

SOCIAL SAFETY NET OR SOCIAL HAMMOCK?

APPLYING DETERRENCE THEORY TO REDUCE THE SEVERITY OF THE FOOD STAMP FRAUD CRISIS IN AMERICA

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ABSTRACT

Due to massive government debt in the U.S., serious attempts are being made to cut budgets, particularly programs that are fraught with waste, fraud, and abuse. Food stamp fraud, while historically ignored in the U.S., will soon become a target for budget cutting and increased law enforcement. This crime, as well as the perpetrators who commit it, are compatible with the propositions of deterrence theory. It is argued here that given the nature of this crime, enhanced sanctions can reduce its frequency and severity. Deterrence theory is outlined and policy implications are discussed.

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Introduction

In a time of unstable economic environments at all levels of government, many officials are seeking ways to balance budgets and put fiscal houses in order. Governments are examining current revenues and considering options to eliminate unnecessary and wasteful spending. Several options are being considered as ways to bring about economic stability and sustainability. One primary option is the reduction of waste, fraud, and abuse concerning entitlement programs.

Entitlement Programs

As a result of unsustainable debt, many nations are being forced to rethink how tax dollars are spent. One segment being scrutinized is entitlements, which are defined as social programs that support people who do not contribute to society either through tax revenue or performance in the workplace. Since the 1930s, the U.S. has developed and supported a lifestyle of having government provide for basics such as food, shelter, and clothing. Though this may be a noble concept, time has shown this “entitlement” culture is rife with fraud (Simon and Witte, 1982; Luna, 1996).

In the U.S. there are multitudinous welfare programs. When referring to welfare, the focus is typically on food stamps, Women, Infants, and Children (WIC) program, Aid to Families with Dependent Children (AFDC) program, health care for the poor (Medicaid), Temporary Assistance for Needy Families (TANF), and Section 8 housing (subsidized housing for the poor). In 2011, the U.S. is on pace to spend \$953 billion on welfare (Bradley and Rector, 2010). Historically in the U.S., once people become dependent on someone other than themselves for subsistence, it becomes difficult to change, minimize, or eliminate that dependency. One fact that supports this claim is the lack of program elimination regarding changes to legislation by the U.S. federal government. Amendments are written every year to address changes, but it is rare for a welfare program to be eliminated. In addition, time has revealed how the U.S. Congress creates entitlement programs with good intentions, but over time those good intentions turn to misguided expectations and lack of oversight resulting in a vast waste of resources and/or criminal fraud. It is clear that the government largess directed toward welfare (particularly food stamps) is unwarranted in light of the fact that, on a given day in America, less than one American in 200 will experience hunger due to a lack of money to buy food. In fact, the most serious nutrition-related health problem among the “poor” is overconsumption, not under-consumption of food (Rector and Johnson, 2004).

Examples of Welfare Fraud

The rate of welfare fraud in the U.S. is virtually impossible to estimate; nevertheless, it is safe to assume that a portion of the hundreds of billions of dollars spent annually is lost to fraud. Consider a few of the following examples from recent history:

- Parker (1997) chronicled her experiences in the California welfare system. Ms. Parker states she was introduced to welfare when she was 21 and writes of how easy it was to commit fraud by selling Medi-Cal stickers. The California welfare system includes support for food, shelter and medical care. Once an individual is issued a Medi-Cal card, recipients receive “stickers” that are presented to medical facilities for services rendered. Ms. Parker realized there was a cash market for selling Medi-Cal stickers to women seeking abortions and promptly did so.
- SpamLaws.com was created by David E. Sorkin, a Law Professor. He reports on several legal topics such as welfare fraud. The following are two cases from the website (<http://www.spamlaws.com/welfare-fraud.html>): 1) Dorothy Woods was jailed on 12 counts of welfare fraud. She claimed 38 nonexistent children and manipulated the system for more than \$300,000; and 2) Linda Taylor, a Chicago resident, used 14 aliases to receive an estimated \$150,000 in medical coverage, cash assistance and food stamps. She migrated from district to district using these aliases to fraudulently obtain benefits.

Similarly, the Los Angeles County District Attorney’s office reports cases that are tried in California. The following cases can be found at <http://da.co.la.ca.us/wf/conv.htm>. In one case, using money received from AFDC and food stamps for seven years, welfare fraudsters built a four-unit apartment house behind their home. The wife reported her husband was in another country. He used a P.O. Box to conceal the fact that he was living in the home. Current anti-welfare fraud laws were used to convict both defendants; the wife was imprisoned.

