

Skimming: Tackling SNAP Benefit Theft

Since 2022, criminals have attacked the Supplemental Nutrition Assistance Program (SNAP) by stealing benefits from participants through “skimming” crimes. New federal policy is aimed at curbing skimming theft, and on a temporary basis, providing affected SNAP participants with replacement benefits. State SNAP agencies filed plans in 2023 to let the U.S. Department of Agriculture (USDA) know what policies and procedures the state will apply in replacing skimmed SNAP Electronic Benefit Transfer (EBT) benefits. A lesson learned during this period is that because criminals continuously adapt to improved security measures, replacement benefits will need to be made permanent and included in the Farm Bill.

Background on Skimming

Skimming occurs when criminals place a device on a POS (point of sale) unit used by SNAP participants when swiping their EBT cards. The placement of the skimming device allows the criminal to capture the EBT card number, PIN, and data stored on the card’s magnetic stripe. The criminal then uses that information to duplicate the card and access the benefits in the SNAP beneficiary’s account. Debit and pre-paid cards may also be skimmed, but the holders of these cards are covered by the federal Electronic Funds Transfer Act (EFTA) and Regulation E, which protect consumers against losses from unauthorized electronic transactions. EFTA, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, expressly excludes EBT cardholders from its protection, leaving EBT cardholders without the recourse available to other consumers when their card benefits are stolen.¹

Across the country, the impact of EBT card skimming varies. It is important to note that it is difficult to ascertain accurate estimates of losses as it takes a while for victims to become aware of or report the losses.

Since 2022, USDA, states, EBT processors, and advocates, worked to alert customers about best practices for protecting EBT card security, while exploring options for improving EBT card security going forward.² Despite



requests, however, the USDA Food and Nutrition Service (FNS) did not approve state use of federal SNAP funds for issuing replacement benefits to households victimized by skimming. Anti-hunger advocates elevated the issue with federal partners, including Members of Congress. Several Members of Congress weighed in with USDA about EBT skimming, and by the end of 2022, took legislative action to begin to address it.

Congressional Action to Address Skimming Thefts in the Short Term

The [Consolidated Appropriations Act of 2023](#) (the Omnibus), enacted in December 2022, included provisions to replace certain stolen SNAP EBT benefits with federal funds.³ Specifically, under Title IV, Section 501, of the Omnibus:

- USDA’s Food and Nutrition Service must issue ongoing guidance on the security measures states must take to detect and prevent the theft of EBT benefits through card skimming, card cloning, and other similar fraudulent methods. Such guidance should be consistent with industry standards for detecting, identifying, and preventing, debit and credit card skimming, card cloning, and other similar fraudulent methods, which FNS issued

guidance for on January 31, 2023. FNS has approved all state plans for benefit replacements.

- USDA must also issue regulations on federally funded replacement benefits to SNAP households victimized by electronic thefts.
- States must issue replacement SNAP benefits stolen from households between October 1, 2022, and September 30, 2024, due to card skimming, card cloning, and other similar fraudulent methods, up to twice a year per household. States must replace the lesser of the full amount stolen or the previous two months of benefits.

Under the Omnibus, the replacement of stolen SNAP benefits covered benefits stolen between October 1, 2022, and September 30, 2024. Due to continued benefit theft, anti-hunger advocates worked with Members of Congress to extend the replacement benefits through a continuing resolution (CR) through December 20, 2024.

Permanent Replacement Benefits Are Needed

SNAP, the nation's first line of defense against hunger, helps over 40 million people put food on the table every month. With so many transactions taking place daily with the outdated technology of a swipe card, households with the lowest incomes have become the biggest targets for criminals. As of September 2024, over \$94 million in replacement benefits have been issued for at least 195,000 households. Federal law enforcement agencies report that criminals adapt to improved security measures. As a result, replacement benefits must be made permanent to protect SNAP participants against theft."



How Advocates Can Work With State Agencies

Below are methods that advocates can encourage their states to partake in to provide a more equitable, effective replacement process for skimmed SNAP benefits.

