
FOOD AND NUTRITION SERVICES CERTIFICATION

BENEFIT ADJUSTMENTS

FNS 905 REPLACEMENT OF AUTHORIZED ISSUANCE

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CHANGE 03-2023

SEPTEMBER 28, 2023

905.01 REQUIREMENT FOR REPLACING FOOD AND NUTRITION SERVICES (FNS)

A FNS unit is entitled to a replacement of benefits when food purchased with FNS is destroyed in a household misfortune (such as, but not limited to, a power outage or mechanical failure) stolen under duress, **EBT fraud loss**, or disaster (such as, but not limited to, a fire or flood).

The FNS unit may be eligible to receive a replacement of the actual value of the loss, **not to exceed** one month's allotment for the FNS unit if the following conditions are met:

- A. The loss must be reported within ten calendar days of the incident. **FNS units can report and submit the signed affidavit by mail, fax, in-person or by phone with a telephonic signature. If local agencies have the functionality, affidavits may also be accepted via email or a portal for uploading documents.**
- B. The FNS unit must complete a DSS-1678 Replacement Affidavit within ten calendar days of the report.
 - 1. The DSS-1678 must include the household's actual amount of food loss that was purchased with FNS.
 - 2. Do not issue a replacement if the agency does not receive the DSS-1678 within ten calendar days from the date the report is filed.
 - 3. If the tenth day falls on a weekend or holiday, and the DSS-1678 is received the day after the weekend or holiday, consider the statement to be received timely.
- C. Replace benefits within ten calendar days of the report or within two days of receiving the DSS-1678, whichever is later.
- D. Deny or delay replacement issuances when there is documentary evidence that indicates the FNS unit's request for replacement appears to be fraudulent.
- E. There are no limits on the number of times a replacement may be issued to a FNS unit.
- F. Food Safety Guidelines:
 - 1. Food in a full freezer is safe for about two days without power. A half-full freezer is safe for one day.

FOOD AND NUTRITION SERVICES CERTIFICATION

BENEFIT ADJUSTMENTS

FNS 905 REPLACEMENT OF AUTHORIZED ISSUANCE

2. Food that still contains ice crystals can be refrozen safely.
3. Some refrigerated food should be discarded if kept above 40 degrees for more than two hours. These foods include raw or cooked meat, poultry, or seafood; milk/cream, yogurt, soft cheese; cooked pasta, pasta salads; custard, chiffon, or cheese pies; fresh eggs, egg substitutes; meat or cheese-topped pizza, luncheon meats; casseroles, stew, or soups; mayonnaise, tartar sauce and creamy dressing; refrigerated cookie dough; and cream-filled pies.

905.02 ELECTRONIC BENEFITS TRANSFER (EBT) FRAUD LOSS REQUEST

EBT fraud loss request will be considered for replacement when benefits are reported loss via card skimming, card cloning, or other similar fraudulent methods on or after October 1, 2022. Only EBT fraud loss requested during the period of October 1, 2022, through September 30, 2024, are eligible for replacement, per the 2023 Omnibus Bill. EBT fraud loss requested prior to October 1, 2022, but discovered loss after October 1, 2022, are not eligible for replacement.

The following are examples of how EBT fraud loss can occur (not limited to):

- A. Card skimming is a method of obtaining personal data 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 and can be easily attached to POS machines/PIN pads in less than one minute.
- B. Card Cloning is the copying of 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.
- C. Phishing Scam may include text messages received to obtain your personal information. The text might say the applicant/recipient were chosen to receive food stamps, FNS, or SNAP but is a fraudulent message.
- D. Phony Text Message may include fraudulent information indicating that an applicant/recipient's SNAP EBT Card has been locked and may provide a fraudulent link to seek assistance.
- E. Phone Call or Text Scam may include attempts to ask for personal EBT card information and offer a prize in return.
- F. Websites Scam may include websites that mention food stamps, FNS or SNAP and promise monthly payments.
- G. Scammers offering fraudulent SNAP application assistance may include individuals placing advertisements on the internet offering to assist with SNAP applications. These ads may take clients to another website where they may

FOOD AND NUTRITION SERVICES CERTIFICATION

BENEFIT ADJUSTMENTS

FNS 905 REPLACEMENT OF AUTHORIZED ISSUANCE

be asked to provide personal information, including EBT or credit card information.

