

**Inspector General John Walk
United States Department of Agriculture**

**Prepared Remarks
California Welfare Fraud Investigators Association Meeting
Rancho Cucamonga, California
March 3, 2026**

Thank you to California Welfare Fraud Investigators Association President Greg Mahoney and Vice President Shawn Ferris for your invitation to this important meeting today.

For more than 50 years, CWFIA has provided a crucial forum for fraud prevention professionals in the Golden State to work together toward a very important mission: ensuring that welfare fraud is detected, prevented, and prosecuted to maintain integrity in public assistance programs. I commend you for your work and look forward to a wonderful conversation today.

On January 5 of this year, I was honored to be sworn in as Inspector General of the United States Department of Agriculture. I am grateful to President Trump for his appointment to this important position and to support the work of USDA, led by Secretary Brooke Rollins, through OIG's independent and objective oversight of the Department's programs and operations. As Inspector General, I am committed to aggressively pursuing fraud, waste, and abuse in USDA programs and operations and promoting the safety and security of the agriculture sector.

OIG is supported by over 360 employees including criminal investigators, auditors, and analytics professionals carrying out the mission of preventing and detecting waste, fraud, and abuse and promoting economy and efficiency in USDA programs. Our Western Region includes 17 law enforcement officers who work cases in this and nearby States. I am glad that three are here today who will be able to speak with you about their work. Building relationships between our Federal investigators and local investigators in this room is a key priority. OIG will devote the necessary resources, focus, and commitment to do our part in the "War on Fraud" announced by the President at last week's State of the Union. Everyone in this room understands the enormous scope of public assistance fraud, and we will all need to work together in California and elsewhere to address this challenge.

Last year alone, our investigative work led to 191 convictions, with monetary results totaling \$182 million. We also published 62 audit and inspection reports that identified \$1 billion in questioned costs and funds that could be put to better use, and we made 152 recommendations to strengthen and improve USDA programs and operations.

The largest program within our purview is the over \$100 billion administered by USDA for the Supplemental Nutrition Assistance Program, better known as SNAP. The purpose of SNAP is to alleviate hunger and malnutrition and improve food security among low-income American households. SNAP fraud—and fraud in

other public nutrition programs—is especially egregious because criminals steal from needy Americans and take advantage of the American taxpayers’ compassion to line their pockets.

Our investigations uncover significant criminal activities associated with SNAP fraud. Last December, a USDA employee was sentenced to 24 months in prison for her role in a sprawling fraud and bribery scheme that generated over \$66 million in unauthorized SNAP transactions. The defendant abused her position within FNS by selling confidential government information to criminals, who subsequently used the information to fraudulently obtain EBT terminals for unauthorized stores to process SNAP transactions. In addition to her prison term, the defendant was also ordered to pay restitution of \$36 million.

As Inspector General, I am proud to stand with other federal law enforcement agencies, USDA, state and local partners, and other stakeholders in combating public assistance fraud so that taxpayer resources are not stolen by crooks. Recently, I joined agents in the U.S. Secret Service-led EBT fraud and ATM skimming outreach effort, Operation Frostbite. Personnel from the Secret Service, USDA, OIG, Homeland Security Investigations, and State partners, conducted visits to voluntarily participating businesses across the country to educate them on how to identify illegal card skimming devices. Similar operations in 2025 prevented an estimated potential loss of more than \$428 million.

OIG special agents and law enforcement partners I met affirmed that SNAP fraud has grown increasingly sophisticated. Fraudulent schemes can involve international criminal organizations and tech-savvy, sophisticated networks. Senior law enforcement shared they believe illicit proceeds from some SNAP fraud have gone to international criminal gangs, drug cartels, terrorist organizations, and foreign adversaries.

OIG is also proud to support the anti-crime task forces in Washington, D.C. and Memphis, Tennessee, established by presidential executive order. In this whole-of-government approach to combating crime, we are working with federal, state, and local law enforcement – to educate law enforcement about indicators of SNAP and related fraud and to investigate allegations of fraud that come to light. By sharing resources, information, and expertise in our common mission, we aim to prevent and hold accountable criminals who steal from the American taxpayer by defrauding SNAP and other USDA programs.

