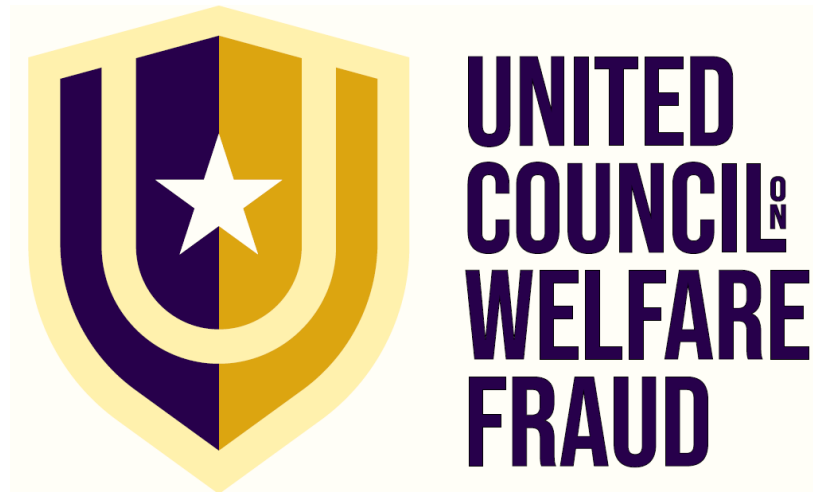




COMBATING WASTE, FRAUD and ABUSE IN SNAP

Strengthening Supplemental Nutrition Assistance Program Integrity

Written Testimony of Dawn Royal

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U.S. House of Representatives

Committee on Oversight and Government Reform
Subcommittee on Delivering on Government Efficiency (DOGE)

June 25, 2026

I. OPENING STATEMENT

Chairman, Ranking Member, and distinguished members of the Subcommittee, thank you for the opportunity to appear again on behalf of the United Council on Welfare Fraud, or UCOWF. I first appeared before this Subcommittee nearly a year and a half ago on February 12, 2025, during its hearing, "The War on Waste: Stamping out the Scourge of Improper Payments and Fraud." At that hearing, UCOWF brought the perspective of the investigators, administrators, recovery specialists, and law enforcement officers who work these cases every day. We identified the vulnerabilities and gave Congress 22 common-sense reforms that could stop fraud before taxpayer funds leave the door.¹

UCOWF is the only national professional organization solely dedicated to the prevention, detection, investigation, prosecution, and recovery of fraud in public assistance programs. Our members are the boots on the ground in states, counties, territories, and federal agencies. They see where the systems fail, how fraudsters exploit those failures, and how federal policy can either help or hinder a successful investigation.

Our message today is simple: the time for diagnosis has passed. Congress has held hearings. GAO and inspectors general have issued reports. USDA has a SNAP Fraud Framework. UCOWF has submitted detailed legislative recommendations to the House Budget Committee and immediate administrative recommendations to the White House Task Force to Eliminate Fraud. The federal government cannot claim it does not know what the problems are or how to begin fixing them. What is missing is action, accountability, and funding.

THE CENTRAL QUESTION

Government already knows how to reduce SNAP fraud and improper payments. The question is whether Congress and the Executive Branch will require the fixes, fund them, measure them, and enforce them.

There has been some movement since February 2025. USDA has issued guidance on ineligible non-citizens, has worked with states to return "Nutrition" to the SNAP program, and has increased stocking standards for SNAP authorized retailers. Critically, the USDA has been successful in getting half the states to send their program enrollment data in, revealing that waste, fraud, and abuse is very real and rampant nationally.

Congress increased state fiscal responsibility for SNAP payment accuracy by attaching fiscal consequences to states with high improper payment rates. The House formed this Subcommittee, affirming Congressional priority and intent. The President created a government-wide Task Force to Eliminate Fraud. These are critical and important steps in the right direction, but they are not a complete fraud-control system. Little has been done to act on what was discussed and acknowledged. The House passed a Farm Bill to the Senate devoid of any reforms that address program integrity for retailers or recipients, kicking the can to 2031 before modernizations can be established to prevent pre-issuance improper payments.²

That's a 15-year gap between the 2018 and 2031 Farm Bill. That is simply far too long to wait to react to every evolving fraud trend. In fact, removing Title IV Nutrition section from the Farm Bill should now be a Congressional priority to timely respond to programmatic threats. Meanwhile, enrollment fraud continues unabated, retailer trafficking continues to occur with an under-funded and understaffed Office of Inspector General. The National Accuracy Clearinghouse is still not in place, and the one created by the prior administration continues to flounder despite not being what Congress demanded in 2018.³

¹ United Council on Welfare Fraud, Written Testimony of Dawn Royal, "The War on Waste: Stamping out the Scourge of Improper Payments and Fraud," February 12, 2025. <https://oversight.house.gov/wp-content/uploads/2025/02/Royal-Written-Testimony.pdf>

² UCOWF's letter to the Honorable Speaker Mike Johnson, April 27, 2026, <https://www.ucowf.net/assets/pdf/UCOWF+-+Farm+Bill+-+4-27-26/>

³ The Hill op-ed titled, "Some food stamp enrollees are collecting benefits in multiple states – USDA can put an end to it," October 16, 2019. <https://thehill.com/blogs/congress-blog/politics/466162-some-food-stamp-enrollees-are-collecting-benefits-in-multiple>

