



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

COMMUNITY AND ECONOMIC
DEVELOPMENT DIVISION

AUG 01 1977



LM103366

Mr. Lewis B. Straus
Administrator, Food and Nutrition Service
Department of Agriculture

Dear Mr. Straus:

Residents of Crookston (Polk County), Minnesota, have informed representatives of our St. Paul office of a situation where certain migrant farm workers were said to be participating in the food stamp program at low (or no) purchase requirements because of an arrangement under which employer-farmers in the area were required to withhold wages until the end of the work season. Presumably, such deferred wages were not reported and/or considered in determining food stamp benefits for these workers. We also were told that a federally funded migrants' organization was pushing this arrangement and advising the migrant workers to participate in the food stamp program in this manner.

We have learned that an apparently similar situation arose previously in Henry County, Ohio, and that, as a result, the Food and Nutrition Service recently requested the Department of Agriculture's Office of Investigation to take action on possible food stamp fraud committed by migrant workers in that county. We recommend that arrangements be made to have the Office of Investigation inquiry into this matter include the potential fraud implications of the Polk County situation, including the questionable activity in this regard by the federally funded migrants' council.

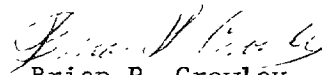
In addition, we recommend that Service regional officials in Chicago immediately contact State and local food stamp officials in Minnesota to alert them to this situation and to reemphasize that the nonreporting of deferred wages by food stamp recipients is a violation of program regulations when such wages are available or could be made available to the recipient upon request. We also recommend that all Service regional offices be instructed to (1) inform the States within their jurisdiction of a possible pattern of low (or no)

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purchase requirements for some migrant workers because of an arrangement of forced deferral of wages, and (2) contact State and local migrants' organizations to put them on official notice that such an arranged deferral of wages to increase food stamp benefits is a violation of Federal regulations and possibly Federal law.

The Polk County and Henry County allegations could have serious and perhaps widespread implications. Please let us know if more information on the Polk County allegations is needed. Also, please keep us informed of any actions taken or planned in this matter and the results achieved.

Sincerely yours,


Brian P. Crowley
Assistant Director

cc: Mr. Thomas Burke, Assistant Director,
Office of Investigation, Department
of Agriculture