

## State Plan for The Replacement of Stolen EBT Benefits, 2023

**State:** West Virginia

**Region:** MARO

**Primary Citations:** Consolidated Appropriations Act, 2023

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### **Retroactive Claims:**

West Virginia has been accepting statewide reports of household claims for electronic stolen benefits due to card skimming, card cloning, and other similar fraudulent methods. WV has organized and captured these statewide reports on a spread sheet for processing. Upon state plan approval, we will notify the victims of the process for applying for replacements. We will process validated claims once our system is updated with the correct coding needed for replacement and tracking. The state anticipates having our system coding in place by July 1, 2023. Retroactive claims will cover electronic stolen benefits beginning October 1, 2022. The state will inform households via media outlets, websites, and communication within our local offices of the opportunity to file a retroactive claim. The Office of Inspector General (OIG) will notify the field office by email of any claims reported and request the client to complete a replacement claim form (DFA-36B). The local DHHR office will contact the client directly to complete the form. Any client that discovers a retroactive claim after our system coding is in place will be afforded the opportunity to file a retroactive claim. They will have 90 calendar days to do this. WV will use the same process for accepting and reviewing both regular and retroactive claims.

**Submission of Claims – Timeliness:** West Virginia will consider a timely report of an electronic stolen benefit within 30 calendar days of the date the household discovered their benefits were stolen. If the report is made by phone or by mail, they have 10 business days to complete the DFA-36B. If the report is done in person, the DFA-36B will be complete that day. This 30-day timeframe applies to the initial report of the loss to the agency.

**Submission of Claims – Procedure:** West Virginia will encourage clients to report any claims for electronic stolen benefits to their local office. Clients

can report an incident of electronic stolen benefits in person, by mail, email or over the phone. In-person contact will be conducted on a walk-in basis and county offices have the capacity to handle in person contacts. WV will provide the DFA-36B via mail or email to clients who are unable to meet our State Office Hours. Accommodation will be provided to all requesting households. Such accommodation includes a home visit to acquire the signature if necessary. The client will complete a DFA-36B to gather their information and signature to start the claim process for electronic stolen benefits. The DFA-36B will collect name, address, case number, county, date of birth, phone number, last 4 digits of the EBT card, date loss discovered, amount stolen, if card was in their possession at the time of theft, if the card was reported lost or stolen, list of the transactions including date, amount and retailer name/location, and any other additional information. The local office will ensure the form is completed in its entirety with signature, check the status of the EBT card and replace it if necessary and check logs to see if any replacements were received in the current FFY. The worker will inform the client of the process and timeframes involved and that a timely investigation into the claim will be conducted by the Office of Inspector General and a decision will be made within 10 business days. The worker will log the completed form, scan the completed form into OnBase, make a thorough case comment to the reporting of the claim, and email the DFA-36B to OIG with a copy to EBT. OIG will begin tracking the claim through their internal database. This will start the 10-business day timeframe for their findings. OIG will use available EBT card activity data, phone records, witness statements and other methods as needed to validate the claim. Video surveillance will be optional and the presence, or lack of gathered video surveillance will not impact the validation of a claim. OIG will then make their decision to approve or deny the claim based on their findings. OIG will record the findings on the data reporting form. The results of all claims will be recorded on the Data tracking form and submitted to the state office for upload into WIMS on a quarterly basis. Once the final decision is made and a claim is determined valid, OIG will determine the amount to be replaced for the household and that the limit of replacements for fraud has not been reached in the current Federal Fiscal Year (FFY). If the claim is denied, OIG

will inform the local office and EBT of the denial reason so a manual denial letter can be created. All decisions will be reported back to the local office via email. The local office will review the claim finding. If the finding is valid, the worker will enter the replacement amount into the appropriate eRAPIDS screen and choose the designated fraud approval code to trigger the replacement. The worker will notify the client of the decision and amount of replacement, make a case comment for documentation, update the log as complete, save and electronically file the email with the findings into the electronic case record. If the finding is not valid, the worker will review the findings, complete the manual notice (NNDN) with the appropriate denial reasons indicated by OIG, complete a case comment, mail the denial notice to the client, update the log with the findings, save and electronically file the email with the findings into the electronic case record.

**Validation – Timeliness:**

West Virginia will consider 10 business days to be a timely validation of claims verified by the Office of Inspector General (OIG). This validation timeliness will be 10 business days from submission of complete DFA-36B form. Exception to the 10- business day validation may occur if OIG is unable to obtain the evidence needed within that time period. The client will be notified of the time extension, this extension will not exceed 30 calendar days from the signed claim form.

