

SUPPORTING STATEMENT for

OMB Control Number 0584-NEW:

Supplemental Nutrition Assistance Program (SNAP), State Law Enforcement Bureau (SLEB)

Fraud Investigations

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A1. 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 new information collection request. The Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA) is the Federal agency responsible for the Supplemental Nutrition Assistance Program (SNAP), (7 U.S.C. 2011-2036) that offers nutrition assistance to millions of eligible, low-income individuals and families, and provides economic benefits to communities. SNAP is the largest program in the domestic hunger safety net. In fiscal year (FY) 2015, FNS issued over \$69.5 billion in SNAP benefits to approximately 45.7 million individuals to help them with their nutritional needs. SNAP benefits can only be used to purchase eligible food items from authorized retail food stores. There were approximately 258,000 retail food stores authorized to accept SNAP in FY 2015.

The unauthorized use, transfer, or acquisition of SNAP benefits is illegal. Exchanging benefits for cash, known as trafficking, is prohibited and subject to the penalties outlined in the Federal regulations at 7 CFR 278.6. FNS works with State partners to establish State Law Enforcement Bureau (SLEB) agreements to improve program administration and ensure program integrity. Through SLEB agreements, FNS authorizes State agencies to conduct investigations into possible SNAP retailer/electronic benefits transfer (EBT) fraud, and to obtain Electronic Benefits Transfer (EBT) benefits for such law enforcement and investigative activities. State agencies that administer SNAP have the option to implement SLEB agreements. These agreements provide State agencies with additional resources to conduct investigations, including, but not limited to, the authorized use of SNAP benefits to carry out covert investigations of retailers, as

well as other retailer-related law enforcement techniques. FNS reimburses State agencies for expenses specifically associated with SLEB investigations of SNAP fraud, under SLEB agreements.

A2. Purpose and Use of the Information.

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

Detecting fraud, waste, and abuse in SNAP is a top priority. FNS is responsible for the retailer management functions of the program, which includes investigating and imposing sanctions on fraudulent retailers. State SNAP agencies have responsibility to identify and hold accountable program recipients who break the rules. FNS is using regulatory changes, developing tools, and providing technical assistance to strengthen States' ability in this regard. The agency also supports action by responsible, reputable non-federal law enforcement or investigative units to conduct retailer investigations which help maintain the integrity of SNAP. As such, FNS provides SNAP benefits to these State agencies for the purpose of investigating possible fraud, and to help eliminate waste and abuse of Federal funds.

To better account for Federal funds and benefits allocated for SLEB agreements, FNS created a form FNS 878 titled SLEB SNAP Fraud Investigation Cost Reconciliation with instructions (Appendix E) that records detailed costs associated with SLEB investigations of SNAP EBT benefit fraud, a summary of investigative outcomes, and details on SNAP EBT benefits used to conduct the investigations. This information increases accountability of taxpayer dollars in the largest nutrition assistance program in the country. The form is to be completed by the State agencies twice each year, for investigations that took place during the first and last six months of

the Federal fiscal year. The completion of the form is mandatory. FNS will use this information for accounting purposes, and to document findings that will help the agency to adequately allocate resources and ensure program integrity.

A3. Use of information technology and burden reduction.

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.

The form FNS 878 was created as an electronically fillable PDF document, and it is intended to be completed electronically. While the form does require an original signature for the official, the SLEB agencies are to submit and file the completed forms via email, fax, or mail. At this time, the form cannot be submitted electronically through a web-based system. FNS does not foresee moving toward electronic submission at this time.

A4. Efforts to identify 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.

Every effort has been made to avoid duplication. There is not any similar information available that succinctly captures the required information described in Question 2, FNS is solely responsible for monitoring and ensuring SNAP integrity.

A5. Impacts on small businesses or other small 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.

The process of collecting information does not impact small businesses or other small entities,

and the burden is minimized.

A6. Consequences of collecting the information less frequently.

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.

This is an ongoing data collection. If this collection is not conducted or conducted less frequently, the threat to program integrity increases and there is decreased accountability for the use of Federal funds for the administration of SNAP. By improving the reporting measures for summarizing States' investigative activities under SLEB agreements, and standardizing the form detailing the use of EBT benefits for State investigations, FNS will be able to ensure integrity, better monitor and account for a process involving up to 53 State SNAP agencies and over 258,000 retail food stores throughout the country. The suggested form enhances an integral process by upholding program integrity and providing consistent documentation, should further administrative action be required. The information collection also increases accountability of taxpayer dollars in a multi-billion dollar program.

A7. Special circumstances relating to the Guidelines of 5 CFR 1320.5.

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**
- **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. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.5.

A8. Comments to the Federal Register Notice and efforts for consultation.

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.

FNS published a 60-day notice of this information collection in the Federal Register on June 24, 2016 (Vol. 81, No. 122, Pp. 41288-41289). The comment period ended on August 23, 2016.

FNS received one comment on this notice.

- Comment received on August 22, 2016, included statements representing the perspective of one State agency on the information collection. In its comment, the State asserts that the estimate of burden is appropriate for States working with one or two SLEB partners, and that it is not accurate for a SLEB working with 25 partner agencies and 20 investigations.

