CONDUENT

Solicitation No. 710-23-0008

Submitted by Conduent State & Local Solutions, Inc.

Electronic Benefit Transfer Services System (EBT)

for the State of Arkansas

Department of Human Services (DHS),

Division of County Operations (DCO)

Technical Proposal Packet REDACTED

Electronic Benefit Transfer Services System (EBT)

for the State of Arkansas Department of Human Services (DHS), Division of County Operations (DCO)

November 30, 2023
Solicitation No. 710-23-0008
Technical Proposal Packet

Submitted by:
Conduent State & Local Solutions, Inc.
750 First Street, NE,
Suite 1040
Washington, DC 20002

List of Items for Redaction

Section	Pages	Description of Item to Redact	Reason
5.0 Equal Opportunity Policy		Affirmative Action Policy, Harassment and Sexual Harassment Policy, and Non-Discrimination Policy	**Trade Secret Technical Information** – This material contains plans, descriptions, and other technical information that reflects Conduent's own proprietary methods and strategies for structuring the work effort, implementation approach and best practices. These approaches have been developed within Conduent and are disclosed solely on a "need-to-know" basis.
Attachment I – ARDHS OIT Standard IT Requirements Final	1-12	Attachment I – ARDHS OIT Standard IT Requirements Final	**Confidential Information Regarding Design of Critical System Infrastructure -** this material describes sensitive information concerning the design of critical IT platforms, which if disclosed could expose the platform to increased risk of system penetration and unauthorized use. **Trade Secret Technical Information**
Voluntary Product Accessibility Template (VPAT)	1-6	Voluntary Product Accessibility Template (VPAT)	**Trade Secret Technical Information**
Draft Project Work Plan	1-13	Draft Project Work Plan	**Trade Secret Technical Information**
SOC 1 and SOC 2 Reports		SOC 1 and SOC 2 Reports	**Confidential Information Regarding Design of Critical System Infrastructure** **Trade Secret Technical Information**
E.1.E	12-14, 16-17	Synopsis of Our Solution for Arkansas Figure E.1-6. The Power of Innovation: EBT Connect Comprehensive Fraud Prevention Plan Innovations	**Trade Secret Technical Information**
E.2	19-23	Operating Environment Figure E.2-1. Redesigned Configuration Figure E.2-2. Making Updates without Any Downtime Figure E.2-3. No Downtime through Redundancy	**Confidential Information Regarding Design of Critical System Infrastructure** **Trade Secret Technical Information**
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E.6.H	106-107	Adaptive IVRS – Personalization Figure E.6-12. Adaptive IVRS Solution	**Trade Secret Technical Information**
E.6.J	117-121	24/7 Capability to Report a Claim Online Lock/Unlock EBT Card Temporarily Figure E.6-20. Customer Service Message	**Trade Secret Technical Information**

Section	Pages	Description of Item to Redact	Reason
		Center Figure E.6-21. Cardholder Portal - Status EBT Card Figure E.6-22. Cardholder Portal –Replace EBT Cards Figure E.6-23. Cardholder Portal – Account Alerts	
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E.6.M	133	Multi-Factor Authentication Figure E.6-36. Authentication	**Confidential Information Regarding Design of Critical System Infrastructure** **Trade Secret Technical Information**
E.10.D	204-205	System Downtime and Implementation	**Trade Secret Technical Information**
E.12.E	228-229	Fraud Prevention Tools and Controls Fraud Prevention Approach	**Confidential Information Regarding Design of Critical System Infrastructure** **Trade Secret Technical Information**
E.14	236-241 243-254 255-258	Figure E.14-2. Conduent Project Organization Table E.14-1. Key Personnel Experience Table E.14-2. Arkansas EBT Support Team Table E.14-3. Corporate Oversight Team Table E.14-4. Technical Oversight Team Key Personnel Resumes Table E.14-5. Key Personnel	**Trade Secret Technical Information** **Confidential Employee Information** – This information contains the Personal Identifying Information (PII) of Conduent employees, subcontractors, and other project team members, and/or trade secret information concerning Conduent's proprietary methods and strategies for assembling project teams. Conduent has developed its distinct approach to project staffing through diligent efforts over the course of numerous client engagements, and we treat this information as proprietary and confidential.
E.14a	259-284	Draft Staffing Plan	**Confidential Employee Information** **Trade Secret Technical Information**
E.15.A	306-308	Figure E.15 -19. Monthly Client Help Desk Activity Report (IVRS) Figure E.15-20. Monthly Retailer Help Desk Activity Report (IVRS) Figure E.15-21. Monthly Client Help Desk Activity Report (CSR)	**Trade Secret Technical Information**
E.17.B	312-313 314-318 320-329	Table E.17-1 Security Features Table E.17-2 Fraud Prevention Tools and Controls Solution Components Figure E.17-1. Card Control Mobile App Functionality Figure E.17-2. Adaptive Fraud IVRS Capabilities Fraud Prevention Approach Figure E.17-5. Fraud Profiling and Modeling Options Figure E.17-6. Conduent EBT Data Warehouse Capabilities	**Confidential Information Regarding Design of Critical System Infrastructure** **Trade Secret Technical Information**

Section	Pages	Description of Item to Redact	Reason
		Figure E.17-9. Fraud Reports Menu	
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TECHNICAL RESPONSE PACKET
REVISED
710-23-0008

RESPONSE SIGNATURE PAGE

Type or Print the following information.

PROSPECTIVE CONTRACTOR'S INFORMATION		
Company:	Conduent State & Local Solutions, Inc.	
Address:	750 First Street, NE, Suite 1040	
City:	Washington	State: DC — Zip Code: 20002
Business Designation*:*	☐ Individual ☐ Sole Proprietorship ☐ Public Service Corp ☐ Partnership ◼ Corporation ☐ Nonprofit	
Minority and Women Owned Designation*:*	◼ Not Applicable ☐ American Indian ☐ Service-Disabled Veteran ☐ African American ☐ Hispanic American ☐ Women-Owned	
	☐ Asian American ☐ Pacific Islander American	
	AR Certification #: _____ * See *Minority and Women-Owned Business Policy*	

PROSPECTIVE CONTRACTOR CONTACT INFORMATION			
Provide contact information to be used for solicitation related matters.			
Contact Person:	Jon Loveless	Title:	Account Manager, Payment Services
Phone:	405-753-4548	Alternate Phone:	405-205-8184
Email:	jon.loveless@conduent.com		

CONFIRMATION OF REDACTED COPY

◼ YES, a redacted copy of submission documents is enclosed.

☐ NO, a redacted copy of submission documents is <u>not</u> enclosed. I understand a full copy of non-redacted submission documents will be released if requested.

Note: If a redacted copy of the submission documents is not provided with Prospective Contractor's response packet, and neither box is checked, a copy of the non-redacted documents, with the exception of financial data (other than pricing), will be released in response to any request made under the Arkansas Freedom of Information Act (FOIA). See Solicitation Terms and Conditions for additional information.

ILLEGAL IMMIGRANT CONFIRMATION

By signing and submitting a response to this *Solicitation*, a Prospective Contractor agrees and certifies that they do not employ or contract with illegal immigrants and **shall not** employ or contract with illegal immigrants during the term of a contract awarded as a result of this solicitation.

ISRAEL BOYCOTT RESTRICTION CONFIRMATION

By checking the box below, a Prospective Contractor agrees and certifies that they do not boycott Israel and **shall not** boycott Israel during the term of a contract awarded as a result of this solicitation.

◼ Prospective Contractor does not and **shall not** boycott Israel.

An official authorized to bind the Prospective Contractor to a resultant contract shall sign below.

The signature below signifies agreement that any exception that conflicts with a Requirement of this *Solicitation* **may cause the Prospective Contractor's response to be rejected.**

Authorized Signature: *Wade Fairey*   Title: Vice President

Printed/Typed Name: Wade Fairey   Date: 11/30/2023

VENDOR AGREEMENT AND COMPLIANCE

- *Any requested exceptions to items in this section which are <u>NON-mandatory</u> **must** be declared below or as an attachment to this page. Vendor **must** clearly explain the requested exception, and should label the request to reference the specific solicitation item number to which the exception applies.*

- *Exceptions to Requirements **shall** cause the vendor's proposal to be disqualified.*

In accordance with the RFP instructions, Conduent has attached its proposed exceptions to this form.

By signature below, vendor agrees to and **shall** fully comply with all Requirements as shown in this section of the bid solicitation.

Authorized Signature: _Wade Fairey_

Use Ink Only.

Printed/Typed Name: Wade Fairey, Vice President   **Date:** 11/30/2023

Exceptions to Arkansas EBT Terms and Conditions

In accordance with the RFP instructions, specifically RFP Section 1.6, "Acceptance of Requirements," Contractor may request exceptions to NON-mandatory items.

The Contrator, Conduent State & Local Solutions, Inc., hereby presents the following exceptions to terms and conditions for consideration by the Arkansas Department of Human Services (DHS). To assist in the State's review, Conduent has identified: 1) the Section of the RFP package that is at issue; 2) the specific alternative language proposed by Conduent; and 3) a brief discussion of the purpose of the proposed change. Suggested additional or replacement wording is denoted by the use of *"bold and italics,"* while language that is suggested for removal is denoted by ~~"strikethrough."~~

As an industry-leading provider of Electronic Benefit Transfer (EBT) services system and an experienced government contractor, Conduent is confident that all of the items listed can be resolved to the mutual satisfaction of the parties.

Clause	Proposed Alternate Wording	Purpose for Proposed Change
Attachment D. Professional Services Contract for Non-State Agency **Indemnification**	The Contractor agrees to indemnify, defend, and save harmless the State, the Department, its officers, agents and employees from any and all damages, losses, claims, liabilities and related costs, expenses, including reasonable attorney's fees and disbursements awarded against or incurred by the Department arising out of or as a result of: • Any claims or losses resulting from services rendered by any person, or firm, performing or supplying services, materials, or supplies in connection with the performance of the contract; *to the extent resulting from, arising out of, or relating to the intentional, reckless or negligent acts or omissions or willful misconduct of Contractor or its officers, employees, subcontractors, or agents under this Contract* • Any claims or losses to any person or firm injured or damaged by the erroneous or negligent acts (including without limitation disregard of Federal or State regulations or statutes) of the Contractor, its officers or employees in the performance of the contract; • Any claims or losses resulting to any person or firm injured or damaged by the Contractor, its officers or employees by the publication, translation, reproduction, delivery, performance, use, or disposition of any data processed under the contract in a manner not authorized by the contract, or by Federal or State regulations or statutes; • Any failure of the Contractor, its officers or employees to observe local, federal or State of Arkansas laws or policies, including but not limited to labor laws and minimum wage laws. • The Contractor shall agree to hold the Department harmless and to indemnify the Department for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the Department may sustain as a result of the Contractor's or its subcontractor's performance or lack of performance.	To limit the scope of the indemnity to losses caused by the Contractor's own negligence or fault.

Clause	Proposed Alternate Wording	Purpose for Proposed Change
Attachment D. **Professional Services Contract for Non-State Agency** **State and Federal Laws.**	State and Federal Laws Performance of this contract by both parties must comply with State and federal laws and regulations. If any statute or regulation is enacted which requires a change in this contract or any attachment, then both parties will deem this contract and any attachment to be automatically amended to comply with the newly enacted statute or regulation as of its effective date, ***subject to the negotiation of a mutually agreeable change order to document any required changes in technical specifications or pricing terms.***	To clarify that any change in law that results in a material increase in cost or level of effort may be accompanied by a change request.
Attachment C. **Performance Based Contracting**	Please add the following sentence: ***Total financial assessments for any monthly performance period will not exceed twenty percent (20%) of the corresponding monthly invoice.***	To include a monthly per-invoice cap on SLA assessments in accordance with prevailing industry practice.
Attachment E. **State of Arkansas Services Contract** **Termination & Cancellation Clauses** **(Section 7)**	C. The Department may cancel this Contract for cause when the Contractor fails to perform its obligations under it by giving the Contractor ***not less than thirty (30) days'*** written notice ***and opportunity to cure the breach,*** ~~of such cancellation at least thirty (30) days~~ prior to the date of ***such*** proposed cancellation.	To provide for not less than 30 days' notice, and opportunity to cure, in connection with a termination for cause.

State of Arkansas
DEPARTMENT OF HUMAN SERVICES
700 South Main Street
P.O. Box 1437 / Slot W345
Little Rock, AR 72203

ADDENDUM 1

TO: All Addressed Vendors
FROM: Office of Procurement
DATE: November 3, 2023
SUBJECT: 710-23-0008 Electronic Benefit Transfer Services

The following change(s) to the above referenced RFP have been made as designated below:

___X__ Change of specification(s)
_____ Additional specification(s)
__X____ Change of bid opening date and time
_____ Cancellation of bid
__X___ Other

CHANGE OF BID OPENING DATE AND TIME

Proposal Submission Date and Time changed to November 30, 2023, 1:00 p.m. Central Time. Proposal Opening Date and Time changed to November 30, 2023, 2:00 p.m. Central Time.

CHANGE OF SPECIFICATION(S)

- Section 2.6.7.I.1 – remove and replace with the following:
  Disaster Recovery – The FNS DSNAP guidance requires an annual test of the Contractor's back-up site. This would be a test of the State's primary eligibility and EBT interface systems to the Contractor's back-up data center. The Contractor's hot back-up site will begin operations within one (1) hour of the decision to switch to the back-up facility. The Contractor must provide copies of the test results to the State within thirty (30) calendar days of the test.

- Section 2.13.F – remove and replace with the following:
  The Contractor shall provide a security process to ensure that access to the EBT System shall not be compromised by any unauthorized access. The Contractor shall provide DHS with the capability to assign user EBT Program users passwords and a web interface for active users to securely reset their own password and the logging of failed log-in attempts. The Contractor shall comply with the most current specifications in State of Arkansas Department of Information System (DIS) Cyber Security Policies or the FNS Security Policy, whichever is more stringent. Contractor shall also provide DHS with the ability to create groups of EBT Program users with custom security roles.

- Section 2.13.G – remove and replace with the following:
  The Contractor shall allow for the following DHS update capabilities in the EBT System:
  1. Enable account access
  2. Allow for updating demographics
  3. Provide memo field to add notes for case comments, to include date stamp

- Section 2.17.3.C
  The Contractor must have the ability to provide translation and interpreter services including without limitation Spanish, Marshallese, and services for persons with non or Limited English Proficiency. In addition, provide accessible formatting to individuals with disabilities.

- Section 2.25.A.3 – remove and replace with the following:
  The Contractor must provide appropriate funds unavailable/decline message at a POS terminal.

- Section 2.26 – remove and replace with the following:
  ACCOUNT DEACTIVATION
  A. Cardholders receiving recurring benefits shall have the right to spend all benefits each month from their account resulting in a zero (0) balance. Since they will receive benefits again next month, the Contractor shall

not remove their accounts from the active account database. The Contractor must make accounts inactive in the database according to the following:

1. An account is reduced to a zero (0) balance and remains at a zero (0) balance for a period of two hundred seventy-five (275) days. a. The two hundred seventy-five (275)-day count shall begin on the date when the account was first (1st) reduced to a zero (0) balance. Any active account shall stay active, shall become new. If on the day of conversion, the Contractor shall reactivate if possible; if impossible then the Contractor shall create a new account, e.g.,

    i. If on the date of conversion, the case has been inactive two hundred seventy-five (275) days or more then that case will be converted as inactive.

    ii. If on the date of conversion, the case has been inactive for less than two hundred seventy-five (275) days, the case will be converted as active.

- Section 2.37.B – remove and replace with the following:
  The Contractor shall provide DHS, who will later forward to FNS, an annual written certification stating that the Contractor and its subcontractors comply with applicable banking regulatory requirements and EBT specific requirements. These certifications shall be subject to independent verification and validation. The following EBT eight (8) numbered points that follow are specific requirements and shall be addressed in the Contractor's self-certification of compliance covered by the annual audit:

  1. Banking and Financial Services Rules: The Contractor shall comply with banking, EFT, and other financial services industry rules that relate to the EBT application. Such rules include National Automated Clearing House Association (NACHA) Operating Rules and Operating Guidelines, Department of the Treasury Financial Management Service (TFMS) Green Book Requirements, and 31 CFR § 210.
  2. Quest EBT Operating Rules.
  3. SNAP Rules: e.g., 7 CFR Parts 272, 274, and 276 through 278.
  4. Internal controls and physical and personnel security requirements.
  5. An evaluation of its compliance with the EBT requirements, applicable regulatory requirements, and the effectiveness of the internal control structure.
  6. Written certification of compliance with the EBT requirements and applicable bank, EFT, and financial services industry requirements related to the EBT application.
  7. An explanation of how determinations were made, including bank examination, audit, and internal review.
  8. An explanation of any exceptions and description of corrective actions taken or planned to address such exceptions.

- Section 2.37.E – remove and replace with the following:
  The SSAE-18 report must cover twelve (12) months of EBT System operations, or for the initial report to Arkansas, the report must cover the period the Contractor was providing EBT services to the State.

- Section 2.39.B – remove and replace with the following:
  All reports designated herein shall be sent to DHS or FNS, whichever is applicable, in a format specified and approved by DHS or FNS. Upon request by DHS, the Contractor shall provide report(s) in different formats as needed. Daily reports shall be delivered no later than (12:00 pm) Central Standard Time (CST) the next business day. Weekly reports shall be due no later than the second (2nd) business day of the week following the reporting week. Monthly reports shall be due no later than the second (2nd) business day of the month following the reporting month. Each report must be submitted separately into a single report. Partial reports shall not be acceptable.

- Section 2.39.2.3 – remove and replace with the following:
  Daily Statistical Report
  a. Contractor shall provide a daily summary of cardholder transaction activity on the system.
  b. Timing should correspond with the established Settlement Day cutoff.
  c. Contractor shall provide a summary by program code and the following transaction types, with subtotals for cash and food benefits, as well as a grand total:
    i. Authorizations
    ii. Administrative Adjustments
    iii. Aged iv. Repayments

    vi. Withdrawals
  d. Contractor shall provide the count and amount for each transaction type.
  e. Contractor shall provide a month-to-date summary of the transaction activity for each program code and transaction type.

- Attachment T – remove and replace with Attachment T Revised Cost Proposal Template

OTHER

- Section 1.8.A.1 – remove the following:
  Copy should not be two sided.

- Section 2.2.B – remove the following:
  The bidder must include a copy of all required licensure and certification documents in the bidder's response to this solicitation. See "Response Documents."

- Section 2.6.1.A.17 – remove the following:
  EBT/EFT card issuance and replacement includes entering into an agreement with sponsoring financial institution on behalf of the State of Arkansas electronic payment.

- Section 2.6.7.D – remove the following:
  The SSP shall comply with the Minimum Acceptable Risk Standards for Exchanges (MARS-E v2.2) as defined by the Centers for Medicare and Medicaid Services.

- Section 2.6.7.E.e – remove the following:
  Compliance with MARS-E 2.2 (Refer to Attachment K)

- Section 2.6.7.G – remove the following:
  Contractor shall perform and deliver Security Assessment and Authorization documentation in accordance with current Centers for Medicare and Medicaid (CMS) requirements prior to operations of the EBT System and every two (2) years thereafter.

- Section 2.28.f – remove the following:
  The Contractor's EBT system must have the ability to exchange data files in the Arkansas Integrated Eligibility System (ARIES) format.

- Section 2.39.2.3 – remove the following:
  Daily Direct Deposit Report - Contractor shall provide detailed information summarizing cardholder direct deposit transactions daily. Data elements must include cardholder name, case number, card number, and direct deposit amount.

- Section 2.39.4.C – remove the following:
  C. Card Replacement Analysis Report
    1. The Contractor shall provide a monthly report by county, the cardholders who were issued replacement cards during the month.
    2. The report must show the case number, cardholder name, card number, date last replacement was issued, and the total number of cards issued.

- Attachment D Terms and Conditions – remove and replace with the Attachment D Revised Terms and Conditions.

- Attachment R Deliverables Chart – add the following:

Item	Deliverable Description	Acceptance Criteria	Section	Deadline
Design Phase				
26.	Risk Assessment	Acceptance of Deliverable Form	2.6.7.F	90 calendar days of operation.

- Attachment K - remove.

- Exhibit 5 – Adjustment Data – add for informational purposes only.

- Exhibit 6 – 2022 Calls Per Month by Language – add for informational purposes only.

The specifications by virtue of this addendum become a permanent addition to the above referenced RFP. Failure to return this signed addendum may result in rejection of your proposal.

If you have any questions, please contact: Karrie Goodnight, DHS.OP.Solicitations@dhs.arkansas.gov, 501-320-3906.
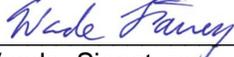
Wade Fancy
_____   _____November 30, 2023_____
Vendor Signature   Date

Conduent State & Local Solutions, Inc.
_____
Company

Contract Number	
Attachment Number	
Action Number	

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, or grant award with any Arkansas State Agency.

SUBCONTRACTOR: ☐ **Yes** ☑ **No** **SUBCONTRACTOR NAME:** Conduent State & Local Solutions, Inc.

TAXPAYER ID NAME: Conduent State & Local Solutions, Inc. (TIN 13-1996647)

IS THIS FOR:
Goods? ☐ **Services?** ☑ **Both?** ☐

YOUR LAST NAME: Fairey   **FIRST NAME** Wade   **M.I.:**

ADDRESS: 750 First Street, NE, Suite 1040

CITY: Washington   **STATE:** DC   **ZIP CODE:** 20002   **COUNTRY:** United States

AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

FOR INDIVIDUALS *

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse *is* a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (√)		Name of Position of Job Held [senator, representative, name of board/ commission, data entry, etc.]	For How Long?		What is the person(s) name and how are they related to you? [i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.]	
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Relation
General Assembly							
Constitutional Officer							
State Board or Commission Member							
State Employee							

☑ **None of the above applies**

FOR AN ENTITY (BUSINESS) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (√)		Name of Position of Job Held [senator, representative, name of board/commission, data entry, etc.]	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly								
Constitutional Officer								
State Board or Commission Member								
State Employee								

☑ **None of the above applies**

Contract and Grant Disclosure and Certification Form

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

As an additional condition of obtaining, extending, amending, or renewing a contract with a *state agency* I agree as follows:

1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM**. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.

2. I will include the following language as a part of any agreement with a subcontractor:

   Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.

3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM** completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature _Wade Fancy_ Title Vice President Date November 30, 2023

Vendor Contact Person Jon Loveless Title Senior Manager, Payment Services Phone No. (405) 205-8184

Agency use only

Agency Number 0710   Agency Name Department of Human Services   Agency Contact Person _____   Contact Phone No. _____   Contract or Grant No. _____

5.0 Equal Opportunity Policy [RFP 1.8.3.d, 1.22]

REQUIREMENT: RFP Section 1.8.3.d, 1.22

1.22 EQUAL OPPORTUNITY POLICY

A. In compliance with Arkansas Code Annotated § 19-11-104, the State is required to have a copy of the anticipated Contractor's Equal Opportunity (EO) Policy prior to issuing a contract award.

B. EO Policies should be included as a hardcopy accompanying the solicitation response.

C. Contractors are responsible for providing updates or changes to their respective policies, and for supplying EO Policies upon request to other State agencies that must also comply with this statute.

D. Contractors who are not required by law by to have an EO Policy must submit a written statement to that effect.

Conduent has established comprehensive Equal Opportunity (EO) policies to safeguard equal rights. In addition, we comply with the Arkansas Code Annotated § 19 11-104.

We include copies of the following EO policies immediately after this proposal section:

- Equal Opportunity (EO) Policy
- Harassment and Sexual Harassment Policy and Non-Discrimination Policy

Conduent updates or changes our policies and provides them to other State agencies as requested.

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PROPOSED SUBCONTRACTORS FORM

• ***Do not*** *include additional information relating to subcontractors on this form or as an attachment to this form.*

PROSPECTIVE CONTRACTOR PROPOSES TO USE THE FOLLOWING SUBCONTRACTOR(S) TO PROVIDE SERVICES.

Type or Print the following information

Subcontractor's Company Name	Street Address	City, State, ZIP
CDE Services, Inc.	1200 Williams Drive, Suite 1210	Marietta, GA 30066
Fiserv Solutions, LLC	255 Fiserv Drive	Brookfield, WI 53045
Verint Americas, Inc.	800 North Point Parkway	Alpharetta, GA 30005
Wells Fargo Bank, N.A.	420 Montgomery Street	San Francisco, CA 94104

☐ **PROSPECTIVE CONTRACTOR DOES NOT PROPOSE TO USE SUBCONTRACTORS TO PERFORM SERVICES.**

Attachment V - Client History Form

Instructions: DHS requests that Prospective Contractors disclose historical information intended to help DHS gain a full understanding of Prospective Contractor's history. This form **must** be accurately completed and signed by the same signatory who signed the Signature Page (*Refer to Technical Response Packet*). Failure to disclose information may be grounds for disqualification of the Prospective Contractor's bid.

- Do not include additional information if not pertinent to the request.

DHS reserves the right to verify the accuracy of responses by contacting any of the listed clients; therefore, all applicable clients **must** be listed. For purposes of this form, the "client" is not an individual, but the entity which held the contract. For each listed client, Prospective Contractor **must** include the client entity's name, address, and phone number. Additionally, Prospective Contractors are encouraged to provide an individual's contact information for a person at the client entity who is knowledgeable of the named project. If DHS contacts the clients listed, DHS reserves the right to either contact the listed individual and/or another person at the client entity. Omission of a relevant client will constitute a failure of form completion.

If there are no contracts which meet the definition, Respondent **must** state "none."

1. Please list every client state where you (the primary contractor only) served as the prime contractor for implementation and/or operation of an EBT program within the last five (5) years. Provide a description of the system and services provided and date(s) in which services were provided. Include client contact information for each state.

Arkansans benefit from experience, continuity, and innovation delivered by a company with over 25 years of experience supporting EBT programs nationwide.

Our position as a leading EBT contractor began in 1996. We currently serve as a prime contractor for 36 SNAP and WIC EBT Programs in 23 states, handling over 10 million cases monthly. Truly distinctive among other EBT service providers, we blend the capabilities of a Fintech with our long history of being a trusted advisor and thought leader assisting state governments in delivering critical benefit and payment programs. Our services have grown and expanded over the years beyond EBT to include the Go Program and Way2Go card to reduce paper checks for all types of state-administered payments. In total, the Conduent suite of government payments services supports over 170 programs in 37 states, and we look forward to continue our work in service of Arkansans.

Why Conduent?

- Providing Aransas EBT services since 2017
- **25+ years** of government payment card experience
- 36 SNAP and WIC EBT programs supported in 23 states
- Loaded **$62.7 billion** in funds onto cards in 2022 across all the EBT programs we support

We provide a detailed description of the depth and breadth of Conduent's experience in our response to Questions E.1.A and E.1.B.

Table 6-1 includes the required list of all client states where Conduent served as the prime contractor for implementation and/or operation of an EBT program within the last five years. Core and optional SNAP and WIC EBT services include:

- Project and change management
- Online, real-time transaction processing
- MIS interface development
- Benefit Management
- Card issuance and production
- State Administrative terminal
- Web-based reporting
- Software maintenance
- Retail/Vendor management
- Settlement and reconciliation
- Wireless farmers' market support
- EBT-only POS installation and maintenance
- 24/7 State, recipient, and retailer support
- Cardholder, retailer, and state staff training
- Data warehouse
- Disaster services
- ATM POS blocking
- Fraud mitigation and prevention

Table 6-1. Conduent EBT Programs

Client	Contact Information	Dates	Services Provided
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2. Has the Prospective Contractor received formal negative contract actions pertaining to contracted services from a party to which the Prospective Contractor's services were provided within the last three (3) years? A formal negative contract action is considered as any formal communication to Prospective Contractor from the state/entity receiving services that identifies failure(s) to satisfy performance obligations in the contract in a manner that represents significant non-performance or a material deviation from contractual obligations. A formal negative contract action is considered a corrective action plan, vendor performance report, or these equivalents in other states or in other entities.

☒ Yes   ☐ No

If yes, include the number of formal negative contract actions in the space provided below. Provide the contact information for a person with the contracted party who is knowledgeable of the named project(s).

In Table 6-2, we provide details of the Corrective Action Plans that have been delivered to State customers over the past three years. This includes any of the programs that Conduent's Payment Services group operates for our SNAP/TANF EBT, WIC EBT, Childcare Time and Attendance, and EPC programs.

Table 6-2. Conduent Corrective Action Plans over the Past Three Years

State / Program	Description	Penalty Assessed	State Contact

Authorized Signature: _Wade Fairey_   **Title:** Vice President
                        (Use Ink Only)

Printed/Typed Name: Wade Fairey   **Date:** November 30, 2023

AR DHS-OIT- Standard IT Requirements Approved by Enterprise Architecture Board.

Document Version 1.3

Change History

Date	Version	Notes
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Requirement Number	Requirement Group	Requirement Subgroup	Requirement	Comments	Meets Requirements	Describe How Requirements Met
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Requirement Number	Requirement Group	Requirement Subgroup	Requirement	Comments	Meets Requirements	Describe How Requirements Met
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8.0   Other Documents/Information [RFP 1.8.A.2.g]

REQUIREMENT: RFP Section 1.8.A.2.g
Other documents and/or information as may be expressly required in this Bid Solicitation. Label documents and/or information so as to reference the Bid Solicitation's item number.

We provide the following documents/information in the pages that follow:

- 8.1 Voluntary Product Accessibility Template (VPAT)
- 8.2 Boycott Certifications Form, Attachment U
- 8.3 Licenses and Certifications
- 8.4 Letter of Bondability
- 8.5 Draft Project Work Plan
- 8.6 SOC 1 and SOC 2 Reports

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8.1   Voluntary Product Accessibility Template (VPAT) [RFP 1.8.A.3.c]

REQUIREMENT: RFP Section 1.8.A.3.c

Conduent State & Local Solutions, Inc. (Conduent) provides the Voluntary Product Accessibility Template (VPAT), addressing compliance of all applicable products offered with the provisions of Section 508 of the Rehabilitation Act. VPAT forms for Electronic Benefit Transfer (EBT) follow.

The information in these forms reflects the current state of our solutions. Our implementation plan includes activities to correct any areas not currently in compliance with accessibility guidelines.

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Last Revision: 10/5/2023
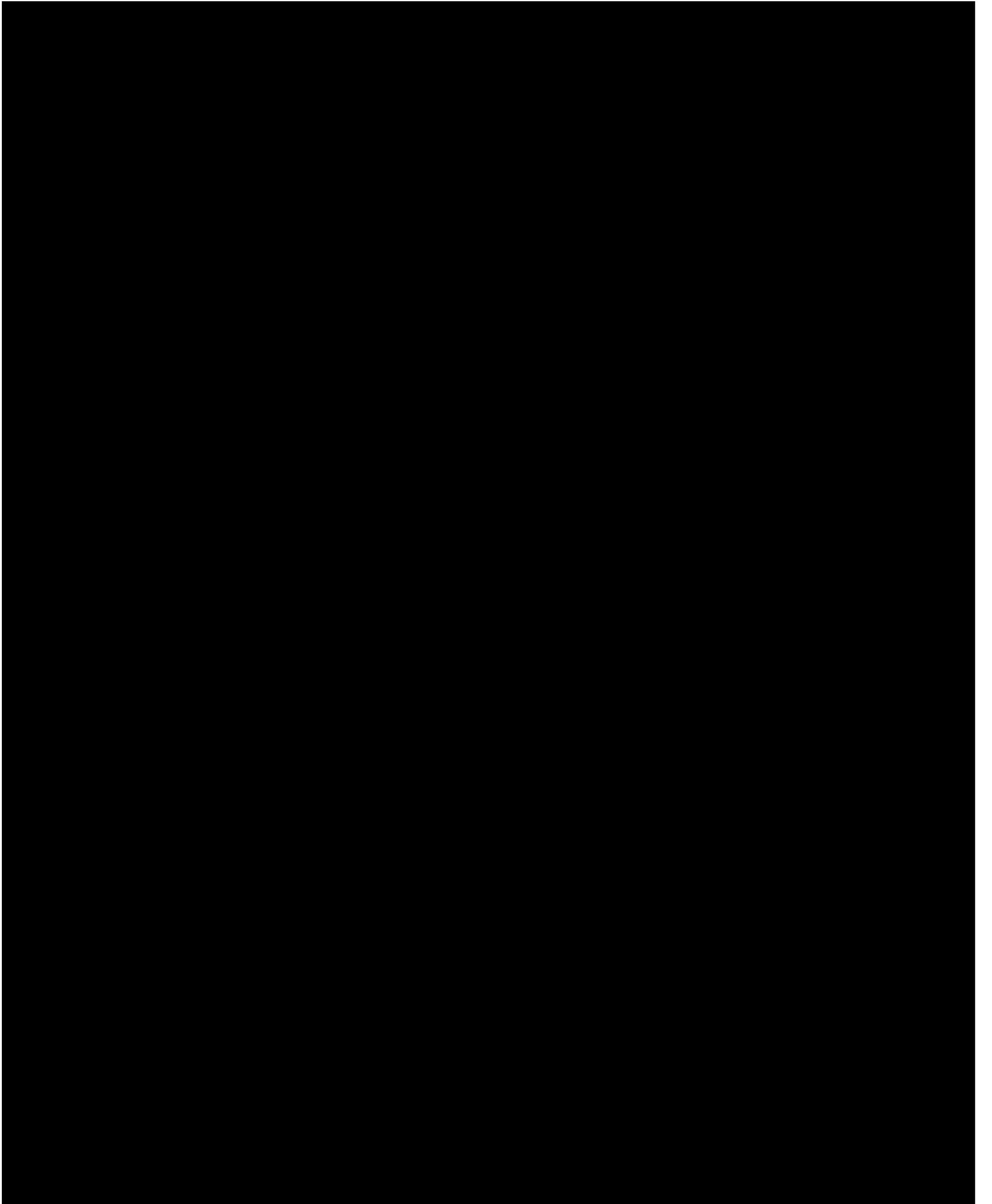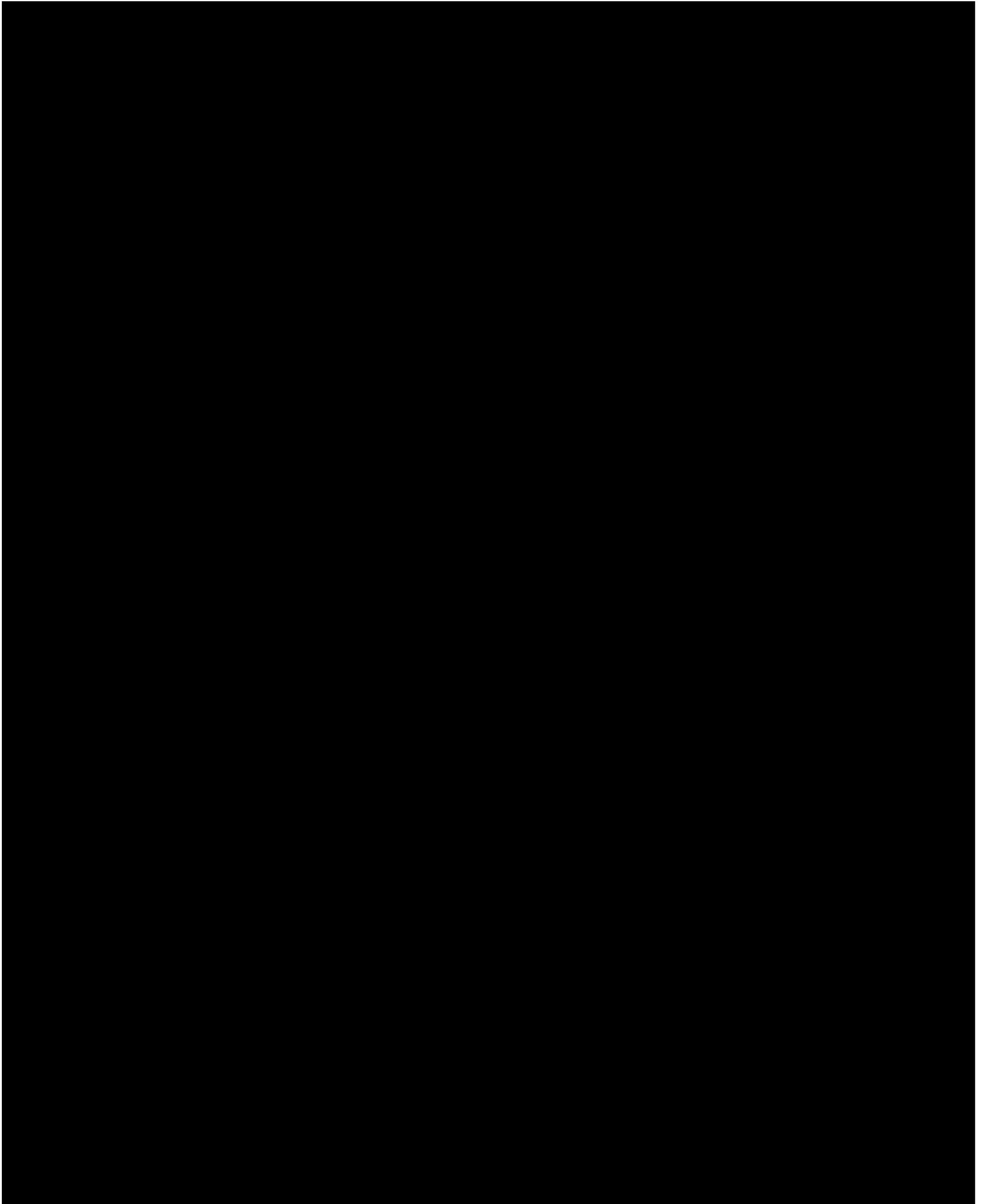
8.2 Boycott Certifications Form, Attachment U [RFP 1.8.A.3.d]

REQUIREMENT: RFP Section 1.8.A.3.d

The following page includes Conduent's Certification for Boycott and Illegal Immigrant Restrictions.

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CERTIFICATION FOR BOYCOTT AND ILLEGAL IMMIGRANT RESTRICTIONS

Pursuant to Arkansas law, a vendor must submit the below certifications prior to entering into a contract with a public entity for an amount as designated by the applicable laws.

1. **Israel Boycott Restriction:** For contracts valued at $1,000 or greater.
   A public entity shall not enter into a contract with a company unless the contract includes a written certification that the person or company is not currently engaged in a boycott of Israel. If at any time after signing this certification the contractor decides to engage in a boycott of Israel, the contractor must notify the contracting public entity in writing.
   See Arkansas Code Annotated § 25-1-503.

2. **Illegal Immigrant Restriction:** For contracts exceeding $25,000.
   No state agency may enter into or renew a public contract for services with a contractor who employs or contracts with an illegal immigrant. A contractor shall certify that it does not employ, or contract with, illegal immigrants.
   See Arkansas Code Annotated § 19-11-105.

3. **Energy, Fossil Fuel, Firearms, and Ammunition Industries Boycott Restriction:**
   For contracts valued at, or exceeding, $75,000.
   A public entity shall not enter into a contract with a company unless the contract includes a written certification that the person or company is not currently engaged in, and agrees for the duration of the contract not to engage in, a boycott of an Energy, Fossil Fuel, Firearms, or Ammunition Industry. If a company does boycott any of these industries, *see* Arkansas Code Annotated § 25-1-1102.

By signing this form, the contractor agrees and certifies that it does not, and shall not for the remaining aggregate term of the contract, participate in the activities checked below:

☑ Do not boycott Israel.

☑ Do not employ illegal immigrants.

☑ Do not boycott Energy, Fossil Fuel, Firearms, or Ammunition Industries.

Contract Number & Description	Solicitation 710-23-0008 Electronic Benefit Transfer Services System
Name of Public Entity	State of Arkansas Department of Human Services, Division of County Operations (DCO)
Name of Vendor/Contractor	Conduent State & Local Solutions, Inc.
AASIS Vendor Number	100104160

_____
Contractor Signature

November 30, 2023
_____
Date

8.3 Licenses and Certifications [RFP 2.2.B]

REQUIREMENT: RFP Section 2.2.B
See "Response Documents."

Per the State's response to Q&A Question 9, no licenses and certifications are required with responses.

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8.4 Letter of Bondability [RFP 2.2.D]

REQUIREMENT: RFP Section 2.2.D

D. Contractor must be bondable. For verification purposes the Prospective Contractor shall submit a Letter of Bondability from an admitted Surety Insurer with bid submission. The letter must unconditionally offer to guarantee, to the extent of one hundred percent (100%) of the annual contract price, the Prospective Contractor's performance in all respects of the terms and conditions of the RFP and the resultant contract.

The following page includes Conduent's Letter of Bondability.

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October 23, 2023

State of Arkansas
Department of Human Services
Office of Procurement
700 Main Street
Little Rock, AR 72201

RE: Solicitation Number: 710-23-0008
       Electronic Benefit Transfer Services System
       Bid Date: November 27, 2023

To Whom It May Concern:

This is to advise that if Conduent State & Local Solutions, Inc. is a successful bidder to the above captioned project, then we, Atlantic Specialty Insurance Company, are prepared to write the required Performance Bond on an annually renewable basis.

However, the issuance of any Performance Bond will depend on the underwriting conditions which exist at the time the bond is requested and the acceptability of the contract terms and conditions.

Sincerely,

Atlantic Specialty Insurance Company

Lisa A. Ward
Attorney-In-Fact

[intact] INSURANCE

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that ATLANTIC SPECIALTY INSURANCE COMPANY, a New York corporation with its principal office in Plymouth, Minnesota, does hereby constitute and appoint: **Amanda George, Andrea M. Penaloza, Donna L. Williams, Erin M. Dennison, Gina A. Rodriguez, Lisa A. Ward, Lupe Tyler, Michael J. Herrod, Misty Wright, Terri L. Morrison, Vanessa Dominguez**, each individually if there be more than one named, its true and lawful Attorney-in-Fact, to make, execute, seal and deliver, for and on its behalf as surety, any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof; provided that no bond or undertaking executed under this authority shall exceed in amount the sum of: **unlimited** and the execution of such bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof in pursuance of these presents, shall be as binding upon said Company as if they had been fully signed by an authorized officer of the Company and sealed with the Company seal. This Power of Attorney is made and executed by authority of the following resolutions adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:

> Resolved: That the President, any Senior Vice President or Vice-President (each an "Authorized Officer") may execute for and in behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and affix the seal of the Company thereto; and that the Authorized Officer may appoint and authorize an Attorney-in-Fact to execute on behalf of the Company any and all such instruments and to affix the Company seal thereto; and that the Authorized Officer may at any time remove any such Attorney-in-Fact and revoke all power and authority given to any such Attorney-in-Fact.

> Resolved: That the Attorney-in-Fact may be given full power and authority to execute for and in the name and on behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and any such instrument executed by any such Attorney-in-Fact shall be as binding upon the Company as if signed and sealed by an Authorized Officer and, further, the Attorney-in-Fact is hereby authorized to verify any affidavit required to be attached to bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof.

This power of attorney is signed and sealed by facsimile under the authority of the following Resolution adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:

> Resolved: That the signature of an Authorized Officer, the signature of the Secretary or the Assistant Secretary, and the Company seal may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing an Attorney-in-Fact for purposes only of executing and sealing any bond, undertaking, recognizance or other written obligation in the nature thereof, and any such signature and seal where so used, being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

IN WITNESS WHEREOF, ATLANTIC SPECIALTY INSURANCE COMPANY has caused these presents to be signed by an Authorized Officer and the seal of the Company to be affixed this first day of January, 2023.

STATE OF MINNESOTA
HENNEPIN COUNTY

By _____
Sarah A. Kolar, Vice President and General Counsel

On this first day of January, 2023, before me personally came Sarah A. Kolar, Vice President and General Counsel of ATLANTIC SPECIALTY INSURANCE COMPANY, to me personally known to be the individual and officer described in and who executed the preceding instrument, and she acknowledged the execution of the same, and being by me duly sworn, that she is the said officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the seal of said Company and that the said seal and the signature as such officer was duly affixed and subscribed to the said instrument by the authority and at the direction of the Company.

ALISON DWAN NASH-TROUT
NOTARY PUBLIC · MINNESOTA
My Commission Expires
January 31, 2025
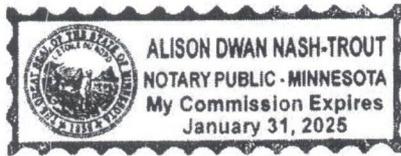
_____
Notary Public

I, the undersigned, Secretary of ATLANTIC SPECIALTY INSURANCE COMPANY, a New York Corporation, do hereby certify that the foregoing power of attorney is in full force and has not been revoked, and the resolutions set forth above are now in force.

Signed and sealed. Dated ____23rd____ day of October_____, 2023 .

This Power of Attorney expires January 31, 2025

_____
Kara L.B. Barrow, Secretary

8.5   Draft Project Work Plan

As part of our response to Proposal Section E.3, Transition-In Requirements, we provide our Draft Project Work Plan on the following pages.

