



Updated April 7, 2025

# Supplemental Nutrition Assistance Program: Errors and Fraud

The Supplemental Nutrition Assistance Program (SNAP) is the nation’s largest domestic food assistance program, serving 41.7 million individuals in an average month in FY2024 at a federal cost over \$100 billion. SNAP benefits may be used to buy eligible food at over 261,000 authorized stores. Monthly benefit amounts vary based on household size and financial circumstances, and benefits are issued on Electronic Benefits Transfer (EBT) cards. SNAP is jointly administered by state agencies, which handle recipient functions, and the U.S. Department of Agriculture’s Food and Nutrition Service (USDA, FNS), which supports and oversees the states and handles retailer functions. Policymakers have long been interested in measuring and reducing errors and fraud in SNAP.

## Types of SNAP Error and Fraud

Error and fraud can be organized into four main types:

1. *Trafficking SNAP benefits*—the illicit sale of SNAP benefits, which can involve both retailers and recipients (a type of fraud).
2. *SNAP retailer application fraud*—an ineligible store or owner’s illicit attempt to become authorized to accept SNAP.
3. *Errors and fraud by households applying for SNAP*—unintentional or intentional recipient actions resulting in incorrect SNAP amounts.
4. *Errors and fraud by SNAP state agencies*—unintentional or intentional state agency actions resulting in incorrect SNAP amounts.
5. *SNAP Scams*—fraud perpetrated by external actors against SNAP recipients resulting in the theft of federal assistance.

## Defining Terms: Errors vs. Fraud

Errors are not the same as fraud. Fraud is intentional activity that breaks federal and/or state laws, while errors are mistakes. Certain acts, such as trafficking, are always considered fraud, but other acts, such as duplicate enrollment, may be either errors or fraud depending on the circumstances of the case. SNAP fraud is rare, according to available data and reports, but there is no single data point that reflects all the forms of fraud in SNAP. Criminal prosecution of fraud, when pursued, is typically initiated by USDA Office of the Inspector General (USDA, OIG) or state law enforcement authorities.

## Measures of Errors and Fraud in SNAP

There are two main measures of error and fraud in SNAP.

### The National Payment Error Rate (NPER)

Based on annual SNAP Quality Control reviews (7 U.S.C. §2025(c)), the NPER measures states’ improper issuance of SNAP benefits, including from recipient fraud, recipient errors, and state agency errors. This rate reflects all overpayments and underpayments that exceed the error

tolerance threshold (\$57 in FY2025, per month in the sample month counted; threshold is inflation-adjusted annually per statute). This rate is *not* a measure of fraud. See **Table 1** for recent rates and amounts.

Laws enacted in response to the COVID-19 pandemic provided Quality Control (QC) data collection and reporting flexibilities; FNS determined that it could not establish National Payment Error Rates (NPER) and State Payment Error Rates (SPER) for FY2020 and FY2021. Pandemic changes to eligibility and reporting, the return to pre-pandemic rules, and understaffing likely contributed to the substantial increase to error rates after FY2021. When error rates were released in 2023, majority and minority leaders of SNAP’s congressional committees of jurisdiction issued a joint statement critical of the increases. USDA places states with high payment error rates under corrective action plans and may levy financial penalties fines to states with repeated high error rates, according to SNAP law.

**Table 1. Estimated SNAP Payment Error Rates and Dollar Amounts: FY2018, FY2019, FY2022, FY2023**

Estimated overpayment and underpayment amounts in billions

	FY2018	FY2019	FY2022	FY2023
Overpay Rate	5.59%	6.18%	9.84%	10.03%
Overpay Amount	\$3.40	\$3.43	\$11.22	\$10.74
Underpay Rate	1.22%	1.18%	1.70%	1.64%
Underpay Amount	\$0.74	\$0.66	\$1.94	\$0.71
NPER	6.80%	7.36%	11.54%	11.68%

Source: FNS, SNAP Payment Error Rates.

Notes: NPER is the sum of rates, with small variations at times due to rounding. Rates compare overpayment/underpayment amounts to total SNAP benefits issued. USDA did not issue error rates FY2020-FY2021. “Amount” figures are higher in the FY2022-2023 period due to overall growth in costs.

### The National Retailer Trafficking Rate

Trafficking is not included in the NPER. Roughly every three years, the retailer trafficking rate estimates the volume of benefits trafficked. The retailer trafficking rate reflects a major form of SNAP fraud, but it does not reflect all forms of fraud. See **Table 2** for recent rates and amounts.