When we face a budgetary crisis, we must act with urgency and purpose to restore accountability, oversight, stewardship, and public confidence in government programs. Guidance without standards, mandates without funding, and delayed systems that identify losses after payment will not win the war on waste. States are being asked to carry more risk without receiving the personnel, tools, technology, and federal support necessary to prevent the loss in the first place. The number of fraud investigators remains at levels incapable of addressing the amount of “pay and chase” fraud referrals state and county investigators get today – a known problem since a 2014 GAO report. Fortunately, all these issues can be solved.⁴

II. WHAT UCOWF WARNED DOGE SUBCOMMITTEE IN 2025

UCOWF described three broad threats to SNAP: recipient enrollment and trafficking fraud, retailer enrollment and trafficking fraud, and the regulatory state options and waivers – antiquated and systemic program weaknesses - that allow both to flourish. The Subcommittee’s own post-hearing review confirmed substantial agreement with UCOWF on the need for **stronger identity verification, limits on self-attestation, better data sharing, duplicate-participation prevention, adequate state investigative resources, and a move away from "Pay and Chase" to front-end fraud prevention.**⁵

A. Identity Fraud, Account Takeover, and Unverified Eligibility

Identity fraud is no longer limited to someone using another person’s name. Stolen and synthetic identities are used to submit applications, take over legitimate recipient accounts, change addresses, request replacement cards, reset PINs, and divert benefits. Yet many call centers still attempt to authenticate a caller by asking for a name, date of birth, address, and Social Security number. That is the same information criminals already possess. Confirming that a Social Security number is valid does not prove the applicant or caller is the person to whom that number belongs.

The same weakness exists in eligibility verification. The 1996 PRWORA requires states to begin processing applications with only a name, address, and signature (“Right to File”). So, States bear the burden of locating, contacting, resolving missing eligibility information, and all under a tight turnaround. States have 7 days to process an expedited benefits application with “John Doe, Homeless, and an X.” That time includes weekends, holidays, and postal mailing times – a nearly impossible task. And if the eligibility workers get it wrong, states may now face millions – billions in some states – if a Quality Control review finds an error.

In addition, applicants can misstate income, resources, household composition, residency, or other material facts. Wage records, leases, utility bills, and identity documents can be uploaded without any meaningful authentication – Photoshop and Artificial Intelligence are an identity fraudster’s preferred tools because they know states are not checking. And they don’t because it’s not required. Artificial intelligence can now create or alter those documents in seconds. Looking at an uploaded image and declaring it reasonable is not verification. As White House Deputy Chief of Staff Stephen Miller stated, a means-tested program cannot be administered through a “Trust Everyone” model. We must implement “Trust but Verify.”⁶

⁴ Government Accountability Office, “Enhanced Detection Tools and Reporting Could Improve Efforts to Combat Recipient Fraud,” GAO-14-641, August 2014. See pages 11-13 and Figure 1 under sub-heading, “Most of the Selected States Reported Difficulty Conducting Fraud Investigations Due to Limited Staff and Growing Numbers of Recipients, but Some Leveraged Additional Resources.” <https://www.gao.gov/assets/gao-14-641.pdf>;

Government Accountability Office, “The Nation’s Fiscal Health: Urgent and Sustained Action Needed to Improve the Fiscal Outlook,” GAO-26-108610, June 11, 2026. <https://www.gao.gov/products/gao-26-108610>

⁵ House Committee on Oversight and Government Reform, Subcommittee on Delivering on Government Efficiency, “Post Hearing Review and Recommendations,” February 19, 2025.

⁶ Stephen Miller comments at White House Fraud Task Force press conference. <https://youtube.com/shorts/w-3DuH2a8q4?si=iLrb9zbGBzVahfec>

B. Duplicate Participation and Fragmented Matching Systems

UCOWF urged Congress and the USDA to immediately implement the National Accuracy Clearinghouse, or NAC, to prevent individuals from receiving SNAP in more than one state. We also identified the Public Assistance Reporting Information System, or PARIS, as another example of the fragmented federal matching environment confronting state investigators. The NAC is the SNAP-specific interstate duplicate-participation system mandated by the 2018 Farm Bill after an independent audit to demonstrate that positive return on investment was provided to Congress. The Mississippi NAC was a near-live system that checked applications against enrollment in Gulf of America states. It resolved identities, prevented dual enrollment pre-issuance, worked with Disaster SNAP, was searchable by workers, was Verified Upon Receipt (meaning states could act immediately on matches), and was tested to ensure other programs could be added – a real enterprise solution. A state-led solution that solved a national, federal problem.⁷

Instead, the prior administration pulled a bait-and-switch. They ignored the Congressional mandate in the 2018 Farm Bill, failed to implement across the nation by 2021, created an encrypted matching system modeled on the flawed PARIS system, was post-issuance pay and chase, doesn't work with D-SNAP, is not searchable and is not Verified Upon Receipt. It also requires cumbersome administrative processes, can only work with SNAP, and has no proof of any cost avoidance savings whatsoever. And yet this administration has not addressed these issues – ones UCOWF testified about in front of the House Agriculture Committee three years ago.⁸

We now understand that this Administration is planning to create yet another internal federally run database, another new NAC, reliant upon post-issuance data collected by states. This is exactly what the last administration did – neither administration has followed the mandate from Congress in 2018 to implement the proven fraud/waste dual participation prevention system. The States have proven they are best positioned to solve these problems, not the federal government, when bureaucratic agendas do not align. This is important, as a duplicate enrollment violation carries a 10-year program disqualification penalty.⁹

