



United States Department of Agriculture  
Office of Inspector General





United States Department of Agriculture  
Office of Inspector General  
Washington, D.C. 20250



DATE: April 19, 2012

AUDIT  
NUMBER: 27002-0009-13

TO: Audrey Rowe  
Administrator  
Food and Nutrition Service

ATTN: Edward Pauley  
Acting Director  
Office of Internal Control  
Audits and Investigations

FROM: Gil H. Harden  
Assistant Inspector General  
for Audit

SUBJECT: Analysis of New Jersey's 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 March 30, 2012, response and the Office of Inspector General's position are incorporated into the applicable sections of the report.

We accept management decision for Recommendations 1, 3, and 4. Based on your response, we were unable to reach management decision for Recommendation 2. Management decision for this recommendation can be reached once you have provided the additional information outlined in the OIG Position section under Recommendation 2.

In accordance with Departmental Regulation 1720-1, please furnish a reply within 60 days describing the corrective actions taken or planned, and timeframes for implementing the recommendation for which management decision has not been reached. Please note that the regulation requires management decision to be reached on all recommendations within 6 months from report issuance, and final action to be taken within 1 year of each management decision to prevent being listed in the Department's annual Performance and Accountability Report. Please follow your internal agency procedures in forwarding final action correspondence to OCFO.

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 New Jersey's Supplemental Nutrition Assistance Program (SNAP) Eligibility Data - 27002-0009-13

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## 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.<sup>1</sup> The Office of Inspector General (OIG) initiated this audit in May 2011 to analyze the New Jersey SNAP participant database to identify anomalies that may result in ineligible participants receiving SNAP benefits.

Of the 622,022 average monthly recipients in New Jersey during FY 2010, we found 4,123 (.7 percent) recipients who were deceased, were using a deceased individual's Social Security Number (SSN), had invalid SSNs, were receiving duplicate benefits from the State of New Jersey, were receiving benefits simultaneously from one of two nearby States, or were listed in the Electronic Disqualified Recipient system (eDRS) as being disqualified from receiving SNAP benefits.<sup>2,3,4</sup> While New Jersey's Division of Family Development (DFD) has taken several steps to safeguard against potential fraud, waste, and abuse, there is still some opportunity for improvement. DFD, which administers SNAP, does not perform all checks necessary to help 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. Also, though DFD 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.<sup>5</sup> FNS also does not require States to check an applicant's eDRS status unless they have reason to believe the applicant is subject to disqualification.

In all, the 4,123 participants whose eligibility should have been researched cause us to question approximately \$569,098 in benefits per month, based on the average monthly amount a recipient receives in New Jersey.<sup>6</sup> With a 50 percent increase in participation since 2007, SNAP is a

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<sup>1</sup> For Fiscal Year (FY) 2010 according to FNS' *SNAP: Average Monthly Participation*, dated September 1, 2011.

<sup>2</sup> Nearby States included Massachusetts and New York.

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

<sup>4</sup> We identified 11 participants who were identified in more than one category.

<sup>5</sup> 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.

<sup>6</sup> Potential improper payments are based upon the average amount a recipient receives in New Jersey each month (\$138.03), according to FNS' *SNAP Average Monthly Benefit per Person*, dated 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.

rapidly growing program in New Jersey. If DFD does not take measures to increase preventative and fraud detection efforts, it risks making continued payments to individuals who are not eligible for SNAP benefits.

## **Recommendation Summary**

FNS should require DFD to perform the death match timely and take action on each participant identified. FNS should provide guidance to require that DFD regularly perform checks to determine whether information in participant databases is accurate and complete. FNS also needs to require DFD to review the 4,123 individuals identified in this report, determine if participants have received improper payments, and recover any improper payments as appropriate.

## **Agency Response**

FNS concurs with our recommendations and 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 4,123 individuals identified and estimates completion by October 31, 2012.

## **OIG Position**

OIG concurs with FNS' response. We reached management decision on three of the report's recommendations. However, because Recommendation 2's implementation of corrective action may take more than one year, we do not accept management decision. To reach management decision for the recommendation, FNS will establish a time phased corrective action plan with interim completion dates.

## Background and Objectives

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### Background

FNS' 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. New Jersey had 622,022 individuals—or 7 percent of the State's population—enrolled per month in SNAP during FY 2010.<sup>7, 8</sup> Since 2007, the program has grown by 50 percent in New Jersey. While FNS pays the full cost of recipient benefits, both FNS and the States 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 they will interview recipients face-to-face or on the telephone prior to granting benefits. In New Jersey, DFD performs both face-to-face and telephone interviews. Each State is also allowed to decide how it would like to organize the administration of SNAP and owns and maintains its own eligibility system—including software and databases—which varies from State to State.

