

EBT Goes EMV: What's Happening and How to Get Ready



**Your Host:
Casey Brant**

**Standards Coordinator
Conexus, Inc.**



**Your Moderator:
Todd Horinek**

**Director of Payments Technology
Phillips 66**

Agenda

- ▶ Housekeeping
- ▶ About Conexxus
- ▶ Presenters
- ▶ Presentation
- ▶ Q&A

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Participants

- ▶ Ask questions via webinar interface
- ▶ Please, no vendor specific questions
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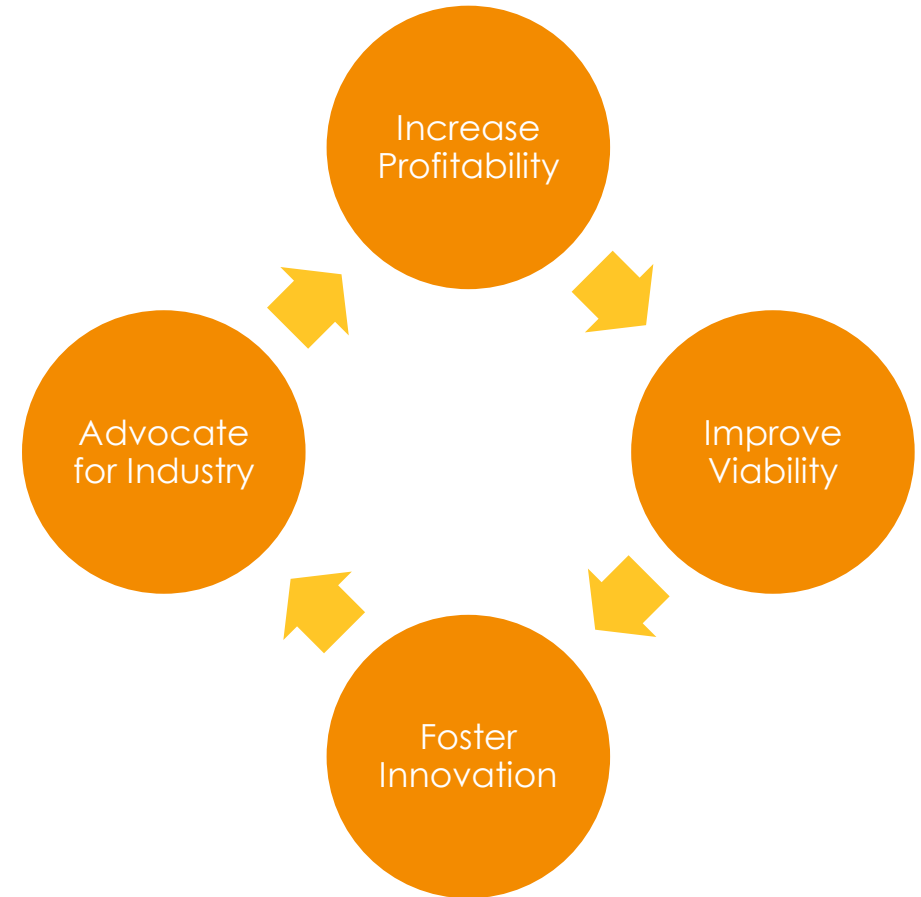


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About Conexus

- ▶ We are an independent, non-profit, member driven technology organization
- ▶ We set **standards**...
 - ▶ Data exchange
 - ▶ Security
 - ▶ Mobile commerce
- ▶ We provide **vision**
 - ▶ Identify emerging tech/trends
- ▶ We **advocate** for our industry
 - ▶ Technology is policy



