URBAN INSTITUTE · ELEVATE · THE · DEBATE

Statement for the Record
Hearing on Combating Waste, Fraud and Abuse in SNAP
House Committee on Oversight and Accountability
June 25, 2026

Submitted by Elaine Waxman, PhD and Heather Hahn, PhD
Urban Institute

Chairman James Comer, Ranking Member Robert Garcia, and Members of the House Committee on Oversight and Accountability:

Thank you for the opportunity to submit this statement for the record for the June 25, 2026, hearing on "Combating Waste, Fraud and Abuse in SNAP." We write to provide evidence-based insights related to this topic. We are both senior researchers at the Urban Institute, a nonprofit, nonpartisan research organization based in Washington, DC. The views expressed in this statement are our own and do not represent those of the Urban Institute or its trustees.

The Supplemental Nutrition Assistance Program (SNAP) is the nation's largest and most important federal nutrition program for helping families afford food. In Fiscal Year 2025, SNAP helped more than 42 million people in the US afford food for their families.[1] SNAP is a strong, evidence-based intervention for reducing food insecurity.[2] Food insecurity continues to be a major public health challenge in the US—in December 2025, Urban's nationally representative Well-Being and Basic Needs Survey found that nearly one in four adults reported their family experienced food insecurity at some point in the prior year.[3] Decades of research have documented that food insecurity is associated with a wide range of poor health outcomes,[4] including developmental delays, in children[5] and higher rates of chronic health conditions, such as diabetes and hypertension, in adults.[6] SNAP is a critical tool for reducing food insecurity and poverty,[7]

[1] US Department of Agriculture, BLS Data Labs, "Nutrition Assistance Program Report," dataset for March 2026, accessed June 30, 2026, https://www.fna.usda.gov/pd/overview.

[2] Brynne Keith-Jennings, Joseph Llobrera, and Stacy Dean, "Links of the Supplemental Nutrition Assistance Program with Food Insecurity, Poverty, and Health: Evidence and Potential." *American Journal of Public Health 109, no. 12 (2019): 1636–1640.* https://doi.org/10.2105/AJPH.2019.305325.

James Mabli, Jim Ohls, Lisa Dragoset, Laura Castner, and Betsy Santos, *Measuring the Effect of Supplemental Nutrition Assistance Program (SNAP) Participation on Food Security* (USDA, 2013).

[3] Michael Karpman, Elaine Waxman, Poonam Gupta, Dulce Gonzalez, and Noah Kennedy, "Food Insecurity Remained High in 2025, As Safety Net Cuts Loom," (Urban Institute, 2026).

[4] Crag Gundersen and James P. Ziliak, "Food Insecurity and Health Outcomes" *Health Affairs 34, no. 11 (2015): 1830–839.* https://doi.org/10.1377/hlthaff.2015.0645.

[5] Danielle Gallegos, Areana Eivers, Peter Sondergeld, and Cassandra Pattinson, "Food Insecurity and Child Development: A State-of-the-Art Review." *International Journal of Environmental Research and Public Health 18, no. 17 (2021): 8990.* https://doi.org/10.3390/ijerph18178990.

[6] Christian A. Gregory and Alisha Colemon-Jensen, *Food Insecurity, Chronic Disease, and Health Among Working-Age Adults,* Report ERR-235 (Economic Research Service, 2017).

[7] Laura Tiehen, Dean Jolliffe, and Craig Gundersen, *Alleviating Poverty in the United States: The Critical Role of SNAP Benefits*. Report ERR-132 (Economic Research Service, 2012).

and it is also associated with lower health care expenditures.[8] SNAP is also a critical part of our economic system, as SNAP benefits help support retail food access and economic activity across the food sector, including farming and other types of production, transportation, and logistics. USDA research documents the significant countercyclical role of SNAP during economic downturns, finding that $1 billion in SNAP provides direct added income to businesses, suppliers, and employees, and these positive benefits multiply—generating $1.5 billion in gross domestic product.[9] SNAP is an investment that pays off in better health and economic outcomes.

