

State Plan for the Replacement of Stolen EBT Benefits, 2023

State: Louisiana
Region: Southwest
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Introduction

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

Retroactive Claims

Upon approval of this plan, households will have 45 calendar days¹ after implementation to report a theft of stolen EBT benefits that occurred on or after October 1, 2022. Louisiana has a record of all households that previously reported benefits stolen due to theft of EBT benefits due to card cloning. The state will mail all known victims a Request for Replacement of Benefits form to obtain their signature. The state will post information on its website, social media, community partners, and text alerts (for the affected area) to inform past victims to report the theft of benefits to the DCFS Fraud and Recovery Unit. Once a new claim is received, the state will mail the victim a Request for Replacement Benefits form to obtain the household's signature. The household will have 30 calendar days to return the Request for Replacement Benefits form to the DCFS Fraud and Recovery Unit. The Fraud and Recovery Unit will verify the claim was a result of EBT theft and issue benefits within 30 calendar days after receiving the signed Request for Replacement of Benefits form. Once all reviews are completed and the household has returned the signed Request for Replacement Benefits, a Notice of Decision is mailed to the household; the replacement benefits will be available to the household within 5 calendar days of the date of the notice.

Submission of Claims – Procedure

Households must report the theft of benefits within 45 calendar days of the first date of theft. Households can do this by phone at 1-888- LAHELPU, in writing to DCFS, via email at DCFS.Fraud@LA.GOV, or in person at one of the local DCFS field offices.

Once a report of EBT theft is received, DCFS will mail households a Request for Replacement of Benefits form notifying the household to submit the signed form to the DCFS Fraud and Recovery Unit.

The Request for Replacement Benefits form will attest to the validity of the claim and amount stolen, as well as informs the households of the program rules, timelines, and information about providing false information to DCFS as well as collect the signature of the head of household or Authorized

¹ If the 45th day falls on a weekend or a holiday, the following workday will be treated as the 45th day.

Representative. Additionally, the form will have contact information for the agency should the household have any questions or concerns. This procedure will remain the same for households that report retroactive claims.

Submission of Claims – Timeliness

Louisiana will consider the theft of benefits to be reported timely if the report is received by the DCFS Fraud and Recovery Unit within 45 calendar days of the date of the first EBT theft occurrence. Once notified, the Fraud and Recovery Unit will mail the household a Request for Replacement Benefits form due to EBT theft within 10 calendar days to obtain the household's signature. The household will have 30 calendar days from the notice date to sign the Request for Replacement of Benefits form. The signed form can be mailed, faxed, dropped off at the local Department of Children and Family Services office, or e-mailed to the DCFS Fraud and Recovery Unit.

Validation – Timeliness

The Fraud and Recovery Unit will verify the claim was a result of EBT theft and issue benefits within 30 calendar days after receiving the signed Request for Replacement of Benefits form. This procedure will remain the same for both current claims; as well as, retroactive claims.

Validation – Criteria

The DCFS Fraud and Recovery Unit will validate all claims of benefit theft in a number of ways by reviewing the household's EBT transaction history for signs of EBT theft due to card skimming, cloning, or similar fraudulent methods. This may include reviewing for unusual out of states purchases, balance checks through online retailers, transactions in different states around the same time, and confirming the household still had possession of their EBT card and whether the card was reported lost or stolen by the household.

Additionally, the Fraud and Recovery Unit will attempt to determine when and where the card was compromised and obtain any video footage or other evidence to support the claim was a result of EBT benefit theft. This information will be provided to local law enforcement to aid in the removal of the compromised POS device and/or the prosecution of the person or persons who used the stolen EBT information. Information regarding video footage will not affect the household's eligibility for replacement benefits.

Validation – Denial of Claims

The Fraud and Recovery Unit will deny claims in the following circumstances:

- The claim was reported outside of the timely reporting period outlined in this state plan.
- The signed Request for Replacement of Benefits form was not returned within the timeframe outlined in this state plan.

