

### **Summary**

This report summarizes the results from the State census conducted by the Food and Nutrition Service (FNS) of the United States Department of Agriculture (USDA). Data for the census were collected during Fiscal Year (FY) 2001. The study examines how States are currently using or planning to use computer matching strategies for error reduction in the Food Stamp Program (FSP).

Data from an earlier census, the State Food Stamp Program Operations Update (STOPS) conducted in 1991, were used as a benchmark to compare to current computer matching activities. This study expands on the information collected in 1991 by including additional issues related to computer matching.

Since 1991, many aspects of the FSP and of computer matching have changed. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) increased State's flexibility in several areas of program operations. For example, the Income Eligibility and Verification System (IEVS) and the Systematic Alien Verification Eligibility system (SAVE) matches are now optional. General Accounting Office (GAO) studies of individuals collecting food stamp benefits simultaneously in multiple States, and those collecting benefits while incarcerated or deceased, have led to new matching requirements for States.

### **Findings**

#### **How States Use Computer Matching**

There were dramatic changes in State use of computer matching systems in the 1990s, both in terms of the number of systems used and the frequency and timeliness of matches.

The use of computer matching systems by States has almost doubled since 1991. In 1991, the average number of systems used by States was about 7.5; it is currently about 14.

In 1991, only three States (Florida, Illinois, and California) used more than 10 matching systems. In 2000, 45 States reported using more than 10 matching systems.

The systems that States have most frequently added to their matching programs are:

- Prisoner Verification System (mandated)—48 States, not available in 1991
- Social Security Administration (SSA) Death Match (mandate)—45 States, not available in 1991
- Disqualified Recipient System (DRS) Federal or State—44 States, not available in 1991
- Quarters of Coverage—42 States, not available in 1991
- Department of Motor Vehicles (DMV)—34 States, 10 in 1991
- State New Hires—43 States now, 2 in 1991
- Child Support—28 States now, 5 in 1991
- State Tax Refund Offset Program (STROP)—22 States now, 1 in 1991
- State Fleeing Felons—19 States now, not available in 1991

Most States continue to use the six external matching systems that comprised the original IEVS, established in 1986. As a result of PRWORA these systems are no longer mandated but they are still used because they are perceived as providing useful data. At least 48 States continue to use the State Wage Information Collection Agency (SWICA), State Data Exchange (SDX), Unemployment

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Insurance (UI), and Beneficiary Data Exchange (BENDEX) matches.

Even though there was a large increase in the number of matching systems used, States also discontinued using some matching systems.

Eighteen States indicated that they have discontinued using a total of 40 matching systems that they reported using in 1991. The States that have chosen to discontinue using systems most often have discontinued Internal Revenue Service (IRS) matches (nine States) and Beneficiary Earnings Exchange Reports (BEERS) matches (eight States).

The reasons most often given for discontinuing these systems are the burdensome security requirements imposed by the IRS and the fact that the data returned from these matches often are too old to be useful.

Twenty States indicated that they plan to implement a total of 48 matching systems in the future. Five States reported that they intend to implement the State Death match, five States will be implementing the New Hires match, and three States plan on re-implementing the match with IRS.

States reported that 87 percent of matching systems used were effective for detecting fraud and abuse in the FSP. Nine percent of systems used were not useful or effective. For three percent of systems used, States reported that they did not know if they were effective. When a State indicated that it did not find a particular matching system to be useful, the reasons given pertained to outdated or erroneous data retrieved from the match.

### **Increased Technological Capabilities**

Technological advances, particularly the growth in communications networks, have greatly increased State capabilities for matching. States can now send cases to be matched and can receive match results via communications networks, rather than by traditional shipping of magnetic media. These advances have led to much more rapid responses from external databases. States now have a much greater capability to initiate queries to external databases on demand from a caseworker, rather than waiting for routine batch matches.

Thirty-eight percent of matches can now be accessed online; only 12.5 percent of matches could be accessed online in 1991.

SSA has developed common interfaces to its various databases, such as the State Online Query System (SOLQ) and the State Verification Exchange System (SVES). Forty-three States reported using SVES. A State may now send a single query to SSA and the case will be matched with the social security number (SSN) identity file to verify the SSN, and with the databases which contain information on SSA and Supplemental Security Income (SSI) benefits and covered income. These interfaces thus bundle the separate matches previously conducted, such as Beneficiary Data Exchange (BENDEX), State Data Exchange (SDX), Beneficiary Earnings Exchange Reports System (BEERS), Numident, Quarters of Coverage, SSA Death Match, and Prison Verification System.

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There has been an increase in the level of intra-State automation. State databases such as DMV, SWICA, and UI are now linked directly to food stamp client databases. This results in a virtual integration with the food stamp client database;

when queries are made to the client database regarding eligibility, the query is automatically routed to these other State databases, and the response is almost immediate.

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