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The Nature and Effectiveness of Supplemental Nutrition Assistance Program Fraud Detection Strategies in Baltimore County

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This is to certify that the doctoral study by

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has been found to be complete and satisfactory in all respects,
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Walden University
2020

Abstract

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MPA, Bowie State University, 2016

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Professional Administrative Study Submitted in Partial Fulfillment

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Abstract

The frequent occurrences of fraud over the life of the Supplemental Nutrition Assistance Program (SNAP) have indicated a need for robust fraud detection strategies. This qualitative study explores the nature and effectiveness of current fraud detection strategies for the SNAP in Baltimore County during 2008-2018 to understand what strategies can possibly reduce fraud within the program. The primary methods of fraud (conceptual framework) and social disorganization theory (theoretical framework) were used to collect the data for this study. The data included interviews with 1 administrator and 3 store managers who oversee the SNAP in Baltimore County, as well as 5 case studies from the public website Findlaw. After data collection, data analysis and interpretation were conducted using a data analysis spiral model, pattern matching technique, interpretation guidance, and hierarchical tree diagram. The study's findings revealed that fraud typically occurs at point of sale. The results of the case studies and participants' responses to the interview questions indicated the need to develop strategies that are preventative actions rather than responsive measures. For this reason, basic and advanced fraud detection strategies were developed with the intent of preventing fraud in the SNAP at the point of sale and during the eligibility process. Overall, this study implicates a positive social change to the SNAP in that its intent is to contribute to the effectiveness of fraud detection strategies used for the SNAP.

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Dedication

To my beloved husband, who gave me incessant support and encouragement during this journey. Thank you for accepting additional responsibilities that enabled me to focus on completing my doctorate program.

To my son and daughter, thank you for being patient with me during the times I had to spend long hours working on papers or days away from home to travel to a residency.

To my parents, thank you for instilling the values that have enabled me to be brave in the face of challenge with a tenacity to accomplish the impossible. It is your constant reminders to love the world as I love myself that made me choose a career in Public Policy—my passion for making our communities work for the betterment of the people. Both of you are exceptional role models in my life, and I vow to serve people around the world just as you have in your careers and retirement.

To my siblings, thank you for supporting my dreams and being part of the steadfast rock that I call family.

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Section 1: Introduction to the Problem

Introduction

The United States has witnessed an ongoing problem with the use of

Supplemental Nutrition Assistance Program (SNAP) benefits. Over the life of the SNAP,

also known to as the food stamp program, several occurrences have indicated a need for

robust fraud detection strategies. The U.S. Department of Agriculture (USDA) defined

fraud as the exchange of benefits for monetary instruments or other ineligible items or

intentionally falsifying information on your SNAP application to receive benefits that

you are not entitled to or more benefits that you are entitled to receive (Constable, 2018).

The USDA is responsible for providing leadership on food and nutrition issues through

public policy and agency programs (USDA, n.d.). The department provides food

assistance through its Food and Nutrition Service (FNS). The FNS institutes programs

such as the SNAP with the goal of ending hunger by providing food assistance to

participants (FNS, 2017). The effectiveness of the program is negatively impacted by the

constant misuse and fraudulent activities of some of the participants (FNS, 2017).

In 2013, the undersecretary for FNS announced the agency's "depth of stock"

requirements with hopes to discourage benefit recipients from attempting to commit

fraud (FNS, 2013). The depth of stock is a provision of the 2014 Farm Bill that

establishes the minimum number of items a retailer must have for sale in a specific

category to become an authorized SNAP retailer, and it sets reporting terms that aim to

detect whether sufficient stocking requirements have been met (H.R. 2642; Pub. L. 113-

79). The agency also extended the invitation to states to adopt the rule in efforts to

combat fraud. The historical timeline of the misuse of SNAP benefits dates to 1943, which was over 10 years after the implementation of the first formal food stamp program called the "Food Stamp Plan" (Rude, 2017). The program established a force to assist families who were suffering from economic struggles due to the Great Depression (Rude, 2017). Families would "purchase $1 worth of orange stamps to buy their groceries to receive an additional $0.50 blue stamp with which they could purchase goods the government had labeled "surplus" and this strategy afforded benefit recipients with over 50% more funds to purchase food" (Rude, 2017).

In 1960, the food stamp program was terminated. Nonetheless, a few years later, Presidents John F. Kennedy and Lyndon Johnson targeted the efforts to return the program (Rude, 2017). President Kennedy's first executive order was to restore a national food stamp program like the Food Stamp Plan established in 1943 (Rude, 2017). On the other hand, a few years later, President Johnson created a permanent food stamp program by enacting the 1964 Food Stamp Act (Rude, 2017).

Although the intent of the program was for the greater good, less than half a year after the implantation of the program, a retailer committed food-stamp fraud (Rude, 2017). Specifically, he incorrectly charged customers who were paying with the stamps to gain a benefit. His case was widely broadcasted as the first known incident of food-stamp fraud, but such attempts were not widely replicated in the early years of the program (Rude, 2017). However, this assumption changed in the mid-1970s when the participation requirement was eliminated, and benefit recipients no longer had to pay to

participate in the program as the stamps were given to qualified Americans for free (Rude, 2017).

The removal of this requirement led to a significant increase in the misuse of food stamps. For example, throughout the 1970s and 1980s, USDA agents uncovered food-stamp trafficking rings in several midwest states and Philadelphia (Rude, 2017). Fraud claims rose throughout the 1990s and 2000s. In efforts to stop fraud, government officials focused on tactics that would seal loopholes by deploying strategies such as the Electronic Benefits Transfer (EBT) card, which canceled and converted the paperback food stamps into electronic benefits in order to eliminate the trafficking of food stamp benefits.

When the workflow of the EBT card was examined, it is noticed that (a) the benefits are transferred to the SNAP recipient's EBT card on any given day during the first week of each month; (b) benefit recipients are to enter a pin when purchasing groceries; and (c) each transition executed with the EBT card is transmitted to a data system which extracts information such as location, time, and amount (FNS, 2019). The other aspect of the EBT card is reporting activity provided by authorized retailers. From this perspective, it is noted that associated risk refers to whether an authorized retailer misstates a transaction. Unlike the early years of the food stamp program, authorized retailers are more advanced with committing fraud. For this reason, it is crucial that investigators establish effective, universal detection strategies.

Based on various actions taken by government officials to tackle the misuse of SNAP benefits, it is evident that the problem has not been resolved. In 2013, taxpayers

witnessed the State of Maryland partner with USDA to improve combat tactics against SNAP fraud. In the pilot program, the agency signed an enhanced data sharing agreement to monitor suspicious activity and patterns as a result of EBT card misuse (Wenger, 2013); however, counties such as Baltimore continuously experienced increasing fraudulent activities between benefit recipients and retailers (FNS, 2013).

Later in 2013, the Federal Bureau of Investigation (FBI) reported that a federal grand jury indicted nine retail store operators for food stamp fraud in Baltimore County (FNS, 2013). In 2016, CBS Baltimore reported that 14 retailers were indicted for taking part in a massive food stamp trafficking scheme, which caused the SNAP to suffer a $16 million loss (FNS, 2013). In 2018, Kassem Mohammad Hafeed, of Baltimore, was found guilty of food stamp and wire fraud (U.S. Attorney's Office, District of Maryland, 2018). The indictment included imprisonment for 27 months, 3 years of supervised release, and payment of restitution in the amount of $1,532,642 (U.S. Attorney's Office, District of Maryland, 2018).

Problem Statement

The specific problem addressed in this study is the lack of effective strategies for USDA to detect the fraudulent misuse of SNAP benefits. Various USDA reports have indicated that the misuse of SNAP benefits continues to grow (FNS, 2017). More specifically, in fiscal year 2016, state agencies completed 33% more fraud investigations than in 2015 (FNS, 2017). As a result, there was a 61% increase in fraudulent spending and 20% increase in the disqualification of SNAP recipients (FNS, 2017). The increase in

required investigations indicates the need to identify and develop effective detection

strategies to mitigate the misuse of SNAP benefits.

Purpose

The purpose of this qualitative study was to explore possible fraud detection

strategies to reduce the fraudulent misuse of SNAP benefits by recipients in Baltimore

County, located in the State of Maryland. This study utilized data from explorative case

studies identified in the public database *FindLaw*, focusing on welfare fraud. Interviews

with Baltimore County officials and operations/store managers who accept food stamps

from SNAP recipients within Baltimore County were conducted. The steps mentioned

herein will be beneficial to FNS as it provides a way to direct the resources more

appropriately in Baltimore County. Further, this study was conducted to answer the

question: What is the nature and effectiveness of current fraud detection strategies for

misuse of SNAP benefits in Baltimore County during 2008-2018?

This administrative study has the potential to address FNS's approach to fraud

detection from a different tactic. In the years 2008-2018, FNS has relied on constituent-

driven detection strategies as shown by three ways SNAP fraud is reported to FNS—a

person can file with the USDA Office of Inspector General via phone, writing, or through

an online complaint database (FNS, 2017). The following explains each of these forms of

filing:

- *Filing a fraud complaint via phone.* When the misuse of SNAP benefits is

  reported by phone, the caller can be deemed anonymous upon request (FNS,

2017). In some cases, a follow-up call is required to gather additional information or test the quality of the claim (FNS, 2017).

- *Filing a fraud complaint in writing.* Written fraud complaints are sent to the USDA IG's P.O. Box in Washington, DC (FNS, 2017). FNS (2017) encourage filers to write a letter to include the details of the incident, the name of the individual(s) or retailer(s) involved, and where and when the fraud occurred. Once the written complaint is received, an investigator contacts the filer for further questioning. This approach takes more time to process than filing via phone and the online complaint database.

- *Filing a fraud complaint via the online complaint database.* This approach is the most effective as statements are submitted directly to the administering state. The other methods are processed through various channels before reaching the state level which is where the investigation occurs. First, the filer submits the claim by entering data into an application that asks for specific questions related to the fraud claim (FNS, 2017). The filer is contacted by an investigator to verify the submission and its details. Once this information is checked, the investigator enters the field to conduct the investigation (FNS, 2017).

