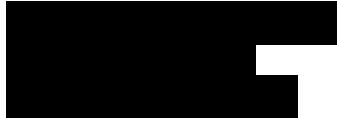




Date Mailed: August [REDACTED], 2025
Docket No.: 25-014367
Case No.: [REDACTED]
Petitioner: OFFICE OF INSPECTOR
GENERAL (OIG)



This is an important legal document. Please have
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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ
দস্তাবেজ অনুবাদ করুন।

Este es un documento legal importante. Por favor,
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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 (MDHHS or the Department) requested a hearing alleging that Respondent [REDACTED] committed an intentional program violation (IPV). 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 August 7, 2025. James Disser, Regulation Agent of the Office of Inspector General (OIG), represented MDHHS. Respondent appeared at the hearing and represented himself.

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?
3. Did Respondent receive an overpayment (OP) of FAP benefits that MDHHS is entitled to recoup and/or collect as a recipient claim?

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 12, 2024, Respondent applied for FAP benefits for himself. Respondent did not have an Authorized Representative on his case. Respondent was provided with the rights and responsibilities as a benefit recipient, including the prohibition against an individual outside of his FAP group using his FAP benefits, and advised that unauthorized use of FAP, or the buying, trading, or selling FAP benefits was prohibited when submitting his application (Exhibit A, pp. 8-11; 66-74).
2. Respondent did not have an apparent physical or mental impairment that would limit an understanding of this prohibition.
3. Respondent has a child in common with [REDACTED] (Mother).

4. From August 12, 2024 through March 16, 2025, Mother made 50 purchases in Georgia using Respondent's Electronic Benefit Transfer (EBT) Bridge card to complete the purchase using his FAP benefits. The total amount of purchases made by Mother over this time is [REDACTED] Mother swiped Respondent's EBT Bridge card to complete these transactions (Exhibit A, pp. 13-15; 24-36; 40-51).
5. From August 5, 2024 through March 12, 2025, Mother made 31 different phone calls to inquire as to the balance of FAP benefits on Respondent's EBT Bridge Card (Exhibit A, pp. 52-65).
6. Respondent has no prior FAP IPV disqualifications.
7. On April 23, 2025, MDHHS' OIG filed a hearing request alleging that from August 1, 2024 through March 31, 2025 (fraud period), Respondent trafficked his FAP benefits by allowing Mother to use his FAP benefits to purchase food for individuals not in his FAP group. OIG requested that Respondent be disqualified from receiving FAP benefits for a period of 12 months due to committing an IPV and to recoup [REDACTED] for the trafficked FAP benefits.
8. 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

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 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 400.3015.

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.

An IPV requires that MDHHS establish by clear and convincing evidence that the client has intentionally withheld or misrepresented information for the purpose of establishing, maintaining, increasing or preventing reduction of program benefits or eligibility. BAM 720 (October 2017), p. 1 (emphasis in original); see also 7 CFR 273.16(e)(6). The federal regulations define an IPV as: (1) made a false or misleading statement, or misrepresented, concealed or withheld facts; or (2) committed any act that constitutes a violation of the Supplemental Nutrition Assistance Program (SNAP), SNAP regulations, or any state statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing for trafficking of SNAP benefits or Electronic Benefit Transfer (EBT) cards. 7 CFR 273.16(c). Department policy defines trafficking as (i) the buying, selling or stealing of FAP benefits for cash or consideration other than eligible food; (ii) selling products purchased with FAP benefits for cash or consideration other than eligible food; and (iii) purchasing containers with deposits, dumping/discardng product and then returning containers to obtain cash refund deposits. BAM 700 (October 2018), p. 2; see also Department of Human Services, Bridges Policy Glossary (BPG) (July 2015), p. 66. Department policy also includes trafficking as (i) fraudulently using, transferring, altering, acquiring, or possessing coupons, authorization cards, or access devices, or (ii) redeeming or presenting for payment coupons known to be fraudulently obtained or transferred. BEM 203 (April 2021), p. 3. The federal regulations define trafficking to include "The buying, selling, stealing, or otherwise effecting an exchange of SNAP benefits issued and accessed via Electronic Benefit Transfer (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. A household may allow any household member or nonmember to use its food assistance benefits to purchase food or meals, if authorized, for the household. 7 CFR 273.2(n)(3). Misuse of FAP benefits includes selling, trading or giving away FAP benefits, PIN or Michigan Bridge Card. BAM 401E (September 2021), p. 14.

