



A Tradition of Stewardship
A Commitment to Service

NAPA COUNTY HEALTH AND HUMAN SERVICES AGENCY
Self Sufficiency Services Division

POLICY AND PROCEDURE:

EBT Skimming and Scams

REVIEW FREQUENCY:

Every two years

POLICY # 2000600-2000-19

DISTRIBUTION:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Employment Services | <input checked="" type="checkbox"/> Eligibility Services |
| | <input checked="" type="checkbox"/> Quality Mgmt |

EFFECTIVE DATE: March 29, 2019
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APPROVAL: *Janis Bautista* 8/28/19
 Eligibility Services Manager Date

APPROVAL: *Teresa Brown* 8/27/19
 Employment Services Manager Date

APPROVAL: *Lynn Perry* 8/29/19
 SSSD Deputy Director Date

APPROVAL: *Miss Y... 8-29-19*
 HHSA Director Date

POLICY STATEMENT:

As technology evolves, so do the ways people attempt to defraud our customers. It is the policy of the Napa County Health and Human Services Agency (NCHHSA) to promptly restore Electronic Benefit Transfer (EBT) cash benefits that are lost to electronic theft by skimming or scams.

ADMINISTRATION:

- Eligibility Specialist (EW)
- Employment Services Worker (ESW)

DEFINITIONS:

Automated Response Unit (ARU) – An automated phone system that accepts data from touchtone telephones and responds with synthesized voice commands and information. Used in the EBT system to provide numerous functions such as balance information or to authorize manual transactions.

Scams – involve deceiving or misleading a recipient to unwittingly give their account information, including personal identification number (PIN) that is then used to create a counterfeit card and steal recipient’s benefits. Currently the most recent scams involve text messaging.

Skimming – involves the use of electronic equipment to capture a recipient's EBT card information without the recipient's knowledge. Perpetrators then create a counterfeit card and steal the recipient's benefits. Equipment used to capture the recipient's card information can be installed on ATMs or third-party point of sale devices.

END OF POLICY

PROCEDURE

I. Recipient Report of Attempted Scam

- A. When a worker receives notification from a recipient that they received a phone call, text message, email or online phishing scam, the worker shall request additional information from the recipient.
 - 1. Information to be obtained may include, but is not limited to:
 - a. Case name and number
 - b. Date and time attempted scam happened
 - c. Phone number call or text was received from
 - d. Email address email was received from
 - e. Information requested from the customer
 - f. Any names, business names or other identifying information of the attempted scammer
 - g. Whether or not client provided any information
- B. Worker will provide all obtained information to the CalFresh Analyst immediately.
- C. CalFresh Analyst will report the incident to the Self Sufficiency Services Division (SSSD) Deputy Director and Self Sufficiency Manager immediately.
- D. CalFresh Analyst will contact the California Department of Social Services (CDSS) by sending an email to CDSSEBT@dss.ca.gov to report incident and provide all information obtained by the worker.

II. Repayment Eligible Benefits

- A. All cash assistance programs that use EBT to issue benefits are subject to repayment requirements. These cash programs currently include:
 - 1. California Work Opportunity and Responsibility to Kids (CalWORKs)
 - 2. Welfare-to-Work (WTW) Supportive Services
 - 3. Refugee Cash Assistance (RCA)
 - 4. Cash Assistance Program for Immigrants (CAPI)
 - 5. General Assistance (GA)
 - a. Napa County does not currently issue GA benefits on an EBT card, so repayment is not currently available for GA benefits.
- B. CalFresh (CF) and California Food Assistance Program (CFAP) benefits do not qualify for repayment.
 - 1. If a recipient believes that their CF or CFAP benefits have been stolen as a result of electronic theft, the recipient is to call EBT Customer Service to report the stolen benefits and file a dispute claim.
- C. All skimming and scam claims are subject to a ninety (90) calendar day time frame. A recipient must contact the EW/ESW, EBT Customer Service, and complete an EBT 2259 within 90 calendar days from the date of the electronic theft transaction in order to be eligible for a repayment.
 - 1. If an EBT 2259 is turned in past the 90 calendar day timeframe, the claim shall be denied and the EW/ESW shall send the M44-350K – EBT Replacement Denial NOA.
- D. Recipients who receive a repayment due to being scammed are only eligible to one repayment in a thirty-six (36) month period.
 - 1. EW/ESW shall send the recipient the M44-350K – EBT Replacement Denial NOA to any recipient who files more than one scam claim in a 36-month period.
 - 2. Repayments will be tracked through C-IV case flags.