In New Jersey, applicants submit documents to prove citizenship, residency, income, and expenses. To continue in the program, participants are typically required to recertify every 6 to 12 months.<sup>9</sup> Participants in SNAP apply and are approved or denied by DFD 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 violation.<sup>10</sup> Once applicants have submitted information, DFD 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.<sup>11</sup> State agencies must also check recipient data against a national SSA database, which can be accessed using SSA's State

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<sup>7</sup> New Jersey's monthly SNAP participation numbers are based on an average for FY 2010 according to FNS' *SNAP: Average Monthly Participation*, dated September 1, 2011.

<sup>8</sup> Population information is based on the 2010 United States Census, dated June 3, 2011.

<sup>9</sup> Participants who are aged or disabled and receive Supplemental Security Income only need to verify their information every 12 months. All other participants must verify every 6 months.

<sup>10</sup> 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.

<sup>11</sup> 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.

Verification Exchange System (SVES), to ensure that deceased recipients do not receive benefits.<sup>12, 13</sup> DFD also utilizes additional national and State database systems to verify income and employment information provided by applicants.

## **Objectives**

OIG initiated this audit to analyze the New Jersey SNAP participant database to identify anomalies that may indicate ineligible participants receiving SNAP benefits.

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<sup>12</sup> 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.

<sup>13</sup> 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**

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### **Finding 1: FNS Should Strengthen its Oversight of DFD's Eligibility Review for SNAP**

Of the 622,022 average monthly recipients in New Jersey during FY 2010, we found 4,123 (.7 percent) recipients who were deceased, were using a deceased individual's SSN, had invalid SSNs, were receiving duplicate benefits from the State of New Jersey, were receiving benefits simultaneously from one of two nearby States, or were listed in eDRS as being disqualified from receiving SNAP benefits. While DFD has taken several steps to safeguard against potential fraud, waste, and abuse, there is some opportunity for improvement. Specifically, DFD does not perform some edit checks that would ensure that participant information is entered accurately. Additionally, although DFD 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 interstate participation. 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 4,123 participants whose eligibility should have been reviewed continued to receive approximately \$569,098 in benefits each month.

To verify that benefits are not issued to individuals who are deceased, DFD, like all agencies that administer SNAP, is required to compare the information in its SNAP participant database with national SSA death information. When we used SSA's Death Master File to perform this check ourselves, we found that 1,595 current New Jersey SNAP participants' SSNs were listed in SSA's Death Master File.<sup>14</sup> Each quarter, DFD receives the Death Master File to identify deceased participants, and runs this match on a quarterly basis. Of these participants, 1,330 were active for more than 6 months and 1,202 were active for more than one year. DFD performed a preliminary review of 25 individuals, and found that 10 individuals were deceased and 15 individuals had SSNs that need to be corrected. DFD officials stated that the death match will be performed monthly beginning May 2012.

We also found individuals using invalid SSNs. We found that 138 participants had SSNs that did not match the format for valid SSNs—34 of which had been enrolled in the program for more than one year. DFD performed a preliminary review of 44 individuals and found that all individuals had invalid SSNs in the system. This occurred because while DFD has edit checks in place to check for some invalid SSN schemes, these edit checks do not check for all invalid SSN schemes. DFD plans to implement an edit check in May 2013 that will prevent the entry of invalid SSNs. We also found 7,350 participants who were enrolled in the program with a temporary SSN. DFD assigns a temporary SSN to applicants if the applicant is unable to provide a valid SSN at the time of application, but are currently in the process of obtaining valid SSNs. The individual is expected to provide a status of the application to DFD on a monthly basis until

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<sup>14</sup> The SSA Death Master File is used by leading government, financial, investigative, credit reporting, and medical research organizations as well as other industries to verify individuals who have died.

the recipient applies for and receives a valid SSN.<sup>15, 16</sup> If the individual cannot justify why he does not have a valid SSN, then he is disqualified from the program.<sup>17</sup> Of the 7,350 individuals with temporary SSNs, 1,989 individuals had been enrolled in the program for more than 6 months. Of these, 531 had been enrolled for more than one year.

We also found 1,590 participants who potentially received SNAP benefits simultaneously under two separate accounts in New Jersey. DFD performed a preliminary review of 306 individuals, and found that most had erroneous SSNs that needed to be corrected. They confirmed one individual who received duplicate benefits. DFD officials stated that they do not have edit checks to identify and prevent an SSN from being entered into the system twice. DFD plans to implement an edit check in May 2013 that will prevent the entry of duplicate SSNs.

