

104TH CONGRESS
1ST SESSION

H. R. 1093

Entitled “Food Stamp Program Integrity Act of 1995”.

IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 1995

Mr. DE LA GARZA (for himself, Mr. HOLDEN, Mr. FARR, Mr. BROWN of California, Mr. PASTOR, and Mr. STENHOLM) introduced the following bill; which was referred to the Committee on Agriculture and, in addition, to the Committees on Ways and Means and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

Entitled “Food Stamp Program Integrity Act of 1995”.

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

3 **TITLE I—RETAILER INTEGRITY**

4 **AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS**

5 **SEC. 101.** Section 9(a)(1) of the Food Stamp Act of
6 1977 (7 U.S.C. 2018(a)(1)) is amended by adding at the
7 end the following new sentence: “The Secretary is author-
8 ized to issue regulations establishing specific time periods

1 during which authorization to accept and redeem coupons
2 under the Food Stamp Program shall be valid.”.

3 SPECIFIC PERIOD FOR PROHIBITING PARTICIPATION OF
4 STORES BASED ON LACK OF BUSINESS INTEGRITY

5 SEC. 102. Section 9(a)(1) of the Food Stamp Act of
6 1977 (7 U.S.C. 2018(a)(1)), as previously amended by
7 this Act, is amended by adding at the end thereof the fol-
8 lowing new sentences: “The Secretary is authorized to
9 issue regulations establishing specific time periods during
10 which a retail food store or wholesale food concern that
11 has an application for approval to accept and redeem cou-
12 pons denied or that has such an approval withdrawn on
13 the basis of business integrity and reputation cannot sub-
14 mit a new application for approval. Such periods shall re-
15 flect the severity of business integrity infractions that are
16 the basis of such denials or withdrawals.”.

17 INFORMATION FOR VERIFYING ELIGIBILITY FOR
18 AUTHORIZATION

19 SEC. 103. Section 9(c) of the Food Stamp Act of
20 1977 (7 U.S.C. 2018(c)) is amended by—

21 (1) inserting after “submit information” in the
22 first sentence the following: “, which may include
23 relevant income and sales tax filing documents,”;
24 and

25 (2) inserting after the first sentence the follow-
26 ing new sentence: “The regulations may require re-

1 tail food stores and wholesale food concerns to pro-
2 vide written authorization for the Secretary to verify
3 all relevant tax filings with appropriate agencies and
4 to obtain corroborating documentation from other
5 sources in order that the accuracy of information
6 provided by such stores and concerns may be veri-
7 fied.”.

8 WAITING PERIOD FOR STORES THAT INITIALLY FAIL TO
9 MEET AUTHORIZATION CRITERIA

10 SEC. 104. Section 9(d) of the Food Stamp Act of
11 1977 (7 U.S.C. 2018(d)) is amended by adding at the end
12 thereof the following new sentence: “Regulations issued
13 pursuant to this Act shall prohibit a retail food store or
14 wholesale food concern that has an application for ap-
15 proval to accept and redeem coupons denied because it
16 does not meet criteria for approval established by the Sec-
17 retary in regulations from submitting a new application
18 for six months from the date of such denial.”.

19 BASES FOR SUSPENSIONS AND DISQUALIFICATIONS

20 SEC. 105. Section 12(a) of the Food Stamp Act of
21 1977 (7 U.S.C. 2021(a)) is amended by adding at the end
22 thereof the following new sentence: “Regulations issued
23 pursuant to this Act shall provide criteria for the finding
24 of violations and the suspension or disqualification of a
25 retail food store or wholesale food concern on the basis
26 of evidence which may include, but is not limited to, facts

1 established through on-site investigations, inconsistent re-
2 demption data or evidence obtained through transaction
3 reports under electronic benefit transfer systems.”.

4 AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM
5 REQUIREMENTS PENDING ADMINISTRATIVE AND JU-
6 DICIAL REVIEW

7 SEC. 106. (a) Section 12(a) of the Food Stamp Act
8 of 1977 (7 U.S.C. 2021(a)), as previously amended by this
9 Act, is amended by adding at the end thereof the following
10 new sentences: “Such regulations may establish criteria
11 under which the authorization of a retail food store or
12 wholesale food concern to accept and redeem coupons may
13 be suspended at the time such store or concern is initially
14 found to have committed violations of program require-
15 ments. Such suspension may coincide with the period of
16 a review as provided in section 14 of this Act. The Sec-
17 retary shall not be liable for the value of any sales lost
18 during any suspension or disqualification period.”.