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www.conexus365.org

365@conexus.org



www.conexus.org

info@conexus.org



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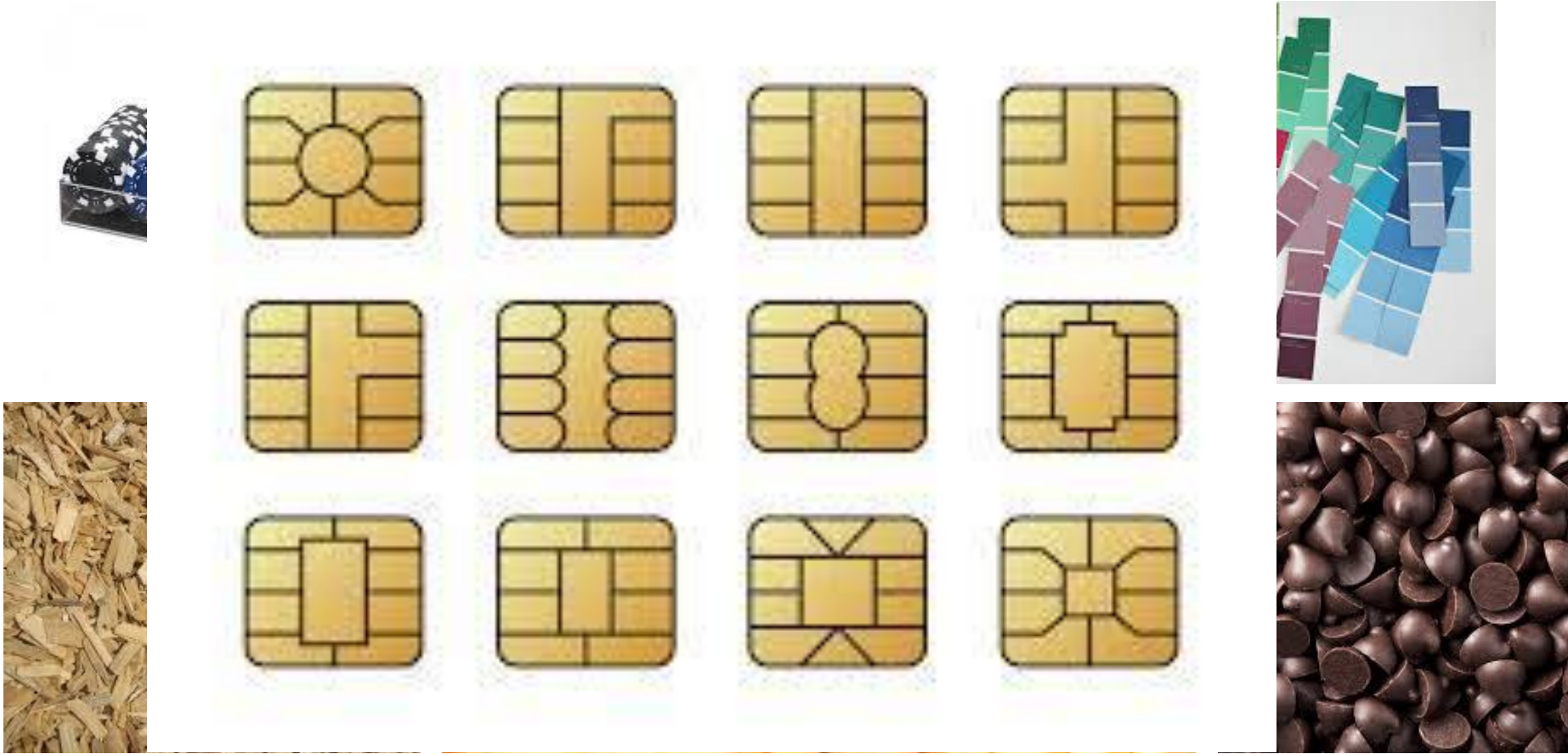
Sharon Scace

Manager of Technical Specification &
Merchant Compliance
WEX

EBT Goes EMV: What's Happening and How to Get Ready

Preparing for Electronic Benefit Transfer moving to Chip Cards

Chips ...



