

Date Mailed: October [REDACTED], 2025
Docket No.: 25-024013
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 2, 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 59-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?
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 June 1, 2023, the Department received a completed redetermination application from Respondent for FAP benefits for herself and her child (Child). Respondent reported that she resided in Michigan and acknowledged and certified that she understood that she would have to tell the Department about any changes to the information provided on her application and that she received, reviewed, and agreed to the information in the Department's Information Booklet. (Exhibit A, pp. 9 – 16; p. 52, Serial No. 18).

2. On June 7, 2023, the Department interviewed Respondent and advised her of her rights and responsibilities. (Exhibit A, pp. 16 – 22).
3. On June 7, 2023, the Department sent Respondent a Notice of Case Action (NOCA) that approved Respondent for FAP benefits of [REDACTED] per month for Child effective July 1, 2023, based on \$0 earned or unearned income. The NOCA reminded her of her responsibility to report changes to the Department within ten days and included a blank Change Report form. (Exhibit A, pp. 23 – 31; p. 52, Serial No. 21 – 22).
4. Beginning on September 10, 2023, and continuing through June 23, 2024, Respondent used her FAP benefits exclusively in Alabama. (Exhibit A, pp. 32 – 44).
5. On February 7, 2024, Respondent began working for [REDACTED] (Employer). Respondent reported to Employer that her address was [REDACTED]. (Exhibit A, p. 45).
6. On February 16, 2024, Respondent received her first paycheck from Employer; she received her last paycheck on April 12, 2024. (Exhibit A, p. 46).
7. Respondent was aware of her responsibility to report changes to the Department within ten days. (Exhibit A, pp. 14 – 15, 28 – 31).
8. Respondent does not have an apparent physical or mental impairment that would limit her understanding or ability to report changes to the Department. (Exhibit A, pp. 12, 57).
9. Respondent has no prior FAP IPV disqualifications.
10. From December 1, 2023 to June 30, 2024, Respondent received [REDACTED] in FAP benefits from the Department. (Exhibit A, p. 55).
11. On June 30, 2025, the Department's OIG filed a hearing request alleging that Respondent intentionally failed to report when she moved from Michigan to Alabama, and as a result received FAP benefits from December 1, 2023 to June 30, 2024 (fraud period), that she was ineligible to receive. The OIG requested that Respondent (i) repay [REDACTED] to the Department for FAP benefits that she was ineligible to receive, and (ii) 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 when she moved from Michigan to Alabama. 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 was 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.

Clients must report changes of address and income to the Department within 10 days. 7 CFR 273.12(a); BAM 105 (April 2023), pp. 11 – 12. To be eligible for FAP benefits from the Department, clients must be Michigan residents and are considered residents while living in Michigan. 7 CFR 273.3(a); BEM 220 (January 2023), p. 1.

In this case, the Department alleges that Respondent committed an IPV when she failed to report that she moved to Alabama. The evidence established that on September 10, 2023, Respondent began using her FAP benefits exclusively in the State of Alabama. The evidence further established that Respondent lived and worked in Alabama from at least February 2024 until April 12, 2024. Additionally, Respondent continued to use the FAP benefits issued to her until her FAP certification period expired, which required an intentional and affirmative act on Respondent's part.

The Department's OIG agent also credibly testified that during the course of the Department's IPV investigation, the agent interviewed Respondent by telephone on June 30, 2025, and that Respondent told the Department that she had been living in Alabama since October 2023. There was no evidence that Respondent reported to the Department at any time that she moved to Alabama in October 2023 (Exhibit A, p. 52, Serial No. 24 – 27), and despite notice having been sent to Respondent at her current address, Respondent did not appear at the hearing. Respondent's verbal and written admissions, whether considered an admission by a party-opponent or the statement of an unavailable declarant against the declarant's pecuniary and proprietary interest, were admissible at the hearing. MRE 801(d)(2); MRE 804(a)(5) and (b)(4).

Based on the totality of the evidence, the Department presented clear and convincing evidence that Respondent knowingly and intentionally failed to report her change of residency from Michigan to Alabama to the Department for the purpose of obtaining, maintaining, or preventing reduction of, FAP program benefits or eligibility. Therefore, the Department 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 explained previously, the Department established by clear and convincing evidence that Respondent committed an IPV. There was no evidence that Respondent had 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. Further, to be eligible for FAP, a person must also be a Michigan resident. 7 CFR 273.3(a); BEM 220, p. 1.

In this case, the Department alleged that Respondent received an OP of ongoing FAP benefits of [REDACTED] from December 1, 2023 to June 30, 2024, when she failed to report she no longer resided in Michigan.

As explained previously, the evidence established that Respondent resided in Alabama throughout the fraud period. Because she was not a Michigan resident during the fraud period, Respondent was not eligible for any FAP benefits during that period. Therefore, the Department established that Respondent received an OP of [REDACTED] from December 1, 2023 to June 30, 2024, that the Department is entitled to recoup from Respondent.

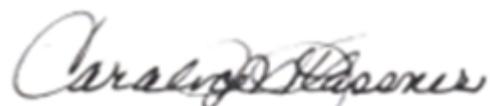
DECISION AND ORDER

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 established by clear and convincing evidence that Respondent committed an IPV of FAP.
2. Respondent is subject to a 12-month disqualification from FAP.
3. The Department established that it is entitled to recoup an OP of FAP benefits from Respondent in the amount of [REDACTED] for the period of December 1, 2023 to June 30, 2024.

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].

IT IS FURTHER ORDERED that Respondent is 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.

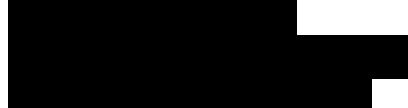
Via Electronic Mail:

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.