Protecting SNAP program integrity and effectively stewarding taxpayer dollars are important priorities for ensuring that SNAP benefits can continue to help the millions of Americans who struggle to afford food for their families. In this statement, we highlight three key issues that should be considered in policy discussions about fraudulent activity in SNAP.

1. **Lack of technological investment hampers ability to reduce criminal benefit theft**. First, far too many families in the program continue to experience "devastating impact of stolen SNAP benefits"[10] from organized criminal activity to steal benefits by exploiting vulnerabilities in the EBT system. Multiple reports over the years have indicated SNAP fraud is rare,[11] but in the last few years, there has been a concerning rise in card skimming for which SNAP and other public programs administered with EBT cards are not technologically prepared to combat.[12] Unfortunately, states' future ability to implement critical technological infrastructure that can significantly reduce the risk of criminal benefit theft is likely severely hampered by the halving of federal contributions to SNAP program administrative costs beginning October 1, 2026.[13] This reduced federal administrative cost commitment is also coming at the same time that states have to accelerate other administrative activities to implement major policy changes put in motion through HR 1.
2. **Recent policy debates often erroneously conflate SNAP payment error rates with fraud and abuse**. It is helpful to ground policy discussions in the important distinctions between organized criminal activity and SNAP payment error rates, which can occur for a wide variety of inadvertent reasons and require a wide variety of strategies to reduce. A recent Congressional Research Service report states the issue plainly: "Errors are not the same as fraud. Fraud is intentional activity that breaks federal and/or state laws, while errors are mistakes. Certain acts, such as trafficking, are always considered fraud, but other acts, such as duplicate enrollment, may be either errors or fraud depending on the circumstances of the case."[14] It is very important that policymakers and the broader public understand that while reduction of payment errors is an important part of stewarding public programs, these efforts should not be considered a major tool for reducing fraud.
3. **Dramatic changes to SNAP from the One Big Beautiful Bill Act of 2025 (OBBBA) are risking the ability of SNAP to assist low-income families effectively.** The dramatic changes to SNAP put in motion by the OBBBA are already having profound negative impacts on low-income families across the US, as demonstrated by the rapid decline in SNAP enrollment in the absence of improved

---

[8] Seth A. Berkowitz, Hilary K. Seligman, and Joseph Rigdon, "Supplemental Nutrition Assistance Program (SNAP) Participation and Health Care Expenditures Among Low-Income Adults" *JAMA Internal Medicine 177, no. 11 (2017): 1642–1649*. https://doi.org/10.1001/jamainternmed.2017.4841.

[9] Patrick Canning and Brian Stacy, *The Supplemental Nutrition Assistance Program (SNAP) and the Economy: New Estimates of the SNAP Multiplier*. Report ERR-265 (Economic Research Service, 2019).

[10] "SNAP EBT Modernization," United States Department of Agriculture, accessed June 30, 2026, https://www.fna.usda.gov/snap/ebt/modernization.

[11] Randy Alison Aussenberg, *Supplemental Nutrition Assistance Program: Errors and Fraud*, IF108680, (Congressional Research Service, 2025).

[12] Debbie Cobb, "US Card Skimming Grew Nearly 5x in 2022, New FICO Data Shows," *FICO Blog*, FICO, February 16, 2023, https://www.fico.com/blogs/us-card-skimming-grew-nearly-5x-2022-new-fico-data-shows.

[13] "Supplemental Nutrition Assistance Program: Changes in Federal-State Administrative Cost Sharing," 2026-12696 91 FR 37837 (Department of Agriculture, Food and Nutrition Administration, 2026).

[14] Randy Alison Aussenberg, *Supplemental Nutrition Assistance Program*.

economic circumstances. Research evidence indicates that, in the absence of significant economic improvements, the projected loss of SNAP benefits will increase food insecurity, undermine public health, and generate negative economic consequences across the food supply chain.[15] It is important to situate the discussion of SNAP policy choices, including foregone opportunities to protect SNAP participants from benefit theft, in these realities.