There are several risks associated with reporting fraud. The most recognized risks are material misstatement and retaliation. A person who files a false fraud claim will be penalized with a fine or imprisonment. For this reason, it is crucial that a filer provides accurate information. On the other hand, retaliation occurs when the fraudster

counterattacks the filer. To protect the filer from such incidents, they are encouraged to remain silent about their claim. These examples indicate that constituent-driven fraud reporting efforts does not establish robust detection strategies.

Nature of the Administrative Study

The nature of this study is a qualitative research case study. The selected research approach is appropriate for this study because the aim is to answer the research question through discovery and interviews to understand what strategies can reduce the fraud within SNAP (Creswell, 2013). Further, the research design was guided by the research question to focus the research on exploring the nature and effectiveness of fraud detection strategies in efforts to alleviate the misuse of SNAP benefits.

For this study, I conducted semistructured interviews, comprised of 10 open-ended questions, with one Baltimore County official and operations/store managers from a minimum of three authorized SNAP retailers, and I analyzed public law enforcement cases focused on welfare benefit fraud (see Yin, 2012). The selection of participants and case studies were criteria-based and followed the sample size rule of Creswell (2013) (Regier, 2017). The interview with the Baltimore official allowed me to gather in-depth information on SNAP background in the county, eligibility process, and the overall process. The interviews with the authorized SNAP retailers solicited information regarding the occurrence of the SNAP transaction in each of the stores, while analysis of the law enforcement cases provided an understanding of the outcomes to identify patterns. Using these multiple sources of evidence strengthened the overall quality of this

study, as asserted by Yin (2012). Further, it enabled an understanding of the differences and similarities between sources (Baxter & Jack, 2008).

Current detection strategies are employed to respond to fraud incidents rather than prevent them. For this reason, the anticipated findings resulted in the development of recommendations for detection strategies that establish a preemptive approach to SNAP fraud.

Significance

The key stakeholders related to the SNAP are agency officials, program staff, and taxpayers. As a result of this study, stakeholders can expect to experience a positive impact to include the reduction of wasteful spending and an increase in program resources. This study also contributes to budget analysts' practices by identifying strategies for fraud detection within the SNAP. Further, because FNS has reported that the data currently available stems from a test conducted over 10 years ago, it is imperative to ensure such information is current to more effectively reduce fraud and wasteful spending (FNS, 2017). This outcome will impact positive social change by creating program effectiveness and generating reprogrammable funding to serve more persons in need of the service.

Summary

Overall, there is a significant need to address SNAP benefit fraud. In this study, I explored the nature and effectiveness of SNAP detection strategies in Baltimore County during 2008-2018. In the next section, I will explain the conceptual framework, theory,

and analytical tools used to establish a foundation to develop effective detection

strategies.

Section 2: Conceptual Approach and Background

Concepts, Models, and Theories

This section provides a description of and rationale for the concepts and theories that are informing the study. The conceptual framework illustrates the multiple opportunities for misuse in the transaction of SNAP benefits and the various approaches employed for fraud detection. Additionally, this section explores the phenomenon of the fraudulent use of SNAP benefits.

Conceptual Framework

The conceptual framework serves as a platform to map the workflow of the exploration of existing fraud detection strategies (Caffrey, 2018). This framework captures opportunities for the misuse of SNAP transactions and relates to what I looked for through interviews and analyzing case data. The following are three primary methods of fraud:

- *Fraudulent schemes at the POS* are the most common account of fraud in the SNAP. POS fraud transpires when the authorized SNAP retailer attempts to charge the SNAP benefit recipient for goods or services. There are two types of POS fraud: (1) "The first target is sales transactions where customers pay money to the business and (2) the second target is a return of goods, where money passes from the business to the customer" (Kenton, 2018). Further, according to the Association of Certified Fraud Examiner (ACFE, 2010), POS fraud usually occurs in entities where there is a significant difference in the proportional ratio, that is, the number of employees is higher than the level of

transactions, making the fraud easier to cover up (ACFE, 2010). This process influences a customer's involvement decisions (Kenton, 2018). For example, an employee at an authorized SNAP store might target a SNAP benefit recipient who shops at the store frequently and executes small transactions such as buying coffee every morning.

- *False refunds and voids* are forms of fraudulent disbursement schemes. These types of schemes occur at the cash register where the SNAP transaction happens. (ACFE, 2010). Specifically, a false refund is "processed at the register as if a customer has returned an item of merchandise that was purchased from the store, but there is no actual return" (ACFE, 2010, p. 1.503). For example, the SNAP retailer processes a fraudulent refund for apples and removes the refund amount from the register, but a SNAP recipient did not return the apples. On the other hand, a false void is similar to a refund scheme in that the person at the register controls the fraud attempt. (ACFE, 2010). In this instance, the employee "withholds the customer's receipt at the time of sale," creates a void at the register and attaches the customer's receipt to the void sheet, which is later presented to a manager for validation (ACFE, 2010). It can be assumed that the final step of the false void refund process detracts an employee from committing such fraud. However, according to ACFE (2010), perpetrators target managers who are lenient on policies and typically sign anything presented to them without taking measures to assess fraud risk.

- *Misstated reporting* occurs when the "disclosure of a reported financial

   statement item, amount, classification, and presentation" are falsely reported

   (AU-C §450.04; SAS No. 122) Examples of this type of fraud are "revenue

   recognition, inventory variance, and improper disclosure of transactions"

   (PricewaterhouseCoopers, n.d.). In the case of SNAP fraud, it is common to

   see these types of fraud used concurrently, thus creating a chain reaction. To

   illustrate, the authorized retailer falsifies refund or void transactions (revenue

   recognition); then, the inventory is miscounted through register error

   (inventory variance); and lastly, the false transaction is recorded in the

   financial statements (improper disclosure of transactions).

These concepts provide the basis for discovering and measuring the extent to

which SNAP benefits are misused, as well as a framework for exploring current fraud

detection strategies that have effective results. Next, I address the theory that undergirds

this professional administrative study.

Theoretical Framework

In this study, I utilize social disorganization theory to support the conceptual

framework.

Social disorganization theory. Social disorganization theory was founded by

Shaw and McKay (1942), two criminology researchers at the Chicago School of

Criminology. Their theory is that "crime is caused by social factors or bad places rather

than bad people" (Harbeck, 2017). However, the theory stems from the systemic

criminological method, "which defines the social organization of a community as a

complex system of friendship and kinship networks rooted in family life and ongoing socialization processes" (Bellair, 2017). The primary concentration of this theory is on the influences of diverse natures of communities in generating conditions related to crime and delinquency (Kubrin & Weitzer, 2003). The theory assumes that individuals who have a developed relationship will likely establish interpersonal agreements for accomplishing anticipated criminal goals (Bellair, 2017).

Application of the theory to SNAP fraud. Social disorganization theory is applicable to the fraudulent use of food stamps as this perspective creates an avenue for understanding the factors that influence the behavior of SNAP benefit recipients and retailers. In general terms, fraud is "committing wrongful or illegal deception intended to result in a financial or personal gain" (Oxford, n.d.). The impact of "fraud is corrosive whether the victim is the state, person," or retailer (Doig, 2012, p.7). When fraud transpires, it is sometimes planned as scams from the inception, sometimes as part of an "organized crime group" activity, and other times as the consequences of insiders attacking inadequate systems which, if undetected, may expand from there into much broader schemes (Doig, 2012, p.8). Examples of fraud include telemarketing fraud, identity theft, mortgage fraud, insurance fraud as well as public programs. Public programs, which are highly susceptible to fraud, include SNAP, Temporary Assistance for Needy Families, Medicaid, Earned Income Tax Credit, and Housing Assistance (Amadeo, 2018).

There are two categories of fraud associated with SNAP benefits: retailer fraud and individual fraud. Individual fraud occurs when a person traffics their food stamps for

an illegal SNAP good or service and must be reported at the state level. The claim should be filed with the state that administers the benefits to the violator.

Example of retail SNAP fraud. Retail SNAP fraud occurs when a retailer engages a benefit recipient in the act of trafficking benefits to gain personal advantages. Recently, Garland Alford, the former co-owner of Lake Flea Market & FDR Grocery south of Donalsonville, Georgia, and 10 of his customers pleaded guilty to defrauding the SNAP (WMAZ Staff, 2018). According to reports, Alford was trading cash for food stamps and allowing SNAP recipients to buy ineligible goods (WMAZ Staff, 2018). The findings of the investigation revealed that the average purchase rate at Alford's store was 3.9 times more than the state level average rate (WMAZ Staff, 2018). Penalties pending for all parties include 5-10 years in prison and a fine of up to $500,000.

Another example of SNAP fraud carried out by a retailer is the Vida Causey case. Causey was a convenience store owner who pleaded guilty to three counts of fraud— "conspiracy to commit SNAP benefits fraud, one count of SNAP fraud, and one count of money laundering in connection with a four-year scheme" (Cormier, 2015). Like Alford, Causey acquired SNAP benefits from SNAP recipients; however, she did not include food in the transaction. Specifically, she procured the food stamps at 50 cents for every SNAP dollar, in which she reported as a true value (Cormier, 2015). According to the USDA, "Causey received the full value of the SNAP benefits into a bank account she controlled" (Cormier, 2015). As a result of her intentions, she faces up to 35 years of imprisonment (Cormier, 2015).

Example of individual SNAP fraud. SNAP fraud does not only happen externally. In December 2018, former food stamp investigator, Frank Saddler, pled guilty to extortion. He served as the director of the special investigation team for the Mississippi Department of Human Services. In this capacity, his responsibility was to "investigate schemes where convenience store owners allow SNAP recipients to traffic their benefits for cash or purchase unauthorized items" (Rodriguez, 2018). However, according to investigators, "Saddler bilked money from convenience store owners who committed food stamp fraud between 2012 and 2014" (Rodriguez, 2018). His actions prove that there are both internal and external contributing factors associated with the ongoing problem of the misuse of SNAP benefits.

