

State Plan for the Replacement of Stolen EBT Benefits

State: Vermont
Region: Northeast
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Introduction

Vermont submits this plan pursuant to the authority in Title IV, Section 501(b) of the 2023 Consolidated Appropriations Act. Through this state plan, Vermont will replace EBT benefits stolen through card skimming, card cloning or similar fraudulent methods. The effective dates of this state plan and timeframe to file a claim of theft is 10/1/22 through 9/30/24.

All references of ‘days’ throughout this plan are calendar days.

Retroactive Claims

Vermont will accept retroactive replacement requests for claims of electronic stolen benefits that occurred between 10/1/22 and the approved date of this plan. Vermont has a list of thefts that it has been tracking for a few years now. Thefts previously received from 10/1/22 to the present will be reviewed with the standards set forth in this state plan and processed accordingly. Staff will outreach to these customers to complete the required attestation.

Any new claims of electronic stolen benefits from 10/1/22 to the present will also be reviewed and processed as set forth in this plan. Replacement requests will be received by contacting the Department for Children and Families, Economic Services Division (ESD). ESD will accept retroactive replacement requests for up to 30 days after the date of plan approval. ESD will post the approved plan and information about how to request replacement benefits on its website and also work with Outreach partners to message this new replacement option and message clearly all of the guidelines.

Submission of Claims – Timeliness

Vermont considers timely reports of electronic benefit theft within 30 days of discovery of the theft. Retroactive claims are timely if submitted within 30 days of the date of plan approval. Vermont will utilize the attached attestation form, which includes the date that the theft is discovered along with a signed attestation of loss by the household. Customers can use all forms of returning documentation that Economic Services accepts; mail, dropping off at a local district office or using our online uploader.

Submission of Claims – Procedure

Claims of electronic stolen benefits can be reported to ESD either in person in a district office, via the mail or by calling the ESD Benefits Service Center phone line. All customers reporting loss of EBT benefits will be provided the attached *Attestation of Loss or Theft and Request for Replacement of 3SquaresVT Benefits*. The date of initial contact with ESD is considered the date of report. The signed attestation must be received by ESD within 10 days of the of report of loss of stolen benefits. Claims cannot be processed until the signed attestation is received by ESD. Signed attestations can be mailed to ESD, uploaded to ESD via a web portal, or returned to a district office.

Validation – Timeliness

ESD will validate and issue claims for replacement of electronic stolen benefits within 10 days after receiving the completed and signed attestation.

Validation – Criteria

ESD will validate claims of electronic stolen benefit theft. ESD will review the information provided by the household on the attestation form and verify the information through the appropriate means including verification that the attestation is complete and signed by the household, collateral contacts and/or documentary evidence including EBT processor data, ESD call center and benefit information data, retailer or news media reports of identified skimming devices, or other similar information.

Please see the data elements that will be tracked for each report of electronic stolen benefits outlined in the *Record Keeping* section below. Vermont will be tracking the two-month monthly allotment limit applicable for each household to ensure that approved replacements do not exceed the lesser amount of the benefits stolen or value of two months of the household's monthly allotment. Vermont will also be tracking for each replacement request, the number of claims already approved for a household during that fiscal year so that a household is not issued more than two replacement issuances in a single federal fiscal year.

Validation – Denial of Claims

ESD will deny claims in the following circumstances:

- We are not able to validate the claim of fraudulent activity.
- The household has already received the maximum of two replacement issuances during the current federal fiscal year 10/1-9/30.
- The report of theft was more than 30 days after it was noticed by the household.
- The customer did not return a completed 271-Attestation of Loss from Theft within 10 days of reporting the loss to Economic Services.
- Your claim of theft does not fall into the allowable replacement timeframe of 10/1/22-9/30/24.

In these instances, ESD will send the household a notice of denial for the replacement request, along with information about how to request a fair hearing if they wish to contest the denial. Replacements shall not be made while the denial is pending appeal.

Fair Hearings

ESD will send households notices that include fair hearing rights and information with all replacement request decisions. Replacement issuances shall not be made while a delay or denial is pending appeal.

