

## 2nd Annual LexisNexis® Risk Solutions True Cost of Fraud™ Study September 2023

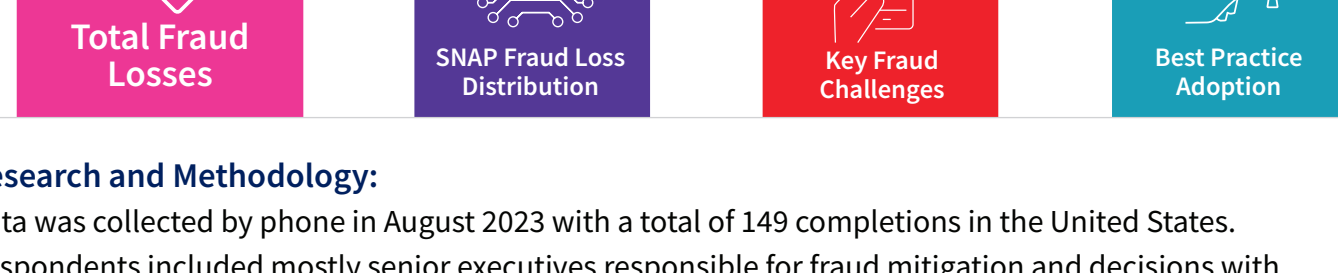
# Supplemental Nutritional Assistance Program (SNAP) and Integrated Eligibility Systems (IES)

**This True Cost of Fraud™ study for SNAP serves as a model framework by informing the level and impact of fraud on SNAP agencies, including the challenges, volume, and cost, as well as the resources that agencies utilize to detect and prevent fraud. ...**

The 2023 study expanded to include integrated eligibility systems (IES). IES refers to a common eligibility system to manage various human services benefit programs, including but not limited to: Supplemental Nutrition Assistance Program (SNAP), Medicaid, Special Supplemental Nutrition Program for Women, Infants and Children (WIC), Temporary Assistance for Needy Families (TANF), and Low-Income Home Energy Assistance Program (LIHEAP).



This infographic is the first of a 4-part series examining key findings from the True Cost of Fraud for SNAP agencies and IES study. Insights focus on total fraud losses, fraud loss distribution, top challenges with source, and best practices and fraud mitigation methods.



### Research and Methodology:

Data was collected by phone in August 2023 with a total of 149 completions in the United States. Respondents included mostly senior executives responsible for fraud mitigation and decisions with SNAP and IES.

The Study utilized the proprietary LexisNexis Fraud Multiplier™ cost: Estimates the total amount of loss a firm occurs based on the actual dollar value of a fraudulent transaction.

## Key Insights on Total Fraud Losses

**SNAP agencies that have eligibility oversight for multiple Human Services Benefit programs through IES have a higher cost of fraud. Mobile applications contribute to this.**

