



SB 02 - Department of Human Services - Electronic Benefits Transfer Cards - Fraud (Prevent Electronic Benefits Theft Act of 2023)

Finance Committee

February 23rd, 2023

SUPPORT

Chairwoman Griffith, Vice-Chair and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 02. This bill will protect Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF/TCA) and Temporary Disability Assistance Program (TDAP) recipients who are victims of fraud.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000. **Last year, CASH helped 270 households access over \$230,000 in social benefits through our free benefits counseling program.**

Social safety net programs like SNAP, TANF/TCA, and TDAP exist to protect low-income families and mitigate the impacts of poverty. They ensure that low-income and disabled Marylanders can afford food, diapers, and other basic necessities. They help negate the effects of childhood poverty, help families weather economic downturns, and give families an opportunity to gain financial stability.

Thousands of recipients in Maryland are victims of Electronic Benefits Transfer (EBT) theft. Their information is stolen like how debit and credit card information is stolen- through skimming devices placed on an ATM or card-swiping machine, or phishing scams. However, under the Electronic Funds Transfer Act (EFTA), if a consumer's debit card number is stolen they have 60 days to report the fraudulent charges with no liability. If their credit card information is stolen, they are protected under the Fair Credit Billing Act (FCBA). **There are no protections for low-income families who are victims of EBT theft.** It is imperative that the funds stolen be reimbursed to the recipients. When their funds are taken it puts their entire family in turmoil. They depend on the TCA to pay their rent and monthly utilities. They use SNAP to supplement their household food costs because their wages are low and they need assistance.

SB 02 will protect low-income families who are victims of theft by:

- Providing victims of theft with replacement benefits,
- Providing retroactive benefits to victims of theft beginning January 2020 through July 2023
- Creating a requirement for the Department of Human Services to track theft of benefits, and
- Protecting families from future theft by enhancing security of EBT cards via chip technology, suspicious activity alerts, and card-locking mechanisms

Thus, we encourage you to return a favorable report for SB 02.

Creating Assets, Savings and Hope