Present fraud detection strategies. Practices such as Alford's and Causey's are what investigators frequently discover in fraud cases. Government officials have been committed to finding an effective detection strategy to eliminate SNAP benefits fraud; these measures include policy and program reforms. In early 2018, a bill sponsor, Senator Ryan Aument (R-36), announced the approval of Senate Bill 1127. The bill is to contribute to SNAP fraud reduction efforts and hold violators accountable (SB 1127, 2017-2018). Further, the bill creates stronger penalties against individuals and businesses that illegally traffic SNAP benefits. It has been identified that businesses initiate more fraud attempts than benefit recipients do. Senate Bill 1127 is a response to this interpretation in that it would target businesses that have engaged in the illegal practice of purchasing EBT cards and SNAP benefits (Lemery, 2018). New penalties enforced by the

bill require violators to pay restitution of up to triple the fraud value (Lemery, 2018; SB 1127, 2017-2018).

Relevance to Public Organizations

This project may hold significance for the field of public administration as it will provide possible fraud detection strategies that can be used to prevent the occurrence of SNAP fraud. These strategies were designed to respond to evidence captured as a result of the exploration of the nature and effectiveness of SNAP detection strategies in Baltimore County during 2008-2018. On a broader spectrum, although the research explores the misuse of the SNAP, these strategies may be universal with the ability to apply to other public programs.

Organization Background and Context

The organization to which I provided this professional administrative study is the SNAP office in Baltimore County, Maryland. Extensive background on FNS and its Maryland operation was provided in Section 1 of this Professional Administrative Study. A recommendation summary has been provided to Baltimore County. The recommendations generated from this study may be utilized to potentially detect such threats before they occur. Specifically, recommendations as a result of the findings in this study can create possible new measures such as a tool that investigates the integrity of a transaction before it is paid by the agency.

This study is needed because the focus throughout the life of the food stamp program has been to close gaps instead of establishing detection strategies that will prevent fraud. As Kevin Concannon, former USDA undersecretary for FNS has stated,

"Fraud at any level is not tolerated" (FNS, 2017). His successors have also echoed this position to commit to partnering with states to combat food-stamp fraud.

Role of the DPA Student/Researcher

I do not have a professional relationship with the topic, participants, evidence, or FNS. My motivations for this project stems from the passion I have for accounting and social responsibility. I possess a professional background in accounting and procurement in domestic and international private and public organizations. My professional experience aligns with this research project in that I have a track record in performing team building and management; budget formulation, justification, execution, and oversight; audit engagements; financial statements and reports; public program performance measures; quantitative and qualitative research and reports; policy development; procurement and program planning, execution, and closeout; and clients and vendors relations. This is evidence that my skill set will provide an authentic perspective to the research.

Summary

Overall, as the DPA student/researcher, I conducted thorough research to develop a solid professional administrative study. I also ensured that my research practices comply with Walden guidelines and general organizational procedures. In the next section, I describe the data collection process and analysis for this study.

Section 3: Data Collection Process and Analysis

Introduction

The ongoing problem of the misuse of SNAP benefits has caused hurdles in the internal and external efficiency of the program. Over the years, lawmakers have seen SNAP fraud strategies advance to a level where fraudsters are almost undetectable. These fraud tactics are carried out by organized crime rings that have developed sophisticated schemes and tools (SAS Institute, 2018). For example, one commonly used system is overbilling by an authorized SNAP benefits retailer who then accepts the benefit recipient's trade of food stamps for the cash equivalent of the overbilling (SAS Institute, 2018). The value of the trade is typically 50% of the total benefit value. The mentioned scenarios represent the primary problem FNS is battling.

Practice-Focused Question

The continuous fraud reports indicate there is a lack of effective detection strategies, and this establishes the practice-focused question: What is the nature and effectiveness of current fraud detection strategies for SNAP benefits misuse in Baltimore County during 2008-2018? The evidence I collected to respond to this question led to providing recommendations for effective fraud detection strategies.

Sources of Evidence

Sources of evidence provide a catalogue of collected information. Sources of information for this study came in various forms, such as books, newspapers, databases, Internet, and interviews with program directors and retail providers in the SNAP. The

data collected from these sources were used to guide the study to respond to the research question. Data can be gathered from two types of sources: primary or secondary.

General Sources of Data

There are several types of primary sources available for research related to SNAP fraud, including journals, entry applications, transaction logs, hearing transcripts, police reports, interviews, and documented case studies (i.e., empirical works). Primary sources are initial accounts of an occurrence communicated by Baltimore County officials and store managers who directly experienced or witnessed SNAP fraud (Lyons, 2018). In contrast, secondary sources consist of recollections of a primary occurrence. Sources of this type are reported as a view of the incident or phenomenon under analysis (Lyons, 2018). In this study, I used primary sources such as interviews conducted with a Baltimore County official and store managers, as well as case law found in the public database FindLaw.

Evidence Generated for the Administrative Study

I have interviewed a Baltimore County official and authorized SNAP retailers, and reviewed public law enforcement cases to generate evidence for this administrative study. First, I interviewed a Baltimore County SNAP official to gather information on SNAP background in the county, the eligibility process, and the overall process. Second, I interviewed authorized SNAP retailers in Baltimore County to gather information regarding the occurrence of the SNAP transactions in each of the stores. Lastly, I analyzed case studies focusing on welfare benefit fraud to establish an understanding of welfare fraud in Baltimore County.

Participants. Participants in the study included one Baltimore County SNAP official and store managers from three authorized SNAP retail stores in Baltimore County. The Baltimore County official was confirmed after months of contact with the FNS and the Baltimore Department of Health and Human Services. Shortly after numerous emails and phone calls, the Baltimore Department of Health and Human Services gave internal approval to participate in the study. Participants were chosen through purposive sampling because it was necessary to interview the persons who can purposefully inform an understanding about the issue under study (Creswell, 2013, p. 156), SNAP fraud, and there are only a small number of SNAP administrators in Baltimore County.

Store retailers were the other participants. FNS requires store retailers to undergo a rigorous intake process before they are authorized to accept SNAP benefits. This process includes application submission with supporting documentation, ongoing training, and periodic store visits and audits. The criteria for selection of stores and managers to be part of this study were based on knowledge of the culture through my experience as a professional accountant who has managed numerous multi-million-dollar audits for public programs, through extensive readings about SNAP retailers, and through speaking with leaders who manage welfare programs in Baltimore County (see Tongco, 2007). Based on this knowledge, I understand the type of participants that are needed to ensure they are as near as possible to the theoretical norm and will provide authentic and credible responses (see Tongco, 2007).

Initially, I explored the background of various stores in the Baltimore County area to conduct the selection process for eight store managers as potential participants. This search was conducted through purposive sampling (see Creswell, 2013). Each store needed to meet certain criteria to qualify as a participant in the sample, such as location, authorization status, and annual SNAP revenue. Location was the first criterion; the manager must have operated a store located in Baltimore County, Maryland. Further, the store had to have an active authorized retailer status with the USDA. Lastly, the store's annual revenue from the sale of food stamps had to equal at least half of its overall annual revenue.

Once a list of potential participant retailers was created, specific stores were selected through further purposive sampling by categorizing stores into three different classes. The first store was selected because it was a well-established franchised store throughout the United States and has a reputation for good standing. Understanding SNAP transactions from a store of such caliber established a prominent perspective. The second store was a family-owned store. This type of store was selected because it typically has a more intimate perspective on operations. Lastly, the store manager of a medium-sized business was interviewed. Each of the selected retailers therefore contributed to the diversity of evidence that is presented in this study.

Protections of participants. The protection of research participants is essential and should remain paramount to any research effort (Institute of Medicine, Committee on Assessing the System for Protecting Human Research Participants, 2003, p.7). In this study, the participants were masked using best practices adopted from Walden

University's Institutional Review Board (IRB) guidance (Walden University, 2019). The identities of participants were protected by assigning code names. For example, SNAP Officials are described as administrators. Another example is not revealing the names of the store managers but to name them in the findings as Store Manager 1, 2, and so on. Adopting these practices minimized the risk of participants being subject to "professional retaliation, negative publicity, or loss of support" (Walden University, 2019). Further, this approach provided the ability to execute ethically sound researcher-participant interactions, which in turn produces honest responses from participants.

The most important function of protection is confidentially. I created a consent and nondisclosure agreement that explicitly stated the type of information that will and will not be disclosed in the research. This clarified each parties' role and leveraged participants' trust, thus authenticating data. Another important function of protection is data management; it is important to keep all data in a secure environment. This is further discussed in the next section.

Procedures. A letter of interest was verbally communicated to the store managers. In this letter, I introduced the scope of the study and communicated that I would contact them to see if they are interested in participating in the study. The store managers had a 1-week response deadline. In the event a response was not received within the stated timeframe, I followed up with the store manager by phone. The initial letter also included a request for them to sign a consent for the interview and recording of the interview. Once I received consent from all interviewees to use an audio recorder (Creswell, 2013; Regier, 2017), I initiated the interviews. If the participant did not permit

the use of an audio recorder, I would have recorded written minutes throughout the interview.

The initial interviews were with a Baltimore County SNAP official to gather information on SNAP background in the county, eligibility process, and the overall process. My intent had been to interview a minimum of two Baltimore County SNAP officials in a professional setting, and the dates and settings were to be determined following my IRB approval. However, only one official was willing and available to be interviewed. Once the IRB approval was received(11-12-19-0447483) for my proposal, I conducted the interviews with the SNAP official and the store managers according to the interviewees' schedule and availability (see Feagin, Orum, & Sjoberg, 1991; Tellis, 2017). While awaiting IRB approval, I engaged the officials by email and phone in preparation for beginning the study.

