



Assessing the Merits of Photo EBT Cards in the Supplemental Nutrition Assistance Program

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In seeking to reduce the trafficking of electronic benefit transfer (EBT) cards in the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program), states are considering—and some have implemented—the use of photo EBT cards. These personal identification number (PIN)-protected EBT cards include an imprinted photograph of the SNAP case’s head of household. Massachusetts adopted a statewide photo EBT policy in fall 2013, and Maine has more recently sought to expand a one-county pilot project statewide. Though states are given the authority to implement such policies under the Food and Nutrition Act of 2008, the statute also requires that “the State agency . . . establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.”

States’ use of photo EBT cards in SNAP has sparked controversy. These policies place in direct conflict two principles: the desires of state government agencies and taxpayers to uphold program integrity, and the statutory rights of SNAP household members and their designated representatives to use program benefits without being subjected to additional scrutiny in the retail marketplace. The US Department of Agriculture’s Food and Nutrition Service (FNS), the federal agency that administers SNAP, has sought through its regional offices to ensure that the photo EBT procedures and practices of state agencies and food retailers adequately protect clients’ rights to full benefit access and equal customer treatment. Client advocacy organizations contend that photo EBT policies undermine program participation by imposing undue procedural burdens upon households legitimately entitled to SNAP benefits and by re-stigmatizing program use by clients in food retail establishments. Representatives of food retailers indicate that checkout clerks typically refrain from checking the photo on the EBT card, relying on the PIN to protect against unauthorized card use.

This brief examines the extent of trafficking of EBT cards in SNAP, the efforts in place to monitor and deter trafficking behavior by clients and retailers, the proposals introduced in state legislatures to

implement photo EBT cards, and the photo EBT initiatives implemented since 2008. A case study is presented of the Massachusetts experience with its statewide photo EBT policy, more than one year following rollout. The available information on the costs of the Massachusetts policy is compared to the potential benefits that may result from reductions in trafficking.

What emerges from this review is the absence of a compelling logic model to suggest that photo EBT cards might meaningfully reduce card trafficking, given that such trafficking involves the complicity of individuals and retailers for whom a photo on the card will not act as a deterrent. The cost estimates of operating a photo EBT policy, weighed against the limited expectation of altering the behavior of would-be traffickers, suggest strongly that photo EBT cards are not a cost-effective approach to combat trafficking. This assessment is strengthened by evidence from Massachusetts that retailer clerks generally do not check the photos on the cards. Moreover, it is evident that many participants who are subject to the state's photo EBT card requirement have encountered difficulty with the state agency's procedures for obtaining a photo card and with the grocery checkout practices of some food retailers that have prevented participants from accessing their program benefits.

Introduction and Background

The Supplemental Nutrition Assistance Program has played an increasingly important role in providing means-tested assistance during the two decades since the federal welfare system was reformed in 1996. As other forms of federal cash or in-kind income support have become more restrictive—for example, through the imposition of time limits or more stringent work requirements—SNAP remains a major form of federal support that individuals and households at or near poverty-level income can qualify to receive without meeting a host of additional categorical eligibility conditions.

SNAP is also distinctive in setting the assistance unit as the household—defined as those who “purchase and prepare meals” together. The unit can thus include certain adults with no legal or financial obligation to each other. Some examples are older children (ages 18–22) still living at home or adults who share living quarters and eating arrangements with other household members but have no familial ties to them.

From 1997 through fiscal year 2014, the program's scale rose dramatically nationwide—in both the average monthly number of participants (from 25.5 million to 46.5 million) and the annual benefits paid (from \$22.4 billion to \$70.0 billion).¹ This rise resulted from growth in four areas: the number of eligible households (especially during and after the Great Recession), the participation rate among eligible households, the average number of people per recipient household, and the average monthly benefit per person.

Technology also played a role in this pattern of growth as SNAP transitioned from using paper coupons to using EBT cards. (Coupons were fully phased out in 2004.) The adoption of EBT cards—which, similar to bank-issued debit cards, require using a secure PIN²—has prompted greater participation by eliminating the stigma of using coupons to purchase groceries. SNAP recipients can even use EBT cards at self-checkout lines. This change decreases store labor and overhead costs,

reduces customer wait times, and increases customer anonymity when using an EBT card, further decreasing stigma for participants.

In addition, technology has reduced the procedural burdens to clients of initial application and periodic recertification. Examples of these reduced burdens are online applications, telephone call centers for client inquiries and for conducting required interviews, and electronic transmission of client documents.

At the same time, the federal government and the states use technology to ensure that benefits are provided only to, and used only by, the program's intended beneficiaries and only for authorized food items. Among the technology-based approaches used to improve program targeting and payment accuracy are automated matches of earnings records and cross-checking for duplicate benefits. Moreover, the bar-coding of consumer goods allows food and nonfood items to be sorted electronically so SNAP benefits pay only for SNAP-approved food purchases and exclude non-eligible items, such as paper goods and prepared hot foods.

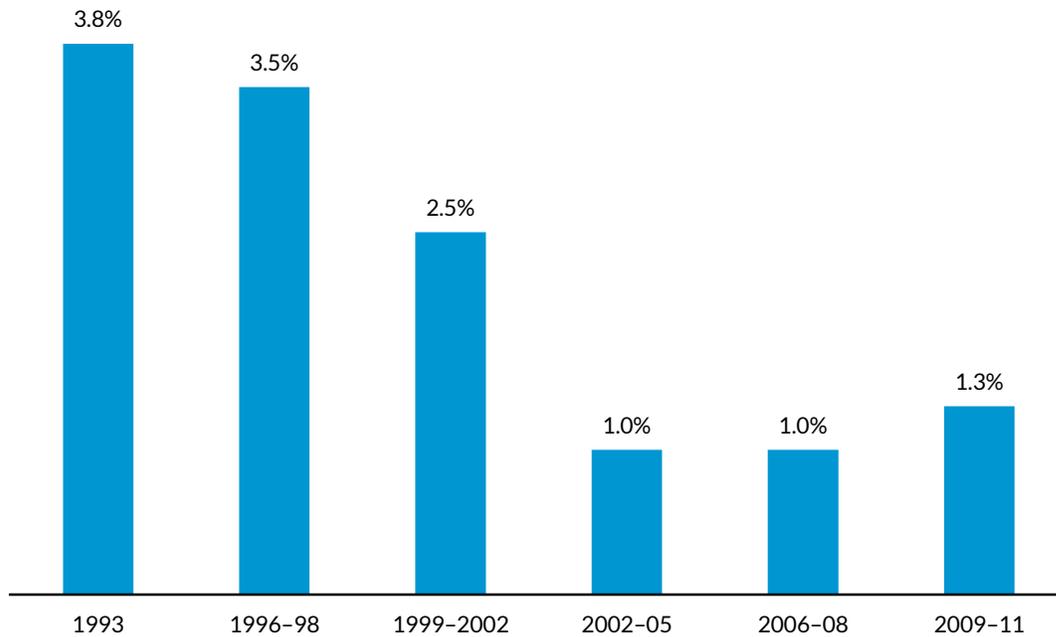
The trafficking of SNAP benefits—that is, the diversion of benefits by exchanging them for cash or non-eligible items—has been a long-standing concern. In the EBT context, trafficking typically occurs when a recipient sells some or all of his or her EBT card balance to a colluding retailer at a discount, such as 50 cents on the dollar.³ The use of PINs has helped reduce trafficking as a share of annual SNAP benefits, from 3.8 percent in 1993 to 1.3 percent in 2009–11 (figure 1). However, with the increased scale of the program, the annualized amount of diverted benefits has risen slightly over this period, from \$811 million in 1993 to \$858 million in 2009–11 (Mantovani, Williams, and Plieger 2013).

