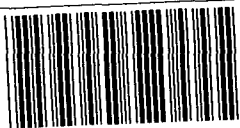


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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548



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FOR RELEASE ON DELIVERY
EXPECTED AT 9:30 AM. EST
TUESDAY, OCTOBER 30, 1979

STATEMENT OF
HENRY ESCHWEGE
DIRECTOR, COMMUNITY AND ECONOMIC DEVELOPMENT DIVISION
BEFORE THE
SUBCOMMITTEE ON DOMESTIC MARKETING, CONSUMER RELATIONS,
AND NUTRITION
HOUSE COMMITTEE ON AGRICULTURE
ON
IDENTIFICATION REQUIREMENTS FOR FOOD STAMP RECIPIENTS

Handwritten: Hoo 00/112

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

WE ARE HERE TODAY AT YOUR REQUEST TO DISCUSS IDENTIFICATION REQUIREMENTS FOR FOOD STAMP RECIPIENTS. IMPROVEMENTS IN THESE REQUIREMENTS WERE DISCUSSED IN OUR JUNE 17, 1976, REPORT TO THE DEPARTMENT OF AGRICULTURE AND IN OUR APRIL 1, 1977, REPORTS (CED-77-53 AND CED-77-54) TO THE CHAIRMEN OF THE HOUSE COMMITTEE ON AGRICULTURE AND THE SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.

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UNDER CURRENT PROGRAM PROCEDURES, (AFTER A HOUSEHOLD'S APPLICATION FOR FOOD STAMP BENEFITS HAS BEEN APPROVED, THE HEAD OF THE HOUSEHOLD IS ISSUED AN IDENTIFICATION CARD. THE HOUSEHOLD HEAD OR ANY AUTHORIZED REPRESENTATIVE MUST SIGN THE CARD BEFORE IT IS USED. STATES MAY USE PHOTOGRAPHS ON THE IDENTIFICATION CARDS BUT, UNDER DEPARTMENT OF AGRICULTURE REGULATIONS, MAY NOT DENY OR DELAY BENEFITS TO HOUSEHOLDS WHOSE MEMBERS ARE UNWILLING TO BE PHOTOGRAPHED.

RECIPIENTS ARE REQUIRED TO SHOW THE IDENTIFICATION CARDS WHEN OBTAINING THEIR FOOD COUPONS, UNLESS THE COUPONS

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ARE MAILED. RECIPIENTS ALSO HAVE TO SHOW THE IDENTIFICATION CARDS WHEN REDEEMING THE COUPONS AT A RETAIL STORE IF THE RETAILER REQUESTS IT. RETAILERS ARE NOT REQUIRED TO ASK FOR FOOD STAMP IDENTIFICATION CARDS UNLESS THEY HAVE REASON TO BELIEVE THAT THE PERSON REDEEMING COUPONS IS NOT ENTITLED TO HAVE THEM.

FOR SOME TIME, VARIOUS MEMBERS AND COMMITTEES OF THE CONGRESS HAVE BEEN INTERESTED IN TIGHTENING UP ON THE IDENTIFICATION REQUIREMENTS BOTH AT THE TIME FOOD COUPONS ARE ISSUED AND AT THE TIME THEY ARE REDEEMED. SECTION 17 OF THE FOOD STAMP ACT OF 1977 GIVES THE SECRETARY OF AGRICULTURE BROAD AUTHORITY TO TEST WAYS TO INCREASE THE FOOD STAMP PROGRAM'S EFFICIENCY AND IMPROVE THE DELIVERY OF BENEFITS, INCLUDING THE USE OF COUNTER-SIGNED FOOD COUPONS OR SIMILAR IDENTIFICATION MECHANISMS.

IN 1976, THE DEPARTMENT CONSIDERED TESTING ALTERNATIVE IDENTIFICATION REQUIREMENTS, PARTICULARLY PHOTO-IDENTIFICATION CARDS, BUT DECIDED THAT IT DID NOT, AT THAT TIME, HAVE LEGAL AUTHORITY TO INITIATE OR REQUIRE SUCH TESTS. ALTHOUGH IT WAS GIVEN BROAD DEMONSTRATION PROJECT AUTHORITY IN 1977, DEPARTMENT OFFICIALS SAID THEY HAVE NOT INITIATED TESTS OF ALTERNATE IDENTIFICATION REQUIREMENTS PRIMARILY BECAUSE OF THE HIGHER PRIORITY GIVEN TO OTHER PROVISIONS OF THE 1977 ACT.

WE BELIEVE (THERE ARE SEVERAL ALTERNATIVE IDENTIFICATION MEASURES WHICH SHOULD BE STUDIED OR TESTED.) FOR EXAMPLE, (A NUMBER OF LOCALITIES) (DISTRICT OF COLUMBIA; CLEVELAND, OHIO; ST. LOUIS, MISSOURI; AND OTHERS) (BEGAN USING PHOTO-IDENTIFICATION CARDS FOR FOOD STAMP RECIPIENTS SEVERAL YEARS AGO ON

THEIR OWN INITIATIVE. THE DEPARTMENT SHOULD BE ABLE TO OBTAIN CONSIDERABLE INFORMATION ABOUT THE COSTS AND BENEFITS OF PHOTO-IDENTIFICATION CARDS BY STUDYING THE EXPERIENCES AT THESE LOCATIONS. TESTS SHOULD ALSO BE CONDUCTED OF (1) PERFORATING COUPONS WITH A HOUSEHOLD'S FOOD STAMP IDENTIFICATION NUMBER, (2) STAMPING THE IDENTIFICATION NUMBER ON THE OUTSIDE OF EACH COUPON BOOK, AND (3) HAVING RECIPIENTS SIGN LARGER DEMONSTRATION COUPONS AND THEN COUNTERSIGN THEM WHEN REDEEMING THEM.)

