



United States Department of Agriculture
Office of Inspector General





United States Department of Agriculture
Office of Inspector General
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DATE: March 21, 2012

AUDIT
NUMBER: 27002-0006-13

TO: Audrey Rowe
Administrator
Food and Nutrition Service

ATTN: Angela Kline
Acting Director
Office of Internal Control
Audits and Investigations

FROM: Gil H. Harden
Assistant Inspector General
for Audit

SUBJECT: Analysis of Texas' Supplemental Nutrition Assistance Program (SNAP)
Eligibility Data

This report presents the results of the subject review. Your written response to the official draft is included at the end of this report. Excerpts of your February 27, 2012, response and the Office of Inspector General's position are incorporated into the applicable sections of the report.

Based on your response, we have reached management decision on all of the report's recommendations. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer. Also, please note that Departmental Regulation 1720-1 requires final action to be completed within 1 year of the date of management decision to preclude being listed in the Department's annual Performance and Accountability Report.

We appreciate the courtesies and cooperation extended to us by members of your staff during our audit fieldwork and subsequent discussions.

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Analysis of Texas' Supplemental Nutrition Assistance Program (SNAP) Eligibility Data - 27002-0006-13

Executive Summary

The Food and Nutrition Service's (FNS) Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, provides monthly food assistance and nutrition for the health and well being of more than 40 million low-income individuals.¹ The Office of Inspector General (OIG) initiated this audit to analyze the Texas SNAP participant database to identify anomalies that may result in ineligible participants receiving SNAP benefits.

Of the 3,551,581 average monthly recipients in Texas during fiscal year 2010, we found 4,096 (.12 percent) recipients who were deceased or were using a deceased individual's Social Security Number (SSN), were receiving duplicate benefits from the State of Texas, were receiving benefits simultaneously from one of five nearby States, or were listed in the Electronic Disqualified Recipient System (eDRS).^{2,3} This occurred because while Texas' Health and Human Services Commission (HHSC) has taken several steps to safeguard against potential fraud, waste, and abuse, there is some opportunity for improvement. HHSC, which administers SNAP, does not perform all checks necessary to ensure SNAP benefits go only to those who are eligible. Specifically, it does not perform some edit checks that would help ensure that the participant information that is entered is accurate. Finally, though HHSC uses the Public Assistance Reporting Information System (PARIS) database to check for duplicate enrollment across States, this system does not include all participants nationwide because FNS does not require States to participate in PARIS or to check for duplicate enrollment across States.⁴ FNS also does not require States to use the eDRS system in all cases to ensure that applicants have not been previously disqualified from receiving SNAP benefits.

In all, the 4,096 participants whose eligibility should have been researched cause us to question approximately \$523,551 in benefits per month, based on the average monthly amount a recipient receives in Texas.⁵ With a 26 percent increase in participation since 2007, SNAP is a rapidly

¹For fiscal year (FY) 2010 according to FNS' *SNAP: Average Monthly Participation*, September 1, 2011.

² Nearby States included Alabama, Florida, Louisiana, Mississippi, and Missouri.

³FNS maintains eDRS which is a national internet-based application that tracks SNAP participants that have been found guilty of intentional program violations and have been disqualified from the program.

⁴ PARIS is a computer matching process by which the Social Security numbers of public assistance recipients are matched against various Federal databases and those of participating States to prevent simultaneous participation in benefit programs among States. PARIS is operated under the auspices of the Administration for Children and Families, U.S. Department of Health and Human Services. Official PARIS website: <http://www.acf.hhs.gov/paris>.

⁵ Potential improper payments are based upon the average amount a recipient receives in Texas each month (\$127.82) for FY 2010 according to FNS' *SNAP: Average Monthly Benefit per Person*, September 1, 2011. We were not able to determine the actual amount because payments are calculated by household, not individual; therefore, even if one participant is ineligible—such as a deceased participant—it is possible that other members of the household are eligible to receive benefits at a lower amount. Additionally, because Texas does not keep a record of participant start dates, it is uncertain how long these individuals had been receiving benefits, and therefore difficult to determine total payments made to that individual.

growing program in Texas. If HHSC does not take measures to increase preventative and fraud detection efforts, it risks making continued payments to individuals who may not be eligible for SNAP benefits.

