

**INSPECTOR GENERAL**  
**TEXAS HEALTH AND HUMAN SERVICES COMMISSION**

**TREASURY OFFSET PROGRAM**

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*Inspection of Procedures to Maximize  
Recovery of SNAP Overpayments*



**October 20, 2017**  
**IG Report No. INS-16-007**



## HHSC IG

TEXAS HEALTH AND HUMAN  
SERVICES COMMISSION

INSPECTOR GENERAL

### WHY THE IG CONDUCTED THIS INSPECTION

The IG conducted an inspection to determine whether Health and Human Services Commission (HHSC) agency procedures ensure recovery of the maximum amount of Supplemental Nutrition Assistance Program (SNAP) overpayments. The inspection focused on the following objectives:

- Assess the effectiveness of procedures used to maximize the accuracy of data submitted to the U.S. Department of the Treasury, Treasury Offset Program (TOP) to ensure a match.
- Determine if errors in data submitted to the TOP are effectively resolved and resubmitted.

SNAP provided benefits to an average of 1.6 million Texas households per month, with an annual expenditure of over \$5 billion. SNAP overpayments occur when a household receives a higher benefit amount than allowed by federal rule. Texas historically has low SNAP overpayment rates. However, when there is an overpayment, HHSC Accounts Receivable uses a proprietary system, the Accounts Receivable Tracking System (ARTS), to manage billing and collection of overpayments. ARTS interfaces with the TOP database and the Texas Integrated Eligibility Redesign System (TIERS), which is the HHSC database that stores benefit eligibility information.

### WHAT THE IG RECOMMENDS

The Inspections Division made the following recommendations:

1. TIERS database functionality should be enhanced to initiate recoupment for all eligible SNAP overpayment debts.
2. Accounts Receivable should ensure all eligible responsible individuals are referred to TOP.

View the report online

For more information, contact:

[IG\\_Inspections\\_Division@hhsc.state.tx.us](mailto:IG_Inspections_Division@hhsc.state.tx.us)

## TREASURY OFFSET PROGRAM:

### *Inspection of Procedures to Maximize Recovery of SNAP Overpayments*

#### WHAT THE IG FOUND

The inspection found that overall HHSC has effective policies, procedures, and practices to maximize the accuracy of data submissions in first-time address requests as part of the TOP referral process. Accounts Receivable submits address requests that may contain more than 3,000 names in a month. The majority are first-time requests for recently validated SNAP debts. A review of address response reports revealed that, excluding deceased debtors, 99 percent of first-time requests returned an address.

However, there are opportunities to increase recovery of SNAP overpayments. TOP is a fully-automated program that intercepts federal payments to collect delinquent debts owed to federal and state agencies. Not all eligible SNAP overpayment debts are recouped or referred to TOP.

United States Department of Agriculture Food and Nutrition Service (FNS) oversees the SNAP program. If a household is actively receiving SNAP benefits, with few exceptions, FNS requires automatic collection of a validated SNAP overpayment debt by reducing the household's SNAP benefits. Currently TIERS does not initiate recoupment of SNAP overpayments if the primary responsible individual's Social Security number (SSN) is not in TIERS.

Furthermore, FNS rules require states to refer all SNAP recipient debts that are delinquent over 120 days to TOP. Current Accounts Receivable practice is to submit an address request to FNS prior to debt submission to TOP. If ARTS does not contain an SSN for the primary responsible individual, ARTS does not submit an address request for that debt. This effectively prevents a TOP referral for the additional responsible individuals.

The HHSC Accounts Receivable division agreed with the recommendation that TIERS functionality be enhanced for all eligible SNAP overpayments to be recouped. Accounts Receivable has taken appropriate initial steps to mitigate concerns. In addition, Accounts Receivable recognized and acknowledged the recommendation to ensure all eligible responsible individuals are referred to TOP. Beginning in January 2018, Accounts Receivable and Health and Human Services Information Technology will work to revamp the ARTS System. Redesign is scheduled to commence the second quarter of calendar year 2018, with concentration on automating the TOP referral process.

