

STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES
OFFICE OF LEGAL COUNSEL, REGULATIONS, AND ADMINISTRATIVE HEARINGS
55 FARMINGTON AVE.
HARTFORD, CT 06105-3725

██████████ 2024
Signature Confirmation

████████████████████
████████████████████
Request # 239558

NOTICE OF DECISION
PARTY

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PROCEDURAL BACKGROUND

On ██████████ 2024, the Department of Social Services (the “Department”) sent ██████████ ██████████ (the “Appellant”) a Notice of Action (“NOA”) denying her request for replacement of stolen benefits under the Supplemental Nutrition Assistance Program (“SNAP”) in the amount of \$341.84.

On ██████████ 2024, the Appellant requested an administrative hearing to contest the Department’s decision to deny the replacement of stolen benefits under the SNAP.

On ██████████ 2024, the Office of Legal Counsel, Regulations, and Administrative Hearings (“OLCRAH”) issued a notice scheduling the administrative hearing for ██████████ 2024.

On ██████████ 2024, the Department did not attend the scheduled administrative hearing.

On ██████████ 2024, the OLCRAH issued the Appellant an updated notice rescheduling the administrative hearing for ██████████ 2024.

On ██████████ 2024, in accordance with sections 17b-60, 17b-61 and 4-176e to 4-189 inclusive of the Connecticut General Statutes, OLCRAH held an administrative hearing telephonically.

The following individuals were present at the hearing:

████████████████████, Appellant
Andrew Davis, Department’s Representative
Jessica Gulianello, Hearing Officer

The hearing record remained open until [REDACTED] 2024, at the Department's request and [REDACTED], 2024, at the Appellant's request to submit additional documentation. Additional information was received from both parties and the hearing record closed accordingly.

STATEMENT OF THE ISSUE

The issue to be decided is whether the Department's decision to deny the Appellant's request for replacement of stolen benefits under the SNAP was correct.

FINDINGS OF FACT

1. On [REDACTED], 2024, at [REDACTED] the Appellant submitted an online application ("ONAP") requesting food benefits under the SNAP. (*Exhibit 7: ONAP, submission date: [REDACTED]/2024, received date: [REDACTED]/2024*)
2. On [REDACTED] 2024, the next business day, the Appellant's ONAP was marked as received by the Department. (*Exhibit 7: ONAP, submission date: [REDACTED]/2024, received date: [REDACTED]/2024*)
3. The Appellant reported that she was residing [REDACTED] as her residential address. The Appellant did not report a separate mailing address. (*Exhibit 7: ONAP, submission date: [REDACTED]/2024, received date: [REDACTED]/2024*)
4. The Department reviewed and processed the above-noted ONAP and determined the Appellant eligible for benefits under the SNAP. (*Hearing Record*)
5. The Department deposits benefits under the SNAP each month to an Electronic Benefit Transfer ("EBT") account and issues an access card to the recipient. (*Hearing Record*)
6. On [REDACTED] 2024, the Department issued the Appellant an EBT card ending with [REDACTED] to the address reported on her ONAP, [REDACTED]. (*Exhibit 2B-2C: EPPIC: Client Benefits Management EBT Card Transaction History, Hearing Summary, Department's Testimony*)
7. On [REDACTED] 2024, the Department deposited SNAP benefits of \$417.00 on the EBT card number [REDACTED] ("EBT Card [REDACTED]"). (*Exhibit 2B-2C: EPPIC: Client Benefits Management EBT Card Transaction History*)
8. On [REDACTED] 2024, the Department received a letter from [REDACTED] confirming the Appellant's residence at [REDACTED]. (*Exhibit 8: Residency Verification, letter dated: [REDACTED]/2024*)

9. On [REDACTED], 2024, the Department received a second letter from [REDACTED] confirming the above-noted address for the Appellant. (*Exhibit 8: Residency Verification, letter dated [REDACTED]/2024*)
10. On [REDACTED] 2024, a phone call was placed to the EBT customer service number, and a Personal Identification Number (“PIN”) was selected. (*Exhibit 2B-2C: EPPIC: Client Benefits Management EBT Card Transaction History, Hearing Summary, Department’s Testimony*)
11. The EBT card number, the cardholder’s date of birth, and the last four digits of the recipient’s social security number (“SSN”) are needed to select or change a PIN. (*Hearing Summary, Department’s Testimony*)
12. On [REDACTED] 2024, a balance inquiry of the EBT account was completed. (*Exhibit 2B-2C: EPPIC: Client Benefits Management EBT Card Transaction History*)
13. Beginning [REDACTED] 2024, and ending [REDACTED] 2024, eleven transactions totaling \$341.84 were authorized from the Appellant’s EBT account using the EBT card [REDACTED] as follows:

