



United States Department of Agriculture
Office of Inspector General





FNS Controls Over SNAP Benefits For Able-Bodied Adults Without Dependents

Audit Report 27601-0002-31

What Were OIG's

Objectives

Our objective was to determine whether FNS' oversight of State agency controls is adequate to ensure that only eligible ABAWDs are receiving SNAP benefits.

What OIG Reviewed

To accomplish our audit objectives, OIG reviewed SNAP ABAWD policies at States and FNS, interviewed State and FNS officials, and reviewed management evaluations and MEMS data.

What OIG Recommends

We recommended that FNS conduct a study to identify the most troublesome areas for States and develop best practices for implementing the complex ABAWD provisions; review regulations to verify FNS is correctly implementing laws regarding SNAP age limits; and ensure that valid, accurate, complete, and timely information is included in MEMS Next Generation.

OIG reviewed FNS' oversight of State agency controls over SNAP to determine if only eligible able-bodied adults without dependents are receiving benefits.

What OIG Found

We found that the Supplemental Nutrition Assistance Program's (SNAP) provisions regarding able-bodied adults without dependents (ABAWD) are difficult for States to implement. The Food and Nutrition Service (FNS) can approve States to temporarily waive the time limit in areas with high unemployment or insufficient jobs, but some States are requesting and receiving time limit waivers to reduce the burden of tracking ABAWD time limits. Therefore, in some States an ABAWD may not be subject to the work requirements based on those States' decisions to avoid the burden of tracking the ABAWD time limits since the related authorizing statutes and implementing regulations provide the States with the latitude to adapt their program to meet their needs. Yet, even with this flexibility, the States have difficulties implementing provisions because the ABAWD requirements are very complex. As a result, implementation of ABAWD requirements can be error prone, and, when ABAWD policy is applied inaccurately, eligible ABAWDs are denied SNAP benefits, while otherwise ineligible ABAWDs are provided benefits. We also found FNS is inconsistently implementing the age limits set forth by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) because FNS interpreted the word "over" in the same statute in two different ways.

In addition, we found that FNS was not fully utilizing its information system, Management Evaluation Management System (MEMS), due to contradictory instructions concerning which information to enter into the system. We commend FNS for taking steps to address this issue by planning to implement another system, MEMS Next Generation.

FNS agreed with our findings and we accepted management decision on all five recommendations.



United States Department of Agriculture
Office of Inspector General
Washington, D.C. 20250



DATE: September 29, 2016

AUDIT
NUMBER: 27601-0002-31

TO: Audrey Rowe
Administrator
Food and Nutrition Service

ATTN: Mark Porter
Director
Office of Internal Controls, Audits and Investigations

FROM: Gil H. Harden
Assistant Inspector General for Audit

SUBJECT: FNS Controls Over SNAP Benefits For Able-Bodied Adults Without Dependents

This report presents the results of the subject audit. Your written response, dated September 26, 2016, is included in its entirety at the end of the report. Excerpts from your response and the Office of Inspector General's position are incorporated in the relevant sections of the report. Based on your written response, we are accepting management decision for all audit recommendations in the report, and no further response to this office is necessary.

In accordance with Departmental Regulation 1720-1, final action needs to be taken within 1 year of each management decision to prevent being listed in the Department's annual Agency Financial Report. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer.

We appreciate the courtesies and cooperation extended to us by members of your staff during our audit fieldwork and subsequent discussions. This report contains publicly available information and will be posted in its entirety to our website (<http://www.usda.gov/oig>) in the near future.

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Background and Objectives

Background

The Supplemental Nutrition Assistance Program (SNAP) is authorized by the Food and Nutrition Act of 2008, as amended.¹ SNAP was designed to increase the food purchasing power of eligible, low-income households and help them afford a more nutritious diet. It was reauthorized by the Agricultural Act of 2014² and is the nation's largest food and nutrition assistance program. In an average month in fiscal year (FY) 2015, SNAP provided benefits to over 45.7 million people. The total benefits provided to SNAP recipients for FY 2015 was over \$69.6 billion.

SNAP is jointly administered by the Food and Nutrition Service (FNS) and 53 States.³ FNS is responsible for establishing regulations governing SNAP and ensuring that States implement them when administering the program. States are responsible for determining whether the recipient's household meets the program's eligibility requirements, including work requirements; calculating monthly benefits for qualified households; and issuing benefits. FNS implements SNAP through regulations contained in 7 C.F.R. parts 271-285.

In order to reshape and reduce welfare spending, Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).⁴ That Act established a work requirement for SNAP participants who are not:

- under 18 or over 50 years of age;
- responsible for the care of a child;
- medically certified as physically or mentally unfit for employment;
- pregnant; or
- already exempt from SNAP general work requirements, such as a student or a regular participant in a drug addiction or alcoholic treatment and rehabilitation program.⁵

FNS considers these individuals to be able-bodied adults without dependents (ABAWDs).

According to FNS, there are multiple items the States must track with respect to each individual ABAWD every month. These include: participation status of the individual; countable months; fulfillment of the work requirement; exemption from ABAWD requirements due to age, pregnancy, or mental and physical capacity to perform work; 15 percent exemption status (see next paragraph for more information on 15 percent exemptions); and good cause for not meeting the work requirement.

¹ SNAP was initially authorized as the Food Stamp Program via the Food Stamp Act of 1964. In 2008, the Food Stamp Act was renamed the Food and Nutrition Act of 2008, and the Food Stamp Program was renamed the Supplemental Nutrition Assistance Program. *See* Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, § 4001, 122 Stat. 1651, 1853.

² Pub. L. No. 113-79, 128 Stat. 649.

³ Within this report, "States" refers to the 50 States, the District of Columbia, Guam, and the Virgin Islands. Puerto Rico has a different type of nutrition assistance program and does not implement SNAP.

⁴ Pub. L. No. 104-193, 110 Stat. 2105.

⁵ 7 U.S.C. § 2015(o)(3).

The Balanced Budget Act of 1997 added a provision to PRWORA, authorizing FNS to provide States the ability to exempt otherwise ineligible ABAWDs from the time limit using a 15 percent exemption.⁶ Exemptions are earned per State by calculating 15 percent of the State's caseload of individuals who are ineligible for program benefits due to the ABAWD time limit. These exemptions allow the State to extend SNAP eligibility to ABAWDs who would otherwise be ineligible because of the 3 in 36-month time limit. Each 15 percent exemption extends eligibility to 1 ABAWD for 1 month. States do not earn 15 percent exemptions in areas that are covered by ABAWD time limit waivers. Time limit waivers are explained below.

