BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON REFERRAL BY THE COMMISSIONER OF HEALTH

In the Matter of)	
P. C. and N. C.)	OAH No. 24-0642/0643-ADQ
	,	

DECISION

I. Introduction

N. C. and P. C. (the C.s) are a married couple. They are former Supplemental Nutrition Assistance Program¹ (SNAP) recipients. On October 7, 2024, the Department of Health, Division of Public Assistance's (Division) Fraud Control Unit initiated two separate Administrative Disqualification cases against them,² alleging they had committed a first time Intentional Program Violation against the SNAP program.³ At the C.s' request, the cases are consolidated for all purposes.

The C.s' hearing was held on November 26, 2024. The C.s were provided advance notice of the hearing by both certified mail and standard First-Class mail.⁴ The C.s both attended. Mr. C. represented himself and Ms. C. and testified. Amanda Holton, an Investigator with the Division's Fraud Control Unit, represented the Division. Ms. Holton, testified for the Division as did Daryl Johnson, an Eligibility Technician with the Division. The Division's exhibits were admitted into evidence without objection. The hearing was recorded.

This decision concludes that the C.s each committed a first Intentional Program Violation of the SNAP.

II. Facts

The following facts were established by clear and convincing evidence.

A. Facts Common to all Applications

The Supplemental Nutrition Assistance Program (SNAP) is commonly referred to by its prior title of "Food Stamps" or the "Food Stamp Program." This decision will use the current name of the program Supplemental Nutrition Assistance Program or "SNAP."

² P. C., OAH Case No. 24-0642-ADQ; N. C., OAH Case No. 24-0643-ADQ.

Ex. 3, OAH Case No. 24-0642-ADQ; Ex. 3, OAH Case No. 24-0643-ADQ.

Ex. 1, para. 6, OAH Case No. 24-0642-ADQ; Ex. 1, para. 6 OAH Case No. 24-0643-ADQ; Ex. 3, OAH Case No. 24-0642-ADQ; Ex. 3, OAH Case No. 24-0642-ADQ; Ex. 4, OAH Case No. 24-0643-ADQ.

The C.s are long-term SNAP benefit recipients. Their household consisted at all relevant times of themselves, and their two children. They completed, signed, and submitted applications⁵ for SNAP benefits to the Division on July 12, 2016,⁶ November 25, 2016,⁷ December 18, 2017, June 3, 2018, December 1, 2018, May 22, 2019, December 4, 2019, D December 10, 2020, ¹³ July 10, 2021, ¹⁴ December 1, 2022, ¹⁵ and May 22, 2023. ¹⁶

Each of the applications contained a "Rights and Responsibilities" section which informed the C.s of their obligation to complete the applications truthfully, their obligations to report specified changes in their household circumstances, and the penalties for noncompliance. 17 Each application was signed by both C.s, where they certified under penalty as follows:

Under penalty of perjury, I certify that all information contained in this application, including U.S. citizenship or lawful immigrant status of all persons applying for benefits and identity of all persons under age 18 listed on this application, is true and correct to the best of my knowledge.

I have read or had read to me the "Rights and Responsibilities" included with the application I understand my rights and responsibility, including fraud penalties, as described in this application. 18

Each application contained a question asking about what bank accounts were owned by household members. On the July 12, 2016 application, the C.s answered that they did not have a bank account. 19 On the remaining applications, the C.s answered that the household only had

The dates used for the applications are the dates they were signed by the C.s., not the dates they were received by the Division of Public Assistance.

Ex. 8.

Ex. 10.

⁸ Ex. 12.

Ex. 14.

Ex. 16. 11

Ex. 18 12 Ex. 20.

¹³ Ex. 22.

¹⁴ Ex. 24, pp. 2 - 15.

¹⁵ Ex. 26.

¹⁶ Ex. 28.

¹⁷ Ex. 7; Mr. Johnson's testimony.

