

## D Replacement Issuance of Stolen Benefits



This subject includes information about replacement of stolen benefits.

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### Policy

On 12/29/2022, a federal law was passed to protect and replace stolen NA benefits. To align with the federal law, the Administration of Children and Families (ACF) issued a notification to states to align their CA State Plan with their approved NA Replacement of Stolen Benefits State Plan and replace stolen CA benefits.

NA, Disaster Nutrition Assistance Program (DNAP), CA, Grant Diversion (GD), and Hopi Tribal TANF benefits stolen by **any** of the following electronic benefit theft methods are eligible for replacement:

- Card skimming occurs when devices illegally installed on fuel pumps, Automated Teller Machines (ATM), or Point of Sale (POS) terminals capture data or record the individual's Personal Identification Numbers (PINs).
- Card cloning occurs when data captured from skimming is used to create fake Electronic Benefit Transaction (EBT) cards. The cloned EBT card is used to steal from the budgetary unit's EBT account.
- Scamming is falsely convincing a participant to give their EBT personal information to someone else.
- Phishing scams occur when a criminal uses phony text messages, telephone calls, or emails to obtain the participant's EBT card number and PIN.

This policy is separate from the replacement of NA benefits that are used to purchase food destroyed in a disaster or by misfortune. (See [Replacement of Benefits – Replacement Issuance](#) for additional information regarding replacement of NA benefits due to misfortune or a federal declared disaster).

Participants who experienced electronic benefit theft are encouraged to call the Fidelity Information Services (FIS) Automated Response Unit (ARU) as soon as they became aware of the electronic benefit theft to deactivate the compromised EBT card. (See [EBT Customer Service 24-Hour Hotline](#) for the FIS ARU 24-hour hotline). FAA waives the replacement fee when EBT cards are replaced due to electronic benefit thefts.

### Replacement Eligibility

The budgetary unit is potentially eligible for a replacement when **all** of the following conditions are met:

- The benefits are stolen as a result of an electronic benefit theft that occurred between 10/01/2022 and 09/30/2024.
- The Electronic Benefit Theft Replacement Request Form (FAA-1847A) is completed, signed, and submitted to FAA timely.

- The benefits stolen are NA, DNAP, CA, GD, or Hopi Tribal TANF  
NOTE Stolen Pandemic-EBT, Salt River Pima Maricopa Indian Community (SRPMIC) TANF, and Pascua Yaqui Tribal (PYT) TANF benefits are not eligible for replacement.
- The budgetary unit received no more than two replacements in the same Federal Fiscal Year (FFY). The FFY begins October 1st of the current year and ends September 30th of the following year. (See [Example 1](#))

When the request for replacement is determined to be valid, the designated FAA Systems staff authorizes the replacement and sends a notice.

### Amount of Stolen Benefit Replacements

When eligible for a replacement, the amount is the **lesser** of the following:

- The actual amount of the stolen benefits
- The two most recent monthly allotments before the date the benefits are stolen. (See [Example 2](#)).

NOTE When a theft occurs over the course of several transactions and several days, calculations for replacement benefits are determined based on the date of the first occurrence of theft. (See [Example 3](#))

### Timely Reporting of Stolen Benefits

Participants or authorized representatives are required to report the loss to FAA timely. FAA considers the report timely when reported within **one** of the following timeframes:

- 45 calendar days from the date of the electronic benefit theft that occurred on or after 06/19/2023.
- On or before 09/18/2023 for electronic benefit theft that occurred between 10/01/2022 and 06/18/2023.

NOTE When the 45th calendar day falls on a weekend or a state holiday, the due date is moved to the next workday.

### How to Submit Request for Replacement of Stolen Benefits

The participant or authorized representative may report and request a replacement of stolen electronic benefits by **any** of the following methods:

- By calling (833) 786-8823, Monday through Friday, from 7:00 a.m. to 5:00 p.m. excluding state holidays.
- In writing by completing the Electronic Benefit Theft Replacement Request Form (FAA-1847A). The FAA-1847A form can be downloaded from the DES Document Center. The completed and signed form may be returned by **any** of the following methods:

By mail to the Department of Economic Security, PO Box 19009, Phoenix, AZ 85005-9009

By fax to (602) 257-7031 or toll free to (844) 680-9840

In person at any FAA Office

### Replacement Processing Timeframes

When the FAA-1847A form is received, the replacement determination begins and is completed within **one** of the following timeframes:

- 10 [workdays\(g\)](#) for benefits that are stolen on or after 06/19/2023.
- 20 workdays for benefits that are stolen between 10/01/2022 and 06/18/2023.

