

Testimony Regarding H 5076 - Act Making Appropriations for the Support of the State for the Fiscal Year Ending June 30, 2026 – DHS Budget
Senate Committee on Finance

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Nina Harrison, Policy Director, the Economic Progress Institute

The Economic Progress Institute strongly recommends allocating funds in the RI Department of Human Services (DHS) budget to replace EBT cards – which are vulnerable to skimming fraud – with cards that have chip technology.

As you know, the DHS Supplemental Nutrition Assistance Program (SNAP) was the target of EBT card skimming fraud activity in March 2025. Approximately 1,800 customers and their families using EBT cards in the Providence, Cranston, and Pawtucket area had their benefits stolen; the total value of stolen benefits is approximately \$500,000.

In Rhode Island and nationally, the skimming of SNAP benefits has been a growing problem. And, In December 2024, the US Department of Agriculture Food and Nutrition Service (FNS) terminated the ability of states to replace stolen SNAP benefits with federal funds – leaving skimming fraud victims in RI little recourse. FNS has recommended that states take action to convert EBT cards to chip cards as the most secure way to protect critical benefits from fraud. In January 2025, California became the first state to issue EBT chip cards, and Oklahoma (April 2025) and Maryland are the next two states to enact this security enhancement.^[1] Ohio, Alabama, and Pennsylvania are pushing to introduce this technology as soon as possible.

The recent half-million dollar loss of benefits in RI, and the very real threat of continued skimming fraud is justification to act swiftly – and not wait another year. Skimming fraud not only harms the people who rely on SNAP to meet their basic food needs, but also hurts our local markets and the state's economy. Doing all we can to protect Rhode Islanders from this type of criminal activity is fundamental. We appreciate that DHS has been very proactive in advising SNAP participants about steps they can take to protect their EBT cards. However, we are concerned that the current strategies are not sufficient to protect them from harm. Many may not have the capacity to frequently change their PINS or freeze benefits on a regular basis.

We know that implementing this new technology will take funds and staff time, but these costs are far outweighed by the loss in benefits already experienced by Rhode Islanders and our economy due to criminal activity.

We urge you to be fiscally responsible stewards of the benefits being provided to Rhode Island's lowest-income families and seniors and allocate the necessary funds to ensure that Rhode Islanders are not unnecessarily vulnerable to skimming fraud.

^[1] [SNAP EBT Modernization | Food and Nutrition Service](#)