



Date Mailed: August 1, 2025

Docket No.: 25-001502

Case No.: [REDACTED]

Petitioner: OFFICE OF INSPECTOR
GENERAL (OIG)

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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ
দস্তাবেজ অনুবাদ করুন।

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Ky është një dokument ligjor i rëndësishëm. Ju
lutem, kini dikë ta përktheni dokumentin.

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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] committed an intentional program violation (IPV) concerning state benefits. 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 July 8, 2025. Ra'Male Roundtree, Regulation Agent with 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 the Family Independence Program (FIP)?
2. Should Respondent be disqualified from receiving benefits for 12 months?
3. Did Respondent receive an overpayment (OP) of FIP 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. On August 15, 2020, Respondent applied for cash assistance through the FIP program for a household size of four. Respondent's application included herself and her three minor children. In the application, Respondent reported no earned or unearned income for her household. Respondent's signature on the FIP application certified that she read and understood the rights and responsibilities. Those rights and responsibilities include providing accurate information and timely reporting changes. Exhibit A, pp. 14-19.

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2. On August 27, 2020, the Department conducted an interview with Respondent concerning FIP. During the interview, Respondent reported that she had no income and was not employed. Respondent confirmed that she understood the rights and responsibilities. Exhibit A, pp. 20-22.
 3. On October 1, 2020, the Department sent Respondent a Notice of Case Action informing her that she was approved for FIP cash benefits for September 16, 2020, to September 30, 2020, in the amount of [REDACTED], and October 1, 2020, ongoing for [REDACTED] per month, for a household size of four. On the Notice, the Department explained that Respondent's FIP benefit amount was determined based on a budgetable income of [REDACTED]. The Notice reminded Respondent of her responsibility to report any changes to the Department within ten days. Exhibit A, pp. 23-32.
 4. On June 9, 2022, the Department received email correspondence from a state employee with the Unemployment Insurance Agency (UIA) informing the Department that Respondent received Pandemic Unemployment Assistance (PUA) benefits during the fraud period. Respondent applied for PUA benefits on July 23, 2020, and received her first PUA benefit payment was issued on August 25, 2020, which was two days prior to her FIP interview with the Department. Exhibit A, pp. 33-92.
 5. Respondent was aware of the responsibility to report household income.
 6. Respondent does not have an apparent physical or mental impairment that would limit the understanding or ability to accurately report household income.
 7. Respondent has no prior FIP IPV disqualifications.
 8. On January 14, 2025, MDHHS' OIG filed a hearing request alleging that Respondent intentionally failed to report unearned income from PUA benefits, and as a result received FIP benefits from October 1, 2020, to October 31, 2020 (fraud period), that Respondent was ineligible to receive. OIG requested that (i) Respondent be disqualified from receiving FIP benefits for a period of 12 months due to committing an IPV and (ii) Respondent repay [REDACTED] to MDHHS for FIP benefits that Respondent was ineligible to receive.
 9. 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).

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The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and 42 USC 601 to 679c. MDHHS administers FIP pursuant to 45 CFR 233to 45 CFR 261; MCL 400.10; the Social Welfare Act, MCL 400.1 *et seq.*; and Mich Admin Code, R 400.3101 to R 400.3131.

Intentional Program Violation

MDHHS alleges that Respondent committed an IPV and should be disqualified from receipt of FIP. 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). MDHHS's OIG requests IPV hearings in 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 (June 2024), p. 5.

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 understand or fulfill these reporting responsibilities. BAM 720, p. 1.

In this case, the Department alleged that Respondent committed an IPV when she intentionally failed to report unearned income for her household to the Department within ten days of the change, as required by policy. The Department is seeking repayment of the overissued FIP benefits in the amount of \$597, and that Respondent be disqualified from receiving FIP benefits for a period of 12 months.

Clients must cooperate with the local office in determining initial and ongoing eligibility. Cooperation includes completely and truthfully answering all questions on forms and in interviews. Clients must also report changes in circumstances that may affect eligibility for program benefits within ten days of receiving the first payment reflecting the change. BAM 105.

On August 15, 2020, Respondent submitted an Assistance Application for FIP benefits for herself and her three minor children. Respondent indicated on the application that she was unemployed and had no earned or unearned income for her household. By signing the FIP Assistance Application, Respondent acknowledged her responsibility to report changes in circumstances, such as household income, to the Department within ten days of the change.

Further, at the time of the FIP application, Respondent had already applied for PUA benefits and was issued those benefits prior to her FIP interview with the Department. The Department presented evidence that established Respondent applied for PUA benefits on July 23, 2020, and continued to receive PUA benefits during the fraud period.

PUA benefits were authorized under the CARES Act and provided up to 39 weeks of financial assistance to individuals who were previously employed but not typically eligible for standard unemployment benefits. For Department program purposes, PUA benefits are considered countable unearned income for FIP, Food Assistance Program (FAP), Child Development and Care (CDC), State Emergency Relief (SER), and Medical Assistance (MA) programs. Exhibit A, p. 34. In this case, no evidence was presented indicating that Respondent reported or attempted to report receipt of PUA benefits to the Department. Furthermore, Respondent did not appear at the hearing to provide testimony or evidence on this issue.

Based on the evidence of record, Respondent did not have an apparent physical or mental impairment that would limit her understanding or ability to accurately report information to the Department regarding household income. Based on a complete review of the record, the evidence presented is sufficient to conclude that Respondent intentionally withheld or misrepresented information for the purpose of maintaining, increasing, or preventing the reduction of program benefits. Therefore, the Department 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 FIP 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, the Department has established by clear and convincing evidence that Respondent committed an IPV. Because there was evidence of no prior IPV's by Respondent, Respondent is subject to a 12-month disqualification from receipt of FIP benefits.

Overpayment

When a client group receives more benefits than entitled to receive, the Department must attempt to recoup the overpayment (OP) as a recipient claim. 7 CFR 273.18(a)(2); BAM 700 (June 2024), p. 1. The amount of a FIP OP 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 (June 2024), pp. 4-6.

In this case, the Department alleged that Respondent was overissued FIP benefits totaling [REDACTED] during the fraud period of October 1, 2020, through October 31, 2020. To support its claim, the Department submitted a Benefit Summary Inquiry reflecting the FIP benefits issued to Respondent during the fraud period. Exhibit A, p. 93. Additionally, the Department submitted a FIP budget for the same period, which incorporated the unreported unearned income received by Respondent. The budget demonstrated that Respondent's unearned income exceeded the income limit for FIP eligibility. Exhibit A, pp. 100–102. As a result, Respondent would not have been eligible for any FIP benefits during the fraud period.

Therefore, the Department is entitled to repayment from Respondent of [REDACTED] in overissued FIP benefits.

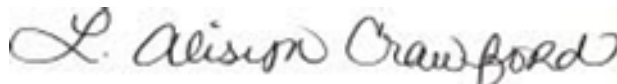
DECISION AND ORDER

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 FIP.
3. Respondent did receive an OP of FIP benefits in the amount of [REDACTED]

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

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



**L. ALISYN CRAWFORD
ADMINISTRATIVE LAW JUDGE**

APPEAL RIGHTS: Respondent may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to MOAHR-BSD-Support@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

Via Electronic Mail:

Petitioner
OFFICE OF INSPECTOR GENERAL (OIG)
PO BOX 30062
LANSING, MI 48909-7562
MDHHS-OIG-HEARINGS@MICHIGAN.GOV

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

Via First Class Mail:

Respondent

[Redacted]

