

EMAIL

Food Stamp Overpayments Cause Concern for Single Mom

Brian Stimson of The Skanner



For the better part of her four children’s lives, Monica Taylor has relied on the state of Oregon’s Food Stamp Program to supplement their food budget. When money was tight for the single mom, she would go and see if she qualified for food stamps.

“I’m just applying for some assistance,” she said. “I just need a little help, not much.”

She would go in for face to face interviews and a caseworker would tell her how much the benefits would be. But three times since the 1990s, Taylor says case workers wrongly calculated the benefits she should be receiving.

Through no fault of her own, Taylor was forced to pay back thousands of dollars in food stamp “overpayments” for which the government agency says she wasn’t eligible.

“I assumed it was correct,” she said. “Who am I to question her (the caseworker)?”

Taylor isn’t the only one who has received a food stamp grant only to find out the government worker – or the applicant themselves -- got it wrong. Last year, there were 5,533 food stamp overpayment cases, according to Food Stamp Program Director Belit Stockfleth. Some of these cases were agency errors and some were recipient errors, but the agency doesn’t keep track which cases were caused by client or government.

In each of these cases, federal law requires the state to collect any overpayment from the client. If the client is currently receiving food stamps, they can see a 10 percent reduction in benefits until the balance is paid.

If the recipient wants to challenge the validity of the overpayment, they can request an administrative hearing. Unfortunately for these defendants, most of whom are poor or were poor when they received food stamps, having a lawyer help with their cases is hard to come by.

Unlike a criminal proceeding, a lawyer is not automatically assigned to low-income defendants in civil proceedings, let alone a hearing. A defendant must either hire a lawyer or contact legal aid, although “most of the time they don’t ask” for legal representation, according to Stockfleth.

Leslie Kay, director of the Multnomah County office for Legal Aid Services of Oregon, says they only have the resources to take about 2 out of 10 cases requested of them. As for helping people with public benefits cases, resources are thin.

“We have one person,” she said, who handles all public benefit cases. “Unless it’s for a large amount, the likely scenario is that we would not take the case.”

They do, however, provide legal advice. Low-income people involved with a public benefit case can call 1-800-520-5292 for advice on representing themselves.



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For Taylor, she is now getting legal help from Eric Green, a paralegal for EboniiSoft, Your Personal Business Inc. Green has assisted Taylor in legal research to challenge the latest overpayment request and at the very least, asking the department to reduce her benefits instead of having her wages garnished.

What's most disturbing to Taylor is the amount of cash money she has had to pay back for food stamps. When a recipient receives food stamps, they are not allowed to purchase pet food, pre-made food, hot food, vitamins, toiletries, alcohol or tobacco – only “foods for the household to eat,” according to the Department of Agriculture. But the money Taylor was forced to pay back could be used for anything.

Not an insignificant government error – Taylor was garnished \$8,000 the first time, \$2,443 the second and is now being asked to repay \$1,967.

Asked if the department thought it fair to repay a food payment with cash that can be used to buy anything, Stockfleth said, “When people receive food stamp benefits, it adds \$9 more in the wider economy to the \$1 used ... It's looked at as real money, not just food money.”

According to Stockfleth, getting a request for overpayment for families can be “devastating.”

To their credit, the food stamp program has improved error rates – for both overpayments and underpayments – in recent years. Stockfleth said in 2006, there were 7,787 overpayment cases. That number was reduced to 5,533 in 2008 and in 2009 – so far – there have been 2,966 cases of overpayments. When that money is paid back, a portion goes back to the state and a portion is sent back to the federal government.

The errors committed by the Department of Human Services, which oversees the program for the state, are common for any agency or business -- government workers report income incorrectly, complex policy is applied incorrectly.

Stockfleth says reviewers now pick a sample of cases after three months of a person receiving benefits, but errors are often discovered much later when a person reapplies for benefits and their past benefits are reviewed. There have also been changes in the way people are interviewed and the application has been streamlined.

Stockfleth says errors are not common. With over 300,000 recipients, there are bound to be errors in the system, she says. She doesn't want this to discourage anyone from signing up for food stamps and is currently trying to reach out to those who are eligible but not receiving benefits. There is a food stamp estimator on the Oregon Food Stamp Program's website that can help clients determine their estimated benefits, but a small error

“They just need a better system,” says Taylor. “It's harmful to your daily life and your children.”