July 12, 2016 application, Ex. 8, p. 12; November 25, 2016 application, Ex. 10, p. 5; December 18, 2017 application, Ex. 12, p. 5; June 3, 2018 application, Ex. 14, p. 5; December 1, 2018 application, Ex. 16, p. 5; May 22, 2019, Ex. 18, p. 5; December 4, 2019 application, Ex. 20, p. 5; December 10, 2020 application, Ex. 22, p.5; July 10, 2021 application, Ex. 24, p. 13; December 1, 2022 application, Ex. 26, p.5; May 22, 2023 application, Ex. 28, p. 5.

Ex. 8, p. 9.

one bank account, which was located at Mt. McKinley Bank.²⁰ In addition to the Mt. McKinley bank account, which the C.s listed as an asset on all but the July 12, 2016 application, they owned a bank account at Wells Fargo. That bank account was opened on January 20, 2011, was jointly owned by the C.s and continued to be an open account in use during the entire time period that this case encompasses.²¹ The C.s did not list it as an asset on any of their applications.²²

B. July 12, 2016 Application

Each of the applications also asked whether the household members had any income, the income source, and the amount. For the July 12, 2016 application, the C.s' application stated that the household's only source of income was Mr. C.'s employment with Employer A.²³ The C.s participated in an interview with the Division on July 12, 2016, during which their obligation to tell the truth was discussed (Rights and Responsibilities).²⁴ The application was approved based upon Mr. C.'s employment with Employer A being the only income source for the household. The notice informing the C.s of the approval also informed them that they were required to notify the Division when their monthly gross income exceeded \$3,285.²⁵

The C.s' bank statements for July 2016, the month of the application and August 2016, the month immediately after the application, showed deposits, other than the Employer A payments and federal and state benefit checks for Mr. C.'s parents. Excluding those payments, the bank statements show deposits made into the C. accounts in July 2016, in the amount of \$6,346.50.²⁶ The C. accounts also show deposits in August of 2016, totaling \$26,663.50 which included two wire transfer deposits on August 15, 2016 totaling \$12,000.00.²⁷

C. The November 25, 2016 Application

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Ex. 10, p. 2; Ex, 12, p. 2; Ex. 14, p. 2; Ex. 16, p. 2; Ex. 18, p 2; Ex. 20, p. 2; Ex. 22, p. 3; Ex. 24, p. 10; Ex. 26, p. 3; and Ex. 28, p. 3.

Ex. 31.

Ex. 8, p. 9; Ex. 10, p. 2; Ex, 12, p. 2; Ex. 14, p. 2; Ex. 16, p. 2; Ex. 18, p 2; Ex. 20, p. 2; Ex. 22, p. 3; Ex. 24, p. 10; Ex. 26, p. 3; and Ex. 28, p. 3.

Ex. 8, p. 6.

Ex. 9, p. 1.

Ex. 9.

Ms. Holton's testimony; Ex. 1, pp. 5, 9.

Ms. Holton's testimony; Ex. 1, pp. 5, 9.

The C.s' November 25, 2016 application stated that the household's only source of income was Mr. C.'s employment with Employer A.²⁸ The application was approved based upon Mr. C.'s employment with Employer A being the only income source for the household. The notice informing the C.s of the approval also informed them that they were required to notify the Division when their monthly gross income exceeded \$3,853.²⁹

The C.s' bank account statements for November 2016, the month of application, and December 2016, the month immediately following the application, in the respective amounts of \$9,582 and \$10,229.13.30

D. The December 18, 2017 Application

The C.s' December 18, 2017 application stated that the household's income consisted of Mr. C.'s wages from Employer A and a monthly rental payment of \$900.³¹ Mr. C. participated in an interview regarding that application where he was advised of his obligation to tell the truth (Rights and Responsibilities) on February 9, 2018. The application was approved based upon Mr. C.'s employment with Employer A and rental income of \$900 being the only income source for the household. The notice informing the C.s of the approval also informed them that they were required to notify the Division when their monthly gross income exceeded \$3,332.³²

The C.s' bank records for December 2017, the month of application, and January 2018, the following month, rental income of \$1,000 for both of those months, and other non-Employer A deposits, in the total amounts of \$4,105 and \$2,322, respectively.³³

E. The June 3, 2018 Application

The C.s' June 3, 2018 application stated that the household's only source of income was Mr. C.'s employment with Employer A.³⁴ The application was approved based upon Mr. C.'s employment with Employer A being the only income source for the household. The notice informing the C.s of the approval also informed them that they were required to notify the Division when their monthly gross income exceeded \$3,332.³⁵

Ex. 10, p. 3.

