



MARYLAND DEPARTMENT OF HUMAN SERVICES
 Department of Human Services
 311 West Saratoga Street
 Baltimore MD 21201

FIA ACTION TRANSMITTAL

Control Number: # 23-09-Revised

Effective Date: July 1, 2023

Issuance Date: June 8, 2023

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
 DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT,
 FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY
 STAFF**

FROM: LA SHERRA AYALA, EXECUTIVE DIRECTOR

**RE: SUPPLEMENTAL INFORMATION REGARDING AT
 23-09 RESTORATION OF STOLEN BENEFITS**

**PROGRAM IMPACTED: SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
 TEMPORARY CASH ASSISTANCE
 PUBLIC ASSISTANCE TO ADULTS
 TRANSITIONAL SUPPORT SERVICES
 CHILD SUPPORT PASS THROUGH
 TEMPORARY DISABILITY ASSISTANCE PROGRAM
 REFUGEE CASH ASSISTANCE**

ORIGINATING OFFICE: FAMILY INVESTMENT ADMINISTRATION

SUMMARY

On February 24, 2023, the federal government approved Maryland’s State Plan to replace Supplemental Nutrition Assistance (SNAP) benefits stolen as a result of Electronic Benefit Transfer (EBT) card fraud. The State has identified funding to cover stolen cash benefits to ensure that all households affected by the national fraud scheme may be considered for reimbursement. The replacements are authorized for the period of October 1, 2022, through September 30, 2024. A client can receive a maximum of two replacements in a Federal Fiscal Year (FFY). The maximum replacement amount may be equal to two (2) times the monthly SNAP and/or Cash benefit allotment issued in the month preceding the fraudulent transaction(s). Stolen Pandemic EBT (P-EBT) benefits are not eligible for replacement. SNAP and Cash benefit replacement policies are aligned to ensure consistency across all

programs. This Action Transmittal (AT) discusses the Department's policies and procedures on this issue.

POLICY

On December 29, 2022, President Biden signed into law the Consolidated Appropriations Act, 2023 (also known as the Omnibus), which includes provisions to replace SNAP benefits stolen as a result of EBT card fraud. The United States Department of Agriculture Food and Nutrition Service (FNS) approved Maryland's Plan for the replacement of SNAP benefits. Cash benefits were approved for replacement by the Administration of Governor Moore.

PROGRAMS ELIGIBLE FOR REPLACEMENT

A Department Human Services (DHS) client must submit an EBT Fraud Claim Attestation Form for replacement of stolen EBT benefits for the following programs:

- Supplemental Nutrition Assistance Program (SNAP)
- Disaster SNAP (DSNAP)
- Emergency Allotments (EA)
- Minimum State Supplement (MSS)
- Heat and Eat (H-EAT)
- Summer SNAP
- Temporary Cash Assistance (TCA)
- Transitional Support Services (TSS)
- Child Support Passthrough
- Temporary Disability Assistance Program (TDAP)
- Refugee Cash Assistance (RCA)
- Public Assistance to Adults (PAA)

Please refer to *How-To-Guide: Report EBT Fraud_V 0.1* for instructions for client submission of the form and fraud related documents.

PROGRAMS THAT ARE NOT REPLACEABLE

- Pandemic EBT (P-EBT) benefits are not reimbursable at this time.

REPLACEMENT TIMEFRAME

Benefits Were Stolen:	Claim Submission Deadline
Oct. 1, 2022 - Feb. 28, 2023	May 31, 2023
On or after March 1, 2023	45 days from the date benefits were discovered stolen by the client

EBT FRAUD ATTESTATION FORM SUBMISSION

All clients must submit an EBT Fraud Attestation Form for consideration to receive a reimbursement of their stolen benefits.

A household affected by EBT Fraud may claim a reimbursement using one EBT Fraud Attestation Form for all programs eligible for reimbursement. The household may also request a reimbursement for multiple theft transactions at the same time.

1. The claims form may be submitted:
 - [Electronically on the MDTHINK Consumer Portal \(CP\)](#)
 - Paper (i.e., in person, mail, or fax)

Clients who are not able to submit an online or paper claim form on their own may call the Maryland Benefits Center operated by Benefits Data Trust (BDT) at 1-833-373-5867. BDT is the leading SNAP Outreach Partner and is open Monday - Friday, 9:00 AM – 5:00 PM EST. BDT will conduct an intake interview over the phone, enter and submit the client’s EBT Fraud Claim Form via the myMDTHINK Consumer Portal (CP), and audio-record the client’s attestation.

