

# Supplemental Nutrition Assistance Program (SNAP): Benefit Theft Through Electronic Benefit Card Skimming

Updated January 7, 2025

SNAP provides federally funded benefits (not the same as cash) on Electronic Benefits Transfer (EBT) cards to eligible households to purchase eligible food items from authorized retailers. The Consolidated Appropriations Act of 2023 (P.L. 117-328, Division HH, §501) included temporary authority to provide federally funded replacement of SNAP benefits stolen through EBT card skimming, cloning, and similar methods. That temporary authority was set to expire on September 30, 2024; the FY2025 Continuing Appropriations and Extensions Act (P.L. 118-83) extended it for benefits stolen through December 20, 2024.

Certain consumer protections that apply to unauthorized transactions for credit and debit cards do not apply to EBT cards, and, under SNAP's permanent law, there is no federal funding that would replace such stolen benefits. States may use their Temporary Assistance for Needy Families (TANF) block grant to replace stolen TANF benefits, though they are not required to do so.

## Theft Through Skimming and Other Means

Card *skimming* occurs when illegally installed devices inside Automated Teller Machines (ATM) or point-of-sale (POS) terminals capture card data, including personal identification numbers. That captured information is then used to make unauthorized purchases and steal from a victim's account.

Consumers in general have protections limiting losses from unauthorized electronic purchases via debit cards through the so-called Regulation E and via credit cards through Regulation Z. For example, the consumer has limited liability for unauthorized purchases, and the bank will bear the liability for reimbursement, assuming the consumer properly reports the unauthorized use of the card. These reimbursements may be financed by the fees merchants pay to banks for credit and debit card transactions.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193; the 1996 *welfare reform law*) included provisions to speed SNAP's move from providing benefits via coupons to EBT cards. It also encouraged states to use EBT for assistance under the TANF block grant. The law

Congressional Research Service

<https://crsreports.congress.gov>

IN12419

specifically exempted EBT transactions from Regulation E. Additionally, SNAP law prohibits fees from being imposed on EBT transactions.

Responding to reports that EBT cards had been subject to electronic theft, the U.S. Department of Agriculture (USDA) and the U.S. Department of Health and Human Services (HHS) issued joint guidance to states on measures to prevent theft of benefits from EBT cards.

## **Selected Measures to Remedy and Prevent Skimming**

### **Temporary Authority to Replace Benefits**

Title IV of P.L. 117-328 (as amended) provided for temporary and limited replacement of SNAP benefits stolen from participants from October 1, 2022, to December 20, 2024. The benefits replaced were limited to the lesser of the amount stolen or two months of the monthly allotment for the household for the months prior to which benefits are stolen. Replacement per household was also limited to two times per federal fiscal year. The law authorized open-ended federal funding to finance the benefit replacement. It also required a related report to Congress; USDA's Food and Nutrition Service (FNS) submitted this report on November 26, 2024.

FNS received and approved plans to replace stolen benefits for the 50 states, the District of Columbia, and the U.S. Virgin Islands. States were required to report related data, which FNS compiled on a dashboard. As of December 30, 2024, dashboard data indicate that states approved over 450,000 claims and replaced approximately \$211.8 million in SNAP benefits.

Initially, a provision to extend this authority through September 30, 2028, was included with a continuing resolution (H.R. 10445, Division H), but in the end Congress did not consider that bill and instead enacted P.L. 118-158, a continuing resolution without the replacement benefits extension. FNS has since issued guidance to states on sunsetting this authority.

### **EBT Modernization**

Some states are taking action to modernize their SNAP EBT cards and systems as a way to prevent skimming.

Credit and debit card issuers began implementing EMV cards (credit and debit cards with a chip embedded) in 2015; these cards are more secure than the magnetic stripe cards customarily used for SNAP EBT. Currently, California and Oklahoma are working to transition to EBT cards with chip technology for their SNAP programs. Card-issuance expenses are a SNAP state administrative cost; state administrative costs receive a 50% cost share from the federal government.

FNS is also implementing a pilot (authorized by the 2018 farm bill) that would allow SNAP payment via mobile technologies. After publishing a request for volunteers, FNS selected five states (Illinois, Louisiana, Massachusetts, Missouri, and Oklahoma) to test SNAP payment with a personal mobile device as an alternative to a physical EBT card.

## **Examples of Related Legislative Proposals**

The farm bill usually reauthorizes SNAP and a number of other agricultural and nutrition assistance programs. The 2018 farm bill authorized SNAP through September 30, 2023, and its authority has been extended through September 30, 2025. Congress did not pass a farm bill in the 118<sup>th</sup> Congress, though one was ordered reported from the House Agriculture Committee (see also the following CRS Report). The House committee's bill did not include funding for benefit replacement or card modernization. Senate

Agriculture Committee Chairwoman Stabenow introduced a farm bill that included policies on EBT security and benefit replacement (S. 5335, §4107).

In the 118<sup>th</sup> Congress, companion bills (H.R. 6005/S. 3089) were introduced that would have amended P.L. 117-328, Title IV, Section 501, regarding replacement funding for stolen benefits. These bills would have required replacement of actual losses and made the P.L. 117-328 provision permanent (by removing date limits). Another bill (H.R. 205) would have amended SNAP's statute to permanently provide for reimbursement of SNAP benefits stolen via EBT skimming and similar practices. Companion bills (H.R. 7585/S. 3893) that were also introduced would have required states to issue SNAP benefits on chip cards and undertake other cybersecurity measures.

## Author Information

Randy Alison Aussenberg  
Specialist in Nutrition Assistance Policy

Gene Falk  
Specialist in Social Policy

---

## Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.