I adopted Creswell's (2013) interview protocol to execute the interviews (Regier, 2017). Specifically, I started the interviews by asking open-ended questions related to SNAP to encourage the depth of data gathering (Tellis, 1997), and asked for the officials' opinion on events. Further, I asked "what" questions to warrant an exploratory research approach (Tellis, 1997). Once the interviewee began to respond to initial questions, I asked follow-up questions to provoke the next question (Regier, 2017).

In conducting the interviews, I attempted to understand about SNAP transactions and operational and reporting processes and how the store managers interact with beneficiaries. I also observed the transaction between SNAP benefit recipients and

retailers to detect which phase of the operation is most susceptible to fraud (FNS, 2013).

See Appendix A for the interview questions.

Archival Data

Archival data is historical information preserved for future use. In most cases, it is initially created for reporting or research purposes, and is often reserved due to legal requirements, for reference, or as an internal record (Center for Community Health and Development, 2018). Archival data such as regulations, court proceedings, and public law enforcement reports are important sources of data.

I used the FindLaw database which provided archived key descriptions of fraud related information. The FindLaw database was established to provide a platform of "legal content (i.e., cases) from state and federal courts, and statutes from nearly all 50 states" (Thomas Reuters, n.d.). It provided state and federal level legal cases and statutes which contained pertinent details regarding SNAP fraud. This form of data is highly preferred because media sources, such as newspapers, primarily produce secondary sources. However, the public database FindLaw provided primary accounts of fraud related information.

This aspect of gathering data is in line with the social disorganization theory, which argues that the influences of diverse natures of communities generate conditions related to crime and delinquency (Kubrin & Weitzer, 2003). The theory assumes that individuals who have a developed relationship will likely establish interpersonal agreements for accomplishing anticipated criminal goals (Bellair, 2017). The following is an example. In May 2019, officials of C-Mart Supermarket, Inc. in Boston were

prosecuted in federal court in connection with a SNAP fraud scheme (Patriot Ledger

Staff, 2019). According to the article, C-Mart collaborated with a neighboring business to

convert SNAP benefits into cash deposited directly into C-Mart's bank account (Patriot

Ledger Staff, 2019). The article also reported that the co-conspiring business was not

authorized by USDA/FNS to accept SNAP benefits (Patriot Ledger Staff, 2019). Despite

this knowledge, SNAP benefits were purchased from legitimate SNAP recipients at a

reduced value of 50% of the total SNAP benefit amount. Following this crime, these

recipients' EBT cards were taken to nearby stores and used the dollar value of the

benefits at several nearby stores that authorized to accept them (Patriot Ledger Staff,

2019).

Based on these assertions, I accessed the public database, FindLaw, to collect

cases related to SNAP fraud in Baltimore County. In reviewing these cases, I pursued an

understanding of the outcomes to identify patterns and cross-referenced to the collected

information from the interviews conducted in Baltimore County. I assessed, organized,

categorized, and recorded the data collected. Initially, I was to select four cases in line

with Creswell (2013) suggesting that case studies include a sample size of four to five

cases. However, I selected five to maximum the benefit of case data.

Limitation of Access to Data

Although there are laws and statutes in place to enforce transparency, there are

limitations on access to data. Restricted data includes sensitive information about the

subject. In order to gain access to this information, one must follow protocol. General

steps include (a) submitting a project proposal to the agency; (b) completing a

Memorandum of Understanding between the agency and the researcher; (c) signing a confidentiality agreement; and (d) completing training as it relates to accessing restricted data (Page & Zhang, 2018). The probability of an application being denied is minimal because agencies encourage research partnerships to help improve program efficiency. The database used to collect data for this study are public and did not require access approvals.

Analysis and Synthesis

I used Microsoft Word to transcribe the recordings. I planned to listen to each recording and type the playback of each interview into a Word document; however, the interviews were not recorded but minutes were handwritten. The minutes were later transcribed into a WORD document. This document was password protected and saved on my personal computer. Once all the data was transcribed, they were be analyzed. The analysis and synthesis provided a recollection of the research process and outcome. The analysis helped identify common themes and trends of fraud. On the other hand, the synthesis occurred once these themes and trends were identified.

To analyze the interview data, I used descriptive analysis which led to identifying themes related to the topic of fraud. This was accomplished through systematic reviews of the qualitative data, and emergent coding which involved describing, classifying, and interpreting the data (Joanna Briggs Institute, 2014). Each unit of data was assigned to its own unique code, after which I had a goal to look for patterns (Saldana, 2009). For example, one of the coder's primary goals is to find a repetitive pattern of action as

documented in the data (Saldana, 2009). Thus, this established the themes which define similarities, differences, and frequencies (Saladana, 2015).

I took the "data analysis spiral" approach to analyze the data (Regier, 2017, p. 84; Creswell, 2007, p. 183). Schartzman and Strauss (1973) assert that qualitative data analysis primarily involves categorizing items, individuals, and occurrences and the properties which define them. The following steps guided the analysis of the collected data by systematizing the data, "reading and memoing of emergent ideas, describing and classifying codes into themes, representing the data, and forming an interpretation of them" (Creswell & Poth, 2018, p. 186).

First, I conducted a preliminary read-through of the transcripts and created memos to form detailed descriptions (Creswell & Poth, 2018). Next, I identified code categories for themes of the data (Creswell & Poth, 2018). I used a traditional approach by manually taking note of each theme as it is mentioned. The outcomes were then compared to identify similarities amongst the interviewees. The similarities were classified into topics which were reassigned to a chart with topics listed on the y-axis and a column for each interviewee on the x-axis (Regier, 2017). As a result, I was able to identify the frequency that a topic was discussed and convert these topics to themes.

I also analyzed the case studies focusing on welfare benefit fraud to assist in establishing a background in welfare fraud. I used a pattern matching technique (Yin, 2014, pg. 132). Pattern Matching is an "analysis of case study data by comparing or matching the pattern within the collected data with a pattern defined prior to data collection" (Yin, 2014, pg. 240). This technique includes (Step 1) setting information into

diverse arrays; (Step 2) setting information in chronological order; and (Step 3) creating data displays such as flowcharts" (Yin, 2014, pg. 135). Setting the information in diverse arrays allowed the identification of the relationship between the case studies and the interview data. For example, one pattern may indicate that fraud occurs when a SNAP recipient seeks the opportunity to gain a benefit. Another pattern may indicate that an authorized SNAP retailer drives the misuse of SNAP benefits. As a result, theoretical replication will deploy (Yin, 2014, pg. 145). In other words, the cases have predictable contrasting findings (Yin, 2014, pg. 241). Once the behavioral patterns were identified, the information was set in sequential order to determine the time of occurrences compared to the concepts of the conceptual framework—that is, the areas targeted fraudulent schemes at the point of sale (POS), false refunds and voids, and misstated reporting. Another perspective was at which stage of the SNAP transaction does the fraud occur according to the case studies found in the FindLaw database.

This data was interpreted by taking into account Grbich's (2013) interpretation guidance—that is, using questions such as: "What surprising information did you not expect to find? What information is conceptually interesting or unusual to participants and audiences? What are the dominant interpretations and what are the alternate notions?" (Creswell & Poth, 2018).

Finally, I manually created flowcharts to visualize the behavioral patterns and time of occurrences to define the overall patterns of the misuse of SNAP benefits. This data was represented in a "hierarchical tree diagram" which represented the most and least abstract information (Creswell & Poth, 2018).

Data Management

Research data management (RDM) is an essential function in research. Its role is to organize data from "its entry to the research cycle through to the dissemination and archiving of valuable results" (Berman, 2017). Effective research data management practices enable "reliable verification of results and permits new and innovative research built on existing information" (Getler, 2012). To plan for data acquisition, I will assess and prioritize the data to be collected through research. The data acquisition process will allow me to categorize and record and responsibly manage the data. To create, track and store the collected data, I will use word processing software such as Microsoft Word and Excel. These documents will be saved on a password-protected computer.

Access to Data

Information related to SNAP fraud cases is accessible to the public. FNS removed identifying variables and published these public-use files with the intentions to attract researchers to use the data for research projects (Page & Zhang, 2018). Public-use files are downloadable documents in which researchers can extract non-classified data (Page & Zhang, 2018). The initiative also promotes transparency under the Freedom of Information Act. The FOIA is a statutory right of access by any person or organization to federal government information (5 U.S.C.§ 552). However, as discussed previously, the use of non-public data will require a stricter procedure**.** In this research, public data was accessed through the FindLaw database.

Summary

Overall, the process of analysis and synthesis leads to a concentrated approach to exploring research data. Once the data has been extracted, it is essential to deploy a data management system that will engender consistency and reliability through the research cycle. This approach is beneficial in prepping the data for evaluation and recommendation.

Section 4: Evaluation and Recommendations

In this chapter, I discuss the setting of the interviews, the demographics of the participants, and the data collection and analysis process. Findings are discussed, including interpretation and implications. The results of the findings lead to authentic outcomes. I used the results to formulate recommendations to develop detection strategies that can possibly alleviate the misuse of SNAP benefits.

The Setting and Demographics

Baltimore, Maryland, was the site to meet participants for the interviews. The setting for each interview was either in an office setting; in the store itself; or over the phone. The first interview was with Store Manager 1. This store manager operates a major convenience store in a busy area of Baltimore. Throughout the history of the SNAP, it was implied that retailer locations occupied low-income communities. This account has changed in the last decade as now SNAP is seen accepted in stores located in both middle-class and upper-class neighborhoods. It was noted in the participant interviews that this shift occurred during the 2008 economic crisis. This shift has blurred the classification of the social status of a food stamp recipient.

The store also houses over 10 rows of inventory, including food and nonfood items. There are 4 cashier stations with a cashier serving at each station. The store is known to have high volume traffic throughout the day; however, it was also noted that most of the customers are SNAP recipients during regular work hours. This observation signaled an indication of the likelihood that many SNAP recipients do not have jobs as the timing of the day was during typical work hours. There are also signs on the door and

at the cashier stations that communicate notifications and reminders to SNAP recipients. For example, one sign read, "EBT Accepted." Another sign read, "No Hot Foods." Further results regarding eligibility will be discussed later in this chapter.

