



Date Mailed: August [REDACTED], 2025
Docket No.: 25-013149
Case No.: [REDACTED]
Petitioner: OFFICE OF INSPECTOR
GENERAL (OIG)

[REDACTED]

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

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que alguien traduzca el documento.

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
litem, kini dikë ta përktheni dokumentin.

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HEARING DECISION
FOR INTENTIONAL PROGRAM VIOLATION (TRAFFICKING)

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) by trafficking Food Assistance Program (FAP) benefits. Pursuant to MDHHS' request for hearing and MCL 400.9, 7 CFR 273.16 and 7 CFR 273.18, this matter is before the undersigned Administrative Law Judge. After due notice, a hearing was held via telephone conference on July 31, 2025. Joseph Adcock, 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).

ISSUES

1. Did MDHHS establish, by clear and convincing evidence, that Respondent committed an intentional program violation (IPV) by trafficking Food Assistance Program (FAP) benefits?
2. Should Respondent be disqualified from receiving FAP benefits?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Respondent never submitted a Michigan based FAP application and had not been apprised of program rules or requirements.
2. MDHHS is not aware of a physical or mental impairment for Respondent.
3. Michigan State Police conducted an investigation involving a scheme for Electronic Benefit Transfer (EBT) fraud involving victims from California whose EBT benefits were used at Sam's Club and Kroger in Michigan.
4. Respondent's name was used for the billing address of a Sam's Club Membership account under the name [REDACTED]

5. An African American male was seen using the [REDACTED] Sam's Club membership at multiple Sam's Club warehouses throughout southeast Michigan while also using the California victims EBT benefits. In several instances, the same individual was seen getting into a black Buick and leaving Sam's Club. The license plate number attached to the vehicle was redacted from the police report but is alleged to be registered to Respondent using a different address than that identified with the Sam's Club Membership account information.
6. The phone number associated with Respondent on the Sam's Club Membership is also associated with a public records search with Respondent's name as well as police reports in Livonia, Southfield, and Farmington Hills, Michigan.
7. After receiving additional complaints that California EBT benefits were being used at Kroger, police confirmed that the same California EBT accounts used at Sam's Club were being used at Kroger on the same day in Michigan.
8. Respondent's cell phone pinged off of the cell phone towers closest to Sam's Club around the times of the transactions for the Utica, Southfield, and Madison Heights Sam's Club Warehouses.
9. The California EBT benefits used in these transactions at Sam's Club and Kroger totaled over [REDACTED]
10. Respondent has no prior FAP IPV disqualifications.
11. On April 16, 2025, MDHHS' OIG filed a hearing request alleging that Respondent intentionally trafficked FAP benefits from August 6, 2023 through August 18, 2023 (fraud period). OIG requested that Respondent be disqualified from receiving FAP benefit for a period of 12 months due to committing an IPV by trafficking.
12. A notice of hearing was mailed to Respondent at the last known address and was 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), 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 400.3015.

As a preliminary matter, after the current hearing was scheduled, the Michigan Office of Administrative Hearings and Rules (MOAHR) mailed Respondent the Notice of Disqualification Hearing (Notice) via first class mail at the address identified by the Department as Respondent's address. Before the hearing, the Notice was returned to MOAHR by the United States Postal Service as undeliverable. At the hearing, the Department testified that after conducting an address search that no better alternative address could be located. When notice of a FAP IPV hearing is sent using first class mail and is returned as undeliverable, the hearing may still be held. 7 CFR 273.16(e)(3); BAM 720, p. 12. Under the circumstances presented, where there was no evidence presented that Respondent had a more recent mailing address and where the Department's investigation led it to conclude that the address provided to MOAHR for the Notice of Hearing was the best available address for Respondent, the hearing proceeded with respect to the alleged FAP IPV.

Trafficking and IPV Disqualification

MDHHS alleges that Respondent committed an IPV by trafficking FAP benefits and requests that Respondent be disqualified from FAP eligibility. IPV is defined, in part, as having intentionally "committed any act that constitutes a violation of [FAP], [FAP federal] regulations, or any State statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of [FAP] benefits or EBT [electronic benefit transfer] cards." 7 CFR 273.16(c)(2) and (e)(6). Trafficking includes buying, selling, stealing, or otherwise effecting, or attempting to buy, sell, steal or otherwise effect, "an exchange of [FAP] benefits issued and accessed via [EBT] cards, card numbers and personal identification numbers (PINs), or by manual voucher and signature, for cash or consideration other than eligible food, either directly, indirectly, in complicity or collusion with others, or acting alone" 7 CFR 271.2.

To establish an IPV by trafficking, 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 (June 2024), 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. 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).

In this case, MDHHS alleged that Respondent committed an IPV by trafficking FAP benefits with cloned or skimmed EBT cards from California Supplemental Nutritional Assistance Program (SNAP) recipients. Each time the California SNAP benefits were used at Sam's Club, the Sam's Club membership of [REDACTED] was used, and the [REDACTED] account has identified Respondent for billing purposes. Respondent's phone number was also listed on the Sam's Club membership which had been associated with Respondent for police reports out of multiple cities and in records searches. At the time of the transactions at Sam's Club, Respondent's cell phone pinged off of the closest cell phone towers to the Sam's Club location. Finally, surveillance footage from Sam's Club

captures images of an African American male who is also pictured by Kroger surveillance footage when the same California EBT cards were used. Respondent is responsible for stealing and effecting an exchange of EBT benefits which he was not authorized to use. Under the facts presented, MDHHS has established by clear and convincing evidence that Respondent trafficked FAP benefits. Thus, Respondent committed an IPV. An individual who is found to have committed an IPV by a hearing decision is disqualified from receiving program benefits. 7 CFR 273.16(b). Because Respondent had no prior FAP IPV violations, Respondent is subject to a 12-month disqualification from the FAP program. 7 CFR 273.16(b).

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. Because MDHHS has established by clear and convincing evidence that Respondent committed an IPV, Respondent is subject to a FAP disqualification.

IT IS ORDERED that Respondent be personally disqualified from FAP for a period of 12 months.



AMANDA MARLER
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

Via Electronic Mail:

Petitioner

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

of this Hearing Decision may be considered untimely and dismissed.

Via First Class Mail:

Respondent

[REDACTED]

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