

SPECIAL TOPIC OFFICE HOURS

Closing Long-Term Out-of-State EBT (CLOSE)

TANF Program Integrity Office Hours

A recommended practice for identifying and responding to sustained out-of-state EBT activity.

Tuesday, September 15, 2026 | 2:00–3:00 PM ET

As you join, please share in the chat:
Your name, state, and title



WELCOME



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INTRODUCING CLOSE

On August 6, 2026, OFA issued the memo IM-26-02: Anti-fraud Best Practice—CLOSE.

CLOSE stands for Closing Long-term Out-of-State EBT.

It is a policy recommendation for how states can identify and respond to sustained out-of-state EBT activity.

[IM-26-02](#)

WHY THIS MATTERS

ELIGIBILITY PROBLEM

TANF recipients who've relocated out of the issuing state but continue receiving benefits there.

[IM-26-02](#)

PROGRAM INTEGRITY PROBLEM

Sustained out-of-state EBT activity can also signal benefit theft or organized fraud.

[GAO-25-107290](#)

STATUTORY BASIS

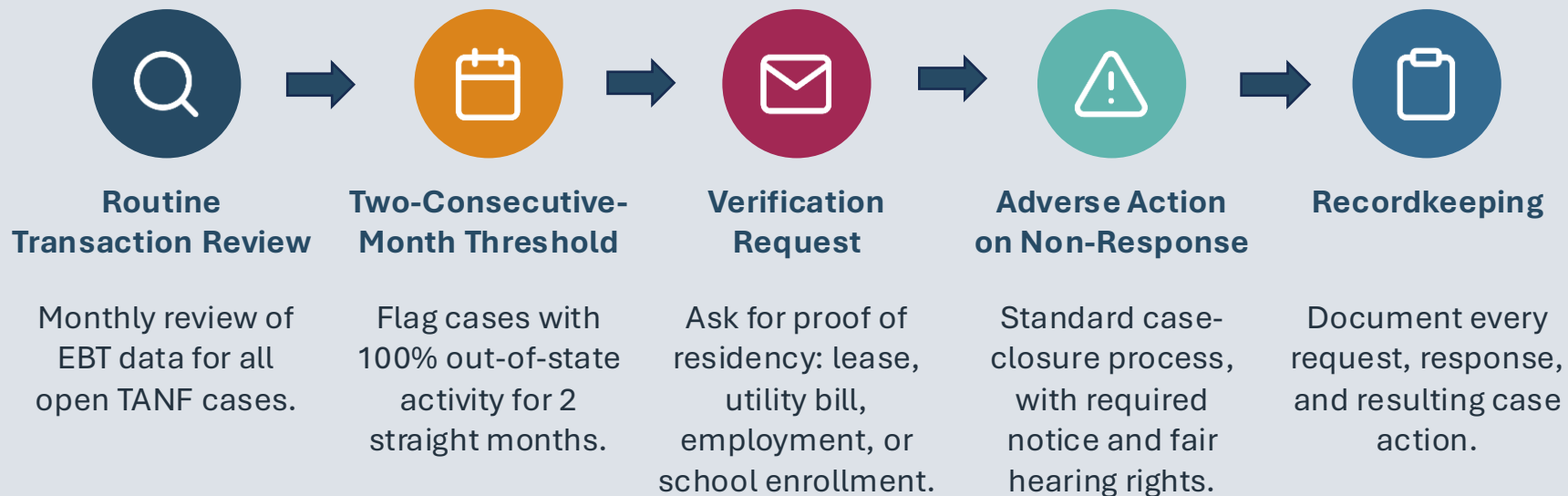
States must ensure TANF funds are spent only on eligible, resident families and safeguarded against fraud.

[PRWORA; SSA §408\(a\)](#)

The out-of-state data connection: Both problems tend to surface in the data the same way, as sustained out-of-state EBT activity. That shared signature is why CLOSE centers on monitoring out-of-state activity specifically.

THE FIVE CORE CLOSE ELEMENTS

What IM-26-02 defines as the practice, in sequence.



ENCOURAGED, BUT NOT PART OF THE FIVE ELEMENTS

IM-26-02 separately encourages, but does not require, states to pair CLOSE with these practices.