The second interview was with Administrator 1. The administrator conducts work in a professional office setting in a secure government building. When entering the building, I immediately checked-in at the security reception, proceeded through the metal detectors, and was directed to a computer to sign-in. The computer prompted me to input my personal information and the reason for my visit. Once this information was collected, the machine distributed an "Approved Visitor" badge detailing my information, date and time of check-in, and the floor and office I intended to visit.

The third interview was with Store Manager 2. This store manager operates a well-known convenience store franchise. The store shelves convenient foods and beverages such as chips, candy, and sodas. It also offers hot foods and household items. The manager has a private office where the store activity is watchable from a security camera monitor.

The fourth interview was with Store Manager 3. This store manager operates a major neighborhood grocery store. At this store, SNAP benefit recipients would find typical grocery store items as well as a bakery, deli, butcher-block, and pharmacy. The store has more than 10 cashier stations, which each facilitate food stamp transactions.

All participants in the study met the criteria for participation and were persons who have played a significant role in SNAP. Administrator 1 served as the spokesperson

for participation in this study and provided important details regarding SNAP as it relates to benefit recipients and retailers who accept SNAP benefits.

SNAP retailers are responsible for providing quality, healthy foods to SNAP benefit recipients. During the interviews, it was mentioned that the SNAP is an important public-private partnership that not only assists families but also generates business for retailers as well as boosts Baltimore's economy. It was also stated that the majority of SNAP retailers in Baltimore receive over 50% of their revenue from SNAP remittance.

Data Collection

Data for this qualitative study were collected from semistructured interviews with individuals who oversee SNAP operations. Data were also collected from law enforcement cases from the online database, Findlaw.

Personal interviews. I interviewed one administrator and store managers from three authorized SNAP retail stores in Baltimore, Maryland. The interviews were confirmed after weeks of phone and email contact with the participants. However, additional arrangements were made to secure the minimum number of store managers because the initial participants were difficult to reach due to the university's internal approval timeline. Therefore, I phoned the corporate offices for other authorized SNAP retail stores in Baltimore to obtain contact information for potential participants. This attempt led to *on the spot* phone interviews with store managers.

The corporate office for Store Manager 2 assigned a ticket number for my inquiry and informed me that the store manager would call me to discuss participation in the study. After a few weeks, I was contacted via phone by the regional director, who wanted

to know more about the research and clarification on the store manager's role in the study. After a brief discussion with the regional director, he informed me that the store manager would call me shortly to complete the interview. On the same day, I received a call from Store Manager 2 requesting to answer the questions at that time.

As for Store Manager 3's interview, I was instructed by the corporate office to contact the store location directly, and the store manager would be interviewed over the phone. I phoned the location for Store Manager 3 and was placed on hold. Store Manager 3 then picked up the phone, and we discussed the details of the study and the role of participants. Following this discussion, Store Manager 3 consented to be interviewed at that moment and so I proceeded with the interview.

Due to the topic of this study and the prominent roles of the participants, each participant verbally gave consent but did not formally sign a consent form. However, each participant was eager to participate and offered in-depth details about their experiences with the SNAP. Before commencing each interview, the participants verified their identity by providing information such as their name and position.

I briefly discussed the purpose and intent of the study and followed up with an invitation for the participant to ask any questions before the interview initiated. No participants had inquiries, and each participant verbally acknowledged their understanding of the research and their role in the study and provided verbal consent for the interview. I also extended the invitation again for the participant to provide some written acknowledgement of consent and to be recorded during the interview. These requests were declined.

I proceeded with each interview using Creswell's (2013) interview protocol, which is to ask open-ended questions along with follow-up questions. Accordingly, I initiated the discussion using questions from Appendix A and asked follow-up questions related to the participants' responses. I did not record the interviews. All interview responses were handwritten in a notebook and later transcribed to a secured, password-protected Microsoft Word document. I also checked the accuracy of the written information by repeating the response back to the participant after they concluded their responses. They then confirmed "yes, correct" or replied "no," and repeated their response. This approach strengthened the credibility of the interview data.

The interview with the administrator differed from those with the store managers. The administrator spoke on behalf of all officials who were slated to participate in this study. The administrator and officials met before the interview to discuss the potential interview questions and to answer with a cohesive response. Specifically, the administrator offered additional insight, such as the review of documents that afforded an understanding of the SNAP performance measures and eligibility process in Baltimore, Maryland. On the other hand, Store Manager 1 walked me through a SNAP transaction at one of the store's cashier stations. The observation provided factual insight into the SNAP transaction from both a SNAP recipient's and store manager's perspective. The other store managers verbally described how a SNAP transaction takes place at their store.

All data collected from the interviews were handwritten. The data were immediately transcribed after each interview with memos, which created detailed

descriptions (see Creswell & Poth, 2018). Data collected from the case studies were not handwritten but typed into a secured, password-protected Microsoft Word document. After the transcription of both the interviews and case studies, I reviewed the data multiple times to organize for analysis.

FindLaw online database. I obtained legal information such as case law, state and federal statutes, as well as other legal-related information for law firms and the public from the FindLaw online database. The FindLaw platform extracts its data from government websites, including the U.S. Department of Justice's public database. I used this unrestricted database to access law enforcement cases related to food stamp fraud in Baltimore, Maryland. I collected data from 5 out of 357 cases (years 2008-2018) from FindLaw (via the Department of Justice public database).

To collect data from law enforcement cases found in Findlaw, I accessed the public website via a computer using the Internet. I searched case studies using the keywords *food stamp fraud in Baltimore, Maryland.* The search results totaled 357 cases. I selected five case studies based on the participant criteria detailed in Chapter 3 of this study. I created a secured, password-protected Microsoft Word document to transcribe each case.

Findings and Implications

I will describe the data analysis process used for this study and how I developed key ideas, topics, and themes from the narrative interviews and case studies. Then, I will present the findings of the study, followed by the implications.

Data Analysis

The most appropriate data analysis approaches for this study was to use Creswell's (2007) data analysis spiral model and Yin's (2014) pattern matching technique. The analysis spiral model allowed me to systematize the data, conduct a preliminary read-through of the data and create memos of emergent ideas, code and organize themes, represent the data, and form an interpretation (Creswell & Poth, 2018). The pattern matching technique allowed me to analyze the cases by comparing and matching the pattern with the interviews.

I began the analysis by reading through the transcripts of interviews for the participants numerous times and created memos to form detailed descriptions. Then, I extracted key ideas discussed by each participant. These key ideas were handwritten into a list to identify their frequency. The list gave a richer picture of the commonly mentioned ideas discussed in the interviews. Further, the frequency of an idea being mentioned amongst participants who have never worked together authenticated the validity of the ideas identified. Next, I analyzed the case studies by using the same approach as for the interviews. First, I noted the key ideas discussed in each case. Then, I created a list to set these critical ideas in an array to identify the connection between the case studies and the interview data.

Following the analysis of the interviews and the case studies, I adopted the pattern matching technique to carry out the next steps by merging the 2 lists and tallying the ideas, which amounted to 263 key ideas. The outcomes were interpreted using Gribich's (2013) interpretation guidance which assisted with identifying code categories, topics,

and themes that were driven by the conceptual and theoretical frameworks discussed in Section 2 of this professional administrative study. The ideas were divided into two sections: *the SNAP transaction process and the SNAP culture.* There were 138 ideas under the transaction process and 125 ideas under the culture. I divided the ideas into topics under the categories of eligibility, POS, and training. Next, I will present the topics.

Topics. Table 1 represents the second set of sorting of the data, which helped identify the topics. This analysis of the 263 ideas led to twenty-nine topics. In the table, the first column displays the classified topics from the interviews and the case studies. The next four columns identify each participant's code number and how frequently a topic was mentioned in their transcript. Lastly, columns six through ten report each case code number and the frequency a topic was identified in its corresponding case.

Table 1

Analysis of Interview Topics

Topics from interviews and case studies	Frequency by participant no.				Frequency by case no.				
	1	2	3	4	1	2	3	4	5
1. Government is responsible for the welfare of the people	7	7	2	1	1				
2. Background of SNAP		2			3	2	4	2	1
3. Incentives needed for those who do not commit fraud	2								
4. SNAP is a great benefit for Baltimore's economy		3	1						
5. Without SNAP there would be an economic burden on retailers	1	4	1	1					
6. Application acceptances and declines	3	13		1	1	2	1	1	1
7. Eligibility approval is income based	1	6							
8. SNAP recipient/store manager recertification is every three months	1	3		1					
9. Training is given to SNAP benefit recipients	2	7	1		1		1	1	1
10. Periodic training is not required for store managers	8		2						
11. Fraud was not a topic in training sessions	4		1	1					
12. If one store commits fraud it is likely nearby stores will create fraud.	3	1			2				1
13. Retailers charge more on the SNAP benefit recipient's card without consent	5	5	1		1	6	3	3	2
14. SNAP benefit recipients and retailers commit fraud once a relationship is built overtime	7	2	3		2	2	2	1	3
15. SNAP Administrators advise SNAP benefit recipients not to give out their EBT Card's pin.		6							
16. SNAP Recipient must input their own pin at the POS	3	1		1					
17. Cash vs food stamps on EBT Card at the POS	5	2	1	1	2	1	2		1
18. SNAP benefit recipients not required to show ID at POS	1		3	2		2			
19. Retailers are trained to ID benefit recipients at POS		2							
20. Eligible/non-eligible foods	8	4	4	1	3	3	4		1
21. Require pin for Independent (EBT) Card at POS	3	3							
22. Retailers are not allowed to touch a SNAP benefit recipient's EBT card		1							
23. Baltimore Administrators have monthly group meetings with SNAP benefit recipients		7							
24. SNAP retailers receive direct communication from SNAP Administrators regarding SNAP related topics		1		1					
25. Fraud is reported by word of mouth amongst recipients	1	3							
26. In agency forums, SNAP benefit recipients are advised to report fraud to the Inspector General		3							
27. New detection strategies needed to make the program less of a financial burden on the federal government's budget		3							
28. New research/policies are needed to determine ways to curb or eliminate fraud		5							
29. Keep abreast of legislation		3							