PRWORA limited the receipt of SNAP benefits to 3 months in a 36-month time period (time limit) for ABAWDs who are not working, participating in, and complying with the requirements of a work program for 20 hours or more each week, or a workfare program. For purposes of this report, we will refer to these mandates as the "work requirement." ABAWDs who exhaust their 3 months of benefits and do not comply with the work requirement lose their benefits for the remainder of the 36-month time period. An ABAWD can regain eligibility during this time period by meeting the work requirement for 30 days, or by becoming exempt under the criteria previously described. ABAWDs who regain eligibility by meeting the work requirement remain eligible to receive SNAP for as long as they continue to meet work requirements. After ABAWDs regain eligibility by meeting the work requirement but again are no longer fulfilling the work requirement, they will be allowed an additional 3 months of SNAP benefits. Unlike the initial 3 countable months, these additional 3 months of SNAP benefits must be used consecutively. An ABAWD may only take advantage of this provision once in a 36-month period. States are responsible for tracking these requirements and benefits.

FNS can approve States to temporarily waive the time limit in areas with an unemployment rate above 10 percent, or those in an area with insufficient jobs, which allows ABAWDs to retain benefits without being subject to the time limit and essentially without fulfilling the ABAWD work requirements. These waivers are generally approved for 1 year, but can be approved for 2 years for areas with chronically high unemployment or job insufficiency. The American Recovery and Reinvestment Act of 2009 allowed all States to suspend ABAWD time limits from April 1, 2009, through September 30, 2010.⁷ Since the 2008 economic crisis, the majority of States have operated under statewide ABAWD time limit waivers. States are required to reestablish the 3-month time limit when their waivers expire. As of April 1, 2016, 10 States had statewide waivers, 28 States had partial waivers, and 15 States did not have ABAWD time limit waivers.

FNS is legislatively mandated to monitor program administration and operation of all food assistance programs, including SNAP. One of the ways FNS monitors SNAP is through the management evaluation (ME) process, a periodic compliance assessment of State agency program operations that results in a report, which contains review findings, observations, and noteworthy initiatives. The ME is a significant component of FNS' activities and the most critical instrument for monitoring State program compliance and improving program operations. Components of the review process include planning, conducting, report writing, following-up, and closing out.

⁶ Pub. L. No. 105-33, § 1001, 111 Stat. 251, 251-52 (codified at 7 U.S.C. § 2015(o)(6)).

⁷ Pub. L. No. 111-5, § 101(e), 123 Stat. 115, 121.

According to FNS' FY 2014 data, the total number of "[a]dults age 18-49 without disabilities in childless households" in the 53 States averaged about 4.7 million per month (10.3 percent of SNAP recipients); they received about \$776 million in monthly benefits. Total benefits for this population for FY 2014 were about \$9.3 billion or 13.6 percent of all SNAP benefits.⁸

Objectives

Our objective was to determine whether FNS' oversight of State agency controls is adequate to ensure that only eligible ABAWDs are receiving SNAP benefits.

⁸ FNS is not required to nor does it compile ABAWD specific statistics. However, FNS does estimate the number of SNAP participants who are "[a]dults age 18-49 without disabilities in childless households," which loosely resembles the ABAWD population. These data were compiled from quality control data. We are citing FY 2014 data because FY 2015 or 2016 data were not available at the time of this report.

Section 1: FNS Needs to Study SNAP ABAWD Policies and Assess Their Implementation

Finding 1: ABAWD Requirements are Difficult to Implement and States Vary in Application of the Requirements

The ABAWD provisions are difficult to implement and States vary in their application of both time limit waivers and 15 percent exemptions. For example, officials in five States said utilizing time limit waivers helps to reduce the burden of tracking ABAWD time limits. Therefore, an ABAWD may not be subject to the work requirements based on a State's decision to waive ABAWD time limits since the authorizing statutes and implementing regulations provide States with the latitude to adapt the program to meet their needs. Yet, even with this flexibility, the States have difficulties implementing provisions because the ABAWD requirements are very complex. As a result, implementation of ABAWD requirements can be error prone, and when ABAWD policy is applied inaccurately, eligible ABAWDs are denied SNAP benefits, while otherwise ineligible ABAWDs are provided benefits.

PRWORA limits how long people who are able-bodied and do not have dependents can receive SNAP benefits while not working or participating in a work activity. The law allows ABAWDs to meet the work requirement and avoid the time limit⁹ on benefits in one of two ways: working 20 hours or more per week or participating in a qualifying work activity.¹⁰ States can apply for and FNS can approve time limit waivers, which allows ABAWDs in areas with an unemployment rate above 10 percent or in areas with insufficient jobs to retain their SNAP benefits without being subjected to the time limit.¹¹ In addition, the Balanced Budget Act of 1997 granted States the authority to exempt ABAWDs who would otherwise be ineligible for SNAP benefits using a 15 percent exemption.¹²

After PRWORA was enacted in 1996, FNS commissioned a study to determine how well States were implementing the ABAWD provisions and flexibilities of the law. The study noted the ABAWD policies were difficult to administer and too burdensome for the States. Specifically, the study concluded the ABAWD requirements were unlike any other SNAP provision and fundamentally changed SNAP in three ways: 1) this was the first instance that a time limit was placed on SNAP receipt and that a major group of persons was made ineligible because of factors other than their income and assets; 2) States were granted uncharacteristically broad latitude in implementing these provisions; and 3) States were required to track SNAP receipt, employment, and participation in other work activities over a period of 36 months, while previously, eligibility depended for the most part on household circumstances in just 1 month.¹³

⁹ SNAP ABAWD recipients are limited to 3 months of benefits in a 36-month period unless they meet the work requirements. This is considered a "time limit."

¹⁰ 7 U.S.C. § 2015(o)(2).

¹¹ 7 U.S.C. § 2015(o)(4).

¹² 7 U.S.C. § 2015(o)(6)(B).

¹³ 1 Mathematica Policy Research, Inc., *Imposing a Time Limit on Food Stamp Receipt: Implementation of the Provisions and Effects on Food Stamp Participation* (2001).

Our audit work found concerns similar to those discussed in the 2001 study. State officials used terms such as “administrative nightmare” and “operational nightmare” to describe the implementation of the ABAWD requirements. They also expressed concerns regarding the amount of time and resources spent implementing the ABAWD provisions and the likelihood of making errors. For instance, one State official said implementation of the “ABAWD policy is error prone.”

