

Date Mailed: October [REDACTED], 2025  
Docket No.: 25-023423  
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 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 hearing was held via telephone conference on October 1, 2025. Bethany Belill, 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 67-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 IPV concerning Food Assistance Program (FAP) benefits?
2. Should Respondent be disqualified from receiving FAP benefits for 12 months?
3. Did Respondent receive an overpayment (OP) of FAP benefits that the Department is entitled to recoup and/or collect as a recipient claim?

### **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 September 27, 2023, the Department received a completed application for FAP benefits from Respondent. Respondent reported that she lived in Michigan, was not employed, and had no income. (Exhibit A, pp. 8 – 14).
2. On October 2, 2023, the Department interviewed Respondent. Respondent confirmed that she was not employed and had no income. (Exhibit A, pp. 15 – 21).

3. On October 2, 2023, the Department sent Respondent a Notice of Case Action (NOCA) that approved Respondent for FAP benefits in the amount of [REDACTED] per month, prorated from September 28, 2023, for a one-person FAP group based on [REDACTED] per month in earned or unearned income. The NOCA informed Respondent that she was a SR and required to report to the Department when her gross monthly income exceeded [REDACTED] in the prior calendar month. A Simplified Six Month Review notice was included with the NOCA and informed Respondent of her responsibility to report changes in her address and income when she completed a renewal application. (Exhibit A, pp. 22 – 29).

4. On October 3, 2023, Respondent was hired by [REDACTED] (Employer). Respondent reported to Employer that her address was [REDACTED] (Exhibit A, p. 30).

5. From October 13, 2023 to October 27, 2023, Respondent had gross earnings of [REDACTED] from Employer. (Exhibit A, p. 31).

6. From October 16, 2023 to December 22, 2023, Respondent's FAP benefits were used exclusively in Texas or to complete online purchases. (Exhibit A, pp. 32 – 33).

7. From November 1, 2023 to July 31, 2024, Respondent had gross earnings of more than [REDACTED] per month from Employer. (Exhibit A, p. 31).

8. From December 30, 2023 to July 4, 2024, Respondent's FAP benefits were used exclusively in Texas or to complete online purchases, with the exception of one purchase made in Michigan on June 28, 2024. (Exhibit A, pp. 33 – 35).

9. On January 17, 2024, the Department received a completed redetermination application for FAP benefits from Respondent. Respondent did not report any changes in her address, employment, or income. (Exhibit A, p. 37).

10. On February 16, 2024, the Department sent Respondent a NOCA that approved Respondent for FAP benefits in the amount of [REDACTED] per month effective March 1, 2024, for a one-person FAP group based on [REDACTED] per month in earned or unearned income. The NOCA informed Respondent that she remained a SR and reminded her that she was required to report to the Department when her gross monthly income exceeded [REDACTED] in the prior calendar month. A Simplified Six-Month Review notice was included with the NOCA. (Exhibit A, pp. 38 – 44).

11. Respondent was aware of the responsibility to report to the Department when her income exceeded the SR limit, and to provide truthful information to the Department. (Exhibit A, pp. 23 – 24, 28, 39 – 40, 43).

12. Respondent is not known to have an apparent physical or mental impairment that would limit the understanding or ability to report to the Department when her income exceeded the SR limit, or to provide truthful information to the Department. (Exhibit A, p. 10).

13. Respondent has no prior FAP IPV disqualifications.
14. From January 1, 2024 to July 31, 2024, Respondent received [REDACTED] in FAP benefits. (Exhibit A, p. 45).
15. On June 26, 2025, the Department's OIG filed a hearing request alleging that Respondent intentionally failed to report when her income exceeded the SR limit and as a result, received FAP benefits from January 1, 2024 to July 31, 2024 (fraud period), that she was ineligible to receive. OIG requested that (i) Respondent repay [REDACTED] to the Department for FAP benefits that Respondent was ineligible to receive and (ii) Respondent be disqualified from receiving FAP benefits for a period of 12 months due to committing an IPV.
16. 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 Respondent committed an IPV because she failed to report to the Department when her gross income exceeded the SR limit. 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; and repay an OP of FAP benefits she received.

#### **Intentional Program Violation**

An IPV occurs when a recipient of the Department benefits intentionally made a false or misleading statement, or misrepresented, concealed, or withheld facts. 7 CFR 273.16(c)(1); BAM 720 (June 2024), p. 1. Effective October 1, 2014, the Department'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, pp. 7 – 8.

