# MICHIGAN FOOD STAMPS
## —— Report ——

## INTRODUCTION

Beginning in March 2025, the Michigan House Oversight Subcommittee on State and Local Assistance Programs launched an investigation into the integrity of Michigan's public assistance programs. Through six subcommittee hearings over the course of nine months that investigation has resulted in the findings and recommendations included in this report.

## BACKGROUND

The purpose of oversight investigations is to determine whether the people of Michigan are well-served by efficient and transparent government services and programs. The Michigan House Oversight Subcommittee on State and Local Assistance Programs, through its chair Representative Jason Woolford, has directed this investigation into the assistance programs administered by the Michigan Department of Health and Human Services to root out any fraud, waste, and abuse in the system and ensure benefits go to those who truly need them.

### i. MICHIGAN PUBLIC ASSISTANCE PROGRAMS

MiBridges Online Portal is where applicants apply for benefits. Programs administered through the MiBridges Portal include:

1. Food Assistance Program (FAP), commonly known as food stamps.
2. Family Independence Program (FIP), a cash assistance program for low-income families
3. Healthcare Coverage Benefits, or Medicaid distribution
4. Women, Infants, and Children (WIC) Benefits Programs
5. Child Development & Care (CDC) Benefits Programs
6. State Emergency Relief (SER[1]) Programs

The insecurity of current administration of benefits – whether the MiBridges Application Portal or physical Bridge Cards themselves – allows for fraud. This is especially concerning since there are more than 1.4 million Michiganders on food stamps and the state expended over $3 billion on the program in FY 24.[2]

### ii. ERROR RATES & FEDERAL PENALTIES

The problem is not just fraud, it is also systemic error. Recent changes to SNAP funding in the Working People's Tax Cut Act (formerly known as the One Big Beautiful Bill Act) mean that states will now be held accountable for systemic errors. Starting October 1, 2027, states may be hit with penalties depending on

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[1]  MiBridges Online Application Portal (Electronically Accessed on March 1, 2026).
[2]  Snapshot of Michigan Hunger Statistics, Feeding America West Michigan (2023).

the SNAP payment error rate for each state each fiscal year.[3] It is based on a sliding scale, so states with higher error rates must provide a higher match. The Payment Error Rate (PER) does not require fraud or intentionality; it is a simple calculation determined by dividing the total mis-issued benefits by the total benefits issued.[4] Mis-issued benefits include both overpayments and underpayments. States will also be required to cover 75% of the administrative costs of food stamps programs, up from a 50-50 split.[5]

Under Gov. Whitmer's administration, Michigan has a yearly average SNAP error rate above 10%.[6] This does not include data from FY 20 or FY 21 because error rates were not reported during the COVID pandemic. Under Gov. Snyder, the yearly average was below 6%.[7] Even under Gov. Granholm, the yearly average was only slightly above 7%.[8]

When the October 1, 2027, implementation date kicks in, federal law will allow states to choose between the FY24 and FY25 error rates for use in determining the state match requirement. Michigan's FY 24 rate was 9.53%.[9] While Michigan's FY25 error rate has not yet been released by the federal government, if it is not less than 8%, Michigan would have to pay a $320M penalty. Even if it is lower in FY25, the only way to avoid any federal penalty would be to reduce the error rate below 6%. (See table)[10]

| State's SNAP Error Rate | Required State Match |
|---|---|
| Less than 6% | 0% |
| 6% - 7.99% | 5% |
| 8% - 9.99% | 10% |
| 10% or greater | 15% |

# FINDINGS

## i. KEY FINDINGS:

- Approximately one in seven Michiganders currently receive food stamps and the state expended over $3.23 billion on the program in FY24.
- Despite costing $16,827,536 to update, the MiBridges Application Portal lacks necessary security and front-end verification to combat fraud and reduce payment errors.
- According to MDHHS representatives, they do nearly all eligibility verification for public assistance programs "on the back end" by requesting documents from applicants or via third party contact to confirm information.

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[3]  "Fiscal Brief – The One Big Beautiful Bill Act (OBBBA) of 2025," P.9, House Fiscal Agency (Kevin Koorstra, Senior Deputy Director), July 21, 2025.

[4]  MDHHS SNAP Payment Error Rate FAQ (Electronically Accessed on March 1, 2026).

[5]  *See* OBBBA Fiscal Brief, P. 10.

[6]  SNAP Payment Error Rates by Fiscal Year, U.S. Dept. of Agriculture – Food and Nutrition Service (Electronically Accessed on March 1, 2026).

[7]  *See* Payment Error Rates FY11 through FY18.

[8]  *See* Payment Error Rates FY03 through FY10.

[9]  *See* Payment Error Rates FY24.

[10]  *See* OBBBA Fiscal Brief, P. 9.