2. Clients must be advised to cancel the compromised card by calling the Maryland EBT Customer Service Center at 1-800-997-2222 or online at www.ConnectEBT.com. The Case Manager may coordinate with the local EBT Manager to cancel the card on behalf of the client in order to prevent further theft.

REPLACEMENT AMOUNT

According to federal and state rules, the maximum amount a client can receive in replacement benefits is up to two (2) times their regular monthly SNAP and/or Cash allotment in a federal fiscal year (FFY), **even if the amount stolen is greater**. A client can receive 2 times their monthly SNAP allotment and separately receive 2 times the monthly Cash allotment if both Cash and SNAP benefits were impacted. A household may only receive two reimbursements in a FFY. The Eligibility and Enrollment (E&E) system will calculate the reimbursement amounts.

Example #1: On March 15, 2023, a SNAP household of one submitted an EBT Fraud Reimbursement claim reporting that \$1,000 in SNAP benefits were stolen on November 18, 2022, and November 19, 2022, in two separate transactions. The amount issued in the month preceding the month in which the fraud occurred (October 2022) was \$281.

Reimbursement Calculation:

- Maximum Permissible Replacement Amount \$562 (2x the monthly SNAP allotment of \$281 for the household)
- Stolen Amount: \$1,000
- Amount Replaced: \$562 ($\$281 * 2$) = \$562
- Amount not covered due to maximum limits: $\$1,000 - \$562 = \$438$

Example #2: On July 1, 2024, a household of three submitted an EBT Fraud Reimbursement claim reporting \$800 in stolen Cash benefits (TCA, TDAP or PAA). The 4 benefits were stolen on June 1, 2024, and June 15, 2024, in two transactions. The Cash benefits issued in the month prior the fraud occurred is \$727.

Reimbursement Calculation:

- Maximum Permissible Replacement Amount: $\$1,454$ ($\$727 * 2$) = \$1,454
- Stolen Amount: \$800
- Amount Replaced: \$800

Note: We are able to replace 100% of the stolen amount because it is below the maximum permissible replacement threshold for the household.

Example #3: On March 15, 2023, a household of one submitted an EBT Fraud Reimbursement claim reporting that \$500 in SNAP benefits and \$328 in TCA benefits were stolen. SNAP benefits were stolen on January 14, 2023, and February 20, 2023, in two transactions. TCA benefits were stolen on March 4, 2023. The SNAP benefits issued in January and February totaled \$562 ($\281×2). The TCA benefit issued in March totaled \$328.

Reimbursement Calculation (SNAP):

- Maximum Permissible Replacement Amount for SNAP: $\$562 (\$281 \times 2) = \$562$
- Stolen Amount: \$500
- Amount Replaced: \$500

Note: Amount not covered due to the maximum limits: \$62 (the reimbursable amount will not exceed the amount of benefits stolen from the household or the amount equal to 2 months of the monthly allotment).

Reimbursement Calculation (TCA):

- Maximum Permissible Replacement Amount: $\$656 (\$328 \times 2) = \$656$
- Stolen Amount: \$328
- Amount Replaced: \$328

Note: We are able to replace 100% of the stolen amount because it's below the maximum permissible replacement threshold for the household.

SNAP and Cash benefits that were stolen on or before September 30, 2022, are not replaceable at this time. Defrauded clients have until May 31, 2023, to report incidents that occurred on October 1, 2022, through February 28, 2023. Fraud incidents that occur on or after March 1, 2023, must be reported within 45 days of the client becoming aware of the incident. We have created additional case examples in the table below to further help you make decisions as you review replacement claims.

Retroactive Fraud Incidents	Eligibility Decision	Decision Reason
<p>The client submitted an EBT Fraud Attestation Form on March 6, 2023. The client learned of fraudulent transactions on October 8, 2022. The transactions appear to have occurred on October 6, 2022.</p>	<p>Approve</p>	<p>The transactions occurred after October 1, 2022, and were reported before the May 31, 2023, deadline.</p>
<p>The client submitted an EBT Fraud Attestation Form on March 6, 2023. The client learned of fraud transactions on October 1, 2022. The transactions occurred on September 17, 2022.</p>	<p>Deny</p>	<p>The transactions are not reimbursable because they occurred before October 1, 2022.</p>
<p>The client submitted an EBT Fraud Attestation Form on March 6, 2023. The client learned of fraud transactions on October 5, 2022. The transactions occurred between September 27 and October 1, 2022. Last fraud transaction was October 1, 2022.</p>	<p>Approve a partial replacement and Deny the remainder</p>	<p>Transactions that occurred on October 1, 2022, can be replaced while those that occurred in September must be denied.</p>
<p>The client submitted an EBT Fraud Attestation Form on April 6, 2023. The client learned of fraud transactions on October 8, 2022. First fraud transaction was September 27, 2022. Last fraud transaction was October 3, 2022.</p>	<p>Approve a partial replacement and Deny the remainder</p>	<p>Transactions that occurred on October 1, 2022, through October 3, 2022, can be replaced while those that occurred in September must be denied.</p>

