**DATE:** **April 12, 2024**

**August 2, 2023**

**July 12, 2023**

**OPERATIONS MEMORANDUM # 23-07-01**

**SUBJECT:** Revised Replacement of Supplemental Nutrition Assistance Program (SNAP) Benefits Stolen Through Card Skimming, Cloning, and Other Electronic Means

**TO:**  Executive Directors

**FROM:**  Robert Hixson

 Director

 Bureau of Operations

**PURPOSE**

To inform County Assistance Offices (CAOs) about the replacement of SNAP benefits stolen through card skimming, cloning, and other electronic fraudulent activity from October 1, 2022 through September 30, 2024.

**BACKGROUND/DISCUSSION**

In December 2022, Congress passed the Consolidated Appropriations Act, 2023, which allows state agencies to use federal funds to replace SNAP benefits stolen via card skimming, cloning, and other similar electronic fraudulent methods from October 1, 2022 through September 30, 2024. The maximum amount a household can receive in a single reimbursement is up to two months’ worth of their regular SNAP or the amount that was stolen, whichever is less. Benefits lost to electronic fraud cannot be replaced more than two times in a Federal Fiscal Year (FFY) (October 1-September 30). This means that if a household experiences two separate instances of electronic benefit theft that equal two months of benefits (or more) each time, that the household may qualify to have four months’ worth of benefits reissued within a FFY. The Food and Nutrition Service (FNS) has approved the replacement plan submitted by the Department of Human Services (DHS).

**Benefits eligible for replacement**

DHS considers Electronic Benefit Transfer (EBT) SNAP benefits stolen due to electronic fraudulent activity as those stolen due to:

1. Skimming: The use of electronic equipment to take someone’s information without their knowledge.
2. Card Cloning: Copying stolen EBT information to a new card.
3. Phishing scams: When criminals use phony text messaging or scam phone calls to obtain EBT card numbers and Personal Identification Numbers (PINs) and steal SNAP benefits.
4. Scamming: Falsely convincing a SNAP recipient to give their EBT and/or personal information to someone else.

DHS will not replace benefits if the client gave their physical EBT card and PIN to someone who then stole the benefits, or if a physical EBT card was lost or stolen.

**Submission of Claims**

DHS will accept claims via phone, mail, fax, email or in person at a CAO as well as through the Commonwealth of Pennsylvania Access to Social Services (COMPASS) portal. A household that is claiming benefits were stolen by electronic fraud must complete the PA 1984 affidavit (Attachment 1). This form is available in a fillable Portable Document Format (PDF) that may be completed by the household directly or by the caseworker, who can collect the signature for the form telephonically.

**NOTE:**  If the caseworker completes the form for the household and collects the signature telephonically, a narrative must be completed noting that the form was signed telephonically, and a copy of the form should be mailed to the household.

Additionally, a household can complete the fillable PDF and then upload the form through the COMPASS portal as they would any other documentation. DHS has created an EBT card skimming and fraud specific website which will contain the form in the fillable PDF. The form is currently available in English, but DHS is preparing a Spanish version. The webpage also has a webform that the household can complete and submit directly through the webpage. The webpage can be found at
[Scam Alert (pa.gov)](https://www.dhs.pa.gov/Pages/Scams.aspx).

When the CAO receives a completed claim form, they should scan the form into Imaging. Each CAO should designate staff members who are responsible to send an email to RA-PWSNAPElecThftRev@pa.gov. This resource account will be monitored by DHS staff who will review submitted claims for approval or rejection. The email should include the county, case record number, and payment name for the case and the subject line “Electronic Benefit Theft Validation Request – Case Record XX/XXXXXXX”. Including the county and record number in the subject line will assist with identifying duplicate requests.

DHS will consider a claim made within 60 calendar days of the date of the first instance of electronic stolen benefits to be timely. The timeliness will be verified by the household’s own signed affidavit, and then further by a review of the alleged electronic stolen benefits on the Electronic Payment Processing Information Control (EPPIC) system, Pennsylvania’s EBT card management portal.

**Retroactive Requests**

Although the Consolidated Appropriations Act, 2023 went into effect in December 2022, the Act and the plan approved by FNS allows DHS to repay benefits stolen by fraudulent means from October 1, 2022 through September 30, 2024. Households will have 60 calendar days effective from the posting of this Operations Memorandum (Ops Memo) to submit a claim for electronic fraud that occurred from October 1, 2022 until the posting date of this Ops Memo.

Currently, the CAOs and Customer Service Centers are logging claims of benefits stolen by fraudulent means on a shared spreadsheet. Once the affidavit is available, the claimants will be contacted to complete the affidavit so that the claims validation process can begin for replacement or denial. A letter will be mailed to these households centrally in early July along with a copy of the PA 1984 and it does not need to be mailed by the CAO.

