

Date Mailed: October [REDACTED], 2025
Docket No.: 25-023065
Case No.: [REDACTED]
Petitioner: OFFICE OF INSPECTOR
GENERAL (OIG)

HEARING DECISION
FOR INTENTIONAL PROGRAM VIOLATION (TRAFFICKING/MISUSE)

The Michigan Department of Health and Human Services (Department) requested a hearing alleging that Respondent committed an intentional program violation (IPV) by trafficking and/or misusing Food Assistance Program (FAP) benefits. Pursuant to the Department's 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 25, 2025. Mark Mandreky, Regulation Agent of the Office of Inspector General (OIG), represented the Department. 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).

The Department's 93-page hearing packet was admitted into evidence as Exhibit A.

ISSUES

1. Did the Department establish, by clear and convincing evidence, that Respondent committed an intentional program violation (IPV) by misusing or trafficking Food Assistance Program (FAP) benefits?
2. Should Respondent be disqualified from receiving FAP 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] (Client) was an ongoing recipient of FAP benefits. (Exhibit A, p. 16).
2. On December 18, 2021, Client filed a report with the Michigan State Police (MSP) that FAP benefits from her Electronic Benefit Transfer (EBT) card had been used multiple times since December 1, 2021, without her consent. (Exhibit A, p. 8).
3. On or about December 28, 2021, MSP obtained video surveillance footage of an individual who used Client's EBT card. (Exhibit A, pp. 10 – 12).

4. On or about January 5, 2022, MSP obtained additional video surveillance footage of an individual who used Client's EBT card. (Exhibit A, p. 15).
5. During its investigation, MSP obtained photos of video surveillance footage and receipts for purchases made with Client's EBT card from a Speedway Gas Station in Mount Pleasant. (Exhibit A, pp. 11, 85 – 88).
6. On or about January 5, 2022, Client identified Respondent as the individual in the video surveillance footage and/or photos obtained by MSP. (Exhibit A, p. 15).
7. MSP determined that in December 2021, Respondent used Client's EBT card to make at least four purchases in the individual amounts of [REDACTED] (Exhibit A, pp. 10 – 11, 84 – 88).
8. Respondent has submitted applications for Department benefits to the Department multiple times, including on November 4, 2020, and acknowledged that he received, reviewed, and agreed to the information provided by the Department in the Information Booklet. The Information Booklet states that FAP benefits of others may not be used to purchase food for the applicant's household. (Exhibit A, pp. 37 – 38, 69, 74 – 79).
9. Respondent is not known to have an apparent physical or mental impairment that would limit an understanding that Client's FAP benefits were not issued to Respondent, and that he was not authorized by the Department to use Client's FAP benefits. (Exhibit A, pp. 64, 76).
10. Respondent has no prior FAP IPV disqualifications. (Exhibit A, pp. 80 – 81).
11. On June 20, 2025, the Department's OIG filed a hearing request alleging that Respondent intentionally misused or trafficked FAP benefits issued to Client. OIG requested that Respondent be disqualified from receiving FAP benefits for a period of 12 months due to committing an IPV by misusing or trafficking Client's FAP benefits.
12. 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

Department policies are contained in the Department's 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.

The Department alleges that Respondent committed an IPV because he used Client's FAP benefits without approval or authorization of the Department. Respondent has no prior IPVs, and the Department requested that Respondent be disqualified from receiving FAP benefits for a period of 12 months for this first IPV. The Department testified that it did not allege or seek to establish an overpayment (OP) of FAP benefits to be recouped from Respondent.

Misuse and Trafficking and IPV Disqualification

Federal regulations provide that one has committed an IPV if they: (1) made a false or misleading statement, or misrepresented, concealed or withheld facts; or (2) committed any act that constitutes a violation of the [FAP], [FAP] regulations, or any state statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing, or trafficking of [FAP] benefits or EBT cards. 7 CFR 273.16(c); BAM 720 (June 2024), p. 1. It is a violation of Michigan state statute to knowingly use, transfer, acquire, alter, purchase, possess, present for redemption, or transport food stamps, coupons, or access devices, other than as authorized. MCL 750.300a(1).

An IPV of FAP is suspected when an individual is alleged to have misused or trafficked FAP benefits. BAM 720, p. 3. Misuse is the use, presenting, transferring, acquiring, receiving or possessing of FAP benefits or EBT cards that constitutes a violation of any federal or state statute of FAP regulations or program rules for the purpose of administering the FAP program. BAM 720, p. 1. Trafficking includes the buying, selling, stealing, or otherwise effecting an exchange of FAP benefits issued and accessed via EBT cards, card numbers, and personal identification numbers (PINs), for cash or consideration other than eligible food, either directly, indirectly, and either with others or acting alone. BAM 720, p. 1.

To establish Respondent committed an IPV by misusing or trafficking FAP benefits, the Department must present clear and convincing evidence that they intentionally and knowingly used FAP benefits they were not authorized to use. 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. 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).

In this case, the Department alleged that Respondent committed an IPV by misusing or trafficking FAP benefits from November 1, 2021 to December 30, 2021 when he used FAP benefits issued to Client and was not a member of Client's FAP group.

The evidence established that through video surveillance footage, Client's identification of Respondent in the footage, receipts corresponding to the footage, and Client's EBT card transaction history, MSP determined Respondent used Client's EBT card to make

purchases with her FAP benefits at least four times in December 2021. Additionally, the Department's OIG agent credibly testified that during the course of its investigation in this matter, the agent interviewed Respondent on June 13, 2025, and that during that interview, Respondent admitted that he did knowingly use Client's FAP benefits to purchase food for himself. (Exhibit A, p. 4). Despite notice having been sent to Respondent at his current address, provided by him to the Department on June 13, 2025, he did not appear at the hearing to refute the Department's evidence or testimony. Respondent's statement that he knowingly and intentionally used Client's FAP benefits, whether considered an admission by a party-opponent or the statement of an unavailable declarant against the declarant's pecuniary and proprietary interest, was admissible at the hearing. MRE 801(d)(2); MRE 804(a)(5) and (b)(4).

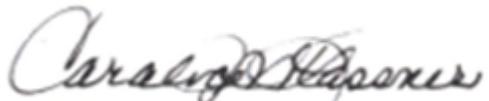
Respondent's statement, together with the other evidence presented, viewed in its entirety, and in the absence of any evidence by Respondent to dispute the evidence presented by the Department, clearly and convincingly established that Respondent knowingly and intentionally accessed and used Client's FAP benefits when he was not authorized by the Department to do so. Thus, Respondent did commit an IPV.

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. Because Respondent had no prior FAP IPV violations, Respondent is subject to a 12-month disqualification from the FAP program.

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 the Department has established by clear and convincing evidence that Respondent committed an IPV and is subject to a FAP disqualification.

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



CARALYCE M. LASSNER
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.

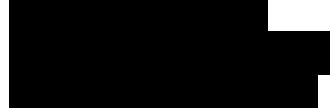
Via Electronic Mail:

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 redacted address for the respondent.