Another welfare couple, both of whom operated businesses in Los Angeles County, purchased a \$200,000 home with \$25,000 cash down. Cash in the amount of \$162,000 was seized from these L.A. County welfare recipients. Another \$70,000 was seized from their checking account. These longtime welfare recipients also owned several cars including a Lexus, Jaguar, BMW, and a vintage Corvette. The female defendant who was receiving the public assistance was convicted, sentenced to prison and her assets seized and distributed to all the victimized public agencies through innovative use of California’s White Collar Crime

Enhancement (LA County District Attorney's Office, 2011).

In one Los Angeles case, an actual employee of the Department of Public Social Services created fictitious public benefit cases for friends and family. Over \$700,000 in welfare were stolen. The primary perpetrator was sentenced to almost seven years in prison. Her relatives and friends who participated have been arrested, convicted and several sentenced to prison.

Even more alarming, the Los Angeles Times ran the headline of "Welfare Aid Cards Valid at Casinos: State-issued Debit Cards Work at Some Gaming Floor ATMs. Officials vow cutoff" (Dolan, 2010). Here, it was reported that California welfare recipients are able to use state-issued welfare debit cards to withdraw cash on gaming floors in more than half of the casinos in the state, a gross violation of law. The cards, provided by the Department of Social Services presumably to help recipients feed their families, work in automated teller machines at 32 of 58 tribal casinos and 47 of 90 state-licensed poker rooms the review found (Dolan, 2010).

Prevalence of Welfare Fraud

Though it is difficult to determine how many Americans are engaging in welfare fraud, there are data that identify how many people are at the poverty level, are unemployed, and monetary amounts budgeted for entitlement programs. As of 2009, there were a reported 43.6 million people in poverty. Unemployment stands at 9.2%, which reflects 14 million Americans as of March 2011 who would work but cannot find employment (U.S. Census, 2010).

The President's 2009 Budget does not identify allocation of funds by program; therefore, it is unclear how much of the \$953 billion welfare dollars are for food stamps. However, other budget data do provide funding by program. As reported by statehealthfacts.org, the total benefits for fiscal year 2010 for the food stamp program alone was estimated at \$64,704,466,071. The number of recipients reported in January 2010 was 39,430,990 (Food Stamp Program, 2010).

Therefore, if only a small fraction of the total outlays are used fraudulently, this still equates to billions of dollars annually lost to illegal use of benefits. As noted above, there are many reported cases over many decades that provide enough evidence that welfare fraud does exist and has a negative impact on the U.S. economy (Bradley and Rector, 2010).

Electronic Benefits Transfer

One popular program where fraud has been found is the Electronic Benefits Transfer (EBT) program, which is an electronic “solution” that replaced food stamp booklets. This program places “debit cards” in the hands of many people who are unemployed, impoverished, uneducated, irresponsible, and not able to care for themselves or their families. States initially began implementing pilot programs as early as 1989 in order to test the viability of this electronic method for distributing monies (USDA, 2009).

The EBT program includes the following characteristics: 1) used in all states; 2) recipients are issued a debit card to receive and use as food stamps; 3) benefits are deposited onto the card by the government; 4) recipients with food stamp benefits can use the card for eligible food purchases at most grocery stores and some other retailers; 5) food stamps may not be used for any non-food item, alcohol, tobacco, vitamins and medicines; and 6) a few recipients also are allowed to use the EBT card as cash.

Basically the government administered EBT program distributes the cards and then walks away and allows users to do as they please. There is virtually no supervision, follow-ups, or personal responsibility for anything the user does with the card. Research has shown that individuals with opportunity to commit welfare fraud are much more likely to commit the crime than are those with less opportunity (Hessing, Elffers, Robben, and Webley, 1993). There have been many sting operations and investigations in many states that have led to arrests, but until the government makes serious attempts to reform entitlements, abuse and outright crime will continue and billions of dollars will be wasted every year.

The typical EBT card fraud scam consists of a fairly predictable series of steps. First, a perpetrator must secure the card from a state’s welfare agency. Some of these cards are given to people who really do satisfy the eligibility requirements. Many others, however, are secured by people who misrepresent their income, other resources, and number of dependents. Even when the cards are given to legitimate recipients, most crimes of fraud can be committed as a result of later misuse.