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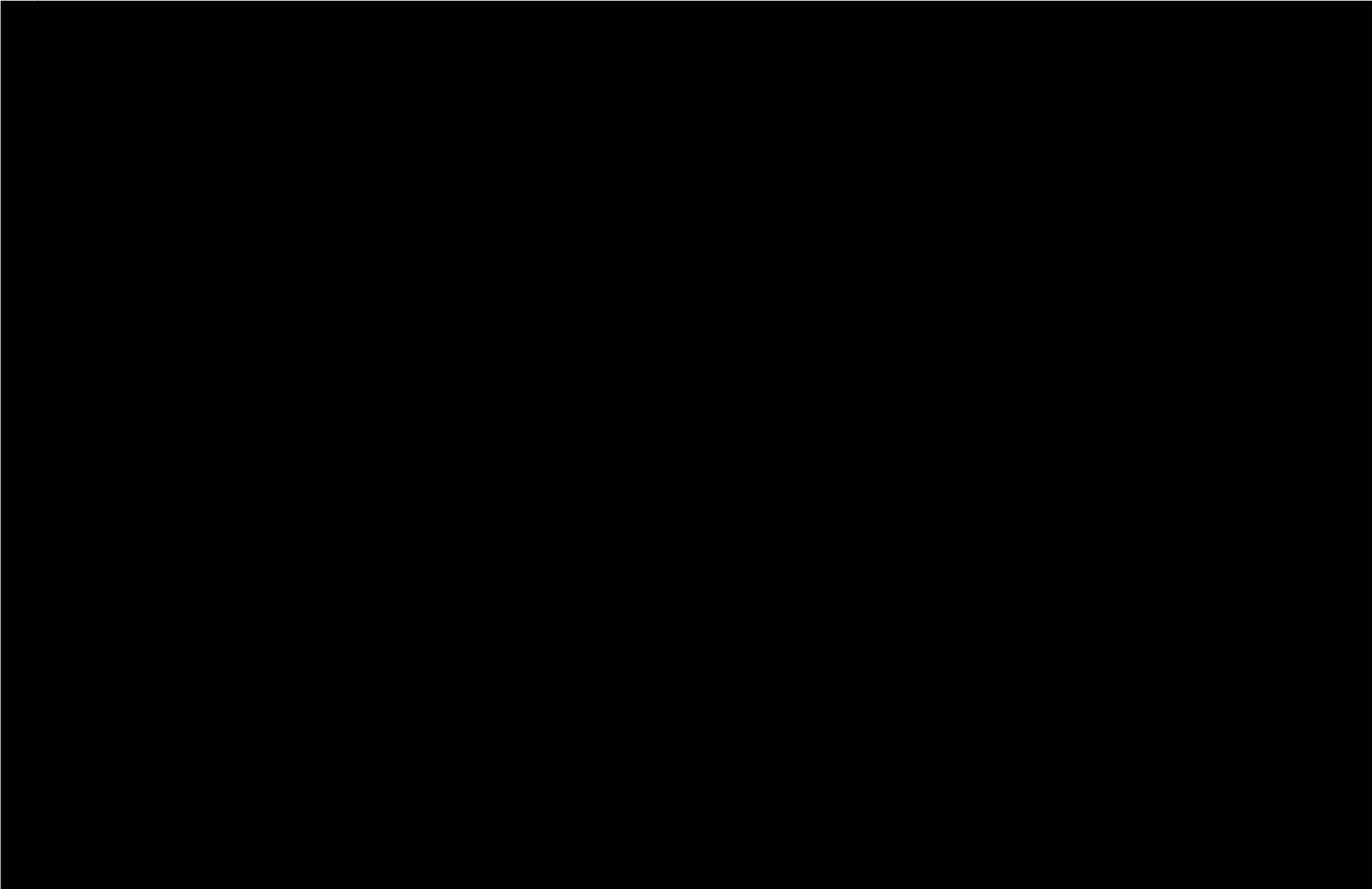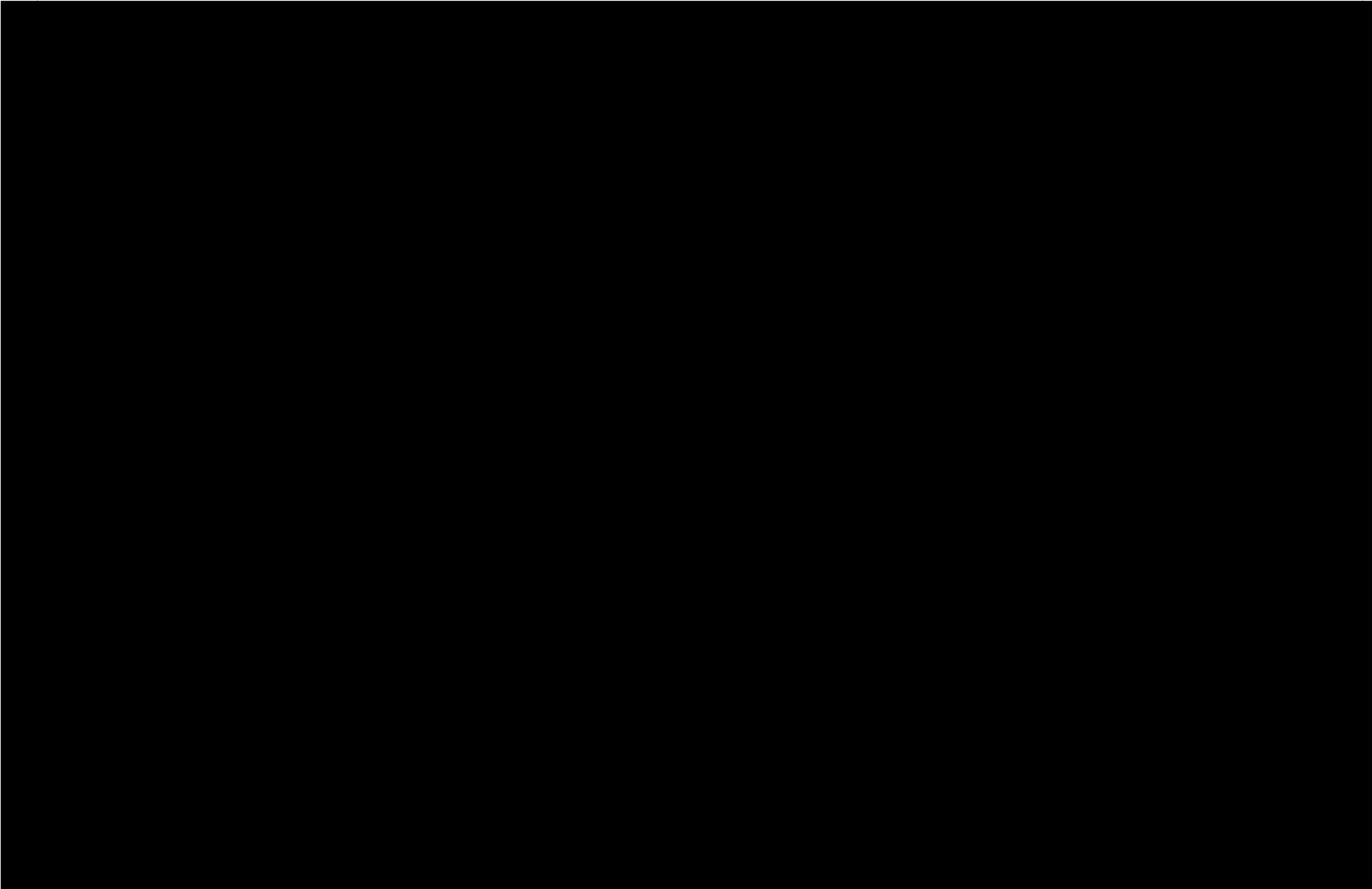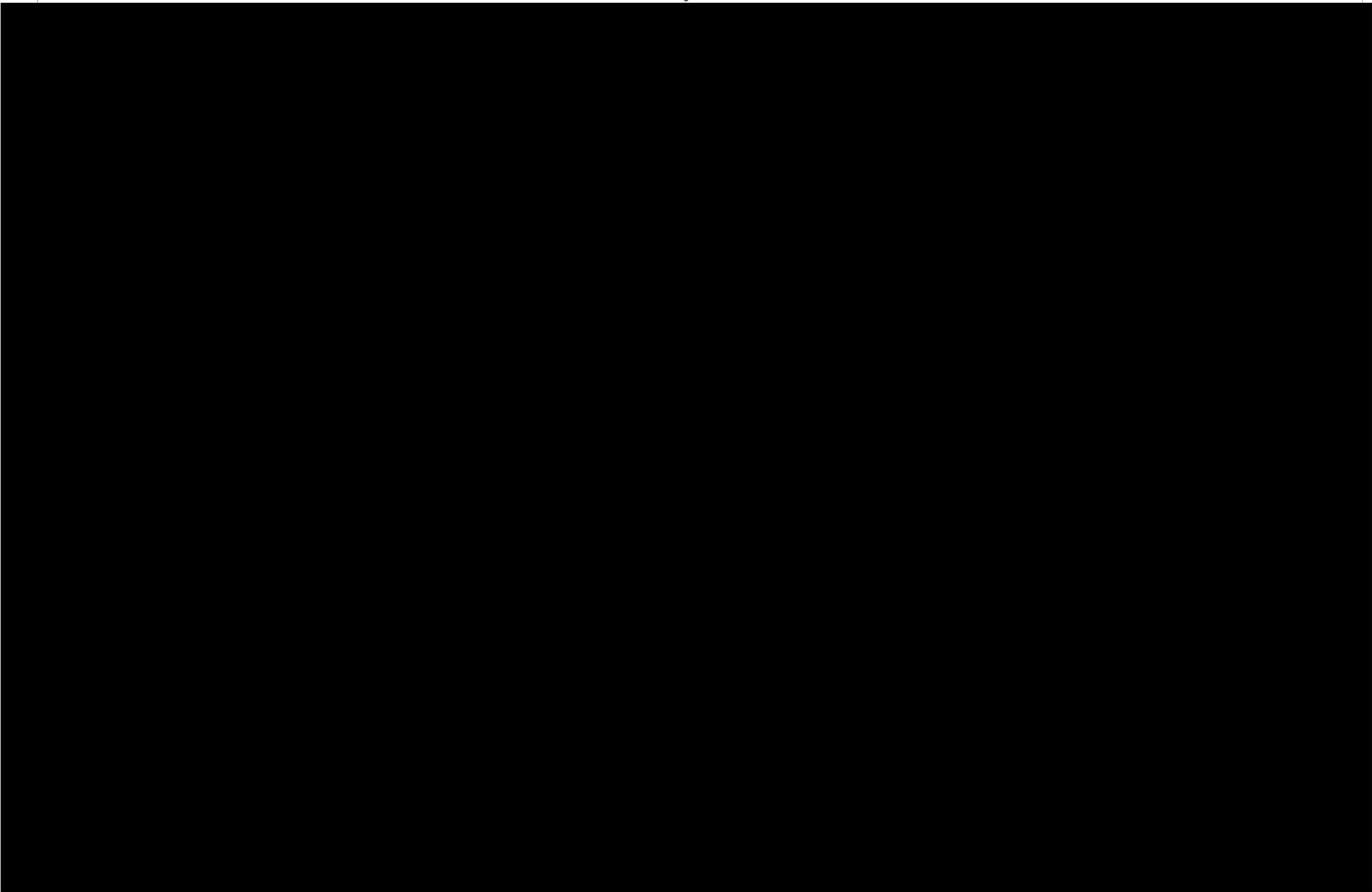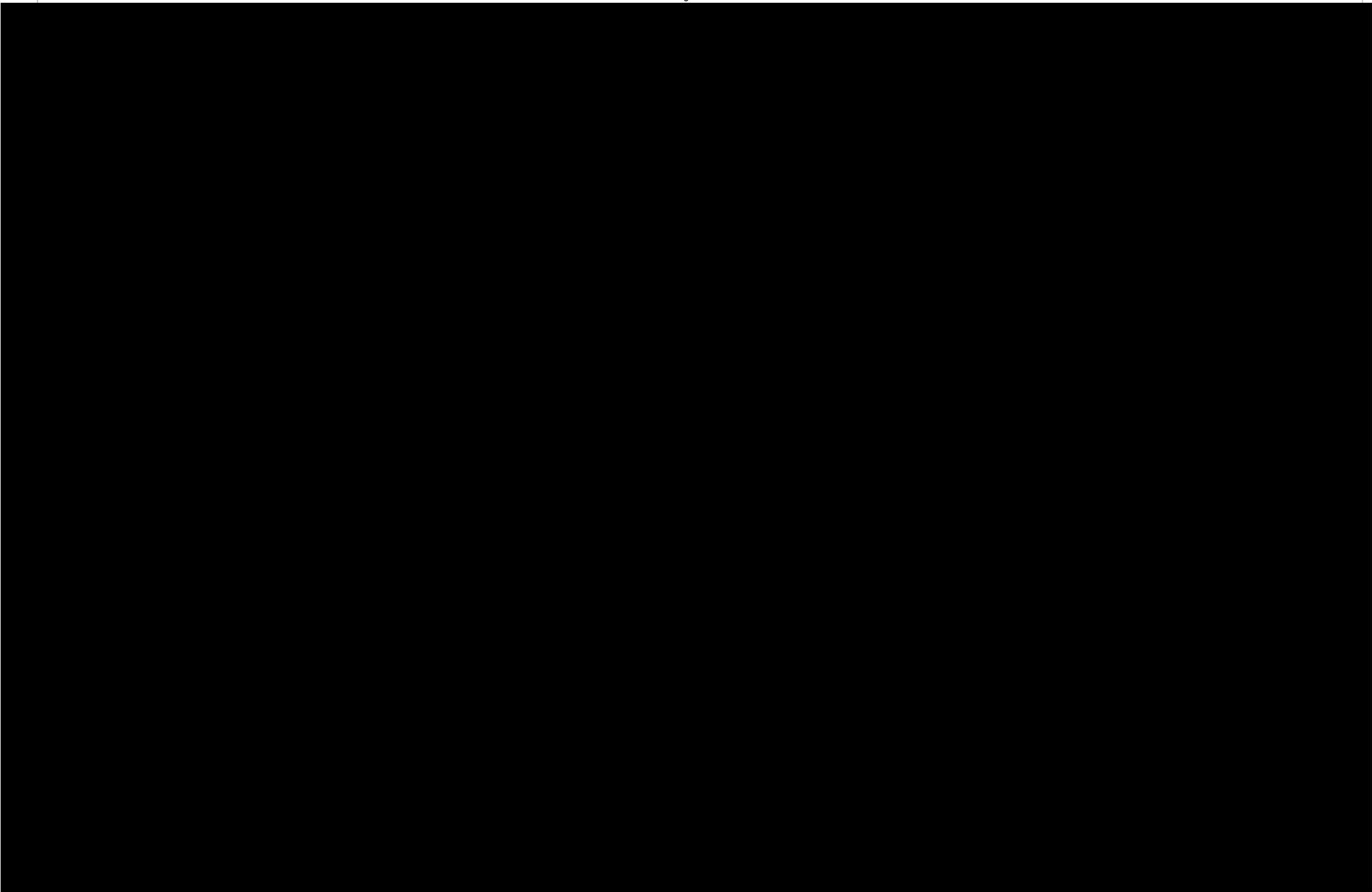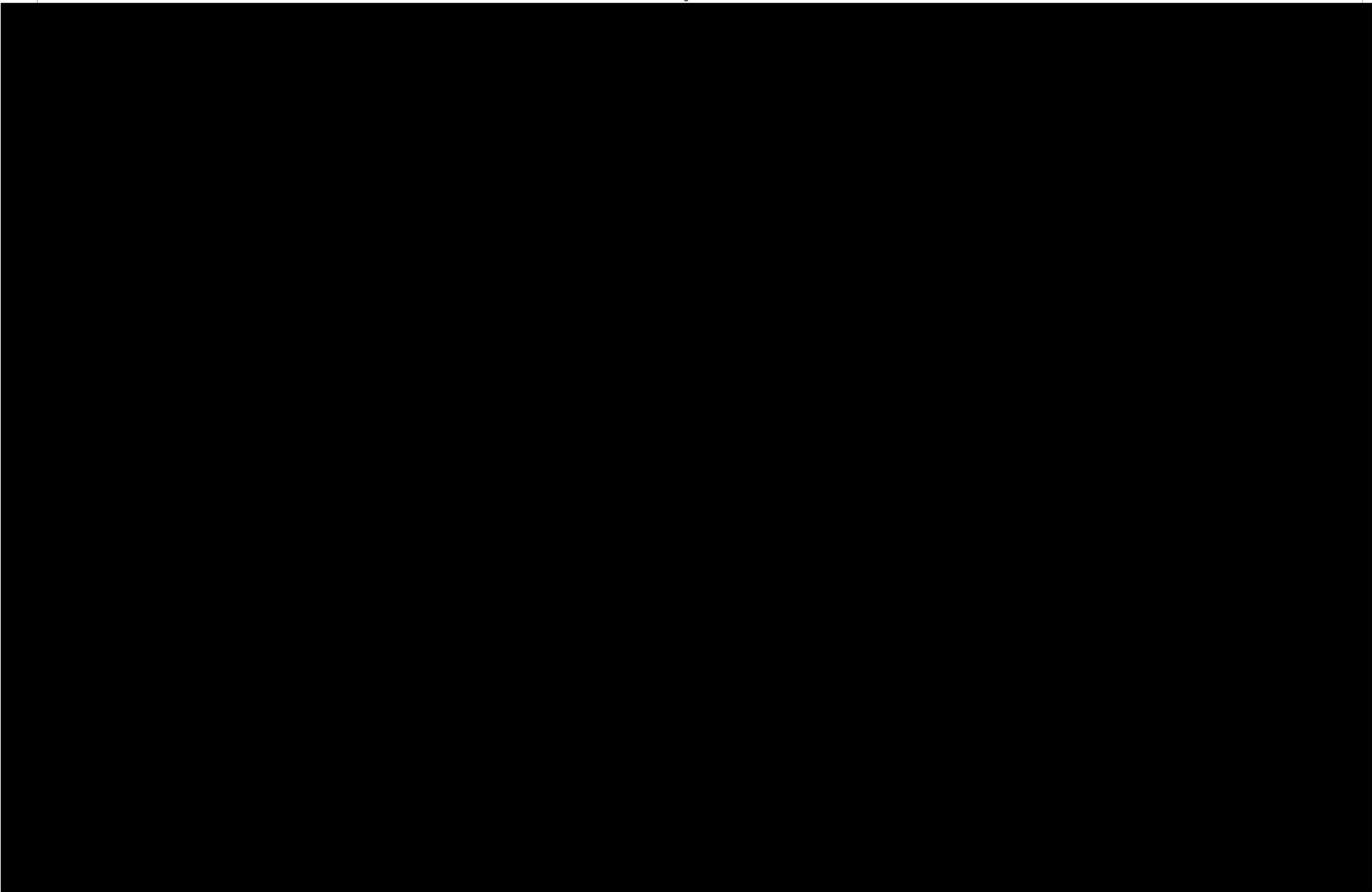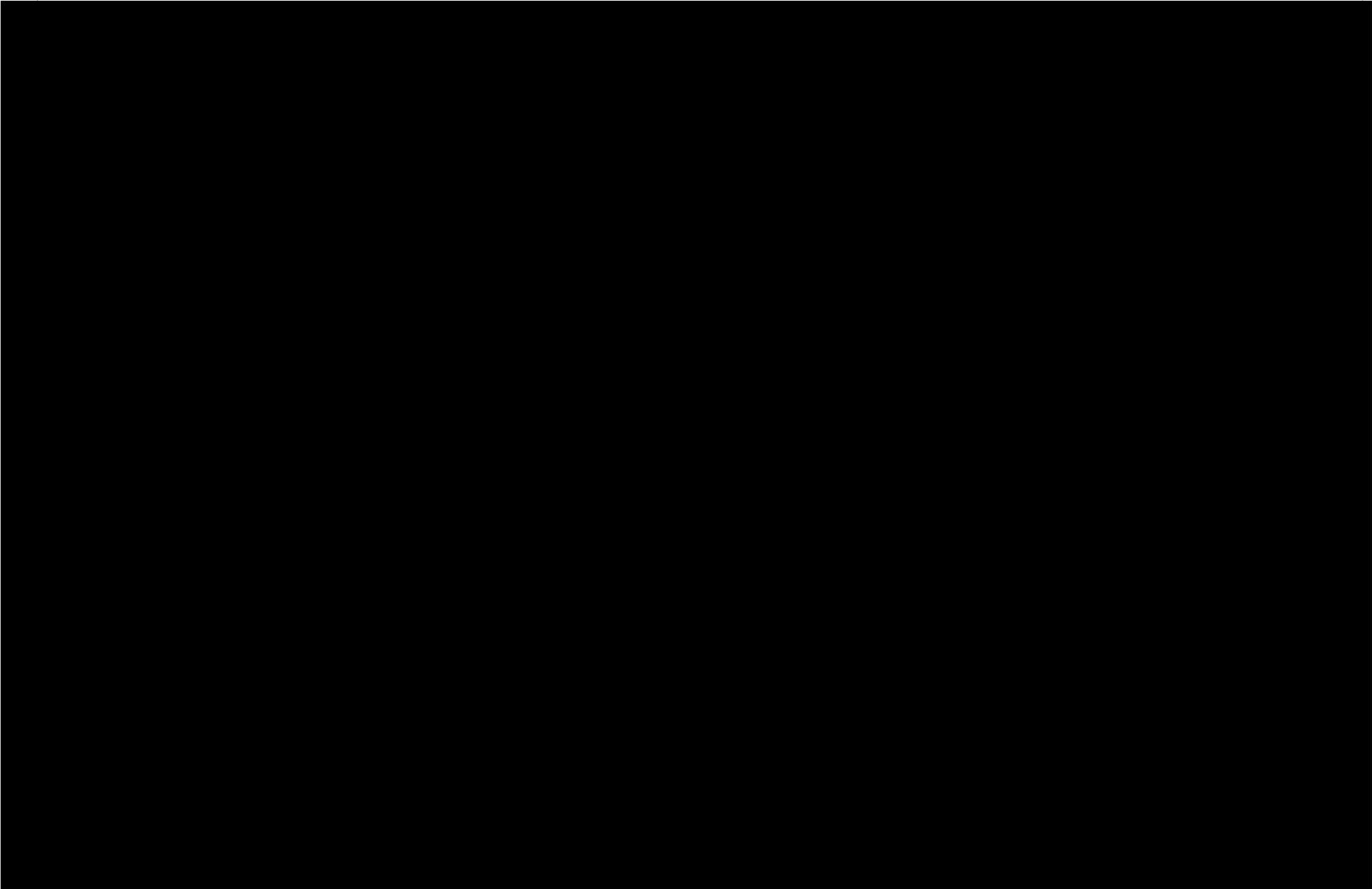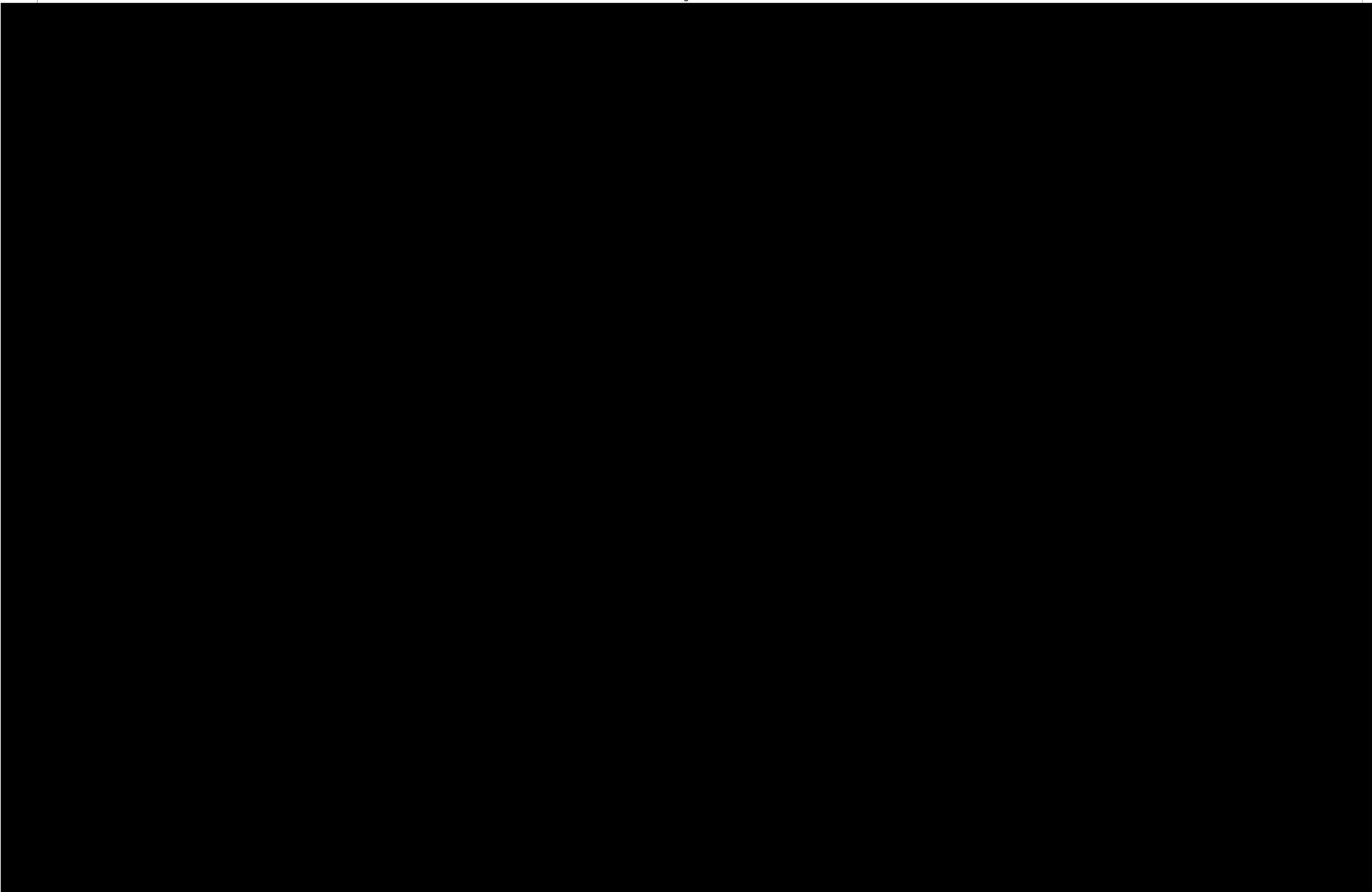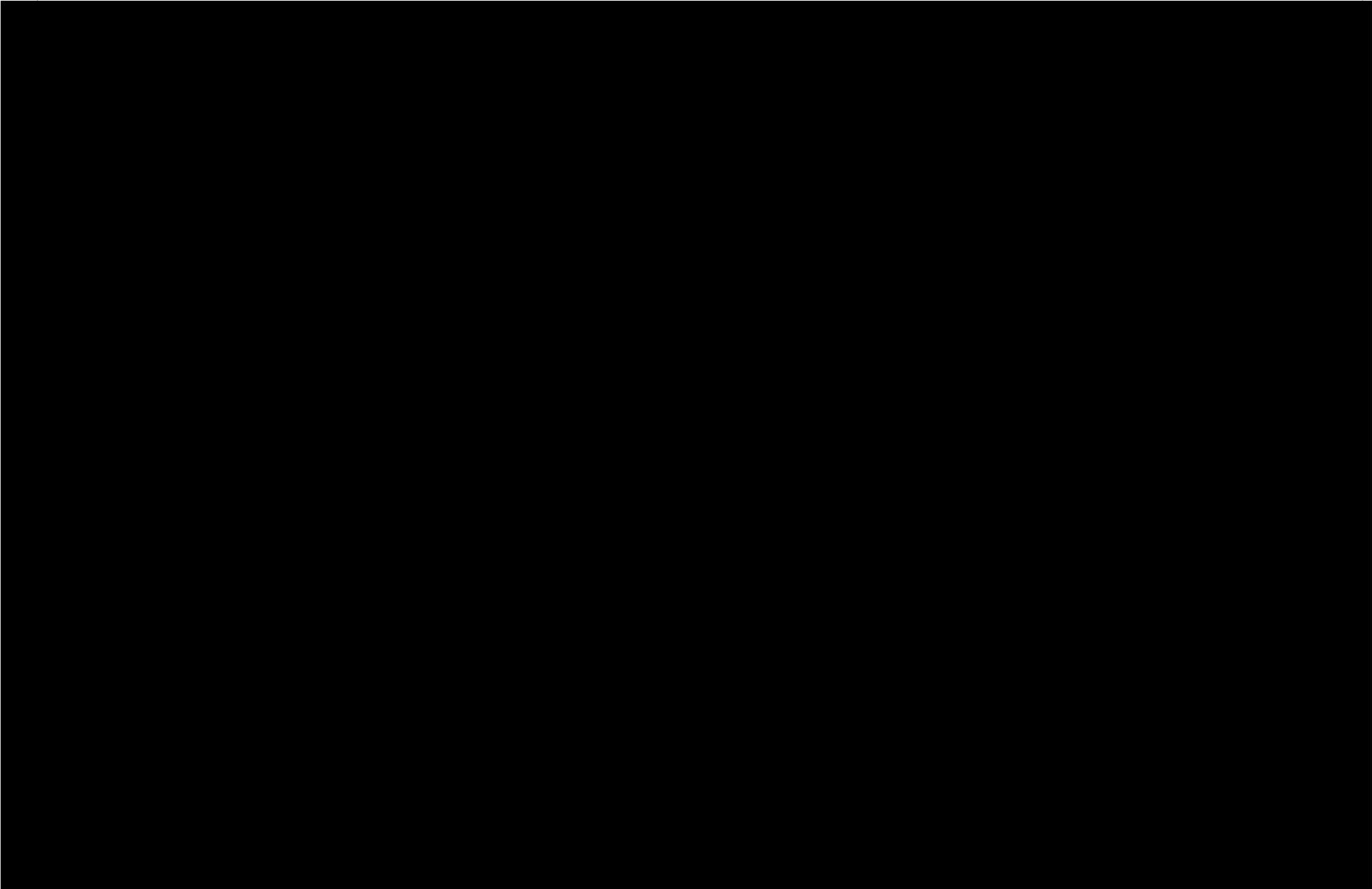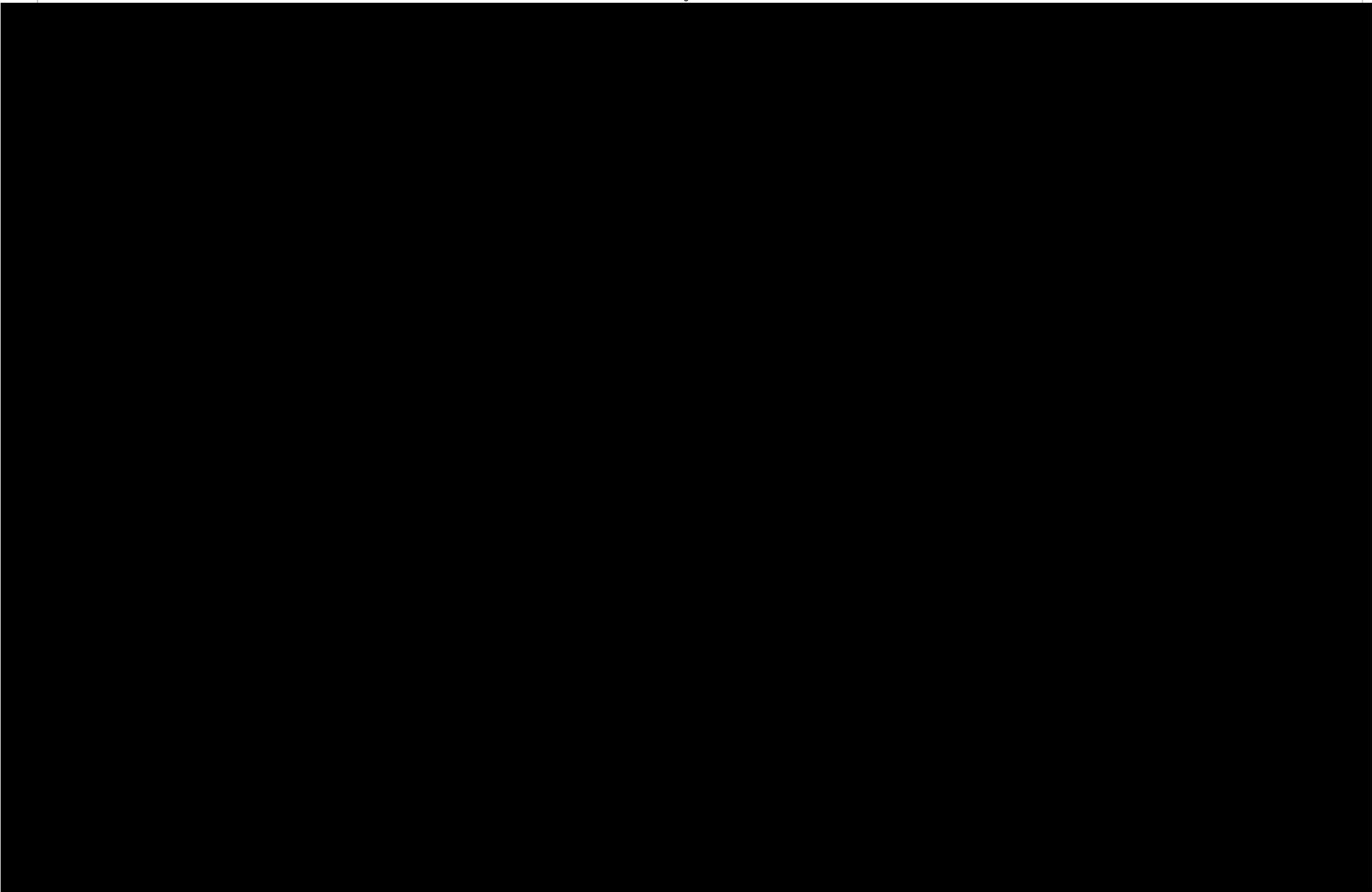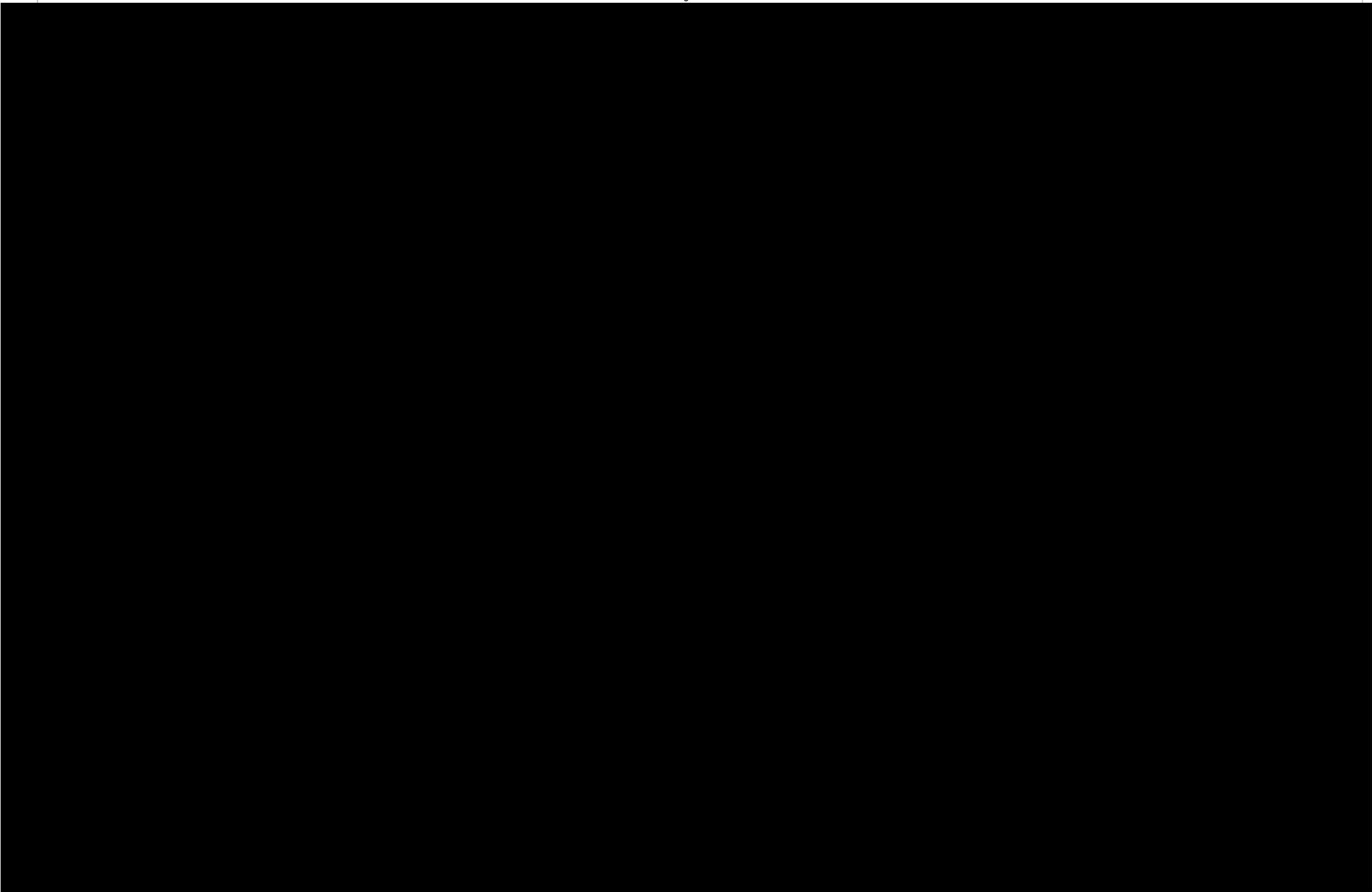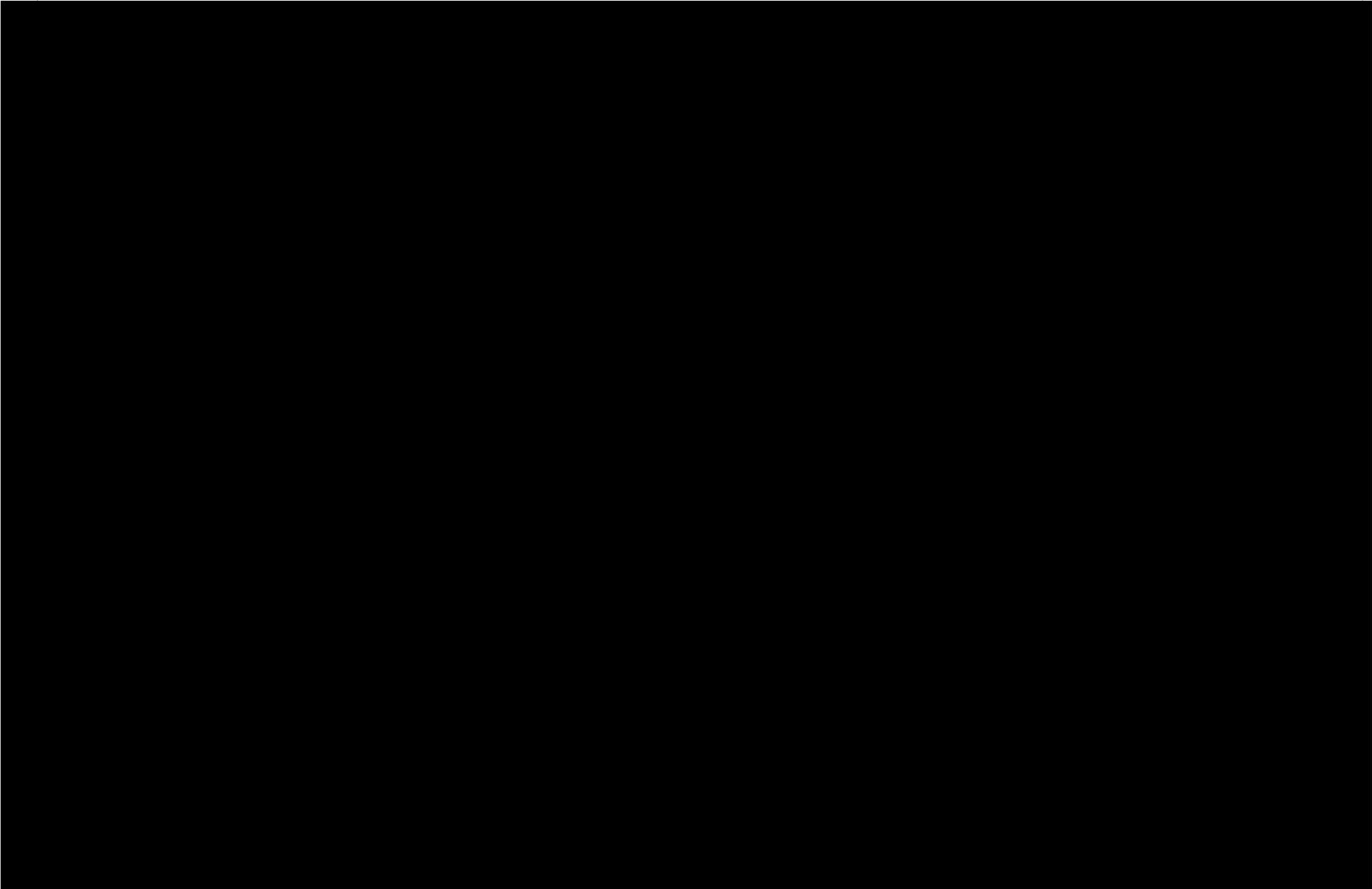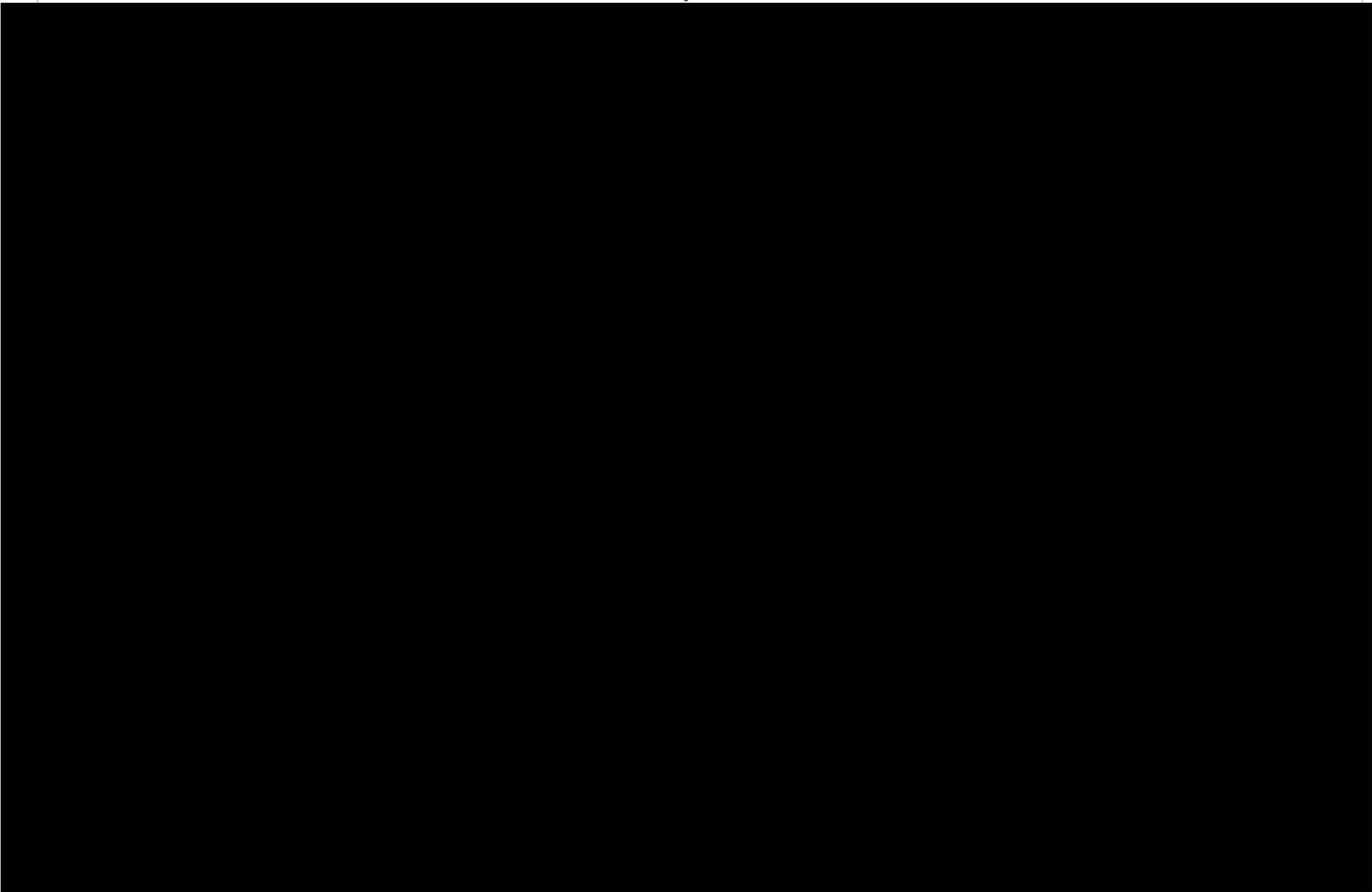
8.6 SOC Reports

As part of our response to Proposal Section E.13, Independent Audit/Certification, we provide an excerpt of our SOC 1 and SOC 2 reports on the following pages.

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INFORMATION FOR EVALUATION

• Provide a response to each item/question in this section. Prospective Contractor may expand the space under each item/question to provide a complete response. Attachment V Client History Form and Attachment I Standard I Requirements may be considered by evaluators in relevant categories in evaluation.

*• **Do not** include additional information if not pertinent to the itemized request.*

E.1 General Requirements	
A. Provide Prospective Contractor's company history including the number of years and experience in developing, implementing, and managing financial systems such as EBT, Electronic Funds Transfer (EFT), financial network services, and transaction processing.	5 points

The Department saves time and resources and prevents any disruption in service by retaining a seasoned partner with in-depth, Arkansas-specific experience and enhanced, secure, and compliant technology.

There is experience, and then there is the **right** experience. Conduent brings Arkansas unmatched expertise and experience in two areas – government payment programs and, more specifically, implementation and delivery of market-changing solutions. We offer DHS the peace of mind that comes with knowing an extensive database conversion is unnecessary with Conduent under the next contract and that your staff can rely on a trusted, collaborative partner who knows both the challenges your program staff face and the needs of the Arkansans you serve.

Conduent is recognized as an industry leader in government human services and program management. Truly distinctive among other contractors, we blend the capabilities of an information technology company with a long history of assisting state governments in delivering critical benefits and payment programs. For Conduent, government agencies are not a small contingent of our overall portfolio as they are for other contractors – instead, **DHS and agencies like yours** *are* **our portfolio**.

Conduent: The Right Partner for DHS

- **25+ years** of government payment card processing expertise
- **36 SNAP and WIC EBT programs** in 23 states
- **5+ years** as prime contractor for Arkansas DHS EBT
- **Disbursed $105+ billion** in government benefits and funds across our card programs in 2022
- **170+ payment services programs in 37 states** and the District of Columbia
- **Mastercard's largest government prepaid EPC processor**
- Backed by a **$3.9 billion global company** with 60 years of experience in transaction processing across commercial, government, and transportation lines of business

We are the only Contractor that offers end-to-end EBT solutions designed, developed, implemented, and operated by one prime Contractor. Our systems and the support we provide are more than a simple transaction. We meet the needs of DHS, retailers, and program participants in a timely, secure, and professional manner.

The following narrative provides an overview of our company history and highlights of our 25+ years of experience developing, implementing, and managing financial systems such as EBT, Electronic Funds Transfer (EFT), financial network services, and transaction processing across the country.

Company History

Conduent Incorporated is a publicly traded company (NASDAQ: CNDT) with over $3.9 billion in annual revenue and approximately 62,000 employees across 25 countries around the globe. Founded on May 16, 1963, our organization has been in business for 60 years. We have been invested in – and dedicated ourselves to – electronic payments in the public sector since 1996.

Figure E.1-1 provides a brief timeline of Conduent Incorporated.
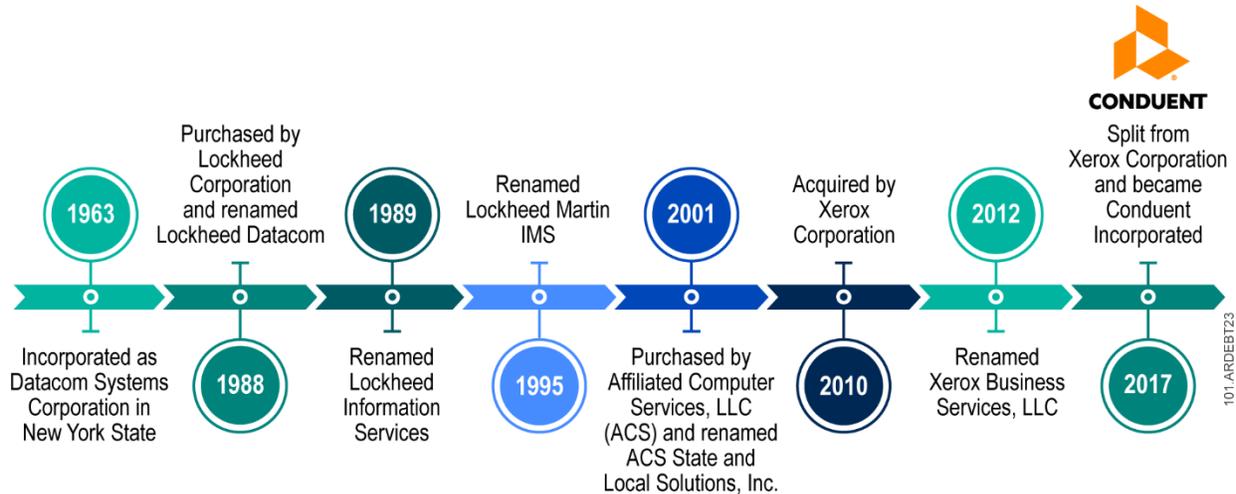
Figure E.1-1. Conduent Incorporated Timeline
Our organization offers a rich history of supporting government and commercial organizations across the United States.

Conduent State & Local Solutions, Inc. (the bidding entity for this proposal) is 100% owned by Conduent Business Services, LLC, which is 100% owned by Conduent Incorporated. Conduent State & Local Solutions, Inc. (Conduent), headquartered in New Jersey, employs nearly 5,000 professionals nationwide.

We are changing the way businesses and governments interact with their customers, employees, and constituents by modernizing the constituent experience. We integrate innovative technologies, advanced analytical capabilities, and end-user-focused solutions that touch millions of lives each day. We provide clients with streamlined and efficient processes and administration solutions to help them increase operational efficiency, reduce costs, and improve lives, satisfaction, and loyalty.

Toward these goals, we:

- **Drive value for our customers** by providing a great experience for the constituents that states serve, including benefit cardholders, patients, shoppers, commuters, citizens, and employees

- **Operate as an extension of our customers** by creating long-term value to improve constituent satisfaction and loyalty, increase operational efficiency, and provide contemporary digital experiences through an outcome-based business model

In addition, for the second consecutive year (2023 and 2022), we were named to the **GovTech 100** list, which focused on top companies "making a difference" in and selling to state and local government agencies across the US. **We stand among our peers as the only supplier of EBT, Women, Infants, and Children (WIC), eCC, or Electronic Payment Card (EPC) services included on that list.**

Major Services

Figure E.1-2 illustrates that Conduent Incorporated provides an extremely broad range of services to support many types of customers, and **we provide transaction processing and financial services in all core industries we support** across the Conduent Enterprise.

Conduent Incorporated Solutions

Government Solutions
- Payments
- Child Support
- Childcare
- Eligibility and Enrollment
- Medicaid Management
- Pharmacy Benefit Management
- Disease Surveillance and Outbreak Management

Transportation Solutions
- Curbside Management
- Public Safety
- Transit
- Road Usage Charging

Commercial Solutions
- Customer Experience Management
- Claims and Administration
- Human Capital Solutions
- Business Operations Solutions

Figure E.1-2. Conduent Incorporated Solutions
Conduent Incorporated is a leading provider of many BPO services worldwide.

Whether digital payments, claims processing, benefit administration, automated tolling, regulatory compliance, or distributed learning, our organization optimizes and modernizes these interactions to create value for our customers and their constituents.