Transaction Date:	Transaction Time:	Transaction Amount:	Transaction Location:
[REDACTED] 2024	[REDACTED]	\$192.51	[REDACTED] [REDACTED] [REDACTED]
[REDACTED] 2024	[REDACTED]	\$5.00	[REDACTED] [REDACTED] [REDACTED]
[REDACTED] 2024	[REDACTED]	\$30.28	[REDACTED] [REDACTED] [REDACTED]
[REDACTED] 2024	[REDACTED]	\$9.10	[REDACTED] [REDACTED] [REDACTED]

15. On [REDACTED] 2024, the EBT card [REDACTED] was deactivated. (Exhibit 2B-2C EPPIC: Client Benefits Management EBT Card Transaction History)
16. No transactions were completed using the EBT card [REDACTED] after it was replaced. (Hearing Summary, Department's Testimony)
17. On [REDACTED] 2024, a replacement EBT card ending with [REDACTED] was issued to the Appellant's newly reported residential address of [REDACTED]. (2B-2C EPPIC: Client Benefits Management EBT Card Transaction History, Hearing Summary, Department's Testimony)
18. On [REDACTED] 2024, the Appellant was discharged from Rushford to the above-noted address in the community. (Appellant's Testimony)
19. On [REDACTED] 2024, the Appellant activated the EBT card [REDACTED] and completed a balance inquiry. The Appellant discovered that SNAP benefits were missing from her EBT account. (Appellant's Testimony)
20. On [REDACTED] 2024, the Appellant filed a police report which resulted in probable cause for an arrest warrant that was signed and submitted for the suspect. (Exhibit B: Police Report dated [REDACTED]/2024, Appellant's Testimony)
21. On [REDACTED] 2024, the Appellant submitted a Request for Replacement of Stolen SNAP Benefits ("W-3037") form in person at the Department's [REDACTED] Resource Center attesting to stolen SNAP benefits totaling \$341.84 from eleven transactions beginning [REDACTED] 2024, and ending on [REDACTED] 2024. (Exhibit 1B: W-3037 signed & dated [REDACTED]/2024)
22. On [REDACTED] 2024, the W-3037 form was emailed to the stolen snap inbox. (Exhibit 1B: Email Correspondence dated [REDACTED] 2024, [REDACTED])
23. On [REDACTED] 2024, the Department reviewed the Appellant's report of stolen SNAP benefits and the EPPIC EBT Benefit Management Transaction History. The Department concluded that the SNAP benefits were not stolen due to card skimming, card cloning, or other similar fraudulent method. (Exhibit 1: Case Notes – Details dated [REDACTED]/2024)
24. On [REDACTED] [REDACTED] 2024, the Department issued the Appellant a Request for Replacement of Stolen SNAP Benefits ("Notice of Action") advising the Department received her request for replacement SNAP benefits of \$341.84; however, she was determined to be ineligible for the following reason: "We found that the SNAP benefits were not stolen due to card skimming, card cloning, and other similar fraudulent methods". (Exhibit 5: Notice of Action dated [REDACTED]/2024, Exhibit 4: Notice of Action dated [REDACTED]/2024)

25. The issuance of this decision is timely under the Code of Federal Regulations § 273.15 which states that a decision must be reached, and the household notified within 60 days of receipt of a request for a fair hearing. The Appellant requested an administrative hearing on [REDACTED], 2024. This decision was due no later than [REDACTED] 2024. However, the hearing record, which had been anticipated to close on [REDACTED] 2024, did not close for the admission of evidence until [REDACTED] 2024, at the Appellant's request. Because this [REDACTED] day delay in the close of the hearing record arose from the Appellant's request, this final decision was not due until [REDACTED] 2024, and is therefore timely. (*Hearing Record*)

CONCLUSIONS OF LAW

1. Connecticut General Statutes § 17b-2(7) provides the Department of Social Services is designated as the state agency for the administration of the Supplemental nutrition assistance program pursuant to the Food and Nutrition Act of 2008.

The Department has the authority to administer the SNAP [REDACTED]

2. Title 7 of the Code of Federal Regulations ("C.F.R.") section 274.1(a) and (b) provides for Basic issuance requirements. State agencies shall establish issuance and accountability systems which ensure that only certified eligible households receive benefits; that Program benefits are timely distributed in the correct amounts; and that benefit issuance and reconciliation activities are properly conducted and accurately reported to FNS. (b) System classification. State agencies may issue benefits to households through any of the following systems: (1) An on-line Electronic Benefit Transfer (EBT) system in which Program benefits are stored in a central computer database and electronically accessed by households at the point of sale via reusable plastic cards.
3. 7 CFR § 274.2(f) provides EBT cards and Personal Identification Numbers (PINs). (1) State agencies which issue EBT cards by mail shall, at a minimum, use first class mail and sturdy nonforwarding envelopes or packages to send EBT cards to households. (2) The State agency shall permit SNAP households to select their PIN. (i) PIN assignment procedures shall be permitted in accordance with industry standards as long as PIN selection is available to clients if they so desire and clients are informed of this option. (ii) If assigning a PIN by mail in conjunction with card issuance, State agencies shall mail the PIN separate from the card one business day after the card is mailed.