Next, the perpetrator must locate stores that are willing to be corrupted by the user. Corrupt stores and store employees can be found via word of mouth in poor communities. Once the corrupt business is identified, the perpetrator typically makes an offer to commit fraud. If the store employee is willing to “play ball,” the perpetrator will then “purchase” a few items, some legal while others are not. This initial purchase is perfunctory in nature and serves only as a pretext to allow for the real payoff which is to follow. The ultimate goal is to purchase contraband with the card and to illegally get cash back off the card. It is not uncommon, for example, for a perpetrator to buy \$10 or so worth of items and then ask for \$100 cash back off of

the card as part of the transaction. The corrupt store employee will then charge the card \$210: a) \$100 will go to the EBT card user; b) \$100 will be kept by the store employee; and c) \$10 will be kept by the store in the amount of the purchase for the items. Anecdotal evidence suggests that this type of ruse has become commonplace in the U.S. and goes virtually undetected, particularly in light of the fact that EBT card purchase receipts are rarely itemized.

As noted previously, the sole stated purpose of EBT cards/food stamps is to help the poor buy food. Unfortunately, the end result of these scams is that the U.S. government and taxpayers are being exorbitantly and fraudulently overcharged by food stamp recipients who buy items such as junk food, cigarettes, condoms, or even lottery tickets while the store and the perpetrator walk away with illegal cash.

Using Deterrence Theory to Reduce EBT Card Fraud

The Classical School of criminology in general and deterrence theory in particular, makes assumptions about human nature in an attempt to reduce crime. Humans are assumed to be rational, hedonistic, and calculating prior to committing crime. To the extent that these assumptions are true, it follows that crime must be reduced by recognizing that humans think clearly (as opposed to being deranged), prefer pleasure over pain, and weigh the costs of getting caught against the benefits of engaging in crime successfully. Consequently, punishment may be used (both the threat of punishment as well as the punishment itself) to influence peoples' choices in favor of noncriminal behavior (Van den Berg, Van der Klaauw and Van der Ours, 2004). For potential criminals to be successfully deterred (i.e., to influence their behavior in the noncriminal direction) punishment must be swift, certain, and severe (Beccaria, 1963). In essence, for the threat of sanctions for violating EBT card laws to deter a would-be thief, she must perceive that the punishment would be likely to be imposed (i.e., a high probability of getting caught), imposed quickly after detection, and that the sanction will be severe. In sum, if the assumptions of deterrence theory are correct, combined with the principles of punishment being applied as discussed above, then EBT card fraud rates would decline. The approach must also, however, recognize the potential impact of confounding variables. That is, deterrence theory has differential success in reducing crime based on two key factors: 1) the type of crime in question; and 2) the characteristics of the potential violator.

Differential Deterrability By Crime Type

Prior research suggests there is great variability in the utility of deterrence theory based upon the characteristics of the crime type being considered. Brown, Esbensen, and Geis (2011)

summarized the available data by categorizing crimes that are high and low in deterrability as follows:

High Deterrability

Low Deterrability

Rational

Irrational

Instrumental (goal oriented)

Expressive (emotional)

Property

Person-on-person

Mala prohibita

Mala in se

Public

Private

**Application of EBT Card Fraud by Differential Deterrent Effects Based on Crime Type
Rational**

For EBT card fraud to be considered rational, it must involve the perpetrator making a calculation concerning the probability of getting caught. This is evident because perpetrators must, in every case, actively seek out establishments that will participate in the EBT card fraud procedures outlined above. Indeed, given that there is a significant time lag between acquisition of the EBT card, the search for store employees to serve as willing accomplices, and the actual fraudulent use of the card, a rational calculation is inevitable (as compared to, say, a spontaneous assault subsequent to some type of provocation). In sum, EBT card fraud must be considered rational because it also involves planning and effort in order to secure the card from welfare agencies in the first place.

Instrumental

EBT card fraud is highly instrumental in nature. The card is exclusively used in a goal-oriented fashion for the obvious reason of cheating U.S. taxpayers out of money (as compared to an expressive crime driven by rage or intoxication). This form of welfare fraud is a useful “tool” that enables perpetrators to acquire money without having to invest much time, long hours of study, saving for years, or working. It also allows perpetrators to get money without having to utilize delayed gratification.

Property

Similar to instrumental crime, property crime is acquisitive in nature. Again, the goal is to get money by attacking property, in this case tax dollars, as opposed to committing person-on-person crimes such as rape, assault, or murder.

Mala Prohibita

Here, the misuse of a plastic EBT card in an unauthorized fashion in order to illegally receive paper currency and products from stores must be considered mala prohibita in nature. Mala prohibita offenses are those that are deemed wrong only for regulatory reasons, as opposed to criminalizing behaviors that are intrinsically evil (e.g., the rape of a child). Therefore, EBT card misuse is illegal only because the proscription seeks to maintain a stable welfare system within U.S. society; as a consequence, this crime tends to be higher in deterrability than mala in se offenses (Brown et al., 2011).

