



June 16, 2023

Food Assistance Change Transmittal No. 95

Effective: June 16, 2023

TO: All Food Assistance Manual Holders

FROM: Matt Damschroder, Director Ohio Department of Job and Family Services

SUBJECT: **Replacement of Electronically Stolen SNAP Benefits**

### **Background:**

On December 29, 2022, President Biden signed into law the Consolidated Appropriations Act, 2023 (the Act), which includes provisions for the replacement of stolen Supplemental Nutrition Assistance Program (SNAP) Electronic Benefit Transfer (EBT) benefits with federal funds if benefits are stolen due to card skimming, cloning, and similar fraudulent methods (also referred to as electronic theft or electronically stolen benefits).

The Act outlines that States will be able to replace benefits electronically stolen from October 1, 2022, through September 30, 2024, using federal funds. State agencies were required to submit a plan to the United States Department of Agriculture, Food and Nutrition Service (FNS) for the replacement of stolen benefits for this time period. This plan must be approved by FNS before a State can begin issuing replacements for electronically stolen benefits. The Act also requires FNS to issue rules on the replacement process by December 2023. Therefore, State plans/processes are temporary measures until a federal process is established.

Ohio's plan was approved by FNS on May 11, 2023. Ohio's approved process for issuing replacements for electronically stolen benefits is outlined below and is effective the date at the top of this letter. Once FNS issues final rules for the permanent nationwide process, ODJFS will issue rules that replace this procedure letter. Please read all information thoroughly as this letter contains policy requirements, county processing, system and reporting requirements as well as ongoing requirements for stolen benefit processing.

### **New Policy:**

1. What is considered electronic benefit theft?

Electronic benefit theft of SNAP benefits includes card skimming, card cloning, and other similar fraudulent methods.

**Card skimming** occurs when devices illegally installed on retailer's card reader machines, known as point-of-sale (POS) terminals, capture card data or record SNAP households' PINs.

**Card cloning occurs when** criminals can use the data captured by skimming or other means to create fake EBT cards and then use those to steal from households' accounts.

Other similar fraudulent methods of obtaining SNAP benefits and EBT card data may include, but are not limited to, **scamming** through fraudulent phone calls or text messaging that mimic official ODJFS or county agency messaging and **phishing** schemes.

Scamming is when an individual or group is falsely convinced or swindled by someone or something to give up their benefits and/or EBT card information over to an unauthorized individual or group.

Phishing is a cybercrime where attackers attempt to deceive people into revealing sensitive information such as passwords, banking, and credit card details. Some phishing emails also contain malicious or unwanted software that attackers can use to track recipients' online activities, steal their personal data, or slow their computer.

2. What types of SNAP benefits may be eligible for replacement due to electronic theft?

Replacement of SNAP benefits that have been electronically stolen is limited to:

Regular SNAP issuances (including initial prorations);  
Emergency Allotments (EAs); and  
Disaster SNAP (D-SNAP)

Pandemic EBT (P-EBT) benefits are NOT eligible to be replaced if electronically stolen.

Benefits must have been electronically stolen from October 1, 2022, through September 30, 2024.

3. How much SNAP benefits can be replaced due to electronic theft?

Replacement of electronically stolen benefits cannot exceed the lesser of the amount of: the benefits stolen from the assistance group (AG), or the amount equal to two months of the monthly allotment of the AG issued immediately prior to the date when benefits were stolen.

For example, if an AG reports that it lost \$100 on March 1, 2023 due to skimming and their last allotment was issued on February 10, 2023 for \$250 (2 months of their last monthly allotment is equal to \$500) the AG would receive \$100 in replacement benefits as it is the lesser of the two. If the same AG reports that it lost \$600 on March 1, they would only receive \$500 in replacement benefits.

If a theft occurs over the course of several transactions and several days, calculations for the amount of replacement benefits will be determined based on the date of the first occurrence of theft.

For example, an AG receives their \$200 monthly allotment on June 15, 2023, but realizes and reports on June 20 that \$250 in benefits were stolen in multiple transactions between June 17 and June 18. In this situation, the June 15 allotment is the monthly allotment that took place immediately prior to June 17, the first date of theft. The AG would receive the reported \$250 loss in replacement benefits, as it is less than 2 months of the June allotment, which totals \$400.

An AG may only receive two instances of replacement of electronically stolen benefits in each Federal Fiscal Year (FFY) in Ohio.

An AG could have received a replacement in another state, but that replacement did not occur in Ohio and would not be considered in determining if the AG had received two replacements in Ohio during the FFY.

The two instances of replacement benefits are specific to the exact AG composition that received the replacements. If there have been changes in the AG composition since the previous replacements, they will not be attributed to the new AG, even if there are some members from the original AG. Thus, some individuals may receive more than two replacements in a year if they are in a new AG.