Record Keeping

ESD will track replacement requests, distinguishing requests for stolen benefits from household misfortune requests. Data that will be tracked and documented includes:

- Household name and information, including individual reporting the claim
- Date of report
- Date(s) of loss
- Date signed attestation received by ESD
- Reason for request, including type of theft
- Amount requested
- Stolen Benefit Transaction number, retailer name, and/or retailer address (if available)
- Two-month monthly allotment limit applicable for each household to ensure that approved claims do not exceed the lesser amount of the benefits stolen or value of two months of the household's monthly allotment
- Decision on claim (approved or denied)
- Reason for denial, if applicable
- Number of claims for each household already approved during each federal fiscal year to ensure that a household is not issued more than two replacement issuances in a single federal fiscal year
- Information about whether a fair hearing is requested by household

Benefit Distribution

ESD will validate and issue claims for replacement of electronic stolen benefits within 10 days after receiving the completed and signed attestation.

ESD will contact the customer to let them know the amount of their replacement benefits and when it will be available on their EBT card.

ESD will require a card replacement and re-PIN whenever a claim is submitted. Replacement EBT cards will be mailed to the customer upon report of electronic stolen benefits and a re-pin required. EBT cards arrive by mail in 3-5 business days.

ESD will utilize its standard benefit distribution procedures when replacing stolen benefits.

Benefits will be replaced within 2 business days of the ESD Food & Nutrition Team (FNT) receiving the completed replacement request from the district office. If more information is still required, the replacement issuance could be delayed in order to ensure all requirements have been met.

Data on Benefit Theft

Vermont commits to reporting data to FNS using the template provided on the schedule outlined in the FNS guidance document.

Current Benefit Theft Prevention

Eligibility staff who learn of fraudulent activity ask the customer to cancel their current EBT card, alert law enforcement and set a new PIN when their replacement card arrives. Eligibility staff send the case to the FNT. The FNT tracks cases on an excel file and monitors this list for trends. The FNT alerts our Fraud Unit and upper management when we have reports of activity.

The FNT works closely with our community partner and advocate community. Through this work we have notified them of skimming practices to help us inform customers when this is happening. A smaller workgroup has formed with representatives from the FNT that have drafted future ideas to be discussed with a larger group. This group collects ideas from numerous sources, including FNS, APHSA, NERO SNAP Directors calls and other news outlets.

Vermont works closely with our EBT Vendor, FIS. Vermont has representatives from the FNT and EBT Unit that meet with FIS on a monthly basis. We review any card skimming trends and are beginning to work outside of this recurring meeting time with FIS on more proactive ways to combat fraudulent activity.

VT enacted common PIN blocking with hopes that our customers will select PINs that are not easily determined by skimmers.

We are also setting a banner that will play to inform customers when they call the EBT line that we would never call or text them. This is to mitigate the potential of them responding to a current scam that is gaining a lot of traction.

Vermont has added additional text to our EBT brochures explaining that DCF will never text or call and request their card number or PIN information.

Planned Benefit Theft Prevention

Vermont's EBT Vendor, FIS has offered to provide training in using their Fraud Navigator system. FIS will work with Vermont to create rules for building reports to help detect fraudulent activity. The data set will provide a 30 to 60 day look back period of all transactions that meet narrow requirements leading to potentially fraudulent activity trends. When trends are located, the FNT will reach out to Fraud and Upper management to determine next steps. The Fraud team will update FNS to alert of large skimming operations if detected.

Implementation Timeline

The effective dates of this state plan are 10/1/22 through 9/30/24. Claims will be accepted beginning on the date of plan approval through 9/30/24. No claims will be accepted after 9/30/24. Claims processing timelines are outlined in other sections of this plan. Upon plan approval, we will outreach to previously reported customers that experienced electronic stolen benefits to obtain the attestation. We will also be sending information to ESD staff of this new process and outlining their requirements and customer education for them if working with someone who has experienced electronic stolen benefits. This will happen immediately upon approval and we will implement as quickly as we can message all parties.

Messaging

ESD will post information on its website about electronic stolen benefit replacement options on its website, along with information about how to submit requests. ESD will also work with its Outreach partners to message this option. ESD will ensure that communications about this option are accessible and specific in nature to the retroactive option and the timeframe available for replacement. We will explore other possible means of messaging with our DCF Communications Team while we await approval; i.e. Twitter, Facebook, Instagram, etc.

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