DATA DENIED:

How States Shield Waste, Fraud, and Abuse from Federal Oversight

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Key Findings

1. Medicaid and the food stamp program are **PLAGUED BY WASTE, FRAUD, AND ABUSE**.

2. Roughly **ONE IN EVERY FIVE MEDICAID DOLLARS IS SPENT IMPROPERLY**, costing taxpayers more than $1 trillion over the last decade.

3. **MORE THAN $10 BILLION** in food stamp spending was improper in 2025 alone.

4. In the 29 jurisdictions where federal reviewers can see food stamp enrollment records, they identified **MORE THAN $3 BILLION PER YEAR IN IMPROPER SPENDING**.

5. The states that have refused to share eligibility data have **HIGHER IMPROPER PAYMENT RATES** than states that have opened their books.

The Bottom Line

States should require welfare agencies to share enrollment data with federal authorities.

Overview

Welfare programs were designed to serve as a safety net for truly needy American citizens—the elderly, individuals with disabilities, and low-income children. Under the Biden administration, however, states pushed past those boundaries and used taxpayer dollars to provide benefits that federal law does not allow.[1]

The Trump administration responded by directing federal agencies to break down information silos across welfare programs and share Medicaid enrollment data with immigration enforcement and other federal authorities.[2-3] The U.S. Department of Agriculture (USDA) then ordered states to submit food stamp enrollment records dating back to 2020.[4] The results were immediate. In the 28 states and territory of Guam where federal reviewers gained access to food stamp enrollment data, they uncovered more than $3 billion per year in waste, fraud, and abuse.[5-6]

However, Democrat-led states have sued the Trump administration to prevent state-level Medicaid and food stamp data from being shared with other federal agencies, blocking federal oversight.

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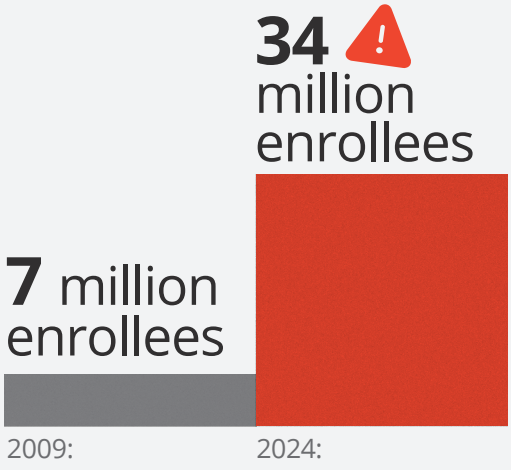
Waste, fraud, and abuse are rampant in welfare programs

Medicaid spending reached $964 billion in 2024, more than quadrupling since 2000, while enrollment has skyrocketed from 35 million to a record-high 100 million in 2023.[7] Able-bodied adults drove nearly 85 percent of that growth, climbing from seven million enrollees in 2000 to 34 million today.[8] The food stamp program has followed a similar trajectory, growing from $17 billion and 17 million enrollees in 2000 to more than $100 billion and 42 million enrollees in 2025.[9]

Able-bodied adults drove

NEARLY 85% OF MEDICAID ENROLLMENT GROWTH

Source: U.S. Department of Health and Human Services



Roughly one in every five Medicaid dollars is spent improperly, draining resources from the truly needy and costing taxpayers more than $1 trillion over the last decade.[10-11] Eligibility errors drive Medicaid improper payments, as roughly four in five improper payments come from enrolling individuals who do not qualify.[12]

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Similarly, the food stamp payment error rate increased sevenfold over the last two decades, culminating in more than $10 billion in improper spending in 2025 alone.[13-14] Unfortunately, even those figures understate the problem. USDA excludes any error falling below a threshold, and the Government Accountability Office found that those excluded errors accounted for 38 percent of all improper spending in 2016.[15-16]

Dead enrollees, duplicate cases, and stolen identities

The Office of the Inspector General audited 14 states and found more than 450,000 Medicaid payments made on behalf of deceased individuals, totaling nearly $250 million.[17] Some of those enrollees had been dead for more than four decades, as states did not cross-check their Medicaid rolls against the death records that they had access to.[18]

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A review of roughly half of state food stamp programs uncovered more than one million instances of duplicate enrollment, enrollment of deceased individuals, and fraudulent Social Security numbers or no Social Security number at all.[19] In one state, more than one in five food stamp enrollees could not have their identity matched to the address on their application.[20] Hundreds of thousands of enrollees listed their most recent verifiable address in a different state, tens of thousands had no record of ever living in the state paying their food stamps, thousands listed unverifiable Social Security numbers, and some even listed Social Security numbers that were issued before their own date of birth.[21]

Stolen and fraudulent identities drive improper payments in both programs. Nearly 24 million Americans fall victim to identity theft each year, and fraudsters use those identities to enroll onto welfare programs.[22] **More than 2.8 million Social Security numbers were flagged on Medicaid rolls in multiple states, and one was flagged in nine states at once**.[23]

Federal data sharing exposed billions in waste, fraud, and abuse

President Trump issued Executive Order 14243, which targeted the information silos separating federal agencies from one another.[24] The Trump administration pursued interagency agreements to share Medicaid enrollment data with Immigration and Customs Enforcement and other federal authorities.[25] Federal law expressly authorizes this kind of information sharing for program integrity purposes.[26]

A comparable provision in food stamp law gives USDA the same authority, and the agency invoked it to demand enrollment records directly from states.[27-28] The results came quickly. In the 29 jurisdictions where the Trump administration obtained access to food stamp enrollment records, a federal review uncovered ineligible enrollees, including deceased enrollees, enrollees using stolen identities, and people signed up multiple times in the same state or across multiple states.[29] **The review identified at least $3 billion per year of potential fraud, waste, and abuse**.[30]

States are shielding the evidence

Twenty states sued the Trump administration to prevent it from sharing Medicaid enrollment data with other federal agencies.[31] Officials in at least 22 states have refused to provide USDA with their food stamp eligibility data.[32] Democrat-led states sued the Trump administration to block the data demand, while the U.S. Department of Justice separately sued Kentucky, Michigan, Minnesota, and Pennsylvania to compel them to comply.[33-38]

The states that have refused to share their data potentially have significant eligibility problems to uncover. Indeed, their improper payment rates are higher than states that chose to share their information with the Trump administration, preventing the federal government from uncovering even more waste, fraud, and abuse.[39]

State lawmakers should require welfare agencies to transmit application and enrollment data to federal authorities. A statutory mandate strips the decision from a governor or an agency head and provides more transparency to federal reviewers.

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The Bottom Line:

States should require welfare agencies to share enrollment data with federal authorities.

Waste, fraud, and abuse run rampant in the Medicaid and food stamp programs. Welfare programs were created to serve truly needy Americans, not to subsidize fraudsters and ineligible enrollees. Every dollar spent improperly is a dollar that is not available for the truly needy. State lawmakers should guarantee that federal authorities will receive their welfare enrollment data, regardless of who occupies the governor's mansion.

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