<p>The client submitted an EBT Fraud Attestation Form on April 6, 2023. The client learned of fraud transactions on October 8, 2022. First fraud transaction was September 27, 2022. Last fraud transaction was October 3, 2022.</p>	<p>Approve a partial replacement and Deny the remainder</p>	<p>Transactions that occurred on October 1, 2022, through October 3, 2022, can be replaced while those that occurred in September must be denied.</p>
<p>The client submitted an EBT Fraud Attestation Form on June 16, 2023. The client learned of fraud transactions on October 8, 2022. First fraud transaction was September 27, 2022. Last fraud transaction was October 3, 2022.</p>	<p>Deny</p>	<p>Clients have until May 31, 2023, to report fraud incidents that occurred in October 2022 through February 2023.</p>
<p>The client submitted an EBT Fraud Attestation Form on March 25, 2023. SNAP benefits were stolen on September 20, 2022, and Cash benefits were stolen on February 14, 2023. The client learned of both transactions on March 24, 2023.</p>	<p>Approve a partial replacement and Deny the remainder</p>	<p>Transactions that occurred on February 14, 2023 (Cash) can be replaced while those that occurred in September (SNAP) must be denied. The SNAP benefits stolen before October 1, 2022, are not replaceable under current policy.</p>

New Fraud Incidents (Reported on or after March 1, 2023)	Eligibility Decision	Decision Reason
The client submitted an EBT Fraud Attestation Form on October 20, 2024. The benefits were stolen on October 5, 2024. The fraudulent transaction occurred on October 5, 2024.	Deny	The current authority to replace benefits will expire on September 30, 2024. Deny any transaction after September 30, 2024, as the incidents occurred outside of the current replacement eligibility time frame.
The client submitted an EBT Fraud Attestation Form on October 10, 2024. The fraudulent transactions occurred September 18 - September 23, 2024.	Approve	While the Attestation Form was received after the authority to replace benefits expired, the incidents occurred within the replacement eligibility time frame. Further, the incidents were reported within the required timeframe after discovery.
The client submitted an EBT Fraud Attestation Form on October 15, 2024. The first fraudulent transaction was on September 28, 2024, and the last transaction was October 3, 2024.	Approve a partial replacement and Deny the remainder	Transactions that occurred on September 28, 2024, can be replaced while those that occurred in October 2024 must be denied.
The client submitted an EBT Fraud Attestation Form on November 5, 2024. The fraudulent transaction occurred on September 8, 2024. Client learned of the stolen benefit on September 10, 2024.	Deny	Although the benefits were stolen before the reimbursement timeframe expired, the EBT Fraud Attestation Form was submitted after 45 days of discovery

The client submitted an EBT Fraud Attestation Form on September 29, 2024. The client learned on September 28, 2024, that their benefits were stolen in September. The Case Manager is processing the claim on October 3, 2024.	Approve	The benefits were stolen within the eligible replacement time frame and were reported within the required timeframe.
The client submitted an EBT Fraud Attestation Form on October 1, 2024. The client learned that their benefits were stolen on September 28, 2024. The transaction occurred in September as well. The Case Manager is processing the claim on October 3, 2024.	Approve	The benefits were stolen within the eligible replacement time frame and were reported within the required timeframe.

Federal guidelines state that "agencies may only complete the act of replacing benefits two times in a FFY, even if an occurrence of theft crosses two FFYs." This means that a client may file and receive a reimbursement for a second claim in a FFY even if the first replacement involved multiple transactions.

The State cannot replace benefits if the claimant willingly gave their card and Personal Identification Number (PIN) to someone other than an immediate household member or an authorized representative who then stole the benefits.