Conduent: A Company with Momentum

Conduent has experienced a period of rapid evolution and innovation. We foster a collaborative, teamwork-oriented culture, laser-focused on driving valuable outcomes for our customers – and that dedication shows. Conduent Incorporated is a leading provider of BPO services worldwide, and our organization is well known for our services, commitment to improvement, and company culture.

Figure E.1-3 highlights just a few areas of recent recognition.

CONDUENT

A Company with Momentum

Recognized as a Core Services Leader in the industry by:
- ISG: Top 15 Sourcing Index Standout
- Business Services: General Motors Supplier of the Year, NelsonHall, Everest Group, ISG
- Healthcare: HFS Research, Everest
- HR Services: NelsonHall, Everest Group, Brandon Hall Group
- Customer Experience: ISG, Everest Group, Gartner, Leader in Contact Center-Customer Experience Services

Committed to Environmental, Social, and Corporate Governance
- Formed Corporate Social Responsibility and Public Policy Committee on the Board of Directors
- Disclosed Environmental, Social, and Corporate Governance (ESG) data aligned with Sustainability Accounting Standards Board (SASB) Framework and CDP
- Continued Pledge to CEO Action for Diversity and Inclusion

The GovTech 100 list recognizes top companies making a difference in and selling to state and local government agencies across the US. Conduent was the Only EBT, WIC EBT, EPC, and eCC Contractor named to the 2022 and 2023 GovTech 100 List of Companies.

A Great Place to Work, and it Shows!
- Comparably the Best Global Company Culture
- +8 Points Increase year-over-year on Employee Engagement Index
- Comparably Best Places to Work in New York City Region
- Forbes Magazine Top 500 Company for Diversity
- Best Place to Work for Disability Inclusion (2023)
- Newsweek's Top 100 Global Most Loved Workplaces (2023)
- America's Best 500 Employers for Diversity (2023)

Figure E.1-3. Conduent: A Company with Momentum
Industry leadership, diversity, and forward momentum informs the work that our organization offers our customers each day.

Experience Developing, Implementing, and Managing Financial Systems

Our specialty is the development, implementation, and management of financial systems specifically tailored to meet the needs of government agencies. Since 1996, Conduent has delivered a full range of services to state and federal programs nationwide – well over two decades of industry leadership and responsive partnership for our customers.

Currently, Conduent is the prime contractor for 36 SNAP and WIC EBT systems in 23 states, including Arkansas, and 113 EFT programs in 27 states. In addition to EBT and EFT program experience, we manage payment processing operations for childcare and child support disbursement and enforcement agencies.

Our role in payment services has always been to provide technical capabilities, innovative approaches, and program expertise – in essence, the toolbox – to help customers like DHS make the most of their EBT Programs. We focus on providing states with the services and support they need to deliver benefits securely, accurately, and conveniently to their constituents. Our solution offers rigorous security processes, tools, investigative methodologies, intelligent data management strategies, and expert security and fraud management personnel to protect your citizens.

As shown in Figure E.1-4, we offer substantial experience developing, implementing, and managing leading-edge, purpose-built financial systems. These solutions include EBT, Electronic Funds Transfer (EFT), financial networks, and transaction processing for various government programs and benefits.

Over 170 million registered cards in circulation in 2022

First EBT Contract in **1996**

Disbursed over **$105 billion** in benefits and payments in 2022

062.ARDEBT23

A Responsive EBT Contractor for Arkansas since 2017

- Processed over **5.5 billion** transactions in 2022
- Currently supports over **170 programs** in 37 states and the District of Columbia
- Mastercard's **largest government pre-paid processor**

Figure E.1-4. Qualifications and Experience
Our history, documented experience, and industry footprint supports the Arkansas EBT Program.

As one of the largest service providers for government financial systems services, we understand that managing diverse stakeholder demands and the urgent need for ongoing support requires significantly more than just processing and disbursing benefits and payments. We provide it all. From project management to customer service to fraud monitoring and prevention, our experience speaks for itself:

- **Arkansas EBT Program experience since 2017**
- **25+ years** of EBT/EFT government payment card experience
- Processed over **5.5 billion EBT and EFT** transactions in 2022

We provide additional details on this experience in our response to Question E.1.B.

Through the experience, resources, and stability of Conduent, combined with those of our parent company, our organization brings proven success and a long-standing commitment to ongoing enhancements to the Arkansas EBT Program.

B. Describe the Prospective Contractor's experience as it pertains to the developing, implementing, and managing financial systems such as EBTs, EFTs, financial network services and transaction processing including utilization of pre-existing commercial networks, ATMs, and POS terminals.	5 points

In 1996, Conduent was on the front lines of a revolution in government payments. Rather than using coupon books to distribute supplemental food benefits to people who needed support, these benefits were now going to flow through EBT cards. We didn't stop at developing and delivering SNAP EBT solutions for states to streamline their benefit programs and reduce fraud and resource costs. In 2004, we implemented one of the first programs that used a prepaid debit card to disburse unemployment benefits. In 2006, we ran the first pilot to deliver WIC benefits on an EBT card.

Decades of investment, commitment, and a culture of innovation, with an eye toward service brought about the first Administrative Portal for state staff. The portal delivered online, real-time access to card information without requiring special software to access. In 2016, Conduent's customers using our prepaid debit card program were also the first national and state programs to implement EMV cards to combat fraud. In 2023, we were the only Business Process Solutions (BPS) provider to participate in the FedNow Service launch, and we are the first BPS to offer access to FedNow Service to our customers through Conduent's Integrated Payments Hub.

Conduent: The Right Partner for DHS

- Project implementation and operations management
- 24/7 customer service, including IIVRS, call center agents, web-based portal, and mobile apps
- Fraud mitigation and prevention
- Cardholder, retailer, and DHS staff training
- Disaster services
- Online, real-time transaction processing
- Card issuance and production
- Administrative terminal functionality
- Web-based reporting
- Software maintenance
- Settlement and reconciliation
- Retailer management and wireless farmers' market support (EBT only)

We have developed, implemented, and managed **over 170 programs** for government benefit and payment receipt, disbursement, processing, and management. These solutions – EBT, WIC EBT, EFT, child support, and childcare – touch millions of lives each day and enable more streamlined and efficient processes and administration interactions for our customers. **All these solutions use pre-existing commercial networks, ATMs, and point of sale (POS) terminals**. Our core government payments solutions include:

- **Electronic Benefit Transfer (EBT).** In 1996, we began providing full-service payment processing solutions for Supplemental Nutrition Assistance Program (SNAP) on EBT cards, which has not only reduced the administrative burdens for customers, but, most importantly, it gives cardholders the ability to use their benefits securely and discreetly. In 2022, we supported over 2.7 billion EBT transactions and processed over $61.7 billion in benefits across the 23 states we support.

- **Women, Infants, and Children (WIC) EBT.** In 2006, we became a leading WIC EBT services provider when we piloted the nation's first statewide online WIC EBT system for the State of Michigan. Since then, our approach to WIC EBT has evolved and continues to grow through the expertise we have developed in payment processing solutions and a focus on delivering the enhancements that states seek. Today, 13 states of all sizes trust us as their WIC EBT partner. In 2022, we processed over 7 million WIC EBT transactions generating payments to vendors of over $976 million.

- **Electronic Payment Cards (EPC).** Conduent's Go Program and Way2Go prepaid debit card has helped reduce paper checks for all types of state-administered payments, including TEA, Temporary Assistance for Needy Families (TANF), child support, unemployment insurance, payroll, tax returns, and Worker's Compensation, among many other EFT programs. This versatile platform even supports multiple programs on a single debit card – an efficient approach typically not offered by other payment card Contractors. We implemented our first program in 2004, currently manage over 113 programs in 27 states, and are Mastercard's largest government prepaid card processor. In 2022, we disbursed over $41 billion in benefits and payments and supported over 85 million registered cards.

- **State Disbursement Units (SDU).** We operate SDUs on behalf of 12 states, processing more than 60 million payments. In each of our SDUs, we achieve high payment processing accuracy rates, low suspense rates, smooth interface transmissions with banks and agencies, and high resolution of customer inquiries on the first try. In fact, in the last 10 years, we processed more than $150 billion in child support for families with the highest degree of accuracy in the industry.

- **Child Support Enforcement Systems (CSES).** Conduent has implemented child support systems for multiple states and provides operations and maintenance or re-platform services for others, including Delaware, Kansas, and Pennsylvania.

- **Electronic Child Care (eCC) Services.** State childcare programs have looked to us as a trusted, reliable electronic childcare (eChildcare© or eCC) partner for 20 years. Since that beginning, eCC programs have grown in sophistication and now demonstrate a high degree of flexibility. The methods to capture attendance also have evolved and now include mobile, tablet, and biometric devices. In 2022, we processed over 61 million eCC transactions, generating $2 billion in payments.

In addition to our full-service government solutions, we offer a service that allows all employers, any individual, and all payroll companies to remit payments electronically. **ExpertPay**® is a Conduent proprietary solution used in all 50 states and is Better Business Bureau (BBB) accredited with an A+ rating. More than 7% of all the child support paid in the country (over $2 billion annually) is processed through ExpertPay.

Figure E.1-5 depicts the breadth and depth of the government payment programs we currently support.
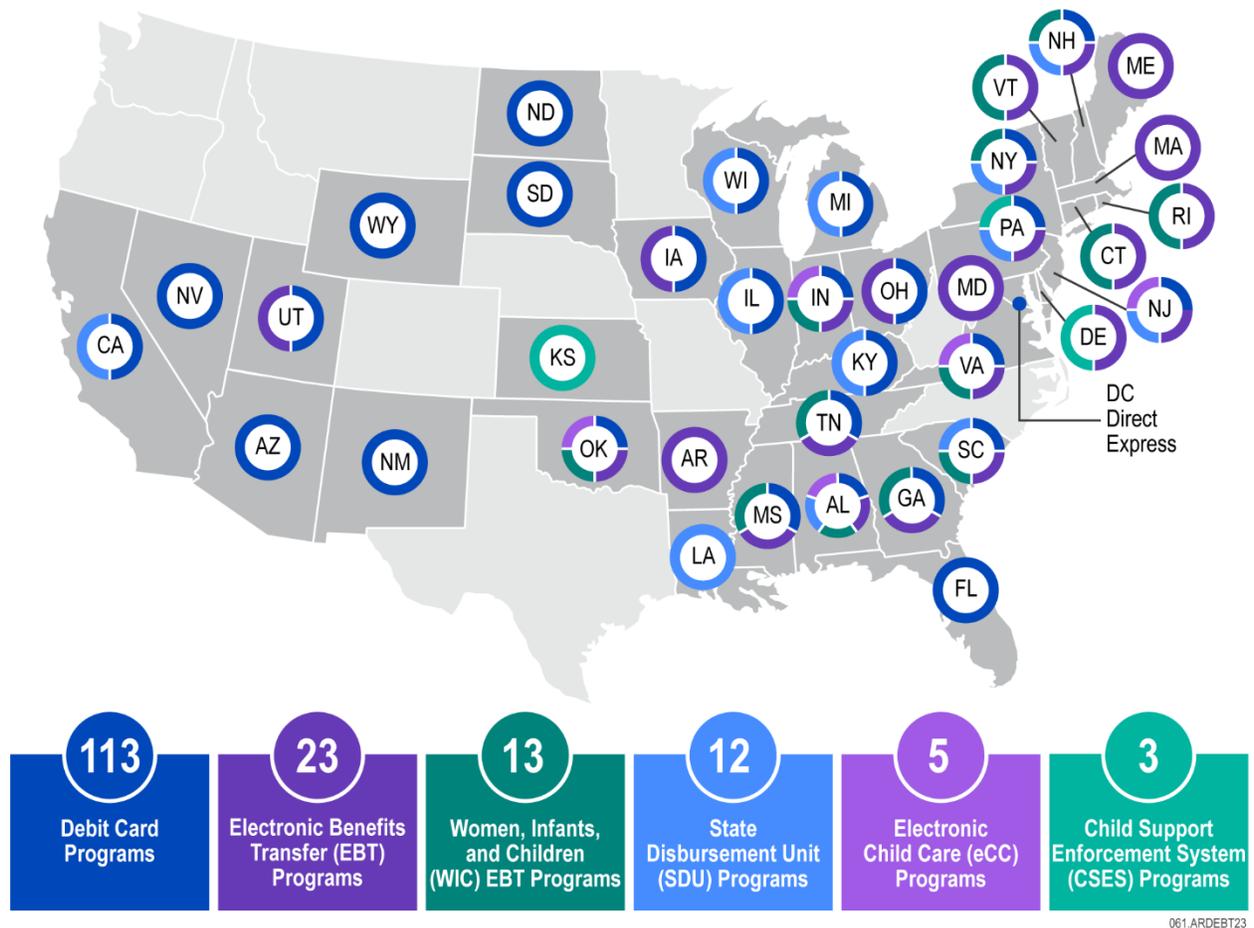
Figure E.1-5. Industry-leading Experience
We operate a broad array of state electronic payment services programs offering the industry's most comprehensive suite of electronic government payment services.

.

C. Describe the Prospective Contractor's experience concerning USDA Federal regulations pertaining to the EBT System.	5 points

Conduent has **over 25 years of experience** providing all EBT Services in full compliance with applicable rules, regulations, and industry performance standards governing EBT systems and their respective program operation. Our knowledge and application of these regulations will continue in the next contract includes the following US Department of Agriculture (USDA) Food and Nutrition Service (FNS) Federal Regulations regarding the Supplemental Nutrition Assistance Program (7CFR):

- 7 CFR Part 274 – Issuance and Use of Program Benefits, § 274.1 through § 274.8

- Direct Final Rule regarding Supplemental Nutrition Assistance Program, Regulation Restructuring: Issuance Regulation Update and Reorganization to Reflect the End of Coupon Issuance System; Federal Register, Vol. 75, No. 69, Monday, April 12, 2010

- All changes, updates, revisions, and policy interpretations of the federal regulations as enacted by law or FNS

- Any waiver to the federal regulations granted to the State of Arkansas by FNS for EBT purposes

D. Describe the Prospective Contractor's existing commercial networks, ATMs, and POS terminals.	5 points

EPPIC EBT 3.0 is an industry-standard application and a **fully interoperable solution that uses existing commercial networks, including available commercial ATMs and POS terminals**. Not only does our system interface with these ATM and POS devices, but we make every attempt to increase these access points to make sure that Arkansas cardholders can easily access their benefits in a convenient location.

Arkansas cardholders get more than local cash access locations; they get national access to their funds through the Quest® Network. Cardholders can use their EBT card to get cash back at retail POS locations or ATMs that display the Quest service mark if the terminal is not in a prohibited location based on Arkansas program policies. We will also continue to work with the national and regional ATM networks serving Arkansas to enhance or increase ATM access.

In addition, Arkansas EBT participants will continue to be able to conveniently access their Supplemental Nutrition Assistance Program (SNAP) and Transitional Employment Assistance (TEA) benefits through POS devices at thousands of FNS-authorized commercial retailers across the State. As we do today, we will also purchase, install, and maintain POS equipment on your behalf, in certain circumstances.

As an enhancement to the current EBT Program, we will replace existing wired POS devices on an attrition basis or at the request of any current exempt EBT retailer with the PAX A80 (wired) device. These retailers and cardholders across the State will benefit from the exceptional functionality, reliability, and ease of use of the upgraded PAX devices.

For more details, see our responses to Questions E.9.A.1 and E.9.A.4.

E. Provide a short concise synopsis outlining transaction processing, retailer management, and customer service including all services, supplies and functions for the EBT System as outlined in this RFP.	5 points

By listening and being responsive to your needs and working toward your goals for the next contract, we will continue the success of your EBT Program. You have seen first-hand the benefits of a technical platform that can adapt to support multiple programs a platform readily customizable for reliable transaction processing, retailer support, and 24/7 customer service. **The benefits of staying with a proven partner versus starting over are profound**. We understand your technical environment, the business needs of your staff, and the preferences of your cardholders and retailers – in short, we know Arkansas. We look at this new contract as our way to give back even more to a customer who has meant so much to us over the past several years.

Additionally, with our team, you are not starting fresh with a new partner to align with communication and program management styles to meet your unique business requirements for EBT Services. We remain a responsive Contractor, putting your business needs front and center while our technology and experience enable us to implement the right features for your EBT Program going forward. Lastly, with Conduent there is no need for a full-scale database conversion, freeing up invaluable time and resources to focus on the individuals that rely on you, your cardholders.

Conduent: The Right Partner for DHS

- Next generation EPPIC system offers unmatched system reliability for all stakeholders in any circumstance
- Project team and corporate leadership with direct experience bringing new payment services to the government market including EBT, EMV, and digital payments
- A responsive, Arkansas-experienced team that knows the State, your technical environment, and the needs of all your stakeholders
- 24/7 customer service options for DHS staff, cardholders, and retailers designed for convenience, security, and ease of use

Under the next contract, your program services remain current with industry standards while receiving a customized approach, thanks to Conduent's staff of seasoned experts who offer firsthand knowledge of your EBT Program. Operational Project Manager Priya Suresh, one of our most seasoned and trusted managers, will provide expert and responsive support to DHS in the new contract. A highly skilled leader, Priya will make an excellent partner for DHS. Priya and her team will work alongside their DHS counterparts to ensure your constituents' food and economic security as we move through an ever-changing economic environment.

Our relationship has been a journey that has only strengthened our commitment to you and the cardholders you serve. By providing the industry's most experienced team and the most advanced technology, we offer the lowest-risk and highest-value solutions for your EBT Program going forward. The following is a brief overview of the solution we offer the State.

Synopsis of Our Solution for Arkansas

As our experience with EBT began in 1996, our commitment was clear: streamline the daily operations of state personnel managing these vital programs, allowing them to focus on people rather than paperwork. Equally important was enhancing cardholders' access to benefits, ensuring security, convenience, and support during challenging times.

Transaction Processing

At the center of our transaction processing system is the authorization engine through which EPPIC EBT 3.0 approves or denies transactions and initiates settlement. EPPIC EBT 3.0 uses a basic, uncomplicated set of transactions common in EBT industry processing. The system **connects with all retailers, TPPs, and ATM networks nationwide, directly or through our EBT gateway**, providing transaction authorization 24/7 for cardholder convenience. EPPIC EBT 3.0 verifies all transactions against the proper benefit or cash account and distributes benefits on a First-In, First-Out (FIFO) basis. At a minimum, transaction processing includes those functions shown in Figure E.1-7.

Transaction Logging

Logging the authorized/denied transactions for subsequent settlement and reconciliation processing, transaction reporting, and viewing through transaction history

Transaction Acceptance

Accepting transactions coming from an authorized transaction acquirer or from an EBT-only terminal

Transaction Blocking

Blocking ATM transactions, where appropriate, at State-designated locations

Authorizations

Authorizing or denying transactions

EBT Connect Transaction Processing

24/7

Cardholder Receipts

Printing a cardholder receipt with the account balance after the transaction (the card number is truncated on the receipt)

POS Locations

Recording the location (latitude and longitude) of the POS terminal at the time the transaction is initiated

028.ARDEBT23

Response Messaging

Sending response messages back to the transaction acquirer authorizing or rejecting card transactions

Figure E.1-7. Our Solution Delivers Transaction Authorization 24/7 for Cardholder Convenience
EBT Connect remains the most efficient, flexible system in the industry.

For all the details on this enhanced platform, see our response to Question E.2.B. For detailed information on EPPIC EBT 3.0's transaction processing capabilities, see our response to Question E.9, Financial Transaction/Transmission Requirements, Financial Adjustment Processing.

Retailer Management and Customer Service

We support thousands of EBT retailers every day and recognize that exceptional customer service is vital to a successful EBT Program. If a retailer has questions, we offer a full-function Interactive Voice Response System (IVRS) and a team of trained customer service representatives (CSRs) always available to assist. We train Help Desk staff to act as an essential supplement to our training materials. Retailers receive help through a toll-free number, whether with program information, additional POS equipment, or adjustment requests. They can feel confident that a competent CSR resolves their issue quickly and efficiently. EBT-only retailers also have access to a secure retailer portal that offers the same functionality as the Help Desk. Figure E.1-8 provides an overview of how we support the retailer community throughout Arkansas.

Figure E.1-8. Retailer Support Services
Conduent provides round-the-clock assistance for Arkansas EBT retailers.

As an enhancement for your program going forward, we will replace existing Verifone VX 520 devices with new PAX A80 models through attrition for retailers contracting for EBT-only equipment. We also replace existing POS equipment upon retailer request.

Additionally, we know cardholders rely on a variety of retailers to get the food they need to support their families, including fresh fruits and vegetables provided at farmers' markets. We share the State's goal to include as many eligible farmers' markets, direct-marketing farmers, military commissaries, non-profit cooperatives or organizations, group living arrangements, treatment centers, and prepared meal services organizations as possible.

We will continue to do everything we can to make sure all retailers, including non-traditional retailers, feel included and enthusiastic about the EBT Program. From the ease of use of the POS devices and easy-to-understand training and support, **all retailers** benefit from the simple setup, training, and ongoing support our team offers in a friendly environment. For additional information, see our response to Questions E.6, Customer Service Requirements, and E.8, POS Terminals.

Cardholder Customer Service

Arkansas cardholders benefit from a full-scale customer service solution that is in place today. Cardholders do not have to learn a new number or memorize a new web address for support – instead, these critical services remain constant and undisturbed with Conduent moving forward as your partner.

Our innovative technology includes a full-function IVRS, intelligent call routing, the cardholder portal, and a mobile app for Android™ and iOS (Apple®) devices to support 24/7 customer service.

Unlike other Contractors, we staff our cloud-based network of Help Desks with CSRs dispersed throughout the continental US whose sole focus is the support of individuals participating in electronic payment programs. We provide teletypewriter (TTY) services for hearing-impaired cardholders with or without relay operators and convenient access through multilingual CSR services 24/7. This service includes English, Spanish, and Marshallese, as well as translation services in another 200 languages. Cardholders can access a feature-rich portal and a mobile app (Figure E.1-9), which offer helpful features and services. The portal and mobile app complement each other, with similar features and processes that make it easy for cardholders to use both seamlessly. For additional information, see our response to Question E.6, Customer Service Requirements.
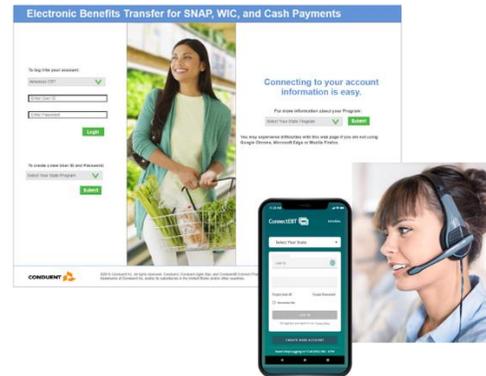
Figure E.1-9. 24/7 Customer Service Access for Arkansas Cardholders *Whether they desire convenient self-serve options or prefer to speak to a highly trained CSR, Conduent has your cardholders' needs covered.*

Additional Core and Optional Features of EBT Connect for Arkansas

Data Warehouse with Power BI. As an optional enhancement, DHS staff can benefit from a robust web-based Conduent data warehouse with Microsoft Power BI, providing you with advanced analytics tools to monitor and fight fraudulent activity. DHS can track EBT accounts in various reports, including ad hoc reports that alert DHS to potential fraudulent cardholder and retailer behavior. Users can query and retrieve data without affecting other production processes because the data stored in the data warehouse is separate from the production system.

Comprehensive Fraud Plan. We provide DHS with a multi-faceted approach to fraud mitigation, including powerful prevention tools, real-time monitoring capabilities, expert analysis, and investigative support. Tools include:

-
-
-
-
- Many other tools and services outlined in our response to Question E.17, Value Added Services

The Advanced Predictive Analytics Fraud Package, which complements our enhanced data warehouse and Power BI solution for Arkansas, includes customizable reports and exceptional analytics tools designed to detect and prevent fraudulent activity. This fraud package offers DHS significant potential for savings and a greater ability to protect the integrity of the EBT Program.

EMV Card Leadership and Card Issuance. We recognize that the State's intent to transition to an integrated circuit chip card (EMV) during this contract necessitates a large-scale reissuance for your cardholders and, per RFP Sections 2.14.1, 2.15.E, transition to EMV will be coordinated with the awarded Contractor and will be developed at the direction of the Department's needs between the Contractor and DHS. While EMV card technology is not commercially available for SNAP benefits at the time of proposal submission and will be implemented through the change order process, Conduent is at the forefront of bringing EMV to EBT cards, and we are committed to delivering this new solution when available and at the State's direction. Of note, **we were the first company to implement EMV cards for government payments programs** using our Go Program and Way2Go prepaid debit card for government payments and bring significant experience brining market-changing solutions to government agencies. Conduent stands ready to bring the convenience and security of EMV cards to Arkansas, should you choose.

Innovation where it Counts. Conduent Enterprise Innovations are also available to DHS. For example, our proven Go Program enables EBT customers to move cash program benefits to a prepaid debit card providing increased security for cardholders. With 113 programs in 27 states, our system has proven its ability to support a wide array of benefit and funds programs like TEA. Additionally, ██████████ ██ ██ █████████████████████████ See our response to Question E.17, Value Added Services for additional details.

Summary

Our enhanced EBT solutions, decades of experience, in-depth knowledge of Arkansas' requirements, and dedication to human service needs make us the ideal Contractor for your EBT Program going forward. Our culture of service and innovation meets your needs today and will evolve and expand with you into the future.

As Arkansas evaluates proposals for these services to determine the best value to the State, you may find that Conduent and other Contractors have similar capabilities to deliver your service requirements. However, even with our proposed system upgrades, only Conduent can save the State time and resources by limiting the risk of a full-scale database conversion. The deployment of new functionality does not include database conversion tasks for Conduent, as **all transaction history, customer card, demographic, and benefits data already exist on our solution**. We also have proven the ability to step into action in a crisis and make sure the EBT Program does what we designed it to do – serve the people of Arkansas when they need it most.

From our solution to the talented and dedicated people who operate it, the focus each day is on your needs and the families that rely on you for support and resources. We have had the great pleasure of serving the State, your cardholders, and your retailer community for several years. Provided the opportunity to expand our partnership, Conduent will be an agile and innovative partner you can continue to trust, now and in the future.

A Personal Message from Priya:
"As your new project manager, I pledge to be the responsive, collaborative partner that DHS expects from Conduent. For me personally, nothing is more gratifying and fulfilling than knowing our work provides vital support for Arkansas residents. I am excited to work with you and my team of experts to facilitate a smooth transition to the next EBT contract and provide uninterrupted services to Arkansas cardholders."
Priya Suresh, Operational Project Manager

E.2 Design Phase	
A. Provide a current listing of FNS approved retailer and Third-Party Processors that will be utilized with DHS.	5 points

Retailers depend on reliable, convenient assistance to achieve their business goals and serve EBT cardholders like any other customer. The Arkansas retailer community benefits from remaining with Conduent under the next contract as **there is virtually no disruption in service – we have all Retailer and TPP Agreements executed, installed all equipment, and completed all certifications** – and they are already familiar with our services and support. Selecting a new Contractor would result in a disruptive transition period for these essential stakeholders.

We designed every element of our retailer management approach to allow FNS-authorized or DHS-approved retailers to participate in the program. Our recruitment services encourage participation, confirming that enough retailers participate in providing cardholders adequate access to SNAP and TEA benefits, including those who usually shop in so-called "border stores" and at "non-traditional" retailers such as farmers' markets. All states are entirely interoperable, including those that border Arkansas. In addition, we will continue to work with retail associations, community-based organizations, and minority businesses to promote participation in the EBT Program.

List of FNS-approved Retailers and TPPs

We have agreements with all identified TPPs that process EBT activity in the State: Fiserv, First Data, and Worldpay. We provide a list of FNS-approved retailers supporting the EBT Program in Proposal Section 8, Other Documents/Information.

DHS and FNS have already approved our existing Retailer and TPP Agreements. These agreements outline the federal regulations concerning discrimination and the Americans with Disabilities Act (ADA) requirements and a retailer's responsibilities for complying with federal regulations. In addition, the agreements include:

- A description of all terms and conditions concerning equipment ownership, lease arrangements addendums, handling, and maintenance

- A description of the agreed-upon procedures and policies for participation and withdrawal from the EBT Program

- A statement requiring all retailers to adhere to all regulations regarding participation and treatment of EBT Program households, including specific requirements related to the identification of checkout lanes for cardholders

- Delineation of the liabilities during system downtime and the associated responsibilities of each party concerning offline and manual transactions

- A description of settlement processes and timeframes for daily closeout

- A description of alternate redemption procedures we follow during periods of system downtime

Retailer and TPP Agreements (and operating rules) delineate the policies and processes related to transaction processing, POS equipment, processing manual vouchers, and the Retailer Help Desk. These agreements convey the same message in terms of participation responsibilities. At a minimum, the agreements meet FNS regulatory requirements in 7 CFR 247.3(d).

B. Describe the design of Prospective Contractor's system including a description of the operating environment, procedures, and workflow.	5 points

Under the next contract, DHS will enjoy the benefits of new cardholder features, an enhanced processing environment, and a Conduent Team ready to support your vision for the future of the Arkansas EBT Program.

In retrospect, the sheer scale of economic changes in recent years is staggering. From the pandemic to increased food insecurity to state agencies having to do much more with fewer resources, Conduent remains committed to helping our state partners meet these challenges with our industry-leading electronic payment services (EPS) solutions. This sense of partnership and collaboration is at the heart of our relationship with DHS.

By listening to your needs and working toward your goals for the next contract, the Conduent team is the right choice to support the continued success of the Arkansas EBT Program. You have experienced the benefits of a technical platform that we can readily customize for workflow, card design, fraud prevention, and round-the-clock customer service. We designed it to grow with you - and grow with you it has.

A Commitment to Excellence

"*At Conduent, we strive to be the best we can be for our customers. We value our client relationships and want to be sure that all aspects of our solution, including the technical components, make your lives easier each day. EPPIC EBT 3.0 is a key output of that focus. We have reenergized our technical support organization, seeking to make the EBT solution everything you need and more. We are pleased to bring you this enhanced solution and improved support.*"

Eric Drudge
Chief Information Officer, Payment and Federal Solutions

With its enhancements and updates, we are confident that our EBT Connect solution remains the right one for Arkansas. We leveraged what worked, enhanced key areas for new levels of reliability, and added new features and services to expand capabilities. Most importantly, we invested heavily to ensure its reliability fully aligns with and meets your expectations. In addition, unlike other Contractors who outsource as much as 40% of their overall offer to subcontractors, **we outsource a small portion of functions and services and support the vast majority (90%+) of the overall solution** in-house. As the prime Contractor, we own and operate EBT Connect and most of its support services directly.

The best part is that DHS receives all the benefits of the new platform without any disruption or change to your day-to-day administrative activities. The new features of EPPIC EBT 3.0 are there, running quietly in the background, making sure your system is the most reliable and scalable platform available today.

Operating Environment

With a focus on continuous improvement driven by executive leadership, we redesigned our solution and its operating environment to make sure your EBT system operates consistently. █████████████

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███
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Figure E.2-1. Redesigned Configuration

[redacted]
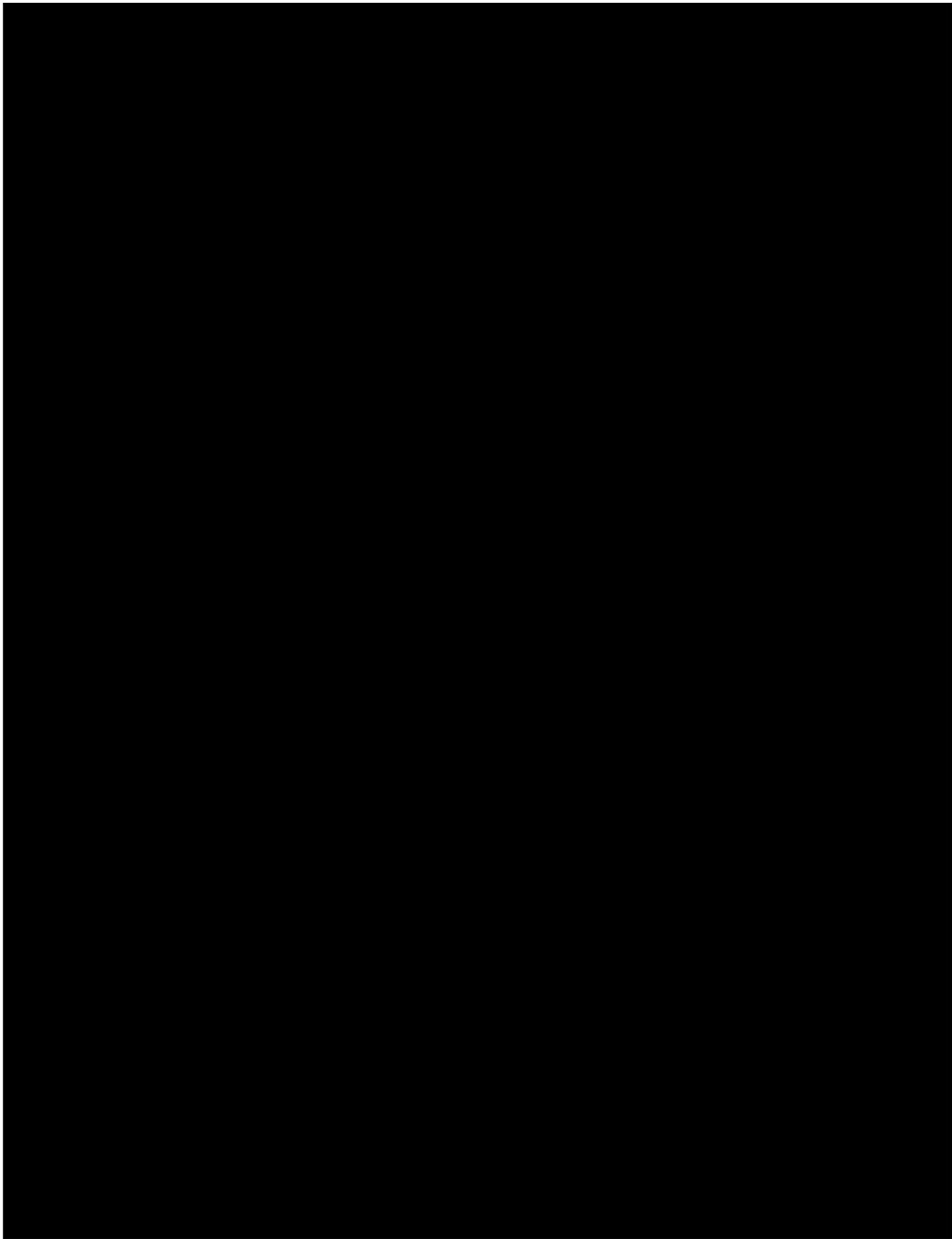
What Does Arkansas Get?

[redacted]

Figure E.2-2. Making Updates without Any Downtime

[redacted]

Figure E.2-3. No Downtime through Redundancy
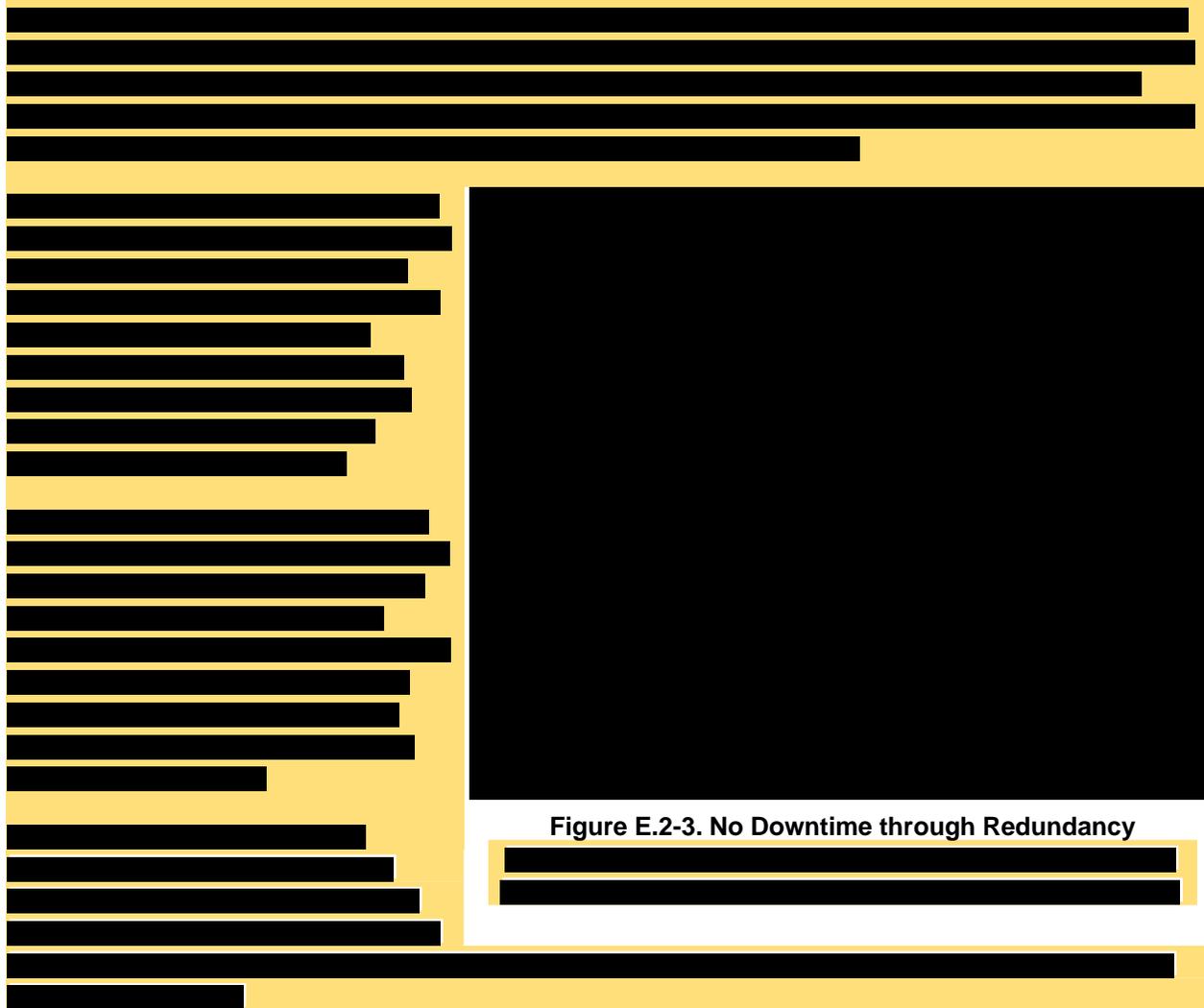
Established Communication Links with Arkansas

In the ongoing program, we will continue to use the same compatible communication facilities for batch and online transmissions currently in place. We use SFTP over a Multiprotocol Label Switching (MPLS) network to transmit batch files between DHS and EPPIC EBT 3.0. MPLS offers a foundation for secure communication approaches (e.g., VPN access for websites and portals) or the transmission and routing of encrypted transactions from POS devices. Our system links all network elements, including card generation, PIN selection equipment, and administrative terminal software necessary for cardholder and retailer authorizations. The use of MPLS offers two primary benefits to DHS:

- **Greater Reliability.** There is less risk of service disruption as MPLS can automatically reroute transactions to a different path if a connection becomes inoperative
- **Flexibility.** MPLS can adjust bandwidth as appropriate. It can be adjusted with only minor changes in software configuration if bandwidth is required

MPLS also includes a graphical user interface (GUI) monitoring tool to display network availability. As a result, we can immediately determine if the network or a specific node is unavailable and correct any adverse component interactions, if necessary.

DHS to EPPIC EBT 3.0 connectivity resides on an independent WAN that connects the LANs. Our network support team maintains the WAN at the primary data center. The WAN connects the primary and backup data centers, TPPs, DHS, vendor partners, and other authorized external clients. T-Mobile® and Lumen Technologies® supply network services that act as primary and backup links. Only authorized users can access the system network through their specific network connections.

Network traffic between sites in the State's electronic disbursement environment transmits through WAN routers. The routers are not connected to public networks like the Internet. Access lists are maintained by the Terminal Access Controller Access Control System (TACACS). This access control application provides router security services, including authentication and auditing, controlling user access to the routers. We will also continue to connect to the State's IPSEC appliance (CISCO ASA Firewall) using Advanced Encryption Standard (AES) 256 Encryption Protocol to create the VPN LAN-to-LAN tunnel.

All required interfaces with data centers and DHS computer centers are in place today for the EBT Program. We maintain responsibility for all system components, including the following:

- Access devices (point of sale [POS] and Automated Response Unit [ARU])
- Telecommunications networks (dial and leased lines)
- Routing (transfer points)
- Business decision switches
- Bandwidth capability to support the existing and projected traffic

Our solution design emphasizes data integrity, program and cardholder security, and benefit flexibility and complies fully with all existing transaction processing standards.

Procedures: A Proven Approach

Conduent bases the core of our Project Management Methodology (PMM) on standards from the Project Management Institute (PMI) and the Project Management Body of Knowledge (PMBOK). We apply the project management steps of initiating, planning, executing, and closing in each phase of the project, maintaining standards, quality, and continuity. By using prescribed processes defined in each phase of the project, our Project Management Professional (PMP)-certified Operational Project Manager, Priya Suresh, monitors key elements of the project including time, effort, and scope. This approach helps improve administrative operations, protects confidential data, and complies with all applicable federal and State regulations for SNAP EBT. See our response to Question E.11.B for details on our PMM.

Within our project management approach, we identify the procedures used to structure system parameters, business rules, Arkansas EBT Program policies, and document expected results of the EBT Services solution. As part of this process, Conduent delivers important documentation to the State, including all the artifacts listed in RFP Section 2.6. Each of these deliverables touches on key aspects of our system for Arkansas:

- **Transition-In Plan.** details how we will transition AR from current platform to enhanced EPPIC EBT 3.0 platform

- **Functional Design Document**. Provides a functional overview and description of the operating environment, procedures, and workflow of EPPIC EBT 3.0

- **Detailed Design Document.** Details software program controls and data structures within the system

- **Lifecycle Testing Plan/Test Plan**. Provides details on the testing process throughout the system development lifecycle (SDLC), including all tests we perform to make sure the system complies with Program requirements, design expectations, performance standards and usability

- **Backup and Recovery Plans**. Details how we manage system issues during a disaster or outage scenario, including the resources needed to resolve the issue

- **System Security Plan**. Includes information on all the security controls, validations, administrative and operational procedures, and security risk analysis of EPPIC EBT 3.0

- **Project Management Plan**. Details the SPARK methodology we use to manage a seamless transition to your enhanced EPPIC EBT 3.0 platform

- **Project Work Plan**. Lays out by tasks all the activities that must occur over the project's lifecycle, including all system-related tasks

- **Change Management Plan**. Details how we manage change orders related to system modifications

- **Risk Management Plan**. Provides information on our approach to assessing and managing risk throughout the project lifecycle, including system-related risk

- **Quality Assurance/Quality Control Plan**. Details the methods, procedures, and measures we use to make sure our transition and ongoing operations are of the highest quality for DHS

- **Configuration Plan**. Establishes the technical and administrative direction and monitoring processes used for configuration management

- **Business Continuity Manual.** Details the practices and measures we apply to ensure the continuation of business, including cross training

The foundation of our implementation management activities is the development and use of a detailed PWP. We follow the roadmap as we move through each phase of the program. The PWP identifies the key activities and timeframes in each phase along with the project scope, resources, tasks, deliverables, critical paths, and dependencies. The plan is a "living" document that demonstrates the relationships among all tasks. We describe in detail how we coordinate with your staff about the schedule of events, timelines, and structure of the PWP at the JCS. We update it with your staff's input, ensure it is mutually agreed upon, and formalize as a contract deliverable within two weeks of the contract start date. Throughout the transition planning process, we communicate closely with your staff and Program Leads, using a variety of means to describe activities and share ideas. It is especially important to Conduent that you are comfortable with what we do and when we do it.

Workflow

Conduent is responsible for the authorization of cardholder-initiated SNAP and cash transactions in Arkansas. EPPIC EBT 3.0 uses a basic, uncomplicated set of transactions common in the industry for processing. We have established connectivity with all retailers, third party processors (TPPs), and ATM networks nationwide, directly or through our gateway, providing POS and ATM transaction authorization 24/7. Figure E.2-4 highlights this workflow for SNAP transactions. See our response to Question E.9.B for additional details, as well as the workflow for cash transactions.

This is a high-level workflow for illustrative purposes and reflects all stakeholders who interact with the EPPIC EBT 3.0 system during the transaction process. We provide detailed workflows for all components of our solution in the deliverables noted above and set forth in RFP Section 2.6. For example, in the Functional Design Document, we breakdown the workflow of each component of the EPPIC EBT 3.0 system.
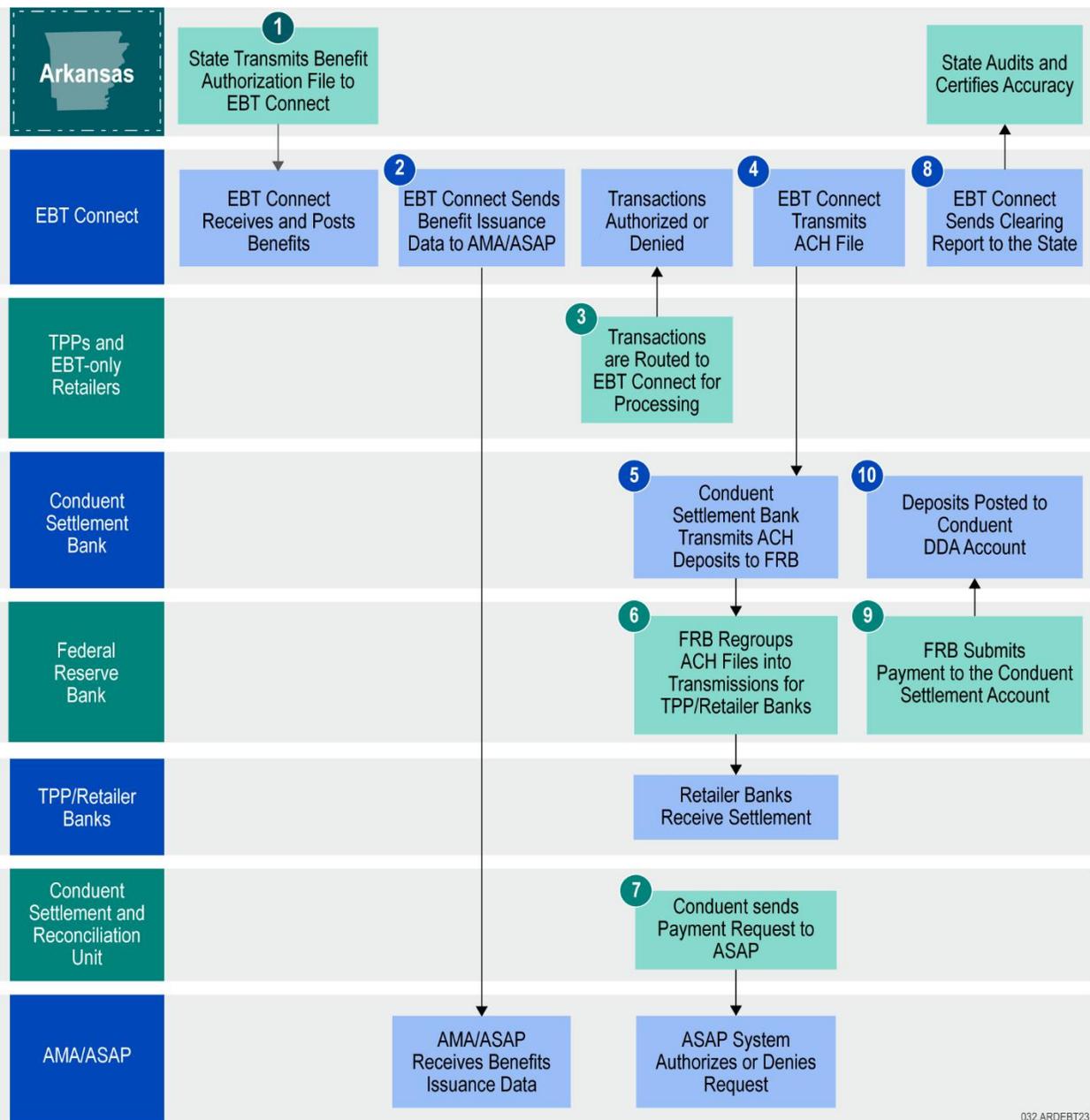
Figure E.2-4. SNAP Workflow
*The process flow for EBT benefits, from their entry into EPPIC EBT 3.0 to
their settlement disbursement is accurate and reliable each day.*

EPPIC EBT 3.0 protects all transactional communications by checking communications against its registry of authorized POS terminals and authorized users. In doing so, the system confirms that the communication of transactions, account maintenance activities, and other data originates only from authorized sources. The system's communications message validation processes also verify transmitted data errors, including verification of message completeness, correct file and field formats, and control and authentication measures.