905.03 REPLACING EBT FRAUD LOSS

The FNS unit may be eligible to receive a replacement of fraud loss benefits if the following conditions are met:

- A. The FNS unit must report the EBT fraud loss request timely. The DSS-8644 Affidavit for Replacement of Stolen Electronic Benefits must be submitted to the county DSS no later than 30 calendar days from discovery of EBT fraud loss.

EXAMPLE: If the FNS unit discovers EBT fraud loss on 8/29/2023 and submits a signed affidavit to the local DSS agency by 9/28/2023, this will be considered a timely report.

- B. FNS units can request EBT fraud loss by submitting a signed affidavit by mail, fax, in-person, over the phone with a telephonic signature. If local agencies have the functionality, affidavits may also be accepted via email or a portal for uploading documents.
- C. The DSS-8644 Affidavit for Replacement of Stolen Benefits must include the household's actual amount of EBT fraud loss.

The applicants/recipients fraud loss request will be verified by the attestation via means of the signed affidavit from the FNS unit.

- D. The calculation of a household's maximum replacement is based on the lesser of the amount of EBT fraud loss requested by the household or two times the monthly allotment last/immediately prior to the date on which the benefits were stolen (refer to the Job Aid, Replacement of Food and Nutrition Services (FNS) Benefits – Fraud Loss Request guidance).

Example 1

- July Fraud Loss Amount = \$300
- June Issuance (last/immediate issuance) = \$15
- 2x June Issuance $15 \times 2 = \$30$
- Approved Replacement Amount = \$30

Example 2

- August Fraud Loss Amount = \$300
- August Issuance (last/immediate issuance) = \$200
- 2x Last/immediate Issuance = \$400
- Approved Replacement Amount = \$300

FOOD AND NUTRITION SERVICES CERTIFICATION

BENEFIT ADJUSTMENTS

FNS 905 REPLACEMENT OF AUTHORIZED ISSUANCE

E. Replace EBT fraud loss electronic benefits within 30 business days of receiving the complete, signed DSS-8644 Affidavit for Replacement of Stolen Benefits.

1. If the request is approved, caseworkers must choose the approval reason, Replacement Benefits.
2. If the request is denied caseworkers must choose one of the following denial reasons in NC FAST.
 - a. Fraudulent Loss Request
 - b. Invalid Request (Affidavit was not received, incomplete or request to replace P-EBT benefits which is not eligible for replacement benefits)
 - c. Request from households that met two-replacement limit (already received twice within Federal Fiscal Year (FFY)). FNS units are allowed two replacements maximum in one FFY, which is from October through September.
 - d. Untimely submitted request (EBT fraud loss discovered before October 2022 or after September 2024)

F. Replace EBT Card for Fraud Loss Request

1. If the date for the latest EBT Card was issued prior to the fraud discover date, then NC FAST will issue EBT Cards for applicants/recipients reported EBT fraud loss regardless of if the request was approved or denied.
2. A message will display on the screen informing the caseworker that a new EBT Card will be issued (refer to Job Aid Replacement of Food and Nutrition Services (FNS) Benefits – Fraud Loss Request guidance.
3. The caseworker will inform the client that a new EBT Card will be issued, and the new card should be received in about 3-5 days.

G. Caseworkers should explain to the FNS unit that:

1. It is the FNS units' responsibility to safeguard the PIN.
2. The PIN should not be shared with others, written on the EBT card, or stored in a location that it can be easily obtained by others.