As a result, recovery of SNAP overpayments is expected to increase. If TIERS functionality is enhanced to initiate recoupment for all eligible SNAP overpayment debts, the additional estimated one-time recoupment potential exceeds \$1.5 million, with a state retention of over \$260,000 and estimated annual recoupments over \$500,000, with state retention approaching \$125,000. If all eligible responsible individuals are referred to TOP, the additional estimated one-time recoupment potential exceeds \$1.1 million, with a state retention of over \$160,000 and estimated annual recoupments over \$210,000, with state retention exceeding \$55,000.

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## I. PURPOSE AND OBJECTIVES

The Texas Health and Human Services Commission (HHSC) Inspector General (IG) Inspections Division conducted an inspection to determine whether Health and Human Services (HHS) agency procedures ensure recovery of the maximum amount of Supplemental Nutrition Assistance Program (SNAP) overpayments. The inspection focused on the following objectives:

- Assess the effectiveness of procedures used to maximize the accuracy of data submitted to the Treasury Offset Program (TOP).
- Determine if errors in data submitted to the TOP are effectively resolved and resubmitted.

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## II. BACKGROUND

### SNAP Overview

Overseen by the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS), SNAP, formerly known as the Food Stamp Program, provides financial benefits to help low-income families afford a nutritionally adequate diet. In 2015, SNAP provided benefits to an average of 1.6 million Texas households per month, with an annual expenditure of over \$5 billion.<sup>1</sup> SNAP benefits are fully funded by the federal government and administrative costs are shared with the states. HHSC administers the program in Texas in accordance with FNS rules and is responsible for identifying, investigating, and recovering overpayments of SNAP benefits. HHSC Access and Eligibility Services (AES) determines SNAP eligibility and benefit amounts and maintains the information in the Texas Integrated Eligibility Redesign System (TIERS) database.

### Overpayments

SNAP benefit overpayments occur when a household receives a higher benefit amount than allowed by FNS rules.<sup>2</sup> Texas historically has low SNAP overpayment rates. In 2015, the Texas overpayment rate was 0.71 percent of all SNAP benefits issued, compared with 0.93 percent nationally.<sup>1</sup>

### Identifying and Investigating SNAP Overpayments

In Texas, IG General Investigations Division (GI) staff investigate potential SNAP overpayments. The process includes the following steps:

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<sup>1</sup> Supplemental Nutrition Assistance Program State Activity Report, Fiscal Year 2015

<sup>2</sup> Applicable FNS rules related to SNAP overpayment: 7 Code of Federal Regulations (C.F.R.) § 273.18.

1. Validate the overpayment amount and determine the cause, such as fraud, agency error, or recipient error.
2. Identify the primary responsible individual for the debt, generally the head of household.
3. Identify additional responsible individuals in the household<sup>3</sup> at the time of the overpayment.
4. Send initial notification letter that requests repayment and includes information on how to establish a payment plan.
5. Submit debt information to HHSC Financial Management Division Accounts Receivable for collection.

### Accounts Receivable

Accounts Receivable uses a proprietary system, the Accounts Receivable Tracking System (ARTS), to manage billing and collection of overpayments. ARTS interfaces with both TIERS and the U.S. Department of the Treasury (U.S. Treasury).

### HHSC Recoupment of SNAP Overpayments

FNS requires automatic collection of a validated debt by reducing the amount of monthly SNAP benefits the household receives.<sup>4</sup> There are exceptions if the debt is collected at regular intervals at a higher amount, such as through a repayment plan, or when another household is having its benefits reduced for the same debt.<sup>5</sup>

If the debt becomes delinquent, ARTS, through its interface with TIERS, attempts to determine whether there are current SNAP benefit payments. If so, TIERS recoups the overpayment through a reduction in the household's monthly SNAP benefit. The reduced amount is then applied to the debt balance.

### TOP Recovery of SNAP Overpayments

TOP, operated by the U.S. Treasury, is a fully-automated program that intercepts federal payments to collect delinquent debts owed to federal and state agencies. When a debtor is referred, TOP searches its database for eligible scheduled payments, such as Internal Revenue Service (IRS) refunds, that can be withheld prior to issuance and used to repay the debt.