Recommendation Summary

FNS needs to require HHSC to regularly perform checks to verify that information in participant databases is accurate. FNS also needs to require HHSC to review the 4,096 individuals identified in this report to determine if participants have received improper payments and recover as appropriate.

Agency Response

FNS is actively engaged in a dialogue with regional offices and with States regarding policies and technical assistance tools which can strengthen integrity to an even greater extent. FNS is processing final rules that will codify the requirement that States perform the Social Security Administration (SSA) death match, the prisoner match, and eDRS matching prior to certification. FNS expects to publish the final rules in June 2012. FNS also issued a November 15, 2011 policy memo reminding States of this requirement. The State has committed to following up on the 4,096 individuals identified and estimates completion by October, 31, 2012.

OIG Position

OIG concurs with FNS' response. We reached management decision on the report's two recommendations.

Background and Objectives

Background

FNS' SNAP, formerly known as the Food Stamp Program, provides monthly food assistance and nutrition for the health and wellbeing of more than 40 million low-income individuals. Texas had 3,551,581 individuals—or 14 percent of the State's population—enrolled per month in SNAP during fiscal year 2010.^{6,7} Since 2007, the program has grown by 26 percent. While FNS pays the full cost of recipient benefits, both FNS and State agencies share the program's administrative costs.

For enrollment and eligibility procedures, SNAP regulations at the Federal level specify minimum guidelines, such as maximum income requirements, to be enforced by the State agencies; however, these regulations do not establish a standardized system of internal controls at the State level. FNS' policy is to allow State agencies the flexibility to establish control systems that meet the individual needs of each State. For example, Federal regulations allow State agencies to determine whether or not they will interview recipients face-to-face or on the telephone prior to granting benefits. In Texas, HHSC performs interviews both via telephone and in person. Each State is also allowed to decide how it would like to organize the administration of SNAP. Each State agency develops and maintains its own eligibility system—including software and databases—which varies from State to State.

In Texas, applicants submit documents to prove citizenship, residency, income, and expenses. To continue in the program, participants are typically required to recertify every 6 months.⁸ If the household has special circumstances, such as all members receiving Supplemental Security Income (SSI), the household may be granted a longer certification period between one and three years. Participants in SNAP apply and are approved or denied by HHSC based on pre-established eligibility requirements.

State agencies also have the primary responsibility for monitoring recipients' compliance with program requirements and for detecting and investigating cases of alleged intentional program violations.⁹ Once applicants have submitted information, HHSC performs several automated data checks to validate selected information submitted, including SSNs. State agencies are required to establish a system to ensure that certain prisoners do not receive benefits.¹⁰ State agencies must also check recipient data against a national SSA database, which can be accessed using SSA's State Verification Exchange System (SVES), to ensure that deceased recipients do not receive

⁶ Texas' monthly SNAP participation numbers are based on an average for FY 2010 according to FNS' *SNAP: Average Monthly Participation*, dated September 1, 2011.

⁷ Population information is based on the 2010 United States Census, dated June 3, 2011.

⁸ HHSC, Texas Works Handbook, Part A, Determining Eligibility, Section 2324, *Length of Certification*.

⁹ 7 Code of Federal Regulations (CFR) 273.16 (c), dated January 1, 2011, defines an intentional program violation as any act violating the Food Stamp Act, the Food Stamp Program regulations, or any State statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing, or trafficking SNAP benefits. The definition includes any act that constitutes making a false or misleading statement or concealing or withholding facts.

¹⁰ Public Law (PL) 105-33, Balanced Budget Act of 1997, Section 1003 (a) (1), dated August 5, 1997; and PL 114-246, the Food and Nutrition Act of 2008, Section 11(q), dated October 1, 2008.

benefits.^{11, 12} In addition, HHSC, like most other agencies who administer SNAP, utilizes additional national and State database systems to verify income and employment information provided by applicants.

