



U.S. Department of Agriculture
Office of Inspector General



Replacement of Stolen SNAP Benefits in Maryland

Audit Report 27601-0005-31

We determined that Maryland designed reasonably adequate controls to validate and calculate SNAP replacement benefit claims; however, the controls were not sufficient to prevent Maryland from improperly replacing claims that resulted in more than \$125,000 in questioned costs.

OBJECTIVE

Our objective was to evaluate the controls the State of Maryland established to validate and calculate SNAP replacement benefit claims.

BACKGROUND

The U.S. Department of Agriculture's FNS and State agencies administer SNAP. SNAP provides nutrition assistance to eligible, low-income individuals and households via a monthly benefit on an Electronic Benefits Transfer card. The Consolidated Appropriations Act, 2023 required States to use Federal funds to replace SNAP benefits stolen via fraudulent methods. FNS approved the State of Maryland's plan to replace stolen SNAP benefits on February 24, 2023, the first State to receive approval. Ultimately, replacement authority applied to benefits stolen between October 1, 2022, and December 20, 2024. In total, the State of Maryland replaced more than \$22.6 million in stolen SNAP benefits.

REVIEWED

We analyzed Maryland's stolen SNAP benefits claim data for fiscal year 2023 through December 20, 2024.

WHAT OIG FOUND

We determined that Maryland Department of Human Services (DHS) designed reasonably adequate controls to validate and calculate Supplemental Nutrition Assistance Program (SNAP) replacement benefit claims. However, the controls were not sufficient to prevent and detect Maryland DHS from improperly replacing 212 claims. Human errors, compounded by system issues, resulted in more than \$125,000 in questioned costs necessitating recovery. This included replacements for thefts that occurred outside of the Federal eligibility period, claims approved for more than the maximum allowed amount, or for more than two replacements in a Federal fiscal year.

WHAT OIG RECOMMENDS

We recommend that Food and Nutrition Service (FNS) recover more than \$125,000 in questioned costs from the ineligible claims that Maryland DHS approved.

FNS agreed with our finding, recommendation, and monetary result. We accepted management decision for the recommendation.



OFFICE OF INSPECTOR GENERAL

United States Department of Agriculture



DATE: December 30, 2025

AUDIT

NUMBER: 27601-0005-31

TO: Patrick Penn
Acting Administrator
Food and Nutrition Service

ATTN: Amanda Musgrove
Director, Office of Internal Controls, Audits and Investigations
Food and Nutrition Service

FROM: Dedra Chandler
for Yaris Rivera-Rojas
Acting Assistant Inspector General for Audit

SUBJECT: Replacement of Stolen SNAP Benefits in Maryland-Final Report

This report presents the results of our audit of the Replacement of Stolen SNAP Benefits in Maryland. Your written response to the official draft is included in its entirety at the end of the report. Based on your December 12, 2025, written response to the subject audit report, we are accepting management decision for the recommendation in the report, and no further response to this office is necessary.

In accordance with Departmental Regulation 1720-1, final action needs to be taken within 1 year of the date of each management decision. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer.

We appreciate the courtesies and cooperation extended to us by members of your staff during our fieldwork and subsequent discussions. This report contains publicly available information and will be posted in its entirety to our website (<https://usdaoig.oversight.gov>) in the near future.

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Background and Objective

Background

The U.S. Department of Agriculture's (USDA) Food and Nutrition Service (FNS) and State agencies administer the Supplemental Nutrition Assistance Program (SNAP) to provide nutrition assistance to eligible, low-income individuals and households via a monthly benefit on an Electronic Benefits Transfer (EBT) card.¹ In fiscal year 2024, SNAP provided more than \$94 billion in benefits to more than 41.7 million monthly participants, on average. The State of Maryland provided more than \$1.4 billion in SNAP benefits to more than 693,000 monthly participants, on average, in fiscal year 2024.

