failure to timely and accurately report the change in residency resulted in an OI of FAP benefits. 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 IPV disqualifications. (Exhibit A, p. 1). Because this was Respondent's first IPV, Respondent is subject to a 12-month disqualification from receipt of FAP benefits.

Overissuance

When a client group receives more benefits than entitled to receive, MDHHS must attempt to recoup the OI as a recipient claim. 7 CFR 273.18(a)(2); BAM 700, (October 1, 2018), p. 1. The amount of a FAP OI is the benefit amount the client actually received minus the amount the client was eligible to receive. 7 CFR 273.18(c)(1); BAM 720, p. 8; BAM 715 (October 1, 2017), p. 6; BAM 705 (October 1, 2018), p. 6.

In this case, MDHHS alleged that Respondent was overissued FAP benefits totaling \$██████████ during the fraud periods. From September 1, 2020 to September 30, 2020 (fraud period 1), Respondent received \$██████████ in FAP benefits. (Exhibit A, p. 150). From November 1, 2020 to November 30, 2020 (fraud period 2), Respondent received \$██████████ in FAP benefits. (Exhibit A, p. 151). From February 2, 2021 to May 31, 2021 (fraud period 3), Respondent received \$██████████ in FAP benefits. (Exhibit A, pp. 152-153). From November 1, 2021 to November 30, 2021 (fraud period 4), Respondent received \$██████████ in FAP benefits. (Exhibit A, p. 154). When the change in residency was utilized to

redetermine eligibility, Respondent was only eligible to receive \$ [REDACTED] in FAP benefits during the fraud periods. Further, Respondent was not eligible to receive food assistance from more than one state in the same month. Therefore, MDHHS is entitled to repayment from Respondent of \$ [REDACTED] in overissued FAP benefits.

DECISION AND ORDER

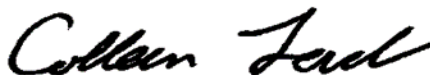
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, concludes that:

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.
3. Respondent did receive an OI of FAP benefits in the amount of \$ [REDACTED]

IT IS ORDERED that MDHHS initiate recoupment and/or collection procedures in accordance with MDHHS policy for a FAP OI in the amount of \$ [REDACTED] less any amounts already recouped/expunged/collected for the fraud period.

IT IS FURTHER 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
Corlette Brown
Wayne-District 31 (Grandmont)
**MDHHS-Wayne-31-Grandmont-
Hearings@Michigan.gov**

Policy-Recoupment

StebbinsN

MOAHR

Via-First Class Mail :

Respondent

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