

Fraud Prevention & Response Efforts in the Supplemental Nutrition Assistance Program

JUNE 2026



The Supplemental Nutrition Assistance Program (SNAP) serves over 40 million Americans annually and is administered by states under federal rules established by the U.S. Department of Agriculture (USDA) Food and Nutrition Administration (FNA). States operate a wide range of integrity and fraud prevention safeguards designed to verify eligibility, identify improper payments, investigate suspected fraud, recover overpayments, and protect taxpayer resources while maintaining access for eligible households.

SNAP program integrity involves multiple federal and state responsibilities, including eligibility verification, payment accuracy oversight, fraud investigations, claims recovery, retailer oversight, and efforts to address rising third-party Electronic Benefits Transfer (EBT) theft. Different types of fraud and improper payments require different prevention, investigation, and enforcement approaches.

This document provides an overview of common SNAP fraud and program integrity risks, the safeguards states use to help protect program integrity, and the processes used to address suspected fraud and improper payments.

Understanding SNAP Fraud and Program Integrity Risks

SNAP integrity risks can occur at different points in the program and involve different actors, oversight systems, and enforcement tools. Some activities involve intentional fraud, while others involve administrative error, client error, or third-party criminal theft. These distinctions are important because different oversight, investigation, recovery, and enforcement tools apply depending on the type of issue involved.

Federal SNAP regulations define fraud as an Intentional Program Violation (IPV): a deliberate act to misrepresent or conceal information to receive benefits improperly. Fraud must be formally established through an administrative or criminal process before penalties can be applied.









It is important to distinguish fraud from the SNAP Payment Error Rate (PER). The PER measures payment accuracy—not fraud—and includes both agency and household errors.

USDA has consistently stated that most payment errors are unintentional and should not be interpreted as fraud. To learn more about SNAP Quality Control and PERs, view the [USDA website](#).

The following are types of SNAP fraud and program integrity risks:

- Agency Error / Client Error (Non-Fraud):** Incorrect eligibility or benefit determinations caused by agency mistakes, system limitations, policy complexity, or unintentional household misunderstandings. These situations are not considered fraud unless intent is formally established.¹

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-  **Client Certification Fraud / IPV:** Intentional misrepresentation or concealment of information—such as income, household composition, identity, residency, or expenses—to receive benefits improperly.²
-  **Client Trafficking or Benefit Misuse:** Exchanging SNAP benefits for cash or prohibited transactions involving non-eligible items or services.²
-  **Retailer Fraud and Trafficking:** Fraud committed by authorized SNAP retailers, including exchanging SNAP benefits for cash, inflating transactions, or selling ineligible items. USDA estimated retailer trafficking at approximately 1.5 percent of SNAP benefits during the most recent published study period.^{2,3}
-  **Third-Party EBT Theft and SNAP Scams:** Criminal activity such as card skimming, phishing, cloning, and account theft used to steal benefits after they are issued. The United States Government Accountability Office (GAO) reported that states replaced more than \$320 million in stolen SNAP benefits between October 2022 and December 2024.^{4,5}
-  **Application or Identity Fraud:** The use of stolen identities, duplicate applications, or false identifying information to improperly obtain benefits.²
-  **Employee, Contractor, or Administrative Fraud:** Rare but serious misconduct involving state employees or contractors manipulating eligibility records or issuing unauthorized benefits.²

Reliable national data comparing the prevalence of each type of fraud remains limited. However, recent program integrity concerns have increasingly focused on retailer trafficking and rising third-party EBT theft, including card skimming and account theft. USDA publishes national retailer trafficking estimates and stolen-benefit replacement data, while recipient fraud/IPV data are generally captured through state claims and investigations rather than a single national fraud rate.

Protecting SNAP Program Integrity & Preventing Fraud

States use multiple safeguards throughout the SNAP eligibility, certification, and oversight process to help prevent improper payments, identify potential fraud, improve payment accuracy, and protect SNAP benefits from theft.

Some prevention efforts occur before benefits are approved, such as identity verification, income verification, and eligibility reviews during application and recertification. Other safeguards occur during the certification period through reporting requirements, data matching, and ongoing case monitoring. Additional oversight tools—including Quality Control reviews, fraud investigations, claims recovery, and federal oversight activities—occur after benefits are issued or when potential fraud or payment errors are identified.

The chart below highlights common SNAP prevention mechanisms, what risks they are designed to address, how states implement them, and when they are typically used.

