

Department of Social Services Family Support Division Food Stamp Program Overview

Roles and Responsibilities

The Food Stamp Program is administered at the federal level by the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) Mountain Plains Regional Office (MPRO). The Department of Social Services (DSS) Family Support Division (FSD) administers the Food Stamp (FS) program. Nationally, the FS program is commonly referred to as the Supplemental Nutrition Assistance Program (SNAP).

Federal Regulations at 7 CFR 271.4 delegates state agencies to be responsible for the administration of the program in each state and US territories. The Food Stamp Program is designed to promote and safeguard the health and well-being of the nation's population by raising the levels of nutrition among low-income households.

Federal Laws and Regulations

The Food Stamp Program is governed by the Food and Nutrition Act of 2008 and Title 7, Subtitle B, Chapter 2, Subchapter C in the Federal Regulations at 7 CFR 271 through 7 CFR 285.

The Federal regulations include requirements for eligibility for and administration of the program, as well as requirements for the distribution and use of the Food Stamp benefits.

Additional Federal Regulations of interest include:

- 7 CFR 274.1 requires state agencies to issue Food Stamp benefits to households on an Electronic Benefit Transfer (EBT) card. An EBT card is similar to a debit card.
- 7 CFR 274.8(b)(10) provides that EBT cards must be interoperable in all states and allow households to redeem benefits in any state to purchase food at a retail store or wholesale food company approved under the Food and Nutrition Act of 2008.

Food Stamp benefits can be used to purchase:

- Food; and
- Food products, such as seeds and plants to grow food.

Food Stamp benefits cannot be used to purchase:

- Alcohol;
- Tobacco;
- Hot prepared foods;

- Foods prepared for immediate consumption;
- Vitamins, medicine, supplements; or
- Non-food items such as paper products, soap, or pet food.

Note: Food Stamp benefits cannot be withdrawn as cash.

Each state agency must make a determination within 30 days of receipt of the application. However, the state agency must make a determination within seven days if the applicant meets expedited criteria per the information provided in their application and/or interview.

An applicant is considered expedited if s/he meets one of the three below criteria:

- Income and money in the bank add up to less than the monthly housing expenses; or
- Monthly income is less than \$150, and money in the bank is less than \$100; or
- The applicant is a migrant worker, and money in the bank is less than \$100.

USDA wants all determinations on applications made within these timeframes at a minimum of 95 percent of the time. This is commonly referred to as the state agency's Application Processing Timeliness (APT) rate.

Funding

The Department of Social Services administers the Food Stamp Program in Missouri on behalf of the USDA. The benefits themselves are 100 percent federally funded. The administration of the Food Stamp Program is shared between the Federal government and the State government. The majority of the administrative program costs are split 50/50, with a few of the administrative costs 100 percent federally funded.

Eligibility Periods

When a household is approved for Food Stamp benefits, a certification period is assigned and the household receives benefits each month until the last month of the certification period. The certification period begins with the first month the household is eligible to receive benefits, including a month when the benefits prorate to zero.

At initial application, the Family Support Division (FSD) verifies:

- Income;
- Noncitizen eligibility;
- Medical expenses;
- Social Security numbers;
- Residency;
- Identity;
- Disability; and

- Legal obligation to pay and actual payment of child support.

FSD validates information provided through hard copy documentation, collateral resources, and information available to us via automated interfaces and exchanges of information with other state and federal resources.

In the last two months of a certification period, the household may reapply to receive Food Stamp benefits for a new certification period. This is called a recertification. At recertification FSD verifies:

- Income if the source has changed or the monthly amount has changed by more than \$50;
- Monthly medical expenses that have changed by more than \$25;
- Changes in child support obligation and payments;
- Newly obtained Social Security numbers; and
- Any information that is questionable.

Eligibility Criteria

Food Stamp applicants must:

- Have household gross income under 130 percent federal poverty level
- Be a citizen or eligible immigrant
- Be a Missouri resident
- Verify identity
- Have \$2,250 or less in resources (\$3,250 or less in resources if elderly (age 60+) or disabled)
- Have income under the allowable limit:

Monthly Income Limit	
Number of Persons in Household	Gross Income Limit
1	\$1,276
2	\$1,726
3	\$2,177
4	\$2,628

NOTE: A “household” is the number of people (related and unrelated) that usually prepare and share food together. The income of all eligible participants in the group is counted, whether or not the individuals are related.