The transaction messages EPPIC EBT 3.0 receives from TPPs and POS terminals represent the most important data flow for your EBT Program. The system processes thousands of transactions daily, and the messages must convey accurate data consistently. We designed the system to use an EBT version of ISO 8583, the industry standard for financial card transaction messages. This standard eliminates the need for re-mapping or translating messages between formats. As message errors are easily detected, message validation is a routine security procedure for every transmission. EPPIC EBT 3.0 checks all key elements of every ISO 8583 transaction message against the lists for validation before processing the transactions. These controls prevent unauthorized transactions and account overdrafts and protect EBT accounts and funds from unauthorized access outside the system.

E.3 Transition-In Requirements	
A. Describe the processes to be used for the migration of the client and retailer database from the current Contractor's EBT/EFT system to the new system.	5 points

With Conduent, there is no need for client or retailer data conversion, which significantly lowers project risk for the State across all functions. Apart from being an industry-leading solution, staying with Conduent means a smooth, disruption-free transition to a wealth of enhancements for the next contract. All data already resides on our system, benefits are processed accurately and efficiently, and cardholders and retailers are familiar with the support services we offer as part of our EBT Connect solution. This is particularly important given

The Lowest-Risk Transition for DHS

- Conduent is the only Contractor that offers a low-risk Transition-In Phase to DHS, your cardholders, and retailers
- No database conversion is required
- All supporting infrastructure is already in place

the recent failed conversions by other Contractors, causing major negative impacts on the EBT community. Because our solution does not involve replacing existing systems or migrating client and retailer databases, we can focus on implementing enhancements, system upgrades, and new functionality for Arkansas stakeholders.

Under the next contract, we will save Arkansas hundreds of hours by eliminating project activities focused on full data conversion. All data already exists on our technical platform, and all processes for loading new data and returning information (i.e., files and reports) to you are in place and functional. Moreover, you save additional hours on ancillary activities such as expedited document reviews (revisions to current documentation focus on updates and changes), shortened interface testing as Conduent to State interfaces are in place, and targeted State staff training, which focuses on updates to existing administrative terminal functionality.

With no data conversion required, we use the Development and Testing Phase to transition EBT Services to our latest platform (EPPIC EBT 3.0), which we describe in our response to Question E.2.B. This structured migration is low risk, especially compared to a full-blown data conversion. In addition to speed, efficiency, and reliability upgrades to file transfer capabilities, report generation, and retail transactions, EPPIC EBT 3.0 includes improved accessibility features for the portals (i.e., administrative terminal, cardholder portal, and Retailer portal). **In short, the State receives an upgraded solution for exceptionally low or virtually no risk.**

Our transition-in approach for Arkansas includes the following key areas:

- The processes used for the upgrade and enhancements to our solution
- How we test the processes, new features, and functionalities
- Contingency plans in the unlikely event that issues occur during the upgrade
- Description of the verification and validation of the upgrade process, including the validation of the cardholder account balances or benefit levels

Transition-In Approach for Arkansas EBT

For this contract, we continue to follow our well-established and industry-recognized Project Management Methodology (PMM) and the Standardized Process and Resource Kit – Implementing Technology Solutions (SPARK-ITS®) to guide our team not only for transition to the enhanced platform but for ongoing operations as well. SPARK-ITS builds upon Project Management Institute (PMI) guidance and best practices while adding industry standards and practical experience. It includes repeatable, consistent, and

documented processes that form the basis for our assessment at Capability Maturity Model Integration Maturity Level 3, an important milestone regarding our ability to create and deliver sophisticated IT solutions. This methodology is composed of two parts:

- **SPARK.** *Standardized Process and Resource Kit* for project management is a collection of tools and best practices for managing, delivering, and ensuring the quality of large-scale projects for government agencies.

- **ITS.** *Implementing Technology Solutions* guidelines within the SPARK family provides a methodology to guide the design, development, and implementation of mission-critical information systems.

Using this methodology and its repeatable, measured steps as our guideposts, we can make sure the transition to enhanced services for the Arkansas EBT Program is smooth for all stakeholders.

For additional details on our PMM, see our response to Question E.11.B.

During the **Design Phase**, Conduent designs and validates all system and program functionality. One of the key work activities in this phase that paves the way for our Transition-In Plan is the combined **Kickoff and joint configuration session (JCS)**. We hold this 2-3 day working meeting with you shortly after the contract signing to review and establish system business requirements. We note the questions from all stakeholders and outline any issues that require resolution by Conduent or DHS. As issues are resolved, we produce, update, and deliver key documentation for the Arkansas EBT Program, including but not limited to the Functional Design Document, Detailed Design Document, Interface Control Document, Test Plan, and Transition-In Plan. We also use this phase to refine our Project Work Plan (PWP), which serves as our guide for an orderly, low-risk continuation of our support for Arkansas. The PWP is a detailed roadmap that identifies:

- Resources assigned to each task
- Start and finish dates and duration
- Precedence relationships among tasks
- The "critical path" for project deliverables produced from tasks
- The estimated completion percentages of in-process tasks

We provide a draft PWP in Proposal Section 8.5.

Upon validation and sign-off of the defined requirements, development, and any required network and infrastructure, the project transition begins. This next phase, the **Development and Testing Phase**, contains most tasks involved in configuring EBT Services requirements and system work products. Activities include documenting all program design components and refining training programs, cardholder, retailer, and DHS staff materials, and customer service activities. We invest significant time during this phase in system operational processes and any required changes because of their importance and impact on virtually every aspect of the project. We make software modifications as needed in accordance with DHS requirements and revise documentation as necessary.

This phase also includes unit testing, system testing, and state system acceptance testing (SAT). We perform the SAT under the observation of DHS and FNS, which provides an opportunity to demonstrate compliance with service delivery and system performance. The SAT offers your staff the opportunity for hands-on interaction with the system, providing the ability to test system functionality for compliance with State and federal system design requirements covering all facets of the system's operations. We also test all the system's processing options and environmental conditions. Testers can perform "what if" (ad hoc) testing, with the opportunity to include various transaction sets and sequences not included in the test scripts and to challenge the system's operations and design.

Transition readiness is determined once SAT testing is complete. Once sign-off has occurred, our team moves into **Transition-In Phase** activities, which include the following:

- DHS staff, cardholder, and retailer training
- Confirmation of readiness of customer service solution, including the IVRS, call centers, the cardholder portal, and the mobile app
- Card production and issuance
- POS deployment and training
- Confirmation of operational readiness for all system interfaces, transaction processing, reporting, system security, and disaster recovery and contingency planning

Once the Performance Readiness Review is complete with DHS, we are ready to go live with your enhanced EBT Connect solution.

Our plan reflects a six-month transition to the new contract – sooner than what DHS specifies in the RFP. As the incumbent Contractor with a fully operational system in place, we deliver updates and enhancements within this timeframe without impacting program stakeholders. See our response to Question E.3.C for a timeline of the Transition-In Phase activities.

B. Describe the Prospective Contractor's contingency plan for problems and issues that may occur during migration.	5 points

Because no full-scale migration is necessary with Conduent, our transition to the enhanced system platform involves mere minutes of downtime for cardholders, retailers, and other stakeholders versus hours of guaranteed downtime with any other Contractor. Even with such a low-risk transition, DHS must be confident that your Contractor maintains the appropriate contingency plan to address and resolve incidents and problems when they arise.

Although we do not need to convert data, we have a contingency plan for the new software deployment on the go-live evening. Should any issues arise after deployment, we can revert to the previous version of the code. We also perform database cleanup efforts with the State if requested, as some data may no longer be valid. We can perform this activity at any time before the go-live date, if requested.

Overall Problem and Issue Management Approach

During the Transition-In Phase, Conduent focuses on preventing incidents (i.e., single events) or problems (i.e., repeated events) before they occur. However, unforeseeable events can create problems or financial discrepancies that require prompt action. Our controls and procedures in this area define how we manage system and operational problems. They also define how our team resolves these issues, notifies all affected parties, and records progress and the timely outcome (i.e., problem resolution).

In this critical time, Conduent continues to apply the existing process by which DHS can report system and operational problems, how we resolve these problems, and how we report the resolution back to the Department. As detailed in our response to Question E.12.F, these procedures include a priority scheme for identifying a problem's relevant severity and the expected timeframes for resolving a problem based on its severity.

As an organization, we maintain a rigid structure related to contingency planning around system issues. All core project team members report directly to Operational Project Manager Priya Suresh, who has the authority to resolve virtually all project issues and implement the necessary corrective actions with the State project manager. All escalations receive a response within 24 hours of contact.

Our contingency plan for problems and issues during this phase follows our problem management process, described in our response to Question E.11.A. This approach centers around a formal written process, which includes our approach for problem definition, notification and recording, our technical help desk (EPPIC24), escalation procedures, and monitoring and closure procedures. Additionally, as detailed in our response to Question E.11.B, Conduent monitors internal activities with regular meetings and conference calls and reports on activity, including accomplishments, issues, and resources to makes sure all team members are aware of any issues and resolution procedures.

As stated, the low-risk and straightforward transition the State requires to Conduent's enhanced platform means minimal risk or disruption for DHS and your stakeholders. But should an issue arise, our team and our management approach do what they need to do to resolve it in a timely manner.

C. Provide a schedule of high-level milestones for the transition in phase.	5 points

Table E.3-1 presents a schedule of Transition-In tasks aligned with our draft PWP provided in Proposal Section 8, Other Documents. The draft PWP includes a schedule for all project phases, including the Transition-In Phase and its applicable milestones. All CPCM pricing listed in Attachment T Revised Cost Proposal, Tab 4, Table 2 - Maintenance and Operations for SNAP, CASH, and Combined Cases takes effect after System Go-Live/Rollout of system upgrades and enhancements proposed for this new contract.

Table E.3-1. Transition-In Phase Tasks Schedule

Task	Draft Start Date	Draft Completion Date

The draft PWP conforms to SPARK-ITS, Conduent's well-established and industry-recognized project management methodology (PMM) and tools, and the State's PMM. See our response to Question E.11.B for details.

The Transition-In Plan addresses the requirements in RFP Section 2.6.12, Project Work Plan.

D. Provide the Prospective Contractor's bank account structure.	5 points

We will continue to maintain a separate zero balance clearing bank account with our concentrator bank, Wells Fargo Bank (Wells Fargo), for the settlement of Arkansas EBT transactions. We use an established, DHS-approved bank account structure, which we detail in the Transition-In Plan, each business day for funds movement as we manage the day-to-day reconciliation and settlement activities for the State. However, we work with you to receive your approval of our process under the next contract.

Wells Fargo performs the following federal requirements, which form the basis of our subcontract. At a minimum, Wells Fargo:

- Receives from Conduent a daily Automated Clearing House (ACH) tape or other crediting process approved by DHS, with information on DHS benefits transacted and credited to each retailer

- Transfers the ACH tape or other crediting process to the Federal Reserve System or other entity

- Posts debits to the State of Arkansas account at Wells Fargo

- Accepts reimbursement initiated by Conduent from the appropriate US Treasury account via the ASAP system or other payment process approved by FNS. The State can designate another entity as the initiator of reimbursement for FNS redemptions, provided the entity is acceptable to FNS

- Cooperates with Conduent to establish a formal process and set of procedures to effect discrepancy reconciliation and error resolution when necessary. These procedures provide for resolving errors within 10 business days from when a retailer or financial institution reports it

As the single point of contact for problem resolution related to issues regarding Wells Fargo activities, we provide DHS with State-specific bank account information upon request. In addition, we remain responsible for any errors associated with creating the ACH tape or its transmission to Wells Fargo.

E.4 EBT System Functionality	
A. Describe the Prospective Contractor's contingency plan for circumventing communication outages of longer than five (5) minutes.	5 points

Our solution allows DHS to continue processing EBT transactions in nearly all scenarios, including communication outages longer than five minutes, using a distributed cloud computing architecture and advanced technologies that provide reliable system availability in any circumstance. In conjunction with private cloud hosting, we configured EPPIC EBT 3.0 to pre-empt outages to support systems during unexpected events – minor outage or severe disasters – and to mitigate impact to cardholders, retailers, and the State.

Benefits to DHS

The redesign of the EPPIC EBT 3.0 platform provides enhanced reliability and system stability for Arkansas. With its decoupled processing and dynamic load balancing, cardholders can still use their benefits even if there is a communication outage.
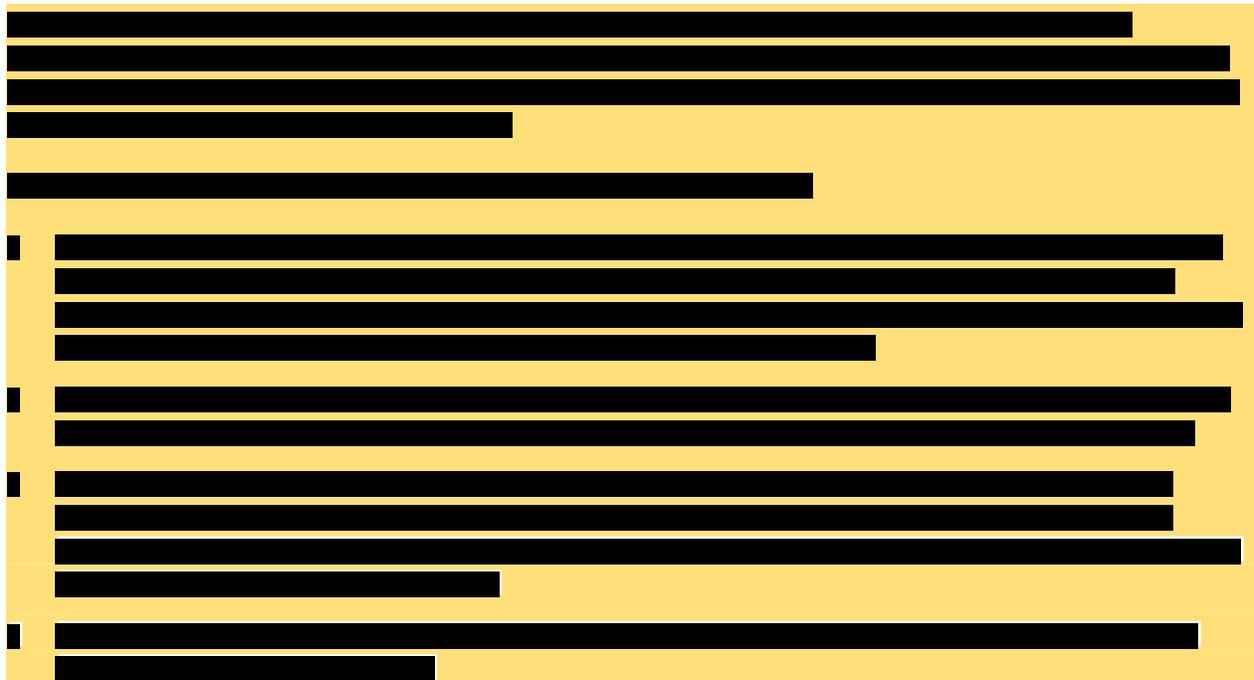
Between the enhanced platform, a remote backup site for EPPIC EBT 3.0 processing, and telecommunications network redundancy, we can continue operations in most scenarios. See our response to Question E.2.B for more information on our system environment.

Contingency Plan

Conduent provides a hot backup site for EBT processing and telecommunications network services in case primary host processing capabilities are lost. We maintain the primary and backup environments concurrently and run EPPIC EBT 3.0, decoupling distinct processing functions and spreading them across server types. All system components (e.g., hardware, software, and communications links) in the primary and backup data centers are fully redundant and use proven products and technologies that facilitate a resilient, high-availability processing environment. The system continuously logs all transactions to all server nodes, resulting in the primary site nodes remaining synchronized. If one node

experiences a hardware issue or other failure, the system automatically routes to the other node and continues to process without interruption.

Although the EPPIC EBT 3.0 architecture provides redundancy that allows continuous processing even in the event of a server or component failure, a situation or disaster that impacts the entire data center may result in switching over to the backup hot site. The hot backup is maintained concurrently, allowing a full takeover of online and batch processing upon notification by DHS. Telecommunications links (State and acquirer), the databases, and the CPU processing are operational and able to process EBT transactions accurately and completely through the backup site.

Process for Cutover to the Onsite Backup System and Backup Site

In the unlikely event of an outage in the primary system, the EPPIC EBT 3.0 configuration of the primary and secondary servers' results in the seamless and transparent use of the onsite backup system in real-time. In the event of a declared disaster or system downtime requiring the remote backup (tertiary) system, we cut over to the hot site remote location. The system's flexible design, transition capabilities, and detailed backup procedures enable the remote backup system to process transactions within minutes of successful cutover. The backup location houses the same hardware and communications access points as the primary data center, so the process for cutover involves configuring the backup system to be in primary mode and re-routing transaction traffic to the backup site. We cut over to the remote site using the steps and timing shown in Figure E.4-1.
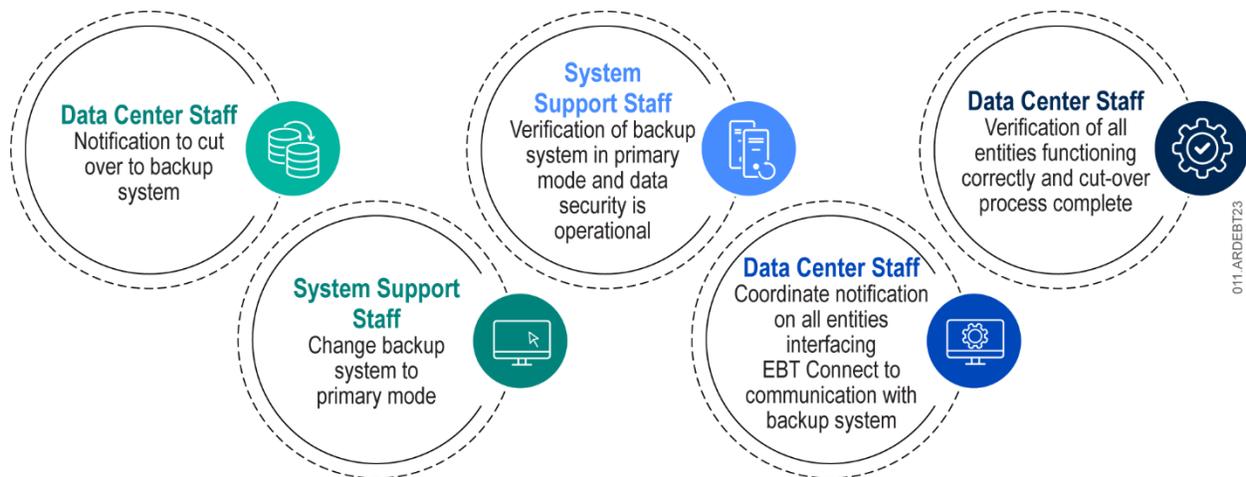
Figure E.4-1. We Manage Cutover to the Remote Backup System in Five Steps
The established process for cutting over to the remote backup system provides a timely transition.

When the primary data center's primary and redundant systems return to operational mode, we bring them up in backup mode first, allowing the databases to restore and synchronize with the remote backup system before reverting to full processing at the primary data center.

Telecommunications Redundancy

We use redundant circuits with Microsoft ExpressRoute that enable EPPIC EBT 3.0 to extend seamlessly into the private cloud. Every line incorporates a redundant path should the primary link become inoperable. In addition, every piece of hardware is fully redundant. This approach verifies that failure of a single technical component does not cripple the system.

B. Describe the Prospective Contractor's process of eliminating unauthorized access.	5 points

With EPPIC EBT 3.0, DHS has a system with built-in security features to prevent unauthorized access. The best part of these features is that DHS can manage the system's security configuration without Conduent intervention. While we are always available to assist, your designated security officer will keep the ability to define and configure user profiles, add and delete users, and assign access permissions within the system as you do today.

A Multi-Level Security Process

EPPIC EBT 3.0 uses a multi-level security process, shown in Figure E.4-2, which consists of user types and roles defining a specific security level for each user. These controls confirm that security profiles control State, federal, and Conduent staff access to an update or inquiry transaction through the administrative terminal.

The set of features available for each user is the aggregate of type and role functions. With this multi-level security structure, DHS can assign and apply even slight security differences among users' functions, **giving you maximum flexibility and control over system access and privileges for authorized users.** Role-based access controls confirm that users only have access to information authorized by the security officer.

Figure E.4-2. Multi-Level User Security Process
EPPIC EBT 3.0's security structure allows access flexibility and refines privileges for functions.

While this process is in place today for Arkansas, we work with DHS during the Joint Configuration Session (JCS) to make any refinements to meet your needs. Together with the State's security officer, we review:

- **Privileges.** Privileges are specific access rights that determine the actions a user can and cannot perform or the data they can or cannot view, and can include Case Create, Benefit Read, Client Search, or Report. The security officer assigns privileges to user types and roles rather than individual users. Therefore, the user type and role assignments determine a user's privileges. Users gain all the privileges of the assigned user type and role (or roles).

- **User Types.** User type security is a high-level category that defines the minimum set of functions allowed for a particular group. Examples of user types include State workers, FNS workers, State security administrators, Conduent workers, and disaster workers. The security officer assigns a base set of privileges to each user type depending on the functions the type performs.

  The user type provides a common set of privileges for each user group. For example, the user type of "State worker" might include a common set of inquiry privileges that all State workers should have.

A user assigned to the State worker user type receives those inquiry privileges. Their assigned roles further differentiate the functions and information they can access.

- **Roles.** We define a role as a required job function that a user performs. Examples of roles include technical support, county assistance, State EBT management, and security officer. A role typically requires functions besides those of a user's assigned user type. The role is comprised of a list of assigned privileges. Several roles may be associated with one user type.

- **Users.** New users receive a username, login ID, and password that they change when they log in for the first time. Users inherit the privileges of the roles and types to which the security officer assigns their login ID. Once the system establishes their account, you can search a user by name to determine current security levels and to change or remove them if necessary.

We provide multiple layers of security, user types and roles, and the ability to customize access to information based on user needs. With these protocols in place, your staff can only access system information with the authorization of the State security officer. Additionally, the security management function allows for system inquiries, updates, retrieval, and review of reports related to user activity, inactivity, and lockout. We manage access to the reports through user security profiles, allowing the security officer to make sensitive reports available only to those users whose job responsibilities require it.

The following narrative provides a visual walk-through of this process in EPPIC EBT 3.0.

Figure E.4-3 shows an example of the maintenance of a user type identified as "State," which allows the security officer to assign specific access privileges.
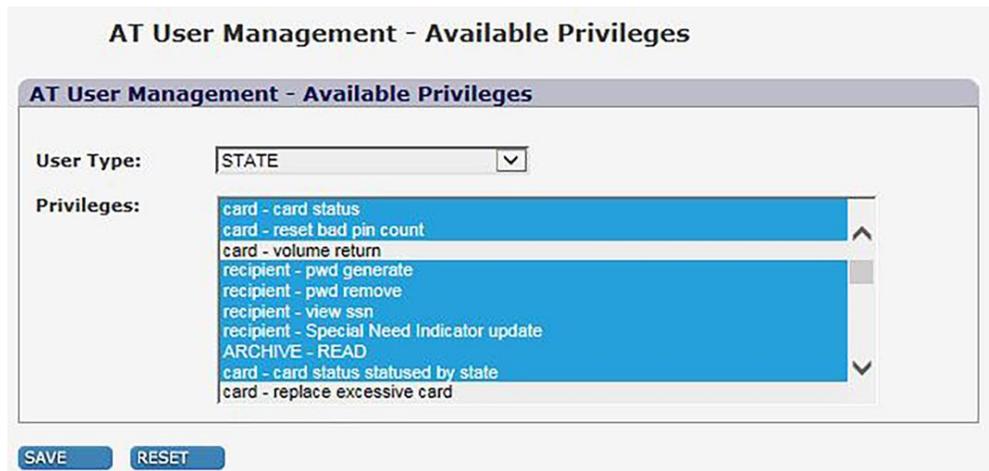
Figure E.4-3. User Type Privileges Management Screen
The State security officer can create roles for specific access privileges.

The security roles shown in Figure E.4-4 are customizable to meet DHS needs. Pressing the "Details" button displays all allowed functions for each role and allows the security officer to add or remove privileges. As mentioned, there can be multiple roles under one user type, giving DHS the flexibility to "specialize" what the user can access. For example, in Figure E.4-4, under the State user type, DHS can establish a specific role for functions such as CountyHelp, Financial, Tech Support, Investigations/Claims, and various levels of Investigations teams (Invest1 and Invest2).

AT User Management – AT Roles

ID	Description	UserType	Enabled?	
100	Security Admin	STATE SECURITY ADMIN	YES	DETAILS
101	Security	STATE SECURITY ADMIN	YES	DETAILS
102	EBTmgmt	STATE SECURITY ADMIN	YES	DETAILS
103	CountyHelp	STATE	YES	DETAILS
104	Investigations/Claims	STATE	YES	DETAILS
105	Financial	STATE	YES	DETAILS
106	Tech Suprt	STATE	YES	DETAILS
107	CentClaims	STATE	YES	DETAILS
108	Invest1	STATE	YES	DETAILS
109	Invest2	STATE	YES	DETAILS
110	FNS Super Admin	FNS SUPER ADMIN	YES	DETAILS
112	FNS Worker	FNS WORKER	YES	DETAILS
113	Conduent Super User	CONDUENT ADMIN	YES	DETAILS
114	Conduent Mngmt Support	CONDUENT ADMIN	YES	DETAILS
115	Conduent Security Admin	CONDUENT ADMIN	YES	DETAILS
222	Conduent UserMGMT	CONDUENT ADMIN	YES	DETAILS
116	Conduent Retail	CONDUENT WORKER	YES	DETAILS
117	CDE	CONDUENT WORKER	YES	DETAILS
118	Conduent Recon	CONDUENT WORKER	YES	DETAILS
119	Conduent View Only	CONDUENT WORKER	YES	DETAILS
120	Help Desk	CONDUENT WORKER	YES	DETAILS
121	Claims and Dispute	CONDUENT WORKER	YES	DETAILS
122	Card Return	CONDUENT WORKER	YES	DETAILS
111	FNS Admin	FNS ADMIN	YES	DETAILS
243	PRODUCTION SUPPORT ADMIN	PROD SUPPORT ADMIN	YES	DETAILS
252	PRODUCTION SUPPORT	PROD SUPPORT ADMIN	YES	DETAILS
244	PRODUCTION SUPPORT STAFF	PROD SUPPORT STAFF	YES	DETAILS

NEW

Figure E.4-4. Administrative Terminal Role Screen
The State security officer can view a list of all established roles.

The security officer can also set up new roles by pressing the "New" button. As shown in Figure E.4-5, the security officer can enter a role description, select the user type that the role is associated with, and select the privileges for the new role.

Figure E.4-5. Administrative Terminal Role Add Screen
The security officer can easily add new roles as needed.

Assigning User Type and Roles to Users. Once the State security officer establishes user types and roles, the officer accesses the User Management screen, shown in Figure E.4-6, to add a user and assign a specified user type and role (or roles) to the user. They can also associate a user with a specific office (or "statewide") for reporting purposes. As stated, users inherit privileges of their assigned roles and user types. They establish a username, login ID, and initial password using this screen.

Figure E.4-6. User Management Screen – Add User
The security officer adds users and assigns user types and roles.

The security officer can search for existing users by name, login ID, or office to determine current security levels and to change them if necessary. Figure E.4-7 shows that the security officer can disable or remove a user from the system.

Note: All personal information shown in screen sample is fictitious data.

Figure E.4-7. User Management Screen
The security officer can update user permissions and disable or remove users from the system.

Communications Access Controls

Our software strictly controls all communications access, whether by administrative users or terminals throughout the EBT network attempting to input data or generate inquiries. After authenticating to the State network, federal, DHS, local office, and Conduent personnel have individualized access to the system that matches their specific duties and authorization levels. In addition to the controls described above, our communications access controls include those detailed in the following paragraphs.

User Identification and Authentication. Users requiring access to the system, including DHS and federal personnel and Conduent employees, are established within the system as authorized users with unique identification. Working with DHS, we define user access specifications to match access privileges or refine access types to accommodate your needs under the next contract. Each user receives a unique user identification and password that allows them access to only those databases, transactions, or programs they are authorized to use to perform their assigned duties. Our solution will enable DHS to enforce security differences between users' job functions for maximum flexibility and control over system access. Unauthorized users have no way of accessing restricted data or system functionality. Our solution strictly protects authentication data and makes it available only to authorized users.

For audit purposes, DHS can associate an identity with all actions taken by an individual, as EPPIC EBT 3.0 monitors and tracks system access. The system maintains all information necessary for determining the authorizations of individual users. Additionally, EPPIC EBT 3.0 supports a lockout threshold for excessive invalid access attempts by system users. The lockout threshold is a parameter setting that DHS can easily modify. EPPIC EBT 3.0 allows the immediate deletion of users no longer authorized by the security officer. In addition, we monitor user inactivity and submit reports whenever a State or local

user has been inactive for 90 days. The time of user inactivity is also parameter-based to meet your specific needs.

Discretionary Access Controls. As described above, EPPIC EBT 3.0 uses identification and authorization data to determine user access to information and the level or type of information that DHS allows each user permission to access. When DHS grants a user access to the system, the user is assigned a specific user profile based on their job requirements. This user profile structure enables DHS to assign each user a job function type and a specific role in that type. Operational Project Manager Priya Suresh and the State security officer can specify who (by an individual user, users, or types of users) may have access to system data and what type or class of data those users can access.

EPPIC EBT 3.0 ensures that users without such authorization cannot access data inappropriate to their authorization. DHS can enforce even minor security differences among users' functions for greater flexibility and control over system access. This functionality ensures unauthorized personnel cannot modify the EBT functions supported on the administrative terminal.

System Access Audit Controls. EPPIC EBT 3.0 maintains an audit trail of all user actions performed on the system throughout the contract period. The system defines and controls access between named users and objects, including but not limited to files and programs. This permanent record of all user activities – itself protected from modification, unauthorized access, and destruction – reflects every logon, logoff, password change, creation, deletion, account update, program update, and all actions performed by personnel, including system operators, administrators, and the State security officer.

For each recorded event, the audit record identifies the date, user, type, and the success or failure of the event. The audit record includes the request's origin and terminal ID for logon, logoff, and password change events. Using an individual user ID, the security officer or a system auditor, if applicable, can access a complete record of a user's system activity. As EPPIC EBT 3.0 is a web-based system, the security officer can access these records, change passwords, or selectively audit the activities of one or more specific users online based on individual identifying information. System auditors and administrators can also use this capacity to access a particular user's record of system activities or to trace an action or change to the system directly to the user that performed it.

The system automatically deletes inactive users based on DHS parameters. Conduent electronically transmits records of inactive users deleted by the system to the security officer to support investigations. The system stores the records of inactive users that it deletes should you need them for investigations.

Transaction Communications. As described in our response to Question E.2.B, EPPIC EBT 3.0 protects all transactional communications by checking this data against its authorized point of sale (POS) terminals and user registry. As such, the system confirms that the communication of transactions, account maintenance activities, and other data originates only from authorized sources. EPPIC EBT 3.0's communications message validation processes also verify transmitted data errors, including verification of message completeness, correct file and field formats, and control and authentication measures.

See our response to Question E.12.D for more information on EPPIC EBT 3.0's data security controls.

C. Describe the plan to ensure that all transmitted data will be accurately and completely received to prevent incomplete and/or duplicate data?	5 points

EPPIC EBT 3.0 includes features designed to make sure all transmitted data is received accurately and completely. Account set-up data is processed before benefit authorization data. The system handles the initial validation of the DHS-provided State Unique ID by comparing it in the file sent by DHS with the ID already residing in the system. If it is an "add" record and DHS has not used the ID before, EPPIC EBT 3.0 adds the record. If the ID already exists, the system rejects the record. If the ID exists and the file contains a "change" indicator, EPPIC EBT 3.0 processes the record according to the agreed-upon file processing rules. **Through this process, we make sure EPPIC EBT 3.0 maintains unique, non-duplicated EBT account numbers**.

Serving DHS

Conduent has successfully received and processed account set-up, account maintenance, and benefit authorization batch files in Arkansas since 2018.

The EBT Account Number (i.e., State Unique ID) links the account established in EPPIC EBT 3.0 to the eligibility and authorization systems' case record to share data. All inbound eligibility maintenance requests or demographic changes use the unique ID to link to the proper EBT account and apply the changes. EPPIC EBT 3.0 then processes Benefit Authorization records and posts authorized benefit amounts to appropriate EBT accounts based on the State Unique ID and program designator. The system identifies each authorization through the State Unique ID, authorization date, authorization type, authorization number, and availability date. EPPIC EBT 3.0 posts the authorizations to cardholder accounts according to benefit type. Upon posting, the system immediately reflects the benefit authorization and the availability date.

Within 30 minutes of receiving a file, EPPIC EBT 3.0 returns a Batch Processing Summary Report. The report includes an External File Processing Summary section confirming the receipt and identifying any files the system could not accept and why. Specifically, it details:

- Total number of records preprocessed and processed
- Number of records accepted
- Number of records rejected
- File processing start time
- File processing end time
- File processing total time and processing rate
- Records/second
- Total amounts rejected
- Total amounts accepted

See our response to Question E.15, Reporting, for a sample Batch Processing Summary Report and Question E.4.G for a sample Batch Processing Exception Report.

If EPPIC EBT 3.0 rejects a file, it maintains a record of subsequent transmissions and completes file processing within minutes of the re-transmission. EPPIC EBT 3.0 immediately transmits a successful receipt or rejection notice and repeats the process until it receives a successful transmission. Further, the system can reject an individual record in the file, process the remaining records, and return an acknowledgment. As with the initial notification, EPPIC EBT 3.0 transmits subsequent notifications within minutes of the transmission from DHS.

D. Describe the Prospective Contractor's card inventory control system.	5 points

Card inventory management encompasses multiple components; as such, we perform these processes in accordance with strict industry standards and a high degree of security and controls. We maintain physical controls that protect cards during manufacturing, storage, and shipping. Some of our card production, inventory control, and physical security measures include those shown in Figure E.4-8.

Figure E.4-8. Multiple Security Measures Protect Sensitive Materials and Data
We carefully control unissued card stock from creation through shipment.

Card Inventory Control System

We will maintain a centralized card inventory control system on behalf of DHS that includes security controls necessary to track all cards, including cards not shipped and cards ordered and shipped to local offices. We link the cards to their distribution point by card number. The card issuance database is accessible to DHS 24/7 via a password assigned to authorized personnel.

We work with you during JCS to confirm that we meet all required card functionality, including reporting requirements, to enable you to track and manage vault card stock effectively. We also review the workflow of managing card stock, user access and privileges, threshold levels, and shipping procedures with you. If you wish to modify any procedural steps within the workflow, we will modify them accordingly.

We maintain all card information within the card inventory control system, along with safeguards to confirm security and quality and prevent duplication of orders. Further, the primary account number (PAN) assignment and tracking process does not duplicate card numbers and never generates a PAN that duplicates an existing card.

Using the administrative terminal main menu (see Figure E.4-9), the card inventory database is accessible to authorized DHS staff 24/7. From the administrative terminal, your staff can view card groupings by cards issued, activated, undelivered, and canceled. Within each card stock category, your staff can identify the user types (i.e., DHS, Customer Service, cardholder portal, etc.) that issued each card.

Low Inventory Prompts

The inventory control system includes prompts for low inventory/reorder conditions. We provide monthly management summary reports for tracking the inventory levels of available stock and categories of cards issued for your assessment of trends and general activity.

Department Access for Monitoring Card Inventory

As noted, the card issuance database is accessible to DHS 24/7 using the administrative terminal (see the example from one of our other State programs that do over-the-counter issuance in Figure E.4-10). User IDs and passwords for the administrative terminal are assigned to authorized personnel. Your staff can monitor card stock orders, delivery timeframes, confirmation of cards available at each DHS office, and who received the delivery.

Figure E.4-9. Main Menu
All administrative functions are easily accessible from this menu.
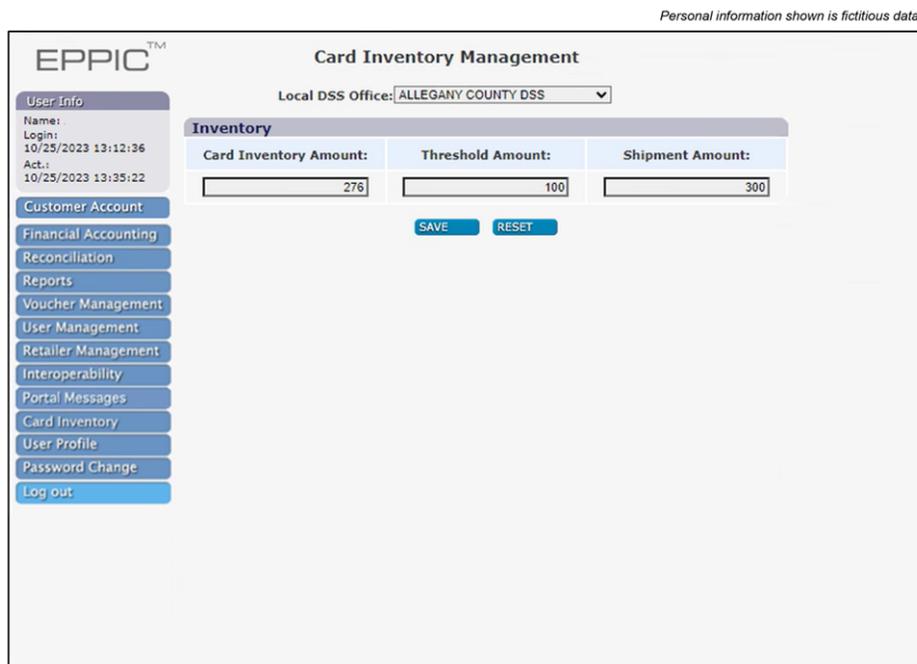
Figure E.4-10. Sample Card Inventory Management Screen
An authorized State user can use this screen to select a Local DHS Office from a drop-down menu to view inventory amounts, set threshold levels, and set shipment amounts.

E. Describe the capability to process and accept out of state card transactions.	5 points

EPPIC EBT 3.0 processes and accepts out-of-state card transactions through our Conduent-owned and operated interoperability switch. This solution provides real-time online communications for any EBT transaction from any retailer to any EBT Contractor, as illustrated in Figure E.4-11.
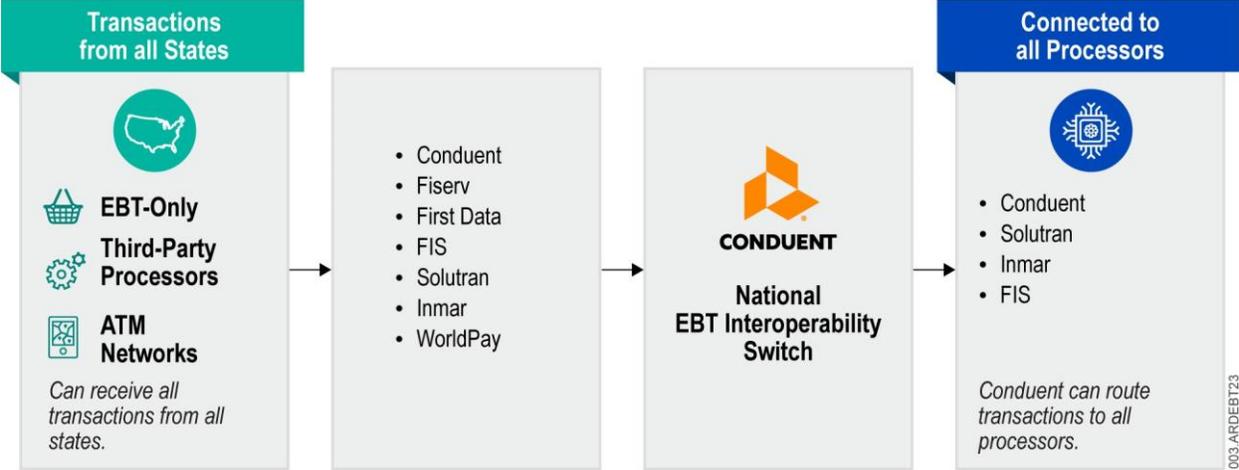
Figure E.4-11. Conduent National EBT Interoperability Switch
Conduent can receive all transactions from all states and route them to all processors.

Our EBT system complies with federal requirement 7 CFR Parts 272 and 274 for national interoperability. We configured the system for open access and flexible telecommunications. **While others might claim to be the only EBT Contractor fully interoperable with major third-party processors (TPPs), such a claim is false**. Highlights of our experience in this area include:

- To avoid the performance issues that plague other contractors' switching systems, we use the reliable commercial transaction processing environment of TPPs and gateways to verify the timely and accurate acquiring and routing of EBT transactions.

- Conduent can accept all EBT transactions from any state and by any method, including TPPs, ATM networks, EBT-only retailers, farmers' markets, manual vouchers, or online.

- Conduent connects to all EBT processors, and our interoperability switch can route transactions to any processor for authorization.

- The Conduent interoperability switch is a critical component of the national EBT environment and enables all EBT processors to offer interoperability.

- Conduent holds the national federal Retailer Electronic Data Exchange (REDE) file that provides FNS numbers to all authorized retailers to support interoperability and make sure that only these retailers can accept SNAP benefits.

- We continue to invest in the EBT processing environment to make sure we serve all cardholders regardless of where they are or how they initiate transactions.

How EPPIC EBT 3.0 Supports Interoperable Transactions

Figure E.4-12 shows how we route out-of-state card transactions through our interoperability switch and authorize and settle this unique transaction category.
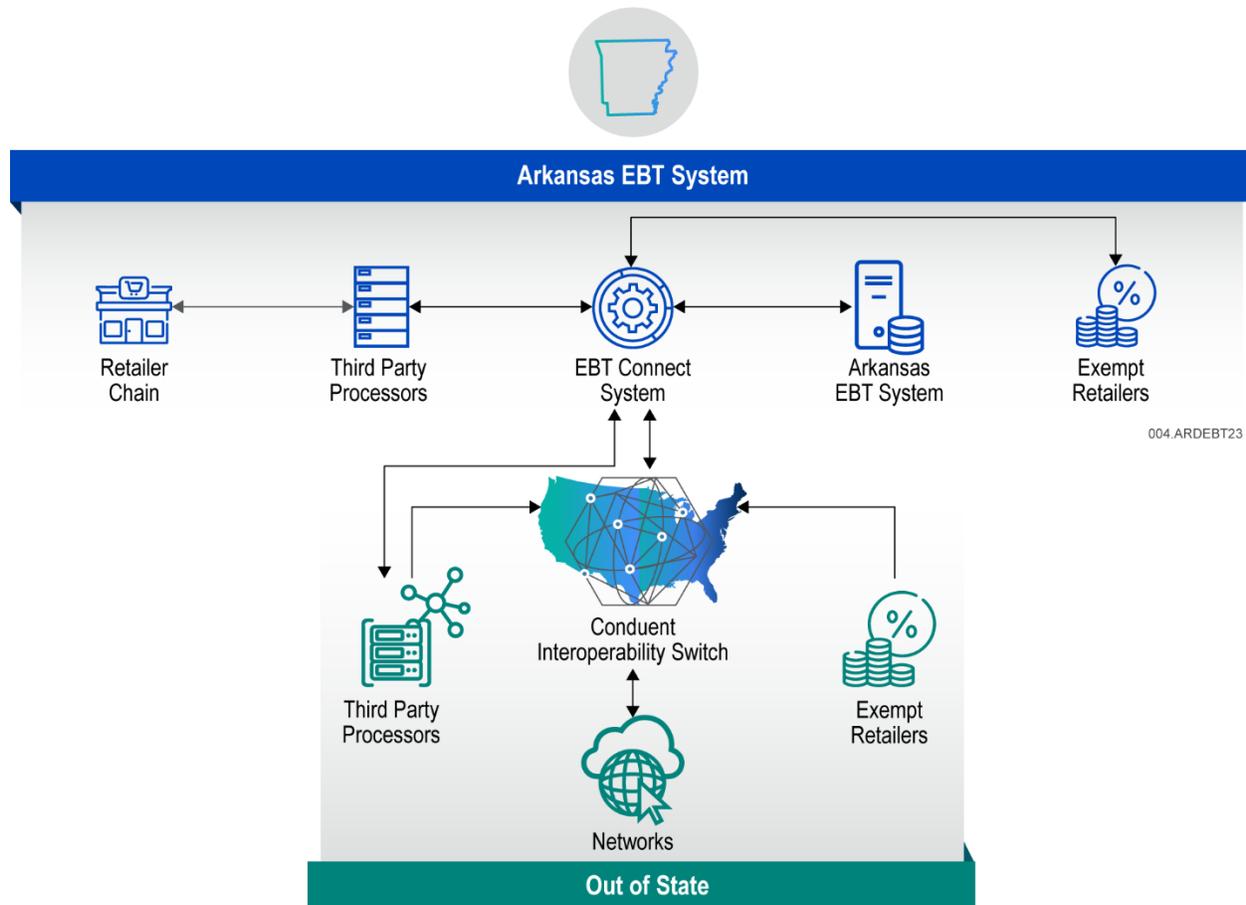
Figure E.4-12. Interoperable Transaction Routing
Our telecommunications network confirms the processing of all State EBT transactions for out-of-state cardholders using Arkansas retailers and Arkansas cardholders using out-of-state retailers.

To demonstrate the transaction flow for interoperability, we outline the actions taken by cardholders from other states when visiting Arkansas and by Arkansas cardholders accessing their EBT benefits when out of state. In both scenarios, cardholders can seamlessly make purchases using their EBT benefits.

Out-of-State Cardholders Redeeming Benefits in Arkansas

For out-of-state cardholders redeeming EBT benefits in Arkansas, the process is as follows:

- An out-of-state EBT cardholder initiates a transaction at an authorized retailer in Arkansas.

- If the transaction originates from a TPP-processed retailer, it passes directly to the TPP, which then routes it directly to that out-of-state cardholder's Contractor for authorization.

- If the transaction occurs at an exempt EBT-only retailer location, EPPIC EBT 3.0 recognizes the BIN as either a non-Conduent or a Conduent-processed BIN. If it is a non-Conduent BIN, the system routes the transaction to the appropriate Contractor for authorization.

- If it is a Conduent BIN, the system authorizes the transaction without sending it elsewhere.

Arkansas Cardholders Redeeming Benefits in another State

For Arkansas cardholders redeeming EBT benefits at out-of-state retailers, the process is as follows:

- The cardholder initiates a transaction at a retailer outside of Arkansas.

- If the transaction originates at a TPP, the system routes it to Conduent for authorization. EPPIC EBT 3.0 processes the transaction and returns the authorization through our interoperability gateway switch.

- If the transaction originates at another Contractor's EBT-only terminal, that Contractor routes it to Conduent for authorization.

- If the transaction originates at an exempt EBT-only retailer we process, EPPIC EBT 3.0 authorizes or denies it and settles the transaction.

We provide Arkansas cardholders access to their benefits wherever they shop. In-state retailers can serve out-of-state shoppers. Each commercial service provider, retailer, or TPP can connect to EPPIC EBT 3.0 or route to EPPIC EBT 3.0 through their existing network links.

F. How does the Prospective Contractor's system facilitate tracking and retaining individual benefits?	5 points

The account structure of our EPPIC EBT 3.0 application offers maximum flexibility to support multiple program benefits (e.g., SNAP and TEA) at the funding or summary level under one EBT account. We track these benefits as separate transactions to meet DHS and federal reporting requirements and to facilitate internal record-keeping for participating retailers, merchants, and financial institutions. Each account corresponds to a DHS case and includes benefit categories and program types as appropriate and determined by DHS. This structure confirms that we accurately maintain separate benefit balances for SNAP, DSNAP, TEA, Refugee Cash Assistance (RCA), and any other benefits you might add in the future and that cardholders never overdraw their benefit accounts.

EPPIC EBT 3.0s object-oriented design includes a multi-tiered account structure that integrates specific business rules (policies) for multi-agency program services, including planned future program types. The process begins by establishing a primary account for each cardholder designated on your system.

Our account structure applies unique business rules for the benefit category, program type, and benefit delivery method as detailed below and as specified by DHS:

- **Tier One – Primary Household Account.** We establish an account with DHS-assigned unique identifiers, personal demographics of the primary cardholder, card number issued (i.e., history and currently active card), and selected PIN for accessing account benefits.

