



**STATE OF WISCONSIN**  
**Division of Hearings and Appeals**

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In the Matter of

Office of the Inspector General, Petitioner

vs.

██████████, Respondent

DECISION  
Case #: FOF - 153921

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Pursuant to petition filed December 4, 2013, under Wis. Admin. Code §HA 3.03, and 7 C.F.R. § 273.16, to review a decision by the Office of the Inspector General to disqualify ██████████ ██████████ from receiving FoodShare benefits (FS) for one year, a hearing was held on Tuesday, January 28, 2014 at 2:15 PM, by telephone.

The issue for determination is whether the respondent committed an Intentional Program Violation (IPV).

There appeared at that time the following persons:

**PARTIES IN INTEREST:**

Petitioner:

Office of the Inspector General  
Department of Health Services - OIG  
PO Box 309  
Madison, WI 53701  
By: Nadine Stankey, Card Trafficking Auditor

Respondent:

██████████ ██████████ (non-appearance)

**ADMINISTRATIVE LAW JUDGE:**

Nancy Gagnon  
Division of Hearings and Appeals

**FINDINGS OF FACT**

1. The respondent (CARES # ██████████) is a resident of Milwaukee County who received FS benefits in Milwaukee County from May 24, 2010 through January 8, 2011.
2. During the May 2010 through January 2011 period, the respondent engaged in behavior consistent with trafficking, which is forbidden by federal regulation. She repeatedly made large "purchases" at a small

convenience store, [REDACTED] Food Market, in addition to some purchases at legitimate grocery stores. Multiple purchases often occurred on the same day, and purchases ended in “0” for 36 percent of the items. [REDACTED] has no carts or baskets to facilitate large purchases, as 95% of purchases by all customers made at the store are for less than \$30. The store has one cash register, and a small counter with a barrier. [REDACTED] stocks minimal amounts of groceries, and has more of an emphasis on snack items.

3. [REDACTED] Food Market has been permanently disqualified from participation in the Foodshare program by the federal government in June 2011, due to trafficking violations occurring in 2010 and 2011. The owner admitted to trafficking FS for diapers.
4. The respondent engaged in 28 FS transactions at [REDACTED] during the subject period. Multiple same day purchases occurred on at least May 24, 2010, November 11, 2010, December 9, 2010, January 8, 2011, and March 8, 2011. Specifically, on December 8, 2010, the respondent made a \$159.86 purchase at Sparkle. The next day, she made the following purchases at [REDACTED]: \$3.78 (5:13 pm), \$2.78 (8:46 pm), \$.85 (8:47 pm), \$2.85 (8:50 pm), \$2.44 (10:29 pm), \$.75 (10:32 pm), \$5.95 (12:24 a.m.), and additional purchases on December 11. Multiple same day purchases constitute a suspicious behavior under FNS trafficking profiling standards. Per her FS utilization history, the respondent is also a regular shopper at Sparkle, a store being investigated for improper activity.
5. On December 19, 2013, the petitioner prepared and issued an *Administrative Disqualification Hearing Notice* alleging that the respondent engaged in trafficking FS benefits at [REDACTED] Food.
6. The respondent failed to appear for the scheduled January 28, 2014, Intentional Program Violation (IPV) hearing and did not provide any good cause for said failure to appear. In advance of the hearing date, she did supply a telephone number at which she could be reached; however, when the call was attempted on the date of hearing, the Administrative Law Judge could only reach a recording that said that the number had been disconnected.

### DISCUSSION

An intentional program violation of the FoodShare program occurs when a recipient intentionally does the following:

1. makes a false or misleading statement, or misrepresents, conceals or withholds facts;  
or
2. commits any act that constitutes a violation of the Food Stamp Act, the Food Stamp Program Regulations, or any Wisconsin statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of FoodShare benefits or QUEST cards.