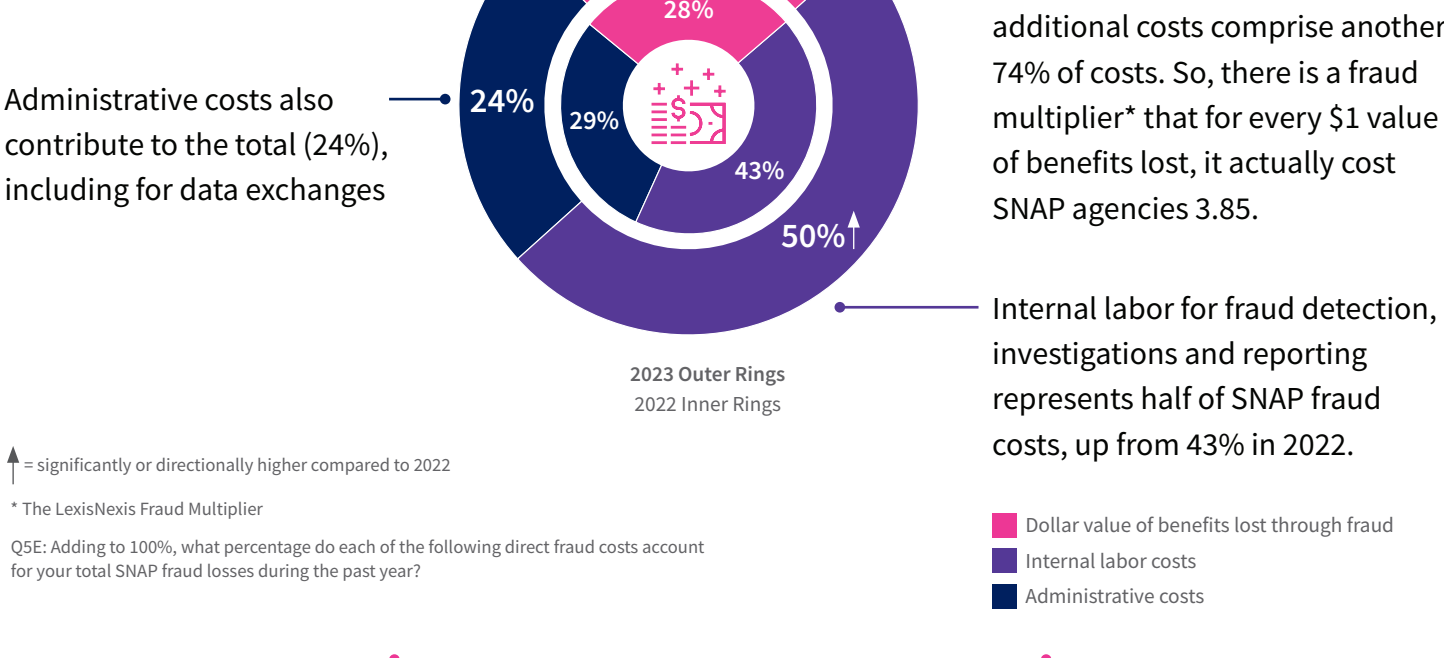


**For every \$1 value of benefits lost through fraud, it actually costs SNAP agencies \$3.85, up from \$3.72 in 2022. At an overall level, labor dedicated to investigating fraud is driving up fraud costs.**

### Distribution of Direct Fraud Costs — SNAP

Every \$1 value of benefits lost is only 26% of the total cost of SNAP fraud

Overall  
(N = 149)



**For the total cost of fraud, the value of benefits lost represents only 26% (28% in 2022); additional costs comprise another 74% of costs. So, there is a fraud multiplier\* that for every \$1 value of benefits lost, it actually cost SNAP agencies 3.85.**

Internal labor for fraud detection, investigations and reporting represents half of SNAP fraud costs, up from 43% in 2022.

**For SNAP agencies that have more multi-program responsibility and an above average level of mobile-based applications, every \$1 value of SNAP benefits lost through fraud is actually \$4.05. This is higher than the same type of segment without the above average mobile application volume.**

### Distribution of Direct Fraud Costs — SNAP Fraud Multiplier\*

Every \$1 value of SNAP benefits lost through fraud actually costs the following for SNAP agencies that have the following levels of eligibility oversight:

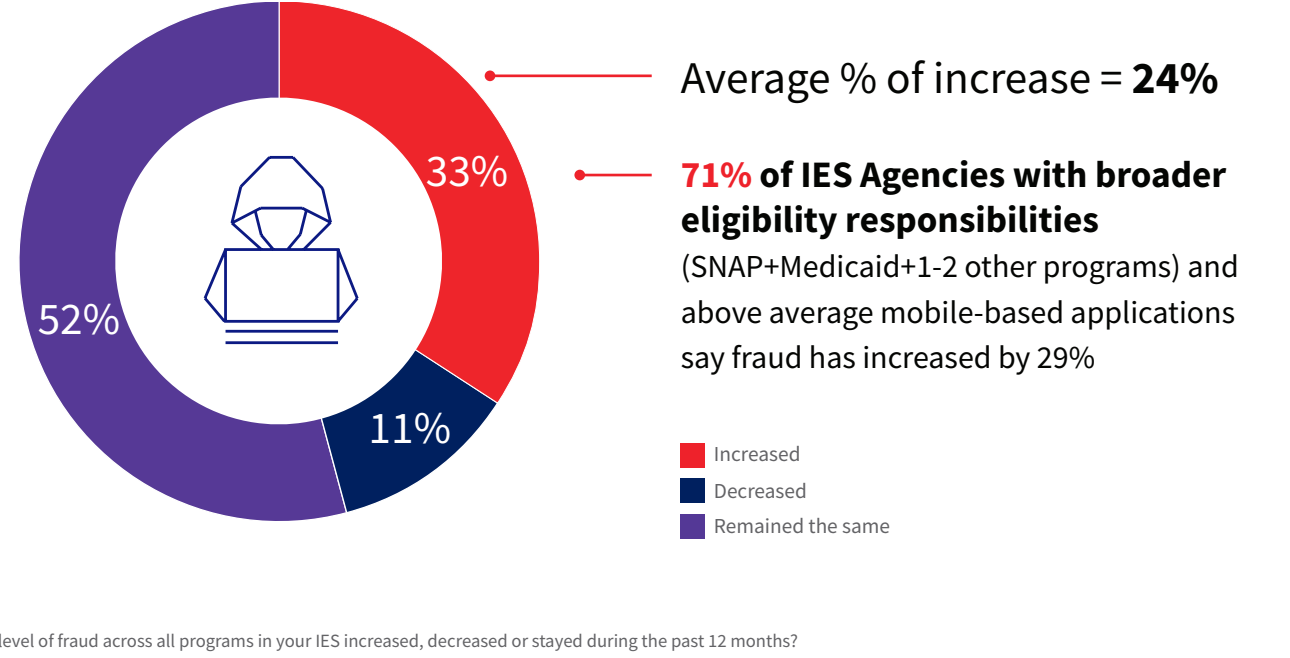


## Mobile channel driving fraud increase among multi-program eligibility agencies

As found in other LexisNexis Risk Solutions True Cost of Fraud studies in recent years, mobile transactions are driving increased fraud. This is shown below as SNAP agencies with multi-program eligibility oversight and an above average volume of mobile applications are significantly more likely than others to say that fraud has increased during the past 12 months by an average of 29%.



### Level of Fraud Across All IES Programs (past 12 months) (N = 66)



Q26: Has this total level of fraud across all programs in your IES increased, decreased or stayed during the past 12 months?

Q27: Approximately how many full-time employees (investigators/analysts) does your state have to investigate the following in its IES, total number across all benefits programs?

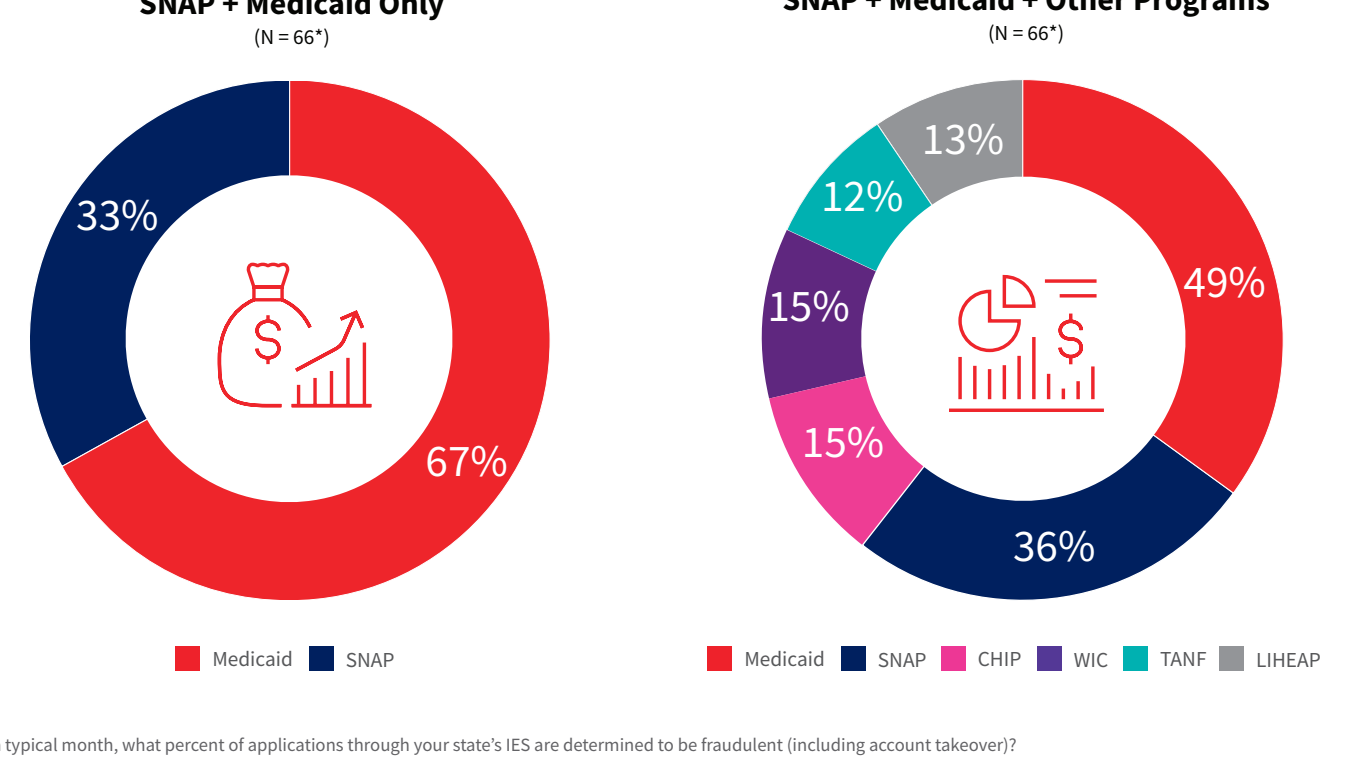
## Distribution of Fraud Across Programs