To establish an IPV, the Department must present clear and convincing evidence that the household member committed, and intended to commit, the IPV. 7 CFR 273.16(e)(4), (e)(6); BAM 720, p. 2. 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).

FAP groups designated as SR are required to report to the Department by the 10<sup>th</sup> of the month when the group’s actual gross monthly income of the prior month exceeded the SR income limit for their group size. BAM 200 (July 2023), p. 1. Additionally, Department clients must completely and truthfully answer all questions on forms and in interviews. BAM 105 (October 2023), p. 7.

In this case, Respondent was approved for FAP benefits as a SR for a one-person group in October 2023. The Department alleged that Respondent committed an IPV when she failed to report to the Department when her gross income exceeded the SR limit from November 2023 through the end of the alleged fraud period.

The evidence established that as of November 30, 2023, Respondent’s gross earnings from Employer exceeded the SR limit; and her gross earnings from Employer continued to exceed the SR limit each month thereafter, through at least July 31, 2024. There was no evidence that she reported to the Department at any time that her income from the prior month exceeded the SR limit.

The evidence also established that:

- a) From December 30, 2023 to July 4, 2024, Respondent’s FAP benefits were used exclusively in Texas or to complete online purchases, with the exception of one purchase made in Michigan on June 28, 2024, and
- b) Respondent submitted a redetermination application to the Department on January 17, 2024, and failed to report her employment or income, or any change in her address.

Despite notice of the hearing having been mailed to Respondent at her most recent address, Respondent did not appear at the hearing to offer any explanation or to dispute the Department’s evidence or testimony.

In sum, Respondent began and continued earning monthly income well in excess of the limit within her first two months of employment, failed to report to the Department at any time that her total income exceeded the SR limit, and failed to provide truthful information regarding her income and residency to the Department when she completed her redetermination application. Thus, the Department has established by clear and

convincing evidence that Respondent intentionally concealed or withheld facts regarding her income for the purpose of maintaining, or preventing reduction of, FAP benefits or eligibility. Therefore, the Department has established 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, the Department has established by clear and convincing evidence that Respondent committed an IPV. Respondent did not have any prior IPVs. Therefore, Respondent is subject to a 12-month disqualification from receipt of FAP benefits.

### **Overpayment**

When a client group receives more benefits than entitled to receive, the Department must attempt to recoup the OP as a recipient claim. 7 CFR 273.18(a)(2); BAM 700 (June 2024), p. 1. The amount of a FAP OP is the benefit amount the client actually received minus the amount the client was eligible to receive. 7 CFR 273.18(c)(1); BAM 720, p. 8; BAM 715 (June 2024), pp. 4 – 6; BAM 705 (June 2024), p. 5.

In this case, the evidence established that Respondent received [REDACTED] in FAP benefits, from January 1, 2024 to July 31, 2024, and the Department alleged [REDACTED] was an OP of FAP benefits issued due to Respondent's failure to report when her income exceeded the SR limit.

In support of the OP amount sought, the Department introduced budgets for each of the months within the fraud period. (Exhibit A, pp. 47 – 61). A review of the budgets established that based on Respondent's unreported earned income, Respondent was only potentially eligible for [REDACTED] in FAP benefits in January 2024; and had excess gross income during each subsequent month of the fraud period and thus, was ineligible for any FAP benefits during those months. Therefore, Respondent did receive [REDACTED] in FAP benefits from January 1, 2024 to July 31, 2024, that she was not eligible to receive; and the Department is entitled to repayment from Respondent for a FAP OP in that amount.

### **DECISION AND ORDER**

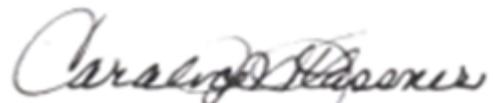
The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, concludes that:

1. The Department has established by clear and convincing evidence that Respondent committed an IPV.

2. Respondent is subject to a 12-month disqualification from FAP.
3. Respondent did receive an OP of FAP benefits in the amount of [REDACTED]

**IT IS ORDERED** that the Department initiate recoupment and/or collection procedures in accordance with the Department 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 be personally disqualified from FAP for a period of 12 months.



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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](http://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](mailto: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**

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Via First Class Mail:

**Respondent**

[REDACTED]