5th Annual LexisNexis® Risk Solutions True Cost of Fraud™ Study

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

September 2026

Research Objectives

LexisNexis® Risk Solutions has conducted its fifth annual 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 2026 study includes a deeper look at how agencies are dealing with payment error rates and administrative-related fraud costs within the context of fraud and eligibility decision challenges.

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)

Multi-IES refers to SNAP agencies that are integrated with a broader number of the above programs, generally Medicaid and 1-3 other programs.

Research Objectives

The 2026 study was expanded to focus on the impact of payment error rates, higher administrative expenses contributing to fraud costs, and expected impacts from and plans to address policy changes from the One Big Beautiful Bill/Working Families Tax Cut Act (H.R. 1) enacted on July 4, 2025.

Fraud Was Defined as Follows for Respondents:

- Account takeover (ATO) 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.

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.[1]
- **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 fewer benefits than they are entitled to.[1]
- **The LexisNexis Fraud Multiplier™ cost:** Estimates the total amount of loss an agency incurs based on the actual dollar value of a fraudulent transaction.

[1] https://www.fns.usda.gov/snap/qc/efficiency-effectiveness-measures

Methodology

Data was collected in June 2026 from 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 included 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 (119)
- Have Not Implemented IES (31)

Administration Level

- State (25)
- County (125)

SNAP Regions

- **NERO/24** (Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, Virgin Islands)
- **MARO/13** (Delaware, Maryland, Pennsylvania, Puerto Rico, Virginia, Washington DC, West Virginia)
- **SERO/11** (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)
- **MWRO/35** (Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, Wisconsin)
- **MPRO/24** (Colorado, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, Wyoming)
- **SWRO/5** (Arizona, Arkansas, Louisiana, New Mexico, Oklahoma, Texas, Utah)
- **WRO/13** (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 LEVELS AND COSTS CONTINUE TO RISE

SNAP fraud continues to increase year-over-year, particularly among Multi-IES serving larger populations and experiencing higher payment error rates and administrative-related fraud costs.

The cost of fraud has risen sharply. For every $1 value of benefits lost through fraud, the cost to SNAP agencies is $4.29, up from $4.14 in 2025. Increased administrative expenses are contributing to this.

The level of inadvertent household errors has increased over last year, which can contribute to higher administrative costs. Separately, there is an increase in intentional program violations (IPVs) among agencies serving larger populations which report a rise in identity fraud related to account takeover and EBT cloning. Criminal networks posing as legitimate retailers are contributing to this.

2 INTEGRATION AND MODERNIZATION CONTINUES, THOUGH DATA GAPS CAN WEAKEN RESULTS

Integrated eligibility system (IES) use continues to involve a majority of SNAP agencies, with many integrated or overseeing eligibility for SNAP and 4 other programs.

Increased modernizations have occurred with online-related functions involving eligibility, screening, integration, verification and risk assessment.

The percentage of fraud attributed to other IES programs outside of SNAP and Medicaid has risen significantly (from 36% to 48%). This makes it essential that SNAP agencies have a full line of sight into other programs regarding eligibility requirements, a cross-program profile of applicants and full cross-sharing of information.

Only just over one-third of Multi-IES agencies have this full line of sight. While that increases confidence in eligibility decisions, the effectiveness of this can be weakened where inaccurate or incomplete data is being shared.

The cost of fraud, and percent of that which is attributed to administrative costs, is higher among Multi-IES agencies with fuller line of sight involving inaccurate or incomplete data being shared (every $1 of benefits lost costs $4.89, with administrative contributing 42% of that). Fraud costs among those with a full line of sight using quality data are $4.35 for every $1 of benefits lost, with 38% contributed by administrative expenses.

3 PAYMENT ERRORS AND MISSED APT THRESHOLDS ARE DRIVEN BY A LACK OF DATA AND TECHNOLOGY

Few participating agencies reported a less than 6% payment error rate (PER). Lack of technology that results in manual errors and higher fraud risks is a key driver, but not the only factor. Lack of income-related data, particularly wages/salaries, deemed and combined net income, benefits, child support and workers' compensation, is also a large driver.

Manipulated/altered recipient-provided documents are an issue for many and contribute to misrepresented income and payment calculation errors. Investments in risk and eligibility solutions can mitigate this, to the degree that data is accessible and accurate/complete. For many, it is not.

Data access and quality issues are also adding time and manual effort to applications processing, causing many to miss the required threshold of completing 95% within 30 days.

Reassessing eligibility with applications originating outside of SNAP is essential for both fraud assessment and program integrity. Agencies that do this, using quality data, report a lower payment error rate.

Key Findings (cont.)

4 THE BREADTH OF DATA GAPS IS SIGNIFICANT, INCREASING FRAUD COSTS AND CHALLENGES

More issues with income and fraud assessment data translate into more errors, less fraud caught at the front end, higher payment error rates and higher fraud costs.

For agencies with many income and fraud assessment data gaps, every $1 of lost benefits actually costs between $4.53 and $4.97. The cost increases further among those experiencing higher year-over-year fraud ($5.35 to $5.59).

Agencies with fewer income-related data gaps have a lower PER (22% report being below 6% compared to 0% for those with many income data gaps). Those that have fewer issues with risk assessment data are likely to prevent more fraud at the front end (avg. 74%).

Policy waivers have become more of a challenge for SNAP agencies. This contributes to increased fraud and payment errors where applicants can intentionally misrepresent income, and data gaps make it more challenging for agencies to verify later.

5 TO BE MOST EFFECTIVE, INVESTMENTS IN RISK ASSESSMENT AND ELIGIBILITY SOLUTIONS MUST INCLUDE QUALITY AUTHORITATIVE DATA.

Investments in risk assessment, eligibility, identity and data verification solutions are essential for managing risk, costs and program integrity.

These investments can be less effective where quality authoritative data is lacking. Agencies that combine both the above investments and quality data have a lower cost of fraud ($3.85 for every $1 of lost benefits compared to $4.76 for those that have not made investments in either solutions or data).

Agencies that have made investments in both are also likely to prevent more fraud at the front end compared to those not making these investments.

There are barriers and competing priorities for many SNAP agencies with regard to technology investments. These include funding and cultural mindsets toward technology. Legacy system barriers are a significant challenge, though providers of solutions can help agencies overcome this barrier.

Key Finding 1

FRAUD LEVELS AND COSTS CONTINUE TO RISE

Fraud Volume and Costs Continue to Rise

Fraud costs are being negatively impacted by intentional program violations, inadvertent household errors, identity fraud involving EBT skimming, and account takeover.

Increasing Fraud and Cost

Increased fraud scales with population size and degree of cross-program integration. It negatively impacts administrative costs and payment error rates. This results in a sharp increase in fraud costs. For every $1 value of benefits lost through fraud, it actually costs SNAP agencies $4.29, up from $3.93 two years ago.

Application Fraud

Increased inadvertent household errors are contributing to a rise in administrative-related fraud costs. Identity fraud with account takeovers/EBT cloning and benefits trafficking have increased as a percent of fraud losses, driving up fraud costs among counties serving larger populations.

Transaction Fraud

Criminal networks posing as legitimate retailers represent a sizeable portion of identity fraud involving EBT skimming and account takeover. This scales where agencies experience more of this fraud type.

Types of Fraud

Intentional program violations, inadvertent household errors, and identity fraud involving account takeover/EBT cloning contribute to higher administrative-related fraud costs.

Increasing Fraud

SNAP fraud continues to rise year-over-year.

Increased fraud scales with population size, degree of cross-program integration and level of investment in fraud prevention, risk assessment, and process modernization.

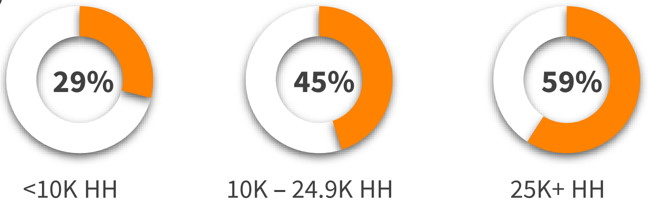
This impacts administrative costs and payment error rates among those that have not invested in risk assessment, eligibility, identity and data verification solutions (demonstrated later).

Where Fraud is Increasing Most:

% Saying Fraud Has Increased in Past 12 Months

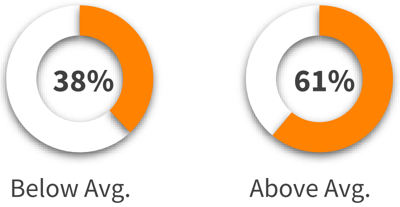
Larger Counties (25,000+ participating households)

→ Criminals target opportunity; more participating households translate to more fraud targets.



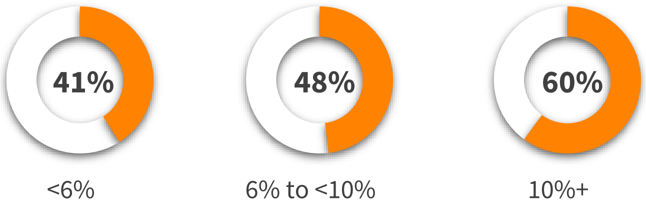
Agencies with higher administrative fraud costs

→ This is not causing higher fraud; it is a result of it among those less prepared with solutions and quality data



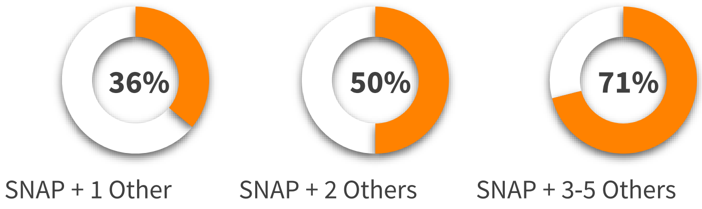
Agencies Exceeding 6% Payment Error Rate (PER)

→ Payment error rates are not fraud but can be impacted by fraud with more delayed applications, more data access and quality issues, less investment in fraud prevention resources, and more fraud uncovered during the QC process than before issuance.



Agencies Integrated Across More Programs (SNAP + Other Human Services Programs)

→ More program integration means more points of entry for fraudsters if fraud prevention resources are limited.



Q: Has this total level of fraud with your agency increased, decreased or stayed the same during the past 12 months?

Increasing Cost of Fraud

KEY FINDING 1

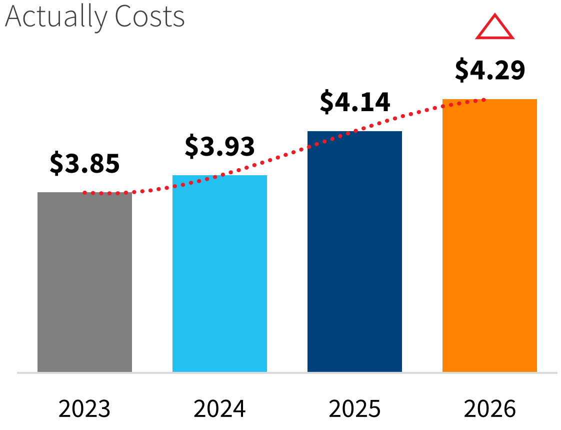
The cost of SNAP-related fraud has risen significantly.

Every $1 value of SNAP benefits lost through fraud now costs $4.29, up from $4.14 last year.

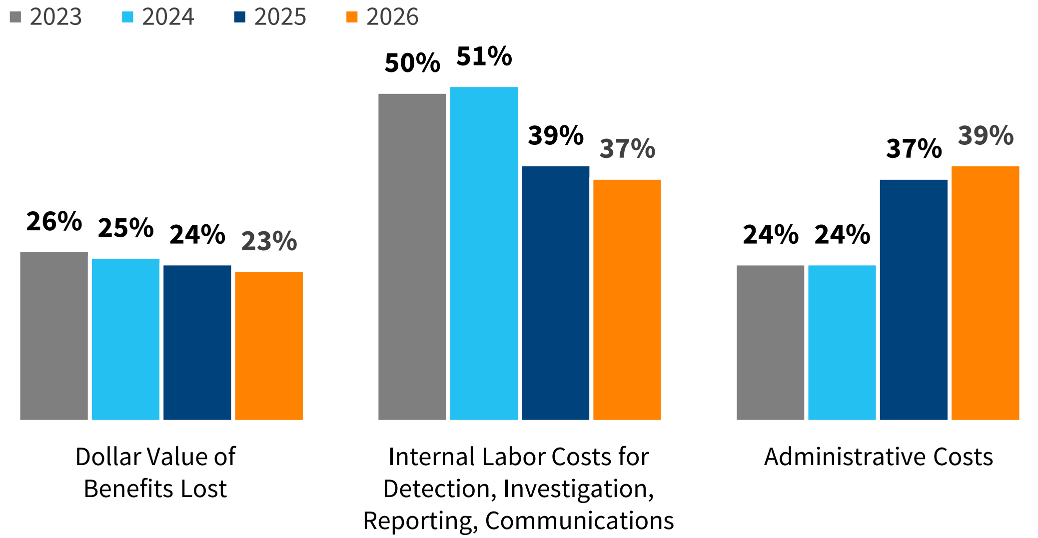
Agencies’ administrative costs continue to rise as a contribution to the total cost of fraud, with a correlation to increased year-over-year fraud.

The LexisNexis Fraud Multiplier™

Every $1 Value of SNAP Benefits Lost Actually Costs



Distribution of Direct Fraud Costs



Agencies with increased administrative costs:

- 66% say that fraud has increased YOY.
- The average contribution of administrative expenses to the cost of fraud is 44%.
- Every $1 of benefits lost costs them $5.07 on average.

Dollar Value of Benefits Lost

The value of benefits lost represents only 23% of total costs; there are additional costs that comprise another 77% of costs.

Administrative Expenses are Significantly Contributing to Fraud Costs

SNAP agencies attributed the following to rising administrative costs: collecting/recovering payment errors, external training for caseworkers, external audits, security updates and systems maintenance, collaboration with law enforcement and other agencies, employment of legal counsel, and efforts responding to appeals/disputes.

△ Difference from previous year

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?

Application Fraud

Identity fraud with account takeovers (ATO)/EBT cloning and benefits trafficking have increased as a percent of fraud losses among counties with larger numbers of participating households.

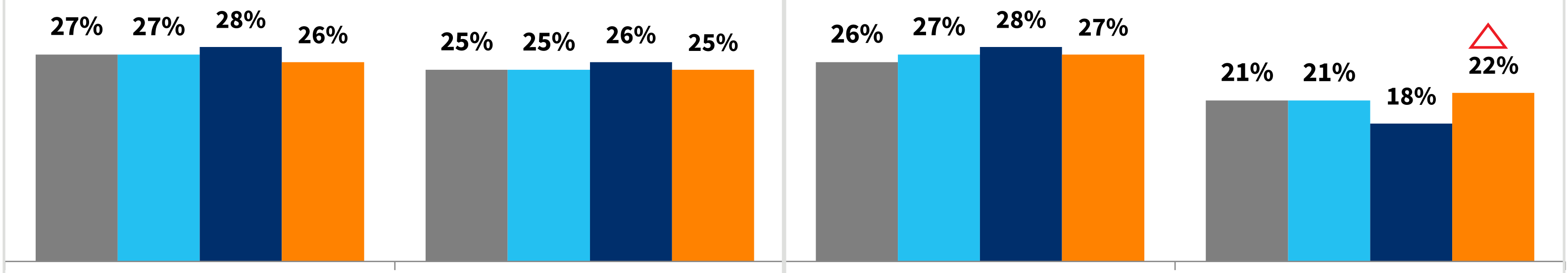
KEY FINDING **1**

Increased benefits trafficking among this segment coincides with increased intentional program violations.

Distribution of SNAP Fraud Losses by Fraud Type

2023 | 2024 | 2025 | 2026

Recipient-Based Fraud | Mostly Criminal-Based Fraud



Identity Fraud with Applications

Undermines program trust. Providing false information on SNAP applications to illegally obtain benefits.

Eligibility Fraud

Threatens program resources. Misreporting income, household size, residency, or employment status to obtain or increase benefits.

Identity Fraud with Account Takeovers (ATO)/EBT Cloning

Exploits personal information. Using a person's identity to access SNAP benefits; using stolen personal data to create counterfeit EBT cards that spend a person's benefits

Fraud Involving Trafficking of Benefits

Diverts resources from families in need. Selling EBT benefits for cash. Some retailers exchange discounted cash for SNAP EBT benefits to commit fraud.

30% ATO/EBT cloning for larger counties (25K+ participating households) that say fraud has increased YOY, compared to 27% in 2025

Benefits Trafficking

- **24%** for very large counties (50K+ participating households) compared to 18% in 2025
- **25%** for larger counties with increased intentional program violations

Difference from previous year

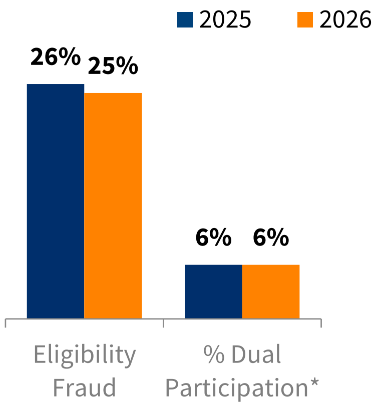
Q: Approximately, how much of your **fraud losses** would you attribute to each of the following types of fraud? To answer this, please distribute 100% across each of the following.

Application Fraud

Dual participation continues to represent nearly one-quarter of eligibility fraud (roughly 6% of 25% eligibility fraud) and is more challenging to detect among agencies that are more limited in their connection to other programs.

KEY FINDING 1

Distribution of SNAP Fraud Losses (Eligibility Fraud)



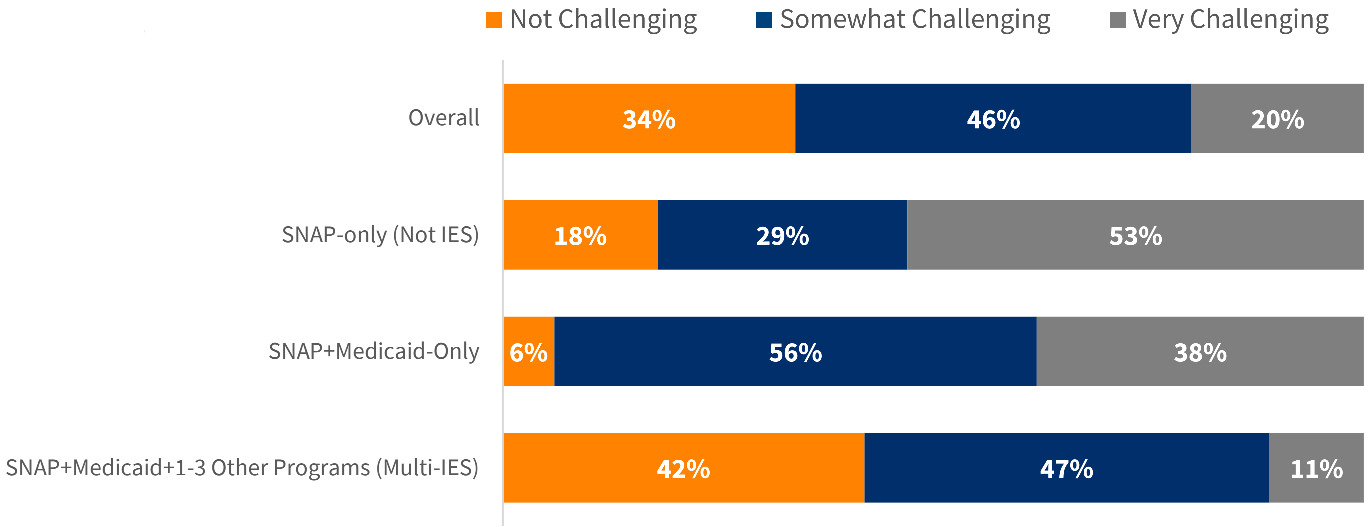
Dual participation continues to represent nearly one-quarter of eligibility fraud (23%).