Integrity Tools	What it Protects Against	How States Implement it	When it Occurs
Verification requirements	Misreported income, identity, residency, household composition, and expenses	Wage matches, SSA data, documentation review, collateral contacts	Application and recertification
Reporting requirements	Unreported mid-certification changes affecting eligibility or benefit level	Periodic reporting and change reporting policies supported by client notices	During certification period

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Integrity Tools	What It Protects Against	How States Implement It	When It Occurs
Data matching and discrepancy alerts	Conflicting eligibility information from external sources	Income and Eligibility Verification System (IEVS), New Hire data, wage matches, Public Assistance Reporting Information System (PARIS), SSA interfaces	Application and ongoing participation
Risk-based case reviews	Patterns associated with elevated payment error risk or unusual case activity	Analytics tools, supervisory case review processes, targeted follow-up	During certification and post-certification monitoring
Quality Control reviews	Payment accuracy issues requiring corrective action	Independent federal-state statistical sampling and case review	After issuance (oversight function)
Fraud investigation	Potential intentional misrepresentation (IPVs) when credible evidence exists	Referral review, investigation, evidence development, and administrative disqualification hearings	When discrepancies or referrals arise
IPV adjudication	Confirmed intentional violations	Administrative disqualification hearings, signed waivers, criminal prosecution where applicable, disqualification periods, repayment requirements, Electronic Death Registration System (EDRS) tracking	After formal determination
Claims recovery	Improper benefit issuance due to fraud or household error	Repayment agreements, allotment reduction, and Treasury Offset Program interception	After overpayment identified
Federal oversight	Systemic compliance and accuracy risks	Management Evaluations, Corrective Action Plans, and SNAP Fraud Framework guidance	Continuous
EBT security protections	Card skimming, account theft, and unauthorized access to benefits	Chip card implementation planning, card-lock features, transaction monitoring, PIN education, and fraud detection tools	Ongoing

Addressing Potential Fraud and Improper Payments

When potential fraud, improper payments, or other integrity concerns are identified, states and federal partners use different response processes depending on the type of issue involved. Some situations may result in case corrections or overpayment claims, while others may lead to formal investigations, administrative disqualification hearings, retailer sanctions, corrective actions, or criminal prosecution.

The chart below provides examples of how states and federal partners typically respond when potential fraud, payment errors, or other SNAP integrity issues are identified.

Situation Identified	What Happens Next	Who is Involved
Potential IPV identified	Case may be referred for investigation, evidence review, administrative disqualification hearing, signed waiver, or criminal prosecution where appropriate	State fraud investigation units, administrative hearing officials, law enforcement
Overpayment identified	State establishes a claim and pursues recovery through repayment agreements, benefit reduction, wage garnishment where authorized, or Treasury Offset Program (TOP) collections	State SNAP agency
Retailer trafficking suspected	USDA FNA and USDA Office of Inspector General (OIG) may investigate and impose retailer sanctions or disqualification	USDA FNA, USDA OIG, law enforcement
Third-party EBT theft identified	States may replace eligible stolen benefits, block compromised cards, monitor suspicious transactions, and implement additional EBT security protections	States, EBT processors, USDA FNA, law enforcement
Quality Control reviews	States may conduct corrective actions, policy reviews, staff training, system updates, or management reviews to improve program accuracy	State SNAP agencies, USDA FNA

Conclusion

SNAP program integrity relies on multiple federal and state safeguards designed to prevent, identify, and address improper payments and fraud while ensuring eligible households can access benefits in accordance with federal rules. These safeguards include eligibility verification, reporting requirements, data matching, quality control reviews, fraud investigations, claims recovery, federal oversight, and EBT security protections operating throughout the program lifecycle.

It is important to distinguish between intentional fraud, unintentional household or agency error, retailer trafficking, and third-party benefit theft. Different integrity risks require different prevention, investigation, oversight, and recovery approaches. The SNAP PER is a payment accuracy measure—not a fraud rate—and includes both agency and household errors, many of which are unintentional.

Addressing program integrity concerns means both improving payment accuracy and preventing fraud. Following the passage of H.R. 1, states and county SNAP agencies are deeply invested in reducing PERs and testing new ways to enhance accuracy. As fraud risks continue to evolve, prevention efforts are likely to be most effective when focused on high-volume threats such as identity theft, trafficking, and third-party benefit theft. States and federal partners continue strengthening SNAP integrity efforts through improved verification systems, fraud detection strategies, payment accuracy oversight, and expanded EBT security protections.

Together, these efforts demonstrate that SNAP program integrity depends on coordinated safeguards, operational controls, and continuous oversight—not a single measure such as the PER.

This product was developed with support from the W.K. Kellogg Foundation.

Sources

- ¹ USDA Food and Nutrition Service (FNS). *SNAP Quality Control (QC) Overview*. <https://www.fns.usda.gov/snap/qc>
- ² USDA Food and Nutrition Service (FNS). *SNAP Fraud*. <https://www.fns.usda.gov/fraud>
- ³ USDA Food and Nutrition Service (FNS). *Retailer Trafficking 2015–2017 Study*. <https://www.fns.usda.gov/snap/retailer-trafficking-2015-2017>
- ⁴ USDA Food and Nutrition Service (FNS). *SNAP Scam Alerts*. <https://www.fns.usda.gov/snap/scam-alerts>
- ⁵ U.S. Government Accountability Office (GAO). *Stolen SNAP Benefits: Actions Needed to Improve Participant Support and State Implementation* <https://www.gao.gov/products/gao-25-107774>