The US Department of Agriculture (USDA) has put substantial resources into identifying fraud and trafficking patterns, and providing states with financial incentives and information technology tools to identify and prosecute trafficking among EBT retailers as well as recipients.⁴ Under USDA's ALERT (Antifraud Locator Using EBT Retailer Transactions) system, the FNS and states are increasingly using high-speed computing and the massive transaction-level datasets generated by point-of-sale store technology to identify incidents of SNAP trafficking, often indicated by frequent flat-dollar EBT transactions among small groceries or convenience stores, or by other suspicious EBT redemption patterns. Federal rules also allow states to limit the number of replacement EBT cards issued to a participating household each year, in order to prevent a participant from repeatedly selling his or her card to an online buyer (and then obtaining a replacement card and resetting the PIN). Massachusetts, for instance, adopted a policy in April 2013 where the state will replace a household's EBT card no more than four times within a 12-month period, at no cost for the first replacement and with a \$5 fee for each of the next three (unless the fee is waived under specific circumstances of good cause).

FIGURE 1

Extent of Trafficking in SNAP by Participating Food Retailers, 1993–2011

Percentage of benefits trafficked



Source: Mantovani, Williams, and Plieger (2013).

This brief focuses on one approach that some states have taken to reduce SNAP trafficking: photo EBT cards. These PIN-protected cards also include the photographic image of the case head imprinted on the face of the card. What makes this approach controversial, and what motivates this brief, is that these policies place in direct conflict the understandable desires of the taxpaying public to bolster program integrity versus the statutory rights of SNAP household members and their authorized representatives to use program benefits and to receive equal customer treatment in the retail marketplace. Such policies have been questioned in the absence of a compelling logic model or emerging evidence to indicate any impact of photo EBT cards on SNAP trafficking.

Given that these illegal transactions typically involve an unscrupulous retailer (for whom a client photo on the card is of no consequence) and that most photo EBT proposals do not require retailers to check the photo (as such a requirement would contradict the federal provisions ensuring equal customer treatment), it seems reasonable to expect little or no impact of photo EBT cards on trafficking. States also have other options to combat trafficking, such as more intensive electronic monitoring to identify suspicious activity (by clients offering card balances for online sale or retailers falsifying grocery transactions to illicitly redeem card balances) and stiffer penalties on the offending clients and retailers.⁵ Those other options would not have the adverse effects observed in the two states (Massachusetts and Maine) that have recently implemented photo EBT card initiatives, where these

policies appear to undermine program participation among eligible households by imposing additional procedural burdens and by re-stigmatizing this important form of federal nutritional assistance.

Federal Statutory and Regulatory Provisions

Congress provided states the authority to use photo EBT cards in their SNAP programs under the Food and Nutrition Act of 2008:⁶

(9) Optional photographic identification—

(A) In general—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

(B) Other authorized users—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.

Critical to this provision is the language in subparagraph B asserting the principle of full benefit access: a state's photo EBT policy must not infringe on the ability of a household participating in SNAP to access its benefits through use of the EBT card by multiple household members or by non-household members that the household permits to purchase its groceries. The latter arrangement is essential for elderly or disabled SNAP participants unable to do their own shopping. The security of the card is protected through the PIN, which must be entered by the card user at the time of purchase.

Equally critical, the provision does not exempt a state from any requirement in operating SNAP, meaning that a state interested in photo EBT must ensure that all participant and retailer protections are fully provided. These protections include the requirement that clients be informed of their rights under the program, including the right of multiple household members (or authorized representatives) *not* pictured on a household's photo EBT card to use the card for authorized food purchases.

Notably, separate federal regulations also require that “No retail food store may single out [EBT card] users for special treatment in any way.”⁷ This principle of equal customer treatment implies that, if retailers check the photo EBT cards of SNAP participants, they must also similarly request photo ID for customers using bank-issued debit or credit cards.

In the SNAP application and eligibility process, four other federal provisions also are relevant to a state's decision to implement a photo EBT option. First, unlike most other federal means-tested programs, SNAP requires a broader range of individuals to be included in the SNAP “household” and considers their income and cooperation with other program requirements.⁸ The “household composition” rule highlights the fact that multiple adults within a SNAP household have the right to use the EBT card at any time, as do other people authorized by the head of household, such as helping neighbors when the recipient is sick or teenage children who run errands. Because a number of people are authorized to use the EBT card, the state must determine whose photo is required, how individuals will be informed of their right to use the card, and how retailers are to ensure that all authorized individuals can do so.

Second, federal regulations enable a SNAP household to designate an “authorized representative” to help the household file the SNAP application and recertifications, to participate in interviews on behalf of the SNAP household, and/or to receive an EBT card in addition to the SNAP recipient.⁹ There need not be a determination of disability to appoint an authorized representative. The SNAP household can limit the role of that representative (for example, to assist with food purchase only), and the state agency typically issues a separate EBT card for the authorized case head or local organization providing regular food shopping assistance to the recipient, such as a group home or an organization with personal care attendants (staff which may vary from month to month).

Third, federal SNAP regulations require that applicants submit to a state agency interview as well as provide verification of identity, residence, immigrant status, earned and unearned income, and other financial and categorical eligibility factors specific to the household. While states are increasingly choosing to waive face-to-face interviews and conduct phone interviews—for program efficiency and in recognition of the costs of maintaining local SNAP offices—if a state chooses to impose a face-to-face interview requirement, the state *must* waive face-to-face interviews in hardship situations including where the SNAP applicant has an illness or disability, lacks transportation, has a job or training commitment that conflicts with work hours, or lacks child care.¹⁰ If a state has waived the face-to-face interview, then it faces a challenge in obtaining a photo for the EBT card, since requiring an individual to come into the SNAP office would undermine the interview waiver.¹¹

Fourth, federal regulations require that SNAP benefits be “interoperable” between states, allowing recipients to make authorized grocery purchases across state borders. An EBT card issued by one state must thus be able to serve as a form of payment for the SNAP recipient in all other states, and it must be honored by participating retailers in all other states.¹² This means that, if state A has adopted a photo EBT card policy, retailers in state A still need to accept the non-photo EBT cards of SNAP participants from nearby state B. Participants from state B may mistakenly believe, however, that they are unable to use their EBT card in a state such as A that issues photo EBT cards.

Against this statutory and regulatory backdrop, a tension is thus established between the provisions protecting the rights of SNAP clients, the discretion that Congress has allowed to states desiring to use photo EBT technology to promote program integrity, and the prohibition on further state-added conditions of program eligibility that impose costs or other burdens upon SNAP clients. States have the authority to place onto the EBT card the photograph of one or more household members or authorized representatives. Yet, the photo EBT card cannot be scrutinized by store clerks at point of sale unless they similarly check the photo IDs of other customers using PIN-protected debit cards. Because this practice would slow checkout times, increase store labor costs, and create general frustration among customers and clerks, retailers do not routinely “card” their customers.