#### 4. How does an AG request replacement of electronically stolen benefits?

The AG must complete and submit to their local county agency the JFS 07011 “Statement Requesting Replacement of Electronically Stolen Supplemental Nutrition Assistance Program (SNAP) Benefits”.

The JFS 07011 can be submitted to the county agency in person, by mail, fax or email.

The form cannot be signed electronically or by telephonic signature.

5. What is the timeframe for the AG to submit the JFS 07011?

**For SNAP benefits electronically stolen after the effective date of this procedure letter**, an AG claiming SNAP EBT benefits were electronically stolen must complete, sign, and submit the JFS 07011 to the county agency within 90 calendar days of the date the benefits were electronically stolen, or within 90 days of receiving a letter from the county agency indicating they may have been a victim of electronic theft (as described in the ODJFS-Identified Electronically Stolen Benefits section below), whichever is later

6. What is the timeframe for the AG to submit the JFS 07011 for benefits electronically stolen before the effective date of this procedure letter (i.e. retroactive claims)?

**SNAP benefits that were electronically stolen prior to the effective date of this procedure letter** are to be processed as follows:

For AGs that previously reported being a victim of electronic theft between October 1, 2022 and the effective date of this procedure letter and were reported to ODJFS by the county agency, ODJFS will send the AG the JFS 07011 and will inform the AG it may submit the JFS 07011 to request replacement of the stolen benefits by completing and returning the form within 90 calendar days of the mailing date of the notice.

For AGs identified by ODJFS as potentially having been a victim of electronic theft of benefits between October 1, 2022 and the effective date of this procedure letter, ODJFS will send the AG the JFS 07011 and will inform the AG it may submit the JFS 07011 to request replacement of the stolen benefits by completing and returning the form within 90 calendar days from the mailing date of the notice.

All other AGs who experienced electronic theft between October 1, 2022 and the effective date of this procedure letter will have 90 calendar days from the effective date of this letter (September 15, 2023) to complete and submit the JFS 07011 to the county agency to request replacement benefits.

Benefits stolen before October 1, 2022 or after September 30, 2024 are ineligible for replacement in accordance with the Act.

7. What is the timeframe for the county agency to process the JFS 07011 and determine eligibility for replacement benefits?

Within 30 calendar days of receipt of a JFS 07011, the county agency must review the replacement request, including details of the alleged stolen benefits, transaction history, etc, make an eligibility determination, send a notice of eligibility, and replace benefits (if approved). If the 30th day falls on a weekend or holiday, the application must be approved by the previous workday.

If the county agency receives an incomplete JFS 07011 (i.e. not all required fields are complete), a JFS 07105 "Application/Reapplication Verification Request Checklist" is to be sent to the AG indicating what information is missing and allow 15 calendar days for the AG to return the requested information and/or completed JFS 07011. The 15 calendar days must occur within the 30 calendar days to process the JFS 07011. If one of the incomplete fields is the transaction amount, date and location, the county agency is to send the AG a copy of their EBT transaction history with sensitive data such as PAN#, recipient#, SSN and FNS# removed/redacted.

When the AG requests assistance in completing the JFS 07011 or obtaining their EBT transaction history, the county agency is to help the individual in completing the JFS 07011 to ensure the form is complete and accurate and/or provide a copy of the EBT transaction history.

8. Is an AG required to have a new EBT card before replacing benefits that have been electronically stolen?

Yes. Replacement benefits cannot be approved or issued until a new EBT card has been issued since the last alleged electronic theft transaction on the JFS 07011.

The JFS 07011 will encourage AGs to request a replacement prior to submitting the form to the county agency. Upon receipt of the JFS 07011, if the county agency cannot confirm in EPPIC that the card has been replaced since the last alleged electronic theft transaction, the county agency must immediately submit a request to ODJFS to cancel the compromised EBT card and request a replacement card on behalf of the individual via this link:

<https://forms.office.com/Pages/ResponsePage.aspx?id=DQSIkWdsW0yxEjajBLZtrQAAAAAAAAAAAAEcKEmuxtNUMVI5V0tCVkZNTksyT0E0SVZZQUNBSINFVS4u>.

Within two calendar days, ODJFS will issue the replacement EBT card. An email will be sent back to the county requestor notifying the county agency the card has been replaced. This is to then be logged on the JFS 07013 "Action Taken on Your Request for Replacement of Electronically Stolen Supplemental Nutrition Assistance Program (SNAP) Benefits" that a replacement was issued and should also be noted on the notice described in question 11 below. Benefits are not able to be replaced until a replacement EBT card has been issued.