FAIR HEARING

Clients have the right to appeal the denial decision of an EBT Fraud Replacement claim. The LDSS offices must assist clients with their fair hearing request. The [Fair Hearing Request Form](#) is accessible [online](#). The Fair Hearing Request forms must be submitted to the Office of Administrative Hearings (OAH). OAH will directly notify clients of the fair hearing appointment date and time. Case Managers should follow their local standard operating procedures for submitting fair hearing forms to OAH.

CLOSED CASES

Federal and State rules allow us to replace stolen benefits, even in situations where the cases closed after the benefits were stolen. The Case Manager can access the 'EBT Replacement' screen by:

1. Clicking the 'Add' button
2. Update the information in the 'EBT Replacement Details'

This action can be completed without reopening or reinstating the case. If the address on the EBT Fraud Claim Attestation Form is different from what we have on the record, take the following actions:

1. For closed cases that require a change of address.
 - Reopen the case
 - Update the address
 - Confirm the case
 - Close the case using reason code 572 (Worker Voided Application)
 - Authorize the denial to return the case to a closed status **on the same day**
 - Suppress the Program denial notice

This will ensure the notice related to the EBT fraud decision is mailed to the correct address.

2. For closed cases that require a change of address, and the client needs a new EBT card.
 - Reopen the case
 - Update the address
 - Confirm the case
 - Close the case using reason code 572 (Worker Voided Application)
 - Authorize the denial to return the case to a closed status **on the same day**
 - Suppress the Program denial notice

The Case Manager should coordinate with the local LDSS EBT Trainer to request a new EBT card in EPPIC the next day.

1. Expunged benefits are not reimbursable or able to be restored.
2. The myMDTHINK consumer portal is the simplest, seamless, and swiftest way to submit an EBT Fraud Attestation Form.
3. Upon processing of the claim and supervisory approval, the EBT Fraud Replacement claim will batch overnight in the Eligibility & Enrollment (E&E) system. The replacement benefit will be available to the client the following day.

4. If the client reports that their EBT card was not in their possession at the time of the fraudulent transaction, the Case Manager must call the client to confirm this information. If the card was not in the claimant's possession at the time of theft, it may mean that the theft was not electronic. Incidents that are not a result of electronic EBT theft are not reimbursable.
5. The Case Manager may err on the side of the client when unable to satisfactorily determine whether the fraudulent action actually occurred despite the fact that the EBT card was not in their possession.
 - a. The Case Manager should sufficiently narrate the case, (i.e., reason for the approval, why the agency erred on the side of the client).

REQUIRED ACTION:

ALLEGANY AND GARRETT EBT REPLACEMENT TEAM

DHS has identified a group of staff in Allegany and Garrett Counties who will manage the EBT Fraud Hotline and process Reimbursement Claim Forms. This particular group will:

- Answer EBT Fraud-related calls.
- Provide status updates on pending requests and handle other process questions.
- Process claims and monitor that E&E is sending the correct decision notices to the clients.
 - The notices are triggered and generated in overnight batches and sent to the DHS Central Distribution Center (CDC) for mailing once the supervisor approves or denies the claim.
- Maintain close communication with claimants throughout the process.

When a client submits an EBT Fraud Attestation Form through the consumer portal, an EBT Fraud alert will be generated to the E&E worker portal. Assigned Case Managers in Allegany and Garrett will take the following steps:

1. Review and decision EBT Fraud Claims submitted within 10 calendar days of receipt. An alert will be created when an EBT Claims Attestation Form is submitted through the CP. The Case Manager will use information collected on the EBT Fraud Attestation Form to assess the validity and eligibility of each transaction. Each claim must include the head of household or other adult case member's signature attesting to the benefit theft. The

sworn statement on the form will satisfy the attestation requirement. Additional validation criteria may include one or a combination of the following:

- A confirmation that the EBT transaction history is closely aligned with the claim amount and dates reported on the form.
- Household transaction history reflects an in-state purchase, yet only hours later, their benefits were used in an out-of-state transaction.
- A comparison of household theft details on the form with known benefit theft trends in the State such as known phishing schemes.
- Data from the Electronic Payment Processing Information Control (EPPIC) system showing household's EBT balance inquiries immediately before the theft occurred.

Please refer to the *EBT* manual in Knowledge Base for more details on how to search for transaction details.

What to look for in EPPIC.

- Verify that a new EBT card has been issued since the reported fraudulent incident.
- Locate the transactions reported by the client on or around the date of the reported incident and verify that the EBT replacement card has been issued.
- If the client has not ordered a replacement EBT card, the compromised card must be "stated" (i.e., canceled, new card ordered).