If retailers were somehow to meet this equal treatment standard, they would still need to uphold the rights of a SNAP household to redeem its benefits through card use by multiple individuals, including out-of-household designated representatives. This would seemingly require that the household’s card include either the photos or the names of all people authorized by the household to use the card. If the people’s names are to be imprinted on the card, these individuals would then also

need to carry with them some form of photo identification. An obvious challenge to SNAP state agencies of creating EBT cards with multiple names and photos is that SNAP household composition can change if a person moves in or out, such as a returning spouse or a departing adult child. Moreover, shifting household circumstances may alter one's decisions about who should be the designated representative.

A host of logistical complications thus arise in any effort to meet these various requirements, without any clear enforcement mechanism. The rights of SNAP clients to access their benefits are seemingly placed at risk, while retailers are asked to impose burdens on their grocery checkout employees to inspect not only the photo EBT cards of SNAP customers but also the photo IDs of non-SNAP customers. One specific complication arises with the widespread use of self-checkout lanes by larger grocers. If SNAP customers are discouraged from using such lanes (by the expectation that their card must be checked by a clerk), they then face longer queues at checkout—arguably a form of unequal treatment in the retail marketplace.

These considerations have prompted the states implementing photo EBT cards not to require retailers to inspect the photo EBT cards for SNAP participants (or the photo IDs of debit card customers). Although this helps resolve the issues relating to protection of clients' rights, it limits the potential efficacy of the policy for its stated purpose: to reduce trafficking of SNAP benefits. Another fundamental point is that the trafficking of EBT cards typically involves a complicit store owner or checkout clerk. Because this individual is a willing party to the illegal transaction, the presence of a photograph on the card will do little to deter such trafficking. A photo EBT policy also brings higher program administrative costs, shared by the state and federal governments. Specifically, added expenses are incurred by state EBT contractors for the issuance of cards with photo images and by program offices for the staff time and on-site equipment to take photos.

Missouri's pre-2008 assessment of the cost-effectiveness of such a policy is instructive. The state implemented a photo EBT card in 2000 for SNAP and other program benefits delivered via EBT, but then discontinued the policy after an August 2001 State Auditor report recommended that the legislature "discontinue the client photograph requirement for the Missouri electronic benefit card" (p. 10). The audit finding was as follows:

The state and federal government have nearly split the \$1.8 million cost to place client photographs on the electronic benefit security cards . . . State officials expected the cards to help deter fraud, but federal regulations allow any family member to use the card, which renders the photographs useless for fraud or identification. Retailers, in fact, are trained to ignore the photograph, since transactions are valid if the purchaser has the card and the personal identification number. (Missouri Office of State Auditor 2001, ii)

Nonetheless, since 2008 many states have considered a range of photo EBT card options designed to ensure program integrity while also meeting the seemingly incompatible requirements of statute and regulation regarding benefit access and customer treatment.

SNAP Photo EBT Policies Proposed by States since 2008

Recent legislative proposals to reduce trafficking through the use of a photo ID requirement can be broadly classified into three categories: those requiring a photo to be placed on the state-issued EBT card, whether of the primary cardholder, a member of the cardholder's household, or a designee; those requiring a photo on the EBT card in addition to supplementary information to identify additional household members or designees; and those requiring the cardholder or designee to present photo identification using documents other than the EBT card itself, requiring the retailer to match the name on the EBT card with the name provided on the separate form of identification.

In the first category, legislators in several states have recently proposed legislation that would require a photo of the cardholder to appear on the face of the state-issued EBT card. In California, legislation was proposed that would simply require any "initial or replacement EBT card issued on or after January 1, 2015, [to] include a photograph of the person to whom the card is issued."¹³ Similar legislation has been proposed in Washington, Tennessee, Pennsylvania, and Rhode Island.¹⁴

To address the federal requirement of full benefit access, the proposed language in some states allows the photos of multiple individuals to appear on the card. Recent legislation in Georgia (which passed in 2014 and is scheduled to go into effect on January 1, 2016) would require that "all electronic benefit transfer cards which include food stamp benefits contain a photograph of one or more members of the household who are authorized to use such benefits."¹⁵

Maine's initiative, implemented as a pilot program in April 2014 in Penobscot County (Bangor), required that the EBT card contain the photograph of the primary cardholder as well as that of one additional family member or designee.¹⁶ Maine's efforts to extend the policy statewide in July 2014 through executive action have been suspended as a result of FNS insistence that compliance with the photo EBT card policy must *not* be a mandatory requirement for SNAP participation by clients and retailers. The pilot program had required that clients come into a program office to be photographed (or face termination of benefits) and that retailers check the photo EBT cards (or face fines).

Fining retailers for not checking photo EBT cards is one enforcement mechanism proposed in other states. Without a penalty, retailers would seemingly have little incentive to "card" their SNAP customers, making the addition of the photo inconsequential. Even without retailer fines, any expectation among customers of being carded might itself deter card trafficking that involves a customer's prior purchase of a card and PIN from a SNAP participant.¹⁷ That expectation, however, would also deter the legitimate use of EBT cards by authorized representatives of the household or by household members other than the case head, if such individuals mistakenly believe that only the person pictured on the card may use it.

Proposed bills in other states allude to the federal requirement to ensure full access but do not specify a mechanism for doing so. For example, in a proposal requiring Illinois to further explore the option of a photo EBT requirement, the bill mandates that the Illinois Department of Human Services

“suggest a process to the Illinois General Assembly that allows the caregiver of the recipient of SNAP benefits... to use the recipient’s [EBT] card on the recipient’s behalf.”¹⁸

Under the second category, a state would issue separate identification cards in order for designees or household members other than the primary beneficiary to access benefits. For example, another Illinois proposal would require the state to issue caregiver identification cards that would include “a current photo of the facility provider, guardian, or caregiver of the person entitled to benefits, the name of the person entitled to benefits, and a statement that clearly identifies the card holder as having the legal capacity to use the named person’s [EBT] card.”¹⁹ A similar proposal in Tennessee would not only require the state to issue a separate photo identification card to the head of each eligible household (to be requested by retailers at the point of purchase), but also could require that separate photo identification cards be issued to members of the household (or designees) or that a list of these individuals’ names be included on the eligibility card containing the photo of the household head.²⁰

The third category involves lower-cost strategies that retain the principle of photo identification without having to issue photo EBT cards. These proposals would require card users to present other forms of government-issued photo identification (such as a driver’s license or passport) instead of the photo EBT card. Presumably this would require the retailer to match the name on the EBT card with the name on the additional form of identification at the point of purchase. One Mississippi proposal would require any user of an EBT card accessing SNAP benefits to present “proper identification,” although it does not specify the allowable forms of such identification.²¹ Multiple recent proposals in Rhode Island have also sought to require that SNAP users “present photo identification while using an EBT card” without specifying which types of identification would be acceptable.²² A series of Arizona proposals would allow a retailer to accept “any form of identification that is described in 42 Code of Federal Regulations Section 435.407 (a) or (e).”²³

Additionally, proposed legislation in 2013 in Rhode Island explicitly required retailers to “request and inspect such photo identification at each transaction... [and] failure to request such photo identification and perform such verification of identify shall result in the suspension of the retailer’s privilege of accepting EBT cards for payment of any transactions for a period of one month for each offense.”²⁴

How has FNS sought to ensure that states meet their obligations to provide full benefit access and equal consumer treatment to SNAP participants? Because of the 2008 federal statute, FNS is unable to directly use its waiver authority to block a state from implementing a legislatively enacted policy that is considered to endanger federally established client rights. Instead FNS holds as its ultimate enforcement mechanism the possible denial of “federal financial participation” in SNAP (i.e., the withholding of some or all of the standard 50 percent federal share of most program administrative costs and potentially some or all of the 100 percent federal funding of benefit payments) as the consequence to a state for not upholding these rights.

