

As Prepared for Delivery

**Opening Statement
Chairman Jack Kingston
USDA OIG Budget Hearing for FY 2013
February 29, 2012**

Good afternoon. Inspector General Fong, we welcome you and your staff back to the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. Thank you for appearing before us today to discuss the Office of the Inspector General's (OIG) budget request for fiscal year 2013. OIG is requesting \$89 million in funding for fiscal year 2013. This is \$3.4 million above the amount provided in fiscal year 2012.

Over the last six years for every dollar invested OIG has realized potential cost savings and recoveries of about \$11.42. This is very good news considering the ongoing concerns regarding fraud, overpayments and management concerns at some of the U.S. Department of Agriculture's programs, including the Supplemental Nutrition Assistance Program (SNAP). A significant portion of OIG's investigations and resources are dedicated just to this one program.

For several years, this Subcommittee has been concerned about fraud in SNAP. Unfortunately, it continues to be a serious problem, and it generates sensational headlines. Just last week, news outlets reported on an investigation by a reporter with the Scripps Howard News Service. He found dozens of cases nationwide where stores that had been debarred from the program were still participating in SNAP. Some of these vendors had simply re-entered the program using a different corporate name. According to the article, the cost of trafficking alone in SNAP benefits is estimated to be \$330 million annually.

America faces significant financial and fiscal problems. We cannot afford \$330 million annually in fraud in SNAP. Not only do headlines like these and the continuing problem of fraud cause the waste taxpayer's dollars, but they also undermine support in Congress and across the country for the program. It would be far better to have a program that targeted those most in need and delivered assistance in the most cost-effective manner with little to no fraud. I look forward to hearing the Inspector General's report on its recent investigative activities and plans for SNAP for fiscal year 2013 to help make this goal a reality.