

Date Mailed: October 9, 2025
Docket No.: 25-019628
Case No.: [REDACTED]
Petitioner: OFFICE OF INSPECTOR
GENERAL (OIG)

HEARING DECISION FOR INTENTIONAL PROGRAM VIOLATION

The Michigan Department of Health and Human Services (Department) requested a hearing alleging that [REDACTED] (Respondent) committed an intentional program violation (IPV). Pursuant to the Department's 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 telephone hearing was held on September 10, 2025. The Department was represented by Kelly Brown, Regulation Agent of the Office of Inspector General (OIG). Respondent represented herself.

ISSUES

1. Did Respondent receive an overpayment of Food Assistance Program (FAP) benefits that the Department is entitled to recoup?
2. Did the Department establish by clear and convincing evidence that Respondent committed an Intentional Program Violation (IPV)?
3. Should Respondent be disqualified from the Food Assistance Program (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. On an application for assistance dated April 19, 2023, Respondent acknowledged her duties and responsibilities including the duty to report changes of employment status and increases of household income. Respondent did not have an apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement. Exhibit A, pp 7-15.
2. Respondent acknowledged under penalties of perjury that her April 19, 2023, application form was examined by or read to her, and, to the best of her knowledge, contained facts that were true and complete. Exhibit A, p 15.
3. Respondent reported on her April 19, 2023, application for assistance that she was receiving self-employment income. Exhibit A, pp 12-13.

4. Department records indicate that on April 27, 2023, Respondent reported during an eligibility interview that she was receiving self-employment income of [REDACTED] per month. Exhibit A, pp 19-20.
5. On May 19, 2023, the Department notified Respondent that she was eligible for Food Assistance Program (FAP) benefits as a household of four receiving self-employment in the gross monthly amount of [REDACTED] and that she should report if her household income exceeded \$3,007. Exhibit A, pp 23-31.
6. On a Renew Benefits from received by the Department on August 7, 2023, Respondent reported that she was receiving self-employment income. Exhibit A, pp 37-39.
7. On an application for assistance dated August 16, 2024, Respondent reported that she was receiving self-employment income. Exhibit A, pp 40-47.
8. Respondent's brother, who was a member of her Food Assistance Program (FAP) benefits household, received earned income from March 22, 2023, through September 20, 2023. Exhibit A, pp 32-33.
9. Respondent started employment on July 10, 2023, and she received earned income from that employment from July 21, 2023, through January 31, 2025. Exhibit A, pp 33-36.
10. Respondent received Food Assistance Program (FAP) benefits totaling [REDACTED] from May 1, 2023, through September 30, 2023. Exhibit A, pp 48-50.
11. Respondent received Food Assistance Program (FAP) benefits totaling [REDACTED] from December 1, 2023, through January 31, 2024. Exhibit A, pp 48-50.
12. Respondent received Food Assistance Program (FAP) benefits totaling [REDACTED] from August 16, 2024, through August 31, 2024. Exhibit A, pp 48-50.
13. The Department's OIG filed a hearing request on May 29, 2025, to establish that Respondent committed an Intentional Program Violation (IPV). Exhibit A, p 2.
14. On May 29, 2025, the Department sent Respondent an Intentional Program Violation Repayment Agreement (DHS-4350) with notice of a [REDACTED] overpayment. Exhibit A, pp 69-71.
15. On May 29, 2025, the Department sent Respondent a Request for Waiver of Disqualification Hearing (DHS-826) instructing her that the Department intends to pursue a 12-month disqualification from the Food Assistance Program (FAP). Exhibit A, pp 72-73.
16. This was Respondent's first established IPV.

17. A notice of hearing was mailed to Respondent at the last known address and was not returned by the United States Postal Service as undeliverable.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The Food Assistance Program (FAP) is funded under the federal Supplemental Nutrition Assistance Program (SNAP) established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 through 7 USC 2036a. It is implemented by the federal regulations contained in 7 CFR 273. The Department administers FAP pursuant to MCL 400.10 of the Social Welfare Act, MCL 400.1 *et seq*, and Mich Admin Code, R 400.3001 through 400.3011.

