

The U.S. Department of Agriculture's Food and Nutrition Service (FNS) is aware of increasing reports of fraudulent behavior related to EBT online, specifically related to EBT Balance Inquiries conducted on retailer websites. We suspect that bad actors are using the EBT balance inquiry feature online to validate EBT card numbers, guess EBT card PINs, and/or determine when benefits have been issued to cards. We also suspect that the information acquired from this fraudulent behavior is being used to steal SNAP and cash assistance benefits from client accounts.

Over the past several months, we have benefited from work with States, EBT processors, TPPs, retailers and eCommerce platforms concerning this fraudulent activity and have identified measures that can be implemented to protect client benefits while we work towards longer term strategies. To that end, we are requesting that retailers with direct integration eCommerce platforms and eCommerce platform providers who accept SNAP EBT on their websites please review the list of actions below for implementation on your site prior to entering the testing phase as outlined in the SNAP Online Purchasing Orientation attachment of your welcome package email.

#### Mitigation Measures for Fraudulent Online EBT Balance Inquiries

In order to mitigate fraudulent online EBT balance inquiries, online retailers have the following two options to implement on their site:

##### **Option 1 – No EBT balance check functionality on eCommerce site**

- In the interest of protecting SNAP clients from fraud, **FNS will waive the requirement for retailers in the SNAP online purchasing pilot to provide a balance inquiry feature on their eCommerce site.** This waiver would not waive the requirement to provide the customer EBT balance on the final receipt (i.e., via the order history and/or electronic notification).

This waiver is available to all retailers whether they utilize direct integration eCommerce platforms or an eCommerce platform provider. Attached is the full waiver for review.

##### **Option 2 – No guest checkout and limits to balance inquiries and EBT card changes**

- Implementation measures for option 2 are as follows:
  - Removal of “guest checkout” from retailer site
  - Limit the number of times an account holder can change their EBT card to minimal number within a specified time period.
  - Limit use of balance inquiry feature to 2 times per customer session.
- Option 1 will be in place prior to end-to-end testing
- Option 2 will be in place prior to end-to-end testing
- Option will be in place according to eCommerce platform provider implementation timeline, which may come after end-to-end testing: Retailer site is associated with an eCommerce platform provider who received a balance inquiry mitigation notification from FNS (August 2023) and eCommerce platform provider has provided FNS with a response and implementation timeline for one of the two options.

FNS has also discovered that some of this fraudulent activity has occurred as a result of fraudsters hacking the retailer side API connection to their secure online pin solution. Retailers with direct integration sites and ecommerce platform providers are responsible for ensuring that API information is secure and protected from unauthorized access. **We are asking all retailers to verify their API access information is not vulnerable and request** that retailers and ecommerce platforms perform or seek out a third party to perform penetration testing prior on your site prior to end-to-end Production environment testing. Penetration testing is a requirement for PCI compliance, which retailers must meet in order to operate SNAP Online Purchasing (per the [Request for Volunteers](#) 2.4.6).

Questions regarding any of the requirements and/or information in this letter should be directed to [SM.FN.SNAPOnline@usda.gov](mailto:SM.FN.SNAPOnline@usda.gov).