With the possible loss of federal SNAP funding as a draconian specter, the primary avenue through which FNS has sought to ensure the protection of client rights in states considering a photo EBT policy

is through written communications to states from federal regional offices. Examples of this are sternly worded letters from the Midwest Regional Office to the Illinois Department of Human Services (in April 2001) and from the Northeast Regional Office to the Massachusetts Department of Transitional Assistance (May 2012) and the Maine Department of Health and Human Services (February and November 2014). These letters have directed states not to proceed with any plans to implement photo EBT cards until the federal regional staff could review and approve specific procedures to protect clients. These letters also mentioned FNS concerns that photo EBT policies could result in increased costs to a state's EBT card vendor (partly borne by the federal government), with such contract modifications requiring federal approval. Another federal concern has been that photo EBT cards may not comply with the "interoperability" requirement that cards be usable across all states and all types of SNAP-participating food retailers.

Case Study: Massachusetts

Following congressional enactment of the 2008 provision allowing states to use photo EBT cards in SNAP, Massachusetts was the first state to proceed with statewide adoption of a photo EBT policy.²⁵ The state's policy rollout occurred in November 2013, with exemptions for significant segments of the caseload. We focus here on the Massachusetts experience to date, through the end of calendar year 2014.

Massachusetts had previously instituted a photo EBT policy for cash and food stamp cases under a 1995 state welfare reform law (Chapter 5 of the Acts of 1995). The policy was rescinded in 2004 under the administration of Governor Mitt Romney, for the following cited reasons:²⁶

- inadequate staff within DTA to administer the photo EBT cards;
- expense of equipping each DTA office with a special camera set-up and photo printer to produce the cards;
- burden upon clients of having to come into the office to be photographed;
- recognition that merchants did not check the photos on the photo EBT cards, just as they do not ask credit or debit card customers to show photo IDs; and
- little discernible effect on fraudulent use of EBT cards.

As context to the more recent policy developments, in federal fiscal year 2013 the state's SNAP program served an average monthly caseload of 887,619 people in 498,580 households, with annual benefit payments of \$1.395 billion—the latter representing a 51 percent increase since 2009.²⁷

EBT cards are used in Massachusetts to access benefits in SNAP and in two cash programs: Temporary Aid to Families with Dependent Children (TAFDC, the state's TANF program, now serving 42,000 families) and Emergency Aid to the Elderly, Disabled, and Children (EAEDC, the state's general assistance program, serving 22,000 individuals or families).²⁸ Only about 15 percent of the state's SNAP

caseload receives both cash assistance and SNAP on their EBT cards. Xerox has been the state's EBT card vendor since 2005.

In 2011 the state legislature called for creation of an EBT Card Commission, in response to concerns about the use of cash benefits for unauthorized purchases such as firearms, tobacco, lottery tickets, and alcohol. Among the commission's responsibilities was "to research and evaluate . . . the costs associated with requiring [DTA] to include, on the front of each newly issued, re-issued, and existing EBT card, a photograph of the cardholder." On this matter, the commission's April 2012 report concluded that "the cost of EBT photo IDs would outweigh the benefits," and the commission agreed not to consider such a policy (Massachusetts EBT Card Commission 2012, 19). This assessment reflected the commission's review of the state's earlier experience with photo EBT cards and available cost estimates from New York, Michigan, and Washington. DTA estimated the costs of a photo EBT card policy to include \$4 million in initial implementation costs, \$3 million in annual costs to the EBT vendor, \$1 million in annual DTA staffing costs, and up to \$0.4 million in annual costs of notices to clients. Among the costs not included in these estimates were the agency's expenses for card design, card printer technology, and storage of photo images to enable card replacement.

As the state moved in early 2012 to consider reinstating a photo EBT card policy, FNS made clear its concerns regarding the adverse consequences to clients and the risks to states of being out of compliance with the federal statutory requirements for full benefit access and equal customer treatment. These concerns were communicated in a May 3, 2012, letter from the Northeast Regional FNS Administrator to the DTA Commissioner.²⁹ Following a detailed description of FNS's concerns related to client access and procedural costs associated with the initiative, the letter concluded:

Therefore, regarding requiring photos on the EBT card, FNS does not recommend that State legislatures pursue legislative proposals inconsistent with the requirements of the [Food and Nutrition] Act [of 2008].

During this same period the legislature established a Cashless System Commission to study options for converting the TAFDC and EAEDC programs to a cashless payment system and expanding direct vendor payment arrangements to control the perceived misuse of cash assistance funds. To inform the commission's work, DTA contracted with a Boston-based consultant (The Ripples Group) to assess a range of options. One option was to issue photo EBT cards for cash benefit programs in order to address card trafficking. The Commission's December 2012 report appended the consultant's analysis, which indicated that issuance of photo EBT cards "is not recommended as, in the interests of treating clients equitably, it is not possible to introduce photo ID cards for cash assistance without also introducing them for SNAP" (Ripples Group 2012, 31).

These commissions were primarily focused on cash assistance EBT benefits, with building concerns about the state's increasing SNAP caseload. In 2004 Massachusetts was one of only three states with a SNAP participation rate (among eligible people) below 50 percent (Cunnyngham, Castner, and Schirm 2006). The number of Massachusetts households receiving SNAP tripled between 2002 and 2012, while the SNAP workforce decreased by 30 percent. That growth was fueled by the Great Recession and by policy changes aimed at improving agency efficiency and client access to the program, including

a shortened application form, waiver of face-to-face interviews with agency caseworkers at initial application and recertification, and simplified reporting of changes in household circumstances.

Against this backdrop of state reports and federal guidance opposed (or neutral) to photo EBT initiatives in cash benefits, what developments then led the Massachusetts legislature in June 2013 to enact provisions that would once again institute photo EBT cards in SNAP? The following interrelated factors all appear to have contributed to mounting legislative support for the new policy, even though the underlying information cited below—upon closer inspection—provided no clear evidence of recipient or retailer fraud, nor did it point to a photo EBT policy as a cost-effective anti-fraud solution:

- **Media reports of alleged client fraud and inadequate internal systems in benefit programs:** A series of newspaper articles in the *Boston Herald* focused on program fraud. Drug raids found some suspects in possession of multiple EBT cards. Separately, selected instances were noted of participants with SNAP balances on their EBT cards of over \$1,500. These occurrences were rare, but they were described as indicating widespread problems. But a high card balance is not itself evidence of fraud. It may reflect, for instance, the accrual of benefits to elderly individuals who because of illness or disability have been unable to use their cards for an extended period.
- **Federal and state reports indicating overpayment of SNAP and cash benefits:** A September 2011 report from FNS indicated that Massachusetts's SNAP payment error rate for FY 2010 was high enough to put the state at risk of FNS sanctions. A January 2013 letter from FNS informed the state of \$28 million in overpayments to SNAP recipients. A May 2013 report by the State Auditor separately found \$18 million in questionable annual benefits. Although these findings were portrayed as evidence of fraud and mismanagement, most of the cited instances of questionable or erroneous payments were matters of limited documentation in DTA's case records or the agency's not having taken timely action to renew case eligibility, rather than any conclusive evidence of fraudulent behavior by either clients or retailers.