*FoodShare Wisconsin Handbook*, § 3.14.1; *see also* 7 C.F.R. § 273.16(c) and Wis. Stat. §§ 49.795(2-7).

An intentional program violation can be proven by a court order, a diversion agreement entered into with the local district attorney, a waiver of a right to a hearing, or an administrative disqualification hearing, *FoodShare Wisconsin Handbook*, § 3.14.1. The petitioner can disqualify only the individual found to have committed the intentional violation; it cannot disqualify the entire household. Those disqualified on grounds involving the improper transfer of FS benefits are ineligible to participate in the FoodShare program for one year for the first violation, two years for the second violation, and permanently for the third violation. Although other family members cannot be disqualified, their monthly allotments will be reduced unless they agree to make restitution within 30 days of the date that the FS program mails a written demand letter. 7 C.F.R. § 273.16(b).

7 C.F.R. §273.16(e)(4) provides that the hearing shall proceed if the respondent cannot be located or fails to appear without good cause. The respondent did not appear or claim a good cause reason for not attending the

hearing. Therefore, I must determine whether the respondent committed an IPV based solely on the evidence that the petitioner presented at hearing.

In order for the petitioner to establish that an FS recipient has committed an IPV, it has the burden to prove two separate elements by clear and convincing evidence. The recipient must have: 1) committed; and 2) intended to commit a program violation per 7 C.F.R. § 273.16(e)(6). In *Kuehn v. Kuehn*, 11 Wis.2d 15 (1959), the court held that:

Defined in terms of quantity of proof, reasonable certitude or reasonable certainty in ordinary civil cases may be attained by or be based on a mere or fair preponderance of the evidence. Such certainty need not necessarily exclude the probability that the contrary conclusion may be true. In fraud cases it has been stated the preponderance of the evidence should be clear and satisfactory to indicate or sustain a greater degree of certitude. Such degree of certitude has also been defined as being produced by clear, satisfactory, and convincing evidence. Such evidence, however, need not eliminate a reasonable doubt that the alternative or opposite conclusion may be true. ...

*Kuehn*, 11 Wis.2d at 26.

*Wisconsin Jury Instruction – Civil 205* is also instructive. It provides:

Clear, satisfactory and convincing evidence is evidence which when weighed against that opposed to it clearly has more convincing power. It is evidence which satisfies and convinces you that “yes” should be the answer because of its greater weight and clear convincing power. “Reasonable certainty” means that you are persuaded based upon a rational consideration of the evidence. Absolute certainty is not required, but a guess is not enough to meet the burden of proof. This burden of proof is known as the “middle burden.” The evidence required to meet this burden of proof must be more convincing than merely the greater weight of the credible evidence but may be less than beyond a reasonable doubt.

Further, the *McCormick* treatise states that “it has been persuasively suggested that [the clear and convincing evidence standard of proof] could be more simply and intelligibly translated to the jury if they were instructed that they must be persuaded that the truth of the contention is highly probable.” 2 *McCormick on Evidence* § 340 (John W. Strong gen. ed., 4<sup>th</sup> ed. 1992).

Thus, in order to find that an IPV was committed, the trier of fact must derive from the evidence, a firm conviction as to the existence of each of the two elements even though there may exist a reasonable doubt that the opposite is true.

In order to prove the second element, i.e., intention, there must be clear and convincing evidence that the FS recipient intended to commit the IPV. The question of intent is generally one to be determined by the trier of fact. *State v. Lossman*, 118 Wis.2d 526 (1984). There is a general rule that a person is presumed to know and intend the probable and natural consequences of his or her own voluntary words or acts. See, *John F. Jelke Co. v. Beck*, 208 Wis. 650 (1932); 31A C.J.S. Evidence §131. Intention is a subjective state of mind to be determined upon all the facts. *Lecus v. American Mut. Ins. Co. of Boston*, 81 Wis.2d 183 (1977). Thus, there must be clear and convincing evidence that the FS recipient knew that the act or omission was a violation of the FS Program but committed the violation anyway.