Chips continue coming

- ▶ Bank Cards
- ▶ US Common Debit
- ▶ Fleet Cards
- ▶ EBT Cards



Electronic Benefit Transfer

- ▶ **What EBT Is** – EBT is an electronic system that allows government benefit recipients to use a payment card to access their funds for food and cash assistance programs
- ▶ **Primary Programs** – The two main programs using EBT are the
 - ▶ **Supplemental Nutrition Assistance Program (SNAP)**
 - ▶ **Temporary Assistance for Needy Families (TANF).**
- ▶ **State Administration** – EBT programs are federally funded but administered by individual states, meaning rules and processes can vary from state to state.



Why are they moving to chip?

- ▶ Electronic Benefits Transfer (EBT) fraud is a growing problem that costs billions of dollars annually. The main types of EBT fraud are **skimming**, account takeovers, and identity theft.

“There have been nearly 177,000 instances of fraud in the first quarter of 2024 across U.S. states, according to data supplied by the U.S. Department of Agriculture's Food and Nutrition Service (FNS).” Newsweek, July 9, 2024

“Nearly \$5 million was fraudulently spent in Supplemental Nutrition Assistance Program benefits in the four-state [IL, MO, KY, TN] region in just the first three months of this year.” WPSDlocal6, Aug 26, 2024



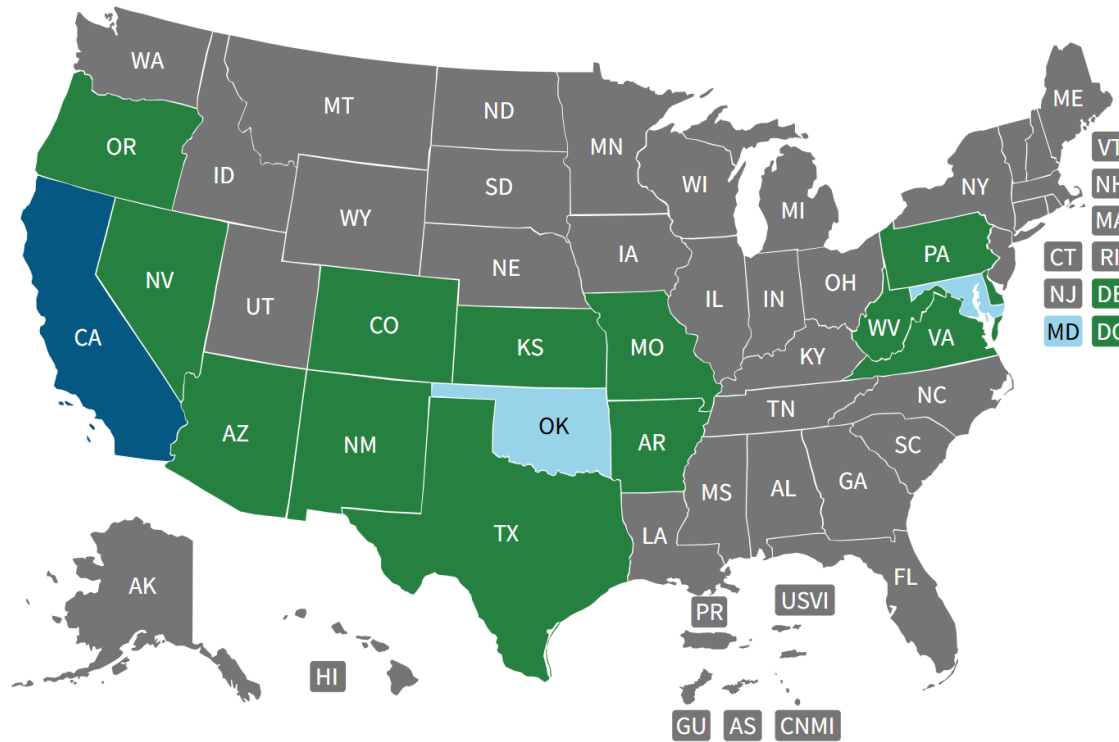
Who/When?