- **Just under half (40%) is reported as intentional.**

When standardized to the total market, dual participation fraud represents 6% overall, which is on par with 2025.

Misreporting income, household size, residency, or employment status to obtain or increase benefits **threatens the program's resources.**

Degree That Dual Participation is a Challenge to Determine



* For this study, dual participation means receiving the same SNAP benefits multiple times within or across states.
Q: What percent of your eligibility fraud is due to dual participation by an applicant already receiving SNAP benefits in another state?
Q: Adding to 100%, approximately what percent of eligibility fraud due to dual participation by an applicant is intentional versus inadvertent?

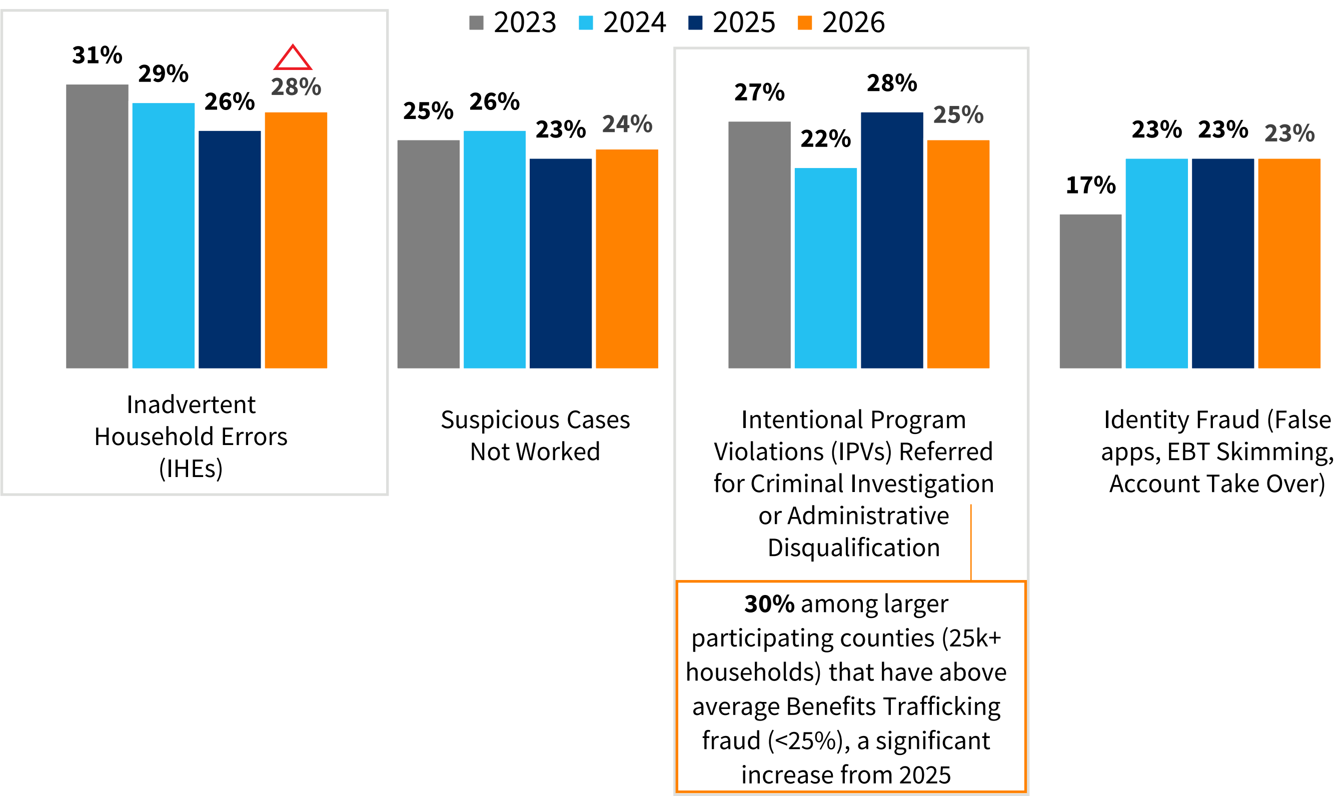
Application Fraud

Inadvertent household errors (IHEs) have risen as a distribution of SNAP fraud losses compared to 2025, which can increase administrative costs.

KEY FINDING 1

Intentional program violations (IPVs) contribute most to SNAP fraud losses among counties with more participating households, particularly those that report an above average level of fraud related to account takeovers and EBT cloning.

Distribution of SNAP Fraud Losses by Activity



△ Difference from previous year

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

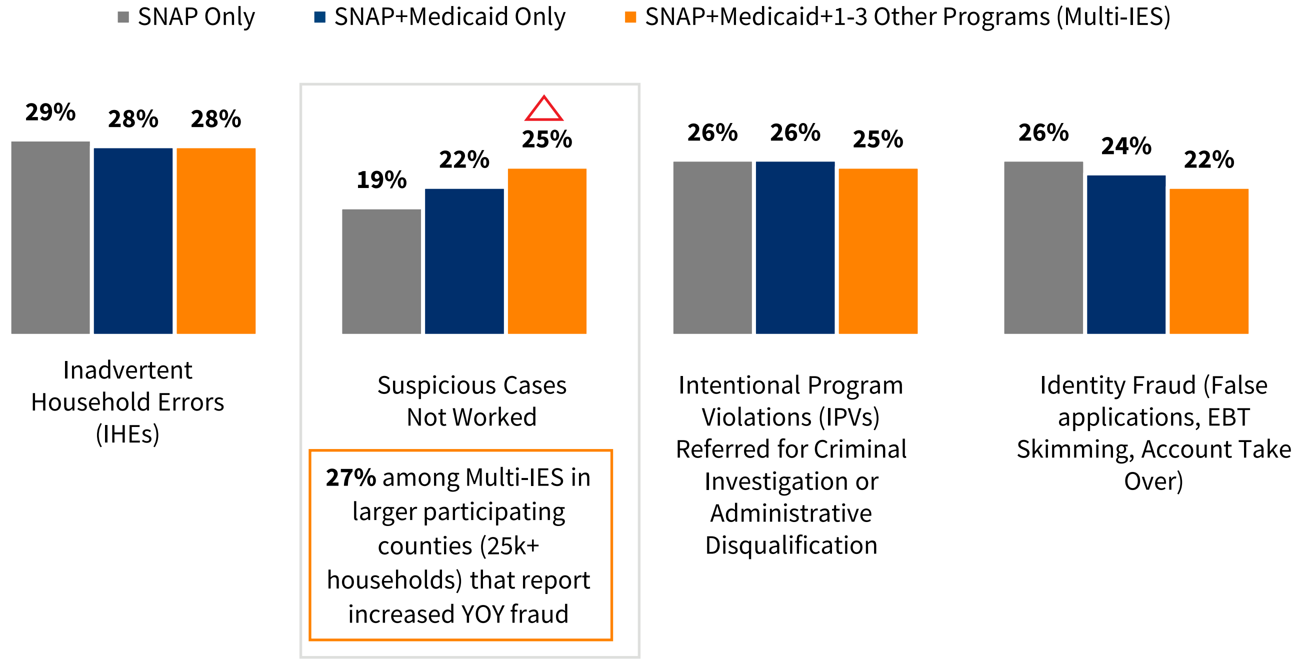
Application Fraud

Agencies that have an integrated eligibility system across multiple programs (Multi-IES) are significantly more likely than others to have fraud losses attributed to suspicious cases not worked.

KEY FINDING 1

This group is dealing with a number of challenges yet not investing in resources that will minimize those issues.

Distribution of SNAP Fraud Losses by Activity & Degree of Program Responsibility/IES



Difference from other levels of program eligibility integration status

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

Multi-IES agencies that experience more suspicious cases not worked are dealing with resource, data and fraud detection challenges.

Top challenges when assessing fraud with applications include:

- Determining dual participation (**78%** versus 33% overall)
- Excessive manual reviews (**63%** versus 37% overall)
- Distinguishing bots from legitimate clients (**63%** versus 53% overall)
- Balancing fraud detection with customer experience (**63%** versus 42% overall)

At the same time, this segment has made limited investments in tools and resources for risk assessment, eligibility, identity and data verification. This segment has a higher cost of fraud ($4.50), higher average payment error rate (9.86%) and higher average distribution of administrative expenses toward overall fraud costs (39%).

Transaction Fraud

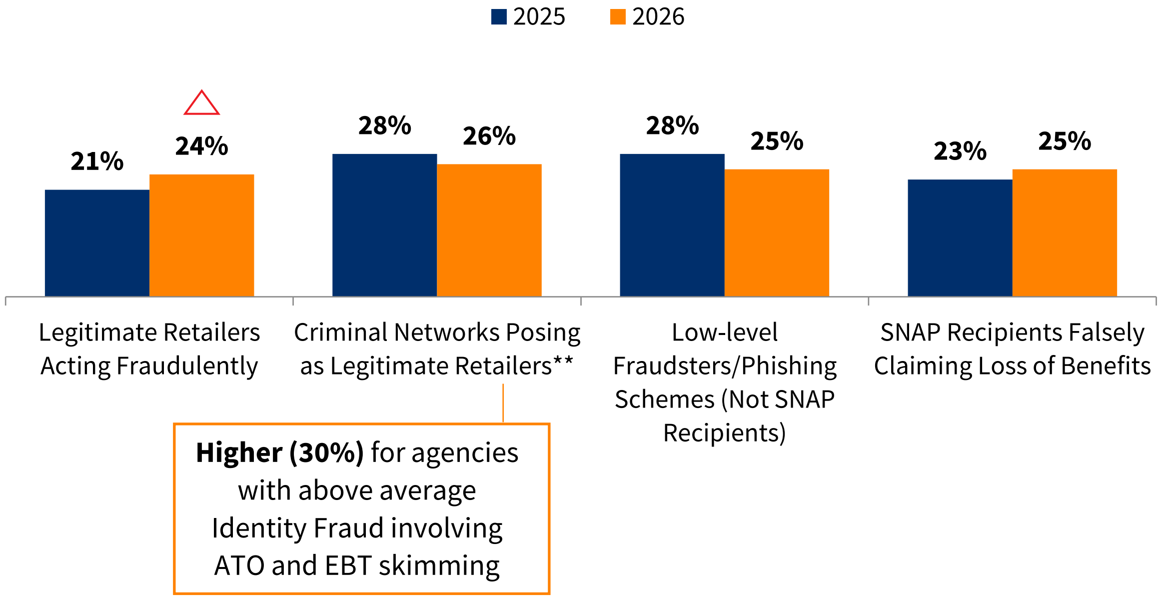
KEY FINDING 1

Criminal networks posing as legitimate retailers represent a sizeable portion of identity fraud involving EBT skimming and account takeover. This scales where agencies experience more of this type of fraud.

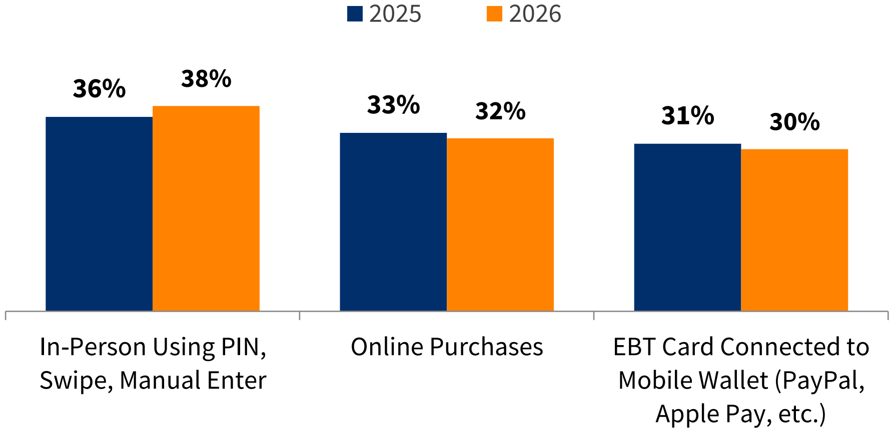
There is some increase in the distribution of EBT skimming and account takeover fraud involving legitimate retailers.

The distribution of EBT fraud across channels remains consistent with 2025.

Distribution of EBT Skimming/ Account Takeover Across Fraudulent Actors*



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



△ Difference from previous year

* Findings shown for Large Counties (25K participating households, or PHH) that indicated monitoring EBT transactions for fraud

** Criminals who acquire a point-of-sale terminal on the dark web that's linked to an "approved" retailer

Q: Adding to 100%, what percent of your **EBT skimming/account takeover fraud** involves the following?

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

Types of Fraud

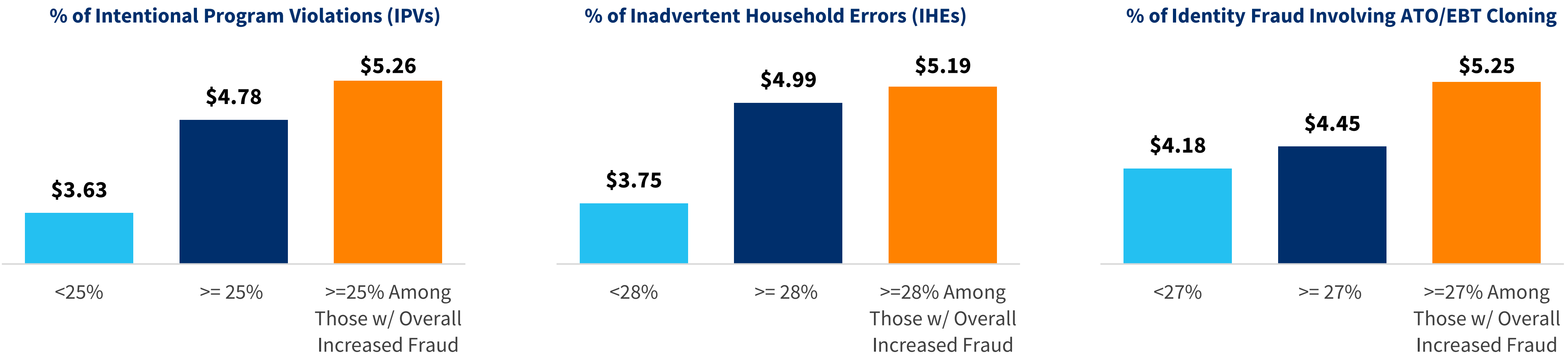
KEY FINDING 1

Intentional program violations, inadvertent household errors, and identity fraud involving account takeover/EBT cloning contribute to higher administrative costs.

There is a direct relationship between the degree of these fraud types and the cost of fraud, including the percent involving administrative expenses.

LexisNexis Fraud Multiplier and Percent of Administrative Costs Based on the Degree of Fraud

Types of Fraud



% Administrative Expenses of Total Fraud Cost	34%	42%	45%	36%	42%	43%	37%	39%	43%

Intentional program violations can include benefits trafficking. This increases resources required for fraud detection, investigation, and loss recovery, which increases administrative costs.

Inadvertent household errors impact the administrative cost of fraud by requiring agencies to assess if fraud has occurred. IHEs are not intentional; they are not considered fraud but still consume fraud resources.

IHEs relate to program integrity. ATO and EBT cloning are types of identity-related fraud. However, personal and household data exposure can provide the means for unauthorized account access that drives this type of fraud; this can also lead to overpayments and higher administrative costs.

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

Key Finding 2

Integration and Modernization Continue, Though Data Gaps Can Weaken Results

Integration Requires Quality Data

KEY FINDING **2**

Integration between SNAP and other human service agencies is an effective means of managing risk and eligibility decisions, to the degree that cross-sharing of information involves accurate and complete authoritative data.

Increasing Program Alignment

The landscape of IES integration remains similar to 2025, involving a significant majority of SNAP agencies. Fraud originating from other programs outside of SNAP and Medicaid has risen, requiring a stronger line of sight into eligibility criteria and applicants.

Multi-Program Coordination

Full line of sight into other programs' eligibility, with a cross-program profile of applicants and full cross-sharing of information, is limited. Most Multi-IES agencies have some level of visibility, but not a full line of sight. Increased investments in risk assessment and eligibility are important and occurring. These investments must be accompanied by access to quality authoritative data.

Quality Data is Essential

Stronger coordination is only as good as the data available for eligibility decisions and identity verification. The cost of fraud, and percent of that from administrative expenses, is higher among Multi-IES agencies that have a full line of sight into other programs yet are cross-sharing data that is often inaccurate or incomplete. The cost of $1 of lost benefits is actually $4.89 for these agencies, with 42% of that contributed by administrative expenses.

Key Finding **2**

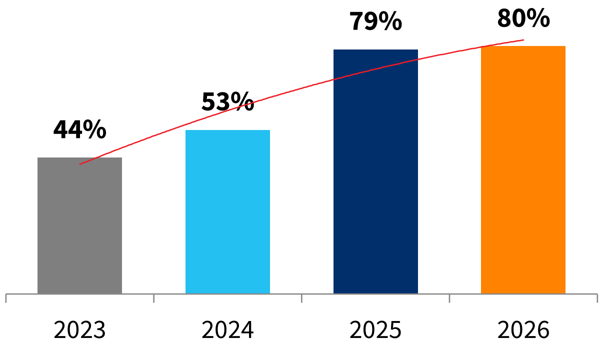
Increasing Program Alignment

SNAP agency integration with other human services programs remains high, having expanded significantly after 2024, with the level of cross-program coordination similar to last year.

Cross-training and team integration can strengthen this coordination, including an understanding of different eligibility thresholds and definitions when assessing application data from other points of origination. This increases the effectiveness of an integrated eligibility system.

Increasing IES Implementation

Systems



Fully Integrated Eligibility System or In-Progress of Implementation

Full Integration AND

73% indicated use of IES and program coordination; this should benefit caseworkers and applicants by reducing application burden and improving eligibility assessment.

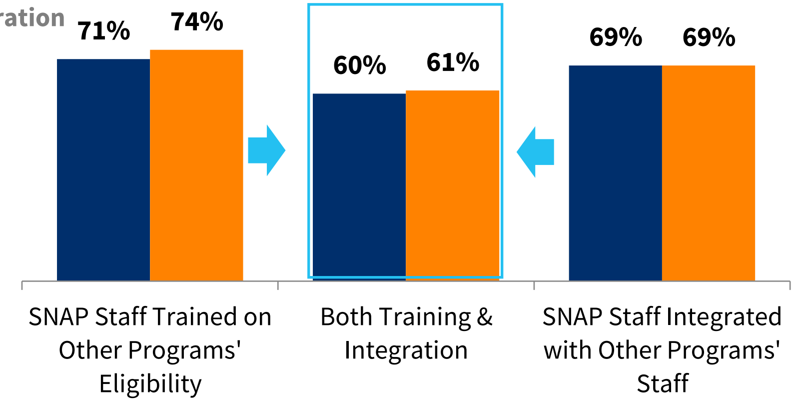
Partial Integration OR

25% indicated either use of IES or cross-training or team integration but not both.

Coordination Across Programs

Team Skills, Integration

Cross-Training and/or Co-Location



* IES will be referred to throughout this report, defined as Integrated Eligibility Systems; IES with broader responsibility or Multi-IES refers to SNAP agencies responsible for more than just one other program (Medicaid + 1-3 other programs).
* 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: Are your SNAP eligibility staff integrated with other benefits programs (i.e., Medicaid, CHIPS, TANF, WIC), either through cross training on those programs' applications/renewals or where programs are housed within the same division (even if there are different program administrators)? First asked in 2025.

