

KENT CONRAD, NORTH DAKOTA, CHAIRMAN

PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
BILL NELSON, FLORIDA
DEBBIE STABENOW, MICHIGAN
BENJAMIN L. CARDIN, MARYLAND
BERNARD SANDERS, VERMONT
SHELDON WHITEHOUSE, RHODE ISLAND
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
MARK BEGICH, ALASKA
CHRISTOPHER A. COONS, DELAWARE

JEFF SESSIONS, ALABAMA
CHARLES E. GRASSLEY, IOWA
MICHAEL B. ENZI, WYOMING
MIKE CRAPO, IDAHO
JOHN CORNYN, TEXAS
LINDSEY O. GRAHAM, SOUTH CAROLINA
JOHN THUNE, SOUTH DAKOTA
ROB PORTMAN, OHIO
PAT TOOMEY, PENNSYLVANIA
RON JOHNSON, WISCONSIN
KELLY AYOTTE, NEW HAMPSHIRE

United States Senate

COMMITTEE ON THE BUDGET

WASHINGTON, DC 20510-6100

MARY ANN NAYLOR, MAJORITY STAFF DIRECTOR
MARCUS PEACOCK, MINORITY STAFF DIRECTOR
www.budget.senate.gov

January 9, 2012

The Honorable Tom Vilsack
Secretary
Department of Agriculture
1400 Independence Ave., SW
Washington, DC 20250

Dear Secretary Vilsack:

I am writing about widespread reports of fraud and abuse in the Supplemental Nutrition Assistance Program (SNAP), commonly known as food stamps. At \$89 billion, the annual food stamp budget is the largest of eighteen federal nutrition programs and the second-largest of nearly eighty federal welfare programs that cost taxpayers around \$900 billion a year. Following growing concern over lax oversight, the USDA recently issued a press release announcing “new tactics to combat fraud and enhance SNAP program integrity.”

While the weak economy has increased the number of people on food stamps, spending on the program has dramatically outpaced the rise in unemployment. In just ten years the food stamp budget has quadrupled. The number of Americans receiving food stamps has grown from about 1 in 50 Americans when the program expanded nationally, to 1 in 7 today. Between 2001 and 2006, unemployment averaged around 5 percent but spending on food stamps actually doubled. Meanwhile, according to research by University of Chicago economist Casey Mulligan, most of the increased spending on welfare programs (including food stamps) since 2007 is the result of expansions in eligibility, rather than increases in the number of people who would have been eligible under pre-recession rules. One such expansion is categorical eligibility, which provides food stamps to individuals because they receive other federal benefits, even if their asset levels make them food stamp ineligible.

Lax oversight—arising in part from states having little incentive to control the flow of federal dollars—combined with a fast-growing budget and loosened eligibility, has likely led government officials to significantly underestimate the amount of fraud and abuse taking place. But numerous anecdotes provide insight into the mishandling of taxpayer funds. For instance: Records released last month show a couple in Washington State living in a \$1.2 million home but still receiving benefits; a Michigan lottery winner was allowed to continue receiving benefits after winning a \$2 million payout (that state also discovered 30,000 ineligible college students on its food stamp rolls, later taking action to remove them); and the Milwaukee Journal-Sentinel reported that Wisconsin food stamp recipients routinely sell their benefit cards on Facebook.

As the Ranking Member of the Senate Budget Committee, I have a responsibility on behalf of taxpayers to hold federal agencies accountable for how public funds are being spent. I would therefore ask that the Committee be immediately provided with a thorough explanation of all oversight actions your Department is taking, as well as a list of recommended federal reforms that would reduce waste, inefficiency, and abuse in the food stamp program. I would further ask for a follow-up report within the next sixty days detailing the findings of all oversight that USDA will have conducted.

Like welfare reform in the 1990s, honest reform to the food stamp program will improve outcomes and help more Americans achieve financial independence. Unmonitored welfare programs, over time, can hurt the very people we are seeking to help. Our goal is not only to improve the outlook for our indebted Treasury, but to help needy Americans achieve a better future through work and personal development.

Thank you, and I hope we can work together on behalf of every hardworking American.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Sessions", with a stylized flourish at the end.

Jeff Sessions
Ranking Member
Committee on the Budget