Once topics were identified, I manually created a hierarchical tree diagram (see Figure 1) to visualize the behavioral patterns and time of occurrences to define the overall patterns of the misuse of SNAP benefits (Creswell & Poth, 2018). To do this, I sorted the topics under the three categories which are eligibility, POS, and training. The findings revealed that three of the topics were directly associated with eligibility, nine were related to POS, and five were related to training. Although highly mentioned, there were twelve topics excluded from the diagram as the subjects referred to were the general nature of the SNAP. These twelve will not be further analyzed; which leaves 17 to be analyzed as described in the following diagram. These 17 topics, which I present by category in the following sections, are referenced in Figure 1 by their corresponding number in Table 1.
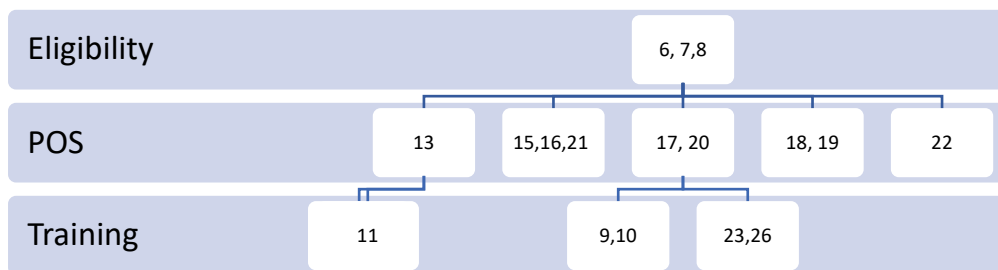
Eligibility				6, 7,8		
POS	13	15,16,21	17, 20		18, 19	22
Training	11		9,10	23,26		

Figure 1. Hierarchical tree diagram.

Findings

This qualitative study intended to seek to answer the research question through discovery and interviews to understand what strategies can possibly reduce fraud within the SNAP (Creswell, 2013). Further, the research design was guided by the research question to focus the research on exploring the nature and effectiveness of fraud detection strategies in efforts to alleviate the misuse of SNAP benefits. The findings represent the

weeks of fieldwork and months of follow-up and analysis. Each interview provided an in-depth description of SNAP overall while the case studies attested to the credibility and validity of the interview responses. The following will detail the findings within the three categories of POS transaction; training expectations and requirements; and eligibility process. I will discuss these findings by combining the 17 major topics into 7 themes.

Table 2 exhibits the 7 themes that crosscut the 3 categories. The results show that POS was the most discussed category amongst all the participants and case studies. There are three themes associated with the POS, 2 themes under the category of eligibility process, and two themes under the category of training expectation and requirements. Table 2.

Listing of themes under the three categories

Point of Sale (POS) Transaction:	Training Expectations & Requirements:	Eligibility Process:
1. The cash vs. food stamps concept on the EBT card provokes a temptation of fraud and conflict. 2. Retailers charge more on the SNAP benefit recipient's card without consent at POS. 3. SNAP benefit recipients are not required to show ID at POS.	4. SNAP benefit recipients and SNAP retailers are required to attend periodic training. 5. SNAP Administrators expect SNAP benefit recipients and SNAP retailers to keep abreast of SNAP regulations changes.	6. Income requirements are constantly misstated and difficult to prove. 7. SNAP retailers are required to comply with the Staple Foods Policy.

I will now present the 7 themes under the three categories in detail.

Point of sale (POS) transaction. It was confirmed through both the interviews and case studies that POS fraud is the most common account of fraud in the history of SNAP. POS fraud occurs when the authorized SNAP retailer unlawfully charges the

SNAP benefit recipient for goods and services. When developing fraud detection strategies for POS, it was essential to first understand the nature of the SNAP and its transaction process in an authorized retail store. All participants were asked to describe the SNAP transaction process in an authorized retailer's store to gain insight into this process.

The following steps were communicated as the standard SNAP transaction process:

1. The SNAP benefit recipient enters the store to shop like a non-program participant.

2. The SNAP benefit recipient selects eligible food items, and if there is cash on their EBT card, they can purchase non-food items.

3. Once all items are selected, the SNAP benefit recipient proceeds to the cashier.

4. The items are scanned or keyed into the system by the cashier.

According to the interviews, there are different types of POS systems/terminals used to execute a SNAP transaction; 5) the SNAP benefit recipient inserts his or her card into a portal and key in their PIN to authorize the cashier to charge their card in the amount owed.

Discussing each step with the participants, it was noted that steps four and five were critical areas of interest. Some store managers have adopted preventive measures in these areas by training their cashiers not to touch a SNAP benefit recipient's EBT Card and to look in the opposite direction as they enter their PIN to avoid allegations of fraud.

For example, one store manager mentioned that a SNAP benefit recipient sometimes falsely accuses cashiers of overcharging their cards at the POS when the cashier refuses to participate in food stamp for cash exchanges. Thus, falsely reporting can be an act of retaliation. Although both steps four and five were highly discussed during the interviews, the findings of the interviews and case studies indicated the need to develop a fraud detection strategy for step four.

   The cash vs. food stamps concept on the EBT card provokes a temptation of fraud and conflict. The results of this study showed that this theme was related to the use of an EBT card, also known in Baltimore, Maryland, as an Independence Card. The EBT card is the primary tool used in fraud schemes between an authorized SNAP retailer and a SNAP benefit recipient. In many states, the EBT card has two forms of payment—cash and food stamps. According to one of the store managers, this concept is not available in every state but can be found in the State of Maryland. Both benefit accounts are loaded to the EBT account every month for use to purchase eligible items. The store managers explained the difference between a cash account and food stamp account as follows: (a) a food stamp account provides a SNAP benefit recipient funds to purchase only food items, and (b) a cash account provides a SNAP recipient funds to purchase non-food items such as household goods and clothing as well as allows cash withdrawals from automated teller machines (ATMs).

   During the interviews, most of the participants expressed the dislike of this concept because in some cases SNAP recipients does not have enough cash on their EBT card, so they expect the cashier to use their food stamps to cover the cost for ineligible

items. Thus, provoking a temptation of fraud and conflict. Another participant explained an incident when a SNAP recipient caused chaos in the store while attempting to purchase a non-food item with food stamps but was turned away. All participants asserted that segregating the benefits would cause less fraud attempts and risk of harm to their cashiers.

Retailers charge more on the SNAP benefit recipient's card without consent at POS. The results of the case studies and interviews also revealed that over charging SNAP benefit recipients' EBT card without their consent during the POS was a common practice adopted by retailers in fraud schemes. To illustrate, a SNAP benefit recipient purchases an item that costs $5.00, but the cashier may charge a markup of 50% in food stamps.

One of the participants mentioned in their interview that during forums with SNAP benefit recipients this is a highly discussed topic. For example, recipients would complain about their cards being over charged by a store. It was noted during one of the participants' interviews that when these complaints are mentioned, the SNAP recipient is advised to immediately report the store to the Inspector General (IG). There is no follow-up process in place to check whether the store was reported.

SNAP benefit recipients are not required to show ID at POS. One of the participants brought to my attention that some SNAP benefit recipients do not have an address, so their EBT cards are mailed directly to the agency for pickup. This obstacle, being noted, reveals that obtaining identification cards may pose a problem for SNAP benefit recipients to obtain identification cards because an address will be required.

An identification card is an effective tool used to prevent fraud at the POS when one uses a debit or credit card to purchase goods and services. This tool has not been implemented in the SNAP. In interviews with the participants, it was verified that cashiers are not trained or required by law to request identification from a SNAP benefit recipient at the POS. This practice was identified as a deficiency because there is no way to verify whether the customer is the actual cardholder, which increases the risk of fraud.

Training expectations and requirements. The next category of topics was training. The findings revealed that SNAP Administrators have robust training requirements for SNAP retailers and SNAP benefit recipients regarding training expectations. The intent of training is for SNAP retailers and SNAP benefit recipients to gain an established understanding of compliance to prevent SNAP violations from occurring (FNS, 2020).

SNAP administrators expect SNAP benefit recipients and SNAP retailers to keep abreast of SNAP regulations changes. Training is a great platform to keep SNAP benefit recipients and SNAP retailers abreast of regulations changes. It is also good for promoting program expectations. During a number of the interviews it was mentioned that training focused on areas of store authorizations, set-up guidelines, transactions and payments, and SNAP fraud prevention obligations.

SNAP benefit recipients and SNAP retailers are required to attend periodic training. When a retailer or benefit recipient applicant is approved to accept SNAP benefits, they agree to fulfill specific training expectations (FNS, 2013). According to a reminder memo found in the training section of FNS's website, the agency does clearly

state that store managers must initially undergo a thorough review of FNS's training materials and Program rules (FNS). Further, the store managers and their employees are also required to complete training within 30 days of employment (FNS, 2013). Periodic training, which is required yearly, was also communicated on the memo. With these tight regulations in place, there is no need to develop strategies for training at this time.

Eligibility. The final category of topics was eligibility. When eligibility was mentioned, it was associated with misstated income discrepancies. When authenticating an application, SNAP representatives must verify the applicant's household size, resources, income, deductions, and employment status. The findings also exposed the fraud activities related to SNAP retailers' Staple Food Policy.

