

Date Mailed: October 30, 2025
Docket No.: 25-028701
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 [REDACTED] 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 29, 2025. Karrie Felenchak, Regulation Agent of the Office of Inspector General (OIG), represented the Department. Jennifer Kaurich, Regulation Agent of the OIG, appeared as an observer of the hearing. 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).

A 133-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 Food Assistance Program (FAP) benefits?
2. Should Respondent be disqualified from receiving benefits for the FAP?
3. Did Respondent receive a payment 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. From January 1, 2023, to January 31, 2023; September 1, 2024, to September 30, 2024; October 14, 2024, to October 31, 2024; December 30, 2024, to January 31, 2025; and February 27, 2025, to March 31, 2025 (fraud period), Respondent received [REDACTED] in FAP benefits subject to recoupment.

2. On October 12, 2022, Respondent submitted an Assistance Application in Michigan (MI) and listed a mailing address of [REDACTED] and reported that Respondent was homeless with no employment or income.
3. Respondent's signature on the Assistance Application certified that Respondent read and understood the rights and responsibilities. This would include providing accurate information and timely reporting changes.
4. On October 13, 2022, the Department mailed a notice of case action to Respondent to notify Respondent that Respondent was approved for FAP benefits based on a household size of 1 and earned income of [REDACTED]. The Department instructed Respondent to report any changes affecting Respondent's eligibility within 10 days. A blank change report was also provided for Respondent to report any changes.
5. From August 14, 2022, to September 16, 2022, Respondent was employed at Express Employment Professionals and received Respondent's first paycheck on August 19, 2022.
6. Subsequently, Respondent was employed at [REDACTED] from November 13, 2022, to January 20, 2023, and received Respondent's first paycheck on November 18, 2022.
7. Respondent reported to [REDACTED] that Respondent's address was [REDACTED].
8. Respondent failed to report Respondent's employment with [REDACTED] to the Department.
9. From January 1, 2023, to January 31, 2023, Respondent received [REDACTED] in FAP benefits.
10. On April 30, 2024, Respondent submitted Respondent submitted an Assistance Application in MI and listed a mailing address of [REDACTED] and reported that Respondent was homeless with no employment or income.
11. On May 3, 2024, the Department mailed a notice of case action to Respondent to notify Respondent that Respondent was approved for FAP benefits based on a household size of 1 and earned income of [REDACTED]. The Department instructed Respondent to report when Respondent's household exceeded the simplified reporting (SR) limit of \$1,580.00.
12. On July 18, 2024, Respondent began employment with [REDACTED] and received a paycheck from this employment from July 26, 2024, to May 9, 2025.

13. Respondent reported to [REDACTED] that Respondent's address was [REDACTED]
[REDACTED]

14. Respondent failed to report Respondent's employment with [REDACTED] to the Department.

15. From September 1, 2024, to September 30, 2024, Respondent received [REDACTED] in FAP benefits.

16. On October 14, 2024, Respondent submitted an Assistance Application in MI and listed a mailing address of 1 [REDACTED] and reported that Respondent was homeless with no employment or income.

17. At the time of Respondent's October 14, 2024, application, Respondent failed to report Respondent's employment at [REDACTED]

18. On November 12, 2024, the Department mailed a notice of case action to Respondent to notify Respondent that Respondent was approved for FAP benefits of [REDACTED] from October 14, 2024, to October 31, 2024, and denied FAP benefit beginning November 1, 2024, for failing to verify Respondent's employment.

19. On December 30, 2024, Respondent submitted an Assistance Application in MI and listed a mailing address of [REDACTED] and reported that Respondent was homeless with no employment or income.

20. At the time of Respondent's December 30, 2024, application, Respondent failed to report that Respondent was employed at [REDACTED] and residing in TN.

21. From December 30, 2024, to January 31, 2025, Respondent received FAP benefits of [REDACTED].

22. On February 27, 2025, Respondent submitted an Assistance Application in MI and listed a mailing address of [REDACTED] and reported that Respondent was homeless with no employment or income.

23. At the time of Respondent's February 27, 2025, application, Respondent failed to report that Respondent was employed at [REDACTED] and residing in TN.

24. From February 27, 2025, to March 31, 2025, Respondent received [REDACTED] in FAP benefits.

25. During the fraud period, Respondent's MI issued FAP benefits were utilized exclusively in AZ and TN.

26. Respondent did not have an apparent physical or mental impairment that would limit the ability to understand or fulfill the reporting requirements.