Objectives

OIG initiated this audit to analyze the Texas SNAP participant database to identify anomalies that may result in ineligible participants receiving SNAP benefits

¹¹ Provided at no cost to State agencies, SVES matches data against several national databases to check for death and SSN verification for every submitted individual. SSA's Death Master File also checks SSNs nationwide to search for deceased individuals.

¹² PL 105-379, An Act to Amend the Food Stamp Act of 1977, Section 1(a), dated November 12, 1998.

Section 1: SNAP Eligibility Oversight Needs Strengthening

Finding 1: FNS Should Strengthen its Oversight of HHSC's Eligibility Review

We found that of the 3,551,581 average monthly participants in Texas as of December 2010, 4,096 (.12 percent) participants were deceased, were using a deceased individual's SSN, were receiving duplicate benefits in Texas, were receiving benefits simultaneously from one of five nearby States, or were listed in eDRS as previously disqualified from receiving SNAP benefits. While HHSC has taken several steps to safeguard against potential fraud, waste, and abuse, there is some opportunity for improvement. Specifically, HHSC does not perform some edit checks that would ensure that participant information is entered accurately. Additionally, although HHSC uses the PARIS database to check for duplicate enrollment across States, this system does not include all participants nationwide because FNS does not require States to participate in PARIS or check for duplicate enrollment across States. FNS also does not require States to use the eDRS system in all cases to ensure that applicants have not been previously disqualified from receiving SNAP benefits. Not performing these checks increases the risk of improper payments. In all, the 4,096 participants whose questionable eligibility should have been reviewed continued to receive approximately \$523,551 in benefits each month.

To verify that benefits are not issued to individuals who are deceased, HHSC, like all agencies who administer SNAP, is required to compare the information in its SNAP participant database with national SSA death information. HHSC uses SSA databases as well as the data from Texas Bureau of Vital Statistics (BVS) to identify deceased participants. HHSC runs this match on a monthly basis. However, when we used SSA's Death Master File (DMF) to perform this check ourselves, we found that 2,405 current Texas SNAP participants' SSNs were listed in SSA's DMF.¹³ HHSC reviewed all 2,405 cases and confirmed that 906 participants were deceased. Of the 906 deceased participants, 177 were enrolled in a one-person household and benefits on the account were used after their date of death. The remaining cases were generally identified due to input errors of the SSN in the eligibility system. Officials stated that participants listed on SSA's DMF continued to receive benefits after they were identified because HHSC has an agreement with SSA that HHSC cannot take adverse action on households based solely on death information obtained from SSA.¹⁴ In contrast, HHSC can take immediate action on death information obtained from BVS.¹⁵ This system allows HHSC to remove individuals who have died in the State, but cannot remove individuals listed on the national SSA DMF who may have died in another State, unless they have a secondary source to verify a recipient's death. Officials

¹³ The SSA's DMF is used by leading government, financial, investigative, credit reporting, and medical research organizations as well as other industries to verify individuals who have died.

¹⁴ Per the agreement under which HHSC obtains the SSA death information, HHSC must verify the information provided through a secondary source and is not allowed to act solely on death information received from SSA for terminating public assistance benefits, including SNAP.

¹⁵ According to FNS' *Questions and Answers on the Noncitizen Eligibility and Certification Provisions Final Rule*, dated November 21, 2000, databases such as BVS are not questionable, and are termed "verified upon receipt," because the provider is the primary source of the information.

also stated that delays in researching the results of the death match may result in deceased participants continuing to receive benefits after they are identified.

We also found individuals using invalid SSNs. SNAP applicants are required to provide an SSN when applying for benefits. HHSC then validates the SSN with SSA. If the SSN fails validation, the individual applying for SNAP benefits is directed to resolve the discrepancy with SSA. If HHSC determines that good cause exists for not having an SSN, HHSC cannot suspend the individual's benefits.¹⁶ If the individual cannot prove good cause each month then he is disqualified from the program. We found that 22 participants had SSNs that did not match the format of the SSA scheme for valid SSNs.¹⁷ This occurred because HHSC does not currently check for input errors caused when personnel enter the SSN into the system, or for invalid SSN schemes that have been present for more than the first month of participation. HHSC has determined that none of the 22 individuals have received improper benefits. HHSC is working to correct these invalid SSNs as soon as possible.