- **Tier Two – Benefit Category.** The benefits category compartmentalizes the hierarchy of benefits, separating SNAP from other categories of cash, which is the highest level of consolidation and "pooling" of benefits. All sub-tiers can be "pooled" to this tier, which serves as the foundation to link services to a household or individual. We then integrate business rules for each program within our solution, followed by the benefit detail for each program type. This structure provides for handling benefits at either the upper rolled-up tier level or the individual issuance program type.

- **Tier Three – Program Type.** Within this tier is each participating program and its precise business rules for disbursement of benefits. This level permits each program type to be placed in a specific category of benefits:

  - Assign to SNAP and cash categories
  - Determine if they fund the account as day-of-draw or pre-fund the account
  - Allow cardholders to receive benefits through a card
  - Invoke specific policies such as where cardholders can access the benefits and how benefits are aged and expunged

EPPIC EBT 3.0 tracks benefits dynamically on a first-in, first-out (FIFO) basis to manage State funding sources. We apply the "order of precedence" for disbursing the funds using the State's Primary Program Designation (PPD) hierarchy. As a result, DHS can determine the programs that EPPIC EBT 3.0 debits first within a benefit category.

Figure E.4-13 illustrates our account structure model for tracking and disbursing multiple EBT Program benefit types.

Virtually all data management functions for disbursing benefits, aging, expunging, history, and maintenance reside within the business functions at the program level, with flexibility for quickly changing the way a program manages data.

The same business rules apply if we establish accounts through batch processing, online messaging, or the administrative terminal. Conduent can report at the lowest subprogram level or consolidate information at the higher levels.
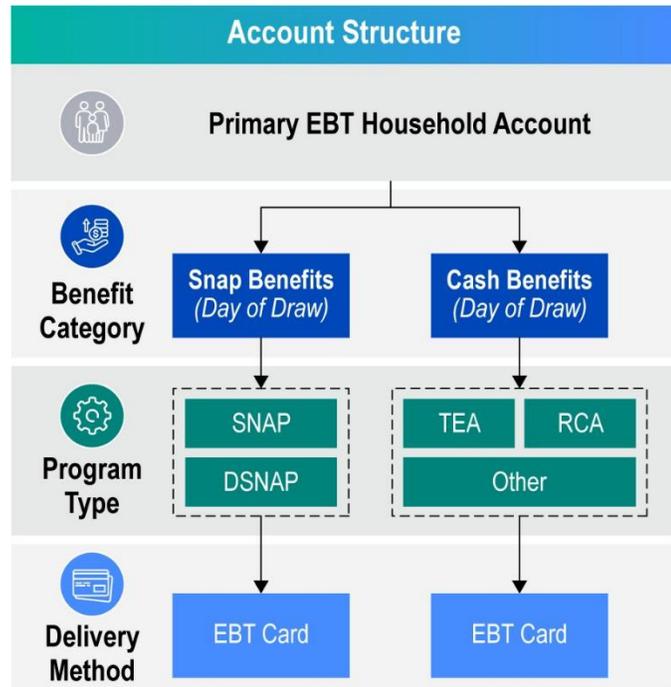
Figure E.4-13. Account Structure Model
We offer a flexible, proven account structure model for tracking and disbursing multiple program benefit types.

G. Describe the Prospective Contractor's solution process in steps from receiving our input file through the posting of a benefit and issuance of a card including any error report handling.	5 points

EPPIC EBT 3.0 processing begins with account set-up and benefit authorization. A highly flexible system for DHS, **EPPIC EBT 3.0 allows for account set-up, account maintenance, and benefit authorization to occur nightly or at any other time without limiting the time of day or frequency**.

Step 1: Account Set-Up and Benefit Authorization

Conduent's advanced solution uses a secure, industry-standard interface for electronically transmitting and receiving account information to and from DHS. The data exchange and file transfer process require no manual intervention to transmit or receive data. EPPIC EBT 3.0 receives account set-up, account maintenance, and benefit authorization records 24/7 from DHS based on activity within your eligibility system. We do not limit DHS to a specific number or type of file(s), restrict the frequency or size of batch transmissions, or impose restrictions on the time of the transmissions.

DHS transmits data that allows us to establish an account and associated cardholder record(s) according to State-specific rules. We also accept records from DHS using a preferred method of transmission (e.g., file transfer, online entry, host-to-host, client-to-host, or a combination of data transfer methods) for account set-up, account maintenance, and benefit authorization.

Upon receipt, we establish accounts and associated records within EPPIC EBT 3.0. These accounts then serve as the master record we store and maintain on your behalf. It includes required demographic data and complete accounting for the benefit types that a cardholder receives. We maintain EBT accounts (records) for each program type (e.g., TEA or SNAP) a cardholder receives.

As described in our response to Question E.4.F, EPPIC EBT 3.0 uses a multi-tiered account structure to provide maximum flexibility, allowing the system to manage benefits at either the funding or summary level. This structure confirms that we accurately maintain separate benefit balances for SNAP, TEA, and other benefits and that cardholders never overdraw their benefit accounts. EPPIC EBT 3.0 maintains data using a DHS-assigned unique account identifier (ID). We then use the ID to link a new account established in our system to the eligibility system case record for sharing data.

EPPIC EBT 3.0 posts benefits to established EBT accounts and makes the benefits available to cardholders on the benefit availability date provided by the State in the Benefit Maintenance File.

Our administrative terminal also fully supports online account set-up, account maintenance, and benefit authorization transactions during disasters and investigations. EPPIC EBT 3.0 processes records received in online mode immediately, with account set-up and benefit posting taking place in real-time.

Step 2: Error Report Handling

We produce a standard set of Batch Processing Reports that confirm the accurate and complete transfer of data during batch processing. Upon receipt of any batch file, EPPIC EBT 3.0 prepares this report and displays data concerning approved and rejected records. Consequently, the system creates multiple reports on any given calendar day if more than one batch file is transmitted (e.g., Case/Client Account Set-Up File and Benefit Maintenance File). This report, shown in Figure E.4-14, includes a summary section by file transmission that identifies the number of records processed, number of error records, and various file processing statistics.

This report also includes a section with each error record that did not process, including the recipient identification number, file record number, the action being attempted, error code, and a clear error description. This provides clear information on the cause of the error to allow for correction and resubmission.

```
========================================================================
EPPIC EXTFILE SERVER 01                        External File Processing
Report
Batch Header : HCARDHSRF        ARDHSFCASE/CLIENT       2023011121823001424
Batch Trailer:
TC0000023610000002320000018910000001940000000010000000000000000000000004300000
0000202201121823
Date/Time: Wed Jan 11 20:17:18 EST 2023
========================================================================


----------------------- BATCH ERRORS -----------------------------------
RECIPIENT           RECORD              ERROR      ERROR
NUMBER              NUMBER    ACTION    CODE       DESCRIPTION
----------------    ------    -------   ------     --------------------------


700208642           000275    D         DT65       Unable to deactivate client.
Record does not exist for the specified Account Number, Case Number, Client
Type combination.


-----------------------------------------------------------------------

----------------------- EPPIC EXTFILE PROCESSING SUMMARY -----------------
Total records pre-processed              : 2,361
Total records processed                  : 2,360
Total records rejected during preprocessing  : 0
Total records rejected during processing     : 1
File processing start time               : Wed Jan 11 20:17:18 EST 2023
File processing end time                 : Wed Jan 11 20:27:18 EST 2023
File processing total time (seconds)     : 781
Processing rate records/second           : 3.02

----------------------- EPPIC EXTFILE PROCESSING SUMMARY -----------------


========================================================================
                                                              096.ARDEBT23
```

The Case/Client Account File Processing Summary Report provides details about each file processed, allowing the State and Conduent to easily verify the processing results and address any error records. We include the recipient number, record number, action, and error code and description.

Figure E.4-14. Batch Processing Exception Report
This is an example of a report resulting from a file with an error during processing.

As noted in our response to Question E.4.C, EPPIC EBT 3.0 immediately transmits a successful receipt or rejection notice and repeats the processes until it receives a successful transmission.

Step 3: Card Issuance

Nightly, EPPIC EBT 3.0 creates a Card Mailer File with all card issuance requests made that day on the system, including all new account set-ups. The Card Mailer File is sent to Fiserv, which processes the file, produces the card, and mails the card package to the cardholder.

Step 4: Transaction Processing

Transaction processing occurs after the account set-up and benefit authorization process. The core of our transaction processing functionality is the authorization process. EPPIC EBT 3.0 accepts transactions from authorized transaction acquirers, authorizes or denies transactions, provides response messages to an acquirer indicating the action taken, and initiates settlement. Cardholders can then obtain a printed receipt that reflects an updated account balance once a transaction is complete. In addition, EPPIC EBT 3.0 logs all transactions for subsequent settlement and reconciliation processing, reporting, and viewing through the administrative terminal or the cardholder portal.

EPPIC EBT 3.0 uses a basic, uncomplicated set of transactions common in EBT industry processing. Our system connects with all TPPs nationwide, directly or through our EBT gateway, providing transaction authorization 24/7 for cardholder convenience where they shop.

As stated, the system verifies all transactions against the proper SNAP or TEA account and distributes benefits on a FIFO basis using your defined PPD hierarchy. Credit transactions never exceed the total value of a "spent" benefit to post a credit. EPPIC EBT 3.0 applies these in reverse order so that spent benefits are re-established or "refilled," beginning with the most recent and working backward toward the oldest available benefit.

See our response to Question E.9 for more information.

Step 5: Settlement and Reconciliation

Settlement and reconciliation are the final steps in the workflow. We apply a precise daily electronic financial settlement schedule and follow strict financial accounting processes and control procedures. Our comprehensive and efficient approach includes strong controls and straightforward accounting procedures that provide settlement information and confirm that we accurately post benefits received from DHS to cardholder accounts. We accurately debit/credit cardholder accounts for withdrawals, fees, and refunds, and credit retailers, TPPs, and financial institutions for benefits disbursed.

Our process follows State and FNS laws and regulations and includes the following functions:

- Settlement to acquirers, TPPs, and retailers through a daily ACH
- Credits (settlements) made to acquirers, TPPs, and/or retailers on the next business day
- Reconciliation to ensure that EPPIC EBT 3.0 is in balance
- Drawdown of federal and State funds for reimbursement

See our response to Question E.9.A.3 for more information on the settlement and reconciliation process.

H. Describe how the Prospective Contractor will provide online access to FNS.	5 points

Selected FNS field office, regional office, the FNS Compliance office, and federal US Department of Agriculture's (USDA) Office of the Inspector General (OIG) investigative office staff can access EPPIC EBT 3.0 from multiple FNS-identified locations using a Windows-based personal computer with an internet connection and a standard web browser. We provide communication protocols to connect staff to the FNS and OIG networks to EPPIC EBT 3.0, through the Internet, to a Transport Layer Security (TLS) or VPN-protected application compatible with standard FNS/OIG desktop configurations. No additional software (including VPN client software) is necessary, and access is password-protected.

Online Access Privileges for FNS

The State security officer (or staff) can establish access privileges for FNS users as they establish access for regular users. This includes the functionality to add, delete, deactivate, and reactivate IDs and assign and reset passwords. Administrators assign these users a User Type and a Role or Roles, which allows them to establish and use investigative accounts on EPPIC EBT 3.0.

Authorized staff use the Account Management screen (Figure E.4-15) to establish an investigative account by providing a name (first, last, middle initial, and suffix), address (both lines), city, State, ZIP Code, Date of Birth, and SSN. EPPIC EBT 3.0 also accepts system codes or designations provided by DHS to identify fraud investigator accounts.

Figure E.4-15. Account Management Screen
Authorized FNS staff use this screen to set up investigative accounts and add demographic information.

Posting SNAP Benefits

Authorized users can add benefits to investigative accounts using the Benefits Management screen, shown in Figure E.4-16. The State security officer (or staff) identifies those authorized to add benefits and provides permission to apply benefits to these accounts. The user then enters an availability date, amount, and benefit authorization number. The benefits are immediately available upon the specified date, either in the future or on the present date. Benefits issued through the Investigative Benefits Management screen appear no different from benefits issued through any normal process. Data from investigative accounts flows into EPPIC EBT 3.0 and we can produce reports for further analysis.

Figure E.4-16. Benefits Management Screen
*Authorized FNS staff use this screen to add benefits and
assign an availability date to investigative accounts.*

While we have no control over the firewalls at FNS sites, we work with DHS and FNS to provide secure access to EPPIC EBT 3.0 through firewalls at these locations. As described throughout this proposal response, EPPIC EBT 3.0 is a highly secure system. It uses the most up-to-date, industry-standard firewall security hardware and software tools to protect against intrusion and unauthorized access to data.

E.5 EBT Card Requirements	
A. Describe the distribution process for EBT cards and packets for both mailing and over the counter cards.	5 points

No matter the distribution method, our proven processes ensure that Arkansas cardholders receive their cards and packets of training materials in the most secure and timely manner possible.

We can readily accommodate both mailed and over-the-counter (OTC) distribution of EBT cards for the Arkansas EBT Program. Our mailed card distribution process is in place today and running successfully. Should DHS choose the OTC option as part of the new contract, we bring extensive experience with OTC issuance processes and look forward to leveraging that expertise for Arkansas.

For mailed cards, our distribution process is performed in partnership with a US-based card manufacturer, Fiserv, for production, personalization, and distribution. Fiserv is certified by all card associations and operates under rigorous oversight. It adheres to the highest security standards for facilities, personnel, materials, and data, with over 100 physical and logical annual audits, including the SSAE-18.

Distribution Process for EBT Cards

Figure E.5-1 shows there are significant benefits in continuing with Conduent's established card issuance processes under the next contract.

Regular Approvals

Regular approvals are generated through the batch interface in the case set up record, which results in mailing cards to Arkansas participants, who then select a PIN by calling the IVRS, visiting the cardholder portal or using our mobile app.

Replacement Cards

Can be issued through the case set up record batch file using the respective flag indicator, or cardholders can call the IVRS, visit the cardholder portal or use the mobile app to disable and/or request replacement cards, which are then mailed.

Disaster Approvals

Disaster cards are pre-encoded and linked to an EBA (Account #) with a D-SNAP program type. The PIN is preset to the last 4 digits of the card number ready to be used in the event of a disaster.

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Figure E.5-1. Our Card Issuance Process Plans for Different Scenarios
This proven process supports the timely and accurate receipt of cards by EBT cardholders.

Mailed Cards

We submit a daily card order file to Fiserv for new and replacement cards. Fiserv processes the file, produces the cards, places the cards in envelopes, pre-sorts the envelopes, and mails the cards. On the second business day, the card packets (i.e., card and cardholder instructional materials) are placed in the mail stream and delivered by US Postal Service (USPS®) First-Class Mail®. We include informational material with initial and replacement cards mailed to cardholders. See our response to Question E.7, Training, for samples of the instructional materials we include in the card packets.

Over-the-Counter (OTC) Cards

As part of the next contract, there is the option for OTC enrollment and card issuance. For cards issued at the local DHS office, authorized personnel follow strict security procedures to establish the EBT account, access card stock from inventory, assign the card to the recipient through the Administrative Terminal, personalize the card using the onsite printer, and issue the new card to the cardholder. Each office will have an inventory of instructional material packets to be distributed with the card. PINs can either be selected while in the office through a PIN-select device or through the customer self-service channels. Only authorized personnel can access card stock for OTC card issuance.

For additional details on both the mailed and OTC card issuance processes, see our response to Questions E.5.D and E.5.E.

Account Access – Personal Identification Number

Regardless of how they receive the card, Arkansas cardholders receive their initial EBT card in an inactive status as a security measure and must authenticate their identity with personal account information to activate and use the card. The PIN comprises four numeric characters selected by or assigned to a cardholder. Cardholders can easily select or change their PIN with a single toll-free call to the Customer Service Call Center by visiting the cardholder portal, using the mobile app, or using a PIN selection device.

For security purposes, cardholders calling the Interactive Voice Response System (IVRS), accessing the cardholder portal, or using the mobile app are initially required to enter the primary account number (PAN) from the EBT card and input DHS-defined demographic information. As noted, for OTC distribution, we also offer the option for the State to use PIN-select devices in the local offices as an additional activation option.

For additional details on both the mailed and OTC card issuance processes, see our response to Questions E.5.D and E.5.E.

B. Describe in detail the Prospective Contractor's capabilities to design and/or manufacture EBT cards. Identify any third party or subcontractor (if applicable) involvement in the process.	5 points

The card design is a collaborative process led by your staff and executed by our graphic design team. Conduent designs and presents customized card images through close coordination with your staff, providing a professional and visually appealing card that meets the State's color and imagery requirements. We are prepared to produce high-quality graphics to meet your requirements and industry standards for card design and coordinate the production of your desired card image.

Card Design and Manufacturing Capabilities

As required, Conduent will continue to use the existing EBT card design for the next contract. However, we are fully prepared to create additional designs should DHS wish to do so. We accept that DHS will provide input concerning the design process, reserves the right to approve the reproduction of the card designs, and retains the right to rename or change the design of the EBT cards during the life of the contract.

By using the current EBT card (i.e., same graphics and color processing), any changes to card design or additional security features will be requested through the change order process, may incur additional costs, and impact the implementation schedule.

The current design (see Figure E.5-2) provides branding, familiarity, and established recognition with cardholders and other EBT Program stakeholders. We will continue to use this design in its current form until the State is ready to roll out the new EMV card.


Figure E.5-2. Current Arkansas EBT Card
Conduent will continue to use Arkansas' current card design.

We recognize the State's intent to transition to EMV card technology during this contract. When the State is ready to implement the EMV technology, Figure E.5-3 shows a sample of the current design with the new EMV chip (front) and CVV panel (back).
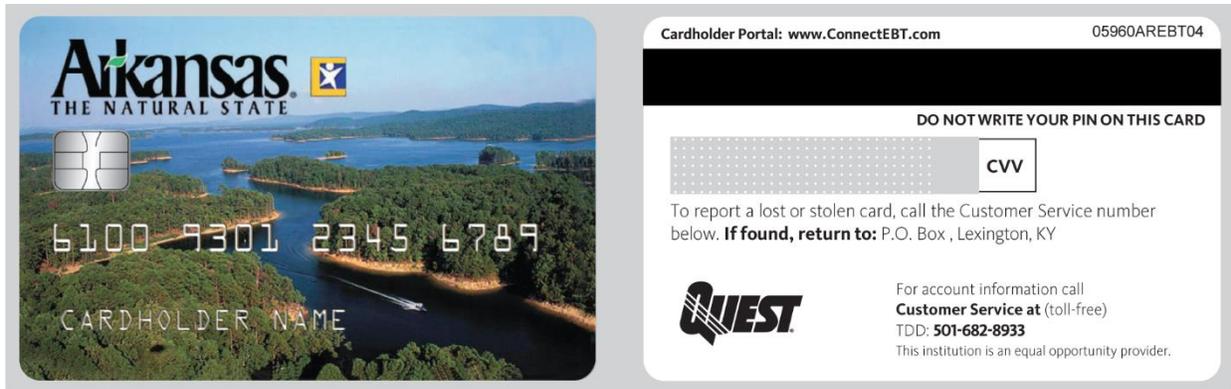
Figure E.5-3. Arkansas EBT Card
Conduent will continue to use Arkansas' current card design.

The new EMV EBT card will continue to use the **State's designated BIN number 610093.**

In addition to card design, Conduent oversees all card manufacturing (i.e., production), including:

- Initial card issuance
- Card replacement
- Vault cards
- Card activation
- PIN selection
- Current inventory

Compliance with Specifications

Conduent supplies and produces EBT cards that comply with the most current SNAP regulations at 7 CFR 274.8(b)(5) and 7 CFR 274.8(b)(10)(iii), specifications in the QOR, the ISO, the ANSI, and relating to the cards used for financial transactions.

In compliance with the requirements of this RFP, the new EMV EBT cards will include:

- Cardholder's name and PAN embossed on the card front in the location specified by DHS, except for OTC cards, which are flat printed on the face of the card at the local office
- The toll-free number for Customer Service is printed on the back of the card
- A signature panel is provided on the back of the card
- The card clearly states, "Do Not Write PIN on Card," and the toll-free number of Merchant Voice Authorizations is printed on the back of the card
- The national recognition and acceptance of EBT cards manufactured under a contract pursuant to this RFP and includes the Quest logo
- The USDA FNS statement of nondiscrimination – USDA is an Equal Opportunity Provider and Employer and Lender – also appears on the back of the card

DHS Approval

Whenever we change the card design, Conduent affirms our responsibility to submit the card design for DHS approval prior to production.

Instructional Materials

With Conduent, there is no conversion, meaning less training and confusion for your cardholders. However, communicating information about the new EBT Services is important, and we will need to make minor modifications to educate cardholders on the new features and security of the EMV card once the State is ready to roll it out. In keeping with our present model and understanding the distinct needs of your EBT population, we provide the materials for cardholder training in **English and Spanish**. For the next contract, we are **adding materials translated into Marshallese. We will add additional languages as required** by law or regulation in the future without additional cost to the State.

We will continue to comply with DHS requirements for instructional material content, which, at a minimum, includes:

- TTY (teletypewriter) Telecommunications Relay Service (TRS) for hearing/speech impaired process and how to access the service
- Instructions for reporting suspected program abuse and how to report misuse of SNAP benefits
- The Customer Service Call Center toll-free number and cardholder portal address

DHS retains final approval of all instructional materials prior to publication and distribution, as described in our response to Question E.7, Training.

Multiple Cards per Individual Account

DHS can issue multiple active cards for each household per agency-defined rules. EPPIC EBT 3.0's inherently flexible design readily accommodates multiple valid EBT cards linking to the same benefit account to support situations where more than one card is needed. These include circumstances when a cardholder has an authorized representative who occasionally shops for them or when DHS policies limit their access to the Transitional Employment Assistance (TEA) or SNAP account(s). **Conduent affirms that only one EBT cardholder has access to a TEA account.**

Each card contains unique identifying data and uses the card owner's selected PIN while accessing the same benefit account(s). We link cardholders at the case level (not based on the card) so that transactions from separate cards access the same account. **When mailing a card to an authorized representative, the primary cardholder's name appears on the card mailer.** DHS staff use the administrative terminal to view information for multiple cardholders on the same account, facilitating the identification of the primary and secondary cardholders' demographic information and quickly accessing each cardholder's transaction and card history.

Third-Party Involvement

Conduent staff work with DHS and manage the card design process. As noted in our response to Question E.5.A, Fiserv will continue to perform plastic manufacturing, personalization, fulfillment, and packaging services for the next contract under Conduent oversight. We will maintain card stock at their facility for individual cardholder card packet mailings, vault stock for OTC, and disaster card stock for emergency preparedness, including local office delivery.

C. Describe the Prospective Contractor's process for replacing lost, damaged, or stolen cards for both mailing and over the counter cards.	5 points

The process for replacing a lost, damaged, or stolen card is straightforward and efficient, regardless of how the request is made. We receive card replacement requests directly from DHS or cardholders reporting lost, stolen, or non-functioning cards through the IVRS, cardholder portal, mobile app, or through an interaction with a CSR. We can also accommodate replacement card requests OTC at local DHS offices, should the State choose that option. We highlight the replacement card process using each method in Figure E.5-4.
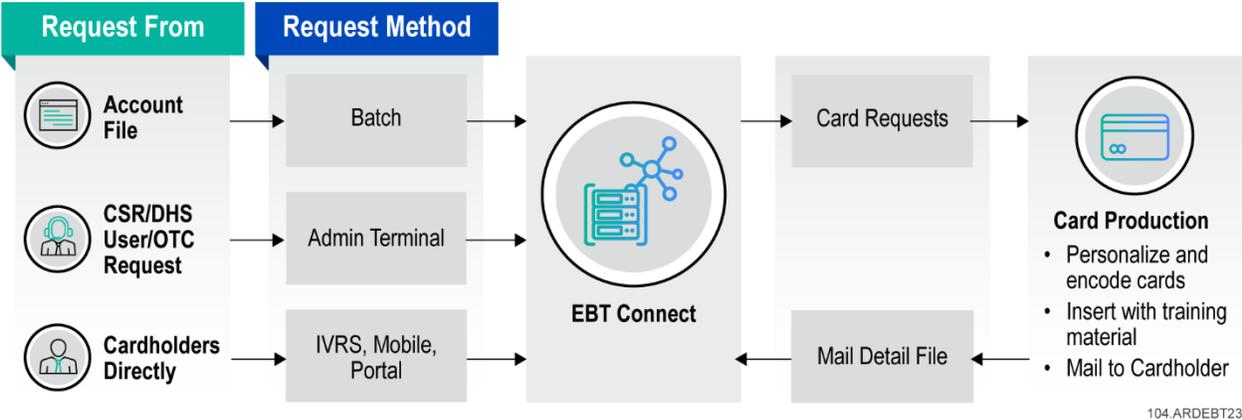

Figure E.5-4. Conduent Replacement Card Process
EPPIC EBT 3.0 receives replacement card requests from multiple sources and sends them to Fiserv for card production and mailing.

Cardholder Replacement Request Process

Cardholders can request a replacement card through our customer service channels (e.g., Customer Service Call Center, cardholder portal, IVRS, and mobile app). Regardless of which channel they choose, they must provide specific information to authenticate themselves prior to making the card replacement request.

If they speak to a CSR, the caller must provide specific criteria known by the individual to verify that their identity is the same as the cardholder's. The cardholder is also asked to confirm their address with the CSR prior to card reissuance or replacement, offering additional security and assurance that we are sending the replacement card to the correct address. If the address or security requirements are not met or do not match what is in the EPPIC EBT 3.0, we instruct the cardholder to contact DHS to update their information. EPPIC EBT 3.0 retains the issuance address for each card in the cardholder's demographic information.

Upon successful verification of cardholder information, the card replacement request is entered into EPPIC EBT 3.0. The system then adds card requests to the nightly card mailer file we send to our card fulfillment vendor to process the replacement card. The replacement card is "Active" immediately when issued, and the existing PIN is carried over to the new card. For each card mailed, EPPIC EBT 3.0 retains the address history. The system tracks all replacement card requests, and we deliver statistical reports on card issuance to DHS.

We deliver all replacement EBT cards by direct mail through the USPS. We issue and mail replacement cards no later than the following mailing day after an individual reports a card as lost, stolen, or damaged. In rare circumstances in which the USPS cannot deliver a replacement card after repeated attempts, we can ship the card overnight.

We provide additional information on the process for issuing new and replacement cards by mail in our response below to Question E.5.E., Issuing New and Replacement Cards by Mail.

DHS Staff Card Replacement Process

Our solution provides administrative terminal functionality necessary to change card status for issued cards and replace cards by authorized DHS staff. Replacement cards can be issued using the Card Management screen, shown in Figure E.5-5. They can initiate the replacement process using the Status & Replace Card function.

Figure E.5-5. Client Card Management Screen
This screen allows authorized personnel to initiate a replacement card request.

Additionally, by clicking the "History" button, the current Recipient Card History screen, shown in Figure E.5-6, allows a user to view a cardholder's history (by case number) of card issuances, replacements (and reasons), and status changes, including the card's PAN and dates of events.

Recipient Card History

Current Card Information

Card Number	Type	Status	Issue Date	Status Date	Indicator
	MAIL	ACTIVE	06/06/2011		PRIMARY

Past Cards Information

No past cards for this case.

Archive Cards Information

Card Number	Indicator	Status	Action/SubAction	Action DateTime
	01	Active (system-generated)	Activation / Via ARU	
	01	Active (system-generated)	New PIN / Via ARU	
	01	Active (system-generated)	Control Number Generated / Programmatically created	
	01	Active (system-generated)	Activation / At setup	
	01	Inactive (system-generated)	New PIN / Keep same PIN	
	01	Inactive (system-generated)	Initial Create / Via third party (mailed)	
	01	Lost (auto-reissue a mail repl. card)	Card Replacement / Via third party (mailed)	
	01	Lost (auto-reissue a mail repl. card)	Changed Status / Programmatically changed	
	01	Active (system-generated)	New PIN / Via ARU	
	01	Active (system-generated)	Control Number Generated / Programmatically created	
	01	Active (system-generated)	Activation / Via ARU	
	01	Active (system-generated)	New PIN / Keep same PIN	
	01	Active (system-generated)	Activation / At setup	
	01	Active (system-generated)	Initial Create / Via third party (mailed)	

BACK

Figure E.5-6. Card History Screen
This screen details card issuances, replacements, and status changes.

Undeliverable Card Status. Cards returned by the USPS as undeliverable are delivered to us for destruction, and a status change of "Returned" is made in EPPIC EBT 3.0. In addition to card replacement services, the system tracks this activity, and the State receives a daily Card Return Report5 (known as the Undeliverable Card Report in the current EBT Program) through the administrative terminal.

OTC Card Replacement

At DHS' option, Conduent can provide capabilities to issue replacement EBT cards over the counter. There are two approaches to over-the-counter card issuance.

The first option is that Conduent provides each designated location with un-encoded card stock inventory and installs card printers for personalizing the card by embossing or printing and encoding the card magnetic strip or chip to issue cards. Before issuance, the card must be linked to a cardholder's account and then personalized with the PAN and the cardholder's name.

Another option is for Conduent to provide pre-encoded vault card stock for issuance on-demand without needing card printers/encoders. These cards are unassigned and inactive until the card is associated with a cardholder's account. These vault cards can also be issued as disaster cards when needed.

We describe the full process for issuing replacement cards over the counter in our response to Question E.5.E.

D. Describe the proposed EBT card design and requirements including security features that meet or exceed FNS standards and QOR.	5 points

As required, in RFP Sections 2.3, 2.13, 2.15.E, and the RFP, the current card and security components must be used and accepted in the new contract by the awarded Contractor. A sample image of the current card is included in our response to Question E.5.B. The cards we design and produce for the Arkansas EBT Program comply with required card specifications and established national standards for cards used for financial transactions, including the specifications prescribed in FNS, QOR, ISO, and ANSI standards.

Card Design Security Features

Conduent uses card stock that meets DHS specifications as defined in the RFP and will adapt other specifications, as necessary, in response to developments in the commercial infrastructure (including banking, credit, and retail sales industries).

As required, we will continue to accept and provide cards using magnetic stripe card stock that meets industry security standards, FNS regulations at 7 CFR 274, and other rules and specifications that ensure interoperability or use at traditional merchant locations until the State elects to implement EMV cards. At the States' request, we can include multiple design security features like a photo card, hologram, fine-line printing, or ultraviolet ink through the change order process.

We acknowledge the State's intent to transition to cards with integrated chip technology. Per RFP Sections 2.14.1, 2.15.E, Transition, to EMV will be coordinated with the awarded Contractor and will be developed at the direction of DHS's needs between the Contractor and DHS. EMV cards include chip technology for enhanced security of encrypted card information during transaction routing and authorization at ATM or merchant locations accepting EMV transactions. Along with the chip, we will include CVV coding for secure and protected cardholder information for cloud-based internet and phone transactions. The main benefit of the new EMV EBT cards is that stolen chip information cannot be used to create a counterfeit card. If the data from an EMV transaction is stolen, it will not be sufficient for a criminal to make a counterfeit card. To realize this benefit, there are multiple external dependencies that must be met prior to this feature being deployed. The Conduent team is at the forefront of this effort, as described in our response to Question E.5.G; however, this technology will not be commercially available for EBT at the time of proposal submission.

In addition to design security, the technology and processes backing the card are just as important. For example, PIN encryption, multi-factor authentication, enhanced identity verification, fraud tools, and education of cardholders are all core components resulting in the best protection for cardholders and the State.

See our responses to Question E.12.D and E.12.E for information about our security and Question E.7 regarding training.

E. Describe the Prospective Contractor's approach to issuing new and replacement cards for both mailing and over the counter cards.	5 points

While DHS currently issues cards only by mail, as we will describe, our EBT Services include the ability to issue new and replacement cards by mail and over the counter at local county offices.

Approach to Issuing New and Replacement Cards by Mail

Conduent supports a time-tested process for initial card production, issuance, replacement, and card mailing that makes sure cardholders receive EBT cards in a timely and secure manner, accompanied by informative and user-friendly instructional materials.

New Card Issuance. Initial card issuance is generated through the batch interface in the case setup record. When we receive a batch file from DHS, an indicator in the file shows that the case is a new EBT account or a request for a replacement card. EPPIC EBT 3.0 sorts the cardholder information when processing the file and generates PANs for those accounts. We then issue the card with the required training materials through the mail.

Upon receiving initial card issuance information in the demographic batch file, EPPIC EBT 3.0 generates a PAN for each new positive card indicator in the file. The system assigns a PAN to the cardholder on the account each time a new account is established, regardless of whether funds have been authorized. Fiserv receives the card order file, processes the file, produces the cards, stuffs the envelopes with the required training materials, and seals and pre-sorts the envelopes for mailing. Fiserv produces EBT cards and mails them to cardholders through the USPS as required by performance standards and federal regulations.

Replacement Card Issuance. As detailed in our response to Question E.5.C, Conduent CSRs or DHS may initiate a replacement card request to be mailed using the administrative terminal. Cardholders may also request a replacement card through the IVRS, cardholder portal, or mobile app. All replacement card requests are processed in EPPIC EBT 3.0 and added to the card order file that is sent to Fiserv for production and mailing.

Cardholder Training Materials. We produce a training pamphlet and card carrier for distribution with the EBT card for both new and replacement cards. The training pamphlet includes important information for cardholders, including instructions on how and where cards can be used, how to avoid fees, tips for using the card, the customer service number, how to access the cardholder portal, where to find the mobile app for downloading and a complete fee schedule.

EBT Card Activation

A secure, reliable telecommunications network for system processing uses banking standard encryption to ensure the highest level of security for the PIN. DHS can remain confident that we will continue to meet your PIN issuance requirements fully. The cardholder selects a PIN for the initial card as part of the card activation process. Conduent offers multiple, easy-to-use mechanisms to select or change PINs, including:

- IVRS
- Cardholder portal
- Mobile app

Establishing Identity for Verification. All PIN selection methods are secure and convenient. As such, cardholders who call the IVRS or access the cardholder portal or mobile app must enter the PAN from their EBT card and input DHS-defined demographic information (e.g., SSN, date of birth, and ZIP Code) to establish their identity and make changes. Afterward, they use their user ID and password to access the portal and mobile app. If the information entered matches that stored in the system database, the cardholder may access the PIN-select feature.

We provide detailed information about these PIN selection alternatives in the following narrative.

IVRS PIN Selection or Change Process

Our single-call IVRS option involves the cardholder and IVRS only. The application design begins with specifying the general flow and associated menu options. We then build script language into the design. We carefully construct exit points to achieve full cycle completion with appropriate opportunities for a caller to transfer to a CSR. Should a cardholder experience an issue with the IVRS PIN selection process, they can connect with a CSR for instructions and assistance. While the CSR cannot choose the PIN for the cardholder or see the PIN selected, they can assist them through the process.

The PIN is encrypted with the ANSI Data Encryption Standard before being stored in the database. The key used to encrypt the PIN in the database differs from the decryption key sent from the IVRS or other devices, and no one can view the number in clear text form. The key is unique during all transmissions between EPPIC EBT 3.0 and the IVRS.

Cardholder Portal and Mobile App PIN Selection or Change Process

The cardholder portal and mobile app are accessible 24/7 and offer convenient access points for cardholders to select their initial PIN or make changes to choose a different PIN. These user-friendly contact points provide cardholders access to a wealth of account information and allow them to select or change a PIN. We have learned from experience that the features cardholders use most, such as PIN selection, must be easily accessible and available from the main menu. Cardholders may reference and view each instructional (training) document from the portal or mobile app.

We designed the portal and mobile app with all the inherent security protocols in the IVRS.

PINs for Card Replacement Requests

For replacement cards, the existing PIN selected for the initial card issuance is carried over, and the replacement card is "Active" immediately when issued. Should the cardholder wish to change the initial PIN selected, they can use the IVRS, the mobile app, or the cardholder portal.

Change Returned EBT Cards to Undeliverable Status

We deliver Arkansas EBT cards issued through batch enrollment via First-Class US Mail. For card returns by US Mail, Conduent has a secure Post Office Box for card returns marked as "undeliverable" and cards returned by cardholders or retailers. We use the Post Office Box as the return address on all mailed EBT cards. We never forward EBT cards. We annotate card mailers with "DO NOT FORWARD, RETURN TO SENDER." Undeliverable cards are returned to us for destruction, and we update the status as undeliverable (i.e., "Returned") in EPPIC EBT 3.0.

We produce an automated daily Returned Card Report (Undeliverable Card Report) for DHS that identifies cards returned to us as undeliverable and uploads them to the administrative terminal. We provide a sample of the Returned Card Report (Undeliverable Card Report) in our response to Question E.15, Reporting.

Issuing New and Replacement Cards Over the Counter (OTC)

At DHS' option, Conduent can issue OTC EBT cards. We install and maintain card printers and, if desired, PIN selection/assignment devices at DHS-defined sites. This solution also includes software to link the EBT card printing equipment to the card production process to automate the process to the extent determined by DHS. DHS may likewise choose to install only card printers and use the IVRS for PIN selection while the cardholder is in the local office.

We describe our optional OTC process in the following narrative.

OTC Card Equipment

If DHS chooses to exercise the OTC option, we will install the Sigma DS4 card printers shown in Figure E.5-7 in local DHS offices. The DS4 devices use flat print instead of raised print (commonly known as embossing). These enhanced devices use system-matched patented ribbons, enabling users to print high-quality cards more easily. Once a user loads the ribbon into the printer, the driver automatically adjusts its settings to match the ribbon type. This results in the best possible image quality on the cards, further enhanced through the device's color management functionality, dramatically increasing the card's quality and sharpness.


Figure E.5-7. Sigma DS4
This advanced card printer supports card printing needs.

OTC Card Issuance Workflow

Each designated DHS location receives ample blank card stock inventory that already displays the card design on the front of the card. The card back contains the magnetic stripe (and EMV chip when implemented), signature panel, and required printed text. Before issuance, the card must be linked to a cardholder's account and then personalized with the PAN and cardholder's name.

New cases are set up on the State's eligibility and card issuance system, which sends records to EPPIC EBT 3.0 through the batch file process. Upon case setup, we establish and maintain an account status for each cardholder account (e.g., active, inactive, suspended, dormant, aged, or expunged). The authorized user selects to print a card from the Client Card Management screen. The Printer Search screen is displayed, and the user searches for a printer, as Figure E.5-8 shows.

Figure E.5-8. New Card Issuance
Users can search for the appropriate printer to print the card.

The designated location (e.g., county) is selected from the drop-down menu, and the search button is selected. This displays all card printers in the county chosen at a designated location. A pop-up box is displayed after selecting the desired printer, as shown in Figure E.5-9.

Figure E.5-9. Printer Selection
All printers at an office in the selected county are displayed.

The card is printed on the selected card printer, and the DHS user receives a successful card print message when complete, as shown in Figure E.5-10.

PIN Selection for OTC Cards

We offer cardholders multiple easy-to-use methods to select or change their PIN. Cardholders who receive their cards OTC can easily select their PIN through a variety of methods, including:
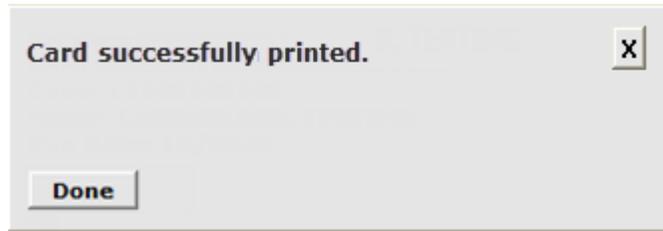
Figure E.5-10. Confirmation Message
The authorized user always knows the status of the card being printed.

- IVRS
- Cardholder portal
- Mobile app
- PIN selection device at DHS local offices (optional)

Each method is secure and convenient. For security purposes, cardholders calling the IVRS or accessing the portal or mobile app are initially required to enter their PAN and input DHS-defined demographic information. Once the account ownership is established, they use their user ID and password. If the information entered matches that stored in EPPIC EBT 3.0, the cardholder can access the PIN-select feature.

We can provide Verifone VX510 PIN selection devices at designated DHS local office locations. These devices are programmed specifically for PIN selection and perform no other function. Should DHS decide to install PIN selection POS devices, DHS staff members validate the cardholder's identification in person at OTC locations.

Issuing Disaster or Vault Cards

As your current Contractor, Conduent has EBT Disaster or Vault cards in place to support your disaster services plan. In the event of a disaster, Operational Project Manager Priya Suresh contacts DHS promptly to determine immediate needs, including card supply and shipments of additional cards. We use pre-encoded disaster EBT cards to support DHS for easy distribution during a natural or other disaster. We send the cards with a nine in the seventh PAN position to DHS in bulk for onsite distribution. When a disaster card number is assigned to a cardholder, DHS sends it to EPPIC EBT 3.0 in the demographic file, where they are loaded into the system for tracking and card use.

Disaster/Vault Card Inventory. Disaster cards are pre-encoded and ready to be used during a disaster. Fiserv creates and drop-ships pre-embossed and pre-pinned disaster cards starting within 48 hours of your request to DHS-designated locations. DHS provides the number of required pre-embossed cards and the addresses to which cards will be drop-shipped. We are committed to continuing to supply your disaster card needs in preparation for and during a disaster. Fiserv creates additional cards necessary to maintain a constant inventory of Arkansas cards available for shipping at a moment's notice.

Disaster cards are stored in their Houston facility. If a disaster affects that location, Fiserv can switch card production to an alternate facility. Disaster cards are bundled, numbered, and inventoried with an electronic record of PANs, which are encrypted for security purposes. Vault cards are shipped to the DHS-identified delivery locations with a prepaid shipping label for return to Conduent. Inventory is matched and completed for vault cards still in stock and returned. Fiserv stores returned cards with

remaining inventory ready to be delivered in the event of a subsequent disaster. We provide you with a complete inventory of remaining vault cards.

Disaster Card Activation

For disaster cards, the PIN is preset to the last four digits of the card number. Since disaster cards already have a PIN, the activation only requires that it be associated with an Electronic Benefit Account (EBA) number with a Disaster (D-SNAP) program type. No PIN selection or activation is required.

Maintenance of Card Issuance Database

We will maintain a centralized card issuance management database (i.e., card inventory control system) on behalf of DHS that includes security controls necessary to track all cards – including cards not shipped and cards ordered and shipped to local offices – and link them to their distribution point by card number. The card issuance database is accessible to DHS 24/7 via a password assigned to authorized personnel. See our response to Question E.4.D for more information about our card inventory system and its features.

F. Describe the Prospective Contractor's approach to mass reissuance of EBT cards.	5 points

We recognize that the State's intent to transition to an integrated circuit chip card (EMV) during this contract necessitates a large-scale reissuance for your cardholders. As required, in RFP Sections 2.3, 2.13, 2.15.E, and the RFP, the current commercial networks, ATMs, POS, card, and security components must be used and accepted in the new contract by the awarded Contractor. Additionally, per RFP Sections 2.14.1, 2.15.E, Transition, to EMV will be coordinated with the awarded Contractor and will be developed at the direction of DHS's needs between the Contractor and DHS. In the spirit of transparency, EMV card technology is not commercially available for SNAP benefits at the time of proposal submission and will be implemented through the change order process. However, Conduent is at the forefront of bringing EMV to SNAP EBT cards and is committed to delivering this new solution when available and at the State's direction.

While reissuing cards through attrition (i.e., as replacements are needed) is the lowest-risk option, Conduent has experience supporting a phased approach to a mass reissuance of EBT cards and will support this method for Arkansas. Considering no mass reissuance would be needed using the current card, the following narrative describes our approach to mass reissuance of EBT cards should a significant design change be requested by the State, such as EMV card technology deployment.

Multi-staged, Mass Reissuance Plan for EBT Cards

We begin the reissuance process by conducting planning sessions with DHS staff. We work collaboratively with your team to define the preferred EMV issuance schedule and expectations. With an agreed-upon schedule, Conduent is prepared to replace current EBT cards in stages, and we can conduct the statewide rollout over a few weeks or spread it across three months. We are also open to how the transition staging occurs by geographical areas, alphabetically within the database, or other defined parameters.

Conduent's approach to transitioning to statewide EMV cards is focused on the continuity of cardholder access to funds and effective management of card activation between the old and new cards. As we do in the current contract, EPPIC EBT 3.0 will maintain the following business rules for EMV card issuance:

- Treat the new EMV card issuance as a replacement card and follow the same DHS procedures, policies, and timelines for activation of the new EMV card
- Permit continued use of cards currently in use by DHS cardholders during the transition to EMV cards
- Define new procedures for managing cardholder replacement card requests while the EMV card is in transit to the cardholder
- Carry over the existing PIN to the EMV card, so activation is unnecessary. It is active immediately when issued, and the remaining benefits are accessible with the new card
- Develop a new EMV tracking report and automated data file to monitor cardholder behavior, timeliness of when the current card is deactivated, and the remaining card base to be completed

We recognize the impact our ability to transition to EMV cards has on DHS cardholders. Planning, marketing, and an associated timeline are a collaborative effort between Conduent's EBT project staff and DHS, **with the goal of effective cardholder communications and distributing helpful information** about the transition to EMV cards. Our approach to marketing and promoting EMV is to use communication channels that best educate your cardholders through DHS instructional flyers and online messaging via our IVRS, cardholder portal, and mobile app. As part of this collaborative process with DHS, we apply proven best practices to be consistent with your messaging requirements and format preferences.

DHS determines if the plan is to mail EMV notification materials, which would impact the rollout schedule and timeline of mailing cycles. We will work with you to complete the process of designing and formatting notification materials and assist in developing the content.

G. Describe enhanced security measures and features to minimize stolen card information.	5 points

Our EBT Services solution for Arkansas uses layers of technology, procedures, and people to integrate security within each system feature to protect cardholder data. The following narrative highlights our **enhanced security measures and features** to minimize stolen card information in addition to those included in our response to Question E.12.E regarding fraud prevention.

EMV Card Technology

With the release of unprecedented amounts of funding into the SNAP program, fraudsters turned their attention to EBT, which still administers benefit payments for SNAP and needs-based cash programs on a magnetic stripe card. Historically, fraud in EBT has been mostly limited to cardholder-initiated transactions and collusion between the retailer and the cardholder. The entry of third-party fraud players and rings has been unheard of until now. Third-party bad actors now use rudimentary and sophisticated methodologies to penetrate EBT account information, such as the PAN (primary account number) and the PIN (personal identification number). Card skimming devices have become more prevalent, giving fraudsters greater access to EBT account information.

EMV Advances Arkansas EBT to the global standard for payment security:

- Reduced fraud claims and restitution payments
- Prevention of card cloning and reduction in benefits theft
- Implementation of CVV reduces online shopping fraud

Arkansas is at the forefront of combating skimming and cloning fraudsters nationwide. Your leadership in this space and your desire to aggressively combat these growing challenges puts your EBT Program at the center of solution development, particularly regarding the application of EMV technology for SNAP. **EMV prevents criminals from creating counterfeit cards and offers maximum protection of cardholder SNAP and cash benefits.** It also aligns the EBT industry with commercially accepted best practices for card issuance and protection. Conduent is the right partner for the State in this important endeavor.

Conduent, like DHS, is also leading the industry in developing EMV and mobile wallet solutions for EBT. Conduent's Director of Product Management, Jamie Topolski, is one of the key industry leaders developing these solutions today. As a chairperson for the EBT Card Industry Forum, he is working collaboratively with states, merchants, FNS, and other processors and vendors to develop the changes that need to occur to accommodate EMV technology for EBT. Jamie is the primary chairperson managing meetings and drafting changes for the 150-member forum, leading a broad industry group to accelerate migration to EMV chips.

EMV technology allows sensitive cardholder data to be stored in a chip rather than in the magnetic stripe found on traditional payment cards – a major deterrent to prevent counterfeiting and combating fraud in the electronic payment card arena. Chip-enabled cards are virtually impossible to copy or counterfeit because the information contained in the chip is encrypted.

Additionally, while no one has yet implemented this technology for EBT programs, Conduent has been the leader in implementing EMV card technology for government payment programs nationwide that use prepaid debit cards for disbursing benefit funds. **In fact, we were the first company to implement EMV cards to disburse government benefits and payments on a state and national level.** The Social Security Administration's Direct Express® card program was the first public sector EMV program

implemented nationwide in 2015. The State of Tennessee implemented our prepaid card services for UI, child support, and state worker retirement in 2016. Tennessee's cards were EMV-enabled, making its programs the first statewide EMV implementation in the public sector.

We are pleased to combine our leadership with that of DHS to bring the benefits of this technology to your EBT Program should you elect to do so.

Managing Card Stock

As stated, we will maintain a centralized card issuance management database (i.e., card inventory control system) on behalf of DHS that includes security controls necessary to track all cards – including cards not shipped and cards ordered and shipped to local offices – and link them to their distribution point by card number. Only authorized personnel can access cards. See our response to Question E.4.D for additional information.