FNS officials conducted management evaluations (ME) specifically on ABAWD provisions to ensure that the ABAWD requirements were being met and found numerous issues with States’ implementation of the provisions. For example, FNS officials found one State, which had recently transitioned off its statewide waiver, was not applying the time limit to ABAWDs already receiving SNAP. This resulted in certain ABAWDs earning up to 12 countable months¹⁴ instead of the 3 months allowed by law because the State improperly tracked countable months. In this example, ineligible ABAWDs were receiving benefits without meeting the work requirement. In another State, FNS found that in some instances the State was improperly applying the time limit to otherwise eligible ABAWDs whose SNAP benefits were terminated, despite qualifying for an exemption from the ABAWD time limit. This example demonstrates that in some instances eligible ABAWDs were denied SNAP benefits. FNS’ oversight, through the MEs, not only found these non-compliances by the States, but also required the States to implement corrective actions to fix the issues. Therefore, the results of these MEs demonstrate that States continue to struggle with implementing the ABAWD requirements.

Similar to what was noted in the 2001 study, we also found that implementation of ABAWD requirements vary across States because the statutes and regulations provide the States with the latitude to adapt their programs to meet the needs of their State. Specifically, waivers suspend the time limit temporarily so that ABAWDs can continue to receive SNAP in areas where unemployment is high or jobs are insufficient. Additionally, 15 percent exemptions give States the flexibility to exempt ABAWDs from the time limit. Due to the burden of implementing the ABAWD provisions, officials in three States told us that they specifically requested ABAWD time limit waivers in as many parts of the State as possible to minimize the areas where they needed to track the ABAWD time limits. Officials in another two States confirmed that their tracking workloads are lightened by waiving more areas from the ABAWD time limits.¹⁵ Officials from several States told us that they do not use 15 percent exemptions because the provisions are complicated and difficult to implement. For example, one State official said that the State does not use 15 percent exemptions due to the difficulty and cost involved in tracking; it does not seem “worth the burden.” Therefore, ABAWDs may or may not be required to work, depending on which State they live in.

¹⁴ A “countable month” is any month in which an ABAWD receives a full month of benefits while not fulfilling the ABAWD work requirement or is otherwise exempt. *See* 7 C.F.R. § 273.24(b)(1).

¹⁵ According to PRWORA (7 U.S.C. § 2015(o)(4)), States can request time limit waivers for areas that either have an unemployment rate of over 10 percent or do not have a sufficient number of jobs. We found that States are requesting, and FNS is approving, as allowed by law, ABAWD time limit waiver requests for parts of States where unemployment rates are as low as 0 percent but are averaged with areas with higher unemployment rates to demonstrate areas with insufficient jobs. The statute provides FNS with the authority to approve these waivers.

We attributed this difficult and varied implementation of ABAWD provisions to the complexity of the statutes and regulations. FNS national officials informed us that the ABAWD provisions were very complex and that it takes months of extensive training for new staff to fully understand the ABAWD requirements. A State official said the ABAWD laws and regulations are the “most complicated SNAP policy in existence” and are “fraught with the potential for case errors.” Each month, the States are responsible for tracking an ABAWD’s status; countable months; fulfillment of the work requirement; exemption status with respect to age, pregnancy, and mental or physical capacity to perform work; 15 percent exemption status; and good cause for not meeting the work requirement. Besides 15 percent exemptions, State officials also provided examples of the most challenging ABAWD provisions, with some of the most frequently cited ones being regaining eligibility and tracking breaks in participation over 36 months.

We asked FNS quality control (QC) staff to provide us with data that demonstrated the error rates for ABAWDs.¹⁶ Based on the data provided by FNS, the FY 2014 SNAP QC error rate for households with an ABAWD member was estimated to be 2.59 percent, or about \$1.8 billion.¹⁷ The overall SNAP national payment error rate for FY 2014 was 3.66 percent.¹⁸ In FY 2014, 34 States were on full time limit waivers. As of April 1, 2016, only 10 States were on full time limit waivers. Time limit waivers eliminate the need for ABAWD work requirement tracking over 36 months. As the number of States on full time limit waivers continues to decline, the error rate and corresponding dollars in error could increase with respect to ABAWDs as the States reestablish their tracking systems.

In order to ensure that only eligible ABAWDs are receiving SNAP benefits and the time limit is not inadvertently applied to individuals who are actually exempt or meeting the work requirement, FNS needs to enhance State officials’ understanding of this complex policy and provide best practices, if possible. Since FNS initiated a study about 15 years ago on the implementation of ABAWD provisions, we concluded that commissioning another study or performing an analysis might bring a new and updated perspective for FNS on ABAWD provisions. While FNS is obligated to follow the statutory requirements no matter how complex or difficult to implement, a study or analysis could highlight the most troublesome areas for States. This study could identify best practices for implementing these overly complex provisions. FNS national officials can use these results to identify areas that FNS has the authority to change and areas that FNS may need to pursue legislative changes. If FNS national officials find areas that are within their authority to change, then current guidance should be modified to reflect those changes.

¹⁶ FNS and State QC reviews are performed to determine SNAP recipient eligibility for benefits at a given point in time and, if determined to be eligible, whether or not the recipient received the correct benefit amount. The national SNAP error rate is the weighted average of all the States’ error rates.

¹⁷ These error rates do not necessarily reflect errors due to ABAWD non-compliance but reflect households that had reportable errors and an ABAWD resided in that household.

¹⁸ FNS released FY 2014 error rates on June 26, 2015. However, OIG questioned FNS’ process for calculating the SNAP error rate in Audit Report 27601-0002-41, *FNS Quality Control Process for SNAP Error Rate*, Sept. 2015.

Recommendation 1

Conduct a study and/or perform analysis to identify the problematic areas for States and develop best practices for implementing these complex provisions with respect to ABAWD requirements.

Agency Response

In its September 26, 2016 response, FNS concurs with this recommendation. As the report illustrates, ABAWD policies are highly complex; the law provides various policy options and flexibilities for States leading to variation in how the policy is implemented. Furthermore, ABAWD policy entails significant administrative burden for States in order to properly screen, track and serve ABAWDs subject to the time limit.

As mentioned in the report, FNS has conducted ME reviews specifically on ABAWD policy implementation. At the end of FY 2015, FNS released a new ABAWD ME guide and conducted rigorous training for national and regional staff on how to conduct the new MEs. In FY 2016, FNS Regional and National staff partnered to perform 24 ABAWD ME on-site reviews, targeting States that were moving off of statewide waivers and/or who were identified as in need of additional review and assistance. FNS is using these ABAWD MEs to perform analysis and identify problematic areas, as well as best practices, for States implementing these complex provisions.

