

# 3<sup>rd</sup> Annual Lexis Nexis® Risk Solutions True Cost of Fraud™ Study

Supplemental Nutrition Assistance Program (SNAP) Agencies and  
Integrated Eligibility Systems (IES)

October 2024

# Research Objectives

LexisNexis® Risk Solutions has conducted its third annual wave of its True Cost of Fraud™ study for the Supplemental Nutrition Assistance Program (SNAP) and Integrated Eligibility Systems (IES). The purpose of this study is to serve 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 2024 study includes 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)
- Low Income Home Energy Assistance Program (LIHEAP)

# Research Objectives

The 2024 study was expanded to focus on SNAP agencies' efficiency and effectiveness measures, as defined by the USDA FNS, and their downstream impacts to beneficiary and case worker experience. This included understanding the degree to which SNAP agencies have implemented operational modernization features to support efficiencies with fraud detection while minimizing delays and beneficiary/worker friction.

## Fraud Was Defined as Follows for Respondents:

- Account takeover by unauthorized persons
- Fraudulent transactions due to identity fraud, SNAP benefits are exchanged for cash (trafficking – generally involving two parties – typically a household and a SNAP retailer)
- A household intentionally lies to an agency to qualify for/or receive more benefits than they are eligible for.

<sup>1</sup> <https://www.fns.usda.gov/snap/qc/efficiency-effectiveness-measures>

## Other Definitions:

- **APT refers to Application Processing Timeliness.** This measures the timeliness of states' processing of initial SNAP applications. The Food and Nutrition Act of 2008 entitles all eligible households to SNAP benefits within 30 days of application, or within 7 days, if they are eligible for expedited service.<sup>1</sup>
- **PER refers to Payment Error Rate.** This measures how accurately a state agency determined SNAP eligibility and benefit amounts for those who participate in SNAP. Errors include both overpayments – when households receive more benefits than they are entitled to – and underpayments – when households receive less benefits than they are entitled to.<sup>1</sup>
- **The LexisNexis Fraud Multiplier™ cost:** Estimates the total amount of loss a firm occurs based on the actual dollar value of a fraudulent transaction

# Methodology

Data was collected in August 2024 with senior decision makers/administrators of SNAP agencies, with a total of **150 survey completions**.

Agencies included both state and county levels, as well as a mix of those which have and have not implemented an integrated eligibility system (IES). States involved those which centralize SNAP (25 out of 40), with the remainder of completions allocated across counties in the states which decentralize SNAP administration.

Surveys were administered across all SNAP regions, relative to their size.

LexisNexis® Risk Solutions was not identified as the sponsor of the research.

# Survey Completions

## Type of Integration

- Implemented IES (57)
- Have Not Implemented IES (93)

## Administration Level

- State (25)
- County (125)

## SNAP Regions

- **NERO/27** (Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, Virgin Islands)
- **MARO/19** (Delaware, Maryland, Pennsylvania, Puerto Rico, Virginia, Washington, DC, West Virginia)
- **SERO/19** (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)
- **MWRO/34** (Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, Wisconsin)
- **MPRO/28** (Colorado, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, Wyoming)
- **SWRO/5** (Arizona, Arkansas, Louisiana, New Mexico, Oklahoma, Texas, Utah)
- **WRO/18** (Alaska, California, Hawaii, Idaho, Nevada, Oregon, Washington)

# Significant Differences

**Statistical significance** is determined by a set level of confidence sought in an estimate. Results are considered statistically significant if the observed difference is large based on sample size(s) and confidence level. This means the observed difference in the estimates is extreme enough to conclude with confidence (usually 90% or 95%) that the results would not have occurred by chance and a real difference between them exists. For this study with **150** completions at the total level, the sampling error is +/-8.0% in order to highlight two findings as statistically different.

**Directional significance**, commonly referred to as practical significance, on the other hand, is when the magnitude of the difference is large enough to be meaningful given the situation though not statistically different.

Comparing the two, note that statistical significance relates to **existence of a difference**, while directional significance refers to the **meaningfulness/magnitude of a difference**. No statistical test can determine directional significance, as it varies greatly depending on the area of study, issue at hand, etc., and instead, must be decided upon by those using the results. When reporting on directional significance, it is often helpful, especially when dealing with extremely large/small base sizes, to set a pre-determined threshold agreed upon in collaboration with the client and apply to all results.

A finite population correction may be applied to the margin of error when the sample size is at least 5% of the overall population. While this is the case for the total sample relative to the number of states and counties as we achieved just shy of 10%, the difference in significance testing outcomes for reporting is minimal. In an effort to simplify reporting and explanation for publication, the finite population correction is ignored.



# Key Findings

**1**

## **FRAUD VOLUME AND COSTS ARE INCREASING**

SNAP-related fraud is increasing and having a negative impact on the cost of fraud for Federal and State/County agencies. Electronic Benefit Transfer (EBT) skimming/account takeover is contributing to this trend.

The cost of fraud has increased. For every \$1 value of benefits lost through fraud, it actually costs SNAP agencies \$3.93, up from \$3.85 in 2023 and \$3.72 in 2022. Labor is the largest contributor.

As systems modernize, transactions shift online, information sharing increases, and pinpointing a single source of fraud becomes increasingly complex.

**3**

## **DELAYS, ERRORS IMPACT BOTH STAFF & APPLICANTS**

Many SNAP agencies experience application processing delays caused by resource limitations and distraction from fraudsters during application processing. This impacts both the case worker and beneficiary experience.

Top reasons involve outdated systems, manual work, staff loss and limited eligibility and identity data. This has a real impact on those in need, as well as worker morale and increased errors.

Operating modernization of application processes, eligibility decisions, and customer care can generate efficiencies, improve application processing times (APT) performance, and elevate the beneficiary and worker experience.

**2**

## **INTEGRATION INCREASES FRAUD COSTS**

Integrated eligibility system (IES) use is expanding across Human Services programs, which brings more complexity to eligibility decisions and adds more access points to SNAP. This increases fraud risk and costs.

The cost of fraud has increased as more programs have become integrated. For every \$1 value of benefits lost through fraud, it costs these agencies \$4.04, up from \$3.85 in 2023.

Information cross-sharing is growing among IES agencies. While this provides more data for decision making, it doesn't address fraud challenges on its own.

**4**

## **MODERNIZATION, CROSS SHARING AND FRAUD DETECTION OPTIMIZES EXPERIENCE**

SNAP agencies are challenged with detecting fraud while minimizing friction for beneficiaries. Malicious bots, determining transaction sources and detecting synthetic identities are challenges that absorb application time and resources.

There is limited use of fraud detection solutions at the application/frontend stage. More solutions are used post-issuance for transactions. This is impacting application completion times and beneficiary experience.

Findings show that agencies which combine operating modernization and information cross-sharing with frontend fraud detection solutions are better able to optimize the beneficiary and worker experience, improve APT performance, and experience a lower cost of fraud.

# Key Finding 1

FRAUD VOLUME AND COSTS ARE INCREASING

# Fraud Volume and Costs Are Increasing

Fraud involving SNAP and associated Human Services programs is increasing. This, along with additional factors, is having a negative impact on the cost of SNAP fraud for Federal and State/County agencies.

## Increasing Fraud



36% of SNAP agencies say fraud has increased. EBT skimming/account takeover is contributing to this trend.

## Increasing Cost of Fraud



For every \$1 value of benefits lost through fraud, it actually costs SNAP agencies \$3.93, up from \$3.85 in 2023 and \$3.72 in 2022. Labor is largest contributor.

## Contributing Factors



As systems modernize, transactions shift online, information sharing increases, and pinpointing a single source of fraud becomes increasingly complex.



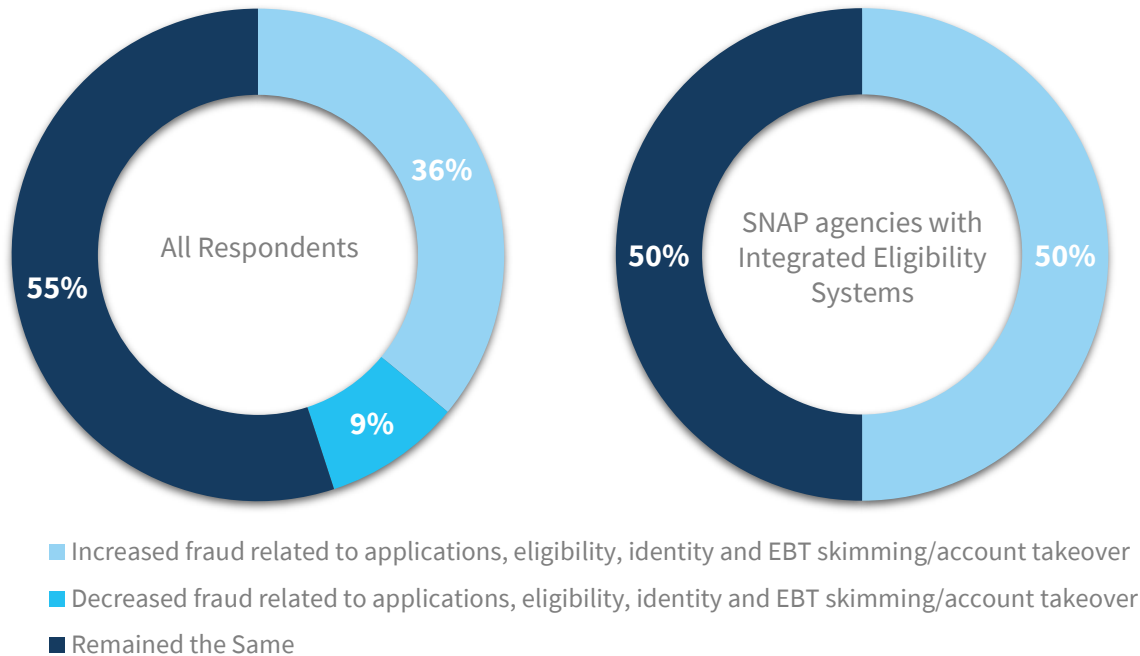
## Increasing Fraud



**Over one-third of participating SNAP agencies said that fraud related to application identity, eligibility and EBT skimming/account takeover (ATO) has increased over the past 12 months. Even more of those responsible for multi-program eligibility indicate increased fraud levels.**

KEY FINDING **1**

### Reported Change in Level of Fraud since 2023



### Distribution of SNAP Fraud Losses by Activity

When asked to distribute 100% across four types of activities impacting fraud, the distribution attributed to EBT skimming/account takeover rose sizably from 2023 (from 17% to 23%). This does not mean the other types were less prevalent, but rather the increased incidence of EBT skimming/ATO shifted the overall distribution.



\* IES will be referred to throughout this report, defined as Integrated Eligibility Systems; IES with broader responsibility refers to SNAP agencies responsible for more than just one other program (Medicaid + 1-2 other programs.)

Q: Has the total level of fraud related to applications, identity, eligibility, EBT skimming increased, decreased or remained the same during the past 12 months?

Q: Adding to 100%, what percentage do each of the following account for your total SNAP fraud losses during the past year?

## Increasing Cost of Fraud

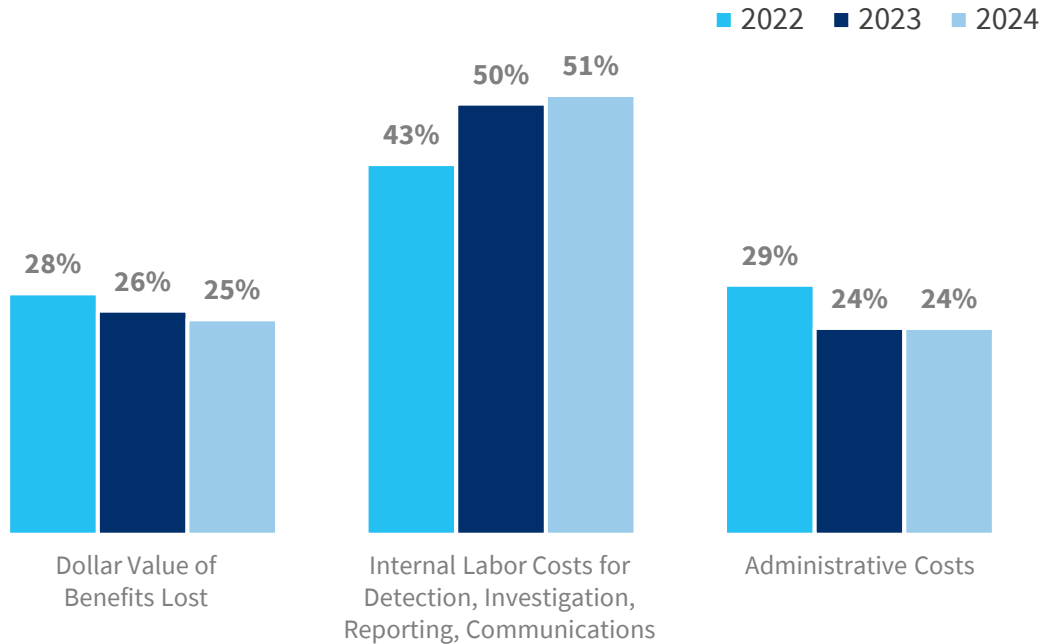


For every \$1 value of benefits lost through fraud, it actually costs SNAP agencies \$3.93, up from \$3.85 in 2023 and \$3.72 in 2022.

Overall, labor costs dedicated to investigating fraud is the largest contributor to increasing fraud costs.

KEY FINDING **1**

### Distribution of Direct Fraud Costs



### The LexisNexis Fraud Multiplier™



#### Dollar Value of Benefits Lost

The value of benefits lost represents only 25% of total costs; there are additional costs that comprise another 75% of costs.

When considering the LexisNexis Fraud Multiplier™, this means that for every \$1 value of benefits lost, it actually cost SNAP agencies \$3.93.



#### Internal Labor Costs

Labor remains the largest component of the additional costs beyond the lost value of benefits, involving fraud detection, investigation, reporting, as well as communications with external parties.

Q: Adding to 100%, what percentage do each of the following direct fraud costs account for your total SNAP fraud losses during the past year?



**Fraudsters seek the weakest links across the SNAP beneficiary lifecycle. Various, interconnected factors increase the risk for many agencies, highlighting the need for a multi-layered approach to improve the beneficiary experience and reduce backlogs.**

## Types of Fraud & Their Complexity

Card skimmers are difficult to detect at point of sale, for both the merchant and beneficiary. Phishing scams capture Personally Identifiable Information (PII) that enables account takeovers. Application-based fraud risk is heightened when agencies have limited resources and data to verify identities and eligibility criteria.

*Agencies need to be equipped with tools and analytics to detect various fraud topologies, assessing both physical and digital identity attributes and transactions*

## Multi-Program Eligibility

Responsibility for eligibility across multiple Human Services programs can bring more complexity to the application decision process, which can lead to errors and make it more difficult to identify fraudsters. Multiple programs may also provide more additional access points and opportunities for bad actors to interact with agencies.

*Information cross-sharing is beneficial. Quickly accessible, accurate data is important, but agencies also need risk analytics tools across all touchpoints to effectively combat fraud.*



## Online/Mobile Transactions

Fraudsters hide through anonymity of online and mobile channels. Research shows that fraud is higher as more applications and transactions occur through these digitally remote channels.

*Technology to assess the risk of the applicant and transaction/device can lower this risk and provide data to support identity authentication*

## Inefficiencies, Backlogs, Delays

Application backlogs not only hurt people in need of essential benefits, but they can foster fraudulent submission of multiple applications to obtain improper benefits. Fraudsters take advantage. Case workers get overwhelmed. Suspicious cases go unworked. The client experience suffers.

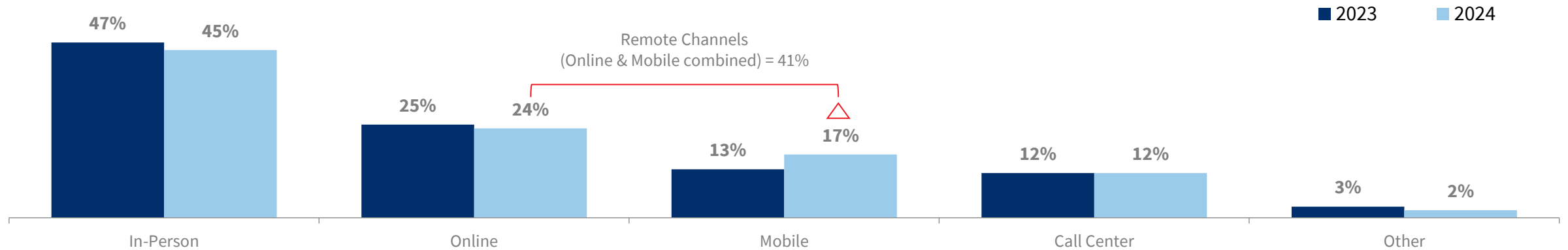
*Modernizing resources can reduce delays/backlogs, provide necessary data/risk analysis to reduce fraud and improve both case worker and beneficiary experience.*



Online/mobile channels contribute nearly the same volume of SNAP applications as the in-person channel.

This results from a year-over-year increase in mobile channel application volume.

### Distribution of SNAP Applications Submitted Across Channels in the Past 12 Months



In-person generates the most volume of SNAP applications, though followed very closely by remote channels combined (online/mobile) as the distribution for the mobile channel has increased.

△ Difference from previous year

Q: Please indicate the percentage of SNAP applications submitted over the past 12 months across each of the following channels used by your agency.

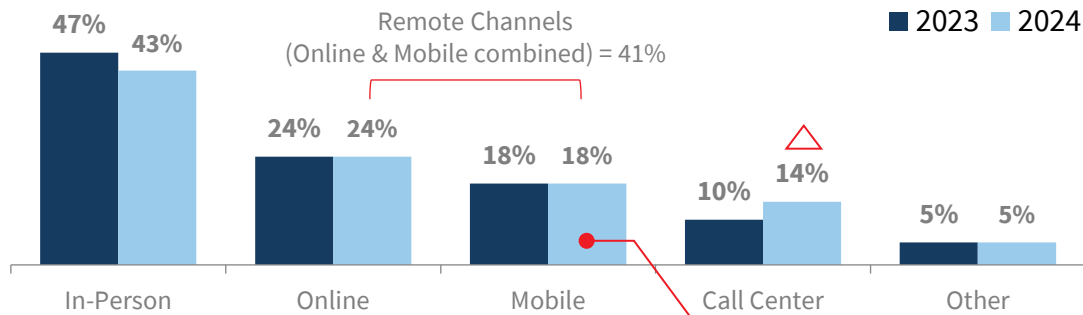
## Contributing Factors



**Mobile channel application fraud has increased over the past 12 months, particularly among SNAP agencies that have integrated eligibility with multiple systems.**  
**There is a slight increase in fraud costs associated with call center applications.**

KEY FINDING **1**

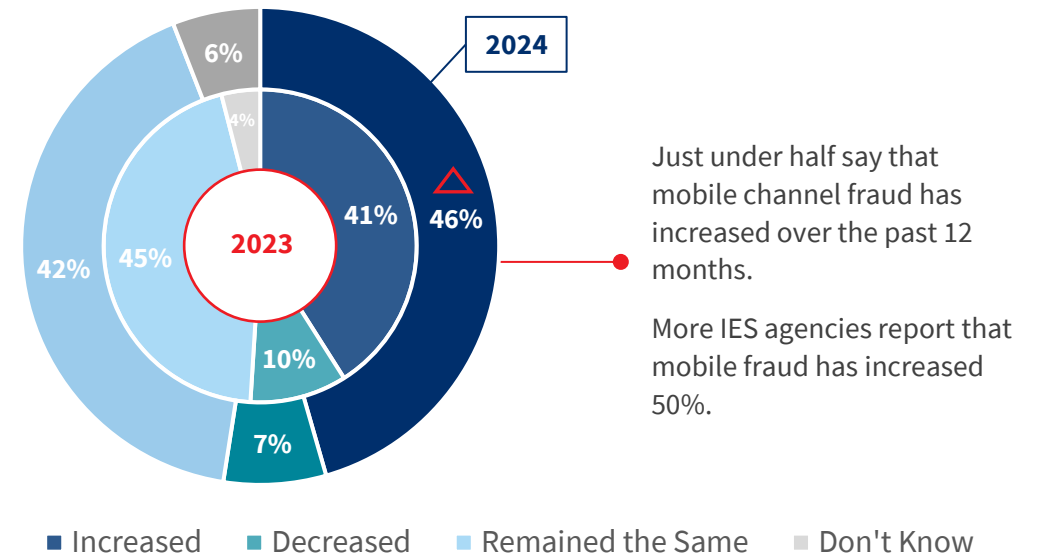
### Distribution of SNAP Application Fraud Costs Across Channels



Remote channels (online/mobile) contribute as much to fraud costs as do the in-person channels, as the distribution of fraud costs shifts slightly up for call centers at the expense of in-person.

More so **21%** among agencies with integrated eligibility across SNAP+Medicaid+1-2 other programs.

### Degree of Mobile Channel Applications Fraud Change in Past 12 Months



Just under half say that mobile channel fraud has increased over the past 12 months.

More IES agencies report that mobile fraud has increased 50%.

△ Difference from previous year

Q: Adding to 100%, please indicate the percent of fraud costs generated through each of the following channels currently used for SNAP applications (as a percentage of total annual fraud losses).

Q: Has fraud with applications through mobile devices or mobile apps increased, decreased or stayed during the past 12 months?

## Contributing Factors

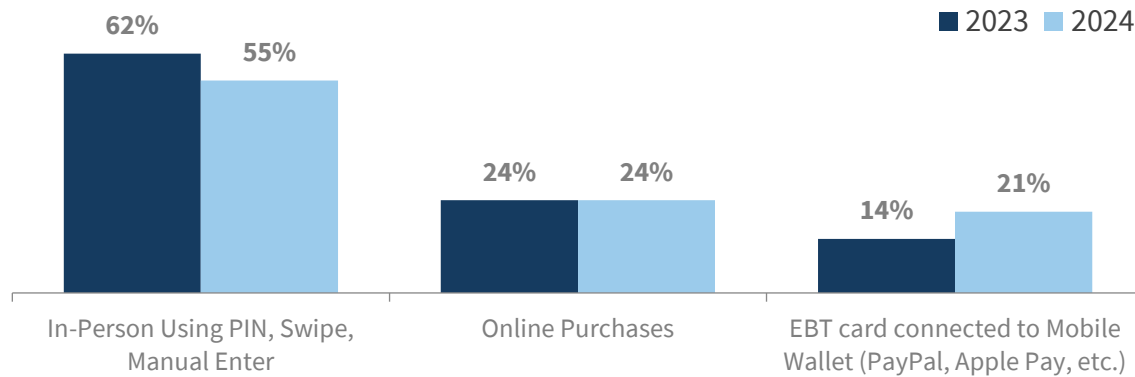


**The distribution of EBT fraud costs has risen for online and mobile transactions. Combined, they represent more EBT fraud costs than in-person.**

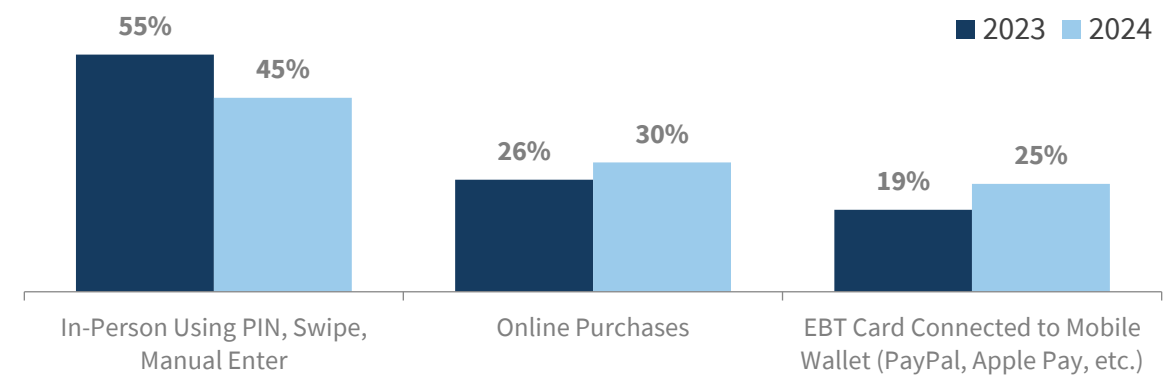
**As EBT utilization patterns evolve, fraudsters are keeping up, using stolen identities and gaining unauthorized access to EBT accounts.**

KEY FINDING **1**

### Distribution of EBT Card Transaction in Past 12 Months



### Distribution of EBT Fraud Costs Across Channels in the Past 12 Months



Remote channels (online/mobile) contribute more to EBT fraud costs than the in-person channel, as the distribution of EBT fraud costs has increased for online purchases and those connected to mobile wallets.