In this case, MDHHS alleged that Respondent committed an IPV by allowing an unauthorized person to use his Bridge card and engaged in the trafficking of benefits. On August 12, 2024, Respondent applied for FAP benefits for himself. Respondent did not have an Authorized Representative on his case. Respondent was provided with the rights and responsibilities as a benefit recipient, including the prohibition against an individual outside of his FAP group using his FAP benefits, and was advised that unauthorized use of FAP, or the buying, trading, or selling FAP benefits was prohibited when submitting his application. Respondent did not have an apparent physical or mental impairment that would limit an understanding of this prohibition. From August 12, 2024 (the day that Respondent applied for FAP) through March 16, 2025, Mother made 50 purchases in Georgia using Respondent's EBT Bridge card to complete the purchase using his FAP benefits. The total amount of purchases made by Mother over this time is [REDACTED] Mother swiped Respondent's EBT Bridge card to complete these transactions, showing that she had physical possession of the EBT card and that

Respondent was realistically not present for every transaction. From August 5, 2024 through March 12, 2025, Mother made 31 different phone calls to inquire as to the balance of FAP benefits on Respondent's EBT Bridge Card. Respondent appeared at the hearing and confirmed that Mother was using his FAP benefits to purchase food for their child in common. Respondent stated that he wasn't selling his FAP benefits and had no malicious intent.

MDHHS presented evidence that sufficiently established that Respondent allowed someone outside of his FAP-benefit group to make purchases with his EBT Bridge card. Per federal regulations, in order to establish an IPV for trafficking/unauthorized use, the benefits must be exchanged for cash or consideration, other than eligible food items. 7 CFR 271.2. Policy does not define "consideration," but it is generally defined as something of value that is bargained for by a party as part of a contract. The requirement of "cash or consideration" requires MDHHS to establish that Respondent received something of value for use of his FAP benefits. In this instance, Respondent allowed Mother to use his FAP benefits in order to provide for their child in common. This is found to be sufficient consideration.

Under the facts presented, MDHHS has established by clear and convincing evidence that Respondent trafficked FAP benefits. Thus, Respondent did commit 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 one-year disqualification from the FAP program. 7 CFR 273.16(b)(1)(i).

Repayment

When a client group receives more benefits than entitled to receive, MDHHS must attempt to recoup the benefits. BAM 700, p. 1. The amount of benefits MDHHS is entitled to recoup/collect for a trafficking-related IPV is the value of the trafficked benefits as determined by (i) a court decision, (ii) the individual's admission, or (iii) documentation used to establish the trafficking determination, such as an affidavit from a store owner or sworn testimony from a federal or state investigator of how much a client could have reasonably trafficked in that store, which can be established through circumstantial evidence. BAM 720, p. 8; 7 CFR 273.18(c)(2).

Here, MDHHS seeks repayment from Respondent of [REDACTED] the amount of the trafficked benefits. As discussed, MDHHS presented documentation to show that Respondent's Bridge card was used by Mother, a person who was not a member of his FAP group. Mother used Respondent's Bridge Card to complete her purchases throughout the fraud period, the transactions totaling [REDACTED]. Therefore, the evidence presented by MDHHS is sufficient to establish a valid recipient claim for [REDACTED]

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 a FAP IPV by trafficking benefits;
2. Respondent is subject to a 12-month disqualification from FAP; and
3. Respondent is responsible for a recipient claim of [REDACTED] for trafficked FAP benefits.

IT IS ORDERED that MDHHS initiate recoupment and/or collection procedures in accordance with MDHHS policy for a FAP recipient claim in the amount of [REDACTED] less any amounts already recouped/collected, for the fraud period.

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



DANIELLE NUCCIO
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

Via Electronic Mail:

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

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 First Class Mail:

Respondent

[REDACTED]

25-014367