

104TH CONGRESS
1ST SESSION

S. 1112

To increase the integrity of the food stamp program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 2 (legislative day, JULY 10), 1995

Mrs. FEINSTEIN introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To increase the integrity of the food stamp program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Food Stamp Anti-
5 Fraud Act of 1995”.

6 **SEC. 2. EXPANDED DEFINITION OF COUPON.**

7 Section 3(d) of the Food Stamp Act of 1977 (7
8 U.S.C. 2012(d)) is amended by striking “or type of certifi-
9 cate” and inserting “type of certificate, authorization
10 card, cash or check issued as a coupon, or an access de-

1 vice, including an electronic benefits transfer card or a
2 personal identification number.”.

3 **SEC. 3. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP**
4 **PROGRAM REQUIREMENTS.**

5 Section 6(b)(1) of the Food Stamp Act of 1977 (7
6 U.S.C. 2015(b)(1)) is amended—

7 (1) in clause (i), by striking “six months upon”
8 and inserting “1 year on”; and

9 (2) in clause (ii), by striking “1 year upon” and
10 inserting “2 years on”.

11 **SEC. 4. AUTHORITY TO ESTABLISH AUTHORIZATION PERI-**
12 **ODS.**

13 Section 9(a)(1) of the Food Stamp Act of 1977 (7
14 U.S.C. 2018(a)(1)) is amended by adding at the end the
15 following:

16 “(3) AUTHORIZATION PERIODS.—The Secretary
17 is authorized to issue regulations establishing spe-
18 cific time periods during which authorization to ac-
19 cept and redeem coupons under the food stamp pro-
20 gram shall be valid.”.

1 **SEC. 5. SPECIFIC PERIOD FOR PROHIBITING PARTICIPA-**
 2 **TION OF STORES BASED ON LACK OF BUSI-**
 3 **NESS INTEGRITY.**

4 Section 9(a)(1) of the Food Stamp Act of 1977 (7
 5 U.S.C. 2018(a)(1)) (as amended by section 4) is further
 6 amended by adding at the end the following:

7 “(4) PERIODS FOR PARTICIPATION OF STORES
 8 AND CONCERNS.—The Secretary may issue regula-
 9 tions establishing specific time periods during which
 10 a retail food store or wholesale food concern that has
 11 an application for approval to accept and redeem
 12 coupons denied or that has an approval withdrawn
 13 on the basis of business integrity and reputation
 14 cannot submit a new application for approval. The
 15 periods shall reflect the severity of business integrity
 16 infractions that are the basis of the denials or with-
 17 draws.”.

18 **SEC. 6. INFORMATION FOR VERIFYING ELIGIBILITY FOR**
 19 **AUTHORIZATION.**

20 Section 9(c) of the Food Stamp Act of 1977 (7
 21 U.S.C. 2018(c)) is amended—

22 (1) in the first sentence, by inserting “, which
 23 may include relevant income and sales tax filing doc-
 24 uments,” after “submit information”; and

25 (2) by inserting after the first sentence the fol-
 26 lowing: “The regulations may require retail food

1 stores and wholesale food concerns to provide writ-
2 ten authorization for the Secretary to verify all rel-
3 evant tax filings with appropriate agencies and to
4 obtain corroborating documentation from other
5 sources so that the accuracy of information provided
6 by the stores and concerns may be verified.”.

7 **SEC. 7. WAITING PERIOD FOR STORES THAT INITIALLY**
8 **FAIL TO MEET AUTHORIZATION CRITERIA.**

9 Section 9(d) of the Food Stamp Act of 1977 (7
10 U.S.C. 2018(d)) is amended by adding at the end the fol-
11 lowing: “A retail food store or wholesale food concern that
12 has an application for approval to accept and redeem cou-
13 pons denied because the store or concern does not meet
14 criteria for approval established by the Secretary by regu-
15 lation may not submit a new application for 6 months
16 from the date of the denial.”.

17 **SEC. 8. MANDATORY CLAIMS COLLECTION METHODS.**

18 (a) DISCLOSURE OF INFORMATION.—Section
19 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C.
20 2020(e)(8)) is amended by inserting before the semicolon
21 at the end the following: “or from refunds of Federal taxes
22 under section 3720A of title 31, United States Code”.

23 (b) OTHER MEANS OF COLLECTION.—Section 13(d)
24 of the Act (7 U.S.C. 2022(d)) is amended—

1 (1) by striking “may be recovered” and insert-
2 ing “shall be recovered”; and

3 (2) by inserting before the period at the end the
4 following: “or a refund of Federal taxes under sec-
5 tion 3720A of title 31, United States Code.”.

6 **SEC. 9. BASES FOR SUSPENSIONS AND DISQUALIFICA-**
7 **TIONS.**

8 Section 12(a) of the Food Stamp Act of 1977 (7
9 U.S.C. 2021(a)) is amended by adding at the end the fol-
10 lowing: “Regulations issued pursuant to this Act shall pro-
11 vide criteria for the finding of a violation, and the suspen-
12 sion or disqualification of a retail food store or wholesale
13 food concern, on the basis of evidence that may include
14 facts established through on-site investigations, inconsis-
15 tent redemption data, or evidence obtained through trans-
16 action reports under electronic benefits transfer systems.”.