Before referring a responsible individual to TOP, FNS requires states to provide the debtor with written notification of the nature and amount of the debt, the intention of the state to collect the debt through administrative offset, and an explanation of

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<sup>3</sup> Responsible individuals in the household may include, "each person who was an adult member of the household when the overpayment or trafficking occurred" 7 C.F.R. § 273.18; household is defined in § 273.1.

<sup>4</sup> This reduction in the amount of monthly SNAP benefits is referred to as a recoupment.

<sup>5</sup> FNS rules also allow, but do not require, states to garnish wages, intercept various State payments, or require the household to perform public service.

the debtor's rights. The U.S. Treasury requires that the notice be sent to the debtor's current known address at least 60 days prior to referring the debtor to TOP.<sup>6</sup>

FNS rules also require states to refer to TOP all SNAP recipient debts that are delinquent over 120 days. When a debt becomes delinquent and there are no active SNAP benefits to recoup against, and a Social Security number (SSN) is available for the primary responsible individual, the following TOP referral process is initiated:

1. Accounts Receivable submits an address request for the primary responsible individual that includes the name and SSN to FNS, who forwards the information to the U.S. Treasury.
2. The U.S. Treasury searches IRS databases for a matching record. If one is found, the address is provided to Accounts Receivable in a monthly report (excluding December).
3. Accounts Receivable sends the 60-day notice to the primary responsible individual.
4. If the debt remains delinquent after the 60 days expire, Accounts Receivable refers all responsible individuals to TOP.
5. TOP withholds eligible federal payments to offset the debt.
6. ARTS interfaces with the TOP database and offsets the debt balance.

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### III. METHODOLOGY

This inspection focused on the assessment of HHSC policies, procedures, and practices in place to recover SNAP overpayments through TOP and the development of recommendations to improve the effectiveness and efficiency of these efforts.

#### A. Data Sources and Analysis

The IG Inspections Division interviewed staff with knowledge of relevant policies, procedures, and practices from AES, GI, Accounts Receivable, and Information Technology (IT) Applications. The IT Applications staff provided information on the capabilities, interactions, and planned updates of the databases and systems involved in SNAP benefits management and collections processes.

Applicable federal and state regulations and publicly available data and reports were reviewed, including the 2016 FNS *Review of Texas Health and Human Services Commission SNAP TOP Training and Review*.

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<sup>6</sup> The IRS offers a computer matching program to obtain mailing addresses of debtors.

Accounts Receivable provided the IG Inspections Division with all current SNAP overpayment debts for which the primary responsible individual has no SSN in ARTS. This list of 5,011 debts, validated by GI between 1981 and 2017, totaled \$7,969,074.<sup>7</sup>

Statisticians with the IG Data and Technology Division generated a statistically valid random sample (SVRS) of 112 debts from this list. Each of the 112 was reviewed to determine (a) current repayment or delinquency status, (b) whether any additional responsible individuals with SSNs could be identified, and (c) whether there were current SNAP benefits that could be recouped against. The results of this review were used to estimate additional existing debt that could be recouped or referred to TOP.

The list of 5,011 debts included 393 that were validated in 2016. Each of these 393 was reviewed to assess repayment and delinquency status and determine whether any additional responsible individuals with an SSN in ARTS or TIERS could be identified. The results were used to estimate the additional future debt that could be recouped or referred to TOP annually.

Accounts Receivable also provided eight FNS address request response reports received between October 2015 and February 2017. These reports were reviewed and the results were used to assess the accuracy of the data contained in the original requests.

See Appendix A for a more detailed description of the methodologies used.

## **B. Standards**

The IG Inspections Division conducts inspections of Texas Health and Human Services programs, systems, and functions. Inspections are designed to be expeditious, targeted examinations into specific programmatic areas to identify systemic trends of fraud, waste, and abuse. Inspections typically result in recommendations to strengthen program effectiveness and efficiency. The IG Inspections Division conducted this inspection in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

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<sup>7</sup> Amounts are rounded to the nearest dollar.



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#### IV. INSPECTION RESULTS

Overall, HHSC has effective policies, procedures, and practices to maximize the accuracy of data submissions in first-time address requests as part of the TOP referral process.