Under new statutory authorities, the State of Maryland replaced more than \$22.6 million of SNAP benefits stolen between October 2022 and December 2024. The Consolidated Appropriations Act, 2023 (the Act) included a section on EBT Benefit Fraud Prevention that prescribed the replacement of benefits² for EBT thefts between October 1, 2022, and December 20, 2024.^{3 4} The Act directed FNS to require State SNAP agencies to submit plans for the replacement of stolen benefits to FNS for review and approval within 60 days of enactment of the Act. Maryland's Department of Human Services (DHS) was the first State agency to request and receive FNS approval for its plan for the replacement of stolen benefits.

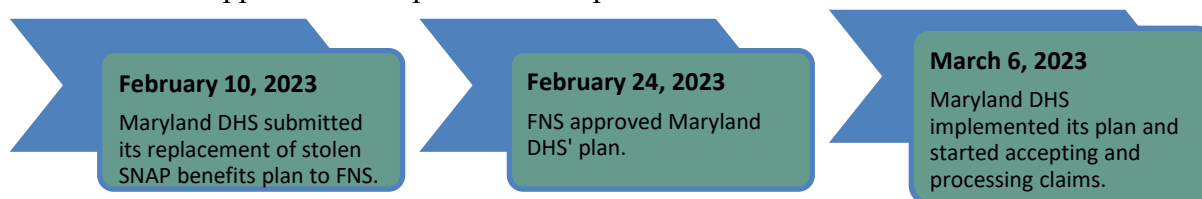


Figure 1: Timeline of FNS approval of Maryland DHS' plan. Figure by the Office of Inspector General.

To implement the program, Maryland DHS added a module to its existing Eligibility and Enrollment information technology system to obtain and process claims for replacement of stolen benefits. Maryland DHS' case managers and supervisors used this system to process and document the claim validation, calculation, and approval or denial. Maryland DHS also issued guidance to its staff on procedures to process replacement claims.

¹ EBT is an electronic system that allows a SNAP participant to pay for food using SNAP benefits (<https://www.fns.usda.gov/snap/ebt>).

² The Consolidated Appropriations Act, 2023, Pub. L. No. 117-328, tit. IV-Nutrition, Sec. 501. EBT Benefit Fraud Prevention (Dec. 29, 2022). The Act included provisions requiring States to use Federal funds to replace SNAP benefits stolen via card skimming, card cloning, and other similar fraudulent methods. The Act also provided multiple requirements for FNS.

³ The original timeframe for eligibility ended September 30, 2024. However, Congress extended the authority to replace stolen benefits with Federal funds through December 20, 2024, in the Continuing Appropriations and Extensions Act, 2025, Pub. L. 118-83, tit. I-Misc. Extensions, Sec. 105. EBT Benefit Fraud Prevention (Sept. 26, 2024).

⁴ According to FNS, Congress terminated the replacement of stolen benefits authority as part of the American Relief Act, 2025. Therefore, SNAP benefits stolen on or after December 21, 2024, were not eligible for replacement.

As of March 24, 2025, Maryland DHS received 63,326 Federal stolen benefits claims. Maryland DHS approved 53,084 of the claims and denied 10,242 (a more than 83 percent approval rate).⁵ Maryland also used State funding to replace stolen SNAP EBT benefits, after Maryland passed legislation that authorized the State to replace 100 percent of benefits stolen on or after January 1, 2021.⁶

Objective

Our objective was to evaluate the controls the State of Maryland established to validate and calculate SNAP replacement benefit claims.

⁵ Data as of March 24, 2025. Received on April 17, 2025.

⁶ Maryland House Bill 502, *Department of Human Services – Electronic Benefits Transfer Cards - Theft of Benefits*, Chapter 172, (April 24, 2023).

Finding 1: Maryland Implemented Reasonably Adequate Controls but Replaced Some Ineligible Claims

We determined that Maryland DHS designed reasonably adequate controls to validate and calculate SNAP replacement benefit claims. However, the controls were not sufficient to prevent and detect Maryland DHS from improperly replacing 212 out of 53,084 claims. Human errors, compounded by system issues, resulted in more than \$125,000 in questioned costs necessitating recovery.

