

MOTION BY SUPERVISOR HILDA L. SOLIS

October 17, 2023

**Establishing an Anti-Skimming Unit**

Theft of public assistance using copied or falsified benefit cards, a crime that is commonly known as skimming, is a serious problem that is causing tens of millions of dollars of loss annually for taxpayers as well as economic pain for County residents receiving public assistance.

The amount of money stolen from individuals and families on CalWORKs, CalFresh and General Relief (GR) through skimming has soared dramatically over the past three years, from \$951,511 in 2021, to \$22,518,031 in 2022. The total amount of benefits stolen in this calendar year, as of August is \$39,020,180. This is a 73% increase from 2022. These numbers also include the amount of GR benefits that were replaced over this three-year period at 100% cost to the County, a total of \$3.7 million.

At the Department of Public Social Services (DPSS), Welfare Fraud investigative teams work diligently to investigate EBT skimming. The information they gather has been critical in successfully arresting and prosecuting those responsible. But, while they are peace officers, they cannot carry out arrests, relying instead on law enforcement partners

MOTION

SOLIS \_\_\_\_\_

MITCHELL \_\_\_\_\_

HORVATH \_\_\_\_\_

BARGER \_\_\_\_\_

HAHN \_\_\_\_\_

to do so.

At this juncture, investing in enhanced law enforcement personnel is necessary. The Department has an existing relationship with the District Attorney's Office to investigate and prosecute welfare fraud. To that end, the creation of a dedicated anti-skimming unit within the DA's office would greatly enhance current efforts underway to curb the proliferation of skimming.

A dedicated team specifically tasked to investigate and prosecute those responsible for skimming is needed because the nature, strategy, and conduct of those perpetuating this is highly sophisticated. The specialized knowledge and experience of such a team would not only assist in the prosecution of ongoing cases, it could also deter future crimes as well as offer an enhanced level of partnership with LA Sheriff's Department, LA Police Department, and state and federal law enforcement agencies.

The anti-skimming unit will collaborate closely with DPSS Welfare Fraud to receive and share EBT skimming theft activities. They would then be able to take more immediate action to conduct multiple types of surveillance, serve search warrants on businesses and homes, remove skimming machines from retailer/vendor locations, conduct routine checks of point-of-sale machines at frequently skimmed locations, retrieve and hold evidence for prosecution, effectuate arrests in and outside of the state of California, analyze the data to determine potential skimming locations, collaborate with our law enforcement partners in other agencies to target the organized crime groups and, ultimately, bring the perpetrators to justice.

In May 2024, the State of California will begin to provide customers with new EBT cards that will have chip/tap technology. While it is anticipated that the new EBT cards

will provide significantly enhanced security, the new chip/tap technology, while effective, will not eradicate this problem. Fraud trends continue to evolve, and the theft of benefits will change to another form of technology. Having this team in place now provides an additional means of protecting our customers, creates a deterrence for future criminal activity, and positions the County to address criminal activity of this kind in the future.

**I, THEREFORE, MOVE** that the Director of the Department of Public Social Services, working in collaboration with the District Attorney, identify funding not to exceed \$750,000 in FY 23-24 and \$1,092,632 in FY 24-25 to fund and establish an Anti-Skimming Unit within the DA's office, to investigate and prosecute those responsible for stealing public assistance benefits via skimming and other illegal methods of electronic theft.

# # #

HLS:ew

AGN. NO.