III. Recipient Report of EBT Skimming or Scam

- A. There are two ways recipients will report the electronic theft:
 - 1. Recipient will contact the California EBT Customer Service, which will:
 - a. Explain the reporting process and refer recipients to their County for additional information and submission of the EBT 2259.
 - b. Provide a Dispute Claim Number
 - c. Deactivate the recipient's EBT card and issue a new card.
 - d. Direct recipients to take their EBT card used in the theft to the County.
 - 2. Recipient will contact the County directly, and the EW/ESW will:
 - a. Explain the electronic theft reporting process
 - b. Provide the EBT 2259 form
 - c. Inform the recipient to contact the EBT Customer Service to report the stolen benefits and file a cash dispute claim
 - d. Deactivate the recipient's EBT card and issue a new card
 - e. Read through the EBT 2259A for scammed recipients informing them to never give out their EBT card number and/or PIN to anyone
 - f. Inform scammed recipients that scamming claims will be reimbursed only once in a 36-month period
- B. The customer shall be referred to the EBT Customer Service if the customer only wants to report a lost or stolen EBT card.
 - 1. If the recipient completed an EBT 2259, however the EBT card was actually lost or stolen, the claim shall be denied.
 - a. EW/ESW shall send the M44-350K – EBT Replacement Denial NOA
 - 2. Document in C-IV Journal all actions taken.
- C. The customer shall be referred to the bank in which the ATM was used when misdispense occurs.
 - 1. Misdispense is when an ATM does not provide money required or not provide all money requested.

IV. Processing Report of EBT Skimming or Scam

- A. When a recipient reports to the EW/ESW that they have experienced a loss of cash benefits from their EBT account without their approval and with the EBT card in their possession at the time of the loss, the EW/ESW will:
 - 1. Have the recipient complete the EBT 2259 – Report of Electronic Theft of Cash Aid form, attesting to the loss of the benefits if the benefits were lost due to a scam or being skimmed.
 - a. Inform the recipient to review page 1 and 2 of the EBT 2259 for instructions on how to complete form as well as information about protecting their EBT card and PIN.
 - 2. Have the recipient complete the EBT 2259A – EBT Scamming Acknowledgment if the benefits were lost due to a scam.
 - 3. Instruct the recipient to call the EBT Customer Service at (877) 328-9677 and file a cash dispute claim with the Customer Service Representative, if not already completed by the recipient.
 - a. The Customer Service Representative will provide the recipient with a dispute claim number which is needed to complete the EBT 2259 form.
 - b. If the recipient fails to file a claim with the EBT Customer Service, the claim shall be denied.
 - 1) EW/ESW will send the M44-350K – EBT Replacement Denial NOA