The Department's OIG requests IPV hearings for the following cases:

- FAP trafficking OIs that are not forwarded to the prosecutor.
- Prosecution of welfare fraud or FAP trafficking is declined by the prosecutor for a reason other than lack of evidence, and
 - the total OI amount for the FIP, SDA, CDC, MA and FAP programs is \$500 or more, or
 - the total OI amount is less than \$500, and
 - the group has a previous IPV, or
 - the alleged IPV involves FAP trafficking, or
 - the alleged fraud involves concurrent receipt of assistance (see BEM 222), or
 - the alleged fraud is committed by a state/government employee.

Department of Health and Human Services Bridges Administrative Manual BAM 720 (June 1, 2024), pp 12-13.

Overpayment

A recipient claim is an amount owed because of benefits that are overpaid. 7 CFR 273.18(a). When a client group receives an overpayment, the Department must attempt to recoup the overpayment. Department of Human Services Bridges Administrative Manual (BAM) 700 (June 1, 2024), p 1.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount within 10 days of receiving the first payment reflecting the change. Changes that must be reported include changes of employment status and increases of household income. Department of Health and Human Services Bridges Administrative Manual (BAM) 105 (June 1, 2025), p 12. The Department will act on a change reported by means other than a tape match within 15 workdays after becoming aware of the change, except that the Department will act on a change other than a tape match within 10 days of becoming aware of the change. Department of Health and Human Services Bridges Administrative Manual (BAM) 220 (June 1, 2025), p 7. A pended negative action occurs when a negative action requires timely notice based on the eligibility rules in this item. Timely notice means that the action taken by the department is effective at least 12 calendar days following the date of the department's action. BAM 220, p 12.

On an application for assistance dated April 19, 2023, Respondent acknowledged the duty to report changes of employment status and increases of household income. Respondent did not have an apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement. Respondent acknowledged under penalties of perjury that her April 19, 2023, application form was examined by or read to her, and, to the best of her knowledge, contained facts that were true and complete. Respondent reported on her April 19, 2023, application for assistance that her self-employment income was the sole source of income for her household of four. On April 27, 2023, Respondent again reported that her self-employment income was the sole source of income for her household of four. On May 19, 2023, the Department notified Respondent that she was eligible for FAP benefits as a household of four receiving self-employment income totaling [REDACTED] and that she should report if her total gross household income exceeded \$3,007.

Respondent reported to the Department that her self-employment income was the sole source of income for her household of four people that included her brother, and she failed to report that her brother had started employment and received his first paycheck on March 22, 2023. If Respondent had reported this additional source of income of her household, then the Department would have redetermined her eligibility for ongoing FAP benefits by the first benefit period after April 23, 2023. Respondent received FAP benefits totaling [REDACTED] from May 1, 2023, through September 30, 2023. If Respondent had reported that her brother, a member of her FAP benefit household, was also receiving earned income, then she would have been eligible for only [REDACTED] of those FAP benefits. Therefore, Respondent received a [REDACTED] overpayment of FAP benefits during that period.

Respondent received FAP benefits totaling [REDACTED] from December 1, 2023, through January 31, 2024. Respondent failed to report that she started employment on July 10, 2023, and that she received earned income from July 21, 2023, through January 31, 2025. Respondent's brother was not receiving any income after September 20, 2023, but the total of Respondent's unreported income and her self-employment income made the household eligible for FAP benefits totaling [REDACTED] from December 1, 2023, through January 31, 2024. Therefore, Respondent received a [REDACTED] overpayment of FAP benefits during that period.