SNAP Benefit Theft

According to a recent report from the Government Accountability Office (GAO), states replaced an estimated $320 million in SNAP benefits that had been stolen from nearly 679,000 households in 52 states and territories between October 1, 2022, to December 20, 2024.[16] However, the GAO report states that this amount is likely to be a significant underestimate of the true scale of the problem. Many people may not have realized the theft or understood how to make a formal report or claim for replacement benefits. Moreover, USDA's Food and Nutrition Administration has lacked a common system for documenting information on benefit theft from states outside of this specific period, which was the temporary window when federal funds were authorized to replace benefits lost to theft.[17] The benefits technology organization Propel, which provides services to about one in four SNAP participants in the US, has estimated that the amount of benefit theft during 2025 alone may be than 600 million dollars.[18] Those millions of dollars are being taken from families whose eligibility had been verified and who, through no fault of their own, have found themselves in the cashier's line learning for the first time that their benefit card had a zero balance.

A common technique for this benefit theft involves thieves installing an illegal device on a retailer's point of service machine, allowing criminals to lift account information, including the participant's personal identification number (PIN), which is often referred to as "card skimming." In these cases, the physical card has not been lost or stolen, and the SNAP participant may have no idea that their benefits have been taken until they attempt to use their benefits at a later date.[19] One of the reasons that SNAP EBT cards are so vulnerable to this type of theft is that the program has not followed the credit card industry's widespread adoption of chip cards, which can offer greater security, especially when paired with other security enhancements such as PIN verification.[20]

Implementation of chip card technology for public benefit programs like SNAP requires intentional investment on the part of the federal and state governments, which have historically shared equally in the administrative costs of the program. However, as noted above, as of October 2026, states will be required to assume a greater share of SNAP administrative costs, moving from a 50 percent contribution to 75 percent. Unfortunately, given the extensive program changes currently required through the act, including expanded work requirements and the risk of substantial benefit cost shares beginning as early as Fall 2027, it is highly unlikely that states will be able to prioritize investing in technology strategies to tackle organized

---

[15] Randy Alison Aussenberg, *Supplemental Nutrition Assistance Program (SNAP) and Related Nutrition Programs in P.L. 119-21: An Overview*, Report R48852 (Congressional Research Service, 2025).

[16] *Nutrition Assistance: USDA Should Comprehensively Assess Benefit Theft Prevention Measures States are Implementing*, Report GAO-25-107964 (US Government Accountability Office, 2025).

[17] "Supplemental Nutrition Assistance Program (SNAP) – Sunset of Replacement of Stolen Benefits Plans" (US Department of Agriculture, 2024).

[18] This estimate is derived based on reports of unauthorized transactions through the Propel app for SNAP participants. The methodology for these estimates is included in the report "2026 Propel Survey of EBT Theft Awareness and Impact," Propel, April 3 2026, https://www.propel.app/insights/2026-propel-survey-ebt-theft/#the-scope-of-ebt-theft.

[19] *Nutrition Assistance: USDA Should Comprehensively Assess.*

[20] Even in the US, adoption of chip card technology and associated enhanced protections has consistently lagged behind other countries.

Fumiko Hayashi, "Payment Card Fraud Rates in the United States Relative to Other Countries after Migrating to Chip Cards," *Economic Review Fourth Quarter* (Federal Reserve Bank of Kansas City, 2019).

criminal theft of SNAP benefits. In a May 2026 survey of SNAP agencies conducted by the American Public Human Services Association (APHSA), 58 percent states indicated that the need to shift resources to focus on payment error reduction will likely result in delays in implementing other program improvements, including chip card technology.[21]

Failing to prioritize widespread implementation of chip card technology will likely continue to result in higher rates of costly theft of SNAP benefits. As USDA recently stated, "Chip cards are a more secure payment option meant to protect SNAP retailers and SNAP participants from the devastating impact of stolen SNAP benefits as cards with chips are harder to copy and steal SNAP account information."[22] To date, only three states have begun rolling out chip-enabled EBT cards. In 2025, California became the first state to implement chip card technology in the SNAP program. Following statewide issuance of chip-enabled cards combined with other enhanced safety measures that facilitated PIN resets when benefits are known to be compromised, the state reported an 83 percent decrease in SNAP and other EBT-delivered benefit thefts in 2025.[23] In February 2026, Alabama issued chip-enabled cards to all EBT participants after a successful earlier pilot. Oklahoma has also begun rolling out chip EBT cards in 2026, but overall, use of this important protective technology in public benefits has lagged far behind its adoption in credit card industry.[24] According to the Food and Nutrition Administration, only a half a dozen other states have any chip-enabled card implementation plans underway.[25]