Based on these comments, FNS reviewed its estimates and determined that the reporting format, frequency of collection, and required data elements in the form are adequate for the estimated cost and hour burden for most State agencies authorized to carry out SLEB investigations.

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 3 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.

FNS continuously works with stakeholders to discuss SNAP integrity efforts. While the publication of the notice was the only formal announcement, there have been other discussions with stakeholders about this collection. FNS anticipates working with State agencies to facilitate the reporting process, and to ensure adequate flexibility is provided to accommodate the administrative needs of the State agencies and their ability to provide the required information.

A9. Explain any decisions to provide any payment or gift 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.

A10. Assurances of confidentiality provided to respondents.

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

FNS fully upholds the safeguards in place set by policy and regulations related to privacy and

other sensitive personal information. However, Section 9 (c) of the Food and Nutrition Act of 2008 and the implementing regulations at 7 CFR 278.1(q), quoted here, allow for some identifying information to be used to enforce and protect program integrity by stating that “[w]ith the exception of Employer Identification Numbers (EINs) and Social Security Numbers (SSNs), any information collected from retail food stores and wholesale food concerns, such as ownership information and sales and redemption data, ...may be disclosed to and used by Federal and State law enforcement and investigative agencies for the purpose of administering or enforcing other Federal or State law, and the regulations issued under such other law.” The System of Record Notice (SORN) is USDA/FNS-10 Persons Doing Business with the Food and Nutrition Service, published in the Federal Register (65 FR 17251) on March 31, 2000. The categories of individuals covered do not include State agencies. The form FNS 878 includes a section for summarizing investigative outcomes that requires identifying information, such as the names and addresses of the businesses/individuals being investigated. This is to ensure proper and comprehensive accounts are logged should further administrative action be required.

A11. Justification for any 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.

This information collection does not ask any questions of a sensitive nature.

A12. Estimates of the hour burden of the collection of information.

Provide estimates of the hour burden of the collection of information. Indicate the number

of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.

A. 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.

This is a new collection. The total estimated number of respondents is 53. This includes all States, the District of Columbia, and U.S. Territories that administer SNAP. The respondents will be asked to complete (FNS 878 titled SLEB SNAP Fraud Investigation Cost Reconciliation with instructions (Appendix E)) two times per year for a total of 106 annual responses. The time required to complete this information collection is estimated to average two hours per response, including the time to review instructions, search existing data resources, gather the data, and complete and review the information collection. The estimated total annual burden on respondents is 212 hours (12,720 minutes).

There is no recordkeeping burden associated with this information collection request.

Respondent	Estimated # Respondents	Responses annually per Respondent	Total Annual Responses	Estimated Avg. # of Hours Per Response	Estimated Total Hours
Reporting Burden for FNS 878					
State government agencies	53	2.00	106.00	2.00	212.00

B. Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.

The estimate of respondent cost is based on the burden estimates and utilizes the U.S. Department of Labor, Bureau of Labor Statistics, May 2015 National Occupational and Wage Statistics, Occupational Group (33-0000) (<http://www.bls.gov/oes/current/oes330000.htm>). The

hourly mean wage (for protective service occupations) for functions performed by State agency staff is estimated at \$25.35 per staff hour.

TOTAL COST TO THE PUBLIC = 212 hours X \$25.35 = \$5,374.20.

A13. Estimates of other total annual cost burden.

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 questions 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 capital/startup or operation/maintenance costs associated with this information collection.

A14. Provide estimates of annualized cost to the Federal government.

Provide estimates of annualized cost to the Federal government. 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.

It is estimated that Federal employees receiving an average General Schedule (GS) grade

12 step 6 wage based on the 2016 Federal Wage Rates for Washington DC-Northern

Virginia locality area ([https://www.opm.gov/policy-data-oversight/pay-leave/salaries-](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2016/DCB.pdf)

[wages/salary-tables/pdf/2016/DCB.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2016/DCB.pdf)) will take approximately 53 hours to analyze data received from State agencies:

\$43.46 x 53 hrs = \$2,303.38 (estimated annualized cost to the Federal Government)

FNS reimburses State agencies for expenses associated with the administration of SNAP

fraud investigations. Therefore, the total annual cost to the Federal government is

\$2,303.38 Federal Wages and the total costs to be reported by the State agencies in Form

FNS 878.

A15. Explanation of program changes or adjustments.

Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

This is a new collection of information. This request will add 212 burden hours and 106 total annual responses to FNS burden inventory as a result of program changes.

A16. Plans for tabulation, and publication and project time schedule.

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

There are no plans for publication.

A17. Displaying the OMB Approval Expiration Date.

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

FNS assents to the display of the expiration date for OMB approval of the information collection and will not be seeking its omission.

A18. Exceptions to the certification statement identified in Item 19.

Explain each exception to the certification statement identified in Item 19 of the OMB 83-I" Certification for Paperwork Reduction Act."

This information collection conforms to the requirements of 5 CFR 1320.9. There are no exceptions to the certification statement.