2. On the EBT Replacement screen - Click the 'Add' button to access the 'EBT Replacement Details' window to input information from EPPIC.

3. The Case Manager must upload the EPPIC screen prints into the Eligibility and Enrollment (E&E) system.

4. If unable to validate the claim using the information on the form, call the client to clarify any unclear information, with the EPPIC system open, to identify the unauthorized transaction.

a. The Case Manager must accept any reasonable documentary evidence provided by the household.

b. The Case Manager must be primarily concerned with whether the verification proves the statements on the form.

5. Determine eligibility for the replacement of stolen benefits.

6. Enter appropriate narration (Sample):

a. March 15, 2023, EBT Fraud Attestation Claim Form received with client's attestation to losing \$1,000 of SNAP benefits in December 2023. Results of the EPPIC review reflect that \$1,000 was confirmed

- A confirmation that the EBT transaction history is closely aligned with the claim amount and dates reported on the form.

- Household transaction history reflects an in-state EBT replacement card has been issued.
- If the client has not ordered a replacement EBT card, the compromised card must be "stated" (i.e., canceled, new card ordered) purchase, yet only hours later, their benefits were used in an out-of-state transaction.
- A comparison of household theft details on the form with known benefit theft trends in the State such as known phishing schemes.
- Data from the Electronic Payment Processing Information Control (EPPIC) system showing household's EBT balance inquiries immediately before the theft occurred.

a. March 15, 2023, EBT Fraud Attestation Claim Form received with client's attestation to losing \$1,000 of SNAP benefits in December 2023. Results of the EPPIC review reflect that \$1,000 was confirmed

- Close the case using reason code 572 (Worker Voided Application)
- Authorize the denial to return the case to a closed status **on the same day**
- Suppress the Program denial notice
- The address in EPPIC will be updated overnight

- The Case Manager should coordinate with the local LDSS EBT Trainer to request a new EBT card in EPPIC the next day.

IMPORTANT POLICY NOTES

1. Expunged benefits are not reimbursable or able to be restored.
2. The myMDTHINK consumer portal is the simplest, seamless, and swiftest way to submit an EBT Fraud Attestation Form.
3. Upon processing of the claim and supervisory approval, the EBT Fraud Replacement claim will batch overnight in the Eligibility & Enrollment (E&E) system. The replacement benefit will be available to the client the following day.

4. If the client reports that their EBT card was not in their possession at the time of the fraudulent transaction, the Case Manager must call the client to confirm this information. If the card was not in the claimant's possession at the time of theft, it may mean that the theft was not electronic. Incidents that are not a result of electronic EBT theft are not reimbursable.

5. The Case Manager may err on the side of the client when unable to satisfactorily determine whether the fraudulent action actually occurred despite the fact that the EBT card was not in their possession.

a. The Case Manager should sufficiently narrate the case, (i.e., reason for the approval, why the agency erred on the side of the client).

REQUIRED ACTION

ALLEGANY AND GARRETT EBT REPLACEMENT TEAM

DHS has identified a group of staff in Allegany and Garrett Counties who will manage the EBT Fraud Hotline and process Reimbursement Claim Forms. This particular group will:

- Answer EBT Fraud-related calls.
- Provide status updates on pending requests and handle other process questions.
- Process claims and monitor that E&E is sending the correct decision notices to the clients.
 - The notices are triggered and generated in overnight batches and sent to the DHS Central Distribution Center (CDC) for mailing once the supervisor approves or denies the claim.
- Maintain close communication with claimants throughout the process.

When a client submits an EBT Fraud Attestation Form through the consumer portal, an EBT Fraud alert will be generated to the E&E worker portal. Assigned Case Managers in Allegany and Garrett will take the following steps:

1. Review and decision EBT Fraud Claims submitted within 10 calendar days of receipt. An alert will be created when an EBT Claims Attestation Form is submitted through the CP. The Case Manager will use information collected on the EBT Fraud Attestation Form to assess the validity and eligibility of each transaction. Each claim must include the head of household or other adult case member's signature attesting to the benefit theft. The sworn statement on the form will satisfy the attestation requirement. Additional validation criteria may include one or a combination of the following:

- A confirmation that the EBT transaction history is closely aligned with the claim amount and dates reported on the form.
- Household transaction history reflects an in-state purchase, yet only hours later, their benefits were used in an out-of-state transaction.
- A comparison of household theft details on the form with known benefit theft trends in the State such as known phishing schemes.
- Data from the Electronic Payment Processing Information Control (EPPIC) system showing household's EBT balance inquiries immediately before the theft occurred.

