



Maryland Hunger Solutions

Ending hunger and promoting well-being

**Testimony in Support of SB02
Department of Human Services - Electronic Benefits Transfer Cards - Fraud
(Prevent Electronic Benefits Theft Act of 2023)
Senate Finance Committee
February 23, 2023**

Dear Chair Griffith, Vice-Chair Klausmeier, and Members of the Senate Finance Committee,

My name is JD Robinson. I am the Program Coordinator for SNAP of Maryland Hunger Solutions, a statewide, nonpartisan, nonprofit organization working to end hunger in Maryland by improving participation in the federal nutrition programs. Maryland Hunger Solutions strongly supports with amendments Senate Bill 02 - Department of Human Services - Electronic Benefits Transfer Cards - Fraud (Prevent Electronic Benefits Theft Act of 2023).

Electronic Benefits Transfer (EBT) theft has been on the rise in the country over the last two years. This has affected at least 2,300 households in Maryland alone who have lost nearly \$2 million in Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) and cash benefits such as Temporary Assistance for Needy Families (TANF/TCA) and the Temporary Disability Assistance Program (TDAP).

This theft occurs through the use of a skimming device placed on an ATM or card-swiping machine, or through phishing scams. Unlike credit or debit cards, funds stolen from EBT cards are not given federal protections and families that have experienced theft are left without recourse.

This bill has several key provisions and we recommend the following amendments, including:

- provide victims of theft with replacement benefits within two days after notifying the Department of Human Services (DHS),
- provide retroactive benefits to victims who experienced theft beginning January 2020 through July 2023, even if they are not currently eligible,
- create reporting requirements for DHS to track theft of benefits and notify households,
- protect families from future theft by enhancing security of EBT cards via suspicious activity alerts and card-locking mechanisms, and
- allow families to file claims for restoring benefits without a police report

This issue has been acknowledged and addressed at the federal level thanks to legislation allowing reimbursement through federal funds passed as part of last year's omnibus package. However, the reimbursement provided in this legislation is specific to only SNAP benefits, limits the reimbursements up to two months total, and is only effective between October 1, 2022 and September 30, 2024. Between January 2022 and October 2022, \$715,000 in food and cash benefits were stolen from families in Maryland. These benefits must be accounted for. This



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legislation will ensure that families are made whole by restoring cash benefits in addition to SNAP.

Since March 2020, SNAP benefits have been boosted thanks to a pandemic-era waiver called Emergency Allotments. Each eligible household received the maximum amount for their household size while this waiver was in place. This waiver will unfortunately end after this February, causing all SNAP households to see a decrease in their benefits. Families that are still contending with the unexpected loss of benefits due to theft will soon be faced with this additional challenge. Restoring these benefits will help alleviate the stress of food insecurity in the face of rising costs at the grocery store, utilities, and housing.

Our on-the-ground experience as an authorized SNAP outreach agency for the state of Maryland has given us a unique perspective on this issue. We have fielded multiple calls on our toll-free hotline from families in distress as they attempt to restore their benefits, but are told that nothing can be done. These families lost hundreds and even thousands of dollars due to benefit theft. Some who reported these thefts to their local police department have been told that they were unable to file a report. Additionally, obtaining a copy of police reports often comes with costs. There cannot be a requirement to obtain a police report in order to file a claim for restoring benefits.

Enacting this legislation not only makes families whole due to previous benefit theft, but builds safeguards for the future to ensure that no one has to face a similar crisis again.

In conclusion, we urge a favorable report for SB 02. Thank you for your time.