



**Tim Schaffer**  
***State Representative***  
***77<sup>th</sup>District***

House Community and Family Advancement Committee  
Sponsor Testimony  
House Bill 50

Chairman Ginter, Vice Chair Conditt, Ranking Member Boyd, and members of the House Community and Family Advancement Committee, thank you for the opportunity to present House Bill 50.

House Bill 50 will place photo identification on Electronic Benefit Transfer, or EBT, cards issued under the Supplemental Nutrition Assistance Program, or SNAP, the former food stamp program.

**The purpose of the bill is to protect the integrity of the SNAP program, deter trafficking in cards for drugs and other illegal activity and preserve the precious funds for those in need.**

This is a benefits protection bill, designed to protect those who need help.

Adding photos to Ohio's EBT SNAP cards will simply make Ohio's SNAP program stronger:

- It will safeguard the benefits of those who are legally entitled to them and need them; and
- It will help deter and detect crime that we know goes on today where cards are sold or traded for cash or drugs.

No one loses benefits!

No one suffers a delay in benefits!

This bill will feed those in need, not drug habits.

SNAP is an important safety net for those in Ohio who have fallen on rough times. And I believe that a majority of individuals enrolled in the program need the benefits. As lawmakers, we have a responsibility to assure program integrity.

As Auditor Dave Yost has said, “this will be helpful to avoid trafficking in cards. A photograph is a simple, straightforward way to deter that.”

I’ve had complaints in my district that people seeking to misuse benefits have been prowling parking lots of grocery stores asking customers to buy their cards, offering to go in and use their shopping lists, buy their groceries and give them \$0.50 on the dollar. Some states have seen these cards sold on Craig’s List and other social media.

All these activities are crimes.

And police tell us there are two or three things they find when they bust drug houses: stacks of cash, illegal guns often with serial numbers rubbed off and stacks of SNAP cards.

Folks, these things are being used to feed the drug crisis in Ohio.

I appreciate President Obama’s leadership in helping states deal with this problem. In 2012, the Obama US Department of Agriculture found gaps in states’ SNAP fraud detection abilities. In fact, USDA found a five percent error rate in Ohio’s SNAP program, a rate far too high for us to accept and tolerate for a \$2.5 billion program serving about 1.6 million Ohioans. It costs roughly \$125 million per year.

And under President Obama, the federal government estimated SNAP fraud at \$750 million per year nationwide. If one does the math and finds Ohio has 3.5% of the nation’s population of 325 million, then a simple estimated amount for Ohio is \$26,250,000 in SNAP fraud.

The bill is written in response to an audit of the SNAP program completed by Auditor Yost’s audit team, which evaluated the vulnerability of the program to fraud in the first six month period of 2015. Auditors found numerous weaknesses and anomalies indicating potential fraud:

- High Fraud Risk Retailers & Recipients -- Auditors generated seven reports that identified retailers and recipients flagged as very high risk for fraud. More than 151,000 recipients were identified on multiple reports.
- Excessive balances – The most a recipient can receive in benefits is \$1,169 per month for a family of eight. However, balances exceeding the minimum balance allowed totaled \$1.2 million.
  - One account exceeded a balance of \$20,000.

- Unusual Activity -- Auditors found frequent transactions of the same amount, frequent manual card entry, even-dollar transactions, repeated replacement of lost or stolen cards, consecutive transactions in a one hour period and excessive attempts to enter a PIN number.
- Deceased recipients receiving \$24,406 in benefits more than a year after death.
- Out-of-State Spending – More than \$28.7 million was spent by 118,316 recipients out of state.

This audit was the second audit of Ohio's SNAP program. In 2011, Auditor Yost's people found excessive cards being reissued, and 11 other states have found similar results in their SNAP audits.

There are reasonable exemptions to the photo requirement.

- Adults who are 60 years of age or older,
- Blind citizens,
- Disabled citizens,
- victims of domestic violence, or
- those who have a religious objection to being photographed.

Retailers will not be required to check the photo ID at check-out. The retailer will also not be allowed to hinder or prevent anyone's purchase as a result of the photo ID. The role of the retailer, if they wish to have one, is to report suspected fraud to the U.S. Department of Agriculture and can call a toll free number that will be printed on the back of cards.

Please do not be dissuaded by opponents of this bill who will dust off a number of overused objections that they use for all change legislation that they fear. They couldn't be more wrong. This legislation preserves the benefits and the integrity of the SNAP program.

For those who want to insist that this program will cost too much and take funds away from recipients, those complaints are unfounded.

- The federal government pays Ohio the benefits for the recipients. Benefits do not come from the same source as the administrative funds.
- If the implementation of this plan even comes close to \$1 million, it is still a drop in the bucket compared to stings across the state.
  - In 2014, a SNAP fraud sting in Butler County netted 216 violators, which saved taxpayers \$5.2 million in an 18 month period of time.
  - "It's the tip of the iceberg," said the Butler County Sheriff's Department.
  - Just last month, three men in Cuyahoga County were charged with stealing over \$4 million of food assistance through various means, including buying food stamp cards and using them to buy food to sell at their own stores.

- “Driven by their greed, they showed a complete disregard for those who were truly in need,” said Stephen Anthony, a special agent in Cleveland’s FBI office.

As the Youngstown Vindicator said in its endorsement of the bill, “Seizures of SNAP cards at drug houses throughout the state indicate their use as barter for marijuana, cocaine, heroine and other illicit drugs.”

*Don't we want to do everything we possibly can to eliminate the drug scourge in our communities?*

As Bob Bush, director of the Mahoning County Department of Job and Family Services said to the Vindicator, the photo ID “would probably be somewhat of a deterrent” to fraud.

Bottom line, as the Vindicator opines, “Photo IDs do represent one viable means to insert one additional layer of security into the program.”

Utilizing the photo ID deterrent against abuse may reassure the American public that the government is making efforts to protect the integrity of the program.

Not a single person who currently qualifies will lose their benefits as a result of this reform. Not one.

Placing photo identification on SNAP cards will not solve all vulnerabilities of the program. But it will act as a deterrent for those who try to steal benefits from Ohio’s most vulnerable population.

Once again, thank you for the opportunity to present testimony on House Bill 50 and I will be glad to answer any questions at this time.

###