



April 15, 2025
<Submitted online>

California Senate Public Safety Committee
c/o Senator Jesse Arreguín, Chair
c/o Senator Kelly Seyarto, Vice-Chair
1020 N Street, Room 6710
Sacramento, CA 95814

RE: Senate Bill 560

Dear Senate Public Safety Committee Members,

The United Council on Welfare Fraud (UCOWF) is writing in strong opposition to California Senate Bill 560 (SB 560) which aims to amend sections of the Welfare and Institutions Code to delete criminal penalties for welfare fraud. We appreciate the opportunity to provide our opposition to this proposed legislation.

ABOUT UCOWF

UCOWF is the only national association singularly focused on the prevention, detection and prosecution of welfare fraud. For over fifty years, UCOWF has advocated for stronger policies to strengthen America’s social safety net programs. As a 501(c)(3) nonprofit organization, UCOWF continues to ensure our nation’s critical public assistance programs are safeguarded and that taxpayer resources reach society’s vulnerable citizens while also connecting policymakers, fraud investigators, and key agency personnel to real world practices resulting in outcomes that reflect SNAP’s purpose and intent. UCOWF proudly represents hundreds of California’s welfare fraud investigators at the county level.

FEDERAL LAW AND RULES

Federal regulations governing the Supplemental Nutrition Assistance Program (SNAP, also known as Food Stamps or CalFresh), specifically state, “The State agency shall be responsible for investigating any case of alleged Intentional Program Violation and ensuring that appropriate cases are acted upon either through administrative disqualification hearings or referral to a court of appropriate jurisdiction...” [7 CFR 273.16\(a\)\(1\)](#). Additionally, Medicaid, Temporary Assistance for Needy Families (TANF) and other welfare programs require states to investigate and prosecute allegations of fraud.

Federal law ([7 USC § 2024\(b\)](#)) establishes SNAP fraud as a felony for any amount over \$100, and amounts over \$5,000 face \$250,000 fine and/or up to twenty years in prison. Federal law ([7 USC § 2022\(b\)](#)) and regulations (7 CFR § 273.18) both require States administering SNAP to collect overpayments as they are considered a Federal debt and an obligation. This requirement includes all overpayments, whether proven as fraud, client error, or agency error.

WHY SB 560 IS A BAD BILL

States have written statutes defining criminal elements that vary by jurisdiction. Specifically, California’s current Statutes define welfare fraud and state it is punishable by fine and imprisonment if the total amount of the aid obtained or retained is more than nine hundred fifty dollars (\$950). UCOWF believes the proposed changes in SB 560 eliminating

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criminal penalties for offenses under twenty-five thousand dollars (\$25,000) will dramatically aggravate ongoing welfare fraud schemes currently costing taxpayers billions of dollars annually. Additionally, SB 560 directly conflicts with recent changes signed into law by Governor Gavin Newsom to "[Crack down on retail theft and property crime](#)"

SB 560 as amended by the Senate Human Services Committee creates even more situations that conflict with federal law. In addition, removing the "perjury" component where an applicant swears that the information is true and accurate, essentially makes administrative sanctions (disqualifications) near impossible.

We find it puzzling that California would want to reduce penalties for SNAP fraud at a time when hundreds of thousands of California EBT recipients currently are having their benefits stolen – a crime this bill serves to encourage. That SB 560 has been filed at a time that CalFresh and CalWORKs are losing \$8 million a month to EBT fraud skimmers and account takeovers is extremely disconcerting. Why is California sheltering those criminals who prey on California's most vulnerable? We will be bringing this bill, should it pass to the attention of the USDA Food and Nutrition Service as bad legislation and program administration.

Make no mistake, welfare fraud is a property crime, and the victims are the taxpayers. A [2024 study](#) (which included several California Counties), found that every dollar that is lost to welfare fraud results in an actual cost to taxpayers of \$4.48.

CLOSING

Taxpayer funds are not an unlimited resource, and the money lost to fraud is money that cannot be paid to the nation's vulnerable citizens who need assistance. The criminal penalties enumerated in California's *Welfare and Institutions Code* not only provide reasonable punishment for welfare fraud but also act as a deterrent to future fraud. Eliminating the criminal penalties will do nothing but greenlight future fraud and as the nation's leader in welfare fraud, it does not appear to be an action California taxpayers can afford.

In order to preserve the integrity of California's CalFresh and CalWORKs programs, we implore California elected officials to NOT pass SB 560. We can see no wisdom or benefit in putting out the welcome mat to future fraudsters who are already exploiting taxpayers in an unsustainable trajectory. We request this letter be a part of the official record against this piece of bad legislation.

Sincerely,

Ashley Wilkes, President
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Cc: California Welfare Fraud Investigator Association, Gregory Mahoney, President
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