As another example, PARIS is an HHS-administered system used for public-assistance matching, including Medicaid, SNAP, and TANF. This quarterly post-issuance SSN-match is similarly flawed. In 2024, PARIS was paused due to an internal federal data sharing agreement that had been allowed to expire. When they turned it back on, February 2025 PARIS Interstate dual enrollment results **found over 3.2 million unique SSNs enrolled in nearly 6.7 million programs across the country**. That's billions in waste and fraud and serves as a stark reminder that the federal government cannot combat waste and fraud in a vacuum. The Working Families Tax Cut, or One Big Beautiful Bill, mandates that HHS replace PARIS by 2029. That's far too long to wait to address a known problem when current solutions exist. Both the PARIS and NAC systems demonstrate the same problem: the federal government collects information in separate systems, on separate schedules, under separate rules, and too often delivers it after the money is gone.¹⁰

A match is only useful if it is timely, complete, and actionable. A quarterly or post-enrollment match is not the same as checking an application before a second state issues benefits. A list of duplicate enrollments delivered months later is still Pay and Chase. The purpose of matching must be to prevent duplicate issuance, not merely document it after the fact. This is basic program administration stewardship.

⁷ Opportunity Solutions Project response to USDA Interim Final Rule on National Accuracy Clearinghouse, December 2, 2022. https://downloads.regulations.gov/FNS-2019-0055-0016/attachment_1.pdf

⁸ United Council on Welfare Fraud, Written Testimony of Dawn Royal, "Innovation, Employment, Integrity, and Health: Opportunities for Modernization in Title IV," June 7, 2023, House Agriculture Committee, https://www.ucowf.net/assets/pdf/Dawn+Royal_UCOWF_Testimony+for+House+Agriculture_7June2023_FINAL/

⁹ USDA Food and Nutrition Service, "National Accuracy Clearinghouse Pilot Evaluation Final Report," page updated July 18, 2024. <https://www.fns.usda.gov/snap/nac/evaluation-final-report>

¹⁰ Public Assistance Reporting Information System, Interstate Match 2025. <https://acf.gov/paris/interstate-match-2025>

C. Recipient Trafficking and Administrative Enforcement

SNAP trafficking generally involves two willing participants: a dishonest retailer and a recipient. Yet federal rules allow USDA to remove the retailer using a preponderance-of-the-evidence standard while states must generally meet a higher clear-and-convincing standard to establish the recipient's Intentional Program Violation. That is the same transaction, with two different standards. UCOWF recommended one reasonable administrative standard, with full notice and appeal rights, and a requirement that recipients cooperate with lawful administrative investigations just as households must cooperate with SNAP Quality Control reviews.

D. Retailer Fraud and Federal Retailer Oversight

Retailer authorization is a federal responsibility. USDA FNS decides who is allowed to accept SNAP benefits and is responsible for reviewing ownership, business operations, eligibility, and compliance. Retailer integrity is not a state option, and retailer authorization should not be treated as an entitlement. When HHS Secretary RFK Jr. and CMS Administrator Dr. Oz asked all states to recertify high-risk healthcare providers, that same task was not asked of the USDA.

UCOWF recommended stronger front-end screening of owners, related businesses, financial relationships, processors, prior disqualifications, criminal history, and whether the business can actually operate as represented. A recent report by the Foundation for Government Accountability found dozens of SNAP authorized retailers operating in Minneapolis' "Little Mogadishu" that lacked active business licenses and legal operating statuses. Yet this is a national problem, and the USDA Food and Nutrition is not staffed or equipped to properly vet the 255,408 authorized retailers operating today. Nor can the USDA Inspector General arrest our way out of this problem when they face the lowest staffing levels in decades. High-risk firms should be re-vetted when ownership changes, transactions become anomalous, a related owner or store is disqualified, or credible information indicates an unacceptable fraud risk or business integrity issue, and these federal agencies need Congressional appropriations to do so.¹¹

E. Investigative Staffing, Tools, and Incentives

You cannot measure fraud that nobody is funded to find. Many state and county investigators cover multiple programs, enormous geographic areas, and caseloads that make meaningful front-end prevention impossible. Some states lack consistent access to identity-proofing tools, document authentication, analytics, public-record data, financial research, and modern case-management systems. Federal policy has rewarded payment speed and measured error rates while leaving fraud investigators at the back of the line. The only welfare fraud investigator staffing level that is required by regulation is a part-time employee for each state. As states face a 50% cut in administrative funding, UCOWF fears that fraud investigators will once again be negatively impacted. Surveys have shown that states on average are not able to process or investigate 40% of fraud referrals from eligibility workers. Forty percent. That's billions in savings that could be realized with adequate staffing, funding, and tools.¹²

¹¹ The FGA, "USDA Should Continue to Root Out Fraud Among Food Stamp Retailers," March 30, 2026. <https://thefga.org/wp-content/uploads/2026/03/USDA-Should-Root-Out-Fraud-Among-Food-Stamp-Retailers-paper-3-30-26-1.pdf>

¹² 7 CFR 272.4(g), Fraud detection unit staffing. [https://www.ecfr.gov/current/title-7/part-272/section-272.4#p-272.4\(g\)](https://www.ecfr.gov/current/title-7/part-272/section-272.4#p-272.4(g))

F. Federal Transparency, Accountability, and USDA OIG Capacity

UCOWF recommended that USDA publish current state investigation, Intentional Program Violation, claims, collection, waiver, demonstration, and Fraud Framework data. While USDA publishes key data metrics in an Annual State Activity Report, UCOWF has been saying for years that the state provided data is wrong. This is the same data used by some to claim that fraud in SNAP is less than one percent – a preposterous claim that relies on bad data being sent to USDA, something Minnesota has admitted to and that the Inspector General is currently investigating. State data submitted to USDA on a quarterly basis that includes fraud investigations and benefit recoveries should be immediately posted for transparency. States should be required to certify the results they send.

