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## The Food Stamp Program Waste, Fraud and Abuse

In September 2005, a store owner pled guilty in a federal court to committing over \$1 million in food stamp fraud and money laundering. An investigation by the USDA Office of the Inspector General revealed that the individual illegally obtained over \$1.2 million in food stamp benefits in just five months.

Source: USDA, OIG, Investigation Developments, September 2005  
<http://www.usda.gov/oig/webdocs/InvPosting050930.pdf>

In October 2003, the owner of a Miami convenience store was convicted of illegally redeeming food stamp coupons worth approximately \$3.3 million. The owner is serving time in jail.

Source: USDA, OIG, Investigation Developments, September 2005  
<http://www.usda.gov/oig/webdocs/InvPosting050908.pdf>

In December 2003, a Chicago convenience grocery store owner was convicted of food stamp fraud. The owner paid more than \$575,000 in restitution for his actions, which included food stamp trafficking and laundering, in which he was helping a disqualified food stamp participant receive profits from food stamp receipts.

Source: USDA, OIG, February 2005, Report No. 52



In 2003, the food stamp program spent \$1.1 billion in “overpayments” to program beneficiaries. This is money that is not refunded to the government and is counted as a program loss on the budget books.

Source: OMB, GAO-05-245, May 2005

In FY 2001, food stamp benefit overpayments and underpayments totaled \$1.3 billion of the \$15.5 billion in total benefits distributed to program beneficiaries. Additionally, according to the House Budget Committee, “three and a half cents of every food stamp benefit dollar is lost to trafficking.”

Source: August 2003 House Budget Committee Press Release  
<http://www.house.gov/budget/rpwasteexample072403.htm>

In 1999, \$1 billion was spent paying for food stamp benefits to the wrong people, while certain eligible recipients were shortchanged a total of \$450 million. These errors equaled nearly 10% of the total food stamp budget.

Source: GAO, GAO-01-272 January 2001

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