²⁹ Ex. 11.

Mr. Holton's testimony; Ex. 1, pp. 5, 9-10.

Ex. 12, p. 3.

³² Ex. 13.

Ms. Holton's testimony; Ex. 1, pp. 11 - 12.

Ex. 14, p. 3.

³⁵ Ex. 15.

The C.s' bank records for the month of application, and the following month, June and July 2018 through November 2018 showed non-employment monthly deposits in the respective amounts of \$2,484.37 and \$8,492.³⁶

F. The December 1, 2018 Application

The December 1, 2018 application stated the only income was Mr. C.'s employment with Employer A.³⁷ Mr. C. participated in an interview regarding that application during which his obligation to tell the truth was discussed (Rights and Responsibilities). Only his income with Employer A and the family members' receipt of the Permanent Fund Dividend was discussed. The application was approved based upon Mr. C.'s employment with Employer A being the only income source for the household. The notice informing the C.s of the approval also informed them that they were required to notify the Division when their monthly gross income exceeded \$3,400.³⁸

The C.s' bank statements for December 2018, the month of application, and January 2019, the following month, show that their daughter, J., had monthly deposits in the bank accounts showing that she was employed and receiving wages at that time. Including J.'s undeclared wages, the bank accounts showed non-Employer A deposits in the respective amounts of \$6,713.45 and \$1,680.62.³⁹

G. The May 22, 2019 Application

The only stated source of income on the May 22, 2019 application was Mr. C.'s employment with Employer A.⁴⁰ The application was approved based upon Mr. C.'s employment with Employer A being the only income source for the household. The notice informing the C.s of the approval also informed them that they were required to notify the Division when their monthly gross income exceeded \$3,400.⁴¹

The bank statements for May 2019 and June 2019, the month of application and the following month, show that J. was receiving employment income in May. The bank accounts

Ms. Holton's testimony; Ex. 1, pp. 5, 12.

Ex. 16, p. 3.

³⁸ Ex. 17.

Ms. Holton's testimony; Ex. 1, pp. 5, 13.

Ex. 18, p. 3.

Ex. 19.

showed monthly deposits, including J.'s income, for May and June respectively, in the amounts of \$8,497.76 and \$7,577.78.42

Н. The December 4, 2019 Application

On the December 4, 2019 application, the C.s left the question regarding employment unanswered, stating instead that Mr. C. was going to start work in January of 2020 and that the household received a monthly rent payment of \$900.⁴³ Following an interview during which Mr. C. was informed of his obligation to tell the truth (Rights and Responsibilities), the application was held pending receipt of additional income information, and then approved based upon J.'s employment being the only income source for the household. The notice informing the C.s of the approval also informed them that they were required to notify the Division when their monthly gross income exceeded \$3,488.44

The C.s' bank accounts showed deposits, not attributable to J.'s employment, during December 2019 and January 2020, totaling \$3,650 and \$3,000 respectively. 45

I. The December 10, 2020 Application

On the December 10, 2020 application, the C.s stated that their daughter J. was the only person in the household who was working, that Ms. C. had unspecified yearly income of \$18,000 and there were no other sources of income for the household. That application was placed on hold pending receipt of additional information.⁴⁷ Mr. C.'s response, in pertinent part, was that he was self-employed in construction from May through October, and that J. was working. 48 That application was not approved.⁴⁹ The bank accounts showed monthly deposits in December of 2020 in the amount of \$1,000 and January 2021 deposits in the amount of \$31,973.38.⁵⁰ //

J. The July 10, 2021 Application

On the July 10, 2021, application, the C.s stated that Mr. C. was self- employed as a carpenter, but not making any money, and that the only sources of income were J.'s employment

⁴² Ms. Holton's testimony; Ex. 1, pp. 5, 14 - 15. 43

Ex. 20, p. 3.