As noted above, Congress authorized the use of federal funds for repayment of stolen benefits for the period of October 2022 through December 20, 2024, but the ability to use federal funds to restore critical lost benefits to households with already limited resources to purchase food is no longer available. While US consumers who experience credit card fraud have protections in the event of credit theft, SNAP participants do not have these same protections. For example, under the Fair Credit Billing Act (FCBA),[26] if an individual's credit card, ATM card, or debit card have been used without authorization, the consumer is not responsible for more than $50 in loss, and if the number was used in the absence of a lost or stolen card, the consumer does not incur any responsibility. In other words, their full credit is restored. In contrast, since January 2025, SNAP participants have lacked any way to obtain reinstatement of their benefits lost to fraudulent criminal activity.

The GAO has reported that international criminal organizations are among those running EBT card theft operations, and that these proceeds may be used to fund other illicit activities.[27] Therefore, a lack of investment in preventing sophisticated criminal theft of SNAP benefits can have far-reaching consequences, from depriving families in need of vital nutrition resources to undermining program integrity to enabling criminal networks.

In the absence of chip card technology, a number of states are moving to implement card locking features. However, implementation has been slow and uneven and, as noted above, states must juggle competing priorities with limited resources.

---

[21] *State Strategies to Improve SNAP Payment Accuracy: Early Lessons from the First Year of H.R. 1 Implementation* (American Public Services Association, 2026).

[22] "SNAP EBT Modernization," United States Department of Agriculture, accessed June 30, 2026, https://www.fna.usda.gov/snap/ebt/modernization.

[23] "California Reduces Theft of Food and Cash Benefits by 83% with State-of-the-Art Technology," California Governor Gavin Newson, accessed June 30, 2026, https://www.gov.ca.gov/2026/01/16/california-reduces-theft-of-food-and-cash-benefits-by-83-with-state-of-the-art-technology/.

[24] "EBT Resource Center," Oklahoma Human Services, accessed 30, 2026, https://oklahoma.gov/okdhs/ebt.html.

[25] "SNAP EBT Modernization"

[26] Fair Credit Billing Act, 15 U.S.C. 1666-1666j

[27] "Stolen SNAP Benefits Cost Beneficiaries Millions," *WatchBlog: Following the Federal Dollar*, GAO, December 2, 2025, https://www.gao.gov/blog/stolen-snap-benefits-cost-beneficiaries-millions.

Ultimately these types of SNAP fraud have many victims. First and foremost is the family who turns to SNAP to help afford food and cannot when their benefits are stolen. But there are other victims as well: the caseworker who must try to untangle the impact on a SNAP household but has no solution to offer, the retailer who does not receive revenue from purchases in their store, and the taxpayers who are unaware that their tax dollars are being siphoned off to criminal enterprises instead of helping to feed their neighbors.

Conflating Program Payment Error Rates with Fraud

It is helpful to ground our discussion in the distinctions between efforts to combat SNAP fraud and attention to payment error rates. A recent Congressional Research Service report states the issue plainly: "Errors are not the same as fraud. Fraud is intentional activity that breaks federal and/or state laws, while errors are mistakes. Certain acts, such as trafficking, are always considered fraud, but other acts, such as duplicate enrollment, may be either errors or fraud depending on the circumstances of the case." It is very important that policymakers and the broader public understand that while reduction of payment errors is an important part of stewarding public programs, these efforts should not be considered a major tool for reducing fraud. In fact, there is a very real risk that the focus on payment error rates may undermine sorely needed attention to other critical SNAP infrastructure that could tackle organized criminal fraud. In a May 2026 survey of state SNAP programs conducted by APHSA, 58 percent of states (N = 39) reported making at least one operational tradeoff to prioritize payment accuracy efforts, including 40 percent of states reporting reducing focus on benefit timeliness, 37 percent of states reporting pausing other systems improvement efforts, and 13 percent of states reported delaying EBT chip card implementation or related investments. As noted earlier, only a few states have even begun plans for chip card technology and given competing priorities, it is unlikely that most states will be in a position to introduce or accelerate implementation of this major strategy for combatting EBT fraud.