We also provide oversight and accountability of Fiserv and hold them to the same high standards we require of our staff to ensure the integrity of high-quality EBT cards and minimize duplication of cards through strict security and quality control measures. Strict physical and procedural security controls related to storage, handling, and distribution enable us to effectively guard against loss, theft, and abuse.

PIN Confidentiality and Security

We assume full responsibility for protecting the confidentiality of PINs during entry or generation, storage, transmission, and verification. To maintain the security of PINs, Conduent supports the PIN requirements established under Chapter IX of the Quest Operating Rules. This includes cryptography and telecommunications standards. As shown in Figure E.5-11, we apply secure and proven encryption techniques to transfer transaction messages among retailer terminals, networks and TPPs, and PIN-entry devices.
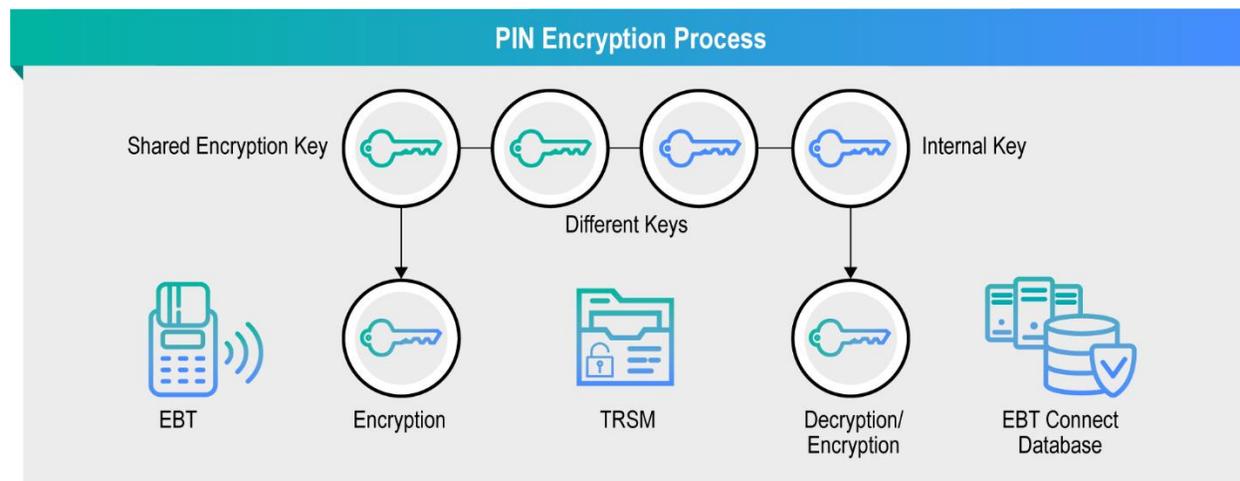
Figure E.5-11. Encryption Process
Conduent uses a proven key encryption process to provide the highest level of security.

PIN encryption takes place at the entry point of any device using the highest DES block cipher. The device transmits the PIN to EPPIC EBT 3.0 in encrypted form for verification. **PINs are never stored outside of the system's database nor transmitted in the clear.** We translate and decrypt PINs for transactions into a secure Tamper Resistant Security Module (TRSM). We also use key management

techniques in accordance with the latest ANSI standards. The PIN always remains encrypted until it reaches EPPIC EBT 3.0, and any translation of the PIN is performed within the physically secure TRSM without using the software.

Commercial TPP/POS PINs. The key used between our system and a TPP or POS is unique. As illustrated above, the system shares an encryption key with a TPP or a POS. The encryption key is used for exchanging the session that encrypts and decrypts the PIN. The security service manages this encryption. The PIN is encrypted in the database with an internal key that differs from the PIN transmission.

All keys that encrypt PINs are generated securely. Encryption key management procedures comply with the Quest Operating Rules and ANSI specifications, including ANSI X9.8–1982; X9.24–1992; and X3.92-1987. All encryption keys are subject to dual control (i.e., no single person controls all parts of the key). If there is a known or suspected compromise of an encryption key, we follow established internal escalation procedures to change it immediately. All TPPs and other data acquirers comply with encryption requirements.

Cardholder PINs. PIN selection through the IVR is equally secure. When cardholders select a PIN or change it through the IVR, they receive prompts that guide them through a series of choices to PIN or re-PIN a card. No other person is involved in this process. If cardholders need assistance, a CSR helps them understand the process and guides them through the selection process. The CSR always returns them to the IVR. No CSR has access to PINs or inputs a PIN for any cardholder. PIN selection through the cardholder portal or mobile app occurs similarly.

Blocking Transactions from Incorrect PIN Entries

EPPIC EBT 3.0 denies transactions if a cardholder enters a PIN incorrectly. The standard business rule for Arkansas is to suspend a card after three invalid PIN attempts until 12:01 a.m. CT the following day, then the failed PIN count is reset to zero, and the card is unlocked.

In addition, authorized DHS users can immediately reset a suspended PIN through the administrative terminal. This resets the bad PIN counter to zero, which enables cardholders to access their benefits without waiting until the following day. Authorized DHS users select the RESET button on the Card Management screen to reset the counter.

Access Controls

We have specific controls for cardholders and the State that govern information access. For the State, when DHS grants a user access to the administrative terminal, the user is assigned a specific user profile based on their job requirements. This user profile structure enables the State security officer to assign each user a job function type and a specific role in that type. Operational Project Manager Priya Suresh and the State's security officer can specify who (by individual user, users, or types of users) may access system data and what type or class of data those users can access. For a complete description of our management of user types and roles, see our response to Question E.4.B.

EPPIC EBT 3.0 makes sure that users without such authorization cannot access data they are not authorized to view or use. DHS can enforce even minor security differences among users' functions for greater flexibility and control over system access. This functionality ensures unauthorized personnel cannot modify the EBT functions supported on an administrative terminal.

For cardholders, we enforce strict verification access controls to secure account information for the cardholder portal and mobile app. We verify their identities by asking for State-determined personal information. A high-level summary of our approach to combat identity theft affecting individuals is shown in Figure E.5-12.
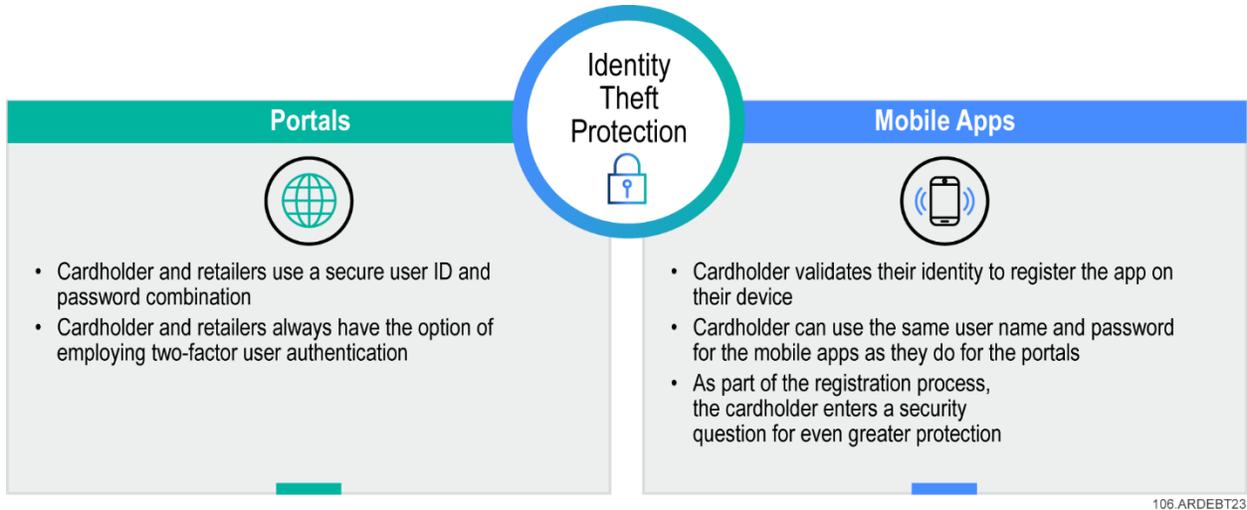

Figure E.5-12. Secure Account Access
Conduent protects data at all access points to our system entry points.

Figure E.5-13. Authentication

Cardholder Protective Password Solution

At the cardholder's direction, authorized DHS employees can add a cardholder-selected password to an account, which must be authenticated whenever the card attached to the case is statused or replaced. This prevents other individuals from trying to replace the existing card and minimizes stolen card information – even if they know certain demographic information such as date of birth and address. No DHS employee or Conduent CSR can status or replace a card without the password once it has been enabled with the case. Moreover, cardholders using this additional security feature cannot access account information or make changes through the IVRS, CSRs, or secure cardholder portal without confirming this security code.

Authorized DHS staff use the Recipient Information Management screen shown in Figure E.5-14 to set up a new password for the cardholder. Only DHS staff with the specific role to add/update a password are allowed access to this functionality, which differs from the ability to add/update demographic information.

Figure E.5-14. Recipient Information Management Screen
This screen is the first step in adding a secure password for a case.

The password is enabled once a user selects the "Save" button. Authorized DHS staff can also replace (update), disable, or delete the password using the same Recipient Management screen. Once enabled, the password must be presented to DHS staff or Conduent CSRs for card statusing and replacement.

E.6 Customer Service Requirements	
A. Describe the Prospective Contractor's customer service call center including staff, availability, support from IVRS and help desk, and performance standards including statistics.	5 points

Quality customer service includes four key characteristics: **personalized, competent, convenient, and proactive**. For Arkansas EBT cardholders, we remain committed to providing customer-centric and secure approaches to communication with assistance to cardholders and retailers through multiple convenient venues. Both can expect a positive experience with quick and accurate responses to their questions, knowledgeable guidance to resolve issues, and excellent service regardless of their contact channels. With Conduent, the process is a highly efficient and personalized experience that imparts information or services to cardholders and retailers rapidly and securely.

What sets Conduent apart in the industry is that we own and operate our core network of customer service centers dedicated to government payment card programs. Owning the customer service operations allows us to directly manage staffing levels, hiring practices, performance standards, and implementing new service features and innovations without negotiating these activities with another company. **We do not leave your cardholder and retailer call centers in the hands of a subcontractor.**

Enhanced Customer Service Model

The proactive nature of our customer service solution meets the needs of Arkansas cardholders and retailers with the following:

- An in-house customer service operation that solely supports our EBT card programs – giving callers the personalized treatment they deserve
- Multi-channel options – IVRS, CSRs, portal, or mobile app – that are already familiar to users and readily available based on preference
- Electronic links between the IVRS and CSRs provide quick bridging and access to Level II expertise
- Dynamic and configurable customer service call scripts and messaging that fit the changing behavioral patterns of callers and most often used options
- Assurance that no questions ever go unanswered

As the following narrative details, Arkansas cardholders and retailers will have access to a rapid and responsive customer service solution that is technologically advanced, highly accessible, and fully protected against unauthorized access and abuse. Our customer service solution for Arkansas is designed to provide an optimal service experience 24/7, ensuring cardholders and retailers can access support at a time and through the most convenient channel.

Cardholder Customer Service Solution

We add new technical capabilities and invest in the design, infrastructure, and systems behind our enhanced customer assistance model to reflect how cardholders live and communicate today. Through this commitment to innovation, **we offer Arkansas cardholders more convenient choices to access support than any other Contractor, including specialized Customer Service Call Centers, a full-function IVRS, a cardholder portal, and a mobile app.**

As Figure E.6-1 illustrates, cardholders can access help in the manner most convenient for them. Several inbound and outbound communication channels link to a full set of self-service and CSR-supported customer service options, including Arkansas' current domestic and international customer service numbers for DHS cardholders. This multi-channel model evolves and adapts to your cardholder base, confirming that callers receive convenient, secure, and professional customer service operations as varied as their needs.

Figure E.6-1. Multi-Channel Customer Service Model
*Conduent's customer service model provides the latest in
functionality and convenience for EBT cardholders.*

Our multi-channel model allows cardholders to choose the communication method they are most comfortable with or most suitable to their situation. In the following narrative, we describe in more detail the individual components of this customer service model. By providing a variety of channels and an optimal service experience 24/7, Arkansas EBT cardholders can get the support they need in the manner they find most convenient, any time they need it.

Cardholder Call Centers (Help Desks)

As stated, while most other service providers outsource their help desk functions, Conduent owns, operates, and invests in our government payment call centers – all of which exclusively support our government payment programs. We understand how important this function is to the successful operation of your program. As such, Conduent CSRs train specifically on the intricacies of your program and provide 24/7 support, including access to program, account, and card information.

We deliver customer service support through cloud-based call centers and CSR networks geographically dispersed throughout the US. For the Arkansas EBT Program, our CSRs will be based from four core, continental US-based centers: San Antonio, Texas; Middleton and Erie, Pennsylvania; and Canton, Ohio. We also have additional centers in Guaynabo, Puerto Rico, and Monterrey, Mexico, in case we need to scale up on short notice to meet unexpected surges in demand. We would only engage these additional facilities with the approval of DHS. This network offers coverage and continuity of service even during peak call times, system disruptions, natural and manmade disasters, and other situations.

We are always prepared to respond to spikes in call volume, so callers get the help they seek. As detailed in our response to Question E.6.F, we use the Avaya® Call Management System (CMS) to measure performance and our enterprise Avaya Aura Communication Manager Private Branch Exchange (PBX) platform for call answering and routing capabilities.

Staffing and Availability

We designed our customer service staffing to meet the contractual service standards for calls referred to CSRs. As your incumbent Contractor, we are familiar with your current and historical call levels and call arrival patterns and plan for fluctuations in daily call volumes and caseloads. We staff the Customer Service Call Centers to accommodate variations throughout the life of the contract. Our staffing approach allows us to achieve superior performance by integrating individual project performance standards, focusing on average call-answer times and abandoned call levels.

Services to Meet Arkansas Volumes

Conduent's IVRS and CSRs serve **more than 1 billion callers** annually across our programs. With the full self-service capability of the IVRS, only 3.48% of calls transfer to a CSR.

Conduent plans for anticipated and unanticipated surges in volumes during peak application processing seasons, at month-end, and to address telecommunications interruptions, disasters, and other critical events. To staff the call centers accordingly, we use the Pipkins® Workforce Management System to forecast volumes based on your historical patterns. The system examines trends over days, weeks, months, and seasons, discarding statistical outliers to predict the staffing we need to meet your service level expectations. We meet program expectations using the following disciplines:

- **Forecasting and Planning.** We generate forecast models and what-if analyses based on our knowledge of caller behavior and preferred communication methods.
- **Scheduling and Intraday Management.** We automatically receive updated staffing needs on changing conditions during the day using Arkansas data.
- **Multi-site Management.** Our unified view of the entire cloud-based network allows us to plan, forecast, schedule, and manage change across multiple locations.
- **Web Access for Real-Time Monitoring.** Supervisors track CSRs' adherence to schedules in real-time and with historical data.
- **Performance Management.** We exercise management oversight and visibility into each location's overall performance with scorecards, dashboards, and reports.

Conduent resources are in place to maintain stable telephony platform performance. We can rapidly enhance the staffing allocation when needed – another benefit of the call centers being owned and operated by Conduent.

Data Analytics

Call center volumes vary according to fluctuating program requirements, seasonal influences, and cardholder needs. Accurately forecasting the volume and level of support required for your program is critical to avoiding long wait times and dissatisfaction with the requested service. Conduent provides customer service that allows Arkansas EBT cardholders to reach CSRs with a minimal waiting period. The Conduent Call Center management group takes into consideration these important variables and data required to offer high-quality service:

- Low queue-wait times
- Minimal hold times
- Minimal disruption in service
- Low average handle-times
- High customer satisfaction
- Prompt turnaround times within all contact channels

Workforce Management Tools

Using tools in real-time is critical to maintaining the stable use of call center resources. The Pipkins tool provides comparison statistics, change management recommendations, and views into CSR metrics to keep staffing at optimum levels to meet program service levels. Based on a caller's selections, we may also route certain calls to specifically skilled CSRs for faster resolution.

Table E.6-1 illustrates the real-time capabilities of the software to gauge adequate staffing. This sample chart shows daily call volume over one week in 30-minute segments and the number of full-time CSRs needed to successfully handle the calls during each period.

Table E.6-1. Sample of Daily Call Volumes and CSR Staffing Plan

Monday	Req Staff	Call Volume	Tuesday	Req Staff	Call Volume	Wednesday	Req Staff	Call Volume	Thursday	Req Staff	Call Volume	Friday	Req Staff	Call Volume	Saturday	Req Staff	Call Volume	Sunday	Req Staff	Call Volume
0:00	0.1	1	0:00	0.2	2	0:00	0.5	5	0:00	0.4	4	0:00	0.4	4	0:00	0.2	2	0:00	0.3	3
0:30	0.1	1	0:30	0.4	4	0:30	0.3	3	0:30	0.3	3	0:30	0.6	6	0:30	0.2	2	0:30	0.1	1
1:00	0 4	4	1:00	1.2	11	1:00	0.8	7	1:00	0.4	4	1:00	0.8	7	1:00	0.3	3	1:00	0.5	5
1:30	0.3	3	1:30	0.6	6	1:30	0.4	4	1:30	0.9	8	1:30	0 2	2	1:30	0.2	2	1:30	0.2	2
2:00	0.3	3	2:00	0.5	5	2:00	0.4	4	2:00	0.5	5	2:00	0 1	1	2:00	0.5	5	2:00	0.6	6
2:30	1.1	10	2:30	0.2	2	2:30	0.1	1	2:30	0.0	0	2:30	0.4	4	2:30	0.4	4	2:30	0.2	2
3:00	0.4	4	3:00	0.1	1	3:00	0 2	2	3:00	0.2	2	3:00	0.2	2	3:00	0.2	2	3:00	0.0	0
3:30	0.4	4	3:30	0.5	5	3:30	0.2	2	3:30	0.1	1	3:30	0.0	0	3:30	0.2	2	3:30	0.2	2
4:00	0.2	2	4:00	0.4	4	4:00	0.1	1	4:00	0.2	2	4:00	0/1	1	4:00	0.0	0	4:00	0.1	1
4:30	0.3	3	4:30	0.4	4	4:30	0.0	0	4:30	0.1	1	4:30	0.1	1	4:30	0.3	3	4:30	0.0	0
5:00	0.1	1	5:00	0.5	5	5:00	0.4	4	5:00	0.2	2	5:00	0.1	1	5:00	0.2	2	5:00	0.2	2
5:30	0.3	3	5:30	0.0	0	5:30	0.2	2	5:30	0.1	1	5:30	0.1	1	5:30	0.0	0	5:30	0.0	0
6:00	0.1	1	6:00	0.3	3	6:00	0.4	4	6:00	0.3	3	6:00	0.2	2	6:00	0.1	1	6:00	0.0	0
6:30	0.1	1	6:30	0.6	6	6:30	0 6	6	6:30	0.4	4	6:30	0.0	0	6:30	0.2	2	6:30	0.3	3
7:00	0.1	1	7:00	0.4	4	7:00	0.4	4	7:00	0.1	1	7:00	0.5	5	7:00	0.2	2	7:00	0.1	1
7:30	0.3	3	7:30	0.1	1	7:30	0.9	8	7:30	0.3	3	7:30	0.4	4	7:30	0.2	2	7:30	0.0	0
8:00	1.1	10	8:00	0.3	3	8:00	0.9	8	8:00	0.8	7	8:00	0.6	6	8:00	0.2	2	8:00	0.8	7
8:30	0.9	8	8:30	1.7	16	8:30	1.6	15	8:30	0.8	7	8:30	1.0	9	8:30	0.4	4	8:30	0.4	4
9:00	1.8	17	9:00	1.8	17	9:00	2.8	26	9:00	1.9	18	9:00	0.5	5	9:00	1.1	10	9:00	0.8	7
9:30	1.6	15	9:30	2.7	25	9:30	2.5	23	9:30	2.7	25	9:30	1.9	18	9:30	0.9	8	9:30	0.4	4
10:00	3.3	31	10:00	4.0	37	10:00	4.3	40	10:00	1.4	13	10:00	3.1	29	10:00	1.4	13	10:00	1.2	11
10:30	3.3	31	10:30	4.5	42	10:30	4.1	38	10:30	2.9	27	10:30	1.6	15	10:30	1.3	12	10:30	1.4	13

Daily management of organizational activities is also critical as unexpected workload spikes occur and staffing changes arise. Our staffing approach enables us to develop a CSR full-time equivalent (FTE) staffing level to handle estimated incoming call volumes. If CSRs call in sick, it can impact call center facilities. Real-time tools are critical to assess the impact of daily workforce management goals. Using

Pipkins' tools (i.e., comparison statistics in reporting, change management tools, and real-time views into CSR metrics) allows Conduent to continue meeting your customer service operation goals.

We use a centralized workforce management team to manage our network staffing model, an arrangement that verifies that we size the network to meet all volumes and performance expectations. The monthly capacity level determines the number of FTEs on duty and available to handle system communications. We set this capacity number to manage daily and weekly call volume fluctuations.

This team can assign or reassign CSRs to different projects based on their skill profiles. We have created a career path within the Customer Service Call Centers to encourage growth and reduce turnover. This helps retain Arkansas EBT Services knowledge so your callers can continue to receive quality services.

Support from IVRS

The IVRS – the first line of support for Arkansas cardholders needing assistance – delivers reliable, convenient, and secure automated means to obtain important account information and program services. **Available 100% of the time**, the IVRS is so efficient that it answers calls immediately, even before a first ring, and addresses more than 96% of caller inquiries. This high IVR satisfaction percentage shows the effectiveness of the IVR in answering the caller's questions and offering an efficient caller experience.

The IVRS responds to calls in English, Spanish, and Marshallese (under the next contract), and callers have access to translation services in more than 200 other languages.

To make sure we address cardholder calls 24/7, the cloud-based IVRS uses a network of redundant and geographically diverse facilities operated by our long-time provider, Verint Americas Inc. (Verint). **Working with Verint allows us to offer a unified IVRS solution, unlike other Contractors that offer multiple solutions through multiple providers**.

Shown in Figure E.6-2, Verint combines its modern and secure main facility in Ashburn, Virginia, with fully redundant and active facilities in Sunnyvale, California, and Dallas, Texas. This results in 24/7 operations for Arkansas cardholders. Verint helps us deliver the most efficient and effective cardholder experience possible thanks to a combination of innovative IVRS technology, customer experience experts, and extensive call analytics. Its architecture confirms business continuity and system redundancy for all applications, eliminating platform downtime. Verint's network verifies that there is ample backup capacity to handle high-volume call days so cardholders can access self-service. The IVRS features dynamic capacity so that in the event of a spike in traffic, we have configured the solution to add additional nodes to accommodate unexpected spikes. This occurs within seconds. As a result, DHS can remain confident that we answer cardholder calls promptly, even in times of extreme need.
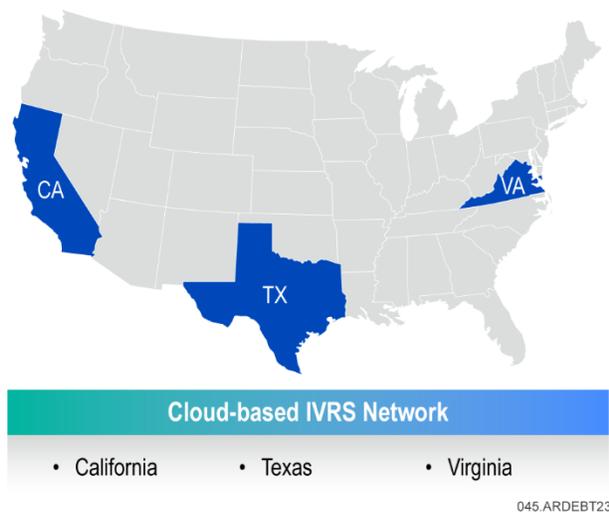

Figure E.6-2. Cloud-Based IVRS Network
This powerful and reliable network easily accommodates fluctuations in call volume.

For more information on the IVRS, including functionality, see our response to Question E.6.H.

Performance Standards

Performing at a high level is not just important to Conduent; we also strive to deliver exemplary service to callers.

We achieve performance standards by aligning our technology infrastructure and staff to the expected volumes. We emphasize the importance of maintaining required service levels for the entire operation. We define and produce reports that measure performance against the identified service levels. This approach enables Conduent to track performance against your standards. We train management teams to monitor performance against the trend lines we must achieve to exceed the targets. By using these methods, we make sure your cardholders receive superior customer service and support.

Exceeding Standards

We **exceed the industry standard** of answering a minimum of 95% of calls within four rings. We answer most calls within seconds and usually before less than a single ring.

We are confident that our solution includes the appropriate staff, technology, processes, and management practices to continue meeting your expectations and the needs of your cardholders. Our solution's industry-leading technology and thorough staffing planning allow us to adapt quickly to meet fluctuations in volume and growth in program caseloads to meet your service level standards.

IVRS and Customer Service Call Center Data

Daily and monthly customer service reports help us meet performance standards. We track and calculate performance standard reporting separately for the IVRS and CSRs. These reports provide details on IVRS and CSR performance, including:

- Number of calls received per day
- Call type
- Average speed to answer in seconds and number of rings (average-speed-of-answer calculated reflects the time required to reach assistance, not to be placed on hold)
- Average duration of call
- Lost and abandoned calls
- Average number of calls in queue
- System busy counts
- IVRS usage statistics
- Number of calls received by reason (e.g., assistance with program information, manual voucher authorizations, and adjustment requests)
- Daily usage statistics to include, but not limited to:
    - Number of incoming calls
    - Number of rings before answered
    - Number of abandoned calls
    - Number of busy signals received
    - Average wait time when transferred from an IVRS to a CSR
    - Type of request
    - Language selected
    - Length of time we place calls on hold and more
- Statistics and effectiveness of customer service functions for the Help Desks

Integrated technology enables us to:

- Monitor detailed performance in real-time and historical modes
- Verify that customer service and operations meet effectiveness standards
- Improve functions of all aspects of the client support solution.

We generate reports that meet State-specific needs or our internal monitoring. We can apply our operational guidelines to virtually any trackable element. We work with the State to confirm customer service reporting meets your requirements. In addition to providing these reports, we use this information internally to identify opportunities and strategies to improve service levels and caller experience.

For more information on reporting, see our response to Question E.15, Reporting.

Quality Control

Continuous monitoring of inbound calls allows us to maintain high-quality and reliable service to your cardholders through technological advancements and adjustments in CSR staffing and training. We offer individual coaching and mentoring to CSRs who fail to meet program service levels to improve their performance. We recruit and train more staff than needed to confirm that enough people are available to meet or exceed Arkansas' service level requirements.
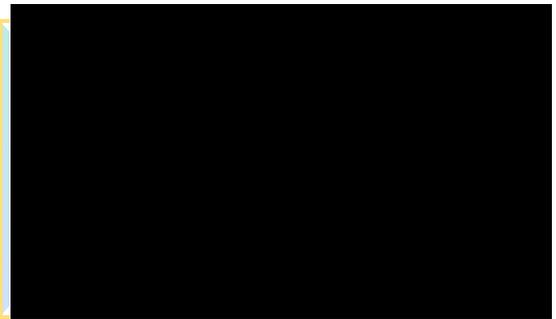
We monitor inbound and outbound calls 24/7 to deliver quality customer service and to address and resolve problems. We continuously track incoming customer service call trends to maintain efficient and reliable service through technological advances and CSR staffing or training adjustments. These monitoring and quality assurance (QA) processes help maintain a high quality of customer service and enable us to meet or exceed customer service performance standards continuously.

Automated Call Center Performance Monitoring. We capture and monitor all call recordings using the Verint Impact 360 Workforce Optimization system. We use the system to monitor CSR performance and to confirm adherence to DHS and Conduent customer service policies and procedures. It records every incoming and outgoing call and attaches indexing data for later retrieval. The Verint system allows us to:

- Design and operate QA programs
- Create a random monitoring program to determine how well CSRs perform
- Provide ongoing content for revising and improving training programs
- Evaluate CSR call handling for QA, evaluation, and training needs
- Resolve any issues or complaints about call handling
- Resolve questions about what transpired on a call
- Determine if the system properly initiated service requests sought by a caller

Recording customer service calls creates the basis for quality assessment, training, and evaluation activities. It provides a factual record for resolving disputes and complaints. We can also use a library of recorded calls to develop a baseline for workforce management analytics tools.

Cardholder Portal and Mobile App

In addition to the call centers and IVRS, we offer Arkansas cardholders the continued use of a highly convenient and secure cardholder portal and mobile app. Our comprehensive portal is easy to navigate for cardholders to manage their accounts and access EBT Program information. We further enhance the cardholder experience using responsive web design (RWD) for the next contract. RWD ensures easy viewing regardless of the device used to access the portal (e.g., computer/laptop, tablet, or phone). The redesign further encourages cardholders to utilize the portal and its many self-service features, including:

- Checking real-time account balances
- Reviewing transaction history
- Viewing Program materials, links to key websites, and FAQs
- PIN select/reselect
- Contacting customer service to ask questions and to receive answers within 24 hours
- Reporting problem transactions (claim notification)
- Additional functions that enhanced cardholder experience:
    - Ability to receive Broadcast Messages
    - Ability to temporarily lock/unlock their EBT card
    - Ability to status and replace EBT cards
    - Ability to manage their password, security questions, and user profile

The Conduent EBT mobile app (compatible with Google Android and Apple iOS devices) is a feature-rich mobile engagement solution that supports the information needs of your cardholders. Cardholders can safely and easily access the features available on the cardholder portal and IVRS via their mobile devices, including:

- Checking their balance and transaction history
- Checking the status or replacing a card
- Viewing benefit and account information
- Receiving messages
- Accessing other customer service functions

With functionality like the IVRS and portal, the mobile app enhances customer experience with seamless self-service channels and access options, perfect for cardholders on the go. See our response to Question E.6.J for details on the portal and mobile app features and functions.

Retailer Customer Service Solution

Like Arkansas EBT cardholders, the State's retailer community also has access to **24/7 customer service support through our Retailer Help Desk, IVRS, and Retailer Portal**. As we do today, Conduent will continue to provide Arkansas retailers 24/7 support through a toll-free, "1-800" Retailer Help Desk number.

The Arkansas Retailer Help Desk is based on the same cloud-based network as our cardholder call centers. Geographically dispersed throughout the US, we designed this network to meet all your performance needs. This network offers adequate coverage even during peak call times, system disruptions, natural and manmade disasters, and other situations. Across these facilities, we are always prepared to respond to spikes in call volumes, so retailers receive the assistance they seek. Like the Cardholder IVRS, the Retailer IVRS has redundant locations in California, Texas, and Virginia.

As shown in Figure E.6-3, we offer Arkansas retailers a variety of customer service support functions.

Operates 24 hours a day, 7 days per week

IVRS and CSR support for manual vouchers

Toll-free and without charge or fee to the retailers

Retailer Call Center Services

TTY capability supported for retailers with hearing disabilities

Operated and staffed in an industry standard manner

No limit to the number of calls a retailer makes

Used exclusively for retailer support

Accessible to all retailers

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Figure E.6-3. A Variety of Customer Service Options Enhances the User Experience
Arkansas retailers receive required services with 24/7 assistance.

Retailers can call the toll-free number anytime to reach a trained CSR who can resolve their issues quickly. CSRs can authorize manual vouchers for authorized and TPP-based retailers, arrange to ship additional POS equipment, and provide general information about Arkansas program-specific policies and procedures as needed. Our complete retailer customer service solution includes:

- **Toll-free Support.** We deliver all customer services 24/7 without charge or fee to retailers.

- **Operated and Staffed in an Industry-Standard Manner.** We designed our retailer customer service solution to meet the financial industry standard model for help desk operations.

- **Accessible to Retailers.** Authorized retailers can securely access the IVRS and CSRs to obtain program-specific information and perform required functions.

- **Exclusive Use.** The IVRS and help desk provide retailer support exclusively.

- **Supported by IVRS and CSRs.** The IVRS offers quick access and functions to retailers, and CSRs are always available to assist and resolve any problems they may experience.

- **Manual Vouchers.** We provide manual voucher support for authorized retailers when electronic transactions are not available. Additionally, in accordance with the SNAP provisions of the Agricultural Improvement Act of 2018, we accommodate manual voucher processing for:

  – Retailers authorized before March 21, 2014, who use manual vouchers until further notice

  – Retailers who purchase a store are exempt from the requirement to purchase their own equipment until further notice

  – Manual voucher approval, clearing, and information for purchases and returns

- **Information on POS Services.** If authorized retailers require additional POS equipment support or problem resolution, they may contact a trained CSR for assistance.

- **Settlement and Reconciliation.** While the IVRS gives retailers access to information on the settlement, reconciliation, and daily deposit procedures, CSRs can assist with these requests or answer questions related to 1099s.

- **Adjustments and Out of Balance.** Retailers can call anytime for assistance with system adjustments and resolving out-of-balance conditions.

Retailers cannot access program or account information for security purposes unless they provide State and Conduent-approved verification data. Identification is made either electronically through the IVRS or by a CSR. If a retailer cannot validate the information, the IVRS or CSR does not share any provided information with the caller.

We plan for excess capacity when we expect higher call demand. In circumstances where we anticipate increased demand, such as during a widespread disaster, we respond rapidly by calling in additional CSRs or distributing excess calls to one of our other geographically dispersed Help Desks.

Retailer Portal

Conduent provides an easy-to-use, intuitive, and secure Retailer Portal to participating retailers contracted with us and designated State and federal staff (i.e., USDA FNS and the OIG) who offer the same functionality as the Retailer Help Desk. We truncate or block any information that would expose the cardholders' identity. The Retailer Portal allows authorized retailers to:

- Inquire on retailer payment status/deposit information
- View their transaction history (not showing the full EBT card number or providing any other information that would expose the cardholder's identity)
- Access Retailer Help Desk contact information
- Request equipment or problem resolution
- Provide TPP website links or information
- Access to three years of their 1099 Forms
- Ability to submit a transaction dispute to the Conduent Settlement and Reconciliation Unit
- Review the status of any adjustment activity within the last three months
- Update their profile information such as password, display name, email address, or identity verification security password

We offer an immediate response function on the portal to enhance the retailer experience and provide an interactive process for contacting Conduent. This function allows retailers to communicate online with our National Retailer Management Center (NRMC). Retailers can use the immediate response function to report issues, make payment or deposit inquiries, and submit equipment requests. This process works as follows:

1. Retailer requests assistance online through the Retailer Portal.
2. They submit all requisite information, including their retailer data (i.e., name and FNS number), email address, subject line, and message description.
3. The system sends back an immediate confirmation response. The message is rejected if the email address is invalid.
4. The NRMC receives the message and works the issue through standard resolution processes and timeframes.
5. The NRMC responds to the email address shared by the retailer.

For integrated retailers, we work with processors to provide a secure link to their IT help sites.

Figure E.6-4 is a snapshot of the EBT Retailer Portal landing page. From here, EBT retailers choose their state EBT Program to access the appropriate portal. Once the retailer establishes a login and logs in with their security credentials, they are taken to the Home page in Figure E.6-5 to access the range of features provided through the portal.
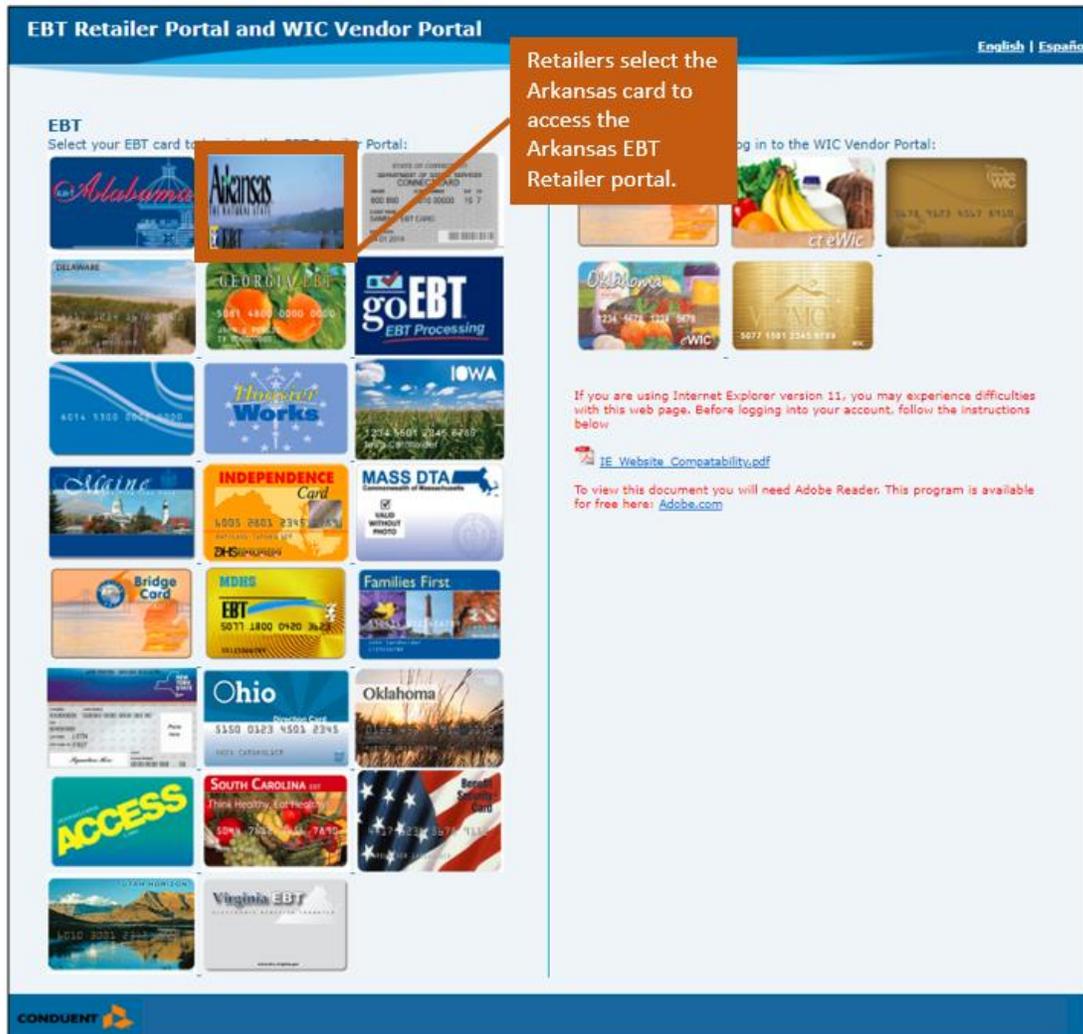

Figure E.6-4. Retailer Portal Landing Page
*The portal includes links and answers to Frequently Asked Questions,*
ensuring retailers can access needed information.
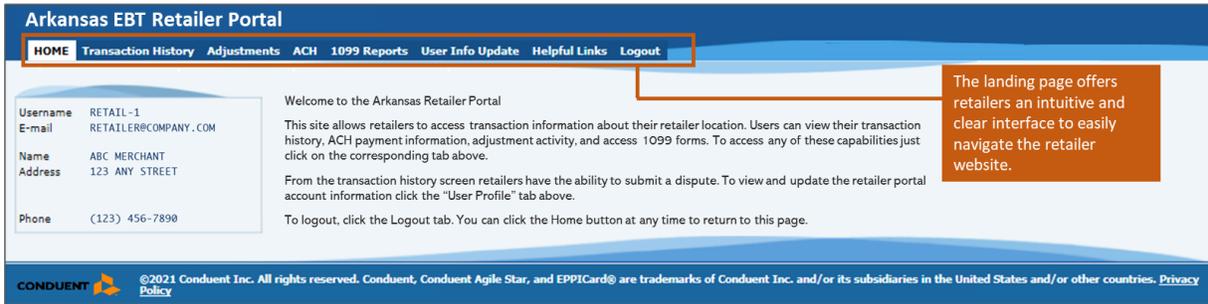
Figure E.6-5. Retailer Portal Home Page
The portal allows the retailer to easily navigate through the functions.

B. Provide the physical location(s) and describe all technical and support services, i.e., customer service call center, retailer help desk, state support help desk, and card production facility.	5 points

Table E.6-2 details the physical locations and briefly describes all technical and support services included in our solution for Arkansas.

Table E.6-2. Locations of Technical and Support Services

Physical Locations	Description of Technical and/or Support Service
Canton, Ohio Erie, Pennsylvania Middleton, Pennsylvania San Antonio, Texas	Core facilities of our customer service operations. As our response to Question E.6.A details, the cloud-based customer service operation delivers 24/7 support for cardholders and retailers across our payment services programs. Using Program-specific scripts and training, CSRs provide 24/7 support for your most important program stakeholders.
Ashburn, Virginia Dallas, Texas Sunnyvale, California	These locations house our secure IVRS facilities that support Arkansas EBT cardholders and retailers. Like the help desk and call center operations, our cloud-based IVRS network offers a comprehensive first line of support for cardholders and retailers. The IVRS is so feature-rich that most callers can resolve their questions or access the information they need without speaking to a CSR.
Austin, Texas	Our 24/7 State support help desk, EPPIC24, is based in Texas. EPPIC24 serves as the primary after-hours point of contact for DHS. The EPPIC24 help desk is co-located with the technical support team. Along with our technical support team, our Settlement and Location Unit is also located in Austin. Our experienced staff verifies that settlement, balancing, and reconciliation processes comply with State and federal requirements.
Indianapolis, Indiana Stafford, Texas Shoreview, Minnesota Nashville, Tennessee	These locations house the card production and mailing facilities used for the Arkansas EBT Program. These PCI-DSS-compliant facilities provide optimal security for the State's card stock and a proven efficient card production process to ensure Arkansas cardholders receive their cards in a timely manner.
Marietta, Georgia	We provide critical retailer management services through this facility, including POS terminal inventory, maintenance, and replacement.
Sandy, Utah East Windsor, New Jersey	Conduent's Tier 3 data center locations.

C. Describe how the data processing technical support help desk will monitor the system and transmission line?	5 points

We don't just wait for issues to be reported. Our EPPIC24 Technical Support Help Desk monitors system, transmission line, and file activity 24/7. In the event of an issue, this team reaches out directly to the State, and notifies the State's technical support contacts. The EPPIC24 technical services group opens tickets, resolves issues directly in many cases, assigns these tickets to other technical resources as needed, and then tracks, follows up, and reports on progress. Additionally, they can reprocess a transmitted file if there is an initial transmission issue, including transmission duplication.

Technical assistance for DHS staff includes, but is not limited to:

- System and transmission line monitoring
- System bugs and other system issues
- Accept reports of system outages
- Technical and troubleshooting system issues
- Special account maintenance functions assistance
- Assistance with security issues in an ongoing effort to deliver the best possible support

We don't just staff this critical Technical Support Help Desk with operators who take ticket information. We staff EPPIC24 with IT professionals experienced in aiding all technical issues. In addition, the staff at EPPIC24 is part of the technology team and can reach out to additional on-call support as needed to resolve issues quickly. Technical staff are also accessible through a dedicated email, EPPIC24@conduent.com. After Operational Project Manager Priya Suresh and outside of daily business hours, EPPIC24 is the first point of contact for DHS staff, quickly resolving multiple issues, including file transmission, data reporting, file activity, or other technical issues regarding services.

D. Describe in detail how cardholders access ATMs and POS terminals to obtain cash.	5 points

As detailed in our response to Question E.9.A.1, Arkansas cardholders have a variety of options to obtain cash through the Quest network of POS and ATM devices. Quest is a national network allowing Arkansas cardholders to get cash from any ATM that accepts EBT and displays the Quest logo. The **Quest network offers nearly 1,000 ATM access points in Arkansas**. Most financial institutions, credit unions, and ATM owners participate in the Quest network, making a wide variety of ATMs available to Arkansas cardholders. Some of the popular Arkansas banks and credit unions where your cardholders are using their EBT card today include:

- Arkansas Federal Credit Union
- Arvest Bank
- Bank of Little Rock
- Central Bank
- Chase Bank
- Community First Trust Bank
- Eagle Bank and Trust
- Encore Bank

- Equity Bank
- Farmers Bank
- First Horizon Bank
- First National Bank
- Peoples Bank
- Simmons Bank
- Union Bank
- U.S. Bank

Nationwide, more than **50,000 Quest ATM locations** are available in the US.

Cardholders can access the FNS SNAP locator tool from the cardholder portal to find a location nearest to them. USPS locations also accept EBT cards as payment for services and products and will provide cashback of up to $50 with purchases. These locations are convenient for most cardholders but are of even higher value to cardholders in rural communities with few retail stores.

Supporting POS cash transactions is vital to the EBT Services we offer to Arkansas. POS cash transactions are very common and have increased in frequency over the years, confirming that cardholders often prefer to make cash purchases rather than withdraw cash first to make their purchases. Identifying cashback and withdrawal locations is critical in the cash access database because they represent places where cardholders may obtain cash fee-free while shopping. Cashback is typically available at the checkout lane, and cash withdrawals without a purchase occur at the retailer's customer service counter (if permitted by store policy). The cashback and cash withdrawal details are in the EBT database and updated as information changes. The database stores the cash back or cash withdrawal limits permitted at retail locations such as grocery stores, department stores, discount stores, and convenience stores.

E. Describe the Prospective Contractor's plan to ensure that all data and information housed by the various data centers are fully protected against unauthorized access?	5 points

To protect the EBT Program's integrity and cardholder data security, we provide DHS with the highest level of protection in the industry across all aspects of our solution, including data centers. Unlike other Contractors who have experienced broad network intrusions, **Conduent has never had a system breach in any government payment processing programs we manage, including Arkansas**. Connect EBT 3.0 uses an Azure-based private cloud to maintain the integrity of your program's data and cardholder information. Our NIST 800-53 aligned approach makes sure all data and information housed by our data centers remain secure, whether in transit or at rest.

We provide authorized DHS staff with user profiles and tools, including audit trails. These confirm that security checks and procedures meet your requirements and comply with security guidelines, protocols, and procedures. As part of our security standards, we also submit SOC 1 and SOC 2 audits annually to validate program controls and security standards. Conduent complies with FNS Handbook 901 Section 9 for Systems Security, FNS EBT Regulations, FNS EBT System Security Guidelines Handbook, MARS-E 2.2, HIPAA, HITECH, and all relevant DHS and Arkansas Department of Information Technology standards.

Data Center Security Plan

Conduent facilities secure access to operations, networks, and systems through a combination of physical and logical controls. The US-based Conduent facilities that support our EBT systems feature complete physical security measures that range from an uninterruptible power supply (UPS) and environmental controls to building access restrictions that limit sensitive areas in facilities to personnel with specific authorization. Table E.6-3 describes our methods for controlling physical access to operational facilities and details the measures used to keep data processing and telecommunication facilities safe from unauthorized access, manipulation, or sabotage.

Table E.6-3. Physical Security Measures

Security Measure	Description
Physical Access Controls	The US-based data centers, part of our cloud-based network, maintain entrance security 24/7. All employees carry access cards or use biometric devices (if authorized). Access badges and locks identify and record authorized personnel entry into specific workspaces and control physical access. Conduent manages logical access using a system based on need-to-know, assigned responsibilities. Staff may access only the specific areas of the facility they must enter to perform their duties. Vendors and guests must sign in and out with the facility's security guard, who issues temporary visitor badges. Additionally, Conduent staff always escort vendors and guests during their visit to our premises. We fit lockable doors with alarms that notify local authorities of unauthorized access to further guard against unauthorized entry. We physically lock the main entrances of all facilities during off hours. We arrange and approve after-hour access in advance. Forced entry into or opening an emergency exit door at a facility triggers a monitored alarm.
Emergency Shutoff, Power, and Lighting	UPS delivers continuous electrical power to Conduent facilities while a backup diesel generator keeps our systems operational – and the lights on – until the restoration of normal power. A 625-kilovolt-ampere (kVA) 60-cycle battery-operated UPS system services the computer rooms. The current consumption of the 625 kVA units is approximately 10-15%. This unit is operational from a single module. The battery backup for the 625 kVA UPS generates enough power to operate computer systems for five minutes at full load. Three redundant battery banks service the UPS system. The batteries supply the voltage necessary to deliver continuous power for electrical requirements until the diesel generator and switch gear are fully engaged to provide alternate power or until the restoration of the city-supplied electrical current.