### Request for Benefits Replacement Denial

The request for replacement is denied when **any** of the following occurs:

- The request was submitted untimely.
- The budgetary unit already received two replacements in the same FFY.
- The form is not signed.
- The verification requested is not provided.
- The fraudulent transaction occurred before 10/01/2022 or after 09/30/2024.
- The request for replacement is not submitted by a participant in the budgetary unit or the authorized representative.
- The benefit stolen is not NA, DNAP, CA, GD, or Hopi Tribal TANF
- The transaction disputed is not found in the EBT card transaction history.
- The request for replacement appears to be fraudulent.
- The transaction cannot be validated as an electronic benefit theft.

When the request for replacement is denied, a notice is sent to the participant or authorized representative. The notice provides the denial reason and the right to file an appeal when the participant disagrees with FAA's decision.

### Appeal Hearing

The participant or authorized representative has the right to request an appeal when they disagree with a decision or action taken by FAA. An appeal can be requested when **any** of the following occurs:

- The request for replacement is denied.
- The amount replaced is less than the amount reported stolen.
- FAA did not act timely on the participant's request for benefit replacement.

NOTE Participants are not eligible for replacement benefits pending a hearing.

See [Right to an Appeal Hearing](#) for additional information regarding the participant's appeal rights.

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### Procedures

When the Electronic Benefit Theft Replacement Request Form (FAA-1847A) is received by **any** of the following methods, the designated staff complete the following:

- By mail or fax

The Centralized Document Services (CDS) staff enter the faxed or mailed form into the Unity Form and complete **all** of the following:

- Date stamps the FAA-1847A form when not uploaded to OnBase on the same day the form is received.
- Upload the form to OnBase using the FAA1847A Electronic Benefit Theft Replacement Request Form document type. When the form is indexed, an alert is automatically sent to the designated FAA Systems staff.

- By telephone

When the request for replacement of stolen benefits is requested by telephone, the designated FAA staff complete **all** of the following:

- Inform the participant or authorized representative to request an Electronic Benefit Transaction (EBT) card replacement when the card has not been replaced.
- Complete the FAA-1847A OnBase Unity Form. Ensure the form is completed in its entirety.
- Read the attestation to the participant and obtain the participant's voice signature.
- Submit the form.
- Document CADO.

- In person

When the replacement of stolen benefits is requested in person, the designated FAA staff complete **all** of the following:

- Direct the participant or authorized representative to get an EBT over the counter or mail card replacement when the card has not been replaced.
- Collect and review the FAA-1847A form for completeness and signature when the participant walks in with a form. Complete **one** of the following:

Upload the form to OnBase on the same day the form is received using the FAA-1847A Electronic Benefit Theft Replacement Request Form document type. When the form is indexed, an alert is automatically sent to the designated FAA Systems staff. Date stamp the FAA-1847A form when not uploaded to OnBase on the same day the form is received. Document CADO.

Complete the FAA-1847A OnBase Unity Form when the participant walks in without a form. Read the attestation to the participant and obtain the participant's signature. Document CADO and submit the form.

## Validation of Submitted Reports of Stolen Benefits

The designated FAA Systems staff are responsible for determining eligibility for replacement of stolen benefits. When the FAA-1847A form is received, the designated FAA Systems staff complete **all** of the following:

- Review the form for completeness and signature.
- Record the request in the EBT Skimming Reimbursement Request Log
- Send the Verification of Electronic Theft (C050) notice when the form is not signed, or additional verification is needed. The participant or authorized representative is allowed ten calendar days to provide verification.
- Review FSBH, FSIH, AFBH, and AFIH to determine how many replacements have been issued for the Federal Fiscal Year (FFY). The ET (Electronic Theft) displays in BEN TYPE field in FSBH, FSIH, AFBH, or AFIH for benefits that are replaced.
- Access EBTH or the EBT Tableau Reports as needed to review the disputed transactions.
- Document CADO with Electronic benefit theft under review-See the notice in OnBase for final disposition.

