

# **SB2 - Prevent Electronic Benefits Theft Act of 202**

Uploaded by: Abigail Snyder

Position: FAV

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**Written Testimony**

**Senate Bill 2 - Prevent Electronic Benefits Theft Act of 2023  
 House Appropriations Committee – March 29, 2023**

**Support**

**Background: SB2 would require:**

- the Department of Human Services (DHS) to reimburse an individual for any benefits fraudulently lost from their Electronic Benefits Transfer (EBT) card;
- the State to give preference to certain vendors in the procurement process for electronic benefits distribution or administration; and
- DHS to establish a certain point of contact for investigating and identifying electronic benefits fraud, including retroactive cases.

**Written Comments:** The Baltimore Jewish Council represents The Associated: Jewish Federation of Baltimore and all of its agencies. This includes Jewish Community Services (JCS), which provides social services to low-income Marylanders.

Maryland has one of the highest rates of poverty in the country, with almost 50% of those living in poverty being considered as living in *deep* poverty. A majority of these individuals receive either SNAP benefits or TCA benefits. According to data provided by the State, over \$1M of these benefits were stolen over the course of 2022.

It is imperative that the Department of Human Services take the necessary steps to restore all benefits fraudulently lost. These vulnerable families, who rely heavily on these programs to support their families, cannot be subjected to discrepancies in the amount available to them through their EBT cards.

**In order to ensure that no Marylander is left behind, the Baltimore Jewish Councils asks for a favorable report on SB2 as amended in the Senate.**

*The Baltimore Jewish Council, a coalition of central Maryland Jewish organizations and congregations, advocates at all levels of government, on a variety of social welfare, economic and religious concerns, to protect and promote the interests of The Associated Jewish Community Federation of Baltimore, its agencies and the Greater Baltimore Jewish community.*

# **SB 2\_PJC\_Support\_APP.pdf**

Uploaded by: Ashley Black

Position: FAV



Ashley Black, Staff Attorney  
Public Justice Center  
201 North Charles Street, Suite 1200  
Baltimore, Maryland 21201  
410-625-9409, ext. 224  
[blacka@publicjustice.org](mailto:blacka@publicjustice.org)

## SB 2

### Department of Human Services – Electronic Benefits Transfer Cards – Fraud (Prevent Electronic Benefits Theft Act of 2023) Hearing of The House Appropriations Committee

March 29, 2023

1:00 PM

## SUPPORT

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Health and Benefits Equity Project advocates to protect and expand access to healthcare and safety net services for Marylanders struggling to make ends meet. We support policies and practices that are designed to eliminate economic and racial inequities and enable every Marylander to attain their highest level of health. **PJC stands in strong support of SB 2 as amended.** SB 2 would require the Department of Human Services (DHS) to reimburse a beneficiary of any benefits lost due to fraudulent use of the beneficiary's Electronic Benefits Transfer (EBT) card. It would also require DHS to investigate and identify EBT fraud as well as take actions to prevent fraud and assist beneficiaries.

**EBT skimming theft is a crisis that has devastated Maryland's low-income individuals and families receiving SNAP, TCA and TDAP.** In Calendar Year 2022, at least 2,334 households receiving benefits from the Supplemental Nutrition Assistance Program (SNAP), Temporary Cash Assistance (TCA) and the Temporary Disability Assistance Program (TDAP) had over \$1.6 million in benefits stolen from them. Individuals stealing benefits attach a skimming device to point-of-sales (POS) machines and PIN pads to steal EBT card numbers. These illegal devices look like they are part of the machine or pin pad, are hard to identify and can be placed in less than one minute. When unsuspecting EBT cardholders swipe their cards in the POS, their card number and PIN can then be cloned and use to drain funds from their account from any state. This crime leaves the victims, including families with young children, seniors, and individuals with disabilities, feeling violated. Their trauma was compounded further by the previous DHS administration's policy decision to not replace these stolen benefits.

The loss of SNAP, TCA and TDAP benefits from a household means that the individual or family cannot afford food, rent and utilities. Additionally, victims accrue late fees for missed rent and utility bills, driving them deeper into poverty. Marylanders need immediate relief from this crisis and SB 2 would provide that relief.

