



THE UNITED STATES ATTORNEY'S OFFICE  
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**Department of Justice**

U.S. Attorney's Office

Eastern District of Washington



FOR IMMEDIATE RELEASE

Tuesday, June 18, 2019

## Consultant Agrees to Pay \$751,571 to Settle False Claims Act Liability for Alleged Falsification of Snap Quality Control Data

WASHINGTON -- Joseph H. Harrington, United States Attorney for the Eastern District of Washington announced that Julie Osnes and her company, Julie Osnes Consulting LLC (together "Osnes"), of Pierre, South Dakota, agreed to pay the United States \$751,571 to resolve allegations that they violated the False Claims Act by causing states to submit false quality control data for the Supplemental Nutrition Assistance Program (SNAP).

Until 2008, SNAP was known as the food stamp program. Under SNAP, the U.S. Department of Agriculture (USDA) provides eligible low-income individuals and families with financial assistance to buy nutritious food. Since 2010, SNAP has served on average more than 45 million Americans per month, and provided more than \$71 billion annually. Although the federal government funds SNAP benefits, it relies on the states to determine whether applicants are eligible for benefits, to administer those benefits, and to perform quality control to ensure that eligibility decisions are accurate. The USDA requires that the states' quality control processes ensure that benefits are correctly awarded, are free from bias, and accurately report states' error rates in making eligibility decisions.

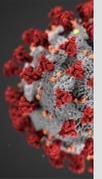
Between 2008 and 2013, Osnes provided consulting services and advice regarding SNAP quality control to various states. The USDA reimburses states for half of their administrative and quality control expenses in administering SNAP, including costs of consultants like Osnes. The USDA also pays performance bonuses to states that report the lowest and the most improved error rates each year, and can impose monetary sanctions on states with high error rates that do not show improvement.

The settlement resolves allegations that Osnes' advice and recommendations improperly biased the SNAP quality control processes of the states with which Osnes consulted, in violation of USDA rules. Specifically, the United States alleged that between 2008 and 2013, pursuant to Osnes' recommendations and advice, certain states manipulated and biased the quality control process to falsely reduce their error rate, resulting in the states receiving bonuses to which they were not entitled based on the false and biased quality control information.



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Thus far, the United States has reached settlements with three of the states at issue, Virginia, Wisconsin, and Alaska, resulting in recoveries collectively of more than \$17 million.

United States Attorney Harrington said: “I am deeply troubled that these actions involved state agencies and a program designed to provide vulnerable and needy residents with essential food and nutrition services in Washington State and across the nation. This office will continue to work closely with our law enforcement partners to ensure that each individual and organization that manipulated and defrauded SNAP in this manner is held fully accountable.”

“SNAP provides vital assistance to needy families,” said Assistant Attorney General Jody Hunt of the Department of Justice’s Civil Division. “This settlement demonstrates the Department of Justice’s commitment to ensuring that taxpayer funds are properly spent so that the public can have confidence in the integrity of important programs like SNAP.”

“We appreciate the commitment and investigative assistance provided by our partners at the Department of Justice’s Civil Division and the U.S. Attorney’s Office throughout this important investigation,” said Special Agent-in-Charge Bethanne M. Dinkins of the USDA Office of Inspector General (OIG). “We also wish to note the technical assistance provided by our colleagues in the Office of Audit at OIG, as well as concerns relayed by the employees of multiple states and others who alleged that the integrity of the SNAP quality control process was weakened by third-party consultants. These concerned individuals reported that cases were not being treated in a consistent manner, and that certain advice from consultants resulted in identified errors being diminished rather than used to improve eligibility determinations. This settlement is particularly significant due to the message it relays to those contractors and consultants whose business relationships impact Government programs, and advice and actions ultimately result in the misrepresentation of facts to Federal authorities and fraud in programs meant to benefit those in need.”

The settlement was the result of a joint investigation conducted by the USDA Office of Inspector General, the U.S. Attorney’s Office for the Eastern District of Washington, and the Department of Justice’s Civil Division, Commercial Litigation Branch. The investigation arose out of a nationwide audit of SNAP QC processes by the USDA-OIG. The investigation for the U.S. Attorney’s Office for the Eastern District of Washington was handled by Assistant United States Attorneys Dan Fruchter and Tyler H.L. Tornabene. The claims resolved by the civil settlement are allegations only and there has been no determination of liability.

**Topic(s):**  
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**Component(s):**  
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