Please refer to the EBT manual in Knowledge Base for more details on how to search for transaction details.

What to look for in EPPIC.

- Verify that a new EBT card has been issued since the reported fraudulent incident.
 - Locate the transactions reported by the client on or around the date of the reported incident and verify that the EBT replacement card has been issued.
 - If the client has not ordered a replacement EBT card, the compromised card must be "stated" (i.e., canceled, new card ordered).
2. On the 'EBT Replacement' screen - Click the 'Add' button to access the 'EBT Replacement Details' window to input information from EPPIC.
 3. The Case Manager must upload the EPPIC screen prints into the Eligibility and Enrollment (E&E) system.
 4. If unable to validate the claim using the information on the form, call the client to clarify any unclear information, with the EPPIC system open, to identify the unauthorized transaction.
 - a. The Case Manager must accept any reasonable documentary evidence provided by the household.
 - b. The Case Manager must be primarily concerned with whether the verification proves the statements on the form.
 5. Determine eligibility for replacement of stolen EBT benefits.
 6. Enter appropriate narration (Sample): a. March 15, 2023, EBT Fraud Attestation Claim Form received with client's attestation to losing \$1,000 of SNAP benefits in December 2023. Results of the EPPIC review reflect that \$1,000 was confirmed as being fraudulently withdrawn. There was one transaction on December 15, 2023, with Processor ID XXXXXXXXXX. A claim for \$1,000 was approved for

replacement and forwarded to the supervisor on March 15, 2023, for review. The \$1,000 claim approval was below the maximum permissible replacement amount for the household. Compromised EBT card was stasured on March 15, 2023. New EBT card was issued on March 15, 2023.

Supervisor role

The supervisor will receive an alert when an eligibility determination is made on the case. The Supervisor shall view the 'Status Approval' section for Approval/Denial of an alert and take the appropriate action.

Please refer to the How to Guide: Process an EBT Fraud Replacement Request V 0.1 for more detailed processing steps to make an eligibility determination (i.e., approval or denial) of a claim.

REQUIRED ACTION FOR THE REMAINING 22 LDSS JURISDICTIONS:

Anne Arundel, Baltimore City, Baltimore County, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Harford, Howard, Kent, Montgomery, Prince George's, Queen Anne's, Somerset, St. Mary's, Talbot, Washington, Wicomico, and Worcester.

Case Managers that are not involved in processing EBT Fraud Claims have a very important role to play to ensure that clients are informed about the EBT Fraud Benefit Replacement Program, are supported through the claim's submission process, and have access to emergency resources while awaiting agency decision on the claims.

Education Role

Each Case Manager must be equipped to answer basic questions about EBT Fraud. There are written materials that will be shared, and training was conducted on March 8, 2023, to go over the program details. There will also be a dedicated webpage that provides information regarding EBT Fraud Replacement information including Frequently Asked Questions and Answers to support efforts to educate and support clients.

EBT Fraud Claims Submission Support Role

A single point of entry for all EBT Fraud Attestation Forms was created on the Consumer Portal (CP). Each LDSS shall develop a process for helping walk-in clients submit Attestation Forms via the CP. If a client drops off a paper form, it is the responsibility of the receiving LDSS to enter and submit the form via the CP **on the same day it was received**. This is the only way to ensure that all forms make it to the processing teams in Allegany and Garrett. When submitting the form on behalf of the client, supporting documents including the signed paper form, EBT Transaction screenshots, police reports, and any other documents obtained must be uploaded.

- Documents must be indexed as EBT Reimbursement
- Subcategories
 - Police Report
 - EBT Transactions,
 - Other Verification Documents, etc., if applicable.

Please refer to the How-To-Guide: Report EBT Fraud_V 0.1 for instructions for client submission of form and fraud related documents.

Referrals To Emergency Resources

All LDSS staff should assume that every family that has experienced EBT Fraud is resource strapped and offer a referral of emergency resources available in their local community. You may use <https://211md.org/resources/food/> to find food pantries nearest to the clients residence. You may also refer impacted households to emergency rental assistance, energy assistance, and any other emergency assistance available in your local resource directory.

CODING BENEFITS IN E&E

New financial codes have been added to E&E for replacement of EBT stolen benefits.

Please refer to the How to Guide: Process an EBT Fraud Replacement Request V 0.1 for more detailed processing steps to make an eligibility determination (i.e., approval or denial) of a claim.

