

ASSEMBLY, No. 5574

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 8, 2023

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Assemblyman Conaway, Assemblywomen Jasey, McKnight, Assemblymen Moriarty, Wimberly and Assemblywoman Lopez

SYNOPSIS

Requires DHS to provide information to SNAP and WFNJ recipients regarding card skimming, cloning, and similar fraudulent activities and to submit report to Governor and Legislature on these fraud activities.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/30/2023)

1 AN ACT concerning SNAP and WFNJ benefits fraud and
2 supplementing P.L.1997, c.37 (C.44:10-71 et seq.).
3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:
6

7 1. a. The Commissioner of Human Services shall provide
8 information to recipients of benefits under the Supplemental
9 Nutrition Assistance Program (SNAP) and the Work First New
10 Jersey Program (WFNJ) regarding the following:

11 (1) the risks of card skimming, card cloning, and similar
12 fraudulent methods, as used by criminals to steal SNAP or cash
13 assistance benefits from a recipient's electronic benefits transfer
14 card;

15 (2) precautions a recipient can take to avoid falling victim to
16 card skimming, card cloning, or similar fraudulent methods;

17 (3) the claims process, as established by the Department of
18 Human Services, through which a recipient can have SNAP
19 benefits, stolen between October 1, 2022 and September 30, 2024
20 due to card skimming, card cloning, or similar fraudulent methods,
21 replaced with federal funds, pursuant to the federal "Consolidated
22 Appropriations Act, 2023," P.L. 117-328; and the claims process
23 for other replacement methods of stolen SNAP or WFNJ benefits
24 implemented subsequent to the effective date of this act; and

25 (4) the process by which a recipient can report stolen SNAP and
26 WFNJ benefits due to card skimming, card cloning, or similar
27 fraudulent methods to the Department of Human Services or to
28 local law enforcement agencies.

29 b. Information provided to SNAP and WFNJ recipients
30 pursuant to subsection a. of this section shall be distributed, at a
31 minimum, in writing, at the point of enrollment and recertification
32 in SNAP or WFNJ and with the issuance of the recipient's
33 electronic benefits transfer card.

34 c. The Commissioner of Human Services shall post the
35 information itemized in subsection a. of this section via a digital
36 format on the Department of Human Services' website and via a
37 paper format at all SNAP and WFNJ eligibility determination
38 agencies.

39 d. The Commissioner of Human Services, in collaboration with
40 local law enforcement agencies, shall report to the Governor and the
41 Legislature, pursuant to section 2 of P.L.1991, c.164
42 (C.52:14-19.1), 18 months following the effective date of the act,
43 and annually thereafter, the number of reports submitted pursuant to
44 paragraph (4) of subsection a. of this section, including the
45 aggregate amount of stolen benefits indicated under those reports;
46 the amount of stolen benefits replaced due to claims submitted
47 pursuant to paragraph (3) of subsection a. of this section; and any
48 other information that demonstrates the Department of Human

1 Services' efforts to protect SNAP and WFNJ recipients from fraud
2 due to card skimming, card cloning, or similar fraudulent methods.

3 e. As used in this section,

4 "Card Cloning" means making an unauthorized copy of an
5 electronic benefits transfer card.

6 "Electronic Benefits Transfer Card" means the payment card
7 issued to SNAP and WFNJ recipients by the Department of Human
8 Services in connection with the electronic benefit distribution
9 system implemented pursuant to section 5 of P.L.1997, c.37
10 (C.44:10-75), on which benefits for those programs are deposited
11 and through which recipients can purchase food and access cash
12 assistance benefits.

13 "Skimming" means the illegal installation of devices on point-of-
14 sale or automatic teller machine terminals to capture a cardholder's
15 personal identification number and other data stored on the
16 magnetic strip of the electronic benefits transfer card.

17 "Supplemental Nutrition Assistance Program" or "SNAP" means
18 the program established pursuant to the federal "Food and Nutrition
19 Act of 2008," Pub.L.110-246 (7 U.S.C. s.2011 et seq.).

20 "Work First New Jersey Program" or "WFNJ" means the
21 program established pursuant to P.L.1997, c.38 (C.44:10-55 et seq.)
22 in accordance with authorization received under Title IV of the
23 federal "Personal Responsibility and Work Opportunity
24 Reconciliation Act of 1996," Pub.L.104-193 (8 U.S.C. s.1601 et
25 seq.).

26

27 2. This act shall take effect immediately.

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STATEMENT

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32 This bill directs the Commissioner of Human Services
33 (commissioner) to provide the following information to recipients
34 of benefits under the Supplemental Nutrition Assistance Program
35 and the Work First New Jersey Program:

36 1) The risks of card skimming, card cloning, and similar
37 fraudulent methods, as used by criminals to steal SNAP or cash
38 assistance benefits from the recipient's electronic benefits transfer
39 card;

40 2) Precautions a recipient can take to avoid falling victim to
41 card skimming, card cloning, or similar fraudulent methods;

42 3) The claims process, as established by the Department of
43 Human Services (department), through which a recipient can have
44 SNAP benefits, stolen between October 1, 2022 and September 30,
45 2024 due to card skimming, card cloning, or similar fraudulent
46 methods, replaced with federal funds, pursuant to the federal
47 "Consolidated Appropriations Act, 2023," and the claims process

1 for other replacement methods of stolen SNAP or WFNJ benefits
2 implemented subsequent to the effective date of the bill; and

3 4) The process by which a recipient can report stolen SNAP
4 and WFNJ benefits due to card skimming, card cloning, or similar
5 fraudulent methods to the department or to local law enforcement
6 agencies.

7 Information provided to recipients under the bill is to be
8 distributed in writing, at the point of enrollment and recertification
9 in SNAP or WFNJ and with the issuance of the recipient's
10 electronic benefits transfer card. The bill also requires the
11 department to post this information on its website and at SNAP and
12 WFNJ eligibility determination agencies.

13 Finally, the commissioner, in collaboration with local law
14 enforcement agencies, is required to report to the Governor and the
15 Legislature, 18 months following the effective date of the act, and
16 annually thereafter, data regarding stolen and replaced SNAP and
17 WFNJ benefits, as collected under the bill, as well as any other
18 information that demonstrates the department's efforts to protect
19 SNAP and WFNJ recipients from fraud due to card skimming, card
20 cloning, or similar fraudulent methods.

21 As used under the bill, "skimming" means the illegal installation
22 of devices on point-of-sale or automatic teller machine terminals to
23 capture a cardholder's personal identification number and other data
24 stored on the magnetic strip of the electronic benefits transfer card;
25 and "card cloning" means making an unauthorized copy of an
26 electronic benefits transfer card.