*The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.*

**SB 2 is a consensus bill developed in collaboration with the bill sponsors, DHS and advocates.** We greatly appreciate the new DHS administration's strong support of SB 2 and Secretary Lopez's willingness to work with advocates over several weeks on amendments to the legislation. SB 2, as amended, would:

- reimburse households retroactively for benefits that were stolen between March 15, 2020 (declaration of the COVID-19 public health emergency) to the bill's effective date;
- prevent limitations on the number of times a household may have their benefits restored where a household has experienced multiple instances of EBT theft;
- establish an expedient process for households to receive notice of DHS' decision on their stolen benefits claim and receive reimbursement;
- create an appeal process for households that receive an unfavorable decision on their application and would require DHS to restore benefits while the appeal is pending;
- prohibit DHS from requiring a household to file a police report as a condition of benefits restoration;
- establish an entitlement to restoration of stolen benefits for beneficiaries; and
- require DHS to coordinate with vendors to implement security protections for EBT cards, including the inclusion of a microchip on or after October 1, 2023 and two-way fraud alert.

SB 2, as amended, would bring justice and important consumer protections to Marylanders who receive SNAP, TCA and TDAP. For these reasons, the Public Justice Center urges the committee to issue a **FAVORABLE** report for **SB 2 as amended**. If you have any questions about this testimony, please contact Ashley Black at 410-625-9409 ext. 224 or [blacka@publicjustice.org](mailto:blacka@publicjustice.org).

# **HPRP\_Fav\_Testimony on SB 2 in House Appropriations**

Uploaded by: Michelle Madaio

Position: FAV



## **HOMELESS PERSONS REPRESENTATION PROJECT, INC.**

201 North Charles Street, Suite 1104 Baltimore, MD 21201 (Headquarters)

P.O. Box 1787, Rockville, Maryland 20849 (Satellite Office)

(410) 685-6589 [www.hprplaw.org](http://www.hprplaw.org)

### **Favorable– SB 2**

#### **Department of Human Services - Electronic Benefits Transfer Cards – Theft of Benefits (Prevent Electronic Benefits Theft Act of 2023)**

**Hearing of the House Appropriations Committee, March 29, 2023**

**Michelle S. Madaio, Homeless Persons Representation Project**

The Homeless Persons Representation Project, Inc. (HPRP) is a non-profit civil legal services organization that provides free legal representation to people who are experiencing homeless or at risk of homelessness on legal issues that will lead to an end to homelessness. Over the past year, HPRP worked closely with many victims of theft of their Supplemental Nutrition Assistance Program (SNAP), Temporary Cash Assistance (TCA), and Temporary Disability Assistance Program (TDAP) benefits who experienced prolonged hunger and housing instability because of the unexpected loss of their food and cash assistance. **HPRP requests this Committee pass SB 2 clean.**

**SB 2 is the result of consensus and collaboration between the bill sponsors, Department of Human Services, and advocates.** SB 2 was developed after incredible commitment, hard work, and collaboration between the Department of Human Services Secretary Rafael López and his team, bill sponsors (Senator Katie Fry Hester and Delegate Robbyn Lewis, as well as Senator Ben Kramer and Delegate Tiffany Alston who withdrew their bill, SB 401 / HB 697, after developing the consensus draft SB 2 / HB 502), and advocates including Maryland Hunger Solutions, Public Justice Center, and Homeless Persons Representation Project. SB 2 puts into statute clear and strong protections for families to receive quick and full replacement of food and cash benefits after benefits are stolen from their Electronic Benefit Transfer (EBT) card, ensuring that victims of theft are made whole and do not suffer prolonged food and housing insecurity.

**SB 2 makes past victims of EBT theft whole by providing retroactive benefits for theft that occurred between March 15, 2020 to September 28, 2022.** SB 2 would restore benefits to any household that lost benefits due to theft between March 15, 2020 (declaration of COVID-19 pandemic) and October 1, 2022. HPRP commends the commitment and action of the recently confirmed Secretary of the Department of Human Services López to reimburse victims of EBT theft that occurred beginning on October 1, 2022 onward through the Department's state plan.<sup>1</sup> SB 2 is needed to provide retroactive replacement benefits stolen prior to October 1, 2022. Secretary López enthusiastically supports SB 2 and has stated his willingness to reimburse victims of theft back to March 15, 2020, so long as he has the funding to do so. There is \$11.3 million in available funding for replacement of benefits, which would cover the retroactive period in SB 2.<sup>2</sup>

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<sup>1</sup> Maryland Department of Human Services, *Maryland State Plan for Replacement of Stolen SNAP Electronic Benefit Transfer Benefits*, submitted to United States Department of Agriculture's Food Nutrition Service on February 10, 2023 (FNS approved Maryland's plan on February 24, 2023 and the Department began accepting applications for stolen benefits on March 20, 2023).