Federal investigative capacity is just as important. USDA OIG handles retailer trafficking, organized criminal schemes, identity fraud, cyber-enabled benefit theft, and cases that exceed the jurisdiction or capacity of any one state. That mission requires dedicated special agents, analysts, digital-forensic personnel, cyber expertise, transaction analytics, and field-operation funding. State investigators cannot substitute for a properly staffed federal criminal and audit function. We have full confidence in the current USDA Inspector General and his staff, but they must be properly equipped, staffed, and funded.

III. WHAT HAS CHANGED, WHAT HAS NOT, AND WHAT MUST HAPPEN NOW

The 22 recommendations from UCOWF’s first DOGE testimony appearance can be summarized in six action areas:

A. Identity Verification and Self-Attestation

WHAT UCOWF RECOMMENDED

Require modern identity proofing and authentication for applications, renewals, online portals, call centers, EBT customer-service functions, replacement-card requests, address changes, and PIN resets. Independently verify material eligibility factors when reliable information is available. Self-attestation should be accepted only after reasonable efforts cannot confirm or refute the statement.

WHAT HAS HAPPENED

In April 2025, USDA issued guidance directing states to obtain more reliable identity documents, take additional steps to deter fraudulent use of Social Security numbers, and make better use of the Department of Homeland Security SAVE system.

That guidance acknowledged the problem, but acknowledgment is not reform. USDA did not establish a uniform NIST-aligned identity-proofing standard, mandatory authentication of uploaded documents, consistent call-center authentication, or a national limitation on self-attestation. State practices remain inconsistent, and guidance without funding can be implemented in name only.

WHAT MUST HAPPEN NOW

CONGRESS MUST ACT

- Enact minimum identity-proofing and authentication standards for SNAP.
- Limit self-attestation by statute when authoritative information is available.
- Require authentication of uploaded identity and eligibility documents.
- Appropriate implementation funding instead of creating another unfunded mandate.

USDA MUST ACT

- Issue enforceable rules for online, telephone, and EBT authentication.
- Require documented verification attempts before self-attestation is accepted.
- Define questionable, inconsistent, and contradictory information and require resolution.

FUNDING MUST FOLLOW

- Identity-proofing technology, document authentication, state system integration, call-center controls, and training.

B. Duplicate Participation, the NAC, and PARIS**WHAT UCOWF RECOMMENDED**

Fully implement the NAC, require an interstate check before benefit issuance, compel complete state participation, and eliminate federal and state data silos. Modernize PARIS and related cross-program matching so joint investigators can identify the same person across SNAP, Medicaid, TANF, and other assistance programs when permitted by law.

WHAT HAS HAPPENED

The NAC is operational and moving through phased implementation. USDA reports that all SNAP state agencies have committed to implement the system before the October 2027 regulatory deadline. As of today, 15 states have launched the flawed NAC that does not work as intended or required.

Congress directed USDA to establish the proven Mississippi NAC Pilot in the 2018 Farm Bill. The test is no longer whether a state can connect to the system. The test is whether the NAC prevents the second issuance before payment, requires action on valid matches, protects Disaster SNAP, and publicly reports cases prevented, closures, cost avoidance, overpayments, and recoveries. The current system simply cannot.

Congress has also enacted a future Medicaid duplicate-enrollment system that must receive state data at least monthly and during eligibility determinations and redeterminations, with an implementation deadline of October 1, 2029. The law includes conforming changes affecting PARIS obligations.

That future Medicaid system may be relevant to joint investigations, but it does not solve the current SNAP problem, and it does not create one front-end clearinghouse across programs. The NAC and PARIS remain separate systems governed by different agencies, different timelines, and different restrictions. **Fraudsters exploit those seams.**

WHAT MUST HAPPEN NOW**CONGRESS MUST ACT**

- Set enforceable milestones for nationwide NAC implementation and match resolution.
- Require complete and timely state submissions and state-by-state performance reporting.
- Authorize appropriate interoperability and lawful cross-program use of verified information.
- Establish consequences for failure to submit data or act on confirmed duplicate participation.

USDA AND HHS MUST ACT

- Follow the 2018 Farm Bill mandate and publish prevention and savings results.
- Coordinate NAC, PARIS, and future duplicate-system definitions and resolution standards.
- Move from quarterly and post-payment matching to front-end or near-real-time checks as the Mississippi NAC proved was feasible.

FUNDING MUST FOLLOW

- State NAC connections, PARIS, and system modernization, match-resolution staff, analytics, and public reporting.

C. Recipient Trafficking and Administrative Investigations**WHAT UCOWF RECOMMENDED**

Apply a preponderance-of-the-evidence standard to administrative recipient-trafficking cases, preserve full due process, and require reasonable cooperation with lawful administrative investigations.

