

Justice in Every Borough

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## \*\*\*FOR IMMEDIATE RELEASE\*\*\*

Legal Aid Urges New Yorkers Whose Food Benefits Were Stolen Through Skimming to Submit A Claim for Replacement

New Application Portal, Created by Federal Legislation and Legal Aid's Advocacy, Allows Victims of Skimming to Apply to Recoup Stolen Benefits

(NEW YORK, NY) - The Legal Aid Society today urged New Yorkers who have had their Supplemental Nutrition Assistance Program (SNAP) or Cash Assistance (CA) benefits stolen to submit a claim for benefit replacement through a newly available <u>online form</u> created as a result of national <u>legislation</u> sponsored by United States Senator Kirsten Gillibrand and from <u>advocacy</u> by Legal Aid and other organizations.

In December 2022, Senator Gillibrand introduced the <u>SNAP Theft Protection Act</u>, federal legislation that would modernize SNAP to better protect beneficiaries from having their benefits stolen by scammers. This bill was included in the end-of-year omnibus funding package passed by Congress and signed into law by President Biden. The NYS Legislature then passed legislation providing reimbursement of cash assistance benefits stolen after October 1, 2022.

Now, all SNAP recipients who have fallen victim to theft after October 1, 2022, and CA recipients who have lost benefits after January 1, 2022, can receive up to two months of replacement benefits immediately.

In February 2023, Legal Aid and Freshfields Bruckhaus Deringer US LLP filed a <u>federal class</u> <u>action lawsuit</u> in the United States District Court for the Southern District of New York seeking reimbursement for SNAP recipients who are not eligible under the Omnibus Act because they lost more than two months of benefits, or the theft occurred before October 2022.

The lawsuit was filed against the United States Department of Agriculture (USDA) and the USDA Food and Nutrition Service (FNS) for refusing to authorize New York State to use federal funds to replace the stolen benefits based on a regulation that the federal agency adopted in 2010 that prevented states from being able to replace stolen SNAP benefits. The litigation remains pending.

"People who rely on SNAP benefits to feed themselves and their families face an even greater risk of food insecurity and economic instability when their SNAP benefits are stolen. That's why I wrote and passed the SNAP Theft Protection Act, which provides a pathway to report stolen SNAP benefits and will help bring scammers targeting our most vulnerable to justice," said **Senator Gillibrand**. "Before this bill, the recourse for SNAP theft was based on the 1996 system when paper food stamps were still in use. Once the use of paper food stamps was phased out, USDA never issued updated regulations to reflect changes in technology. I thank the Legal Aid Society for supporting this bill and for helping bring SNAP into the 21st century. I encourage all beneficiaries who have experienced SNAP skimming to fill out this application for a chance to recoup stolen benefits."

"A person's right to critical federal assistance should never be overlooked just because they are victimized, through no fault of their own, by an EBT scheme," said **Alex MacDougall, staff attorney in the Civil Law Reform Unit at The Legal Aid Society**. "We strongly encourage our clients and all New Yorkers who have been unfairly deprived of their benefits to apply for replacement immediately, and we implore the USDA to commit to prompt reimbursement of SNAP and CA benefits to all eligible New Yorkers who have suffered the effects of the Department's previous inaction for far too long."

## **Background:**

The SNAP Program was created in 1964 to establish the federally funded, state-administered program in order to "safeguard the health and well-being of the Nation's population by raising levels of nutrition among low-income households."

The FNS oversees SNAP and sets regulations for all state agencies administering SNAP programs. In New York, OTDA is responsible for administering SNAP and issuing benefits via an EBT system, as required by federal law.

In 2022, OTDA documented an <u>increase</u> in an illegal practice known as "skimming" across New York State. Skimming involves the use of a device that is secretly installed at a retail point-of-sale (POS) machine that captures the data on a card and remotely transmits it to a thief offsite.

According to OTDA, as of February 2023, there have been over 10,000 documented cases of benefit theft by perpetrators of EBT card skimming schemes. From January 2022 through mid-February 2023, over \$4.6 million in SNAP benefits were skimmed in New York State. The majority of the benefits skimmed during this period came from households residing in New York City.

On December 1, 2022, The Legal Aid Society and Empire Justice Center sent a <u>letter</u> urging OTDA to compensate victims of skimming and to take immediate prevention actions to protect New Yorkers from further victimization, including converting all magnetic stripe EBT cards to chip cards.

In February 2023, Legal Aid and Freshfields Bruckhaus Deringer US LLP filed a <u>federal class action lawsuit</u> against the United States Department of Agriculture (USDA) and the USDA Food and Nutrition Service (FNS) for refusing to authorize New York State to use federal funds to replace the stolen benefits based on a regulation that the federal agency adopted in 2010 that prevented states from being able to replace stolen SNAP benefits. The litigation remains pending.

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The Legal Aid Society exists for one simple yet powerful reason: to ensure that New Yorkers are not denied their right to equal justice because of poverty. For over 145 years, we have protected, defended, and advocated for those who have struggled in silence for far too long. Every day, in every borough, The Legal Aid Society changes the lives of our clients and helps improve our communities. https://www.legalaidnyc.org