



CDSS

WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



EDMUND G. BROWN JR.
GOVERNOR

February 28, 2014

ALL COUNTY INFORMATION NOTICE NO. I-15-14

TO: ALL COUNTY WELFARE DIRECTORS
ALL EBT COORDINATORS
ALL CALFRESH PROGRAM SPECIALISTS
ALL CALWORKS PROGRAM COORDINATORS
ALL CONSORTIA PROJECT MANAGERS
ALL COUNTY SPECIAL INVESTIGATION UNITS

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: ELECTRONIC BENEFIT TRANSFER (EBT) UPDATES

The purpose of this notice is to inform counties about recent updates to EBT materials to better inform cardholders of access to surcharge-free locations, provide anti-trafficking information, and alert on scams. Additionally we are providing information about a new law regarding direct deposit accounts.

EBT Surcharges

A surcharge is a service fee that some banks and stores charge each time cash benefits are withdrawn. Some EBT recipients are completing a high number of cash transactions at locations where they incur surcharge fees. In an effort to reduce the amount of these types of fees, CDSS is providing additional information for EBT cardholders to find surcharge-free locations.

Note: It is never allowed for a surcharge fee to be charged for a CalFresh transaction (CFR, Title 7, 274.7(c)).

We would like to emphasize the importance of County Welfare Departments (CWDs) role in providing information to cash aid recipients about surcharge-free access to their benefits. We encourage CWDs to share information about surcharge fees and locations of surcharge-free ATMs at initial application and annual renewal. CWDs can go to http://www.ebtproject.ca.gov/Library/Cash_Access.pdf and print out a list of surcharge-free ATM locations and post the information in CWD lobbies and other public areas.

Additionally CWDs can access a listing of local surcharge-free ATMs via the Statewide Automated Reconciliation System (SARS):

1. Select EBT System Reports
2. Select Monthly
3. Under the “Operational Reports” section, select Cash Access Report. The column entitled “SC” stands for Surcharge, and it will be labeled “yes” or “no.” This report is sorted by zip code.

In addition to surcharge-free ATMs, CWDs can inform EBT cardholders that they may also get cash at retailers that provide cash back on transactions at point-of-sale (POS) devices without surcharge fees.

CDSS has also made changes to the EBT card sleeve and the card mailer to provide information regarding surcharge-free locations and anti-trafficking rules. Specifically, the EBT card sleeve has been updated to include the following important information:

- The EBT Client Website address, www.ebt.ca.gov, to find surcharge-free ATM locations.
- Information regarding fraudulent use of CalFresh benefits and how to report suspected abuse.
- Warning language that EBT transactions may be monitored.

The EBT card mailer layout was revised to make it easier to read and has been updated to include the following important information:

- The EBT Client Website address, www.ebt.ca.gov, to find surcharge-free ATM locations.
- The “MoneyPass” logo that identifies surcharge-free ATMs.
- Warning language that EBT card trafficking is against the law.

Bank Surcharge Fee “Robocall” Pilot

To further inform recipients about the availability of surcharge-free access, in February 2014, a pilot will be implemented to generate robocalls to recipients who incur five or more surcharge fees per month. The robocall will be made at the end of the month to alert recipients prior to accessing their next month’s benefit issuance.

The robocall message will provide general information including:

- How to obtain cash with no bank fees by using ATMs with the “MoneyPass” sign.
- How to ask for cash back at a store without incurring fees.
- Using direct deposit of benefits to a bank account.
- Getting a list of surcharge-free ATMs at www.ebt.ca.gov or at their local county office.

The message allows a recipient to “opt out” and to no longer receive the robocall.

Mobile Phone and Social Media Scams

CDSS has been advised that some phone applications and social media websites have misleading messages that can have the appearance of being official, but they are questionable and solicit personal information. The following alerts have been posted to the EBT Client Website under the item “How Do I Keep My EBT Card and Benefits Safe?”:

- There are illegal phone applications that try to obtain personal information and gain access to EBT benefits.
- DO NOT download and use applications that ask for personal information.
- Never give out EBT card or PIN information on a website, unless it is the local county website or the EBT Client Website.
- Beware of offers of “free government cell phones” or “free gift cards” that ask for EBT card number and PIN. Beware of “protection plans” offered by companies that claim to be part of the state programs.
- Beware of warnings posted online about EBT card security with similar EBT customer service telephone numbers. The phone numbers have the appearance of a state number, but are slightly different from the valid telephone number.