Public

As noted above, offenses committed in public are more highly deterrable than those committed out of public view (e.g., incest). As will be discussed later, if more effort is made to “observe” welfare fraud by government agents, the prevalence of EBT card misuse would be substantially reduced. This act requires a significant amount of human interaction outside the home between perpetrator and welfare officer, proprietors at complicit stores, and between perpetrators and government agencies in the form of the actual electronic transfer of funds. Hence, this act, due to its extreme public nature, is much more amenable to be reduced via the threat of punishment.

To summarize, EBT card fraud is consistent with the deterrence theory model regarding crime type. That is, it has each of the characteristics of crime that are readily reduced via the threat of swift, certain, and severe punishment due to being: a) rational – requiring thought, planning, and a time lag between conception of the criminal intent and the fruition of a crime; b) instrumental – being goal-oriented and acquisitive in nature; c) property – being an attack on the monetary component of the U.S. welfare system; d) mala prohibita – being a regulatory offense to maintain order and not intrinsically evil; and e) public – requiring almost exclusive interaction that can be, with only a modicum of effort, easily observed. As a result, EBT card fraud reduction has the policy implications suggesting the imposition of penalties that are meted out in a certain, swift and severe manner.

Application of EBT Card Fraud by Differential Deterrent Effects Based on Characteristics of Perpetrators

Just as the effectiveness of enhanced sanctions varies by the type of crime involved, it also is impacted by the particular characteristics of perpetrators. Brown et al. (2011) summarized the available data on the differential deterrent effects of punishment by characteristics of perpetrators as follows:

High Deterrability

Low commitment to crime

as a way of life

Amateur involvement in crime

High stakes in conformity (much to lose if caught)

Older

Female (higher perceived risk regarding environmental hazards)

Future oriented

Deliberate

Low Deterrability

High commitment to crime as a way of life

Professional involvement in crime

Low stakes in conformity (little to lose if caught)

Younger

Male (lower perceived risk regarding environmental hazards)

Present oriented

Impulsive

Amateur Involvement and Low Commitment to Crime as a Way of Life

Welfare fraudsters of the EBT type are generally not professional criminals in the sense that crime is not the primary source of income. These individuals are probably opportunists who have a host of negative characteristics/traits that can be traced back to poor parenting (Gottfredson and Hirschi, 1990). Welfare recipients in general and welfare fraudsters in particular, are low in self-control. In fact, the vast majority of poverty in America is directly

related to choices that are clearly manifestations of low self-control (Gottfredson and Hirschi, 1990). Therefore, these individuals see EBT card fraud, not as a chosen “profession” or a way of accumulating wealth as an organized criminal would, but rather, simply as an opportunity that presents itself. They, as opportunistic amateurs, do not see welfare fraud as a way to achieve upward socioeconomic mobility but merely as a relatively easy way to supplement their meager existence. The primary point is that both of these characteristics tend to be more highly deterrable via threat of perceived punishment as compared to professional criminals or those with high commitment to crime as a way of life.

Low Stakes in Conformity

Research has shown that as individual stakes in conformity (i.e., having much to lose if caught committing crime) increase, then the threat of punishment decreases the probability of crime commission (Antunes and Hunt, 1973). Welfare recipients typically do not have much to lose or far to fall should they be detected, prosecuted, convicted, and sentenced for EBT card fraud. This characteristic does not support the contention that increased certainty, swiftness and severity of punishment will reduce the commission of this crime. People with low stakes in conformity typically do not have professional licenses that could be revoked nor do they have reputations that can be damaged if sentenced by the courts for welfare fraud. Contrariwise, this theoretical shortcoming may be at least partially offset by the fact that welfare fraud does have something potentially that could be taken away: the EBT card itself. As a result, the mere possibility of being banned from welfare/food stamps could serve as a stake in conformity. Unfortunately, being banned from welfare is a very rare consequence in the U.S. but this may change soon as the nation continues to spiral toward economic ruin due to massive government debt accumulation now standing at nearly \$15 trillion. This is the first aspect of either crime type or characteristics of perpetrators that does not support the principles of deterrence.

Young

The typical welfare cheat (as well as recipients in general) are young. Reviews of the literature on deterrence reveal that younger people are more difficult to deter from crime (Brown et al., 2011). Common characteristics among welfare recipients include: 1) nonwhite, 2) lower education, 3) 90% female, 4) age in 20s or 30s, 5) few salable skills, 6) substance abusers, 7) poor job history, and 8) have children (U.S. Census Bureau, 2010; Saunders, Ovwighs, and Born, 2006; Loprest and Zedlewski, 1999). Overall, the age ranges of most welfare cheats runs counter to the assumptions of deterrence theory.

