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March 16, 2023

The Honorable Tom Vilsack
Secretary
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Dear Secretary Vilsack:

I write to urge the U.S. Department of Agriculture (USDA) to update its regulations for Supplemental Nutrition Assistance Program (SNAP) cybersecurity, which have not been updated since 2010. USDA should require state-issued benefit cards to be protected by industry-standard payment security defenses, which have already been widely adopted by both the private sector and throughout the Executive Branch.

According to multiple news reports, identity thieves have stolen millions of dollars in SNAP benefits by exploiting the outdated security measures in SNAP electronic benefit cards to “clone” cards. This is a form of fraud in which criminals are able to produce duplicate credit cards. Because only a few states currently reimburse stolen SNAP benefits, the impact of fraud is often borne directly by benefit recipients who need this money to feed their families. This is in stark contrast to consumer credit and debit cards, where, under longstanding federal law, banks must reimburse consumers for fraud.

State-issued SNAP cards are uniquely vulnerable to fraud because states have yet to adopt industry-standard security defenses, known as EMV, that make it much harder for criminals to clone payment cards. While banks and the federal government have added EMV chips to the credit and debit cards they issue, states have yet to adopt this technology for SNAP. As a result, every in-person transaction using a SNAP card is conducted by swiping the card’s magnetic stripe. This technology from the 1960s is easy for criminals to clone, resulting in families losing crucial nutrition assistance.

While EMV chip-based cards are significantly more secure than magnetic stripes and have been shown to reduce fraud rates significantly, the industry’s adoption of this technology hasn’t completely eliminated payment fraud. One major reason for this is because the credit and debit cards issued to consumers and businesses by financial institutions continue to feature both the more-secure EMV chips and the older, insecure magstrips. Visa and Mastercard still require that banks and credit unions issue cards that feature magnetic strips in order to enable consumers to continue to use their cards with merchants that have not upgraded their payment terminals. But providing this backward compatibility comes at a high price, as it means that fraudsters are still

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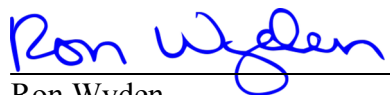
able to clone cards that feature EMV chips. As more and more merchants upgrade their payment terminals, the value of this flexibility is outweighed by the fraud it enables. As a result, the magnetic stripes are gradually being phased out as companies such as Mastercard have already announced plans to sunset this technology in the next few years.

While industry and the federal government are midway through their migration from magnetic stripes to EMV, state-issued SNAP cards have yet to get out of the starting gate. This is in large part because USDA has not updated its regulations detailing the SNAP cybersecurity standards since 2010. These regulations were hardly cutting edge at the time: USDA's guidelines explicitly required states to use 1970s-era security technologies that had already been retired by the federal government due to security concerns. However, in the wake of media reports highlighting increased card cloning fraud against SNAP cards, Congress recently enacted legislation that explicitly requires the USDA to update its regulations to strengthen the security of SNAP.

The 2023 omnibus appropriations law also temporarily permits states to use federal SNAP funds to reimburse fraud victims. But USDA and the states should not assume that Congress will extend this latter provision. That is why USDA must take aggressive action to update the security requirements for SNAP cards. Specifically, USDA should remove the requirement that SNAP cards include magnetic stripes, require the inclusion of EMV chips, and set an aggressive timetable – within the next couple years – for states to stop issuing cards that feature magnetic stripes. These changes are necessary to protect important resources to maintain the health and wellness of millions of families and households nationwide.

Thank you for your attention to this important matter. If you have any questions about this request, please contact Chris Soghoian in my office.

Sincerely,



Ron Wyden
United States Senator