



**MAY 25 2018**

**United States  
Department of  
Agriculture**

Food and  
Nutrition  
Service

Northeast Region

10 Causeway St.  
Room 501  
Boston, MA 02222

Courtney Hawkins, Director  
Department of Human Services  
Louis Pasteur Building  
57 Howard Avenue  
Cranston, RI 02920

Dear Ms. Hawkins:

This letter serves as the Food and Nutrition Service (FNS) Northeast Regional Office response to Rhode Island's (RI) Corrective Action Response (CAR) from May 1, 2018. This CAR relates to the Federal Fiscal Year (FFY) 2017 FNS Supplemental Nutrition Assistance Program (SNAP) Management Evaluation (ME) conducted during the week of September 11, 2017. The ME focused on SNAP Electronic Benefits Transfer (EBT).

### **LONG TERM CORRECTIVE ACTION**

The CAR sufficiently addressed the findings listed below, but Corrective Action steps have not been fully implemented nor validated yet. These findings can transition to the State's semi-annual CAP unless otherwise specified.

***Finding name:*** EBT 17.6

***Finding language:*** EBT cards shall be considered accountable documents. The State agency shall provide the following minimum security and control procedures for these documents: Bulk inventory control records. 7 CFR 274.5(c)(1)(iii) During the review, FNS found no evidence of policies and procedures.

***FNS Comments:*** Expected date of completion has been identified in CAR as May 31, 2018. If outlined corrective action is achieved prior to submission of next semi-annual CAP, please submit documentation to substantiate validation.

***Finding name:*** EBT 17.7

***Finding language:*** EBT cards shall be considered accountable documents. The State agency shall provide the following minimum security and control procedures for these documents: Periodic review and validation of inventory controls and records by parties not otherwise involved in maintaining control records. 7 CFR 274.5(c)(1)(v)

*FNS Comments:* Expected date of completion has been identified in CAR as May 31, 2018. If outlined corrective action is achieved prior to submission of next semi-annual CAP, please submit documentation to substantiate validation.

***Finding name:*** EBT 17.8

***Finding language:*** Storage and control measures to control blank unissued EBT cards and PINs, and unused or spare POS devices 7 CFR 274.8 (b)(3)(i).

*FNS Comments:* Corrective action has been completed as outlined in the CAR. However, this finding will remain open until FNS is able to validate implementation of corrective action.

***Finding name:*** Open finding EBT 15.2

***Finding language:*** Reconciliation and Reporting

*FNS Comments:* This finding will remain open until related findings from the FFY 2017 EBT review can be validated and closed out.

### **FINDINGS NOT SUFFICIENTLY ADDRESSED**

The CAR did not sufficiently address the finding listed below. Please see FNS' comments and questions below for each finding. Please respond within 20 days of this letter by updating the CAR tool for each of these findings in the appropriate sections.

***Finding name:*** EBT 17.1

***Finding language:*** State agencies shall establish issuance and accountability systems which ensure that only certified eligible households receive benefits; that Program benefits are timely distributed in the correct amounts; and that benefit issuance and reconciliation activities are properly conducted and accurately reported to FNS. 7 CFR 274.1(a) FNS discovered anomalies and invalid issuances through weekly calls with the State, interviews with SA personnel and reviews of issuance files in the EBT Admin system (FIS).

*Root Cause Analysis:*

- A. What is preventing the system from producing accurate reports?
- B. Please clarify the role of EBT staff in the reconciliation process.

*Corrective Action Steps & Timeline:*

- B. Provide FNS with policies and procedures detailing the plan reconciliation activities between the eligibility system and the EBT system.

*Expected Date of Completion:*

- A. Provide FNS with three system tickets mentioned above. Provide FNS with the schedule of testing for the reports. Are there functional design documents associated with the reports?
- B. Will there be a look back period or clean up?

*Documentation:*

- A. Provide copies of tickets: RIB-58718 (SNAP Payroll Transmission Reconciliation Report); RIB-58714 (Food Stamp Monthly Payroll); RIB-58705 (SNAP EBT Monthly Summary)

***Finding name:*** EBT 17.2

***Finding language:*** The State agency shall ensure that a duplicate account is not established which permit households to access more than one account in the system. 7 CFR 274.6(b)(1). FNS discovered that the SA was unable to ensure that duplicate accounts are not established to permit households from accessing more than one account in the system nor could the total number of duplicate accounts be identified.