17 **SEC. 10. DISQUALIFICATION OF STORES PENDING JUDI-**
18 **CIAL AND ADMINISTRATIVE REVIEW.**

19 (a) **AUTHORITY.**—Section 12(a) of the Food Stamp
20 Act of 1977 (7 U.S.C. 2021(a)) (as amended by section
21 9) is amended by adding at the end the following: “The
22 regulations may establish criteria under which the author-
23 ization of a retail food store or wholesale food concern to
24 accept and redeem coupons may be suspended at the time
25 the store or concern is initially found to have committed

1 a violation of a requirement of the food stamp program.
2 The suspension may coincide with the period of a review
3 under section 14. The Secretary shall not be liable for the
4 value of any sales lost during a suspension or disqualifica-
5 tion period.”.

6 (b) REVIEW.—Section 14(a) of the Act (7 U.S.C.
7 2023(a)) is amended—

8 (1) in the first sentence, by striking “disquali-
9 fied or subjected” and inserting “suspended, dis-
10 qualified, or subjected”;

11 (2) in the fifth sentence, by inserting before the
12 period at the end the following: “, except that, in the
13 case of the suspension of a retail food store or
14 wholesale food concern under section 12(a), the sus-
15 pension shall remain in effect pending any judicial
16 or administrative review of the proposed disqualifica-
17 tion action, and the period of suspension shall be
18 considered a part of any period of disqualification
19 that is imposed”; and

20 (3) by striking the last sentence.

21 **SEC. 11. DISQUALIFICATION OF RETAILERS WHO ARE DIS-**
22 **QUALIFIED UNDER THE WIC PROGRAM.**

23 Section 12 of the Food Stamp Act of 1977 (7 U.S.C.
24 2021) is amended by adding at the end the following:

1 “(g) DISQUALIFICATION OF RETAILERS WHO ARE
2 DISQUALIFIED UNDER THE WIC PROGRAM.—

3 “(1) IN GENERAL.—The Secretary shall issue
4 regulations providing criteria for the disqualification
5 of an approved retail food store and a wholesale food
6 concern that is disqualified from accepting benefits
7 under the special supplemental nutrition program
8 for women, infants, and children established under
9 section 17 of the Child Nutrition Act of 1966 (7
10 U.S.C. 1786).

11 “(2) TERMS.—A disqualification under para-
12 graph (1)—

13 “(A) shall be for the same period as the
14 disqualification from the program referred to in
15 paragraph (1);

16 “(B) may begin at a later date than the
17 disqualification from the program referred to in
18 paragraph (1); and

19 “(C) notwithstanding section 14, shall not
20 be subject to judicial or administrative review.”.

1 **SEC. 12. PERMANENT DEBARMENT OF RETAILERS WHO IN-**
 2 **TENTIONALLY SUBMIT FALSIFIED APPLICA-**
 3 **TIONS.**

4 Section 12 of the Food Stamp Act of 1977 (7 U.S.C.
 5 2021) (as amended by section 11) is amended by adding
 6 at the end the following:

7 “(h) FALSIFIED APPLICATIONS.—

8 “(1) IN GENERAL.—The Secretary shall issue
 9 regulations providing for the permanent disqualifica-
 10 tion of a retail food store, or wholesale food concern,
 11 that knowingly submits an application for approval
 12 to accept and redeem coupons that contains false in-
 13 formation about a substantive matter that was a
 14 basis for approving the application.

15 “(2) REVIEW.—A disqualification under para-
 16 graph (1) shall be subject to judicial and administra-
 17 tive review under section 14, except that the dis-
 18 qualification shall remain in effect pending the re-
 19 view.”.

20 **SEC. 13. CRIMINAL FORFEITURE.**

21 Section 15 of the Act (7 U.S.C. 2024) is amended
 22 by adding at the end the following:

23 “(h) CRIMINAL FORFEITURE.—

24 “(A) IN GENERAL.—Any person convicted
 25 of violating subsection (b) or (c) involving food
 26 stamp benefits having an aggregate value of not

1 less than \$5,000, shall forfeit to the United
2 States—

3 “(i) any food stamp benefits and any
4 property constituting, or derived from, or
5 traceable to any proceeds the person ob-
6 tained directly or indirectly as a result of
7 the violation; and

8 “(ii) any food stamp benefits and any
9 property of the person used, or intended to
10 be used, in any manner or part, to commit,
11 or to facilitate the commission of the viola-
12 tion.

13 “(B) SENTENCE.—In imposing a sentence
14 on a person under subparagraph (A), a court
15 shall order that the person forfeit to the United
16 States all property described in this subsection.

17 “(C) PROCEDURES.—Any food stamp ben-
18 efits or property subject to forfeiture under this
19 subsection, any seizure or disposition of the
20 benefits or property, and any administrative or
21 judicial proceeding relating to the benefits or
22 property, shall be governed by subsections (b),
23 (c), (e), and (g) through (p) of section 413 of
24 the Comprehensive Drug Abuse Prevention and

1 Control Act of 1970 (21 U.S.C. 853), if not in-
2 consistent with this subsection.

3 “(3) EXCLUDED PROPERTY.—This subsection
4 shall not apply to property referred to in subsection
5 (g).”.

6 **SEC. 14. EFFECTIVE DATE.**

7 Except as otherwise provided in this Act, this Act and
8 the amendments made by this Act shall become effective
9 on October 1, 1995.

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