

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074  
MINORITY (202) 225-5051

<http://oversight.house.gov>

February 8, 2017

The Honorable Gene L. Dodaro  
Comptroller General of the United States  
U.S. Government Accountability Office  
441 G Street NW  
Washington, D.C. 20548

Dear Mr. Dodaro:

In fiscal year 2016, the federal government provided \$67 billion in benefits to help about 44 million people purchase food through the Supplemental Nutrition Assistance Program (SNAP). The U. S. Department of Agriculture's (USDA) Food and Nutrition Service (FNS), in partnership with the states, administers the program. SNAP recipients are provided electronic benefit transfer (EBT) cards that can be used to purchase food from more than 260,000 authorized retailers across the country. Although many recipients use their benefits for the intended purpose, some instead collude with retailers and exchange their benefits for cash, a practice known as trafficking. According to a 2013 FNS study, an estimated \$858 million in SNAP benefits were trafficked annually from 2009-2011.<sup>1</sup> This study also found that just over 10 percent of all authorized SNAP retailers engaged in trafficking, and most of the trafficking occurred in small stores. Specifically, the study found that small stores—largely composed of small—and medium-sized grocery stores and convenience stores—accounted for about 15 percent of all SNAP purchases and about 85 percent of all trafficked benefits.

FNS reports that the agency has taken steps in recent years to improve its efforts to identify and address SNAP trafficking; for example, by analyzing SNAP purchase data to identify suspicious transactions, conducting undercover investigations, and collaborating with other investigative agencies. However, data suggests that despite these efforts, trafficking continues to be a problem.

To help the Committee understand the trafficking of SNAP benefits we request that GAO review:

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<sup>1</sup> Mantovani, Richard, Eric Sean Williams, and Jacqueline Pflieger. *The Extent of Trafficking in the Supplemental Nutrition Assistance Program: 2009-2011*. Prepared by ICF International for the U.S. Department of Agriculture, Food and Nutrition Service, August 2013.

The Honorable Gene L. Dodaro

February 8, 2017

Page 2

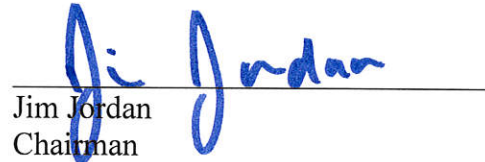
1. The extent of FNS's efforts to identify and address SNAP retailer trafficking;
2. The extent to which these efforts have led to decreased trafficking; and
3. How FNS can improve efforts to identify and address SNAP retailer trafficking.

If you have any questions about this request, please have your staff contact Kevin Eichinger of the Committee staff at (202) 225-5074. Thank you for your prompt attention to this matter.

Sincerely,



Jason Chaffetz  
Chairman



Jim Jordan  
Chairman  
Subcommittee on Health Care,  
Benefits, and Administrative Rules



Mark Meadows  
Chairman  
Subcommittee on Government Operations

cc: The Honorable Elijah E. Cummings, Ranking Minority Member

The Honorable Raja Krishnamoorthi, Ranking Minority Member  
Subcommittee on Health Care, Benefits, and Administrative Rules

The Honorable Gerald E. Connolly, Ranking Minority Member  
Subcommittee on Government Operations