

DOCUMENT RESUME

05629 - [B1046012]

[Problems with the Emergency Food Stamp Program]. March 31, 1978. 5 pp.

Report to Lewis B. Straus, Administrator, Food and Nutrition Service; by Brian P. Crowley, Assistant Director, Community and Economic Development Div.

Contact: Community and Economic Development Div.

Authority: Food and Agriculture Act of 1977. Food Stamp Act of 1964. Disaster Relief Act of 1974.

One of the harshest winters in recent history and other disaster situations resulted in the distribution of nearly \$43 million of emergency food stamp benefits in fiscal year 1977. Program abuses were attributable largely to serious problems in program administration that pointed out the need for better program guidance by the Food and Nutrition Service and better planning and control by State and local agencies administering emergency procedures. Other problems involved: confusion among State agencies as to how to administer the program, lack of legislative or administrative guidance or criteria defining a low income family, and lack of definition of reduced income. Legislative changes which could minimize or eliminate these abuses involve: provisions to allow the income and resources of applicants to be considered, simplified certification procedures in disaster emergencies, and development of State plans for providing food stamps to disaster victims. (RBS)



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

MAR 31 1978

COMMUNITY AND ECONOMIC
DEVELOPMENT DIVISION

Mr. Lewis B. Straus
Administrator, Food and Nutrition Service
Department of Agriculture

Dear Mr. Straus:

As part of our continuing review of the food stamp program, we obtained some information on the administration of food stamp benefits in emergency relief situations. We made inquiries at the Food and Nutrition Service's headquarters in Washington, D.C., where we interviewed Service officials and reviewed the authorizing legislation, program regulations, instructions, and records. We also obtained information on disaster experiences in Guam, Louisiana, New York, and Florida.

Last year much of the Nation suffered from one of the harshest winters in recent history, necessitating the use of emergency food stamp procedures in some States. This and other disaster situations resulted in the distribution of nearly \$43 million of emergency food stamp benefits in fiscal year 1977. Emergency benefits have again been distributed this year. "

There have been various reports of abuses during the past operation of the emergency food stamp program at some locations. In some areas where program administration was especially poor, apparently all that was needed to obtain emergency food stamps was an individual's willingness to wait in a long line at a certification center. Because of the crush of applicants that loose criteria and controls encouraged, many truly needy people in disaster areas undoubtedly were delayed or discouraged from getting the benefits the Congress intended. Also, many who applied reportedly received benefits to which they were not really entitled.

These abuses were attributable largely to serious problems in the way the program was administered--problems that pointed up the need for better program guidance by the Service and better planning and control by the State and local agencies administering the emergency procedures. The Food and Agriculture Act of 1977 amended the Food Stamp Act of 1964 to strengthen the control of food stamp issuances in disaster situations. We believe that the regulations

and instructions now being drafted to implement the legislative changes should be specific so as to effectively minimize or eliminate abuses similar to those that have occurred in the past.

PROBLEMS IN PROVIDING FOOD STAMPS IN DISASTERS

As you know, the issuance of emergency food stamps is authorized by the Disaster Relief Act of 1974 and the Food Stamp Act of 1964, as amended, and is limited to assist households affected by disasters which the President determines were major disasters or in which the Secretary of Agriculture authorizes emergency food stamp assistance. The Service issued instructions for implementing these acts and for administering the emergency provisions in areas affected by disasters. However, the Service's efforts were not adequate to ensure an effective, smooth-running operation when it was needed most, resulting in confusion among some State agencies as to how to administer the program.

Although the disaster relief act authorizes emergency food stamp assistance to low-income households in major disaster areas, it contains no legislative or administrative guidance or criteria defining a low-income family. Moreover, before the 1977 amendments, the food stamp act provided that the Secretary could establish temporary emergency standards of eligibility for the duration of an emergency without regard to income and other financial resources. In at least one case, the Department of Agriculture's General Counsel ruled that, because of the law's language, the Service could not prescribe the financial eligibility criteria the State should use in implementing the emergency program.

