

#### § 271.4

#### 7 CFR Ch. II (1–1–23 Edition)

projects which test new methods designed to improve program administration and benefit delivery. FNS is authorized to initiate program research and evaluation efforts for the purposes of improving and assessing program administration and effectiveness. The procedure for initiating and conducting these projects is established in part 282.

[Amdt. 132, 43 FR 47882, Oct. 17, 1982]

##### **§ 271.4 Delegations to State agencies for administration.**

(a) *General delegation.* The State agency shall be responsible for the administration of the program within the State, including, but not limited to:

(1) Certification of applicant households;

(2) Issuance, control, and accountability of SNAP benefits and EBT cards;

(3) Developing and maintaining complaint procedures;

(4) Developing, conducting, and evaluating training;

(5) Conducting performance reporting reviews;

(6) Keeping records necessary to determine whether the program is being conducted in compliance with these regulations; and

(7) Submitting accurate and timely financial and program reports.

(b) *Claims delegation.* FNS delegates to the State agency, subject to the standards in § 273.18, the authority to determine the amount of, and settle, adjust, compromise or deny all or part of any claim which results from fraudulent or nonfraudulent overissuances to participating households.

[Amdt. 132, 43 FR 47882, Oct. 17, 1978, as amended by Amdt. 207, 47 FR 52333, Nov. 19, 1982; 85 FR 52032, Aug. 24, 2020]

##### **§ 271.5 Benefits as obligations of the United States, crimes and offenses.**

(a) *Benefits as obligations.* Pursuant to section 15(d) of the Food and Nutrition Act of 2008, benefits are an obligation of the United States within the meaning of 18 United States Code (U.S.C.) 8. The provisions of Title 18 of the United States Code, “Crimes and Criminal Procedure,” relative to counterfeiting, misuse and alteration of obligations of the United States are applicable to benefits and EBT cards.

(b) *Penalties.* Any unauthorized issuance, redemption, use, transfer, acquisition, alteration, or possession of benefits, EBT cards, or other program access device may subject an individual, partnership, corporation, or other legal entity to prosecution under sections 15 (b) and (c) of the Food and Nutrition Act of 2008 or under any other applicable Federal, State or local law, regulation or ordinance.

(c) *Security for benefits and EBT cards.* All individuals, partnerships, corporations, or other legal entities including State agencies and their delegates (referred to in this paragraph as “persons”) having custody, care and control of benefits and EBT cards shall, at all times, take all precautions necessary to avoid acceptance, transfer, negotiation, or use of spurious, altered, or counterfeit benefits and EBT cards and to avoid any unauthorized use, transfer, acquisition, alteration or possession of benefits and EBT cards. These persons shall safeguard benefits and EBT cards from theft, embezzlement, loss, damage, or destruction.

(d) *Benefit issuers.* (1) Any benefit issuer or any officer, employee or agent, thereof convicted of failing to provide the monthly reports required in § 274.5 or convicted of violating part 274 shall be subject to a fine of not more than \$1,000, or imprisoned for not more than 1 year, or both.

(2) Any benefit issuer or any officer, employee or agent, thereof convicted of knowingly providing false information in the reports required under § 274.5 shall be subject to a fine of not more than \$10,000, or imprisoned not more than 5 years, or both.

(e) *Forfeiture and denial of property rights—*(1) *General.* (i) Any nonfood items, moneys, negotiable instruments, securities, or other things of value furnished or intended to be furnished by any person in exchange for food benefits, authorization cards, or other program benefit instruments or access devices in any manner not authorized by the Food and Nutrition Act of 2008 or regulations issued pursuant to the Act, shall be subject to forfeiture and denial of property rights. Such property is deemed forfeited to the United States Department of Agriculture (USDA) at