- Even with self-attestation or case worker follow-up, the only required information on Bridge Card application is 1) first name; 2) last name; 3) address; and 4) an Alien Number, but only if someone self-attests to being a "non-Citizen" first.

- The Michigan Office of the Inspector General (OIG) prevented more than $300 million in fraud in FY 24 despite not having commonsense safeguards like EMV/chip-enabled Bridge Cards in place.

- Michigan's options to avoid a food stamps penalty are running out with having to choose from an error rate of 9.53% from FY 24 or an unknown FY 25 error rate.

- Effective October 1, 2026, states will go from only paying 50-55% of administrative costs for SNAP programs to states paying 75% of the costs.

## ii. SUBCOMMITTEE HEARINGS:

1. **Food stamps come with eligibility requirements that are enforced by the state**

The subcommittee's investigation began with an educational presentation from Kevin Koorsta, Deputy Director of the House Fiscal Agency, on March 20, 2025. Testimony provided that all Michigan assistance programs are primarily funded by the federal Temporary Assistance for Needy Families (TANF) Block Grant.[11] Michigan's role is to determine eligibility according to federal guidelines and requirements to have as little waste or fraud with the funds as possible. Eligibility for this program includes an income limit, a countable asset limit, and monthly benefit allowances as calculated by a federal formula.[12] Testimony at the hearing stated that "qualified immigrants" may be eligible for public assistance programs, which can include some classes of non-citizens.[13] Also, because applications are processed on behalf of the "household," an applicant may apply on behalf of their entire household, and be approved, even when other household members accounted for on the application may not be eligible.[14] Testimony further provided that about 25% of Michigan households are receiving some sort of public assistance aid as of 2025.

2. **MiBridges website allows self-attestation and lacks necessary front-end verification**

The subcommittee continued the investigation by discussing insecurities on the MiBridges Application Portal with Dwayne Haywood, Senior Deputy Director of the Economic Stability Administration at MDHHS, on April 24, 2025.[15] At this hearing, Chair Woolford walked through the MiBridges Application to demonstrate the heavy reliance on self-attestation and lack of front-end verification in the application. For starters, MDHHS allows for "guest" and "unfinished" applications rather than requiring someone to create login information or verify with photo identification of any kind before applying. Furthermore, the only "required" information to submit an application is first and last name; address; phone number; and Alien Number, only if the applicant self-attests to being non-citizen first.[16] Not only did questions highlight the insecurity of this system, but nearly every answer stated that verification happens "on the back-end" for most items. Testimony also highlighted the additional workload this could put on MDHHS eligibility specialists. In response to requests for information from the subcommittee, MDHHS later said this website cost taxpayers **more than $16.8 million.**

[11] Kevin Koorstra's Testimony to Michigan House Oversight Subcommittee on State & Local Assistance Programs (Full Testimony from 13:52 to 58:38). March 20, 2025.

[12] P. 8 of supplemental testimony for Kevin Koorstra's presentation to Michigan House Oversight Subcommittee on State & Local Assistance Programs. March 20, 2025.

[13] 8 U.S.C. § 1612.

[14] SNAP Eligibility FAQ, U.S. Dept. of Agriculture – Food and Nutrition Service. (Electronically Accessed on March 1, 2026).

[15] Presentation at Michigan House Oversight Subcommittee on State & Local Assistance Programs (Full Presentation from 10:05 to 1:28:08 and here). April 24, 2025.

[16] Information verified on March 1, 2026, with another test application of the MiBridges Application Portal specifically for the Food Assistance Program. The only additional feature is a final page showing unfinished information before submitting but the Portal still does not require you to fill in the blanks before submission.

3. **Physical Bridge Cards lacked necessary security which allows for fraud**

The Michigan Office of the Inspector General (OIG), a MDHHS subsidiary, twice attended subcommittee hearings to discuss public assistance fraud. Both times the OIG was represented by Stacie Sampson, the Inspector General, and Doug Woodard, the Director of the Bureau of Public Assistance Fraud. First, on June 12, 2025, the OIG identified four main areas of public assistance fraud: identity fraud; skimming machines; EBT cloning terminals; and misuse of benefits.[17] The OIG was able to prevent approximately $305.9 million in attempted fraud in FY 24 through data analytics and investigations. However, this number shows how often fraudsters try to take advantage of Michigan's programs. The OIG testified that in FY 24 there was $4 million in fraud due to identity fraud, almost $5 million due to benefit trafficking, and an unknown amount due to skimmed benefits and EBT cloning.