The Consolidated Appropriations Act, 2023 limited claims for the replacement of stolen SNAP benefits to the following criteria:

- (1) only benefits stolen during the period beginning on October 1, 2022, and ending on December 20, 2024;⁷
- (2) no more than two replacements per claimant in a Federal fiscal year; and
- (3) the lesser of: the amount stolen, or 2 months' allotment immediately prior to the theft date.⁸

Through our review of Maryland DHS' claim data, we identified that Maryland DHS incorrectly replaced benefits for a total of 212 claims. These included 134 claims that did not meet the eligible timeframe, 45 claims from claimants that had already reached the limit of two replacements in the Federal fiscal year, and another 33 claims that exceeded the claimant's maximum replacement amount. Maryland DHS officials reviewed these 212 claims and agreed that these claims were ineligible and should not have been replaced. According to Maryland DHS officials, these claims were improperly replaced due to both human errors and system issues⁹ that allowed approvals outside eligible timeframes and beyond program limits.

During our fieldwork, Maryland DHS initiated corrective actions, proactively corrected several of the ineligible claims we identified, and reimbursed FNS more than \$17,000 thus far.¹⁰ Ultimately, statutory authority to replace stolen benefits expired on December 20, 2024, without renewal. As the program has been terminated, FNS currently has no plans to assess the implementation of the program. If the program had continued, FNS stated it would have likely included this program in its Management Evaluation guidance. Therefore, we are not providing recommendations to make specific corrective actions related to control activities. However, to address the funds Maryland DHS inaccurately paid to replace ineligible claims, we recommend FNS recover the remaining portion of the \$125,038 in total questioned costs identified.

⁷ Continuing Appropriations and Extensions Act, 2025, Pub. L. 118-83, tit. I-Misc. Extensions, Sec. 105. EBT Benefit Fraud Prevention (Sept. 26, 2024).

⁸ The Consolidated Appropriations Act, 2023, Pub. L. No. 117-328, tit. IV-Nutrition, Sec. 501. EBT Benefit Fraud Prevention (Dec. 29, 2022).

⁹ These included the system not correctly saving case manager selections and not always preventing replacement amounts above the maximum amount allowed.

¹⁰ Maryland DHS reimbursed FNS \$17,715 on May 16, 2025. Maryland DHS will need to reimburse FNS the remaining \$107,323.

Recommendation 1

Recover the \$125,038 in questioned costs from the ineligible claims that Maryland DHS approved.

Agency Response

FNS agreed with the recommendation and monetary result. FNS noted that Maryland DHS already initiated corrective actions, proactively corrected several of the ineligible claims, and reimbursed FNS for \$17,715 on May 16, 2025. FNS provided OIG a copy of the December 3, 2025, bill for the remaining amount of \$107,323.

OIG Position

We accept management decision for this recommendation. For final action, provide USDA's Office of the Chief Financial Officer with documentation of the bills for collection totaling \$125,038.

Scope and Methodology

We conducted our audit to evaluate the controls the State of Maryland established to validate and calculate SNAP replacement benefit claims. The scope of our audit covered the State of Maryland's replacement of stolen Federal SNAP benefit claim process for fiscal year 2023 through December 20, 2024. We conducted our fieldwork from January 2025 through September 2025. We conducted in-person fieldwork in Baltimore, Maryland and interviewed Maryland DHS officials. We discussed the results of our audit with agency officials on November 25, 2025, and included their comments, as appropriate.

We obtained EBT stolen benefits and Federal replacements data from Maryland DHS and identified that it received 63,326 claims for Federal replacement of stolen SNAP benefits. Of those claims, Maryland DHS approved 53,084 claims for a total of \$22,672,171 in stolen SNAP benefits replaced.¹¹

We analyzed the data obtained from Maryland DHS and identified issues and inconsistencies that represented claims that were outside requirements of the Act. We non-statistically selected 14 claims for review to determine whether the claims were validated and calculated in accordance with the Act. Our sample selection was based on various factors including claims identified through data analysis as issues or with inconsistencies related to the requirements of the Act.

To accomplish our audit objective, we:



Reviewed applicable laws, policies, procedures, and guidance to gain sufficient knowledge of the replacement of stolen SNAP EBT benefits program.



Interviewed Maryland officials to gain an understanding of their roles and responsibilities, and the process and controls used to administer the replacement of stolen SNAP EBT benefit claims as well as its oversight process.



