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Chairman Kapenga and Committee Members:

Thank you for the opportunity to testify before you today as the author of Assembly Bill 188, which passed the Assembly last year with solid bi-partisan support.

I drafted this legislation with Sen. Cowles in order to align Wisconsin's FoodShare program with federal Supplemental Nutrition Assistance Program (SNAP) guidelines regarding the removal of benefits from inactive accounts and expungement of benefits if they remain unused after a one year period. While I have been involved with legislation regarding the FoodShare program in the past, I owe the impetus for this particular common sense proposal to local investigative reporting that revealed the accumulation of massive balances into the thousands of dollars on thousands of Foodshare accounts.

It is important to remember that FoodShare is intended to be a needs-based program to assist those with lower incomes in affording a nutritional diet. Yet the report found many examples of FoodShare recipients accumulating thousands upon thousands of dollars in unused benefits, with balances as high as \$12,000 and even over \$14,000. For every county where data was provided, the highest account balances reached into several thousand dollars.

For the program to function as it was meant to be, the amount of the assistance through Foodshare should be used by recipient households on a monthly basis to supplement nutritional needs, not as a savings account. Program participants that use their benefits as intended are rightly stunned and even upset when they learn of the excessive surplus funds amassed by some recipients, and law enforcement officers are concerned that the hoarding of large balances will serve as an invitation for fraudulent activity.

Under this legislation, DHS must remove and store offline all FoodShare benefits posted to a recipient's benefit account if the account has not been accessed in six months or longer. The benefits must be made available again to the recipient if the recipient requests them or reapplies for FoodShare benefits, whichever is appropriate under the circumstances. In addition, benefits would be expunged from the account if they are not used within one year, following Federal guidance. While Wisconsin has generally been following the latter practice, AB 188 will put that practice into state law.

Please keep Wisconsin's FoodShare program targeted to those in need. Failing to do so, jeopardizes both the integrity and sustainability of the program as a safety net for the most vulnerable. Thank you for your consideration of AB 188.

# Welfare fraud busts only 'tip of the iceberg'



**Doug Schneider**, USA TODAY NETWORK-Wisconsin 5:51 p.m. CST November 2, 2015



(Photo: Doug Schneider/Press-Gazette Media)

BELLEVUE — A bill being introduced in Madison could save Brown County more than \$200,000 a year in welfare-fraud investigation costs.

Rep. Andre Jacque, R-De Pere, is introducing legislation to enable counties and Indian tribes to keep 20 percent of the money they save by halting the benefits of persons arrested for welfare fraud.

"We're only hitting the tip of the iceberg," Jacque said during a news conference at the sheriff's office. "It's thoroughly important that we reimburse local governments for these costs."

County officials said their efforts are saving local taxpayers close to \$1 million per year in payments not made to people ineligible for welfare benefits. But they say they could do more if they could keep some of the saved money and plow it back into fraud investigation.

They said current laws discourage counties from pursuing cases because they know there will be little financial return for the time and dollars invested. Better enforcement, they said, would mean that more money is available for the people for whom it is intended.

"We need to make sure that those who are in need are ultimately receiving these dollars," County Executive Troy Streckenbach said. He joined Jacque, Sheriff John Gossage and Public Safety Committee Chairman Patrick Buckley at the news conference.

Since 2011, Brown County has averaged 196 welfare-fraud investigations per year and is on pace to approach that figure for 2015, figures from the sheriff's office show. Prosecution results in one of every six or seven cases, officials said.

A 2012 investigation into fraud at a Green Bay liquor store, for example, took months, yielded multiple arrests and sent a couple of the ring leaders to jail. Others were kicked off the welfare rolls for a year. Officials said at the time that people stole more than \$10,000 from the state's Quest program in one month alone.

Brown County has two investigators dedicated to fighting fraud. The county could increase that number, and likely add an assistant district attorney to prosecute fraud cases, if some of the money from fraud busts wasn't leaving the area, Streckenbach said.

Buckley said the fraud takes a human toll.

He spoke of a longtime resident of Green Bay's west side who needed housing assistance money because he lost his job. But the program had already paid out all the money it had budgeted for the year.

"There was no money available for housing, so he had to move in with a family member," Buckley said. "We can't allow that to keep happening. We need to keep this money in the hands of the people who truly need it."

Jacque projected that the proposed change to the law would cost the state \$1.2 million. The Assembly approved a similar measure during the 2013 session, but the bill failed to clear the Senate.

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## Fraud tip line

Call (920) 448-6378 to report suspected welfare fraud in Brown County.

