

TO: County Welfare Directors and County Special Investigative Units

SUBJECT: Electronic Benefit Transfer (EBT) Card Verification Value (CVV) Implementation Update and County Instructions

Good afternoon,

In an effort to combat a rise in scamming that has resulted in substantial theft of Electronic Benefit Transfer (EBT) dollars, CDSS has been working with the Office of Systems Integration (OSI) and our EBT vendor, Fidelity National Information Systems (FIS), to add Card Verification Values (CVV) to EBT cards. Implementing CVV will mitigate the threat of electronic theft via scamming. FIS began mailing out new cards with CVV functionality embedded in February 2022, with a goal of activating CVV in late April 2022.

Identification of Issue

On Tuesday, March 9, 2022, counties began alerting the County Welfare Directors Association (CWDA), FIS, and CDSS of reports from cardholders stating that non-primary EBT cardholders have received replacement EBT cards for cases they are no longer associated with. There may also be instances wherein the non-primary individual spent the food and/or cash benefits, leaving the primary EBT cardholder without those benefits. These reports have come in anecdotally and we are working to validate with counties.

Of the roughly 911,000 replacement EBT cards being sent statewide, 54,259 non-primary cards have been issued to date. 6,511 of these replacement cards have been used, thereby activating the card.

We believe this issue is the result of the FIS system not fully syncing with the county eligibility systems (SAWS) on the data point that identifies active versus non-active status for non-primary household members. In addition, there may be instances where counties have not utilized that indicator or cardholders did not notify the county to have an alternate cardholder removed from their case, allowing non-primary members to still reflect as active. This nuance was not identified by FIS during testing and prior to the commencement of card printing and mailing activities.

Impacted Population

This issue impacts EBT cardholders with Authorized Representatives (ARs) or non-primary household members previously linked to active cases. Examples of ARs are sober living facilities that would hold a recipient's card for them or a family member assisting a less able individual. Examples of non-primary members are a significant other of the head of household or another adult in the household.

Action Taken

CDSS, OSI, FIS, CWDA, and SAWS have been actively working to resolve this issue. FIS identified that 31,872 of the non-primary cardholders had not used their EBT cards in over six months. Utilizing this data, CDSS directed FIS to employ targeted deactivation of these cards while we continued analysis. FIS and SAWS have exchanged files reflecting the

active and non-active status of non-primary cardholders. Once further analysis is completed, any non-primary cardholders from the 31,872 batch that were deactivated and are subsequently identified as active will be issued a new card from FIS immediately. We expect this analysis to be complete by Friday, March 18, 2022 at latest.

Issue Reporting and Benefit Reimbursement

For any issues identified at the county level regarding this CVV implementation, please follow existing processes to open a ticket through FIS and include as much detail as possible in your submission.

If notified that a primary cardholder has had their cash and/or food benefits used by a non-primary cardholder without authorization and as a result of this issue, counties should expedite benefit replacement and categorize these benefits spent as “lost”.

CalWIN users will use the existing Non-System Determined Issuance (NSDI) process. CalWIN will be adding two temporary ‘payment type codes’ to help facilitate county reporting. Instructions, including the two new specific values will be shared via CalWIN’s County Information Transmittal (CIT) process.

In the CalSAWS system, navigate to the Issuance Detail page for the Case Number and Issuance that has been affected by the EBT benefit loss.

- Click the ‘Replace’ button.
- Enter the amount to be replaced (up to the original issuance amount).
- Select the Immediacy of Rush or Routine.
- Click the ‘Save’ button

In addition, follow these Job Aids:

- JA Issuance – Replace CalFresh Benefits
- JA Issuance – Replace Cash EBT Benefits

We appreciate your expedited attention and continued partnership as we navigate this situation.

Sincerely,

Rocky Givon, Chief
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