- ▶ **California** – started issuing mid January 2025
- ▶ **Oklahoma** – aiming for summer 2025
- ▶ **Maryland**

- ▶ **Before breathing a sigh of relief**
 - ▶ Benefits can be used in any state.
 - ▶ All states bordering on a state with an EBT chip card is expected to accept it

State impacts

● EBT chip cards issued to participants. ● EBT chip cards to be issued soon. ● Bordering state.*



*These bordering states do not currently have an EBT chip card project in place, however SNAP retailers located in these states must be prepared to accept out-of-state EBT chip cards at their location.

I have Crisp Acceptance so I am good,
right?



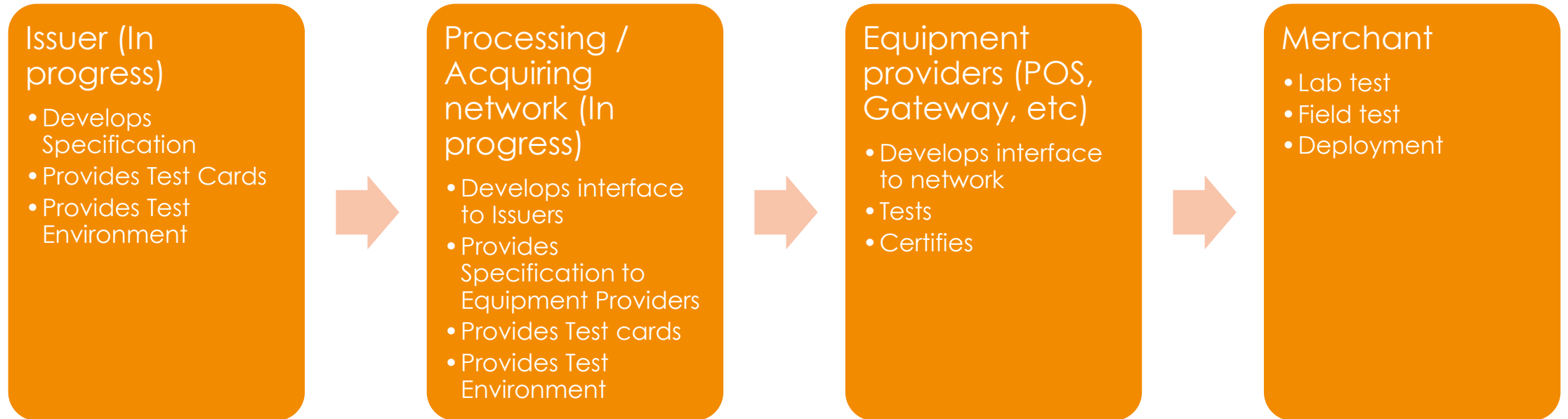
I have Chip Acceptance so I am good, right?

- ▶ **No**, there is additional work that needs to be done at the processing/acquiring networks, POS providers, and issuers.
- ▶ **New AID** – A00000000444542
 - ▶ All states will use the same AID
 - ▶ Note: There are many different BINs for EBT cards
- ▶ **Deployment of Chip cards** is state dependent.
 - ▶ A site could get one because a nearby state has issued them
 - ▶ Within a state there will be chip and magstripe cards
 - ▶ Cards may be contact only or contact and contactless



But I just need to call my POS provider?

If you manage your own POS development and software, the below are required. Work is ongoing with branded providers and vendors.



What about now?



Preparing for the F Word...

FALLBACK is the answer

- ▶ Specifically, fallback to magstripe
- ▶ POS vendors have been testing to be able to support fallback to magstripe, and more specifically the case of Empty Candidate List (ECL)
 - ▶ Customer presents the chip card but the AID (or no AID if it has more than one) is not known to the terminal
 - ▶ The terminal reads the magstripe (the customer may have to swipe the card) and processes it
 - ▶ It is critical that fallback is NOT assumed for all cards
- ▶ Some states may continue to support manually keyed transactions



So what do I need to do?