- **Simplify the process for documenting benefit theft for SNAP participants and caseworkers.** The January 31 FNS memo clarifies that a state agency can determine the way it will accept signatures. Reducing paperwork associated with such claims and allowing victims to report over the phone and use voice signatures would both simplify the verification process for the state agency and the victimized households.
- **Issue timely reimbursements.** Many families with low incomes depend on SNAP as their main source of food assistance. It is the only way they can afford food and still pay their rent and other basic needs. As such, prompt reimbursement of stolen benefits is critically important for their health and well-being.
- **Create a reasonable timeline for reporting theft.** While not mandatory for this purpose, FNS considers a report made to the state agency within 30 days of the date the household discovered their benefits were stolen a timely request. California was the first state in the nation that replaced any skimmed benefits, but the theft has to be reported within 10 days, making it challenging for people to report it.⁵
- **Affirmatively reach out to households.** It is important that the state plan set out how the state agency will contact households to alert them about skimming without implying that the household is at fault or in trouble. The outreach should be conducted in a culturally competent and easy to understand manner. It should also be locally based, informed by collaboration with individuals and families with low incomes, and take into account effectively communicating with various groups, such as persons who have low literacy levels and/or limited English proficiency.
- **Identify patterns of theft.** Proactively track the locations where skimming occurs and work with law enforcement and retailers to ramp up security measures. When skimming devices are found, there should be outreach efforts done at the impacted store so that all SNAP participants can keep an eye on their account balances, change their PIN immediately, and/or be issued a new card.

- **If requiring victims to reset their PIN numbers**, states should ensure that they have explained the procedure in the language the victim understands. If requesting that the victim obtain a card replacement, the state should ensure that there will be no fees and that the participant can opt for same-day, in-person access to a new card and/or prompt mail delivery.
- **Ensure that the state plan promotes equity**, including by recognizing that households vary in their access to technology, ease of monitoring their EBT card balances, English-language proficiency, and the need for in-person assistance. For example, include an outreach plan that takes into account language access and culture-appropriate messaging, and takes feedback from individuals with lived expertise and community partners.
- **Utilize a multiprong approach to deliver the message**, including utilizing texts, phone calls, SNAP outreach partners, flyers, and trusted community leaders.

Congress must:

- Support measures to improve EBT security by cosponsoring the **Enhanced Cybersecurity for SNAP Act (H.R. 7585/S. 3893)**.
- Support the permanent extension of replacement benefits and full replacement of stolen benefits to SNAP participants by cosponsoring the **Fairness for Victims of Skimming Act (H.R. 6005/S. 3089)**.

Resources for Advocates

USDA FNS updates a [SNAP Replacement of Stolen Benefits Dashboard](#) quarterly, displaying state-reported data on skimming claims and replacement benefit issuance.⁶ Not all states are reporting and not all victims are aware their benefits have been stolen or of what to do after their benefits have been stolen, so the dashboard numbers are under-reporting a bigger issue.

FRAC will be updating this information as states report what they are doing. In the meantime, below are some current legislative efforts from states and the ways they are tackling skimming:

- Massachusetts is hoping to use \$2 million to replace SNAP benefits stolen as a result of “skimming” that happened before October 1, 2022.
- [Colorado’s](#) and [California’s](#) outreach plans to address the end of Emergency Allotments are good examples of an outreach plan that is clear, intentional, accessible, and culturally sensitive.
- [Maryland](#) is introducing legislation to better protect EBT cards.
- [California and Oklahoma](#) are set to be the first states to transition to chip cards. Advocates are encouraged to work with their state agencies and retailers on the transition to chip cards.

Endnotes

¹ U.S. Code, 15 U.S.C. § 1693b. (1996). *Electronic Fund Transfer Act — Rulemaking, included in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)*, Pub. L. No. 104–193, 110 Stat. 2105 (1996). Retrieved from <https://www.law.cornell.edu/uscode/text/15/1693b>

² U.S. Department of Agriculture, Food and Nutrition Service. (2024, July 8). *Scam alerts*. <https://www.fns.usda.gov/snap/scam-alerts>; U.S. Department of Agriculture, Food and Nutrition Service. (2022, October 31). *SNAP and TANF EBT card skimming prevention*. <https://www.fns.usda.gov/snap/snap-tanf-ebt-card-skimming-prevention>; U.S. Department of Agriculture, Food and Nutrition Service. (2022, December). *Retailer training reminder: Card skimming*.

³ U.S. Congress. (2022, December 29). Text - H.R. 2617 — 117th Congress (2021–2022): *Consolidated Appropriations Act, 2023*. Congress.gov. <https://www.congress.gov/bill/117th-congress/house-bill/2617/text>

⁴ U.S. Department of Agriculture, Food and Nutrition Service. (2023, January 31). *Replacement of SNAP benefits: Consolidated Appropriations Act, 2023*. <https://www.fns.usda.gov/snap/replacement-snap-benefits-consolidated-appropriations-act-2023>

⁵ California Association of Food Banks. (2022, December 15). *Congress must take bold and immediate action to address EBT skimming crisis*. <https://www.cafoodbanks.org/blog/congress-must-take-bold-and-immediate-action-to-address-ebt-skimming-crisis/>

⁶ FNS advises user to take caution in analyzing its skimming dashboard data due to differences in reporting between states. As of Sept. 2024, no data for California was displayed in dashboard.