<sup>2</sup> See Senate Budget and Taxation Committee Report on House Bill 200 – the Budget Bill House Bill 202 – the Budget Reconciliation and Financing Act (March 20, 2023) at page 2

HPRP has worked with victims of benefit theft prior to October 1, 2022, who are still suffering the economic harm of losing their food and cash assistance. For example, one family we worked with was unable to pay their rent after their cash assistance was stolen in June 2022. The unexpected loss in benefits caused the family to fall behind on rent, gas/electric, and other bills and incur late fees that they continue to have each month. With the reimbursement of their June benefits, the family could finally catch up on late fees and bills. SNAP, TCA and TDAP are means-tested programs and families have little, if anything to fall back on when their food and cash assistance is stolen from them. In the words of another family whose TCA was stolen, “this is all I have at the end of the day.”

**HPRP strongly urges the Committee to issue a favorable report on SB 2 clean.** If you have any questions, please contact Michelle Madaio (she/her), Director – Economic Justice at (410) 716-0521 or [mmadaio@hprplaw.org](mailto:mmadaio@hprplaw.org).



**MD Catholic Conference\_FAV\_SB0002.pdf**

Uploaded by: MJ Kraska

Position: FAV



MARYLAND  
CATHOLIC  
CONFERENCE

March 29<sup>th</sup>, 2023

SB 02

**Department of Human Services - Electronic Benefits Transfer Cards - Fraud (Prevent Electronic Benefits Theft Act of 2023)**

**House Appropriations Committee**

**Position: Favorable**

The Maryland Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

Senate Bill 02 would require the Department of Human Services to reimburse a beneficiary for any benefits lost due to the fraudulent use of the beneficiary's Electronic Benefits Transfer card and require the State to give preference to certain vendors in the procurement process for electronic benefits distribution or administration; requiring the Department to establish a certain point of contact for investigating and identifying electronic benefits fraud.

Recently, social safety net fraud has skyrocketed within Maryland leaving our most vulnerable populations in need. The Conference strongly supports safeguards for poverty-reducing programs that protect vulnerable Marylanders. Senate Bill 02 seeks to support those who struggle to make ends meet by reimbursing stolen benefits to our most vulnerable populations in Maryland.

The Conference appreciates your consideration and, for these reasons, respectfully requests a **favorable** report on Senate Bill 02.

# **Mya Brown Skimming Testimony\_Testimony for House A**

Uploaded by: Mya Brown

Position: FAV

## **Testimony in Support of SB 2**

Department of Human Services - Electronic Benefits Transfer Cards – Theft of Benefits (Prevent  
Electronic Benefits Theft Act of 2023)

Hearing of House Appropriations Committee, March 29, 2023

Testimony of Mya Brown  
Baltimore City, Maryland

I, Mya Brown, am writing a letter in support of Senate Bill 2 and ask that you vote in favor of SB 2 clean.

I want to express my concerns about skimming. I feel very confused as to why DHS cannot replenish my SNAP benefits if they were stolen from me. This is especially hard to understand because if my benefits are stolen, I cannot provide food for myself or my child. It's horrible to deny a family food, especially as I am a U.S. veteran trying to find suitable work so I can provide a better living space and safety for my family. We are currently living in a shelter. We are always hearing horror stories about people like me getting their food stamps stolen. I am a human being and a mother first: if I had my benefits stolen and DHS denies me, I would be furious and would want to take legal action.

I think this bill should be passed to replace stolen food stamps. Not everyone has a family to help them in situations like that. I know I don't: I am a single mother living in a shelter, which is scary by itself. So, to think I wouldn't have anyone to help me in a situation like that is horrible. It's stressful just to imagine, much less to experience. I strongly urge that SB 2 be passed clean, without any amendments.

Thank you for listening to me today.