Broader IES Implementation

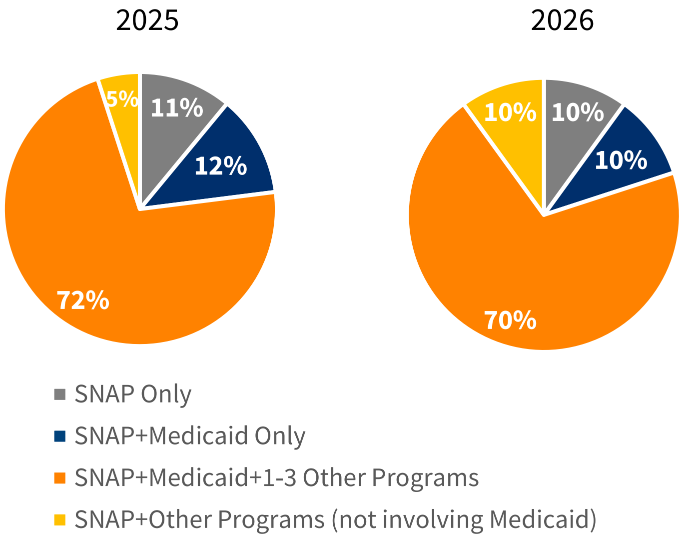
The IES landscape is also similar to 2025, with a significant majority of SNAP agencies responsible for overseeing eligibility with four other programs.

KEY FINDING 2

Roughly one-third of SNAP applications originate from Medicaid. As the integrated eligibility system (IES) broadens, over half of the applications originate from other programs, led by Medicaid.

Only just over half of SNAP agencies that integrate with Medicaid indicate full visibility into its specific eligibility criteria. Fewer say this about other programs, which can lead to errors and fraud risks when assessing applications originating from those programs.

Other Program Eligibility Managed Through SNAP

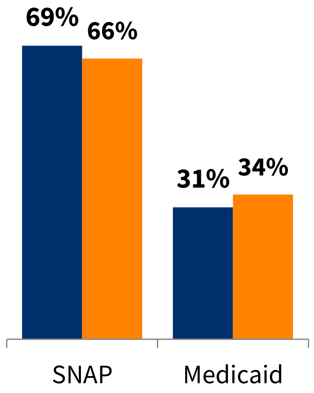


SNAP + Other Programs (not involving Medicaid) mostly involves SNAP + CHIP or SNAP + TANF, with half of these "other combinations" represented by smaller participating counties (<10K HH)

Average Percent of Applications Originating From Programs*

2025 2026

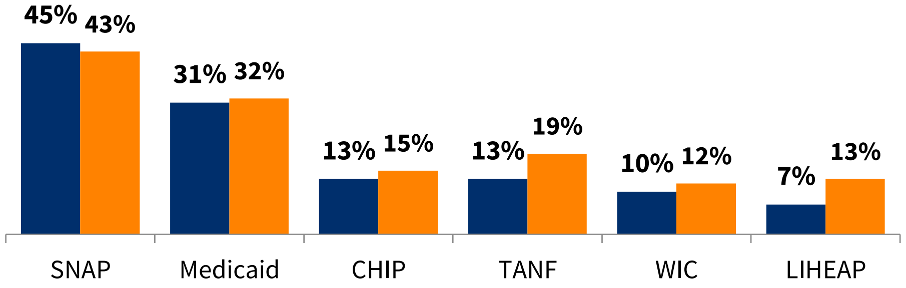
IES with SNAP & Medicaid Only



57% say they have full visibility into other programs' eligibility criteria, up from 30% in 2024.

43% say they have some but not full visibility.

IES with SNAP, Medicaid & Up to 3 Other Programs



Only 43% say they have full visibility into other programs' eligibility criteria, down from 55% in 2024.

57% say they have some but not full visibility.

* Can add to more than 100% since respondents answered only for those programs they oversee/are integrated with, which differs by agency
Q: For which of these human services benefit programs do you have direct responsibility and/or oversight of determining application eligibility?
Q: Adding to 100%, what percent of your state's integrated eligibility system applications originate from the following programs?
Q: Do you have visibility into specific eligibility criteria of other programs where an application originates, before being assessed by your SNAP agency?

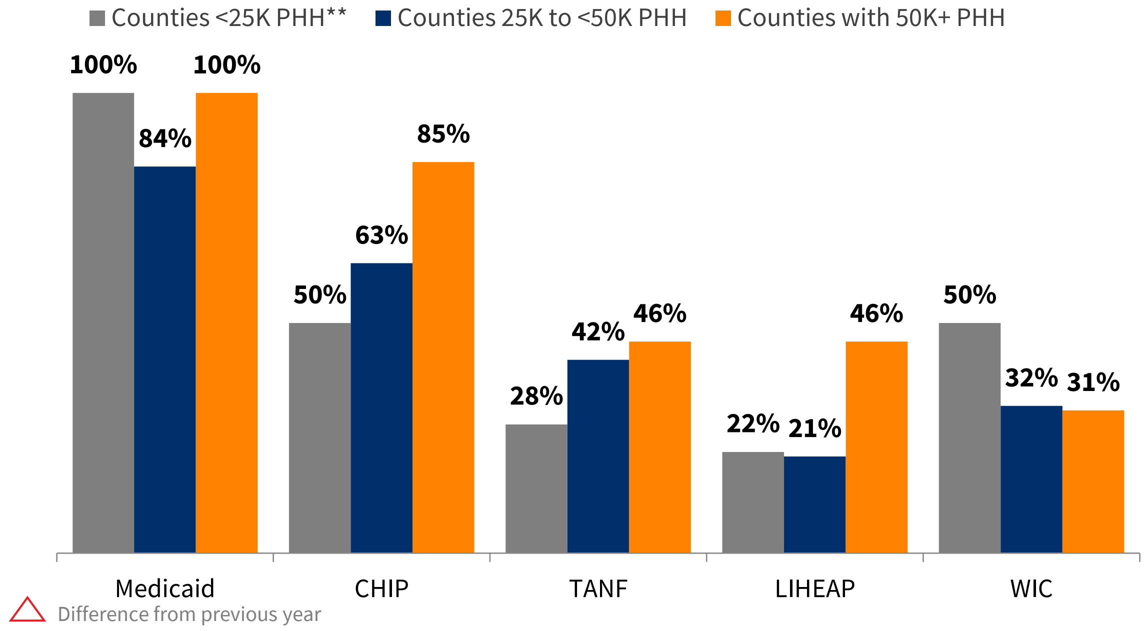
Broader IES Implementation

SNAP agencies in counties with larger numbers of participating households tend to be integrated across more programs.

KEY FINDING 2

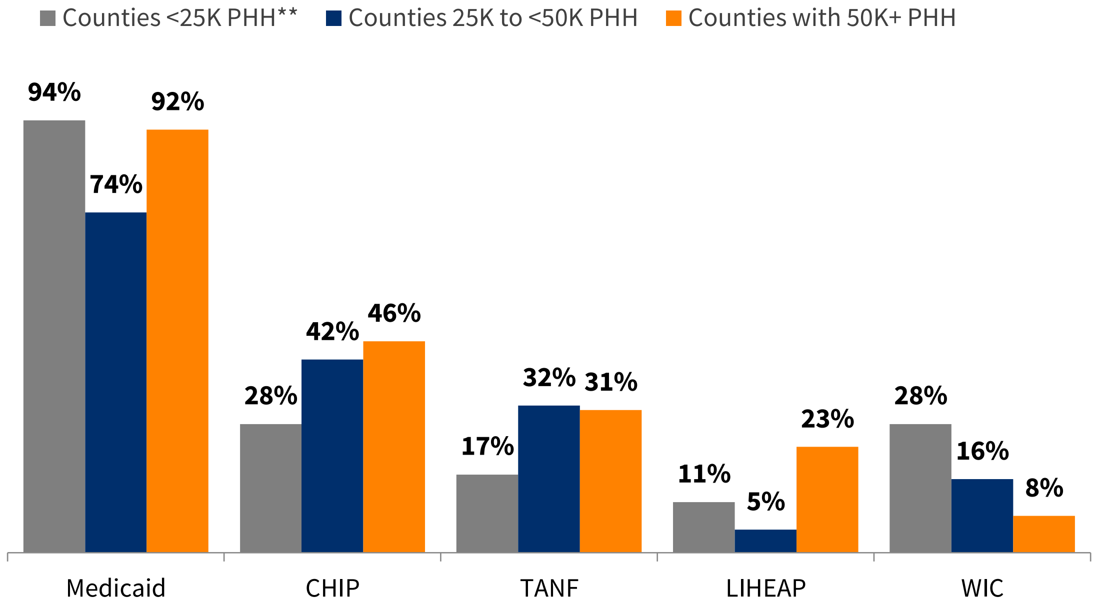
Agencies with broader IES responsibility also tend to be fully integrated in terms of eligibility systems, information cross-sharing, and/or staff cross-program training/integration. This reduces the client burden of having to submit multiple applications and streamlines eligibility assessment. However, different programs have different eligibility requirements, which can become a barrier to these efficiencies.

Other Programs Managed with IES*



Other Programs Fully Integrated with SNAP Agency

(Cross-sharing information, cross-training, staff integration)



* 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

** PHH refers to participating SNAP households

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

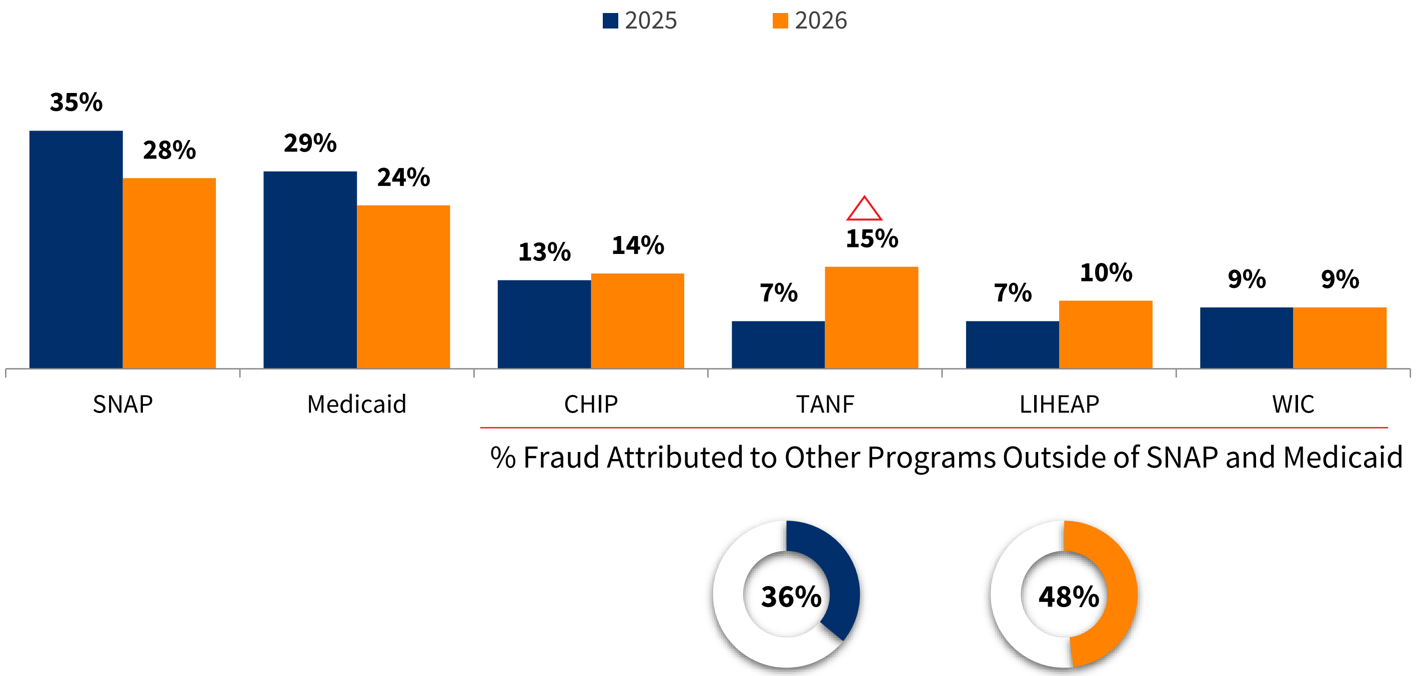
Q: Are your SNAP eligibility staff integrated with other benefits programs (i.e., Medicaid, CHIPS, TANF, WIC), either through cross training on those programs' applications/renewals or where programs are housed within the same division (even if there are different program administrators)?

Broader IES Implementation

KEY FINDING 2

The percentage of fraud attributed to other IES programs outside of SNAP and Medicaid has risen significantly since 2025, particularly with TANF.

Percent of Fraud* Attributed to Other Programs within IES



△ Increase from previous year

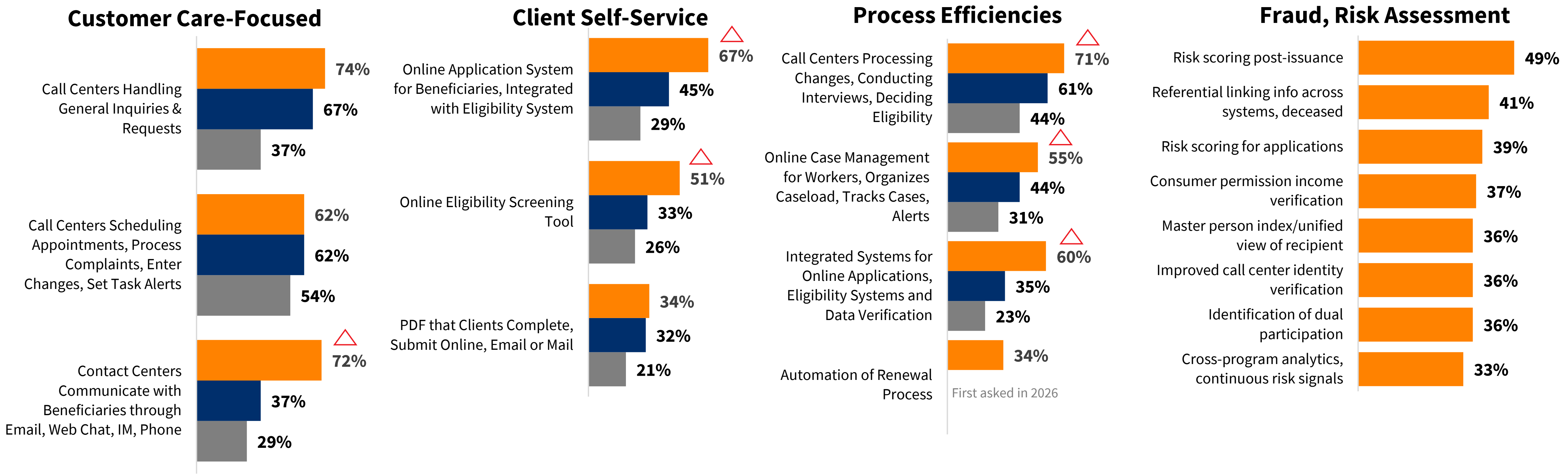
* Standardized to 100%

Q: Over the past 12 months, of all the total fraud across all benefits services programs in your integrated eligibility system, how much of that fraud can be attributed to each of the following?

Increased modernizations have occurred with online-related functions involving eligibility screening/integration/verification, call center processing efficiencies and fraud/risk assessment.

These investments can support more effective fraud prevention, reduced payment error rates, and lower fraud costs to the degree they are coupled with authoritative data.

Operating Modernization Features



Difference from previous year

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

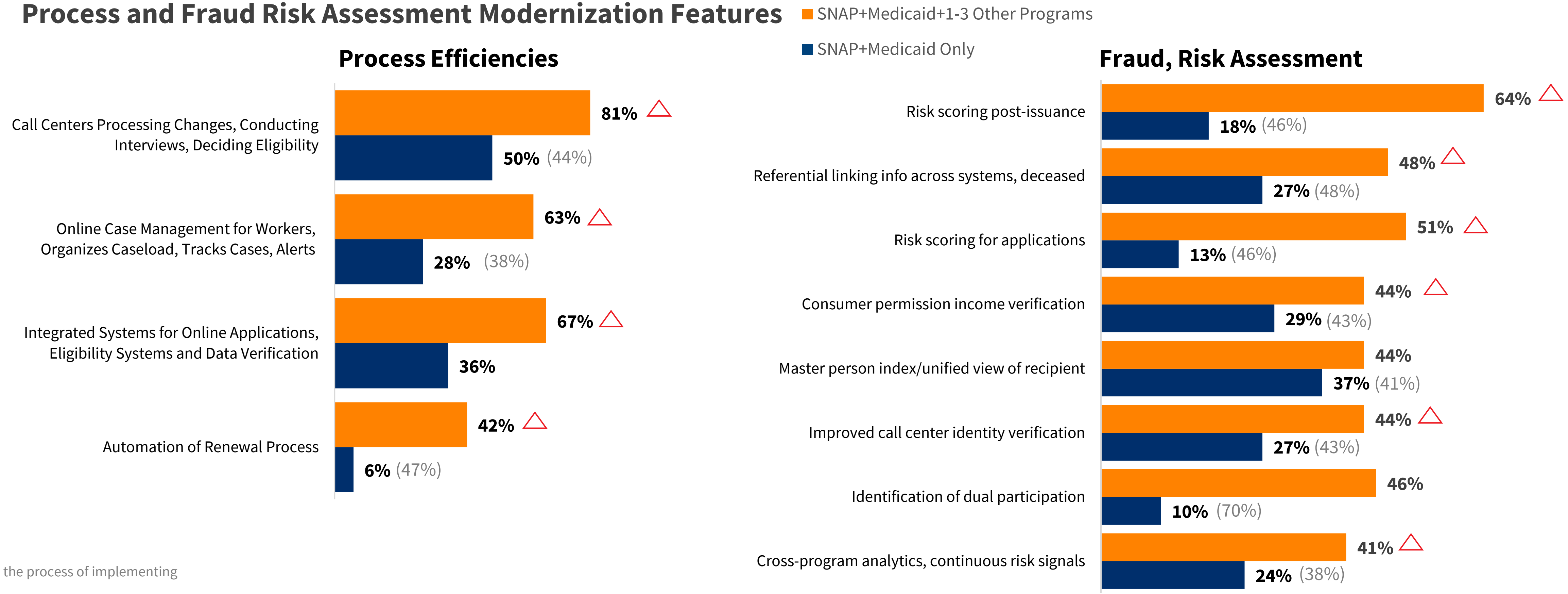
Fraud Detection, Eligibility Assessment Resources

KEY FINDING 2

Process and fraud/risk assessment modernizations are occurring across the IES spectrum.

Multi-IES agencies are further ahead in the modernization process, though a number of those with more limited integration are in the process of doing so.

Process and Fraud Risk Assessment Modernization Features



(X%) = In the process of implementing

△ Difference from other segment within response category

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

Eligibility Decisions

Just over one-third of Multi-IES SNAP agencies have full line of sight into other programs, including a unified profile of the applicants, other program eligibility criteria and full cross-sharing of information.

