

Record numbers receive food stamps as USDA turns blind eye to recipients' finances

By Aleksandra Kulczuga - The Daily Caller 02/15/10 at 3:07 pm

Food stamp distribution has skyrocketed since the U.S. Department of Agriculture renamed the program Supplemental Nutrition and Assistance Program (SNAP) in 2008 and began pushing states to give federal food aid to people without verifying their finances.

President Obama's latest proposed budget includes \$72.5 billion for the SNAP program, a 30 percent increase over \$55.6 spent in 2009. The program is on track to double in size by 2011 — as recently as 2008 it accounted for only \$37.6 billion. Since the start of the recession in late 2007, food-stamp rolls jumped from 27 million individuals to 38 million, or 13 percent of the total U.S. population. The federal government hasn't distributed food aid to this many people since the Great Depression.

"Applicants will not need to provide documentation verifying their resources," wrote Jessica Shahnin, associate administrator for SNAP in a [letter](#) to all regional SNAP offices encouraging them to lower barriers to entry for people looking for food assistance.

Anybody who receives other federal aid, such as Medicaid, automatically qualifies for food stamps in most states — a situation known as "categorical eligibility."

"Broad-based categorical eligibility ... refer[s] to the policy that makes most, if not all, households categorically eligible for SNAP because they receive a non-cash ... funded benefit or service, such as an informational pamphlet or 800-number," says Shahnin.

This means that anybody who inquires about a brochure for federal assistance is automatically eligible for food stamps.

"When a household is categorically eligible, it means that the state agency does not use certain program rules, such as asset and gross income limits."

The push for simplifying eligibility requirements began in earnest two years ago when states faced administrative hurdles due to budget shortfalls. The answer to welfare programs like SNAP was to streamline the transfer of federal dollars to needy families by eliminating many steps in the process.

Historically, a family had to have less than \$2,000 in assets to qualify for the program. Guidelines have become less stringent. Normally, a family of four must bring in less than 130 percent Federal poverty level, or about \$2,389 per month. However, today SNAP offices are encouraged to only verify a person's weekly income, if anything, and not the money he or she might have in the bank.

"You're creating a cycle of government dependency," said Tad DeHaven, former deputy director of the Indiana Office of Management and Budget. "I don't want to deny people who are in need, particularly in an economic downturn — the question is how do you want it delivered? I would argue it's preferable to have the private sector — private charities, churches and civic organizations provide for the poor rather than the government." DeHaven said government officials chronically under-represent their rates of error and fraud because it is to their benefit to see the budgets for their programs expand.

"The woman who grooms my dog has told me she is on food stamps ... and her parents live in an upscale neighborhood," says DeHaven. "These rules don't take into account what your family has, and it undermines traditional family roles of supporting each other."

Some observers are beginning to question whether the lack of eligibility verification is leading to increased abuses.

"In these economic times, there is a great need for assistance everywhere, including those living in rural areas. Our efforts have always been motivated by the need to provide nutritional benefits to those truly in need," said Rep. Frank Lucas, an Oklahoma Republican and ranking member for the House Agriculture Committee. "However, we also have a responsibility to stay vigilant in ensuring that these benefits go to those who truly meet program eligibility requirements. With growing deficit spending, the need to eliminate waste, fraud and abuse in the program remains an important priority."

"We're moving away from just providing aid to people who are defined as poor," said Michael D. Tanner, a senior fellow at the Cato Institute. "We're moving to a European model where we're now going to pitch this to all low-income folks, not just people who are destitute. It's become wealth redistribution, not a safety net."

"The reality is it is pork-barrel politics for congressmen who come from these agricultural states," Tanner said. "It creates demand ... and has always been a favorite program of the farm lobby."

Supporters of the policy call increased eligibility an excellent move, and say that focusing on what kind of car a person has doesn't matter if they have lost their job and can't put food on the table.

"You can't eat your house, you can't eat your car," said Larry Goolsby, a former food stamp manager now working as legislative director at National Association of State SNAP Directors.

"It doesn't fit with the philosophy of helping people in need to tell them, 'You must get rid of everything you own of value in order to feed your children.'"

While he adds the program is designed to be a short-term fix, there is no time limit on how long people can continue to receive food stamps. Goolsby says SNAP programs are heavily audited at the state and federal levels, and that improper claims remain under five percent.

However, high-profile fraud cases, such as this one where 30 percent of inmates in an Iowa prison were still receiving benefits, or the Ohio woman with \$80,000 in savings who received food stamps highlight the need for vigilance.

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