⁴⁴ Ex. 21.

⁴⁵ Ms. Holton's testimony; Ex. 1, pp. 5, 16.

⁴⁶ Ex. 22, p. 3.

⁴⁷ Ex. 23.

⁴⁸ Ex. 24, p. 1.

⁴⁹ Ex. 1, p. 5.

Ms. Holton's testimony; Ex. 1, p 5, 19.

as a caregiver and a monthly rental payment of \$950.⁵¹ The C.s were contacted for additional information, where they informed the Division that Mr. C. only worked seasonally in construction earning \$2,000 a month, that Katya worked as a caregiver. The application was held for additional information and then denied. ⁵²

The bank records for July and August 2021, the month of application and the following month, show deposits of \$100,000 and \$1,247.62 respectively.⁵³

K. The December 1, 2022 Application.

On the December 1, 2022 application, the C.s stated that their daughter J. was the only source of income for the household.⁵⁴ The application was pended for additional information and ultimately approved, based upon the household having total countable income of \$788.96, which consisted of J.'s employment income, \$550 in rental income, and limited self-employment income.⁵⁵

The bank records, however, show that during December 2022, the month of application, and January 2023, the following month, that there were deposits, not including J.'s income, of \$4,100 and \$24,590. The deposits for the rental income were \$1,300 each month.⁵⁶

L. The May 22, 2023 Application

On the May 22, 2023, application, the C.s stated that their daughter J.'s job along with a monthly rental payment of \$550 were the only sources of household income. ⁵⁷ While processing the C.s' May 22, 2023 application, the Division accessed the "Instant Eligibility Verification System" (IEVS) which showed that Mr. C. was the owner of property located in Hawaii and that application was denied. ⁵⁸

The C.s' bank records show a rental payment in the amount of \$1,300 during both May and June 2023, as well as other deposits totaling \$12,810.26 for May and \$12,626.82 for June, which included the rental payments of \$1,300.⁵⁹

M. The Fraud Investigation

Ex. 24, pp. 7 - 9.

⁵² Ev 25

Ms. Holton's testimony; Ex. 1, pp. 6, 19.

⁵⁴ Ex. 26, p. 3.

⁵⁵ Ex. 27.

Ms. Holton's testimony; Ex. 1, pp. 6, 21.

Ex. 28, p. 3.

⁵⁸ Ex. 29.

Ms. Holton's testimony; Ex. 1, pp. 1, 22.

The Division initiated a fraud investigation which culminated in this case.⁶⁰ In the course of that investigation, it obtained certified copies of the C.s' Wells Fargo and Mt. McKinley bank accounts.⁶¹ The Division calculated that the C.s received a total of \$47,811 in SNAP benefits, as a result of not truthfully declaring their income, which they were financially not eligible to receive.⁶²

N. Mr. C.'s Testimony

At the hearing held in this case, Mr. C. testified. His testimony did not address the undeclared Wells Fargo bank account. He stated that most of his income was received was for construction where he was essentially the contractor, and that his actual income was only approximately ten percent of the monies received.⁶³

III. Discussion

In order to prevail, the Division must prove by clear and convincing evidence⁶⁴ that Mr. C. and Ms. C. committed an Intentional Program Violation of the Food Stamp program: that they intentionally "made a false or misleading statement, or misrepresented, concealed, or withheld facts" by failing to notify the Division of the Wells Fargo bank account and the household's complete income information.⁶⁵ It must be noted that Food Stamp eligibility for benefits is determined based upon the household's income and resources, and benefits amounts are determined based, in part, on a household's income.⁶⁶

A. The Wells Fargo Bank Account

The Division provided certified copies of the Wells Fargo bank account statements showing that the C.s jointly owned this bank account since 2011 and that it was in active use

⁶⁰ Ex. 2.

