

Date Mailed: October [REDACTED], 2025
Docket No.: 25-024000
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 6, 2025. John Bower, 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 39-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 benefits for FAP?
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 16, 2022, the Department sent Respondent a Notice of Case Action (NOCA) that approved her for FAP benefits of [REDACTED] per month for a one-person FAP group and included a blank Change Report form. (Exhibit A, p. 34, Serial No. 3).
2. On November 10, 2022, the Department received a completed FAP application from Respondent for herself. Respondent reported that she lived at [REDACTED] (Michigan Address), and received Social

Security Disability Insurance (SSDI) income of [REDACTED] per month. (Exhibit A, pp. 9 – 22).

3. On November 10, 2022, the Department sent Respondent a NOCA that decreased Respondent's FAP benefits for a one-person FAP group to [REDACTED] per month, effective December 1, 2022 to August 31, 2024, and informed Respondent of her responsibility to report changes to the Department within 10 days. (Exhibit A, pp. 23 – 27).
4. On August 2, 2023, the Department processed a completed Mid-Certification application for FAP benefits from Respondent. (Exhibit A, p. 33, Serial No. 13 – 14).
5. On August 2, 2023, the Department sent Respondent a NOCA that approved her for ongoing FAP benefits of [REDACTED] per month, effective September 1, 2023 to August 31, 2024. The NOCA informed her that she was a simplified reporter (SR) and required to report when her income in the prior month exceeded [REDACTED]. (Exhibit A, p. 33, Serial No. 14).
6. From October 2, 2023 to May 27, 2024, Respondent's FAP benefits were used exclusively in Ohio, with the exception of one online purchase. (Exhibit A, pp. 31 – 32).
7. On November 6, 2023, Respondent was hired by [REDACTED] (Employer). She reported to Employer that her address was [REDACTED] (Ohio Address). (Exhibit A, p. 28).
8. From January 1, 2024 to May 31, 2024, Respondent received [REDACTED] in FAP benefits from the Department. (Exhibit A, p. 35).
9. Respondent was aware of her responsibility to report required changes to the Department.
10. Respondent has no prior FAP IPV disqualifications.
11. On January 28, 2025, the Department's OIG filed a hearing request alleging that Respondent intentionally failed to report she moved from Michigan to Ohio and as a result received FAP benefits from January 1, 2024 to May 31, 2024 (fraud period), that she was ineligible to receive. The OIG requested that (i) Respondent repay [REDACTED] to the Department for FAP benefits that she was ineligible to receive, and (ii) Respondent be disqualified from receiving FAP benefits for a period of 12 months due to committing an IPV.
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 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 alleged that Respondent committed an IPV when she failed to report to the Department that she moved from Michigan to Ohio and continued to use FAP benefits issued to her by the Department. The Department requested that Respondent be disqualified from receiving FAP benefits for a period of 12 months for this first IPV, and to recoup an OP of FAP benefits issued to Respondent.

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 Respondent intentionally made a false or misleading statement, or hid, misrepresented or withheld facts on purpose to receive, or continue to receive, benefits Respondent was not eligible to receive. 7 CFR 273.16(e)(6); BAM 720, pp. 1 – 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 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, Department 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, the Department alleges that Respondent committed an IPV of FAP when she intentionally failed to report to the Department when she moved to Ohio.

Clients must report changes of address to the Department within 10 days unless the client is a SR. BAM 105 (July 2023), pp. 11 – 12. During the certified benefit period, SR clients are only required to report when their monthly income for the prior month exceeded their SR income limit, when the group receives a single lottery or gambling winning of \$4,250 or more, or when a mandatory time limited food assistance (TFLA) participant is working less than 20 hours per week. BAM 200 (July 2023), p. 1.

In this case, although the evidence established that Respondent was living in Ohio on or after November 6, 2023, the Department's OIG testified that the Department issued a NOCA to Respondent on August 2, 2023, that approved Respondent for continuing FAP benefits and informed her that she was a SR. Because Respondent was a SR, and not a change reporter, she did not have a responsibility to report a move to the Department. BAM 200, p. 1.

There was no evidence that Respondent submitted any new applications or documents to the Department during the alleged fraud period and misrepresented her residency. Although there was evidence that Respondent began working for Employer when she moved to Ohio, the Department did not allege that she had income in excess of the applicable SR limit, or that she failed to report if her income exceeded the SR limit.

Based on the totality of the evidence and the Department's testimony, the Department did not establish by clear and convincing evidence that Respondent had a responsibility to, and intentionally failed to, report when she lived in Ohio, for the purpose of maintaining, or preventing reduction of, FAP program benefits or eligibility. Therefore, the Department has not established that Respondent committed an IPV of FAP.

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 not established by clear and convincing evidence that Respondent committed an IPV. Therefore, Respondent is not subject to a 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. To be eligible

for FAP, a person must be a Michigan resident, and is considered a resident while living in Michigan. BEM 220 (January 2023), p. 1. A person who is temporarily absent from Michigan remains a member of the FAP group; however, for purposes of FAP, a temporary absence is limited to 30 days unless the absent person is in a hospital and there is a plan for them to return to the home. BEM 212 (January 2022), p. 3.

In this case, the Department alleged that Respondent received an OP of FAP benefits totaling [REDACTED] from January 1, 2024 to May 31, 2024, because she lived in Ohio.

The evidence established that Respondent lived in Ohio beginning on or about November 6, 2023, and was issued [REDACTED] in FAP benefits from January 1, 2024 to May 31, 2024. Although Respondent did not have a responsibility to report a change of residence due to her status as a SR, because she had been absent from Michigan for more than 30 days as of January 1, 2024, she was no longer a Michigan resident and was ineligible for FAP benefits from the Department. Therefore, Respondent did receive an OP of FAP benefits in the amount of [REDACTED] in FAP benefits from January 1, 2024 to May 31, 2024, and the Department is entitled to repayment of the FAP OP.

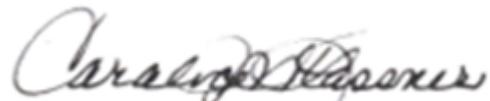
DECISION AND ORDER

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 not established by clear and convincing evidence that Respondent committed an IPV of FAP.
2. Respondent is not subject to a 12-month disqualification from FAP.
3. The Department established that it is entitled to recoup or collect an OP of FAP benefits from Respondent in the amount of [REDACTED]

IT IS ORDERED that the Department initiate recoupment and/or collection procedures in accordance with Department policy for a FAP OP in the amount of [REDACTED] less any amounts already recouped/collected, for the period of January 1, 2024 to May 31, 2024.

IT IS FURTHER ORDERED that the Department's request to disqualify Respondent from FAP is **DENIED**.



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

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Via First Class Mail:

Respondent

[REDACTED]