Interviews

An interview is required for each application. Interviews can be by phone or in person. However, if a household is considered expedited, the interview is not required until the end of the second month of benefits.

If an interview is conducted by phone, applicants must provide or the Family Support Division (FSD) will assist them in obtaining hard-copy documentation for verification and approval purposes. This documentation can be mailed, faxed, or brought in to a FSD office.

Identity

The identity of the applicant for Food Stamp benefits must be verified prior to issuing benefits.

Identity is verified electronically or in hard copy forms. Electronic verification is completed via Missouri Driver's License database (MODL). Customers can choose to provide a copy of their driver's license, school or work identification, voter registration card, wage stubs, birth certificate, and other hard copy documentation sources to verify identity.

Identity is the only type of verification required to receive expedited benefits.

Residency

Because Food Stamp eligibility requirements are not set by the state, there is not a requirement of intent to permanently remain in the county or state. A permanent residence is not required under federal law. Homeless persons and migrants living in campsites meet the federal residency requirement if they are currently residing in Missouri.

Residency is verified through rent or mortgage receipts, lease contracts, utility bills, and other hard copy documents. If hard copy documentation is not readily available, a reference contact can be made.

Applicant/Recipient Responsibility

Responsibilities of the household include:

- Reporting correct information at application;
- Cooperating with the Family Support Division (FSD) to complete the application and interview process;
- Providing appropriate verification as requested;
- Reporting when household income exceeds 130 percent of the Federal Poverty Level (FPL);
- Completing a mid-certification review and providing requested verification;
- Cooperating with FSD in determining ongoing eligibility when changes are reported; and
- Cooperating with Quality Control reviews.

Electronic Benefit Transfer (EBT) Cards

Food Stamp recipients access benefits through the use of an Electronic Benefit Transfer (EBT) card. When paying for groceries, the recipient's EBT card is run through a point of sale (POS) terminal (cash register). Recipients then enter their secure PIN number and their account is debited for the amount of the purchase.

Interim Contacts

Changes occur in household circumstances during the certification period. Households are required to report when the household gross monthly income exceeds 130 percent of the Federal Poverty Level (FPL). If a change is reported to Family Support Division, action will be taken on the case when:

- The benefits will increase as a result of the change;
- The household gross income exceeds 130 percent of the FPL and the case should close; or
- The change is required by policy (i.e., disqualifications, sanctions, etc.).

Out of State Use of Benefits

Federal Regulations at 7 CFR 274.8 require that Electronic Benefit Transfer (EBT) cards be interoperable in all US states and territories. EBT cards must provide the Food Stamp household the ability to redeem benefits in any state to purchase food at a retail food store or a wholesale food company approved under the Food and Nutrition Act of 2008.

To identify and control duplicate participation, on a regular basis the Public Assistance Reporting Information System (PARIS) matches participating states' public assistance records with other participating states' public assistance records (Interstate Match), Veterans Administration records (VA Match) and federal records for active or retired military and federal employees (Federal Match).