***Evaluation:*** Provide FNS with process and procedures do the EBT vendor sweep of the EBT system. Will this require a change request? What will the look back period be? Provide a more in depth analysis of the MCI challenges, and specific areas that the vendor aims to improve.

***Root Cause Analysis:***

- A. What about the manual creation of accounts? Will this be taken into consideration? Additionally, will the logic take into account the dropping of the last digit of the SSN?
- D. Will the SA OP referrals for clients who've received OP on the duplicate accounts?
- E. What unique identifier(s) will be used to identify individual level information to prevent duplicate account creation?

***Corrective Action Steps & Timeline:***

- A. Please clarify what upgrades will be implemented to the MCI logic.
- B. What is the timeframe? Please provide FNS with design documents or reports of the work targeted for June. Who is responsible for completing the work? What are the processes and procedures for ensuring that the work is accurately completed?
- C. Should there be any funds on the duplicate accounts, how will they be handled? Say client was entitled to funds but they were distributed on different accounts for different time periods, how will the account be made whole? Regarding the new reporting mechanism to check files, is there a

change fee associated with this new report? What is the name of the new report?

- E. Is there a detailed design for this change request? Is this with the EBT vendor or Eligibility vendor? What are the costs associated with the request?

*Documentation:*

- A. Provide FNS with copies of implementation documents.
- B. Provide FNS with ticket and associated fixes.
- C. Provide FNS with copies of duplicate lists.
- D. Provide FNS with copies of all deactivated accounts. Include number of clients, accounts number and dollar amounts on each deactivated accounts.
- E. Provide FNS with detailed system change document.

***Finding name:*** EBT 17.3

***Finding language:*** The State agency shall monitor all client requests for EBT card replacements and send a notice, upon the fourth request in a 12-month period, alerting the household that their account is being monitored for potential, suspicious activity. If another replacement card is subsequently requested and trafficking is suspected, the State agency shall refer that case to the State's fraud investigation unit. 7 CFR 274.6(6) Based on interview with staff it was discovered that the SA has not implemented an excessive replacement card process.

*Documentation:*

- A. Provide FNS copy of ticket.
- B. Provide FNS copy of ticket, FDD and notice.
- C. Provide FNS copy of ticket. Provide policy and procedure for EBT and CCRU.

***Finding name:*** EBT 17.4

***Finding language:*** The State agency may make adjustments to benefits posted to household accounts after the posting process is complete but prior to the availability date for household access in the event benefits are erroneously posted. 7 CFR 274.2(g) (1). FNS discovered through interviews and case file review, the State agency made (cancellation) adjustments to household accounts after the availability date, due to duplicate erroneous issuances.

*Evaluation:* Provide copy of current spreadsheet capturing duplicate issuance cases from go-live to present.

***Finding name:*** EBT 17.5

**Finding language:** EBT cards shall be considered accountable documents. The State agency shall provide the following minimum security and control procedures for these documents: Secure storage 7 CFR 274.5(c)(1)(i) FNS reviewers visited the State's Scanning Center and observed that returned EBT cards were not maintained in a separate and secured location.

*Root Cause Analysis:*

- B. Are cards mailed out with the local office return address? If so, are there procedures to secure cards at the local office?

*Corrective Action Steps & Timeline:*

- C. Provide copy of training materials.

**Finding name:** EBT 17.9

**Finding language:** The EBT system shall provide for minimal disruption of access to and service in retail stores by eligible households. Households' eligibility for prepared meals (restaurants meals program) were not being accurately reflected in RIBridges and therefore clients could not use benefits at authorized retailers. 7 CFR 274.7 (e)(1)

*Root Cause Analysis:*

- C. What is the day to day manual work around for identified issues?

*Documentation:*

- A. Provide FNS with copies of tickets and fixes.
- B. Provide FNS with copies of tickets and fixes.
- C. Provide FNS with templates of the notices.

**Finding name:** EBT 17.10

**Finding language:** State agencies shall account for all issuance through a reconciliation process. The EBT system shall provide reports and documentation pertaining to ... Maintenance of audit trails that document the full cycle of issuance from benefit allotment posting to the State issuance authorization file through posting to POS transactions at retailers through settlement of retailer credits. 7 CFR 274.4(a) (vi) The SA was unable to provide an audit trail of issuances.

