

**Statement by
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Food and Drug Administration, and Related Agencies
Committee on Appropriations, U.S. House of Representatives**

Introduction

Good morning, Chairman Harris, Ranking Member Bishop, and Members of the Subcommittee. Thank you for the opportunity to testify about the Office of Inspector General's (OIG) fiscal year (FY) 2025 oversight results and our plans for FY 2026. Our investigations, audits, inspections, analytics, and other reviews demonstrate our commitment to OIG's mission of promoting the economy, efficiency, and integrity of and preventing and detecting fraud, waste, and abuse regarding the U.S. Department of Agriculture's (USDA) programs and operations.

For FY 2025, OIG received \$112 million to conduct oversight activities. Our investigative work during this time led to 191 convictions, with monetary results totaling \$182 million. We also published 62 audit and inspection reports that identified \$1 billion in questioned costs and funds that could be put to better use, and we made 152 recommendations to strengthen and improve USDA programs and operations. With a total monetary impact last fiscal year of \$1.2 billion, we delivered a return on investment of \$11 for every dollar appropriated to OIG.

Having begun on January 5, 2026, as the new Inspector General for USDA, I am committed to aggressively pursuing fraud, waste, and abuse in USDA programs and operations and promoting the safety and security of the agriculture sector. While I recognize this office made past mistakes and faces significant challenges, I will take every step possible to improve our organization so that we do not repeat past failures and drive necessary change so that we best fulfill our mission of oversight. In my statement, I will highlight some of the impactful oversight activities OIG completed in FY 2025, as well as future initiatives to improve our oversight of the Department.

Integrity of Benefits and Efficient Delivery of USDA Programs, Operations, and Initiatives

Our oversight helps promote the integrity, efficiency, and effectiveness of all USDA programs and operations across USDA's vast portfolio. These include programs that support, for example, nutrition, farm production, and rural development programs, some of which are among the largest in the Federal Government and provide payments directly and indirectly to individuals and entities. Other areas of oversight include, for example, USDA operations such as financial management and accountability, property management, and employee integrity.

Food Assistance Programs

A significant portion of OIG's resources are dedicated to safeguarding the integrity of the Supplemental Nutrition Assistance Program (SNAP), ensuring the program runs as intended, confirming benefits reach intended recipients, and stopping fraud within the program. As I mentioned in my introductory remarks, I am committed to aggressively pursuing fraud in USDA's feeding programs.

In the second half of 2025, 36 percent of our investigative resources were devoted to SNAP-related investigations, which resulted in 51 convictions and \$16 million in restitution. Our investigations seek to hold SNAP abusers accountable for their actions.

As a recent example of our impactful work in this area, on December 22, 2025, a USDA employee was sentenced to 2 years in prison for a fraud and bribery scheme that generated over \$66 million in unauthorized transactions under SNAP—one of the largest cases of SNAP fraud in the history of the program. The employee abused her privileged access to Federal systems to sell hundreds of electronic benefit transfer (EBT) license numbers to co-conspirators, who in turn used those license numbers to fraudulently obtain EBT terminals for stores that were not authorized by USDA to process SNAP transactions. In return, the employee received substantial bribes. In addition to her prison term, the employee was sentenced to 2 years of supervised release, was ordered to forfeit \$48,470, and was ordered to pay restitution of \$36 million. This was a joint investigation with the New York field office of the Federal Bureau of Investigation (FBI).

Additionally, based on our investigative work, the owner of an Illinois grocery store was sentenced to 42 months in prison, 3 years of supervised release, and restitution of more than \$8.9 million for fraudulently redeeming benefits under SNAP and the Special Supplemental Nutrition Assistance Program for Women, Infants, and Children (WIC). He fraudulently redeemed or caused others to redeem SNAP and WIC benefits for non-eligible items or cash and redeemed SNAP and WIC benefits on behalf of stores

ineligible to participate in SNAP and WIC. He admitted, in a plea agreement with the Government, that he caused a loss to those programs of more than \$8.3 million. This was a joint investigation with Internal Revenue Service, Criminal Investigations (IRS-CI) and the FBI.

