



WISCONSIN STATE LEGISLATURE

Joint Audit Committee

Committee Co-Chairs:

State Senator Robert Cowles

State Representative Samantha Kerkman

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Audit Identifies Use of FoodShare Benefits Outside Wisconsin

MADISON – Today, the nonpartisan Legislative Audit Bureau (LAB) released a report on FoodShare Benefits Spent Outside of Wisconsin (report 12-3). FoodShare Wisconsin is the State’s program implementing the federal Food Stamp Act of 1964 to assist low-income individuals and families in purchasing food. The program is administered by the Department of Health Services (DHS). The report LAB issued today is part of its ongoing comprehensive FoodShare audit, which the Joint Legislative Audit Committee directed it to perform last year at the request of Rep. Samantha Kerkman.

FoodShare benefits are provided to eligible households. Federal law requires that these people be allowed to spend benefits anywhere in the country. In fiscal year (FY) 2010-11, \$32.9 million of the \$1.1 billion in FoodShare purchases were made outside of Wisconsin and in every state in the nation.

FoodShare recipients are required to reside in Wisconsin. Recipients who live in border areas of Wisconsin may find it more convenient or economical to purchase food from vendors in contiguous states. However, certain patterns in out-of-state purchases may indicate inappropriate benefit use. LAB identified 152 households that made purchases exhibiting such patterns. These 152 households represent 0.04 percent of the 382,449 people receiving benefits on June 30, 2011.

“Even though this is a small percentage of the total FoodShare program, we need to make sure that those using the program actually need the benefits,” said Sen. Robert Cowles (R-Green Bay). “This piece of the audit will help move us forward in ensuring that.”

Although federal policy permits manual entry of FoodShare card numbers only when an electronic reader is unable to read the card because its magnetic strip is damaged, LAB identified 334 instances during FY 2010-11 in which a FoodShare card was used to make a purchase in Wisconsin on the same day that the card’s account number was entered manually to make a purchase in a noncontiguous state.

“These findings reinforce some of my initial concerns about potential fraud within FoodShare,” said Rep. Kerkman (R-Randall). “My constituents first alerted me to potential inappropriate use of FoodShare benefits in other states. These results make it clear that reforms are needed in the program.” Rep. Kerkman first requested the audit in June 2010.

LAB released this report before completing the comprehensive audit in order to DHS to promptly identify and address instances in which households used their FoodShare benefits inappropriately.



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LAB recommends that DHS report to the Joint Legislative Audit Committee by August 1, 2012, on its efforts to do so.

To obtain a copy of report 12-3, please visit LAB's website at <http://legis.wisconsin.gov/lab/> or call 608-266-2818.

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