27. Respondent has no prior IPV disqualifications.

28. On August 14, 2025, the Department filed a hearing request alleging that Respondent intentionally failed to report moving out of state and as a result, received FAP benefits during the fraud period, that Respondent was ineligible to receive. OIG requested that (i) Respondent repay to the Department [REDACTED] 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.

29. A notice of hearing was mailed to Respondent at the last known address and was not returned by the United States Postal Service as undeliverable.

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.

IPV

An IPV “shall consist of having intentionally: (1) made a false or misleading statement, or misrepresented, concealed or withheld facts; or (2) committed any act that constitutes a violation of SNAP, SNAP regulations, or any State statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of SNAP benefits or EBT cards.” 7 CFR 273.16(c). An IPV requires that the Department establish by clear and convincing evidence that the client has intentionally withheld or misrepresented information for the purpose of establishing, maintaining, increasing or preventing reduction of program benefits or eligibility. 7 CFR 273.16(e)(6). Clear and convincing evidence is evidence, which is so clear, direct, weighty, and convincing that it enables a firm belief as to the truth of the allegations sought to be established. *In re Martin*, 450 Mich 204, 227; 538 NW2d 399 (1995) (citing *In re Jobes*, 108 NJ 394 (1987)). 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 understanding or fulfill these reporting responsibilities. BAM 720, p. 1.

In this case, the Department alleges that Respondent committed an IPV based on a failure to report moving out of state, resulting in receiving a greater amount of FAP benefits during the fraud period than Respondent was eligible to receive.

The Department has established that Respondent was aware of the responsibilities to accurately report information and to timely report any changes to the Department. Households are required to report changes in residence and the resulting change in shelter costs. 7 CFR 273.12(a)(1)(i)(D)(iii). Department policy requires clients to report any change in circumstances that will affect eligibility or benefit amount within 10 days. This includes changes with residence and income. BAM 105 (October 1, 2021), pp. 11-13.

Further, clients must completely and truthfully answer all questions on forms and in interviews. *Id.* at 9. Respondent's signature on the assistance applications certified that that Respondent read and understood the rights and responsibilities. This would include providing accurate information and timely reporting changes. Respondent did not have an apparent physical or mental impairment that would limit the ability to understand or fulfill the reporting requirements.

On October 12, 2022; April 30, 2024; October 14, 2024; December 30, 2024; and February 27, 2025, Respondent submitted an Assistance Application in MI and reported that Respondent's mailing address was [REDACTED]. Further, Respondent reported that Respondent was homeless with no employment or income. Respondent's signature on the Assistance Application certified that Respondent read and understood the rights and responsibilities which includes providing accurate information and timely reporting changes.

During the fraud period, Respondent's MI issued FAP benefits were utilized exclusively in AZ and TN. There was no evidence that Respondent accurately reported Respondent's income and residency to the Department in accordance with the reporting responsibilities.

The evidence establishes that Respondent failed to accurately report Respondent's income and residency to the Department within 10 days, as required by policy. Respondent's change in residency was utilized to redetermine FAP eligibility during the fraud period. Respondent's failure to accurately report Respondent's income and residency resulted in an overpayment of FAP benefits. Therefore, the Department has presented clear and convincing evidence 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, p. 16. As discussed above, the Department has established by clear and convincing evidence that Respondent committed an IPV.

Respondent has no prior IPV disqualifications. Because this was Respondent's first IPV, 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 overpayment as a recipient claim. 7 CFR 273.18(a)(2); BAM 700 (June 1, 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 1, 2024), p. 6.

In this case, the Department alleged that Respondent was overpaid FAP benefits totaling [REDACTED] during the fraud period. However, when the change in Respondent's income and residency was utilized to redetermine eligibility, Respondent was eligible for [REDACTED] in FAP benefits during the fraud period. Therefore, the Department is entitled to repayment from Respondent of [REDACTED] in overpaid FAP benefits.

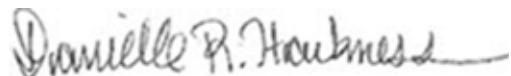
DECISION AND ORDER

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 the FAP.
3. Respondent received an overpayment of FAP benefits of [REDACTED].

IT IS ORDERED that the Department initiate recoupment and/or collection procedures in accordance with Department policy for a FAP overpayment of \$1,458.00 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:

Petitioner

OFFICE OF INSPECTOR GENERAL (OIG)
PO BOX 30062
LANSING, MI 48909-7562
MDHHS-OIG-HEARINGS@MICHIGAN.GOV

Via First Class Mail:

Respondent

[REDACTED]