

Supplemental Nutrition Assistance Program: Trafficking Controls and Fraud

Investigations (Card Replacement Revisions)

SUPPORTING STATEMENT

OMB CLEARANCE NUMBER 0584-0587

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Attachment A: Legal Authority Card Replacement CFR

Attachment B1: Public Commenter 1

Attachment B2: Public Commenter 2

The Final Rule for Supplemental Nutrition Assistance Program: Trafficking Controls and Fraud Investigations (Card Replacement Rule), RIN 0584-AE26 published 78 FR 51649, dated August 21, 2013 and the affirmation FR 22766 published on April 24, 2014 and became *Effective Date: on April 24, 2014* was approved at the estimated 8,336 hours. This proved to be a major underestimation of the time it would take for State agencies to send proper notices to households and did not include the burden on households required to contact their State agency to continue to receive their benefits. Since this original burden approval, the Food and Nutrition Service (FNS) has worked diligently to monitor the effect of this regulation and its impact on households. This work has provided a more realistic estimation of the burden required of State agencies and households as a result of 7 CFR 274.6. Thus, the notice required by our regulations when a household has requested it's fourth replacement Electronic Benefits Transfer (EBT) card, in a 12 month period at subject to the requirements of the Paperwork Reduction Act (PRA). Further, States who have chosen to exercise their option to notify the household when the threshold for excessive card replacements is reached and a second time if it is exceeded, requiring contact from the household, are notices subject to the requirements of the PRA. Finally, the contact required by a household participating in SNAP, in a State which has chosen to withhold their replacement card is subject to the requirements of the PRA.

1. Explanation of Circumstances That Make Collection of Data Necessary

Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the

appropriate section of each statute and regulation mandating or authorizing the collection of information.

This is a revision of a currently approved information collection request (ICR). The Food and Nutrition Act of 2008 (the Act), as amended, specifies national eligibility standards and imposes certain administrative requirements on State agencies in administering the program. Information must be collected from households to assure that they are eligible for the program and that they receive the correct amount of SNAP benefits. Information collected is limited to that necessary for the administration and enforcement of the SNAP Program.

Further, FNS regulations at 7 CFR 274.6(b)(5) allow State agencies to deny a request for a replacement SNAP EBT card until the household makes contact with the State agency if the requests for replacement cards are determined to be excessive. The State agency may determine the threshold for excessive card replacements, not to be less than four replacement cards in a 12-month period.

Finally, FNS regulations at 274.6(b)(6) require State agencies to monitor EBT card replacement requests and send notices to households when they request four cards within a 12-month period. The State agency shall be exempt from sending this Excessive Replacement Card Notice if it adopts the card withholding option in accordance with 7 CFR 274.6(b)(5) and sends the requisite Withholding Replacement Card Warning Notice on the fourth replacement card request.

Originally, FNS believed we would merge this burden with OMB Control Number 0584-0064, since that time, however, FNS decided not to pursue that course of action and therefor, this burden will remain its own OMB Control Number.

2. How the Information Will Be Used, By Whom, and For What Purpose

Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The purpose of this information collection is to issue notices regarding multiple requests for EBT replacement cards and excessive EBT card replacement, with the intent to discourage SNAP benefit trafficking and identify possible trafficking and fraud in the SNAP program.

REPORTING BURDEN:

Withhold Replacement Card Warning Notice and Replacement Card Withheld Notice –

Under 274.6(b)(5), State agencies may require an individual member of a household to provide an explanation in cases where the number of requests for card replacements is determined excessive. The State agency must notify the household in writing when it has reached the threshold, indicating that the next request for card replacement will require the client to contact the State agency to provide an explanation for the requests, before the replacement card will be issued. The State agency must also notify the household in writing once the threshold has been exceeded and the State agency is withholding the card until contact is made.

Excessive Replacement Card Notice – Under 274.6(b)(6), State agencies must monitor all client requests for EBT card replacements and send a notice, upon the fourth request in a 12-month period,

alerting the household that their account is being monitored for potential, suspicious activity. The State agency shall be exempt from sending the Excessive Replacement Card Notice if they have chosen to exercise the option to withhold the replacement card until contact is made with the State agency in accordance with 274.6(b)(5) and the State agency has chosen to use the minimum threshold, which requires sending the first notice on the fourth card replacement request within 12 months.

3. Use of Improved Information Technology to Reduce Burden

Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

In compliance with E-Government Act of 2002 (E-Gov), State agencies have the authority to use the technology that best suits the needs of their individual or unique systems of operation to comply with the reporting and recordkeeping requirements contained in this submission. FNS has made every effort to provide for electronic submission as an alternative to paper submission in compliance with the E-Gov. FNS provides funding to support the development of electronic systems through Federal matching of States' administrative costs. However, for this ICR, there is no information that will be collected electronically.

4. Efforts to Identify and Avoid Duplication

Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Question 2.

There is no similar information collection. Every effort has been made to avoid duplication. For SNAP purposes, States are required to limit collection to information necessary to comply with the SNAP statutory requirements and to protect program integrity without imposing undue burden on respondents.