Despite the misleading interpretation often given by the media to these reports upon their release, the findings prompted calls for stricter program requirements from prominent legislative leaders, including the House Speaker, House Minority Leader, and Senate President. Outspoken members of key committees, such as the House Ways and Means Committee and the Joint Committee on Children, Families, and Persons with Disabilities, seized upon the issues and called for creation of a Bureau of Program Integrity and the adoption of photo EBT cards for SNAP participants, as one specific program reform.

Several bills were introduced to institute photo EBT cards. Food retailers and their organizations (including the Retailers Association of Massachusetts and the Massachusetts Food Association) were resistant to the new requirements, which placed added burdens on grocery checkout clerks. Among other concerns, SNAP customers who might otherwise use self-checkout lanes could cause delays at lanes with clerks. Legislators mitigated these concerns by eliminating any fines to retailers for not visually checking the photo EBT cards. The removal of fines alleviated the concerns about burdens

among store clerks and unequal treatment among SNAP participants, but it also diminished any anticipated effect on trafficking.

The photo EBT provisions were adopted as part of the FY 2014 budget appropriation for DTA. The language was approved by both the House and Senate on June 20. The bill appropriated \$5 million for the annual operating costs of the new policy.

Both state and national client advocacy organizations voiced their opposition to the photo EBT card requirement. The heads of the Center on Budget and Policy Priorities, Feeding America, and the Food Research and Action Center expressed their concerns in a late June 2013 letter to Governor Deval Patrick. The joint letter, sent before the bill passed the legislature, urged the governor to veto the photo EBT policy provisions. It pointed to the burden upon clients needing to travel to program offices to have their photos taken, the underuse of SNAP benefits resulting from increased stigma and confusion, and added SNAP administrative costs, all in the context of uncertain effects of the policy on reducing fraud.

Governor Patrick, in the face of mounting media attention and political pressure from both Democratic and Republican legislators on alleged client abuse of EBT cards and agency mismanagement, shifted his initial opposition and did not veto the language that emerged from the legislature (House Bill H. 3523). The broad legislative package, referred to as Chapter 65 of the Acts of 2013, was passed by the legislature and signed by the governor on August 7, 2013 (see appendix A). For cases not exempt from the photo EBT requirement, the law required that DTA replace all existing EBT cards with photo EBT cards within 12 months, and it called for all new or reissued cards to be replaced within six months.

The policy guidance for implementing the photo EBT law in Massachusetts was issued in DTA Operations Memos 2013-57A and 2013-58A in October and November of 2013, without any process for a public hearing or public comment.³⁰ The policy exempted households from the photo EBT card policy if the case head was

- under age 19,
- age 60 or older,
- disabled or blind,
- a victim of domestic violence,
- a representative authorized to purchase food for a SNAP recipient, or
- someone with religious objections to being photographed.

The exemptions applied to more than half of all SNAP cases. So, when the new policy was implemented in November 2013, about 225,000 of the state's 484,000 households on SNAP (46 percent) were subject to it.

DTA's plans for implementing the new policy proceeded much faster than mandated under the state law. Among the steps taken by the state during the abbreviated four-month planning period was a September 18 meeting with representatives of the FNS regional office and statewide retailer associations, where DTA staff indicated their plans for informing retailers of their responsibilities under the new requirements. As later became clear, however, DTA never provided any written information to food retailers indicating that it was a violation of federal law to give unequal treatment of SNAP customers seeking to use a photo EBT card, versus non-SNAP users of PIN-protected bank debit cards.

In October 2013 DTA mailed out a letter to the 225,000 households who would now be required to use a photo EBT card. The letter announced the new EBT policy and provided a brief paragraph describing use of the card. This notice was the only one mailed to active SNAP cases that included language about the right of all household members to use the EBT card and that retailers could not discriminate. There were no additional direct mailings, however, to households who applied for benefits after October 2013. The EBT card itself had no text regarding nondiscrimination and household usage rights, nor was information about these rights reinforced in subsequent mailings or in the DTA's "EBT Brochure." The October 2013 mailing was in English and Spanish only, with a generic notice in other languages directing non-English/non-Spanish speakers to call their Transitional Assistance Office.

The name and phone number of the case manager were included at the end of the letter. With caseloads of up to 1,500 per worker, however, clients have had challenges reaching a case manager; full voicemail boxes and infrequently returned calls are common. SNAP clients cannot reach DTA workers at all on weekends and evenings when they often do their grocery shopping. Further, DTA did not implement any centralized monitoring system to track the calls from clients who were able to reach their case manager to report an issue encountered at a grocery checkout line.

Significant problems arose during the rollout of the initiative in November and December 2013. For those subject to the new policy with a photo already on file with the Massachusetts Registry of Motor Vehicles or RMV (approximately 170,000, or 75 percent of the affected households), a new photo EBT card was mailed out based on the issuance date for the household's SNAP benefits.³¹ RMV photo EBT cards were mailed out from the end of November through early December 2013 so households would have them in hand when the December benefits were electronically loaded onto the EBT system. At midnight the night before the benefits were to be loaded, Xerox automatically deactivated the non-photo Bay State Access EBT card for every household that was supposed to have received its new RMV photo EBT card.

At about the same time as the RMV photo EBT cards were mailed out, nonexempt recipients with no photo on file (the remaining 55,000, or 24 percent of the affected households) received an appointment notice, requiring that they come to their DTA office in December on a specific date and time to have their photo taken so that they could be issued a new photo EBT card while in the office. Installation of the photo equipment in all 22 local offices was to occur by mid-November 2013.³² Exempt recipients were not informed in writing that they were exempt from needing a photo. Exempt recipients did not see a change to their EBT card and have been allowed to use the prior Bay State

Access card unless they request a replacement card or are a new applicant. If so, recipients are issued a new EBT card that states “Valid without photo” in place of a photograph.

By December 20, 2013, the Executive Office of Human Services reported to USDA that 10,172 of the newly mailed photo EBT cards had been returned to DTA by the Postal Service as undeliverable. This was approximately 6 percent of the 170,000 households for whom a new photo EBT card was to have been provided by mail. By the end of December, client advocates heard from local DTA directors that this number had climbed to 12,000. Because their Bay State Access card was automatically deactivated by Xerox, these households were unable to access their benefits until a new card could be issued to them.

These circumstances brought significant client confusion and hardship. Many participants learned that their card was no longer valid only upon reaching the store checkout counter and finding themselves unable to purchase their grocery items. Once the EBT card had been deactivated, there was no access to a customer service representative through Xerox. All the state’s EBT cards have a toll-free number on the back that enables clients to check their SNAP balance and obtain other account information, with an option to speak with a customer service representative. Once the card was deactivated, if recipients called the toll-free customer service number, they would hear a recorded message stating that their card had been canceled and directing them to allow up to seven business days for a replacement card to arrive at their home if they had requested a new one. Through December 2013 and early January 2014, local DTA offices faced very long wait times and heavy foot traffic from SNAP recipients seeking to reactivate their EBT cards, in-office appointments for non-RMV photo households, and additional visits from recipients concerned about the new policy.

