

## Executive Summary

Food stamps are a vital part of our social safety net, yet certification practices that discourage participation, like finger imaging, are still being used. The use of finger imaging as an issuance requirement has not been proven effective at reducing fraud, wastes scarce tax dollars, and reduces program participation. Despite the negative impact of finger imaging on participation rates within the Food Stamp Program, California, Arizona, New York City, and Texas continue to use the practice.

### Ineffective at Reducing Fraud

In 2003, the California State Auditor found low numbers of fraud detection and a high number of administrative errors within the finger imaging system. In fact, finger imaging is not able to detect more common types of fraud such as unreported income, a false absentee parent claim, inaccurate reporting of the number of dependents, or misuse of food stamps; it only detects duplicate aid fraud. According to the US Department of Agriculture (USDA), states that use finger imaging have a higher average payment error rates than both the national average and the average of the next four largest states that do not finger image.

### Wastes Scarce Tax Dollars and Hinders Local Economies

In a recent hearing, Congressman Joe Baca stated that California is losing \$3.7 billion per year in federal benefits and \$6.9 billion in local economic activity due to underparticipation caused, in part, by finger imaging. In addition, finger imaging initially cost the state \$31 million to initiate the program and costs another \$5 million each year to maintain the system. Not only is California expending scarce tax dollars on a practice that reduces participation, thereby reducing federal funds coming to California, but finger imaging has never been proven cost-effective and has not been shown to accomplish its goal of reducing fraud.

### Reduces Participation in Food Stamp Program

The USDA has found that participation in the Food Stamp Program is 7 percentage points lower in states that use biometric technologies (typically finger imaging). Requiring finger imaging also discriminates against people who have difficulty getting to the office to have it done, primarily due to work or disability. In a recent study in New York, nearly 40 percent of the respondents missed one day of work or more to provide a finger image in order to receive SNAP benefits. With California having the second worst participation rate in the nation (48 percent), practices that reduce participation, like finger imaging, must stop.

### Recommendations

Due to its failure to reduce fraud and its negative impact on participation and state resources, we urge the State of California and the other states that use this practice to:

1. **Stop the use of finger imaging in the food stamp application process through legislation;**
2. **Transition to a more cost-effective approach; and,**
3. **Educate the public about the elimination of finger imaging to increase California's participation rate in the Food Stamp Program.**