

Press Reports and Audits on Governmental Waste, Fraud and Mismanagement

Compiled by the California Taxpayers' Association

Food Stamps

Poor Food Stamp Administration

Dollar Amount: \$172,000,000

Cash-strapped California is being fined again by the federal government for mismanaging food stamps. As the Los Angeles Times reported (June 28, 2003), California's level of mistakes is the worst in the nation, issuing more than \$172 million in food stamps to those who were not entitled and underpaying others by about \$79.5 million, according to Eric Bost, undersecretary of the U.S. Agriculture Department. California is appealing last year's \$114 million penalty, the largest in the program's history. The Bush Administration notified the state that this year's fine is \$62.5 million. The state reduced its error rate from 17.4 percent in 2001 to 14.8 percent in 2002, but it remains higher than other states. Governor Gray Davis' Social Services director, Rita Saenz, told The Times that the major problem has been in Los Angeles County and it is due to difficulties with a new computer system installed in 1999. Workers were poorly trained with the system and stopped using it to track cases.

Region: Statewide

Jurisdiction: State

Source: LA Times - June 28, 2003

California Food Stamp Administration is the Worst

Dollar Amount: \$115,800,000

California faces tens of millions of dollars in federal penalties due to incompetence in managing the food stamp program, according to a Los Angeles Times report (April 27). U.S. Department of Agricultural officials said this state is operating the most error-plagued program in the nation. According to federal data, in 17.4 percent of the cases last year, California allotted the wrong amount of food stamps – 124,520 households got more than entitled, while 68,486 got less than the correct amount. The federal government assessed a penalty of \$115.8 million for its inept administrative performance. Eric Bost, the Agriculture Department's undersecretary for nutrition programs, said that, after negotiation, the state will end up paying around 40 percent, or \$46 million. According to The Times, the state passes on to counties their portions of the fines, consistent with their error rates. This means the bulk will be laid at Los Angeles County's doorstep, where a computer snafu caused a large part of the problem. California issues food stamps, worth on the average nearly \$1,000 a year, to more than 1.7 million residents.

Region: Statewide

Jurisdiction: State

Source: LA Times - April 27, 2002

Feds: California Mismanaging Food Stamp Program

Dollar Amount: \$10,000,000

Eric Bost, undersecretary of the U.S. Department of Agriculture for nutrition programs, told a Congressional committee last week that California officials are mismanaging the state's food stamp program. He said 18 percent of the benefits paid were either too high or too low, which is twice the national average of 9 percent, according to a San Francisco Chronicle report (March 8). About \$1.6 billion in benefits were paid in California for the fiscal year ending September 20, 2001. Glen Rosselli, undersecretary of California's Health and Human Services Agency, said California will pay \$10 million in fines over three years for its error rates last year. In 2000 this state had the nation's highest food stamp error rates.

Region: Statewide

Jurisdiction: State

Source: SF Chronicle - Mar. 8, 2002

Food Stamps Scams Reap Millions

Dollar Amount:

Grocery and convenience store clerks are exchanging electronic food stamp benefits for 50 cents on the dollar and pocketing the difference while getting full payment from the government. The district attorney of Los Angeles County said it is frustrating because investigators have to battle a general attitude that "a certain amount of fraud is an acceptable cost of doing business of handing out these benefits. (Los Angeles Daily News, December 1, 2006.)

Region: So. California

Jurisdiction: State

Source: LA Daily News - Dec. 1, 2006