FOOD AND NUTRITION SERVICES CERTIFICATION

BENEFIT ADJUSTMENTS

FNS 905 REPLACEMENT OF AUTHORIZED ISSUANCE

3. Block out-of-state transactions or internet transactions if you do not use your FNS benefits out of state or on the internet. You can do this on EBT Edge.
4. Change the PIN to the EBT card regularly using a new number each time.
5. Do not re-use old PINs when you get a new EBT card.
6. If stolen, even under duress, the EBT card should be reported lost or stolen and the PIN changed immediately to prevent fraudulent use of the FNS benefits.

If the FNS unit believes they are the victims of identity theft, they should contact their local police department regarding procedures for filing a report. The FNS unit may also file a consumer complaint online with the Federal Trade Commission (FTC) at <https://www.ftc.gov>. FTC is the federal agency responsible for protecting consumers from identity theft scams.

905.04 DOCUMENTATION AND VERIFICATION REQUIREMENTS

- A. Document each request for replacement in the case file.
 1. Documentation should include the date, the reason, verification, and if the replacement was provided or the reason the replacement was denied.
 2. Form DSS-1678 Replacement Affidavit must be completed, signed, and retained in the North Carolina Families Accessing Services through Technology (NC FAST) record.
 3. Form DSS-8644 Affidavit for Replace of Stolen Electronic Benefits must be completed, signed, and retained in the North Carolina Families Accessing Services through Technology (NC FAST) record. The case number is optional.
- B. Verify the FNS unit misfortune, stolen electronic benefits, EBT fraud loss or disaster through one of the following:
 1. A collateral contact;
 2. Documentary evidence from a community agency including, but not limited to, the fire department or the Red Cross;
 3. The applicants/recipients EBT fraud loss request will be verified by the attestation via means of the signed affidavit, collateral contacts and/or documentary evidence including EBT processor data (e.g., caseworkers reviewing transaction history to check for atypical transactions such as out-of-state transactions, transactions at unusual times, transactions for unusual amounts, etc.), EBT call center and benefit information data,

FOOD AND NUTRITION SERVICES CERTIFICATION

BENEFIT ADJUSTMENTS

FNS 905 REPLACEMENT OF AUTHORIZED ISSUANCE

retailer, or news media reports of identified skimming devices, or other similar information.

- C. A home visit prior to replacing food destroyed that was purchased with FNS. Do not require a specific verification source; however, the source must be knowledgeable of the FNS unit's circumstances.

EXAMPLE: A FNS unit experiences a power outage on July 5. The FNS unit verbally reports the outage on July 7. The FNS unit states that all food stored in their refrigerator was lost due to the outage. The caseworker requests the FNS unit to provide a written statement of the loss using a DSS-8650 Food and Nutrition Services Notice of Information Needed. The FNS unit provides a written statement of the loss on July 10. The agency verifies the power outage with a neighbor and replaces the amount of food loss (up to the full amount of the original allotment) by July 17.

EXAMPLE: A FNS unit reports and provides a written statement on March 23 that it has lost all food stored in their home because of a flood which occurred on March 21. There has been widespread news coverage of the flood. The agency replaces the amount of food loss (up to the full amount of the original allotment) by April 3 and documents the news media as the source of verification in the case file.

EXAMPLE: A FNS unit reports to the agency on April 4 that their refrigerator had a mechanical failure on April 1. The FNS unit does not have a collateral contact or documentary evidence of the mechanical failure. The caseworker conducts a home visit on April 5 and verifies that the household's refrigerator has broken. The agency replaces the amount of food loss (up to the full amount of the original allotment) by April 14.

905.05 DISASTER ALLOTMENTS

If the United States Department of Agriculture issues a disaster declaration and the FNS unit is eligible for disaster FNS, the FNS unit cannot receive both the disaster allotment and a replacement allotment for destroyed food. The request for replacement allotment should be denied and only the disaster allotment is issued.