**NOTE:** With the posting of this Ops Memo, CAOs and Customer Service Centers do not need to continue logging SNAP claims on the shared spreadsheet but should continue to log any Cash related claims.

**Validation of Claims**

Claims of electronic stolen benefits will be validated through a record and transaction review carried out by DHS and the Office of State Inspector General. Once the review is complete, a reply email will be sent to the CAO’s resource account informing them of whether the claim is approved or rejected. If the claim is approved, the reply email will specify the amount that should be replaced. If the claim is denied, the reply email will specify the reason for the denial and the appropriate denial notice to send.

 **NOTE:** The review team may respond directly to the designated CAO staff person who submitted the email if additional information is required or if the submitted request is missing information or the PA 1984 does not have a signature and there is no narrative indicating a telephonic signature was collected.

Validation will be completed within 30 calendar days of the email being submitted to the resource account. This applies to both retroactive claims and claims made after the posting of this Ops Memo until September 30, 2024.

The CAO will issue the replacement benefits within 10 calendar days of the validation review being concluded and receiving the approval email from the validation team. The benefits will be issued to the payment name’s EBT card using the One-Time Issue (OTI) code 162 – Replacement of Benefits Stolen Via Electronic Fraud. This OTI code is still being updated in the system and until it is ready, the CAO will use OTI Code 168 – Replacement/Food Destroyed in Household Disaster and narrate that the code was used as directed in this Ops Memo.

**NOTE:** If the CAO encounters an error message when attempting to use OTI code 168, it may use OTI code 158 – Restore Lost FS Benefit-FSH 581 but should ensure proper narration is completed.

If a claim is filed through the webform on DHS’ EBT card skimming webpage, an email with the claim information is automatically sent to the resource account. When the review team completes their review of a webform submission, they will send an email to the appropriate CAO’s resource account and will include the original webform submission email. The CAO will scan the email into Imaging to document the request, mail the notice as specified in the email, and issue an OTI, if appropriate.

If a household contacts the CAO asking for an update on a request submitted through the webform, the CAO’s designated contacts should email the resource account and provide the case record number and request a status update, however inquiring households should be reminded that validations can take up to 30 calendar days.

**Denial of Claims**

DHS may deny a claim for any of the following reasons:

* There is insufficient evidence to support that the benefits were stolen via EBT card skimming, cloning, or other electronic fraud methods;
* The household has already received two (2) replacement issuances for stolen benefits in the FFY - (October 1 through September 30);
* The benefits were stolen outside of the allowable timeline in the Appropriations Act, 2023 (October 1, 2022 – September 30, 2024);
* The household submitted the claim request outside of the timely reporting period approved by FNS;
* The household failed to provide necessary information for DHS to validate the theft and determine whether benefits are replaceable;
* The household physically gave the EBT card and PIN to someone other than an immediate household member or authorized representative or the theft occurred due to a physically lost or stolen EBT card.

A denial notice in a fillable PDF format for each of these rejection reasons will be made available and placed on Docushare. The notice will include the denial reason and a fair hearing statement advising the recipient of their right to appeal.

**NOTE:**  If an appeal is received, the DHS staff person who made the claim denial determination will be made available to assist the CAO with the appeal and to testify, if needed. If an appeal is received on a reissuance claim, an email should be submitted to the resource account with a subject line of “APPEAL - Electronic Benefit Theft Validation Request – Case Record XX/XXXXXXX”. The individual who made the determination will provide a detailed explanation of how they arrived at their decision and will also reconsider the request if new information is provided, and the appeal was received timely. The individual who made the determination will also be made available to testify at the appeal by phone, if needed.

**CAO Role**

The CAO will be responsible for the following:

1. Helping recipients complete the fraud claim form, if necessary.
2. Issuing a new card to the household at the time a claim of electronic stolen benefits is made, waive the card replacement fee, and requiring the household to re-PIN the new card.
3. Providing information to recipients about electronic stolen benefits replacement and how recipients can protect themselves from fraud and theft.
4. Scanning a submitted claim form into Imaging and sending an email to the resource account requesting a claim review.
5. Scanning an email from the resource account for a webform submission into Imaging.
6. Completing an OTI issuance for the approved amount of replacement if the claim is approved.
7. Manually sending the household an approval or rejection notice based on the result of the claim review and scanning a copy of the notice into Imaging.

**NEXT STEPS**

1. Share and review this information with appropriate staff members.
2. Direct questions regarding this Ops Memo to your Area Manager.
3. This Ops Memo is in effect until September 30, 2024.

**ATTACHMENT**

[Attachment 1: PA 1984 - Claim Form](https://pagov.sharepoint.com/sites/DHS-OIM/Shared%20Documents/Attachment%201%20-%20PA%201984%20-%20Claim%20Form.pdf)