These issues could have been avoided if DTA had instead directed Xerox to employ the customary procedure used by banks to issue and activate a new debit or credit card before the old card’s expiration date. Under this model, soon-to-expire cards are replaced with advance notice and are activated by the cardholder by making a phone call or using the card at a point-of-sale device with the prior PIN. This action automatically deactivates the old card.

In a December 19, 2013, letter to the state’s Secretary of Health and Human Services, the Associate SNAP Administrator in the FNS Northeast Regional Office sternly expressed FNS’s concerns about the state’s implementation of the new photo EBT requirement. The problems noted in the letter included the deactivation of prior EBT cards for clients who had not yet received their new cards and the concern that that no written DTA materials notifying retailers of their obligations had been distributed, three months after the September 18 meeting. The letter concluded with the request that the “DTA temporarily halt further implementation of the photo EBT requirement . . . in order to work with FNS to develop a plan for moving forward that will better safeguard client access.”³³

Client advocates were also highly critical of the state’s handling of the rollout. The most vocal among these organizations was the Massachusetts Law Reform Institute (MLRI).³⁴ In letters to the state’s Executive Office of Health and Human Services and to FNS’s Northeast Regional Office, MLRI’s Senior Policy Analyst Patricia Baker expressed the following concerns:

- Insufficient information was provided to SNAP clients subject to the photo EBT card requirement informing them of their rights to the same treatment as non-SNAP grocery customers and to EBT card use by any household member or authorized representative. This information could have been provided on the back of the photo EBT cards, in EBT brochures, in client mailings, on posters at DTA offices, or on the DTA website.
- No information was provided to those exempt from the requirement to notify them that their previously issued photo-less card remained valid.
- Xerox failed to use a traditional banking model to replace existing cards with the new photo EBT cards.
- No systematic process was established for receiving and responding to client complaints about inappropriate retailer actions.
- No training was provided to caseworkers and other DTA staff on how to record and monitor client-reported instances of improper retailer behavior.

At MLRI's behest, FNS implemented a December 2013 robo-call to SNAP retailers, finally notifying them of their obligations to uphold client rights under the photo EBT policy. Such messages were generally considered ineffective in reaching front-line grocery checkout staff—especially at larger retailers, given the number of clerks, frequent employee turnover, and the absence of specific written guidelines.

Client advocacy organizations received many calls from SNAP participants who encountered difficulty using their photo EBT cards at local food retailers. One such account is outlined in box 1.

Throughout the spring and summer of 2014 the media paid little attention to further implementation of the photo EBT card policy. For this research study, interviews were conducted by phone and in person with client advocacy organizations and with representatives of food retailers. Brian Houghton of the Massachusetts Food Association provided the following assessment of what difference the photo EBT card policy had made in SNAP participants' ability to make grocery purchases:

Our retail members have not seen any change whatsoever in the use of EBT cards, regardless of whether they now have a photo ID on them or prior to when they did not. They are not allowed to ask for the card, and do not even know what type of card is being used in a transaction, since the recipient only has to swipe it and press in the PIN, be it a credit card or other type of benefit card. Since clerks cannot refuse a transaction based upon the type of card, whether it is a [SNAP] EBT card, a WIC card, etc., we have advised them to treat all transactions as they had done before, which is to allow the purchase with whatever card is used and only question the transaction if it does not go through for some reason.

Simply put, pictures placed on the cards did not change any means in the transaction for the stores. "Authorized" individuals can still use someone else's EBT benefit card even if they are not the one pictured on it, so transactions continue as they had when cards did not have a picture. A recipient can hold a card in a manner that the clerk cannot see the card and merely have the mag strip go through the machine, so half the time the clerk doesn't even know what type of card is being used.

BOX 1

A Day in the Life of One Boston-Area SNAP Participant

The following account is drawn from a recent *Boston Globe* article and from information provided by staff of the Massachusetts Law Reform Institute, detailing the experience of a Boston-area SNAP participant.

Vickie Kam, 46, lives west of Boston with her husband, sister, and two children, ages 11 and 13. Her two children have autism, and she provides care for them. Her husband was laid off in 2009 and since then has been seeking full-time work. He is currently working part-time, and the family relies on SNAP to buy food. The five of them are part of one SNAP household.

Ms. Kam went food shopping at a nearby Costco store with her sister around 1:30 on the afternoon of Friday, October 24, 2014. When she went to check out, the following occurred:

Ms. Kam presented her Costco American Express card, which has her photo on it, to validate her membership at Costco. She also presented her EBT card as payment. Her husband's Registry of Motor Vehicles photo is on the EBT card.

After verifying her membership with the American Express card, Ms. Kam swiped her EBT card and entered the correct PIN.

The cashier looked at the card and told Ms. Kam "that's not your picture on the card" and said she could not accept the EBT card as payment because it was not her photo on the card.

Ms. Kam explained it was her husband's photo, that she had never had an issue before, and that she knew from a letter DTA had sent (in October 2013) that all household members had a right to use the card.

After a long discussion, the cashier involved a supervisor, who reiterated that Ms. Kam could not use the EBT card with her husband's photo. Ms. Kam felt humiliated standing there discussing this issue with other customers in line.

The supervisor also told Ms. Kam, when she said she had never had this problem, that this is the rule, that all other clerks were wrong to accept the card without her picture on it, and that the Costco store was going to have a meeting to inform all employees this was the correct policy.

The supervisor left to check with a manager and returned to tell Ms. Kam that in fact they could accept the EBT card "this one time" since both she and her husband were on the Costco membership account.

After all of this time, Ms. Kam ended up having to leave the store because she did not have time for them to re-ring up her items before she had to pick up her children from school.

Sources: "US Orders Massachusetts to Fix Food Stamp Procedures," *Boston Globe*, December 8, 2014; and e-mails provided by the Massachusetts Law Reform Institute.

A similar perspective was offered by Bill Rennie of the Retailers Association of Massachusetts:

In general I haven't heard anything from our members. It is business as usual. They haven't been checking the ID and aren't going to. It is true that some people offer it up because they think it is going to be asked for.

When asked about the impact of the photo EBT card policy on recipients' rights to access their benefits without discriminatory treatment as grocery customers, Patricia Baker of the Massachusetts Law Reform Institute provided the following perspective:

Whether intended or not, the Massachusetts policy is creating a climate of stigma in the use of these critical federally funded nutrition benefits. The state's photo EBT policy serves no meaningful purpose other than to deter low-income families from applying or retaining the benefits they are eligible to receive. USDA needs to direct states that they can place a photo on a client's EBT card only if it does not violate their right to apply, to access benefits by all household members, and to use the card in the marketplace without selective scrutiny or discrimination.

Baker also questioned whether the photo EBT policy would have any appreciable effect on the incidence of retailer trafficking, as a photo on the card "won't stand in the way" of individuals willing to engage in trafficking.

In the course of this research study, efforts were made to obtain DTA's perspective on the initiative, but no response was provided by the agency.

Concluding Assessment

The important policy question now posed by the Massachusetts experience and by the policy approaches that other states have considered is whether federal policy should allow states to use photo EBT cards in SNAP.