Security Measure	Description
	Two independent refrigerant systems, rated at 15 tons each, service the self-contained UPS room to prevent overheating,
	The UPS battery backup system has sufficient power to operate each data center until a backup diesel generator is activated. When the power monitoring system detects a loss of the regular power source, it initiates the immediate activation of the backup diesel generator.
	The data center maintains the 1,500 kilowatt (kW) diesel-powered electrical generator. The capacity of the fuel tank is 10,800 gallons. When city power has been out or reduced for over five seconds, the UPS system automatically signals the generator to power up, which requires no human intervention.
	We secure access to the generator and its fuel tank by padlock and limit access to the vendor that maintains the generator and other personnel authorized by the data center program manager as having legitimate business needs in the area.
Fire Protection, Temperature and Humidity Controls, and Water Damage Protection	To protect against the possibility of fire and confirm that we can quickly suppress any fire, we segment each data center into zones (including tape storage areas) fully equipped with fire and smoke detection systems and moisture detection systems to protect against environmental hazards. Suppression equipment includes Halon, sprinkler systems, and an alarm that electronically notifies the fire and police departments. A remote sensor network detects fire, smoke, water seepage, unusual temperature changes, failure of computer cooling systems, and unauthorized entry into restricted areas. While not a data center, Conduent's Austin, Texas, operations facility also maintains fire protection and suppression systems.
Delivery and Removal of Information Asset Controls	We conform to industry standards for data storage, delivery, and removal. We secure all tapes, disks, and other storage media in an access-controlled environment when not in use. We only permit personnel to remove storage media with prior management authorization. Further, we restrict programming staff, including contractors or subcontractors, from accessing sensitive storage media unless they have received prior management approval. Finally, we shred sensitive output before disposal.

For additional information on systematic and procedural controls for EPPIC EBT 3.0, see our response to Question E.12, System Performance, System Security Plan, Fraud Prevention Analysis.

F. Describe employee support the Prospective Contractor will provide Call Center employees once the system is activated.	5 points

Conduent is in a unique position to respond to this question as we are the only EBT Contractor to own and operate our core EBT call centers and directly manage and support the employees. Call center facilities and CSRs are at the heart of the customer service support we provide your cardholders. **Our CSRs set us apart because they only support cardholders participating in our EBT programs. We constantly improve CSR training based on our experience serving your program stakeholders.** The CSRs understand that these funds supply the essential needs of families.

Moreover, a key benefit of staying with Conduent is that the call centers and highly trained CSRs supporting your EBT Program **are in place and active today**. As such, there is no need for a full-scale training effort or infrastructure development. Our professional, empathetic, and efficient CSRs are doing the work today on behalf of your cardholders.

As part of ongoing operations, we have several processes and procedures in place to make sure our team has the support they need to deliver the highest level of care for your cardholders. We want to give Arkansas cardholders confidence in using their cards and the comfort of knowing that help is only a phone call away. Conduent call center personnel (i.e., CSRs, leads, and supervisors) have access to a range of support systems, detailed training, and information resources that help them perform their jobs.

Support Systems

We have several support systems in place to give our team the tools they need to provide optimal customer service to Arkansas cardholders, as detailed below.

Automated Call Distribution (ACD) and Call Management Systems

Calls route to our CSRs from the IVRS through Avaya's ACD management software and processes. We use the Avaya Call Management System (CMS) to measure the elapsed time from arrival at the switch from the IVRS to answer by a CSR. The CMS captures abandoned calls (i.e., when the caller hangs up before a CSR accepts the call) and populates the details in a data repository. Every 24 hours, CMS generates a report that indicates if we have met client-specific performance standards. To confirm the quality of calls to the IVRS and CSRs, we network all core centers in the system to our enterprise Avaya Aura CM Private Branch Exchange (PBX) platform. This platform includes powerful and reliable call answering and routing capabilities. PBX checks for network conditions that can degrade voice quality and applies corrective actions.

We monitor both inbound and outbound calls 24/7. Full hot site capability delivers true inter-site redundancy and supports rapid failover in case of single-site failure or scheduled maintenance. We install and test all incoming and outgoing lines, including primary and backup, in advance to deliver full redundancy during project operations. We use the system's extensive storage and retrieval capabilities to record, store, review, and manage complete call information. We can track usage, optimize performance, and adjust CSR staffing with access to historical data.

Translation Services

Conduent's IVRS, cardholder portal, and CSRs are available to EBT cardholders in English, Spanish, and Marshallese. To make sure we support all callers, we use the services of United Language Group, which offers translation support for more than 200 languages. United Language Group offers comprehensive

interpreter coverage, reduces interpreter connection times, and maximizes first-call resolutions. This partnership enables us to accommodate additional language requirements throughout the life of the contract. Table E.6-4 lists the languages available.

Table E.6-4. Languages Available through United Language Group

Translation Services					
Acholi	Croatian	Hausa	Kwawu	Oromo	Tibetan
Afrikaans	Cutchi	Hebrew	Lahu	Pangasinan	Tigre
Akan	Czech	Hindi	Laotian	Pashto	Tigrinya
Akateko	Danish	Hindko Hmong	Latvian	Patois	Taishanese
Aklanon	Dari	Hokkien	Liberian Lingala	Polish	Tonga
Albanian	Dinka	Huizhou	Lithuanian	Portuguese	Tongan
Amharic	Duala	Hunanese	Luganda	Punjabi	Tosk
Arabic	Dutch	Hungarian	Luo	Pwo	Tshiluba
Aramaic	Estonian	Ibo	Maay	Romanian	Turkish
Armenian	Ewe	Icelandic	Macedonian	Russian	Twi
Assyrian	Falam	Iiocano	Maithili	Samoan	Ukrainian
Azerbaijani	Fanti	Iionggo	Malay	Serahule	Urdu
Bambara	Farsi	Indonesian	Malayalam	Serbian	Uyghur
Bantu	Fiji Hindi	Italian	Mam	Shanghainese	Uzbek
Basque	Finnish	Japanese	Mandaeans	Sichuan	Vietnamese
Behdini	Flemish	Javanese	Mandarin	Sicilian	Visayan
Belarusian	Foochow	Jola	Mandingo	Sierra Leone-Creole	Waray
Bengali	French	Kachi	Maninka	Sinhalese	Wenzhounese
Berber	French Creole	Kanjobal	Marathi	Slovak	West African-Creole
Bikol	Fukienese	Karen	Marshallese	Slovene	Wolof
Bosnian	Fulani	Karon	Mien	Somali	Xhosa
Bravanese	Fulfulde	Kazakh	Mina	Soninke	Yemen
Bulgarian	Ga	Kikuyu	Mixteco	Sorani	Yi
Burmese	Georgian	Kinyarwanda	Mizo	Spanish	Yiddish
Cambodian	German	Kirghiz	Moldovan	Swahili	Yoruba
Cantonese	Gorani	Kiribati	Mongolian	Swedish	Yunnan
Cape Verdean	Greek	Kirundi	Montenegrin	Tagalog	Yupik
Catalan	Guizhou	Kizigua	Motlockese	Taiwanese	Zanniat
Cebuano	Gujarati	Korean	Navajo	Tajik	Zulu
Chaldean	Haitian Creole	Krahn	Neapolitan	Tamil	Zyphe
Chamorro	Hakha	Krio	Nepali	Tedim	
Chin	Hakka	Kunama	Nigerian Pidgin	Telegu	
Chiu Chow	Hamery	Kurdish	Norwegian	Temne	
Chuukese	Harari	Kurmanji	Nuer	Thai	

TTY Capabilities

Arkansas EBT cardholders can remain confident that with Conduent, "customer service" means **customer service for *all* cardholders**. Callers who are deaf, hard-of-hearing, or speech-impaired have 24/7 access to customer services. In compliance with the Americans with Disabilities Act (ADA), these individuals can phone toll-free using Telecommunications Device for the Deaf/Teletypewriter (TDD/TTY) services with or without a relay operator (i.e., a local, state, or national relay operator).

The call centers use telephony equipment with the Avaya one-X Agent to enable conversations for TTY callers who do not use a relay operator. When such calls arrive, the system recognizes the TTY call signal and prompts to initiate an interaction by displaying a TTY icon. CSRs then interact with TTY callers using a set of abbreviations available on the TTY interaction window, which is like an instant message window. Instead of a TTY machine, the Avaya one-X Agent, with the Communication Manager (CM) Public Switched Telephone Network (PSTN) gateways, provides integrated TTY conversation support for CSRs.

CSR Training

When a caller opts out to a CSR, we make sure their experience is positive and helpful, starting with having the most qualified CSRs handling cardholder calls. A rigorous hiring process ensures that our CSRs meet our hiring criteria for language proficiency, behavioral assessment, and technology capabilities. Following hiring, as detailed below, CSRs receive extensive training in both DHS's and Conduent's quality expectations. This enables us to make sure your cardholders receive prompt, polite, and secure support when needed.

CSR training focuses on friendly, quick, and knowledgeable customer service for a full range of cardholder and retailer support issues. Our comprehensive training program for CSRs provides expert-level knowledge of the Arkansas EBT Program and policies. We develop training modules and scripts based on the requirements of your programs. Additionally, supervisors are on call, so the CSRs can access their expertise and knowledge if required. Supervisors act as the escalation point for the CSRs to provide Arkansas cardholders with the best possible service and prompt resolution.

To make sure we provide reliable and fully trained CSRs to resolve cardholder issues that the IVRS cannot, each CSR undergoes an intensive three-week training before they can answer calls independently. Conduent trains CSRs in call handling, etiquette, and product and program knowledge. As shown in Figure E.6-6, each week of training consists of a combination of classroom, nesting with an experienced CSR, and feedback to allow the CSR to learn the program and handle actual calls.
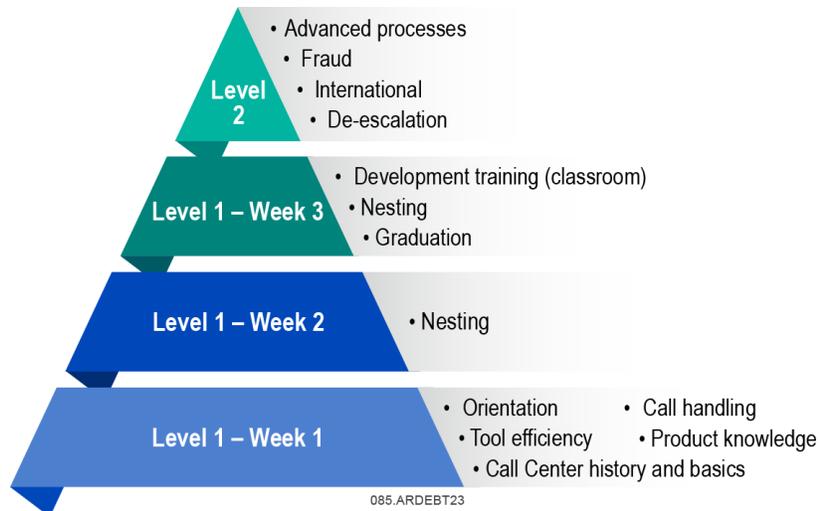
Figure E.6-6. CSR Training Pyramid
*The pyramid outlines the training that CSRs receive to give them the experience
and information they need to respond to cardholder questions and concerns.*

CSRs and trainers use a comprehensive online training and orientation tool developed by Conduent's Learning Services team. The tool allows CSRs to review and revisit course modules such as tool efficiency, call handling, and product knowledge. News and updates are also posted here to keep CSRs informed throughout their training and beyond. Figure E.6-7 shows the CSR training Welcome page.
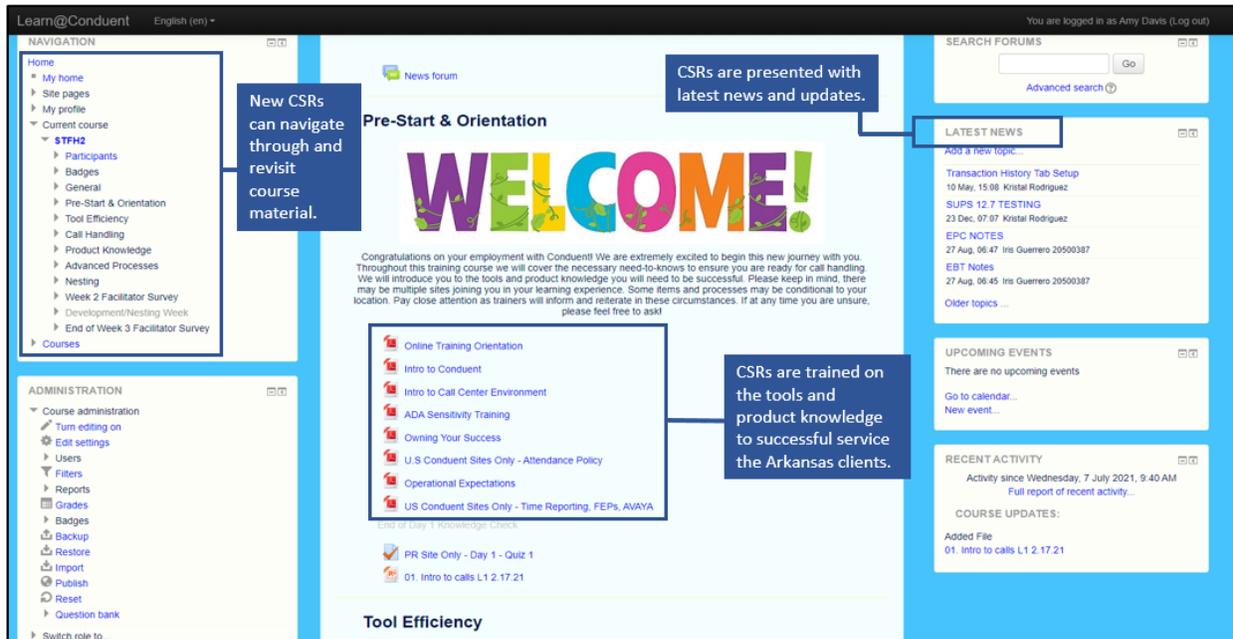
Figure E.6-7. CSR Training Tool – Welcome Page
CSRs have access to an easy-to-navigate training platform.

We include an overview of CSR training in Table E.6-5.

Table E.6-5. CSR Call Center Orientation

CSR Call Center Orientation		
Week 1: Orientation and Call Center History and Basics		
Days 1-3	**Lessons/Skills**	**Additional Topics Include**
Orientation	• Attendance policy and expectations • History and uniqueness of the Conduent Call Center environment.	Basic call-handling skills
Tool Efficiency	Tools used daily by agents are introductory work environment topics, including a description and navigation of the tools used regularly (shown in the next column).	• **Administrative Terminal.** Daily CSR tasks include cardholder verification, address changes, card replacements, and transaction history searches. • **NICE IEX.** This program helps agents to self-manage their time. • **Unity.** This website provides important company and project changes. CSRs must check Unity daily for project or site-specific updates. • **The Guide.** The Conduent Guide is a CSR's primary reference tool. All project information can be found here, with a link for every Administrative Application screen that can be accessed with one click. It provides the CSRs with opening and closing scripts, project and task-specific scripts, and project-specific information. The Guide also includes a series of cardholder verification and authentication charts. • **Avaya.** Avaya is the call-handling communication tool that connects CSRs to cardholders. • **Siebel.** This program is used to access the EPPIC EBT 3.0 database that stores cardholder accounts and includes SSN, full name, address, account updates, transaction history, etc. If changes are required to an account, the action must be performed through Siebel. • **Agent Assistance Chat.** A chat session is hosted by a team of tenured employees whose sole responsibility is to assist agents during their calls by answering questions and providing direction. This chat is monitored 24/7.
Call Handling	In the Call Handling section, coverage includes the necessities, tips, and tactics to handle a call from start to finish while maintaining quality assurance expectations. Call processes and common call scenarios are discussed. At the end of every call, the CSR must log an Activity Questionnaire on what was done in the account before leaving.	• Agent soft skills use • Scripting • Verification and authentication • Fraud awareness • Quality Assurance • Language interpreting • Fees, if applicable

CSR Call Center Orientation		
Days 4-5	**Lessons/Skills**	**Additional Topics Include**
Product Knowledge and Advanced Topics	Detailed product specifications are defined depending on the project. The verification process is described in detail to ensure the caller's validity is confirmed before providing account information.	• Cardholder verification and authentication • Card status and replacements • Cardholder portal and mobile apps • Cardholder's experience • Disputes • Escalations to Level II (L2) • Deceased requests • Dormancy and escheatment
Week 2		
Days 6-10	**Lessons/Skills**	**Additional Topics Include**
Nesting (Implementing the acquired knowledge in a hands-on and face-to-face setting)	New hires sit with an experienced CSR, listening in on every call and using the information they learned the week before. First, they listen to the calls and then respond to calls with the assistance of an experienced employee for the rest of the week. They have support from trainers and onsite support staff to make sure their needs are met. At the end of each day, 15-20 minutes before releasing the CSRs, the training department provides a daily summary of the successes and learning opportunities.	N/A
Week 3		
Days 11-12	**Lessons/Skills**	**Additional Topics Include**
Development Training	CSRs return to a classroom setting to discuss their experience from the previous week. By now, the CSRs have developed a close relationship with their trainer and share their personal successes and learning opportunities. Once all questions have been answered, topics such as fraud and when to transfer a call to a supervisor are discussed in more detail. The CSRs must also complete compliance training before they graduate.	N/A
Days 13-15	**Lessons/Skills**	**Additional Topics Include**
Return to Nesting (Call Handling)	CSRs return to call handling and further develop their skills. By the end of development training, the CSRs are well-versed in call handling and product knowledge.	N/A
Day 15	**Lessons/Skills**	**Additional Topics Include**
Call Handling and Graduation	CSRs spend the day handling calls	A final training survey on their experience is requested.

Advancing from a Level I CSR to a Level II CSR provides CSRs with growth opportunities in the Call Center and is a measured process. To advance to a Level II CSR, CSRs must be experienced with high-quality assurance scores. They then undergo more rigorous and advanced training. As a Level II CSR, job expectations include call transfers for specific topics, such as:

- Failed verification
- Transaction disputes
- Fraud
- Critical account updates

- Benefit expungement
- International calls
- Card suspensions
- De-escalations

The type of calls Level II CSRs receive changes to transferred calls versus taking Level I calls. New Level II CSRs return to a one-week nesting period where management monitors all calls for accuracy, tone, and call handling skills.

CSRs are the people with whom many cardholders and retailers interact frequently. Therefore, they must resolve issues quickly and leave a positive impression on callers. It is equally important that CSRs are continuously improving. Our approach ensures we carefully screen prospective CSRs, train them thoroughly, and focus on continuous quality management. This dedication to quality service means faster resolution of issues, providing accurate information, and professional support for Arkansas cardholders 24/7.

CSR Scripts

We equip Conduent CSRs with detailed online manuals and scripts for your EBT Program to confirm we handle calls appropriately, competently, and accurately disseminate program-specific information. These scripts are used today to deliver effective customer service, provide guidance, guide CSRs on problem-resolution procedures, and incorporate most situations that a caller might present. We maintain all scripts and manuals online for easy access, and our training staff updates any changes in procedure or policy information.

As illustrated in Figures E.6-8 through E.6-10, CSRs are presented with an opening script and can quickly drill down to situational scripts based on the caller's request.

Figure E.6-8. CSR Call Script Sample – Opening Script
CSRs use scripts to resolve caller issues efficiently and consistently.

Figure E.6-9. CSR Call Script Sample – Cards & Services Drop-Down Menu
CSRs use efficient point-and-click drop-down menus to navigate to the caller's situation script quickly.

Figure E.6-10. CSR Call Script Sample – Lost/Stolen Card
CSRs are presented with detailed steps for each situation, including key policy instructions.

G. Explain what the Prospective Contractor would do to gather transaction history if the agency requested.	5 points

With EPPIC EBT 3.0 and our optional, enhanced data warehouse, DHS users do not need to waste valuable time making requests and waiting to retrieve key program information, including transaction history data. Your staff can access a significant amount of online data, including three years of daily online history through the administrative terminal. **Your staff can also view and query 10 years of online transaction history through the optional, enhanced data warehouse** (see our response to Question E.1.7.C for more information). After 10 years of online availability, Conduent archives and maintains the data offline.

Retrieving Offline Data

DHS uses a simple process for retrieving offline data for your EBT Program. DHS submits a request to Operational Project Manager Priya Suresh identifying the type of data needed (e.g., specific retailer or group of retailers, types of transaction, and cardholder information), the time period of the data, and the format in which DHS would like to receive the data. Priya works with the database team to restore the data from offline archive storage and sends the data to DHS. We want to make sure you get the information you need, and we recognize that reviewing the data sometimes leads to new questions. Priya works with the State requestor in an iterative process to ensure we are on the right track and refine the query to give you the specific report or data you need.

This process is not only for archived data. We are happy to work with you to supply data for queries, even on data available online. Like the archived data request process, Priya will work with you on the query to provide the data you need.

Timeframes for Data Retrieval

In most cases, we can restore data in one to five business days, depending on the extent and complexity of the retrieval request. If the retrieval request involves an exceptionally large amount of data to restore, it may take longer to allocate storage and to reload the data to online availability.

H. Describe the Prospective Contractor's interactive voice response system (IVRS) and features.	5 points

Our customer service solution is designed so the IVRS serves as the primary source of help for cardholders – usually the only one needed as over 96% of the caller's questions are resolved by the IVRS information and features. Cardholders can rapidly perform most services using well-designed automated menu prompts and scripts 24/7. Figure E.6-11 depicts an overview of the wide assortment of services available to cardholders through the IVRS, with these services available on the cardholder portal and the mobile app.


IVRS Suite of Services

Transfer to a CSR

Secure PIN Selection

Start Transaction Dispute

Deposit History

072.ARDEBT23

Transaction History of the Last 10 Transactions

Access to SNAP and Cash Account Balances

Access Controls that Ensure Security of Cardholder Account Information

Mechanism to Report Lost, Stolen, Damaged, or Defective Cards
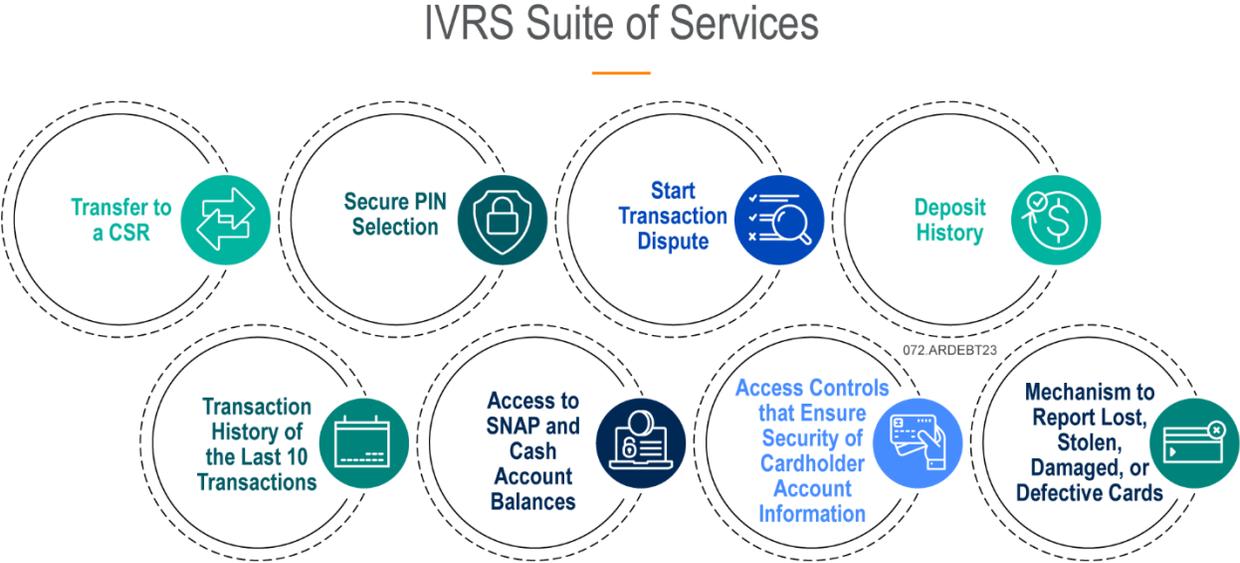
Figure E.6-11. Scope of IVRS Services
Cardholders can use the IVRS to access their account and program information and readily perform a range of services.

The following narrative describes some key features of the Arkansas IVRS we have in place today.

Cardholders Using Rotary Phones

As in all our state EBT programs, we support calls from touchtone and rotary dial telephones. The IVRS menu includes instructions to remain on the line if the caller calls from a rotary dial telephone. If there is no response to a prompt indicating that the caller is not using a touchtone telephone, these callers are automatically and promptly forwarded to the Conduent call center so the callers can speak to one of the CSRs to get the information they need.

IVRS Call Flows

Arkansas IVRS call flows and scripts are in place today and functioning reliably. Should DHS decide to make changes for the next contract, we will develop and deploy IVRS call flow changes with you. We also provide detailed instructions and the actual tests and functions that the IVRS offers. Conduent designs IVRS call flows, messaging, prompts, and interactive response points to address callers' immediate needs and reduce their time on the phone.

We designed the existing scripts to address the most common customer service issues and call situations, including problem resolution. Since we already supply EBT Services support to Arkansas, the State can review and approve the transaction flow and content of all IVRS messages, prompts, and scripts for the call centers as part of the JCS.

Conduent and Verint review IVRS analytics to determine potential improvements and flow efficiency to enhance the customer experience. For example, we look for:

- How often callers use a call path?
- Do callers get delayed or struggle anywhere in the call flow?
- Are there basic CSR call types that the IVRS could handle more efficiently?

We share these analytics and experiences with DHS to recommend changes to optimize the caller experience. Application design begins with the specification of the general flow and the associated menu options with script language built into the design. Additionally, we construct exit points to achieve full cycle completion with opportunities for a caller to transfer to a CSR. Our process allows us to change IVRS scripts quickly, especially in disaster situations, by having several pre-recorded scripts in place in case of an emergency.
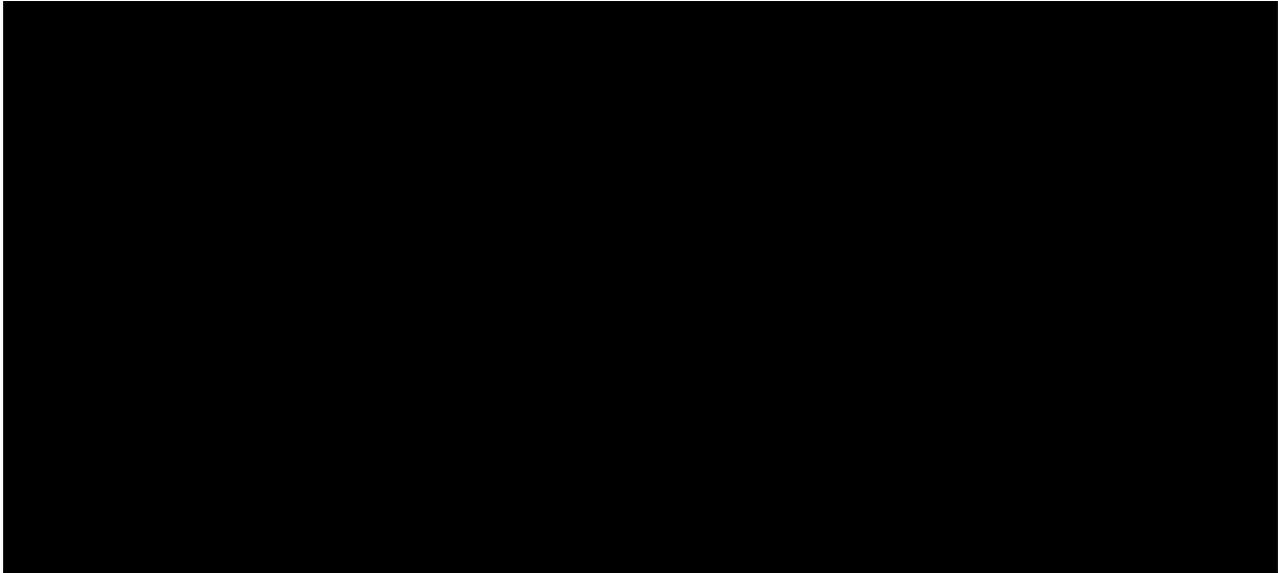
Figure E.6-12. Adaptive IVRS Solution

Emergency Benefit Broadcast Messages

The IVRS also allows the State to send emergency alerts or notifications to affected cardholders using the broadcast messaging functionality. These banner messages are visible on the EBT cardholder portal and the mobile app.

I. Describe how cardholder complaints and disputes are resolved and the timeframes associated with the process.	5 points

Cardholders initiate the complaint and dispute process by calling the IVRS and selecting the "dispute" option. This option transfers the caller to a CSR who records the information and initiates the steps to identify any processing error that may have occurred. Cardholders may also initiate the dispute through the cardholder portal.

The Conduent Dispute Resolution Unit receives the ticket and begins its investigation. The research starts with referencing an original settled transaction on EPPIC EBT 3.0. Upon notification, the processor or retailer then performs an investigation. The retailer or processor provides the Dispute Resolution Unit with a copy of the transaction receipt and a statement of acceptance or rejection. Often, the dispute relates to a duplicate transaction or one where an acknowledgment wasn't received at the register. In most cases, the retailer agrees with the adjustment, and our representative makes the appropriate adjustment updates to the system. The system records the retailer debit and cardholder credit for the adjustment and performs settlement of the transaction at the end-of-day closeout.

Whether it is a debit or credit adjustment, our adjustment process provides for a timely resolution in accordance with DHS and federal requirements. For a credit adjustment, the Dispute Resolution Team investigates the claim, contacts the retailer for supporting information, and processes the credit adjustment to the cardholder's account for resolution as quickly as possible, but no later than 15 days. For debit adjustments, the system does not hold funds associated with a pending debit adjustment request until a 15-day waiting period has passed in accordance with operating rules. In some instances, where a dispute between the cardholder and retailer cannot be resolved through routine investigative procedures, Conduent seeks guidance and approval from DHS to resolve the outstanding issue.

If the cardholder disputes the adjustment claim, Conduent does not take any further action on the cardholder's account until DHS completes the administrative hearing process, which can take up to 45 calendar days.

For full details on the adjustment process and associated notification timeframes, see our response to Question E.9.C.

J. Describe the process for educating cardholders on accessing the cardholder portal and how cardholders will navigate through the portal.	5 points

Arkansas EBT cardholders can continue to use our intuitive, secure, and easily navigable cardholder portal to manage their account and track their benefits. Authorized users can access their records securely using authentication methods that ensure a reliable connection and flush out unauthorized threats. New cardholders are educated on managing their benefits, including navigating through the cardholder portal and the Welcome Package of materials that includes their EBT card. We summarize those materials in our response to Question E.7, Training.

As stated, we will further enhance the cardholder experience for the next contract using responsive web design. This ensures easy viewing regardless of the device used to access the portal (e.g., computer/laptop, tablet, or phone). This redesign further enhances usability and encourages cardholders to use the portal's many self-service features, including:

- Obtain current account balances
- View benefits posted to the EBT account but are not yet available
- View details of transactions for a maximum of 90 days
- View and print transaction history for a maximum of 90 days
- View the issuance schedule for SNAP and TEA benefits
- Viewing Program materials, links to key websites, and FAQs
- PIN select/change
- Contacting customer service to ask questions and to receive answers within 24 hours
- Reporting problem transactions (claim notification)
- Additional functions that enhanced cardholder experience:
  - Ability to receive broadcast messages
  - Ability to temporarily lock/unlock their EBT card
  - Ability to status and replace EBT cards
  - Ability to manage their password, security questions, and user profile

The following pages highlight the cardholder portal and include additional details on the above-mentioned functionality.

Arkansas Cardholder Portal Functionality

A well-designed cardholder portal is intuitive even if the cardholder is inexperienced with the internet. We designed the portal to use point-and-click buttons, drop-down menus, and clear instructions to users. Cardholders use an internet browser to access the secure www.connectebt.com website. When arriving at the landing page, shown in Figure E.6-13, cardholders can log in to their account, create a secure user ID and password, or reset/retrieve a forgotten password/user ID.

Figure E.6-13. Cardholder Portal Landing Page
This initial web page lets cardholders select their state program,
log in, or securely create a new user ID and password.

Create an Account and Manage User ID/Password

When cardholders select Arkansas as their state from the portal's landing page, they navigate to the Arkansas cardholder portal Home page. Cardholders can view the portal in English or Spanish with a single click. The Home page is available to Arkansas cardholders and allows them to log in if they have already set up an account on the site. If the cardholder has not created an account, the portal offers one-click access to create a new user account, reset their password, or retrieve a forgotten user ID. Cardholders can also change passwords using the cardholder portal.

Depending on what the cardholder clicks, they are directed to a specific screen for each function. Figures E.6-14 and E.6-15 show the required data to be entered and give clear instructions on creating an account, retrieving a forgotten password, or resetting a password. The personal information required for these activities is defined by the State and validated on EPPIC EBT 3.0 before the next step of each action.

To create an account, the cardholder also sets a challenge security question and answer. This step adds another layer of authentication if the cardholder forgets the password and must reset it. This additional authentication reinforces the security of the user ID and password.
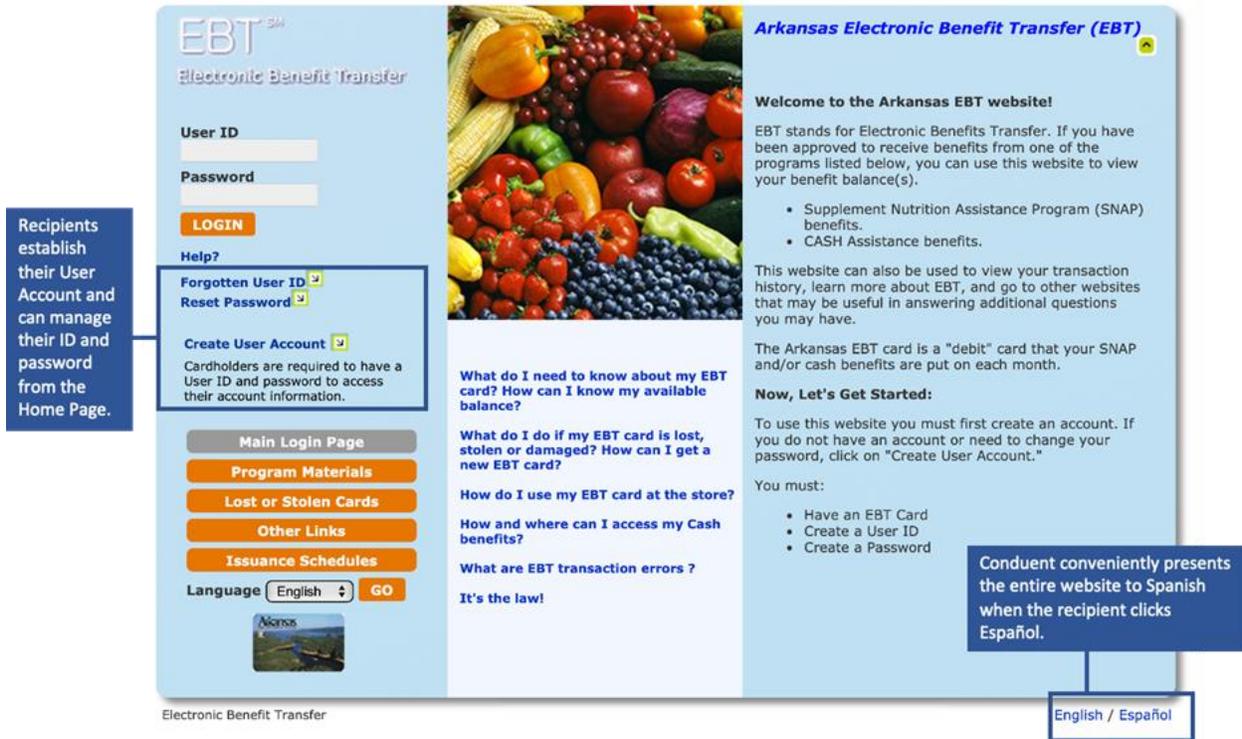
Figure E.6-14. Arkansas Home Page – User ID and Password Management
Cardholders can create a user ID, retrieve or reset their user ID or password, or log into their account.
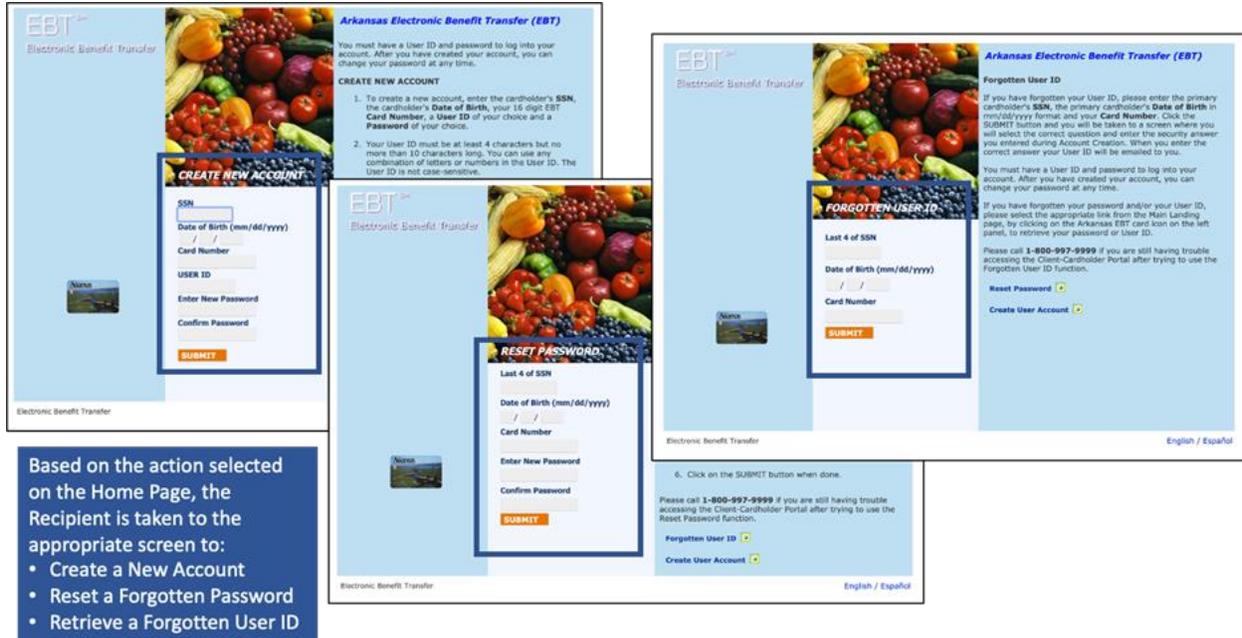

Figure E.6-15. Arkansas Home Page – Manage User ID and Password
Easy-to-follow instructions are provided to create an account and retrieve or reset a user ID or password.

Real-Time Balance Inquiry

Once logged in, cardholders have access to various self-service functions, as shown in Figure E.6-16. Cardholders benefit from the flow of the portal by having their card status and real-time balance presented to them immediately upon login. Other functions include viewing transaction history with just a click.

Figure E.6-16. Cardholder Portal – Real-Time Balance
Cardholders view their balance in real-time and easily access other portal features.

Transaction History

Cardholders can easily search for their transaction history, including the last 10 transactions, using a drop-down menu to select the transaction dates they want to see. Figure E.6-17 shows the Summary of Transactions web page, where cardholders can view the total credits and debits for the search period. They can also see each transaction's details, including the transaction's local date and time and the retailer's name. The cardholder can print the list of transactions as well. The current available balance is displayed regardless of the search dates of the included transactions. For convenience, the customer service number will appear should there be a question about the transactions.

With this easy and secure access to transaction history, cardholders can constantly access their benefit balance. They can monitor the account for unauthorized access or use it as a budgeting tool.

Figure E.6-17. Cardholder Portal Transaction History
Cardholders can search, view, and print their transaction history.

Program Information

Cardholders' understanding of using their EBT card and its features directly affects their experience with the Arkansas EBT Program and their ability to access benefits effectively. The portal gives clear instructions, answers FAQs, and provides access to approved programs and training materials.

The portal also includes DHS-approved links so cardholders can access additional information about the program. Conduent accommodates links to federal and State web pages, if necessary, and discusses this with the State during the JCS. Figure E.6-18 shows the easily accessible information and material on how to use the EBT card. By providing a single location for program materials and guides, cardholders always know where to go for answers to their questions.
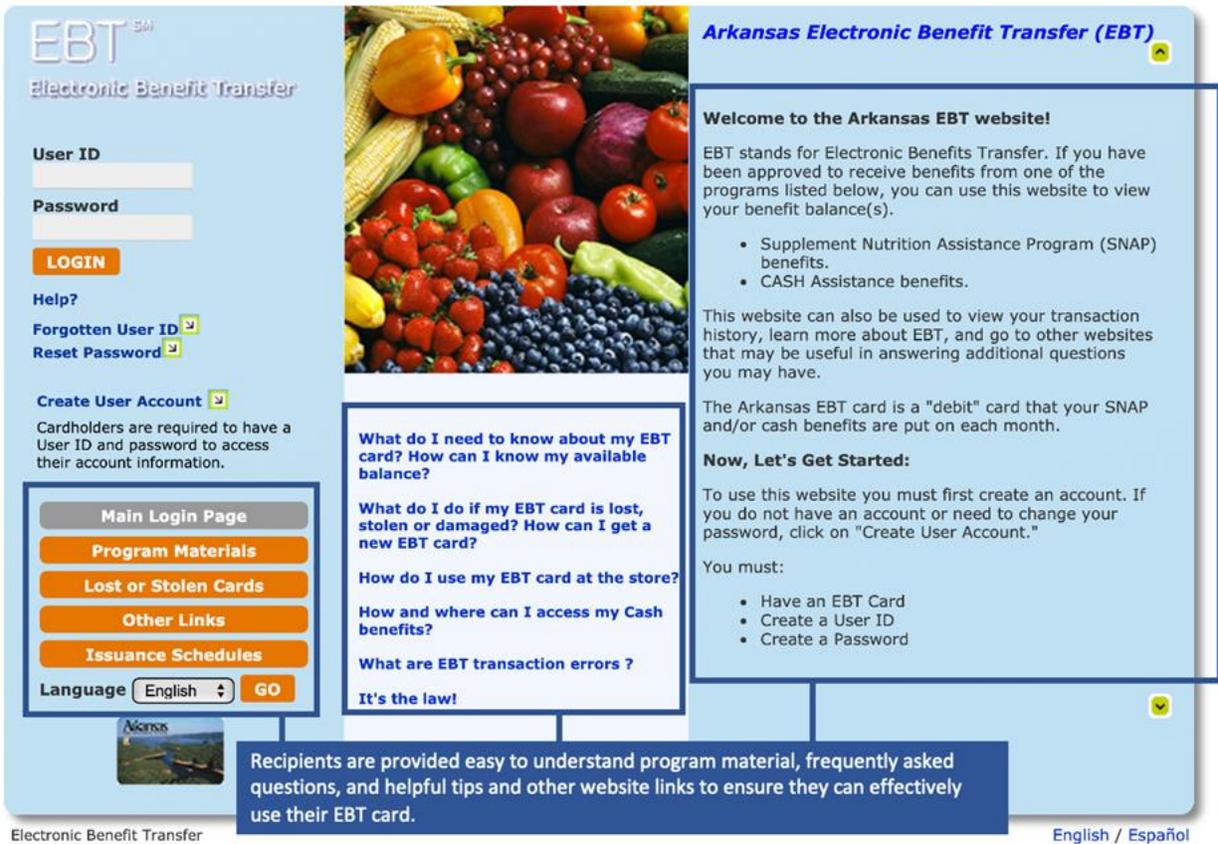
Figure E.6-18. Program Information and Links
This user-friendly site allows cardholders to obtain important information and services to manage their EBT accounts.

PIN Select and Reselect

To increase the number of PIN management methods, the cardholder portal also allows cardholders to choose their initial PIN or change it. Cardholders can select their initial PIN after receiving their card, which activates the card, or change their existing PIN at any time, as shown in Figure E.6-19. EPPIC EBT 3.0 validates the DHS-defined demographic data before confirming the PIN selection or change was successful. This enables the cardholder to manage their account in the best way for them so that even new cardholders are not overwhelmed.
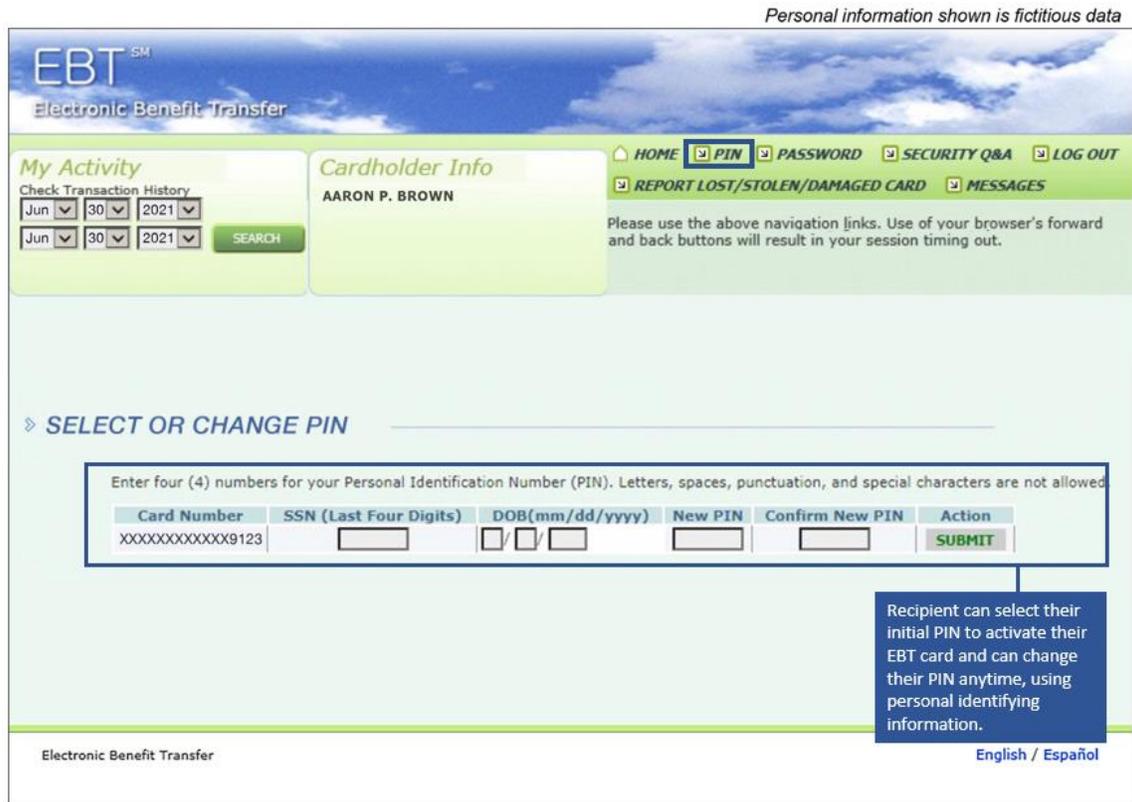
Figure E.6-19. Cardholder Portal – PIN Selection and PIN Change
This function enables cardholders to select their initial PIN and change their PIN anytime.

Contact Customer Service

Cardholders can contact Conduent's Customer Service Team through the cardholder portal to ask questions and get answers within 24 hours. This process is simple and secure and immediately sends the cardholder a receipt response to let them know we have received their information. We then provide them with a response following the resolution of their issue or question. Much like the process for calling the customer service number and speaking to CSRs, this function offers a mechanism for cardholders to communicate with the Conduent Customer Service Team online through a few simple steps:

Reaching CSRs through Email

Under the next contract, cardholders can conveniently contact customer service for questions or issues and receive an immediate receipt response through the cardholder portal.

1. The cardholder submits the question online through the cardholder portal
2. The cardholder provides the required information, including their name, email address, subject line, and question
3. The system returns an immediate confirmation acknowledging receipt of the question (note: a message is rejected if the email address is invalid, so the cardholder knows it was not correctly submitted)
4. The Conduent Customer Service Team receives the message and responds to the email address shared by the cardholder within 24 hours

Report Problem Transactions

Cardholders can also contact Conduent to report a problem transaction and file a dispute (i.e., claim notification). This process immediately provides the cardholder with a receipt response to let them know we have received their information and responses with the claim resolution. Cardholders can conveniently file a transaction dispute through the cardholder portal in a few simple steps:

24/7 Capability to Report a Claim Online

1. The cardholder submits the claim online through the cardholder portal.
2. The cardholder provides the required information, including their name, email address, subject line, transaction information, and description of the issue.
3. The system returns an immediate confirmation acknowledging receipt of the transaction dispute (note: the message is rejected if the email address is invalid, so the cardholder knows it was not correctly submitted).
4. The Conduent Customer Service Team receives the message and processes the claim through standard resolution processes and timeframes.
5. The Conduent Customer Service Team responds to the email address shared by the cardholder, notifying them of the dispute resolution.