DFD also had multiple instances of simultaneous enrollment with the States of Massachusetts and New York. Each participant should only receive SNAP benefits from the State where the participant resides. We compared SNAP enrollment between New Jersey and these nearby States and found that 561 individuals enrolled in the New Jersey SNAP program were simultaneously enrolled in one of the two nearby States for at least 3 consecutive months. DFD performed a preliminary review of 48 individuals and is collecting overpayments for 40 individuals. In some cases, participation in multiple States occurred because FNS does not have a nationwide database of all SNAP participants for DFD to check. While DFD 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, or do not input this information regularly. As a result, PARIS' information is incomplete. With mandatory SNAP participation in PARIS or a similar system, DFD—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 every quarter and the matches must be researched before the person is removed, which causes timing delays. Additionally, DFD does not always receive notification of the move from the participant and the other State may not perform the proper checks in PARIS to notify the State of New Jersey.

Additionally, we found 239 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 data on individuals who have been disqualified, but they are not required to check this system before allowing a person into the program. Because States are not required to check eDRS prior to approving benefits, these individuals continued to receive benefits after disqualification. DFD performed a preliminary review of 25 individuals, and found that all individuals received benefits while disqualified. DFD officials stated that their system did not require end dates for disqualification periods. As a result, the system was unable to have edit checks to prevent disqualified individuals from enrolling in the program. Officials

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<sup>15</sup> N.J. Admin. Code § 10:87-2.19 (h), dated February 19, 2009.

<sup>16</sup> According to 7 CFR 273.6(d), dated January 1, 2011, 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 individual's control prevent him from securing proof required to obtain an SSN.

<sup>17</sup> N.J. Admin. Code § 10:87-2.19 (h), dated February 19, 2009.

stated that DFD is in the process of resolving this issue. We recommend that FNS require DFD to continue its improvements in verifying disqualifications to prevent disqualified individuals from enrolling in the program.

Finally, we noted that 10,311 households exceeded the net income limitations of the SNAP program. DFD performed a preliminary review of 77 households, and found that all households fell under the “categorically eligible” program, which allows households to participate in SNAP while exceeding the program’s thresholds for gross and/or net income limits.<sup>18</sup> Additionally, though not a violation, we found 38,091 participants listed as non-citizens and 7,304 participants whose citizenship was unknown.<sup>19</sup> This occurred because DFD does not have an edit check to ensure citizenship values are entered accurately into the system.

In all, the 4,123 participants whose eligibility should have been researched cause us to question approximately \$569,098 in benefits per month, based on the average amount a recipient receives in New Jersey. We have forwarded these participants to DFD for further research. We recognize that DFD is in the process of researching and resolving several of these issues and believe that by utilizing edit checks for manual input errors and duplicate accounts, and a process to check eDRS for disqualifications, DFD can improve its fraud detection and prevention. In addition, if FNS mandates that all States participate in PARIS or utilize a similar system, the risk of individuals enrolling in two States simultaneously could be mitigated.

## **Recommendation 1**

Require DFD to perform the death match timely and take action on each participant identified.

## **Agency Response**

FNS has final rules in process that will codify the existing requirement that States perform the SSA death match. This rule is expected to be published by June 2012. FNS has also issued a policy memo reminding States of this requirement, which went out to States on November 15, 2011. New Jersey DFD officials stated that the death match will be performed monthly.

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<sup>18</sup> According to 7 CFR 273.2(j), dated January 1, 2011, the “categorically eligible” program allows States to align the SNAP income and asset limits with other means-tested programs. 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 for the TANF, GA, or SSI program to be eligible for SNAP.

<sup>19</sup> 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.

## **OIG Position**

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

## **Recommendation 2**

Require DFD to implement an edit check to prevent duplicate and invalid SSNs from being entered into their system.

## **Agency Response**

FNS agrees with this recommendation. New Jersey's current legacy system will be replaced by a new Consolidated Assistance Support System (CASS), effective August 2013. CASS will collect data on a statewide basis, replacing the current county by county data collection. This will resolve the duplicate usage of SSNs.

## **OIG Position**

OIG concurs with FNS' response that DFD implement a new system to prevent duplicate and invalid SSNs from being entered into the system. In order to reach management decision, FNS needs to establish a time phased action plan with interim completion dates for the recommendation.

## **Recommendation 3**

Require DFD to regularly perform checks to determine whether 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 4**

Require DFD to review the 4,123 individuals identified in this report, determine if participants have received improper payments, and recover any 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

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We analyzed the New Jersey SNAP program participant information for the timeframe of May 2010 through April 2011. The State of New Jersey was selected for review due to its close proximity to New York and Massachusetts. We selected the timeframe of May 2010 through April 2011 because, at the time of our audit, it was the latest information available. We conducted this audit from May 2011 through April 2012.