Based upon the record before me, I find that the petitioner has established by clear and convincing evidence that the respondent intentionally violated FS program rules, and that this violation was the first such violation committed by the respondent. Therefore, the petitioner correctly seeks to disqualify the respondent from the FS program for one year.

## CONCLUSION

I conclude that the agency has established, by clear and convincing evidence, that the respondent intentionally trafficked a portion of her FS benefits. The respondent engaged in suspicious transactions at a store that has been disqualified as a Foodshare vendor by the federal government, due to trafficking. During the subject period in 2010, the respondent engaged in behavior consistent with trafficking. She repeatedly made multiple “purchases” at a convenience store, ██████ Food Market, which is not near her residence. *I.e.*, if her current address was her address in 2010-2011, she lived 2.4 miles from ██████. The purchases sometimes occurred on the same day or day after a large purchase at a legitimate grocery store, which raises a question as to why groceries were again needed. The purchase amounts ended in zero to an abnormal degree. ██████ has no carts or baskets to facilitate large purchases, as 95% of purchases by all customers made at the store are for less than \$30. ██████ stocks minimal amounts of groceries, and has more of an emphasis on snack items. The agency produced documents establishing all of the foregoing. The respondent has provided the Department with no credible explanation for her conduct, because she did not appear. I have no reason to believe that her actions were unintentional. Therefore, I conclude that the respondent committed, and intended to commit, an FS IPV. The Department’s decision to disqualify her from FS participation for one year is correct.

### CONCLUSIONS OF LAW

1. The respondent violated, and intended to violate, the FS program rule specifying that trafficking is forbidden.
2. The violation specified in Conclusion of Law No. 1 is the first such violation committed by the respondent.

**NOW, THEREFORE,** it is

**ORDERED**

That the petitioner’s determination is *sustained*, and that the petitioner may make a finding that the respondent committed a first IPV of the FoodShare program and disqualify the respondent from the program for one year, effective the first month following the date of receipt of this decision.

### **REQUEST FOR A REHEARING ON GROUNDS OF GOOD CAUSE FOR FAILURE TO APPEAR**

In instances where the good cause for failure to appear is based upon a showing of non-receipt of the hearing notice, the respondent has 30 days after the date of the written notice of the hearing decision to claim good cause for failure to appear. See 7 C.F.R. sec. 273.16(e)(4). Such a claim should be made in writing to the Division of Hearings and Appeals, P.O. Box 7875, Madison, WI 53707-7875.

### **APPEAL TO COURT**

You may also appeal this decision to Circuit Court in the county where you live. Appeals must be served and filed with the appropriate court no more than 30 days after the date of this hearing decision (or 30 days after a denial of rehearing, if you ask for one).

For purposes of appeal to Circuit Court, the Petitioner in this matter is the Department of Health Services. After filing the appeal with the appropriate court, it must be served on the Secretary of that Department, either personally or by certified mail, no more than 30 days after the date of this hearing decision. The address of the Department is: 1 West Wilson Street, Room 651, Madison, WI 53703. A copy should also be sent to the Division of Hearings and Appeals, 5005 University Avenue, Suite 201, Madison, WI 53705-5400.

The appeal must also be served on the other “PARTIES IN INTEREST” named in this decision. The process for appeals to the Circuit Court is in Wis. Stat. §§ 227.52 and 225.53.

Given under my hand at the City of Madison,  
Wisconsin, this 13th day of February, 2014

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\sNancy Gagnon  
Administrative Law Judge  
Division of Hearings and Appeals

c: Office of the Inspector General - email  
Public Assistance Collection Unit - email  
Division of Health Care Access and Accountability - email



## State of Wisconsin\DIVISION OF HEARINGS AND APPEALS

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The preceding decision was sent to the following parties on February 13, 2014.

Office of the Inspector General  
Public Assistance Collection Unit  
Division of Health Care Access and Accountability