REPORTS:

The Qlik report is located in the **E&E_FIA Program Operations** stream, titled **E&E EBT Fraud Claims and Replacements Report**.

EBT FRAUD REPLACEMENT PHASE II

SUMMARY

On April 24, 2023, [SB2/HB502](#), passed by the Maryland General Assembly and was signed into law by Governor Wes Moore. The newly signed legislation authorizes the reimbursement of Supplemental Nutrition Assistance Program (SNAP) and Cash benefits stolen from Electronic Benefits Transfer (EBT) cards for the period of (January 1, 2021 through September 30, 2022) with the use of 100% State funds.

Note: Marylanders who already filed a claim for stolen benefits do not need to file again, even if their prior claim was denied. DHS will review all claims that were submitted and denied for thefts occurring prior to October 1, 2022. These retroactive claims will be paid on or after July 3, 2023.

IMPORTANT POLICY UPDATES:

New fraud claims must first be evaluated for eligibility for replacement using federal funds. If a claim is not eligible for a replacement under federal rules because they were stolen before October 1, 2022, it may be processed under phase II replacement instructions below.

The new eligibility rules that apply to this State funded portion of the benefit replacement including:

- There is no maximum limit applied to the amount a household may receive in replacement. The household will receive 100% of the benefit lost due to theft for benefits stolen between **January 1, 2021 - September 30, 2022**.
- SB2/HB502 expanded the definition of theft to include physical theft of an EBT card. Under the federal program, States were authorized to replace benefits that were stolen via electronic means only.
- The **45-day deadline** subject to reporting of benefits stolen after October 1, 2022, **does not apply to households eligible for reimbursement under Phase II implementation.**
- Case Managers must take swift actions to status an EBT card reported as stolen or being compromised. Compromised EBT cards must be disabled immediately.

- Under Phase II implementation, the State is required to replace stolen benefits within 10 days of receiving the report.
- If a household appeals the State decision on a claim involving benefits stolen between January 1, 2021, and October 1, 2022, they may receive their benefits pending the outcome of the appeal with an understanding that they will repay the benefits if they lose the appeal.
- If a household loses an appeal and must repay the benefits, the monthly repayment may not exceed 5% of the household’s monthly allotment or \$10, whichever is less.
- **Benefits that were stolen on or before December 31, 2020, are still not replaceable.**

PROCESS

Please refer to *How-To-Guide: Report EBT Fraud_V.2.0* for instructions for *relinking, supervisory process, change of address on closed case, workflow for claims already adjudicated, and appeal/overpayment workflow.*

The claims that were previously denied because they were stolen before October 2022 will be reopened and automatically be processed by the assigned Case Manager. The claimants will not have to submit new claim forms.

CLAIM FILING DEADLINES

Benefits Were Stolen:	Claim Submission Deadline
October 1, 2022 or later	45 days from date of discovery
January 1, 2021 - September 30, 2022	No Deadline
Before December 31, 2020	Not Replaceable

REPLACEMENT AMOUNT

The State is required to replace 100% of the amount verified as being stolen between January 1, 2021, and September 30, 2022.

Example #1 On June 15, 2023, a household of one submitted an EBT Fraud Replacement claim reporting that \$575 in TCA benefits were stolen. TCA benefits were stolen on September 30, 2022. The household's monthly allotment is \$150. The TCA stolen benefits were successfully validated in the EPPIC system.

Reimbursement Calculation

- o Permissible Replacement Amount \$575
- o Stolen Amount: \$575
- o Amount Replaced: \$575

Justification: Under federal rule, this case would have been eligible for a maximum replacement of \$300 (2X the monthly allotment); however, they are entitled to a full replacement of the lost benefits due to theft under the State-funded period.

Example #2: On June 15, 2023, a household of one submitted an EBT Fraud Replacement claim reporting \$562 in stolen SNAP benefits. The benefits were stolen on May 14, 2021, and February 1, 2023. The May 14, 2021 EBT transactions, which totaled \$281, were validated in the EPPIC system. The February 1, 2023, transaction was also validated,

Reimbursement Calculation

- o Potential Permissible Replacement Amount: \$562
- o Stolen Amount: \$562
- o Amount Replaced: \$281

Justification: The household received the full amount lost during the State-funded period. The February transaction is not outside of the covered period for Phase II implementation and was reported late (after 45 days) to qualify for a replacement under federal rules.

