



Food and Nutrition Service

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DATE: October 31, 2022

SUBJECT: Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) Electronic Benefit Transfer (EBT) Card Skimming Prevention – Tools and Resources

TO: All State SNAP Agencies All TANF State Agencies  
All Regions All Regions

The U.S. Department of Agriculture’s Food and Nutrition Service (FNS) and the Administration for Children and Families (ACF) at the Department of Health and Human Services are aware of increasing reports of benefit theft by criminal actors through EBT card skimming schemes.<sup>1</sup> As Federal partners, we seek to work with State leaders of both programs to take strong preventive actions to protect clients from victimization and provide the tools and supports for program participants to proactively safeguard their benefits.

FNS and ACF understand the devastating impact the loss of benefits can have on participating households. Benefit security and prevention of unauthorized EBT card usage are critical components to ensure participating households are able to use benefits as Congress intended. After discussions with EBT processors and fraud prevention stakeholders, FNS and ACF have identified prevention measures that can be adopted to improve card security while we work towards longer-term strategies. FNS and ACF strongly encourage States to use these fraud prevention options by informing and enabling SNAP and TANF households to opt into card security services that proactively protect their cards and PINs, a list of which is included in the enclosed Appendix A of this letter. FNS and ACF are also providing a recommended list of actions State agencies can take to protect clients, enclosed in Appendix B.

Fraud prevention requires a strong Federal-State partnership, and your Federal partners are taking additional actions to support our mutual responsibility to protect program beneficiaries. FNS and ACF are working to offer technical webinars in the upcoming months to share best practices States are using to educate households on fraud prevention. FNS is working with retailer associations on guidance and training for the retailer community, to encourage retailers to detect and prevent skimming devices deployed in their stores and amplify fraud prevention messaging. We will continue to explore card security options in discussions with EBT processors that are used commercially and can be adopted for Federal benefit programs. We are also exploring how to coordinate sharing scam alerts among partners in order to reinforce strategies already used by States. Thank you for your partnership on ensuring households have access to their benefits and in preventing fraud in federal programs. SNAP State

<sup>1</sup> The Federal Bureau of Investigation defines skimming as when a device illegally installed on ATMs, POS terminals, or fuel pumps capture data or record cardholders’ PINs. Criminals use data to create fake debit or credit cards and then steal from victims’ accounts ([website](#)).

agencies with questions should contact their respective FNS Regional Office representatives. State, territory, or tribal TANF agencies with questions should contact their respective TANF Regional Office representatives.

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## Appendix A: Card Security Options Available to Households

In discussion with EBT processors, FNS and ACF encourage States to prioritize adding card security options that allow individuals to make choices and opt into services that work best for their situation. We also recommend the implementation of an outreach campaign to advise households of these options. Recommended options include:

- **Encourage frequent PIN changes:** By changing PINs frequently, at least monthly, and doing so before benefit issuance dates, households can minimize their risk of stolen benefits from a previously skimmed EBT card.
- **Freeze or lock cards:** Enable households to temporarily lock all card activity. This would require households to unlock the card before making a purchase. FNS and ACF received reports that criminals attempt to avoid suspicion by holding onto stolen data for extended periods of time. Then, criminals use cloned cards soon after benefits are available. Freezing a card until a household is ready to use their benefits can prevent unauthorized benefit use.
- **Transaction and PIN change alerts:** Encourage households to receive alerts when a purchase or PIN change occur. Households can sign up with their EBT processor for text message and/or email alerts. Also, encourage households to routinely check their EBT card balance and immediately report suspicious activity to their State agency.
- **Block specific transactions:** Educate households on their ability to restrict out of State transactions and online purchasing transactions. Criminals largely use cloned cards to make purchases in a State different from the residence of the cardholder. Households can turn this feature on/off as they desire.

## Appendix B: Card Security and Fraud Prevention Options for States

In addition to options available for households to opt into, FNS and ACF encourage additional safeguards toward advancing fraud prevention, many of which were obtained from stakeholders during the EBT Modernization Roundtables:

- **Restrict common PINs:** Prevent households from choosing weak PINs (e.g., 1234). FNS and ACF are aware of criminals using card skimming devices to clone cards and running the common PINs to make fraudulent transactions, negating the need to capture a PIN.
- **Improve educational materials:** Develop and share easily understandable guidance to educate households on safeguarding their EBT card and common sources of card skimming to enhance overall awareness of situations with heightened risks of card skimming.<sup>2</sup> Provide materials in multiple languages and ensure they are accessible on agency websites. The [SNAP Fraud Framework](#) includes guidance and best practices for creating integrity education materials, please contact your FNS Regional Office if you are interested in technical assistance.
- **Implement additional magnetic stripe safeguards and checks:** Incorporate existing available tools offered by EBT processors to reenforce safeguards and checks as part of transaction processing. For example, States can require the transaction process to validate the card authentication value (CAV) of an EBT card. *Some* cloned cards are missing the CAV. If CAV validation is required and the cloned card is missing that data, the transaction will fail.
- **Record stolen benefit data:** Improve State data collection practices around reports of stolen benefits in efforts to generate data records for future analysis of fraud trends and areas for improvement.
- **Support fraud investigations:** Work with EBT processor, State fraud investigators, and staff to develop call center scripts to gather information from households reporting stolen benefits that could help investigators identify when and where a household may have become a victim of an EBT card skimming scheme.
- **Enhance interactive voice response security:** Require authentication for balance inquiries. For example, a caller could be prompted to enter the last four digits of the primary cardholder's Social Security Number before receiving any account information. Therefore, criminals would have a difficult time knowing when benefits are available.

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<sup>2</sup> Example SNAP client resources – [Protect Your Benefits from Skimming!](#) (NY), [Protect Your Benefits From Scams](#) (MA), and [EBT Card Safety and Fraud Prevention](#) (AZ)

- **Join the State-led fraud workgroup:** The workgroup specifically discusses this topic to better understand the scope of the issue as well as to stay informed on the various preventative actions taken by other States. If your State is not a member, please contact your Regional Office about joining.