- The claim is not associated with EBT theft as a result of card cloning, card skimming, and/or similar fraudulent method.
- When the household has exceeded the maximum of two replacements per federal fiscal year October 1 – September 30.
- The state may deny a portion of the claim if the claim amount exceeds the amount allowed as outlined in the federal guidelines.
- Theft occurred prior to 10/01/22 or after 09/30/24.

A Notice of Decision will be mailed to the household informing the household of the approval or denial of the claim, along with information on how to request a fair hearing if they disagree with the decision. Replacement benefits will not be made while the denial is pending.

Fair Hearings

The Notice of Decision includes a section for the household to request a Fair Hearing if they disagree with the amount of benefits being replaced and/or the denial of the claim. Replacement benefits will not be issued while a fair hearing is pending.

Record Keeping

All claims will be maintained within the Fraud and Recovery system and on a SNAP Stolen Benefits Tracking log, which will track the following:

- Household name and information regarding the claim
- Date of the report of the theft of benefits including the location of the stolen benefits including FNS retailer number, retailer name, and retailer address.
- Date the client signed the Request for Replacement of Benefits form
- Amount of the claim
- Notice of Decision (Approved or Denied) and reason for denial, if applicable
- Date the benefits were replaced to the household
- Number of claims received by the household
- Number of fair hearings requested

Benefit Distribution

Prior to benefit replacement, the state will review the Fraud and Recovery system, as well as the SNAP Stolen Benefits Tracking Log to determine if the household has already received the maximum of two replacements within the FFY. Upon notification that the household was a victim of EBT theft, the state will immediately deactivate the compromised card and re-issue a replacement card following normal replacement card procedures.

Once all reviews are completed and the household has returned the signed Request for Replacement Benefits, a Notice of Decision is mailed to the household; the replacement benefits will be available to the household within 5 calendar days of the date of the notice. Benefits will be issued through the LITE system, manual issuance screen. The benefits should be available to the household the next day.

The manual issuance procedure is already utilized to provide other replacement benefits such as underpayments or household misfortune.

Data on Benefit Theft

DCFS will report the data from the SNAP Stolen Benefits Tracking Log to the Federal Replacement of Stolen Benefits Data Report template provided by FNS, which will then be submitted in WIMS in the same reporting frequency outlined in the guidance document.

Current Benefit Theft Prevention

The state EBT Vendor, Inmar, has the following measures in place:

- The EBT card will freeze for 24 hours after 3 invalid pin attempts
- PINs cannot be consecutive digits
- The PIN cannot be the date of birth of the head of household

If a report of theft due to EBT skimming is received the Fraud and Recovery Unit is notified and researches the claim extensively to prevent additional victims. The state alerts all potential victims if identified, via text messaging to change their PINs and/or request a new EBT card if they believe they are a victim. Additionally, the state will post information on its website, social media, and contact the local law enforcement (if known) to alert their citizens on their social media pages.

Planned Benefit Theft Prevention

The state EBT Vendor is working to implement additional safeguards. The household would have to request these features to be added to their account, via the app, portal, or by telephone.

- Spending Threshold
- Restrict Out of State Purchases
- Restrict Online Purchases

Implementation Timeline

Louisiana will accept claims that occurred from 10/01/22 to 09/30/24. As the state's plan requires no technology changes, the state believes it can begin accepting claims and providing issuances to households within 30 calendar days of approval of the plan to account for noticing the public and staff notification/training. The state will make a formal announcement through a press release, its website, and posts to social media informing households to report the theft of benefits within the timelines as outlined in this plan.

Messaging

Messaging regarding the replacement SNAP benefits will be communicated through the state's social media posts, text alerts, and on the state's agency website. In addition, an email will be sent to the legal and advocate communities and Louisiana's 100+ Community Partners informing them of this same information with additional guidance around what is needed for the replacement of stolen benefits and a request that it be distributed to their networks. Additionally, the state will notify households of the new prevention methods available through the EBT vendor.

Date Submitted

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