△ Difference from previous year

Q: Please distribute 100 points to indicate the approximate percentage that total EBT transactions/purchases during the past 12 months were completed through the following methods.

Q: Adding to 100%, please indicate the distribution of fraud across the following types of EBT card transactions during the past 12 months.

Contributing Factors

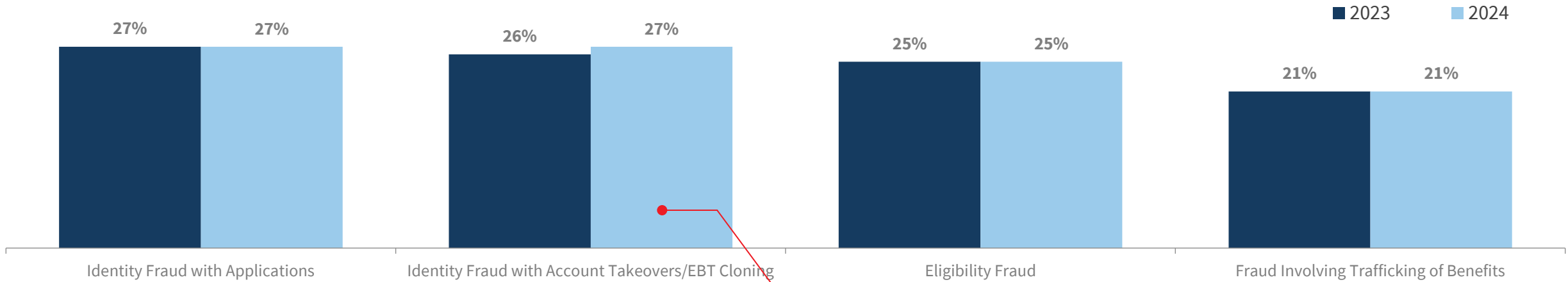


The data shows this impact of EBT fraud through online and mobile channels.

While the overall distribution of SNAP losses by fraud type is similar to last year, agencies with a higher distribution of EBT fraud through online and mobile channels associate a higher percentage of losses to identity fraud involving account takeover/EBT cloning.

KEY FINDING 1

Distribution of SNAP Fraud Losses by Fraud Type



32% of SNAP agencies report a higher distribution of EBT fraud losses to the online and mobile channels

Q: Approximately, how much of your fraud losses would you attribute to each of the following types of fraud? To answer this, please distribute 100% across each of the following.

## Contributing Factors



The cost of fraud increases when EBT Fraud is more prevalent, there are more online/mobile transactions, there are more programs associated with the IES, and there are operating backlogs/delays.

KEY FINDING **1**



### Types of Fraud

The Fraud Multiplier™ increases as the distribution of EBT Skimming/Account Takeover increases compared to other fraud types



### Online/Mobile Transactions

The Fraud Multiplier™ is higher among agencies with nearly half or more transactions occurring via online/mobile



### Integrated Eligibility Systems

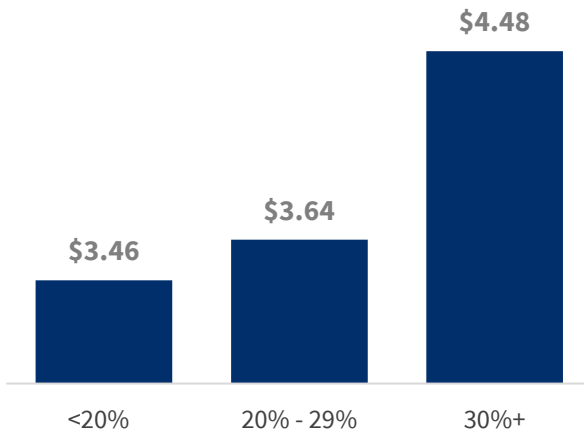
The Fraud Multiplier™ increases as the number of integrated eligibility programs an agency is responsible for



### Inefficiencies, Backlogs, Delays

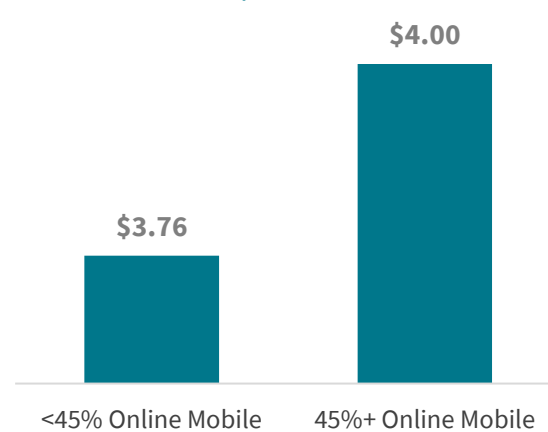
The Fraud Multiplier™ is higher among agencies that do not meet the 30-day application timeline (APT) for 95% of cases

Fraud Multiplier™ Based on % of EBT Fraud



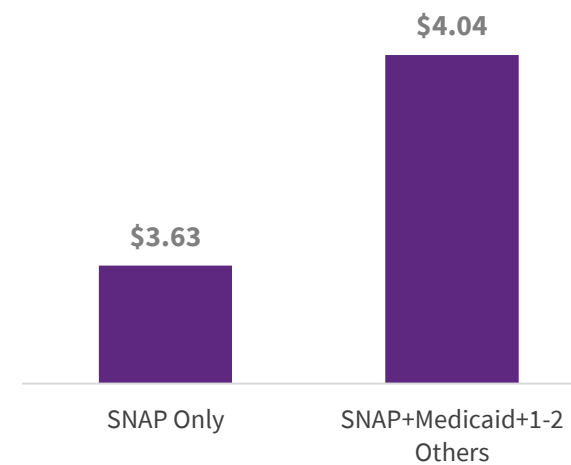
Q: Adding to 100%, what percentage do each of the following account for your total SNAP fraud losses during the past year?

Fraud Multiplier™ Based on % of Online/Mobile Transactions



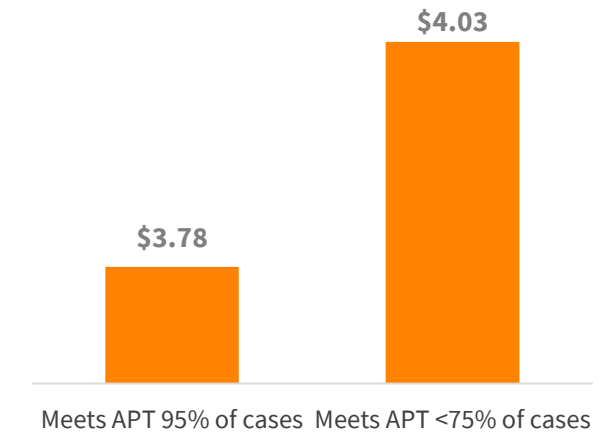
Q: Indicate the percentage of SNAP applications submitted across each of the following channels used by your agency.

Fraud Multiplier™ Based on IES vs. Non-IES



Q: For which human services benefit programs do you have responsibility for determining application eligibility?

Fraud Multiplier™ Based on APT Performance



Q: What percent of your regular SNAP applications and payments have been processed within 30 days?



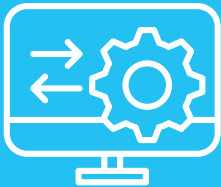
# Key Finding 2

INTEGRATION INCREASES FRAUD COSTS

# Integration Increases Fraud Costs

Integrated eligibility system (IES) use is expanding across multiple Human Services programs, which brings more complexity to eligibility decisions and increases fraud risk and costs.

## Broader IES Implementation



More participating SNAP agencies are implementing an integrated eligibility system compared to 2023, particularly linking SNAP, Medicaid and CHIP (Children's Health Insurance Program).

## Added Fraud Risk & Costs



Additional program responsibility adds more access points to SNAP, including through online and mobile channels. This increases the risk and costs of fraud, where every \$1 value of lost benefits now costs these agencies \$4.04 compared to \$3.85 in 2023.

## Information Cross-Sharing

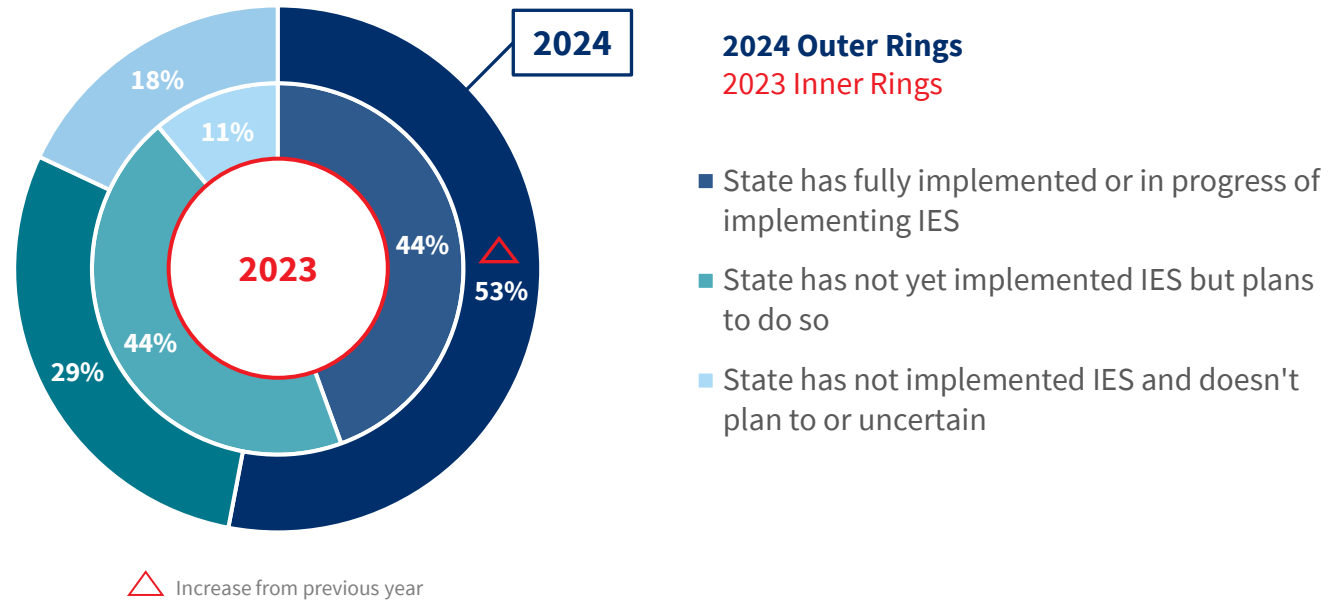


Information cross-sharing is growing among IES agencies. While this provides more data for decision making, it doesn't address fraud challenges on its own.



Over half of participating SNAP agencies indicate either full or partial IES implementation. This is up from 2023.

### Level of IES Integration among SNAP Agencies\*



\* This study was not a census of all SNAP agencies at the county and state level; therefore, the above reflects the incidence among participating agencies and could differ from the actual universe

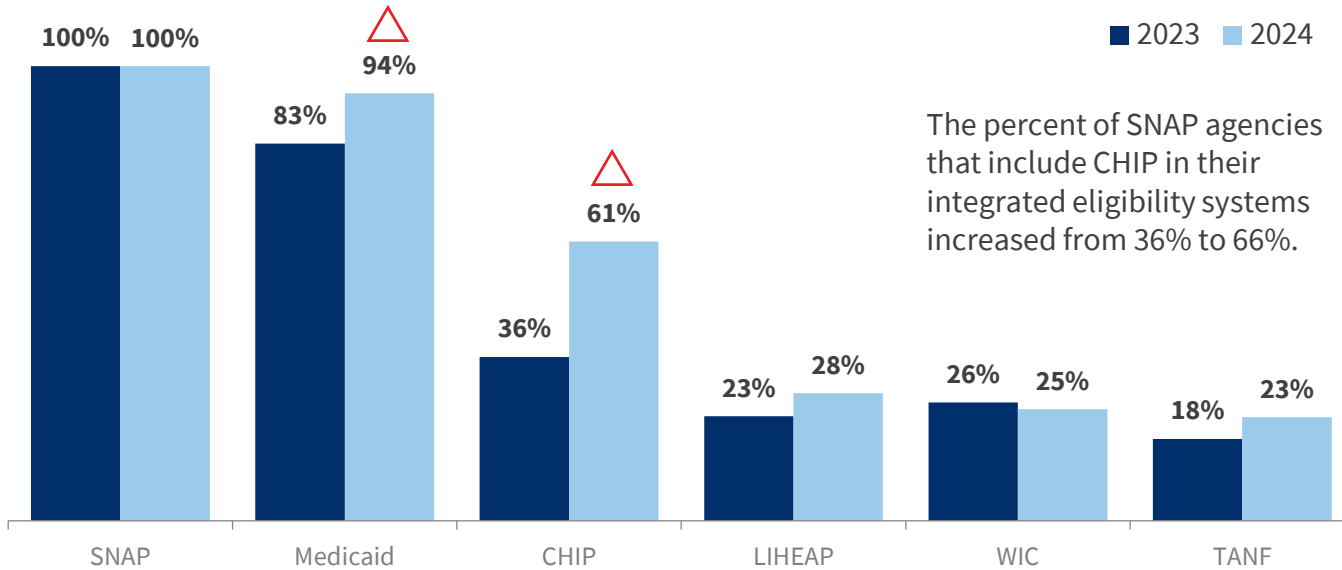
Q: Has your state implemented an integrated eligibility system (IES) that provides a common eligibility system to manage various Human Services Benefit programs?

Q: Please select your agency's level of integration in its IES.



**The Children’s Health Insurance Program (CHIP) is becoming more integrated with SNAP and Medicaid eligibility. This is being driven by recent requirements to provide continuous 12-month Medicaid and CHIP coverage for children under age 19.<sup>2</sup>**

### Programs Managed within IES\*



The percent of SNAP agencies that include CHIP in their integrated eligibility systems increased from 36% to 66%.

There is also a relationship to the expiration of continuous Medicaid eligibility that existed during the COVID-19 period.

As of 2023, agencies have been required to conduct eligibility renewal reviews for both Medicaid and CHIP. Given the complexity of Medicaid eligibility, this requirement has led to backlogs and gaps in coverage, including for children.<sup>3</sup>

Based on the above and the children’s mandated continuous eligibility, it can be reasonably assumed that more IES agencies will become responsible for CHIP in addition to SNAP and Medicaid.

Difference from previous year

<sup>1</sup> Medicaid.gov, Continued Eligibility

<sup>2</sup> Unwinding of Medicaid Continuous Enrollment: Key Themes from the Field - Issue Brief - 10277 | KFF

\* This study was not a census of all SNAP agencies at the county and state level; therefore, the above reflects the incidence among participating agencies and could differ from the actual universe

Q: For which of these Human Services Benefit programs do you have direct responsibility for and/or oversight of determining application eligibility?

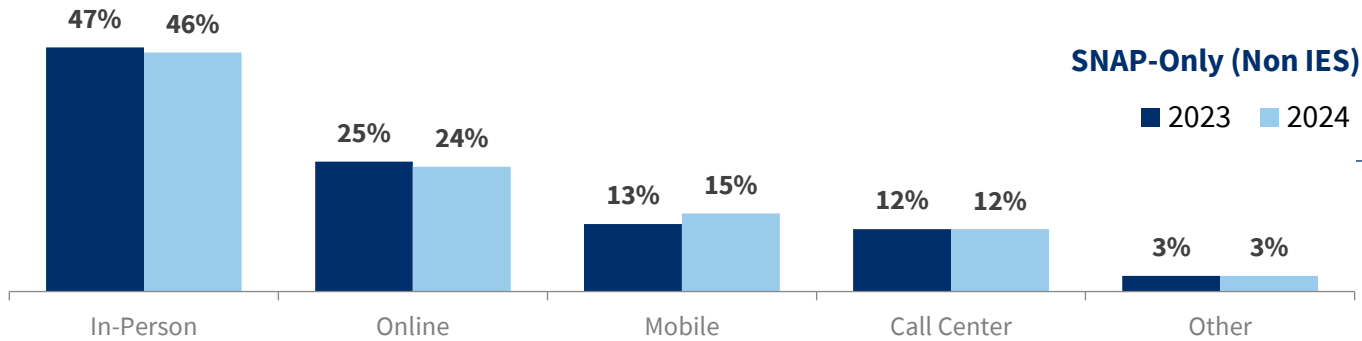
**Added Fraud Risk & Costs**



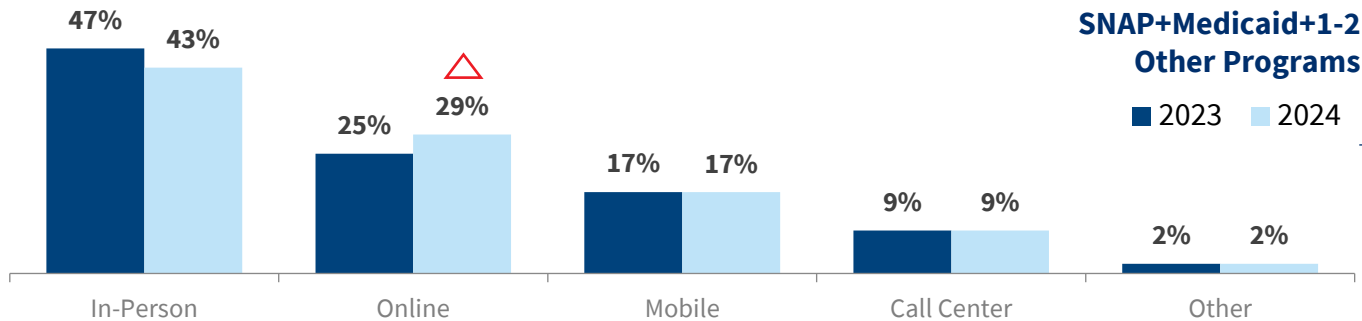
**SNAP agencies with integrated eligibility across multiple Human Services programs are experiencing more online transactions/applications compared to 2023. This adds more access points to SNAP, contributing to increased fraud risk.**

**KEY FINDING 2**

Distribution of SNAP Applications Across Channels in the Past 12 Months



The distribution of transactions/applications across channels has remained similar year-over-year for agencies that have eligibility decisions for only SNAP. In-person continues to have the highest volume.



For SNAP agencies that have integrated eligibility systems with Medicaid plus 1 – 2 other programs, the volume distribution of online transactions/applications increased since 2023.

△ Difference from previous year  
 Q: Please indicate the percentage of SNAP applications submitted over the past 12 months across each of the following channels used by your agency.

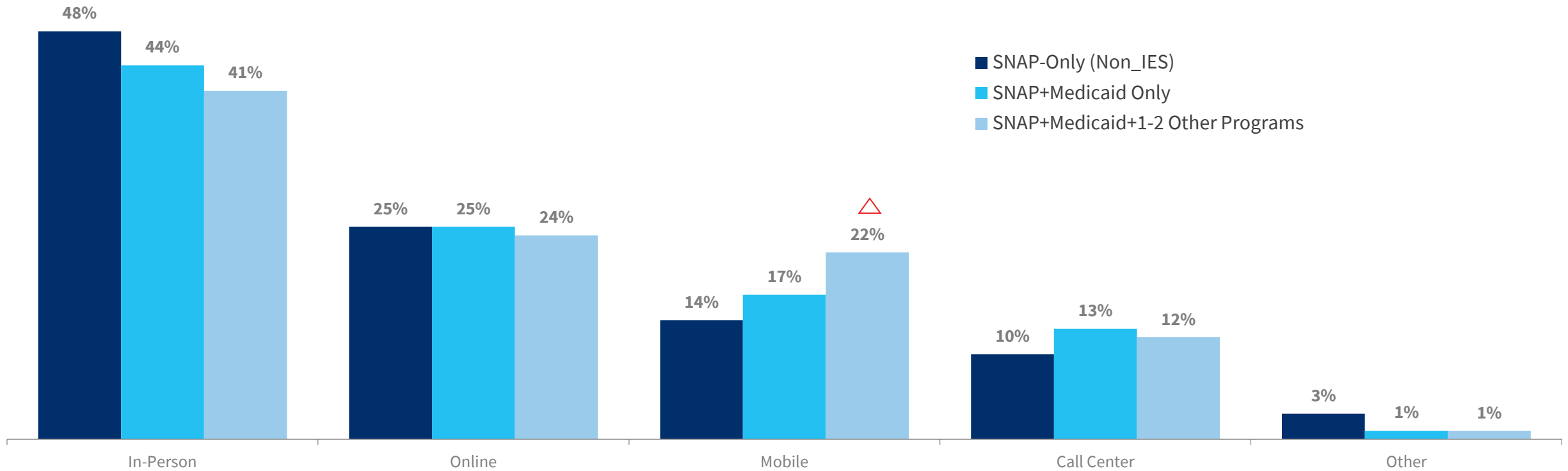
## Added Fraud Risk & Costs



As SNAP agencies become integrated with more Human Services programs, the distribution of fraud costs attributed to the mobile channel increases.

KEY FINDING 2

### Distribution of SNAP Application Fraud Costs Across Channels in the Past 12 Months



△ Difference from other percentage findings within channel

Q: Adding to 100%, please indicate the percent of fraud costs generated through each of the following channels currently used for SNAP applications (as a percentage of total annual fraud losses).

