

# GAO Highlights

Highlights of [GAO-14-641](#), a report to Ranking Member, Committee on the Budget, U.S. Senate

## Why GAO Did This Study

In fiscal year 2013, SNAP, the nation's largest nutrition support program, provided about 47 million people with \$76 billion in benefits. Fraud, including trafficking—the misuse of program benefits to obtain non-food items—has been a long-standing concern, and technology has provided additional opportunities to commit and combat such activities. State agencies are responsible for addressing SNAP recipient fraud under the guidance and monitoring of FNS. GAO was asked to review state and federal efforts to combat SNAP recipient fraud.

GAO reviewed: (1) how selected state agencies combat SNAP recipient fraud; (2) the effectiveness of certain state fraud detection tools; and (3) how FNS oversees state anti-fraud efforts. GAO reviewed relevant federal laws, regulations, guidance, and documents; interviewed officials in 11 states; interviewed federal officials; tested fraud detection tools using fiscal year 2012 program data; and monitored websites for potential trafficking online. Although results are not generalizable to all states, the 11 states, selected based on various criteria including the size of their SNAP recipient household population and their payment error rates, served about a third of SNAP recipient households.

## What GAO Recommends

GAO recommends, among other things, that FNS reassess current financial incentives and detection tools and issue guidance to help states better detect fraud and report on their anti-fraud efforts. Agency officials agreed with our recommendations.

View [GAO-14-641](#). For more information, contact Kay E. Brown at (202) 512-7215 or [brownke@gao.gov](mailto:brownke@gao.gov), or Seto J. Bagdoyan at (202) 512-6722 or [bagdoyans@gao.gov](mailto:bagdoyans@gao.gov).

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# SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

## Enhanced Detection Tools and Reporting Could Improve Efforts to Combat Recipient Fraud

## What GAO Found

The 11 states GAO reviewed employed a range of detection tools, but experienced mixed success investigating and pursuing cases to combat potential Supplemental Nutrition Assistance Program (SNAP) recipient fraud. States reported using detection tools required or recommended by the Food and Nutrition Service (FNS), such as matching recipient data against prisoner and death files. However, most of selected states reported difficulties in conducting fraud investigations due to either reduced or maintained staff levels while SNAP recipient numbers greatly increased from fiscal year 2009 through 2013. Some state officials suggested changing the financial incentives structure to help support the costs of investigating potential SNAP fraud. For example, investigative agencies are not rewarded for cost-effective, anti-fraud efforts which prevent ineligible people from receiving benefits at all.

GAO found limitations to the effectiveness of recommended replacement card data and website monitoring tools for fraud detection. FNS requires states to monitor SNAP households that request at least four cards per year, but selected states reported limited success detecting fraud this way. GAO's analysis found potential trafficking in 73 percent of households reviewed by focusing on SNAP households requesting cards in at least four monthly benefit periods. Benefits are allotted monthly, and a recipient selling their benefits and then requesting a new card would generally have one opportunity per month to do so. As a result, additional card requests in the same benefit period may not indicate increased risk of trafficking. Additionally, GAO found the FNS recommended e-commerce website monitoring tool to be less effective than manual searches in detecting posts indicative of SNAP trafficking. GAO found the recommended tool for monitoring social media to be impractical due to the volume of irrelevant data.

Figure 1: Using Replacement Cards to Target Trafficking in Michigan, Fiscal Year 2012



Source: GAO analysis of Supplemental Nutrition Assistance Program (SNAP) transaction data. | GAO-14-641

FNS has increased its oversight of state anti-fraud activity in recent years by issuing new regulations and guidance, conducting state audits, and commissioning studies on recipient fraud since fiscal year 2011. Despite these efforts, FNS does not have consistent and reliable data on states' anti-fraud activities because its reporting guidance lacks specificity. For example, the guidance from FNS did not define the kinds of activities that should be counted as investigations, resulting in data that were not comparable across states. Additional oversight efforts, such as providing guidance to states for reporting consistent data, could improve FNS's ability to monitor states and obtain information about more efficient and effective ways to combat recipient fraud.