



September 20, 2024

<Sent via electronic mail>

The Honorable Jason Smith
Chairman, House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515
c/o WMSubmission@mail.house.gov

RE: September 24th TANF Reform and Misuse of Funds Hearing

Dear Chairman Smith and Members of the Committee,

On behalf of the United Council on Welfare Fraud (UCOWF), I am writing to express our support for the upcoming hearing on fraud and needed reform in the Temporary Assistance for Needy Families (TANF) program. As the only national non-profit organization dedicated to combating fraud, waste, and abuse within social service programs, UCOWF has been at the forefront of this mission for over 50 years.

THE NEED FOR REFORM: PREVENTING FRAUD AT THE SOURCE

Fraud, waste, and abuse within TANF is not a new issue. However, as demonstrated by recent high-profile cases, both States and fraudsters are actively exploiting longstanding issues and program inadequacies that require immediate action by Congress and the Administration for Children and Families (ACF).

However, the methods used by bad actors are becoming increasingly sophisticated, highlighting the need for stronger fraud prevention and program integrity mechanisms. Current policies, such as reliance on self-attestation for key eligibility factors, insufficient identity verifications, and lax oversight on State administrative flexibilities has created significant exploits and vulnerabilities that demand better program oversight, accountability, and stewardship. Or in football terms, it's past time to get back to the basics of blocking and tackling. The current "Pay and Chase" playbook is not working.

Identity Verifications and Knowing Your Customer

One of the foundational flaws is the inadequate identity verification protocols for TANF recipients. States often rely on self-attestation without requiring basic Fraud Framework policies, guidance, and independent verifications, which make it easier for bad actors to exploit the system. This has also helped drive the unacceptable theft of recipient benefits loaded on EBT cards through account takeovers and falsified information. These issues impacting other programs under Committee oversight, such as SNAP, SSI, and Unemployment Insurance require common-sense reform.

Solution: Mandate the use of identity verification tools using best-industry practices, such as multi-factor authentications and compliance with NIST identity standards already successfully used in other federal programs and the private sector.

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Eligibility Verifications and Asset Checks

The TANF program also lacks rigorous eligibility checks, particularly with the loopholes found in Broad-Based Categorical Eligibility (BBCE). Current protocols left up to States often permit self-attestation of income, liquid assets (resources such as money in the bank), residency, and household composition without requiring corroboration from third-party sources. Further, the antiquated Public Assistance Reporting System (PARIS) maintained by ACF has been down since the last national quarterly match in February.

This opens the door to widespread waste and fraud which States disregard, and applicants can misrepresent their financial circumstances in what is supposed to be a “means-tested” program without fear of getting caught until after benefits are already disbursed (if ever). Our membership sees the daily impacts of over-reliance on applicant self-certifying and use of outdated and flawed federal databases that amounts to nothing more than “checking a box” to an uninformed public.

Solution: Mandate all eligibility verifications, consistent with President Biden’s Zero-Trust Initiative. We support a “Trust but Verify” effort. The only way to fight bad actors using stolen personal identification information (PII), are good guys utilizing better data.

Theft of Recipient Funds

The theft of eligible recipient intended funds placed on EBT cards demands immediate action. To date, nothing has been done to prevent this – only Congress’ well-intentioned approval to replace stolen benefits in SNAP and TANF. Yet the problem continues, and the issue goes beyond “EBT skimming” and placing chips on cards. UCOWF addressed these issues in an August 30, 2024, letter to Speaker Johnson.

Solution: Mandate fraud prevention in any appropriations continuing resolution.

CONCLUSION: Strengthening TANF Integrity

Fraud within TANF not only undermines public trust, but also deprives the most vulnerable families of the assistance they need. Decisive action and reform measures are needed to improve oversight and accountability to the proper stewardship of taxpayer funded programs. The issues we have identified here cross government programs. We encourage the Committee to review similar program integrity shortfalls in our recommendations for the current Farm Bill. The [document](#) may be viewed on our website.

We respectfully ask that the Committee consider these points and address these issues in the upcoming House Ways and Means hearing on September 24, 2024.

Please let me know if UCOWF can be of further assistance to you as you rein in fraud, waste, and abuse in government assistance programs.

Sincerely,

Ashley Wilkes, President
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