Direct Deposit to Prepaid Cards

A prepaid card is an account in which the customer deposits funds and it can be used like a credit card. Effective January 2014, Assembly Bill 1280 (Chapter 557, Statutes of 2013), prohibits prepaid card companies from accepting direct deposit of cash public assistance benefits to a prepaid card account that does not meet the requirement of a “qualified account.”

A “qualified account” must:

- Be held at an insured financial institution.
- Be set up to meet the requirements of passthrough depositor share insurance so the funds are eligible for insurance by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.
- Not be attached to a credit or overdraft feature that is automatically repaid from the account after delivery of payment.
- Comply with all the consumer protections that apply to a payroll card account under the rules of federal Electronic Fund Transfer Act (EFTA).

Counties are not required to screen for “qualified accounts,” the responsibility for verification lies with the businesses offering the prepaid card service. The implementation of this law does not require a county to change its direct deposit procedures.

The CDSS is developing an informational guide to assist recipients in determining if EBT or direct deposit to a bank account better meets their needs. The new form will be issued in the coming months.

If you have any questions regarding this letter, or need more information about EBT card services, please contact Lucy Hildebrand, EBT Unit Analyst, at (916) 653-8421 or Joyce Bullivant, EBT Unit Manager, at (916) 657-3804.

Sincerely,

Original Document Signed By:

MARIA HERNANDEZ, Chief
Program Integrity Branch

Enclosures

Do not write your secret PIN number on your Card or on this Card sleeve.

Call EBT Customer Service at 1-877-328-9677 for help or problems with your EBT card. To find a free ATM location, visit the California EBT Client Website at www.ebt.ca.gov.

Buying, selling, or otherwise misusing CalFresh benefits is a crime. All EBT transactions may be monitored. To find out how to report suspected abuse, call 1-800-344-8477 or 1-800-424-9121, or visit <http://www.cdss.ca.gov/fraud/>.

If you believe you have been discriminated against by the welfare agency, you may file a complaint with your county Civil Rights Coordinator.

P.O. Box 81129
Austin, TX 78707-1129

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PRIMARY MAIL2
1101 COUNTY 11
MONTEREY, CA 93944-1000



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- ▶ The toll-free Customer Service Helpline, 1-877-328-9677, is available 24 hours a day, 7 days a week to help you. **If your card is lost, stolen, or damaged, call the eBt Customer service helpline at 1-877-328-9677 right away!**
- ▶ Sign your name in ink on the white strip on the back of your card right now!
- ▶ Memorize your PIN! You must use this code to make your card work.
- ▶ **Keep your PIN secret. never give your PIN to your county worker, family members, store cashiers, or anyone else.**
- ▶ You can also use the California EBT Client Website to check your food and/or cash benefit balances.

YOUR NEW EBT CARD!

Electronic Benefit Transfer (EBT) is the way you will get your benefits. This is your permanent card. You can use the attached Golden State Advantage Card where you see the "QUEST" sign.



Buying, selling or trading food benefits is against federal law. you can be disqualified from CalFresh, fined, put in prison, or all three. you will have to pay back any misused food benefits.

If this Is your first Golden state advantaGe Card:

Your Personal Identification Number (PIN) is being mailed to you in another envelope. Watch for it! **never write your PIN on your card or on anything you keep with your card. Keep your card safe.**

Read the enclosed training guide. It gives you more information about your card.

If you Get Cash Benefits

- ▶ If you see an ATM with the MoneyPass sign, it will be surcharge free.



- ▶ A surcharge is the amount some ATMs charge you each time you withdraw your cash benefits, and this surcharge is taken from your balance. "Free" ATMs give you access to your cash benefits without that surcharge.
- ▶ To find a complete list of free ATMs, go to the California EBT Client Website at www.ebt.ca.gov or contact your county worker.