



Date Mailed: August 1, 2025
Docket No.: 25-006886
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
lutem, kini dikë ta përktheni dokumentin.

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GENERAL (OIG)

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. John Bower, 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 55-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 April 11, 2023, the Department received a completed application for FAP benefits and a Change Report from Respondent. Respondent reported that she lost employment with Target and had no income. Respondent certified that she understood that she must report any changes in her circumstances to the Department. (Exhibit A, pp. 9 – 17).
2. On May 1, 2023, Respondent was hired by [REDACTED] (Employer). (Exhibit A, p. 18).
3. On May 3, 2023, the Department sent Petitioner a Notice of Case Action (NOCA) that approved her for FAP benefits of [REDACTED] per month for a one-person FAP group,

prorated from April 11, 2023, based on [REDACTED] earned or unearned income and reminded her of her responsibility to report changes in her income to the Department within 10 days. The Department included a blank Change Report form with the NOCA.

4. On May 11, 2023, Respondent received her first bi-weekly paycheck from Employer. She continued to receive weekly paychecks from Employer until at least December 7, 2023. (Exhibit A, pp. 35 – 36).
5. On November 10, 2023, the Department received a Federally Facilitated Marketplace Application Transfer of an application Respondent submitted to the health insurance marketplace. Respondent reported on that application that she was employed by Employer and started on May 1, 2023. (Exhibit A, pp. 20 – 29).
6. Respondent was aware of the responsibility to report changes in her income to the Department within 10 days. (Exhibit A, p. 32, Serial No. 12).
7. Respondent is not known to have had an apparent physical or mental impairment that would have limited her understanding or ability to accurately report changes in her income to the Department within 10 days. (Exhibit A, p. 11).
8. Respondent has no prior FAP IPV disqualifications.
9. From July 1, 2023 to November 30, 2023, Respondent received [REDACTED] in ongoing FAP benefits. (Exhibit A, p. 34).
10. On February 7, 2024, the Department established that Respondent received an overpayment (OP) of FAP benefits from July 1, 2023 to November 30, 2023, in the amount of [REDACTED] (Exhibit A, p. 52).
11. On February 20, 2025, the Department's OIG filed a hearing request alleging that Respondent intentionally failed to report changes in her income and as a result received FAP benefits from July 1, 2023 to November 30, 2023 (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).

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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.

The Department alleges Respondent committed an IPV because she intentionally failed to report changes to her income as required by FAP. Respondent has no prior IPV's, 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 (April 2023), pp. 11 – 12. In this case, the Department alleges that Respondent committed an IPV when she failed to timely report to the Department when she became employed and began receiving income.

The evidence established that:

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- a) On April 11, 2023, Respondent completed an application for FAP benefits and reported that she was unemployed,
 - b) Less than three weeks later, on May 1, 2023, Respondent was hired by Employer,
 - c) One month after she applied for FAP benefits, Respondent received her first paycheck from Employer, and
 - d) Respondent was aware of her responsibility to, and how to, report changes in her employment and income to the Department.

There was no evidence that Respondent reported her employment or income to the Department within 10 days. (Exhibit A, p. 31, Serial No. 39 – 42). The Department also credibly testified that a NOCA was issued to Respondent on May 3, 2023, which was two days after she was hired by Employer, that notified her that she was approved for FAP benefits effective April 11, 2023, reminded her of her reporting responsibilities, and included a blank Change Report form.

In sum, the evidence established that Respondent began working and receiving income within weeks of being approved for FAP benefits based on [REDACTED] income, that Respondent knew how to report changes and was reminded of her responsibility to do so within days of being hired by Employer; and she failed to do so. Despite notice of the hearing having been mailed to Respondent at her last known address, she 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 her income in order to receive, or continue to receive, benefits she 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 they are 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

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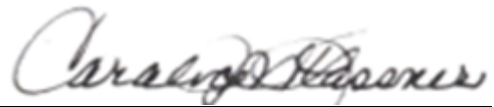
actually received minus the amount the client was eligible to receive. 7 CFR 273.18(c)(1); BAM 720, p. 8; BAM 715 (June 2024), pp. 4 – 6; BAM 705 (June 2024), p. 5. In this case, a FAP OP amount was previously established by the Department and was not at issue.

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:

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.

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:

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Via First Class Mail:

Respondent
