

# FoodShare & State Law Enforcement Bureau Investigations (SLEB)

## FoodShare Regulations

### What Are FoodShare Benefits?

The FoodShare program is a government assistance program that offers nutrition assistance to millions of eligible, low-income individuals and families. This program is governed by the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture. All Wisconsin FoodShare benefits are distributed onto an EBT card called a QUEST card (pictured below) on a monthly basis. FoodShare recipients can use the QUEST card at approved vendors to purchase approved food items. As with a debit card, a four-digit personal identification number (PIN) is required to be entered when transactions are made with the QUEST card.

Common names for FoodShare include:

- QUEST
- Green card
- Food Stamps
- Stamps
- SNAP (Supplemental Nutrition Assistance Program)



### FoodShare Participant Regulations

The recipient is instructed not to share their PIN with anyone including store clerks. It is against FoodShare program rules for participant to use FoodShare benefits to buy:

- Beer, wine, liquor, cigarettes, or tobacco
- Pet food, soap, paper products
- Vitamins and medicines
- Prepared foods or foods that will be eaten in the store

### FoodShare Retailer Regulations

To be eligible as a SNAP/FoodShare vendor, a store must sell food for home preparation and consumption and meet one of the criteria below:

- Offer for sale, on a continuous basis, at least three varieties of qualifying foods in each of the following four staple food groups, with perishable foods in at least two of the categories:
  - Meat, poultry, or fish
  - Bread or cereal
  - Vegetables or fruits
  - Dairy products
- Account for more than one-half (50%) of the total dollar amount of all retail sales (food, nonfood, gas and services) sold in the store to be from the sale of eligible staple foods.

# FoodShare Trafficking & SLEB

## What Is Trafficking?

Trafficking\* is defined as the buying or selling of EBT cards or other benefit instruments for cash or considerations other than eligible food.

Recipients are prohibited from exchanging FoodShare benefits for cash, drugs, rent, or to use benefits to pay off tabs or other debt; these actions are a form of fraud called trafficking. Currently the OIG Trafficking Unit investigates allegations of participants trafficking FoodShare benefits. If a participant is found to have committed fraud or violated the FoodShare program rules, he or she will be disqualified from receiving FoodShare benefits for a minimum of 12 months and possibly permanently.

## What Is Misuse?

Misuse is defined as the use of FoodShare benefits for ineligible purposes or purchases.

Ineligible Purposes:

- Use of a card for a deceased participant
- Use of a card for an incarcerated participant

Ineligible items include:

- Beer, wine, liquor, cigarettes, tobacco
- Nonfood items such as pet food, soap, vitamins, medicines
- Food items that will be eaten at the store

## What Is SLEB?

FNS works with State partners to establish State Law Enforcement Bureau (SLEB) agreements to conduct investigations into possible FoodShare/SNAP fraud. FoodShare vendor fraud occurs when the FoodShare recipient and vendor collude to exchange benefits for cash, drugs or other items that are not approved by the FoodShare program.

SLEB investigations are coordinated by the OIG's Trafficking Enforcement Unit and conducted by local law enforcement agencies. Local officials are provided EBT QUEST cards to use for undercover investigations. Periodically, SLEB investigations also result in the discovery of other illegal activities.

## Common Trafficking Schemes

- Return fraud: Participants use their QUEST card to purchase eligible items to later return them for cash or gift cards which are used for ineligible items (e.g., alcohol or cigarettes).
- Bulk trafficking: Participants purchase large quantities of one item to sell to stores or bar owners for resale (e.g., energy drinks, soda, formula).
- Formula trafficking: Participants, especially those without infants, purchase infant formula to resell.
- Benefit exchange: Participants trade their benefits for cash, rent, recreational drugs, etc.
- Benefit selling through social media: Participants publish the intent to sell their benefits on Facebook, Craigslist, etc.

\*See federal law 7 CFR § 271.2

# FoodShare Trafficking & SLEB (continued)

## SLEB Cases

### *Brown County 2015*

A local store owner was found guilty of three felonies for unauthorized use of FoodShare benefits and ordered to pay approximately \$130,000 in restitution. The store owner also received additional charges for selling food without a license and delivery of Cathinone (KHAT). Participants that actively colluded with the store owner were issued citations and received an Intentional Program Violations (IPV). The store owner was charged criminally and removed from being a participating store in the SNAP program.

### *Milwaukee County 2018*

The Department of Revenue collaborated with the OIG regarding a referral that a local store clerk was exchanging EBT cards at 50% of their value. The DOR agent conducted eight undercover buys totaling \$4,258 in benefits. The store was charged with a felony for knowingly trafficking food stamps, ordered to pay restitution to DHS and removed as a vendor from the SNAP program.

### *Kenosha County, 2020*

In February 2020, OIG received a referral from the Kenosha Drug Operation Group (KDOG) alleging an owner of a local convenience store was accepting FoodShare EBT cards as payment for narcotics.

OIG partnered with KDOG on the investigation via a State Law Enforcement Bureau agreement. The store owner was arrested with 11 EBT FoodShare cards in her possession, none of which were hers. Police also discovered that the owner was selling cocaine from her convenience store and in-home daycare. The store owner has been charged with 12 felonies as result of the investigation.



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