



**Date Mailed:** July [REDACTED], 2025

**Docket No.:** 25-008507

**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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### **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 July 14, 2025. Gretchen Heinrich, Regulation Agent of the Office of Inspector General (OIG), represented the Department. Chloe Gilbert, Regulation Agent of the OIG was also present for observation purposes. 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 39-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 May 4, 2021, the Department received a completed application for FAP benefits from Respondent for himself. Respondent reported that he was not employed and had no income. (Exhibit A, pp. 7 – 11).
2. On May 4, 2021, the Department sent Respondent a Notice of Case Action (NOCA) that approved Respondent for FAP benefits of [REDACTED] per month for a one-person FAP group, based on [REDACTED] in earned or unearned income, prorated from May 4, 2021. The NOCA informed Respondent of his responsibility to report changes in

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income to the Department within 10 days and included a blank Change Report form. (Exhibit A, pp. 12 – 19).

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3. On August 11, 2021, Respondent was hired by [REDACTED] (Employer). (Exhibit A, p. 22).
4. On August 27, 2021, Respondent received his first bi-weekly paycheck from Employer. Respondent remained employed by Employer until January 11, 2022. (Exhibit A, pp. 22 – 23).
5. On February 8, 2022, the Department received a wage match report regarding Respondent's employment with Employer. (Exhibit A, p. 20).
6. From October 1, 2021 to December 31, 2021, Respondent received [REDACTED] in FAP benefits and Emergency Allotments (EA). (Exhibit A, p. 24).
7. Respondent was aware of the responsibility to report changes in income to the Department within 10 days. (Exhibit A, pp. 16 – 19).
8. 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. (Exhibit A, p. 9).
9. Respondent has no prior FAP IPV disqualifications.
10. On February 22, 2024, the Department established that Respondent received an overpayment (OP) of FAP benefits and EA in the amount of [REDACTED]. (Exhibit A, pp. 38 – 39).
11. On March 5, 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 October 1, 2021 to December 31, 2021 (fraud period) that he 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 US Post Office 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)

25-008507

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 he intentionally failed to report changes in his income within ten days 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 report to the Department when he was hired by Employer and began receiving income.

The evidence established that:

- a) In May 2021, Respondent completed the application process for ongoing FAP benefits, was approved for FAP benefits based on ■■■ in earned or unearned

25-008507

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income, and was instructed to report any changes in the household's income to the Department within 10 days,

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- b) Three months later, in August 2021, Respondent was hired by Employer and began receiving income from employment, and
- c) Respondent continued to receive income from Employer until at least December 31, 2021.

There was no evidence that Respondent reported his change in income to the Department during the alleged fraud period, and the Department credibly testified that Respondent's employment and income was discovered through a wage match it received in February 2022. 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.

Based on the totality of the evidence, the Department clearly and convincingly established that Respondent intentionally failed to report the changes in his income for the purpose of receiving, or continuing to receive, FAP benefits Respondent 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.

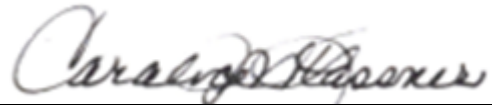
## **DECISION AND ORDER**

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:

25-008507

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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.



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**CARALYCE M. LASSNER**  
**ADMINISTRATIVE LAW JUDGE**

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**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](https://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  
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)

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**Via First Class Mail:**

**Respondent**

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25-008507