



Written by [Bob Adelman](#) on July 24, 2019

Millionaires on Food Stamps? No More, Says USDA

During his State of the Union address in February, President Trump said, “Wages are rising at the fastest pace in decades and growing for blue-collar workers who I promised to fight for. They’re growing faster than anyone else thought possible. Nearly five million Americans have been lifted off food stamps.”



On Tuesday, the U.S. Department of Agriculture announced [a rule change](#) in the “food stamp” program — officially called the Supplemental Nutrition Assistance Program, or SNAP — that is estimated to raise that number to eight million.

That SNAP is rife with fraud and waste was a given in that it is a government program that gives away goodies that are being paid for by someone else. But the exposure of the specific loophole that millions have been using to obtain benefits they don’t qualify for began in June 2016 when a millionaire in Minnesota applied for benefits and then received them.

Rob Undersander, however, is no fraudster. A retired engineer living in Waite Park, he spends his days helping low-income people in his community with their Medicare enrollment applications and other social services. He discovered that Minnesota, along with 42 other states, granted eligibility to people with low incomes but didn’t check on their assets. For 19 months, Undersander’s income was low enough to qualify for SNAP even though, on paper, he was a real estate millionaire.

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So, in order to prove that the loophole was real, and that many were taking advantage of it, he applied for SNAP benefits for himself. He was careful in his application, checking with the local office officials before sending it in. Three months later, he got his first EBT (electronic benefits transfer) card in the mail in the amount of \$278.

Over the next 19 months, his benefits grew to as much as \$341 a month. By then he had received about \$6,000 from the government. In June, the House Agriculture Committee’s nutrition, oversight and department operations panel held a hearing and Undersander’s name came up in the discussion. Representative Jim McGovern (D-Mass.) pointed to Undersander, who was attending the meeting (but not testifying) and accused him of “intentionally defraud[ing] the federal government.” When asked about the charge afterwards, Undersander said that McGovern wasn’t “the first Democrat that wanted to send me to jail. The problem is, I was following their rules and the laws that they support.”

How many have discovered the loophole is unclear, but if the USDA’s estimate is even close, the rule change will remove 3.1 million from SNAP’s monthly flow of EBT cards. In that same meeting where Undersander was excoriated by bleeding-heart liberals who never saw a government give-away problem they didn’t like, a Republican from South Dakota, Dusty Johnson, came to the millionaire’s defense:

A man with assets in the millions — who was able to receive more than a nominal SNAP benefit,



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month after month, because of Minnesota’s abuses of their administrative flexibility — Mr. Undersander is not alone.

Mr. Undersander didn’t lie on his forms. He exposed the flaws of a failed system. It’s not his fault that we in D.C. haven’t done our job. Receiving a welfare check shouldn’t be easier than applying for a job.

If millionaires are receiving those benefits — as they have — this committee has work to do.

The result is the change in the rules for eligibility, which the USDA posted on Tuesday. In essence, it tightens the requirements to receive SNAP benefits so that only those truly “in need” of them receive them.

For the record, Undersander made it clear that not only did he not need the benefits, he gave an equivalent amount away to various charities in his neighborhood, explaining that he “did a better job of distributing that money than the government did.”

With Tuesday’s announcement of the rule change — and the start of the 60-day comment period — USDA Secretary Sonny Perdue had this to say:

For too long this loophole has been used to effectively bypass important eligibility guidelines. Too often, states have misused this flexibility without restraint. The American people expect their government to be fair, efficient, and to have integrity — just as they do in their own homes, businesses and communities. That is why we are changing the rules, preventing abuse of a critical safety-net system, so those who need food assistance the most are the only ones who receive it.

Assuming the rule becomes effective in 60 days, that removal of those millions using the loophole to game the system will save SNAP — and the U.S. taxpayer — an estimated \$2.5 billion a year.

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