

AT THE COUNTER: THE LIE



Recipient

EBT card holds
\$100 of benefits

① \$100 swipe



card debited, no food handed over

② \$50 cash



paid back over the counter



Corrupt store

Small, owner-
run shop

IN THE NETWORK: LOOKS NORMAL

③ \$100 claim



store, card, amount, time: approved

④ \$100 deposit



paid in full, in a few banking days



USDA (taxpayers)

Reimburses
stores for EBT
sales

WHERE EACH PARTY ENDS UP

+\$50

Recipient: cash

Gave up \$100 of food
benefits for half as
much spendable cash.

+\$50

Store: profit

Received \$100, paid
out \$50, sold no food.

-\$100

Taxpayers: food aid

Paid in full for a
sale that bought
no food.

Illustrative

Example amounts. Federal cases describe rates around 50 cents on the dollar; some report higher or lower.