

Date Mailed: September [REDACTED], 2025
Docket No.: 25-019001
Case No.: [REDACTED]
Petitioner: OFFICE OF INSPECTOR
GENERAL (OIG)

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 September 3, 2025. Patrick Richard, 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 Respondent receive an overpayment (OP) of Food Assistance Program (FAP) benefits that MDHHS is entitled to recoup?
2. Did MDHHS establish, by clear and convincing evidence, that Respondent committed an Intentional Program Violation (IPV)?
3. Should Respondent be disqualified from receiving 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. [REDACTED] (Recipient) is the brother of Respondent.
2. Recipient was an ongoing FAP benefit recipient for a group size of one, with no Authorized Representative. (Exhibit A, pp. 10-12). Only one Bridges Electronic Benefit Transfer (EBT) FAP card was issued to Recipient (Exhibit A, pp. 17-18).
3. On January 14, 2025, Respondent applied for FAP benefits for herself. At the time Respondent submitted the application, and when interviewed on January 17, 2025, she was advised that using another person's FAP benefits was prohibited as trafficking (Exhibit A, pp. 38-44).

4. Respondent did not have an apparent physical or mental impairment that would limit an understanding of this prohibition.
5. On April 1, 2025, Recipient moved into the care facility [REDACTED] (Facility) to live full-time throughout the fraud period (Exhibit A, pp. 13-16). During the fraud period, Recipient did not leave Facility for overnight visits with Respondent (Exhibit A, pp. 19-20).
6. From April 4, 2024 through January 27, 2025, 173 transactions were made using Recipient's EBT FAP card for a total amount of purchases of [REDACTED] (Exhibit A, pp. 21-25). Two of these transactions were used in conjunction with Respondent's Kroger loyalty card (Exhibit A, pp. 27-33).
7. Respondent has no prior FAP IPV disqualifications.
8. On May 21, 2025, MDHHS' OIG filed a hearing request alleging that Respondent utilized FAP benefits from another household April 1, 2024 through January 31, 2025 (fraud period). OIG requested that Respondent repay MDHHS as a recipient claim the value of unauthorized benefits totaling [REDACTED] and that Respondent be disqualified from receiving FAP benefit 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

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), p. 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 an IPV based on the unauthorized use of another household’s FAP benefits. It is unlawful to use another person’s FAP benefits under federal and state laws and policies. 7 CFR 273.16; MCL 750.300a; BAM 401E (May 2020), p. 14-15; BAM 720, p. 1; BEM 212 (October 2020), p. 6. Respondent was not a member of Recipient’s FAP household nor was she his authorized representative. Therefore, she was not permitted to use Recipient’s EBT card after his admission to Facility.

Only one Bridges EBT FAP card was issued to Recipient. On April 1, 2025, Recipient moved into Facility to live full-time throughout the fraud period. During the fraud period, Recipient did not leave Facility for overnight visits with Respondent. From April 4, 2024 through January 27, 2025, 173 transactions were made using Recipient’s EBT FAP card for a total amount of purchases of [REDACTED]. Two of these transactions were used in conjunction with Respondent’s Kroger loyalty card. OIG Agent interviewed Respondent who admitted that she purchased food for herself using Recipient’s FAP benefits.

Under the facts presented, MDHHS has established by clear and convincing evidence that Respondent knowingly used another’s FAP benefits without authorization. Thus, Respondent did commit 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 evidence of no prior IPVs by Respondent. Because this was Respondent’s first IPV for FAP, Respondent is subject to a 12-month disqualification from receipt of FAP benefits.

Overpayment

A party is responsible for a recipient claim to MDHHS in an amount equal to the value of trafficked benefits. 7 CFR 273.18(a)(ii). The value of the trafficked benefits is determined by (i) the individual's admission; (ii) adjudication; or (iii) the documentation that forms the basis for the trafficking determination. 7CFR 273.18(c)(2).

Here, MDHHS seeks repayment from Respondent of [REDACTED] the amount of the trafficked benefits. The amount represents the total amount of purchases made using Recipient's EBT card after his admission to Facility. As discussed, MDHHS has submitted sufficient evidence to show that the person using the EBT card was Respondent, including her admissions. Respondent was not a member of the Recipient's FAP group and therefore not authorized to make any of these purchases.

Upon review, the evidence presented by MDHHS was 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 an IPV.
2. Respondent is subject to a 12-month disqualification from FAP benefits.
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 subject to a 12-month disqualification from FAP.



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

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 covering the mailing address for the respondent.