

Congress of the United States
Washington, DC 20515

July 30, 2009

Honorable Tom Vilsack
Secretary of Agriculture
United States Department of Agriculture
1400 Independence Avenue
Washington, D.C. 20250

Dear Mr. Secretary,

We are pleased to be writing to you as the newly-confirmed Secretary of Agriculture and are extremely appreciative and grateful to you for your already outstanding service to our nation as the Governor of Iowa. Under your guidance and leadership, we are confident that the Department of Agriculture will play a more resurgent and active role in meeting the health needs of our nation's citizens.

We write to bring to your attention an issue that is of widespread concern. Today, thousands of citizens across our congressional districts are being severely impacted by a newly-implemented system of welfare administration under which the processing mechanisms of the Indiana Family and Social Services Administration (FSSA), and its public benefits entity, the Division of Family Resources (DFR), were privatized and partially modernized. Since then, they have implemented sweeping changes to Medicaid, Temporary Assistance for Needy Families (TANF), and the Supplemental Nutrition Assistance Program (SNAP).

Under 7 U.S.C. 2020(e)(6), all "certification of applicant households" must be conducted by personnel "employed in accordance with the current standards for a Merit System of Personnel Administration". In a proposal sent to the USDA, the State of Indiana argued that under this statute, FSSA jobs could be privatized with the sole exception of certifying individuals, who would remain under state employment. The USDA approved this proposal, thus giving the State of Indiana a basis in policy for the sweeping changes that are now impacting so many of our constituents.

Upon receiving this approval from the USDA, two-thirds of Indiana's FSSA caseworkers were transitioned to the IBM conglomerate that now manages many of our state's entitlement and benefit programs. While many of these qualified and experienced personnel eventually left their positions because of unacceptable work conditions, their initial transition from state employment has left a significant shortage of benefits caseworkers in each Indiana county. Meanwhile, attempts at modernization have resulted in a system that requires DFR clients to determine their eligibility for food stamps through the use of computers, telephones and faxes. Their requests are then routed through regional calling centers where decisions on benefit eligibility are made with virtually no caseworker assistance.

In November 2007, this modernization started in 12 Indiana counties and was expanded to an additional 47 counties in March 2008. Yet, because of widespread complaints and pervasive problems, a newly-appointed FSSA committee has halted modernization in remaining Indiana counties. Welfare intake and process has already been privatized in all 92 counties.

These modifications to our food stamp eligibility and distribution system continue to have a profound impact on some of our most vulnerable citizens—low-income children, persons with disabilities, and senior citizens. They are responsible for the delay and even denial of eligible individuals and families who are seeking access to food stamps, as well as Medicaid-funded medical care, TANF services for children, and nutrition for medically and physically at-risk persons.

Unfortunately, in this difficult economic climate, these benefits are becoming critical to the health and well-being of our constituents at a rapidly increasing rate. This point becomes clear when observing the 33 Indiana counties that have not yet been modernized. In these counties, use of food stamps has jumped substantially, by nearly 23 percent, since March 2007. By contrast, the growth rate in modernized counties over the same period ranged from 3.37 percent to 6.8 percent.

Mr. Secretary, this clear example seems to reinforce concerns that we regularly hear from advocates and beneficiaries alike across our districts—that since privatization and modernization began, assistance from FSSA caseworkers has been increasingly difficult to obtain. As access to food stamps and other benefits become more, many of our constituents fear that unqualified employees of IBM are now making eligibility determinations without properly consulting requesting applicants.

Given the unsettling and pervasive reports of mismanagement that we have received from our constituents, we are asking that you take a number of actions aimed at determining whether Indiana's privatized and modernized welfare system is adequately addressing the needs of our state's most vulnerable residents:

- 1) Review the policy determination by the USDA Office of the General Counsel that resulted in the approval of the State of Indiana's proposal to privatize and modernize the administration of SNAP.
- 2) Review the impact of Indiana's SNAP privatization and modernization on clients.
- 3) Review potential mistakes on the part of SNAP in Indiana by FSSA, DFR and their IBM partners.

Mr. Secretary, given the gravity of claims made against the Indiana FSSA regarding denial of nutrition services to senior citizens, persons with disabilities and children, we respectfully request that you act expeditiously. We greatly appreciate your attention and eagerly await your response.

Sincerely,

Hon. André Carson, MC
7th Congressional District of Indiana

Hon. Baron Hill, MC
9th Congressional District of Indiana