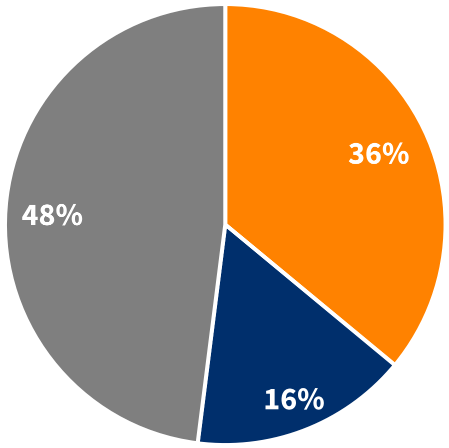
KEY FINDING 2

That said, just under half have a very limited line of sight into the above.

Line of sight is only as good as the data that is being shared.

Eligibility Decision Confidence by Line of Sight Across Programs

- Full Line of Sight: Unified Profile, Other Program Eligibility Criteria Visibility, Fully Cross-Sharing Info
- Some Line of Sight: Some Combination of Unified Profile, Criteria Visibility and Cross-Sharing but Not All
- Limited Line of Sight: No Unified Profile, No Other Program Criteria Visibility and Not Fully Cross-Sharing



Full line of sight profile includes:

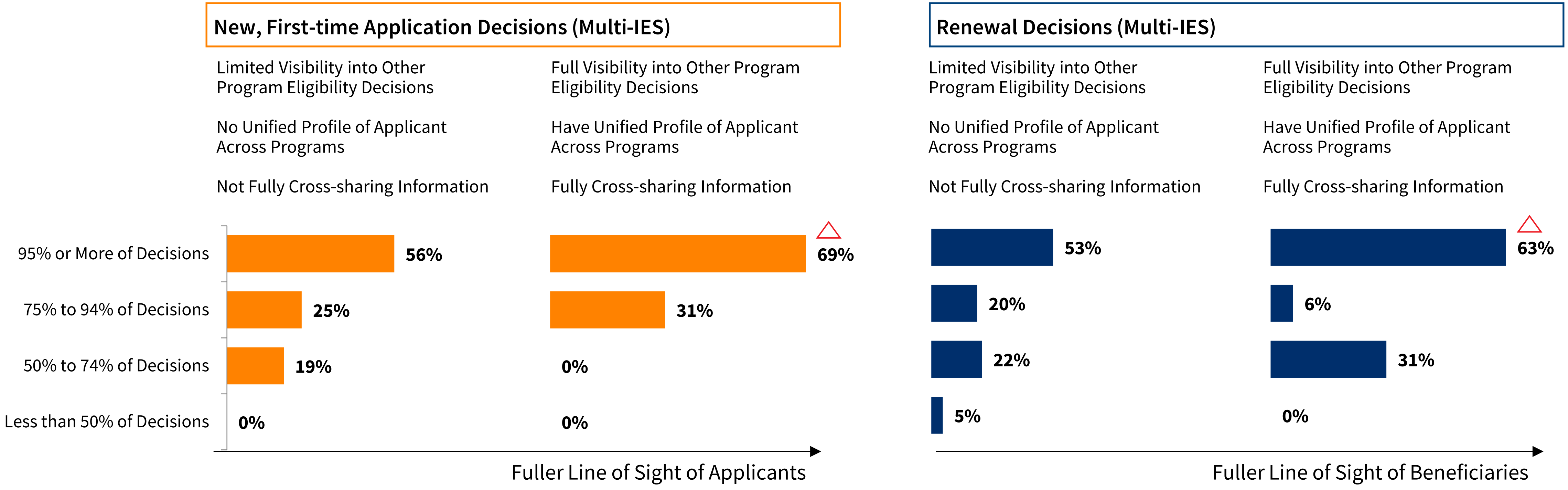
- More often state level (43%) and counties serving 25K or more households (57%).
- **Primarily, agencies that have invested in risk assessment, eligibility, identity and data verification resources but still have issues with data access and quality** (61%).
    - If the data being shared has gaps, then the effectiveness of sharing is weakened. This group still has higher administrative expenses (avg. **43%**) contributing to fraud costs and a higher payment error rate (**70% above 8%**).
    - **Agencies that have invested in the above resources and have fewer data access/quality issues** are more likely to have lower administrative costs (**avg. 36%**) contributing to fraud and a payment error rate under 8% (**68%; 36% under 6%**).

Q: Do you have visibility into specific eligibility criteria of other programs where an application originates, before being assessed by your SNAP agency?
Q: Do your caseworkers have a unified view of an individual across programs and states when determining eligibility?
All benefits programs, such as Medicaid, SNAP, CHIP, TANF, etc., are integrated and cross-sharing information fully.

Multi-IES decision confidence is stronger where there is a stronger line of sight across programs involving visibility into other program eligibility criteria, a unified profile of the applicant/beneficiary across programs, and full cross-sharing of information across programs.

KEY FINDING 2

Eligibility Decision Confidence by Line of Sight Across Programs



△ Difference from other segment within response category

Q: Based on all data your caseworkers have access to, including from applicants, government and commercial data sources, what is your level of confidence with the accuracy of your SNAP eligibility decisions with NEW, FIRST-TIME applicants?

Q: And, what is your level of confidence with the accuracy of your SNAP renewal decisions?

Fuller Integration

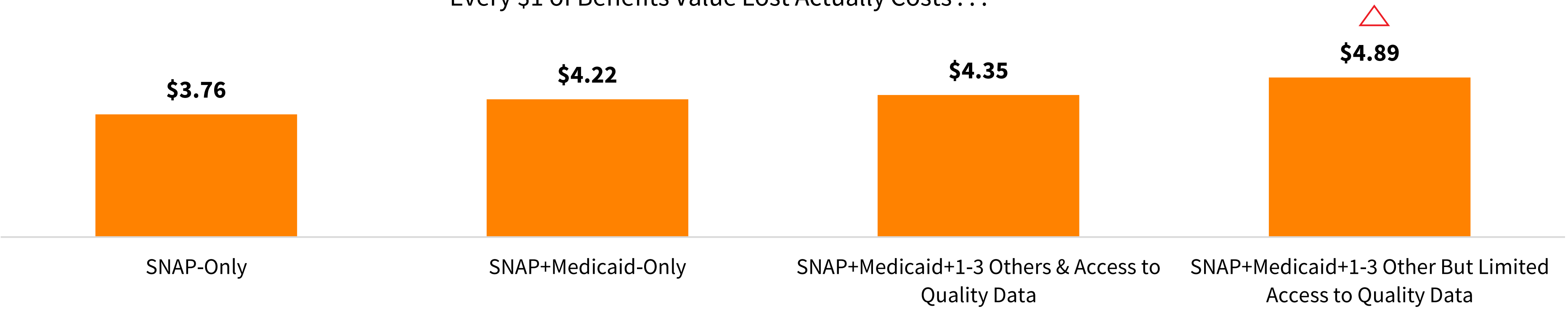
Agencies with integrated eligibility systems have a higher cost of fraud, though that can be lessened through stronger integration with other programs to the degree that there is access to and sharing of quality authoritative data.

KEY FINDING 2

Impact of Cross-Sharing Information & Cross-Training Teams by Quality/Access to Data

(SNAP + Medicaid + 1 – 3 Other Programs)

Every $1 of Benefits Value Lost Actually Costs . . .



	SNAP-Only	SNAP+Medicaid-Only	SNAP+Medicaid+1-3 Others & Access to Quality Data	SNAP+Medicaid+1-3 Other But Limited Access to Quality Data
% Administrative Expenses Contributing to Fraud Costs	33%	36%	38%	42%

Stronger Integration

Most Effective Full Line of Sight

Weakened Full Line of Sight

△ Difference from other responses

Q: For which of these human services benefit programs do you have direct responsibility and/or oversight of determining application eligibility?
Q: Please select your agency's level of integration in its IES.
Q: Are your SNAP eligibility staff integrated with other benefits programs (i.e., Medicaid, CHIPS, TANF, WIC), either through cross training on those programs' applications/renewals or where programs are housed within the same division (even if there are different program administrators)?

Key Finding 3

Payment Errors and Missed APT Thresholds are Driven by a Lack of Data and Technology

Technology and Data are Essential to Minimize Errors and Improve Application Processing

KEY FINDING **3**

Investments in risk assessment, eligibility, and data verification resources can increase the ability to detect risk and mitigate fraud but must be accompanied by quality authoritative data.

Payment Errors

A significant majority of SNAP agencies report a payment error rate (PER) at or above 6%, which correlates to a higher cost of fraud. For SNAP agencies reporting a PER of 6% or less, every $1 of benefits lost costs $4.06. That jumps to $4.85 for agencies reporting a 10% or higher PER.

Application Processing Delays

Under half of SNAP agencies meet the 95%/30-day application processing timeline; those that have invested in eligibility and risk assessment tools and have a fuller line of sight across programs are better able to meet this requirement.

Technology and Quality Data are Essential

Data access and quality issues contribute to higher payment error rates and missed APT timelines. Manipulated/altered documents are an issue for many; investments in risk and eligibility solutions can mitigate this where these are coupled with quality authoritative data. That said, it is incumbent on SNAP agencies to reassess eligibility of applications originating outside of SNAP, particularly as the degree of fraud is rising from these additional sources.

Performance Delays & Errors

Application Processing Times

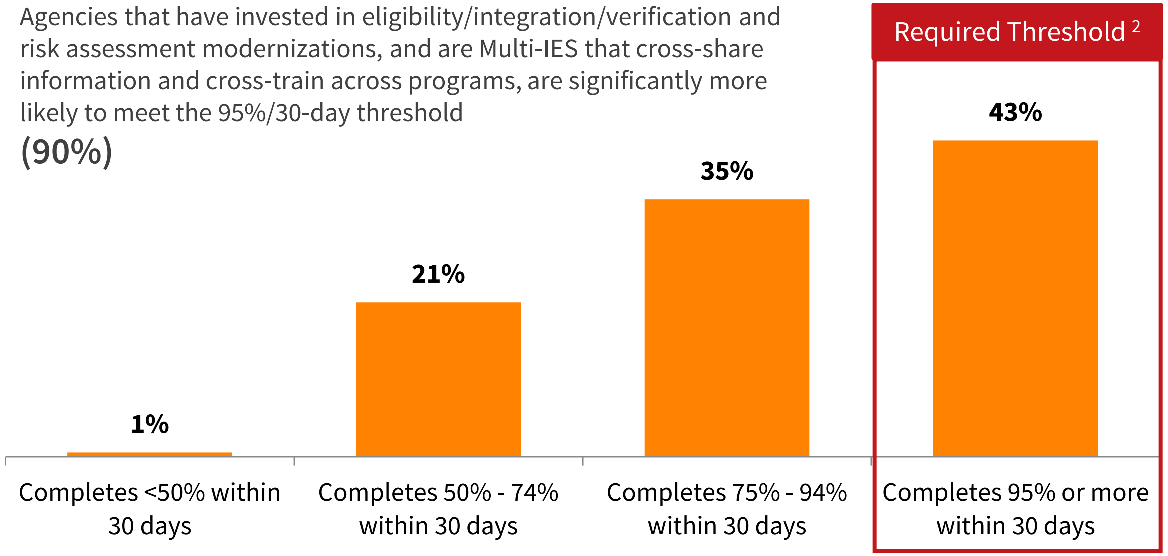
Just under half of participating agencies report meeting application processing time (APT) requirements.

KEY FINDING 3

Modernizations with eligibility, integration, verification, and risk assessment increase the likelihood of meeting these requirements when coupled with cross-program sharing of information, the ability to meet APT thresholds further increases. Multi-IES agencies are more likely to meet the APT threshold (62%) compared to agencies only integrated with Medicaid (67% complete less than 75% within 30/7 days).

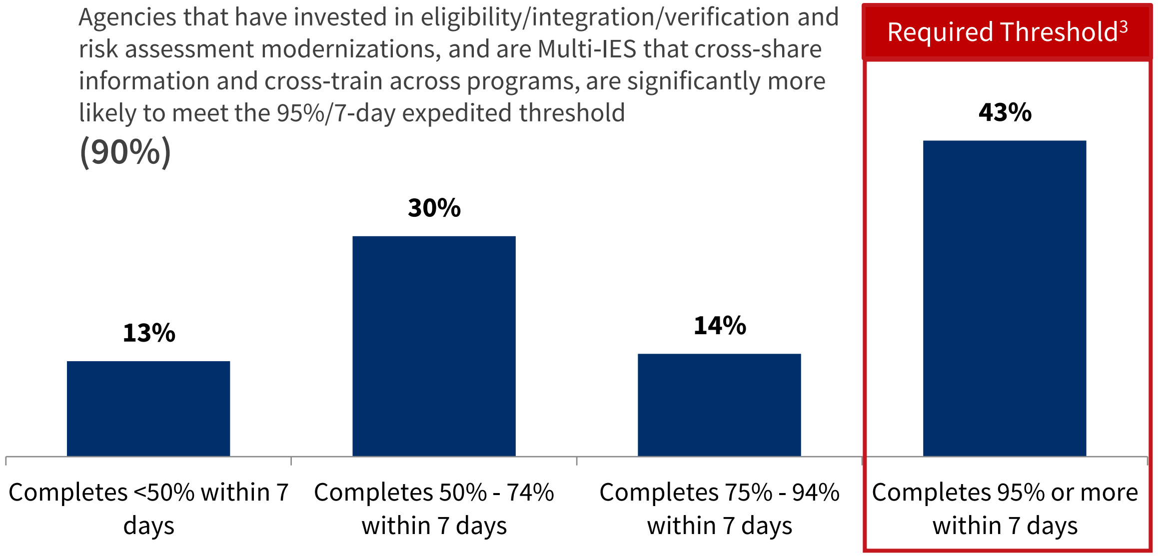
Meeting APT Requirement

(95% of applications within 30 days)



Meeting APT Requirement for Those in Need of Expediting

(95% of applications within 7 days)



[2] https://www.fns.usda.gov/snap/qc/timeliness [3] Ibid

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

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

Performance Delays & Errors

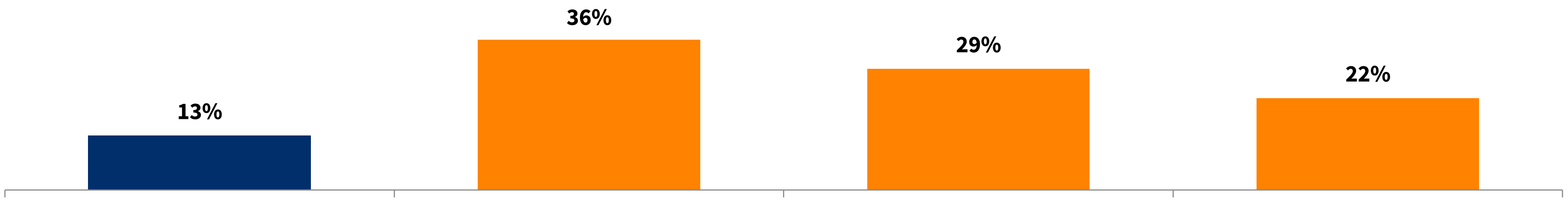
Payment Error Rates

Few participating agencies reported a less than 6% payment error rate, though nearly half indicated being below 8%.

KEY FINDING 3

Those with a higher PER are more likely to experience income-related data access and quality issues, as well as a higher cost of fraud involving a higher percent of administrative expenses. They are also less likely to meet application processing timelines.

Payment Error Rate Among SNAP Agencies



	<6%	6% to Less than 8%	8% to Less than 10%	10% or Higher
Every $1 of Benefits Lost Actually Costs	**$4.06**	**$4.08**	**$4.30**	**$4.85**
% Administrative Expense of Fraud Costs	**35%**	**38%**	**38%**	**39%**
% County / State	66% / 34%	87% / 12%	64% / 36%	88% / 12%
% That are Multi-IES*	90%	82%	73%	77%
% That Complete 95% of Applications within 30 Days	66%	33%	38%	46%
% With High Income Data Access Issues	30%	**68%**	**68%**	**57%**
% With High Income Data Quality Issues	50%	**70%**	**84%**	**81%**

* Multi-IES is defined as integrated eligibility system between SNAP and Medicaid and 1-3 other programs

Q: **As it relates to accuracy,** what has your state's payment error rate been during the past 12 months? This includes both over and underpayments.

Performance Delays & Errors

Application Processing Times

Limited investments in integrated online eligibility systems and data verification contribute to delayed applications.

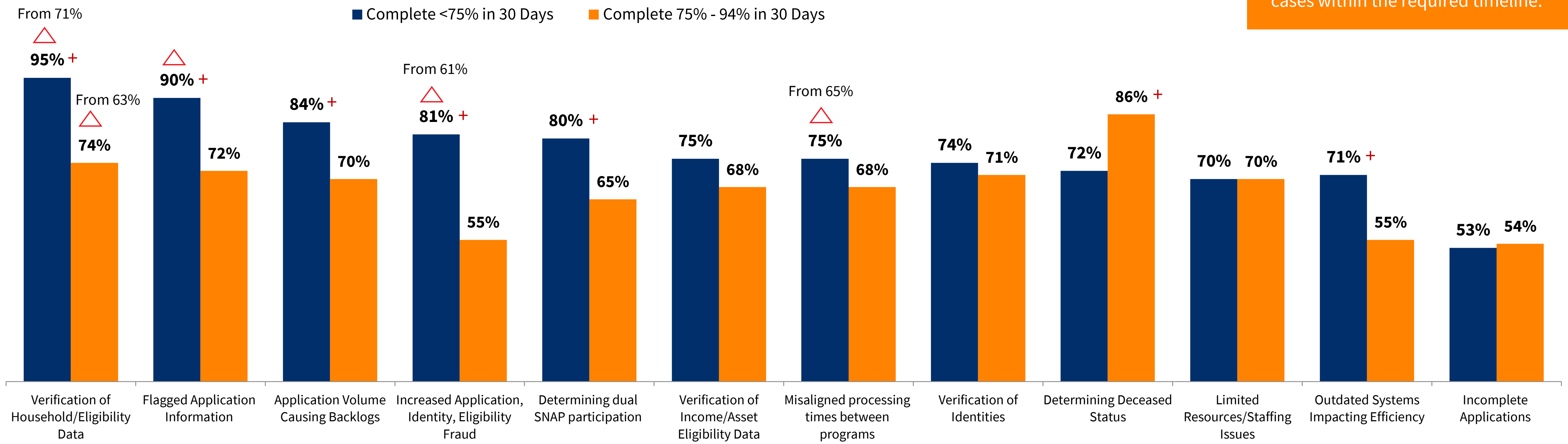
KEY FINDING 3

SNAP agencies that complete less than 75% of applications within 30 days are experiencing increased challenges with verification of household/eligibility and flagged application information due to increased application, identity, and eligibility fraud.

This relates, in part, to less investment in integrated online eligibility systems and data verification.

Limited Investments
Only 25% have invested in integrated online eligibility systems and data verification, compared to 52% among those completing more than 75% of cases within the required timeline.