4. Instruct the recipient to file a police report and obtain the report number. Inform recipient to **NOT** call 911 to make this report. Assist the recipient in obtaining the non-emergency police department number (for their home area) if necessary.
 - a. The recipient is required to file a police report, unless they have good cause. Good cause may include:
 - 1) The police department is not taking reports for identity theft and/or financial fraud.
 - 2) The police report form is not available in the client's native language and the police department does not have non-English speaking interpretive services.
 - 3) There is a fee to file a police report.
 - 4) The police department fails to provide disability accommodations.
 - 5) The recipient is required to file a police report in person and one of the following applies:
 - i. The recipient does not have transportation;
 - ii. The recipient does not have money for gas, parking, or a bus pass;
 - iii. The recipient's participation in WTW or work activities would be impacted if they were required to submit an in-person report.
 - b. If good cause exists, good cause reason must be documented in the C-IV Journal.
 - c. The police report number must be documented on the EBT 2259 form. A temporary police report number is acceptable.
 - 1) A copy of the police report is not required.
 - d. If the recipient fails to file a police report and does not have good cause or does not file for good cause, the claim shall be denied.
 - 1) EW/ESW will send a M44-350K – EBT Replacement Denial NOA
5. Review the EBT 2259 and EBT 2259A form for completeness.
 - a. If the EBT 2259 is not complete, inform the recipient to complete the form and return it to the EW/ESW as soon as possible.
 - 1) A completed EBT 2259 form must be returned to the EW/ESW within 90 calendar days from the date the electronic theft transaction or the claim will be denied.
6. Review the C-IV case flags to determine if claim has ever been filed, and if so how long since the last claim has been made.
7. Email CDSS at CDSSEBT@dss.ca.gov to verify if a recipient, filing a scam claim, has filed a claim in the past 36-months.
 - a. The recipients full name and CIN shall be provided in the email.
 - b. If the recipient has filed a claim in the last 36 months, the claim shall be denied.
 - 1) EW/ESW will send a M44-350K – EBT Replacement Denial NOA
 - c. Response from CDSS shall be imaged and indexed into the C-IV case.
8. Review the EBT 2259 to determine if claim appears valid.
 - a. If the form alleges a scam, the EW/ESW will determine if the information provided is consistent with typical scamming practices. Typical scamming practices include, but are not limited to:
 - 1) Recipient lives in one city and benefits are stolen in another city
 - 2) There may be numerous ARU calls to check the balance of cash accounts before benefits are stolen.
 - 3) Scammed cash benefits are stolen in large withdrawals or two or three large withdrawals.
 - 4) All of the cash benefits are stolen.

- 5) ATM benefits are usually stolen between the hours of midnight to six a.m.
- 6) There may be a PIN change before the benefits are stolen.
- b. If the claim is not consistent with typical scamming practices, the claim should be referred for investigation. Refer to the Section VI – Referral for Investigation.
9. Obtain a supervisor or managers signature on the EBT 2259 form if repayment is approvable.
10. Deactivate the recipient’s EBT card and issue a new one if not already done through EBT Customer Service.
11. Review the recipients C-IV case flags to determine if there were any previous EBT 2259 filings within the last year. If there was a previous filing in the last year, refer to the Section VI – Referral for Investigation.
12. Image and index the EBT 2259 and EBT 2259A into C-IV.
13. Create a ticket to the AST helpdesk informing them that an EBT 2259 has been received and provide the case number.
14. Refer for investigation, if necessary.
15. Issue a repayment. Refer to Section V - Processing Repayment.
16. Document in C-IV Journal all actions taken.
- B. When a skimming or scam claim is DENIED, the worker shall enter a C-IV Case Flag.
 1. “EBT Skimming Claims” shall be entered when a skimming claim has been reported.
 - a. Case flag notes shall include date(s) claim was denied.
 - 1) Each new claim should have its own line, claim date and outcome.
 2. “EBT Scam Claims” shall be entered when a scam claim has been reported.
 - a. Case flag notes shall include date(s) claim was denied.
 - 1) Each new claim should have its own line, claim date, and outcome.