We also found 11 individuals who received SNAP benefits simultaneously under two separate accounts in Texas. Normally, HHSC performs an edit check to identify and prevent a person who was already in the system from being entered into the system twice. However, these anomalies occurred because input errors in key data fields caused the individuals to appear to be different people. When we notified the agency of the duplicate accounts, they agreed to correct them. Because this type of error is rare and does not pose a great risk, we accept this response.

HHSC also had multiple instances of simultaneous enrollment with the States of Alabama, Florida, Louisiana, Mississippi, and Missouri. Each participant should only receive SNAP benefits from the State where the participant resides. We compared SNAP enrollment between Texas and these nearby States and found that 1,355 individuals enrolled in the Texas SNAP program were simultaneously enrolled in one of the five nearby States for at least 3 consecutive months. In some cases, participation in multiple States occurred because FNS does not have a nationwide database of all SNAP participants for HHSC to check. While HHSC does utilize PARIS—an optional, multi-State database that stores social welfare program participant information—not all States input their SNAP participant information in PARIS. As a result, PARIS' information is incomplete. With mandatory SNAP participation in PARIS or a similar system, HHSC—as well as other State agencies—would have access to a reliable, nationwide database, which it could then utilize in its fraud detection efforts. In other cases, participation in multiple States occurred because the PARIS match only occurs on a quarterly basis quarter and the matches must be researched before any person is removed, which causes timing delays. Additionally, HHSC does not always receive notification that a participant has moved to another State and the receiving State may not perform the proper checks in PARIS to notify the State of Texas.

¹⁶ 7 CFR 273.6(d), dated January 1, 2011, states that applicants who cannot provide required proof to apply for an SSN may receive SNAP benefits for each month they have good cause. Good cause exists when circumstances beyond the client's control prevent him from securing proof required to obtain an SSN.

¹⁷ Because a participant start date was not provided by HHSC, it was not possible to determine how long the invalid SSNs existed in the system.

Additionally, we found 325 active participants who were previously disqualified from receiving SNAP benefits. FNS maintains eDRS, which is a national system that tracks SNAP participants who have been disqualified from the program due to intentional program violations. States are required by FNS to input individuals who have been disqualified, but they are not required to check this system before allowing a person into the program. These individuals continued to receive benefits after disqualification because States are not required to check eDRS prior to approving benefits. Other errors occurred because of conversion errors between the old and the new eligibility systems, and some disqualification periods in eDRS were not clear to the staff members. We recommend that FNS require States to use eDRS to verify that individuals have not been disqualified from SNAP prior to allowing them into the program.

Finally, we noted that 61,065 households were “categorically eligible” according to a policy that allows States to align the SNAP income and asset limits with other programs. Although these households may exceed the SNAP income limit, they are eligible to receive SNAP benefits because they receive benefits from other Federal programs.¹⁸ HHSC reviewed a sample of these cases and determined no improper payments were made.

For many of the anomalies we identified above, we were unable to determine how long a participant had been in the program because HHSC could not provide participants’ start dates, only the start date of their most recent case.¹⁹ FNS stated that State agencies are only required to keep the most recent certification date for each participant. HHSC officials stated that initial participant start dates were stored, but could not be provided with the extract program. We could not identify how many SNAP recipients were non-citizens because HHSC was also unable to provide accurate citizenship information for all SNAP participants. However, according to Federal regulations, many non-citizens are eligible for SNAP.²⁰

In all, the 4,096 participants whose eligibility should have been reviewed cause us to question approximately \$523,551 in benefits per month, based on the average amount a recipient receives in Texas. We have forwarded these participants to HHSC for further research. We acknowledge that HHSC is in the process of researching and resolving several of these issues and believe that by utilizing manual input edit checks and a process to check eDRS for disqualifications, HHSC can improve its fraud detection and prevention. In addition, if FNS mandates that all States

