



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 3rd 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.