This educational presentation led to the recommendation included in last year's budget to turn all Bridge Cards into EMV/Chip-Enabled cards to increase security and reduce skimmer/cloning fraud. The subcommittee heard additional testimony on this idea on July 24, 2025, where the OIG and Conduent, Inc. were both present.[18] The OIG testified that analytics had identified more than $16 million in skimmer fraud in FY24. The OIG agreed that photo ID or signature verification would be another step in the right direction. Conduent described that most of the private sector switched to chip cards in 2015. Conduent also identified a 2019 report from a four-year study conducted by Visa that reported an 87% reduction in fraudulent activity.

4. **Michigan is behind other states in the Great Lakes Region on error rates**

The subcommittee's first hearing focused on error rates in the food stamps programs featured Adam Stacey, Director of Legislative Affairs at the Mackinac Center, on September 18, 2025.[19] The Mackinac Center found that Michigan ranks number 13 out of all 50 states for number of people on food stamps with nearly one in seven Michiganders on the program. Testimony confirmed that fraud and error rates are not necessarily related. All that is required to reduce the error rate is to make payment amounts consistent with the federal formula, even if someone is intentionally submitting inaccurate information. One of the most shocking details uncovered was that there is already a so-called "fudge factor" built into payment error rates. This allows any individual payment to be off by up to $56 without it counting toward the overall error rate. Testimony identified Wisconsin as a neighboring Great Lakes state with a significantly lower error rate. The model suggested to follow includes a second review of front-end application information and/or cooperation with the multistate SNAP National Accuracy Clearinghouse program.[20] Testimony further identified five types of errors including: benefit trafficking; card fraud and technical glitches; retailer application fraud; household errors/fraud; and agency errors/misconduct.

5. **Error rate has gone down, but not enough to avoid penalties**

David Knezek, Chief Operating Officer for MDHHS, presented to the subcommittee about error rates and solutions to get Michigan's below 6% on November 13, 2025.[21] Testimony cited that our error rate has been declining after hitting 13.97% in FY20 and 13% in FY22. Testimony confirmed that the FY 24 rate of 9.53% would result in a $320,989,800 penalty if this is the best error rate Michigan has to use

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[17] OIG's Testimony at Michigan House Oversight Subcommittee on State & Local Assistance Programs (Full Testimony from 07:15 to 1:01:00 and Slideshow here). June 12, 2025.

[18] OIG and Conduent Inc.'s Testimony at Michigan House Oversight Subcommittee on State & Local Assistance Programs (OIG Testimony from 11:00 to 39:54 and Slideshow here; Conduent, Inc. Testimony from 40:30 to 1:19:21 and Slideshow here). July 24, 2025.

[19] Adam Stacey's Testimony at Michigan House Oversight Subcommittee on State & Local Assistance Programs (Full Testimony from 12:43 to 55:00 and Slideshow here). September 18, 2025.

[20] SNAP National Accuracy Clearinghouse, U.S. Dept. of Agriculture – Food and Nutrition Service. The SNAP National Accuracy Clearinghouse program is an interstate data-matching program used to ensure states share data to root out persons who are receiving benefits in multiple states at the same time. (Electronically Accessed on March 1, 2026).

[21] David Knezek's Testimony at Michigan House Oversight Subcommittee on State & Local Assistance Programs (Full Testimony from 11:03 to 1:25:08 and Slideshow here). November 13, 2025.

next year. Testimony outlined a multi-layer local quality control review process and random sampling that occurs quarterly to get ahead of error rates before annual reporting. Testimony further outlined immediate initiatives in place to reduce the error rate including: simplifying and clarifying the client information submission process; giving specialists information ahead of client interviews; simplifying policies and increasing specialist training;  staff development; system updates to assess specialist accuracy; allowing for upstream error correction; updating the Bridges system; and exploring federal options.

# RECOMMENDATIONS

1. End the MDHHS reliance on self-attestation applications. Require the most information on the front-end of applications that federal law allows. **Legislation has been introduced (HB 5145)**

2. Require photo ID and signature verification on all Bridge Cards. **Legislation has been introduced (HB 4515)**

3. Convert all physical Bridge Cards to be EMV/Chip-enabled and require the implementation to occur by October 1, 2026. **Legislation has been introduced (HB 4746)**

4. Require MDHHS to update the Legislature on monthly quality control reviews and samples of households participating in food stamps any time our error rate goes above 6%. **MDHHS should already be doing monthly reviews. Additional reporting to the Legislature can be implemented.**

5. Require MDHHS to join the SNAP National Accuracy Clearinghouse program. **Federal law requires this to be implemented by October 2027.[22] The state could implement policy to reinforce this.**

6. Prohibit out-of-state purchases with Michigan Bridge Cards. **Other states have legislated.[23]**

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[22] 7 CFR Parts 272 and 273; 7 U.S.C. § 2020(x)

[23] *See* Alabama Model. Alabama Daily News, "Out-of-state, online SNAP purchases will soon be blocked." January 13, 2026.