

**MOTION BY SUPERVISOR HILDA L. SOLIS**

**Protecting Los Angeles County Residents through Curbing EBT Card Skimming**

“Skimming” involves the use of illegal electronic devices called “skimmers” that are secretly installed on top of card readers at retail stores, gas stations, and bank ATMs. When a Department of Public Social Services (DPSS) customer unknowingly swipes their benefits card - known commonly as Electronic Benefits Transfer cards, or “EBT cards,” on one of these devices, their information and PIN are stolen and used to create duplicate cards, which are then used by unauthorized users to withdraw the DPSS customer’s benefits.

In 2022, in Los Angeles County, over \$19 million in stolen benefits, consisting mostly of CalWORKs and General Relief cash grants - were replaced for thousands of DPSS customers. Across California, the amount of stolen benefits replaced is nearing \$50 million. And this problem is not exclusive to California - federal legislators in New York expressed their concern to the United States Department of Health and Human Services about the impact of illegal skimming in their state. Former New York Representative Carolyn Maloney also recently introduced H.R.9248, the Safe Access to Cash Act of 2022, which would explicitly give the FBI authority over prosecuting independent ATM robberies and equalize the penalties for stealing from bank and independent ATMs: potentially up to a \$250,000 fine and 20 years in prison.

While the private information on any type of card that is swiped at a site with an illegal card

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reader is at-risk, EBT cards are particularly vulnerable because they only allow for the card to be swiped to access benefits. The cards do not contain chip technology that is common to most ATM and credit cards. A chip embedded on cards offers far more security because it allows the card user to “tap” their card and avoid having to come directly into contact with the device.

The Department of Public Social Services has been working in partnership with counties across California, along with the California Department of Social Services to address this serious problem. The strategies being considered include development of a more secure EBT card, which would require consent from the federal government as well as a statewide awareness campaign and a faster process for customers to have their benefits restored. Law enforcement is also a key partner; a recent sting operation resulted in 16 arrests in Los Angeles County and hundreds of fake cards confiscated. Funding is also being considered at the state level for a dedicated taskforce led by the California Department of Justice and the California Highway Patrol to increase focus on the organized crime rings responsible for these skimming activities.

While these efforts are encouraging, more can be done to accelerate solutions and increase outreach to local businesses and consumers to make certain they are aware of these skimming devices and what to do to avoid them.

**I, THEREFORE, MOVE** that the Board of Supervisors 1. direct the Interim Director of the Department of Public Social Services, in collaboration with the Department of Consumer and Business Affairs, the Department of Economic Opportunity - Office of Small Business, the Agricultural Commissioner, and County Counsel, to develop and implement strategies to combat illegal skimming in Los Angeles County, including but not limited to: (a) a multilingual, outreach campaign to local businesses and business associations to ensure they are aware of illegal

skimming devices and how to address the concern; and (b) a multilingual, outreach campaign to DPSS customers specifically, as well as to the public, to warn them of the increasing prevalence of illegal skimming devices. These strategies should leverage hyperlocal, ethnic media. 2. direct the Interim Director of the Department of Public Social Services, in collaboration with the Chief Executive Office - Legislative Affairs and Intergovernmental Relations, to advocate at the state and federal levels to support and advance more immediate solutions that protect and more expeditiously restore the benefits of individuals and families on public assistance and that ensure measured accountability for those conducting these scams. 3. direct the Interim Director of the Department of Public Social Services to ensure timely restoration of client benefits in accordance with federal and state regulations by ensuring local processes and procedures provide for timely access to services and ongoing monitoring and tracking of EBT skimming, including efforts by state and federal partners to end skimming.

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**Contact:** ew