FNS will monitor and analyze ABAWD tracking and policy compliance through ABAWD MEs and has made them a required review area for all States transitioning from statewide time limit waivers in FY 2017. FNS has also established an ABAWD “core team” of National and Regional Office staff responsible for supporting and analyzing the results of the ABAWD MEs. This core team is also involved in identifying and promoting State best practices. In addition, FNS has just launched a new online automated system, MEMS Next Generation, that will streamline ABAWD ME documentation, data collection, and tracking and will facilitate FNS analysis of problem areas for States.

The results of this analysis will continue to form the basis for updating and revising FNS guidance to States.

Estimated Completion Date:

Analysis of ME data will be completed by September 30, 2017.

OIG Position

We accept management decision for this recommendation.

Recommendation 2

Update or revise current guidance if the results of the study or analysis from Recommendation 1 identify policies that need clarifying.

Agency Response

In its September 26, 2016 response, FNS concurs with this recommendation. FNS has, in the past year, redoubled its efforts to ensure State agencies understand this complex policy and best practices for administering it. Using the results of ME reviews and analysis, FNS has presented to State agency officials and leadership at several State Directors' meetings and conferences across the country in the past year. FNS has presented on numerous webinars and calls, undertaken independently (including one hosted by Secretary Tom Vilsack, Undersecretary Kevin Concannon, and Associate Administrator Jessica Shahin earlier this year) or with State partnering organizations, to clarify policy and promote best practices. In response to reviews and questions from States, FNS has released guidance to clarify policy and provided ad-hoc technical assistance to States.

In the coming months, FNS will release a series of additional guidance, updates and policy clarifications that are informed by ME review results. These include a policy memorandum on ABAWD notice requirements, best practices, and resources for States; a fully-revised handbook for States on how to request ABAWD time limit waivers; and an in-depth ABAWD policy Question & Answer. These three documents, in conjunction with continued on-site and ad-hoc technical assistance to States, will help ensure that eligible ABAWDs properly receive the benefits to which they are entitled. FNS will provide updated materials or continued technical assistance as necessary to address emerging problem areas that are identified through the continued analysis of ABAWD ME data.

Estimated Completion Date: June 30, 2017

OIG Position

We accept management decision for this recommendation.

Finding 2: FNS' Implementation of ABAWD Requirements Needs Review

FNS is inconsistently applying age limits for the SNAP general and ABAWD work requirements. This occurred because FNS interpreted the word “over,” used within the same statute, in two different ways. Setting age limits correlates to defining the population of SNAP recipients subject to general work requirements, and also ABAWDs who have to meet stricter work requirements. As a result, FNS’ interpretation shortens the amount of time that ABAWDs are subject to the time limit and ABAWD work requirements.

PRWORA states that the general SNAP work requirements apply to physically and mentally fit individuals “over the age of 15.”¹⁹ FNS’ implementing regulations state that the general work requirements do not apply to “[a] person younger than 16 years of age.”²⁰ According to the same statute, ABAWD work requirements do not apply to individuals who are “over 50 years of age.”²¹ FNS’ implementing regulations state that the ABAWD time limit does not apply to individuals “50 years of age or older.”²² Additionally, as a general rule, when interpreting statutes, “[a] term appearing in several places in a statutory text is generally read the same way each time it appears.”²³

Through its implementation of the SNAP and ABAWD work requirements, FNS set the age limits for the general SNAP population as well as the ABAWD population. Setting the age limits defines the population of SNAP recipients subject to general work requirements as well as ABAWDs who have to meet stricter work requirements. However, we found that when FNS published its SNAP regulations, it interpreted the word “over” in two different ways. Specifically, for the provisions relating to general work requirements, FNS interpreted the word “over” to mean “higher than or more than.” As a result, FNS interpreted the words “over the age of 15” to mean someone who is “16 years of age.”²⁴ This interpretation is consistent with the Oxford Dictionary definition.²⁵ Yet, FNS interpreted the word “over” in the provisions relating to ABAWDs to mean “equal to or more than,” thereby interpreting the words “over 50 years of age” to mean “50 years of age or older.”²⁶ Therefore, once an ABAWD turns 50 years old, he or she is no longer required to meet the work requirements and is considered a general SNAP participant. Our concern is with FNS’ translation of the word “over” from the statute, and how that was incorporated into the implementing regulations. In our opinion, if “over the age of 15” means 16 years old, then “over 50 years of age” should mean 51 years old. We acknowledge

¹⁹ 7 U.S.C. § 2015(d)(1)(A).

²⁰ 7 C.F.R. § 273.7(b)(1)(i).

²¹ 7 U.S.C. § 2015(o)(3)(A).

²² 7 C.F.R. § 273.24(c)(1).

²³ See, e.g., *Ratzlaf v. United States*, 510 U.S. 135, 143 (1994).

²⁴ Compare 7 U.S.C. § 2015(d)(1)(A) (general SNAP work requirements apply to physically and mentally fit individuals “over the age of 15”), with 7 C.F.R. § 273.7(b)(1)(i) (general work requirements do not apply to “[a] person younger than 16 years of age”).

²⁵ *Over Definition*, OxfordDictionaries.com, http://www.oxforddictionaries.com/us/definition/american_english/over (last visited May 24, 2016) (definition 4, “Higher than or more than (a specified number or quantity)”).

²⁶ Compare 7 U.S.C. § 2015(o)(3)(A) (ABAWD work requirements do not apply to individuals who are “over 50 years of age”), with 7 C.F.R. § 273.24(c)(1) (ABAWD time limit does not apply to individuals “50 years of age or older”).

that FNS has some discretion in how it interprets statutes that it implements, but these conflicting interpretations do not seem reasonable to us.

We discussed this issue with FNS national officials, who said that FNS made a conscious decision to interpret the statute in this manner for the benefit of the SNAP recipients and suggested that we discuss this issue with them and the Department's Office of the General Counsel (OGC). When we met with FNS and OGC, OGC officials stated that the age limits are complicated because Congress used slightly different terminology in the relevant subsections of the statute (i.e., one age range is inclusive and the other is exclusive), and that FNS has discretion in how it interprets the statute and implements that interpretation in policy.