- ▶ **Validate** that your POS solutions support Empty Candidate List (ECL) Fallback.
- ▶ **Remediate** if you can you swipe the card. Can you manual key enter the card?
- ▶ **Ensure** that fallback is not opened up to other cards unintentionally
- ▶ **Confirm** that your processor / acquiring network / POS providers support acceptance of the AID (and can provide test cards)
- ▶ **Ask** if this update requires a larger investment because of need other updates – expired kernel, expired hardware, etc.

If your POS software is managed by your Brand, company, or vendor, the above is likely already work-in-progress and applications are being developed.

Universal vs State-Specific Requirements

Universal

- ▶ **AID** – One AID
- ▶ **Contact EMV**
- ▶ Issued (at this time) with a magstripe
- ▶ **PIN** is required
- ▶ **Expectation** Fallback to Magstripe/ECL Fallback
- ▶ **Zip code** cannot be requested


State Specific

- ▶ **Timing for Issuance**
- ▶ **Timing/Process** for when magstripe only cards will be out of the market
- ▶ **BIN** – Each state can have a different BIN
- ▶ **Contactless (tap) EMV**
- ▶ **Manual Key Entry**

How is Conexus Helping?

- ▶ Education
- ▶ Members can attend a monthly meeting
- ▶ Three Quick Reference Guides: Guidance for EBT Chip Migration

Big Thank You to the merchants and suppliers that helped pull these together!


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GUIDANCE FOR EBT CHIP MIGRATION

Considerations for the Oil Brands, Retailer Headquarters, and Wholesalers

Electronic Benefits Transfer (EBT) Cards are moving to Chip. You may receive a letter from the state requesting that you contact your vendors to address this. This document is to help you navigate the next steps for the convenience fuel industry.

[What do I need to do?](#)


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GUIDANCE FOR EBT CHIP MIGRATION

Considerations for Site Operations

Electronic Benefits Transfer (EBT) Cards are moving to Chip. You may receive a letter from the state requesting that you contact your vendors to address this. This document is to help you navigate the next steps for your sites in the convenience fuel industry.

[I've gotten a letter from the state, what do I do?](#)

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GUIDANCE FOR EBT CHIP MIGRATION

Frequently Asked Questions

If you accept Supplemental Nutrition Assistance Program (SNAP) benefits cards and you accept chip cards, you need to be aware of upcoming changes:

- EMV Chip cards are coming to the Electronic Benefits Transfer (EBT) Cards used for SNAP purchases as mandated by the United States Department of Agriculture (USDA) Food and Nutrition Service.
- The first states making the move to chip are California, Oklahoma, and Missouri. Other states are in the planning phase. Your stores may see chip cards from other states before your state

Considerations for Oil Brands...

- ▶ Intended Audience: Oil Brands, Retailer Headquarters, and Wholesalers
- ▶ High Level Topics:
 - ▶ What do I need to do?
 - ▶ What does my technical team need to do?
 - ▶ What will my customer experience?



Considerations for Site Operations

- ▶ Audience: Site Operators
- ▶ High Level Topics:
 - ▶ I've gotten a letter from the state, what do I do?
 - ▶ A consumer shows up with an EBT card with a chip, what do I do?
 - ▶ What can I tell the consumer?



