

Date Mailed: October 30, 2025
Docket No.: 25-028698
Case No.: [REDACTED]
Petitioner: OFFICE OF INSPECTOR
GENERAL (OIG)

HEARING DECISION
FOR INTENTIONAL PROGRAM VIOLATION (TRAFFICKING)

The Michigan Department of Health and Human Services (Department) requested a hearing alleging that Respondent [REDACTED] committed an intentional program violation (IPV) by trafficking 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 October 29, 2025. Patrick Richard, Senior 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).

A 71-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

ISSUES

1. Did the Department establish by clear and convincing evidence that Respondent committed an IPV concerning FAP benefits?
2. Should Respondent be disqualified from receiving benefits for FAP?
3. Did Respondent receive an overpayment 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 clear and convincing evidence on the whole record, finds as material fact:

1. [REDACTED] was a FAP recipient who received benefits for a household size of 1.
2. [REDACTED] passed away on May 20, 2024.
3. From June 1, 2024, to September 19, 2024, [REDACTED] FAP benefits were utilized in 59 transactions totaling [REDACTED]

4. On May 30, 2024, Respondent submitted an assistance application and reported that Respondent's cell phone number was [REDACTED].
5. On May 31, 2024, Respondent's phone number was used to change [REDACTED] Electronic Benefit Transfer (EBT) card's Personal Identification Number (PIN) 2 times and checked the balance on [REDACTED] EBT card 15 times.
6. The Department received images from a June 11, 2024, Walmart transaction showing a person identified as Respondent using [REDACTED] EBT card at 5:29 p.m.
7. The Department received images from a July 15, 2024, Meijer transaction showing a person identified as [REDACTED] using [REDACTED] EBT card at 4:32 p.m.
8. On August 12, 2025, the Department conducted a telephone interview with Respondent and Respondent acknowledged that after [REDACTED] death Respondent utilized [REDACTED] EBT benefits and let Respondent's brother [REDACTED] use [REDACTED] EBT card.
9. Respondent does not have an apparent physical or mental impairment that would limit the understanding or ability to comply with the rights and responsibilities as a FAP recipient.
10. Respondent has no prior FAP IPV disqualifications.
11. On August 13, 2025, the Department filed a hearing request alleging that Respondent intentionally used FAP benefits of a deceased client from June 1, 2024, to September 30, 2024, which Respondent was ineligible to use. The Department requested that (i) Respondent repay [REDACTED] for FAP benefits that Respondent was ineligible to use and (ii) Respondent be disqualified from receiving FAP benefits for a period of 12 months due to committing an IPV.

CONCLUSIONS OF LAW

Department policies are contained in the MDHHS Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), Adult Services Manual (ASM), and Reference Tables Manual (RFT).

The 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.

Trafficking and IPV Disqualification

The Department alleges that Respondent committed an IPV by trafficking FAP benefits and requests that Respondent be disqualified from FAP eligibility. IPV is defined, in part, as having intentionally “committed any act that constitutes a violation of [FAP], [FAP federal] regulations, or any State statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of [FAP] benefits or EBT [electronic benefit transfer] cards.” 7 CFR 273.16(c)(2) and (e)(6). Trafficking includes buying, selling, stealing, or otherwise effecting, or attempting to buy, sell, steal or otherwise effect, “an exchange of [FAP] benefits issued and accessed via [EBT] cards, card numbers and personal identification numbers (PINs), or by manual voucher and signature, for cash or consideration other than eligible food, either directly, indirectly, in complicity or collusion with others, or acting alone” 7 CFR 271.2. (Underline added by ALJ)

To establish an IPV by trafficking, the Department must present clear and convincing evidence that the household member committed, and intended to commit, the IPV. 7 CFR 273.16(e)(6). 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).

The Department’s Hearing Summary alleges that Respondent trafficked FAP benefits. However, the Department has not established that trafficking occurred in this case. Specifically, there was no evidence that the FAP benefits were exchanged for cash or consideration other than eligible food.

An IPV occurs when a recipient of MDHHS benefits intentionally made a false or misleading statement, or misrepresented, concealed, or withheld facts. 7 CFR 273.16(c)(1). Effective October 1, 2014, MDHHS’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 (June 1, 2024), p. 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)(6). 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. *Id.* at 1.

In this case, the Department alleges that Respondent committed an IPV by intentionally using FAP benefits of a deceased FAP beneficiary from June 1, 2024, to September 30, 2024, which Respondent was ineligible to use.

The Department has established that Respondent was aware of the rights and responsibilities as a recipient, including not using or attempting to use FAP benefits or Bridge cards that belong to another household. Food program benefits may only be used by the household, or other persons the household selects, to purchase eligible food for the household. 2 CFR 274.4(a). Respondent's signature on the Assistance Application documents that Respondent acknowledged the rights and responsibilities, including not using or attempting to use FAP benefits or Bridge cards that belong to another household. Respondent does not have an apparent physical or mental impairment that would limit the understanding or ability to comply with the rights and responsibilities as a FAP recipient.

█████ was a FAP recipient who received benefits for a household size of 1 and had no alternate payee. █████ passed away on May 20, 2024. After █████ death, █████ FAP benefits were utilized for 59 transactions from June 1, 2024, to September 19, 2024, totaling █████. Images from Walmart and Meijer were obtained by the Department showing Respondent and █████ conducting transactions using █████ EBT card.

During an August 12, 2025, telephone interview, Respondent acknowledged that after █████ death Respondent utilized █████ EBT benefits and let Respondent's brother █████ use █████ EBT card.

Any purchases made after the death of █████ were clearly not for █████ use. Overall, there is sufficient evidence to find that Respondent utilized █████ FAP benefits after █████ passed away. Therefore, the Department has presented clear and convincing evidence that Respondent committed an IPV.

Repayment

When a client group receives more benefits than entitled to receive, the Department must attempt to recoup the OI as a recipient claim. 7 CFR 273.18(a)(2); BAM 700, (October 1, 2018), p. 1. The amount of a FAP OI 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 (October 1, 2017), p. 6; BAM 705 (October 1, 2018), p. 6.

In this case, Respondent was overpaid FAP benefits totaling █████ from June 1, 2024, to September 30, 2024, because Respondent utilized and gave Respondent's brother █████ EBT card to utilize █████ FAP benefits in 59 transactions totaling █████.

There is sufficient evidence to find that Respondent utilized and gave Respondent's brother [REDACTED] EBT card to utilize [REDACTED] FAP benefits after [REDACTED] passed away. Therefore, the Department is entitled to repayment from Respondent of [REDACTED] in overpaid FAP benefits.

Here, the Department seeks repayment from Respondent of [REDACTED], the amount of [REDACTED] FAP benefits used by Respondent after [REDACTED] death. The evidence presented by the Department was sufficient to establish a valid recipient claim for [REDACTED]

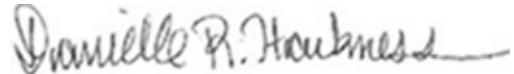
DECISION AND ORDER

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. Because the Department has established by clear and convincing evidence that Respondent committed an IPV, Respondent is subject to a FAP disqualification.
2. Respondent is responsible to repay the Department for a recipient claim of [REDACTED] for trafficked IPV benefits.

IT IS ORDERED that the Department initiate recoupment and/or collection procedures in accordance with Department policy for a FAP recipient claim in the amount of \$1,415.48, less any amounts already recouped/collected, for the fraud period.

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



DANIELLE R. HARKNESS
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:

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Via First Class Mail:

Respondent

[REDACTED]