Our work also includes investigations with a nexus to transnationally organized crime. In one of our investigations, an individual in Oregon was sentenced to 10 months in prison, 3 years of supervised release, and restitution of \$122,695 after pleading guilty to one count of conspiracy to defraud the United States. We uncovered a transnational criminal organization that used stolen EBT benefits to purchase large quantities of baby formula and energy drinks in Washington, Oregon, and other locations to be later sold on the black market. In total, 17 individuals have been charged in this investigation. This was a joint investigation with the Portland Police Bureau, Oregon Department of Justice, and Homeland Security Investigations (HSI).

These are just three recent examples—OIG routinely investigates SNAP fraud and collaborates with our law enforcement partners to stop the criminals and criminal organizations that seek to defraud the program. We also conduct programmatic audits and provide recommendations to USDA to help prevent fraud within SNAP.

In an audit issued in January 2026, we reviewed the hardware underpinning SNAP EBT. We found that the Food and Nutrition Service (FNS) has not required States to adopt security standards to detect and prevent SNAP benefit theft. As a result, between October 2022 and December 2024, FNS replaced \$322 million in benefits likely due to fraudulent activity. Moreover, SNAP remains vulnerable to benefit theft; thus, in FY 2025 and FY 2026, we estimate FNS may experience an additional \$233 million in fraudulent activity. We recommended that FNS develop a plan and timeline to issue regulations for States to implement SNAP EBT security measures that detect and prevent card cloning and skimming fraud. FNS agreed with our finding, recommendation, and monetary result, and we accepted management decision.

In another recent audit, we evaluated FNS' fraud risk assessment process for SNAP EBT and the design and implementation of its strategy to mitigate fraud risks. We found that FNS has not comprehensively assessed SNAP fraud risks in adherence with the Government Accountability Office (GAO) Fraud Risk Management Framework, nor has it documented a prioritized approach to managing fraud risks. This occurred because FNS has not implemented GAO's Framework, including: (1) assigning clear responsibilities to a dedicated entity for designing and overseeing the fraud risk assessment process, (2)

developing a fraud risk profile, and (3) establishing an antifraud strategy. We made four recommendations to FNS and reached management decision on all of them.

SNAP oversight continues to be a critical part of our portfolio. This year we expect to issue the results of our inspection reports and analytical reviews in which we are evaluating the quality and integrity of SNAP participant data in several States.

Our work also helps support program integrity in other food assistance programs, including WIC, the Child and Adult Care Food Program (CACFP), the Summer Food Service Program (SFSP), the National School Lunch Program, the School Breakfast Program, and others. In one recent case, for example, a Missouri nonprofit executive was convicted by a jury of three counts of wire fraud, one count of aggravated identity theft, and two counts of obstruction of an official proceeding after a 3-day trial. The investigation revealed that the executive stole \$19.7 million from a program meant to feed the most vulnerable children in the state of Missouri. The executive spent the stolen funds on luxury goods, homes for relatives, a new home for herself, a car for a romantic partner, and \$2.2 million in real estate investments. The sentencing is scheduled for March 3, 2026.

In another case, a New York man was sentenced to 52 months in prison for two fraudulent schemes involving Federally funded childcare companies. He was also sentenced to 3 years of supervised release, ordered to pay a fine of \$200,000 and restitution of more than \$1.8 million to the New York City Administration for Children's Services, and to forfeit more than \$1.7 million. The investigation revealed the individual and several co-conspirators associated with an early learning center devised a scheme to fraudulently seek reimbursements from the City of New York's Administration for Children's Services, the U.S. Department of Health and Human Services (HHS), and USDA child feeding programs by claiming reimbursements for after-school programs that children did not attend. A total of seven individuals were convicted and sentenced in this investigation. This was a joint investigation with the FBI and HHS OIG.