Quick Reference Guide

- ▶ Audience: Everyone who needs a bit more information
- ▶ High Level Topics:
 - ▶ Background
 - ▶ EBT Chip Card Function
 - ▶ Processing the EBT Chip Card

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GUIDANCE FOR EBT CHIP MIGRATION

Frequently Asked Questions

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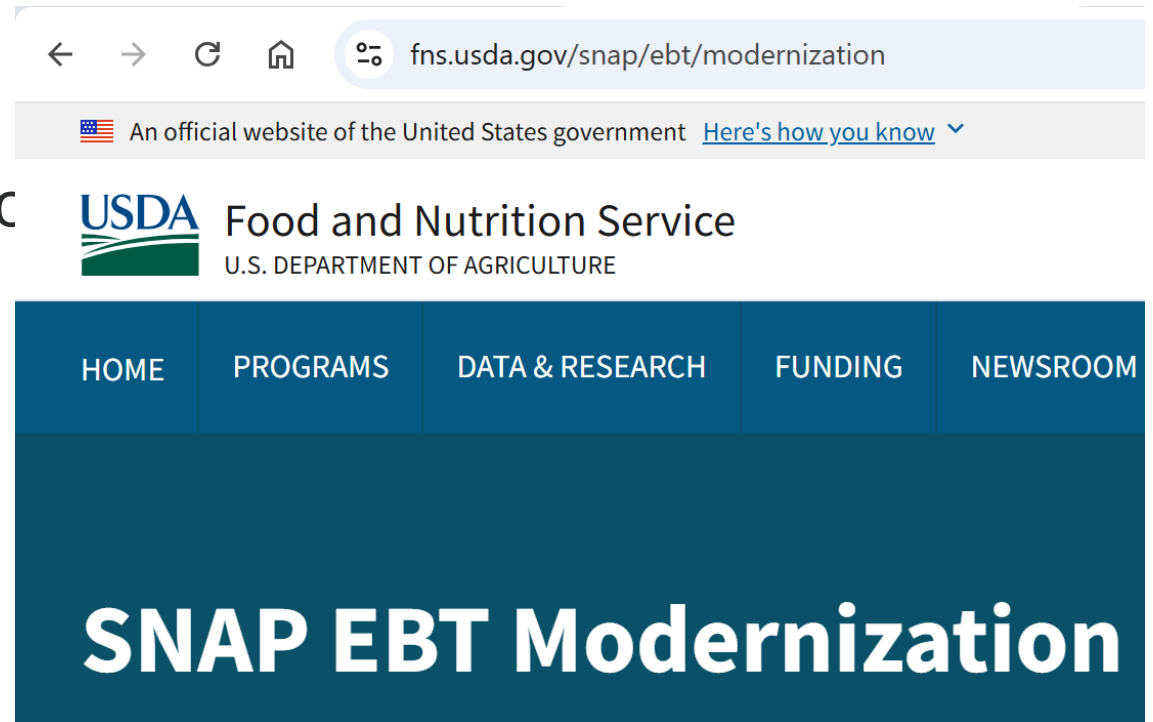
Where else can you get more information?

- ▶ **Official Website:**
fns.usda.gov/snap/ebt/modernization

Technical Resources

The following [resources](#) are now available:

- SNAP EBT Chip Card Technical Implementation Guide - For Retailers, Acquirers, and Processors
- Chip Ready Test Scripts - For Retailers
- Empty Candidate List (ECL) Testing Instructions - For Retailers
- Empty Candidate List (ECL) Fallback Test Scripts - For Retailers



Recap

- ▶ **Who does this impact?** Anyone accepting EBT cards—including processors, POS providers, merchants
- ▶ **What is happening?** EBT cards will be issued as chip cards
- ▶ **When will it happen?** It has already started
- ▶ **Where will it happen?** Each state will have its own timeline for issuance.
- ▶ **Why is this happening?** To prevent fraud

So what will the future hold?



Chips will continue coming

- ▶ Bank Cards
- ▶ US Common Debit
- ▶ Fleet Cards
- ▶ EBT Cards
- ▶ What MAY be next...
 - ▶ Gift cards
 - ▶ OTC (Over the Counter)
 - ▶ HSA (Healthcare Spending Account)
 - ▶ ...



Stay Tuned for Q&A