WHAT HAS HAPPENED

No material federal reform has aligned the evidentiary treatment of the retailer and the recipient participating in the same trafficking transaction. No broad recipient-cooperation requirement has been enacted. SNAP remains the only program in the country that not only applies the in-custody criminal Miranda Rights to non-custodial administrative SNAP investigations, does not require cooperation in administrative inquiries, and uses a higher burden of proof standard (Clear and Convincing vs. Preponderance). The House-passed 2026 Farm Bill failed to address any substantive reforms, ignoring all UCOWF's recommendations.

WHAT MUST HAPPEN NOW**CONGRESS MUST ACT**

- Mandate the preponderance-of-the-evidence standard to recipient trafficking (at a minimum)
- Require reasonable cooperation with lawful administrative investigations, subject to due process.
- Require consistent reporting of referrals, hearings, findings, disqualifications, and recoveries.

USDA MUST ACT

- Issue sweeping recipient regulatory reforms, including aligning the trafficking evidentiary standard with what is used for retailers (preponderance)
- Revise regulations and guidance to the fullest extent of existing authority.
- Standardize cooperation, evidence development, adjudication, and case tracking across states.

D. Retailer Authorization, Reauthorization, and Continuing Oversight**WHAT UCOWF RECOMMENDED**

Strengthen initial retailer screening, verify owners and beneficial owners, identify related businesses and prior disqualifications, require continuing monitoring and cooperation, and authorize prompt suspension when credible allegations establish an unacceptable ongoing risk.

WHAT HAS HAPPENED

The 2014 Farm Bill removed the USDA's responsibility to approve EBT third-party processors and issuing Point of Sale devices. This created a "Wild, Wild West" of fintech fraud where fraudsters can use cloned card swiping machines from the comfort of their homes anywhere in the world. UCOWF has seen this firsthand, where unauthorized businesses use stolen/cloned machines to accept SNAP. The simple truth is, nobody knows where these devices are located or where transactions are occurring.

The House-passed 2026 Farm Bill includes limited EBT card-security and trafficking-related provisions. Those provisions matter, but card security is not retailer integrity. Chips on cards do not stop trafficking, skimming, or account takeovers while a magnetic stripe still exists, card not present manual transactions are allowed, and in online purchases.

USDA FNS controls SNAP retailer authorization and can establish regulatory and sub-regulatory guidance to improve retailer integrity. A retailer authorization is a privilege, not a permanent federal guarantee.

WHAT MUST HAPPEN NOW**CONGRESS MUST ACT**

- Direct USDA to establish periodic and off-cycle reauthorization for higher-risk retailers.
- Clarify suspension and information-sharing authority where current law is insufficient.
- Mandate geolocation information be transmitted with balance inquiries and SNAP transactions.
- Fund field inspections, ownership research, transaction analytics, and federal-state task forces.

USDA MUST ACT

- Re-verify ownership, identity, licensing, inventory, banking, processors, related stores, and prior sanctions.
- Require immediate reporting of ownership and control changes.
- Require retailer cooperation in recipient enrollment fraud investigations as a condition of continued participation.
- Prioritize sham retailers, concealed ownership, processor involvement, and multistate trafficking networks.

FUNDING MUST FOLLOW

- Retailer background screening, site visits, beneficial-ownership tools, transaction analytics, USDA FNS retailer monitoring, and USDA OIG investigations.

E. State Investigative Staffing, Tools, and Financial Incentives**WHAT UCOWF RECOMMENDED**

Require adequate dedicated staffing, increase the state share of overpayment recoveries, mandate reinvestment in investigators and tools, and reward verified fraud prevention before benefits are issued.

WHAT HAS HAPPENED

The OBBB/WFTCA (Public Law 119-21) increased state fiscal responsibility for SNAP. Beginning in fiscal year 2027, the federal share of SNAP administrative expenses drops from 50 percent to 25 percent. Beginning in fiscal year 2028, subject to statutory transition provisions, states with payment error rates of 6 percent or higher will be required to share in benefit costs at tiered levels that shift an estimated \$16 billion in funding from the feds to the states (and counties).¹³

Those changes give states more skin in the game, but Congress did not provide the fraud-control infrastructure necessary to manage the new risk. Payment errors are different from fraud. A state can move staff toward measured eligibility and calculation errors while fraud referrals continue to sit untouched. Increased administrative costs may also cause states to cut investigators, training, and tools unless Congress protects those functions.

In 2017, the U.S. Department of Justice found states had manipulated and biased the SNAP Quality Control process to falsely reduce their error rate, resulting in the states receiving bonuses of several million dollars for which they were not entitled. If states were willing and able to “game the system” to get a couple million-dollar bonus, it stands to reason that there will be temptation to do so again when hundreds of millions of dollars in fines is at stake on an annual basis. The 400-page QC manual still accepts client self-attestation of proof that a state properly issued benefits, resulting in potentially artificially low error rates.

USDA awards approximately \$5 million in SNAP Fraud Framework grants to states. Those projects can help individual states, but a national program serving more than 40 million people cannot build permanent fraud units, identity systems, and analytics through a small annual grant pool capped at \$750,000 per state. One-time grants are not a national fraud strategy.

