



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

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SNAP BENEFITS SPENT AFTER PARTICIPANTS' DEATHS DEPARTMENT OF CHILDREN AND FAMILY SERVICES

Approximately \$1.3 million in Supplemental Nutrition Assistance Program benefits for low-income residents were improperly spent after the participants' deaths, according to a report made public Monday by Legislative Auditor Daryl Purpera.

The report, compiled by Purpera's data analytics unit, said that between July 1, 2009 and June 30, 2013, \$1,290,557 in SNAP benefits -- formerly known as food stamps -- was spent improperly. The after-death spending affected 3,938 single-person household accounts.

SNAP is managed on the federal level by the U.S. Department of Agriculture, but the state's DCFS is "responsible for establishing participant eligibility, periodically re-certifying households, and administering fraud and abuse detection activities." The study focused just on single-person households and the state agency's "process for identifying and removing deceased participants from SNAP."

According to DCFS, approximately \$1 billion in benefits went to single-person households between July 2009 and June 2013.

The agency loads the "Louisiana Purchase" card, which operates like a debit card with a personal identification number, with monthly benefits, allowing the participant to purchase eligible food items. DCFS "conducts required case reviews every six or 12 months depending on the participant's eligibility type," the report said.

Analysts in the state auditor's office compared the single-person household cardholders with the lists of dead individuals obtained from the Social Security Administration and the Louisiana Department of Health and Hospitals vital records office to come up with post-death SNAP spending.

The report said that almost \$273,000 was spent within a month of SNAP participants' deaths while \$556,259 was spent four or more months after the deaths. DCFS officials said it would be "difficult to prevent all improper spending in the first month after death because of the amount of time it takes for a death record to become available" to the agency, according to the report.



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Once SNAP benefits are loaded onto cards, participants have up to a year to use the them because there is no federal rule allowing DCFS to expunge the benefits within the 12-month period, the report pointed out. “This could lead to misspending by others” after the participants’ deaths, it said.

“Based on the results of our analysis, DCFS may be able to prevent this type of fraudulent spending in the future by continuously comparing participants in single-person households to available death sources,” the report recommended.

It said although DCFS receives a “death match for deceased participants every six months or yearly” from federal sources, using the state vital records data would allow the department to monitor deaths in a single-person household “on a continuous basis.” As of April of this year, DCFS entered into an agreement with the state vital records office to receive the available death data daily.

The report said that DCFS officials estimated the likelihood of recovering the misspent funds “is very low because DCFS does not know who spent the funds and retailers usually only maintain surveillance videos for a very short period.” The report said that department officials plan to “take all possible steps to identify the individuals who fraudulently spent SNAP benefits.”

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On Twitter: \$1.3 million in SNAP benefits for low-income residents were fraudulently spent after the participants’ deaths.