

Enhanced Cybersecurity for SNAP Act of 2024

The Enhanced Cybersecurity for SNAP Act will stop criminals from exploiting security flaws in Supplemental Nutrition Assistance Program (SNAP) payment cards and stealing food benefits from families with low incomes. It updates the cybersecurity regulations for SNAP cards, which haven't been updated since 2010, to require fraud-resistant chips and move away from outdated, insecure magnetic stripes.

Families in states around the country have had their SNAP funds stolen by fraudsters who are exploiting the lack of security in SNAP cards. These cards lack the fraud-resistant chips that are built into bank-issued credit and debit cards. As a result, SNAP cards are highly vulnerable to a form of fraud known as *skimming*, where identity thieves clone the card number from the magnetic stripe on a victim's card to produce duplicate cards which can then be used to steal victims' SNAP funds.

State-run SNAP programs must already follow detailed cybersecurity regulations set by the U.S. Department of Agriculture (USDA). The USDA last updated these regulations in 2010, and its failure to update these regulations since has left millions of families vulnerable to theft of benefits they depend on for food. In the Consolidated Appropriations Act of 2023, Congress directed USDA to require state agencies to implement security measures that effectively deter skimming. After months of inaction, I wrote a letter to USDA urging that they adopt industry-standard payment security defenses. The fact that USDA still has yet to take meaningful action to protect families a year later is unacceptable.

In that same 2023 omnibus package, Congress authorized states to use federal funds to replace stolen SNAP benefits. This is a necessary but temporary stopgap measure: the most effective method of stopping this fraud is to upgrade the security of SNAP cards, just as the financial industry and federal government have done for other payment cards. The *Enhanced Cybersecurity for SNAP Act* effectively addresses fraud by directing USDA to update its cybersecurity regulations to ensure SNAP benefits cannot be easily stolen by criminals. Specifically, this bill will require:

- USDA to issue updated regulations requiring SNAP cards to feature anti-fraud technology capable of resisting cloning. These regulations, which also cover mobile payments (such as tap-to-pay with a smartphone), will be updated every five years and must keep pace with the security of credit and debit cards.
- With USDA funding, states will begin issuing chip-enabled SNAP cards within two years of the adoption of the new regulations. Within four years, states will no longer be able to issue new SNAP cards containing a magnetic stripe. Within five years, states will have to reissue all existing SNAP cards containing a magnetic stripe as chip-only cards.
- USDA to operate a grant program providing funds for upgraded chip-capable payment machines to small grocery stores in food deserts, farmers markets, and farm-to-consumer programs.
- States to provide families with no-fee replacements of SNAP cards in three days or less, if their card is stolen, cloned by fraudsters, or malfunctioning.
- States to offer multiple accessible, reliable, and mobile-friendly user interfaces, such as a smartphone app or online web portal, for families to manage their EBT account.