¹⁸ According to 7 CFR 273.2 (j), dated January 1, 2011, the “categorically eligible” program allows otherwise ineligible households to continue in the SNAP program, although they exceed asset and income limits based on FNS policy. A household is “categorically eligible” for SNAP if all members receive Supplemental Security Income (SSI), general assistance (GA), or Temporary Assistance for Needy Families (TANF) assistance or non-cash benefits or services. “Categorically eligible” households must meet the income and asset limits from the TANF, GA, or SSI program to be eligible for SNAP.

¹⁹ A recipient can have several cases over time: for example, a SNAP recipient may open a case when they enroll; they may close their case and unenroll when, for example, they receive employment. If their circumstances change, they may open a new case and reenroll in the program.

²⁰ The Food and Nutrition Act of 2008, as amended, limits eligibility for SNAP benefits to U.S citizens and certain lawfully present non-citizens. Generally, a non-citizen must be a qualified alien (as defined in the Personal Responsibility and Work Opportunity Reconciliation Act, dated January 3, 1996) in order to be eligible for SNAP. Non-citizens like tourists and students are generally not eligible. Individuals who are eligible based on their immigration status must also satisfy other SNAP eligibility requirements such as income and resource limits.

participate in PARIS or utilize a similar system, the risk of individuals enrolling in two States simultaneously would be mitigated.

Recommendation 1

Require HHSC to regularly perform checks to ensure information in participant databases is accurate and complete.

Agency Response

To ensure participant information is accurate and complete, FNS is actively engaged in a dialogue with regional offices and with States regarding policies and technical assistance tools which can strengthen integrity to an even greater extent. FNS is processing final rules that will codify the requirement that States perform the SSA death match, the prisoner match, and eDRS matching prior to certification. This final rule is expected to be published by June 2012. FNS also issued a policy memo reminding States of the death and prisoner matching requirement, which went out to States on November 15, 2011.

OIG Position

OIG concurs with FNS' response that a policy be issued to codify the States' requirement to perform these matches. We reached management decision on this recommendation.

Recommendation 2

Require HHSC to review the 4,096 individuals identified in this report to determine if participants have received improper payments. Recover improper payments as appropriate.

Agency Response

FNS agrees with this recommendation and estimates completion by October 31, 2012.

OIG Position

OIG concurs with FNS' response for this recommendation and we have reached management decision.

Scope and Methodology

We analyzed the participants in the Texas SNAP program for the timeframe of January 2010 through December 2010. The State of Texas was selected for review because it had the largest number of participants receiving SNAP benefits during fiscal year 2010.²¹ We had also previously looked at several nearby States. We selected the timeframe of January 2010 through December 2010 because, at the time of our audit, it was the latest information available.

We obtained SSA's Death Master File and extracts of key SNAP participant data from HHSC officials.²² We also obtained SNAP participant data from the five nearby States of Alabama, Florida, Louisiana, Mississippi, and Missouri. We further obtained the December 2010 eDRS extract of disqualified SNAP individuals from FNS and compared it to the December 2010 SNAP participant data. We analyzed these data using Audit Command Language. Our tests were developed to identify anomalies that may result in ineligible participants receiving SNAP program benefits and to determine whether FNS provided adequate program guidance and oversight. Our tests determined whether:

- Active SNAP participants were listed in the Death Master File,
- Invalid SSNs were entered in the system,
- Duplicate payments were received,
- Recipients were receiving benefits simultaneously from one of five nearby States, and
- Active SNAP participants were listed in eDRS.

As appropriate, the anomalies identified were sent to HHSC officials. For many of the anomalies, HHSC was only able to research and verify a sample of the results due to resource constraints.

We reviewed public laws, FNS regulations, policies, and other controls governing the administration of SNAP to ensure HHSC complied with Federal guidelines. We evaluated reports that resulted from reviews relative to SNAP, the Federal Manager's Financial Integrity Report for fiscal year 2011, and Government Accountability Office reports. We interviewed Texas State officials and obtained an extract of their eligibility databases.