Also as part of our audit of FNS' oversight and monitoring controls, we noted an issue which concerned us, but is within FNS' authority to implement. We found that FNS allowed the States to accumulate 15 percent exemptions from year to year and this occurred because of how FNS has interpreted the statute. This also occurred because the statute authorizing 15 percent exemptions is complex and confusing. As a result, the 53 States accumulated about 5.9 million unused exemptions as of February 24, 2016, which could be estimated as over \$960 million in SNAP benefits.²⁷

The authorizing statute²⁸ states that the number of exemptions a State may provide to ABAWDs in any given fiscal year may not "exceed 15 percent of the number of covered individuals in the State."²⁹ Additionally, the Secretary is required to increase or decrease the number of individuals eligible for an exemption "to the extent that the average monthly number of exemptions in effect in the State for the preceding fiscal year . . . is lesser *or greater* than the average monthly number of exemptions estimated for the State agency for such preceding fiscal year."³⁰

According to FNS national officials, 15 percent exemptions do not expire and States can carry over unused exemptions indefinitely. Each year FNS national officials calculate the number of new exemptions earned for each State and adds that to the number of unused exemptions from all the prior years. This interpretation allows the States to accumulate more than the 15 percent allowed per the statute. For example, according to FNS, one of the States has over 1.6 million exemptions available to use at its discretion. This State has over 125,000 ABAWDs in an average month. If the State chose to, it could exempt all 125,000 ABAWDs from the time limit and work requirement for over 1 year, which may not meet the intent of the statute.

We concluded that despite the complexity of the statute, FNS has done its best to interpret and implement the statute as written. However, we do not agree with FNS' process of carrying over

²⁷ Using the FY 2014 average monthly ABAWD participant benefit of \$164 per month, we estimated the total value of unused exemptions to about \$966 million in SNAP benefits.

²⁸ 7 U.S.C. § 2015(o)(6)(D).

²⁹ Per FNS, *Guide to Serving ABAWDs Subject to Time-limited Participation* (2015), each State is allotted exemptions equal to 15 percent of the State's caseload that is ineligible for program benefits because of the ABAWD time limit. These exemptions allow the State to extend SNAP eligibility to ABAWDs who would otherwise be ineligible because of the 3 in 36 month time limit. Each 15 percent exemption extends eligibility to 1 ABAWD for 1 month.

³⁰ 7 U.S.C. § 2015(o)(6)(F) (emphasis added).

unused 15 percent exemptions indefinitely. We discussed this issue with FNS national officials, who asked us to speak with OGC since this deals with questions of statutory interpretation. OGC officials confirmed that they reviewed and cleared the exemption regulations for legal sufficiency in 2001, and stated that FNS has the discretionary authority to interpret the exemption provisions as stated in the regulations. However, OGC officials agreed the statute appears to be somewhat inconsistent internally (i.e., the law says that States may not exceed 15 percent of the number of covered individuals in the State, but it also says they have to increase available exemptions in the current year if there were unused exemptions at the end of last year). Based upon our own assessment of the statute and regulations as well as the information provided by FNS and OGC, we concluded that the reason State agencies have been allowed to accumulate unused exemptions indefinitely is due to the apparent inconsistencies in the authorizing statute itself. OIG generally agrees that FNS has the discretion to interpret and implement the exemption provisions as it has done, so we do not have a recommendation for FNS with respect to exemptions. However, we included this information to provide additional context on our assessment of FNS' oversight and monitoring controls over the ABAWD provisions.

Since setting the age limits has a direct impact on defining the ABAWD population and establishing which age groups are meeting work requirements, we recommend that FNS review the current regulations to verify the statutory terms regarding age limits are interpreted and implemented correctly and modify regulations as needed.

Recommendation 3

Review SNAP regulations to verify that statutory terms regarding SNAP age limits have been interpreted and implemented correctly, and modify the regulations as appropriate.

Agency Response

In its September 26, 2016 response, FNS states, as the report provides, in previous discussions with OIG, FNS has stood by the long-standing interpretation of the statutory age limits, codified in regulation, for general work requirements and ABAWD work requirements. However, FNS is amenable to undertaking an additional internal review in coordination with USDA OGC of SNAP regulations to verify that statutory terms regarding SNAP age limits have been interpreted and implemented correctly; FNS will take any appropriate next steps as a result of that review.

Estimated Completion Date:

Internal review in coordination with USDA OGC will be completed by June 30, 2017.

OIG Position

We accept management decision for this recommendation.

Section 2: FNS' Oversight Control Needs Strengthening

Finding 3: FNS Needs to Clarify Procedures for Its Data System

We determined that FNS was not fully utilizing its information system, Management Evaluation Management System (MEMS). Accurate and complete data were not readily available in MEMS for us to determine a universe or select a sample of MEs to review. Similarly, FNS national officials did not have ready access to all the ME data. This occurred because contradictory instruction was provided to the FNS regional officials on what to enter in MEMS. Therefore, without access to all ME results, FNS has reduced assurance the agency is fulfilling its mission and objective for SNAP ABAWDs.

According to internal control standards published by the U.S. Government Accountability Office (GAO), management is responsible for maintaining and continuously evaluating an effective internal control system. At a minimum, management develops and maintains documentation of its internal control system, its policies, the results of ongoing monitoring and evaluations, and corrective actions for deficiencies. Management designs control activities for security management of an entity's information system, including availability of data, reports, and other relevant information when needed.³¹

In February 2014, FNS implemented MEMS, an online performance management system that allows the FNS regional offices to include the schedules for MEs and technical assistance reviews. It also provides FNS the ability to track reports to States, including the specific findings and observations, and corrective action plans. The intent of the MEMS application was to provide FNS specialists, analysts, and managers with a centralized repository of schedules for all reviews and reports.

Since we identified MEs as a key control for FNS oversight, we attempted to establish a universe of MEs in order to select a sample for testing. FNS national officials stated that MEMS would contain the necessary information and agreed to provide a demonstration of MEMS that would identify the universe of MEs for our audit work. During the demonstration, the official was unable to find any ME reports. Therefore, we requested schedules of the MEs. FNS extracted a report from MEMS of ABAWD MEs that were scheduled for FY 2016. However, we found that the schedule identified 23 ABAWD ME reviews that were to be conducted in only 4 of the 7 FNS regions. To validate these data, we contacted the remaining 3 regions and confirmed those regions planned or had already started conducting an additional 19 ABAWD ME reviews in FY 2016 even though these reviews were not reflected in MEMS. We questioned why the report from MEMS contained inaccurate data. Initially, an FNS national official stated that there are different ways to run queries and that could have contributed to the issue of not finding an accurate report in MEMS. When we discussed this issue with FNS national officials at the end of our field work, they stated that the FNS regional officials were instructed to "hold off" entering schedules for the 2016 ABAWD specific MEs into MEMS. FNS national officials

³¹ GAO, GAO-14-704G, *Standards for Internal Control in the Federal Government*, OV1.06, OV4.08, 11.11, 16.04 (2014).

stated the ABAWD MEs were considered new reviews and planned to send a team to assist the regions with the FY 2016 ABAWD reviews.