Exs. 30, 31.

Mr. Johnson's testimony; Ex. 1, p. 6; Ex. 33, p 1.

Mr. C.'s testimony.

⁶⁴ 7 C.F.R. § 273.16(e)(6).

⁶⁵ 7 C.F.R. § 273.16(c). It should be noted that although the Division sent the C.s correspondence indicating that it had additional grounds for finding an Intentional Program Violation (Ex. 3, pp. 1 – 2), this decision only addresses the issues squarely identified in the Division's October 7, 2024 "ADVANCE NOTICE OF YOUR ADMINISTRATIVE DISQUALIFICATION HEARING," to wit:

N. C. and P. C. failed to declare their Wells Fargo bank account and various sources of income on applications submitted in pursuit of welfare. In addition, they misrepresented their self-employment income as part of their 19 July 2021 Application for Services.

⁶⁶ 7 C.F.R. § 273.10(e)(1)(i)(A).

during the time period of this case, 2016 through 2023. This account, however, was nowhere declared on any of the C.s' applications, which they signed under penalty of perjury after being advised of their obligation to truthfully complete those applications. Because this was an active bank account, the C.s would have been aware of its existence. They also presented no evidence of any sort showing that the bank account was unknown to them.

The Division has the burden of proof in this case by clear and convincing evidence. The Division met its burden. It showed that Mr. C. and Ms. C. were the owners of the account, that it was used during the entirety of the time period that this case encompasses, July 2016 through May 2023, and that the C.s did not list it as an asset on any of the applications filed during the relevant time period, despite having been asked to list all bank accounts on each application. The failure to list the Wells Fargo account on each application was therefore an ongoing intentional concealment of the account by both the C.s and constituted an intentional program violation of the Supplemental Nutrition Assistance Program.

B. Undeclared Income

Each of the applications filed by the C.s during the relevant time period of this case, July 2016 through May 2023, required the C.s to list their income and the sources of that income. Each of those applications contained omissions or misstatements of the income. Mr. C. testified that he was essentially the contractor and that his real income was approximately ten percent of the money received. Regardless, the evidence presented showed that he did not report any portion of that construction income, except in regard to July 21, 2021 and December 1, 2022 applications, where only a portion of that income was disclosed.

Because the C.s would have been knowledgeable about their household's income, their failure to accurately and completely answer the questions regarding the household's income was an intentional misrepresentation and concealment of the household's income.

The Division has therefore established that Mr. C. and Ms. C. intentionally concealed and misrepresented their household income as follows:

Application Date	Omission/Misstatement	
July 12, 2016	Failure to disclose bank account deposits (income) other	
	than Mr. C.'s Employer A income.	
November 25, 2016	Failure to disclose bank account deposits (income) other	
	than Mr. C.'s Employer A income.	

December 18, 2017	Failure to disclose bank account deposits (income) other
	than Mr. C.'s Employer A income and understating rental
	income (rental income disclosed of \$900 versus \$1,000
	paid).
June 3, 2018	Failure to disclose bank account deposits (income) other
	than Mr. C.'s Employer A income.
December 1, 2018	Failure to disclose bank account deposits (income) other
	than Mr. C.'s Employer A income, and failure to disclose
	J.'s employment income.
May 22, 2019	Failure to disclose bank account deposits (income) other
	than Mr. C.'s Employer A income, and failure to disclose
	J.'s employment income.
December 4, 2019	Failure to disclose bank account deposits (income) other
	than J.'s employment income.
December 10, 2020	Failure to disclose bank account deposits (income) other
	than J.'s employment income.
July 10, 2021	Failure to disclose bank account deposits (income) other
	than J.'s employment income and \$2,000 per month as
	Mr. C.'s self-employment income. For example, there
	was a bank deposit of \$100,000 on July 20, 2021, which
	would have been anticipated self-employment income.
December 1, 2022	Failure to disclose bank account deposits (income) other
	than J.'s employment income and limited self-
	employment income. The lack of disclosure included
	undeclared rental income and a large deposit of \$24,590
	in January 2023, which would have been anticipated
	income.
May 22, 2023	Failure to disclose bank account deposits (income), which
	included understating the monthly rental income, other
	than J.'s employment income. The actual rental income
May 22, 2023	income. Failure to disclose bank account deposits (income), which included understating the monthly rental income, other

