

Lone Star Card Changes are Costly, Unnecessary, and Potentially Discriminatory

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The Texas legislature is considering multiple bills requiring photo identification for the federal Supplemental Nutrition Assistance Program (SNAP) that are not only expensive and unnecessary, but also put grocers at risk of violating federal law by discriminating against shoppers paying with SNAP.

Whether calling for separate identification or photos printed on the Lone Star EBT (electronic benefit transfer) card, the bills would all require the state to spend millions in General Revenue to reissue the Lone Star cards that SNAP shoppers use when paying for groceries. This major expenditure by the state would be wasted as:

- Several major retailers including Amazon are currently piloting SNAP online purchasing in several states, and it is expected to expand to Texas in the near future.
- Requiring identification when paying with SNAP makes it more difficult for **all** grocery shoppers. To avoid triggering SNAP's non-discrimination clause, **retailers would be forced to check IDs for all customers using debit or credit cards**. This would slow down the lines for everyone and make self-checkout lanes problematic to operate.
- **The USDA requires that all** members of a SNAP household and their authorized representatives must be able to use the Lone Star card, regardless of whether they are pictured on the card. Retailers who attempted to stop anyone with a valid PIN number from making a purchase would violate federal law and risk being dropped from the program.

How the Lone Star Card Works

- Texas has issued SNAP (formerly Food Stamps) benefits on Lone Star cards since 1995 as an efficient method to safely deliver and track benefits for nearly 1.6 million Texas households each month. Texas clients can access these benefits in more than 16,300 participating retail locations across the state.
- Administered by the Texas Health and Human Services Commission (HHSC), the Lone Star card is scanned or swiped for payment in a manner similar to a commercial debit card. A client must enter his or her personal identification number (PIN) to use the card.
- SNAP benefits, which can only be used to purchase food, are determined for the household as a whole and are **required to be accessible to all members of the household**. HHSC currently issues a Lone Star card to the head of the household, and will issue a second card to another authorized user if requested.

Existing Lone Star Card Fraud Prevention System

HHSC and the United States Department of Agriculture take fraud very seriously. The HHSC Office of the Inspector General (OIG) has a robust system in place to combat recipient and retailer fraud, including:

- a rigorous application and screening process that solicits and then verifies complete information on household income, expenses and composition;
- a fraud hotline available for individuals to report suspicious behavior to the OIG;
- an individualized PIN number for each EBT card to protect against unauthorized use if the card is stolen;
- monitoring and restrictions on the number of replacement cards that households can request;
- reviews of the EBT card archive system conducted by the OIG;
- fraud hearings to disqualify recipients found to have committed an intentional program violation;
- the Public Assistance Reporting Information System (PARIS) Interstate Match, which allows HHSC to see if individuals are receiving benefits from other states; and
- the Antifraud Locator Using EBT Retailer Transactions System (ALERT), which allows for real time data mining from the point of sale to flag unusual spending patterns.

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