Income requirements are constantly misstated and difficult to prove. SNAP Administrators (2016) is responsible for the licensing and monitoring of retail food stores participating in SNAP as well as provide SNAP benefits to low-income applicants. The application is a fraud detection tool. Retailers seeking SNAP authorization status must accurately complete, sign, and date Form FNS-252 (FNS, 2016). Failure to do so does not disqualify your application but could result in a delay in processing your request (FNS, 2016). SNAP Administrator One (2019) mentioned that "the agency must uphold its responsibility to constituents and does its best to ensure both SNAP recipients and retailers are not denied application approval." (personal communication, November, 2019)

In some cases, if an applicant is denied benefits, the agency follows up with the applicant in efforts to rectify the denial. One of the reasons for refusal is misstated

income. For example, an applicant, who has a home-based business styling hair, may only accept cash payment and report a percentage of earnings rather than actual earnings. This dishonesty is an act to meet the income requirement for eligibility. It was noted during the interview that it is challenging to capture fraud in this type of scenario.

    Retailers are required to comply with the Staple Foods Policy. The topic of "no hot foods" was also a regularly mentioned eligibility topic during the interview with both store managers and SNAP administrators as well as in the case studies. Administrator One also defined this as an act of fraud because SNAP retailers are deemed incompliant if they exchange hot foods or cash for food stamps. These signs referenced the USDA's staple food policy, which excludes the purchase of prepared foods, cooked foods, and accessory foods (FNS, 2016). One of the eligibility requirements that an authorized SNAP retailer must meet at minimum is one of two staple food requirements (FNS, 2016). FNS (2016) defines staple foods as "the basic foods that establish a significant portion of a person's diet." For example, they are foods that are prepared, cooked, and consumed at home (FNS, 2016). According to the Food and Nutrition Act of 2008, Section 3, and 9, prepared foods refers to "hot or cold foods not intended for home preparation and/or home consumption, while "heated foods" refers to foods cooked or heated by the retailer before or after purchase."

Interpretation of the Findings

    The findings of this study are consistent with the conceptual and theoretical frameworks adopted. Specifically, using the primary methods of fraud, I was able to capture opportunities for the misuse of SNAP benefits at POS through both the

interviews and case studies. The findings showed that fraud typically occurs during the last two steps of a SNAP transaction, which is at POS. The results of case studies and participants' responses to the interview questions indicated the need to develop strategies that provide preventative actions rather than responsive measures.

As for the theoretical framework, it was discovered in both the interviews and case studies that fraud schemes are cultural. For example, four out of five case studies showed that SNAP retailers did not act alone in fraud schemes but committed fraud with co-conspirators who also owned retail stores. In one case, there were a total of 14 retailers indicted for over $16M in food stamp fraud at POS.

Implications of the Findings

This study will implicate a positive social change to the SNAP. The recommendations developed as a result of the findings of this study intents to contribute to the effectiveness of fraud detection strategies used for the SNAP. The function of the recommendations is to fill in the gaps of areas where fraud has been most identified. Successful application of the recommendations will potentially (1) decrease wasteful spending and (2) increasing resources for persons participating in the SNAP. Further, as indicated in the interviews, SNAP generates business for authorized SNAP retailers and helps the Baltimore economy. New strategies must be considered to continue this commitment.

Although this study focused on the SNAP, the recommendations are universal. They can be applied to other welfare programs such as SNAP for Women, Infants, and Children (WIC) and Temporary Assistance for Needy Families. Recipients and

authorized retailers of these programs undergo comparable regulations. The transaction

process is also similar. For example, a WIC transaction differs in that the benefit receipt

presents a voucher to obtain goods. These goods are preset and listed on a voucher;

therefore, no other items are allowed for purchase.

Recommendations

Based on the findings of this study, I have developed recommendations for basic

and advanced fraud detection strategies for implementation, which may potentially

prevent fraud in the SNAP at the POS and during the eligibility process. I will present

these recommendations under each of these approaches.

Basic detection strategies are an enhancement of a current approach and are easy

to implement. They can also have an immediate effect on fraud. On the other hand,

advanced detection strategies are designed from scratch and require long-term planning

for implementation. According to the results, the POS process is most susceptible if a

transaction is being executed. The results also indicated that during the eligibility process,

fraud is likely to occur during the application process. Lastly, the results showed that

identification would restrict persons from unlawfully using someone else's EBT card.

Basic Fraud Detection Strategies

The federal government enacted performance measures in 2010 under the

Government Performance and Results Act (GPRA) Modernization Act (General Services

Administration & the Office of Management and Budget, 2019). Administrators utilize

these metrics to monitor the agency's performance goals and program retention. One of

the participants mentioned that these performance measures are also used to monitor the

number of applications the agency denies and approves. It was further implied during the interview that self-employed applicants are more likely to misstate their income to meet the income requirement to qualify for SNAP benefits. Currently, the agency relies on paystubs, letters from an employer or tax returns to determine an applicant's income (FNS, 2013).

Recommendation #1. Implement performance measures at the program level to assist in capturing fraud during the eligibility process for SNAP benefits and store authorization—specifically, the reason an applicant was declined.

Recommendation #2. Request the accounting records of applicants' businesses to verify their income.

Advanced Fraud Detection Strategies

Currently, POS terminals are provided by third parties to authorized SNAP retailers.

Recommendation #3. Supply authorized retailers with FNS approved terminals that are preset with eligible SNAP food items registered in the terminal to restrict retailers from overcharging a SNAP benefit recipient. The preset prices will extract from an inventory list submitted with the authorized SNAP retailers' initial application. For example, when the cashier scans a banana, the terminal will automatically price the item at $1, and this amount cannot be altered. At the end of the transaction, real-time data will be recorded on a daily report, which will be transmitted to a database at its local SNAP agency for analysis. This type of terminal would not respond to fraud but aims to prevent it from happening.

Recommendation #4. Implement an identification requirement at the POS. Identification, coupled with a PIN requirement has the potential to strengthen the detection for the fraudulent misuse of SNAP benefits. However, it is understood that in some cases, applicants do not have an address; and, therefore, cannot obtain an identification card. To address this issue,

Recommendation #5. Develop and implement a SNAP issued identification card program. This card will include the SNAP benefits recipient's photo, name, and a unique identification number which is managed by the SNAP's agency. An alternate identification strategy is to place the cardholder's picture on the actual EBT card. This concept would be cost effective and pose less risk. It would also negate the excuse that a SNAP benefit recipient misplaced their ID card in an attempt to commit fraud at POS.

Recommendation #6. Undertake additional research along the same lines as this study, but to include SNAP benefit recipients as participants. This approach will give a well-rounded understanding of the nature of the misuse of SNAP benefits at POS. Including all parties involved in the SNAP, the transaction has the potential to deliver an inclusive perspective. It was learned through both the interviews and case studies, that most recently, there has been a trend identified of both authorized SNAP retailers and SNAP benefit recipients engaging in SNAP fraud. To illustrate, authorized SNAP retailers received illegally redeemed food stamp benefits (from SNAP benefit recipients) in exchange for cash. Learning the roles of the SNAP benefit recipient would help identify the root of initiation and scope of involvement for all parties.

Strengths and Limitation of the Project

This study's limitations were minimal. The only restriction encountered during this research was at the initial phase of the study. In seeking additional official government documents to collect data, I was advised by SNAP officials to submit a Freedom of Information Act (FOIA) application to obtain these documents. After further researching the application process, it was also learned that it would take several weeks to receive a response. For this reason, I relied on case studies and participants who had access to these unclassified documents to provide insight into these documents. This approach came to fruition during data collection. As a result of retrieving information from these viable documents, I gained a more in-depth idea of the occurrence of fraud in the SNAP, which was applied to this study.

Section 5: Dissemination Plan

Publications, social media, or presentations are commonly used channels to disseminate the findings and recommendations of a study. I will distribute such information for this study via a policy memo (see Appendix B) to key persons, who are overseers of the SNAP. I will also disseminate the memo to other parties interested in the topic.

The Policy Memo

The policy memo will serve as a summary of this study. It will provide an analysis of the findings of this study and recommendations for detecting fraud in the SNAP. The memo will outline the following:

- **Executive Summary.** This section summarizes the details of the study to provide the key persons with quick insight. Further, the executive summary intends to give an understanding of the critical points. These key points include the study's background, issues, fieldwork, findings, recommendations.

- **Background of Issues**. The key persons learn the history of the research problem. These accounts provide a timeline of events that have occurred between the years 2008-2018. This section also provides a scope of the current fraud detection strategies.

- **Summary of Fieldwork.** This section details a walkthrough of the actions taken to collect the data for the study.

- **Summary of Findings and Implications.** The key persons are briefed on the outcome of data collection and analysis. The implications of the findings are also presented to convey the study's positive impact on social change.

- **Recommendations.** This section communicates the recommendations developed as a result of the findings.

- **Implementation of Recommendations.** The recipients of the policy memo are invited to discuss an implementation plan that best fits their organizational needs.

- **Conclusion.** This section concludes the policy memo and provides a recap on key points discussed in the memo.

Use of the Policy Memo

After reading the memo, the key persons will have well-defined knowledge of potential ways to address fraud in public programs and implement the recommendations proposed. This comprehension can potentially assist the parties in identifying the best practices to implement a plan to apply the recommendation(s) to the organization's specific program(s).

As the study references, government officials have been committed to finding an effective detection strategy to eliminate SNAP benefits fraud; these measures include policy and program reforms. Efforts include the approval of the "depth of stock" provision of the 2014 Farm Bill, Senate Bill 1127, and the FBI and USDA partnership to respond to the increase in SNAP fraud due to the COVID-19 pandemic in America.

Although these measures have been enacted, the research findings communicate a need for detection strategies that are preventative rather than responsive.

The dissemination of the research findings and recommendations for this professional administrative study will be beneficial to both government agencies and non-profits. Further, with the world facing a current financial crisis due to pandemic, the government in the United States has urged the reporting of fraud in efforts to address the increase in benefit fraud across many public programs (U.S. Government Accountability Office, 2020). The recommendations in this professional administrative study has the potential to address these ongoing concerns by driving effective detection strategies.