The request for stolen benefit replacement is denied and the CA NA Replacement Benefits Denied (C209) notice is sent when **any** of the following occurs:

- The request for replacement is submitted untimely.
- The budgetary unit already received two replacements in the same Federal Fiscal Year (FFY).
- The request for replacement appears to be fraudulent.
- The verification requested is not provided.
- The fraudulent transaction occurred before 10/01/2022 or after 09/30/2024.
- The request for replacement is not submitted by a participant in the budgetary unit or the authorized representative.
- The benefit stolen is not NA, Disaster Nutrition Assistance Program (DNAP), CA, Grant Diversion (GD), or Hopi Tribal TANF.
- The transaction disputed is not found.
- The transaction cannot be validated as an electronic benefit theft.

When the request is determined to be valid, the designated FAA Systems staff authorizes the replacement and sends the Approval CA NA Benefits Replaced Due to Theft (C839) notice.

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## Verification

The [case file\(g\)](#) must be reviewed before verification is requested.

The participant has the primary responsibility for providing verification. (See [Participant](#)

[Responsibilities – Providing Verification](#) for additional policy.)

Verification of electronic benefit theft includes the participant's attestation to the loss of benefits by electronic theft and **any** of the following:

- Police report, when available
- Electronic Benefit Transfer (EBT) transaction history (Arizona Data Warehouse)
- Fidelity Information System (FIS) Data Warehouse (EBT Vendor)
- News articles regarding benefits theft in the area on any platform such as television, social media, or radio

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## AZTECS Procedures

Budgetary units who reported stolen benefits due to an electronic benefit theft are eligible for a free Electronic Benefit Transfer (EBT) card replacement. When the participant or authorized representative contacts FAA for a replacement, the designated FAA staff complete **all** of the following:

- Key Y in the REPLACEMENT CARD OVERRIDE field on EBCM. Keying Y in this field automatically accessed CADO. The [case file\(g\)](#) is documented with the reason the fee is waived.
- Key 04 in EBCM to change the status of the card to Card/Card Number Stolen

See [Electronic Benefit Transfer \(EBT\) QUEST Card](#) for additional policy and procedures regarding the EBT card maintenance.

Full or partial replacement of NA benefits is authorized in FSRE. Only designated staff have access to FSRE. For additional information and procedures regarding FSRE, see [FSRE – Purpose](#).

RERF is used by the designated FAA Systems staff to make a full or partial replacement of CA or Grant Diversion benefits. RERF is accessed by keying 12 on CLME. The ET (Electronic Theft) Replacement Reason Code is used for replacement of stolen CA benefits.

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## Examples

- 1) On 10/15/2022 and 08/15/2023, the budgetary unit received NA replacement benefits. On 08/30/2023, the participant reports Electronic Benefit Transfer (EBT) fraudulent transactions. The budgetary unit is not eligible for an NA replacement. The budgetary unit already received two NA replacements for the same Federal Fiscal Year (FFY).  
On 10/15/2022 and 08/15/2023, the budgetary unit received NA replacement benefits. On 10/01/2023, the participant reports EBT fraudulent transactions. The budgetary unit has not received any replacements for FFY 2024. The budgetary unit is potentially eligible for an NA replacement.
- 2) On 03/05/2023, the participant reports an NA electronic benefit theft of \$100 that occurred on 03/01/2023. The two months before 03/2023 are 02/2023 and 01/2023. The budgetary unit's NA allotment for each month is \$250 (\$500 for both

months). The budgetary unit is eligible for \$100 replacement benefits since it is the lesser amount.

When the same participant reports \$600 NA stolen benefits, the budgetary unit is eligible for \$500 in replacement benefits. The requested \$600 exceeds \$500, the budgetary unit's combined two months of NA benefits.

On 05/01/2023, FAA authorized the budgetary unit's Grant Diversion (GD) payment of \$660 (\$220 multiplied by three months). On 05/05/2023, the participant reports that \$660 was withdrawn from their EBT account on 05/03/2023. Although, \$660 was reported stolen, the maximum amount that is eligible for replacement is \$440, two months of GD benefits.

- 3) On 06/15/2023, the budgetary unit received \$200 NA monthly allotment. On 06/20/2023, the participant discovered and reported that \$250 in NA benefits were stolen in multiple transactions between 06/17/2023 and 06/18/2023. The 06/15/2023 allotment is the monthly NA allotment that was issued immediately before the 06/17/2023 first occurrence of theft. The budgetary is eligible for \$250 replacement benefits since it is less than the budgetary unit's two months combined allotments of \$400.

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### Legal Authorities

H.R. 2617 Consolidated Appropriations Act of 2023

AZ Replacement of Stolen Benefits State Plan

TANF State Plan

### [Prior Policy](#)

*last revised 06/12/2023 effective 06/19/2023*