Female

As noted above, welfare in the U.S. is almost universally a female phenomenon. Fortunately, females tend to be more easily deterred by threat of punishment than are men (Brown et al., 2011). This is due in large part to the fact that females are more likely than men to perceive environmental threats as being salient to them (Harris and Glaser, 2006). As a result, the enhancement of sanctions for welfare fraud would serve a significant deterrent effect in light of the fact that nine of every 10 welfare recipients are women.

Personality Factors and Welfare

There are personality factors that render a would-be criminal more deterrable: future oriented and deliberate. Unfortunately, welfare recipients tend to display traits that do not fit this model. For example, as Galston and Kamarck, (1999) point out, over 90% of all poverty in the U.S. would be eliminated if women would avoid three simple errors directly related to impulsiveness and motivated by immediate gratification. The three low self-control errors that explain the vast majority of poverty are: 1) not finishing high school; 2) having children outside of marriage; and 3) having children before the age of 20. For Americans who abstain from all three of these easily avoidable blunders, 92% will never live below the poverty line. One could plausibly argue that anyone who is so defective as to be unable to accomplish these three simple objectives, may be unable to be rational and calculating. However, the preponderance of the arguments presented thus far still support the deterrence model. That is, enhanced punishment will at least have a marginal deterrent effect on would-be welfare cheats.

Summary

On the whole, given the known crime types and perpetrator characteristics that prior research suggests are highly deterrable, it is clear that EBT card fraud prevalence and severity of abuse can be reduced with enhanced punishment. If the federal government and, more importantly, state governments make a concerted effort to increase the certainty, severity, and speed of punishment, a significant amount of this type of welfare fraud can be eradicated. The preponderance of the evidence can be summarized as follows as it relates to the nature of EBT card fraud to the extent it is amenable to the propositions of deterrence theory:

Table 1: Characteristics of EBT Card Fraud Perpetrators and Level of Deterrability Via Enhanced Sanctions

Characteristics Conducive to Deterrence	Characteristics Not Conducive to Deterrence
Rational Act	Low Stakes in Conformity
Hedonistic Act	Younger
Requires Calculation	Present Oriented
Instrumental in Nature	Low Self-Control
Property Offense	Impulsive
Mala Prohibita Offense	Public Offense
Low Commitment to Life of Crime	Amateur Involvement
Overwhelmingly Female Offenders	

An added benefit to conceptualizing EBT card fraud as a largely preventable/deterrable offense is that current federal and state punishments do not need to be enhanced to draconian levels. That is, it is not being suggested here that welfare cheats should be given prison time. In fact, the primary changes that need to be made to current policy involve simply administering punishments that federal and state criminal codes already call for: fines, suspension of welfare benefits, jail time, and shaming.

Policy Implications

Increasing Certainty of Detecting Fraud

There are a number of strategies available to states to significantly increase the perception of risk of being detected committing EBT card fraud. First, the Department of Agriculture, a federal agency that administers food stamps to the states, should provide grants to the states to dramatically increase the number of fraud investigators. An increase in the number of investigators, combined with a requirement that all EBT card purchases made by welfare recipients provide itemized receipts, will result in a dramatically streamlined process of verifying that purchases are not fraudulent. Currently, welfare cheats can make purchases of many items yet the final receipt simply shows the grand total of the sale. Government investigators, then, cannot distinguish between a sale involving legitimate food items from one involving contraband (e.g., alcohol, tobacco, lottery tickets, poker chips, condoms, etc.). Also, the practice of having corrupted merchants making fraudulent sales whereby money is kept by the merchant and cash is also illegally transferred to the EBT cardholder could be almost completely eradicated.

Along the same lines, investigators (or even social workers who process paperwork) could be freed up to check: 1) welfare applicant bank accounts – to verify lack of funds or a history of sudden and irregular withdrawals prior to applying for the EBT card; 2) Internal Revenue Service data – this federal tax collection agency can provide previous tax return information such as income and tax refunds for recent years that can negatively impact welfare eligibility; 3) participation in other business ventures – many welfare cheats in the U.S. receive money on EBT cards while simultaneously working at, or in many recent instances, actually owning or partnering in other business ventures such as dry cleaning, consignment shops, or beauty salons; and 4) aliases – a favorite technique of welfare cheats is to use different names in different states to apply for EBT cards. The U.S. has an extremely fragmented and decentralized form of government. That is, block grants go out from Washington D.C. to the states with little federal oversight. Similarly, states are extremely autonomous and state governments communicate very little with each other. This allows welfare cheats who use aliases to remain undetected. If social workers spend more time checking for aliases (at least with bordering states) the number of violators apprehended will increase and the perception of certainty of punishment will rise as well.