Accounts Receivable submits address requests to FNS that may contain more than 3,000 names in a month. The majority are first-time requests for recently validated SNAP debts. The requests typically include between 500 and 700 previously submitted names that did not return an address.

Accounts Receivable provided eight FNS address request response reports received between October 2015 and February 2017. When an address is not available, the report identifies the reason. The most common reasons are:

- The IRS database found no record of the individual because the individual has never filed an income tax return.
- IRS records indicate the individual is deceased.
- The name associated with the SSN provided did not match IRS records exactly (if the individual is now married and using a different last name, for example).

When an address is not returned, Accounts Receivable conducts research to determine if the original data submitted was accurate. The address requests are resubmitted, with any needed corrections, until an address is returned. A review of the address request reports provided by Accounts Receivable revealed that, excluding deceased debtors, 99 percent of first-time address requests successfully returned an address.

**Observation 1: Not all eligible SNAP overpayment debts are recouped.**

TIERS currently does not automatically initiate recoupment from a household receiving SNAP benefits if the primary responsible individual's SSN is not in TIERS. As a result, some SNAP overpayment debt eligible for recoupment is not being recovered.

FNS requires automatic collection of a validated debt by reducing the household's monthly SNAP benefits. There are exceptions if the debt is collected at regular intervals at a higher amount, such as through a repayment plan, or when another household is having its benefits reduced for the same debt.

In February 2016, FNS conducted a TOP training and review of HHSC SNAP procedures. One of the findings was "...recipients who were identified as debtors were not being actively recouped once they became eligible for benefits." In the required corrective action for this finding, FNS stated, "The SA [State Agency] has



the responsibility to initiate allotment reduction whenever an active household is participating without a State agreed upon repayment agreement.”

**Existing Debt**

From the list of 5,011 debts for which the primary responsible individual has no SSN in ARTS, a SVRS of 112 debts was selected for review. Research of the 112 debts revealed 28 households receiving SNAP benefits that are not being recouped. The value of those 28 debts was used to calculate a total estimated value and state retention shown in Table 1.

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*State Retention:*  
FNS rules allow states to retain up to 35 percent of SNAP overpayment recoveries. The specific retention rate depends on the cause of the overpayment.

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**Annual Recurring**

From the list of 5,011 debts, 393 were validated in 2016. A review of all 393 debts in ARTS and TIERS revealed 128 households receiving SNAP benefits that are not being recouped. Using 2016 data to estimate future annual recoveries, Table 1 shows the projected additional recoupment in future years, if TIERS were to automatically initiate the recoupment process for all eligible debt.

**Table 1. Eligible Debt Not Being Recouped**

Estimated Existing Debt (Based on SVRS of debts validated through March 2017)		Projected Annual Recurring (Based on debts validated in 2016)	
Total	State Retention	Total	State Retention
\$1,577,846	\$260,730	\$502,847	\$124,463

*Source: Prepared by IG Inspections Division; state retention calculated using rates set by FNS for each debt based on cause of overpayment.*

**Recommendation 1: TIERS functionality should be enhanced to initiate recoupment for all eligible SNAP overpayment debts.**

HHSC has taken initial steps to correct issues that inhibit recoupment efforts when TIERS does not contain the SSN for the primary responsible individual. Accounts Receivable has requested specific modifications to resolve these functional issues. These changes have been approved and timelines for implementation are being finalized.

Accounts Receivable, AES, and HHSC IT Applications should continue their collaboration to ensure recoupment procedures are automatically initiated in TIERS for all eligible debts. Implementation should include quality assurance procedures to assess the operation of system modifications and measure the financial impact on recoveries.

**Management Response:**

*Accounts Receivable is in agreement with Recommendation 1, the functionality of the TIERS system utilized by Access and Eligibility Services (AES) needs to be enhanced in order for all eligible SNAP overpayments to be recouped. Accounts Receivable and TIERS has taken the appropriate steps to mitigate the concerns associated with the functionality of TIERS not being able to recoup for all eligible SNAP overpayment debts.*