The Department provides SNAP benefits to recipients through the issuance and use of EBT cards.

4. 7 C.F.R. §274.6(b) provides for replacement EBT cards or PINs as follows:
The State agency shall make replacement EBT cards available for pick up or place the card in the mail within two business days following notice by the household to the State agency that the card has been lost, stolen or damaged unless the State agency implements a replacement procedure pursuant to paragraph (b)(5) of this section.

The Department correctly determined that the Appellant was issued an EBT connect card to access her SNAP benefits.

5. 7 C.F.R. §274.6(b)(1) provides that an immediate hold shall be placed on accounts at the time notice is received from a household regarding the need for card or PIN replacement. The State agency shall implement a reporting system that is continually operative. Once a household reports that their EBT card has been lost or stolen, the State agency shall assume liability for benefits subsequently drawn from the account and replace any lost or stolen benefits to the household. The State agency or its agent shall maintain a record showing the date and time of all reports by households that their card is lost or stolen.

6. 7 C.F.R. § 274.6 (b)(2) addresses replacement issuances and cards to households.

“Once a household reports that their EBT card has been lost or stolen, the State agency shall assume liability for benefits subsequently drawn from the account and replace any lost or stolen benefits to the household. The State agency or its agent shall maintain a record showing the date and time of all reports by households that their card is lost or stolen.”

The Department correctly determined that the Appellant made a timely report regarding the alleged stolen EBT card.

There were no additional reports of unauthorized transactions from the Appellant after she had requested a new EBT card.

7. 7 CFR § 274.2(g)(2) provides for Adjustments. A State agency shall make adjustments to an account to correct an auditable, out-of-balance settlement condition that occurs during the redemption process as a result of a system error. A system error is defined as an error resulting from a malfunction at any point in the redemption process: from the system host computer, to the switch, to the third party processors, to a store's host computer or POS device. These adjustments may occur after the availability date and may result in either a debit or credit to the household.

The Department correctly determined a system error or malfunction had not occurred.

8. Title IV, Section 501 of the Consolidated Appropriations Act, 2023 requires that the Food and Nutrition Service (FNS) issue guidance to state agencies and promulgate regulations to protect and replace SNAP benefits stolen via card skimming, card cloning, and other similar fraudulent methods. State agencies must submit plans that address how state agencies will process household claims of stolen benefits to be submitted to FNS.

As the administrator of SNAP [REDACTED], the Department had the authority and responsibility to submit a State Plan to the Federal Food and Nutrition Service (“FNS”) to complete with Title IV, Section 501 of the Consolidated Appropriations Act, 2023.

Upon approval by FNS, the Department was required to implement the State Plan.

The [REDACTED] 2023, POGA is the Department’s internal dissemination of the State Plan’s procedures for processing household claims of stolen benefits to its staff.

9. The State Plan for the Replacement of Stolen EBT Benefits Consolidated Appropriations Act 2023 provides that upon approval of this plan, households will have thirty (30) calendar days to submit a claim for benefits stolen prior to the date of approval. This information will be communicated through the state’s social media posts, website, and up-front Interactive Voice Response (IVR) telephone system. In addition, an email will be sent to the legal and advocate communities, as well as state partners informing them of this same information with additional guidance around what is needed to request and substantiate a claim or reimbursement of stolen benefits.

In addition, DSS will attempt to contact those individuals who previously reported their benefits stolen between October 1, 2022, and the date of plan approval through direct mailings, providing them information about the requirements, procedures, and timeline to provide information for replacement benefits. The State will use the same application, validation process, and timeliness, processing, and distribution of benefits criteria described below to issue retroactive benefits as it will non-retroactive claims.

Households have thirty (30) calendar days from the date they discovered that their benefits were stolen because of card skimming, cloning, or similar fraudulent methods to make their initial report to DSS. Households may do this via the telephone, through the mail, or in person at any DSS field office. When an initial report is received, a case note will be entered by the staff member who received it along with the date the *Request for Replacement of Stolen SNAP Benefits Form* (Appendix A) was sent. The household will have ten (10) calendar days from the date the form is sent to complete and return the *Request for Replacement of Stolen SNAP Benefits* form via mail or in person.

If the household comes into a DSS office to report a claim of stolen benefits, they will be provided the *Request for Replacement of Stolen SNAP Benefits Form* and given the option to complete and submit the form at that time or to take the form with them for later completion.

The household will have ten (10) calendar days from the date of the visit, which will be noted in the case notes, to complete and return the *Request for Replacement of Stolen SNAP Benefits* form via mail or in person.