Respondent received FAP benefits totaling [REDACTED] in August of 2024. During that month, she received self-employment income and earned income from employment that was not reported to the Department. If Respondent had reported all of her income in a timely manner, she would have only been eligible for [REDACTED] of those benefits. Therefore, Respondent received a [REDACTED] overpayment of FAP benefits during that period.

Intentional Program Violation

An IPV requires that the Department 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, p. 1; see also 7 CFR 273.16(e)(6).

The Department has the burden of establishing by clear and convincing evidence that Respondent committed an Intentional Program Violation (IPV). The clear and convincing evidence standard, which is the most demanding standard applied in civil cases, is established where there is evidence so clear, direct, and weighty and convincing that a conclusion can be drawn without hesitancy of the truth of the precise facts in issue. *Smith v Anonymous Joint Enterprise*, 487 Mich 102; 793 NW2d 533 (2010), reh den 488 Mich 860; 793 NW2d 559 (2010).

Clear and convincing proof is that which produces in the mind of the trier of fact a firm belief or conviction as to the truth of the precise facts in issue. Evidence may be uncontested and yet not be clear and convincing. Conversely, evidence may be clear and convincing even if contradicted. *Id.*

Respondent acknowledged the duties and responsibilities of receiving FAP benefits on an application for assistance dated April 19, 2023. Respondent did not have an apparent physical or mental impairment that would limit the understanding or ability to fulfill this requirement. It is the Department's practice to provide pamphlet material to eligible FAP recipients advising them of their duty to report all household income. The hearing record supports a finding that Respondent was provided with notice that she was required to report the income being received by the members of the FAP benefits household.

On May 19, 2023, the Department notified Respondent that she was eligible for FAP benefits as a household of four with the self-employment income Respondent reported as the sole source of income for the household. Respondent had failed to report that

her brother, a member of the FAP benefits household, had received his first paycheck from employment on March 22, 2023. As a result of Respondent's failure to report her brother's income, she received an overpayment of FAP benefits.

On August 7, 2023, Respondent again reported that her self-employment income was the sole source of income for the household. Respondent failed to report that she had started new employment and received her first paycheck on July 21, 2023. As a result of Respondent's failure to report her earned income from employment, she received further overpayment of FAP benefits. Respondent's earned income from employment continued, and she received additional FAP benefits she was not eligible for in August of 2024.

This Administrative Law Judge finds that the Department has presented clear and convincing evidence that Respondent intentionally concealed household income from the Department for the purposes of maintaining her eligibility for FAP benefits that she would not have been eligible for otherwise.

Disqualification

A court or hearing decision that finds a client committed IPV disqualifies that client from receiving program benefits. BAM 720, p. 15-16. A disqualified recipient remains a member of an active group if the disqualified person lives with them, and other eligible group members may continue to receive benefits. BAM 720, p. 16.

Clients who commit an IPV are disqualified for a standard disqualification period except when a court orders a different period, or except when the OI relates to MA. BAM 720, p. 13. Department of Health and Human Services Bridges Administrative Manual (BAM) BAM 710 (January 1, 2018), p. 2. Clients are disqualified for periods of one year for the first IPV, two years for the second IPV, lifetime disqualification for the third IPV, and ten years for a FAP concurrent receipt of benefits. BAM 720, p. 16.

The record evidence indicates that this is Respondent's first established IPV violation.

The Department has established an Intentional Program Violation (IPV).

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. The Department has established by clear and convincing evidence that Respondent committed an Intentional Program Violation (IPV).
2. Respondent did receive an overpayment of Food Assistance Program (FAP) benefits in the amount of [REDACTED].
3. The Department is ORDERED to initiate recoupment procedures for the amount of \$3,104 in accordance with Department policy.

4. It is FURTHER ORDERED that Respondent be disqualified from the Food Assistance Program (FAP) for a period of 12 months.



KEVIN SCULLY
ADMINISTRATIVE LAW JUDGE
Michigan Office of Administrative Hearings and Rules (MOAHR)

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 Respondent'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

[REDACTED]