was \$1,300 per month as contrasted to the \$550 which
was disclosed.

The failure to truthfully list the income received by the household on each of these applications was therefore an ongoing intentional concealment and misrepresentation by both the C.s of their household income, constituting and constituted an intentional program violation of the Supplemental Nutrition Assistance Program.

IV. Conclusion

As shown above, Mr. C. and Ms. C. have each committed a first time Intentional Program Violation of the Supplemental Nutrition Assistance Program for two separate and independent reasons. First, by actively intentionally concealing and misrepresenting their assets (the Wells Fargo bank account) over an extended period beginning in July 2016 and continuing through May 2023. Second, by actively intentionally concealing and misrepresenting their household over an extended period beginning in July 2016 and continuing through May 2023. They are both therefore disqualified from receiving SNAP benefits for a 12-month period and are required to reimburse the Division for benefits that were overpaid as a result of the Intentional Program Violation.⁶⁷

The SNAP disqualification period shall begin February 1, 2025.⁶⁸ This disqualification applies to both Mr. C. and Ms. C., and not to any other individuals who may be included in their household.⁶⁹ For the duration of the disqualification period, Mr. C. and Ms. C.'s needs will not be considered when determining Food Stamp eligibility and benefit amounts for their household. However, they must report their income and resources as they may be used in these determinations.⁷⁰

The Division shall provide written notice to Mr. C. and Ms. C. and any remaining household members of the benefits they will receive during the period of disqualification, or that they must reapply because the certification period has expired.⁷¹

⁶⁷ 7 C.F.R. § 273.16(b)(1)(i); 7 C.F.R. § 273.16(b)(12); 7 C.F.R. § 273.16(e)(8)(iii).

See 7 C.F.R. § 273.16(b)(13) and (e)(8)(i); Garcia v. Concannon, 67 F.3d 256, 259 (9th Cir. 1995). Insofar as 7 C.F.R. § 273.16(e)(9)(ii) is inconsistent with this result, it must be disregarded as contrary to statute, as discussed in Garcia and in Devi v. Senior and Disabled Serv. Div., 905 P.2d 846 (Or. App. 1995).

⁶⁹ 7 C.F.R. § 273.16(b)(11).

⁷⁰ 7 C.F.R. § 273.11(c)(1).

⁷¹ 7 C.F.R. § 273.16(e)(9)(ii).

If over-issued SNAP benefits have not been repaid, Mr. C. and Ms. C. or any remaining household members are now required to make restitution.⁷² If Mr. C. and Ms. C. disagrees with the Division's calculation of the amount of overissuance to be repaid, they may request a separate hearing on that limited issue.⁷³

Dated: December 16, 2024

By: Signed
Signature
Larry Pederson
Name
Administrative Law Judge
Title

[This document has been modified to conform to the technical standards for publication. Names may have been changed to protect privacy.]

⁷² 7 C.F.R. § 273.16(b)(12); 7 C.F.R. § 273.16(e)(8)(iii).

⁷³ 7 C.F.R. § 273.15.

Adoption

The undersigned, by delegation from the Commissioner of Health, adopts this Decision, under the authority of AS 44.64.060(e)(1), as the final administrative determination in this matter.

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after the date of this decision.

DATED this 3rd day of January, 2025.

By:	Signed	
·	Signature	
	Larry Pederson	
	Name	
	Administrative Law Judge	
	Title	