V. Processing Repayment

- A. Upon receipt of a fully completed EBT 2259, the EW/ESW has ten (10) business days to issue repayment unless referred for investigation due to multiple claims in a twelve (12) month period. Refer to Section VI – Referral to Investigations.
 1. EW/ESW shall set task or reminder to issue payment on the 10th business day.
- B. The AST Helpdesk will monitor ebtEDGE system daily to determine if the cash dispute claim has been approved or denied by the State EBT Vendor. The State EBT Vendor has 25 calendar days to issue an approval or denial.
 1. If the claim was approved by the State EBT Vendor prior to or on the 10th business day, the EW/ESW shall not issue the repayment as the state will issue the repayment and contact the recipient.
 - a. EW/ESW shall send the M44-350K – EBT Replacement Denial NOA to the recipient.
 2. If the claim was denied prior to the 10th business day by the State EBT Vendor, the EW/ESW shall issue the repayment by close of business on the 10th business day.
 - a. EW/ESW shall send the WI 10072A – EBT Replacement Approval NOA
 3. If there was no resolution within ten (10) business days by the State EBT Vendor, the EW/ESW shall issue the repayment by close of business on the 10th business day.
 - a. EW/ESW shall send the WI 10072A – EBT Replacement Approval NOA.
- C. When a referral for investigation is made for three (3) or more skimming claims made in a twelve (12) month period, and the Special Investigation Unit (SIU) determines an investigation will be initiated, the EW/ESW will monitor the status of the investigation and:

1. If the investigation is completed within 25 calendar days and the claim is determined to be fraudulent, a repayment will not be issued.
 - a. EW/ESW shall send a M44-350K – EBT Replacement Denial NOA
 2. If the investigation is completed within 25 calendar days and SIU determines that fraud did not occur, the repayment shall be issued immediately upon completion of the investigation, but no later than the 25th calendar day.
 - a. EW/ESW shall send the WI 10072A – EBT Replacement Approval NOA
 3. If the investigation is not completed within 25 calendar days, the repayment must be issued by the 25th calendar day, while the investigation is still ongoing.
 - a. EW/ESW shall send the WI 10072A – EBT Replacement Approval NOA
- D. When a referral for investigation is made for three (3) or more skimming claims made in a twelve (12) month period, and the Special Investigation Unit (SIU) determines an investigation will not be initiated, the repayment will be issued immediately but no later than 25 calendar days from receipt of the completed EBT 2259.
- E. When a referral for investigation is made for a claim that is equal to or exceeds \$2,000, repayment is not issued until a determination is made on whether to approve or deny the claim.
 1. EW/ESW shall immediately process the repayment or denial upon being notified of determination.
- F. The EW/ESW will email the completed EBT 2259 and EBT 2259A (if applicable) to the CalWORKs Analyst immediately after the claim has been approved or denied.
 1. The CalWORKs Analyst will email the EBT 2259 and EBT 2259A (if applicable) to the California Department of Social Services at CDSSEBT@dss.ca.gov.
- G. EW/ESW shall document in C-IV Journal all actions taken.

VI. Referral for Investigation

- A. An EW/ESW shall process repayment within ten (10) business days when the referral for investigation is made for:
1. The EW/ESW determines that based upon an observation of conditions, knowledge of the case, or other sources of information provide reason to suspect that fraud exists or has been attempted.
 - a. One potential reason to suspect fraud would be that the alleged theft withdrawal was not consistent with any of the typical scamming practices.
 - b. Other information or criteria to determine necessity for an investigative referral, especially if the theft withdrawal was near the recipient's residence and does not appear to be part of a broader effort to trick recipients into revealing their EBT PIN, may warrant a referral.
 2. A referral for investigation is required when:
 - a. The skimming claim is equal to or exceeds \$1,000 **and** the claim amount is over the Maximum Aid Payment (MAP) for the assistance unit.
 - b. More than one (1) skimming claim has been processed and/or approved during a six (6) month period.
- B. An EW/ESW shall make a referral for investigation and not issue repayment for up to 25 calendar days when three (3) or more skimming claims are filed within a twelve (12) month period.
 1. EW/ESW shall send the recipient the WI 10072B – EBT Replacement Review NOA at the time the referral for investigation is made.

