



Food and Nutrition
Service

1320 Braddock
Place
Alexandria, VA
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DATE: August 15, 2023

SUBJECT: Supplemental Nutrition Assistance Program (SNAP) Internet
Retailer Balance Inquiry Notification

TO: Internet Retailers
SNAP Online Purchasing

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 all retailers who accept SNAP EBT on their websites, whether directly integrated or working through an eCommerce platform provider please review the list of actions below within 120 days.

Mitigation Measures for Fraudulent Online EBT Balance Inquiries

Option 1 – Removal of EBT Balance Inquiry from 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).

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 a minimal number within a specified time period.
 - Limit use of balance inquiry feature to 2 times per customer session.

FNS has also identified that some of this fraudulent activity has happened through the PINpad API being hacked. Retailers or ecommerce platforms are responsible for ensuring their API passwords are not vulnerable to being hacked. **We are asking all retailers to verify their API access information is not vulnerable.**

All retailers who are live with SNAP online purchasing or have received an Internet Retailer FNS number as part of their application must submit an email to SNAPOnline@usda.gov within 21 calendar days indicating the option they choose to implement and the timeline for implementation. In addition, please specify if the mitigations pertain to a direct integration eCommerce site, an eCommerce platform provider site, or both, along with the impacted retailer banners if there are more than one. If work cannot be completed within 120 days, please provide a justification.

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Supplemental Nutrition Assistance Program