

DARRELL E. ISSA, CALIFORNIA
CHAIRMAN

DAN BURTON, INDIANA
JOHN L. MICA, FLORIDA
TODD RUSSELL PLATTS, PENNSYLVANIA
MICHAEL R. TURNER, OHIO
PATRICK McHENRY, NORTH CAROLINA
JIM JORDAN, OHIO
JASON CHAFFETZ, UTAH
CONNIE MACK, FLORIDA
TIM WALBERG, MICHIGAN
JAMES LANKFORD, OKLAHOMA
JUSTIN AMASH, MICHIGAN
ANN MARIE BUERKLE, NEW YORK
PAUL A. GOSAR, D.D.S., ARIZONA
RAUL R. LABRADOR, IDAHO
PATRICK MEEHAN, PENNSYLVANIA
SCOTT DESJARLAIS, M.D., TENNESSEE
JOE WALSH, ILLINOIS
TREY GOWDY, SOUTH CAROLINA
DENNIS A. ROSS, FLORIDA
FRANK C. GUINTA, NEW HAMPSHIRE
BLAKE FARENTHOLD, TEXAS
MIKE KELLY, PENNSYLVANIA

LAWRENCE J. BRADY
STAFF DIRECTOR

ONE HUNDRED TWELFTH CONGRESS

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
FACSIMILE (202) 225-3974
MINORITY (202) 225-6051
<http://oversight.house.gov>

ELIJAH E. CUMMINGS, MARYLAND
RANKING MINORITY MEMBER

EDOLPHUS TOWNS, NEW YORK
CAROLYN B. MALONEY, NEW YORK
ELEANOR HOLMES NORTON,
DISTRICT OF COLUMBIA
DENNIS J. KUCINICH, OHIO
JOHN F. TIERNEY, MASSACHUSETTS
WM. LACY CLAY, MISSOURI
STEPHEN F. LYNCH, MASSACHUSETTS
JIM COOPER, TENNESSEE
GERALD E. CONNOLLY, VIRGINIA
MIKE QUIGLEY, ILLINOIS
DANNY K. DAVIS, ILLINOIS
BRUCE L. BRALEY, IOWA
PETER WELCH, VERMONT
JOHN A. YARMUTH, KENTUCKY
CHRISTOPHER S. MURPHY, CONNECTICUT
JACKIE SPEIER, CALIFORNIA

Opening Statement

Rep. Elijah E. Cummings, Ranking Member

Hearing on "Food Stamp Fraud as a Business Model: USDA's Struggle to Police Store Owners"

March 8, 2012

Thank you, Mr. Chairman. I welcome today's opportunity to conduct oversight of the SNAP program, which has one of the most vital missions of any government program: to prevent abject hunger in homes across America.

Mr. Chairman, thank you for agreeing to invite the minority's witness, Ms. Jennifer Hatcher of the Food Marketing Institute. Since this hearing is about store owners, I thought it was appropriate to invite them. Ms. Hatcher's organization represents 26,000 supermarkets and food stores across the country that implement the SNAP program on a daily basis.

I also want to thank you for allowing our minority witness to appear on the first panel with everyone else. You did not have to do that, but you did, and I am truly grateful.

Let me start by emphasizing a critical point: nearly half of the beneficiaries of the SNAP program are poor, hungry children. SNAP currently serves 46 million Americans with incomes at or below 130% of the poverty level. According to USDA, 47% are under 18 years old. SNAP also serves millions of people who are elderly or have disabilities.

SNAP has never been more critical than it is today. The 2008 financial crisis drove more Americans into poverty than at any other time since we started tracking this data. The collapse of Wall Street and the evisceration of trillions of dollars in household savings forced millions of Americans to turn to this critical safety net, and it has been there for them.

While the need for the SNAP program is at an historic high, fraud within the program is at an all-time low. SNAP is one of the most efficiently run federal programs with one of the lowest fraud rates of any government benefits program. Fraud has declined from approximately 4 cents of every dollar expended in 1993 to only 1 cent of every dollar expended today.

The majority appears to be basing today's hearing on a recent press story about certain store owners who have been disqualified from the program, but allegedly regained entry in some way. Although this would be problematic if true, we have not seen evidence to support

allegations that there is a “pervasive weakness” in the program or that the “magnitude of fraud in the program may be much greater than initially reported.”

In fact, today we will hear just the opposite: that this press account has significant problems, that USDA has acted quickly to address bad actors, and that the SNAP program continues to be an extremely well run program.

Given this strong track record, I am concerned that the true purpose of this hearing may be to discredit the entire program in order to justify draconian cuts. Last year, every Republican member of this Committee voted to convert the SNAP program into a block grant program and slash its funding by \$127 billion over the next ten years, a massive reduction of almost 20%.

This proposal was part of the plan proposed by Budget Committee Chairman Paul Ryan and adopted by House Republicans last April. According to the Center on Budget Policies and Priorities, this proposal will force up to 8 million men, women, and children—*children*—to be cut from the program or will severely reduce the amount of food they can buy. Where are these children supposed to go if they are hungry?

I believe there is a compassion deficit here in Washington. Obviously, a dollar squandered in this program is a dollar that does not go to poor families that desperately need food, but efforts to impose draconian cuts to this program will cause even greater harm to the very people who need the most help.

So while I strongly support efforts to make the program more effective and efficient, I will do everything in my power to oppose efforts to use these isolated examples to discredit and gut the entire program.

I look forward to a productive discussion today on ways to improve one of the most successful federal programs to prevent poverty and hunger throughout America.

Contact: Ashley Etienne, Communications Director, (202) 226-5181.