*Corrective Action Steps & Timeline:*

- B. Is a change request required to obtain reports? Will RI DHS staff have access to run the reports without a request from the vendor?

*Documentation:*

- A. Please provide copies of tickets: RIB-58718 (SNAP Payroll Transmission Reconciliation Report); RIB-58714 (Food Stamp Monthly Payroll); and RIB-58705 (SNAP EBT Monthly Summary).
- B. Please provide reports as available.

***Finding name:*** EBT 17.11

***Finding language:*** The State agency shall identify and report the number and value of all issuances which do not reconcile with the master issuance file. All unreconciled issuances shall be identified as specified on this reporting document. Discrepancies exist between the FNS-46 report and AMA Issuance amounts. 7 CFR 274.4(c)(1)(i)

***Expected date of completion:***

- A. Please submit FNS-46 report updates released and deployed with the April 21, 2018 release.

***Documentation:***

- A. Provide copy of tickets RIB-58718 and RIB-61494

***Finding name:*** EBT 17.12

***Finding language:*** The FNS-46 report shall be received by FNS no later than 90 days following the end of the report month. FNS-46 Issuance Reconciliation Reports are not submitted timely. 7 CFR 274.4(c)(1)(ii)

***Corrective Action Steps & Timeline:***

- A. Please submit copy of reports for review when available. FNS will review data prior to entry in FPRS.

***Documentation:***

- A. Provide copy of ticket UHIP-182441 and final FNS-46 FDD.

***Finding name:*** EBT 17.13

***Finding language:*** State agencies shall telephone or transmit by computer the Form FNS-388 data and mail the reports to the FNS regional office no later than the 19th day of each month. When the 19th falls on a weekend or holiday, the Form FNS-388 data shall be reported by telephone or transmitted by computer and mailed on the first work day after the 19th. The Form FNS-388 report shall be signed by the person responsible for completing the report or a designated State agency official. 7 CFR 274.4(c)(2)(i) FNS has noted untimely submission of the FNS-388 report.

***Expected date of completion:***

- A. Please submit copy of reports for review when available. FNS will review data prior to entry in FPRS

***Documentation:***

- A. Provide copy of tickets RIB-61494, UHIP-182330, and UHIP-182331.  
Provide copy of final FNS-388 FDD.

***Finding name:*** EBT 17.14

**Finding language:** The Form FNS-388 report shall provide statewide estimated or actual totals of issuance and participation for the current and previous month, and actual or final participation totals for the second preceding month. In addition to the participation totals for the second preceding months of January and July, provided on the March and September reports, non-assistance (NA) and public assistance (PA) household and person participation breakdowns shall be provided. As an attachment to the March and September Form FNS-388 reports, State agencies shall provide project area breakdowns of benefit issuance and NA/PA household and person participation data for the second preceding months of January and July. FNS-388A semi-annual reports are not submitted timely. 7 CFR 274.4(c)(2)(ii)

**Expected date of completion:**

- A. Was report deployed on 5/5/18 as indicated in CAR? Please submit copy of reports for review. FNS will review data prior to entry in FPRS.

**Documentation:**

- A. Provide copy of tickets RIB-61494; UHIP-182330; and UHIP-182331 as well as FDD for the FNS-388.

**Finding name:** Open finding 15.1

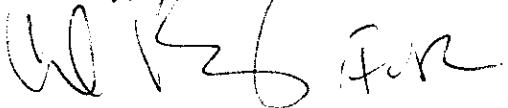
**Finding language:** Requests to Replace EBT Card

**FNS Comments:** Process outlined is still a two-step process, RI DHS should establish one number that clients call to report cards lost or stolen. Please provide FNS with scripts and IVR options.

Thank you for the State Agency's effort in resolving findings through the Corrective Action process. Please update the CAR tool for each finding listed in the *Findings Not Sufficiently Addressed* section within 20 days of this letter. Please address each comment in your response.

If you have any questions please contact Jheanell West at [Jheanell.West@fns.usda.gov](mailto:Jheanell.West@fns.usda.gov) or 617-565-6173.

Sincerely,



Bonnie Brathwaite, Director  
Supplemental Nutrition Assistance Program  
Northeast Region

cc: Deborah Barclay