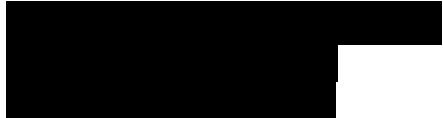




Date Mailed: August [REDACTED], 2025
Docket No.: 25-012502
Case No.: [REDACTED]
Petitioner: OFFICE OF INSPECTOR
GENERAL (OIG)



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هذه وثيقة قانونية مهمة. يرجى أن يكون هناك شخص ما يترجم المستند.

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

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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 (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 31, 2025. Walter Broadworth, Regulation Agent of the Office of Inspector General (OIG), represented the Department. Respondent appeared and represented herself.

The Department's 64-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 August 26, 2021, the Department received a completed application for FAP benefits from Respondent for herself; her partner, [REDACTED]; and their daughter, [REDACTED] (Child). Respondent reported that she and [REDACTED] were unemployed, had no income, [REDACTED] planned to be employed within one to two months, and she would report when he started employment. (Exhibit A, pp. 8 – 13).
2. On September 1, 2021, the Department sent Respondent a Notice of Case Action (NOCA) that approved Respondent for FAP benefits of [REDACTED] per month for a three-person FAP group, based on [REDACTED] in earned or unearned income, prorated from August 26, 2021. The NOCA informed Respondent of her responsibility to report

changes in income to the Department within 10 days and included a blank Change Report form. (Exhibit A, pp. 14 – 21).

3. On February 11, 2022, [REDACTED] began working for [REDACTED] (Employer). (Exhibit A, p. 24).
4. On February 25, 2022, [REDACTED] received his first weekly paycheck from Employer. [REDACTED] remained employed by Employer until September 3, 2022. (Exhibit A, pp. 23 – 50).
5. On July 21, 2022, Respondent reported [REDACTED]s employment with Employer to the Department during a redetermination process. Respondent also acknowledged previously unreported earnings and employment for [REDACTED] with [REDACTED]; and for herself with [REDACTED] (Exhibit A, p. 22).
6. Respondent was aware of the responsibility to report changes in income to the Department within 10 days. (Exhibit A, pp. 13, 18 – 21).
7. Respondent is not known to have had an apparent physical or mental impairment that would have limited her understanding or ability to report changes in her household income to the Department within 10 days. (Exhibit A, p. 11).
8. Respondent has no prior FAP IPV disqualifications.
9. From April 1, 2022 to July 31, 2022, Respondent received [REDACTED] in FAP benefits and Emergency Allotments (EA). (Exhibit A, pp. 61 – 62).
10. On April 9, 2024, the Department established that Respondent received an overpayment (OP) of FAP benefits and EA from April 1, 2022 to July 31, 2022, in the amount of [REDACTED]. (Exhibit A, p. 60).
11. On April 7, 2025, the Department's OIG filed a hearing request alleging that Respondent intentionally failed to report changes in her household income and as a result received FAP benefits from April 1, 2022 to July 31, 2022 (fraud period), that she 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.

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 intentionally failed to report changes in her household 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 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, Department policy also requires that the individual was clearly and correctly instructed regarding the reporting responsibilities and had or 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 (August 2021), pp. 11 – 12. In this case, the Department alleges that Respondent committed an IPV when she failed to report to the Department when [REDACTED] was hired by Employer and began receiving income.

The evidence established that:

- a) On August 26, 2021, Respondent completed an application for FAP benefits and, in the section available for the client to provide any additional information,

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affirmatively stated she would notify the Department as soon as [REDACTED] obtained employment,

- b) On September 1, 2021, Respondent was approved for FAP benefits for a three-person FAP group based on [REDACTED] in earned or unearned income, and was instructed to report any changes in the household's income to the Department within 10 days,
- c) In the fourth quarter of 2021 and first quarter of 2022, [REDACTED] was employed and received income from ST, which Respondent did not report to the Department (Exhibit A, p. 22),
- d) On February 11, 2022, [REDACTED] was hired by Employer,
- e) On February 25, 2022, [REDACTED] received his first weekly paycheck from Employer in the gross amount of [REDACTED] (Exhibit A, p. 26),
- f) From March 4, 2022 through July 31, 2022, [REDACTED]'s employment with Employer continued; and his lowest gross pay during that period was [REDACTED] on March 25, 2022 (Exhibit A, p. 30), and
- g) On or about July 21, 2022, Respondent reported [REDACTED]'s employment and income from Employer to the Department during a redetermination process.

There was no dispute that [REDACTED] also worked for MWS for a brief period between September 2021 and early 2022, and that Respondent worked for ABC in early 2022. (Exhibit A, p. 22).

Although Respondent testified that she forgot to report her own employment with [REDACTED], and [REDACTED]'s employment with Employer, she also testified that she chose not to report [REDACTED]'s employment with [REDACTED] or [REDACTED], explaining that she didn't do so because she wanted to make sure he was going to stay with those employers. Respondent's acknowledgment that she decided not to report [REDACTED]'s employment with [REDACTED] or [REDACTED], raised a question regarding the credibility of her testimony that she forgot to report her own or [REDACTED]'s employment and income. Additionally, Respondent's reporting responsibilities required her to report changes in the household income within 10 days of receiving the first paycheck from any income source, regardless of the length of employment.

Based the number of unreported employers for both Respondent and [REDACTED] from the date of the September 1, 2021, NOCA through the fraud period, the Department did establish by clear and convincing evidence that Respondent intentionally failed to report the changes in her household 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

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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 IPVs. Therefore, Respondent is subject to a 12-month disqualification from receipt of FAP benefits.

Overpayment

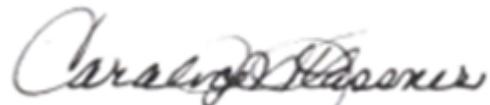
When a client group receives more benefits than entitled to receive, the Department must attempt to recoup the OP as a recipient claim. 7 CFR 273.18(a)(2); BAM 700 (June 2024), p. 1. The amount of a FAP OP is the benefit amount the client actually received minus the amount the client was eligible to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

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:

Petitioner

OFFICE OF INSPECTOR GENERAL (OIG)

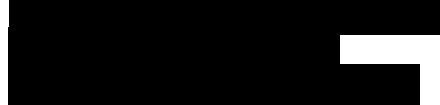
PO BOX 30062

LANSING, MI 48909-7562

MDHHS-OIG-HEARINGS@MICHIGAN.GOV

Via First Class Mail:

Respondent

A large black rectangular redaction box covers the mailing address for the respondent.