



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Supplemental Nutrition Assistance Program (SNAP) Data Analytics Program

Program Data	<p>The Department of Social Services (DSS) needs to strengthen efforts for managing Supplemental Nutrition Assistance Program (SNAP) related data. Without complete and accurate data, it is more difficult to use data analytics to detect trends or transaction patterns indicative of potential SNAP abuse or misuse.</p>
Alerts and Reports	<p>The DSS uses some data analytic techniques to identify potentially suspicious SNAP transactions. However, the current process does not always detect transactions or recipient benefit usage patterns that may be indicative of program abuse or misuse. We noted several concerns with system alerts and reports provided to the DSS by the department's contractor and with the department's utilization of the information.</p> <p>For example, DSS investigators do not always review and investigate many of the suspicious activities identified by system alerts and reports. Of the 5,705 investigations opened by DSS investigators during the 2-year audit period, only 5 were identified as being opened because of an alert or a report. In addition, the criteria used to create alerts and reports may not be effective in generating targeted investigatory leads to identify fraud, waste, and abuse occurring in the program.</p> <p>Federal regulations require that a household reside in the state in which it has applied for SNAP benefits. However, we found recipients spent more than \$16 million using their EBT cards exclusively outside the state for 90 days or longer. Consistent or exclusive purchase patterns outside the state may be indicative of program abuse or misuse. Frequent even-dollar transactions made by a recipient can be considered a warning sign for trafficking of SNAP benefits. We found the even-dollar alert was not working as designed. As a result, the DSS was alerted to only approximately one-fifth of the transactions that met the even-dollar alert criteria, and therefore, may have failed to identify a significant amount of inappropriate activity. The DSS needs to more effectively identify potentially high risk SNAP recipients that use their EBT cards multiple times in short periods of time.</p>
Data Matches	<p>The DSS needs to more effectively utilize data matches to identify potentially improper benefits issued to recipients. Due to weaknesses in data match procedures, households involving recipients who had died or were incarcerated continued to receive and spend SNAP benefits. Without effective controls to detect benefits issued to deceased or incarcerated recipients, the DSS is at increased risk of allowing ineligible persons to receive benefits resulting in abuse and misuse of the SNAP.</p>

Vendor Contract

The DSS has not ensured services obtained from a key contract provide sufficient benefits to justify the amount paid for the services.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.