In answering this question we need to consider whether (versus other options) the use of photo EBT cards in SNAP provides a reasonable prospect to reduce EBT card trafficking, sufficient not only to outweigh the added annual costs of operating the photo EBT card policy but also to offset the risks that SNAP participants may be unable to access their benefits fully, may become subject to unequal customer treatment by retailers, or may be discouraged from participating in the program by increased stigma.

At the outset, we should acknowledge that, for photo EBT cards to reduce trafficking, the photo on the card must constrain the ability of multiple willing parties—a cardholder and retailer, or the combination of a cardholder, third-party individual, and retailer—from engaging in an illicit card-for-cash transaction without detection. Unscrupulous cardholders, third-party individuals, and retailers who have engaged in trafficking when EBT cards contain no photo will seemingly not be dissuaded from doing so by the presence of a photo on the card, whether or not the photo matches the cardholder's face.

We address these issues here drawing primarily from the Massachusetts experience. The first-year evidence from this one state is limited and may not be generalizable, reflecting one particular policy design and operational setting, but this state's experience is strongly suggestive nonetheless. Federal policymakers rarely have the benefit of a full-scale test on which to base their decisions, making this an appropriate time to consider the merits of the 2008 statutory provision.

Based on FNS's most recent national estimate that transactions involving retailer trafficking amount to 1.3 percent of total annual SNAP redemptions, trafficking in Massachusetts amounts to an estimated \$18 million annually (1.3 percent of \$1.4 billion in annual SNAP benefits). Assuming that the SNAP participants involved in these transactions receive 50 to 70 cents on the dollar for their trafficked card balances, the diversion of benefits from these participants to retailers is \$5 million to \$9 million annually.³⁵ FNS does not provide estimates of trafficking involving the sale of cards by cardholders to third-party (non-retailer) individuals, but these transactions are likely not where the largest diversion of benefits occurs, as cardholders must relinquish both the card and its PIN and then go about replacing the card and resetting the PIN.³⁶

In a cost-benefit context, the policy focus should be on reducing this \$5 million to \$9 million in illicit income derived annually by Massachusetts retailers, as this represents an unintended transfer of income from taxpayers to individuals who are not within the program's target population. The other \$9 million to \$13 million that cardholders receive in cash is not a diversion of income from program participants. Although trafficking has converted the program benefit from a food subsidy to unrestricted cash, an extensive body of prior research on food stamp cash-out suggests that SNAP benefits are the equivalent of cash in their impact on food consumption (FNS 1992).

Recall that the DTA estimate of annual costs for the photo EBT card policy was in the range of \$4 million to \$5 million. These estimates indicate that, for a photo EBT card policy to be a cost-effective way of promoting program integrity, the policy would need to reduce SNAP retailer trafficking by more than 50 percent. That is, if the policy's annual cost of \$4 million to \$5 million were to yield an equivalent reduction in illicit income to retailers, this would amount to more than half of the \$5 million to \$9 million that retailers derive from trafficking.

An effect of this magnitude is highly implausible, given the assessment provided by the representatives of retailer organizations and client advocacy groups in Massachusetts, who see the effects of photo EBT cards on trafficking as very limited and possibly negligible. Specifically, if store clerks do not check the photos on EBT cards, and if SNAP participants presume that no one will check the photo on their card, trafficking behavior would not change at all.

Photo EBT cards might have some effect on the trafficking of EBT cards when the card-for-cash transaction takes place between the SNAP participant and a third-party individual (versus a store owner or clerk) who is willing to buy the unspent card balance at a discounted price. Even here, however, the knowledge that food retailers are not carding their grocery customers will mean that the card buyer needn't be concerned about being denied the use of the card.

It is noteworthy that, as reported by both the retailer representatives and client advocates, some SNAP participants in Massachusetts voluntarily show their cards at grocery checkout counters, believing mistakenly that the photo EBT policy requires them to do so and expecting that the retailer will ask to see it. Although such a mistaken understanding might be viewed as a deterrent to trafficking, the logic of this argument is tenuous, as these participants are not the ones likely to be engaged in trafficking. Those who traffic EBT cards typically do so in small grocery stores or convenience stores where the participant knows (perhaps from others who shop there) that the retailer is willing to exchange the card for cash and where the photo on the card will be ignored.³⁷

It is thus very difficult to make the case for photo EBT cards on a cost-benefit basis. Even if the case appeared plausible on these grounds, one would still need to consider the potential risks that SNAP clients encounter in accessing their benefits or face unequal treatment in retail establishments, in violation of federal statute. As witnessed in Massachusetts, such consequences can arise either from complications during the initial rollout of photo EBT cards, from client misperceptions about the ability of household members and other designees to use the EBT card irrespective of whose photo appears on it, or from inappropriate retailer actions at grocery checkout counters.³⁸ Moreover, if participants believe mistakenly that the EBT card can be used only by the photographed individual or if they become subject to (or observe) inappropriate “carding” by checkout clerks, this can have a chilling effect on SNAP participation among program-eligible clients.

If we then conclude—as strongly indicated by this analysis—that photo EBT cards are not a cost-effective means to promote program integrity in SNAP, what other approaches could combat the trafficking of EBT cards by retailers? One potential avenue is more intensive electronic surveillance by FNS of patterns of retailer transactions and redemptions. As mentioned previously, FNS operates its ALERT system. If suspicious patterns are detected, such as repeated transactions in round-dollar amounts, FNS can mount investigations of these establishments. GAO studies suggest that such surveillance and compliance monitoring can be better targeted, with respect to both retailer and recipient trafficking behavior (GAO 2006, 2014).

Just as payment error rates have been reduced in SNAP through the use of statistical modelling of the likelihood of incorrect payment among active cases, more effective targeting of FNS’s investigative resources through improved modelling of transaction and redemption patterns that signal the presence of trafficking is more likely to yield results than the use of photo EBT cards, without the attendant risks of adverse consequences to program participants.

Appendix A

Chapter 65 of the Acts of 2013

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to study forthwith measures enacted to prevent fraud in the Massachusetts EBT cash assistance program, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. Paragraph (B) of section 2 of chapter 18 of the General Laws, as amended by section 1 of chapter 161 of the acts of 2012, is hereby further amended by adding the following 2 clauses:-
(k) require the use of photo identification on the front of each newly issued and reissued electronic benefit transfer card for each cardholder who is over the age of 18; provided, however, that the department shall promulgate regulations to ensure that all authorized users and members of the household are able to use an electronic benefit transfer card pursuant to 7 U.S.C. section 2016(h)(9); provided further, that the department shall not require the use of photo identification for individuals who are 60 years of age or over, blind, disabled or victims of domestic violence; and provided, further, that in developing regulations for authorized users, the department shall consult with businesses or vendor associations whose members accept electronic benefit transfer cards as a form of payment including, but not limited to, the Massachusetts Food Association, the New England Convenience Store Association and the Retailers Association of Massachusetts.
(l) include the fraud hotline number and department website on all newly issued electronic benefit transfer cards.

SECTION 2. Notwithstanding any general or special law to the contrary, and pursuant to section 2 of chapter 18 of the General Laws, within 12 months of the effective date of this act, the department of transitional assistance shall replace all existing electronic benefit transfer cards with cards containing a photograph of the cardholder.

