

**OFFICE OF INVESTIGATIVE SERVICES  
POLICY & PROCEDURE #920**

**EBT TRAFFICKING & MISUSE**

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**ELECTRONIC BENEFIT TRANSFER:**

Georgia Electronic Benefit Transfer (EBT) became operational statewide in November of 1998. Soon after implementation, patterns of trafficking and misuse began to be identified. The United States Department of Agriculture, Food and Nutrition Service (FNS) and OIS have joined together to develop procedures to establish claims and enforce the penalties regarding trafficking and misuse of EBT by both client and retailer.

USDA/FNS will be responsible for retailer fraud while OIS will be responsible for pursuing client fraud. The following procedures have been developed based on federal regulations. These procedures are an expansion of recipient claim investigations.

**FNS COORDINATOR AND OIS EBT COORDINATOR:**

The FNS Coordinator will review client transactions during investigations of retailer fraud. Clients who are identified as suspected traffickers will be referred to OIS for investigation and disposition. Upon receipt of a referral from FNS, the OIS EBT coordinator will establish a referral in the OIS database and assign the case to the appropriate Agent for investigation.

For investigations of suspected trafficking discovered through sources other than FNS, the OIS EBT Coordinator will make a written request to the FNS Coordinator for authorization to proceed. No action will be taken by OIS until authorized by the FNS Coordinator.

The regional Agent will request clearance and guidance from the OIS EBT Coordinator before proceeding with an investigation of EBT fraud.

**CRITERIA AND DISPOSITION:**

**Trafficking:**

Trafficking means the buying or selling of coupons, ATP cards or other benefit instruments for cash or consideration other than eligible food; or the exchange of firearms, ammunition, explosives, or controlled substances, as defined in section 802 of title 21, United States Code, for coupons.

The Agent will establish a claim and pursue adjudication and disqualification.

**Misuse:**

- Buying ineligible items with Food Stamp benefits;
- Using Food Stamp benefits, excluding trafficking, for any reason other than to purchase food items for eligible household members or
- Maintaining a credit account with a retailer for the purchase of eligible items paid for with Food Stamp benefits.

On the first offense of client misuse, the Agent will counsel the client and document on the narrative in SUCCESS. This will establish evidence of the client's knowledge for future reports of misuse. The second offense will result in disqualification with no dollar loss.

**EVIDENCE:**

The following sources of evidence should be used to substantiate the allegation of trafficking/misuse:

- **Site Survey**

Agents should survey each location involved in client trafficking to become familiar with the physical characteristics and the business activity of the retailer.

- **ALERT**

Alert is an automated fraud detection system designed to monitor and track electronically conducted authorized transactions. OIS has a yearly renewable contract with FNS for access to the ALERT information. Screen prints, from this system are to be considered as official confidential business records of OIS.

- **Citibank**

Citibank is Georgia's EBT issuance vendor. Citibank documents all activity conducted by the client and retailer via the electronic transfers of benefits. Screen prints from this system are to be considered official confidential business records of OIS.

- **Client Education**

Prior to participating in the EBT method of issuance in the Food Stamp Program, clients are informed about their Rights and Responsibilities as well as their liabilities and fraud penalties in the following documents:

- **Application**

The application process includes the Form 297A entitled "Cash, Food Stamps or Medical Assistance Rights and Responsibilities". The client's signature is obtained on a "signature page" and retained in the client's record. The Form 297A is reviewed with the client at each recertification and covers the following points:

1. You must cooperate fully with state and federal personnel, such as Quality Control, Fraud Prevention, or the Office of Investigative Services in any special review of your case. If you do not, your family may not be eligible for assistance.
2. Under Georgia Law, if you do not tell the whole truth or if you help any person get benefits that s/he should not, you will be punished for a misdemeanor. If the fraudulent benefits received are over \$500, you will be punished for a felony. (Georgia Code O.C.G.A Section 49-4-15)
3. You agree that you or any member of your household will not give your EBT card or PIN to anyone else to use without your authorization.
4. You agree that you or any member of your household will not use any other person's EBT card or PIN without their authorization.
5. You agree that you or any member of your household: WILL NOT trade, sell or change food stamps, authorization cards or Electronic Benefit Transfer (EBT) cards. WILL NOT use food stamps or EBT cards to buy ineligible items, such as alcoholic drinks and tobacco. WILL NOT trade your food stamps or EBT cards for cash. WILL NOT use someone else's food stamps, authorization card, or EBT card for your household.