I have also met with several federal criminal task forces and United States Attorney offices to talk about how we can collaborate to fight fraud in USDA programs – especially SNAP and other nutrition programs. As I have spoken with law enforcement, we all agree that federal program fraud is not a paper crime – it is NOT a victimless crime.

The dollar amounts are staggering, and the victims are people – members of our communities.

One of my Special Agents told me of a working mother who immigrated legally to the United States. She and her household participated in SNAP. This mother found out she and her four children were the victims of skimming when her EBT card was declined at the cash register. In tears, she told her story to the special agent of the horror of not having enough food for her children or herself for the month. Regrettably, California is

well-familiar with this type of SNAP fraud. In 2025, KTLA revealed that an investigation by California Department of Social Services found nearly \$127 million stolen from EBT cards in a single year. The article reported the arrest of five illegal aliens involved in an EBT card skimming scheme that targeted low-income Californians, including those participating in SNAP.

In Operation “Mic Drop,” USDA OIG special agents supported local and federal law enforcement in San Diego to investigate EBT benefits being exchanged for cash at a local store. The cash was then used to purchase illicit drugs supplied by a gang that turned the store location into its headquarters. Over two million dollars were stolen from American taxpayers in the scheme. The investigation resulted in the conviction and sentencing of 19 defendants and \$2.4 million in total restitution. Whether stolen by skimming, cloning, trafficking, or fraudulent applications there is one common thread in SNAP fraud. Lawfully eligible low-income Americans are victims to greedy criminals.

The faces of nutrition fraud are often the most vulnerable among us. I am proud to lead USDA OIG in its commitment to detect and prevent SNAP fraud and pursue justice against those who exploit American taxpayer resources.

In addition to our investigative work, my audit staff is working to assess internal controls at the Department. Recommending preventive measures is an important part of the fight so that we do not rely on pay-and-chase—trying to recover funds that are already paid out.

For example, in our audit issued in January 2026, we reviewed the hardware underpinning SNAP EBT. We found that FNS has not required States to adopt security standards to detect and prevent SNAP benefit theft. As a result, between October 2022 and December 2024, FNS replaced \$322 million in benefits likely due to fraudulent activity. We recommended that FNS develop a plan and timeline to issue regulations for States to implement SNAP EBT security measures that detect and prevent card cloning and skimming fraud.

Addressing these weaknesses is a critical part of promoting program integrity. This year, we will continue to audit aspects of SNAP and help address as many issues as possible.

We are also working to expand our analytics capabilities that help our investigators detect and prevent fraud. We have prioritized work on SNAP and other feeding program fraud, as well as animal fighting, and understanding risks to our national security associated with foreign owned agricultural land.

Examples from our SNAP analytics work include:

- A fraud intelligence tool that allows OIG investigators to detect fraudulent patterns of SNAP card skimming across the United States;
- An automated SNAP Peer Store Comparison tool, which compares SNAP retailers with other nearby stores to analyze differences in SNAP transactions and redemptions;
- Referrals from retailers to detect possible fraudulent activity; and

- GIS-based products and tools with interactive maps that visualize subjects of interest within USDA programs.

These are just a few examples. We hope to further expand our analytics capabilities to support state and local law enforcement in preventing and detecting fraud in government programs. If you have ideas or questions, please don't hesitate to reach out.

Strengthening partnerships to combat SNAP and other nutrition program fraud also is a key priority. That is why I am so happy to spend time with you today to discuss the challenges you are facing in California as well as learning about your successes. I am committed to ensuring that our oversight strengthens the integrity of USDA programs and operations and serves as an active deterrent for those who seek to commit fraud.

I hope that this is the beginning of a collaborative exchange so that we can appropriately combine local, state, and federal resources to support our common mission of protecting taxpayer dollars and making sure that assistance does not end up in the hands of fraudsters seeking to exploit hard working taxpayers and the programs meant to serve those who legally qualify for those programs.