Performed a system walk-through with Maryland officials to gain an understanding of their information systems and controls for the administration of the replacement of stolen SNAP EBT benefits program.



Reviewed and evaluated Maryland information system controls for the administration of the replacement of stolen SNAP EBT benefits program.

We assessed internal controls significant to the audit objective. Specifically, we assessed the following components and underlying principles:

¹¹ Data as of March 24, 2025. Received on April 17, 2025.

Component	Principle
Risk Assessment	Management should define objectives clearly to enable the identification of risks and define risk tolerances.
Control Activities	Management should design control activities to achieve objectives and respond to risks.
Control Activities	Management should implement control activities through policies.

We designed our audit work to assess these internal control components and underlying principles; as such, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

To conduct this audit, we obtained the universe of claims for Maryland DHS' replacement of stolen SNAP EBT benefits program from Maryland DHS' Eligibility and Enrollment system. We assessed the reliability of the data by comparing the totals reported on a Maryland DHS' Stolen Benefits and Replacements Report to the data set that we obtained and analyzed. Further, we obtained the system security plan which documented the systems security and privacy controls implemented. We determined that the data was sufficiently reliable for the purposes of this report. However, we did not assess the overall reliability of Maryland DHS' Eligibility and Enrollment system, as we did not rely solely on system data to support our reported finding. Therefore, we make no representation regarding the adequacy of any agency computer systems, or the information generated from them because we did not assess the reliability of information systems, as it was not related to our audit objective.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective.

Abbreviations

the Act.....	The Consolidated Appropriations Act, 2023
DHS.....	Department of Human Services
EBT.....	Electronic Benefits Transfer
FNS.....	Food and Nutrition Service
SNAP.....	Supplemental Nutrition Assistance Program
OIG.....	Office of Inspector General
USDA.....	U.S. Department of Agriculture

Exhibit A: Summary of Monetary Results

Exhibit A summarizes the monetary results for our audit report by finding and recommendation number.

Finding	Recommendation	Description	Amount	Category
1	1	Ineligible Claims Replaced by Maryland DHS	\$125,038	Questioned Costs/Recovery Recommended
Total			\$125,038	

**Food and Nutrition Service
Response to Audit Report**



U.S. DEPARTMENT OF AGRICULTURE

Date:

To:

Yarisis Rivera-Rojas
Acting Assistant Inspector General for Audit

From:

Patrick Penn

Acting Administrator
Food and Nutrition Service

Deputy Under Secretary
Food, Nutrition, and Consumer Services

Subject:

OIG Audit 27601-0005-31, Replacement of Stolen Supplemental Nutrition Assistance Benefits in Maryland

This letter responds to the official draft report issued on November 25, 2025, for audit number 27601-0005-31, Replacement of Stolen Supplemental Nutrition Assistance Benefits (SNAP) in Maryland. Specifically, the Food and Nutrition Service (FNS) is responding to the one recommendation made to the agency in the report.

In discussing the recommendation with the Maryland Department of Human Services (DHS), State officials advised that the noted instances of payment error were less than 1 percent (0.55 percent to be exact), which is well below the FNS-established SNAP payment error threshold of 6 percent. Based on this, Maryland DHS' position is that their system controls were adequate to administer the stolen benefit replacement program effectively.

If you have any questions or need additional information regarding this response, please contact Amanda Musgrove, Director of the FNS Office of Internal Controls, Audits, and Investigations (OICAI) at (703)305-2092 or Amanda.Musgrove@usda.gov.

OIG Recommendation 1

Recover the \$125,038 in questioned costs from the ineligible claims that Maryland DHS approved.

FNS Response

Agree with recommendation: ☒ Yes ☐ No

Agree with monetary results: ☒ Yes ☐ No ☐ N/A

As noted in OIG's report, the Maryland DHS already initiated corrective actions, proactively corrected several of the ineligible claims, and reimbursed FNS for \$17,715 on May 16, 2025. FNS has established a bill for the remaining amount of \$107,323 and will work with the Maryland DHS to obtain evidence supporting the reimbursement of these funds to FNS.

Estimated Completion Date

January 2, 2026

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