



Date Mailed: August 1, 2025
Docket No.: 25-006666
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 (Department) requested a hearing alleging that Respondent committed an intentional program violation (IPV). Pursuant to the Department's 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 August 4, 2025. Nicole Scholten, Regulation Agent of the Office of Inspector General (OIG), represented the Department. 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).

The Department's 53-page hearing packet was admitted into evidence as Exhibit A.

ISSUES

1. Did the Department establish, by clear and convincing evidence, that Respondent committed an IPV concerning Food Assistance Program (FAP) benefits?
2. Should Respondent be disqualified from receiving FAP benefits for 12 months?

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 September 22, 2020, the Department received a completed redetermination application for FAP benefits from Respondent. Respondent reported that he was not employed and had no income. (Exhibit A, pp. 9 – 13).
2. On September 28, 2020, the Department sent Petitioner a Notice of Case Action (NOCA) that approved him for FAP benefits of [REDACTED] per month for a one-person FAP group, effective October 1, 2020, based on [REDACTED] earned and unearned income and reminded him of his responsibility to report changes in his income to the Department within 10 days. The Department included a blank Change Report form with the NOCA. (Exhibit A, pp. 22 – 29).

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3. On October 12, 2020, Respondent was hired by [REDACTED] (Employer). (Exhibit A, pp. 32 – 33, 38).
 4. On October 23, 2020, Respondent received his first paycheck from Employer. He continued to work for Employer until at least June 1, 2021. (Exhibit A, pp. 33 – 38).
 5. On May 27, 2021, the Department obtained a consolidated income inquiry (CI) that reported Respondent was employed by Employer.
 6. Respondent was aware of the responsibility to report changes in his income to the Department within 10 days. (Exhibit A, pp. 26 – 29).
 7. Respondent is not known to have had an apparent physical or mental impairment that would have limited his understanding or ability to accurately report changes in his income to the Department within 10 days.
 8. Respondent has no prior FAP IPV disqualifications.
 9. From January 1, 2021 to May 31, 2021, Respondent received at least [REDACTED] in ongoing FAP benefits, supplements, and Emergency Allotments (EA). (Exhibit A, pp. 30 – 31).
 10. On February 5, 2024, the Department established that Respondent received an overpayment (OP) of FAP benefits and EA from January 1, 2021 to May 31, 2021, in the amount of [REDACTED]. (Exhibit A, p. 51).
 11. On February 19, 2025, the Department's OIG filed a hearing request alleging that Respondent intentionally failed to report changes in his income and as a result received FAP benefits from January 1, 2021 to May 31, 2021 (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.
 12. 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

Department policies are contained in the Department's Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), Emergency Relief Manual (ERM), 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

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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.

The Department alleges Respondent committed an IPV because he intentionally failed to report changes to his income as required by FAP. Respondent has no prior IPVs, and the Department requested that Respondent be disqualified from receiving FAP benefits for a period of 12 months for this first IPV.

Intentional Program Violation

An IPV occurs when a recipient of the Department benefits intentionally made a false or misleading statement, or misrepresented, concealed, or withheld facts. 7 CFR 273.16(c)(1); BAM 720 (June 2024), p. 1. Effective October 1, 2014, the Department'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, pp. 7 – 8.

To establish an IPV, the Department must present clear and convincing evidence that Respondent intentionally made a false or misleading statement, or hid, misrepresented or withheld facts on purpose to receive, or continue to receive, benefits Respondent was not eligible to receive. 7 CFR 273.16(e)(6); BAM 720, pp. 1 – 2. 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, Department 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 the reporting responsibilities. BAM 720, p. 2.

Income changes must be reported by the client within 10 days of receiving the first payment reflecting the change. BAM 105 (July 2020), pp. 11 – 12. In this case, the Department alleges that Respondent committed an IPV when he failed to timely report to the Department when he became employed and began receiving income.

The evidence established that:

- a) On September 22, 2020, Respondent completed a redetermination application for FAP benefits and reported that he had no income,

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- b) On September 28, 2020, the Department sent Respondent a NOCA that approved him for benefits based on ■ income and reminded him of his responsibility to report changes in his income to the Department within 10 days,
 - c) Less than 30 days later, Respondent had been hired by Employer and received his first paycheck, and
 - d) There was no evidence that Respondent reported his employment or income to the Department.

In sum, the evidence established that Respondent began working and receiving income within weeks of completing his redetermination application, and though he was informed of his responsibility to report changes in his income to the Department, he failed to do so.

Despite notice of the hearing having been mailed to Respondent at his last known address, he did not appear at the hearing to dispute the Department's testimony or evidence. Thus, the Department established by clear and convincing evidence that Respondent intentionally failed to report his income in order to receive, or continue to receive, benefits he was not eligible to receive. Therefore, the Department has established 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, pp. 11 – 12.

As discussed above, the Department has established by clear and convincing evidence that Respondent committed an IPV. Respondent did not have any prior IPV's. Therefore, Respondent is subject to a 12-month disqualification from receipt of FAP benefits.

Overpayment

When a client group receives more benefits than entitled to receive, the Department must attempt to recoup the OP as a recipient claim. 7 CFR 273.18(a)(2); BAM 700 (June 2024), p. 1. The amount of a FAP 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; BAM 705 (June 2024), p. 5. In this case, a FAP OP amount was previously established by the Department and was not at issue.

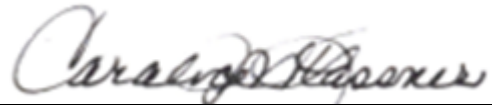
DECISION AND ORDER

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. The Department established by clear and convincing evidence that Respondent committed an IPV of FAP.
 2. Respondent is subject to a 12-month disqualification from FAP.
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IT IS ORDERED that Respondent be personally disqualified from FAP for a period of 12 months.



CARALYCE M. LASSNER
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
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LANSING, MI 48909-7562
MDHHS-OIG-HEARINGS@MICHIGAN.GOV

Via First Class Mail:

Respondent