9. What are the requirements for approving a JFS 07011?

In order to approve a claim, a county agency must confirm the following:

- a.)The JFS 07011 was submitted timely and complete as described in Question 5 and 6;
- b.)The alleged electronic theft transactions occurred between October 1, 2022 through September 30, 2024;
- c.)The AG has not received two replacements for electronically stolen benefits within the federal fiscal year;
- d.)The claim that benefits were electronically stolen is valid as described in Question 10;
- e.)The AG's EBT card has been replaced by either the AG or ODJFS since the last alleged electronic theft transaction, and
- f.)Approve only the allowable amount permitted in Question 3.

10. How does the county agency validate the AG's claim that their SNAP benefits were electronically stolen?

A claim is valid if there is evidence of two or more of the following:

- a.)Transaction(s) occurred at FNS retailer known to ODJFS as previously processing fraudulent transactions;
- b.)Even dollar transaction, high dollar transaction, multiple transactions within short period of time  
High Dollar includes transactions (such as being over \$1,000.00)
- c.)Online transactions where delivery occurred at a location other than the customer's address (customer attestation or retailer attestation is sufficient)
- d.)Depleting account balance entirely or leaving a small amount (such as less than \$5.00)
- e.)Transactions outside of customer's normal shopping habits over the previous twelve (12) months
- f.)Other evidence supports the signed statement from the AG that they had no knowledge of the transaction and did not authorize another to make the transaction (e.g. a police report).

Police reports cannot be required by the county agency. Clients may voluntarily submit them as supportive evidence of electronic theft of their benefits.

11. When is the JFS 07011 or one or more of the transactions in the claim to be denied?

An AG's JFS 07011 or one or more of the transactions is to be denied for one or more of the following reasons:

- a.)The AG fails to submit the replacement request form timely as described in questions 5 and 6.);
- b.)The replacement request form was submitted timely but not completed after the county agency requested it to be completed and returned within 15 calendar days;
- c.)The alleged loss/theft transaction occurred prior to October 1, 2022 or after September 30, 2024;
- d.)The AG has already had stolen benefits replaced twice during the federal fiscal year;
- e.)Two or more validation claim criteria have not been met;
- f.)The AG reported a lost or stolen EBT card associated with the unauthorized transactions was not caused by electronic theft; or
- g.)The AG gave card and PIN to another person and benefits were subsequently stolen/misused.
- h.)When the requested replacement amount exceeds the lesser of the amount of benefits stolen from the AG or the amount equal to two months of the monthly allotment of the AG immediately prior to the date when benefits were stolen. The county agency would provide an approval for the portion of the transaction(s) that is up to the allowable amount and deny any remaining transaction(s) for this reason as described in Question 12 below.

12. How is the AG notified of the eligibility determination of its JFS 07011?

Within 30 calendar days of receiving the JFS 07011, the county agency is to issue the JFS 07013 notifying the AG of the determination for the request for replacement benefits that were stolen electronically.

There may be some transactions that are approved and some transactions that are denied if only some transactions met the criteria for approval. Additionally, some requests for replacements may be more than the allowable amount and only a certain amount can be approved. Therefore, it is possible (and allowable) for an approval and denial for stolen benefits to be documented on the same JFS 07013 for a replacement request. The notice should list the allowable amount under "Approved" while the remaining unapproved amount would be "Denied".

The denial reason(s) must be listed on the JFS 07013.

13. What if an AG disagrees with a denial or the amount that was replaced?

An AG has a right to a state hearing to contest the denial or the amount of the replacement issuance. The AG must request a state hearing with 90 calendar days of the JFS 07013 date.

Replacements shall not be made while the denial or delay is being appealed.

### **Ohio Benefits (OB) and the Enterprise Document Management System (EDMS):**

#### Processing Replacements in OB:

To issue replacement benefits, complete the following in OB:

1. Add a case flag utilizing the existing OB system process.

Add “Electronically Stolen Benefit Replacement” as the case flag title with a flag type of “State Study.”

Use the associated case flag notes section and enter the following information about the approved benefits: “<List all members of the AG> have received a replacement in the amount of <insert replacement amount> due to SNAP benefits being electronically stolen by skimming, cloning, or other fraudulent activities. This is this assistance group’s <1st or 2nd> replacement. This replacement procedure is in accordance with FACT 95.”

2. Utilize the existing OB system process for replacing benefits for [AG misfortune](#)

In the “Requestor Explanation” field for the manual EDBC, enter the following information: “Approved SNAP benefits application dated <enter date the JFS 07011 received> in the amount of <total dollar amount of approved benefits> This replacement procedure is in accordance with FACT 95.”

The Approver confirms to correct flag has been added to the case. In the “Approver Response” field for approving the manual EDBC, enter the following information: “SNAP Benefits approval for electronically stolen benefits”.