¹³ Alliance for Opportunity, “What States Can Expect with the New SNAP Match: Option to Reduce State Error Rates,” <https://allianceforopportunity.com/wp-content/uploads/2025/11/What-States-Can-Expect-with-the-new-SNAP-Match.pdf>; UCOWF, “Summary of HR1 One Big Beautiful Bill Act,” July 21, 2025 <https://www.ucowf.net/assets/pdf/UCOWF+HR+OBBB+SUMMARY/>

WHAT MUST HAPPEN NOW**CONGRESS MUST ACT**

- Direct USDA OIG to study state and county investigative staffing and compel recommended fraud control staffing standards with a minimum Investigator to Household/Individual ratios.
- Allow states to retain 75 percent of IPV recoveries and 50 percent of IHE recoveries.
- Require retained recovery funds to be reinvested in program integrity.
- Create multi-year front-end fraud-prevention grants and expand the Fraud Framework grant program.

USDA MUST ACT

- Require state fraud-control plans to cover staffing, workload, tools, training, and referral resolution.
- Measure the percentage of referrals investigated and resolved.
- Credit verified cost avoidance and fraudulent applications stopped before issuance to states following SNAP Fraud Framework guidelines to offset payment error rate penalties.
- Modernize the SNAP QC process and QC Handbook.
- Issue comprehensive program integrity regulatory updates.

FUNDING MUST FOLLOW

- Dedicated investigators, identity and document tools, analytics, public-record and financial research, case management, and training.

F. Federal Transparency, USDA Accountability, and USDA OIG Capacity**WHAT UCOWF RECOMMENDED**

Publish timely program-integrity data, require measurable implementation of the SNAP Fraud Framework, independently audit state performance, and give USDA OIG sufficient resources dedicated to SNAP.

WHAT HAS HAPPENED

USDA OIG's fiscal year 2026 explanatory notes document substantial SNAP work. From 2015 through 2024, OIG reported 26 SNAP oversight engagements, 80 reportable findings, and 157 recommendations. Additionally, there were more than 1,800 indictments and 2,000 retailer-fraud convictions. OIG also reported that FNS had not comprehensively assessed SNAP fraud risks under GAO's Fraud Risk Management Framework or documented a prioritized fraud-risk approach.

The same budget document states that OIG had 425 permanent full-time employees as of September 30, 2024. The fiscal year 2026 request proposed \$100 million in discretionary appropriations and 375 discretionary FTEs, a reduction of \$11.5 million and 30 discretionary FTEs from the fiscal year 2025 estimate. SNAP oversight competes with mandatory audits and the rest of USDA's broad portfolio.¹⁴

UCOWF is not suggesting that every OIG employee work on SNAP. We are saying that a program of SNAP's size, with national retailer networks, interstate trafficking, identity fraud, cyber-enabled benefit theft, and organized criminal activity, requires a dedicated and measurable federal commitment. Temporary operations and isolated prosecutions are not a substitute for sustained federal investigative capacity.

¹⁴ USDA, "2026 USDA Explanatory Notes: Office of Inspector General," including staffing, budget, SNAP oversight, investigations, and the SNAP fraud-risk assessment discussion. <https://www.usda.gov/sites/default/files/documents/15-2026-CJ-OIG.pdf>

WHAT MUST HAPPEN NOW**CONGRESS MUST ACT**

- Create a dedicated USDA OIG SNAP program-integrity appropriation or clearly identified funding line.
- Fund additional agents, analysts, digital-forensic personnel, financial investigators, cyber specialists, data scientists, and field operations.
- Require annual reporting on SNAP staffing, referrals, cases, losses, recoveries, convictions, sanctions, and resource gaps.
- Require USDA FNS to publicly publish current FNS-209, FNS-366B, NAC, grant, waiver, and investigation data on a rolling quarterly basis.
- Require states send enrollment data to USDA FNS on a regular basis for proper QC analyses.

USDA MUST ACT

- Establish measurable Fraud Framework performance standards and audit state implementation.
- Give county and state investigators timely access to needed program and transaction data residing in the USDA FNS ALERT system.
- Refer systemic failures and suspected false reporting for independent review.
- Review all federal regulations, waivers, and state options issued without predicate legislation in light of Chevron/Loper-Bright.

FUNDING MUST FOLLOW

- Dedicated OIG personnel, cyber and digital forensics, financial and transaction analytics, joint operations, and data access.

IV. CMS SMD 24-005 AND ITS EFFECT ON JOINT SNAP CASES

CMS issued State Medicaid Director Letter 24-005 on December 5, 2024. The memorandum addressed Medicaid beneficiary sanctions, not SNAP. It did not repeal or modify SNAP Intentional Program Violation authority, administrative disqualification hearings, disqualification consent agreements, overpayment recovery, or criminal referrals. CMS rescinded the memorandum effective May 1, 2025.¹⁵

The reason this belongs in SNAP testimony is operational. Most state and county investigators do not investigate benefits in separate vacuums due to Integrated Eligibility Systems which allow applicants to apply for multiple programs on a single application. The same household may receive SNAP, Medicaid, TANF, childcare, and other assistance. The same false statement about identity, income, household composition, residence, or resources can cause a loss in several programs. A competent investigation establishes the facts once, calculates the total public loss, and applies the appropriate law to every affected program.

