

Fiscal Estimate Narratives

DHS 3/30/2012

LRB Number	11-3996/1	Introduction Number	SB-523	Estimate Type	Original
Description Trafficking food stamp program benefits					

Assumptions Used in Arriving at Fiscal Estimate

This bill adds certain specific recipient trafficking offenses to Wisconsin FoodShare benefits statutes and thereby aligns the statutes with federal program regulations. Detection and investigation of recipient trafficking are existing Fraud Prevention and Investigation Program activities performed by local income maintenance agency fraud consortia under contracts with the Department. Efforts to combat fraud have been strengthened by the creation of the Department's Office of Inspector General and the \$2 million AF and 19 FTE provided in Wisconsin Act 32 beginning in FY 13. This bill will not increase state administrative costs for detection and prosecution of recipient FoodShare fraud because it does not expand the scope of those efforts, but rather clarifies which activities are prohibited and subject to penalties under the law.

The Department disqualifies individuals who commit intentional program violations, including trafficking, from the FoodShare program using the administrative disqualification hearing process. FoodShare expenditures would decrease to the extent that individuals trafficking FoodShare benefits are removed from the program. FoodShare benefit amounts are funded by the federal government and any savings would represent a reduction in FED expenditures.

Long-Range Fiscal Implications