



NOV 18 2016

United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

Mr. Will Lightbourne
Director
Department of Social Services
744 P Street MS 8-17-11
Sacramento, California 95814

Dear Director Lightbourne:

As you know, the U.S. Department of Agriculture's (USDA) Food and Nutrition Service (FNS) conducted Supplemental Nutrition Assistance Program (SNAP) Quality Control (QC) integrity reviews nationwide between April 2015 and September 2016. In many States, the reviews found practices that, intentionally or unintentionally, biased the results of the QC system. Due to this bias, FNS is unable to release a national performance measure (national average payment error rate) for FY 2015.

The FNS integrity review of California's QC system, conducted March through May of 2016, found bias in the QC system during the FY 2015 review period. As such, FNS is unable to determine an official overpayment, underpayment, or payment error rate for California in FY 2015 because it cannot validate your reported error rate.

Section 16(d)(2)(B) of the Food and Nutrition Act of 2008, as amended, authorizes the Secretary of Agriculture to award \$48 million in bonuses to State agencies that demonstrate high or improved performance in administering SNAP. For certain States whose error rates could be validated, FNS is also announcing the recipients of the payment accuracy error rate bonus awards for FY 2015. The payment accuracy bonus directly relates to one of the Food, Nutrition, and Consumer Services' overarching goals, improving program integrity. Since FNS is unable to validate California's error rate, the State agency is not eligible for a bonus for FY 2015. Please contact your FNS regional office for a list of award winners.

FNS and the States share in the responsibility to ensure the validity of the information reported for SNAP QC and to take corrective action to strengthen the integrity of the QC system. FNS has undertaken several initiatives to improve the consistency and oversight provided to States in order to jointly work together towards an improved SNAP QC system. As noted earlier, FNS began reviewing State QC processes in April 2015 and completed reviews of all 53 State agencies in September 2016. We also began addressing some key non-compliance issues that were identified in the reviews and the USDA Office of Inspector General's (OIG) audit report published in September 2015 including specific guidance issued in September 2015 and January 2016. Additionally, in the past year, we issued a revised handbook for conducting QC reviews to make sure requirements are clear and have conducted trainings for Federal reviewers and representatives from each State to ensure consistency in review processes. We appreciate that the States are committed to working with FNS to ensure accountability and integrity in SNAP.

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I know you agree that we must maintain a QC system that is free of bias, whether intentional or unintentional, in order to ensure the SNAP error rate data is reliable. Proper administration of the QC system in your State is essential as we work together to provide nutrition assistance to low-income individuals and families. Corrective actions were provided to California with the official integrity review report. FNS is available to provide technical assistance and training to assist California in the implementation of its corrective action plan.

Sincerely,

A handwritten signature in blue ink that reads "Kevin W. Concannon". The signature is written in a cursive style with a long, sweeping underline.

Kevin W. Concannon

Under Secretary

Food, Nutrition, and Consumer Services

U.S. Department of Agriculture