We continue to perform audits, inspections, and reviews to address waste, fraud, and abuse in food assistance programs. For example, we assessed the adequacy of the CACFP meal reimbursement claims process in FY 2023 for childcare centers, the appropriateness of FNS approval of CACFP waivers over monitoring controls, and meal claims made at a sample of childcare centers. We determined that FNS had adequately designed controls in place over the CACFP meal reimbursement claims process in FY 2023 for childcare centers. We also determined that FNS appropriately approved CACFP waivers over monitoring controls using risk-based methods, alternative plans, and had an established protocol to approve

CACFP waivers. However, we found issues with all five sponsoring organizations we reviewed to validate meal claims with program records. We made four recommendations to FNS and reached management decision on all of them. We have other ongoing work in CACFP and will release a report later this year assessing whether a selected State's oversight ensured that the meals claimed under the Child and Adult Care Food Program At-Risk Afterschool meals component were accurate and supported.

People depend on USDA's feeding programs, and OIG performs oversight to support their effective administration. For example, following challenges in the Food Distribution Program on Indian Reservations and Commodity Supplemental Food Program and significant congressional interest during the summer of 2024, we performed an inspection of the circumstances surrounding the oversight and enforcement of the associated food delivery contract. We made four recommendations to FNS and reached management decision on all of them. Although we cannot disclose our findings publicly, we would be happy to brief you on the topic. We hope that our recommendations help prevent similar programmatic failures from happening in the future.

Farm Programs

OIG supports our Nation's farmers and ranchers through our audit, investigative, and analytics work that provides oversight to USDA. We conduct a wide range of activities to help ensure the integrity and transparency of grants, awards, and various programs for farmers and ranchers and seek to ensure integrity in Federal crop insurance, which helps farmers mitigate risks including natural disasters, low production, and financial fluctuations. Our investigators have worked to reduce fraud in these programs and ensure benefits reach those for whom they are intended.

As an example of the type of fraud we investigate—and how a single fraud can cascade to harm numerous farmers and ranchers—a Mississippi man was sentenced to 10 years in prison and was ordered to pay more than \$68 million in restitution for committing fraud in connection with the operation of a grain elevator in the Mississippi Delta. Our investigation revealed that the man altered financial statements of the grain elevator operation to receive a State warehouse license, lied about the amount of debt he owed on grain held at the facility, and claimed to farmers that the grain elevator operation was financially healthy when it was on the brink of bankruptcy. The grain elevator operation eventually filed for bankruptcy and caused widespread hardship for farmers all over the Mississippi Delta. This was a joint investigation with the FBI and the Mississippi Attorney General's Office.

As another example, a Kentucky farmer was sentenced to 52 months in prison for committing crop insurance fraud. Our investigation revealed that the farmer manipulated the Federal crop insurance system by falsely reporting crop losses on tobacco he was selling. He used the services of a business to obtain the documentation for the false claims. The owner of the business conspired with the farmer and provided fake receipts to conceal the scheme. The farmer presented the false paperwork to his insurance adjuster, who used it to justify the farmer's claims. The farmer later admitted to running the same fraud scheme through other businesses and selling tobacco under the names of friends and relatives without reporting that production on his insurance claims. In addition to the 52 months in prison, the farmer was sentenced to 3 years of probation and was ordered to pay more than \$9 million in restitution. Seven other individuals have been sentenced in this case. This was a joint investigation with the FBI and IRS-CI.

Our audits, inspections, and other reviews help ensure that the programs and operations our Nation's farmers and ranchers depend on are working as they should. For example, we assessed whether the Risk Management Agency (RMA) provided adequate oversight and ensured that all required high-dollar indemnity reviews were conducted. We found that RMA did not ensure all required high-dollar indemnity reviews were completed by adjusted insurance providers. We made three recommendations to RMA and reached management decision on all of them.

We also assessed the adequacy of the Farm Service Agency's (FSA) self-certification process, in which a producer asserts the application information they are providing is accurate instead of providing supporting documentation. FSA then uses spot check reviews, as compensating controls, to verify the accuracy of the information. We found that FSA had policies and procedures to perform State and county office spot check reviews for the 18 programs that rely on self-certification. However, for the four sampled programs we reviewed, FSA did not take sufficient actions to reduce improper payment errors or improve program accountability and integrity for programs that utilized self-certification. FSA agreed with our recommendations, and we accepted management decision for all four recommendations.

