

FROM LUXURY VEHICLES TO FAKE EMAILS:

# Why Food Stamp Program Integrity Is More Important Now Than Ever

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# Key Findings

- ① Data verification checks **SHOW HOW WIDESPREAD ABUSE REALLY IS.**

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- ② Foreign IP addresses and fake emails **PROVE THE PREVALENCE OF FRAUD IN FOOD STAMPS.**

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- ③ Luxury vehicle purchases by food stamp enrollees are possible due to the **BROAD-BASED CATEGORICAL ELIGIBILITY (BBCE) LOOPHOLE.**

## The Bottom Line

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**Commonsense food stamp reform cannot wait any longer. States should roll back BBCE and implement program integrity measures in food stamps.**

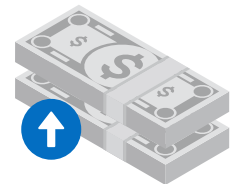
# Overview

Somewhere in America, a Lamborghini owner is buying groceries on the taxpayer's dime. A university professor is driving a \$346,000 Rolls Royce and collecting food stamps. Foreign fraudsters are signing up for welfare from overseas using IP addresses traced back to China, Mexico, Canada, and more. And resources meant for the truly needy are instead siphoned off by people who have no business being on welfare in the first place.

## Resources meant for the truly needy are instead siphoned off by people who have no business being on welfare in the first place.

This isn't a hypothetical. It's happening right now, in state after state, because the systems designed to prevent it are failing or simply don't exist at all. Officially, more than one in every \$10 spent on food stamps is in error—and even that excludes a significant amount of fraud.<sup>1</sup> This amounts to nearly \$10.4 billion in improper spending each year—a sevenfold increase over erroneous spending 20 years ago.<sup>2</sup> This figure significantly understates the real waste, fraud, and abuse in the program, as the official rate ignores most erroneous payments; many instances of fraud and improper payments go unnoticed or uninvestigated; and the official rate does not account for food stamp trafficking, intentional program violations, and known fraud.<sup>3</sup>

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But thanks to the 2025 federal reconciliation law, states will now have skin in the food stamp program for the first time ever. Historically, food stamp benefits have been entirely federally funded, but this legislation now requires states to share in the cost of food stamp benefits based on their error rate—the higher the error rate, the more the state is on the hook for.<sup>4</sup>

While states should have already been implementing commonsense program integrity measures to crack down on food stamp waste, fraud, and abuse, these new federal changes highlight the urgency for state leaders to act now.

A recent program integrity analysis of food stamp enrollment in a single state highlights just how pervasive waste, fraud, and abuse in the food stamp program truly is, even in states that devote significant effort to cracking down on fraud. From fake emails to foreign IP addresses to luxury vehicle purchases, the data is shocking.

# Data verification checks show how widespread abuse really is

According to this analysis, more than one in five food stamp enrollees did not have their identity successfully matched with the address listed on their application for benefits.<sup>5</sup> Countless others had addresses that were marked as undeliverable or registered with a business rather than a residence.

Shockingly, hundreds of thousands of enrollees had their most recent verifiable address listed as being in another state—of which **tens of thousands had no record of ever living in the state in which they were receiving benefits.**<sup>6-7</sup>

It's not just residency records. Thousands of food stamp enrollees listed Social Security numbers (SSNs) on their application that were unable to be successfully verified, while hundreds **had SSNs that were issued before their date of birth.**<sup>8</sup> These are clear signs of identify fraud—using both stolen identities and synthetic identities—used to game the system and improperly acquire benefits. A significant number of cases of identity theft in major welfare programs are attributable to illegal aliens using stolen IDs, which, when coupled with the use of synthetic identities, can pose a major threat to resources intended for the truly needy.<sup>9</sup>

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Yet, despite these obvious signs of fraud, these individuals were able to sign up for and obtain food stamp benefits. Commonsense program integrity provisions like regular data cross-checks against available data sources, shortened recertification periods, and adopting “change reporting” rather than “simplified reporting” would help reduce these instances of blatant fraud.<sup>10</sup>

## Foreign IP addresses and fake emails prove the prevalence of fraud in food stamps

Many individuals were successfully approved for food stamps while using an IP address linked to a foreign country, from China to Mexico to Canada.<sup>11</sup> Even more concerning is foreign emails: More than 5,000 email addresses that were used to sign up for food stamps were from domains based in foreign countries.<sup>12</sup>

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Others listed email accounts that were disposable, commonly used by individuals or entities engaging in identity theft, phishing attempts, or spam.<sup>13</sup> In total, more than 20,000 email accounts

were flagged as either “high” or “very high” risk for fraudulent activity.<sup>14</sup>

Foreign and domestic fraudsters should not be able to infiltrate state welfare systems so easily. Simple identity verification procedures—which are entirely lacking in the food stamp program—and frequent residency cross-checks are essential to addressing this type of abuse of welfare benefits.

