



February 23, 2023

**2023 SESSION SUPPORT TESTIMONY
SB0002: EBT Skimming**

BILL: SB0002: Department of Human Services - Electronic Benefits Transfer Cards - Fraud (Prevent Electronic Benefits Theft Act of 2023)

COMMITTEE: Finance

POSITION: Testimony in Support, with amendments, of Senate Bill 0002

BILL ANALYSIS: Requiring the Department of Human Services (DHS) to reimburse a beneficiary for any benefits lost due to the fraudulent use of the beneficiary's Electronic Benefit Transfer (EBT) card; requiring the State to give preference to certain vendors in the procurement process for electronic benefits distribution; requiring DHS to establish a point of contact for investigating and identifying electronic benefits fraud.

Dear Chair Griffith and members of the Senate Finance Committee:

The Montgomery County Food Council (MCFC) urges you to **SUPPORT, with Amendments, SB0002** to require the Department of Human Services to fully reimburse any beneficiary who is the victim of EBT fraud.

In 2022 the State of Maryland saw an exponential rise in cases of EBT skimming. At least 2,334 households in Maryland had their cash or food benefits, totalling more than \$1.6 million dollars, fraudulently taken from them with no recourse for reimbursement. This fraud is experienced by families who can least afford it - residents who are receiving food assistance through SNAP, or cash assistance through TCA and TDAP. Montgomery County has more than 70,000 residents on SNAP and with the imminent end of SNAP emergency allotments, it is important to ensure residents have access to all of their benefits.

As an authorized SNAP outreach agency for the state of Maryland, we have a unique perspective on this issue and have worked with many families who have been victims of this fraud. Being the direct messenger telling families at the check-out line of a grocery store that there is no recourse for this theft is truly heartbreaking. Based on our experience, we recommend the following improvements to this bill:



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Suggested Amendments:

- Removal of the requirement for the filing of a police report in order for beneficiaries to receive their reimbursement.
- Specify a timeframe for victims to have their funds reimbursed, our recommendation is 2 days
- Include retroactive reimbursements, dating back to January 1st, 2020
- Ensure that steps are being taken to reduce the likelihood of future EBT fraud through increased card security measures, such as smart chips.

SBooo2, as currently written, has the potential to ensure that beneficiaries are able to use all of their entitled benefits. This bill can be made even more robust to ensure these important goals are met through the amendments recommended above. We appreciate that the bill ensures that victims are reimbursed for known fraud, and the potential fraud risks are shared in a way that is easy to understand, available in multiple languages, and includes instructions on how to change personal identification numbers online to avoid fraud in the future. This bill will also appoint a point of contact that will serve to support victims of EBT fraud. With the addition of the recommended amendments above, SBooo2 will ensure that all EBT fraud victims are able to receive full reimbursement for any lost funds.

We support, with the recommendations above, House Bill 0502. This bill is an important step to support the State of Maryland's most under-resourced populations. The State of Maryland has over 500,000 SNAP recipients and with so many disruptions to the SNAP process forthcoming, it is vital that systems are put into place to ensure that recipients are able to utilize all of their entitled benefits. **For these reasons, the Montgomery County Food Council supports SBooo2 with amendments and urges a FAVORABLE REPORT WITH AMENDMENTS for this bill.**

The Montgomery County Food Council is a nonprofit organization that serves as the primary connection point for businesses, nonprofits, government agencies, and residents around food system issues in our County. We bring together over 2,000 local and regional partners in community-wide education, advocacy, and capacity building initiatives. Our work cultivates a more resilient, sustainable, and equitable local food system by enhancing food access for the over 100,000 at risk for hunger, expanding food education opportunities for all residents, supporting our County's farms and food and beverage businesses, and addressing the impact of local food production, distribution, consumption and recycling on our natural resources

For more information, please contact Massa Cressall, Interim Executive Director, at the email and phone number below.

