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HOUSE BILL NO. 2207

Offered January 11, 2017

Prefiled January 11, 2017

A *BILL* to amend the Code of Virginia by adding a section numbered 63.2-523.1, relating to food stamp program; excessive requests for replacement of electronic benefit transfer card.

Patron—Robinson

Referred to Committee on Health, Welfare and Institutions

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 63.2-523.1 as follows:

§ 63.2-523.1. Excessive requests for replacement of electronic benefit transfer card; notice.

A. The Department shall monitor all requests for replacement of electronic benefit transfer (EBT) cards issued to food stamp program recipients pursuant to § 63.2-801.

B. A request for replacement of an EBT card shall be deemed excessive if a food stamp program recipient or a member of his household has made four such requests within 12 months prior to the request.

C. Upon receipt of a fourth request for a replacement EBT card within a 12-month period, the Department shall notify the recipient's household in writing that (i) the household has reached the threshold allowance of four replacement requests within a 12-month period; (ii) the household's account is being monitored for potential suspicious activity; and (iii) any future request within 12 months of the date that the first request was made will require contact with the Department to provide an explanation for the high volume of replacement requests before a replacement EBT card will be issued.

If the Department has additional evidence to suspect a trafficking violation as defined in 7 CFR § 271.2 prior to a fourth request for a replacement EBT card, the Department shall refer the case to the fraud prevention and investigation unit of the local department where the household is located for investigation and, if deemed appropriate, provide notice to the recipient's household that any subsequent request for a replacement EBT card will require contact with the Department to provide an explanation for the high volume of replacement requests or other suspicious activity before a replacement EBT card will be issued.

D. Upon receipt of a fifth request for a replacement EBT card within a 12-month period, the Department shall notify the recipient's household in writing that (i) the request has been deemed excessive because the household has exceeded the threshold allowance of four replacement requests within a 12-month period and (ii) the Department is withholding the replacement EBT card until the household contacts the Department to provide an explanation for the high volume of replacement requests.

1. If the household contacts the Department in response to the notice, the Department shall make the replacement EBT card available for pick up or place the card in the mail in accordance with 7 CFR § 274.2(f) within two business days, regardless of whether an explanation was provided or an investigation is being conducted.

a. If an explanation was provided and the Department deems the request for a replacement EBT card appropriate, the Department shall educate the household on proper use of the card and shall not require contact upon subsequent replacement requests, unless the pattern of card activity has changed since the initial contact and indicates possible trafficking activity.

b. If an explanation was provided and the Department deems it indicative of trafficking in accordance with 7 CFR § 271.2, or the household contacted the Department but refused to explain the EBT card losses, the Department shall refer the case to the fraud prevention and investigation unit of the local department where the household is located for investigation.

2. If the household does not contact the Department in response to the notice, the Department shall not issue a replacement EBT card and shall refer the case to the fraud prevention and investigation unit of the local department where the household is located for investigation.

E. In all cases, the Department shall act to protect households containing homeless persons, elderly or disabled members, victims of crimes, and other vulnerable persons who may lose EBT cards but who are not committing fraud.

F. All written notices sent by the Department pursuant to this section shall (i) be written in clear and simple language; (ii) meet the language requirements described in 7 CFR § 272.4(b); (iii) specify the number of EBT cards requested and over what period of time; (iv) include a statement that explains what is considered misuse or fraudulent use of an EBT card and food stamp program benefits; (v)

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59 *explain that the transactions of the household's EBT account are being monitored for potential*
60 *trafficking and suspicious activity; (vi) explain the possibility that the case will be referred to the fraud*
61 *prevention and investigation unit of the local department where the household is located for*
62 *investigation; (vii) explain that the next request for a replacement EBT card, or the current request if*
63 *the threshold has been exceeded, will require contact with the Department before a replacement EBT*
64 *card will be issued; (viii) provide all applicable information regarding how contact is to be made with*
65 *the Department in order for the household to comply with the terms of the notice or to raise questions*
66 *or concerns, including whom to contact, a telephone number, and an address; and (ix) otherwise comply*
67 *with the requirements of 7 CFR § 274.6.*