Safety and Security

Our work in this area focuses on issues such as the safety of the food supply, national security regarding the agriculture sector, animal welfare, and information technology (IT) security and management. As stated in USDA's National Farm Security Action Plan issued July 8, 2025, "Farm security is national security." OIG is committed to supporting USDA's national security efforts through investigations, audits, inspections, and reviews to stop agroterrorism, insider threats, and threats to food safety. Similarly, our audits and reviews help ensure that USDA programs are operating as safely as possible for the public.

Food Safety

In one recent food safety investigation, six individuals in New York were sentenced to a total of 19 months in prison and fined \$1,000 for a scheme that involved smuggling animal products into the United States. All six individuals were charged with and pleaded guilty to charges related to the smuggling conspiracy. USDA OIG initiated the investigation based on a referral from the Food Safety and Inspection Service's (FSIS) Office of Investigations, Enforcement, and Audit (OIEA). The investigation revealed that a group of individuals operating in an area of New York smuggled prohibited animal product into the United States from China and through the Port of Los Angeles. The potentially dangerous animal product was shipped to New York then illegally sold to local restaurants, thereby creating a threat to food safety in America's largest city. This was a joint investigation with HSI, FSIS OIEA, and the Animal and Plant Health Inspection Service (APHIS). In FY 2026, we will continue to investigate allegations of threats to our Nation's food supply.

Physical and Cyber Security

Physical security and cybersecurity are fundamental tools for protecting Federal assets. USDA agencies are required to identify and implement security measures to ensure safe, secure, and reliable access to USDA facilities and IT products. In FY 2025, we completed 12 audit engagements in this area, and we made 52 recommendations for improvement.

We identified key findings and issued multiple recommendations related to USDA facility security and cybersecurity. For example, OIG performed an audit of USDA's National Bio and Agro-Defense Facility in Manhattan, Kansas, to evaluate the implementation of physical security controls at the facility. We made nine recommendations to the Agricultural Research Service and reached management decision on all of them. OIG will issue another report on the National Bio and Agro-Defense Facility later this spring based on our ongoing work.

We also performed an inspection of two USDA offices to assess USDA's management of password security. We made three recommendations to the Office of the Chief Information Officer and reached management decision on all of them. During FY 2026, we plan to continue our reviews of physical and cybersecurity-related work and continue to investigate allegations of threats related to IT and cybersecurity.

Animal Welfare

As part of its mission, OIG also works to address alleged violations relating to animal health and welfare. In one investigation, a corporation that previously operated a Virginia dog-breeding facility was sentenced to 5 years of probation and more than \$35 million in payments and fines for violations of the Animal Welfare Act (AWA) and the Clean Water Act, including the largest fine in AWA history. According to court documents, the dog-breeding facility conspired to knowingly violate AWA by failing to provide, among other things, adequate veterinary care, adequate staffing, and safe living conditions for dogs housed there. Prior to sentencing, more than 4,000 beagles were rescued from the facility. OIG and the U.S. Environmental Protection Agency's Criminal Investigation Division jointly investigated the case.

OIG conducts audits and inspections to support USDA's critical oversight of various entities' compliance with AWA to protect the safety and well-being of animals. For example, in FY 2025, we completed an audit to assess whether selected dog breeders corrected AWA noncompliances previously identified by the agency and whether the agency carried out enforcement actions on dog breeders with substantiated AWA violations. We found that 80 percent of the dog breeders we visited had not fully corrected AWA noncompliances. Additionally, we found that APHIS did not timely address complaints. While we acknowledge that licensed dog breeders are responsible for complying with AWA and correcting noncompliances, we determined that APHIS' inconsistent and untimely inspections may have contributed to the dog breeders' continued violation of AWA requirements. Finally, we determined that APHIS followed its process for carrying out enforcement action for breeders with substantiated AWA violations. We made five recommendations and reached management decision on all of them.