Critical Context: The Unfolding Risks to SNAP from OBBBA Changes

Even before the recent implementation of expanded work requirements initiated by OBBBA, there is concerning data that suggest state efforts to address payment error rates have had an adverse effect on SNAP enrollment, despite the fact that, as of May 2026, the unemployment rate in the US remained relatively flat over the previous year[28] and food insecurity rates remained high in 2025.[29] This is critical context for any discussion about SNAP. The Center on Budget and Policy Priorities has tracked state-level SNAP administrative data, and as of March 2026 has documented a rapid decline in SNAP participation that is largely unexplained by economic or other factors—a decline of more than 4 million people. What has emerged is growing evidence that states are struggling to implement HR 1 changes with insufficient staffing and resources, and it is critical that these consequences be closely monitored to prevent widespread harm among families across the US who are struggling to afford food in this current environment. When evaluating the implementation of these changes, it is important that we are all cognizant of who receives SNAP: four out of five SNAP households include at least one child, a senior, or an individual with disabilities.[30] Prior research has documented that a majority of those adults of "working age" people without disabilities do work in a typical month when receiving SNAP, although the work may be unsteady as well as low paid.[31] It is also important to note that when people eligible for SNAP are erroneously denied access to

[28] "The Employment Situation," Bureau of Labor Statistics, May 2026, https://www.bls.gov/news.release/pdf/empsit.pdf.

[29] Michael Karpman et al., "Food Insecurity Remained High."

[30] *Characteristics of SNAP Households: Fiscal Year 2023*. Report SNAP-23-CHAR. (US Department of Agriculture, 2025).

[31] Joseph Llobrera and Lauren Hall, *SNAP Helps Millions of Workers in Low-Paying Jobs* (Center on Budget and Policy Priorities, 2024).

benefits, this is not counted as an "error," despite the agency procedural errors or the presence of insurmountable administrative burdens that may have led to their exclusion from the program.

The impact of the ongoing risks to SNAP are felt not only by SNAP families but also by the places and communities where they live and shop. In a recent analysis, the Alabama Grocers Association warned of the potentially grave risks to independent and small retailers across their state if significant cuts to SNAP occur in the wake of HR 1.[32] The study identified 752 grocery stores in high-density SNAP areas. Over 300 of these stores may be affected if there are major reductions in SNAP spending and about 100 may cease to exist if SNAP benefits are reduced or if the state exits the program because it is unable to shoulder cost-sharing. Given the documented role of SNAP in supporting local economies, particularly during periods of economic stress, these estimates suggest that many low-income urban and rural communities will be adversely affected by the dramatic program changes underway.

Conclusion

Ensuring that SNAP dollars are protected from fraud is an essential program priority. Accordingly, it is important that policymakers consider how the absence of an effective nationwide strategy to combat criminal EBT theft undermines the stated focus on protecting the SNAP program from fraud. Moreover, the conflation of an unsubstantiated narrative of widespread fraud with sources and remedies for payment errors does not advance a meaningful strategy for protecting both program integrity and critical access to SNAP benefits for the millions of households who struggle to afford food in the US.

Respectfully,

Elaine Waxman, PhD and Heather Hahn, PhD

[32] Trisha Powell Crain, "Alabama Officials Warn SNAP changes Could Force Stark Choice: Pay More, Cut Error Rate or End Program," Alabama Daily News, June 11, 2026, https://aldailynews.com/alabama-officials-warn-snap-changes-could-force-stark-choice-pay-more-cut-error-rate-or-end-program/.