



June 15, 2023

The Honorable Glenn 'G.T.' Thompson
Chairman, Committee on Agriculture
United States House of Representatives
1301 Longworth House Office Building
Washington, DC 20515

The Honorable David Scott
Ranking Member, Committee on Agriculture
United States House of Representatives
1301 Longworth House Office Building
Washington, DC 20515

Dear Chairman Thompson and Ranking Member Scott,

On behalf of the United Council on Welfare Fraud, thank you for the opportunity to provide testimony and address issues impacting the Supplemental Nutrition Assistance Program (SNAP). I would like to offer several points of clarification for the record following the June 7, 2023, hearing, *"Innovation, Employment, Integrity, and Health: Opportunities for Modernization in Title IV."*

I was asked several questions about error and fraud rates. As I testified, this contentious issue is problematic to answer as the two issues are often co-mingled. The SNAP payment error rate is a performance measure for accountability at state and county SNAP offices and is impacted by SNAP eligibility workers and policy waivers and options in place.¹

Fraud rates, conversely, include overpayments but are impacted by the lack of fraud detection staff as discussed in my written testimony. They can also vary from state to state and county to county depending on many factors. Fraud is a moving target, and government agencies are always playing catchup, which is why we encourage moving from "pay and chase" to front-end fraud prevention.

A research study was ordered by the Florida state legislature and released on November 28, 2012. It established a 7.5% SNAP fraud rate, which is in line with my testimony.² It should be noted that this fraud rate only pertained to provable recipient eligibility fraud and did not address fraud attempts, trafficking, or identity theft (to include account takeover.) A copy of this report is attached. Concerns with the 40% rate reported by the Pennsylvania Inspector General should be directed to that agency, but this also aligns with UCOWF member experiences.³



I would also like to clarify questions about the Name/Address/Signature and Social Security Number discussions. According to 7 C.F.R. § 273.2(b)(1)(v): [**Emphasis added**]

“In plain and prominent language on or near the front page of the application, notification of the household's right to immediately file the application as long as it contains the applicant's name and address and the signature of a responsible household member or the household's authorized representative. Regardless of the type of system the State agency uses (paper or electronic), it must provide a means for households to immediately begin the application process with name, address, and signature;”⁴

Should a household apply for Expedited Benefits, all that is required under current regulations is the name, address, and signature. While well intentioned to provide maximum benefits immediately to applicants in need, this loophole is exploited by identity thieves. A savvy fraudster applying after the 15th of the month would receive one and a half months SNAP benefits – up to **\$421.50** for a single household.⁵ After the expedited benefit time has expired, the recipient must provide the remaining eligibility information to continue receiving SNAP. Per FNS, “The significant aspect of expedited service is the postponing of verification when it is necessary to issue an allotment by the seven-day deadline.”⁶

Modernization of regulations to require all mandatory identity components is a common-sense reform both sides of the aisle should agree to – it protects the program from waste, fraud, and abuse. The current “EBT skimming” epidemic impacting vulnerable recipients is a great example that can be fixed with program modernization.

Again, thank you for the opportunity to discuss these critical matters impacting SNAP program integrity. We remain at your disposal and available for additional opportunities to discuss fraud and integrity with all Committee and Subcommittee members.

Respectfully submitted,

Dawn Royal

Director and Past-President

United Council on Welfare Fraud (UCOWF)

¹ USDA Office of Inspector General: FNS Quality Control Process for SNAP Error Rate. 2023 rates are expected to be released by end of June. <https://www.oversight.gov/sites/default/files/oig-reports/27601-0002-41.pdf>

² “Statistical Analysis of Fraud in the Florida Food Assistance Program,” ERS Group, November 28, 2012

³ https://www.bradfordera.com/news/key-pa-budget-negotiator-hopes-for-welfare-fraud-compromise/article_560351bf-6e3e-5beb-8177-18282b864774.html

⁴ [https://www.ecfr.gov/current/title-7/subtitle-B/chapter-II/subchapter-C/part-273#p-273.2\(b\)\(1\)\(v\)](https://www.ecfr.gov/current/title-7/subtitle-B/chapter-II/subchapter-C/part-273#p-273.2(b)(1)(v))

⁵ <https://www.fns.usda.gov/snap/recipient/eligibility>

⁶ USDA FNS Memo dated February 17, 2006. <https://www.fns.usda.gov/snap/admin/expedited-service-and-interviews>