Validation of Criteria

By requesting replacement benefits on the Request for Replacement of Stolen SNAP benefits form, the household must attest that they understand the following:

- 1) Have 30 calendar days from the date they discovered their benefits were stolen to request a replacement.
- 2) Replacement benefits due to theft cannot exceed the amount of two months of SNAP benefits for the amount of my actual reported loss, whichever is less.
- 3) DSS must receive this signed form within 10 calendar days of the date it was sent by DSS to receive SNAP replacement benefits.
- 4) Benefits lost due to theft cannot be replaced more than two times in a federal fiscal year; and
- 5) Benefits replacement claims can only be made for thefts that occurred between 10/1/2022 through 9/30/2024.

As well as that if they have knowingly given incorrect information about the facts stated above, they may be charged with an intentional program violation (IPV) and may be subject to civil and criminal penalties including, but not limited to, perjury for a false claim. Finally, that they understand that they have the right to a Fair Hearing if they disagree with the decision to replace benefits made by DSS.

Validation-Denial of Claims

Claims will be denied for any of the following reasons:

- The household already received replacement benefits two times in the respective federal fiscal year.
- The household did not report their stolen benefits to DSS within thirty (30) calendar days of discovering the theft.
- The household did not provide the signed *Request for Replacement of Stolen SNAP Benefits* form within the required ten (10) calendar days.

- The state was unable to validate the claim that the benefits were stolen as a result of card skimming, cloning, or similar fraudulent methods.
- The state was unable to validate the claim that the benefits were stolen outside of the allowable timeframe, 10/1/2022-9/30/2024.

10. In accordance with the United States Department of Agriculture (“USDA”) Food and Nutrition Service (“FNS”): Replacement of SNAP Benefits in the Consolidated Appropriations Act of 2023: Policy Memo dated Jan 31, 2023: All SNAP State Agencies: All Regions:

Validation Criteria

Claims may be validated through data provided on the State’s Administration Terminal (AT) such as a household’s transaction history. For example, a state may access a household’s transaction history from the date the proposed theft occurred. The AT data may indicate that the household’s benefits were used for an in-state purchase, yet only hours later, their benefits were used in an out-of-state transaction. Additionally, states may validate claims by comparing households’ theft statements with identified stolen benefit trends occurring in the state, such as known phishing schemes. Data from state’s interactive voice response (IVR) systems may also be used to access household’s balance inquiry history to verify that all inquiries were made with household phone numbers.

The Department correctly denied the Appellant’s request for replacement of stolen SNAP benefits as it does not meet the State Plan criteria pursuant to the Consolidated Appropriations Act of 2023 because the SNAP benefits were not stolen due to card skimming, card cloning, or other similar fraudulent method.

DECISION

The Appellant’s appeal is **DENIED**.

Jessica Gulianello

Jessica Gulianello
Hearing Officer

CC: Kristen Krawetzky, Andrew K. Davis,
Stephanie Ugarte, StolenSNAP.FH@ct.gov

RIGHT TO REQUEST RECONSIDERATION

The appellant has the right to file a written reconsideration request within **15** days of the mailing date of the decision on the grounds there was an error of fact or law, new evidence has been discovered or other good cause exists. If the request for reconsideration is granted, the appellant will be notified within **25** days of the request date. No response within 25 days means that the request for reconsideration has been denied. The right to request a reconsideration is based on § 4-181a (a) of the Connecticut General Statutes.

Reconsideration requests should include specific grounds for the request: for example, indicate what error of fact or law, what new evidence, or what other good cause exists.

Reconsideration requests should be sent to: Department of Social Services, Director, Office of Administrative Hearings and Appeals, 55 Farmington Avenue Hartford, CT 06105.

RIGHT TO APPEAL

The appellant has the right to appeal this decision to Superior Court within **45** days of the mailing of this decision, or **45** days after the agency denies a petition for reconsideration of this decision, provided that the petition for reconsideration was filed timely with the Department. The right to appeal is based on § 4-183 of the Connecticut General Statutes. To appeal, a petition must be filed at Superior Court. A copy of the petition must be served upon the Office of the Attorney General, 165 Capitol Avenue, Hartford, CT 06106 or the Commissioner of the Department of Social Services, 55 Farmington Avenue Hartford, CT 06105. A copy of the petition must also be served on all parties to the hearing.

The 45 day appeal period may be extended in certain instances if there is good cause. The extension request must be filed with the Commissioner of the Department of Social Services in writing no later than 90 days from the mailing of the decision. Good cause circumstances are evaluated by the Commissioner or the Commissioner's designee in accordance with § 17b-61 of the Connecticut General Statutes. The Agency's decision to grant an extension is final and is not subject to review or appeal.

The appeal should be filed with the clerk of the Superior Court in the Judicial District of New Britain or the Judicial District in which the appellant resides.