**Table 2. Estimated National Retailer Trafficking Rates and Dollar Amounts: FY2012-FY2014, FY2015-2017**

Estimated trafficked amounts in billions

	FY2012-FY2014	FY2015-FY2017
Trafficking Rate	1.50%	1.60%
Trafficking Amount	\$1.08	\$1.27

**Source:** FNS FY2012-FY2014 and FY2015-FY2017 trafficking studies. Rate compares estimated trafficking amounts to all SNAP benefits redeemed.

## Trafficking SNAP Benefits

FNS is responsible for identifying stores engaged in retailer trafficking and punishing store owners. FNS uses tools such as transaction data analysis and undercover investigations to find illegal activity. Retailers found to have trafficked may be subject to permanent disqualification from participation in SNAP, fines, and other penalties.

Recipient trafficking is considered an Intentional Program Violation (IPV), and state agencies are responsible for identifying—they use a variety of data analyses and other tools—and punishing recipients who engage in this kind of fraud. Recipients found to have trafficked may be required to repay the amount trafficked and may be subject to disqualification from receiving SNAP benefits and other penalties.

## SNAP Retailer Application Fraud

Owners and stores applying to FNS to participate in SNAP must meet certain eligibility criteria. If applicants provide false or misleading information of a substantive nature, then they have committed retailer application fraud. FNS identifies this kind of fraud through review of application materials. Retailers found to have falsified their applications may be subject to denial, permanent disqualification, and other penalties.

## Error and Fraud by Households Applying for SNAP Benefits

Households applying for SNAP benefits must submit personal information to their state agency for an eligibility determination and benefit calculation. During this application process, applicants may unintentionally provide incorrect information or omit certain information by accident. If this action results in an overpayment to the household, then this is designated a recipient error. If the recipient is found to have intentionally broken SNAP rules when applying, however, then they have committed fraud. (See FNS SNAP State Activity reports for related metrics)

### Recipient Errors

This is considered an inadvertent household error, and state agencies are responsible for identifying this kind of error through careful analysis of the materials provided by applicants. As with any overpayment, a household that receives an overpayment resulting from a recipient error is usually required to repay the overpaid amount. In FY2021, state agencies established claims to collect over \$352 million in overpayments resulting from recipient errors.

### Recipient Application Fraud

This is considered an intentional program violation, and state agencies are responsible for identifying this kind of fraud through analysis of the materials provided by applicants. Recipients found to have engaged in application fraud (also called eligibility fraud) may be required to repay the amount illicitly obtained and may be subject to disqualification from SNAP and other penalties. In FY2021, state agencies attempted to collect \$54 million in overpayments resulting from recipient trafficking and recipient application fraud.

## Error and Fraud by State Agencies

SNAP state agencies are responsible for administering SNAP on the recipient level in accordance with federal law. In the course of conducting eligibility determination and issuing benefits, state agencies might be responsible for inadvertent errors or intentional fraud.

### Agency Error

When overpayment or underpayment is not the result of the recipient's actions, then it is generally the result of an agency error. Agency errors include overpayments or underpayments caused by the action or inaction of any representative of a state agency. State agencies are responsible for preventing, identifying, and correcting agency errors, including underpayments. As with any overpayment, a household that receives an overpayment resulting from an agency error is usually required to repay the overpaid amount. In FY2021, state agencies established claims to collect \$85 million in overpayments due to agency errors.

### State Agency Employee Fraud

State agency employee fraud is any intentional effort by state employees to illegally generate and benefit from SNAP overpayments. State agency employee fraud might involve eligibility workers who abuse their positions and access to the SNAP certification process in order to unlawfully generate SNAP accounts.

## Benefit Theft Schemes

Separate from the types of error and fraud with roots in SNAP retailers, recipients, and state agencies, actors external to the SNAP system have manipulated recipients in order to steal their benefits. In recent years, USDA, Congress, and states have taken some actions to respond to *card skimming* schemes. Also, USDA and state agencies alert recipients of other scams to access and steal benefits. As with other types of fraud, USDA and state agencies refer cases to and work with law enforcement.

## Issues and Strategies

In general, different types of error and fraud merit different types of interventions involving different program actors (e.g., state vs. federal, recipient vs. retailer). Oversight entities, such as the Government Accountability Office and USDA, OIG, have identified issues and strategies relevant to combating errors and fraud in SNAP. In response to EBT card security concerns, some states are transitioning to EBT chip cards or piloting mobile transactions.

## Related CRS Reports

CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*

CRS Insight IN12419, *Supplemental Nutrition Assistance Program (SNAP): Benefit Theft Through Electronic Benefit Card Skimming*

---

**Randy Alison Aussenberg**, Specialist in Nutrition Assistance Policy

## **Disclaimer**

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.