During our validation process, the FNS regional officials provided some noteworthy commentary about MEMS. One regional official stated that MEMS “was not worth the paper it was written on.” Another regional official said they think MEMS is a good system, but they wish it would streamline better with other systems and would be easier to use. One regional official could not understand why our report did not identify their scheduled reviews, because the ME reviews were showing on the MEMS screen they had open during the interview. This same official said this was not the first time information was missing in MEMS. Another regional official said it is difficult to update ME progress in MEMS because the system moves so slowly and the user interface limits the amount of information that can be put into the system. While the schedule provided by FNS national officials showed that the remaining regions planned ME reviews in FY 2016, we still contacted these regions to verify the data. Generally the information for these specific regions FY 2016 reviews in the system was accurate, but one regional office noted that an ME scheduled to be conducted was missing from the report.

We discussed the incomplete data in MEMS with FNS national officials. The MEMS system owner explained that FNS regional officials were not required to upload the actual ME review reports into MEMS. Yet we obtained FNS guidance which identified MEMS as the primary tool for tracking the status of all MEs and other major reviews from the planning stage through resolution of corrective action. This guidance further stated that MEMS usage is mandatory for all MEs beginning in FY 2014 and that the system is the central repository for finding reports that will be available to all FNS staff.³² An FNS regional official confirmed that there was confusion regarding whether ME information and documentation was required to be put into MEMS.

We also concluded that if we were unable to access and evaluate the ME results from a central location, then FNS national officials also did not have ready access to all the documentation necessary to conduct evaluations of their internal control system. The system owner confirmed that MEMS was not set up to maintain the actual findings. Instead, MEMS contained the schedule and closure details to ensure the MEs were being completed. One FNS national official stated that MEMS was “hit or miss” as far as having documents uploaded. FNS national officials had identified this issue and established a workgroup that began constructing the framework for a new information system, MEMS Next Generation.³³ FNS national officials stated that the MEMS Next Generation initiative began in 2014. FNS anticipates MEMS Next Generation will maintain not only the ME schedules for planning, conducting, and finalizing the reviews, but also contain the report findings and corrective action plans. With all this information in a central location, FNS national officials intend to conduct analyses and find trends in MEMS Next Generation to ensure that the agency is fulfilling its objective.

Therefore, we determined that FNS did not utilize MEMS to its full potential, and some FNS officials were unsure exactly what information was required to be put into the system. We acknowledge and commend FNS for identifying this weakness and taking steps to address the

³² FNS, *ME Management System FAQs* (undated, but received on January 15, 2016).

³³ According to FNS, MEMS Next Generation is scheduled to be released in mid-August 2016.

issue by planning to implement another system, MEMS Next Generation. However, we are concerned that without the proper guidance and training, regional officials may again not fully utilize the newer system. Therefore, we are recommending that FNS national officials develop and implement the necessary policies and procedures to ensure that valid and accurate information is included in MEMS Next Generation in a timely manner. Additionally, since the agency is establishing new information technology, training should be conducted for all the field staff that will be required to use the system.

Recommendation 4

Implement policies and procedures for MEMS Next Generation to ensure that data are valid, accurate, complete, and timely.

Agency Response

In its September 26, 2016 response, FNS states, in 2014, long before the start of this audit, FNS initiated several priority initiatives to strengthen oversight of its Nutrition Assistance programs. As part of this Agency-wide initiative, FNS began developing MEMS Next Generation to replace its existing automated management system that is used for conducting MEs and Financial Management Reviews (FMRs). FNS launched the new system on September 9, 2016. In addition, at the beginning of FY 2016, FNS established as one of its Agency priorities, a comprehensive revision of the national ME/FMR guidance that provides policies and procedures for conducting oversight reviews and ensuring timely implementation of corrective action when deficiencies in State operations are found. FNS implemented the national guidance on August 1, 2016. Both the guidance and the new system incorporate policies and procedures to ensure that data entered into MEMS Next Generation are valid, accurate, complete and timely.

FNS appreciates OIG's acknowledgement and recognition of the work that FNS conducted over the last three years to improve the oversight and management of its Nutrition Assistance Programs.

Estimated Completion Date:

Completed. MEMS Next Generation was implemented on September 9, 2016, and the comprehensive revision of the national ME/FMR guidance was implemented on August 1, 2016.

OIG Position

We accept management decision for this recommendation.

Recommendation 5

Provide training to implement policies and procedures for MEMS Next Generation to ensure that data are valid, accurate, complete, and timely.

Agency Response

In its September 26, 2016 response, FNS states, to prepare for the launch of MEMS Next Generation in September 2016, FNS conducted multiple training sessions in all seven Regional Offices as well as the National Office from May through July 2016. To date, more than 600 staff have been trained on the system to ensure data are valid, complete, accurate and timely. FNS plans to conduct follow-up training throughout the fall and early spring. To support training, FNS has developed a comprehensive on-line training manual that users can easily access while they are in the system.

Estimated Completion Date:

FNS completed the initial round of training as of July 30, 2016. To ensure new users understand how to use MEMS Next Generation, FNS will also offer on-going, continuous training sessions.

OIG Position

We accept management decision for this recommendation.

Scope and Methodology

We conducted our audit of FNS' oversight of State agency controls over SNAP ABAWDs at the FNS national office located in Alexandria, Virginia; 2 of 7 regional offices; 4 of 53 States; 3 county offices; and 1 Employment and Training (E&T) contractor. We communicated via telephone and email with the remaining 5 regional offices and 13 of 53 States to obtain additional information on these issues. For specific locations visited and contacted, see Exhibits A & B. The scope of our audit work covered FY 2013-April 2016 to ensure the 36-month time period was tracked. However, most of the States were still on time limit waivers in FY 2013, so we focused on FYs 2014-2016 as States transitioned off time limit waivers.

According to FNS' FY 2014 data, the total number of "[a]dults age 18-49 without disabilities in childless households" in the 53 States averaged about 4.7 million per month (10.3 percent of SNAP recipients); they received about \$776 million in monthly benefits. Total benefits for this population in FY 2014 were about \$9.3 billion or 13.6 percent of all SNAP benefits.³⁴

We selected a non-statistical sample of FNS regional offices and States for field visits based on the usage of time limit waivers, 15 percent exemptions, and ME results. We visited three county offices and one E&T contractor that were in close proximity to the State offices to discuss their implementation of ABAWD requirements. We held discussions with all the regional offices to obtain additional information on the ME reviews that were conducted on the States that they oversee. We non-statistically selected an additional 13 States after our review of time limit waivers and 15 percent exemptions to discuss follow-up and general SNAP ABAWD policy questions.