**Added Fraud Risk & Costs**



**The cost of fraud has increased as more programs have become integrated. It has increased significantly more when IES transactions and applications occur through online or mobile channels.**

**KEY FINDING 2**

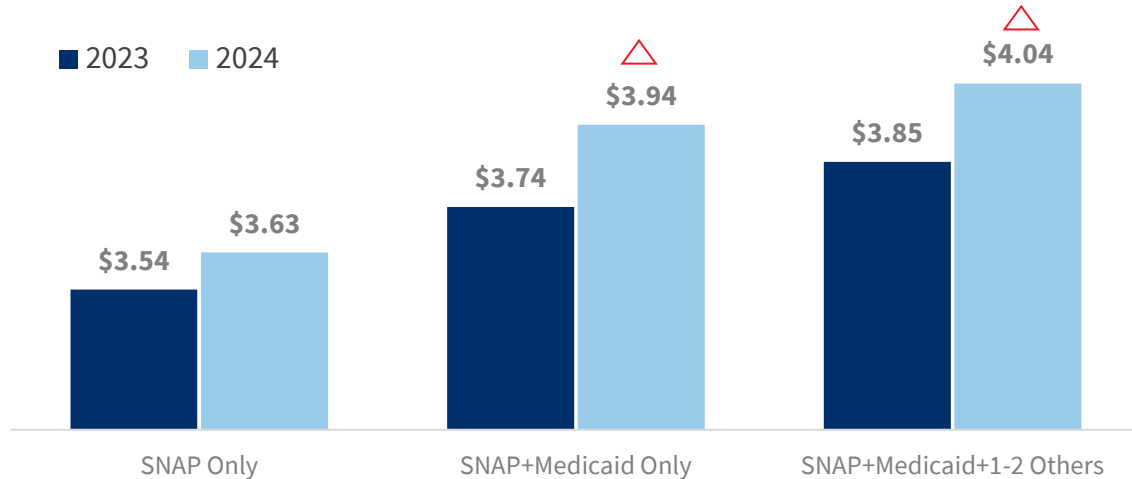
**Programs Managed within IES\***

The Fraud Multiplier™ is not only higher with more integrated programs, but it has increased since 2023 for these segments



More Integrated Eligibility Systems

■ 2023 ■ 2024



**Programs Managed within IES\***

When more integrated systems involve a high volume of online/mobile transactions (45% or more), the Fraud Multiplier is significantly higher.



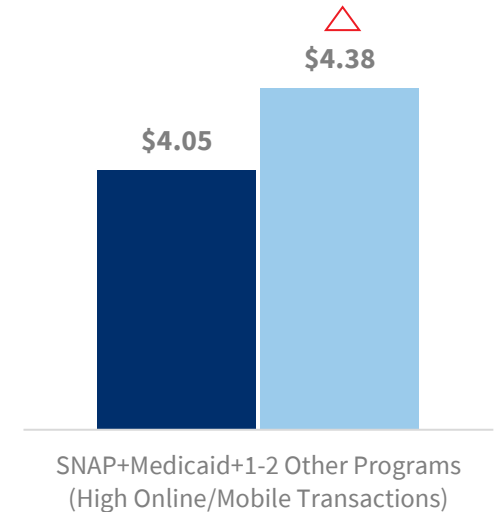
More Integrated Eligibility Systems



High Online/Mobile Transaction Volume  
45%+ online/mobile volume

Additionally, the cost of fraud for this segment has increased significantly since 2023.

■ 2023 ■ 2024

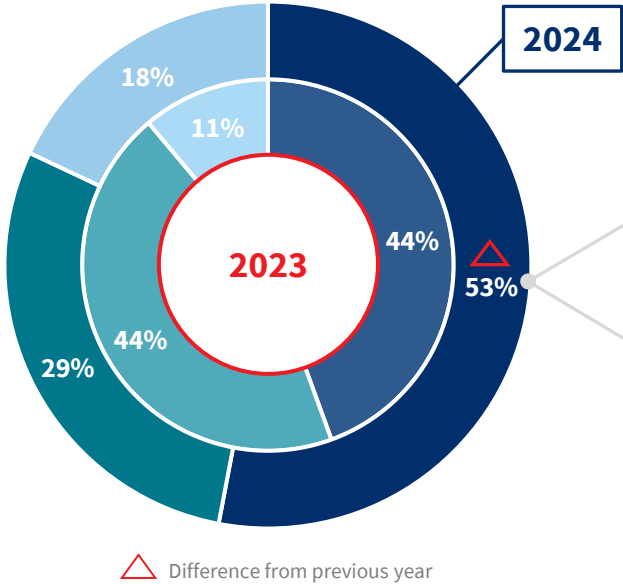


△ Difference from previous year  
 Q: For which of these human services benefit programs do you have direct responsibility for and/or oversight of determining application eligibility?  
 Q: Please select your agency's level of integration in its IES.

**Among agencies that have fully or mostly implemented an IES, just under half say that they are fully cross-sharing information; others have not yet begun to do so.**

**Level of IES Integration among SNAP Agencies\***  
(N = 150)

- State has fully implemented or in progress of implementing IES
- State has not yet implemented IES but plans to do so
- State has not implemented IES and doesn't plan to or uncertain



**Degree of Integration & Information Sharing  
Among Those Fully Implemented or In-Progress**  
(N = 79)

**38%**

All or most programs are integrated

**17%**

All programs are integrated and fully cross-sharing information (**44% of those fully or mostly integrated**)

**21%**

Most programs are integrated but not fully cross-sharing information

**15%**

Integration is in-progress but not implemented widely yet

\* This study was not a census of all SNAP agencies at the county and state level; therefore, the above reflects the incidence among participating agencies and could differ from the actual universe  
 Q: Has your state implemented an integrated eligibility system (IES) that provides a common eligibility system to manage various Human Services Benefit programs?  
 Q: Please select your agency's level of integration in its IES.

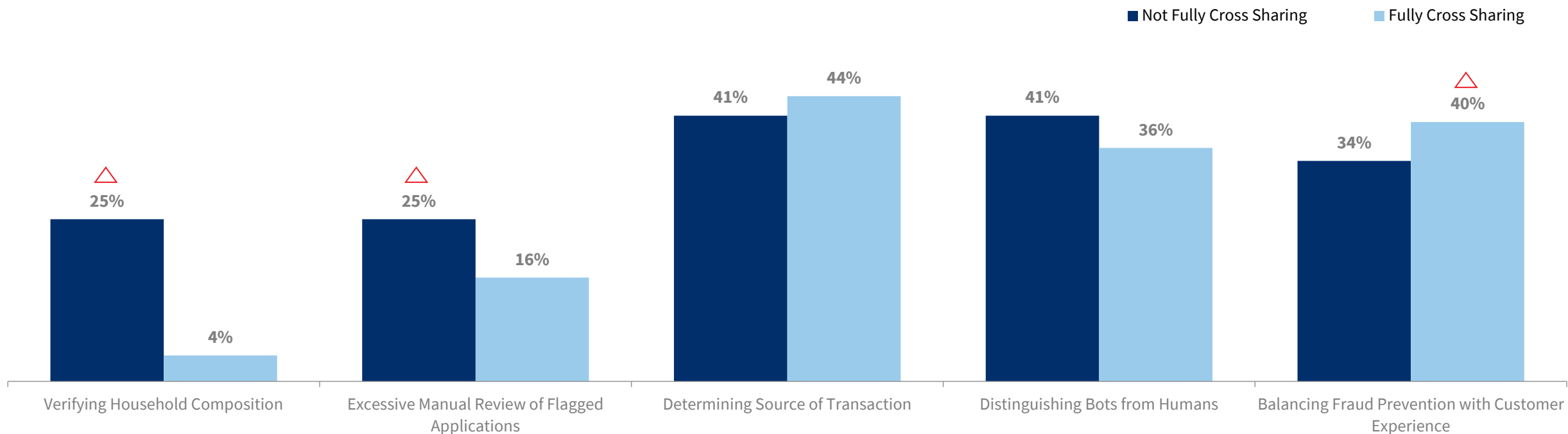




IES cross-sharing of information can provide more data, improve decision making, and generate efficiencies.

However, on its own, cross-sharing does not necessarily address the challenges related to application fraud.

### Fraud Challenges with Online Applications



△ Difference from other responses

Q: Please rank the top 3 challenges related to fraud when the SNAP application process is submitted online through your agency's website (via a PC).

Q: Please select your agency's level of integration in its IES.

# Key Finding 3

DELAYS, ERRORS IMPACT BOTH STAFF & APPLICANTS

# Delays, Errors Impact Both Staff & Applicants

Many SNAP agencies experience application processing delays caused by resource limitations and distraction from fraudsters during application processing. This impacts both the case worker and beneficiary experience.

## Performance Delays & Errors



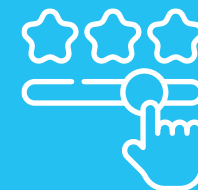
Top reasons for missing these thresholds relate to outdated systems/technology, manual work that increases time and errors, loss of staff, and limited eligibility and identity verification data. This has a real impact on those in need.

## Elevating Beneficiary & Worker Experience



Delays negatively impact the beneficiary experience. Backlogs lower case worker morale and increase potential for errors.

## Modernization Impacts



Implementing operating modernization for application processes, eligibility decisions, and customer care can generate efficiencies, improve APT performance, and elevate the beneficiary and worker experience.

## Performance Delays & Errors

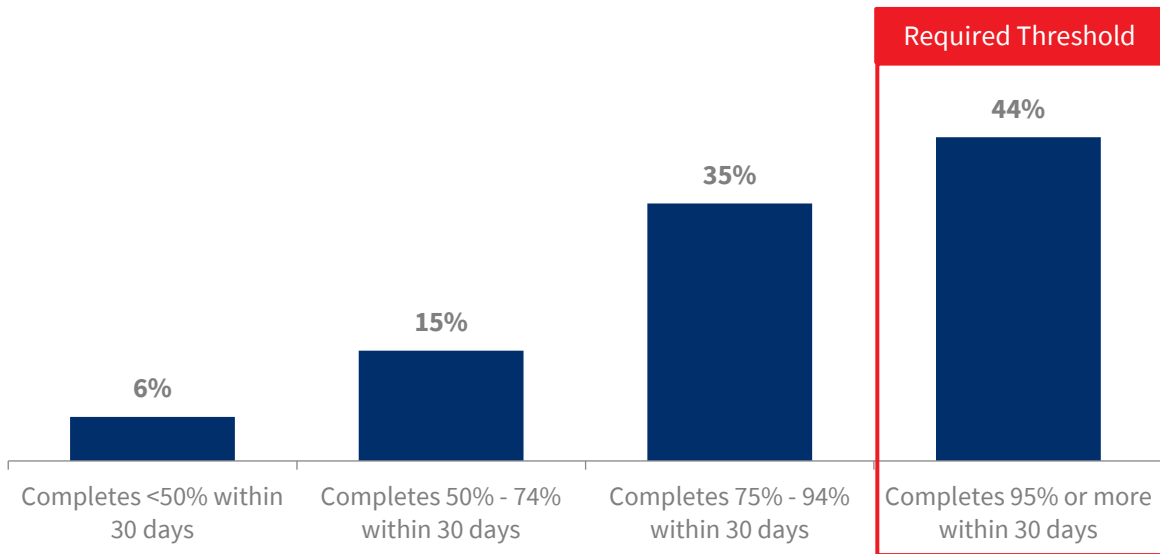


Application Processing Times

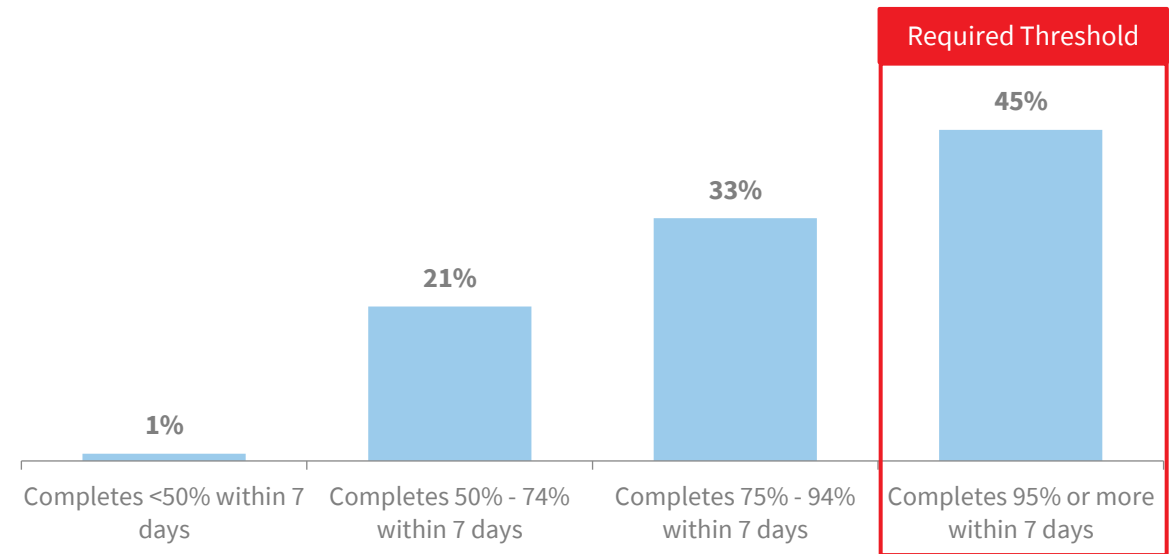
Just under half of participating SNAP agencies report meeting the required APT threshold of completing regular applications for 95% of cases within 30 days and expedited ones in 7 days<sup>4</sup>.

KEY FINDING **3**

### Meeting Application Processing Timeline Requirement (95% of applications within 30 days)



### Meeting Application Processing Timeline Requirement for Those in Need of Expediting (95% of applications within 7 days)



\* <https://www.fns.usda.gov/snap/qc/timeliness>

Q: Within the most recent reporting to FNS, what percent of your **regular** SNAP applications and payments have been processed within 30 days?

Q: For applications and payments that **need expediting** have been processed within 7 days?

## Performance Delays & Errors



Application Processing Times

**Delayed application approvals have a real and significant impact on those truly in need of SNAP benefits.**

**Malnutrition, hunger, financial stress, and emotional anxiety can result from uncertainty about prolonged application approval delays.**

KEY FINDING **3**



### Hunger & Malnutrition

Delayed benefits can seriously impact the ability for needy families to buy essential groceries. Parents and children can go hungry; prolonged delays can lead to serious health issues.



### Financial Stress

With limited funds, families can be forced to choose between buying groceries and paying rent, utilities, etc. This can negatively impact credit, housing security and increased debt.



### Stress & Anxiety

Delays cause uncertainty, which can lead to anxiety. This can negatively impact physical and mental well-being, ending up costing families more in the long-term.

## Performance Delays & Errors



Application Processing Times

Effective fraud detection is further challenged as agencies face increased turnover and loss of institutional knowledge.

Verification of identity, asset, and income data needed for eligibility decisions are top contributors to APT delays, compounded by increased application volumes and outdated systems.

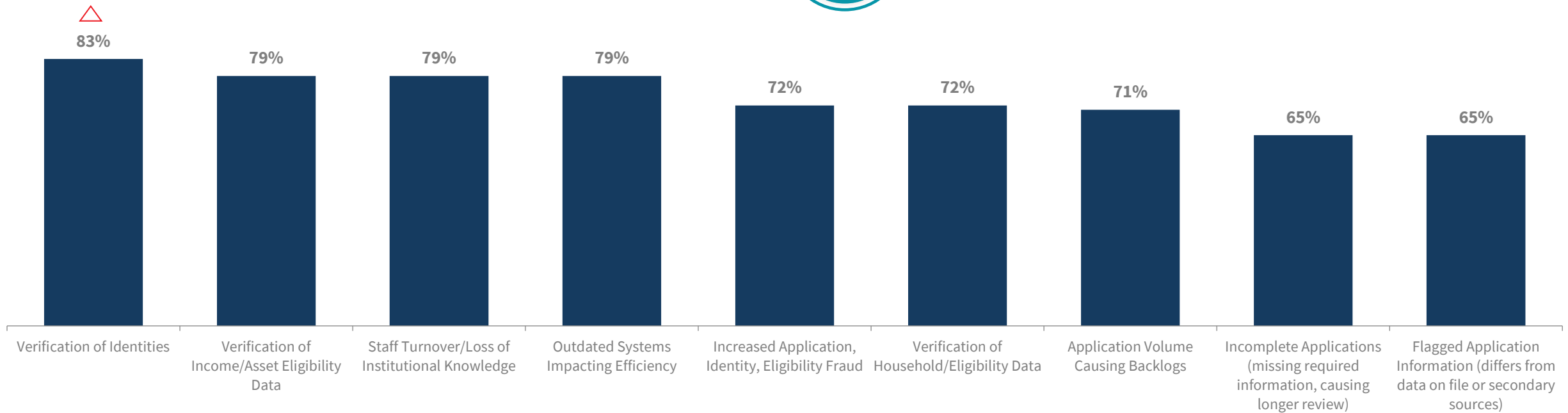
KEY FINDING **3**

## Reasons for SNAP Application Delays/Backlogs

(Those Meeting APT Threshold 75% or Less)



Participating agencies that miss the APT threshold are also less effective at preventing fraud at the frontend (63% prevented) compared to those meeting the APT requirement (75% prevented).



△ Difference from all or most other percentage findings  
Q: To what degree do the following contribute to SNAP application delays/backlogs?

## Performance Delays & Errors



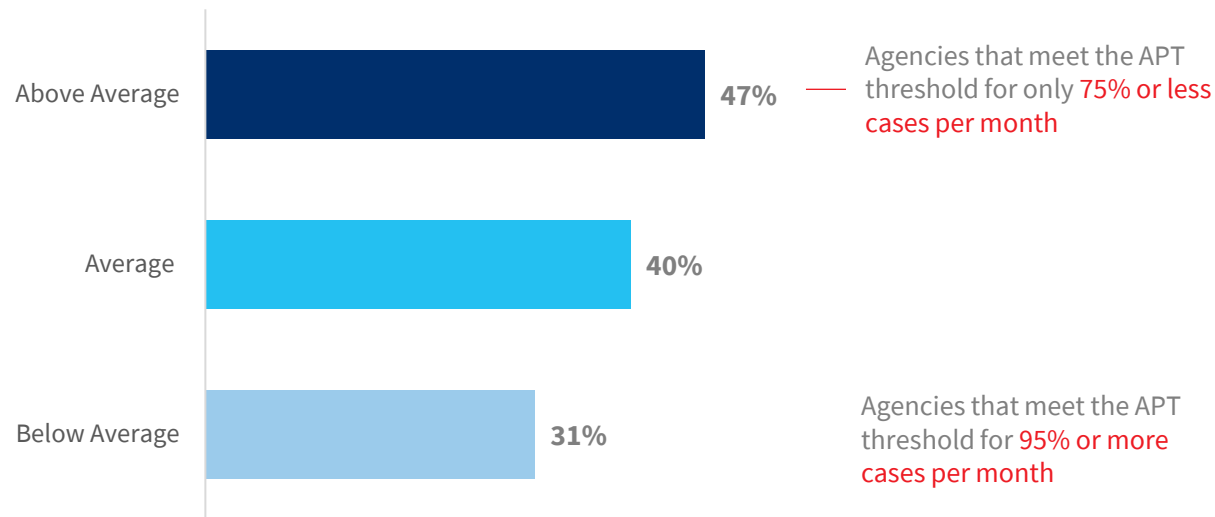
Application Processing Times

KEY FINDING **3**

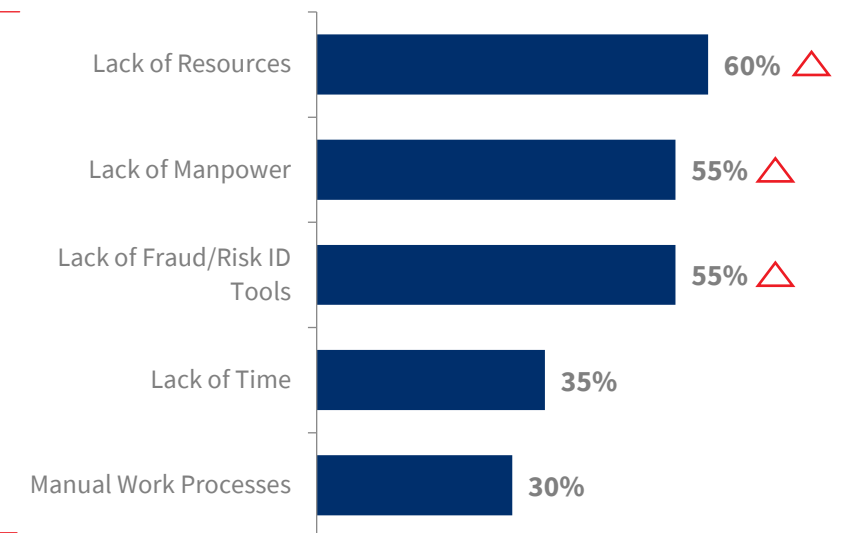
The average percent of cases that go unworked due to lack of resources or tools is 40%. Those that meet the 95% application threshold are more likely to have fewer unworked cases.

Lack of resources, manpower and fraud/risk identification tools are top reasons for suspicious unworked cases.

### % Potential Fraudulent Cases That Go “Not Worked”



### Reasons for Fraudulent Cases “Not Worked” (Those with Above Average Not Worked Cases)



△ Difference from all or most other percentage findings

Q: In a typical month, approximately what percent of fraudulent applications are unworked/not prosecuted at your agency? This includes fraud referrals received or flagged by data analytics that cannot be worked due to lack of resources or tools.

Q: What are the key drivers that cause these cases to not be worked?

**Performance Delays & Errors**

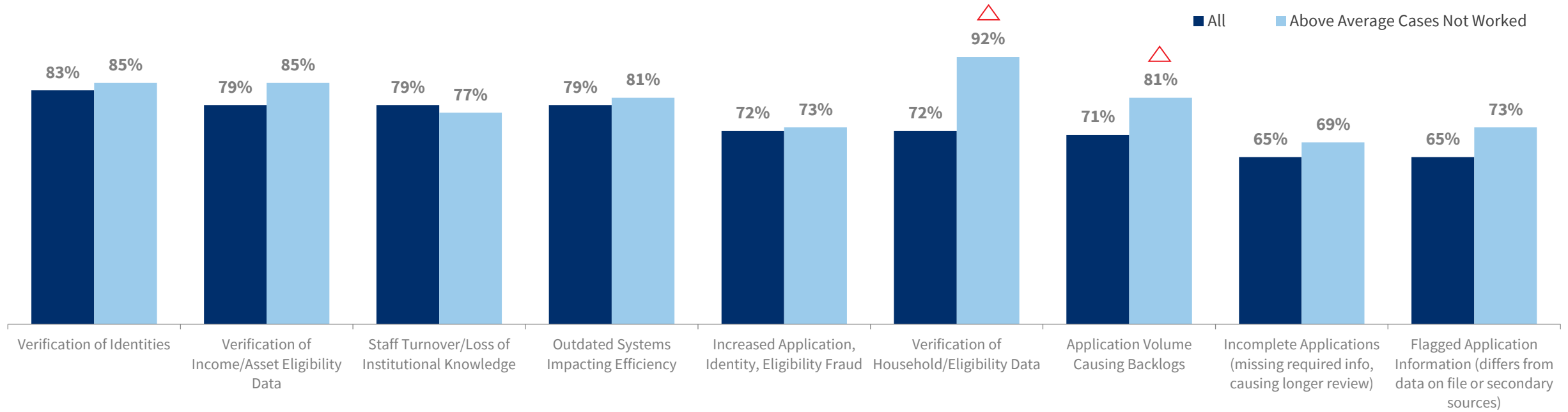


Application Processing Times

**Participating agencies with above average rates of cases-not-worked have similar APT performances, though are even more challenged with verifying household eligibility data. They are also more likely to indicate application volume as a key contributor to delays/backlogs.**

## Reasons for SNAP Application Delays/Backlogs

(Those Meeting APT Threshold 75% or Less)



△ Difference from other segment within response category  
 Q: To what degree do the following contribute to SNAP application delays/backlogs?