Reasons for SNAP Application Delays/Backlogs



△ Different from previous year + Different from percentage finding of same response in other segment

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

Fraud Detection, Eligibility Assessment Resources

KEY FINDING 3

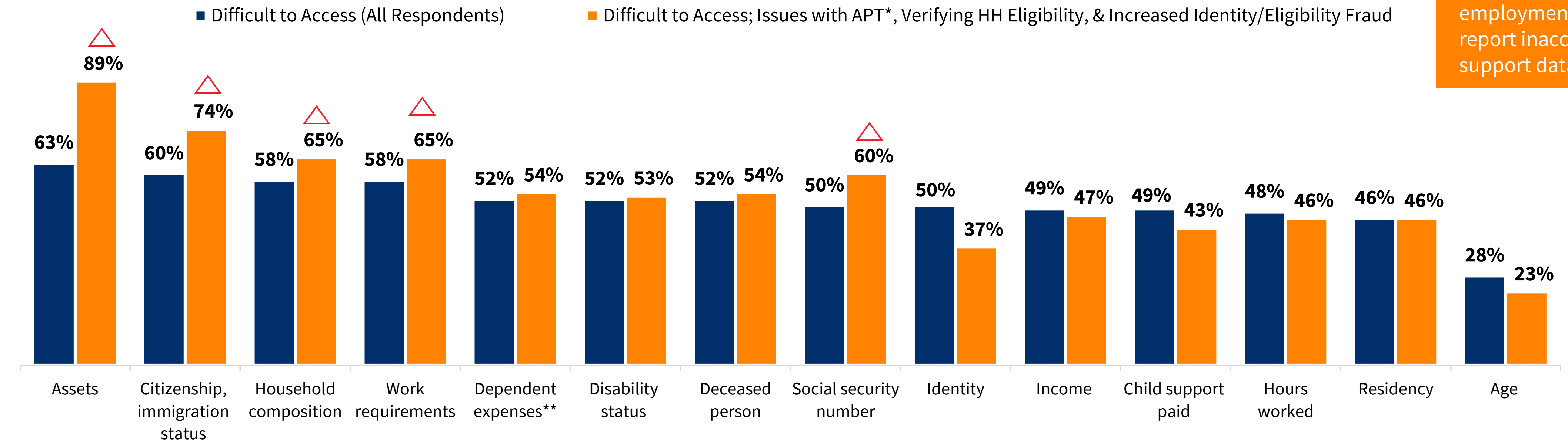
Data access issues are also driving application delays.

Lack of asset, citizenship, household and work requirements data is making it difficult for agencies to verify household eligibility, which causes delays in completing even 75% of applications within 30/7 days.

New work requirements put further pressure on SNAP teams, including updating data and systems.

Eligibility Data Issues
Most agencies that complete <75% of applications in 30 days due to challenges with verifying household eligibility and increased fraud indicate difficulties accessing asset (89%), household (65%), citizenship (74%) and employment (65%) data. They also report inaccurate or incomplete child support data.

Data Access for Assessing Application Fraud Among First-Time Applicants



△ Difference from other segment within response category
* Completes <75% of applications within the 30/7-day requirement ** Dependent care expenses other than child support
Q: Which of the following data elements are typically challenges when determining if there is SNAP application fraud, either because of difficulty accessing or being incorrect/incomplete? First asked in 2025

Performance Delays & Errors

Payment Error Rates

Key Finding 3

There are various payment error reasons mentioned by over half of SNAP agencies, indicating that payment integrity is a complex challenge.

Top-mentioned issues involve a mix of technology, data, resource and fraud-related issues, particularly with altered recipient/applicant-provided documents, lack of technology, manual errors, and undisclosed assets.

Manipulated/altered recipient-provided documents can misrepresent income and negatively impact calculations. Those indicating this challenge are less able to verify income and assets, thus leading to higher payment error rates. Specific types of income-related data issues include:

- Access to wages (75%) and assets (66%)
- Inaccurate or incomplete self-employment (64%) and contributions (63%)

Reasons for Higher Payment Error Rates

(Those with a PER of 6% or higher)

△ Among the top PER reasons * Received from recipients, applicants ** Broad-based Categorical Eligibility *** Master Death File

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

Performance Delays & Errors

Payment Error Rates

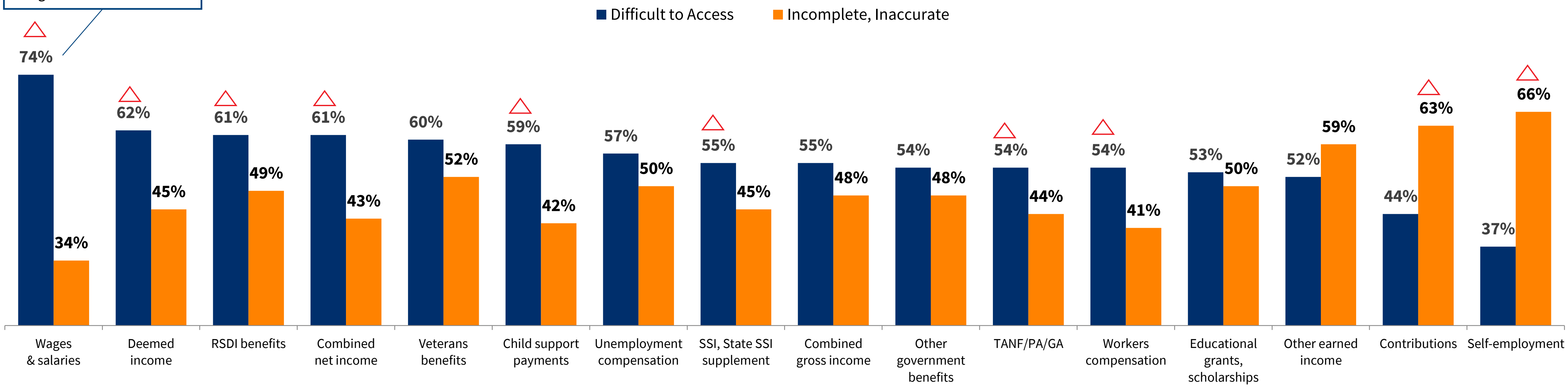
Income-related data issues that drive up payment error rates relate more often to lack of access than to quality, particularly with wages/salaries, deemed and combined net income, benefits (RSDI, veterans), child support, and workers compensation.

Where incomplete or inaccurate data is highest, this typically includes self-employment, contributions, and other earned income data. Information cross-sharing can provide access to essential data. Multi-IES agencies that do not cross-share data across programs have significantly more limited access to wages and salaries data.

94% Multi-IES that **Do Not** Cross-share Information or Integrate Staff with Other Programs

Income-Related Data that Contributes to Payment Error Rates

(Those with a PER of 6% or higher)



△ Difference from other segment within response category

Q: Which of the following income-related data contributes to payment error rates because it is difficult to access and/or incomplete/inaccurate?

Performance Delays & Errors

Payment Error Rates

Manipulated documents are challenging to detect, made more difficult with limited staff/time that leads to manual errors.

Undisclosed assets in particular lead to higher payment error rates among those at 10% or higher PER, especially where self-attestation is involved.

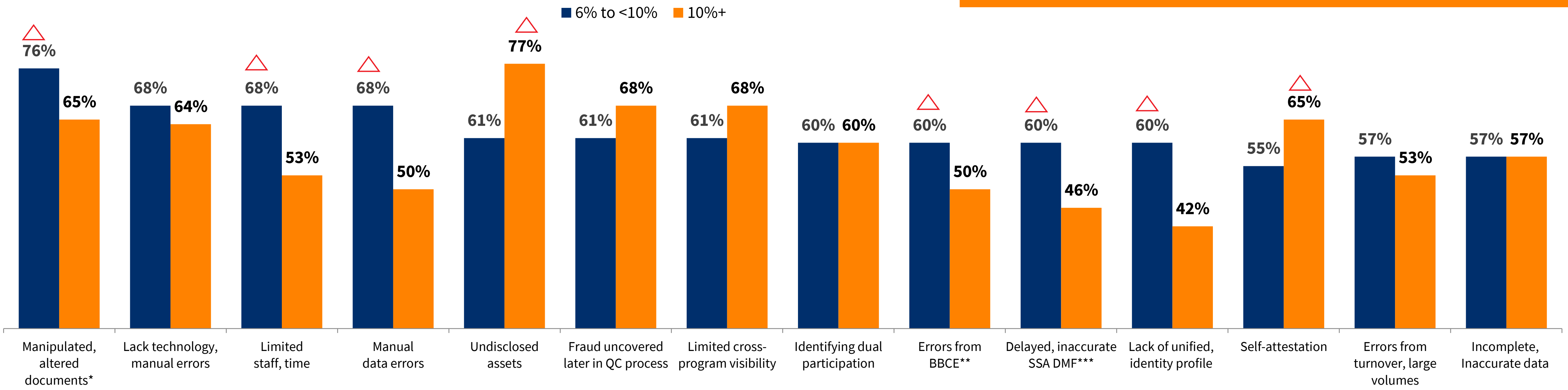
Limited cross-program visibility complicates this data need.

Agencies in larger participating counties (25K+ HH) that report a PER of 10%+ are more likely to indicate the following compared to others:

- Legacy technologies and operational silos that constrain real-time oversight (68%).
- Errors related to caseworker turnover or agencies being inundated with case volumes (64%) (75% for those saying this and legacy technology issues/silos).
- Errors originating from broad-based categorical eligibility (64%).

Reasons for Higher Payment Error Rates

(Those with a PER of 6% or higher)



△ Difference from other segment within response category * Received from recipients, applicants ** Broad-based Categorical Eligibility *** Master Death File

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

Performance Delays & Errors

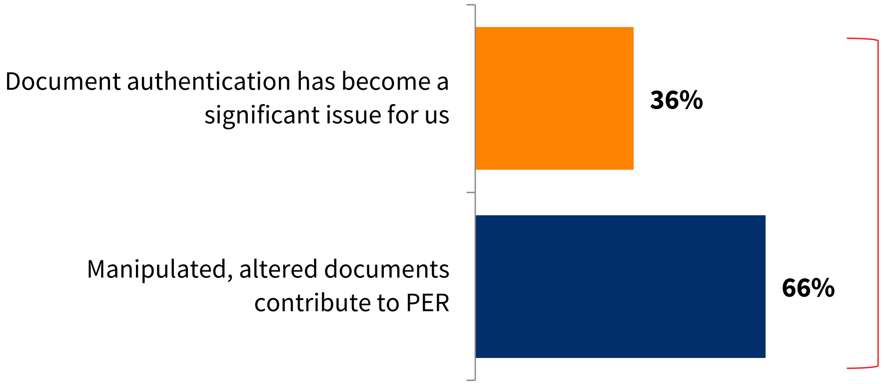
Payment Error Rates

Document authentication is a significant issue for a large majority of SNAP agencies. It contributes to payment errors when fraud is typically not detected until the quality control (QC) process.

KEY FINDING 3

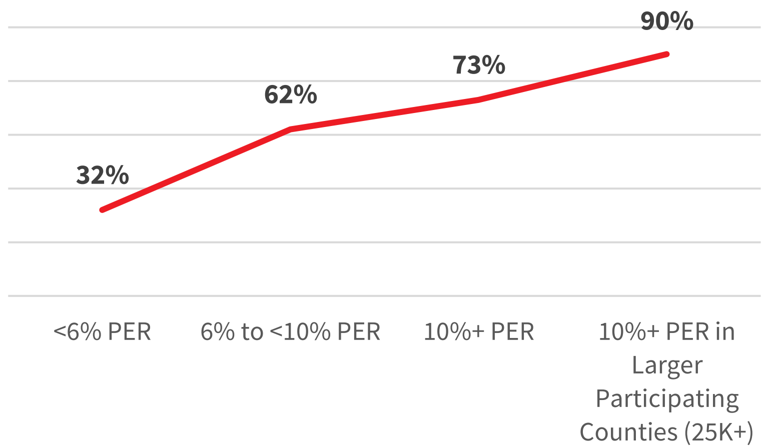
Document authentication issues typically occur in agencies handling more applications. Many agencies are also only somewhat prepared to detect and prevent these issues; those under 6% PER have made more progress on this effort.

Degree that Document Authentication and Manipulation are Issues



82% say one or the other, or both

% Saying that Fraud is Caught Later in the QC Process as a Reason for Payment Errors



% Agencies Prepared to Detect, Prevent Document Authentication Issues

<6% PER	6% to <10% PER	10%+ PER	10%+ PER in Larger Participating Counties (25K+)
44% Very Prepared 44% Somewhat Prepared	68% Somewhat Prepared	62% Somewhat Prepared	55% Somewhat Prepared

Q: To what degree is document authentication an issue? For example, identifying manipulated or AI/photoshopped documents such as for identity, income, driver's license, etc.
Q: To what degree do manipulated or altered documents contribute to your agency's SNAP payment errors?
Q: To what degree is your agency prepared to detect and prevent document authentication issues?
Q: To what degree do the following contribute to your agency's SNAP payment errors?

Performance Delays & Errors

Payment Error Rates

Investments in risk assessment, eligibility, and data verification resources can increase the ability to detect and prevent document authentication issues.

KEY FINDING 3

These investments can also help catch overall fraud earlier in the application process.

Fraud Prevention, Document Authentication Preparedness

70% Somewhat Prepared/ **20%** Not Prepared to Prevent Document Authentication Issues

Limited Solution, Resources Investment

67% indicate fraud caught later during QC process as a reason for payment errors

61% of Agencies

Profile

- 64% Multi-IES
- 84% Counties (Mixed HHP sizes)
- 16% States
- 9% Very Prepared to Prevent Document Authentication Issues
- 44% Have No Unified Beneficiary/Applicant Profile or Cross-Program Criteria Visibility

% Agencies Investing	Fraud Prevention, Document Authentication Resources	% Agencies Investing
42%	Integrated systems for online applications, eligibility system, and data verification	△ 87%
18%	Risk Scoring	△ 71%
16%	Improved Identity Verification	△ 68%
50%	Document Authentication	△ 65%
18%	Identification of Dual Participation	△ 64%
34%	Asset Verification	△ 63%
15%	Cross-program analytics and continuous risk signals	△ 60%
35%	Referential linking that connects information across systems and enhances deceased data	△ 50%

47% Very Prepared / **43%** Somewhat Prepared to Prevent Document Authentication Issues

Broad Solution, Resources Investment

Only 22% indicate fraud caught later during QC process is a reason for payment errors

39% of Agencies

Profile

- 80% Multi-IES
- 68% Counties (More 10K+ HHP)
- 32% States
- 39% Very Prepared to Prevent Document Authentication Issues
- 43% Have a Unified Beneficiary/Applicant Profile and Cross-Program Criteria Visibility

Fewer Investments ← **Multi-Layered Risk Assessment, Eligibility & Data Verification Modernizations** → **More Investments**

Q: To what degree has your agency implemented any of the following SNAP modernization features?
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 is your agency prepared to detect and prevent document authentication issues?
Q: To what degree do the following contribute to your agency's SNAP payment errors?

△ Difference from other segment within response category

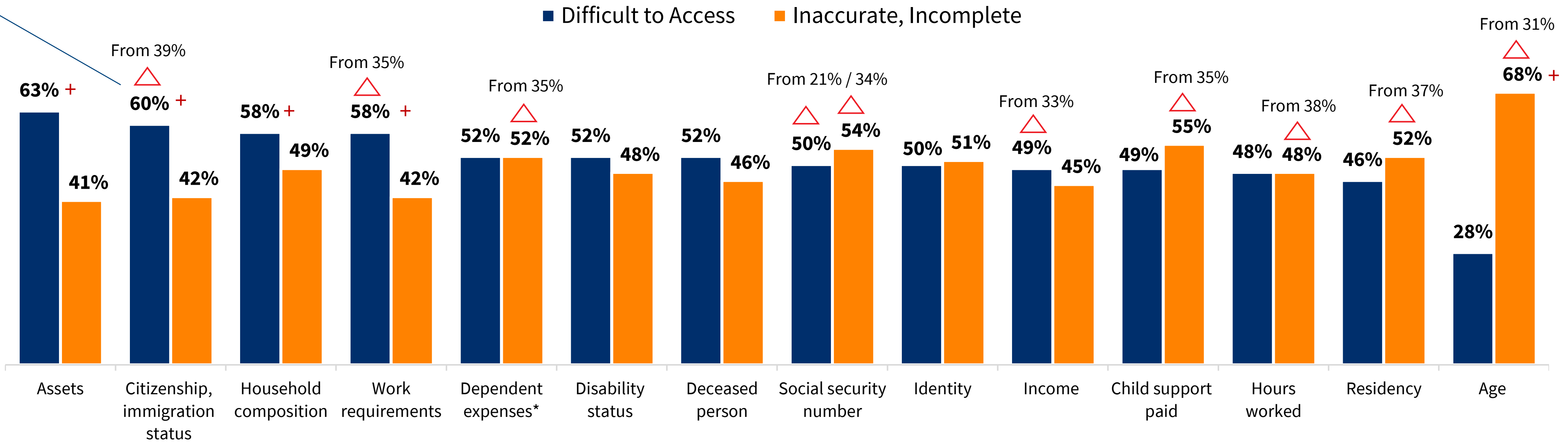
Fraud Detection, Eligibility Assessment Resources

Citizenship/immigration status, social security number (SSN), work requirements, and income have also become more difficult to access, along with assets and household composition. This is occurring as policy changes are affecting eligibility.

Limited access to citizenship/immigration status data is particularly linked to higher payment error rates and adds pressure to these agencies given new rules concerning this status that took effect in July 2025 with H.R. 1.

70% Multi-IES that **have a 10% or higher PER**

Data Access and Data Quality for Assessing Application Fraud Among First-Time Applicants



△ Different from previous year + Different from percentage finding of same response in other segment

* Dependent care expenses other than child support

Q: Which of the following data elements are typically challenges when determining if there is SNAP application fraud, either because of difficulty accessing or being incorrect/incomplete? First asked in 2025
Q: For SNAP applications that originate through applications to other programs, which eligibility factors do your caseworkers assess/verify for SNAP even where these have been vetted at origination by another program? First asked in 2025.

Multi-Program Coordination

Reassessing eligibility with applications originating outside of SNAP is essential to both fraud assessment and program integrity.

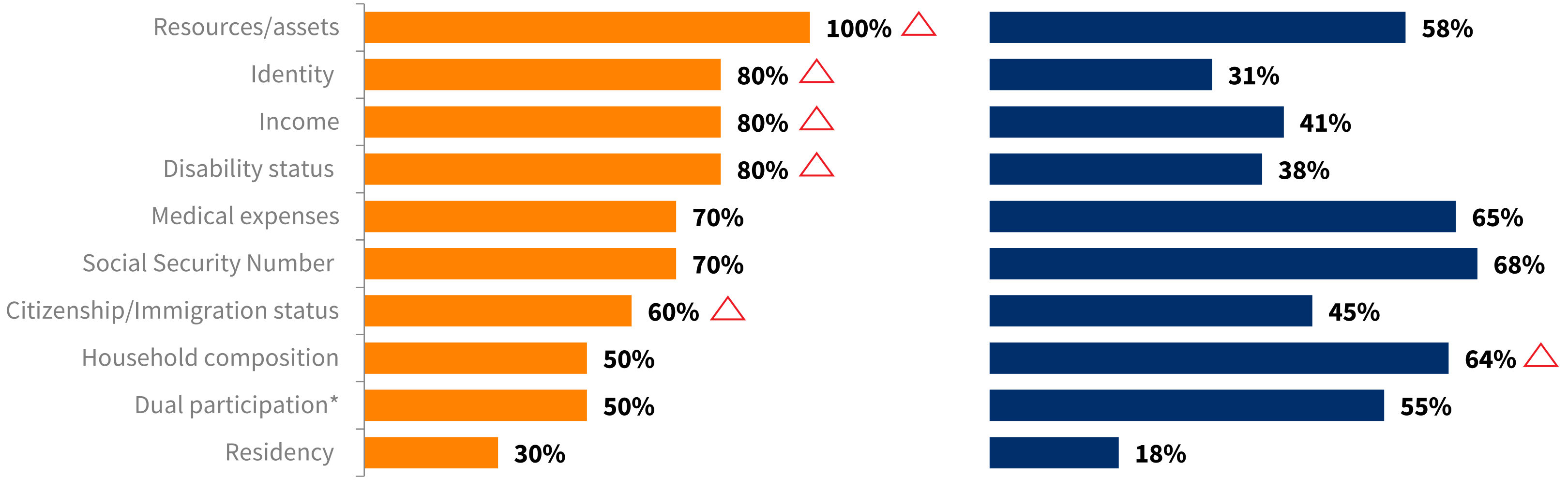
KEY FINDING **3**

Multi-IES agencies that reassess several eligibility data elements, including citizenship, resources/assets, and income, tend to have a lower payment error rate. These agencies are also more likely to reassess for identity.

