



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

YVONNE COPELAND • Director, Division of Child and Family Well
Being

Date: January 4, 2023

Dear County Directors of Social Services

Attention: Food and Nutrition Services and Work First Managers, Program Integrity Managers, Supervisors, Investigators, and Income Maintenance Caseworkers

Subject: Electronic Benefit Transfer (EBT) Card Skimming/Cloning

Effective: Upon Receipt

Priority: Information and Action

I. GENERAL INFORMATION

The United States Department of Agriculture's Food and Nutrition Services (FNS) and the Administration for Children and Families (ACF) are aware of increasing reports of benefit theft by criminal actors through EBT card skimming. NCDHHS is also aware of fraudulent FNS transactions that have been completed over the last couple of weeks. We are not aware of fraudulent Work First transactions at this time.

II. CARD SKIMMING AND CLONING

Card skimming is an unlawful act of stealing FNS benefits, which is typically accomplished by attaching a device to point of sale machine (POS)/personal identification number (PIN) pad to steal card numbers and other information from credit, debit and EBT cards. The card skimmers look like a normal part of a POS machine/PIN pad. These devices are easily placed and can be attached to POS machines/PIN pads in less than one minute. Card cloning is the copying of stolen EBT card information to new card.

The skimmed EBT card numbers are used to steal benefits from FNS recipients and can be cloned onto other cards. For households that rely on FNS or Work First benefits to meet their needs, losing benefits can have a devastating impact. USDA and NCDHHS encourages county DSS agencies to encourage FNS and Work First participants to take actions that may prevent card skimming such as:

- Check EBT accounts regularly for unauthorized charges
- Check card reading machines in stores to make sure there is nothing suspicious overlaid or attached to the card swiper.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF CHILD AND FAMILY WELL-BEING

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

III. CALLS FROM RECIPIENTS TO REPORT FRAUDULENT TRANSACTIONS

NCDHHS is aware of reports from FNS recipients who have been directly impacted by card skimming in recent weeks. We are not aware of reports of Work First participants being impacted by card skimming. We understand that clients are requesting that their FNS benefits be replaced. At this time, USDA has not yet provided states with guidance on replacing FNS benefits that have been fraudulently used.

County DSS agencies should assist clients who have been impacted by card skimming/cloning by:

- Offering a transaction history of benefits from EBT Edge.
- Referring the client to contact law enforcement.
- Offering a new EBT Card at no cost. Note that the new card will not contain funds that were stolen from the previous card.
- Recommending the client to select a “difficult” PIN (not 1234 or 4444). Note that this may not prevent card skimming but is a recommended safety practice.
- Recommending that clients block out-of-state and online purchases from their EBT Edge accounts or the mobile app.

NCDHHS is seeking guidance from USDA to determine what measures can be taken to replace FNS benefits that were stolen as part of card skimming. Additional information regarding card skimming/cloning and replacements will be provided as it becomes available. If you have any questions, please contact the Continuous Quality Improvement Team (CQI) dss.policy.questions@dhhs.nc.gov.

Sincerely,



Madhu Vulimiri, MPP
Deputy Director
Division of Child and Family Well-Being



Carla West
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MV/jhs

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