



Date Mailed: August 1, 2025
Docket No.: 25-008656
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 July 14, 2025. Gretchen Heinrich, 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 65-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 March 15, 2023, the Department received a completed application for FAP benefits from Respondent for herself and three children (Children). Respondent reported that she was employed by [REDACTED] (Employer) 40 hours per week and earned [REDACTED] per week, and that she received a total of [REDACTED] in child support per week. Respondent reported that her total income was [REDACTED] (Exhibit A, pp. 8 – 15).
2. On March 29, 2023, the Department sent Respondent a Notice of Case Action (NOCA) that approved Respondent for FAP benefits of [REDACTED] per month for a four-person FAP group, effective April 1, 2023. The NOCA reflected Respondent's FAP approval was based on [REDACTED] earned income and [REDACTED] unearned income; for total gross income of [REDACTED]. The NOCA further informed Respondent that she

was a SR and required to report to the Department when her gross monthly income exceeded [REDACTED] for the prior calendar month. (Exhibit A, pp. 16 – 21).

3. On April 26, 2023, the Department removed Respondent from the FAP group for failure to cooperate with child support requirements and sent her a revised NOCA that approved the group for FAP benefits of [REDACTED] per month for a three-person FAP group that excluded Respondent. The NOCA reflected that Respondent's FAP approval was based on [REDACTED] earned income and [REDACTED] in unearned income; for total gross income of [REDACTED]. (Exhibit A, pp. 24 – 28).
4. On September 30, 2023, the Department received a FAP renewal from Respondent. Respondent reported that she remained employed by Employer and continued to receive child support income. (Exhibit A, pp. 29 – 30).
5. On October 16, 2023, the Department received a wage match regarding Respondent's employment with Employer and her gross quarterly earnings for the period of April to June 2023. (Exhibit A, p. 31).
6. From June 1, 2023 to December 31, 2023, Respondent received [REDACTED] in FAP benefits. (Exhibit A, p. 36).
7. Respondent was informed of the responsibility to report to the Department when her gross monthly income increased and exceeded the [REDACTED] SR limit. (Exhibit A, pp. 18 – 19).
8. Respondent is not known to have an apparent physical or mental impairment that would limit the understanding or ability to report information to the Department as required. (Exhibit A, p. 11).
9. Respondent has no prior FAP IPV disqualifications.
10. On March 5, 2024, the Department established that Respondent received a FAP OP in the amount of [REDACTED] from June 1, 2023 to December 31, 2023, due to client error. (Exhibit A, p. 65).
11. On March 6, 2025, the Department's OIG filed a hearing request alleging that Respondent intentionally failed to report when her income exceeded the SR limit and as a result received FAP benefits from June 1, 2023 to December 31, 2023 (fraud period), that she was ineligible to receive. The Department 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 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 failed to report to the Department when her gross income exceeded the SR limit. 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 the household member committed, and intended to commit, the IPV. 7 CFR 273.16(e)(4), (e)(6); BAM 720, p. 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).

FAP groups designated as SR are required to report when the group's actual gross monthly income of the prior month exceeds the SR income limit for their group size. BAM 200 (October 2022), p. 1. However, for an IPV based on inaccurate reporting,

Department policy also requires that the individual was clearly and correctly instructed regarding their reporting responsibilities. BAM 720, p. 1.

In this case, the Department alleged that Respondent committed an IPV when she failed to report to the Department when her gross income exceeded the SR limit. In support of its allegation, the Department introduced Respondent's March 15, 2023 application, a NOCA issued to her on March 29, 2023, a NOCA issued to her on April 26, 2023, and a FAP renewal application submitted by Respondent on September 30, 2023.

However, a review of the Department's evidence established that on March 29, 2023:

- a) Respondent disclosed her employment and child support income on her application, and reported that she had household income of [REDACTED],
- b) The Department budgeted Respondent's total household income as [REDACTED], yet
- c) The Department notified Respondent that she was a SR and required to report only when she had "an increase in income (earned or unearned)" and her "household's gross income [was] now over the [REDACTED] limit...."

(Exhibit A, p. 18). Additionally, there was no evidence that Respondent reported a change in her income to the Department between the March 29, 2023 NOCA and the April 26, 2023 NOCA; and the Department did not explain why it reduced her budgeted income on the April 26, 2023 NOCA.

In sum, the evidence established that (i) Respondent's reported household income exceeded the SR limit by over [REDACTED], and (ii) the total amount originally budgeted by the Department exceeded the SR limit by over [REDACTED]. However, the Department did not clearly explain how Respondent was clearly and correctly instructed regarding her reporting responsibilities when she was advised to report when her income increased to an amount over SR limit and Respondent's income already exceeded that amount.

There was no evidence that Respondent intentionally or affirmatively withheld or misrepresented any information regarding her total gross monthly income during the alleged fraud period. To the contrary, the evidence established that Respondent accurately reported her employment and child support income to the Department. Thus, the Department did not establish by clear and convincing evidence that Respondent failed to report her income to the Department or took any other action for the purpose of maintaining, or preventing reduction of, FAP benefits or eligibility. Therefore, the Department did not establish 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 did not establish 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

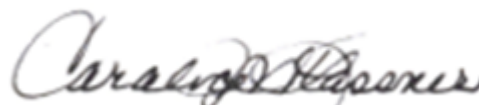
When a client group receives more benefits than entitled to receive, the Department must attempt to recoup the OP as a recipient claim. 7 CFR 273.18(a)(2); BAM 700 (June 2024), p. 1. The amount of a FAP OP is the benefit amount the client actually received minus the amount the client was eligible to 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:

1. The Department has not established by clear and convincing evidence that Respondent committed an IPV of FAP.
2. Respondent is not subject to a 12 month disqualification from FAP.

IT IS ORDERED that the Department's request to disqualify Respondent from FAP is **DENIED**.



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

[REDACTED]