



Date Mailed: August [REDACTED], 2025
Docket No.: 25-006665
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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这是一份重要的法律文件，请让别人翻译文件。

Ky është një dokument ligjor i rëndësishëm. Ju
litem, 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 1, 2025. Justin Motley, 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 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 July 1, 2022 to September 30, 2022 (fraud period) Respondent received [REDACTED] in FAP benefits subject to recoupment. (Exhibit A, pp. 32-33)
2. On April 10, 2022, Respondent submitted an Assistance Application for FAP benefits for himself and his daughter. Respondent reported a living together partner (LTP) in the home. Respondent reported his LTP had employment with [REDACTED]. A note was added that appears to be from an interview clarifying that the LTP was currently laid off from [REDACTED] and was approved for unemployment compensation benefits (UCB). No other employment income was reported. (Exhibit A, pp. 9-15)

3. Respondent's signature on the Assistance Application certified that he was aware of the rights and responsibilities. This would include providing accurate information and timely reporting changes. (Exhibit A, pp. 14-23)
4. On April 25, 2022, a Notice of Case Action was issued to Respondent approving FAP benefits for the household of three including the LTP. A budget summary was included showing no earned income was included in the FAP budget. (Exhibit A, pp. 26-31)
5. The April 25, 2022, Notice of Case Action reminded Respondent of the responsibility to report changes. Specifically, Respondent was a simplified reporter and was only required to report when the household gross monthly income exceeded [REDACTED]. A change in income over this amount was to be reported by the 10th day of the following month. (Exhibit A, pp. 27-28)
6. On August 3, 2022, Respondent submitted a Renewal for FAP benefits for himself, his LTP, and his daughter. Respondent reported the income from UCB ended July 19, 2022. (Exhibit A, pp. 24-25)
7. A report from The Work Number verified Respondent's LTP's income from employment with [REDACTED]. The LTP returned to work the pay period ending May 21, 2022, and the first pay date after the return to work was May 27, 2022. (Exhibit A, pp. 34-35)
8. The Department verified the LTP's income from [REDACTED]. (Exhibit A, pp. 36-37)
9. The household first exceeded the SR limit in May 2022. (Exhibit A, pp. 27-28 and 35-37)
10. Respondent was aware of the responsibility to timely report when household income exceeded the simplified reporting limit. (Exhibit A, pp. 27-28)
11. Respondent did not have an apparent physical or mental impairment that would limit the ability to understand or fulfill the reporting requirements. (Regulation Agent Testimony)
12. The FAP debt has been established by the Department. (Exhibit A, pp. 1 and 45)
13. Respondent has no prior FAP IPV disqualifications. (Exhibit A, p. 6)
14. On February 19, 2025, MDHHS' OIG filed a hearing request alleging that Respondent intentionally failed to timely report a change with household income and as a result, received FAP benefits from July 1, 2022, to September 30, 2022 (fraud period) that Respondent was ineligible to receive. OIG requested that

Respondent be disqualified from receiving FAP benefits for a period of 12 months due to committing an IPV. (Exhibit A, pp. 1-47)

15. 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 2036d. 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). MDHHS's OIG requests IPV hearings for cases involving: (1) FAP overpayments, misuse, and trafficking related referrals that are not forwarded to the prosecutor; (2) FAP overpayments, misuse, and trafficking related referrals that are not forwarded to the prosecutor and (a) The total amount for the FIP, SDA, RCA, CDC, MA and FAP programs combined is \$500 or more, or (b) The total amount is less than \$500, and (i) The group has a previous IPV, or (ii) The alleged IPV involves FAP trafficking, or (iii) The alleged fraud involves concurrent receipt of assistance (see BEM 222), or (iv) The alleged fraud is committed by a state/government employee. BAM 720 (June 1, 2024), p. 7.

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 uncontested 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. 2.

In this case, MDHHS alleges that Respondent committed an IPV based on failing to timely report a change with household income resulting in receiving a greater amount of FAP benefits from July 1, 2022, to September 30, 2022 (fraud period) than Respondent was eligible to receive.