*Based on an FNS audit finding, eleven requests for IT Services (RITS) were submitted to TIERS, requesting TIERS to modify their system in order to recoup on all eligible SNAP overpayment debts. Seven of the eleven RITS were completed in May 2017. The remaining four are due to be completed on September 23<sup>rd</sup> 2017. ARTS and TIERS have a nightly batch process that matches eligible client's claims for recoupment using an Eligibility Determination Group number (EDG). The EDG number assigns individuals with multiple claims a separate EDG number per claim. This current process allows for errors by not capturing all claims associated with the client that may qualify for recoupment. In an effort to mitigate such risk, maintenance to the TIERS and ARTS System is being modified to replace the EDG number with a unique individual client number that will be associated with the individual clients profile throughout the lifespan of all claims established with AES. Not only will the system's reconfigurations enhance the recoupment process it will take into account all new claims, as well as legacy claims previously established.*

*Responsible Party: Manager of Accounts Receivable*

*Implementation Date: 01/10/2018*

**Observation 2: Not all eligible SNAP overpayment debts are referred to TOP.**

FNS rules require states to refer to TOP all recipient debts that are delinquent over 120 days. Current Accounts Receivable practice is to submit an address request to FNS prior to debt submission to TOP. However, ARTS functionality and Accounts Receivable procedures include only the primary responsible individual on the FNS address requests. If ARTS does not contain an SSN for the primary responsible individual, ARTS does not automatically submit an address request for that debt. This prevents additional responsible individuals for a debt from being included in an FNS address request, effectively preventing a TOP referral. Additional debt could be recovered by ensuring all eligible responsible individuals with an SSN are referred to TOP.

**Existing Debt**

Review of the 112 debts in the SVRS revealed 27 with additional responsible individuals with SSNs that could be referred to TOP for recovery. The value of those 27 debts was used to calculate a total estimated value and state retention shown in Table 2.

Annual Recurring

Each of the 393 debts validated in 2016 without an SSN for the primary responsible individual was reviewed in ARTS and TIERS. Fifty-five have an additional responsible individual that could be included in address requests and referred to TOP. Using 2016 data to estimate future annual recoveries, Table 2 shows projected additional debt that could be recovered if all responsible individuals were included in address requests and subsequent TOP referrals.

**Table 2. Eligible Debt Not Being Referred to TOP**

Estimated Existing Debt (Based on SVRS of debts validated through March 2017)		Projected Annual Recurring (Based on debts validated in 2016)	
Total	State Retention	Total	State Retention
\$1,128,582	\$161,095	\$213,438	\$55,121

*Source: Prepared by IG Inspections Division; state retention calculated using rates set by FNS for each debt based on cause of overpayment.*

**Recommendation 2: Accounts Receivable should ensure all eligible responsible individuals are referred to TOP.**

Accounts Receivable should review its procedures and ARTS automated processes and make necessary modifications to ensure all responsible individuals with SSNs on all eligible debts are referred to TOP. Implementation should include quality assurance procedures and measure the financial impact on recoveries identified.

**Management Response:**

*Accounts Receivable (AR) recognizes and acknowledges the recommendation to ensure all eligible individuals are referred to TOP. Due to the configuration and limitations of the ARTS System, a manual process related to referring clients to TOP is performed outside of the ARTS current automated process. The manual process involves the substitution of liable household members with other responsible liable household members when the primary member referred to TOP returns with a non-match file.*

*Starting January 2018, HHSC Fiscal Management (AR), and HHSC IT Enterprise will be working simultaneously to address and gather all the system limitations and maintenance requirements needed to revamp the ARTS System. Gathering requirements will involve developing a project plan, building user stories, and establishing timeframes. Taking into consideration any unanticipated circumstances, redesign with the ARTS System is scheduled to commence at the beginning of the second quarter in calendar year 2018, with concentration on automating the TOP client referral process.*

*Equal liability to repay outstanding debts is placed upon all eligible household members in accordance with 7 CFR 273.18 (a) (4), "The following are responsible for paying a claim: (i) each person who was an adult member of the household when the overpayment or trafficking occurred". Presently, the ARTS System is designed to capture only one individual at a time within the household of multiple liable clients. Once reconfigured, the ARTS System will automatically revert to the next primary liable member of the household recognizing them as the eligible primary responsible for repaying the debt.*

*Responsible Party: Manager of Accounts Receivable*

*Implementation Date: Commence Project Plan - 01/05/2018*

**Inspections Follow-up Comment:**

Until an automated solution can be implemented, the IG recommends that Accounts Receivable prioritize execution of its manual processes to ensure all responsible individuals with SSNs on all eligible debts are referred to TOP.