6. If you are convicted of selling \$500 or more of food benefits, you will be permanently disqualified from the Food Stamp Program.
7. Individuals found to have committed Intentional Program Violation (fraud) to receive Food Stamps will be disqualified to receive Food Stamps as follows: 12 months for the first violation, 24 months for the second violation, and permanently for the third violation.

The EBT card and PIN are mailed to the client in separate mailings. The card mailer contains the following information:

- **Card Carrier**

This is the card stock that contains the EBT card. It notifies the client to contact customer service before using the card. This card also notifies the client to NEVER leave your card in the sun, like on the dashboard of a car. Keep your PIN secret. NEVER give your PIN to your caseworker, family members, store cashiers or anyone else. NEVER write your PIN on your card, or on anything you keep with your card. NEVER use your PIN if you think someone is watching you. Call the customer service right away if your card is lost or stolen or if someone learns your PIN.

- **Handbook**

This is a 14-page booklet providing full information on the Benefit Security Card and the skills necessary to use it effectively. This booklet contains the same warnings about the PIN as the Card Carrier and again informs the client to contact customer service 24-hours a day if the card is lost or stolen. This booklet also has a red highlighted reminder that states, "Remember, you cannot get cash from your food stamp account."

- **Tips Card**

This is a two sided strip with step by step directions that can be folded into the shape of the card and carried with it as a reminder. It contains a red lettered note that states, "Remember! You can buy food with cash benefits, but you cannot get cash with food stamp benefits."

#### **INVESTIGATIVE PROCESS:**

1. The Agent will review the Evidence and Fraud Prone Profile, including but not limited to Citibank/Alert print, to determine if there is sufficient evidence to support trafficking/misuse.
2. If the Agent determines that there is no evidence to support trafficking/misuse, the Agent will document the allegation as unfounded on the **EBT Trafficking Case Review Checklist** and screen out the referral.
3. If the Agent determines that there is evidence to support trafficking/misuse, the Agent will review the SUCCESS case information and previous claim information. The Agent will contact the client to discuss the suspected violation by sending an **EBT Appointment Letter**.
4. The Agent will discuss the nature of the report with the client and any documentation to substantiate the allegation. The Agent will document the client's response and attempt to obtain a written notarized statement attesting to trafficking transactions. The statement should include identifying information such as client EBT card number, retailer name,

names of individuals involved, transaction dates, dollar amount of transactions, and circumstances surrounding the identified trafficking/misuse transactions. Signed statement(s) will be forwarded to the OIS EBT Coordinator to assist FNS in the disqualification or prosecution of the retailer.

5. If the Agent determines that the evidence of trafficking constitutes a suspected Intentional Program Violation, the Agent will inform the client of the amount of the trafficking offense. Claims established for EBT trafficking are calculated and reported on the **EBT Report of Claim Determination**.
6. The Agent will pursue resolution and adjudication of the claim through WDH, referral for an Administrative Disqualification Hearing, or referral of the case to the local prosecutor, as appropriate.
7. If the client fails to respond to the appointment letter and there is evidence to support trafficking, the Agent will schedule a second appointment by sending a **WDH Appointment Letter** and attaching the **EBT Report of Claim Determination**. A **Request for Contact with OIS** will be sent with second appointments on all active cases.  
*Note:* If additional evidence is needed to support trafficking, the Agent will attempt a second appointment by sending and **EBT Appointment Letter** indicating second request.
8. If the client fails to keep two appointments to resolve the claim, the Agent will promptly refer the case for an Administrative Disqualification Hearing. Evidence and testimony presented at the hearing should follow the **ADH EBT General Outline**.

The Agent will document all actions and attempted actions taken during the EBT investigation. A progress report will be submitted within 30 days of receiving the investigation to the EBT Coordinator advising whether or not trafficking has been confirmed. Upon completion of the investigation, the Agent prepares a written report that addresses the allegations, presents investigative findings, and arrives at a conclusion. The report should be well organized, concise, and maintain continuity. The allegations should be thoroughly addressed and the conclusion should be supported by appropriate documentation including store survey details, original statements signed by clients, copies of WDH's, Citibank/Alert print and EBT Report of Claim Determination. The final report is submitted to the EBT Coordinator, Special Projects Unit.

FNS will continue to be responsible for all retailer investigations including identification and compliance. OIS will assist FNS by sharing the results of EBT investigative information and assisting in FNS investigations when requested.