



Date Mailed: August [REDACTED], 2025
Docket No.: 25-016628
Case No.: [REDACTED]
Petitioner: OFFICE OF INSPECTOR
GENERAL (OIG)

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someone translate the document.

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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
lutem, 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. Joseph Gregurek, 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 IPV concerning Food Assistance Program (FAP) benefits?
2. Should Respondent be disqualified from receiving benefits for FAP?

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 was an ongoing recipient of FAP benefits for a group size of four, including her husband, [REDACTED], and their two children.
2. On December 30, 2021, Respondent submitted a renewal of FAP benefits to MDHHS. Respondent reported that the only household income is Husband's [REDACTED] (Exhibit A, pp. 10-13).
3. On January 7, 2022, MDHHS interviewed Respondent as part of the FAP renewal process. Respondent confirmed the information submitted in her renewal. As part of the interview, rights and responsibilities as a benefit recipient are explained to Respondent by MDHHS (Exhibit A, pp. 14-16).

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4. On January 7, 2022, MDHHS issued a Notice of Case Action to Respondent, informing her that she was approved to receive FAP benefits for a four-person group, based upon [REDACTED] in earned income, and reminding her of the obligation to report changes in household circumstances to MDHHS within ten days. A blank Change Report form was provided to facilitate the reporting of any future changes to MDHHS timely (Exhibit A, pp. 17-24).
 5. On May 9, 2022, Husband began to work for [REDACTED], receiving his first paycheck on May 20, 2022, and working through September 23, 2022 (Exhibit A, pp. 34-35).
 6. From July 1, 2022 through August 31, 2022, Respondent received [REDACTED] in regularly issued FAP benefits for a four-person FAP group (Exhibit A, p. 36).
 7. Respondent does not have a physical or mental impairment that would limit the understanding or ability to accurately report household circumstances.
 8. Respondent has no prior FAP IPV disqualifications.
 9. On May 7, 2025, MDHHS' OIG filed a hearing request alleging that Respondent intentionally failed to report Husband's earned income and as a result Respondent received FAP benefits from July 1, 2022 through August 31, 2022 (fraud period) that Respondent 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. OIG stated that the FAP overpayment amount, which exceeded [REDACTED], was previously established and is not an issue in this case.
 10. 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

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

25-016628

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 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). 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 an IPV based on failing to report that Husband had earned income in order to obtain FAP benefits that she otherwise would not be eligible to receive.

Earned and unearned income received by the client is considered in the calculation of a client’s FAP eligibility and amount of benefits. BEM 500 (July 2020); BEM 556 (October 2021), 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 (April 2022), 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 2022), pp. 7, 12.

Here, Respondent was an ongoing recipient of FAP benefits for a group size of four, including her Husband. On January 7, 2022, MDHHS interviewed Respondent as part of the FAP renewal process. Respondent confirmed the only household income is Husband’s [REDACTED]. As part of the interview, rights and responsibilities as a benefit recipient are explained to Respondent by MDHHS. On January 7, 2022, MDHHS issued a Notice of Case Action to Respondent, informing her that she was approved to receive FAP benefits for a four-person group, based upon [REDACTED] in earned income, and reminding her of the obligation to report changes in household circumstances to MDHHS within ten days. A blank Change Report form was provided to facilitate the reporting of any future changes to MDHHS timely. On May 9, 2022, Husband began to

25-016628

work for Employer, receiving his first paycheck on May 20, 2022, and working through September 23, 2022.

In this case, Respondent truthfully reported that Husband was receiving [REDACTED] to MDHHS. However, Respondent did not report as required when Husband began employment. While Respondent should have still reported this employment and income, she did not misreport any information to MDHHS. Meaning, there was no written submission to MDHHS during the alleged fraud period in which Respondent failed to provide truthful information. A written misreporting of information is highly persuasive evidence of an intent to defraud consistent with an IPV. MDHHS did not present evidence of a written misreporting by Respondent. MDHHS also did not present evidence that they issued any correspondence to Respondent during the alleged fraud period that reminded Respondent that MDHHS was determining her FAP eligibility based upon [REDACTED] in earned income.

Upon review, MDHHS has failed to establish that Respondent intentionally withheld or misrepresented information for the purpose of establishing, maintaining, increasing, or preventing reduction of program benefits or eligibility once Husband began working for Employer. To find Respondent committed an IPV, the requisite intent that she failed to report in order to fraudulently obtain benefits must be clearly and convincingly proven by MDHHS. Here, Respondent may have purposely ignored her responsibility to report with the intent to defraud, but MDHHS failed to establish that by clear and convincing evidence. Thus, MDHHS did not establish an IPV by Respondent.

Therefore, MDHHS has **not** 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 **not** established by clear and convincing evidence that Respondent committed an IPV. Therefore, Respondent is **not** subject to a period of disqualification from FAP.

Overpayment (OP):

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 OP amount was previously established by MDHHS and not at issue in this case.

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:

25-016628

1. MDHHS has not established by clear and convincing evidence that Respondent committed an IPV.

2. Respondent is not subject to a 12-month disqualification from FAP.

IT IS ORDERED that Respondent is not disqualified from FAP.

A handwritten signature in cursive script, reading "Danielle Nuccio".

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