SECTION 3. Notwithstanding any general or special law to the contrary, and pursuant to section 2 of chapter 18 of the General Laws, within 6 months of the effective date of this act, the department of transitional assistance shall include on all new or reissued electronic benefit cards a photograph of the cardholder.

Approved, August 7, 2013.

Notes

1. "SNAP Program Data: National Level Annual Summary, Participation and Costs, 1969–2014," US Department of Agriculture, Food and Nutrition Service, accessed February 2015, <http://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>.
2. See 7 C.F.R. § 274.12(f)(5)(i) regarding the use of a secure PIN to access benefits.
3. For instance, a colluding EBT-approved retailer, working in tandem with a SNAP recipient intent on selling his or her SNAP benefits for cash (or an individual who has stolen an EBT card and obtained the PIN) can generate a false point-of-sale transaction for the purchase of food items. The EBT cardholder swipes their card and enters the PIN, causing the transaction amount to be deducted from the card balance. The retailer provides to the recipient a cash amount equal to 50 percent of the false transaction and later collects the full transaction amount from the government, even though no groceries have exchanged hands.
4. See "USDA Releases New Report on Trafficking and Announces Additional Measures to Improve Integrity in the Supplemental Nutrition Assistance Program," press release FNS-0012.13, <http://www.fns.usda.gov/pressrelease/2013/fns-001213> and <http://gcn.com/Articles/2014/10/29/SNAP-EBT-fraud.aspx?Page=1>.
5. Stiffer penalties on the offending clients are difficult to establish and enforce without the unintended consequence of reducing food assistance to innocent household members, including spouses and children.
6. 7 U.S.C. Sec 2016(h)(9)(A). The regulation implementing the statutory language is under 7 CFR 274.8(b)(5)(iv): "State agencies may require the use of a photograph of one or more household members on the card. If the State agency does require the EBT cards to contain a photo, it must establish procedures to ensure that all appropriate household members or authorized representatives are able to access benefits from the account as necessary."
7. 7 C.F.R. § 278.2(b).
8. 7 C.F.R. §§ 273.2, 274.1(a) Household concept and mandatory household composition.
9. 7 U.S.C. § 2020(e)(7); 7 C.F.R. § 273.2(n)(1).
10. 7 C.F.R. § 273.2(e)(2) (requirements re waiver of face-to-face interview for hardship reasons).
11. Complexities also arise with "non-applicant" individuals (e.g., noncitizen parents) who are themselves not eligible for the program but who apply for benefits on behalf of eligible members of their household (e.g., their citizen children). To protect the rights of non-applicants, FNS has indicated that such individuals cannot be required to appear at a program office for a card photo to be taken of them.
12. 7 C.F.R. §274.12(g)(6)(i).
13. CA Assembly Bill No. 2354 (2014), available at <http://legiscan.com/CA/votes/AB2354/2013>.
14. See WA Senate Bill No. 6491 (2014), available at <http://legiscan.com/WA/drafts/SB6491/2013>; TN House Bill No. 456 (2013), available at <http://legiscan.com/TN/bill/HB0456/2013>; PA House Bill No. 487 (2013), available at <http://legiscan.com/PA/research/HB487/2013>; and RI House Bill No. 5029 (2013), available at <http://legiscan.com/RI/research/H5029/2013>.
15. GA House Bill No. 772 (2014), available at <http://www.legis.ga.gov/legislation/en-US/display/20132014/HB/772>
16. Alana Durkin, "Citing Fraud, Maine to Put Photos on EBT Cards," *Washington Times*, April 18, 2014, <http://www.washingtontimes.com/news/2014/apr/18/maine-to-put-photos-on-ebt-cards-this-month/>.
17. Note that a participant who offers his or her EBT card for sale publicly or online is considered by FNS to have committed an intentional program violation and can be disqualified from the program. See "Supplemental Nutrition Assistance Program (SNAP)—Offering to Sell SNAP Benefits and /or EBT Card Publicly or Online," memorandum from FNS Program and Accountability Division to SNAP regional directors, October 4, 2011, <http://www.fns.usda.gov/sites/default/files/100411.pdf>.
18. IL Senate Bill No. 1695 (2013), available at <http://www.ilga.gov/legislation/BillStatus.asp?DocNum=1695>.

19. IL House Bill No. 1235 (2013), available at <http://www.ilga.gov/legislation/BillStatus.asp?DocNum=1235>.
20. TN House Bill No. 465 (2013), available at <http://legiscan.com/TN/bill/HB0456/2013>.
21. MS House Bill No. 2548 (2014), available at <http://legiscan.com/MS/bill/SB2548/2014>.
22. RI House Bill No. 5646 (2013), available at <http://legiscan.com/RI/text/H5646/2013>.
23. AZ House Bill No. 2582 (2012), available at <http://www.azleg.gov/legtext/50leg/2r/bills/hb2582p.htm>.
24. RI House Bill No. 7314 (2013), available at <http://webserver.rilin.state.ri.us/BillText14/HouseText14/H7314.pdf>.
25. New York had previously instituted a photo EBT card for its cash assistance programs, but not for SNAP. As noted earlier, Missouri had a statewide photo EBT policy in place for a brief period before 2008 for both SNAP and other EBT-delivered programs.
26. As described in a presentation by DTA staff on February 15, 2012, to the EBT Card Commission.
27. See FNS website, <http://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>.
28. See DTA website, <http://www.mass.gov/eohhs/docs/dta/facts-figures/dta-fac-figs-oct-14.pdf>.
29. Letter dated May 3, 2012, from the Northeast Regional FNS Administrator James Arena-DeRosa to DTA Commissioner Daniel Curley. A similar letter had been sent on April 6, 2011, from Midwest Regional FNS Administrator Ollice Holden to Secretary Michelle Saddler of the Illinois Department of Human Services.
30. This initial guidance was replaced in February 2014 by Operations Memos 2014-17 and 2014-18, which was later revised in June 2014 by Operations Memos 2014-28 and 2014-29.
31. Massachusetts staggers the issuance of SNAP benefits onto the EBT card based on the last digit of the head of household's Social Security number.
32. Even if the individual had a photo on file at the RMV, it would be used to issue the photo EBT card only if the DTA and RMV records matched on each of five items of identifying information: last name, first name, gender, Social Security number, and date of birth. This continues to be the policy when issuing photo EBT cards.
33. December 19, 2013, letter from Jessica Shahin to John Polanowicz.
34. Other advocacy organization involved in providing critical feedback were Greater Boston Legal Services, the Massachusetts Immigrant and Refugee Advocacy Coalition, the Massachusetts SNAP Coalition, Neighbor to Neighbor, and Homes for Families.
35. The assumed rates of exchange of card balances for cash are consistent with the findings of prior federal studies. For instance, see US General Accounting Office (1998), 7.
36. Many states, including Massachusetts, have made this form of trafficking more difficult by limiting the number of times a participant can replace one's card and by charging a replacement fee.
37. The rate of retailer trafficking as a share of benefits redeemed (1.3 percent for all store types) is substantially higher for small groceries (17.2 percent) and convenience stores (14.1 percent; see Mantovani, Williams, and Plieger 2013).
38. It has been suggested that, pending the outcome of court decisions on state voter registration policies that require government-issued photo identification, photo EBT cards could provide such documentation for voters. The suggestion is irrelevant, however, as photo EBT cards do not contain the requisite personal information (such as date of birth, address, or gender) that might enable them to be used for this purpose.

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