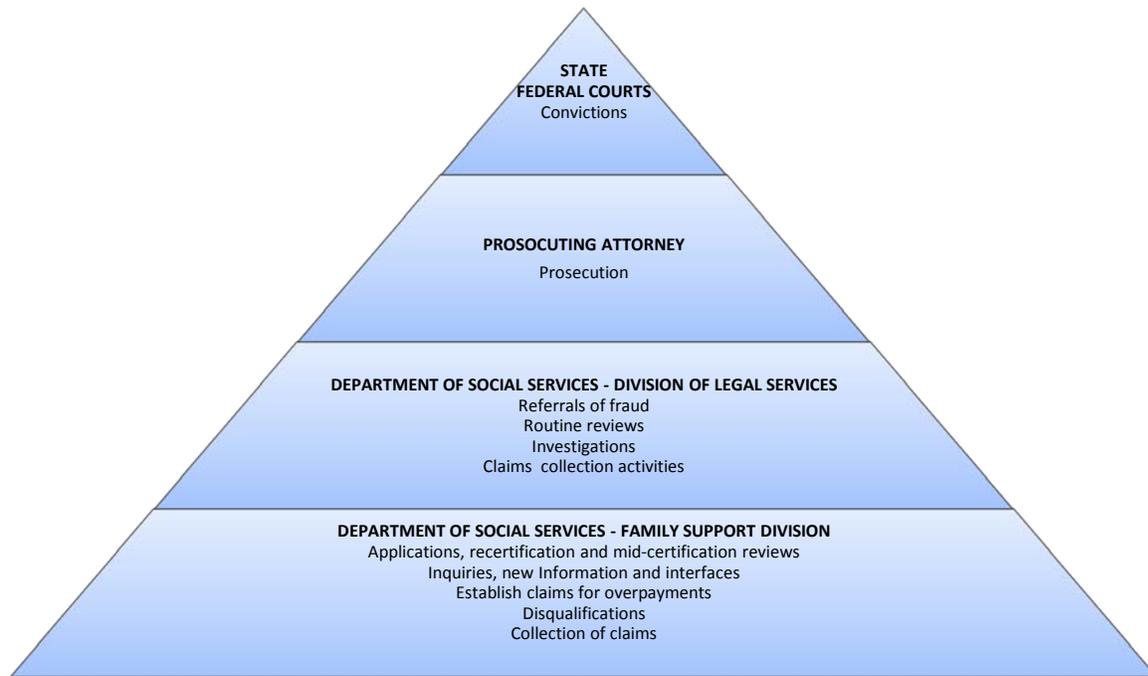
There are possible reasons a household may be using benefits in another state:

- More convenient and/or cost effective to shop in a bordering state;
- Military families receiving benefits in Missouri are transferred to another state;
- Migrant or seasonal farm workers;
- Natural disasters, domestic violence, divorce, etc. displace people, making it necessary to seek shelter from out of state family members or friends;
- Families move to find employment opportunities;
- Seeking medical care or in-home care from family members;
- Providing temporary care for aging parents or sick family members;
- Homeless cardholders may go to warmer states in winter months; or
- Residence near the bordering state.

If a change becomes known, no action is taken until the next recertification.

Monitoring Usage of Benefits

There are several lines of defense in determining and combating fraudulent use of benefits. The agencies involved and their specific roles are provided in the diagram below.



It is important to note that most instances of overpayment are identified through routine reviews and interfaces conducted by the Family Support Division (FSD). When FSD discovers an overpayment, a claim is established and if FSD suspects program violation the case will be referred to the Division of Legal Services (DLS) for investigation.

DLS also conducts routine reviews for purposes of detecting fraudulent use of benefits and will conduct investigations for suspected program violations. If violation is validated as a result of an investigation, DLS will ask FSD to compute and establish a claim. In addition, a citizen or other entity may contact both FSD and DLS regarding potential fraud. When such a contact is received, an investigation will be initiated.

Food Stamp Program Over-Payments

Claims are established when a household receives more Food Stamp benefits than they were eligible for. Claims are established against any individual, age 18 or over, who was a member of the household or against an individual that was found guilty of trafficking Food Stamp benefits.

Disqualifications

Individuals will be disqualified from the Food Stamp Program for an Intentional Program Violation (IPV). An IPV exists whenever an individual intentionally:

- Makes a false or misleading statement, misrepresents, conceals, or withholds facts; or
- Commits any act constituting a violation of the Food Stamp Act, the Food Stamp Program Regulations, or any State statute relating to the use, presentation, transfer, acquisition, receipt, or possession of Food Stamp benefits.

When an individual has been found guilty of an IPV or signs a waiver of an administrative disqualification hearing, a disqualification is imposed. This disqualification only impacts the individual's receipt of benefits and not the entire household's receipt of benefits. The maximum disqualification periods associated with the IPV as allowed by federal law are as follows:

- First finding of violation - the individual is ineligible to receive benefits for 12 months;
- Second finding of violation - the individual is ineligible to receive benefits for 24 months; and
- Third finding of violation - the individual is permanently ineligible to receive benefits.