Eligibility Factors Reassessed by SNAP Where They Are Evaluated at Other Program Origination

<6% PER, Multi-IES
Agencies with 60% + Applications Originating from Other Programs

6% or Higher PER, Multi-IES
Agencies with 60% + Applications Originating from Other Programs



Increased Risk of Fraud and Errors

Limited reassessment for identity and dual participation increases fraud risks to SNAP where criminals have gotten through verification/security protocols at earlier program stages. If left unchecked, SNAP agencies assume this risk.

Varying income eligibility thresholds across programs could lead to decisioning error.

- Self-attestation of household composition allowed by Medicaid should be verified through government or third-party sources.
- Differences exist between Medicaid and SNAP for income, with child support factored into the latter.

Stricter work requirements for SNAP and Medicaid from recent federal legislation underscore the importance of reassessing these eligibility factors to minimize payment errors and associated state penalties.

△ Difference from other segment within response category

* For this question, dual participation is defined as receiving the same benefits multiple times within or across states.

Q: For SNAP applications that originate through applications to other programs, which eligibility factors do your caseworkers assess/verify for SNAP even where these have been vetted at origination by another program?

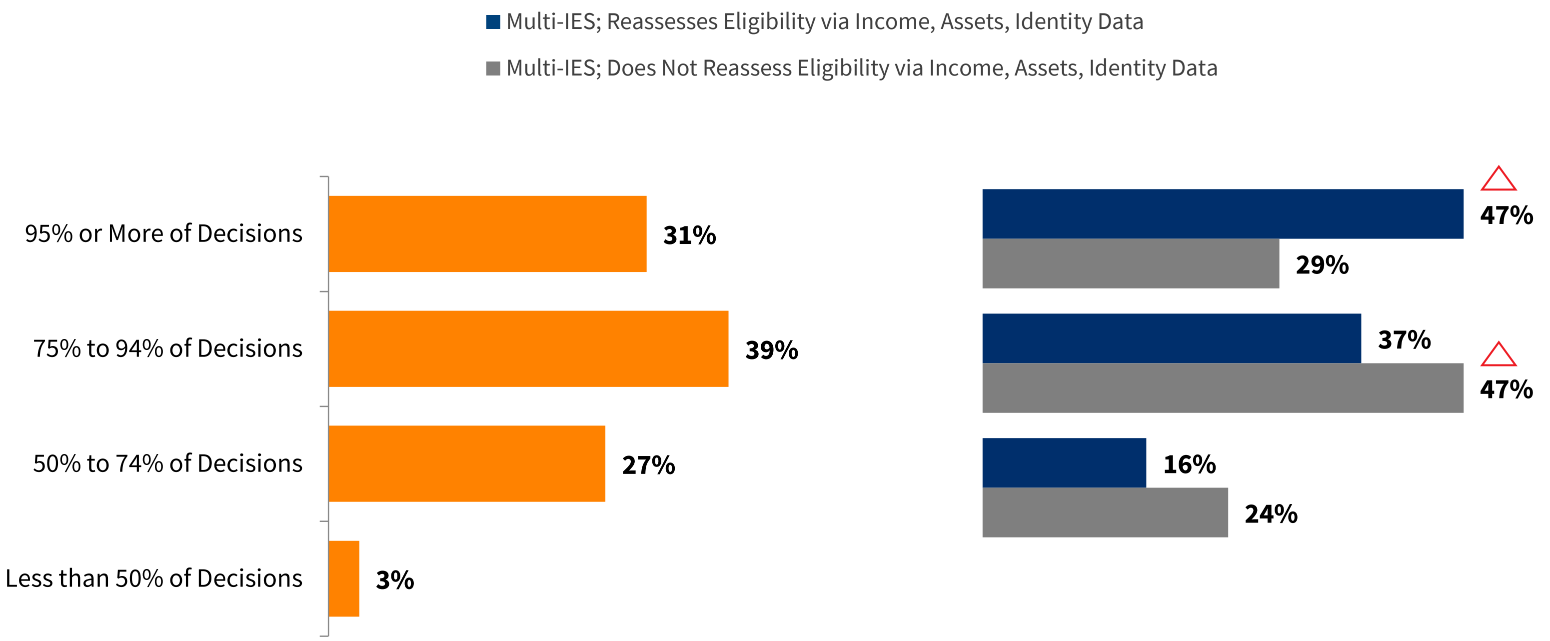
Eligibility Decisions

Reassessing eligibility with applications originating outside of SNAP increases confidence with Multi-IES agency eligibility decisions.

KEY FINDING 3

Stronger integration with other programs, including visibility into their eligibility criteria and cross-sharing of information, strengthens these decisions.

Confidence with Eligibility Decisions Based on all Data Sources Available



63% Multi-IES that have visibility into other programs' eligibility criteria through fuller integration of cross-sharing information, cross-training and/or staff integration

△ Difference from other segment within response category

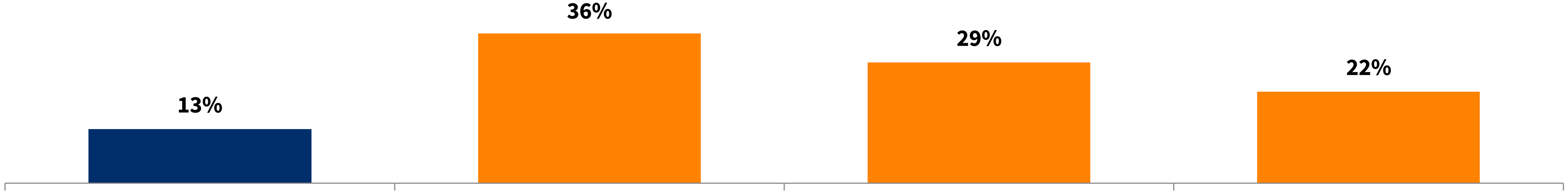
Q: Based on all data your caseworkers have access to, including from applicants, government and commercial data sources, what is your level of confidence with the accuracy of your SNAP eligibility decisions with NEW, FIRST-TIME applicants?

Performance Delays & Errors

Payment Error Rates

Key Comparisons by SNAP Agency Payment Error Rate

(Shading denotes significantly higher/difference)



	<6%	6% to Less than 8%	8% to Less than 10%	10% or Higher
Every $1 of Benefits Lost Actually Costs	**$4.06**	**$4.08**	**$4.30**	**$4.85**
% Administrative Expense of Fraud Costs	**35%**	**38%**	**38%**	**39%**
% County / State	66% / 34%	87% / 12%	64% / 36%	88% / 12%
% Multi-IES agencies*	90%	82%	73%	77%
% Complete 95% of Applications in 30 Days	66%	33%	38%	46%
Key PER Reasons				
Undisclosed assets	46%	65%	57%	77%
Fraud uncovered later during QC Process	43%	60%	63%	68%
Self-attestation	48%	55%	56%	65%
Altered, manipulated documents	37%	79%	73%	54%
Lack tools to reduce manual errors	64%	69%	66%	64%
Errors from caseworker manual input	43%	69%	66%	60%
Inaccurate data to correctly assess or verify eligibility (i.e., income, wages, employment)	25%	61%	56%	57%
Technology, Resources				
Integrated systems that handle online applications, eligibility and data verification	91%	46%	68%	53%
Improved identity verification	57%	28%	42%	29%
Consumer permissioned income verification	56%	42%	14%	46%
Cross-program analytics, continuous risk signals	46%	20%	38%	37%
Risk scoring (Pre/Post issuance)	52%/61%	36%/46%	29%/46%	47%/47%

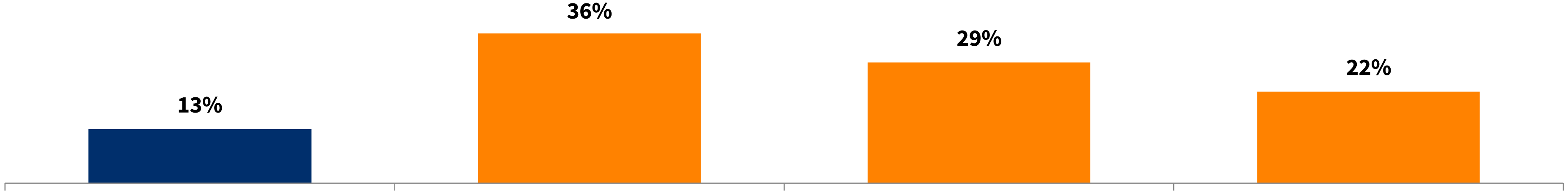
*SNAP + Medicaid + 1-3 other programs.

Key Comparisons by SNAP Agency Payment Error Rate

(Shading denotes significantly higher/difference)

Performance Delays & Errors

Payment Error Rates



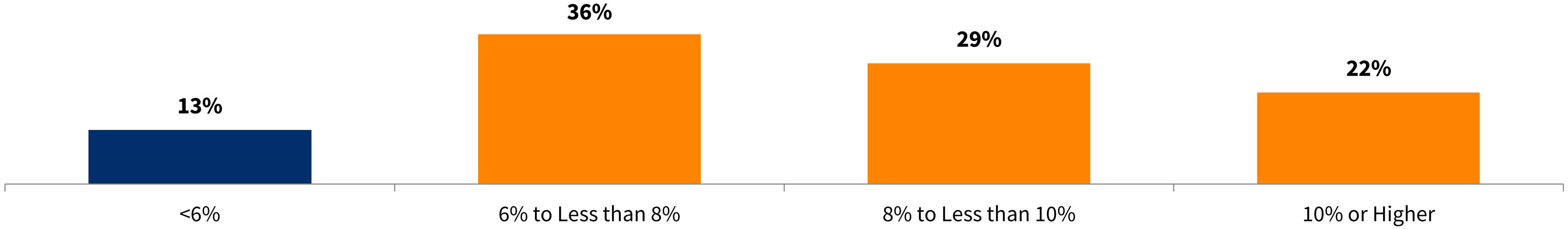
		<6%	6% to Less than 8%	8% to Less than 10%	10% or Higher
Income Data Access Impacting PER	Wages and salaries	71%	64%	79%	84%
	Unemployment compensation	52%	44%	62%	72%
	Combined net income	64%	54%	61%	72%
	Veterans benefits	36%	63%	64%	50%
Income Data Incorrect or Incomplete Impacting PER	Self-employment	66%	60%	70%	72%
	Other earned income	64%	57%	60%	61%
	RSDI benefits	30%	46%	44%	61%
	Workers compensation	27%	41%	36%	49%
Actions to Fill Budget Gap from Administrative Cost Shifts	Automate eligibility verification	73%	54%	70%	57%
	Shift funding from other programs to SNAP to meet moment of event needs	77%	76%	72%	78%
	Reduce SNAP benefits distribution	46%	57%	52%	41%
	Reduce staff, resources	27%	28%	30%	37%
Actions to Fill Budget Gap from PER Penalties	Reallocate funds from administrative operations to error-reduction initiative	80%	77%	59%	81%
	Forecast penalties using projected error rates, adjust program benefits or budgets accordingly	73%	42%	56%	60%
	Monitor compliance closely to qualify for exemptions or delays	71%	62%	64%	70%
	Balance error reduction with maintaining benefits	25%	48%	62%	39%

Performance Delays & Errors

Payment Error Rates

Key Comparisons by SNAP Agency Payment Error Rate

(Shading denotes significantly higher/difference)



		<6%	6% to Less than 8%	8% to Less than 10%	10% or Higher
Barriers to Tech Adoption to Support Efficiencies, Fraud Detection, Automation	Legacy systems	55%	54%	60%	32%
	Budget constraints	64%	63%	60%	56%
	Cultural mindsets against technology	55%	68%	55%	63%
	Competing funding priorities	36%	32%	48%	72%
	Outdated rules, regulations & unfunded federal mandates	73%	62%	57%	52%
Competing Funding Priorities as a Barrier to Tech Adoption	Modernizing to strengthen cybersecurity	42%	37%	47%	54%
	Improving digital access for recipients, applicants	58%	37%	36%	38%
	Improving system, data access to enable required updates on beneficiary information	71%	57%	56%	68%
	Improving systems, processes for identity verification	50%	60%	87%	63%
	Improving systems, processes to detect & prevent fraud	46%	63%	55%	71%
	Meeting APT standards	13%	40%	33%	19%

Key Finding 4

The Breadth of Data Gaps is Significant, Increasing Fraud Costs and Challenges

LexisNexis® RISK SOLUTIONS

Data-related Issues Further Heighten Existing Risk Assessment and Program Integrity Challenges

KEY FINDING 4

SNAP agencies are challenged with detecting fraud, with increased challenges from policy waivers that also add to payment errors.

Fraud Challenges

Policy waivers have become more of a challenge for SNAP agencies. These waivers contribute to increased fraud and payment errors where applicants can intentionally misrepresent income, and data gaps make it more challenging for agencies to verify income afterward.

Data Issues Impacting Fraud Costs and PER

More issues with income and fraud assessment data translate into more errors, less fraud caught at the front end, higher payment error rates and higher fraud costs. For agencies with data gaps, every $1 of lost benefits actually costs between $4.53 and $4.97, and this increases further among those experiencing increased year-over-year fraud.

Fraud and PER Results

Agencies with fewer income-related data gaps tend to have a lower PER (22% report being below 6%). They are also more likely to prevent front-end fraud (avg. 74% caught at applications).

Increasing Cost of Fraud

KEY FINDING **4**

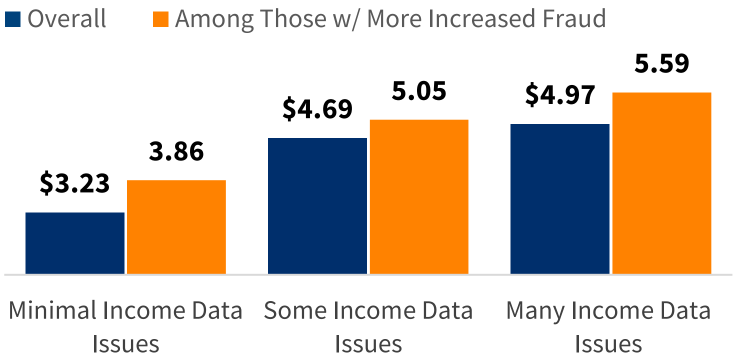
Data access and quality issues are a key driver of increased fraud costs, including administrative expenses, as well as contributing to higher payment error rates.

More issues with income and fraud assessment data translate into more errors and higher costs. This requires more administrative resources to assess, correct and recover overpayments; it also results in significantly less fraud prevented during the application phase.

LexisNexis Fraud Multiplier™ and Percent of Administrative Costs Based on the Degree of Data Access and Quality Issues

	Minimal Income Data Issues		Some Income Data Issues		Many Income Data Issues	
% Administrative Expenses of Total Fraud Cost	31%	37%	39%	43%	40%	46%

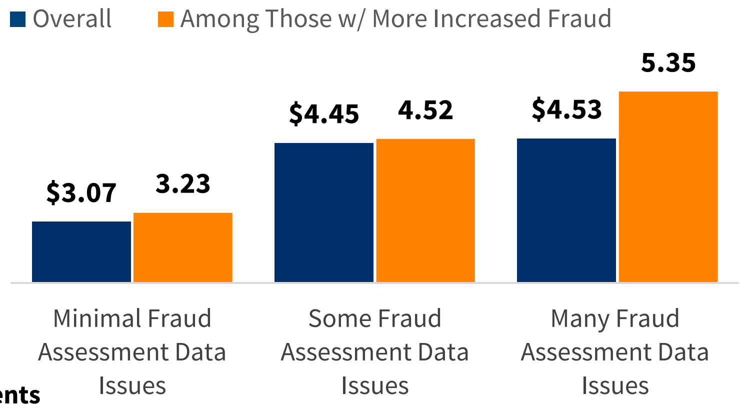
Income-related Data Issues Impacting PER



Income-related Data Elements	Minimal Income Data Issues	Some Income Data Issues	Many Income Data Issues
Avg. Number Difficult to Access	5	9	10
Avg. Number Incomplete, Inaccurate	4	7	9
% Agencies with PER <6%	22%	16% ↓	0% ↓

	Minimal Fraud Assessment Data Issues		Some Fraud Assessment Data Issues		Many Fraud Assessment Data Issues	
% Administrative Expenses of Total Fraud Cost	31%	32%	41%	41%	40%	44%

Data Issues Impacting Application Fraud Assessment



Fraud Assessment Data Elements	Minimal Fraud Assessment Data Issues	Some Fraud Assessment Data Issues	Many Fraud Assessment Data Issues
Avg. Number Difficult to Access	5	9	10
Avg. Number Incomplete, Inaccurate	4	7	9
% Fraud Prevented at Application	74%	26% ↓	22% ↓

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?
Q: Which of the following income-related data contributes to payment error rates because it is difficult to access and/or incomplete/inaccurate?
Q: Which of the following data elements are typically challenges when determining if there is SNAP application fraud, either because of difficulty accessing or being incorrect/incomplete?
Q: As it relates to accuracy, what has your state's payment error rate been during the past 12 months? This includes both over and underpayments.
Q: In a typical month, approximately what percent of fraudulent applications are prevented at the front end by your agency?

Fraud Solutions

KEY FINDING 4

Investments in risk assessment, eligibility, and data verification tools are essential for mitigating the level and cost of fraud, including administrative expenses, as well as increasing process efficiency.

However, the effectiveness of these resources can be weakened where data access and quality issues exist.

Fraud Prevention and Program Integrity Investments by Income-related Data Issues

Income Data-related Issues: More

Highest Risk
Less Optimal Performance

Potential for:
Higher Fraud Levels and Cost,
Limited Fraud Prevention
Payment Errors
Few Process Efficiencies

36% of Agencies

Moderate Risk –
Moderate Performance

Potential Mixed Results with:
Fraud Levels and Cost,
Fraud Prevention
Payment Integrity
Fewer Process Efficiencies

33% of Agencies

Income Data-related Issues: Fewer

Mixed Risks –
Less Optimal Performance

Potential for:
Higher Fraud Levels and Cost,
Limited Fraud Prevention
Payment Errors
Few Process Efficiencies

36% of Agencies

Lower Risk –
Optimized Performance*

Strongest Potential for:
Lower Fraud Level and Costs,
High Fraud Prevention
Payment Integrity
More Process Efficiencies

8% of Agencies

Fewer — More

Multi-Layered Risk Assessment, Eligibility and Data Verification Modernizations

A System Primed for Errors
Over two-thirds of SNAP agencies are dealing with income-related data issues that can impact fraud detection and payment integrity.

- Risk scoring
- Integrated systems for online applications, eligibility system and data verification
- Cross-program analytics and continuous risk signals
- Improved front-end identity verifications
- Identification of dual participation
- Asset verification
- Document authentication
- Referential linking that connects information across systems and enhances deceased data

* Involves higher percentage use of risk scoring (pre issuance), improved identity verification, identification of dual participation, cross-program analytics & continuous risk signals, document authentication, integrated systems that handle online applications, eligibility system, and data verification, referential linking; asset verification solution. Results can vary and may not be the same for every agency. For illustration purposes only.

