

**BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON REFERRAL
BY THE COMMISSIONER OF HEALTH**

In the Matter of)	
)	
CAROL X.**)	OAH No. 24-0313-SNA
<hr style="width: 40%; margin-left: 0;"/>)	Agency No. 07095017

DECISION

I. Introduction

The Division of Public Assistance administers Alaska’s Supplemental Nutrition Assistance Program (“SNAP”) benefits program. Because SNAP is a federal program, states are bound by its program requirements and restrictions as set out in federal laws. One such restrictions is a federal limit on replacement of stolen SNAP benefits: States may not replace more than two months of stolen benefits, even if a greater amount was stolen.

Carol X. was the victim of electronic SNAP benefits theft in March 2024. She requested a hearing because the Division’s processing of her stolen benefits claim replaced less than half the amount stolen. Because the Division replaced the maximum amount permitted under federal law, its decision is affirmed.

II. Facts

Carol X. is a current SNAP recipient living in Anchorage. Since October 2023, her monthly benefit amount has been set at \$374.¹

Apparently because of the payment of backlogged benefits, Ms. X. began 2024 with a relatively large balance on her EBT card, and carried a balance above \$1,000 from at least January 1, 2024 through March 1, 2024.

When her monthly benefit amount of \$374 was deposited on March 1, 2024, her balance rose to \$1,590.54.² Two days later, Ms. X. discovered that the balance was just \$1.16. The Division of Public Assistance determined that her card had been used on March 2, 2024, for three large transactions – amounts of \$563.33, \$547.72, and \$478.63 – at stores in Philadelphia, Pennsylvania.³ Ms. X. did not make these transactions and does not know how her card

¹ Ex. 7.
² Ex. 5.3-5.4; Testimony of Carol X.; Testimony of Kristin Lanz.
³ Testimony of Carol X., Ex. 5.3, Ex. 4.

*[**OAH Publication note: Pseudonyms have been used for publication.]*

details were accessed. She promptly cancelled her card and submitted a stolen benefits claim form.⁴

The Division verified that Ms. X's stolen benefits claim was valid and that she was eligible for stolen benefit replacement.⁵

The Division determined that benefit replacement amount by identifying the lesser of: (1) the total amount stolen, or (2) two months of Ms. X's most recent monthly benefit amount. As the total amount stolen (\$1,589.68) was greater than twice Ms. X's \$374 monthly benefit, the Division determined that she was eligible for replacement of twice the monthly benefit amount. A refund of \$748 was therefore deposited into her account on March 24, 2024.

For Ms. X., who has a limited income, the loss of the unreimbursed portion – \$841.60 – was a significant financial blow. Ms. X requested a fair hearing, explaining in her hearing request that unreimbursed benefit amount represents “stolen funds that I cannot afford to lose.”⁶

A hearing on Ms. X.'s claim was held on May 29, 2024. Division Hearing Representative Jeff Miller explained how the Division had processed Ms. X.'s claim. Ms. X. testified credibly about the added burdens created by theft of her recently-received backlogged benefits, as well as the concern and uncertainty created by the second electronic theft attempt. SouthCentral Foundation case manager Kristin Lanz testified credibly that the disruptive impacts of the Food Stamps benefits backlog for Ms. X. has been compounded by the theft of those benefits.

III. Discussion

SNAP is a federal program administered by individual states, with the state agency responsible for adhering to the federal program requirements.⁷ Accordingly, the Division's reimbursement of stolen benefits and the decision in Ms. X's case are governed by the federal SNAP requirements.

⁴ Ex. 4.1. Less than two weeks later, before Ms. X. had used the replacement card, another fraudulent use attempt was made with the new card. This attempt was not successful, and Ms. X. was issued a second replacement card. Testimony of Carol X.; Ex. 5.1-5.2. Ms. X. does not know how her card details were compromised.

⁵ Ex. 5; Testimony of Jeff Miller.

⁶ Ex. 8.

⁷ 7 C.F.R. § 271.4(a).

As part of a larger effort to detect and prevent theft of benefits, particularly relating to electronic benefits fraud, a 2022 federal statute requires states to develop and implement a plan for the replacement of benefits “stolen through card skimming, card cloning, or similar fraudulent methods.”⁸ It is through this statute that the Division is able to replace any stolen SNAP benefits.

However, the replacement of stolen benefits statute places a limit on the amount of benefits that may be replaced. No matter the amount of benefits stolen, the statute expressly limits the replacement to the lesser of the amount stolen or “the amount equal to 2 months of the monthly allotment of the household immediately prior to the date on which the benefits were stolen.”⁹

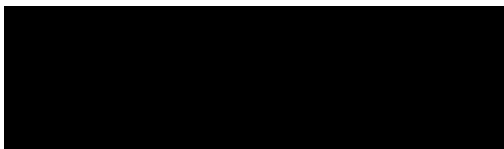
The meaning of the phrase “the monthly allotment of the household” is defined in the federal regulations governing the SNAP program. For purposes of SNAP benefits, “[a]llotment mean the total value of benefits a household is authorized to receive during each month or other time period.”¹⁰

It is undisputed that Ms. X's benefits were stolen on March 2, 2024. It is undisputed that the monthly allotment of her household immediately prior to the theft was \$374. This amount, by federal law, determines the limit of the repayment amount when SNAP benefits are stolen. The federal statute provides no authority for states to deviate from this restriction, notwithstanding the harsh impact on recipients like Ms. X. who have lost out on backlogged benefit amounts.

IV. Conclusion

The Division followed the binding federal law that governs the replacement of stolen SNAP benefits. In replacing two months of benefits at the benefit amount in place at the time of the theft, it provided Ms. X. the maximum amount available under that law. The Division’s determination that Ms. X. was entitled to replacement of \$748 in stolen SNAP benefits is UPHELD.

Dated: June 10, 2024



Cheryl Mandala
Administrative Law Judge

⁸ 7 USCA § 2016a (“EBT benefit fraud prevention”).

⁹ 7 USCA § 2016a(b)(2)(A).

¹⁰ 7 CFR § 271.2.

Adoption

The undersigned, by delegation from the Commissioner of Health, adopts this Decision, under the authority of AS 44.64.060(e)(1), as the final administrative determination in this matter.

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after the date of this decision.

DATED this 27th day of June, 2024.

By: 

Name: Cheryl Mandala

Title: Administrative Law Judge