Because of the numerous Federal or State means-tested programs with variations in eligibility rules and benefit criteria, duplication of information collection and reporting may result for both States and households.

SNAP regulations permit State agencies to use multi-program forms and notices. Most States also provide for multiple benefits programs on one EBT card. FNS solely administers and monitors the SNAP program, but is unaware of any similar requirements of another Federal or State program using a shared EBT card.

5. Efforts to Minimize Burden on Small Businesses or Other Entities

If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

State agencies administer SNAP at the State level and collect the necessary data to ensure correct eligibility determinations and delivery of benefit. All State agencies deliver the same program benefits and perform the same function regardless of population size. Thus, they maintain the same kinds of information on file. Of the 53 SNAP State agency respondents, none are small

entities.

6. Consequence of Less Frequent Data Collection

Describe the consequence to Federal program or policy activities if the collection is not conducted, or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The information is collected for the purpose of administering an ongoing program. Collecting data less frequently would not allow FNS to comply with statutory and regulatory requirements or ensure integrity would result in a direct violation of the Act. Further, benefits could be over-issued, under-issued, or trafficking allowed to continue if the necessary information is not collected or actions are not taken timely.

7. Special Circumstances

Explain any special circumstances that would cause an information collection to be conducted in a manner:

- ***Requiring respondents to report information to the agency more often than quarterly;***
- ***Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;***
- ***Requiring respondents to submit more than an original and two copies of any document;***
- ***Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years***

- *In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;*
- *Requiring the use of a statistical data classification that has not been reviewed and approved by OMB*
- *That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or*
- *Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.*

There are no special circumstances that cause this information collection to be conducted in a manner that is inconsistent with 5 CFR 1320.5.

8. Federal Register Comments and Efforts to Consult with Persons Outside the Agency

If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the

availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years even if the collection of information activity is the same as in prior years. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

A notice was published in the Federal Register on June 24, 2016, Volume 81, pages 41287-41288. Two comments (included with this request) were received, one addressed over-issuance as it relates to reissuing new EBT cards to those participants who have lost their original card. Funds on lost EBT cards will be de-obligated; therefore, the lost cards can't be used if the card is found. FNS feels issuing a new card is useful in order to continue delivery of benefits.

The other comment addressed the additional workload required if a State chooses to withhold a fifth replacement card as required by 274.6(b)(5). State agencies may choose not to implement this process if they determine it is not a good use of limited State resources.

FNS consults with Regional Offices regarding any proposed changes as the result of regulatory changes. Regional offices are in constant contact with State agencies which provides feedback on FNS processes and procedures that may impact them.

9. Payments to Respondents

Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payments or gifts will be provided to respondents.

10. Assurance of Confidentiality

Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Section 11(e)(8) of the Act and 7 CFR 272.1(c) of the regulations limit the use or disclosure of information obtained from applicant households or contained in the case files of participating households to persons directly connected with the administration of SNAP (i.e., other Federal or federally-assisted means-tested programs; persons directly connected with the verification of immigration status of aliens; the Office of the Comptroller General of the U.S. for audit and examination authorized by any other provisions of law; local, State, or Federal law enforcement officials for the purpose of investigating an alleged violation of the Act or regulations; agencies of the Federal Government for purposes of collecting the amount of an over issuance from Federal pay; and any Federal, State or local law enforcement officer if the member is a fleeing felon or a parole violator.) The application for benefits contains personal identifying information on individuals doing business with FNS. Therefore, FNS published a Privacy Act Notice System of Records Notice (SORN) March 31, 2000, entitled USDA/FNS-10: Persons Doing Business with the Food and Nutrition Service, in the Federal Register (65 FR 17251) to specify the uses to be made of the information collected.

11. Questions of a Sensitive Nature

Provide additional justification for any questions of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The are no questions of a sensitive nature included in this information collection.

12. Estimates of Respondent Burden

Provide estimates of the hour burden of the collection of information. The statement should include:

- *Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.*
- *Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.*

The estimated reporting burden for this collection, including the number of respondents, frequency of response, average time to respond and estimated man-hours, for two affected publics (53 State Agency eligibility workers and 267, 915 Individuals/Households applying for

SNAP benefits) are shown in the following table. The total annual responses are based upon data from FY2015 regarding the number of households having greater than four card replacements. Burden hours per response are based upon existing information on response time for the issuance of similar SNAP notices. There is no recordkeeping burden associated with this data collection.

SNAP information collection requirements described herein are imposed primarily on State agency eligibility workers. Standard wage rate categories used in determining annualized burden costs are based on the Bureau of Labor and Statistics (BLS) May 2015 Occupational Employment and Wages Statistics report which indicated a median wage rate of \$20.75 per hour for eligibility interviewers in government programs. States would incur an annualized administrative cost of \$20.75 per hour burden in the information collection. Fifty percent of the administrative costs to the State agencies are reimbursed by FNS. This results in a reimbursement value of \$10.37 per burden hour. The Federal minimum wage rate of \$7.25 per hour is used to calculate annualized costs for Individuals/Households applying for SNAP benefits.