## Luxury vehicle purchases by food stamp enrollees are possible due to the BBCE loophole

As of 2026, 43 states and Washington, D.C. have adopted BBCE as a state option.<sup>15</sup> BBCE enables a state welfare agency to print welfare brochures or set up toll-free hotlines and then deem these non-cash offerings as “benefits,” which makes recipients eligible for welfare—regardless of whether they meet federal asset and gross income standards.<sup>16</sup> Even individuals who are simply authorized to receive these non-cash benefits are made categorically eligible for food stamps.<sup>17</sup> This completely bypasses the federal limit on food stamp enrollees from accumulating massive amounts of countable resources, like significant cash in the bank.<sup>18</sup>

It is thanks to BBCE and the complete circumvention of federal asset limits that individuals can save up enough cash to buy luxury sports cars in a program designed for the truly needy. In 2023 alone, food stamp enrollees in one state owned more than 14,000 luxury vehicles.<sup>19</sup> Critically, these were newer vehicles, manufactured in just the last handful of years—not an old Porsche from 1978 or a Lamborghini from 1997.<sup>20</sup> Moreover, the list is not of all new vehicles—just typical luxury vehicles that were newly manufactured.<sup>21</sup>

Among these, more than 14,000 luxury vehicles include three Bentleys, three Ferraris, 11 Lamborghinis, 59 Maseratis, 141 Porsches, 244 Alfa Romeos, 306 Land Rovers, 2,098 Teslas, and thousands more.<sup>22</sup>

### NEW LUXURY VEHICLES OWNED BY FOOD STAMP ENROLLEES IN A SINGLE STATE DUE TO BBCE

VEHICLE MAKE	COUNT	VEHICLE MAKE	COUNT
<i>Lexus</i>	<b>3,636</b>	<i>Alfa Romeo</i>	<b>244</b>
<i>Mercedes-Benz</i>	<b>2,560</b>	<i>Porsche</i>	<b>141</b>
<i>Tesla</i>	<b>2,098</b>	<i>Maserati</i>	<b>59</b>
<i>BMW</i>	<b>1,914</b>	<i>Jaguar</i>	<b>59</b>
<i>Cadillac</i>	<b>1,131</b>	<i>Lamborghini</i>	<b>11</b>
<i>Audi</i>	<b>809</b>	<i>Polestar</i>	<b>6</b>
<i>Infiniti</i>	<b>758</b>	<i>Ferrari</i>	<b>3</b>
<i>Genesis</i>	<b>536</b>	<i>Bentley</i>	<b>3</b>
<i>Land Rover</i>	<b>306</b>		

Just a handful of specific examples include a 2020 Rolls Royce valued at \$346,000 owned by a university professor, a 2018 Lamborghini Huracan LP 580 Spyder valued at \$220,000 owned by a celebrity barber, and a 2022 BMW XI M760 valued at \$158,000 owned by a professional football player.<sup>23</sup>



Again, BBCE enabled these individuals to cycle onto food stamps. Put simply, BBCE swells the food stamp rolls to include individuals with significant assets who would otherwise be ineligible for the program.<sup>24</sup> This siphons resources away from the truly needy while also making states pay more towards their food stamp cost sharing requirement if they have a high enough error rate.

## The Bottom Line:

**Commonsense food stamp reform cannot wait any longer. States should roll back BBCE and implement program integrity measures in food stamps.**

From fake emails to foreign IP addresses to incorrect residences and more, the sheer amount of food stamp waste, fraud, and abuse is staggering and exceeds the government-reported figures. This fraud is further amplified by schemes like BBCE, which allows millionaires to remain on food stamps while they drive around in luxury vehicles.<sup>25</sup>

With billions in potential federal penalties now tied directly to error rates in both food stamps and Medicaid, any minor upfront cost of better program integrity procedures is not an expense—it is an

investment. States that act now, before penalty thresholds are triggered, stand to recover far more than they spend. Those that wait will find out the hard way that government databases alone were never designed to do this job.

With these food stamp cost share requirements quickly approaching, now more than ever states need to get their food stamp programs under control—starting with better program integrity and rolling back BBCE.

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3. Ibid.
4. Paige Terryberry, "Food stamp program integrity measures will lower costs for states and preserve resources for the truly needy," Foundation for Government Accountability (2025), <https://thefga.org/research/foodstampprogramintegritymeasureswilllowercosts>.
5. Authors' analysis based on de-identified data from an anonymous state provided by a leading program integrity consultant from 2023 on food stamp program integrity outcomes relating to residency records, identity records, IP addresses, email addresses, and luxury vehicle purchases.
6. While a portion of these addresses could reflect unusual circumstances like placement in a drug treatment facility, it is highly unlikely that these circumstances account for all or even most of the cases of no record of state residency.
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