What GAO Found

In 2014, GAO found that selected states employed a range of tools to detect potential Supplemental Nutrition Assistance Program (SNAP) recipient fraud, but they faced challenges, including inadequate staffing levels, that limited the effectiveness of their actions, and the Food and Nutrition Service (FNS) lacked data about the states’ efforts. The 11 states GAO studied reported using detection tools required or recommended by FNS, among others, to combat SNAP recipient fraud. However, 8 of these states reported difficulties in conducting fraud investigations due to reduced or stagnant staff levels and funding despite program growth, and some state officials suggested changing the financial incentives structure to help support the costs of investigating potential fraud.

GAO also found limitations to the effectiveness of website monitoring tools and the analysis of card replacement data states used, under the direction of FNS, for fraud detection. Specifically, GAO found FNS’s recommended website monitoring tools to be less effective than manual searches and impractical for detecting internet posts indicative of SNAP trafficking—the misuse of program benefits to obtain non-food items. Further, although FNS required states to monitor SNAP households that request at least four replaced electronic benefit transfer (EBT) cards in a year, GAO found that multiple EBT card requests in the same benefit period may not indicate increased risk of trafficking. GAO found that, by adjusting the analysis to focus on SNAP households that both requested cards in at least four different monthly benefit periods and engaged in suspicious transactions, states could possibly detect potential fraud more accurately. For example, in 2014, GAO found that 4,935 SNAP households in Michigan received at least 4 replaced EBT cards in a year. However, out of these householders, GAO identified 39 households that both received multiple replacement cards in at least four different monthly benefit periods and engaged in suspicious transactions indicative of SNAP trafficking, resulting in 10 or more trafficking flags. GAO reported that this type of targeted analysis may help provide states with a starting point for identifying higher priority households for further review, which can be particularly helpful given that states had reported having limited resources for conducting investigations.

GAO also found that, despite FNS’s increased oversight efforts at that time, it did not have consistent and reliable data on states’ anti-fraud activities because its reporting guidance lacked specificity. For example, the FNS guidance did not define the kinds of activities that should be counted as investigations, resulting in inconsistent data across states.

What GAO Recommends

In 2014, GAO recommended that FNS reassess its financial incentives for state anti-fraud efforts and tools for website monitoring; establish additional guidance related to EBT replacement card data; and enhance the reliability of state reporting. FNS agreed with GAO’s recommendations and has been taking steps to address them. GAO is not making new recommendations in this testimony statement.

View GAO-16-719T. For more information, contact Kay E. Brown at (202) 512-7215 or brownke@gao.gov