Performance  
Delays & Errors



Payment Error Rates

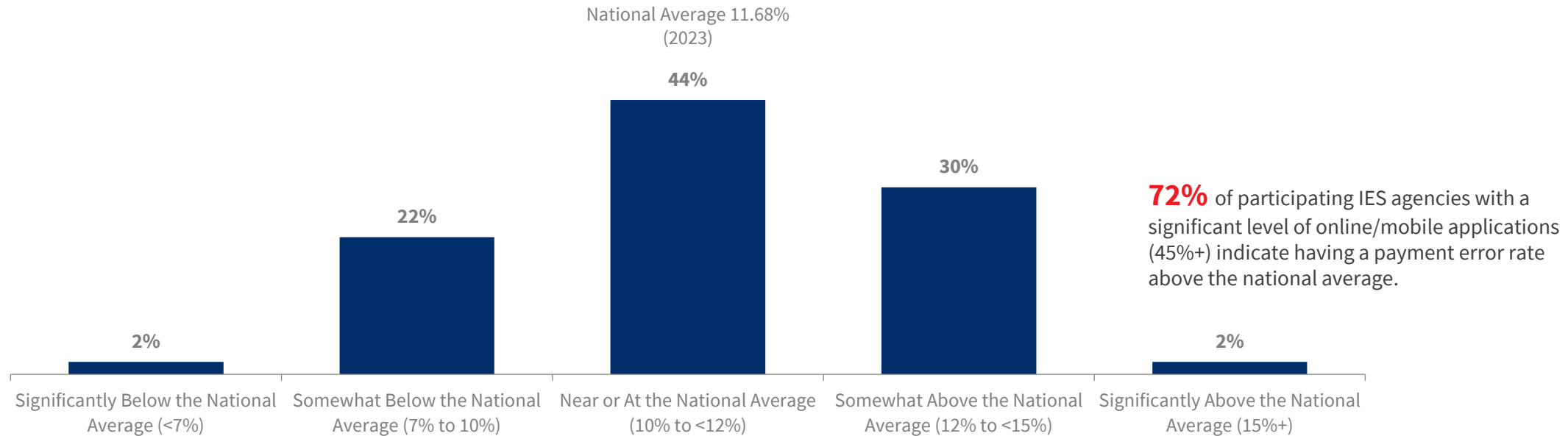
While just under half of participating SNAP agencies indicate performing at or near the national payment error rate (PER), nearly one-third perform above this.

This is significantly higher for IES agencies with higher online/mobile applications.

KEY FINDING **3**

### Payment Error Rate by the National Average Threshold

(11.68% or less)<sup>5</sup>



\* FNS PER Page: <https://www.fns.usda.gov/snap/qc/per>

Q: As it relates to accuracy, has your state's payment error rate during the past 12 months been below, above or around the national average of 11.68%?

Performance  
Delays & Errors



Payment Error Rates

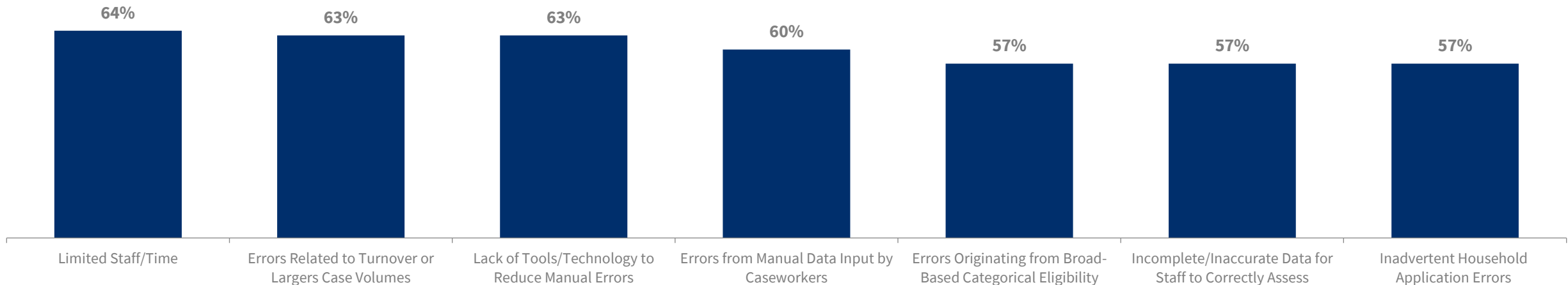
Staffing resource issues and manual inputs/processes are key drivers for higher payment error rates. Over half of participating agencies also point to broad-based categorical eligibility (BBCE), as well as data inadequacy that impacts case workers' ability to even recognize if/where there might be errors.

KEY FINDING 3

Reasons for Higher Payment Error Rates  
(Those At or Above the National Average)



83% of agencies with higher payment error rates say that data-related issues are absorbing resources that could otherwise be used for client identify verification and fraud prevention.



Q: To what degree do the following contribute to your agency's SNAP payment errors?

## Performance Delays & Errors



Payment Error Rates

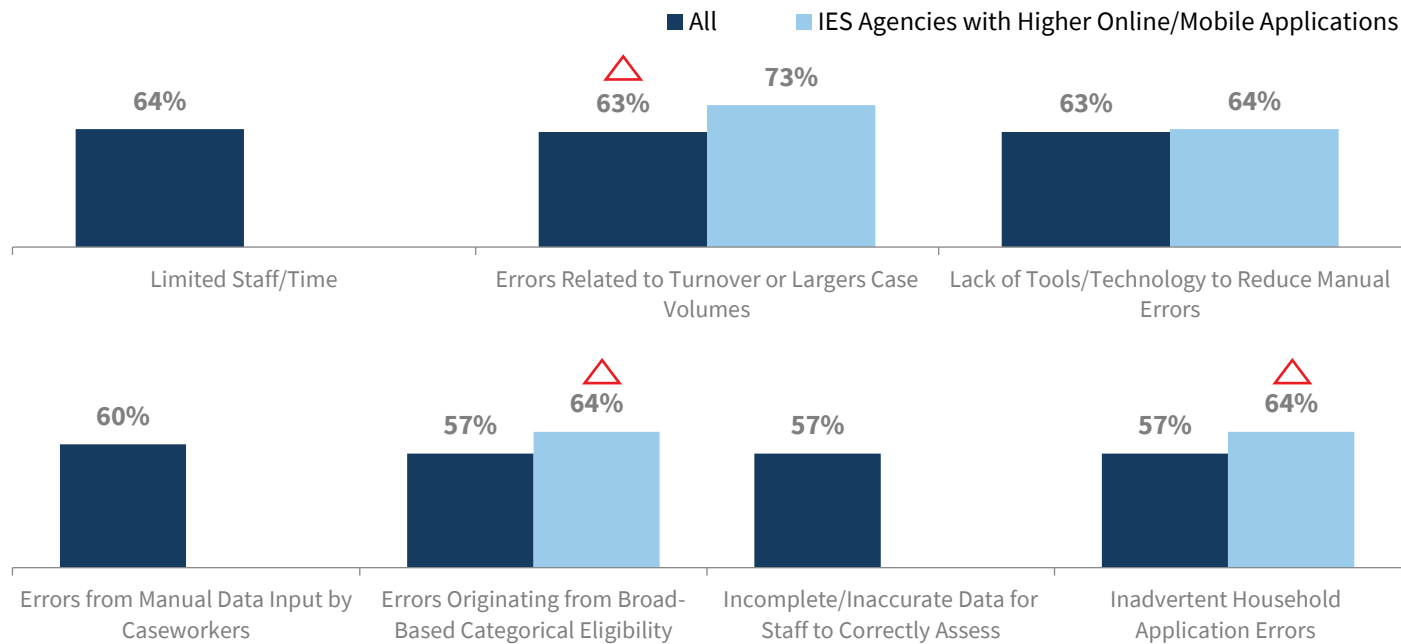
Errors related to turnover and larger case volumes particularly challenge IES agencies with high online/mobile applications.

They are also more likely to call out errors from broad-based categorical eligibility (BBCE) and inadvertent household application errors (IHEs).

KEY FINDING **3**

## Reasons for Higher Payment Error Rates

(Those At or Above the National Average)



△ Difference from other segment within response category

<sup>4</sup> Broad-Based Categorical Eligibility (BBCE) | Food and Nutrition Service (usda.gov)

Q: To what degree do the following contribute to your agency's SNAP payment errors?

**Online SNAP applications involving BBCE with an integrated eligibility system can contribute to higher payment error rates based on a variety of factors, including but not necessarily limited to:**

- Data integration issues, where IES systems combine data from multiple programs and sources that may have discrepancies or cause delays.<sup>6</sup>
- Verification challenges, as noted in the chart.
- Increased volume of online applications as noted in the chart, which leads to overload and rushing
- Inconsistencies between ways that different states implement BBCE.<sup>6</sup>

**Elevating Beneficiary & Worker Experience**

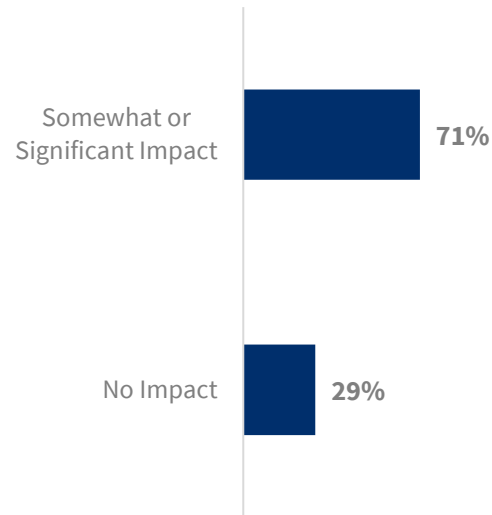
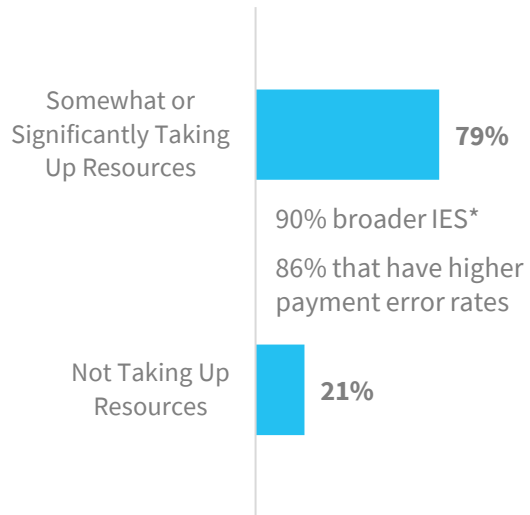
**Data-related and staffing issues impact payment error rates and missed APT thresholds. These are negatively impacting SNAP agencies in other ways, including taking away limited resources that could be used for identity verification and fraud prevention.**

**This particularly impacts IES agencies through increased errors, lower staff morale, increased turnover, and lower productivity leading to delays.**

Degree That Data-Related Issues are Taking Up Resources that Could Otherwise be Used for Application, Identity, and Other Fraud Prevention

Degree That SNAP Application Backlogs Have a Negative Impact on Staff When Assessing Eligibility / Identity Fraud?

Ways That Negative Impacts on Staff from Backlogs are Affecting the Agency



- 54%** Increased errors regarding eligibility (70% Broad IES)
- 49%** Low morale (66% Broad IES)
- 40%** Increased turnover (56% Broad IES)
- 34%** Low productivity, delays in approving eligibility (52% Broad IES)

Q: To what degree are data-related issues taking up resources that could otherwise be used for application identity and other fraud prevention? Data-related issues can include outdated, incorrect or incomplete data.

Q: To what degree do SNAP application backlogs have a negative impact on your staff when assessing eligibility/identity fraud?

Q: In what ways are negative impacts on staff affecting your agency when assessing application eligibility/identity?

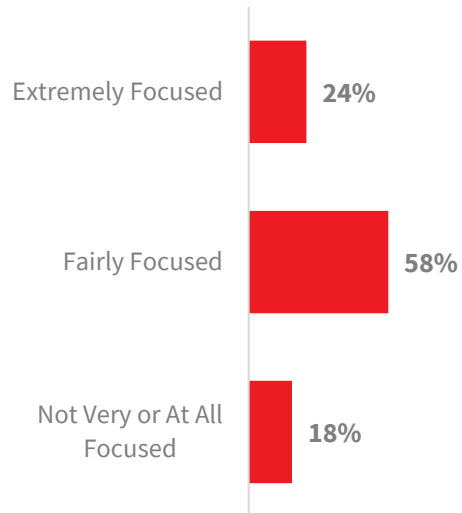
\* Broader IES refers to eligibility responsibility for SNAP + Medicaid + 1-2 other programs



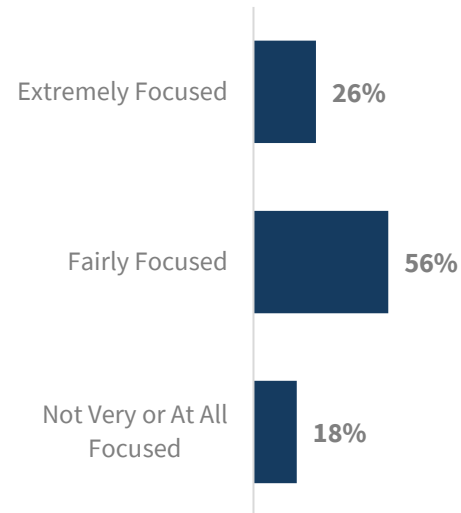
**Most participating SNAP agencies are at least somewhat focused on optimizing the beneficiary experience. However, few are extremely focused at this time.**

**Implementation of operating modernization features for application processing, eligibility decisions, customer care, and case management can help elevate the beneficiary experience.**

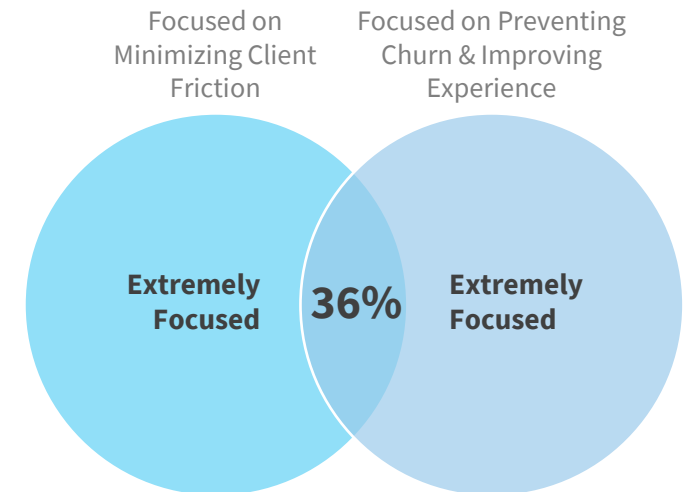
Degree That Agency is Focused on Minimizing Beneficiary Friction with Online or Mobile Applications



Degree That Agency is Focused on Preventing Churn & Improving Beneficiary Experience (Time to Service)



Just over one-third are extremely focused on minimizing beneficiary application friction, preventing churn and improving the experience/time to service.



Q: To what degree is your agency focused on minimizing customer friction when a SNAP application is completed online (via a PC) or through a mobile device or mobile app?  
 Q: To what degree is your agency focused on preventing churn and improving the beneficiary experience (time to service)?

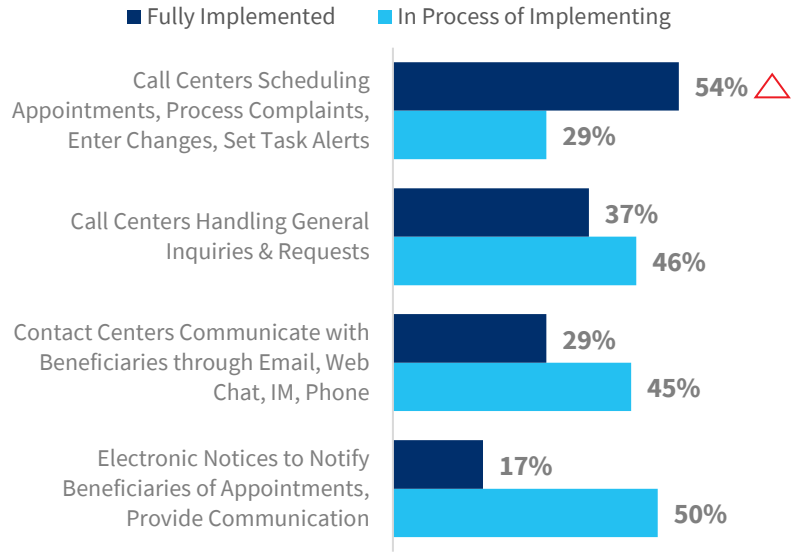
**Elevating Beneficiary & Worker Experience**

**Operating modernization is on the radar for most participating SNAP agencies, with many at the in-progress stage.**

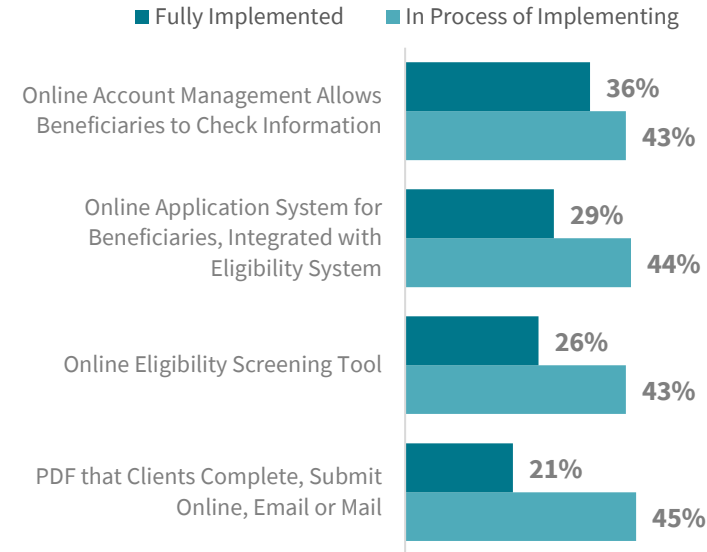
**Call center modernization has been an early focus to support scheduling, interviewing, eligibility, and processing of beneficiary complaints and changes. This could improve efficiencies and APT performance.**

## Operating Modernization Features

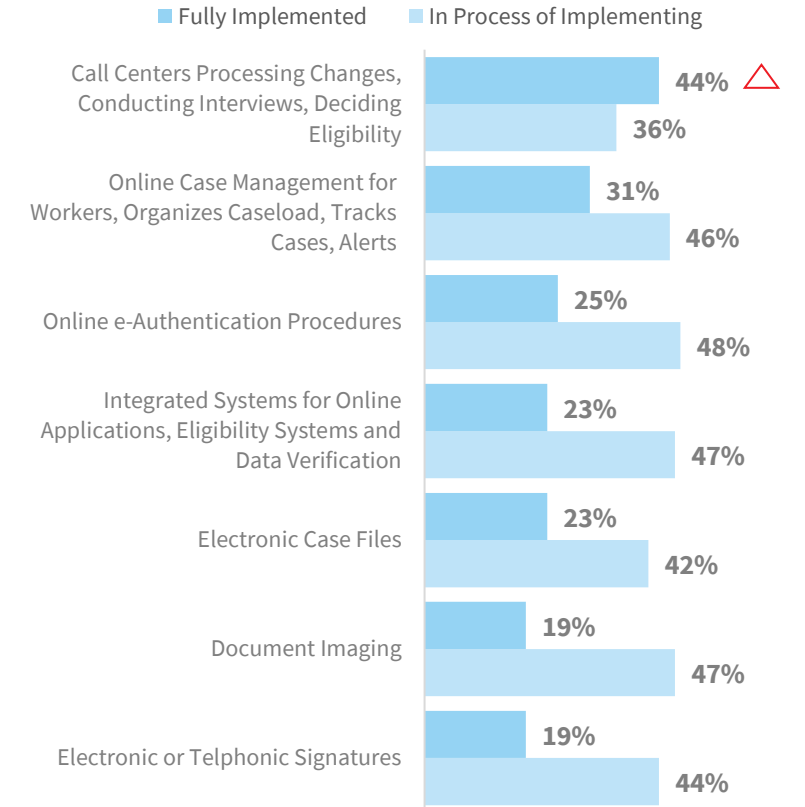
### Customer Care-focused



### Client Self-Service



### Processes & Resources



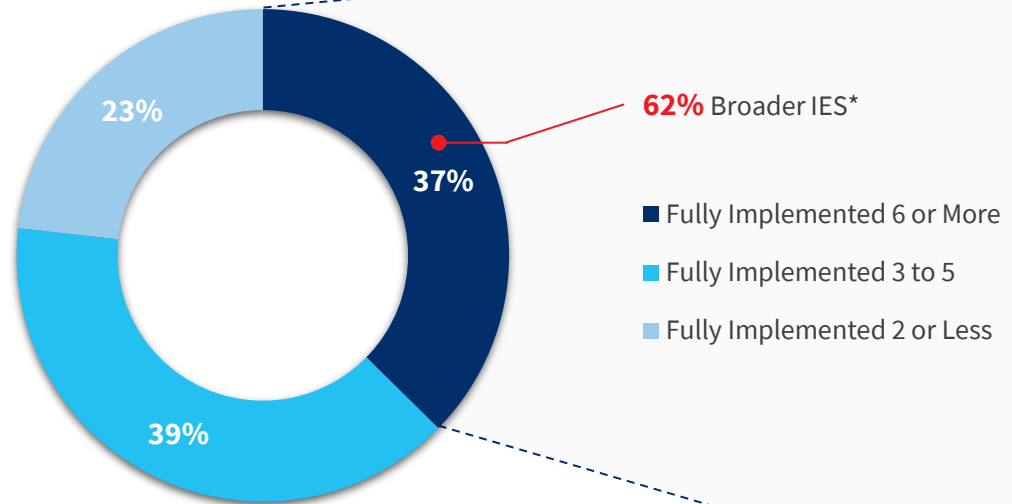
**More agencies that have fully implemented call center features** to handle scheduling, interviewing, eligibility decisions, processing of beneficiary complaints/changes, and set task alerts for case workers report meeting the 95% APT threshold (**57% complete standard applications** within 30 days for 95% of cases; **65% do so within 7 days for expedited applications**).

△ Difference from other segment within response category  
 Q: To what degree has your agency implemented any of the following SNAP modernization features?  
 \* Broader IES refers to eligibility responsibility for SNAP + Medicaid + 1-2 other programs

**A select group of participating SNAP agencies are further along with modernization, having implemented six or more features. This group particularly includes IES agencies responsible for a broader set of programs\*.**

**Many have focused on modernizing call center and online operations including handling of case files/beneficiaries, ways to support application workloads and online features to support both the beneficiary and caseworker experience.**

Number of Operating Modernization Features Fully Implemented



**62%** Broader IES\*

Agencies That Have Fully Implemented Many (6+) Operating Modernization Features

<b>Customer Care-focused</b>	Broader IES
<b>82%</b> Call Centers That Schedule Appointments, Process Complaints, Enter Changes, Set Task Alerts	86%
<b>64%</b> Call Centers Handling General Inquiries & Requests	72%
<b>50%</b> Call Centers Communicate with Beneficiaries Through Email, Web Chat, IM, Phone	59%
<b>Client Self-Service</b>	
<b>63%</b> Online Account Management Allows Beneficiaries to Check Benefit Information, Report Changes, Update Documents	69%
<b>52%</b> Online Application System Integrated with Eligibility System	59%
<b>Processes &amp; Resources</b>	
<b>68%</b> Call Centers Process Changes, Conduct Interviews, Make Eligibility Decisions	69%
<b>55%</b> Online Case Management for Workers that Organizes Caseloads by Queue, Tracks Application Routing, Alters Workers of When Case Actions are Due	65%

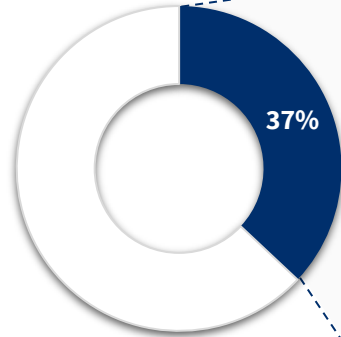
Q: To what degree has your agency implemented any of the following SNAP modernization features?  
\* Broader IES refers to eligibility responsibility for SNAP + Medicaid + 1-2 other programs



Implementing operating modernization can generate efficiencies, improve APT performance and elevate the beneficiary and worker experience.