Additional program violations and the resulting penalties are as follows:

- For the first occurrence of exchanging Food Stamp benefits for a controlled substance, the individual is disqualified for 24 months. The second occurrence results in permanent disqualification.
- An individual convicted of trafficking Food Stamp benefits of \$500 or more is permanently disqualified.
- An individual found to have made a fraudulent statement or representation about identity or residence in order to receive multiple benefits simultaneously is disqualified for 10 years.
- An individual convicted of transacting benefits for firearms, ammunition or explosives is permanently disqualified from receiving Food Stamp benefits.

There are several ways the Family Support Division (FSD) learns of possible fraud and/or disqualifications. These include:

- Declarations at application;
- Individual voluntary reports;
- Calls from citizens or businesses (identified or anonymous);
- Prison match;
- Law enforcement reports; or
- Other government agencies.

Food Stamp recipients can be disqualified from receiving Food Stamp benefits for a variety of reasons. These include:

- Selling Food Stamp benefits;
- Hiding information or lying about information to receive benefits they are not entitled to;
- Using Food Stamp benefits to buy non-food items;
- Purchasing a product that requires a return deposit with the intent of obtaining cash;
- Intentionally purchasing food items in exchange for cash;
- Paying for food purchased on credit with Food Stamp benefits;
- Possessing or using an EBT card that is not theirs; or
- Trading or selling EBT cards.

Note: Individuals with a drug felony conviction may be eligible for Food Stamp benefits based on the circumstances of the conviction.

Welfare Investigation Unit (WIU)

Department of Social Services Division of Legal Service's Welfare Investigation Unit (WIU) is divided into five regions having offices in Independence, Jefferson City, St. Louis, Springfield and Sikeston. WIU investigates employee threat referrals from all divisions of Department of Social Services (DSS), but primarily investigates allegations of recipient fraud and abuse involving the various DSS public assistance programs including but not limited to:

- Food Stamp Program;
- Temporary Assistance;
- Blind Pension;
- Child Care;
- MO HealthNet (MHD);
- Energy Assistance; and
- Complaints of Electronic Benefit Transfer (EBT) trafficking.

Eligibility Fraud and Abuse

The majority of investigations of eligibility fraud involve Food Stamp benefits and Temporary Assistance benefits. Most of these investigations are referred to the Welfare Investigation Unit (WIU) by the Family Support Division (FSD). Referrals are also received from various means including:

- Daily reports generated by FSD listing overpayments that clients have received;
- Other FSD requests to obtain needed information to establish a claim;

- Individuals reporting fraud by calling the Division of Legal Services Welfare Fraud Hotline at (877) 770-8055, or by emailing complaints to DLS.ReportFraud@dss.mo.gov; and
- Letters, legislative referrals, and information obtained through other state agencies as well as local, state or federal law enforcement agencies.

Eligibility Fraud Cases

The typical eligibility fraud case involves the Food Stamp recipient's failure to report income, assets, employment, or changes in household composition that result in an overpayment of benefits. When an investigator initiates an investigation regarding allegations of eligibility fraud or similar cases, the following investigation steps include, but aren't limited to:

- Review the Family Support Division (FSD) case file;
- Communicate with the FSD eligibility specialist;
- Gather appropriate documentary evidence;
- Conduct interviews; and
- Write a report that either proves or disproves the allegation.

If the subject is currently receiving Food Stamp benefits, recoupment (grant reductions) is initiated.

Electronic Benefit Transfer (EBT) Fraud

The United States Department of Agriculture (USDA) has primary jurisdiction for pursuing cases of retailer EBT fraud. The Welfare Investigation Unit (WIU) will assist the USDA by analyzing EBT card usage to detect suspected cases of retailer fraud and, in some instances; WIU will independently pursue cases of suspected recipient EBT fraud as well.

Prosecution

An investigation can be presented to the local prosecuting attorney or in some instances, the United States Attorney. It is at the discretion of the prosecutor whether or not charges will be filed.

In some instances the local prosecutors use prosecutorial deferment and collect monthly payments of the fraudulent claim. The Welfare Investigation Unit (WIU) is notified and communicates with prosecutors to ascertain the progress of each case submitted and to determine if or when the prosecutor will proceed on the case.