ESTIMATED ANNUAL BURDEN FOR 0584-0587 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM: TRAFFICKING CONTROLS AND FRAUD, 7 CFR 274								
CFR	Title	Number of Respondents	Annual Reports	Total Annual Responses	Burden Hours per Response	Total Burden Hours	Hourly Cost to Respondent	Cost to Respondent

Affected Public: State and Local Agencies								
274.6(b)(5)	Withhold Replacement Card Warning Notice	3	5,055	15,165	0.0334	506.5	\$10.37	\$5,252.41
274.6(b)(5)	Replacement Card Withheld Notice	3	2,527.5	7,583	0.0334	253.2	\$10.37	\$2,625.68
274.6(b)(6)	Excessive Replacement Card Notice	50	5,055	252,750	0.0334	8,441.85	\$10.37	\$87,541.98
Subtotal		53	5,198	275,498	0.0334	9,201.55		\$95,420.07
Affected Public: Households								
274.6(b)(5)	Withhold Replacement Card Warning Notice	15,165	1	15,165	.0334	506.5	\$7.25	\$3,672.13
274.6(b)(5)	Replacement Card Withheld Notice	7,581 ¹	1	7,581	.5	3,790.5	\$7.25	\$27,481.13
274.6(b)(6)	Excessive Replacement Card Notice	252,750	1	252,750	0.0334	8,441.85	\$7.25	\$61,203.41
Subtotal		267,915	1	275,496	0.0462	12,738.85		\$92,356.67
Grand Total		267,968	5,199	550,994	0.0796	21,940.41		\$187,776.74

¹ FNS estimates that out of 15,165 clients approximately 7,581 of these clients will be issued a notice stating that their replacement EBT card will be withheld in accordance to 7 CFR 274.6(b) (5). To avoid double counting these clients they are not included in the Grand Total of respondents.

13. Estimates of Other Annual Costs to Respondents

Provide estimates of the total annual cost burden to respondents or record keepers resulting from the collection of information (do not include the cost of any hour burden shown in items 12 and 14). The cost estimates should be split into two components: (a) a total capital and start-up cost component annualized over its expected useful life; and (b) a total operation and maintenance and purchase of services component.

There are no start-up, operating or annual maintenance costs for this collection of information.

14. Estimates of Annualized Government Costs

Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.

Fifty percent of the administrative costs incurred by State agencies are reimbursed by FNS. Thus, the estimated wage rates for State agency staffs noted above have been reduced by 50% to reflect cost sharing. Costs associated with the burden imposed on SNAP applicants and recipients are not reimbursed.

The Federal cost also includes the cost associated with the preparation of this information collection package. This includes Federal worker time at FNS for the following:

	Hours	Hourly Wage*	Total
GS-13 Program Analyst	20	\$48.57	\$971.40
GS-14 Branch Chief	40	\$57.39	\$2,295.60

Cost of Federal workers:

\$3,267.00

*Wage rates determined in accordance with the Office of Personnel Management salaries and wages information (<https://www.opm.gov>)

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Total governmental costs: **\$190,840.14**

State Share @ 50%: **\$95,420.07**

Federal share @ 50%: **\$95,420.07**

Cost of Federal workers: = **\$3,267.00**

Total cost to the Federal government: \$98,687.07

15. Program changes or adjustments

Explain the reasons for any program changes or adjustments reported in item 13 or 14 of the OMB 83-1.

This is a revision of a currently approved information collection; we are requesting 21,940.85 rounded up to 21,941 burden hours. The current overall burden for this collection is 8,336 burden hours. The reporting hours in this submission will increase by 13,605 burden hours. This revision is a more accurate burden request as FNS now has access to almost three years of data collection. This revision is due to adjustments. Data shows that there are more excessive replacement cards than originally estimated. In the previous request we estimated households were 23,811 and we

now estimate the number of households at 267,915, an increase of 244,104. The total number of annual responses was previously estimated at 59,528 and now we have increased to 550,994 an increase of 491,466 due to adjustments. Further, the original request did not include any estimate of how long it would take households required to make contact with a State Agency when an EBT card is being withheld. Finally, this revision more accurately reflects the time it takes a State agency to process and send the required notice to a household and the time it would take a household to read the notice sent by the State agency and make contact when necessary.

16. Time Schedule, Publication, and Analysis Plans

For collections of information whose results are planned to be published, outline plans for tabulation and publication.

This collection does not employ statistical methods and there are no plans to publish the results of this collection for statistical analysis.

17. Display of Expiration Date for OMB Approval

If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The agency plans to display the expiration date for OMB approval of the information collection on all instruments.

18. Exceptions to Certification Statement

Explain each exception to the certification statement identified in Item 19 “Certification for

Paperwork Reduction Act."

The agency is able to certify compliance with all provisions under tem 18 of OMB Form 83-I.