## Number of Operating Modernization Features Fully Implemented

■ Fully Implemented  
6 or More

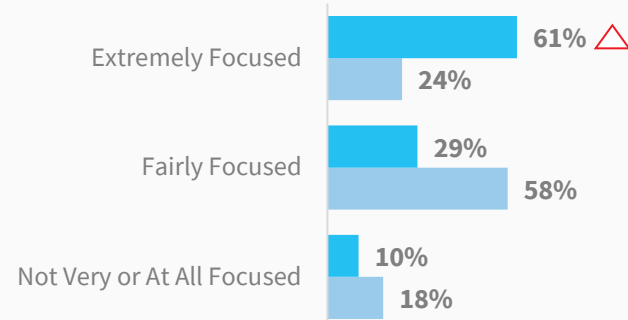


Of those that have fully implemented many operating modernization features:

- **87%** indicate meeting the APT threshold of 30/7-day completion for 95% or more cases
- Report a lower average of cases not worked (**17%**)

### Degree of Focus on Minimizing Client Friction & Improving Experience

■ High Modernization (6+ features implemented)  
■ Overall



### Degree That SNAP Backlogs Have a Significantly Negative Impact Staff

**Only 17%** of those that have fully implemented many operating modernization features indicate a significantly negative impact of backlogs on staff

**31%** of those that have implemented few or no features indicate a significantly negative impact of backlogs on staff

△ Difference from other segment within response category  
Q: To what degree has your agency implemented any of the following SNAP modernization features?

Q: Within the most recent reporting to FNS, what percent of your **regular** SNAP applications and payments have been processed within 30 days? For applications and payments that **need expediting** have been processed within 7 days?

Q: To what degree is your agency focused on minimizing customer friction when a SNAP application is completed online (via a PC) or through a mobile device or mobile app?

Q: To what degree is your agency focused on preventing churn and improving the beneficiary experience (time to service)?

\* Broader IES refers to eligibility responsibility for SNAP + Medicaid + 1-2 other programs



# Key Finding 4

MODERNIZATION, CROSS SHARING AND FRAUD  
DETECTION OPTIMIZES EXPERIENCE

# Modernization, Cross Sharing and Fraud Detection Optimizes Experience

SNAP agencies are challenged with detecting fraud while minimizing friction for beneficiaries. Malicious bots, determining transaction sources, and detecting synthetic identities are challenges that absorb application time and resources. There is need for more fraud detection solutions at the frontend.

## Fraud Challenges



Determining transaction sources and balancing fraud detection with the beneficiary experience have risen as top online application challenges.

## Fraud Solutions



There is limited use of fraud detection solutions at the application/frontend stage. More solutions are used post-issuance for transactions. This is impacting application completion times.

## Fraud Solutions Results



Findings show that agencies which combine operating modernization and information cross-sharing with frontend fraud detection solutions optimize the beneficiary and worker experience, improve APT performance and experience a lower cost of fraud.

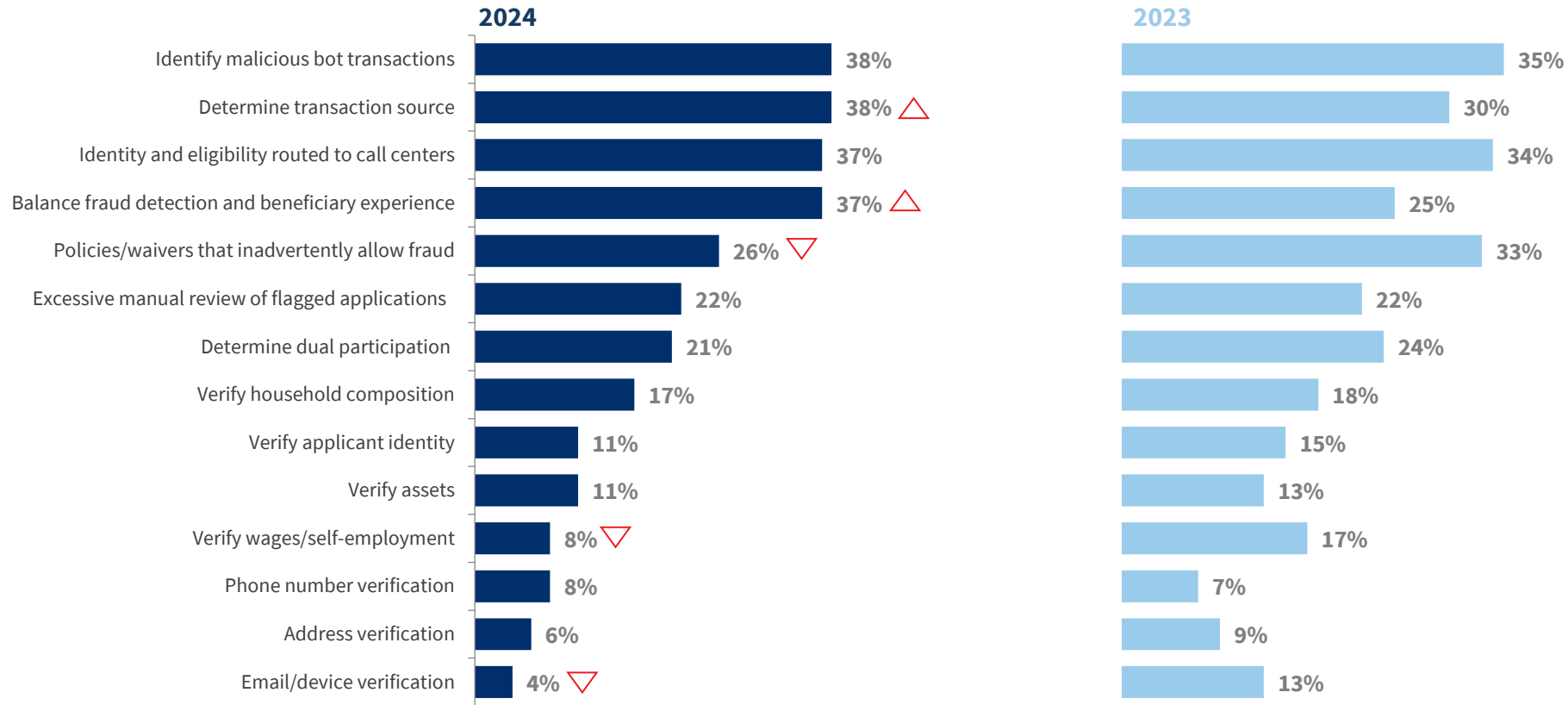
## Fraud Challenges



Determining transaction source and balancing fraud detection with the beneficiary experience have risen as top online application challenges, joining identification of malicious bots and routing of identity and eligibility to call centers.

### Top Online Channel Application Fraud Challenges

(% Ranked in Top 3)



△ Difference from previous year

\* First asked in 2024

Q: Please rank the top 3 challenges related to fraud when the SNAP application process is submitted online through your agency's website (via a PC).

## Fraud Challenges



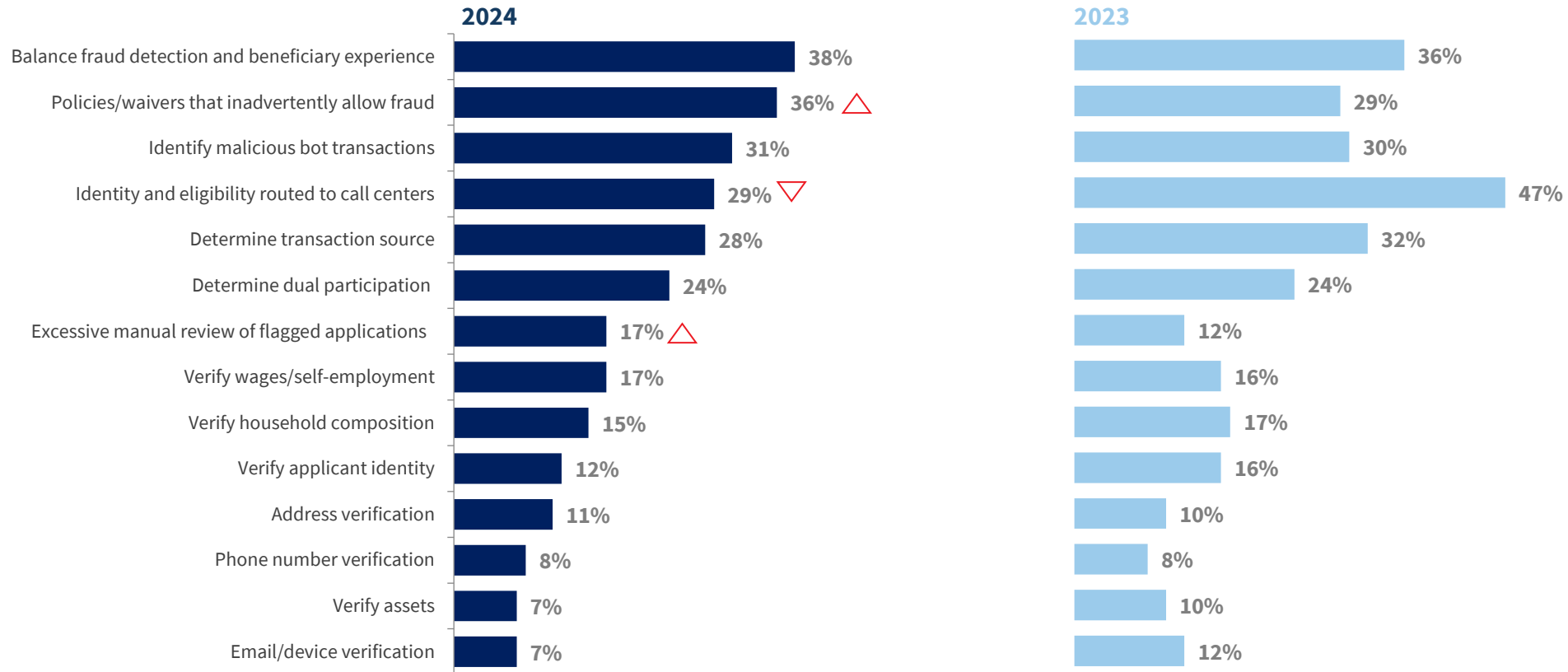
**Balancing fraud detection with optimizing the beneficiary experience remains a top mobile channel challenge, along with identifying malicious bots.**

**Policies/waivers that inadvertently allow fraud has risen as a challenge.**

KEY FINDING **4**

### Top Mobile Channel Application Fraud Challenges

(% Ranked in Top 3)



△ Difference from previous year

\* First asked in 2024

Q: Please rank the top 3 challenges related to fraud when the SNAP application process is submitted through a mobile device or mobile app.



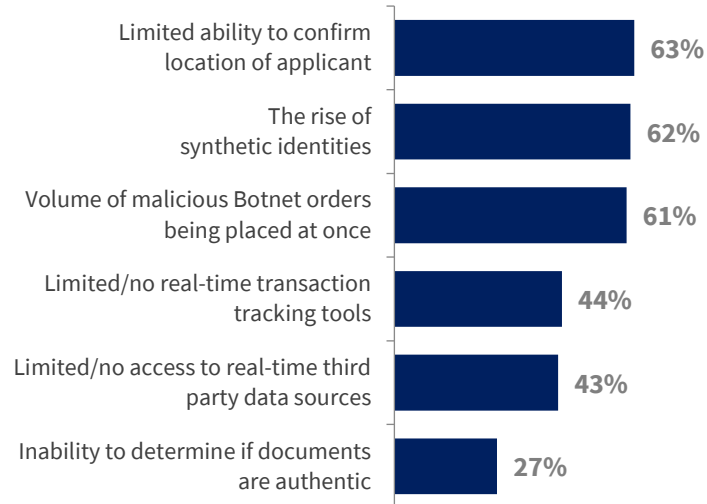
**Top identity verification challenges for online and mobile channels involve confirmation of applicant location, rise of synthetic identities, and increased volume of malicious bot applications submitted at once.**

**These contribute to delays.**

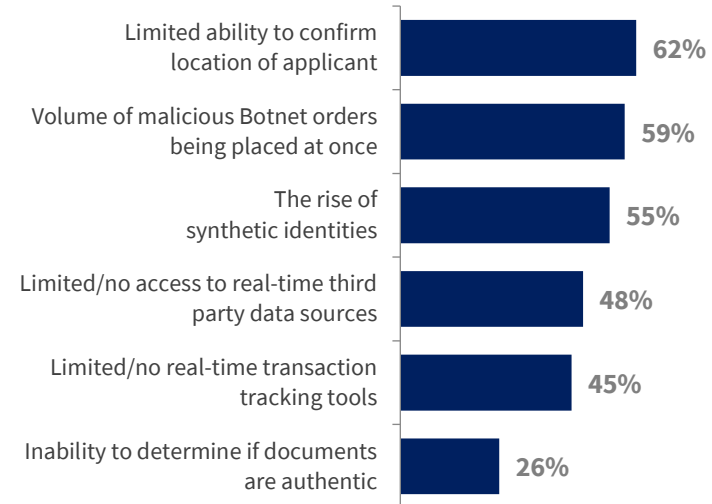
## Top Factors Contributing to Identity Verification Challenges

(% Ranked in Top 3)

Online Applications



Mobile Applications



Q: Please rank the top 3 factors that make customer identity verification a challenge when SNAP applications are submitted through your agency website (via a PC).

Q: Please rank the top 3 factors that make customer identity verification a challenge when SNAP applications are submitted a mobile device or mobile app.

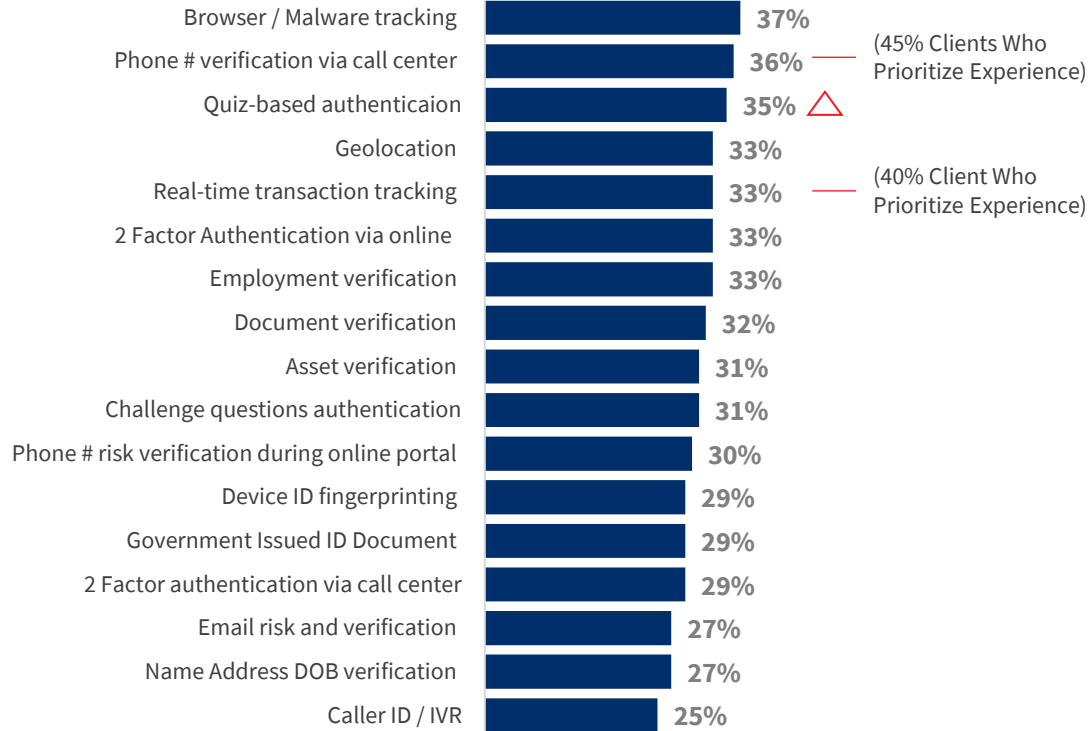


**SNAP agencies that use fraud detection/mitigation solutions are more likely to do so during post-application/issuance of benefits for transaction monitoring, tracking, device/location ID, and phone number risk/ID.**

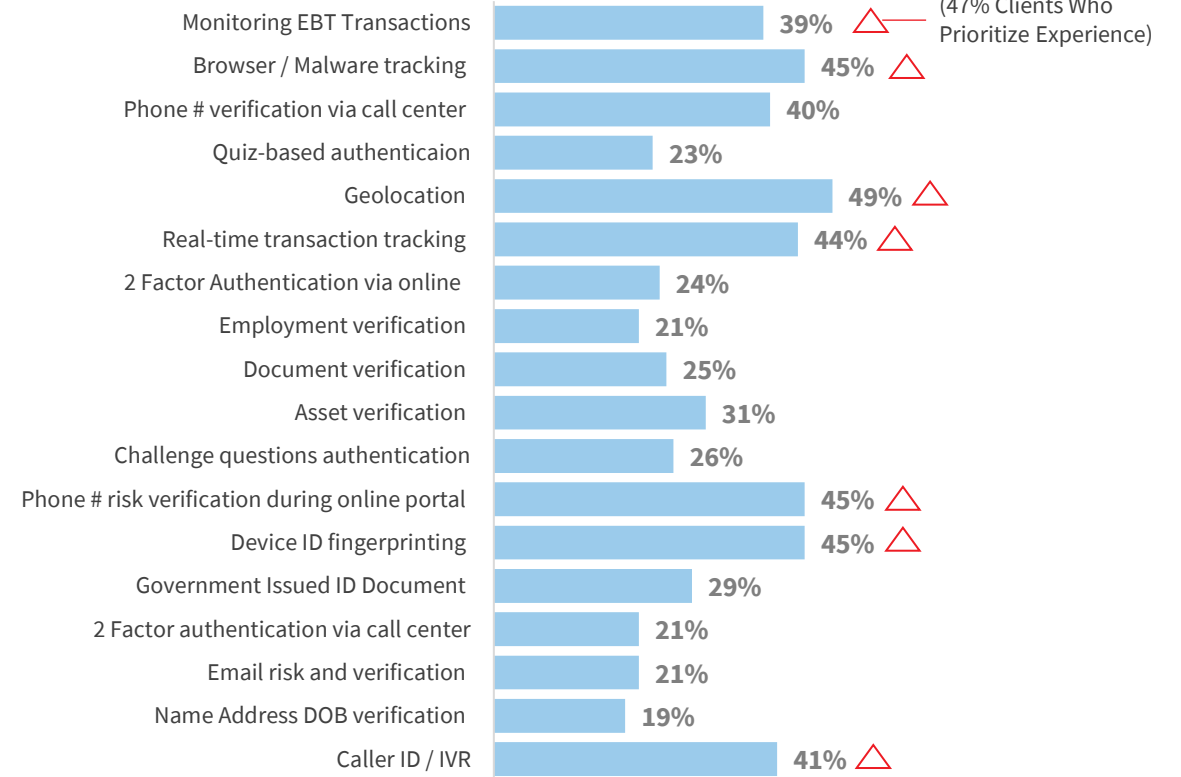
**Solutions use for pre-issuance of applications is limited.**

Percent of Agencies Indicating Use of Fraud Detection/Mitigation Solutions

Pre-Issuance



Post-Issuance



△ Difference between pre-issuance and post-issuance reported solutions use

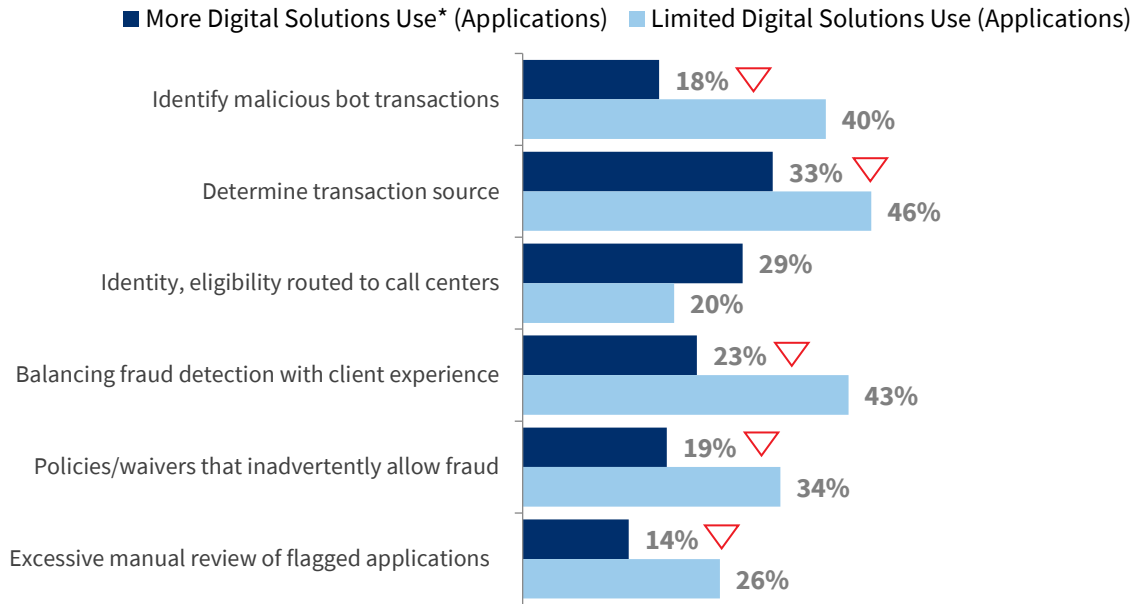
Q: Which solutions/tools/resources does your agency currently use to detect and mitigate fraud associated with SNAP applications/eligibility/recertification (pre-issuance)?

Q: Which solutions/tools/resources does your agency currently use to detect and mitigate fraud associated with SNAP post-application/post-issuance (i.e., for card skimming, account takeover, etc.).