She says that the garnishments have caused her to go back on food stamps, even though she was able to operate independently as she was eligible. She says it makes her worried that in the future she could end up owing money she didn't know she owed.

“If the assistance isn't going to assist you, don't give it to the people,” she said. “If we can't turn food stamps into cash, they shouldn't be able to do it either.”

FOOD STAMP FUNDING

100 percent of benefits come from the federal government;

50 percent of funding for Food Stamp program administration is matched by the federal government;

Payments for overpayments go both to the federal government and to the state benefit coffers.

ACCOUNTABILITY

So long as states keep their error rates at or below the national average, they are generally not penalized. The government has a long history of trying to improve the error rate. A report from the Government Accountability Office from 2005 noted that error rates had decreased from 9.86 to 6.63 nationally from 1999 to 2003. During this time about 76 percent of errors were from overpayments.

The study noted that overpayments might have helped push some families further above the poverty line.

“As a result, overpaid households’ purchasing power, which includes household gross income and food stamp benefits, rose by 8 percentage points, from 94 percent of the federal poverty level to 102 percent of the federal poverty level,” said the report. “Underpaid households’ purchasing power decreased by 6 percentage points from 80 percent of the federal poverty level to 74 percent of the federal poverty level.”

The report noted that the average family unknowingly received an extra \$97 a month. It did not say for how long these payment errors were made.

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Comments Received

In Response to: \"Poor Monica. I just saw the food stamp news video of her getting into her late model Cadillac sedan. Maybe I should go on food stamps so I can afford a Cadillac.\" I don't know if you've checked the prices or reliability stats of a late model Cadillac, but they don't hold their value. In other words, they're CHEAP CARS. If you have a problem with the program or the people on Food Stamps, just say it. Keep the argument on track. Don't distract from the core issue by throwing out a red herring from the Reagan Administration.

This information from the Dept. of Human Services is not accurate. There are at least 24,000 - 25,000 incidents of overpaid benefits each year in the food stamp program. They just don't all get identified and established. As well, food stamp error rates did not go down significantly because the agency suddenly got more accurate. They went down because the agency got more creative with finding ways to make errors \"not errors\" to avoid federal penalties and to avoid losing public support for programs that hemorrhage money like a trauma victim. Fraud, waste and abuse in public assistance programs costs literally tens if not hundreds of millions of taxpayers dollars every year here in Oregon alone. Fact.

I think that the system should work better for people that are trying to make ends meet and not put families in any hardship then need be. Why is

that the system is never wrong because what I understand is that the recipient of food stamps or cash benefits or the ones that suffer the hardships not the caseworkers. Some of them are very nasty and do not want to change their errors when they make them want to put it all on you as if it's your sole responsibility. I had a close encounter with the system and one of the things you are afraid of is that they will take away what you have and make life more difficult. There should not be any discrimination in how cases are handled. Everyone should be treated fairly. How is it fair when garnishing someone's wages may put them in the risk of being behind in rent and other bills due to a garnishing of wages. And then you get no help at all. It's time America we woke up to this fair and equal rights in the system. And there is always going to be someone that will tell you it's a system error, but who's putting the information in the system. I am behind Ms. Taylor 100% and then some. The truth will prevail. Ms. Taylor I know it was hard for you to speak out but thank God you did. Lots of hurting people out there.

The same thing happened to me some years ago when we were receiving public assistance due to the caseworker giving me false information. It wasn't that I didn't qualify for assistance, He/she miscalculated and I received a few dollars more than I should have. The problem that I had with the whole situation was that, instead of making me repay the amount that I was overpaid, I had to repay the total amount that I received for those months. That was the last time I applied for public assistance!

Poor Monica. I just saw the food stamp news video of her getting into her late model Cadillac sedan. Maybe I should go on food stamps so I can afford a Cadillac.

I really understand what Mrs Taylor is going through. I turned in my paper work and 3 months later I still did not hear from TANF. After MANY phone calls I found out that my case worker retired and no one took over his cases. During that time I got laid off my job and ran out of food and money. I called supervisors and their supervisors and finally someone told me that I can go to any welfare office and apply for food stamps and that is what I did. I was told that there was a way for them to reimburse me the over four months worth of food stamps with supervisors approval but least of all I would leave the office with the current months food stamps and my EBT card. It's not our fault that case workers make mistakes. Why do we have to pay for them. Sylvia Evans

that's just ridiculous...the same thing happened to my mother~