Q: Which of the following income-related data contributes to payment error rates because it is difficult to access and/or incomplete/inaccurate?
Q: To what degree has your agency implemented any of the following SNAP modernization features?
Q: Which solutions/tools/resources does your agency currently use to detect and mitigate fraud associated with SNAP applications/eligibility/recertification (pre-issuance)?

For over two-thirds of SNAP agencies, the breadth of data gaps is significant, involving information critical to making correct payment and eligibility decisions.

KEY FINDING 4

These data gaps are causing challenges for meeting requirements in at least two ways. Agencies struggling with both data and fewer resources are likely spending too much time trying to find necessary information, thus missing APT requirements. Others are likely rushing to meet APT thresholds while understanding decisions are based on partial or incorrect data. Both are making payment errors and missing fraud.

% of Agencies Indicating Issues with Data

(Indicated by 60% or more)

More Data Issues, Fewer Risk, Eligibility, Data Modernizations

Highest Risk – Less Optimal Performance

36% of Agencies

Furthest from PER Goal*
Avg PER 9.50%
44% have a PER at 6% to <8%
56% have a PER at 8%+

% of Agencies Completing 95% of Applications within 30 days

28%

Income-Related Data Issues Impacting Payment Integrity

Difficult to Access		Inaccurate or Incomplete	
Deemed Income	90%	Contributions	75%
Wages and Salaries	83%	Other Earned Income	74%
RSDI Benefits	83%	Self-Employment	73%
Combined Gross Income	77%	Educational Grants	65%
Other Govt. Benefits	70%		
Combined Net Income	68%		
Child Support	67%		
Unemployment Comp.	67%		
Veterans Benefits	63%		
Workers Compensation	61%		

Data Used When Determining Fraud with Applications

Difficult to Access		Inaccurate or Incomplete	
Work Requirements	78%	Child Support	69%
Household Data	67%	Identity	67%
Assets	66%	Age	66%
Citizenship	64%	Disability Status	66%
Dependent Care	63%	Residency	64%
Deceased Status	63%		

More Data Issues, More Risk, Eligibility, Data Modernizations

Moderate Risk – Moderate Performance

33% of Agencies

Farther from PER Goal*
Avg PER 9.50%
11% have a PER at <6%
67% have a PER at 8%+

% of Agencies Completing 95% of Applications within 30 days

76% △

Income-Related Data Issues Impacting Payment Integrity

Difficult to Access		Inaccurate or Incomplete	
Deemed Income	87%	Contributions	75%
Wages and Salaries	81%	Veterans Benefits	72%
Other Govt. Benefits	81%	Other Earned Income	66%
Combined Gross Income	75%	Self-Employment	65%
Combined Net Income	73%	Child Support	62%
Workers Compensation	73%		
Other Earned Income	70%		
RSDI Benefits	66%		
Unemployment Comp.	62%		

Data Used When Determining Fraud with Applications

Difficult to Access		Inaccurate or Incomplete	
Income	67%	Age	68%
Disability Status	66%	Dependent Care	67%
Child Support	65%	Assets	66%
Household Data	62%	Social Security No.	66%
Deceased Status	62%	Household Data	65%

* Based on survey respondent findings; results can vary and may not be the same for every agency.

Q: Which of the following income-related data contributes to payment error rates because it is difficult to access and/or incomplete/inaccurate?

Q: Which of the following data elements are typically challenges when determining if there is SNAP application fraud, either because of difficulty accessing or being incorrect/incomplete?

Data Issues

KEY FINDING **4**

Findings confirm the impact of data and resource gaps on meeting application timeline and payment error requirements.

Agencies with significant data issues but limited investments in risk assessment, eligibility, identity, and data verification resources are, in fact, spending more time looking for data, which delays processing. Manual errors, incomplete and inaccurate data, staff limitations, and limited technology/tools are contributing to payment errors; these payment errors occur particularly where limited data and solutions become a barrier to verification (especially with self-attestation).

Increased application volumes are adding further pressure, which can increase error potential. Broad-based categorical eligibility contributes to increased case work in an environment already constrained by resource and data gaps.

Application Delays and Payment Error Reasons Among Agencies with Significant Data Gaps and Fewer Decision Resources

Key Reasons for Application Delays

Flagged applications information that differs from what is on file or from other verification sources; eligibility workers **need more time to gather correct data**.	76%
Verification of income/asset eligibility data that is difficult to access.	76%
Determining deceased status **takes longer**.	76%
Verification of household/eligibility data, such as residency which is often inaccurate or incomplete.	70%
Verification of identities, including beneficiaries and authenticating as real, given often inaccurate or incomplete data and minimal investment in identity verification solutions.	70%
Application volume, backlogs combined with high volumes **slow down processing**.	64%

More Data Issues,
Fewer Risk, Eligibility, Data Modernizations

Highest Risk – Less Optimal Performance

36% of Agencies

Furthest from PER Goal*
Avg PER 9.50%
56% have a PER at 8%+

% of Agencies Completing 95% of Applications within 30 days

28%

Key Reasons for Payment Errors

Manual errors from caseworker input.	76%
Determining dual participation given limited investment in solutions to support this.	75%
Errors originating from broad-based categorical eligibility decisions; this can increase caseloads as more people qualify at higher income levels, which can then **increase manual errors**.	73%
Altered documents – nearly half of this segment say document authentication is a significant issue, though only 6% are prepared to detect and prevent it.	73%
Undisclosed assets, which are difficult to access by this segment.	73%
Lack tools/technology to reduce **manual errors**.	70%
Self-attestation – data gaps limit ability to verify this data.	68%
Limited staff, time.	64%
Errors related to turnover and being inundated with case volumes.	62%
Lack unified, identity-centric customer profile across programs.	60%

* Based on survey respondent findings; results can vary and may not be the same for every agency.

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

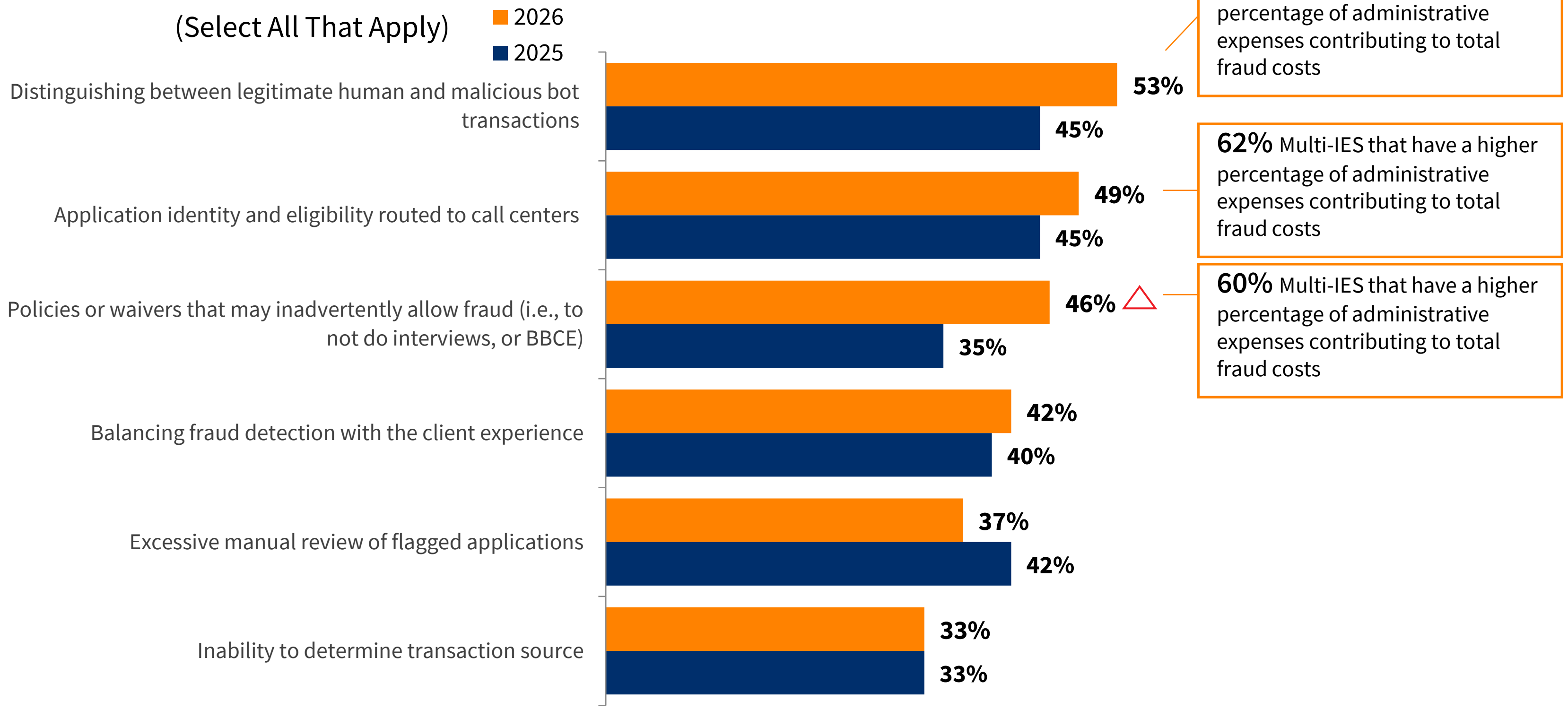
Fraud Challenges

Policy waivers that may inadvertently allow fraud have increased as a top challenge when determining if fraud is occurring at the application phase.

Distinguishing bots from legitimate applicants and verifying application identity and eligibility remain top application challenges.

Agencies that have a higher percentage of administrative expenses contributing to fraud costs are more challenged with policy waivers, application identity, and distinguishing bots from legitimate applicants. These challenges add resource time and effort.

Top Application Fraud Challenges



△ Difference from other segment within response category

Q: Which of the following are key challenges related to fraud when processing SNAP applications?

Policy waivers (not to do interviews, or because of BBCE) can be a significant handicap to SNAP teams, which increases the risk of fraud, fraud costs and payment errors.

Intentional misrepresentation by applicant – without a direct interview, observation and questions to confirm income, expenses and other eligibility criteria, fraudsters can more easily provide false documents and information.

Errors and misrepresentations can go unnoticed – as eligibility relies more on self-attestation, this adds time and effort for caseworkers to verify data and, if not available, causes them to miss fraudulent activity.

Self-attestation can lead to errors – this particularly involves payment calculations, which either delays processing or results in payment errors. This can then lead to increased administrative expenses with investigations and recovery.

Fraud Challenges

Study findings show that policy waivers further complicate eligibility and payment decisions for those that already have data access and quality issues.

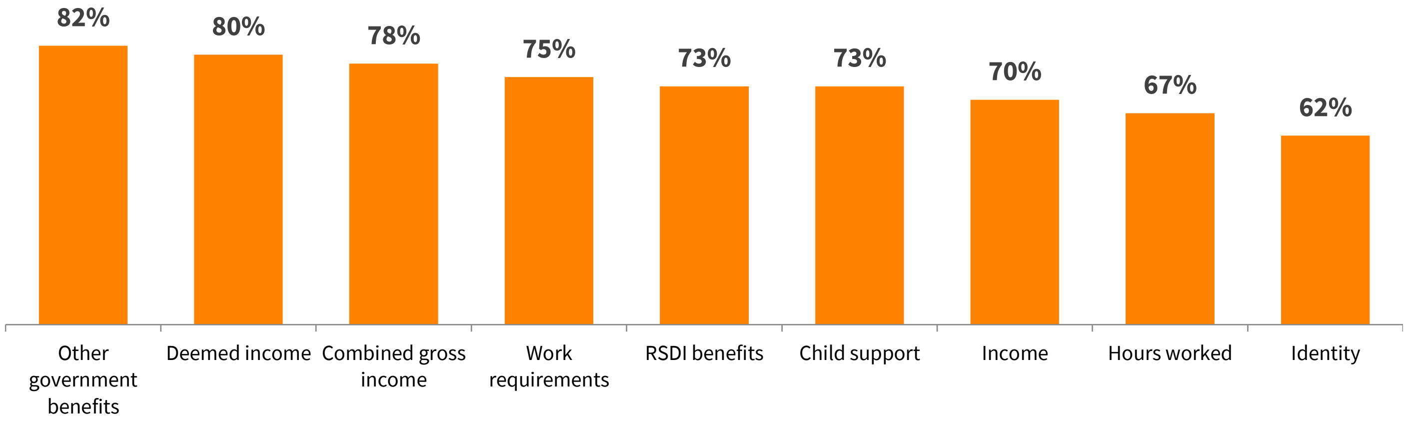
KEY FINDING 4

Agencies have limited access to data that can be verified and limited line of sight through other programs and cross-sharing of information.

Policy Waivers as a Top Challenge When Processing SNAP Applications

(not to do interviews, or because of BBCE)

Agencies with Data Access and Quality Issues AND Policy Waivers as a Top Challenge



67% do not have a unified applicant profile across programs, visibility into other program eligibility criteria, or cross-share information with other programs.

Over half (58%) report a PER of 8% or higher.

Q: Which of the following are key challenges related to fraud when processing SNAP applications?

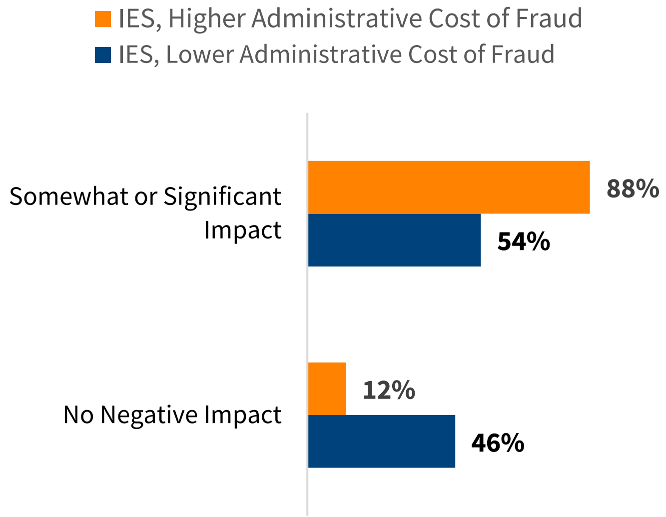
Fraud Challenges

KEY FINDING 4

IES agencies that have a higher percentage of administrative expenses going toward overall fraud costs are experiencing more significant impacts on staff when application backlogs occur, particularly related to eligibility errors.

Turnover results in loss of institutional knowledge, including an understanding of the types of data for eligibility decisions and how eligibility criteria can differ across other programs where an application originates. Left unaddressed, this can become an ongoing battle for SNAP agencies.

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

- **87%** Increased errors regarding eligibility
- **48%** Low morale
- **54%** Increased turnover
- **57%** Low productivity, delays in approving eligibility

Difference from previous year

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?

Key Finding 5

To Be Most Effective, Investments in Risk Assessment & Eligibility Solutions Must Include Quality Authoritative Data.

Technology + Data + Lack of Legacy System Issues is Ideal

KEY FINDING **5**

The cost of fraud can be lessened with investments in both technology and quality data. Solution providers can help agencies overcome legacy system barriers.

Technology and Data Solutions

Investments in risk assessment, eligibility, identity and data verification solutions are essential for managing risk, costs, and program integrity.

Data Issues Impacting Fraud Costs and PER

These investments can become less effective where quality authoritative data is lacking. Agencies that combine both technology and data investments have a lower cost of fraud ($3.85 for every $1 of lost benefits compared to $4.76 for those that have not made these investments).

Barriers to Investments

Funding and cultural mindsets are common barriers to technology investments across many SNAP agencies. Those that have made investments are more likely to have broken through these barriers, but also – and importantly – faced fewer legacy system challenges. Solution providers can help agencies overcome this barrier.

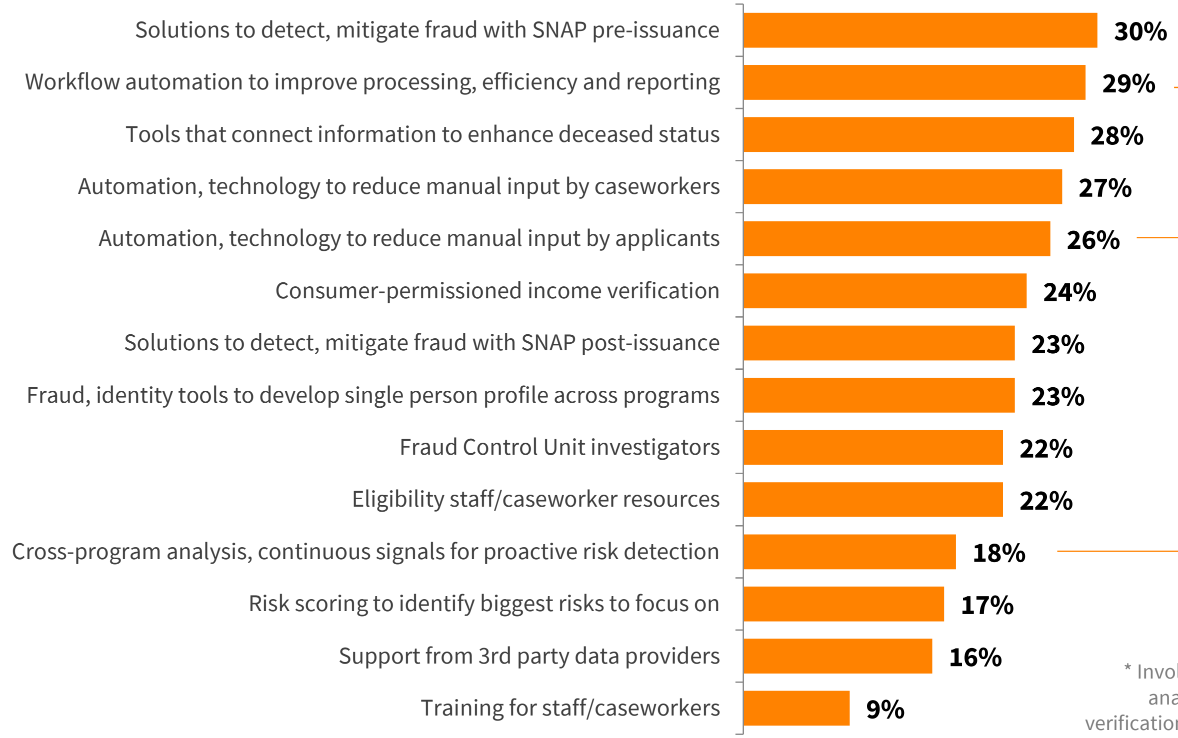
Fraud Solutions

KEY FINDING 5

There is recognition of the need for investing in tools and solutions to improve risk assessment, improve efficiencies and reduce errors, particularly among just under half of Multi-IES SNAP agencies struggling with higher administrative fraud costs and payment error rates.

Nearly half of Multi-IES agencies that have already made these investments indicate continued investments as well, including with those which enable proactive risk detection.

% Multi-IES SNAP Agencies Indicating Increased Investment in the Following:



40% Multi-IES with 10%+ PER; **42%** with higher administrative fraud costs

39% Multi-IES that currently have fewer resource investments* and more data issues
40% Multi-IES with PER 6% to less than 10%

39% Multi-IES with higher administrative fraud costs

Nearly half of Multi-IES agencies **(47%)** that have already invested in various risk assessment, eligibility and data verification tools say they will increase investments in cross-program analysis that provides continuous risk signals for more proactive risk detection.

* Involves higher percentage use of risk scoring (pre issuance), improved identity verification, identification of dual participation, cross-program analytics & continuous risk signals, document authentication, integrated systems that handle online applications, eligibility system, and data verification, referential linking; asset verification solution. Results can vary and may not be the same for every agency. For illustration purposes only.