2. EW/ESW must indicate, in the body of the referral for investigation, that a disposition is needed within 25 calendar days from the date the referral was created.
- C. A skimming claim that is equal to or exceeds \$2,000 may require an extensive review/investigation. EW/ESW is not required to issue repayment until case specific facts have been gathered to allow the investigator to make an informed decision of whether to approve or deny the claim.
 1. EW/ESW shall send the recipient the WI 10072B – EBT Replacement Review NOA at the time the referral for investigation is made.
 2. EW/ESW shall issue repayment immediately if the review/investigation determined the repayment is appropriate.
 3. These investigations shall be given priority.
- D. If SIU determines an investigation will not be initiated, SIU shall inform the EW/ESW immediately.
- E. SIU shall attempt to complete the investigation and inform the EW/ESW of the findings within 25 calendar days from the date the referral was created.

VII. Overpayments

- A. AST Helpdesk will monitor the EBT Edge system for 25 calendar days from the date of the cash dispute claim to verify whether the State EBT Vendor has approved or denied the recipient's cash dispute claim.
- B. When a cash dispute claim is approved by the State EBT Vendor **after** the EW/ESW has issued the repayment, the payment issued by the EW becomes an overpayment.
 1. EW/ESW shall create an administrative error overpayment for the amount issued.
 - a. EW/ESW shall send the M44-350L – Notice of Overpayment
- C. When a cash dispute claim is denied by the State EBT Vendor and the EW/ESW had issued the repayment, there is no overpayment.

VIII. Processing Repayments in C-IV

- A. EW/ESW will replace an issued cash and WTW benefits by clicking the Replace button on the Issuance Detail Page.
 1. EW/ESW will need to have appropriate security rights to issue repayments.

| Step | Action |
|------|---|
| 1. | Place the cursor over Fiscal in the Global navigation bar. |
| 2. | Click Issuances in the Local navigation bar. |
| 3. | On the Issuance Search page: a) Select a <Category> from the Search By drop-down box. b) Enter search criteria. c) Click the Search button. d) Click the <Control Number> hyperlink of the issued cash benefit to be replaced. |
| 4. | On the Issuance Detail page: a) Click the Replace button. b) Enter an <Amount> in the Payment Amount text box. Note: Users may enter an amount up to the originally issued amount. If the amount entered exceeds the original issuance , a Validation message displays prompting the User to enter the correct amount. c) Select an <Immediacy> from the Immediacy drop-down box. d) Click the Save button. |

- B. Enter a C-IV Case Flag to track claims issued.
1. "EBT Skimming Claims" shall be entered when a skimming claim has been issued.
 - a. Case flag notes shall include date(s) and amount that claim was approved.
 - 1) Each new claim should have its own line, claim date, and outcome.
 2. "EBT Scam Claims" shall be entered when a scam claim has been issued.
 - a. Case flag notes shall include date(s) claim was approved.
 - 1) Each new claim should have its own line, claim date, and outcome.

REFERENCES:

ACL [13-67](#) – Final County Instructions for Implementation of AB 2035 – EBT Electronic Theft
ACL [18-148](#) – EBT Skimming and Scams and Mass Replacement
ACWDL Dated [12/31/12](#) – Interim Instructions to Implement AB 2035, EBT Electronic Theft
MPP [16-705.4](#)

FORMS

EBT 2259 – Report of Electronic Theft of Cash Aid
EBT 2259A – EBT Scamming Acknowledgement
M44-350K – EBT Replacement Denial
M44-350L – Notice of Overpayment
WI 10072A – EBT Replacement Approval
WI 10072B – EBT Replacement Review

CONTACT PERSON(S):

Shanna Gardner, Staff Services Analyst

END OF PROCEDURE

REVISION HISTORY:

| Revision | Date | Description of Change | Requested By |
|-----------------|-------------|---|---------------------|
| 0.0 | 03-29-19 | Procedure Created due to ACL 18-148. Included instructions from Bulletin 15-07 and ACL 13-67. | S. Gardner, SSA |
| 0.1 | 08-16-19 | Included flow chart. Released in final version. | S. Gardner, SSA |

PROCESSING TIMEFRAMES

Referred to Investigation?