According to Service instructions, applicant households could be certified for emergency food stamp assistance if the household (1) resided either temporarily or permanently within the disaster areas, (2) had access to cooking facilities, and (3) satisfied the State or local food stamp agency that it was in need of emergency food stamp assistance because of a reduction in, or inaccessibility of, income or cash resources. A household was eligible for food stamps was provided free of charge to the household.

A major problem was that neither the authorizing legislation nor the Service's regulations or instructions specifically defined what constituted a reduction in, or inaccessibility of, income or cash resources. Thus, a household (even a high-income household) could potentially qualify under the emergency program if its income was reduced, even by as little as \$1, or if it were unable to gain access to its financial resources due to a disaster.

Some State agencies applied extremely liberal criteria, resulting in the issuance of food stamps to some households that suffered little or no loss of income and whose need for food stamps seemed highly questionable. The following situations illustrate this.

- After a 1976 typhoon, about 30 percent of Guam's total military and civilian population of 105,000 received \$4.9 million in free food stamps. Local officials determined that households suffered a reduction in income because of damage to property or furnishings and, although eligibility was to be based on "substantial" damage to home or furnishings, any household suffered even minor damage was given free food stamps.
- During an emergency issuance of food stamps in parts of New York as a result of a violent snowstorm in 1977, local officials interpreted "reduction in income" to mean any loss of income, however small. Workers who claimed to have missed as little as 1 day's pay were given a month's allotment of food stamps. Over \$32 million in free food stamps was issued during this emergency.
- In Florida, a total of about 1 million households were given about \$1 million in emergency food stamps in 1977 because of severe winter weather. State investigators later discovered that almost half of all emergency food stamp applications seemed fraudulent. Some applicants reportedly gave fictitious or incorrect addresses and others applied for and received stamps several times using different names.
- A State investigation in Louisiana showed that numerous households received free food stamp benefits after a flood several years ago even though they had not been significantly affected by the flooding. This situation was attributable primarily to local program personnel accepting applications without asking any questions.

These illustrations show how, in the past, when there are ill-defined eligibility criteria and no State program controls,

OPPORTUNITY FOR IMPROVEMENT

The 1977 amendments to the law have provided for major changes in the administration of the program. Some of the problems associated with the current program have not

instructions implementing the amendments should be specific in order to effectively minimize or eliminate the recurrence of past abuses.

One of the most important legislative changes, and one which we believe will improve the operation of the program, is the provision to allow the income and resources of applicants to be considered. We believe that, in line with this provision, the Service should include in its regulations and instructions specific eligibility criteria for emergency assistance programs that only the truly needy will be eligible for assistance, as intended by the emergency provisions. We believe that the instructions should specify exactly which of the eligibility criteria applicable to the regular food stamp program will be applicable under the emergency program provisions, and which will be waived.

We endorse the need for simplified certification procedures in disaster emergencies, when many people in immediate need are applying for food assistance. However, we believe that eligibility criteria should be designed to prevent the participation of households whose circumstances enable them to purchase food without undue hardship, and that effective controls should be established to prevent duplicate participation of households.

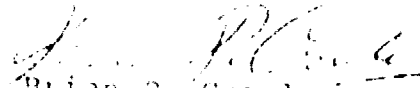
Other program improvements in the new legislation include requirements that each State develop a plan for providing food stamps to disaster victims and that the Department establish a task force to assist States in conducting the disaster program. Such a task force would be able to go into disaster areas and provide direct assistance to State and local officials.

We believe that the emergency food stamp program is vital during times of emergency - when people are in special need of assistance. However, steps should be taken to ensure the program's integrity, and to avoid the kinds of abuses that have been reported in the past in various parts of the Nation. We are confident that the program's operation will improve if the Service's regulations and instructions effectively address the problems that have impaired previous emergency operations.

We would appreciate your comment on the foregoing matters and your identification of actions taken or planned on them.

We are sending copies of this letter to the Assistant Secretary for Food and Consumer Services and to the Inspector General.

Sincerely yours,


Brian P. Crowley
Assistant Director