19 (b) Section 14(a) of the Food Stamp Act of 1977 (7
20 U.S.C. 2023(a)) is amended by—

21 (1) inserting in the first sentence immediately
22 before “disqualified or subjected” the word “sus-
23 pended,”;

24 (2) inserting immediately before the period at
25 the end of the fifth sentence “: *Provided*, That not-
26 withstanding any other provision of law, in the case

1 of the suspension of a retail food store or wholesale
2 food concern pursuant to section 12(a) of this Act,
3 such suspension shall remain in effect pending any
4 administrative or judicial review of the proposed dis-
5 qualification action and the period of suspension
6 shall be deemed a part of any period of disqualifica-
7 tion which is imposed.”; and

8 (3) striking the last sentence.

9 DISQUALIFICATION OF RETAILERS WHO ARE
10 DISQUALIFIED FROM THE WIC PROGRAM

11 SEC. 107. Section 12 of the Food Stamp Act of 1977
12 (7 U.S.C. 2021) is amended by adding the following new
13 subsection:

14 “(g) The Secretary shall issue regulations providing
15 criteria for the disqualification of approved retail food
16 stores and wholesale food concerns that are otherwise dis-
17 qualified from accepting benefits under the Special Sup-
18 plemental Nutrition Program for Women, Infants and
19 Children (WIC) authorized under section 17 of the Child
20 Nutrition Act of 1966. Such disqualification (1) shall be
21 for the same period as the disqualification from the WIC
22 Program, (2) may begin at a later date, and (3) notwith-
23 standing the provisions of section 14 of this Act, shall not
24 be subject to administrative or judicial review.”.

1 PERMANENT DEBARMENT OF RETAILERS WHO
2 INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS

3 SEC. 108. Section 12 of the Food Stamp Act of 1977
4 (7 U.S.C. 2021) is amended by adding the following new
5 subsection:

6 “(h) The Secretary shall issue regulations providing
7 for the permanent disqualification of a retail food store
8 or wholesale food concern that is determined to have
9 knowingly submitted an application for approval to accept
10 and redeem coupons which contains false information
11 about one or more substantive matters which were the
12 basis for providing approval. Any disqualification imposed
13 under this subsection shall be subject to administrative
14 and judicial review pursuant to section 14 of this Act but
15 such disqualification shall remain in effect pending such
16 review.”.

17 EXPANDED CIVIL AND CRIMINAL FORFEITURE FOR
18 VIOLATIONS OF THE FOOD STAMP ACT

19 SEC. 109. (a) FORFEITURE OF ITEMS EXCHANGED
20 IN FOOD STAMP TRAFFICKING.—Section 15(g) of the
21 Food Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended
22 by striking “or intended to be furnished.”

23 (b) CIVIL AND CRIMINAL FORFEITURE.—Section 15
24 of the Food Stamp Act of 1977 (7 U.S.C. 2024)) is
25 amended by adding the following new subsection:

1 “(h)(1) CIVIL FORFEITURE FOR FOOD STAMP BENE-
2 FIT VIOLATIONS.—

3 “(A) Any food stamp benefits and any property,
4 real or personal—

5 “(i) constituting, derived from, or traceable
6 to any proceeds obtained directly or indirectly
7 from, or

8 “(ii) used, or intended to be used, to com-
9 mit, or to facilitate,

10 the commission of a violation of subsection (b) or
11 subsection (c) of this section involving food stamp
12 benefits having an aggregate value of not less than
13 \$5,000, shall be subject to forfeiture to the United
14 States.

15 “(B) The provisions of chapter 46 of title 18,
16 relating to civil forfeitures shall extend to a seizure
17 or forfeiture under this subsection, insofar as appli-
18 cable and not inconsistent with the provisions of this
19 subsection.

20 “(2) CRIMINAL FORFEITURE FOR FOOD STAMP BEN-
21 EFIT VIOLATIONS.—

22 “(A)(i) Any person convicted of violating sub-
23 section (b) or subsection (c) of this section involving
24 food stamp benefits having an aggregate value of not

1 less than \$5,000, shall forfeit to the United States,
2 irrespective of any State law—

3 “(I) any food stamp benefits and any prop-
4 erty constituting, or derived from, or traceable
5 to any proceeds such person obtained directly or
6 indirectly as a result of such violation; and

7 “(II) any food stamp benefits and any of
8 such person’s property used, or intended to be
9 used, in any manner or part, to commit, or to
10 facilitate the commission of such violation.