Medicaid represents a significant portion of fraud for IES agencies. Medicaid continues to represent the largest share of IES agency fraud as the scope of responsibility for program eligibility expands.



### Distribution of Fraud Across Benefits Programs

Agencies with eligibility responsibility for:



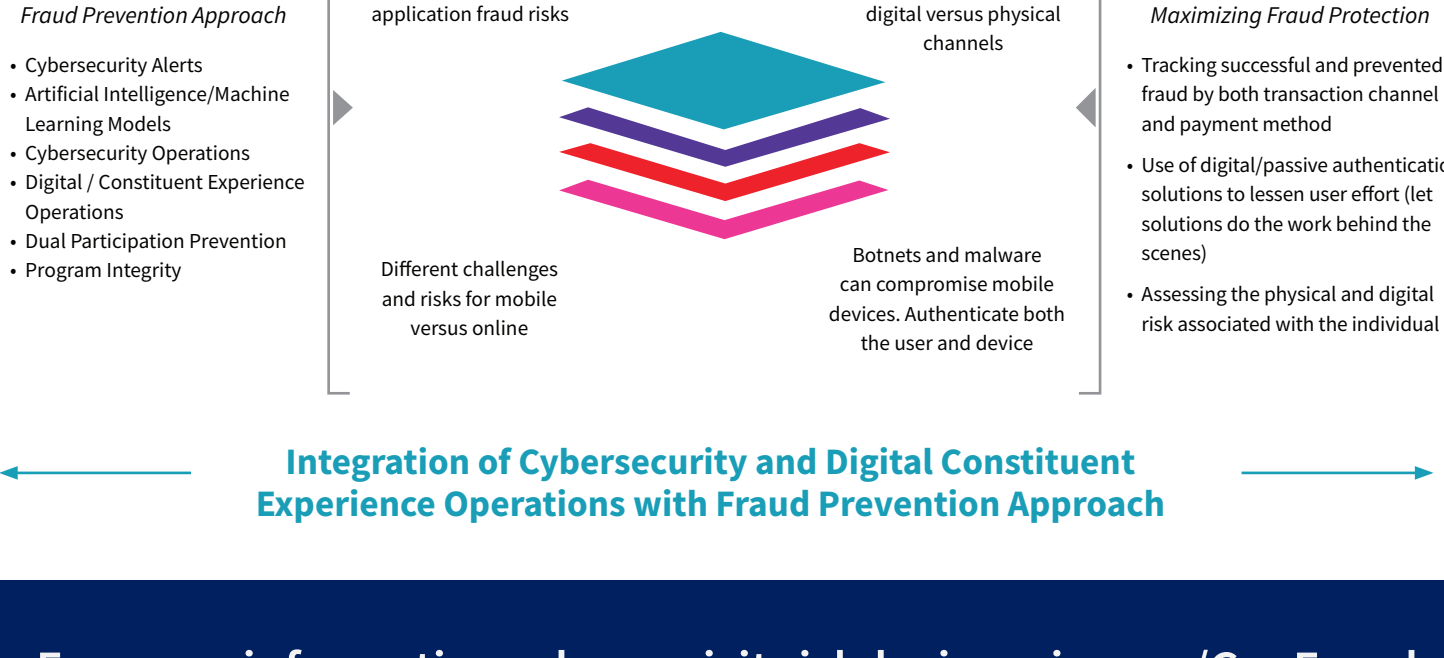
## Fraud Detection & Prevention Approaches

Address risks across an ever-evolving threat landscape by adopting a multi-layered workflow.



### Fraud Detection & Prevention Across the Continuum

A multi-layered equitable workflow is essential to fighting fraud while mitigating constituent friction.



For more information, please visit [risk.lexisnexis.com/GovFraud](http://risk.lexisnexis.com/GovFraud) or call 1.888.216.3544