## **SB 2\_Renee Z\_favorable\_testimony for House Committ**

Uploaded by: Renee Z

Position: FAV

Dear Members of the House Appropriations Committee:

My name is Renee Z. In August 2022, I experienced over \$3,000 in Supplemental Nutrition Assistance Program (SNAP) benefits stolen from my Electronic Benefits Transfer (EBT) card. I shared my experiences with the Baltimore Banner and This American Life and the links are below. I support Senate Bill 2 because we need better security of EBT cards to prevent this from happening to other families. I had waited several months to receive SNAP due to agency errors in handling my case, only for my benefits to be stolen shortly after they were deposited on my card. I still have not been reimbursed.

I know the Department of Human Services began replacing benefits stolen as far back as October 1, 2022. Since my benefits were stolen prior to October 1, 2022, I would not receive replacement of benefits unless SB 2 passes. If I could receive the replacement of SNAP benefits, I would be able to finally put enough food in my fridge and freezer.

[The Runaround \(thisamericanlife.org\)](https://thisamericanlife.org)

[One woman's quest for justice after almost \\$3,000 of benefits were stolen - The Baltimore Banner](#)

Thank you for your time and consideration. And thank you for your strong support of this legislation.

**Please vote in favor of SB 2 (without any amendments).**

Thank you,

Renee Z.

# **(Varonis Systems) SB2 (Support) House Letter - Ses**

Uploaded by: Jason Bonasera

Position: FWA



**Senate Bill 2**  
**Department of Human Services - Electronic Benefits Transfer Cards - Fraud**  
**(Prevent Electronic Benefits Theft Act of 2023)**

**Position:**  
**FAVORABLE with AMENDMENTS**

**March 29, 2023**

Dear Chairman Barnes and the House Appropriations Committee Members:

On behalf of Varonis Systems, I would like to take this opportunity to thank you for the opportunity to submit this letter of support with amendments to Senate Bill 2, entitled: *Department of Human Services - Electronic Benefits Transfer Cards - Fraud (Prevent Electronic Benefits Theft Act of 2023)*.

If passed, Senate Bill 2, would require the Department of Human Services to reimburse a beneficiary for any benefits lost due to the fraudulent use of the beneficiary's Electronic Benefits Transfer card.

Last spring, DHS suffered an unfortunate incident that resulted in hundreds of Marylanders becoming the unfortunate victims of identity fraud and the loss of entitled SNAP benefits. Sadly, this occurrence could have been averted if certain safeguards were instituted from the beginning. Senate Bill 2 aims to also correct this mistake by mandating that the state's preferred vendor provide identity access protections.

Identity and Access (IA) is verifying that a user is the person they claim to be and determines which users can access which resources inside a network. Hackers and other cybercriminals are "automatons" who never stop hunting for common vulnerabilities in access controls. Instituting such protections promotes better cybersecurity within an organization. If these protections are not required onto the vendor, it will only be a matter of time before another attack occurs within the department.

Moreover, it is equally essential for the state to set forth a clear definition of IA standards to ensure that they are being applied and enforced at all times by the vendor (or if the vendor requires a 3<sup>rd</sup> party company to provide IA protections). Otherwise, it leaves potential interpretations and a nebulous understanding to the state's true intent on what degree of protections are required.



It is for these reasons, we respectfully submit the following language be adopted into SB2 to define “identity access protections”. This provision expressly codifies the safeguards that must be established and maintained by an eligible vendor.

**“Identity access protections” is shall:**

- 1. Identify where EBT beneficiary data is being stored within the Department of Human Services data stores**
- 2. Map out user permissions and audit every single file touch by a user/account within the Department of Human Services on data containing EBT beneficiary data and determine if the file access activity is normal/approved behavior**
- 3. Leverage automation to ensure least-privilege protections are enforced within the Department of Human Services on EBT beneficiary data**
- 4. Leverage User Behavior Analytics of EBT beneficiary data to detect when EBT beneficiary data is being stolen, encrypted by Ransomware, or compromised for fraudulent behavior.**

Should the committee have any questions regarding these IA requirements, please don't hesitate to contact me at your earliest convenience.

Again, thank you for your consideration and we strongly encourage this committee to provide a favorable report with amendments for Senate Bill 2.

Sincerely,



Jason Bonasera  
Varonis Systems, Inc.