

GENERAL INFORMATION SYSTEM
Center for Employment and Economic Supports

August 13, 2010

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TO: Commissioners; TA Directors; FS Directors; WMS Coordinators; EBT Coordinators; Fair Hearing Staff

FROM: Russell Sykes, Deputy Commissioner, Center for Employment and Economic Supports

SUBJECT: EBT Cash and Food Stamp Adjustments due to Network Outage on July 15 and 16, 2010

EFFECTIVE DATE: Immediately

CONTACT PERSON: Tina Sorell at (518) 474-9329 or Tina.Sorell@otda.state.ny.us

Network failures on July 15, 2010 and July 16, 2010 resulted in the inability of the EBT system to process Food Stamp and cash transactions originating from merchant point of sale terminals and cash transactions originating from ATM locations. During these periods, cash transactions were incorrectly credited to recipient cash accounts (such transactions will display as “Unmatched reversals” on the EBT Administration System Transaction History screen). To restore EBT cash accounts to their correct cash balance, OTDA’s EBT contractor, JPMorgan EFS, is in the process of debiting EBT cash accounts for the amount of the credit that was incorrectly posted.

JPMorgan has until close of business on the last calendar day of the month following the adjustment correction request by the processor or ATM owner to adjust the EBT cash account. The remaining adjustments will be completed by August 31, 2010. Cardholders who became aware of the erroneous credits and withdrew the amount that was incorrectly credited to their account will see the amount that was incorrectly credited and subsequently withdrawn debited from their current EBT cash balance. The adjustments will only debit the cardholder’s EBT cash account by the amount that such account was incorrectly credited. Because this is simply a correction of a systems error, EBT cardholders do not have the right to a fair hearing to contest such adjustments.

Food Stamp transactions that failed during these periods are in the process of being claimed by merchants who did not receive payment for Food Stamp purchases made when the system was not operational. Affected EBT cardholders are being notified by letter to advise them of adjustments to their Food Stamp accounts resulting from the processing of merchant claims for payment of Food Stamp transactions that failed during the outage periods. While these letters include fair hearing rights, local social services districts should instruct cardholders considering filing a fair hearing to first check their

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Food Stamp balance to determine whether their Food Stamp benefits were actually debited from their account at the time of the purchase.

Please note that, as all cash and Food Stamp adjustments will be handled systemically by JPMorgan, no action is required on the part of local social services districts to make such corrections.