Generally, households must report a change of more than \$100 in the amount of unearned income and changes with earned income. 7 CFR 273.12(a)(1)(i)(A) and 7 CFR 273.12(a)(1)(C). Household must also report changes with liquid resources, such as bank accounts. 7 CFR 273.12(a)(v). Department policy requires clients to report any change in circumstances that will affect eligibility or benefit amount within 10 days of receiving the first payment reflecting the change. This includes changes with income. BAM 105 (April 1, 2022), pp. 11-13. Further, clients must completely and truthfully answer all questions on forms and in interviews. BAM 105, p. 9.

However, the reporting responsibilities are different for simplified reporters. FAP simplified reporting households must report when the household monthly income exceeds the monthly gross income limit for its household size. 7 CFR 273.12(a)(5)(ii)(G)(1) Further, periodic reports are to be submitted on which it is requested that the household report any changes in circumstances. 7 CFR 273.12(a)(5)(iii) Similarly, Department policy regarding change reporting for FAP simplified reporting household indicates that simplified reporting groups are required to report only when there are lottery/gambling winnings of \$3,750.00 or more and when the group's actual gross monthly income (not converted) exceeds the Simplified Reporting (SR) income limit for their group size. If the group has an increase in income, the group must determine their total gross income at the end of that month. If the total gross income exceeds the group's SR income limit, the group must report this change to their specialist by the 10th day of the following month, or the next business day if the 10th day falls on a weekend or holiday. BAM 200, April 1, 2022, p. 1. Simplified reporting households must also complete the Simplified Six-Month Review form. Groups meeting the simplified reporting category at application and redetermination are assigned a 12-month benefit period and are required to have a semi-annual contact. BAM 200, pp. 2-3.

The Department has established that Respondent was aware of the responsibility to responsibility to timely report when household income exceeded the simplified reporting limit. Specifically, the Notice of Case Action advised Respondent of the simplified reporting responsibilities. (Exhibit A, pp. 27-28). Respondent did not have an apparent physical or mental impairment that would limit the ability to understand or fulfill the change reporting requirements. (Regulation Agent Testimony).

On April 10, 2022, Respondent submitted an Assistance Application for FAP benefits for himself and his daughter. Respondent reported a LTP in the home. Respondent reported his LTP had employment with [REDACTED] A note was added that appears to be

from an interview clarifying that the LTP was currently laid off from [REDACTED] and was approved for UCB. No other employment income was reported. (Exhibit A, pp. 9-15). On April 25, 2022, a Notice of Case Action was issued to Respondent approving FAP benefits for the household of three including the LTP. A budget summary was included showing no earned income was included in the FAP budget. (Exhibit A, pp. 26-31). The April 25, 2022, Notice of Case Action reminded Respondent of the responsibility to report changes. Specifically, Respondent was a simplified reporter and was only required to report when the household gross monthly income exceeded \$2,379.00. A change in income over this amount was to be reported by the 10th day of the following month. (Exhibit A, pp. 27-28).

On August 3, 2022, Respondent submitted a Renewal for FAP benefits for himself, his LTP, and his daughter. Respondent reported the income from UCB ended July 19, 2022. (Exhibit A, pp. 24-25).

However, a report from The Work Number verified Respondent's LTP's income from employment with [REDACTED]. The LTP returned to work the pay period ending May 21, 2022, and the first pay date after the return to work was May 27, 2022. (Exhibit A, pp. 34-35). The Department also verified the LTP's income from UCB. (Exhibit A, pp. 36-37). The household first exceeded the SR limit in May 2022. (Exhibit A, pp. 27-28 and 35-37). Accordingly, Respondent should have reported exceeding the SR limit by June 10, 2022. Therefore, the overpayment period starting July 1, 2022, is correct.

The evidence establishes that Respondent failed to timely report when the household income exceeded the simplified reporting limit, as required by policy. The verified income was utilized to re-determine FAP eligibility during the fraud period. (Exhibit A, pp. 38-44). Respondent's failure to comply with the reporting requirements resulted in an overpayment 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 FAP IPV disqualifications. (Exhibit A, p. 6). 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:

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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.



COLLEEN LACK
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

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 Electronic Mail:

Petitioner

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

Via First Class Mail:

Respondent

A large rectangular area of the page is completely blacked out, indicating a redacted address for the respondent.