We also nonstatistically selected 38 States in order to review their MEs. We initially requested MEs from the 15 States within the regions we visited and noted concerns regarding findings that were repeated on multiple MEs. Therefore, we requested MEs from 23 additional States from the national officials to further research this concern. These additional 23 States were selected to provide representation from every region. Out of the MEs from the 38 States that we requested, we identified 19 States that had more than 1 ME completed within the scope of our audit, FY 2013 through FY 2016, which we reviewed for repeat findings.³⁵ We conducted our audit work from August 2015 through July 2016.

To accomplish our audit objectives, we performed the following procedures:

- Reviewed laws, regulations, agency instructions, and any other documentation applicable to the scope of the audit.

³⁴ FNS is not required to nor does it compile ABAWD specific statistics. However, FNS does estimate the number of SNAP participants who are "[a]dults age 18-49 without disabilities in childless households," which loosely resembles the ABAWD population. These data were compiled from quality control data. We are citing FY 2014 data because FY 2015 or 2016 data were not available at the time of this report.

³⁵ Initially since the scope of our audit work was FYs 2013 through 2016, we requested FYs 2013 through 2016 MEs from the two regional offices that we visited. However, our request for additional MEs did not include FY 2013 since many States were on time limit waivers or FY 2016 since those reviews were not complete as of the date of our initial requests to the two regional offices that we visited.

- Interviewed FNS national and regional officials to gain an understanding of their roles and responsibilities for oversight of SNAP ABAWD provisions.
- Obtained, reviewed, and evaluated State policies specific to SNAP ABAWDs, such as directives, notices, handbooks, user guides, and training materials, to verify if State established operating procedures complied with statutory requirements and FNS SNAP ABAWD national policy.
- Obtained, reviewed, and evaluated FYs 2014-2016 SNAP ABAWD time limit waiver documentation to determine if waiver requests and approvals complied with statutory requirements and FNS SNAP ABAWD policy.
- Obtained, reviewed, and evaluated FYs 2014-2016 SNAP ABAWD 15 percent exemption documentation to ensure it complied with statutory requirements and FNS SNAP ABAWD national policy.
- Discussed various issues we found during our audit with officials from FNS national office and OGC to obtain their position and response.

To obtain evidence regarding the verifiability of the system-generated data in MEMS, we performed audit procedures to determine if data were complete and accurate. We tested the accuracy and completeness of MEMS by generating a list of planned MEs for FY 2016 through a query of the system. We compared the list of scheduled MEs to information provided by the regional officials. While we noted only one inaccuracy in the FY 2016 data, we found data missing from the system (see Finding 3). We discussed these issues with FNS national officials, who stated that MEMS Next Generation is being tested to replace MEMS. Therefore, we did not perform additional testing of general and application controls of MEMS or MEMS Next Generation.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Abbreviations

ABAWD	Able-Bodied Adults Without Dependents
C.F.R.	Code of Federal Regulations
E&T	Employment and Training
FMR	Financial Management Review
FNS	Food and Nutrition Service
FY	fiscal year
GAO	U.S. Government Accountability Office
ME	Management Evaluation
MEMS	Management Evaluation Management System
OGC	Office of the General Counsel
OIG	Office of Inspector General
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act of 1996
QC	Quality Control
SNAP	Supplemental Nutrition Assistance Program
U.S.	United States
U.S.C.	United States Code
USDA	Department of Agriculture

Exhibit A: Fieldwork Locations Visited

Audit Site	Location
FNS National Office	Alexandria, Virginia
FNS Mountain Plains Regional Office	Denver, Colorado
Colorado State– Colorado Department of Human Services	Denver, Colorado
Kansas State– Kansas Department for Children and Families	Topeka, Kansas
Denver County office– Office of Economic Development	Denver, Colorado
Kansas regional/local office– Department for Children and Families	Overland Park, Kansas
FNS Southwest Regional Office	Dallas, Texas
Arkansas State– Arkansas Department of Human Services	Little Rock, Arkansas
Texas State– Texas Workforce Commission and Health and Human Services Commission	Austin, Texas
Faulkner County E&T Contractor– Conway Adult Education Center	Conway, Arkansas
Faulkner County office– Department of Human Services	Conway, Arkansas

Exhibit B: Fieldwork Locations Contacted

Audit Contact	Teleconference/Email
FNS Mid-Atlantic Regional Office	Teleconference
Maryland State– Maryland Department of Human Resources	Teleconference
Virginia State– Virginia Department of Social Services	Teleconference
FNS Midwest Regional Office	Teleconference
Minnesota State– Minnesota Department of Human Services	Teleconference
Ohio State– Ohio Department of Job and Family Services	Teleconference
Pennsylvania State– Pennsylvania Department of Human Services	Teleconference
FNS Northeast Regional Office	Teleconference
Connecticut State– Connecticut Department of Social Services	Teleconference
Massachusetts State– Massachusetts Department of Transitional Assistance	Teleconference
Vermont State– Vermont Department for Children and Families	Teleconference
FNS Southeast Regional Office	Teleconference
FNS Western Regional Office	Teleconference
Guam– Guam Department of Public Health & Human Services	Email
Montana State– Montana Department of Public Health and Human Services	Teleconference
North Dakota State– North Dakota Department of Human Services	Teleconference
South Dakota State– South Dakota Department of Social Services	Teleconference
Wyoming State– Wyoming Department of Family Services	Teleconference

**USDA'S
FOOD AND NUTRITION SERVICE
RESPONSE TO AUDIT REPORT**



**United States
Department of
Agriculture**

**Food and
Nutrition
Service**

**3101 Park
Center Drive
Room 712**

**Alexandria, VA
22302-1500**

DATE: September 26, 2016

AUDIT
NUMBER: 27601-0002-31

TO: Gil H. Harden
Assistant Inspector General for Audit

FROM: Audrey Rowe /s/
Administrator
Food and Nutrition Service

SUBJECT: FNS Controls Over SNAP Benefits For Able-Bodied Adults Without Dependents

This letter responds to the official draft report for audit number 27601-0002-31, FNS Controls Over SNAP Benefits For Able-Bodied Adults Without Dependents. Specifically, the Food and Nutrition Service (FNS) is responding to the five recommendations in the report.

Long before the OIG audit, FNS recognized the complexity of and challenges inherent for States implementing the Supplemental Nutrition Assistance Program (SNAP) provisions regarding able-bodied adults without dependents (ABAWDs). Under Federal law, States are afforded a variety of policy, waiver, and administrative options in administering ABAWD policy. At the same time, in areas where ABAWDs are subject to the participation time limit, Federal requirements are rigorous and administratively challenging.