We have also achieved significant results regarding animal fighting cases. For example, one case resulted in the sentencing of the final of 14 individuals for dog fighting, resulting in a total of 343 months in prison for all 14 defendants. The investigation revealed that defendants from three different States met on a Georgia property to hold a large-scale dog fighting event. Following a 911 call, law enforcement broke up the event, rescued 27 dogs, and seized a distribution quantity of methamphetamine. Seized cell phones in this case contained evidence of some of the participants' extensive participation in the dog fighting "industry," including large group dog fighting text message chains, fight reports, and dog fighting videos and photos. In all, authorities seized and rescued 78 pit bull-type dogs, including 51 recovered during search warrants executed with arrest warrants this past spring, sparing them from similar fates. This was a joint investigation with two county sheriff's offices.

For FY 2026, we plan to continue investigating allegations of animal abuse and other AWA violations, including allegations where animals are being harmed by breeders, handlers, or exhibitors.

Oversight of USDA Activities Associated with Supplemental Funding

Our work in this focus area provides critical oversight of various USDA programs and operations that received supplemental funding from Congress, including the American Relief Act (ARA) in 2025, the Inflation Reduction Act (IRA) in 2022, and the Infrastructure Investment and Jobs Act (IIJA) in 2021.

The ARA provided USDA with approximately \$39.8 billion to carry out projects and activities related to agricultural disaster assistance. It also provided OIG with \$7.5 million for oversight of such projects and activities carried out with the funds made available to USDA under the Act. To support the Department's administration of ARA funds, we issued four memoranda that highlight challenges with similar programs that we identified during our prior oversight work. We provided the Department with our recommendations, including key themes and issues, which could proactively strengthen the effective and efficient delivery of disaster relief funding. Additionally, we are currently conducting audits on FSA's administration of Supplemental Disaster Relief Program funding, FSA's applications for the Emergency Commodity Assistance Program, and Rural Development's administration of the Disaster Assistance Fund as part of our ARA oversight.

We also continued to conduct oversight of the more than \$19 billion IRA provided the Natural Resources Conservation Service and other USDA programs over 5 years. We performed an audit of IRA's Discrimination Financial Assistance Program (DFAP) to evaluate USDA's internal controls related to consistent and accurate reviews of applications for assistance and proper disbursements of DFAP. We made three recommendations and reached management decision on all of them.

IIJA, signed into law November 15, 2021, provided USDA with more than \$8.3 billion in funding. More than \$2.9 billion was directed toward broadband loans and grants, watershed and flood prevention operations, and other initiatives. IIJA also provided more than \$5.4 billion for forestry programs designed to reduce wildland fire risks and restore ecosystems. In FY 2025, OIG conducted seven audits and inspections related to IIJA oversight and identified more than \$25.6 million in questioned costs. As an example, we completed two reports on the IIJA Legacy Road and Remediation Program (LRT). IIJA provided the Forest Service (FS) with approximately \$250 million to establish the program. Based on our work, we were unable to validate the scoring and eligibility of LRT projects in two regions and found that those regions did not consistently solicit and consider public input regionally in the ranking of projects for

funding under the program. Additionally, we found that one of the regions also approved and allocated LRT funds to eleven ineligible tasks within two approved projects. We made three recommendations to FS and reached management decision on all of them.

We will continue our oversight in this area, with ongoing work looking at FS' financial assistance to facilities that process byproducts from ecosystem health restoration projects, FS' contracting pre-award process, FS' oversight of grants and cooperative agreements for ecological health restoration, and firefighter workforce training programs. We also plan to review FS use of IIJA funds for research and development and FS assistance to States for their Forest Action Plans.

Conclusion

In closing, I would like to thank the Members of the Subcommittee for your continuing interest in our work. Your support enables OIG to carry out our mission of providing effective oversight to strengthen USDA's programs and operations for the benefit of all Americans.

For FYs 2021–2025, OIG's annual appropriations totaled \$541 million. During this period, the potential dollar impact of OIG's audits and investigations was \$5.2 billion, resulting in cost savings and recoveries of \$10 for every dollar invested. During this same period, OIG made 586 recommendations to improve USDA programs, and OIG investigations resulted in 1,010 successful convictions. I commit to building on those figures and ensuring that our oversight strengthens the integrity of USDA programs and operations and serves as an active deterrent for those who seek to commit fraud.

This concludes my testimony. I would be pleased to answer any questions you may have.