<div align="center">**Summary**</div>

I discussed the exploration of possible fraud detection strategies to reduce the fraudulent misuse of SNAP benefits in Baltimore County, located in the State of Maryland. I also answered the research question through discovery and interviews to understand what strategies can potentially reduce fraud within SNAP (Creswell, 2013). The research question for this study was as follows: What is the nature and effectiveness of current fraud detection strategies for SNAP benefits misuse in Baltimore County during 2008-2018?

It was regularly mentioned in participant interviews that fraud detection strategies used in welfare programs are carefully executed because the government is responsible for the welfare of the American people. This statement is supported in *Article I* of the U.S. Constitution and on the webpage of USAGov under the benefits section. According

to USAGov (2019), the purpose of federal government benefit programs is to help people with a low income afford the necessary expenses like food, housing, and healthcare.

These federal government programs generate and disburse funding to states to run major assistance programs (USAGov, 2019). The SNAP is a significant, widely used program in the United States, which was apparent because SNAP is listed as the first major program on the USAGov website. Recipients of the SNAP use a benefits card, known as EBT or Independence cards, to buy food at authorized retail stores (USAGov, 2019).

The POS findings revealed the need to address flaws in the transaction process, such as the overcharging of SNAP benefit recipients and identification. The findings are that fraud occurs most during the POS and the eligibility process. In addition, the findings revealed that SNAP administrators have strong training measures in place to educate store managers on SNAP related regulations.

The training results showed that administrators expect store managers (and their employees) to attend training periodically to ensure they are abreast of the latest regulations. However, the overall indication of the results communicated the need to provide recommendations for the POS process and eligibility.

This study provided in-depth discovery into the nature and effectiveness of fraud detection strategies for the SNAP. The results of the findings were consistent with both conceptual and theoretical frameworks. The finding indicated the need to create robust strategies to address the POS and eligibility processes. It was verified through the interviews that current detection strategies are employed to respond to fraud incidents

rather than prevent them. For this reason, the findings allowed me to develop detection

strategies that establishes a preemptive approach to SNAP fraud.

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Appendix A: Interview Questions for Baltimore Officials & Authorized SNAP Retailers

1. What are the demographics of authorized SNAP retailers and beneficiaries?

2. According to Rule 83 FR 13625 of the Provisions of the Food, Conservation, and Energy Act of 2008, Federal, State, and local officials are required to verify information pertaining to SNAP retailer and benefit applicants to test the validity of the personal data reported, what is your experience with the overall eligibility process?

3. Describe the SNAP transaction process in an authorized retailer's store.

4. How are SNAP transactions reported to FNS?

5. How do you define SNAP fraud?

6. From your experience, what is the primary type of fraud you have encountered?

7. In the study, I adopt a conceptual framework which defines three primary methods of fraud—that is, fraudulent schemes at the point of sale, false refunds and voids, and misstated reporting--which of these concepts are most prevalent?

8. What are the most notable challenges to improving fraud detection strategies for the SNAP program?

9. The Food and Nutrition Act of 2008 emphasizes penalties for Program abuses committed by retailers, what is your understanding of this Act (78 FR 11967; P.L. 113-79)? How does this Act contribute to the creation of effective fraud detection strategies?

10. Are there fraud prevention training classes available to both SNAP retailers and beneficiaries to promote best practices of SNAP benefits?

11. If you could recommend one fraud detection strategy, what would it be and why?

Appendix B: Policy Memo

MEMO

To: SNAP Office in Baltimore County, Maryland

From: Keena Esemuede, Doctor of Public Administration Candidate

Date: 08/04/2020

Re: Case Study: The Nature & Effectiveness of Supplemental Nutrition Assistance Program (SNAP) Detection Strategies in Baltimore County During 2008-2018

Executive Summary:

This memorandum provides a summary of a study of the Supplemental Nutrition Assistance Program (SNAP) in the Fall of 2019. The study was conducted to determine whether more effective fraud detection strategies could be discovered through analyzing SNAP cases and conducting interviews with retail store managers.

Using the primary methods of fraud (conceptual framework) and social disorganization theory (theoretical framework), I was able to capture through interviews and analyzing case studies, the opportunities for the misuse of SNAP benefits at Point of Sale (POS). The study's findings are that fraud typically occurs at the POS and eligibility process. As a result of the findings, I have developed basic and advanced fraud detection strategies that may potentially prevent fraud in the SNAP at the POS and during the eligibility process. Further, the recommendations generated from the study may be utilized to potentially detect such threats before they occur. For example, the recommendations can create possible new measures such as a tool that investigates the integrity of a transaction before it is paid by the agency. Although the research explored the misuse of the SNAP, these strategies may be universal with the ability to apply to other public programs.

Background of Issue:

The United States has witnessed an ongoing problem with the use of SNAP benefits. Various USDA reports indicate that the abuse of SNAP benefits continues to grow (FNS, 2017). More specifically, in FY 2016, State agencies completed 33% more fraud investigations than in 2015 (FNS, 2017). As a result, there was a 61% increase in fraudulent spending and a 20% increase in the disqualification of SNAP recipients (FNS,

2017). In 2020, the FBI partnered with USDA to combat the surge in SNAP schemes during the COVID-19 pandemic. The announcement called for SNAP recipients to be aware that unscrupulous individuals have attempted to use COVID-19 as an opportunity to create a scam to steal personal information (FNS, 2020). The scammers have tried to get the SNAP recipient's SNAP EBT card and PIN or their social security number and bank account information (FNS, 2020). These ongoing issues signify the need for urgent detection solutions.

Summary of Data Collection and Analysis:
Data for the study was collected from law enforcement cases in an online database, Findlaw, as well as semi-structured interviews with a SNAP Administrator and three authorized SNAP retail store managers in Baltimore County. All participants in the study met the criteria for participation and were persons who have played a significant role in SNAP.

Following are a list of the 7 themes from the 17 topics. They are listed under the three categories:

Point of Sale (POS) Transaction:
1. The cash vs. food stamps concept on the EBT card provokes a temptation of fraud and conflict.
2. Retailers charge more on the SNAP benefit recipient's card without consent at POS.
3. SNAP benefit recipients are not required to show ID at POS.

Training Expectations and Requirements:
4. SNAP benefit recipients and SNAP retailers are required to attend periodic training.
5. SNAP Administrators expect SNAP benefit recipients and SNAP retailers to keep abreast of SNAP regulations changes.

Eligibility Process:
6. Income requirements are constantly misstated and difficult to prove.
7. SNAP retailers are required to comply with the Staple Foods Policy.

Summary of Findings and Implications:
The findings represent weeks of fieldwork and months of follow-up and analysis. Each interview provided an in-depth description of the SNAP overall, while the case studies

attested to the credibility and validity of the interview responses. The following will detail the findings in the three categories of point of sale, training, and eligibility.

- The POS findings revealed the need to address flaws in the transaction process, such as the overcharging of SNAP benefit recipients and identification. Specifically, it was confirmed through both the interviews and case studies that POS fraud is the most common account of fraud in the history of SNAP.
- The training findings revealed that SNAP Administrators have strong training measures in place to educate store managers on SNAP related regulations. With these tight regulations in place, the findings indicated that there is no need to develop strategies for training at this time.
- The eligibility findings revealed its association with misstated income discrepancies and fraud activities related to SNAP retailers' Staple Food Policy.

The overall indication of the results communicated the need to provide recommendations for the POS process and eligibility as fraud occurs most in these areas.

Recommendations:

Based on the findings of the study, I have developed basic and advanced fraud detection strategies that may potentially prevent fraud in the SNAP at the POS and during the eligibility process. Basic detection strategies are an enhancement of a current approach and are easy to implement. They can also have an immediate effect on fraud. On the other hand, advanced detection strategies are designed from scratch and require long-term planning for implementation. To address the communicated issue with preventative rather responsive detective strategies, I recommend the following:

Basic Fraud Detection Strategies	
Recommendation #1	Implement performance measures at the program level to assist in capturing fraud during the eligibility process for SNAP benefits and store authorization—specifically, the reason an applicant was declined.
Recommendation #2	Request the accounting records of applicants' businesses to verify their income.
Advanced Fraud Detection Strategies	
Recommendation #3	Supply authorized retailers with FNS approved terminals that are preset with eligible SNAP food items registered in the terminal to restrict retailers from overcharging a SNAP benefit recipient.
Recommendation #4	Implement an identification requirement at the POS. Identification, coupled with a PIN requirement has the potential to strengthen the detection for the fraudulent misuse of SNAP benefits.
Recommendation #5	Develop and implement a SNAP issued identification card program.
Recommendation #6	Undertake additional research along the same lines as the study, but to include SNAP benefit recipients as participants.

Although the study focused on the SNAP, the recommendations are universal. They can be applied to other welfare programs such as SNAP for Women, Infants, and Children (WIC) and Temporary Assistance for Needy Families (TANF). Recipients and authorized retailers of these programs undergo comparable regulations. The transaction process is also similar. For example, a WIC transaction differs in that the benefit receipt presents a voucher to obtain goods. These goods are preset and listed on a voucher; therefore, no other items are allowed for purchase. An implementation chart is available in the next section to provide a visual of the general rollout of the mentioned recommendations.

Implementation of Recommendations:

I extend the invitation to the recipients of this policy memo to further discuss ways to implement the recommendations. For more information, please contact me by phone (713-417-4122) or by email (keena.esemuede@waldenu.edu).

Conclusion:

The study implicates a positive social change to the SNAP. The recommendations developed as a result of the findings of the study intents to contribute to the effectiveness of fraud detection strategies used for the SNAP. The function of the recommendations is to fill in the gaps in areas where fraud has been most identified. Successful application of the recommendations will potentially (1) decrease wasteful spending and (2) increasing resources for persons participating in the SNAP. Further, as indicated in the interviews, SNAP generates business for authorized SNAP retailers and helps the Baltimore economy. New strategies must be considered to continue this commitment.