Example #4: On June 17, 2023, a household submitted an EBT Fraud Replacement claim reporting \$516 in stolen SNAP benefits. \$300 of the lost benefits were stolen in multiple

transactions between July and August, 2022. The rest of the benefits were stolen in a single transaction on May 31, 2023.

Reimbursement Calculation

- o Permissible Replacement Amount \$516
- o Stolen Amount: \$516
- o Amount Replaced: \$516
 - \$300 will be replaced under the State-funded program
 - \$216 will be replaced under the federal program

Justification: Case Managers are required to first evaluate each claim eligible for replacement under federal rules and only apply transactions that are not eligible for federal funds to the State-funded program. In this case, the benefits that were stolen on May 31 qualified for replacement under federal rules because the fraud incident occurred after October 1, 2022 and was reported within the required 45-day period.

Note: We have created additional case examples in the table below to further help you make decisions as you review replacement claims.

New Fraud Incidents (Reported on or after January 1, 2021 through September 30,2022)	Eligibility Decision	Decision Reason
<p>The client submitted an EBT Fraud Attestation form on October 30, 2022) for a fraudulent transaction that occurred March 28, 2021. The claim was initially denied because benefits prior to October 1, 2022 were not replaceable. Under the newly expanded State Plan, the claim was <u>automatically reviewed</u>. The fraudulent transaction was validated in EPPIC.</p> <p>The same client submitted another EBT Fraud Attestation form on July 15, 2023 for a</p>	<p>Approve both claims</p>	<p>The benefits were stolen within the eligibility replacement timeframe, reported within the required timeframe, and are now considered reimbursable.</p> <p>Note: The Department <u>may not limit the number of months</u> in which a household</p>

<p>fraudulent transaction that occurred on August 4, 2022. The claim was validated in EPPIC.</p>		<p>can receive restoration of benefits to theft.</p>
<p>The client submitted an EBT Fraud Attestation form for fraudulent transactions that occurred before October 1, 2022. The claim was initially denied because benefits prior to October 1, 2022 were not replaceable. Under the newly expanded State Plan, the claim was <u>automatically reviewed</u>. The Case Manager realized that the transactions on the claim occurred on December 29, 2023.</p>	<p>Deny</p>	<p>The transactions are not reimbursable. The transactions occurred during the time period not covered under the State or federal programs.</p>
<p>The client submitted an EBT Fraud Attestation form on June 15, 2023 for two fraudulent transactions that occurred March 14, 2021 and February 1, 2023. The March 2021 and the February 2023 incidents were both validated.</p>	<p>Provide a partial approval</p>	<p>The March 14, 2021 transaction is reimbursable as it falls within the eligibility timeframe under the State-funded program. The February 2023 transaction would have been eligible for replacement under federal rules, but was reported after the required 45-day timeframe.</p>

Note: There is **no limit to the number of months** in which a household can receive restoration of benefits to theft within the current replacement timeframe outlined in the **State guidelines**.

The State cannot replace benefits if the claimant willingly gave their card and Personal Identification Number (PIN) to someone other than an immediate household member or an authorized representative who then stole the benefits.

IMPORTANT PROCESS NOTES

- Dedicated teams in Allegany and Garrett counties will continue to process all EBT Fraud Claims.
- All other jurisdictions must continue to play their role for outreach, claim form submission support, and ongoing customer service.
- It is everyone's responsibility to refer customers to internal and external sources while they are waiting for a decision on their claims.

OVERPAYMENT RECOUPMENT

This AT will be amended to address the overpayment recoupment process.

REFERENCES:

- [Maryland State Plan for Replacement of SNAP Benefits.](#)
- [Replacement of SNAP Benefits in the Consolidated Appropriation Act of 2023.](#)
- [SB2/HB502](#)
- [EBT Fraud Website updates](#)
- How-To-Guide: Report EBT Fraud_V 0.1 (Internal Use Only)
- How-To-Guide: Process an EBT Fraud Replacement Request V 0.1 (Internal Use Only)
- How-To-Guide: Process an EBT Fraud Replacement Request V 0.2 (Internal Use Only)
- EBT manual (Internal Use Only)

INQUIRIES:

If you have any questions regarding this Action Transmittal or any other program policies, please submit it using the [FIA Policy Information Request Form](#). If you work in Montgomery County, you may submit your policy questions via email at fia.policy@maryland.gov. For systems questions, please email fia.bsdm@maryland.gov.

cc: DHS Executive Staff
FIA Management Staff
Constituent Services
Office of Administrative Hearings