(Another ~~AN ESPECIALLY PROMISING ALTERNATIVE, IN OUR VIEW,~~ WOULD BE TO USE PHOTO-IDENTIFICATION CARDS IN CONJUNCTION WITH IDENTIFICATION NUMBERS PERFORATED INTO OR STAMPED ON COUPON BOOKS. UNDER THIS ALTERNATIVE, THE PHOTOGRAPH WOULD BE OF THE HEAD OF THE HOUSEHOLD OR THE AUTHORIZED REPRESENTATIVE. THE PERSON WHOSE PHOTOGRAPH APPEARS ON THE CARD WOULD HAVE TO BE PRESENT AND SHOW THE CARD AND ANY OTHER REQUIRED DOCUMENTS TO OBTAIN THE COUPONS. AT THAT TIME, THE HOUSEHOLD'S IDENTIFICATION NUMBER, WHICH WOULD APPEAR ON THE IDENTIFICATION CARD, WOULD BE PERFORATED INTO EACH COUPON BOOK OR STAMPED IN INK ON THE FRONT COVER OF EACH BOOK. PERFORATIONS WOULD BE PREFERABLE BUT WOULD BE MORE EXPENSIVE BECAUSE OF THE SPECIAL EQUIPMENT THAT WOULD BE NEEDED. THE PHOTOGRAPH WOULD THUS PROVIDE A MAJOR CONTROL ELEMENT FOR OBTAINING COUPONS.

THE PHOTOGRAPH NEED NOT BE USED TO CONTROL COUPON REDEMPTIONS AT RETAIL STORES, ALTHOUGH THE IDENTIFICATION CARD WOULD HAVE TO BE SHOWN. RETAILERS WOULD SIMPLY BE REQUIRED TO MAKE SURE THE IDENTIFICATION NUMBER ON THE CARD MATCHED THE NUMBER ON THE COUPON BOOKS. REQUIREMENTS ALREADY

EXIST WHICH RESTRICT THE REMOVAL OF INDIVIDUAL COUPONS FROM BOOKS, EXCEPT IN THE PRESENCE OF THE RETAILER. AUTHORIZING PERSONS, OTHER THAN THE ONE WHOSE PHOTOGRAPH APPEARS ON THE IDENTIFICATION CARD, TO REDEEM COUPONS WOULD PROVIDE THE HOUSEHOLDS WITH MAXIMUM FLEXIBILITY IN REDEEMING THE COUPONS.

ALTHOUGH IT SHOULD BE TESTED AND COMPARED WITH OTHER ALTERNATIVES, THE COMBINATION OF PHOTO-IDENTIFICATION CARDS AND IDENTIFICATION NUMBERS ON COUPON BOOKS APPEARS PROMISING BECAUSE IT WOULD PROVIDE CONTROLS OVER BOTH FOOD COUPON ISSUANCE AND REDEMPTION.) THE PROCEDURE WOULD NOT SEEM TO BE ANY MORE BURDENSOME TO RETAILERS THAN HANDLING CHECKS OR CREDIT CARDS. ADDITIONAL DEPARTMENT OF AGRICULTURE EFFORT MIGHT BE NEEDED FOR ENFORCEMENT OF THE REQUIREMENT THAT RETAILERS COMPARE IDENTIFICATION NUMBERS.

HOUSEHOLDS WHICH RECEIVE THEIR FOOD COUPONS THROUGH THE MAIL MIGHT NOT NEED PHOTOGRAPHS ON THEIR IDENTIFICATION CARDS BECAUSE THE PURPOSE OF THE PHOTOGRAPH IS TO IDENTIFY RECIPIENTS WHEN THEY OBTAIN THEIR COUPONS.

THERE MAY BE OTHER ALTERNATIVE IDENTIFICATION REQUIREMENTS THAT WOULD BE AS EFFECTIVE AS THE ONES WE HAVE DISCUSSED. WE BELIEVE THE DEPARTMENT SHOULD CONSIDER, TEST, AND EVALUATE AS MANY DIFFERENT ALTERNATIVES AND COMBINATIONS AS PRACTICABLE. THE POINT IS THAT LEGISLATIVE AUTHORITY FOR CONDUCTING TESTS HAS BEEN AVAILABLE TO THE DEPARTMENT FOR OVER 2 YEARS AND IT SHOULD BE EXERCISED PROMPTLY. ALSO, THE EXPERIENCE OF THOSE LOCALITIES WHICH HAVE TRIED TO IMPROVE THE IDENTIFICATION

PROCESS NEEDS TO BE STUDIED BY THE DEPARTMENT FOR POSSIBLE APPLICATION NATIONWIDE.

THIS CONCLUDES MY STATEMENT, MR. CHAIRMAN. WE WILL BE GLAD TO RESPOND TO ANY QUESTIONS YOU MAY HAVE.