We obtained SSA's Death Master File and extracts of key SNAP participant data from New Jersey, Massachusetts, and New York State officials. 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 into the system,
- Duplicate payments were received,
- Recipients were receiving benefits simultaneously from one of two nearby States, and
- Active SNAP participants were listed in eDRS.

As appropriate, the anomalies identified will be reviewed and verified by New Jersey State officials.

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

We conducted our audit work with DFD in Trenton, New Jersey, and FNS' national office in Alexandria, Virginia. We also coordinated our audit with FNS' Mid-Atlantic regional office in Robbinsville, New Jersey.

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

## Abbreviations

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CASS.....	Consolidated Assistance Support System
CFR.....	Code of Federal Regulations
DFD.....	Division of Family Development
eDRS.....	Electronic Disqualified Recipient System
FNS.....	Food and Nutrition Service
FY.....	Fiscal Year
GA.....	General Assistance
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
TANF.....	Temporary Assistance for Needy Families
USDA.....	Department of Agriculture

## Exhibit A: Summary of Monetary Results

FINDING NUMBER	RECOMMENDATION NUMBER	DESCRIPTION	AMOUNT	CATEGORY
1	4	1,595 clients identified on the Death Master File	\$220,158 per month	Questioned Cost, Recovery Recommended
1	4	138 invalid SSNs	\$19,048 per month	Questioned Cost, Recovery Recommended
1	4	1,590 clients potentially receiving duplicate benefits in NJ	\$219,468 per month	Questioned Cost, Recovery Recommended
1	4	561 clients participating in SNAP in NJ and MA or NY	\$77,435 per month	Questioned Cost, Recovery Recommended
1	4	239 clients listed in eDRS	\$32,989 per month	Questioned Cost, Recovery Recommended
TOTAL			\$569,098 per month	

The table above represents the \$569,098 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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Alexandria, VA  
22302-1500

DATE: March 30, 2012

AUDIT  
NUMBER: 27002-0009-13

TO: Gil H. Harden  
Assistant Inspector General for Audit

FROM: /s/ <Jessica Shahin> (for): Audrey Rowe  
Administrator  
Food and Nutrition Service

SUBJECT: Analysis of New Jersey's Supplemental Nutrition Assistance Program  
(SNAP) Eligibility Data

This letter responds to the official draft report for audit report number 27002-0009-13, Analysis of New Jersey's Supplemental Nutrition Assistance Program (SNAP) Eligibility Data. Specifically, the Food and Nutrition Service (FNS) is responding to the four recommendations in the report.

**OIG Recommendation 1:**

Require DFD to perform the death match timely and take action on each participant identified.

**Food and Nutrition Service Response:**

FNS has final rules in process that will codify the existing requirement that States perform the SSA death match. This rule is expected to be published by June 2012. FNS has also issued a policy memo reminding States of this requirement, which went out to States on November 15, 2011. New Jersey DFD officials stated that the death match will be performed monthly.

**Estimated Completion Date: April 1, 2012**

**OIG Recommendation 2:**

Require DFD to implement an edit check to prevent duplicate and invalid SSNs from being entered into their system.

**Food and Nutrition Service Response:**

FNS agrees with this recommendation. New Jersey's current legacy system will be replaced by a new Consolidated Assistance System (CASS), effective August 2013.

CASS will collect data on a statewide basis, replacing the current county by county data collection. This will resolve the duplicate usage if SSNs.

**Estimated Completion Date: August 31, 2013**

**OIG Recommendation 3:**

Require DFD to regularly perform checks to determine whether 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 0.7 percent of the New Jersey 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 expected to be published by June 2012.

New Jersey is in the process of revising the format of data for entry into the eDRS system. This revision is currently being addressed and it is anticipated that the complete date will occur within the next 60 days.

**Estimated Completion Date: April 30, 2012**

**OIG Recommendation 4:**

Require DFD to review the 4,123 individuals identified in this report, determine if participants have received improper payments, and recover as appropriate.

**Food and Nutrition Service Response:**

FNS agrees with this recommendation. FNS would like to reiterate 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.

FNS notes that many non-citizens are eligible for SNAP. The report acknowledges that fact, however, FNS asserts that the report reference to non-citizens remains confusing and misleading. 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.

**Estimated Completion Date: October 31, 2012**

Informational copies of this report have been distributed to:

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Office of Management and Budget (1)

Office of the Chief Financial Officer (1)  
Director, Planning and Accountability Division

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