**V. CONCLUSION**

The IG Inspections Division completed an inspection to assess the effectiveness of procedures used to maximize the accuracy of data submitted to TOP and determine if errors in data submitted to TOP are effectively resolved and resubmitted.

Within the scope of this inspection, HHSC has effective policies, procedures, and practices to maximize the accuracy of data submissions in first-time address requests as part of the TOP referral process. A review of the FNS address request reports provided by Accounts Receivable revealed that, excluding deceased debtors, 99 percent of first-time address requests successfully returned an address.

The IG Inspections Division identified the following two issues:

- Not all eligible SNAP overpayment debt is recouped.
- Not all eligible SNAP overpayment debts are referred to TOP.

The IG Inspections Division makes the following recommendations:

- TIERS functionality should be enhanced to initiate recoupment for all eligible SNAP overpayment debts.
- Accounts Receivable should ensure all eligible responsible individuals are referred to TOP.

Implementation of the IG recommendations will result in the initiation of recoupments and TOP referrals of existing debt shown in Table 3.

**Table 3. Eligible SNAP Overpayment Debt Not Being Recovered**

<b>Estimated Existing Debt</b> (Based on SVRS of debts validated through March 2017)		<b>Projected Annual Recurring</b> (Based on debts validated in 2016)	
<b>Total</b>	<b>State Retention</b>	<b>Total</b>	<b>State Retention</b>
\$2,706,428	\$421,825	\$716,285	\$179,584

*Source: Prepared by IG Inspections Division; state retention calculated using rates set by FNS for each debt based on cause of overpayment.*

The IG Inspections Division thanks Accounts Receivable, IT Applications, GI, and AES management and staff at the inspected entities for their cooperation and assistance during this inspection.

## VI. APPENDICES

### Appendix A: Detailed Methodology

#### Data Collection and Analysis

##### Address Request Reports

When a SNAP overpayment debt becomes delinquent and there are no benefits to recoup, Accounts Receivable submits to FNS an address request for the primary responsible individual. FNS forwards the requests to the U.S. Treasury, and results are reported to Accounts Receivable. Accounts Receivable provided a sample of eight response reports received between October 2015 and February 2017. The IG Inspections Division analysis of those eight reports is summarized in Table 4.

**Table 4. Address Request Report Result Codes**

Result Code	Count
00 - Match with IRS database; address returned	13,116
02 - Partial match; SSN valid, but name was not an identical match with IRS database	36
03 - SSN not found in IRS database	92
04 - SSN not valid format	0
07 - Deceased	146

*Source: Prepared by IG Inspections Division*

The eight address reports reviewed contained first-time address requests for 13,390 unique primary responsible individuals. Excluding deceased individuals, over 99 percent successfully returned an address. An address not returned does not necessarily indicate a mistake in data submitted by Accounts Receivable. A partial match may mean the IRS database has information that is not current. Also, the IRS database may not contain an SSN for an individual who never filed a federal tax return.

##### Debt Data

Accounts Receivable provided all current SNAP overpayment debts for which the primary responsible individual has no SSN in ARTS. This list of 5,011 debts included debts with origin dates as far back as 1981 and as recent as March 2017. Of the 5,011 debts, 393 debts totaling \$1,602,632 were validated in 2016.

Statisticians with the IG Data and Technology Division analyzed the 5,011 debts

provided by Accounts Receivable and generated an SVRS.<sup>8</sup> The resulting sample of 112 debts was researched by the inspectors. Statisticians used the results to estimate potential additional recoveries from existing debts.

Each of the debts in the SVRS and those validated in 2016 was researched in ARTS and TIERS to determine:

- If the debt is in repayment status or delinquent status
- Whether there were current household SNAP benefits available to recoup
- Whether additional responsible individuals with SSNs could be identified and referred to TOP
- Cause of overpayment to determine and calculate state retention

The results were used to identify potential additional recoveries summarized in Table 5 and Table 6. The lower limit of the 90 percent confidence interval was used to estimate additional recoveries, resulting in a 95 percent likelihood that the actual amount of additional recoveries will exceed the calculated amount.