Another strategy that currently is in the experimental phase in the bankrupt state of California is the welfare fraud hotline. Similar to the use of hotlines for snitches to report illegal drug activity in their communities, welfare fraud hotlines allow neighbors of welfare cheats to call an 800 number and anonymously report EBT card abuse. While this increases the perception of certainty of punishment it could also be combined with shaming strategies where violators have their names placed on billboards along the interstate. Thus, not only does it satisfy

deterrence theory's requirement of increasing certainty, it also increases the severity of the sanctions via stigmatizing shaming (Williams, 1993).

Another way of increasing the likelihood of detection could involve the alteration of barcodes on merchandise. In the U.S. there are, by law, restrictions on the types of products that may be bought with EBT cards. The variety of allowable items is immense including virtually all edible items that are not hot or designed to be eaten on the premises. This unfortunately includes snacks, chips (crisps), sweets, lobster tails, coffee, etc. Clearly, there needs to be restrictions applied to food stamp purchases limiting them to staples necessary for sustaining life. Nevertheless, the central point here is that along with restricting items available for purchase, there must be a system developed so that barcodes on illegal items will not process at the point-of-sale (POS). One could argue that this would not necessarily increase certainty of punishment but would, however, serve an incapacitative effect whereby a welfare recipient is not deterred through fear but is merely incapable of violating the law even though motivated to do so. Either way, the rate of EBT card fraud would decline precipitously.

A final technique that could be used to increase the perception of higher certainty of apprehension could involve the amount a purchase can be at the POS. Under current U.S. federal law, a welfare recipient may spend any or all of her monthly food stamp allotment at any given visit to a merchant. This should be significantly altered. To bring about the necessary fear of apprehension for EBT card misuse, the law should restrict the amount of food stamps that can be used during a given purchase. If, for example, a would-be welfare cheat had to make five visits to fraudulently use up her EBT card instead of only one, then the number of "exposures to risk" would be five times greater thereby giving authorities a greater opportunity to detect patterns of fraudulent use. This would also go a long way toward increasing fear in the perception of the certainty of punishment.

Increasing Perceived Severity of Punishment for Welfare Fraud

Deterrence theory argues that for punishment to prevent crime, potential perpetrators must perceive the pain of getting caught to be greater than the benefits of successful completion of the crime. Therefore, assuming the punishment certainty is significantly increased it follows, then, that increasing the severity of punishment will cause the welfare cheat to choose not to attempt to defraud the government and taxpayers. Several policy implications flow logically from this premise. For example, a relatively simple strategy that can be implemented is the publicizing of the names of those caught committing EBT card fraud. A similar strategy has already been carried out for a similar crime with some success. That is, "deadbeat dads" (fathers of children who have been adjudicated to be in arrears with their child support payments) have had their names posted on billboards along highways in their communities. This has had positive

results. Those guilty of stealing from federal and state governments can be treated in a similar manner (Braithwaite, 1989; Hoffman, 1996).

Another approach at making EBT card fraud a painful experience can be to: a) suspend the violator from the food stamp program – after the first conviction the perpetrator could be disallowed from receiving benefits for a specified time period; or b) banned from participation – recidivists convicted for multiple offenses can be eliminated altogether from receiving money via EBT cards. Once banned, the perpetrators' information (name, aliases, Social Security number, address, description) can be disseminated electronically to the other 49 state welfare agencies.

One caveat is in order here. Welfare fraud apologists will invariably complain about how an approach such as this will adversely impact the children of the fraudsters. It is not uncommon, for example, for the apologists to claim that any attack on welfare fraud will result in mass suffering by innocent children. Nevertheless, this will substantially reduce welfare fraud while preserving vast amounts of resources for those who are truly deserving. An added bonus will be that over the course of a couple of decades, the number of people needing welfare will decline as the U.S. government will no longer be in the business of rewarding destructive characteristics such as low self-control, impulsiveness and cheating (Bennett, 2001).

Also, welfare fraudsters could be subjected to both compensatory and punitive damage settlements. Compensatory damages merely consist of reimbursing the government for the amount stolen. Punitive damages, however, can be meted out above and beyond the compensatory settlements as a way of achieving both general and specific deterrence. Punitive damages would further the goal of general deterrence by sending out the message to society that theft from the government will not be tolerated. Specific deterrence objectives will be satisfied by teaching perpetrators a lesson so that the repeat offending probability is reduced.

