



Date Mailed: August [REDACTED], 2025  
Docket No.: 25-016626  
Case No.: [REDACTED]  
Petitioner: OFFICE OF INSPECTOR  
GENERAL (OIG)

[REDACTED]

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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  
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) concerning state benefits. 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 14, 2025. William Etienne, 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); Mich Admin Code, R 400.3130(5); or Mich Admin Code, R 400.3178(5).

### **ISSUES**

1. Did MDHHS establish, by clear and convincing evidence, that Respondent committed an Intentional Program Violation (IPV) of the Food Assistance Program (FAP)?
2. Should Respondent be disqualified from receiving FAP benefits?
3. Did Respondent receive an overpayment (OP) of FAP benefits that MDHHS is entitled to recoup?

### **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 September 15, 2019, Respondent's husband, [REDACTED], applied for FAP benefits for a group size of four, consisting of Respondent, their two minor children, and himself. Husband reported that he works for [REDACTED] (Employer), earning [REDACTED] per week. Prior to submission of the application, Husband was required to review rights and responsibilities for properly reporting changes in household circumstances to timely report changes to MDHHS (Exhibit A, pp. 8-16).

2. On September 17, 2019, MDHHS issued a Notice of Case Action to Respondent, informing her that she was eligible for FAP benefits for a group size of four, based upon [REDACTED] earned income, and reminding her of the obligation to report changes in household circumstances to MDHHS within ten days (Exhibit A, pp. 17-21).
3. On November 1, 2019, Respondent submitted a Semi-Annual Contact Report, reporting no change in household income from [REDACTED] used in the FAP budget (Exhibit A, pp. 22-24).
4. On March 17, 2020, MDHHS issued a Notice of Case Action to Respondent, informing her that she was eligible for FAP benefits for a group size of four, based upon [REDACTED] earned income, and reminding her of the obligation to report changes in household circumstances to MDHHS within ten days (Exhibit A, pp. 27-31).
5. From January 1, 2020 through September 30, 2020, Respondent received [REDACTED] in FAP benefits (Exhibit A, pp. 37-39).
6. Respondent does not have an apparent physical or mental impairment that would limit the understanding or ability to accurately report household income.
7. Respondent has no prior FAP IPV disqualifications.
8. On May 7, 2025, MDHHS' OIG filed a hearing request alleging that Respondent intentionally misrepresented household income and as a result was overpaid FAP benefits from January 1, 2020 through September 30, 2020 (fraud period) that she was not eligible to receive. OIG requested that Respondent repay [REDACTED] to MDHHS for FAP benefits that she was ineligible to receive and that Respondent be disqualified from receiving FAP benefits for a period of 12-months due to committing an IPV.
9. 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), 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.

**INTENTIONAL PROGRAM VIOLATION (IPV):**

An IPV occurs when a recipient of MDHHS benefits intentionally made a false or misleading statement, or misrepresented, concealed, or withheld facts. 7 CFR 273.16(c)(1). Effective October 1, 2014, MDHHS'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 (October 2017), pp. 12-13.

To establish an IPV, 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, 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. 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, MDHHS 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 these reporting responsibilities. BAM 720, p. 1.

In this case, MDHHS alleges that Respondent committed a FAP IPV because she failed to report employment income to MDHHS. Earned income received by the client is considered in the calculation of a client's FAP eligibility and amount of benefits. BEM 500 (July 2017); BEM 556 (January 2020), pp. 2-3; 7 CFR 273.9(a). FAP recipients who are not simplified reporters are required to report starting or stopping employment and changes in circumstance that potentially affect eligibility or benefit amount within ten days of receiving the first payment reflecting the change. BAM 105 (October 2019), p. 12; 7 CFR 273.10(b)(1)(i). MDHHS then has ten days to process the change and, if it results in a decrease in benefits, it gives the client 12 days before the negative action impacts the benefits issued. BAM 220 (April 2019) pp. 7, 12. Additionally, FAP recipients are also expected to be truthful in all communications with MDHHS. BAM 105, p. 9.

Here, on September 15, 2019, Husband applied for FAP benefits for a group size of four, consisting of Respondent, their two minor children, and himself. Husband reported that he works for Employer, earning [REDACTED] per week. Prior to submission of the application, Husband was required to review rights and responsibilities for properly

reporting changes in household circumstances to timely report changes to MDHHS. On March 17, 2020, MDHHS issued a Notice of Case Action to Respondent, informing her that she was eligible for FAP benefits for a group size of four, based upon [REDACTED] earned income, and reminding her of the obligation to report changes in household circumstances to MDHHS within ten days. MDHHS presented a 2020 income tax return showing that Husband's income was greater than had been reported and that the household had income from unemployment benefit compensation as well. This income was not reported properly to MDHHS.

Respondent knew that MDHHS was determining her eligibility based upon [REDACTED] in earned income and did not update that information as required. Respondent was advised of her responsibility to report truthful and accurate information and reported having no disabilities which may affect her capacity to truthfully report her circumstances. Respondent did not appear at the hearing to explain or contradict any evidence presented against her. Respondent's failure to report income as required shows by clear and convincing evidence that she intentionally failed to report employment income for the purpose of obtaining, maintaining, or preventing reduction of FAP benefits.

Therefore, MDHHS has presented clear and convincing evidence 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, p. 16. As discussed above, MDHHS has established by clear and convincing evidence that Respondent committed an IPV. There was no evidence of prior IPVs by Respondent. 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, MDHHS must attempt to recoup the OP as a recipient claim. 7 CFR 273.18(a)(2); BAM 700 (October 2018), 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 (October 2017), pp. 5-7.

MDHHS calculates the OP total for the fraud period by calculating what Respondent's FAP budget would have been if household income had been properly reported (see Exhibit A, pp. 45-63). MDHHS determined what Respondent's monthly benefit amount should have been if the 2020 household income, as documented in the 2020 income tax return, had been included in the FAP budget (see Exhibit A, pp. 32-35). MDHHS determined that had this income had been included in the household budget, then the household would have not been eligible for FAP benefits during the fraud period.

Therefore, since Respondent was issued [REDACTED] during the fraud period, MDHHS is entitled to recoup [REDACTED] in overpaid FAP benefits.

**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 an IPV.
2. Respondent is subject to a 12-month disqualification from FAP.
3. Respondent did receive an OP of FAP benefits in the amount of [REDACTED]

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

**IT IS FURTHER ORDERED** that Respondent is 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](http://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)  
PO BOX 30062  
LANSING, MI 48909-7562  
**MDHHS-OIG-HEARINGS@MICHIGAN.GOV**

**Via First Class Mail:**

**Respondent**

A large rectangular area of the page is completely blacked out, indicating a redacted address for the respondent.