3. Enter journal notes with details of replacement requests approved or denied.

To ensure the AG does not receive more than two replacements in a federal fiscal year, review AG transaction history, trend data, AG online and IVR account history, OB for previously issued replacement benefits, and the attestation of the AG.

#### EDMS:

Submitted JFS 07011 as well as the accompanying JFS 07013 with the determination of the approval and/or denial is to be scanned and stored into EDMS.



### **ODJFS-Identified Electronically Stolen Benefits:**

As an ongoing benefit theft prevention measure, ODJFS is working closely with the United States Department of Agriculture, Office of Inspector General (USDA OIG), and the Ohio Investigative Unit (OIU) to identify fraudulent activities at retailers that accept SNAP EBT. An ongoing list of suspicious retailers can be found on the Q drive here: Q:\Public\BPI\Fraud Control Section\SNAP Replacement\Suspicious Retailer List

ODJFS, Office of Fiscal and Monitoring Services, Bureau of Program Integrity (BPI) tracks and identifies retailer transactions which appear to be mass efforts of skimming, cloning or other fraudulent activity targeting SNAP benefits.

Transaction history is then broken down into individually impacted AGs. This information will be disseminated to the county agencies as follow:

1. Beginning the effective date of this letter, every Friday BPI will send a report to each county agency's identified Fraud Control Contact of AGs possibly impacted by electronically stolen SNAP benefits. If there are no transactions for a particular week, a report will not be sent. If you would like this information to be emailed to more than just the county Fraud Control Contact, please reach out to your Fraud Control Specialist at ODJFS.

2. Within 10 days of receipt of the spreadsheet from BPI, the county agency is to review the list of cases and contact the AG by mailing the AG the letter provided by BPI with the JFS 07011 and provide a return envelope. The letter provided by BPI is to be saved to your computer and locally printed. This form is not able to be centrally printed.

An AG may have already contacted you regarding electronically stolen benefits and/or submitted a JFS 07011. Therefore, it is important to cross-check the list provided by BPI with any information you may have already received from the AG.

3. If the AG chooses to request a replacement of electronically stolen benefits, they must submit the JFS 07011 within 90 calendar days of the mail date of the letter.

4. The JFS 07011 is to be processed as outlined above once/if received from the AG.

As a reminder, please continue to report to BPI if your county agency is made aware of possible skimming, cloning or other fraudulent activities at retailers.

### **Reporting Requirements:**

ODJFS is required to report to the United States Department of Agriculture, Food and Nutrition certain information about electronic theft claims and transactions. Therefore, county agencies will have to record certain data for each replacement request received by completing a Microsoft Form (MS form) beginning with the effective date of this FACT. BPI will provide the MS Form that is to be used by the county agency to report specific information about the claims, but will include the below information:

For reporting purposes, a claim is a JFS 07011 that is received by the county agency. The JFS 07011 will have one or more transactions listed as being due to electronic theft.

1. Total number of stolen benefits claims;
2. Total number of approved stolen benefits claims (*if any transaction is approved on a JFS 07011, then the county agency would report the JFS 0711 as approved*);
3. Total number of denied stolen benefits claims due to:
  - invalid claims,
  - claims from households that met the two-replacement limit per FFY, and
  - untimely submitted claims;
4. Total number of households that submitted stolen benefits claims:
  - total number of households that submitted approved claims, and
  - total number of households that submitted denied claims;
5. Total number of fraudulent transactions, total number of fraudulent transactions from approved claims, and total number of fraudulent transactions from denied claims;
6. Total value of benefits determined to have been stolen; and,
7. Total value of replaced stolen benefits.

The MS Form is to be completed within the month for each determination made for that month.

### **Forms**

The following forms were created to processing requests for electronically stolen benefits. These forms are not generated out of OB and are located on Forms Central:

JFS 07011 “Statement Requesting Replacement of Electronically Stolen Supplemental Nutrition Assistance Program (SNAP) Benefits”.

JFS 07013 “Action Taken on Your Request for Replacement of Electronically Stolen Supplemental Nutrition Assistance Program (SNAP) Benefits”

### **Questions?**

For policy questions, please contact Program Policy & Systems at [OFA-PPS@jfs.ohio.gov](mailto:OFA-PPS@jfs.ohio.gov).

For questions about ongoing monitoring of electronically stolen benefits, or reporting, please contact BPI at [BPI\\_FCS@jfs.ohio.gov](mailto:BPI_FCS@jfs.ohio.gov).

For OB processing or EDMS questions, please contact the Help Desk at [OB-IMS\\_HELPDESK@jfs.ohio.gov](mailto:OB-IMS_HELPDESK@jfs.ohio.gov).

For questions about card replacement, please contact the EBT area at [EBT-EPC@jfs.ohio.gov](mailto:EBT-EPC@jfs.ohio.gov).