



Date Mailed: August [REDACTED], 2025
Docket No.: 25-008190
Case No.: [REDACTED]
Petitioner: OFFICE OF INSPECTOR
GENERAL (OIG)

[REDACTED]
[REDACTED]

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

Este es un documento legal importante. Por favor,
que alguien traduzca el documento.

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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 15, 2025. Ryan Sevenski, Regulation Agent with the Office of Inspector General (OIG), represented MDHHS. Respondent appeared and represented herself.

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 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 29, 2021, Respondent submitted an Assistance Application for FAP to the Department for a household size of three. Respondent's household included herself, her living together partner [REDACTED], and their minor son. In the application, Respondent reported that she was a victim of domestic violence. Respondent also reported a lack of childcare and reported employment for [REDACTED] at [REDACTED] (Employer). Respondent's signature on the application certified that she read and understood the rights and responsibilities. Those rights and responsibilities include providing accurate information and timely reporting of changes. Exhibit A, pp. 6-11.
2. On October 13, 2021, the Department sent Respondent a Notice of Case Action informing her that she was approved for FAP benefits in the amount of [REDACTED] for October 1, 2021 to October 31, 2021; and [REDACTED] per month effective November 1,

2021 to September 30, 2022, for a household size of three. The Notice included a Budget Summary which indicated Respondent's household income as [REDACTED]. The Notice also informed Respondent of her reporting responsibility as a simplified reporter (SR), including the requirement to report any changes in income that exceed the SR income limit of [REDACTED] for a household size of three. As a SR, Respondent was required to report changes by the 10th day of the month following the income increase. Exhibit A, pp. 12-18.

3. On March 22, 2022, Respondent submitted a FAP Redetermination to the Department. Respondent included herself, [REDACTED], and their minor son on the redetermination. Respondent indicated that [REDACTED] was still employed with Employer and reported no changes. Exhibit A, pp. 19-20.
4. Based on a MDHHS-5586, Earnings Request, Respondent began working for [REDACTED] (Employer 2) on November 1, 2021, and received her first paycheck on November 11, 2021. Respondent's employment with Employer 2 ended on April 15, 2022. Respondent had earnings from Employer 2, when coupled with [REDACTED] earnings, that were above the SR income reporting limit for her household during the alleged fraud period. Exhibit A, pp. 24-67.
5. Based on a MDHHS-5586, Earnings Request, [REDACTED] began working for Employer 2 on November 1, 2021, and received his first paycheck on November 11, 2021. [REDACTED] employment with Employer 2 ended on February 19, 2022. [REDACTED] had earnings from Employer 2, when coupled with Respondent's earnings, that were above the SR income reporting limit for Respondent's household during the alleged fraud period. Exhibit A, pp. 24-67.
6. On February 22, 2024, MDHHS' OIG received a fraud referral from an overpayment establishment analyst from the Department. The fraud referral alleged that Respondent failed to report household employment income as required and this resulted in an OP of FAP benefits in the amount of [REDACTED]. The Department indicated that the FAP OP was already established, and due process was provided to Respondent regarding the OP. Exhibit A, p. 3.
7. Respondent was aware of her responsibility to report employment and income changes to the Department.
8. Respondent has no prior FAP IPV disqualifications.
9. On February 28, 2025, MDHHS' OIG filed a hearing request alleging that Respondent intentionally failed to report household employment income changes to the Department and as a result received FAP benefits from December 1, 2021 to February 28, 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.

10. 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

MDHHS alleges that Respondent committed an IPV and should be disqualified from receipt of FAP. 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 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. 1.

In this case, the Department alleged that Respondent committed an IPV when she failed to report Spouse's employment and income to the Department, which resulted in her household receiving FAP benefits from December 1, 2021, to February 28, 2022,

that she was ineligible to receive. The Department is requesting that Respondent be disqualified from receiving FAP benefits for a period of 12 months.

At the hearing, Respondent credibly testified that during the IPV period, she was experiencing domestic violence, was living separately from [REDACTED], and had no knowledge of his income. She explained that due to the abuse and estrangement, she had no communication with him and no access to his financial information. Although both Respondent and [REDACTED] were employed by Employer 2 during the alleged fraud period, Respondent credibly testified that they worked in different areas; and the paystubs submitted show their earnings were direct deposited into separate accounts.

As discussed above, the Department bears the burden of proving by clear and convincing evidence that the Respondent intentionally withheld or misrepresented information to establish or maintain eligibility for benefits. Department policy further acknowledges that domestic violence can limit a household member's ability to obtain and report information, and that such circumstances may constitute good cause for noncompliance with reporting requirements.

While there is no FAP-specific section of BAM or BEM that plainly states that domestic violence provides good cause for non-reporting, Department policy at BAM 720 requires clear and convincing evidence of intentional misrepresentation. Credible testimony of domestic violence, separation, and lack of information access may reasonably undermine intent.

The Department presented no evidence to show Respondent actually knew, or reasonably should have known, about [REDACTED] income during the alleged fraud period. Given the unrefuted domestic violence circumstances and the lack of evidence of intent, the Department has not met its burden of proof; and an IPV cannot be sustained. Therefore, the Department has not 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, the Department has not established by clear and convincing evidence that Respondent committed an IPV. Therefore, Respondent is not subject to a 12-month disqualification from receipt of FAP benefits.

Overpayment

When a client group receives more benefits than entitled to receive, MDHHS 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;

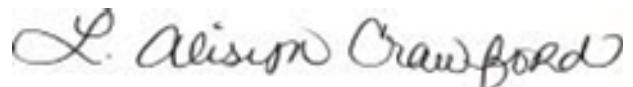
BAM 715 (June 2024), pp. 4-6. In this case, the FAP OP was previously established by the Department and was not at issue in this case.

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 not established by clear and convincing evidence that Respondent committed an IPV.
2. Respondent is not subject to a 12-month disqualification from FAP.

IT IS ORDERED that the Departments request that Respondent be personally disqualified from FAP for a period of 12 months is **DENIED**.



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]

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