11 “(ii) In imposing sentence on such person, the
12 court shall order that the person forfeit to the
13 United States all property described in this sub-
14 section.

15 “(B) All food stamp benefits and any property
16 subject to forfeiture under this subsection, any sei-
17 zure and disposition thereof, and any administrative
18 or judicial proceeding relating thereto, shall be gov-
19 erned by subsections (b), (c), (e), and (g) through
20 (p) of section 413 of the Comprehensive Drug Abuse
21 Prevention and Control Act of 1970 (21 U.S.C.
22 853), insofar as applicable and not inconsistent with
23 the provisions of this subsection.

24 “(3) This subsection shall not apply to property spec-
25 ified in subsection (g) of this section.

1 “(4) The Secretary may prescribe such rules and reg-
2 ulations as may be necessary to carry out this sub-
3 section.”.

4 EXPANDED AUTHORITY FOR SHARING INFORMATION

5 PROVIDED BY RETAILERS

6 SEC. 110. (a) Section 205(c)(2)(C)(iii) of the Social
7 Security Act (42 U.S.C. 405(c)(2)(C)(iii)) (as amended by
8 section 316(a) of the Social Security Administrative Re-
9 form Act of 1994 (Public Law 103–296; 108 Stat. 1464)
10 is amended by—

11 (1) inserting in the first sentence of subclause
12 (II) immediately after “instrumentality of the
13 United States” the following: “, or State government
14 officers and employees with law enforcement or in-
15 vestigative responsibilities, or State agencies that
16 have the responsibility for administering the Special
17 Supplemental Nutrition Program for Women, In-
18 fants and Children (WIC)”;

19 (2) inserting in the last sentence of subclause
20 (II) immediately after “other Federal” the words
21 “or State”; and

22 (3) inserting “or a State” in subclause (III) im-
23 mediately after “United States”.

24 (b) Section 6109(f)(2) of the Internal Revenue Code
25 of 1986 (26 U.S.C. 6109(f)(2)) (as added by section
26 316(b) of the Social Security Administrative Reform Act

1 of 1994 (Public Law 103–296; 108 Stat. 1464) is amend-
2 ed by—

3 (1) inserting in subparagraph (A) immediately
4 after “instrumentality of the United States” the fol-
5 lowing: “, or State government officers and employ-
6 ees with law enforcement or investigative responsibil-
7 ities, or State agencies that have the responsibility
8 for administering the Special Supplemental Nutri-
9 tion Program for Women, Infants and Children
10 (WIC)”;

11 (2) inserting in the last sentence of subpara-
12 graph (A) immediately following “other Federal” the
13 words “or State”; and

14 (3) inserting “or a State” in subparagraph (B)
15 immediately after “United States”.

16 EXPANDED DEFINITION OF “COUPON”

17 SEC. 111. Section 3(d) of the Food Stamp Act of
18 1977 (7 U.S.C. 2012(d)) is amended by striking “or type
19 of certificate” and inserting in lieu thereof “type of certifi-
20 cate, authorization cards, cash or checks issued in lieu of
21 coupons or access devices, including, but not limited to,
22 electronic benefit transfer cards and personal identifica-
23 tion numbers”.

1 TITLE II—RECIPIENT INTEGRITY

2 DOUBLED PENALTIES FOR VIOLATING FOOD STAMP

3 PROGRAM REQUIREMENTS

4 SEC. 201. Section 6(b)(1) of the Food Stamp Act of
5 1977 (7 U.S.C. 2015(b)(1)) is amended by—

6 (1) striking in clause (i) “six months” and in-
7 serting in lieu thereof “1 year”; and

8 (2) striking in clause (ii) “1 year” and inserting
9 in lieu thereof “2 years”.

10 MANDATORY CLAIMS COLLECTION METHODS

11 SEC. 202. (a) Section 11(e)(8) of the Food Stamp
12 Act of 1977 (7 U.S.C. 2020(e)(8)) is amended by insert-
13 ing before the semi-colon at the end thereof the following:
14 “or refunds of Federal taxes as authorized pursuant to
15 31 U.S.C. 3720A”.

16 (b) Section 13(d) of the Food Stamp Act of 1977
17 (7 U.S.C. 2022(d)) is amended by—

18 (1) striking “may” and inserting in lieu thereof
19 “shall”; and

20 (2) inserting before the period at the end there-
21 of the following: “or refunds of Federal taxes as au-
22 thorized pursuant to 31 U.S.C. 3720A”.

23 (c) Section 6103(1) of the Internal Revenue Code (26
24 U.S.C. 6103(1)) is amended by—