Also, to enhance the severity of punishment, states could attach substantial incentives to the payment of both compensatory and punitive damages. At the very least, if welfare fraudsters fail to pay their fines they should be cut off from: a) Section 8 housing – housing subsidies paid by the federal government to landlords to drastically reduce a welfare recipient's rent; b) Medicaid – a federal welfare program of free health care for the poor; and c) Subsidized daycare – free child care for the poor. In addition, those caught and convicted of welfare fraud who do not pay their fines should be disallowed from having their record of criminal conviction expunged in court. This would help to further deter welfare cheats by stigmatizing the cheaters further (Gibbs, 1968; Tittle and Rowe, 1974; Tittle, 1980; Yaniv, 1997).

Similarly, the severity of punishment should also be increased for businesses that engage in welfare fraud. One relatively easy way to do this is to emulate Georgia's (a state in the southeastern U.S.) model regarding illegal aliens and hiring by businesses. According to Georgia law, if a business is caught repeatedly and knowingly hiring illegal aliens, the business loses its

license. The same principle can be applied to EBT card fraud. Once a business has demonstrated a willingness to flaunt the law, its license can be revoked.

Relatedly, to drastically reduce this crime the number and types of stores approved to accept EBT cards should be stringently regulated. Many states already, for example, have in place ABC (Alcohol Beverage Control) stores that are the only establishments authorized to sell hard liquor. Since ABC stores have been created, the rate of illegally selling alcohol to minors has gone down drastically. Also, when state governments have a monopoly over liquor sales, individual stores do not have any incentive to maximize the sale of liquor. A similar program can be put in place to regulate EBT card acceptance. In this case, each of these stores would have similar, and probably superior, hiring and firing policies to ensure the standardization of personnel selected for the job. This would greatly reduce the probability of employees becoming corrupted and serving as willing accomplices in welfare fraud schemes.

Finally, in the area of swiftness of punishment, it is important that it be meted out soon after conviction. A punishment must make an indelible mark on the brain so the perpetrator associates it with the crime that she has committed (Bentham, 1848). One way to do this is to include welfare fraud crimes in with crimes that are currently being adjudicated in small claims court. In the U.S., these courts typically hear cases such as wage garnishment, landlord-tenant and business-customer disputes involving less than \$15,000. These courts tend to be much faster due to streamlined procedures that rarely involve attorneys (Neubauer, 2007).

Caveat

The preceding discussion focused on enhancing sanctions (i.e., pain and the threat of pain) for the purpose of reducing welfare cheating. There are some, however, who might raise objections with this approach. Those supporting social structure theories (e.g., strain or radical theories) take exception to using fear, the criminal justice system, and punishment to attack crimes of the poor.

Most radical approaches to the study of crime causation begin with basic assumptions such as the following: 1) no act is intrinsically deviant; 2) American society is characterized by extreme inequality between the “haves” and the “have nots”; 3) American society is comprised of competing interest groups where those with political and economic power are more able to transform their desires into law; 4) capitalism makes people greedy and competitive; 5) definitions of crime tend to benefit those in power; and 6) American Society promotes extreme upward social mobility without properly providing the necessary means to the poor for achieving this goal (Lynch and Groves, 1989).

Defining Deviance and Crime

Radical criminologists begin with the assumption that no behavior is intrinsically deviant. From this perspective it is illogical for classical theorists (e.g., deterrence-based) to explain why people commit welfare fraud while assuming that the criminalization of this act is a legitimate definition of wrongdoing. To the radical, the fundamental question is not why someone commits welfare fraud but, rather, how does welfare fraud get targeted for criminalization and subsequent suppression by the ruling class in the first place?

Here, the most important factor in whether or not a behavior is criminalized is not the level of harm caused but the characteristics of those who are “committing” it. If, for example, a person is politically and economically viable, the person can influence lawmakers to ignore his/her harmful behavior. In the U.S., for example, tobacco kills over 400,000 people per year yet it remains legal to grow, transport, and market (Reiman, 2009). On the other hand, if a person is poor, minority, female, uneducated and powerless, the person will be targeted by legislatures and police for crime suppression techniques for merely misusing a food stamp card to buy unauthorized items (Mirchandani, 2008). Thus, definitions of crime serve to deflect attention away from the violence and social harms inflicted by the powerful. This is especially true during times of economic crisis (Reiman, 2009).