**Table 5. Estimated Potential Additional Recoveries from Existing Debt**

	<b>Eligible for Recoupment of Current Benefits</b>	<b>Eligible for TOP Referral</b>
Total	\$1,577,846	\$1,128,582
State Retention	\$260,730	\$161,095

*Source: Prepared by IG Inspections Division; state retention calculated using rates set by FNS for each debt based on cause of overpayment.*

An estimated amount of \$1,577,846 was associated with delinquent debt for households with current SNAP benefits not being recouped. After applying state retention rates, the state share was calculated at \$260,730.

Research of the SVRS identified debts in which 1) an additional responsible party had an SSN, or 2) the primary responsible party was determined to have an SSN after the referral to ARTS. An estimated amount of \$1,128,582 was associated with these debts. After applying state retention rates, the state share was calculated at \$161,095.

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<sup>8</sup> 95 percent confidence level and 10 percent precision level



**Table 6. Projected Annual Recurring Recoveries from Future Debt<sup>9</sup>**

	<b>Eligible for Recoupment of Current Benefits</b>	<b>Eligible for TOP Referral</b>
Projected Total	\$502,847	\$213,438
Projected State Retention	\$124,463	\$55,121

*Source: Prepared by IG Inspections Division; state retention calculated using rates set by FNS for each debt based on cause of overpayment.*

Delinquent debts totaling \$502,847 were associated with households currently receiving SNAP benefits that could be recouped to repay the debt. After applying state retention rates, the state share was calculated at \$124,463.

Of the 393 validated in 2016, delinquent debts totaling \$213,438 have at least one additional responsible individual with an SSN that could be included in address requests and potentially referred to TOP. After applying state retention rates, the state share was calculated at \$55,121.

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<sup>9</sup> It is assumed that, for the near future, new annual SNAP overpayment debt will be similar to that in 2016.

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## **Appendix B: Report Team and Report Distribution**

### **Report Team**

The IG staff members who contributed to this IG Inspections Division report include:

- Lisa Pietrzyk, CFE, CGAP, Director of Inspections
- Troy Neisen, CPA, Inspections Manager
- Michael Greer, Inspection Team Lead
- Marco Diaz, Inspector
- Liviah Manning, PhD, Research Specialist
- Dawn Rehbein, Program Specialist
- Michelle Turovsky, Data and Technology Statistical Analyst
- Junqun Xiong, Data and Technology Statistical Analyst

### **Report Distribution**

Health and Human Services:

- Charles Smith, Executive Commissioner
- Cecile Erwin Young, Chief Deputy Executive Commissioner
- Heather Griffith Peterson, Chief Operating Officer
- Kara Crawford, Chief of Staff
- Karin Hill, Director, Internal Audit
- Diane Jackson, Accounting Director, Fiscal Management
- Derrick Payton, Manager, Accounts Receivable
- Mary Catherine Bailey, Director of Business Automation, Social Services Applications

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## Appendix C: IG Mission and Contact Information

### Inspector General Mission

The mission of the IG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of IG's mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Principal Deputy IG
- Christine Maldonado, Chief of Staff and Deputy IG for Operations
- Olga Rodriguez, Senior Advisor and Director of Policy and Publications
- Roland Luna, Deputy IG for Investigations
- David Griffith, Deputy IG for Audit
- Quinton Arnold, Deputy IG for Inspections
- Alan Scantlen, Deputy IG for Data and Technology
- Judy Knobloch, Interim Deputy IG for Medical Services
- Anita D'Souza, Deputy IG Chief Counsel

### To Obtain Copies of IG Reports

- IG website: <https://oig.hhsc.texas.gov/>

### To Report Fraud, Waste, and Abuse in Texas HHS Programs

- Online: <https://oig.hhsc.texas.gov/report-fraud>
- Phone: 1-800-436-6184

### To Contact the Inspector General

- Email: [OIGCommunications@hhsc.state.tx.us](mailto:OIGCommunications@hhsc.state.tx.us)
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