

Date Mailed: October [REDACTED], 2025
Docket No.: 25-019007
Case No.: [REDACTED]
Petitioner: OFFICE OF INSPECTOR
GENERAL (OIG)

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 September 4, 2025. Bethany Belil, 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. From December 1, 2022 through May 31, 2023 (fraud period) Respondent received FAP benefits subject to recoupment. (Exhibit A, pp. 76-77)
2. On January 23, 2020, Respondent submitted an Assistance Application for FAP benefits for herself and three sons. No employment income was reported. (Exhibit A, pp. 7-13)
3. On February 7, 2020, Respondent submitted an Assistance Application for other benefits for herself and three sons. No employment income was reported. (Exhibit A, pp. 14-19)

4. On June 11, 2022, Respondent submitted an Assistance Application for FAP benefits for herself, a daughter, and three sons. No employment income was reported. (Exhibit A, pp. 41-48)
5. Respondent's signature on the Assistance Applications certified that she was aware of the rights and responsibilities. This would include providing accurate information and timely reporting changes. (Exhibit A, pp. 1, 3, 13, 19, and 47-48)
6. On June 15, 2022, a Notice of Case Action was issued to Respondent approving FAP benefits for the household of five. A budget summary was included showing no earned income was included in the FAP budget. The Notice also advised Respondent of the responsibility to report changes, including changes with income, within 10 days. A blank Change Report form was included. (Exhibit A, pp. 49-56)
7. A report from The Work Number documents Respondent's earnings from employment with [REDACTED] from pay dates October 14, 2022 to November 3, 2023. (Exhibit A, pp. 57-63)
8. The FAP debt has been established by the Department. (Exhibit A, pp. 1 and 96)
9. Respondent was aware of the responsibility to provide accurate information to the Department and to timely report changes. (Exhibit A, pp. 1, 3, 13, 19, 47-48, and 53-56)
10. Respondent did not have an apparent physical or mental impairment that would limit the ability to understand or fulfill the change reporting requirements. (Exhibit A, pp. 10, 17, and 45)
11. Respondent has no prior FAP IPV disqualifications. (Exhibit A, p. 1)
12. On May 22, 2025, MDHHS' OIG filed a hearing request alleging that Respondent intentionally failed to timely report a change with household income and as a result, received FAP benefits from December 1, 2022 through May 31, 2023 (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. (Exhibit A, pp. 1-96)
13. 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 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 400.3031.

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). MDHHS's OIG requests IPV hearings for cases involving: (1) FAP overpayments, misuse, and trafficking related referrals that are not forwarded to the prosecutor; (2) FAP overpayments, misuse, and trafficking related referrals that are not forwarded to the prosecutor and (a) The total amount for the FIP, SDA, RCA, CDC, MA and FAP programs combined is \$500 or more, or (b) The total amount is less than \$500, and (i) The group has a previous IPV, or (ii) The alleged IPV involves FAP trafficking, or (iii) The alleged fraud involves concurrent receipt of assistance (see BEM 222), or (iv) The alleged fraud is committed by a state/government employee. BAM 720 (June 1, 2024), p. 7.

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. 2.

In this case, MDHHS alleges that Respondent committed an IPV based on a failure to report earned income and as a result, received FAP benefits from December 1, 2022 through May 31, 2023 (fraud period) that Respondent was ineligible to receive.

The Department has established that Respondent was aware of the responsibilities to accurately report information and to timely report any changes to the Department. Households must report a change in the source of income including starting or stopping a job or changing jobs; if the change in employment is accompanied by a change in income. 7 CFR 273.12(a)(1)(i)(B). Department policy requires clients to report any change in circumstances that will affect eligibility or benefit amount within 10 days of receiving the first payment reflecting the change. This includes changes with income. BAM 105 (April 1, 2022), pp. 11-13. Further, clients must completely and truthfully answer all questions on

forms and in interviews. BAM 105, p. 9. Respondent's signature on the Assistance Applications certified that she was aware of the rights and responsibilities. This would include providing accurate information and timely reporting changes. (Exhibit A, pp. 1, 3, 13, 19, and 47-48). The Notice of Case Action also reminded Respondent of the reporting responsibilities. (Exhibit A, pp. 53-56). Respondent did not have an apparent physical or mental impairment that would limit the ability to understand or fulfill the change reporting requirements. (Exhibit A, pp. 10, 17, and 45).

On June 11, 2022, Respondent submitted an Assistance Application for FAP benefits for herself, a daughter, and three sons. No employment income was reported. On June 15, 2022, a Notice of Case Action was issued to Respondent approving FAP benefits for the household of five. A budget summary was included showing no earned income was included in the FAP budget. The Notice also advised Respondent of the responsibility to report changes, including changes with income, within 10 days. A blank Change Report form was included. (Exhibit A, pp. 49-56).

A report from The Work Number documents Respondent's earnings from employment with [REDACTED] from pay dates October 14, 2022 to November 3, 2023. (Exhibit A, pp. 57-63). There was no evidence that Respondent timely reported the employment income.

Respondent failed to timely report the change with income within 10 days, as required by policy. The verified income from employment was utilized to re-determine FAP eligibility during the fraud period. Respondent's failure to timely report the income resulted in an OI of FAP benefits. (Exhibit A, pp. 78-90) 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, pp. 11-12. As discussed above, MDHHS has established by clear and convincing evidence that Respondent committed an IPV. Respondent has no prior FAP IPV disqualifications. (Exhibit A, p. 1). Because this was Respondent's first IPV, Respondent is subject to a 12-month disqualification from receipt of 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.

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

Colleen Lack

COLLEEN LACK
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.

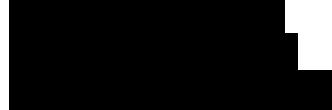
Via Electronic Mail:

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 rectangular area of the page is completely blacked out, indicating a redaction of an address.