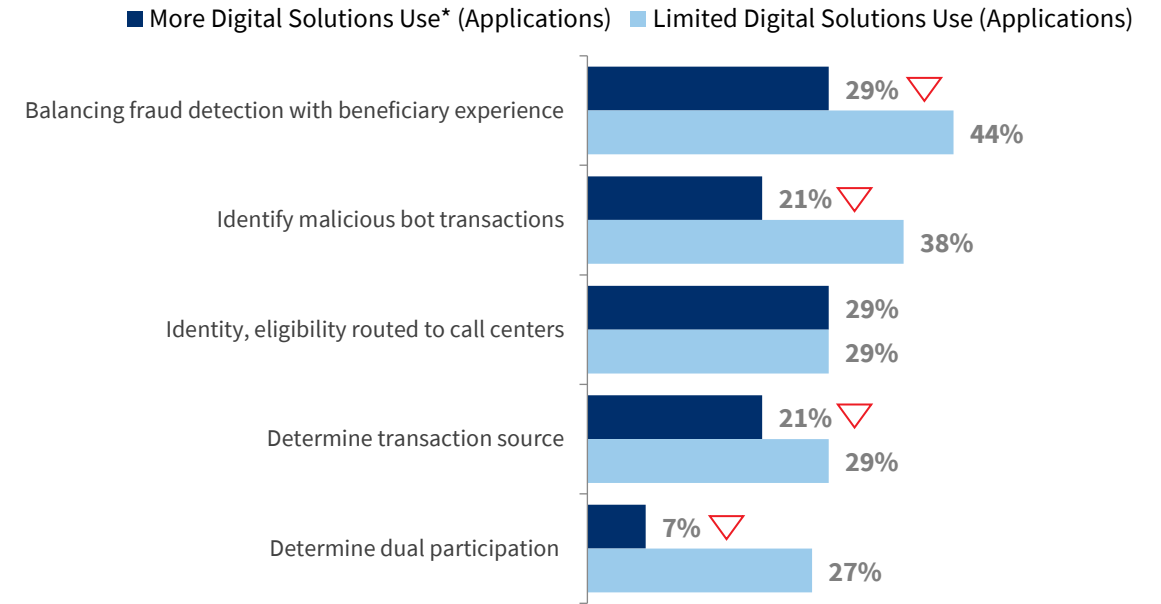


**Fraud detection and mitigation solutions can significantly reduce the challenges associated with online and mobile channel application fraud assessment, including identifying malicious bots that escape the trained eye, and elevating the beneficiary experience. Solution use can also support stronger APT performance.**

### Solutions Impact on Top Online Channel Application Fraud Challenges (IES)



### Solutions Impact on Top Mobile Channel Application Fraud Challenges (IES)



**62%** that use more digital fraud detection solutions indicate meeting the APT threshold of 30-day completion for 95% or more cases  
**71%** indicated meeting the 7-day completion threshold; for those with limited solutions use, only 43% of agencies cited meeting this threshold

△ Difference from other segment within response category

\* Involves higher percentage use of digital authentication solutions including Phone Risk & Verification for Call Center and Online Portal, Device ID/Fingerprint, Browser/Malware Tracking, Two-Factor/OTP and Authentication via Challenge Questions. Results can vary and may not be the same for every agency. For illustration purposes only.

Q: Please rank the top 3 challenges related to fraud when the SNAP application process is submitted online through your agency's website (via a PC).

Q: Within the most recent reporting to FNS, what percent of your **regular** SNAP applications and payments have been processed within 30 days? For applications and payments that **need expediting** have been processed within 7 days?

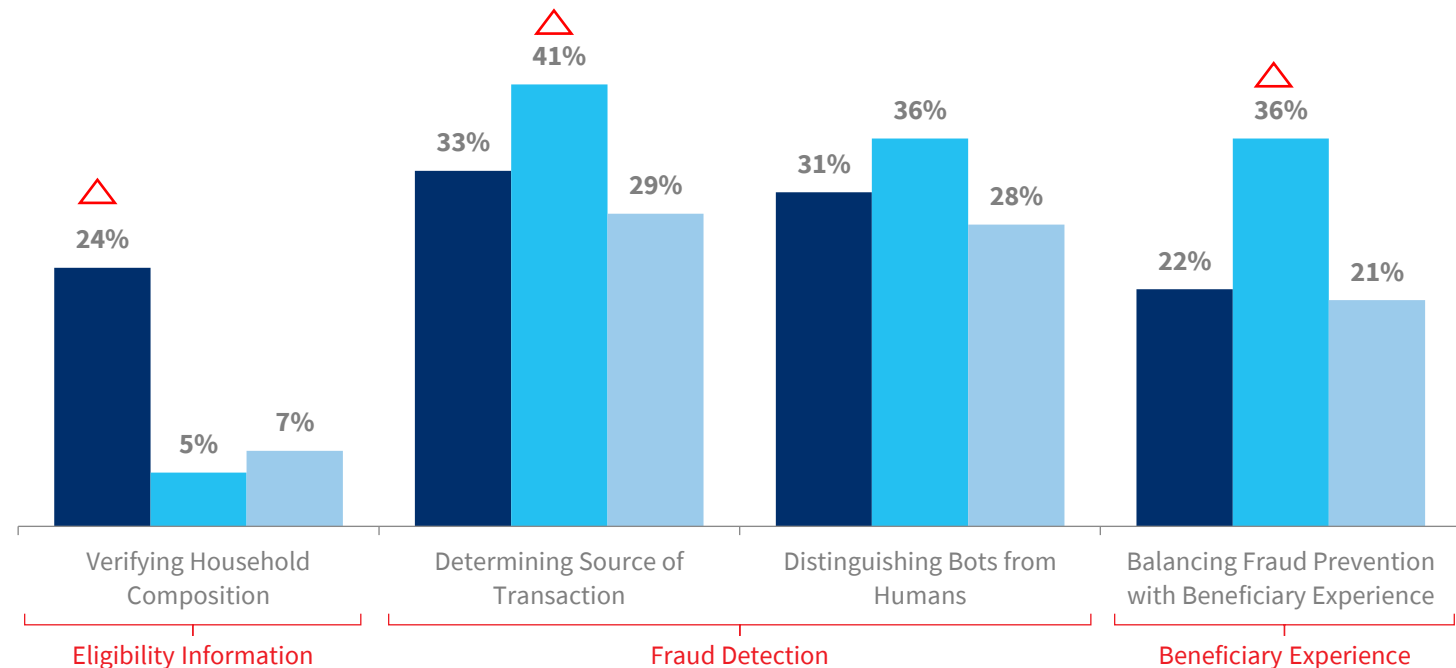


As stated earlier, information cross-sharing is beneficial to assessing eligibility. On its own, cross-sharing may not be as effective for detecting and mitigating fraud, as these agencies are still facing fraud challenges via the online channel. Cross-sharing becomes more effective when combined with fraud risk and analytical solutions which can uncover hidden relationships and red flags.

### Information Cross-Sharing & Solutions Impact: Fraud Challenges with Online Application (IES Agencies)

- Not Fully Cross Sharing, Limited Fraud Solutions
- Fully Cross Sharing, Limited Fraud Solutions
- Fully Cross Sharing & Using Fraud Solutions

\* Involves higher percentage use of digital authentication solutions including Phone Risk & Verification for Call Center and Online Portal, Device ID/Fingerprint, Browser/Malware Tracking, Geolocation and Real-Time Transaction Tracking. Results can vary and may not be the same for every agency. For illustration purposes only.



△ Difference from other responses

Q: Please rank the top 3 challenges related to fraud when the SNAP application process is submitted online through your agency's website (via a PC).

Q: Please select your agency's level of integration in its IES.

Q: Which solutions/tools/resources does your agency currently use to detect and mitigate fraud associated with SNAP applications/eligibility/recertification (pre-issuance)?

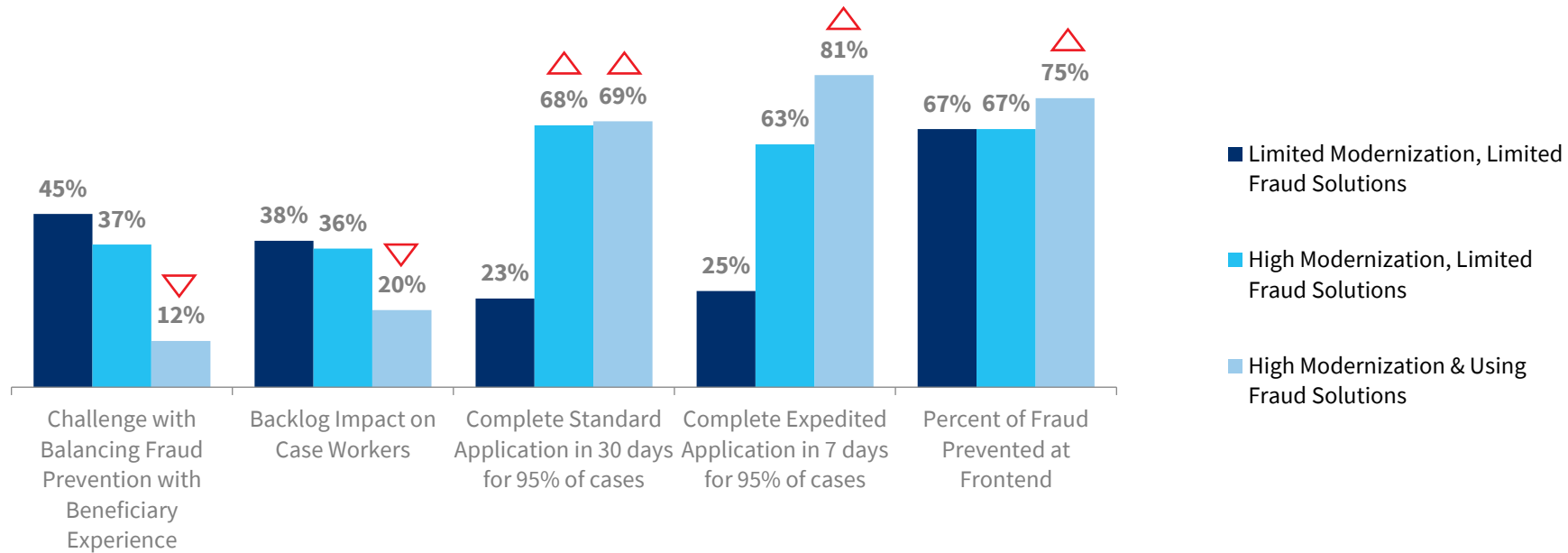




Elevating the beneficiary and case worker experience through operating modernization is strengthened when combined with fraud detection and mitigation solutions that expedite fraud assessment during application processing.

This also increases the amount of fraud prevented at the frontend while lowering the cost of fraud.

### Elevating the Beneficiary and Case Worker Experience, Reducing the Cost of Fraud



Every \$1 of lost benefits value actually costs

\$4.04

\$3.81

\$3.55

△ Difference from other segment within response category

Q: Which solutions/tools/resources does your agency currently use to detect and mitigate fraud associated with SNAP applications/eligibility/recertification (pre-issuance)?

Q: To what degree has your agency implemented any of the following SNAP modernization features?

Q: Within the most recent reporting to FNS, what percent of your **regular** SNAP applications and payments have been processed within 30 days? For applications and payments that **need expediting** have been processed within 7 days?

Q: In a typical month, approximately what percent of fraudulent applications are prevented at the front-end by your agency?



Fraud is very complex; various risks can occur simultaneously with no single solution. Fraud tools need to authenticate both digital and physical criteria, as well as both identity and transaction risk.

## Fraud Issues



DIGITAL SERVICES

Fast transactions, easy synthetic identity and botnet targets; **need velocity checking to determine transaction risk along with data and analytics to authenticate the individual**



ACCOUNT-RELATED FRAUD

Breached data **requires more levels of security, as well as authenticating the person from a bot or synthetic ID**



SYNTHETIC IDENTITIES

**Need to authenticate the whole individual** behind the transaction in order to distinguish from a fake identity based on partial real data



BOTNET ATTACKS

Mass human or automated attacks often to test cards, passwords/credentials or infect devices



MOBILE CHANNEL

Source origination and infected devices add risk; mobile bots and malicious malware makes authentication difficult; **need to assess the device and the individual**

## Solution Options

### ASSESSING THE TRANSACTION RISK

#### Velocity checks/transaction scoring:

monitors historical transaction patterns of an individual against their current transactions to detect if volume by the cardholder matches up or if there appears to be an irregularity. **Solution examples:** real-time transaction scoring; automated transaction scoring



### AUTHENTICATING THE PHYSICAL PERSON

**Basic Verification:** verifying name, address, DOB or providing a CVW code associated with a card. **Solution examples:** check verification services; payment instrument authentication; name/address/DOB verification

**Active ID Authentication:** use of personal data known to the customer for authentication; or where a user provides two different authentication factors to verify themselves.

**Solution examples:** authentication by challenge or quiz; authentication using OTP/2 factor



### AUTHENTICATING THE DIGITAL PERSON

**Digital identity/behavioral biometrics:** analyzes human-device interactions and behavioral patterns, such as mouse clicks and keystrokes, to discern between a real user and an impostor by recognizing normal user and fraudster behavior. **Solution examples:** authentication by biometrics; email/phone risk assessment; browser/malware tracking; device ID / fingerprinting

**Device assessment:** uniquely identify a remote computing device or user. **Solution examples:** device ID/ fingerprint; geolocation



**Best practice approaches involve a layering of different solutions to address unique risks from different channels, payment methods, and products. And they go farther by integrating capabilities and operations with their fraud prevention efforts.**

### Integration

#### *Tools & Capabilities with Fraud Prevention Approach*

- Cybersecurity Alerts
- Artificial Intelligence/Machine Learning Models
- Cybersecurity Operations
- Digital / Customer Experience Operations
- Dual Participation
- Program Integrity

### Fraud Detection & Prevention Solution Layering

A multi-layered solution approach is essential to fighting fraud while mitigating customer friction.

Address both identity and transaction fraud risks.



Different risks selling digital versus physical goods

Different challenges and risks for mobile versus online

Botnets and malware can compromise mobile devices. Authenticate both the user and device

### Strategy & Focus

#### *Minimizing Friction While Maximizing Fraud Protection*

- Tracking successful and prevented fraud by both transaction channel and payment method
- Use of digital / passive authentication solutions to lessen customer effort (let solutions do the work behind the scenes)
- Assessing both the individual and transactional risk



**Integration of Cybersecurity and Digital Customer Experience Operations with Fraud Prevention Approach**

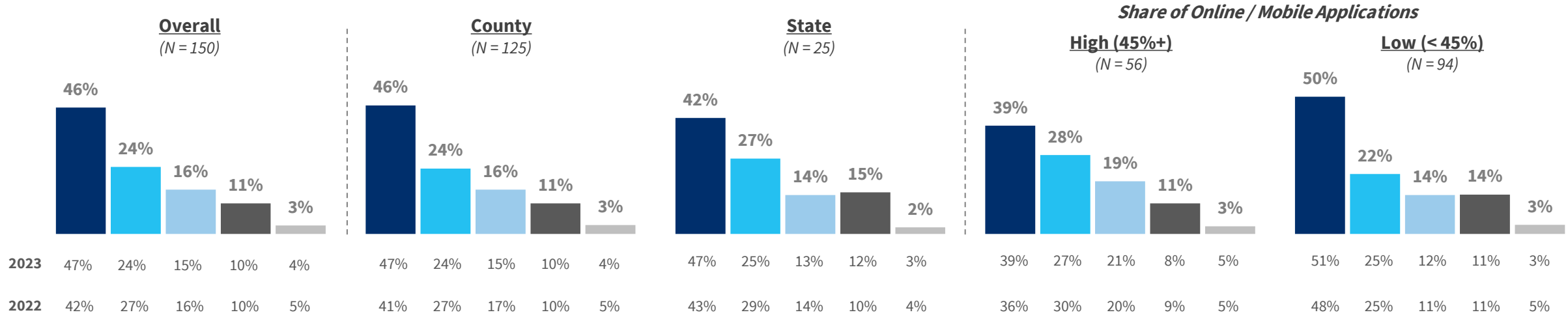


# Appendix

# Snap Application Volume Across Channels

Distribution of SNAP Applications Across Channels in the Past 12 Months (2024)

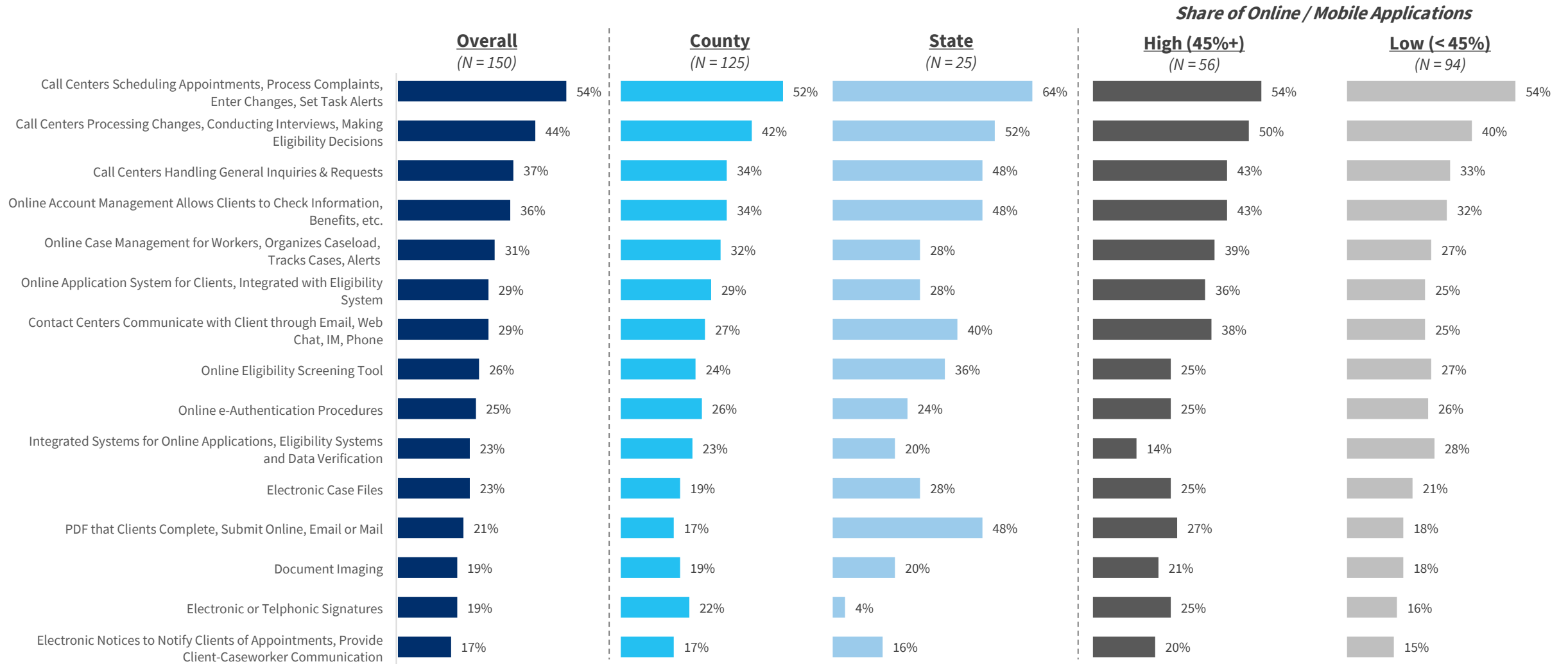
■ In-Person ■ Online ■ Mobile ■ Contact/Call Center ■ Other (mail, fax)



Q: Please indicate the percentage of SNAP applications submitted over the past 12 months across each of the following channels used by your agency.

# Operating Modernization

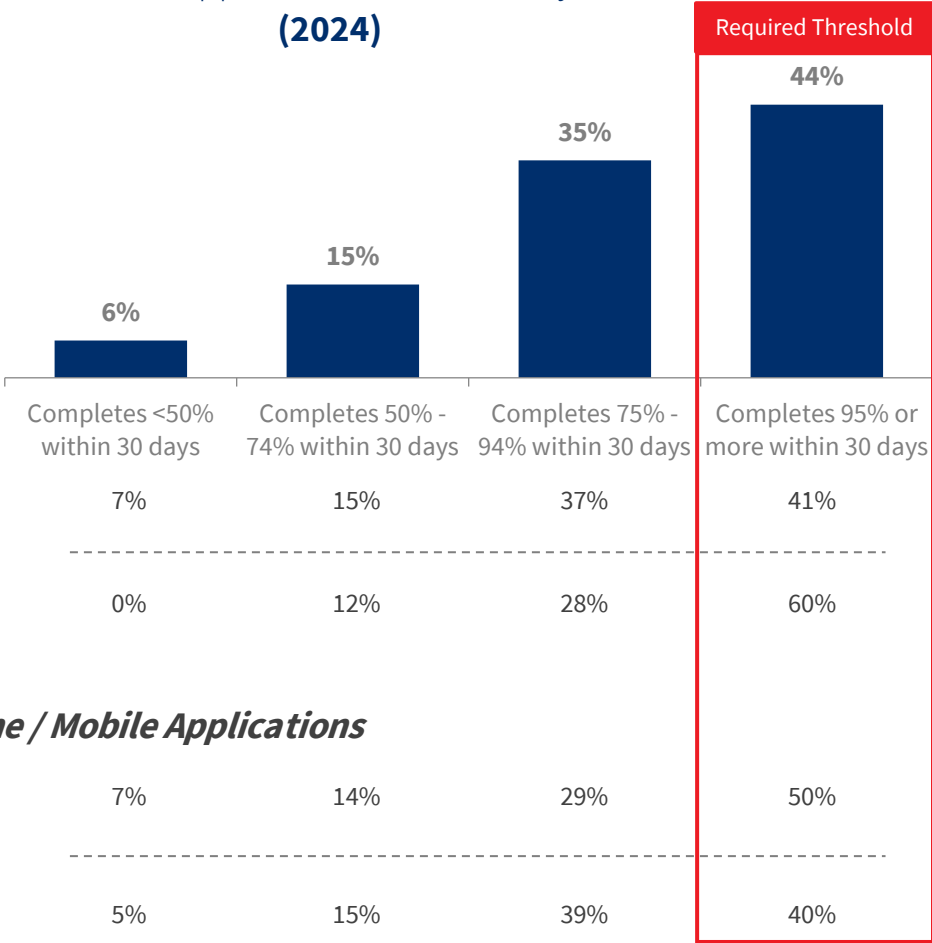
Percent of SNAP Agencies that Have **Fully Implemented** Operating Modernization Features (2024)



Q: To what degree has your agency implemented any of the following SNAP modernization features?