UCOWF understood SMD 24-005 to sharply restrict, prevent, and sanction states attempting to Medicaid beneficiary sanctions and recoveries unless expressly authorized by federal law. Whatever legal interpretation an agency adopted, the practical result was uncertainty. To date, most of the country does not enforce Medicaid enrollment fraud. Why? Because there are no federal regulations preventing them from doing so nor any federal disqualification or sanction periods for which a fraudster cannot enroll. Additionally, the memo threatened to withhold state funding if any state attempted to recover their own capitation payments lost due to Medicaid enrollment fraud.

¹⁵ SMD #24-05, Issued December 5, 2024, Rescinded May 1, 2025. <https://www.medicaid.gov/federal-policy-guidance/downloads/smd24005.pdf>

The SNAP portion of a joint program case (such as SNAP/Medicaid, SNAP/Medicaid/TANF, etc.) require sanctions and repayments, while the Medicaid portion is treated differently or abandoned. The state could establish a SNAP overpayment and disqualification based on the same false statement and enrollment fraud application, yet nothing is done about the Medicaid loss. Prosecutors could receive only part of the case. Investigators could be forced to split one fact pattern into inconsistent enforcement outcomes.

Rescission removed the memorandum, but it did not create an affirmative Medicaid beneficiary-fraud framework. In fact, despite several UCOWF requests, CMS still has not issued any subregulatory guidance since the memo's rescission and the mistaken belief that state Medicaid Fraud Control Units, or MFCUs, investigate beneficiary fraud. They cannot and they do not and they are prohibited by federal law; they are charged with overseeing provider fraud – the fraud that dominates current and recent headlines.¹⁶

UCOWF's April 2026 submission to the White House Task Force asked CMS to issue clear written guidance because state investigators still need to know what the federal government expects, what recoveries are permitted, and how federal and state funds should be protected. The answer cannot be that fraud is actionable when it affects SNAP but functionally unenforceable when the same conduct affects Medicaid.

WHY THIS BELONGS IN SNAP TESTIMONY

State and county SNAP investigators do not work in a vacuum. Conflicting federal policies fragment joint/multiple program investigations, duplicate work, understate total government losses, and allow the same false statement on the same false application to produce different enforcement outcomes across programs.

CONGRESS MUST ACT

- Enact a coherent Medicaid beneficiary enrollment fraud and recovery framework so joint cases can be investigated consistently.
- Clarify authority to recover beneficiary-caused improper payments.
- Require interagency standards for joint public-assistance investigations.
- Establish penalties for fraudulent enrollments after administrative or criminal due process.

CMS AND USDA MUST ACT

- CMS should issue affirmative written guidance following rescission of SMD 24-005.
- USDA and CMS should coordinate lawful information sharing, evidence use, referrals, and total-loss calculations.
- Federal agencies should not impose contradictory enforcement expectations on the same state investigative unit.
- Require state plans to outline beneficiary enrollment fraud controls.

¹⁶ National Association of Attorneys General, "About the Medicaid Fraud Control Units." <https://www.ucowf.net/assets/pdf/UCOWF+Response+to+CMS+CRUSH+RFI+CMS-6098-NC+30March2026/>; UCOWF letter to CMS Chief of Staff Stephanie Carlton, April 9, 2025. <https://www.ucowf.net/assets/pdf/UCOWF+letter+to+CMS+re+5Dec2024+Memo/>; UCOWF letter to CMS Administrator Dr. Mehmet Oz, June 20, 2025. <https://www.ucowf.net/assets/pdf/UCOWF+letter+to+CMS+re+Recission+of+5Dec2024+Memo/>; UCOWF letter to CMS Administrator Dr. Mehmet Oz, October 23, 2025. https://www.ucowf.net/assets/pdf/UCOWF+letter+regarding+CMS+Guidance+on+FWA_23Oct2025/; UCOWF letter to Honorable James Comber, Chairman House Committee on Oversight and Accountability, January 5, 2026. <https://www.ucowf.net/assets/pdf/UCOWF+Response+to+CMS+CRUSH+RFI+CMS-6098-NC+30March2026/>; UCOWF response to CMS "Crushing Fraud RFI," March 30, 2026. <https://www.ucowf.net/assets/pdf/UCOWF+Response+to+CMS+CRUSH+RFI+CMS-6098-NC+30March2026/>

V. UCOWF'S UPDATED SNAP RECOMMENDATIONS

Following the first DOGE hearing, UCOWF refined its recommendations in two major submissions. In March 2026, UCOWF responded to the House Budget Committee's Request for Information on **legislative solutions** to prevent, mitigate, and reduce fraud and improper payments. In April 2026, UCOWF submitted immediate priorities to the White House Task Force to Eliminate Fraud that include **executive agency actions** that can be taken.¹⁷

The Executive Order creating the Task Force directs agencies to identify the benefit transactions and processes most vulnerable to fraud, including new enrollments, redeterminations, self-attestation procedures, payment-destination changes, and transactions involving third-party intermediaries. That direction closely tracks the weaknesses UCOWF has identified in SNAP. The Task Force does not need to start from scratch. It needs to act on the record already before it. So too must Congress and the Executive Agencies.