We conducted our audit work with HHSC in Austin, Texas, and FNS' national office in Alexandria, Virginia. We also coordinated our audit with FNS' Southwest regional office in Dallas, Texas. Our audit period was June 2010 through February 2011.

We conducted this review in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit

²¹ Monthly participation figures are based on an average for FY 2010 according to FNS' *SNAP: Average Monthly Participation*, dated September 1, 2011.

²² To allow for lag time between an individual's date of death and the date benefits are terminated or adjusted, participants whose deaths occurred after October 30, 2010 were not included in the results.

objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Abbreviations

BVS	Bureau of Vital Statistics
CFR	Code of Federal Regulations
DMF	Death Master File
eDRS	Electronic Disqualified Recipient System
FNS	Food and Nutrition Service
FY	Fiscal Year
GA	General Assistance
HHSC	Health and Human Services Commission
OIG	Office of Inspector General
PARIS	Public Assistance Reporting Information System
PL	Public Law
SNAP	Supplemental Nutrition Assistance Program
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
SVES	State Verification Exchange System
TNAF	Temporary Assistance for Needy Families
USDA	Department of Agriculture

Exhibit A: Summary of Monetary Results

FINDING NUMBER	RECOMMENDATION NUMBER	DESCRIPTION	AMOUNT	CATEGORY
1	2	2,405 Clients identified on the Death Master File	\$307,407 per month	Questioned Cost, Recovery Recommended
1	2	1,355 Clients participating in SNAP in TX and either AL, FL, LA, MS, or MO	\$173,196 per month	Questioned Cost, Recovery Recommended
1	2	11 Clients receiving duplicate benefits in TX	\$1,406 per month	Questioned Cost, Recovery Recommended
1	2	325 Clients listed in TX and eDRS system	\$41,542 per month	Questioned Cost, Recovery Recommended
TOTAL			\$523,551 per month	

The table above represents the \$523,551 in questioned costs per month, recovery recommended.

**USDA'S
FOOD AND NUTRITION SERVICE'S
RESPONSE TO AUDIT REPORT**



**United States
Department of
Agriculture**

Food and
Nutrition
Service

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DATE: February 27, 2012

AUDIT
NUMBER: 27002-0006-13

TO: Gil H. Harden
Assistant Inspector General for Audit

FROM: Audrey Rowe /S/
Administrator
Food and Nutrition Service

SUBJECT: Analysis of Texas' Supplemental Nutrition Assistance Program
(SNAP) Eligibility Data

This letter responds to the official draft report for audit report number 27002-0006-13, Analysis of Texas' Supplemental Nutrition Assistance Program (SNAP) Eligibility Data. Specifically, the Food and Nutrition Service (FNS) is responding to the two recommendations in the report.

OIG Recommendation 1:

Ensure that HHSC regularly performs checks to ensure information in participant databases is accurate and complete.

Food and Nutrition Service Response:

FNS takes program integrity very seriously. Any errors are of concern; however, FNS notes that the findings in this report constitute about 0.1 percent of the Texas caseload suggesting that while current processes can always be improved, they are, in fact, working. Pursuant to the critical importance of integrity to ensure that people in need receive nutrition assistance to which they are entitled, FNS is actively engaged in a dialogue with our regional offices and with States regarding policies and technical assistance tools which can strengthen integrity to an even greater extent.

FNS already has a number of activities in place that will address the situations found in this report. FNS is currently in the process of awarding a grant through the Office of Management and Budget (OMB) Partnership Fund for Program Integrity. This grant will fund development of a pilot clearinghouse database with information from five States in the Southeast and Southwest for detecting duplicate participation in SNAP and disaster SNAP (D-SNAP) across State boundaries. FNS supports the audit States Alabama, Mississippi, Florida and Louisiana's participation in the coalition of States that will use grant funds from the OMB Partnership Project to develop the interstate clearinghouse.