# Application Processing Timeline

**Meeting Application Processing Timeline Requirement**  
(95% of applications within 30 days)  
**(2024)**



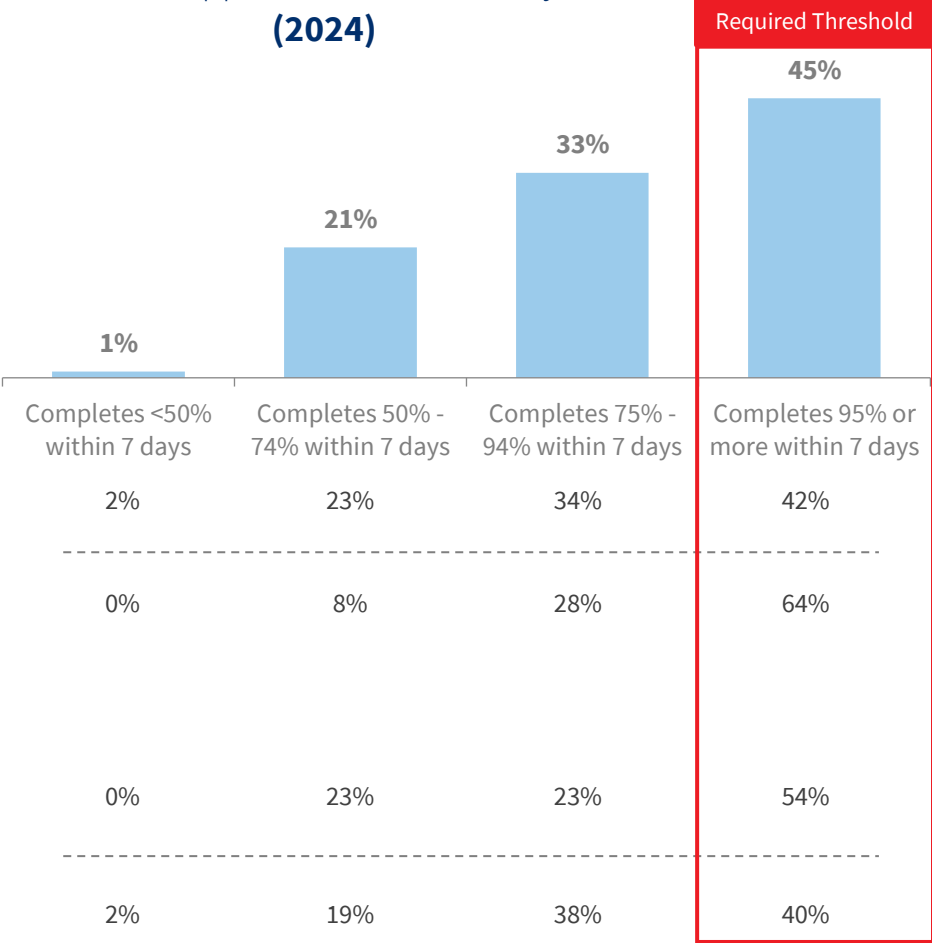
**County**  
(N = 125)

**State**  
(N = 25)

**High (45%+)**  
(N = 56)

**Low (< 45%)**  
(N = 94)

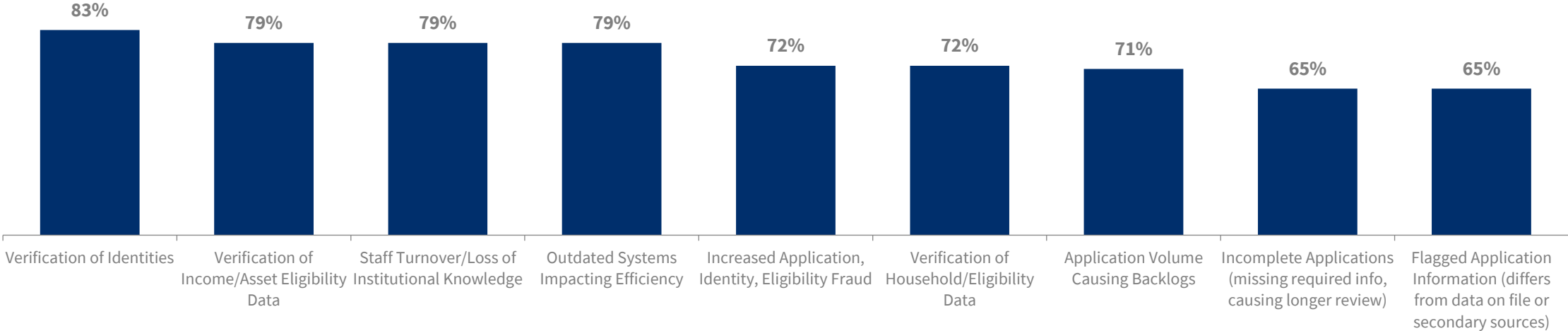
**Meeting Application Processing Timeline Requirement for Those in Need of Expediting**  
(95% of applications within 7 days)  
**(2024)**



Q: Within the most recent reporting to FNS, what percent of your **regular** SNAP applications and payments have been processed within 30 days? For applications and payments that **need expediting** within 7 days?

# Application Processing Timeline

## Reasons for SNAP Application Delays/Backlogs (Those Meeting APT Threshold 75% or Less) (2024)



	Verification of Identities	Verification of Income/Asset Eligibility Data	Staff Turnover/Loss of Institutional Knowledge	Outdated Systems Impacting Efficiency	Increased Application, Identity, Eligibility Fraud	Verification of Household/Eligibility Data	Application Volume Causing Backlogs	Incomplete Applications (missing required info, causing longer review)	Flagged Application Information (differs from data on file or secondary sources)
<b>County</b> (N = 38)	84%	79%	76%	76%	71%	71%	71%	68%	68%
<b>State</b> (N = 4)	75%	75%	100%	100%	100%	100%	75%	25%	25%

### Share of Online / Mobile Applications

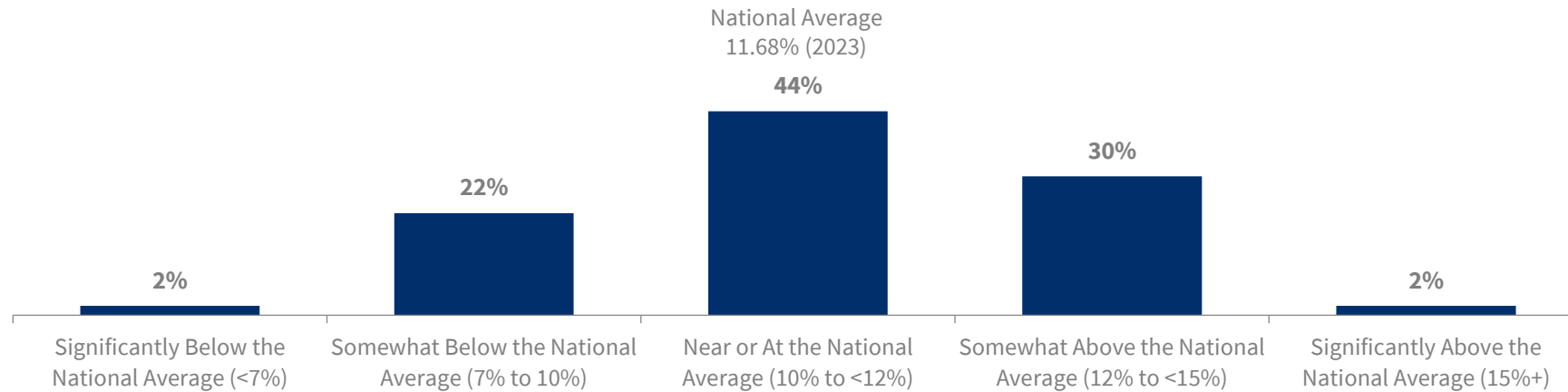
	Verification of Identities	Verification of Income/Asset Eligibility Data	Staff Turnover/Loss of Institutional Knowledge	Outdated Systems Impacting Efficiency	Increased Application, Identity, Eligibility Fraud	Verification of Household/Eligibility Data	Application Volume Causing Backlogs	Incomplete Applications (missing required info, causing longer review)	Flagged Application Information (differs from data on file or secondary sources)
<b>High (45%+)</b> (N = 16)	69%	69%	81%	50%	2%	75%	81%	69%	75%
<b>Low (&lt; 45%)</b> (N = 26)	89%	85%	77%	18%	2%	69%	62%	62%	62%

Q: To what degree do the following contribute to SNAP application delays/backlogs?



# Payment Error Rate

## Payment Error Rate by the National Average Threshold (11.68% or less) (2024)



### County (N = 125)

2%	22%	43%	30%	2%
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### State (N = 25)

0%	20%	52%	28%	0%
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### Share of Online / Mobile Applications

#### High (45%+) (N = 56)

2%	13%	38%	50%	0%
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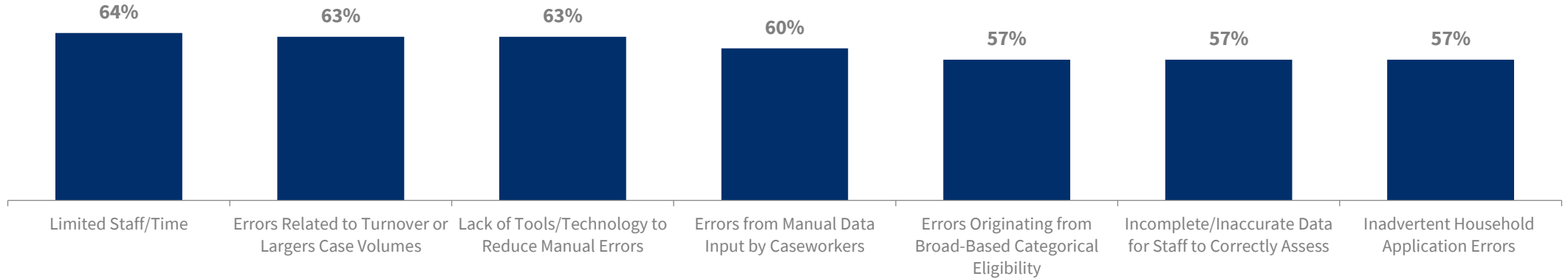
#### Low (< 45%) (N = 94)

2%	27%	50%	18%	3%
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Q: As it relates to accuracy, has your state's payment error rate during the past 12 months been below, above or around the national average of 11.68%?

# Payment Error Rate

## Reasons for Higher Payment Error Rates (Those At or Above the National Average) (2024)



### County

(N = 95)

65%	64%	60%	63%	56%	54%	56%
-----	-----	-----	-----	-----	-----	-----

### State

(N = 20)

60%	60%	70%	50%	60%	65%	60%
-----	-----	-----	-----	-----	-----	-----

## Share of Online / Mobile Applications

### High (45%+)

(N = 48)

52%	71%	56%	50%	48%	60%	60%
-----	-----	-----	-----	-----	-----	-----

### Low (< 45%)

(N = 67)

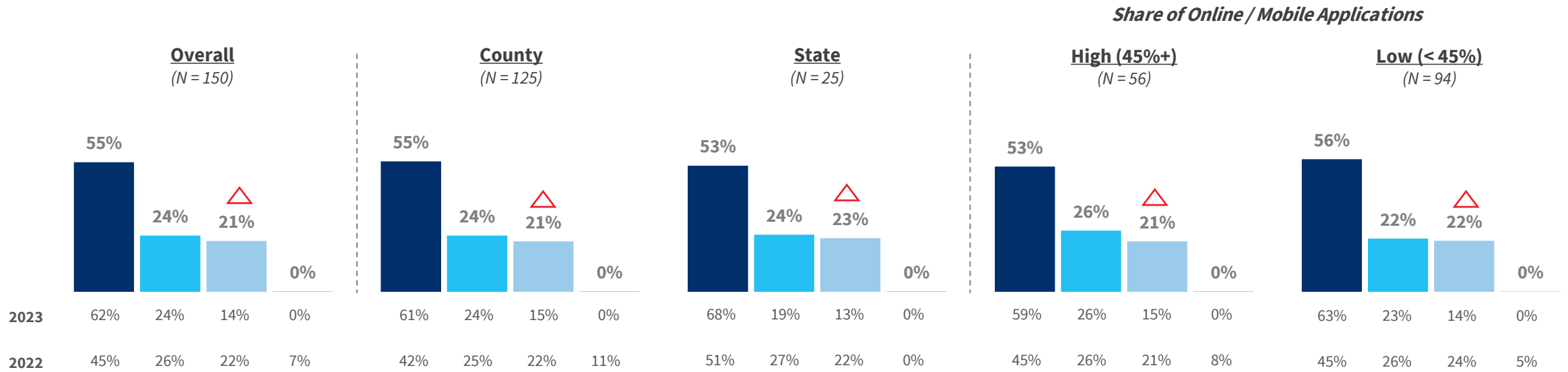
70%	55%	65%	65%	63%	52%	52%
-----	-----	-----	-----	-----	-----	-----

Q: To what degree do the following contribute to your agency's SNAP payment errors?

# EBT Transaction Methods

## Distribution of Electronic Benefits Transfer (EBT) Card Transactions in the Past 12 Months (2024)

■ In-Person Using PIN, Swiping Card   
 ■ Online Purchases   
 ■ Card Connected Mobile/Digital Wallet   
 ■ Don't Know/Not Tracked



△ Increase from prior year (2023)

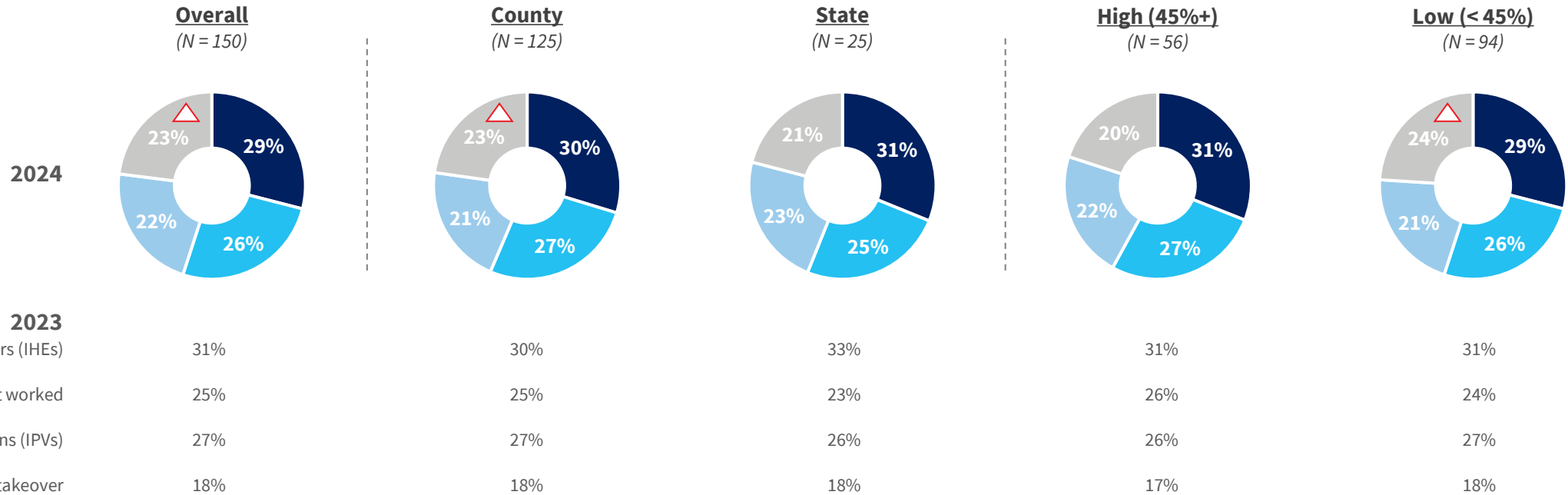
Q: Please distribute 100 points to indicate the approximate percentage that total transactions/purchases during the past 12 months were completed through the following methods.

# Snap Fraud Losses

## Distribution of SNAP Fraud Losses by Activity (2024)

- Inadvertent household errors (IHEs)
- Suspicious fraud cases not worked given lack of resources
- Intentional program violations (IPVs)
- EBT Skimming/account take over

### Share of Online / Mobile Applications



△ Increase from prior year (2023)

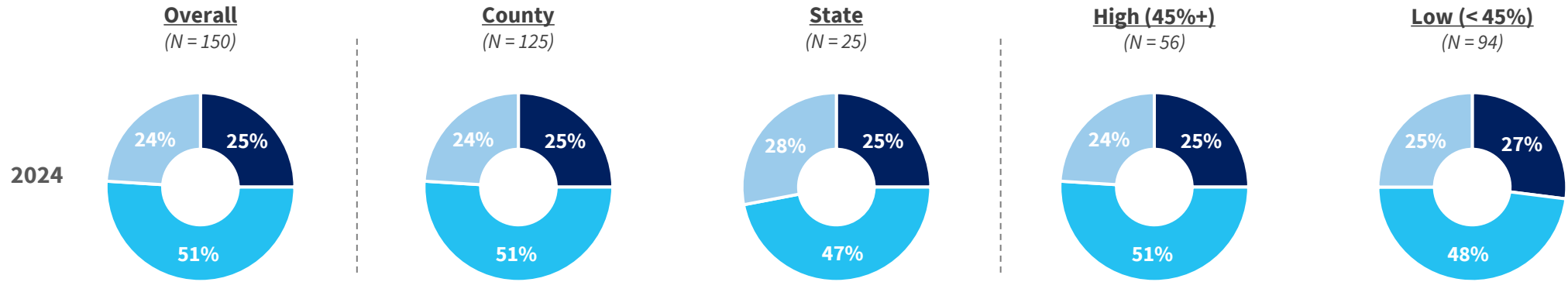
Q: Adding to 100%, what percentage do each of the following account for your total SNAP fraud losses of [IF COUNTY, insert Q5a response; IF STATE, insert Q5b response] during the past year?

# Snap Fraud Costs

## Distribution of Direct Fraud Costs (2024)

■ Dollar value of benefits lost through fraud Internal labor costs
 ■ Internal labor costs
 ■ Administrative costs

### Share of Online / Mobile Applications



### 2023

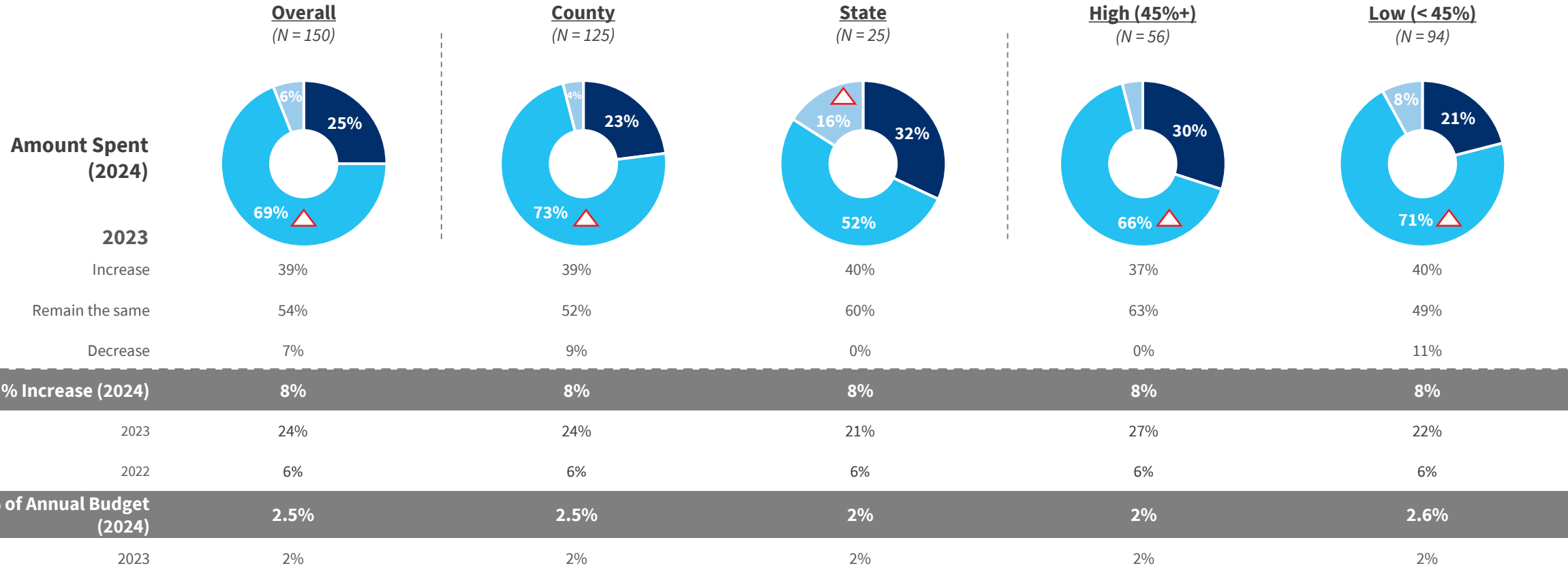
	Overall (N = 150)	County (N = 125)	State (N = 25)	High (45%+) (N = 56)	Low (<45%) (N = 94)
Dollar value of benefits lost through fraud	26%	26%	27%	26%	28%
Internal labor costs	50%	50%	45%	50%	48%
Administrative costs	24%	24%	28%	24%	24%

Q: Adding to 100%, what percentage do each of the following direct fraud costs account for your total SNAP fraud losses during the past year?

# Fraud Prevention

## Fraud Prevention Solutions Budget (2024)

■ Increase ■ Remain the same ■ Decrease



Increase from prior year (2023)

Q: Approximately, what percent of your annual budget is dedicated to the detection and prevention of fraud?

Q: Do you expect the amount you spend on fraud prevention solutions to increase, remain the same, or decrease in the next year?

# Fraud Losses

## Distribution of Fraud Losses by Fraud Type (2024)

■ Identity fraud with applications
 ■ Identity fraud with account takeover
 ■ Eligibility fraud
 ■ Fraud involving tracking of benefits

### Share of Online / Mobile Applications

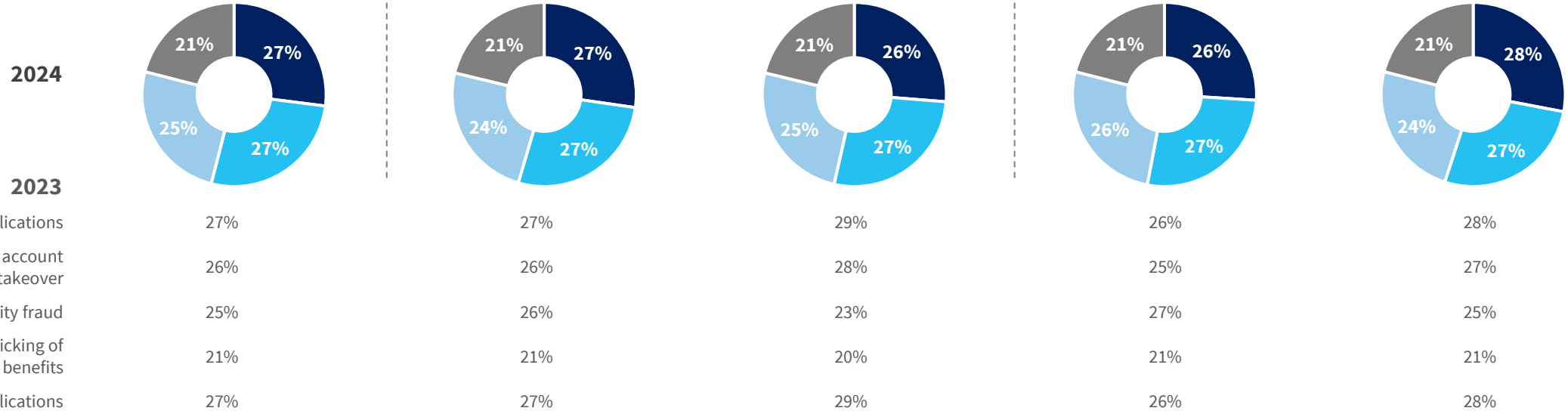
**Overall**  
(N = 150)

**County**  
(N = 125)

**State**  
(N = 25)

**High (45%+)**  
(N = 56)

**Low (<45%)**  
(N = 94)

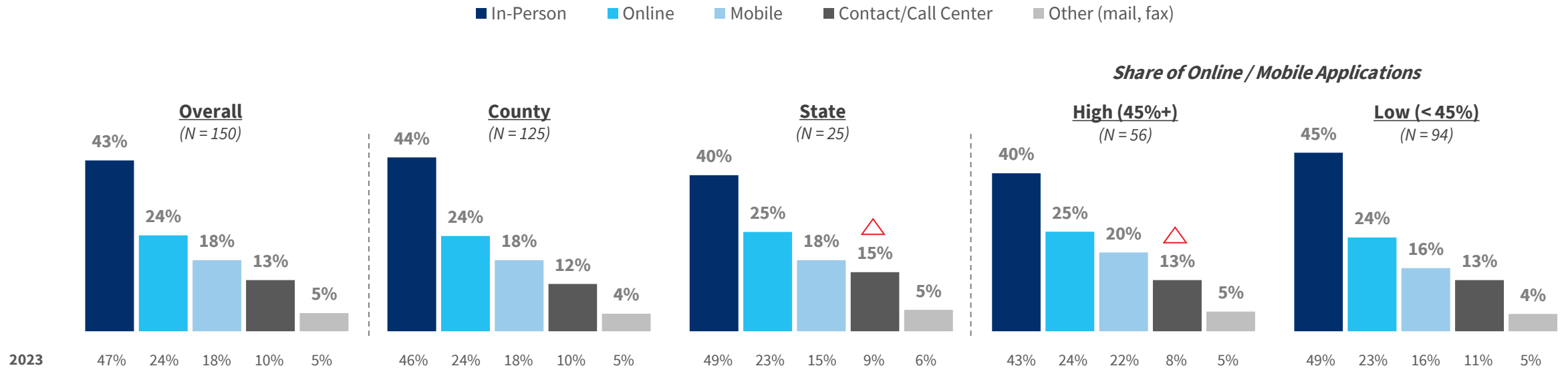


△ Increase from prior year (2023)

Q: Applying to 100%, how many of your fraud losses were from the following types of fraud during the past year?