01

Integrate With Existing Data Matching

Pair CLOSE with data-matching efforts your agency already has in place.

02

Coordinate With Neighboring States

Share information about cross-state relocations with bordering states.

03

Participate in PARIS

A longstanding interstate data-matching system that predates CLOSE.

04

Train Staff on Incidental Activity

Occasional out-of-state activity, like commuting, doesn't indicate non-residency on its own.

WHAT CLOSE IS *NOT*

NOT A NEW STATE PLAN REQUIREMENT

Verification and adverse action run through existing State Plan procedures. No plan amendment needed.

NOT GROUNDS TO PENALIZE NEW RESIDENTS

Does not authorize denying benefits for brief, episodic, or border-region activity. See Saenz v. Roe.

NOT THE VENUE RESTRICTION LAW

The 2012 Act's liquor, gambling, and adult-venue rule is separate, pre-existing law, not a CLOSE element.

Guardrails, stated plainly: IM-26-02 directs states to distinguish genuine relocation from short-term absences and emergency transitions, naming domestic violence situations specifically. The goal is catching real fraud, not penalizing families who are traveling or in transition.

State Examples and Discussion

Two state approaches to closing long-term out-of-state EBT gaps.

Louisiana • Geographic transaction restriction

California • Case-review threshold

LOUISIANA: GEOGRAPHIC TRANSACTION RESTRICTION

Beginning May 26, 2026, Louisiana restricted TANF cash assistance (FITAP) and Kinship Care Subsidy Program EBT transactions to in-state purchases, with an exception for retailers in ZIP codes adjacent to the state border in Texas, Mississippi, and Arkansas.

Cardholders traveling outside the approved area can request a short-term exemption, which expires automatically at the start of the following month.

This approach restricts the transaction itself at the point of sale.



GROUP DISCUSSION

How feasible would a border-adjacency exception be for your state's geography?
What are the associated administrative burdens to consider or plan for?

CALIFORNIA: CASE-REVIEW THRESHOLD

California's CalWORKs program has used a long-standing case-review practice: cases showing 100 percent out-of-state EBT usage across food and cash benefits for 90 consecutive days are flagged for county-level review to confirm continued residency.

The state previously used a shorter review window, then extended it to 90 days after finding no meaningful difference in outcomes; most flagged cases were already closed within that window regardless.

This approach monitors usage patterns and reviews the case after the fact.



GROUP DISCUSSION

What data threshold, if any, does your state currently use to flag out-of-state activity? Has it changed over time, the way California's did?

EXISTING RESOURCES



Policy and Background

- IM-26-02: [Anti-fraud Best Practice—Closing Long-term Out-of-State EBT](#)
- GAO-25-107290: [Additional Actions Needed to Strengthen Fraud Risk Management](#)
- STAR's existing [TANF Fraud Risk Management: Visual Resources for TANF Agencies](#)



EBT Restricted Items and Vendors

- [Restrictions on Use of Public Assistance EBT Cards](#)*, National Conference of State Legislatures (NCSL)
- [Safeguarding TANF Assistance: State Options for EBT Location and Purchase Restrictions](#) – OFA Issue Brief, August 2026



National Accuracy Clearinghouse (NAC)

- [USDA FNA's official NAC page](#) – the multi-state SNAP system that flags individuals who may be receiving duplicate benefits across state lines.



AI-Enabled and Automated Monitoring Tools

- Look to state examples and tools with demonstrated capabilities for catching fraud while also protecting recipients from unfounded flags or freezes.
- [Real time EBT transaction blocking pilots](#), Aspen Institute

**See state-specific policy for the most up-to-date restrictions*

THANK YOU!

Wrap-Up & Next Steps

Thank you for joining and contributing to today's peer discussion.

The session recording and slides will be posted to the STAR website.

Want 1:1 program integrity support? Reach out for a follow-up call or submit a TA request to **STARinfo@blhtech.com**

Contact & Resources

Email: STARinfo@blhtech.com

STAR Website: peerta.acf.hhs.gov

PI Office Hours Webpage:
peerta.acf.hhs.gov/program-integrity-office-hours

