



**Date Mailed:** August [REDACTED], 2025  
**Docket No.:** 25-008198  
**Case No.:** [REDACTED]  
**Petitioner:** OFFICE OF INSPECTOR  
GENERAL (OIG)

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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ  
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Ky është një dokument ligjor i rëndësishëm. Ju  
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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 16, 2025. Thomas Lilienthal, 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 May 1, 2022 to October 31, 2022 (fraud period), Respondent received FAP benefits subject to recoupment. (Exhibit A, pp. 60-61)
2. On April 4, 2020, Respondent submitted an Assistance Application for FAP and other benefits. Respondent reported a household composition of herself, spouse, and daughter. No household income was reported. (Exhibit A, pp. 10-17)
3. On December 7, 2021, Respondent submitted a Renew Benefits form for the FAP case. No income was reported. (Exhibit A, pp. 18-19)

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4. On January 7, 2022, an interview was completed with Respondent who reported there was no household income. The rights and responsibilities were explained. (Exhibit A, pp. 20-22)
  5. On February 3, 2022, Respondent submitted a change request to the Department stating she started employment with [REDACTED] on February 2, 2022, working 25 hours per week, earning [REDACTED] per hour, and her first pay would be on February 18, 2022. (Exhibit A, p. 54)
  6. On February 7, 2022, an employment verification was submitted to the Department indicating Respondent started employment with [REDACTED] on February 2, 2022, and her first paycheck would be February 18, 2022. It appears the employer indicated Respondent would be earning [REDACTED] per hour and the number of hours would vary. (Exhibit A, pp. 28-29)
  7. On February 7, 2022, the Department sent another employment verification form to [REDACTED] by email at [REDACTED] (Exhibit A, p. 54)
  8. On February 7, 2022, a Notice of Case Action was issued to Respondent approving FAP benefits for the household of three. A budget summary was included showing earned income of [REDACTED] was included in the FAP budget. (Exhibit A, pp. 23-27)
  9. The February 7, 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 10<sup>th</sup> day of the following month. (Exhibit A, pp. 24-25)
  10. On July 28, 2022, Respondent submitted a Semi-Annual Contact Report for her household's FAP benefits. Respondent reported that the household income from employment had not changed by more than [REDACTED] from [REDACTED]. (Exhibit A, pp. 30-32)
  11. On October 4, 2022, the Department received an application for other benefits for Respondent's household. It was reported that Respondent had the only income in the household. (Exhibit A, p. 53)
  12. On October 6, 2022, the Department ran a consolidated inquiry report, which showed that Respondent's spouse had income from employment with [REDACTED]. (Exhibit A, p. 53)
  13. During an October 12, 2022 contact, Respondent reported her spouse was no longer working; but she would try to get verification of the income from when he was working. (Exhibit A, p. 52)

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14. On October 14, 2022, the Department processed the verification, which indicated Respondent's spouse started having employment income in June 2022. (Exhibit A, p. 52)
  15. On October 15, 2022, Respondent submitted an Assistance Application for FAP and other benefits. Respondent reported a household composition of herself, spouse, and daughter. Respondent reported her income from employment with [REDACTED] was [REDACTED] every two weeks. It was also noted that Respondent's spouse was no longer employed. (Exhibit A, pp. 33-41)
  16. Respondent's signature on the Assistance Applications and Renew Benefits form certified that she was aware of the rights and responsibilities. This would include providing accurate information and timely reporting changes. (Exhibit A, pp. 4, 17, 19, and 40-41)
  17. A report from The Work Number documented Respondent's spouse's earnings from employment with [REDACTED] from March 21, 2022 to December 19, 2022. (Exhibit A, pp. 57-59)
  18. Respondent's household exceeded the simplified reporting limit starting in March 2022. (Exhibit A, pp. 62-74)
  19. The FAP debt has been established by the Department. (Exhibit A, pp. 1 and 75-76)
  20. Respondent was aware of the responsibility to report when household income exceeded the simplified reporting limit. (Exhibit A, pp. 24-25)
  21. Respondent did not have an apparent physical or mental impairment that would limit the ability to understand or fulfill the change reporting requirements. (Exhibit A, pp. 14 and 36)
  22. Respondent has no prior FAP IPV disqualifications. (Exhibit A, pp. 77-79)
  23. On March 3, 2025, MDHHS' OIG filed a hearing request alleging that Respondent intentionally failed to timely report when the household exceeded their simplified reporting limit and as a result, received FAP benefits from May 1, 2022 to October 31, 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. 1-82)
  24. 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.