In light of improving economic indicators and, as a result, a return of the ABAWD time limit in many parts of the country, FNS has ramped up oversight of and technical assistance to States to ensure eligible ABAWDs are receiving benefits. Some of these efforts are mentioned in the report, others are not. Where appropriate, we have reiterated some of FNS' targeted ABAWD efforts below. Our work here continues. FNS and OIG agree that States continue to need additional support to properly implement these highly complex and challenging policies. To that end, we have concurred with the OIG recommendations and laid out some of our past, present, and future endeavors to meet these recommendations.

For ABAWD policy and in general, FNS continues to hold SNAP integrity and access as our highest priorities as we work with States to ensure program compliance with Federal law.

OIG Recommendation 1:

Conduct a study and/or perform analysis to identify the problematic areas for States and develop best practices for implementing these complex provisions with respect to ABAWD requirements.

FNS Response:

FNS concurs with this recommendation. As the report illustrates, ABAWD policies are highly complex; the law provides various policy options and flexibilities for States leading to variation in how the policy is implemented. Furthermore, ABAWD policy entails significant administrative burden for States in order to properly screen, track and serve ABAWDs subject to the time limit.

As mentioned in the report, FNS has conducted Management Evaluation (ME) reviews specifically on ABAWD policy implementation. At the end of FY 2015, FNS released a new ABAWD ME guide and conducted rigorous training for national and regional staff on how to conduct the new MEs. In FY 2016, FNS Regional and National staff partnered to perform 24 ABAWD ME on-site reviews, targeting States that were moving off of Statewide waivers and/or who were identified as in need of additional review and assistance. FNS is using these ABAWD MEs to perform analysis and identify problematic areas, as well as best practices, for States implementing these complex provisions.

FNS will monitor and analyze ABAWD tracking and policy compliance through ABAWD MEs and has made them a required review area for all States transitioning from Statewide time limit waivers in FY 2017. FNS has also established an ABAWD “core team” of National and Regional Office staff responsible for supporting and analyzing the results of the ABAWD MEs. This core team is also involved in identifying and promoting State best practices. In addition, FNS has just launched a new online automated system, MEMS NextGen, that will streamline ABAWD ME documentation, data collection, and tracking and will facilitate FNS analysis of problem areas for States.

The results of this analysis will continue to form the basis for updating and revising FNS guidance to States.

Estimated Completion Date:

Analysis of ME data will be completed by September 30, 2017.

OIG Recommendation 2:

Update or revise current guidance if the results of the study or analysis from Recommendation 1 identify policies that need clarifying.

FNS Response:

FNS concurs with this recommendation. FNS has, in the past year, redoubled its efforts to ensure State agencies understand this complex policy and best practices for administering it. Using the results of ME reviews and analysis, FNS has presented to State agency officials and leadership at several State Directors' meetings and conferences across the country in the past year. FNS has presented on numerous webinars and calls, undertaken independently (including one hosted by Secretary Tom Vilsack, Undersecretary Kevin Concannon, and Associate Administrator Jessica Shahin earlier this year) or with State partnering organizations, to clarify policy and promote best practices. In response to reviews and questions from States, FNS has released guidance to clarify policy and provided ad-hoc technical assistance to States.

In the coming months, FNS will release a series of additional guidance, updates and policy clarifications that are informed by ME review results. These include a policy memorandum on ABAWD notice requirements, best practices, and resources for States; a fully-revised handbook for States on how to request ABAWD time limit waivers; and an in-depth ABAWD policy Q&A. These three documents, in conjunction with continued on-site and ad-hoc technical assistance to States, will help ensure that eligible ABAWDs properly receive the benefits to which they are entitled. FNS will provide updated materials or continued technical assistance as necessary to address emerging problem areas that are identified through the continued analysis of ABAWD ME data.

Estimated Completion Date: June 30, 2017

OIG Recommendation 3:

Review SNAP regulations to verify that statutory terms regarding SNAP age limits have been interpreted and implemented correctly, and modify the regulations as appropriate.

FNS Response:

As the report provides, in previous discussions with OIG, FNS has stood by the long-standing interpretation of the statutory age limits, codified in regulation, for general work requirements and ABAWD work requirements. However, FNS is amenable to undertaking an additional internal review in coordination with USDA Office of General Council of SNAP regulations to verify that statutory terms regarding SNAP age limits have been interpreted and implemented correctly; FNS will take any appropriate next steps as a result of that review.

Estimated Completion Date:

Internal review in coordination with USDA Office of General Council will be completed by June 30, 2017.

OIG Recommendation 4:

Implement policies and procedures for MEMS Next Generation to ensure that data are valid, accurate, complete, and timely.

FNS Response:

In 2014, long before the start of this audit, FNS initiated several priority initiatives to strengthen oversight of its Nutrition Assistance programs. As part of this Agency-wide initiative, FNS began developing MEMS NextGen to replace its existing automated management system that is used for conducting Management Evaluations (MEs) and Financial Management Reviews (FMRs). FNS launched the new system on September 9, 2016. In addition, at the beginning of FY 2016, FNS established as one of its Agency priorities, a comprehensive revision of the national ME/FMR guidance that provides policies and procedures for conducting oversight reviews and ensuring timely implementation of corrective action when deficiencies in State operations are found. FNS implemented the national guidance on August 1, 2016. Both the guidance and the new system incorporate policies and procedures to ensure that data entered into MEMS NextGen are valid, accurate, complete and timely.

FNS appreciates OIG's acknowledgement and recognition of the work that FNS conducted over the last three years to improve the oversight and management of its Nutrition Assistance Programs.

Estimated Completion Date:

Completed. MEMS NextGen was implemented on September 9, 2016, and the comprehensive revision of the national ME/FMR guidance was implemented on August 1, 2016.

OIG Recommendation 5:

Provide training to implement policies and procedures for MEMS Next Generation to ensure that data are valid, accurate, complete, and timely.

FNS Response:

To prepare for the launch of MEMS NextGen in September 2016, FNS conducted multiple training sessions in all seven Regional Offices as well as the National Office from May through July 2016. To date, more than 600 staff have been trained on the system to ensure data are valid, complete, accurate and timely. FNS plans to conduct follow-up training throughout the fall and early spring. To support training, FNS has developed a comprehensive on-line training manual that users can easily access while they are in the system.

Estimated Completion Date:

FNS completed the initial round of training as of July 30, 2016. To ensure new users understand how to use MEMS NextGen, FNS will also offer on-going, continuous training sessions.

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