**Validation – Criteria:**

West Virginia will utilize a signed statement (DFA-36B) to validate claims of electronic stolen benefits. The state will accept a physical signature. Claimants will be advised to start their claim in person, by mail, email or over the phone. If a claimant cannot come in person, reasonable accommodation will be made to capture a valid signed statement. The state will utilize the Office of Inspector General to validate submitted claims of electronic stolen benefits. OIG will use available video surveillance as an optional source, EBT card activity, phone records, and witness statements to validate the claim. OIG will look for suspicious activity such as: Online balance inquiries made by households who typically do not conduct online balance inquiries, online balance inquiries that are not followed by an online purchase, attempts to use a card that has been reported lost/stolen/damaged/deactivated for purchases or balance inquiries, atypically timed balance



inquiries, large purchases by households who typically make smaller purchases, household evidence that they were not in the location of the theft at the time of the theft, online purchases sent to an address unknown to the household, several high dollar transactions occurring in short timeframe, atypical out-of-state transactions, small transactions of just a few dollars or less prior to the alleged theft, transactions at retail locations that the household typically does not visit, any unauthorized PIN changes, large transactions that liquidate the entire account balance, transactions immediately following the availability of a benefit deposit, an EBT cardholder who resides in an area in which OIG/IFM has verified a skimming device and the cardholder has used it at that location between the installation and removal dates of the device, swiped out of state EBT card purchase in which it was not physically possible for the cardholder to get to since the last in-state EBT swiped purchases, atypically timed transactions, any other spending patterns that are inconsistent with an individual household's normal spending pattern. A combination of two or more of these factors may support the validity of the claim. OIG will determine the validity of the claim against the totality of factors presented, along with household attestation, evidence presented by the household, transaction data, and any other evidence of compromised EBT processors.

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**Validation – Denial of Claims:**

West Virginia will deny replacement issuances in cases in which available evidence indicates that the household's request for replacement if there is insufficient evidence to support the claim or outside the allowed scope of replacement. Electronic stolen benefits that occurred before 10/1/22 or after 9/30/24 will be a reason to deny a claim. The state agency shall also deny replacement benefits if the household has already received two replacement issuances for stolen benefits in a Federal Fiscal Year. The agency shall deny replacement issuances if the household submits the claim outside the timely reporting period. The state will utilize a manual denial notice that will include the appropriate denial reasons for the specific claim. The state agency will investigate cases of alleged intentional program violation (IPVs) and ensure appropriate actions are taken on these cases.

**Fair Hearings:**

West Virginia will provide households with a fair hearing

request form with all denials. The state will utilize our normal process if a fair hearing is requested for any other reason. Replacement benefits will not be made when a fair hearings appeal is pending for the replacement of stolen benefits. Fair hearing rights are available to all households, including those with approved claims.

**Record Keeping:**

West Virginia will create an additional system replacement code to capture approved benefit replacements due to electronic stolen benefits. This code will allow for reports to be generated when needed and tracked through our system. The state will use the Data Reporting form proved by FNS and upload the information quarterly as required in the state plan. The field office will utilize a log for tracking claims submitted and the result of a denial or approved claim validated by OIG. The log for tracking will include retailer name and address. A more detailed description can be found in the outlined procedure above in the state plan.

**Benefit Distribution:**

West Virginia will utilize our local office staff to issue replacement benefits once they receive approval from OIG that the claim is valid. The state agency will require the local office to verify through the ebtEdge system that a replacement card has been requested. The state agency will ensure that any compromised EBT cards are cancelled by following current procedures for managing reports of lost, stolen or damaged EBT cards. The State will require a card replacement and a re-PIN for all households that submit a claim. A replacement card will be received by the claimant within 7 to 10 business days. The benefit replacement will be issued within 2 days of the claim being validated by OIG. The state agency's approach to replacing stolen benefits will not deviate from the state's approach to replacing benefits from a household misfortune. The local office will utilize a log/tracking sheet to ensure that more than 2 replacements are not approved within the same FFY. OIG and local staff will work together to ensure this process is adhered to.

**Data on Benefit Theft:**

West Virginia will use the Federal Replacement of Stolen Benefits Data Report. OIG will collect the data as they process each claim. The state will follow the reporting frequency indicated in the state plan guidelines. WV will upload the data reporting form into the WIMS system.

**Current Benefit Theft Prevention:** West Virginia receives reports of suspicious activity and evaluates them on a regular basis. The Office of EBT Banking Services website provides information for clients regarding card protection with PINSs, password changes and scam alerts.

**Planned Benefit Theft Prevention:** West Virginia will boost awareness with clients on the need to change their pins on a regular basis. The state will increase awareness with our local offices to educate clients on **electronic stolen benefit** prevention.

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**Implementation Timeline:**

- Jan 31 – Received Guidance from FNS
- Feb 1-9 Gather information for writing/system update
- Feb 10-14 Writing of Plan
- Feb 15-23 Review of plan
- Feb 27 Plan to be submitted
- Feb 28- April 30 update notices and forms
- Feb 28- April 30 prepare media and field guidance
- May 1- 31 training for the field
- June 1 - 30 Prepare for Implementation
- July 1- Issue replacements for valid claims.

**Messaging:** West Virginia will bring awareness to our clients using social media outlets, information updates on our agency websites, **press release** and outreach to our clients using the local offices. We will use posters, flyers in the lobbies, and throughout our local DHHR offices as well as provide them to our community partner agencies. The state office will work with our ADA coordinator to ensure accessibility for persons with disabilities, the elderly, and other vulnerable populations. WV has a contract with a **third- party provider** for language interpretation for our clients with limited English proficiency. Vulnerable populations such as the elderly, disabled or homeless will be provided with additional assistance if necessary to complete their claim such as over the phone or an in - person home visit if needed.

**Signature and Title of Requesting SNAP State Agency Official:**

  
Janie M. Cole, Commissioner

**Date of Request: 5/31/2023**