VI. THE 2026 HOUSE FARM BILL WAS A MISSED OPPORTUNITY

On April 30, 2026, the House passed H.R. 7567, the Farm, Food, and National Security Act of 2026. The bill contains limited provisions addressing EBT card security and a GAO report on administrative expenses but was devoid of any meaningful reform or sections addressing waste, fraud, and abuse. Those provisions should be credited for what they do, but they should not be confused with comprehensive SNAP program-integrity reform. The House-passed bill did not enact UCOWF's recommendations for national identity-proofing standards, limits on self-attestation, minimum investigative staffing, stronger recovery incentives, a consistent recipient-trafficking standard, recipient and retailer cooperation, BBCE reform, modern data-sharing authority, risk-based retailer reauthorization, timely public reporting, or a funded front-end fraud system.

This is not simply UCOWF's characterization. During the March 2026 Farm Bill markup, House Agriculture Committee Chairman Glenn Thompson acknowledged that "*provisions left out included crucial changes to strengthen program integrity in SNAP.*"¹⁸

Congress had the testimony. It had the audits. It had legislative proposals and the experience of frontline investigators. The Farm Bill was the opportunity to turn that record into law for the first time since 2018, and it did not do so. Congress should not wait for another Farm Bill cycle (2031) while states absorb new financial liability, and fraudsters continue to exploit known weaknesses. These reforms should move now through a focused SNAP program-integrity bill, appropriations, and enforceable agency oversight.

VII. A FUNDED PLAN FOR CONGRESS AND THE EXECUTIVE BRANCH

UCOWF asks this Subcommittee to move beyond broad oversight and require implementation. Every recommendation should have a responsible official, a legal vehicle, an appropriation, a deadline, and a public performance measure. Anything less invites another hearing in another year about the same unresolved problems.

¹⁷ UCOWF written response to House Budget RFI, "Legislative Solutions to Prevent, Mitigate, and Reduce Government Fraud and Improper Payments," March 17, 2026. www.ucowf.net/assets/pdf/UCOWF+VP+Fraud+Task+Force+May+2026/; UCOWF document provided to the White House Task Force to Eliminate Fraud, May 7, 2026. www.ucowf.net/assets/pdf/UCOWF+VP+Fraud+Task+Force+May+2026/

¹⁸ House Agriculture Chairman Thompson, "Opening Statement at 2026 Farm Bill Markup, March 3, 2026. <https://agriculture.house.gov/news/documentsingle.aspx?DocumentID=8106>

Program integrity costs money but failing to fund it costs much more. States cannot be ordered to modernize identity systems, connect to federal matching systems, absorb new administrative costs, investigate more allegations, authenticate documents, and reduce errors without staff and tools – especially in the wake of decreased administrative funding and pending payment error rate penalties that threaten some state participation in SNAP. USDA cannot continuously vet hundreds of thousands of participating firms without sufficient personnel, analytics, and field capacity. USDA OIG cannot confront national trafficking, cyber-enabled theft, and organized criminal activity if SNAP remains one discretionary priority among many without a dedicated resource commitment.

To combat waste, fraud, and abuse in taxpayer funded programs, Congress should specifically fund:

- State identity-proofing, authentication, and document-verification technology in modernized eligibility systems.
- NAC connections, PARIS modernization, and cross-program match-resolution capacity.
- Dedicated state and county investigators, analysts, supervisors, training, and modern case-management tools.
- Retailer background screening, beneficial-ownership research, field inspections, and transaction analytics.
- Multi-year front-end fraud-prevention grants tied to measurable results.
- Dedicated USDA OIG special agents, analysts, cyber specialists, digital-forensic personnel, financial investigators, databases, and joint task forces.
- Public reporting systems and independent performance audits so Congress and taxpayers can see whether the reforms work.

VIII. CONCLUSION: THE TIME FOR ACTION IS NOW

SNAP is an essential program. That is exactly why it must be protected. Program integrity is not an attack on eligible households. Strong identity controls protect recipients from account takeover and stolen benefits. Front-end verification prevents fraudulent applications from clogging the same queues as legitimate families. Effective retailer oversight protects households from dishonest businesses. Adequate investigative capacity preserves limited resources for the people who meet the program’s requirements.

Congress and the Executive Branch now have the evidence, the statutory history, the technical knowledge, and the field experience necessary to act. The first DOGE hearing identified the vulnerabilities. The post-hearing review summarized the solutions. UCOWF’s House Budget and White House submissions refined the legislative and administrative agenda needs and solutions to address the problems. The USDA OIG has documented the need for a comprehensive fraud-risk strategy. The House Agriculture Committee Chairman acknowledged that crucial SNAP program-integrity changes were omitted from the 2026 Farm Bill.

UCOWF’S REQUEST

Do not commission another broad study to determine whether SNAP vulnerabilities exist. Enact the legal reforms, require Executive Agencies follow the law, to issue the regulations and guidance, appropriate the funds, set deadlines, and publicly measure implementation.

Congress must legislate where statutory authority is needed, appropriate sufficient funds, and protect those funds for program integrity. USDA must regulate, guide, enforce, and publish results. CMS must resolve the uncertainty that continues to fragment joint SNAP and Medicaid cases. This Subcommittee should require written implementation plans with named officials, measurable milestones, public reporting, and consequences for missed deadlines.

UCOWF stands ready to assist with legislative language, regulatory recommendations, investigator training, field intelligence, performance measures, and state implementation. We do not need another broad hearing to prove that the vulnerabilities exist. We need Congress to legislate, the Executive Branch to act, and both branches to fund the fixes. The time for diagnosis has passed. The time for funded, measurable action is now if we are going to combat waste, fraud, and abuse in SNAP.

Dawn Royal

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