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## **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 and Disqualification**

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 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 understanding or fulfill these reporting responsibilities. BAM 720, p. 2.

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In this case, MDHHS alleges that Respondent committed an IPV based on failing to timely report when the household exceeded their simplified reporting limit resulting in receiving a greater amount of FAP benefits from May 1, 2022 to October 31, 2022 (fraud period) than Respondent was eligible to receive.

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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). 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 (October 1, 2021), 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, October 1, 2021, 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 accurately and timely report household income. Respondent's signature on the Assistance Applications and Renew Benefits form certified that she was aware of the rights and responsibilities. This would include providing accurate information and timely reporting changes. (Exhibit A, pp. 4, 17, 19, and 40-41). The 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 the listed simplified reporting limit. A change in income over this amount was to be reported by the 10<sup>th</sup> day of the following month. (Exhibit A, pp. 24-25). Respondent did not have an apparent physical or mental impairment that would limit the ability to understand or fulfill the change reporting requirements. (Exhibit A, pp. 14 and 36).

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On April 4, 2020, Respondent submitted an Assistance Application for FAP and other benefits. Respondent reported a household composition of herself, spouse, and daughter. No household income was reported. (Exhibit A, pp. 10-17).

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On December 7, 2021, Respondent submitted a Renew Benefits form for the FAP case. No income was reported. (Exhibit A, pp. 18-19). On January 7, 2022, an interview was completed with Respondent who reported there was no household income. (Exhibit A, pp. 20-22).

On February 3, 2022, Respondent submitted a change request to the Department stating she started employment with [REDACTED] on February 2, 2022, working 25 hours per week, earning [REDACTED] per hour, and her first pay would be on February 18, 2022. (Exhibit A, p. 54). On February 7, 2022, an employment verification was submitted to the Department indicating Respondent started employment with [REDACTED] on February 2, 2022, and her first paycheck would be February 18, 2022. It appears the employer indicated Respondent would be earning [REDACTED] per hour and the number of hours would vary. (Exhibit A, pp. 28-29). On February 7, 2022, the Department sent another employment verification form to [REDACTED] by email at [REDACTED] (Exhibit A, p. 54). On February 7, 2022, a Notice of Case Action was issued to Respondent approving FAP benefits for the household of three. A budget summary was included showing earned income of [REDACTED] was included in the FAP budget. (Exhibit A, pp. 23-27). The February 7, 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 10<sup>th</sup> day of the following month. (Exhibit A, pp. 24-25).

On July 28, 2022, Respondent submitted a Semi-Annual Contact Report for her household's FAP benefits. Respondent reported that the household income from employment had not changed by more than [REDACTED] from [REDACTED]. (Exhibit A, pp. 30-32).

On October 4, 2022, the Department received an application for other benefits for Respondent's household. It was reported that Respondent had the only income in the household. (Exhibit A, p. 53). On October 6, 2022, the Department ran a consolidated inquiry report, which showed that Respondent's spouse had income from employment with [REDACTED] (Exhibit A, p. 53). During an October 12, 2022 contact, Respondent reported her spouse was no longer working; but she would try to get verification of the income from when he was working. (Exhibit A, p. 52). On October 14, 2022, the Department processed the verification, which indicated Respondent's spouse started having employment income in June 2022. (Exhibit A, p. 52). On October 15, 2022, Respondent submitted an Assistance Application for FAP and other benefits. Respondent reported a household composition of herself, spouse, and daughter. Respondent reported her income from employment with [REDACTED] was [REDACTED].

every two weeks. It was also noted that Respondent's spouse was no longer employed. (Exhibit A, pp. 33-41).

However, a report from The Work Number documented Respondent's spouse's earnings from employment with [REDACTED] from March 21, 2022 to December 19, 2022. (Exhibit A, pp. 57-59). Respondent's household exceeded the simplified reporting limit starting in March 2022. (Exhibit A, pp. 62-74). There was no evidence that Respondent timely reported when the household began exceeding the simplified reporting limit. The Department determined that the failure to timely report when the household income began exceeding the simplified reporting limit resulted in an overpayment of FAP benefits. (Exhibit A, pp. 62-74).

The evidence establishes that Respondent failed to report when the household income exceeded the simplified reporting limit, as required by policy. Respondent's failure to timely report when the household income exceeded the simplified reporting limit 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, pp. 77-79). 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:

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*

**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](http://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](mailto: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

**Via Electronic Mail:**

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

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.

25-008198

**Via First Class Mail:**

**Respondent**

[REDACTED]

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