Inadequate Means and Unattainable Goals

Decades ago, Merton (1938) illustrated the harms caused when a society such as the U.S. universally encourages upward social mobility and accumulation of materialistic wealth. The “American Dream” is promoted by communication outlets (e.g., Hollywood, the media, schools) to be the universal goal. To the extent that people are pursuing wealth (e.g., houses, cars, boats, retirement accounts, job security) that person is said to be motivated and ambitious. The problem arises, however, when there lacks an appropriate counterbalancing emphasis upon institutionalized means of attaining one’s goals. Consequently, Americans are socialized into focusing on “technical expediency” as it relates to achieving their objective. Unfortunately, for many lower class people, the fastest way to attain middle class goals is to engage in deviant behavior (e.g., food stamp fraud) at the expense of socially acceptable methods of goal attainment (e.g., studying, saving, delaying gratification).

This perspective claims that social institutions such as the family, schools, and media are urging people to seek out the American Dream and that no matter how disadvantaged one is, if he/she works diligently, success can be obtained. Therefore, one only has one’s self to blame for failure, not the social structure. Merton points out that various classes of people (most specifically the lower class) possess differential access to culturally prescribed goals thus

encouraging individuals to adapt to their predicament by various “modes of adaptation” as a way of dealing with the strain and frustration caused by blocked goals.

From a criminal justice standpoint, the most important of his five modes of adaptation is the innovator. The innovator is the individual who has basically accepts the culturally prescribed goals set forth by American society but believes that acceptable means of obtaining these goals are not absolutely necessary. Given that American society places enormous emphasis on upward social mobility while not providing adequate means to the lower class, the resulting strain is disproportionately found among the poor. This strain between goals and means is what creates the innovator. Concerning the incongruent demands that are placed on the lower class, Merton noted that the poor are asked to orient their conduct toward the prospect of large wealth but that they also are largely denied effective opportunities to do so institutionally. This can result in food stamp fraud as a way of attaining “wealth.”

Similarly, there is the assumption that capitalism tends to make Americans greedy. It creates abnormal needs by creating astronomical quantities of goods and then convinces the public (including the poor) to pursue them doggedly. It is not the poverty per se that creates crime in the form of welfare fraud; it is the relative deprivation, inequality, or socioeconomic stratification that does so. Inequality creates alienation when the indigent live in poverty in the midst of plenty (Curran and Renzetti, 2008).

There is a vicious cycle of poverty and despair in America’s lower classes. Aside from the lack of opportunity noted above, the lower class confronts many other obstacles. Many of those involved in welfare fraud have been disadvantaged by being raised by parents with horrendous parenting skills. Poor socialization of children can often lead to low self-control and crime (Gottfredson and Hirschi, 1990). Poor parenting can also be associated with low levels of cultural capital. Cultural capital includes things such as good vocabulary skills, non-hostile dispute resolution skills, delayed gratification and success in school (Cohen, 1955). When these problems are combined with growing up around delinquent peers and attending America’s notoriously defective inner city school systems, it may be unfair to demand that would-be welfare cheats avoid the temptation of bending the rules.

Finally, it must be asked whether or not it is ethical to use punishment and fear to suppress crimes of the poor when the target is a person with severe cognitive deficits (not to be confused with mental illness). Cognitive deficits can manifest themselves in distorted worldviews (Hanser, Mire, and Braddock, 2010). It is not uncommon, for example, for severely disadvantaged people to convince themselves that crime is a logical response to relative deprivation. A poor person may innocently believe that when confronted with the dismal existence of lower class life that it actually makes sense to try to make money from prostitution, drug sales, theft, or even welfare fraud. What may be needed, then, is not punishment and fear

induced by deterrence but cognitive restructuring. These factors must be considered as well as the law enforcement approaches supported by deterrence theory.

Conclusion

For years, Americans have been subjected to grotesque misrepresentations about the severity of the EBT card theft problem in the U.S. Welfare fraud apologists, seeking to further their own narrow political agendas, spout phrases such as, “the food stamp error rate has reached all-time lows, and “90% of food stamp benefits are issued to eligible persons” (Rosenbaum, 2005, p. 1).

Sadly, these types of reports are disingenuous at best and dishonest at worst. For example, even though the money on the EBT card is being issued to “eligible persons,” the most egregious fraud takes place after this fact. The misuse of the card (i.e., buying unauthorized items, receiving illegal cash payments from merchants, or even selling the benefits in exchange for contraband) occurs after the money is issued. As a result, despite the apologists’ claim that the money is issued to eligible persons, fraud can still be rampant.

Fortunately, as we have seen, the actual crime of EBT card fraud and many of the characteristics of the perpetrators who commit it are amenable to deterrence theory. Punishments, as well as threats of punishment, if applied properly and consistent with deterrence theory, will greatly reduce the frequency and/or severity of this crime and, thus, save the cash strapped U.S. government billions of dollars annually.

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