# Fraud Costs

## Distribution of SNAP Fraud Costs Across Channels in the Past 12 Months (2024)



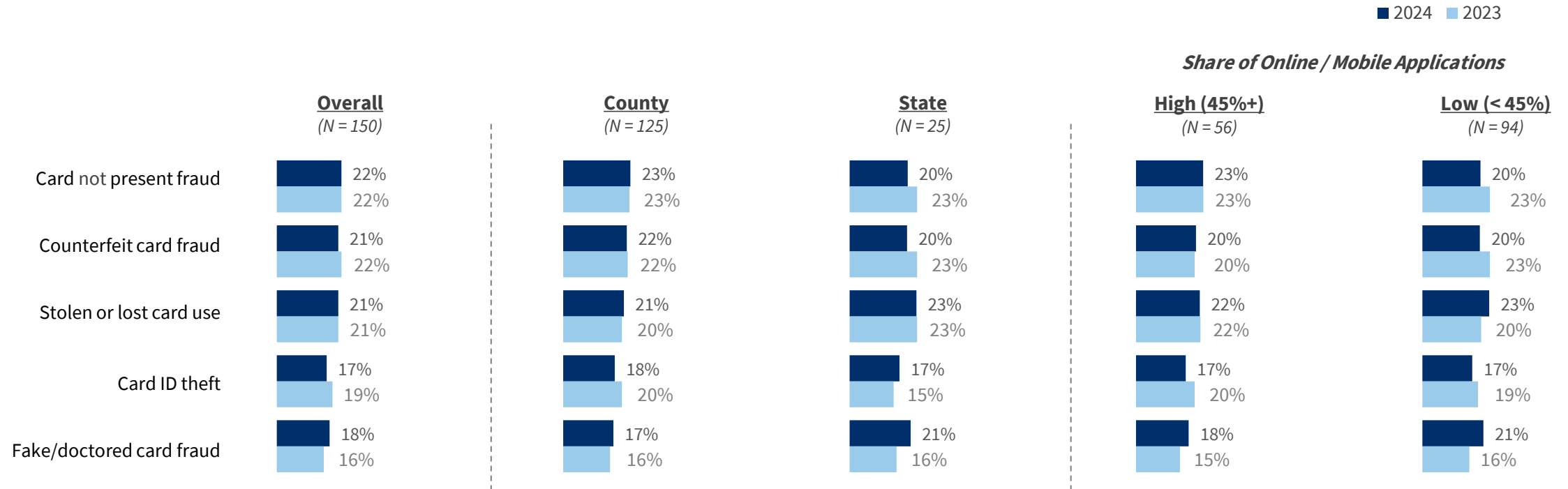
△ Increase from prior year (2023)

Q: Adding to 100%, please indicate the percent of fraud costs generated through each of the following channels currently used for SNAP applications (as a percentage of total annual fraud losses).



# EBT Fraud

## Distribution of Electronic Benefits Transfer (EBT) Card-Related Fraud Losses



△ Increase from prior year (2023)

Q: For fraud losses related to EBT transactions/purchases, please indicate the distribution across the following types of card fraud.

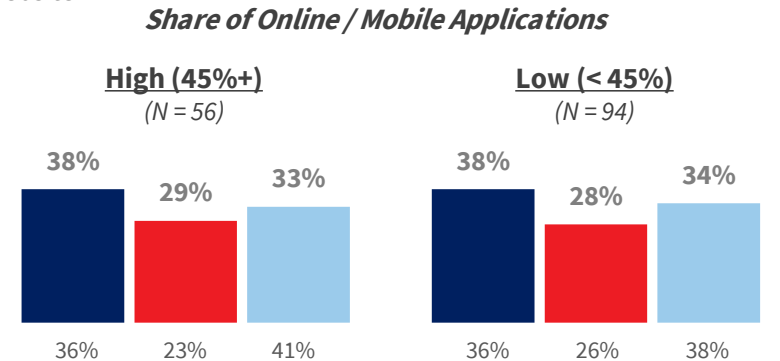
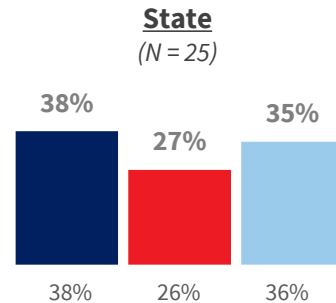
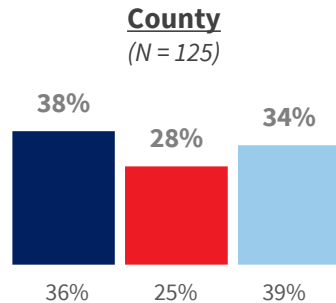
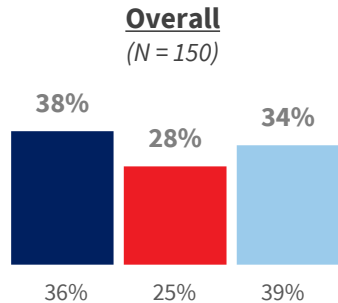
# Mobile Applications Fraud

## Distribution of Mobile Applications Fraud in the Past 12 Months (2024)

■ 3rd Party Mobile App ■ Own Branded/Created Mobile App ■ Mobile Device to Visit Website

**Distribution of Applications Fraud Across Mobile Device/App**

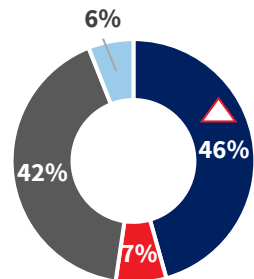
2023



**Change in Mobile Applications Fraud in Past 12 Months**

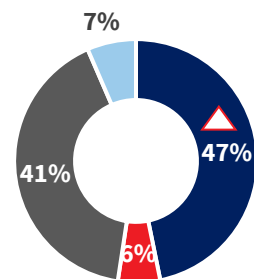
2023

Increased  
Decreased  
Remained the same  
Don't know

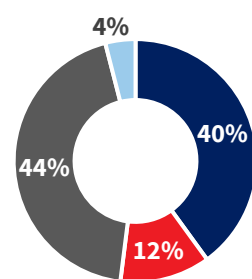


41%  
10%  
45%  
5%

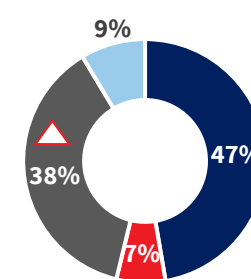
■ Increased ■ Decreased ■ Remained the same ■ Don't know



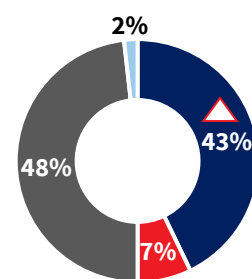
41%  
9%  
44%  
6%



40%  
12%  
48%  
0%



49%  
12%  
31%  
8%



36%  
8%  
52%  
3%

▲ Increase from prior year (2023)

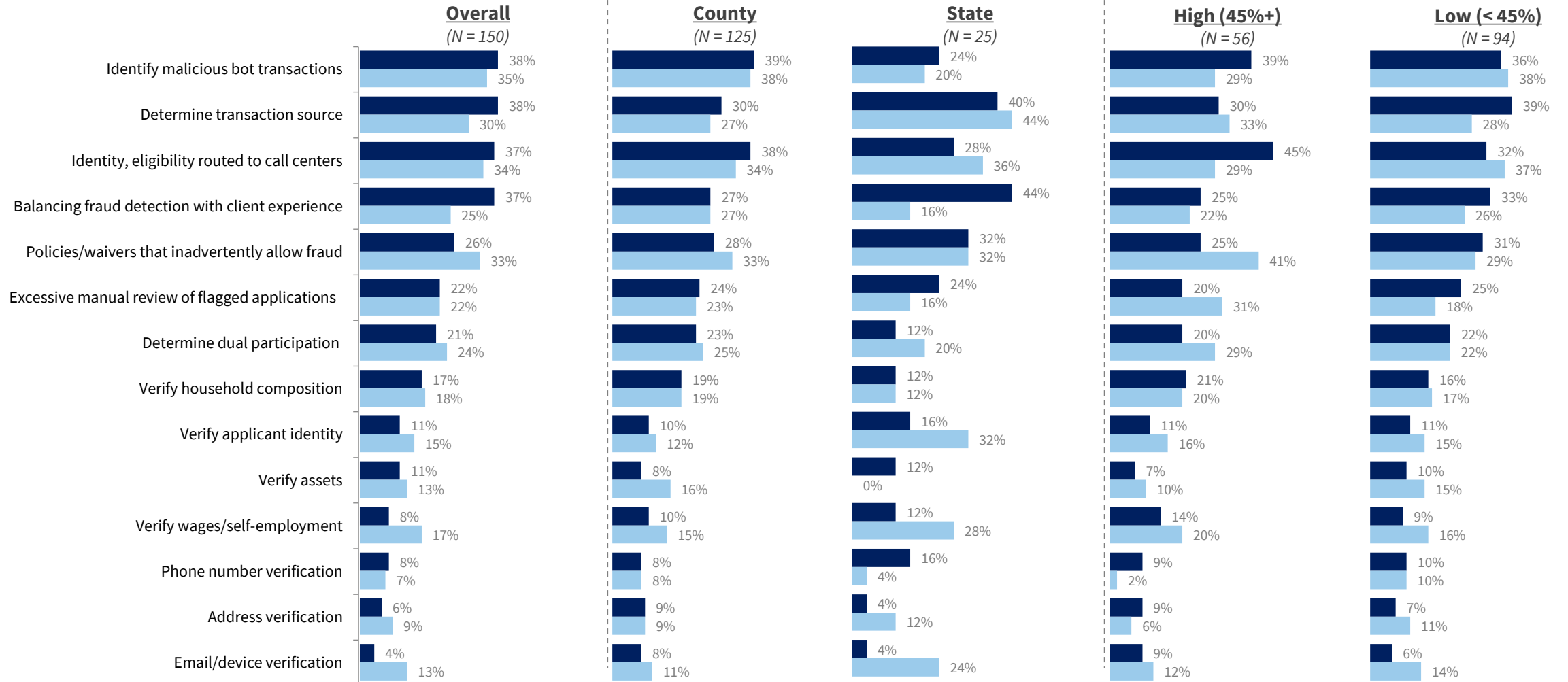
Q: For SNAP applications conducted through a mobile device or mobile app, what percentage do the following account for applications fraud?

Q: Has fraud with applications through mobile devices or mobile apps increased, decreased or stayed during the past 12 months?

# Application Fraud Challenges

## Top Online Applications Fraud Challenges (% Ranked in Top 3)

■ 2024 ■ 2023



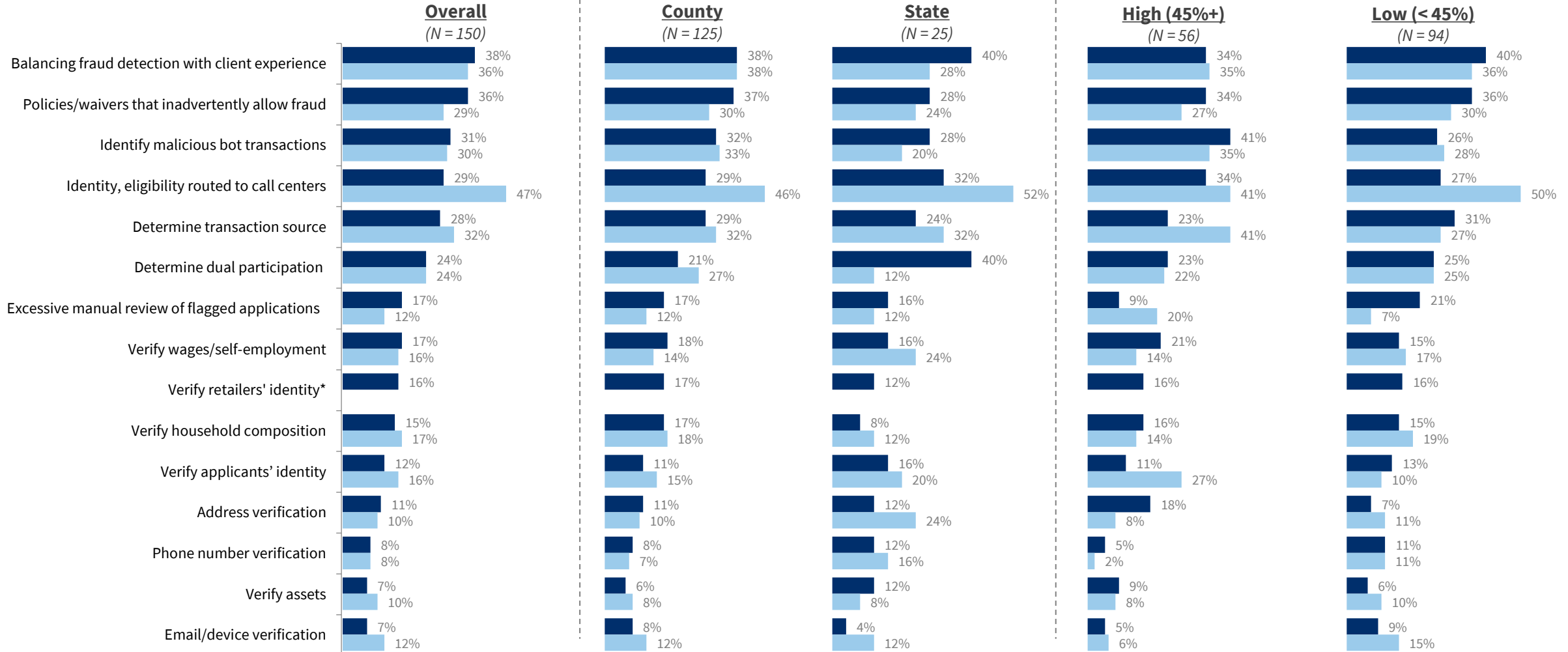
\* First asked in 2024

Q: Please rank the top 3 challenges related to fraud when the application process is submitted online through your agency's website (via a PC).

# Application Fraud Challenges

## Top Mobile Applications Fraud Challenges (% Ranked in Top 3)

■ 2024 ■ 2023



\* First asked in 2024

Q: Please rank the top 3 challenges related to fraud when the SNAP application process is submitted through a mobile device or mobile app.

# Malicious Bots

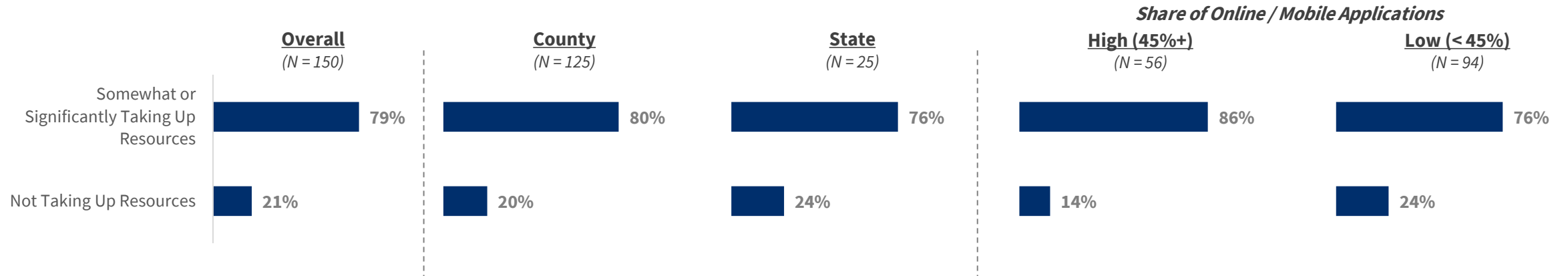
## Automated Bot Attacks (2024)

	<b>Overall</b> (N = 150)	<b>County</b> (N = 125)	<b>State</b> (N = 25)	<b>Share of Online / Mobile Applications</b>	
				<b>High (45%+)</b> (N = 56)	<b>Low (&lt; 45%)</b> (N = 94)
<b>% of transactions that are automated bot attacks (2024)</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>
2023	10%	10%	9%	10%	10%

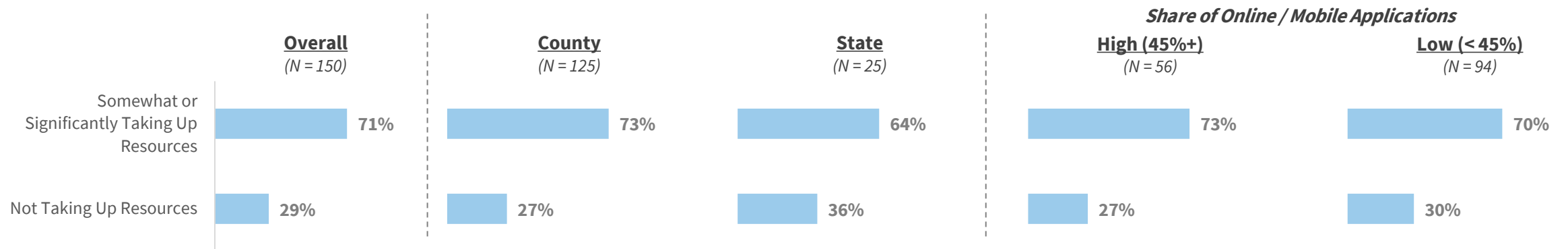
Q: In a typical month, what percent of your transactions are determined to be malicious automated bot attacks (i.e. rapid creation and placement of hundreds of orders / transactions by fraudulent automated Bots at the same time)?

# Resource Impacts

Degree That Data-Related Issues are Taking Up Resources that Could Otherwise be Used for Application, Identity and Other Fraud Prevention\* (2024)



Degree That SNAP Application Backlogs Have a Negative Impact on Staff When Assessing Eligibility/Identity Fraud?\* (2024)



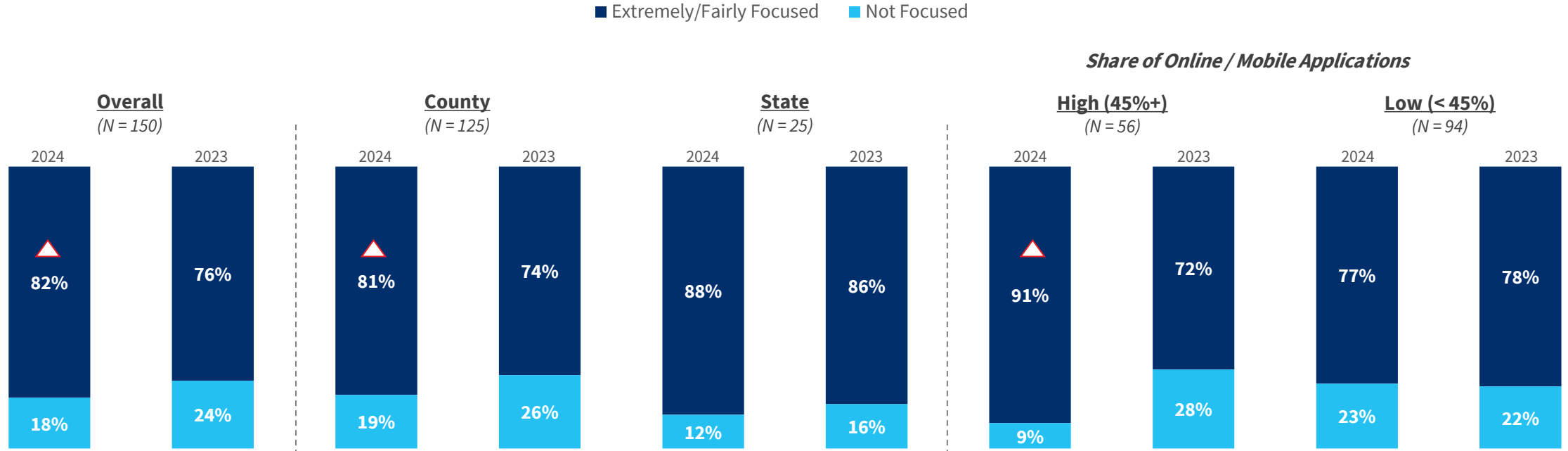
\* First asked in 2024

Q: To what degree are data-related issues taking up resources that could otherwise be used for application identity and other fraud prevention? Data-related issues can include outdated, incorrect or incomplete data.

Q: To what degree do SNAP application backlogs have a negative impact on your staff when assessing eligibility/identity fraud?

# Beneficiary Focus

## Degree of Focus on Minimizing Beneficiary Friction For Online/Mobile SNAP Applications

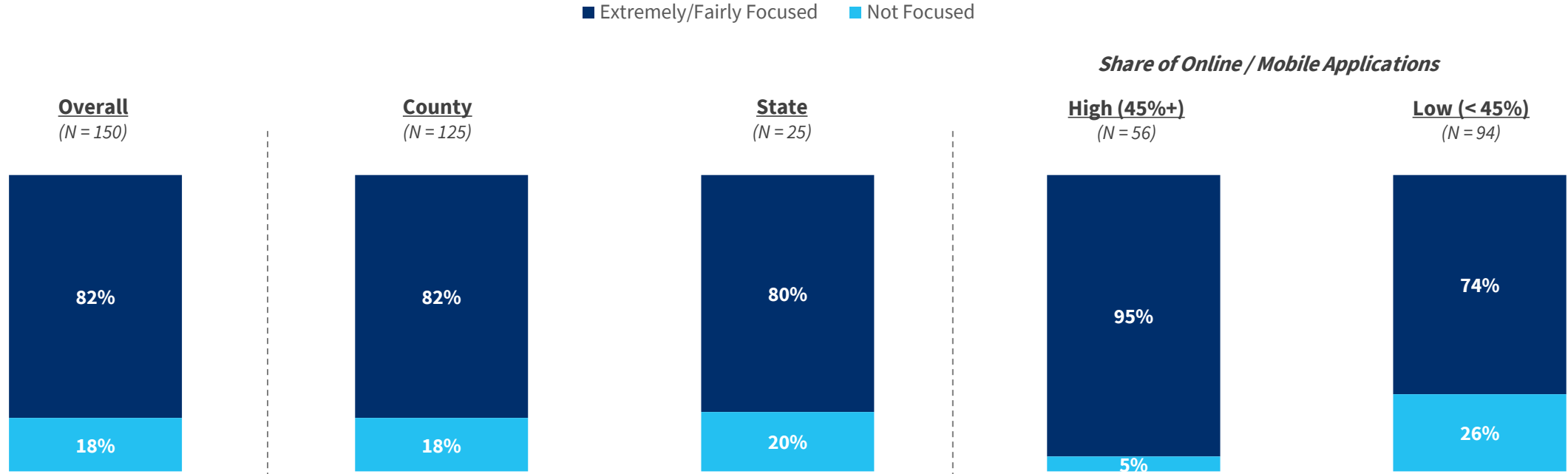


△ Increase from prior year (2023)

Q: To what degree is your agency focused on minimizing customer friction when a SNAP application is completed online (via a PC) or through a mobile device or mobile app?

# Beneficiary Focus

## Degree of Focus on Preventing Churn and Improving the Beneficiary Experience (Time to Service)\* (2024)



\* First asked in 2024

Q: To what degree is your agency focused on preventing churn and improving the beneficiary experience (time to service)?





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