Q: With the One Big Beautiful Bill (also known as the Working Families Tax Cut Act) shifting more cost burdens to SNAP agencies based on application processing timelines and improper payment rates, to what degree is your agency likely to increase or decrease investments in the following?

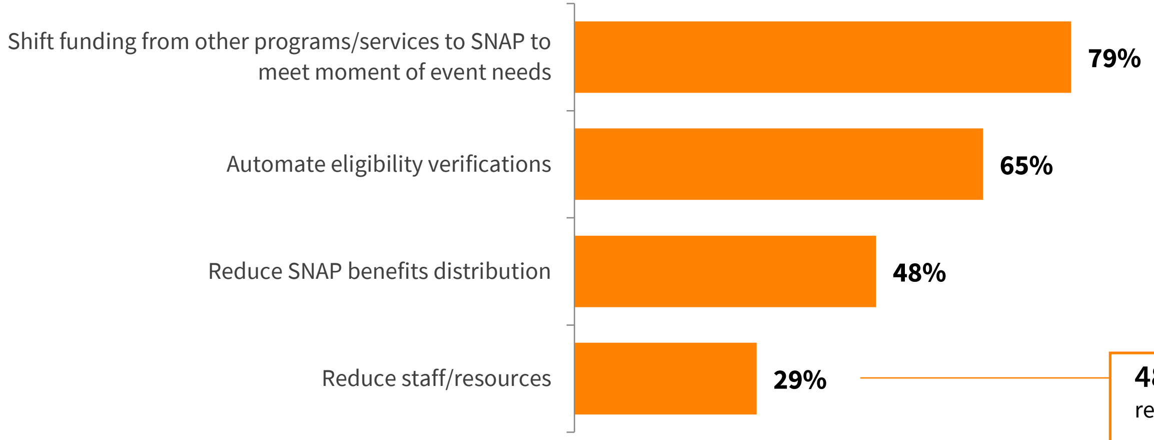
Fraud Solutions

KEY FINDING 5

Shifting funding from other programs and automating eligibility systems are likely actions for Multi-IES agencies to fill budget gaps as administrative costs shift.

Those that have made fewer investments in risk assessment, eligibility, and data verification, face data-related challenges and have higher administrative fraud costs, are significantly more likely to also say they will cut staff.

% Multi-IES SNAP Agencies Anticipating the Following Actions to Offset Budget Gap from Shifting Administrative Costs



48% Multi-IES with fewer risk/eligibility/data verification resources* and higher administrative fraud costs

66% Multi-IES with fewer of these resources*, higher data access and quality issues and higher administrative fraud costs

* Involves higher percentage use of risk scoring (pre issuance), improved identity verification, identification of dual participation, cross-program analytics & continuous risk signals, document authentication, integrated systems that handle online applications, eligibility system, and data verification, referential linking; asset verification solution. Results can vary and may not be the same for every agency. For illustration purposes only.

Q: To what degree do you anticipate having to do the following if it becomes necessary to fill a budget gap created by the shifting of administrative costs to your agency from 50% to 75%?

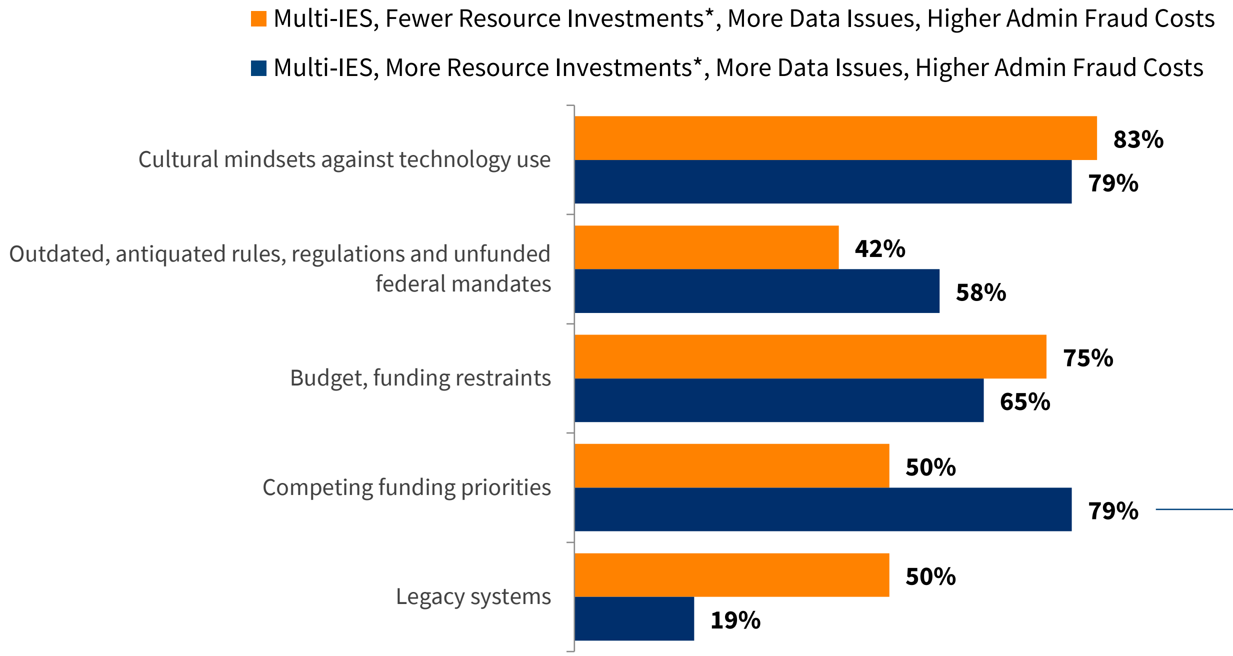
Fraud Solutions

KEY FINDING **5**

Multi-IES agencies with higher administrative fraud costs face roughly similar cultural and budgetary barriers to investments in new technologies to improve workflow efficiencies, fraud prevention, and automation. These agencies also face higher data access and quality challenges.

The difference between those that have and have not broken through those barriers to make investments in these types of solutions is that the former have fewer legacy system constraints once the cultural and funding issues are resolved. That could explain, in part, the reason for looking at staff reductions by the latter, if other options are limited.

% Multi-IES SNAP Agencies Indicating Barriers to New Technologies & Solutions



91% say that competing priorities involve improving systems and processes for identity verification

△ Difference from other segment within response category

Q: What are the barriers, if any, to adoption of new technologies/solutions to support workflow efficiencies, fraud prevention and automation?

* Involves higher percentage use of risk scoring (pre issuance), improved identity verification, identification of dual participation, cross-program analytics & continuous risk signals, document authentication, integrated systems that handle online applications, eligibility system, and data verification, referential linking; asset verification solution. Results can vary and may not be the same for every agency. For illustration purposes only.

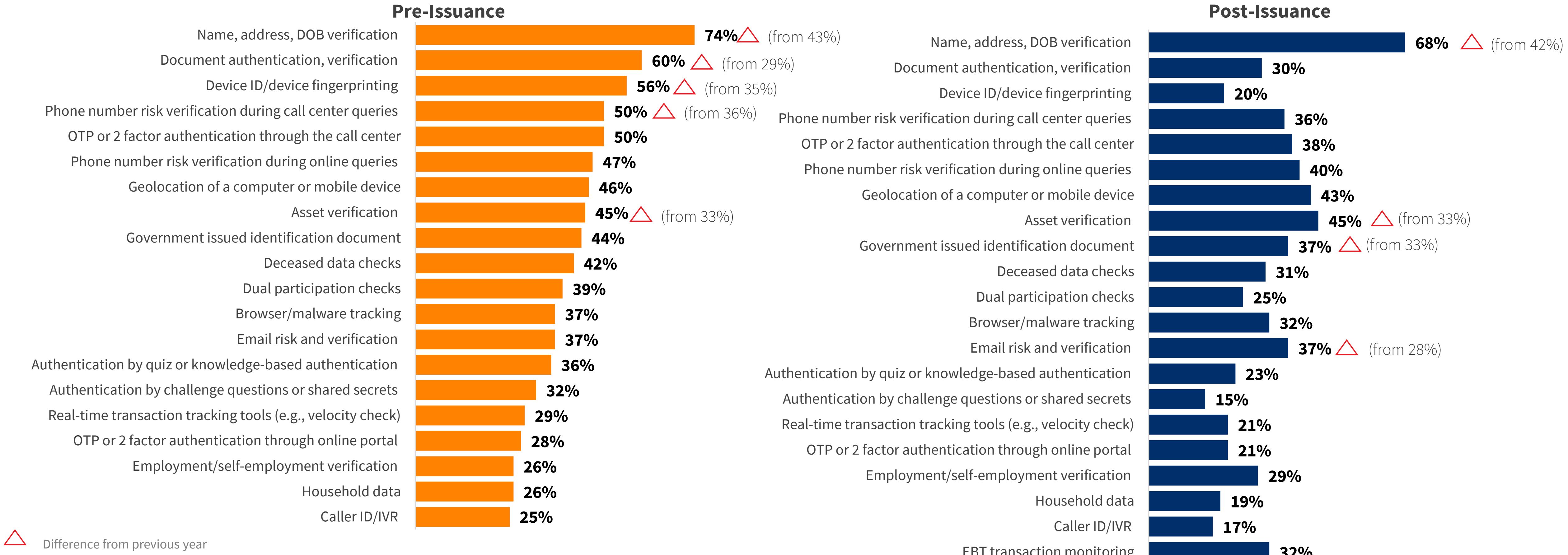
Fraud Solutions

Key Finding 5

In addition to physical identity (name, DOB), more digital identity, document authentication, and asset verification solutions are being used pre-issuance.

Front-end identity verification and verification of documents/data are essential for proactive risk mitigation, as well as reducing fraud costs and errors.

Percent of Multi-IES Agencies Indicating Use of Fraud Detection/Mitigation Solutions

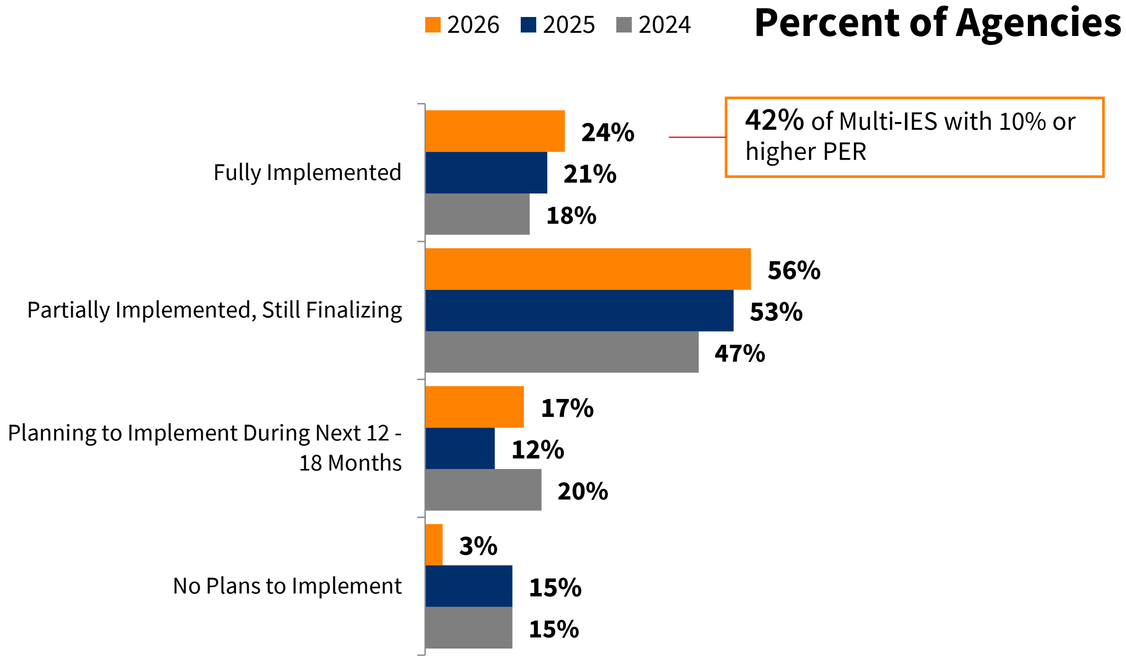


Q: Which solutions/tools/resources does your agency currently use to detect and mitigate fraud associated with SNAP applications/eligibility/recertification (pre-issuance)?
Q: Which solutions/tools/resources does your agency currently use to detect and mitigate fraud associated with SNAP post-application/post-issuance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

There continues to be limited implementation of the FNS SNAP Fraud Framework. A majority of Multi-IES agencies that say they are in the process of working toward this don't seem to be making much progress.

That said, just under half of agencies that have a very high PER (10%+) have fully implemented this framework, indicating a recognition of the need to utilize resources to improve program integrity.

Percent of Agencies Implementing the FNS SNAP Fraud Framework*



Investigations and Dispositions: Aims to provide states with tools and suggestions to improve fraud case management from initial fraud referral through disposition.

Analytics and Data Management: Details the necessary people, processes, and technology to launch and maintain an analytics capability. Data analytics can play a valuable role in preventing, detecting, and investigating SNAP fraud.

Learning and Development: Recommends states invest in training and professional development opportunities to promote employee engagement and to ensure employees are aware of new and emerging trends in fraud.

Organizational Management: Aims to help states establish and communicate priorities, organize employees, and manage both large-scale and day-to-day processes.

Performance Measurement: Offers recommendations encouraging states to consistently capture and analyze their own performance.

Recipient Integrity Education: Provides targeted integrity education initiatives to help ensure recipients have the necessary information and tools to use SNAP benefits as intended – preventing fraud before it occurs.

Fraud Detection: Stresses the importance of adequately training state agency employees, especially eligibility workers and fraud unit employees, in fraud detection.

*SNAP Fraud Framework | Food and Nutrition Service (usda.gov)
Q: Has your agency implemented recommendations from the FNS SNAP Fraud Framework?
Q: Does your agency have plans to implement the FNS SNAP Fraud Framework during the next 12 – 18 months?

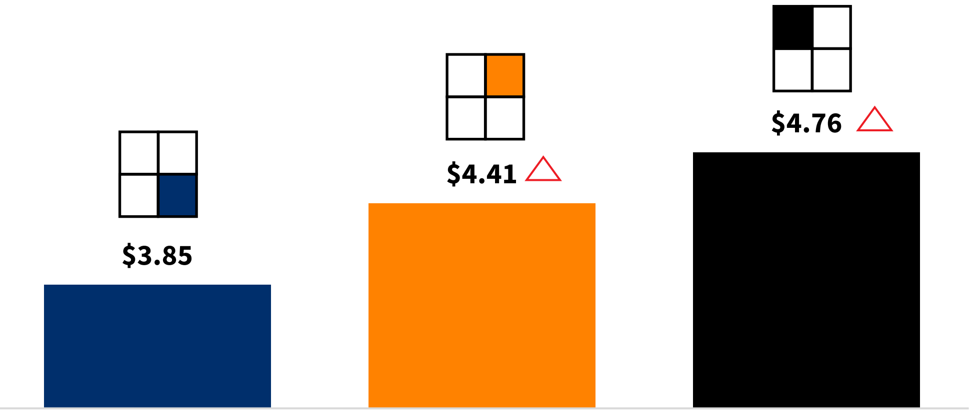
To be most effective, modernizations in risk assessment, eligibility and data verification need to be coupled with access to authoritative data.

Agencies that have made these investments with access to quality third-party data sources report a lower cost of fraud, including administrative costs, are closer to the required Payment Error Rate, and prevent more front-end fraud before it becomes a problem.

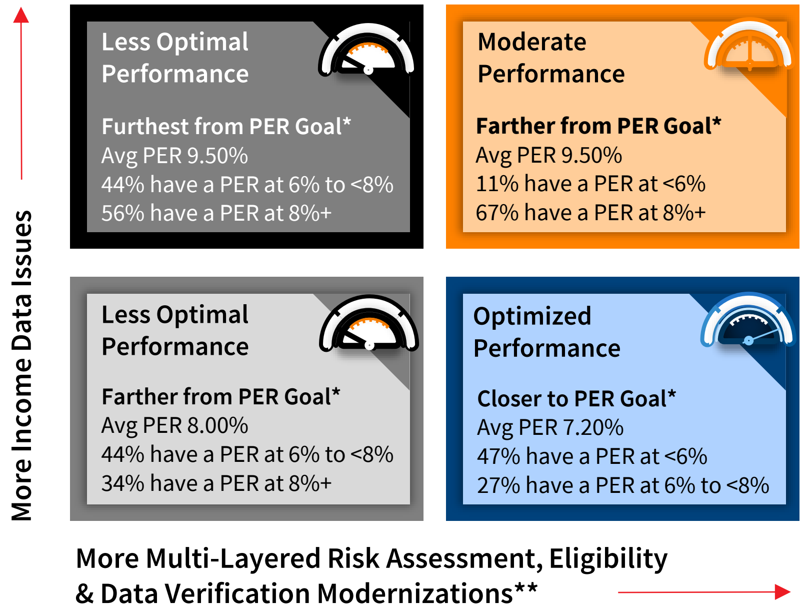
Significantly less fraud is prevented during the application process for those with data gaps.

Fraud Costs Based on the Degree of Income Data Access Issues and Risk Assessment, Eligibility and Data Verification Investments

Every $1 Value of SNAP Benefits Lost Actually Costs



	Fewer income-related data issues; more risk assessment, eligibility and data verification modernizations	More income-related data issues; more risk assessment, eligibility and data verification modernizations	More income-related data issues; fewer risk assessment, eligibility and data verification modernizations
Every $1 Value of SNAP Benefits Lost Actually Costs	$3.85	$4.41 △	$4.76 △
% Administrative Expenses of Total Fraud Cost	36%	44% △	40% △
Avg. Number Risk Assessment Modernizations	5 △	5 △	2
% Fraud Prevented at Application	48% △	25%	15%



* Based on survey respondent findings; results can vary and may not be the same for every agency.
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?
Q: Which of the following income-related data contributes to payment error rates because it is difficult to access and/or incomplete/inaccurate?
Q: To what degree has your agency implemented any of the following SNAP modernization features?
Q: In a typical month, approximately what percent of fraudulent applications are prevented at the front end by your agency?

△ Difference from other segment within response category

** Involves higher percentage use of risk scoring (pre issuance), improved identity verification, identification of dual participation, cross-program analytics & continuous risk signals, document authentication, integrated systems that handle online applications, eligibility system, and data verification, referential linking; asset verification solution. Results can vary and may not be the same for every agency. For illustration purposes only.

Fraud Solutions

KEY FINDING 5

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 identify 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 distinguishing the person from a bot or synthetic ID.

Synthetic Identities

Need to authenticate the entirety of the individual behind the transaction to distinguish them 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 make 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 CVV 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 Behavior

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.

Fraud Solutions

Best practice approaches involve layering different solutions to address unique risks from different channels and payment methods. These best practices go further by integrating capabilities and operations with their fraud prevention efforts.

KEY FINDING **5**

Integration

Tools and Capabilities with Fraud Prevention Approach

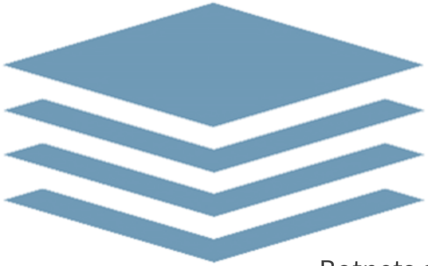
- Cybersecurity Alerts
- Artificial Intelligence/Machine Learning Models
- Cybersecurity Operations
- Digital / Customer Experience Operations
- Dual Participation
- Program Integrity

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 and 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

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