Per SNAP regulations at 7 CFR 272.4(e)(1), each State agency shall establish a system to assure that no individual participates more than once in a month, in more than one jurisdiction, or in more than one household within the State. FNS further encourages States to have processes in place to check data with neighboring States to prevent duplicate participation across State lines. The Public Assistance Reporting Information System (PARIS) is available to States as an additional tool to identify interstate duplicate participation but it is not mandatory for States to use PARIS. Some States have expressed concerns that the information in PARIS is not timely.

FNS requires States to input individuals who have been disqualified from SNAP into the Electronic Disqualified Recipient System (eDRS). States are currently required to check eDRS if they suspect the client is in a disqualified status and to determine the penalty length for a person who was found guilty of an intentional Program violation. However, FNS has final rules in process which will require all applicants to be checked against the eDRS system prior to certification. This final rule is currently in clearance and is expected to be published by June 2012.

We would also like to convey that the Texas Health and Human Services Commission (HHSC) takes issue with OIG's statement in the recommendation statement that "FNS should provide guidance to ensure that HHSC is using a comprehensive national SSA database to perform its death matches and SSN verification." HHSC maintains that this statement is not accurate and should be removed from the report because this statement suggests that HHSC is not using a comprehensive national SSA database to perform its death matches and SSN verification. In fact, OIG's report specifically acknowledges that, SNAP applicants are required to provide a SSN when applying for benefits and that, "HHSC then validates the SSN with SSA". Further, OIG also states that "HHSC uses SSA databases as well as the Texas Bureau of Vital Statistics (BVS) to identify deceased participants." HHSC runs the SSA master death file match on a monthly basis; it matches against Texas BVS records weekly. Once verification is completed, HHSC terminates or adjusts the applicable SNAP benefits and takes action to recover any overpayments. Therefore, HHSC maintains that the report findings conflict with the assertion that HHSC is not using a comprehensive database.

HHSC also explained that the nature of the death match process inherently results in a lag time between an individual's date of death and the date benefits are terminated or adjusted. This lag is the result of a sequence of actions that begins after the date of death and must all be completed before benefits are terminated.

Estimated Completion Date: February 29, 2012

OIG Recommendation 2:

Require HHSC to review the 4,097 individuals identified in this report and determine if participants have received improper payments. Recover improper payments as appropriate.

Food and Nutrition Service Response:

FNS agrees with this recommendation. FNS would like to convey that HHSC takes issue with the statement that OIG found 12 individuals who received SNAP benefits simultaneously under two separate accounts in Texas. HHSC reviewed the data and determined that five individuals received SNAP benefits simultaneously under two separate accounts, for a total of ten on the auditor's list. These five individuals received a total of \$751 in improper payments and HHSC is taking action to recover the overpayments for these individuals. The two remaining findings of this type on the auditors list were duplicates of the same record, and appear to have been included on the list in error.

Further, HHSC states that with regard to the 22 instances where OIG found the SSN was invalid, all have been resolved. Each of the 22 individuals now has a valid SSN, and no improper benefits were issued. FNS would also like to reiterate with OIG that a household is categorically eligible for SNAP if it receives Supplemental Security Income (SSI), general assistance (GA), Temporary Assistance for Needy Families (TANF) assistance or non-cash benefits or services. Categorically eligible households must meet the income and asset limits from the TANF, GA, or SSI program to be eligible for SNAP. While categorical eligibility makes a household eligible for SNAP, the household must still meet all other SNAP eligibility requirements and have a net income that qualifies it for a benefit. DHHS has confirmed that households identified in the audit review as categorically eligible were not receiving improper payments.

Finally, FNS asserts that the report reference to non-citizens remains confusing and misleading. The report acknowledges that certain non-citizens may be eligible for SNAP. Moreover, SNAP applicants who are non-citizens must verify their legal status. This status is confirmed in Quality Control reviews. Program regulations do not require separate reporting on non-citizen participants. The fact that there was no way to identify the number of non US citizens receiving benefits in Texas's SNAP database is neither an area of concern nor anomaly.

Estimated Completion Date: October 31, 2012

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