Read or Share this story: <http://gbpg.net/1MtmfmS>

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January 13, 2016

**Testimony on Assembly Bill 188**  
**Senator Robert Cowles**

This bill is aimed to align Wisconsin's FoodShare program with federal Supplemental Nutrition Assistance Program (SNAP) guidelines. Currently, some people receiving Foodshare benefits are using them like savings accounts. In some instances maintaining balances as high as \$14,000 dollars. With such high balances being carried over, the potential for abuse of Wisconsin Foodshare benefits are high. It's possible that in instances that accounts are remaining unused for over a year that those benefits may not be entirely necessary.

While I understand that people may have a need to carry over some of their Foodshare dollars from month to month, this bill targets accounts that have been inactive and unused for over six months and remain unused for one year. This program is intended to help feed families in need and not remain unused in an electronic account for up to one year.

In 2012, the Legislative Audit Bureau released report 12-8: Foodshare Wisconsin which raised concerns that a form of fraud called "benefits trafficking" (when a benefit recipient sells their electronic cards for cash) is occurring in Wisconsin. It is my hope that this bill will not only ensure that Foodshare is running as intended, but that it deters fraudsters from cashing in on a big payday at the taxpayers' expense.

Reforms, like the bill before you, help to ensure that our programs are running as they have been intended to run and are providing the necessary benefits to those who truly need them. Additionally, these changes are authorized under federal code, no waiver request is necessary.

This bill can be a vital tool in updating and addressing Wisconsin Foodshare benefit payments and can potentially help to save expending federal tax dollars and deter those you may potentially fraud the system.

Testimony of Hunger Task Force

Before the Senate Committee on Public Benefit and Regulatory Reform

January 13<sup>th</sup>, 2016

IN OPPOSITION TO AB 188 without an exemption for EBD FoodShare recipients

SUMMARY: AB 188 is expensive, inefficient and will have the greatest impact on the most vulnerable FoodShare recipients. AB 188 will increase hunger for elderly, blind and disabled FoodShare recipients. Therefore, we ask for an exemption for the state's elderly, blind and disabled populations.

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Chairman Kapenga, members of the committee. Thank you for allowing me to testify today. My name is Elizabeth Leister. I am the Senior Benefit Specialist at Hunger Task Force in Milwaukee. Every day for the past 5 years I have worked with low-income older adults who struggle making ends meet and rely on Wisconsin's FoodShare program for food. The people I work with are our parents and grandparents, they are military veterans and people who have worked their entire lives never imagining they would find themselves needing to rely on public benefits. For example Marilyn is 72. She never saw herself needing FoodShare. During a conversation about her need for the benefit she said "After my monthly expenses I have nothing left over. Before FoodShare, food was the first thing I would cut out. When money was low I was lucky to be eating peanut butter and jelly off of a spoon. I am 72, I have some health problems. I can't work. My Social Security isn't enough. I used to get so nervous about using my FoodShare. When I first started using the Quest card I would throw up in the bathroom because I was so ashamed that I needed to help."

It is people like Marilyn that have me sitting here in front of you today.

Hunger Task Force is a Milwaukee-based food bank and anti-hunger advocacy organization. Our mission is to end hunger today and prevent hunger tomorrow. We seek to feed the hungry with respect and dignity.

FoodShare is Wisconsin's Supplemental Nutrition Assistance Program. It is based on household income and expenses and allows low-income families and individuals to purchase food at local grocery stores they might not otherwise be able to afford. FoodShare helps feed the hungry with respect and dignity because it allows recipients to purchase foods of their choice at local grocery stores instead of needing to rely on local pantry networks.

Hunger Task Force works to connect Wisconsin low income older adults with FoodShare benefits. Every day we encounter elderly, blind and disabled individuals who have not applied for FoodShare because of barriers other populations don't encounter. In Wisconsin only 40% of eligible seniors utilize FoodShare, compared to 80% of the general population. This low participation rate includes issues with mobility, technology, program stigma and myths about how the program works and who qualifies. Currently, 30% of elderly, blind and disabled FoodShare recipients receive less than \$20 a month. This low amount limits the usefulness of a trip to the grocery store to spend one month's benefits. Many seniors don't drive and therefore rely on friends, family, public transportation or transit services to get to the grocery store making a special trip to spend \$16 time consuming and sometimes expensive.

Having the ability to carry over FoodShare benefits is an important aspect of the program because it allows elderly, disabled and blind participants with lower FoodShare allotments to save their benefits and use them when they are needed most. AB188 will not only perpetuate stigma for the elderly, blind and disabled population, but would be costly and inefficient. Wisconsin already takes away benefits that are unused for 365 days and spending \$1 Million dollars to target vulnerable families is wasteful. Nationally 80% of SNAP/FoodShare recipients spent their benefits in the first two weeks and 97% in the same month.

Elderly, Blind and Disabled populations are already making choices between paying for food or rent or important prescriptions. Further restricting access to food will create another hurdle making individuals choose hunger over reactivating their FoodShare case. For this reason we ask that AB188 include an exemption for the Elderly, Blind and Disabled population.