The ability to submit a claim or dispute through the portal makes self-service easy and non-confrontational for cardholders, taking another worry away from the cardholder's daily activities.
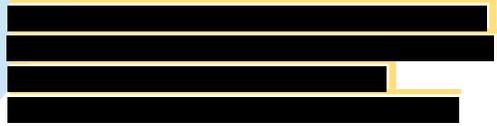
Lock/Unlock EBT Card Temporarily
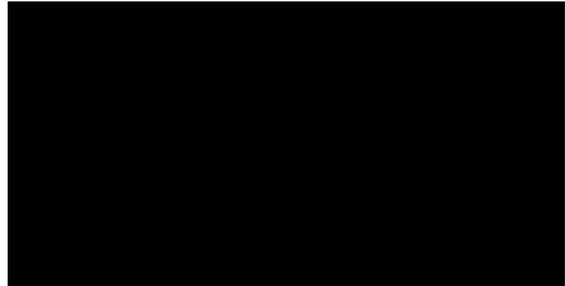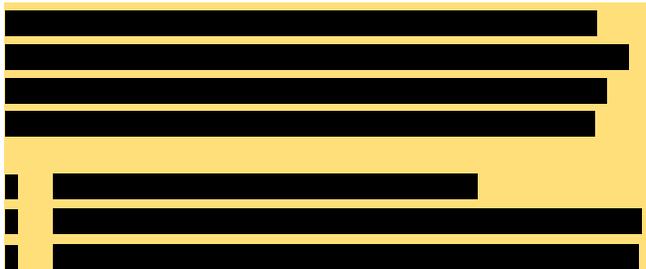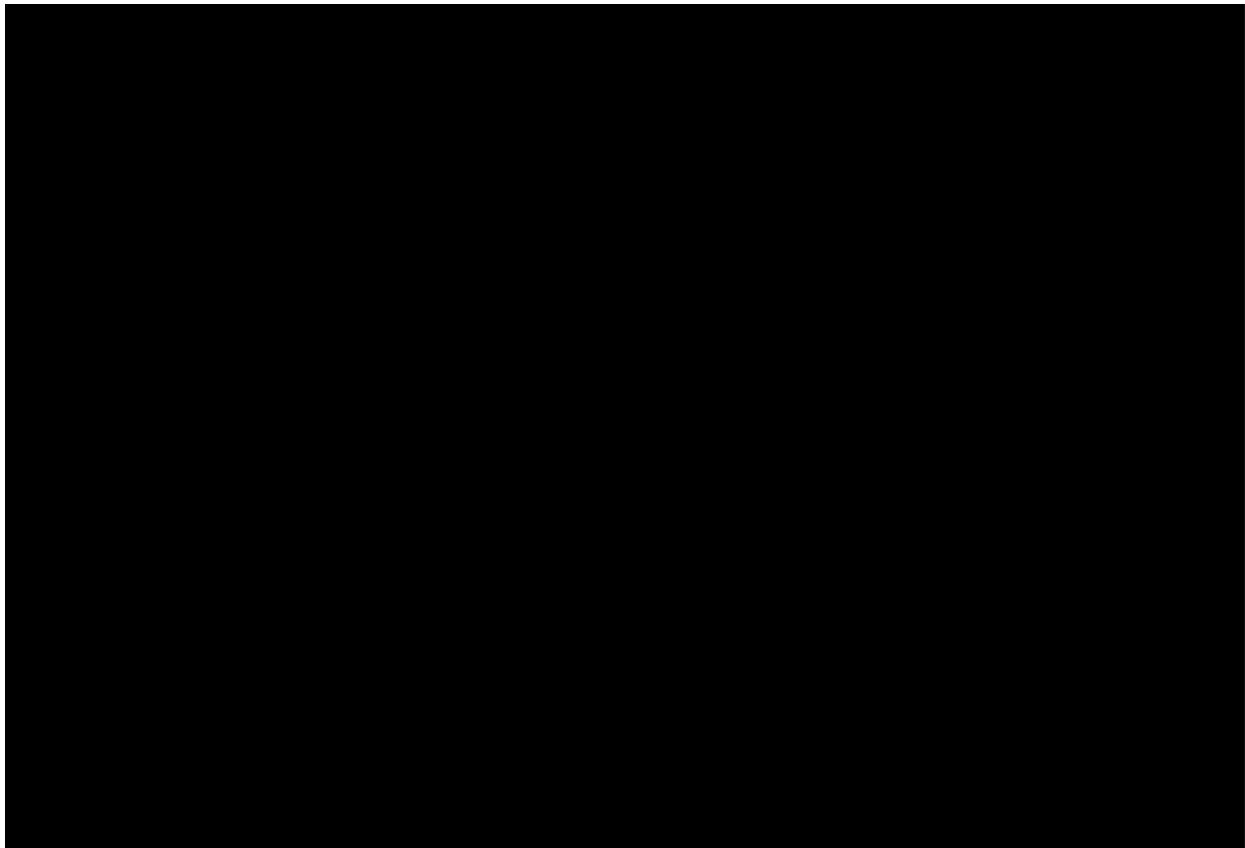
Figure E.6-20. Customer Service Message Center
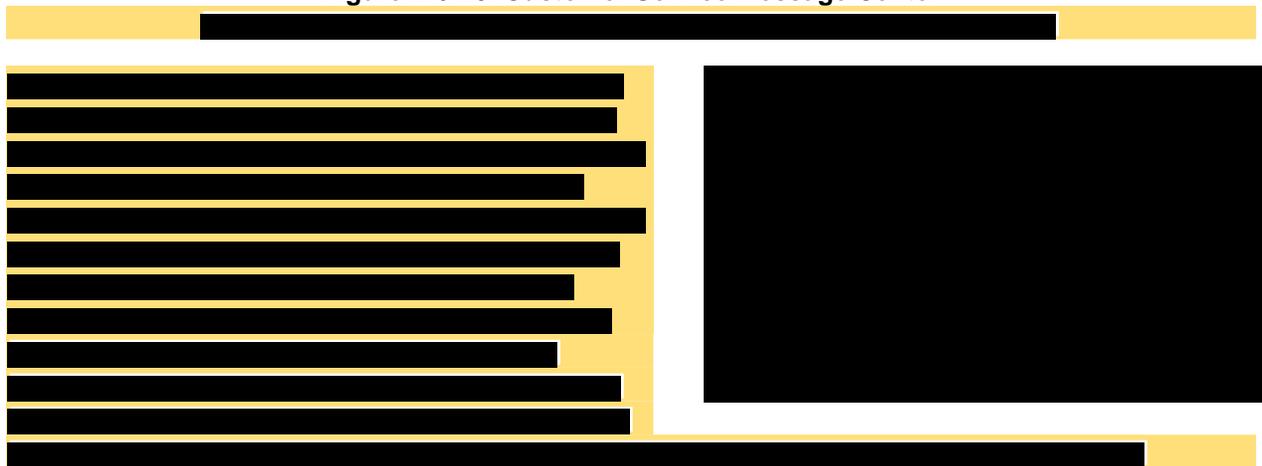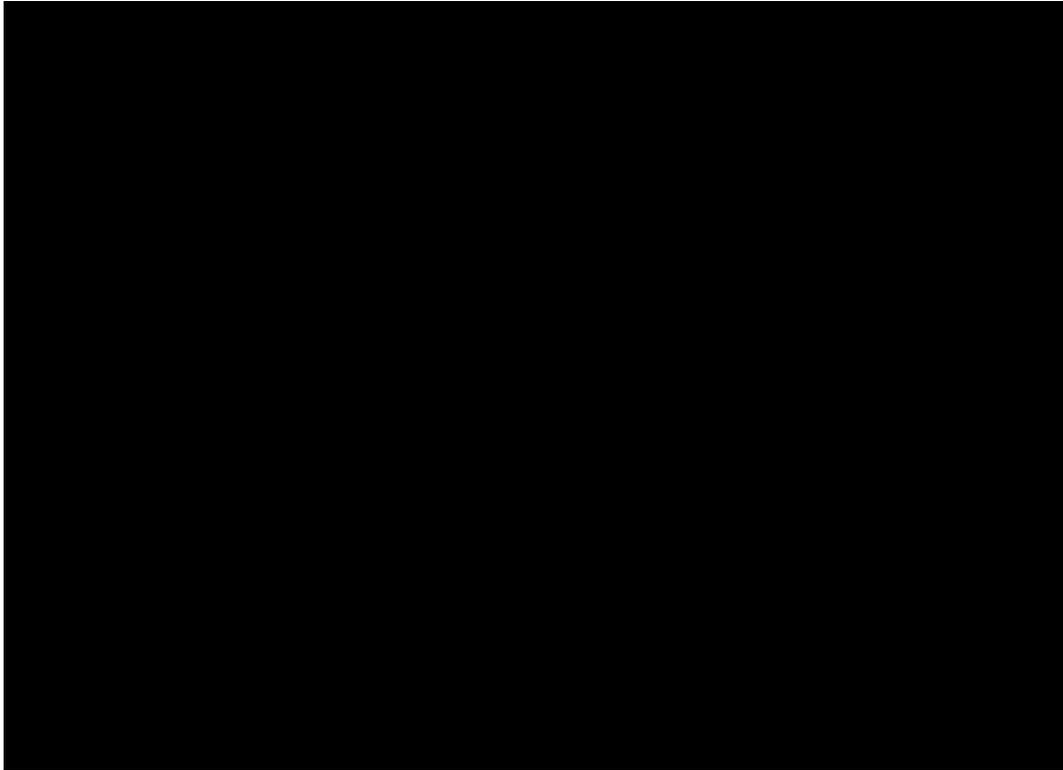
Figure E.6-21. Cardholder Portal - Status EBT Card
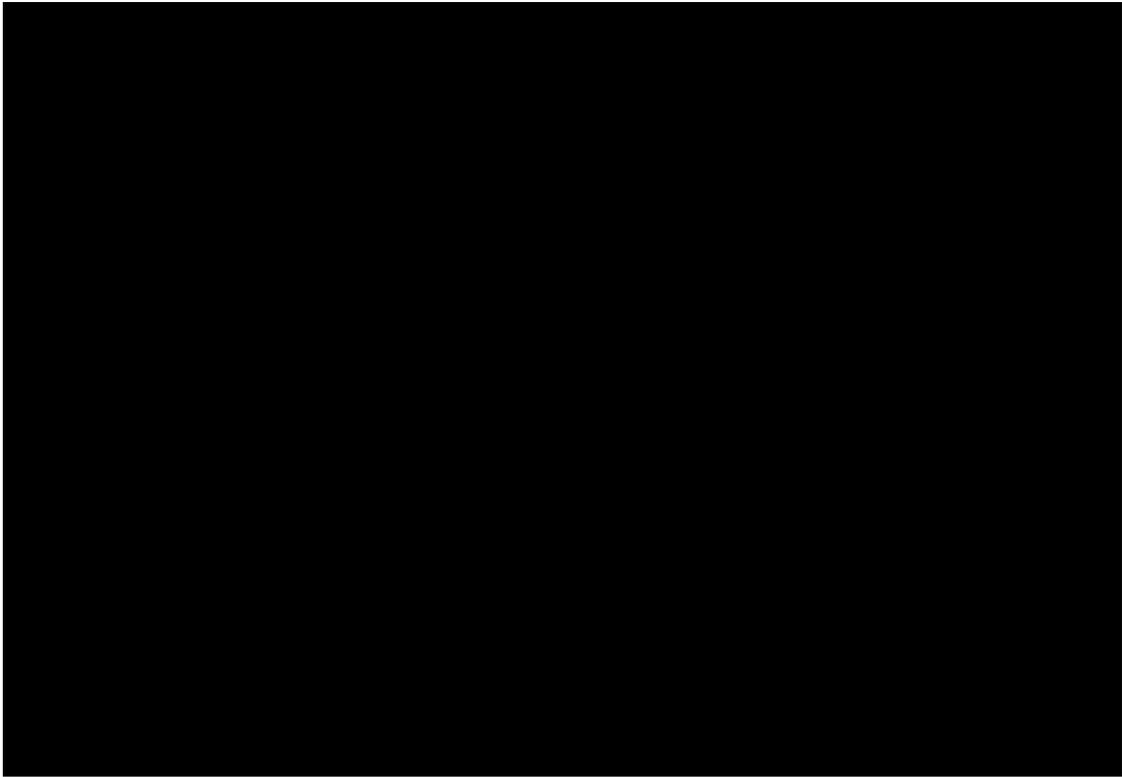
Figure E.6-22. Cardholder Portal – Replace EBT Cards
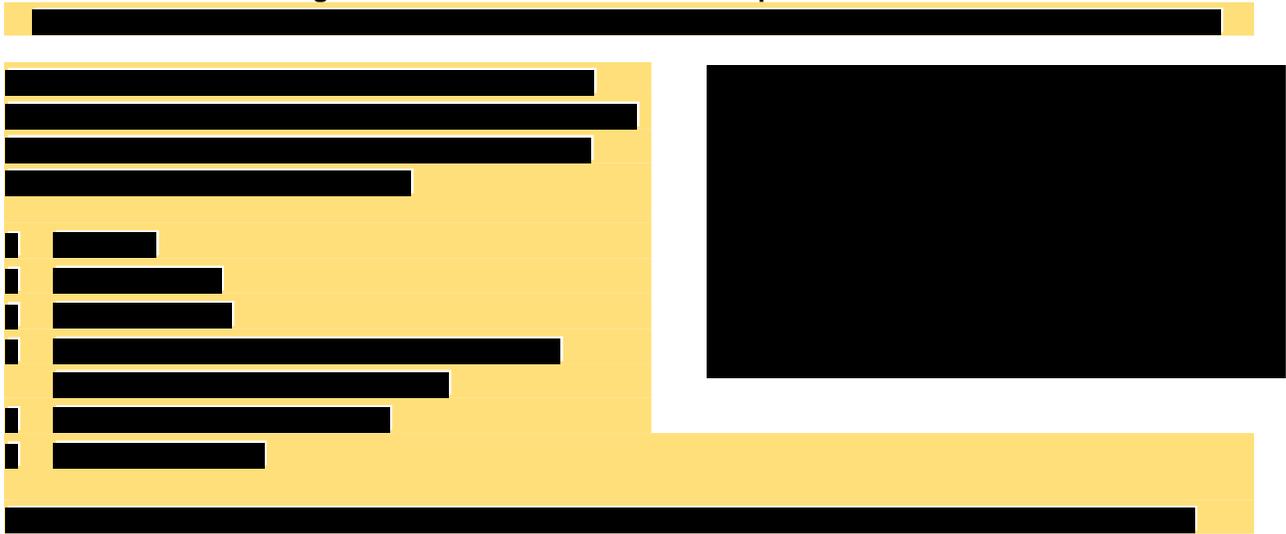
Figure E.6-23. Cardholder Portal – Account Alerts

Manage Password, Security Question, and User Profile. Cardholders can manage their portal account security settings to fully utilize their account. They can change their login password, as Figure E.6-24 shows. They can also update the security question and answer they set up when creating their account, as shown in Figure E.6-25. When the cardholder takes an action or makes changes to their account, they are prompted for the security question and answer for identity verification. This must match what they previously set up.

In addition, the cardholder can enter their email to ensure accurate and timely communication. Easy account access and self-service functions reduce frustration and increase cardholder satisfaction.
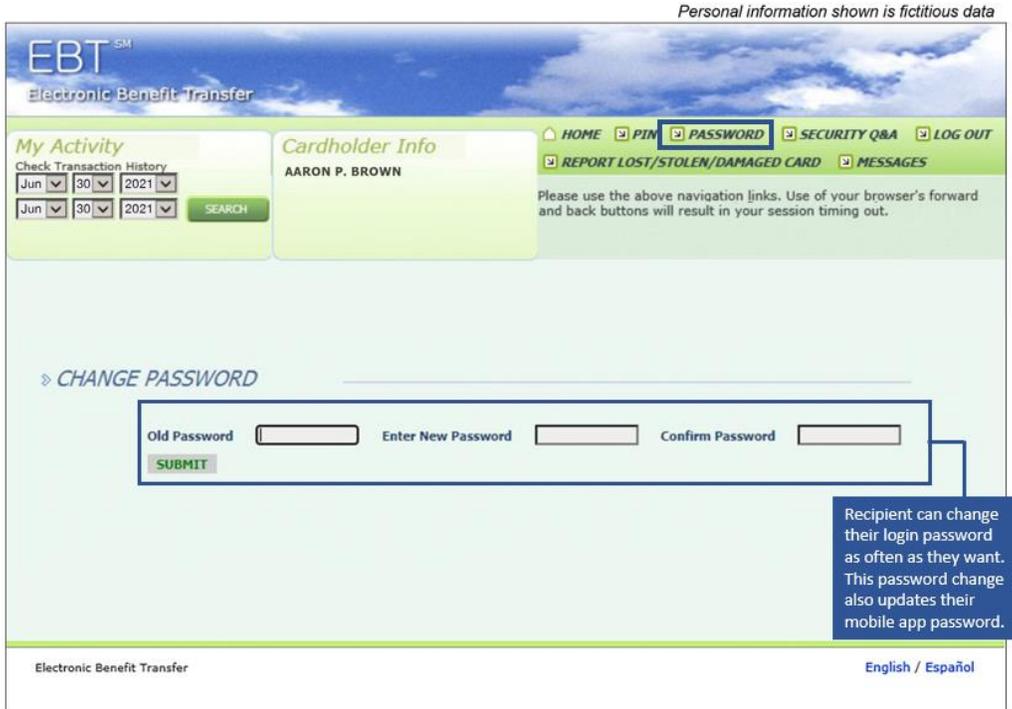
Figure E.6-24. Cardholder Portal – Manage Password
Cardholders can easily change their login password.
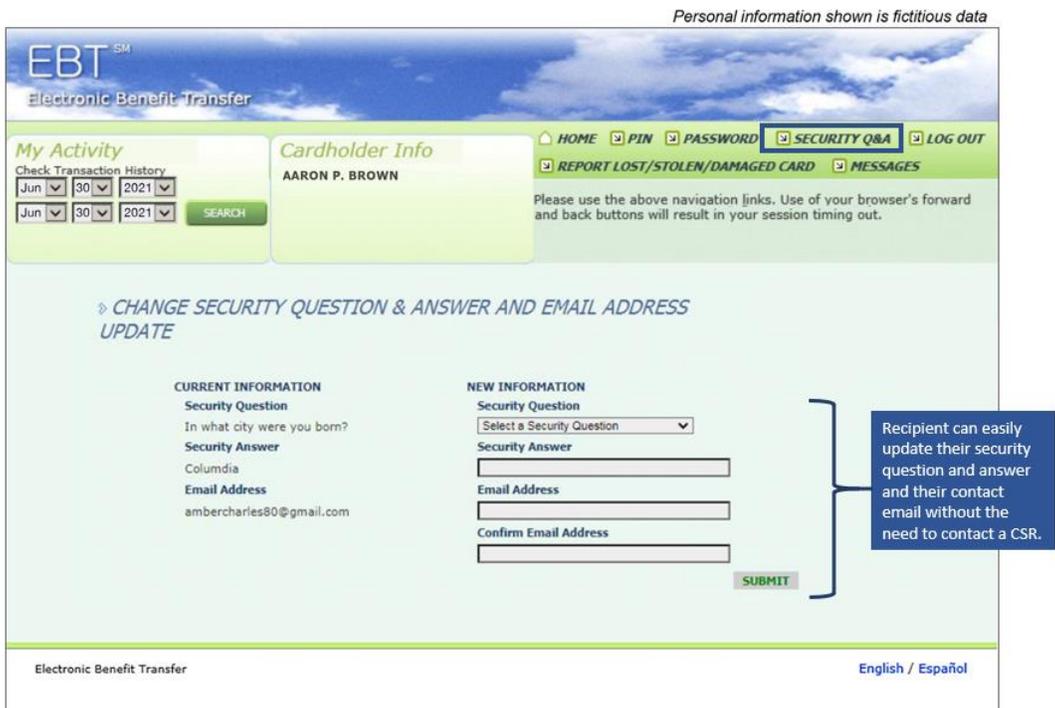
Figure E.6-25. Cardholder Portal – Manage Security Question and User Profile
Cardholders can update their security question and answer and update their email address.

Enhancing the Cardholder Experience through the Mobile App

Similar in functionality to the cardholder portal, we continue to offer Arkansas cardholders our mobile app. The Conduent EBT mobile app (compatible with Google Android and Apple iOS devices) is a comprehensive mobile engagement solution that supports the information needs of your cardholders. The Conduent next-generation mobile app offers the same functionality as the cardholder portal, including the functions detailed in Table E.6-6. Following the table, we provide more details on these functions, including screenshots.

Table E.6-6. Mobile App Functionality

Functions	Description
View account balance	Once logged in, the cardholder's remaining SNAP and Cash benefit balances will display automatically and prominently on the Home screen.
Pending SNAP and Cash account balance	Cardholders can view the pending SNAP and Cash balances when available.
PIN selection and changes	PIN selection and resets are available through the mobile app from the More menu.
Card cancellations and replacements and status of cards	Cardholders can report cards as lost, stolen, or damaged and request a replacement card. Cardholders can check the status of their card.
Card Controls	The optional fraud prevention feature allows cardholders to lock their card from use to prevent all transactions or out-of-state transactions and then unlock the card as needed.
Sign up for Alerts	Cardholders can sign up for text and email alerts.
Benefit Alerts	Cardholders can receive alerts when benefits become available or if an event affects cardholder access to benefits.
Availability in English or Spanish	The mobile app is available in both English and Spanish. The cardholder can select their language preference on the Home screen.
Ability to create, change, or reset the user ID and password on the cardholder account	The cardholder keeps the user ID they created for the life of the program. The cardholder can select an option to retrieve a forgotten user ID on the cardholder portal. The cardholder-created password can be changed or reset through the mobile app.
Instructions on resetting or changing the password	Located under the Settings menu, the cardholder can view instructions on how to change their password.
A minimum of 60 days of transaction history	The cardholder can access one year of transaction history through the mobile app, with 60 days of transaction history displayed under "Recent Transactions." Through the history search, cardholders can view up to one year of transactions, one month at a time.
EBT Program Materials	The mobile app has a link that redirects the user to the cardholder portal, which contains program materials, including: a. Using the EBT card at the store b. Protecting the EBT card c. Consequences of misusing SNAP benefits
Frequently Asked Questions (FAQ)	The mobile app FAQ page is accessed by selecting the More button on the Home screen.
Ability to access personal transaction history information	60 days' worth of personal transaction history is displayed on the mobile app.
Operational 24/7, except for scheduled downtime maintenance mutually agreed to by Conduent and DHS	The mobile app is available to the cardholder 24/7, except for scheduled downtime.
A keypad can be used to enter a user ID and password to access the online transactions and balance	Cardholders use a mobile phone's keypad to enter their user ID, password, and other data into the application.

Functions	Description
Ability for Conduent or DHS to send push notifications to cardholders regarding program information	DHS and Conduent can use the administrative terminal to generate push notifications to the mobile app. The user enters the phone number, title, and message text on the administrative terminal to send the notification.
Operates with the most current versions of the Operating Systems	The mobile app uses the most current version of the Google Android or Apple iOS operating systems with backward compatibility up to five minor releases back.

To register an account with a mobile app, cardholders search for their EBT System mobile app and download it from the Apple App Store or Google Play, depending on the type of their mobile device.
Once installed, the cardholder validates their identity to register the app on their device. They can then use the same user ID and password for the mobile app as they use for the cardholder portal.

Figure E.6-26 shows the mobile app login screen. Cardholders can display in Spanish by selecting the Language button in the top right corner.

Create, Change, or Reset the User ID and Password on the Cardholder Account

The user ID remains the same once established. To change the password, the cardholder goes to the Settings screen and selects the "Password Change" function, as shown in Figure E.6-27. The cardholder enters a security question for increased protection as part of the registration process. They can change the question at any time through the mobile app from the Settings screen.
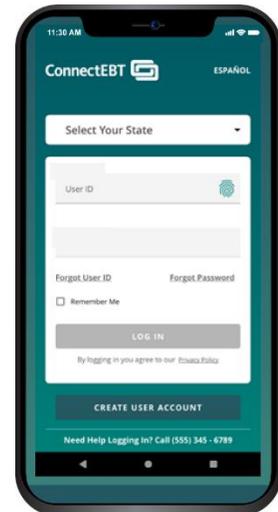
Figure E.6-26. Mobile App Login Screen
Cardholders must enter their user ID and password to access mobile app functionality. Note that this screen includes biometric capability, an enhanced feature for the State. Development of this enhancement is complete and will be available to DHS under the next contract.

Figure E.6-27. Password Change and Security Question Updates
Cardholders can change their password in real time through the mobile app,
as well as updates their security question for even greater protection.

Instructions on how to select a password are contained within the "New Password" field. The instructions direct the cardholder to choose a password that:

- Must be a combination of letters and numbers only
- Cannot be longer than 10 characters
- Must be at least eight characters long

Card Balance

After logging on with enhanced user authentication, cardholders are immediately taken to the Home screen. The Home screen prominently displays the SNAP balance in their account and, for deposits that have been sent to Conduent in advance of the available date, the date their next deposit is accessible, as shown in Figure E.6-28.

Transaction History

Cardholders can access their transaction history by program on the Home screen or view their history across all programs, as shown in Figure E.6-29. They can view recent activity or a transaction in the past year by selecting the month they want to see. They can also view details on any transaction by selecting a specific transaction.
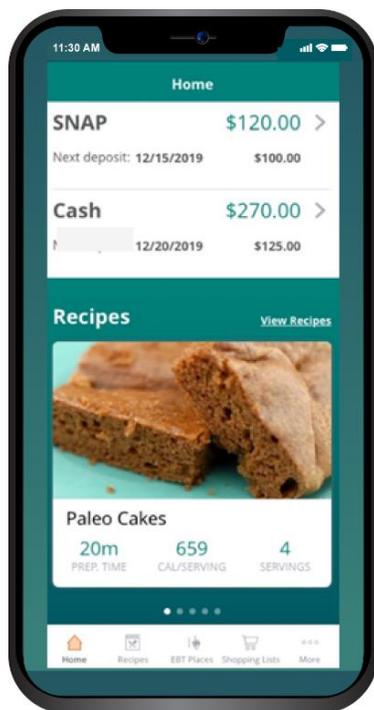
Figure E.6-28. Mobile App Home Screen
This screen displays the current SNAP balance and facilitates access to other functionality through the More screen.
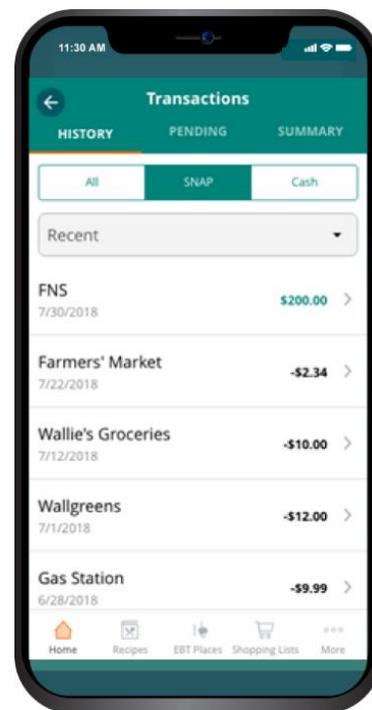
Figure E.6-29. Transaction History Screen
Cardholders view transaction history with real-time updates, offering flexibility for viewing recent, 12 months prior, or detailed information on account activity.

PIN Selection and Resets

On the screens shown in Figure E.6-30, PIN selection and resets are accomplished as follows:

1. The user selects "Card PIN Selection" (first screen)
2. The user enters a card number (second screen)
3. If the card number is valid, the user is prompted to enter an SSN and date of birth (third screen and masked)
4. If that information matches what EPPIC EBT 3.0 holds, the user is prompted to enter a four-digit PIN (fourth screen)
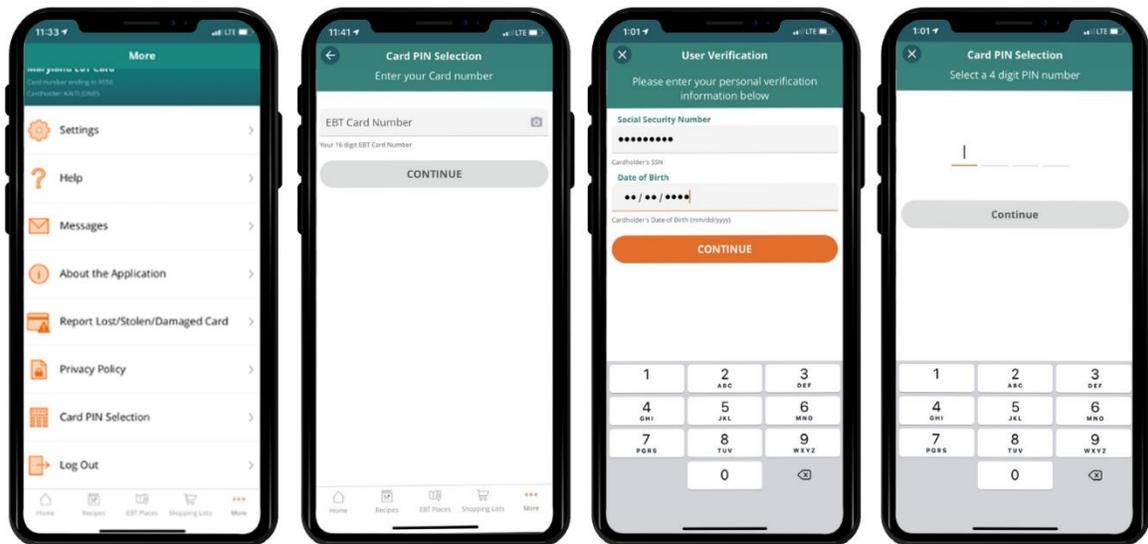
079.ARDEBT23

Figure E.6-30. PIN Selection Screens
Cardholders are guided step-by-step through the secure mobile app PIN selection process.

EBT System Materials

The mobile app also gives cardholders access to EBT System materials. The screens shown in Figure E.6-31 describe the user's steps to access this information. First, the user selects the Help button (shown on the first screen). Once selected, the user can access the materials by tapping the Program Documents button (circled on the second screen). After selecting this button, the mobile app redirects the cardholder to documents on the web portals that cover topics such as:

- Using the EBT card at the store
- Selecting a PIN
- Protecting the EBT card
- Consequences of misusing benefits

Lost, Stolen, or Damaged Card Status Changes

Cardholders can disable an active card immediately through the mobile app if DHS wants to make this capability available. As shown in Figure E.6-33, cardholders can status a card as lost, stolen, or damaged in three simple steps:

1. The user selects the Report Lost/Stolen/Damaged Card button (first screen)
2. The user reviews the card number information and then selects the Report Card button (second screen)
3. The user selects the appropriate status (i.e., lost, stolen, or damaged), which immediately statuses their card (third screen)

Once the card is statused, it is no longer usable. This provides immediate security protection to a cardholder who has lost their card or had it stolen. The cardholder is prompted to validate their address before a replacement card is issued. If the address is incorrect, the cardholder is referred to a CSR to update their address and request a replacement.

080.ARDEBT23

Figure E.6-31. Program Materials
Program material can be accessed via the mobile app link to the cardholder portal.
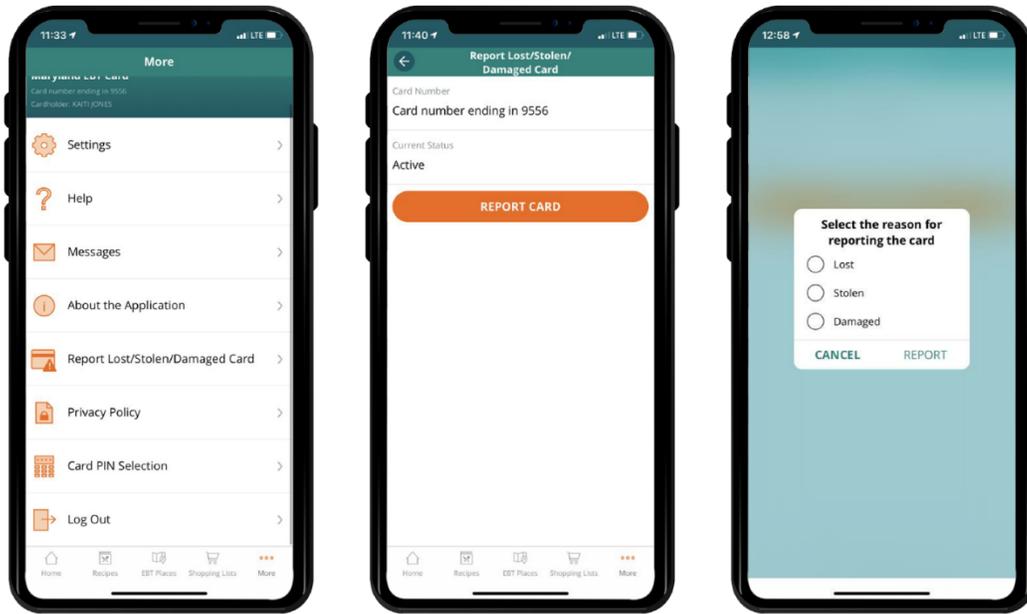
081.ARDEBT23

Figure E.6-32. Reporting the Card Lost, Stolen, or Damaged
*Cardholders can immediately report a card lost, stolen, or damaged through the
mobile app without contacting the cardholder call center or visiting the cardholder portal.*

Frequently Asked Questions

Cardholders can access the Frequently Asked Questions (FAQs) screens shown in Figure E.6-33.
First, the user selects the Help button (shown on the first screen). Then, the user is presented with
Frequently Asked Questions that they may scroll through (shown at the bottom of the second screen).
By selecting a specific question, they can view the corresponding answer (shown on the third screen).
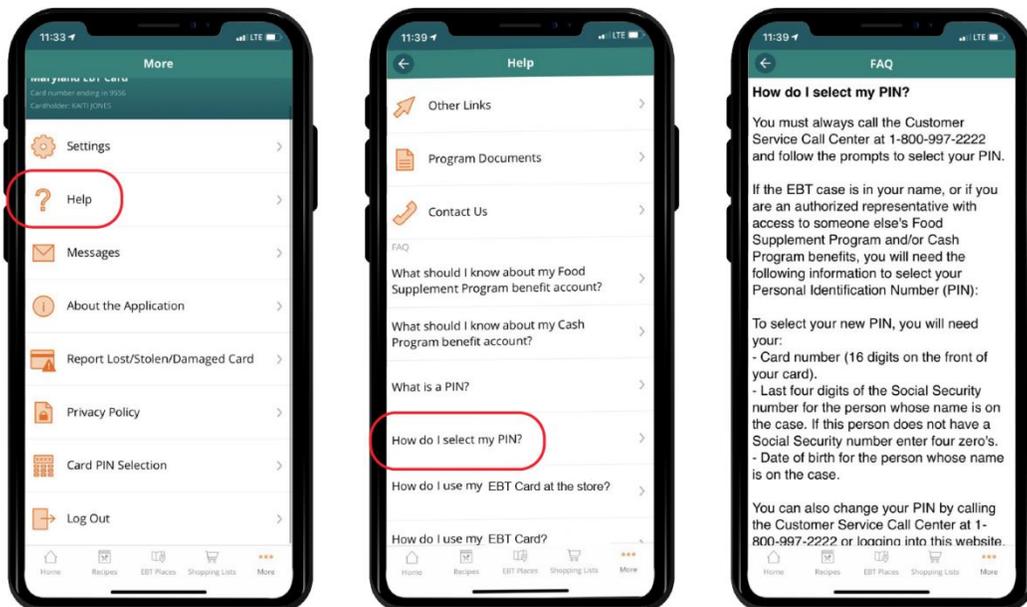
082.ARDEBT23

Figure E.6-33. Sample Frequently Asked Questions Screens
The most commonly asked questions are answered through the FAQ screen.
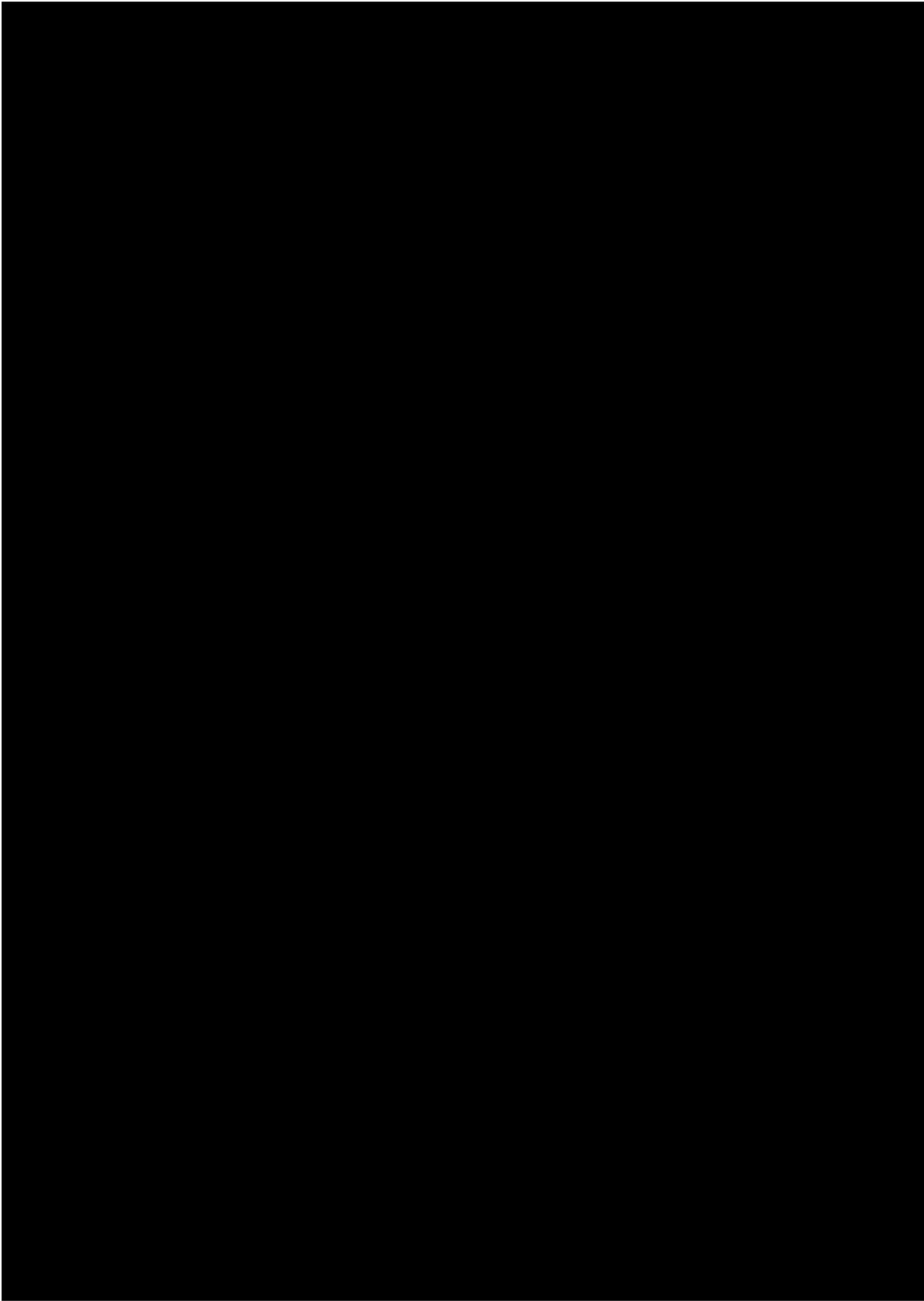
K. Explain how cardholders are notified of changes or adjustments that affect them.	5 points

Conduent understands it is important for cardholders to be notified of changes or adjustments that affect them. This can include adjustments to their account or changes/adjustments to the features and functions they use to manage their account through program tools and technology. Our primary communication methods of notification to cardholders include the following depending on the change or adjustment:

- Training and program materials (mailed with the card and available on the portal and mobile app)
- Direct letter mailing to the cardholder
- IVR messages
- On-hold messages
- CSR communication
- Broadcast messages through the portal and mobile app

Below, we highlight a few examples of how Conduent might communicate with cardholders to notify them of changes or adjustments in the EBT Program that affect them. We look forward to working with DHS during the JCS to ensure any notifications meet your requirements.

Transition to an EMV Chip-enabled Card

Once all external dependencies are met, and EMV is ready to roll out for EBT, Conduent will work with DHS to determine the most effective rollout approach for Arkansas. This includes any notifications needed for communication to cardholders about the new card, its enhanced security features, and how to use it.

Change in Portal Functionality

We want to ensure that cardholders are aware of any new enhanced functionality that might affect the cardholder. For example, a new feature may be added to the cardholder portal to enhance how they manage their EBT account. For this example, we would work with the State to reach current portal users and those who may not currently have a portal user ID. We could post a broadcast message for portal users identifying the new feature and how to use it. We could also add some language to the portal that the cardholder sees upon login.

Adjustments to a Cardholder's Account Balance

Cardholders can enroll through the mobile app or cardholder portal to receive electronic notifications via phone, email, or text message for debit adjustments and claim statuses, at a minimum. Cardholders can also receive this messaging notification on the cardholder portal and through the IVRS. If, for any reason, electronic notification is unavailable, Conduent can produce and mail notifications to the cardholder. Letters are sent to cardholders automatically in certain adjustment scenarios, such as a denied credit adjustment or a pending debit adjustment.

See our responses to Questions E.9.C and E.9.D for details on our adjustment notification process and timelines.

L. Describe the standard procedures employed to verify the identity of the cardholder using the help desk, web portal, and mobile applications.	5 points

We verify the identity of anyone attempting to access information using the help desk, web portal, and mobile application, including cardholders and retailers.

Cardholder Verification Process

We enforce strict verification access controls that secure account information when cardholders reach out to the IVRS or call center or access the cardholder portal or mobile app. In each case, we verify cardholder identities by asking for State-determined personal information. Figure E.6-35 highlights the procedures used to verify cardholder identity no matter which customer service channel they choose.
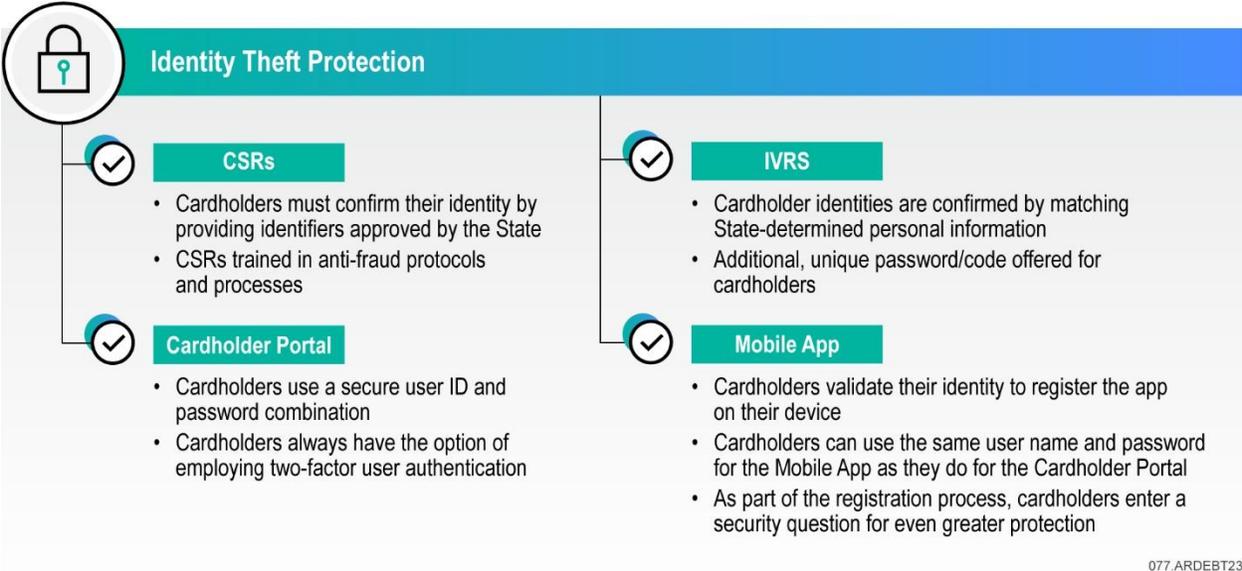
Figure E.6-35. Cardholder Verification Procedures
Conduent protects cardholder data at all access points to our customer service solution.

Retailer Verification Process

As with cardholder customer service, retailers must also provide pre-defined identification criteria for verification to gain access to account information and services. The toll-free retailer customer service number initially offers limited access to the IVRS. For secure services, we have procedures in place to ensure that retailers are properly identified through the IVRS or a CSR. Retailers must identify themselves using the pre-defined criteria, such as their retailer number, store address and telephone number, or name of the person calling. In the Retailer Portal, the retailer must establish a secure user ID and password, which they can only obtain once they pass authentication checks requiring them to enter their FNS number and personal demographic information, validated against the database.

For security purposes, callers cannot access the IVRS or obtain any information unless they provide State- and Conduent-approved demographic information. Positive identification is made either electronically through the IVRS or by a CSR. If the caller cannot validate the information on the account, no account information or services are shared with the caller by the IVRS or CSR.

M. Describe enhanced security procedures, options, or features available to verify the identity of cardholders using the help desk, web portal, and mobile applications.	5 points

Whether cardholders or retailers use the IVRS system, talk to CSRs, or access our portals or mobile app, we protect their privacy and mitigate the possibility of identity theft. We apply secure physical access methods, multi-level software controls, and strong authentication procedures. As a result, we have controls in place to secure our processing environment, system, terminal access, PINs, and facilities, safeguarding the confidentiality of all Arkansas EBT Program data. The following are descriptions of the enhanced security procedures and options available to DHS.

Figure E.6-36. Authentication

Additional Security Password

The enhanced security password feature allows an additional cardholder-chosen unique password to be entered when calling the IVRS to further protect against someone attempting to disable a cardholder's EBT card or access their benefits. Once the password is set, EPPIC EBT 3.0 does not permit anyone to make any changes to the cardholder account, such as changing a PIN or requesting a card replacement, without properly verifying this security indicator. The password can be used for specific calls forwarded for CSR assistance when requesting a replacement card or changing a PIN through the IVRS.

If the cardholder wishes to change or delete the additional security identifier, they can contact a CSR, but only upon verification of further questions. We can work with you at the onset of the ongoing program to review how the account password is used to access specific IVRS and CSR functions. The options available to the State include restricting the requirement to enter the optional password only when

requesting a replacement card or changing a PIN. Other options include extending the use of the password to other IVRS and CSR functions.

Authorized staff use the Cardholder Card Management screen to set up the password. Only authorized staff with the specific role to add/update a password, which differs from the ability to add/update demographic information, are permitted access to this functionality. The password is enabled once a user selects the SAVE button. Authorized staff can also replace (update), disable, or delete the password using the same Cardholder Card Management screen. Once enabled, the password must be presented to DHS staff or Conduent CSRs for card statusing or replacement. Figure E.6-37 is an example of a card management screen with the Additional Password functionality enabled.

When a password is active for the cardholder account, the CSR is presented with a screen that requires the password to be entered. If entered incorrectly, they receive an error message, and access is denied.

Figure E.6-37. Sample Cardholder Card Management Screen – Additional Security Password
Once the password is enabled for a case, DHS staff or Conduent CSRs must verify the additional security password and check the Password Verified box before the card can be statused and replaced.

If the Password Verified box is not checked, the Status Card and Status & Replace buttons are "grayed out." They become blue and can be selected once the password has been verified. Note that the "Additional Security Password Enabled" message in red on the left side of the screen indicates that the password must be verified if replacing a card.

E.7	Training

A. Describe in detail the following training information for staff, cardholders, & retailers: 1. Training options such as hands-on, initial, on-going, etc.	5 Points

A key benefit for DHS by staying with Conduent is that your staff, cardholders, and retailers are already familiar with Conduent's EBT services. DHS staff are familiar with our system and its navigation, functions, and reporting capabilities. Cardholders are familiar with our customer service offerings and self-service features. Retailers are familiar with the outstanding support they receive from our retail management team and the self-service training materials we provide.

Familiarity with Current Solution Means an Efficient Training Experience for all Stakeholders

- Tailored training approach that meets the specific needs of each audience
- Minimal solution changes mean less to learn and minimal disruption
- High-quality training materials support formal training program

As such, the training program for the new contract focuses on refresher training for all stakeholders as needed. We design all program training to fit the unique needs of each user group and continuously fine-tune the approach to present the most relevant training experience possible. We manage training before and during the transition, with continued support throughout the life of the contract.

The following narrative details the training options for staff, cardholders, and retailers.

Staff Training Options

Our training methodology ensures that your team receives initial, continuous, and readily available training to maximize system utilization. Since our system and software are already implemented, this approach saves DHS staff time and resources, eliminating the need to learn an entirely new system from a different Contractor.

Staff training includes step-by-step instructions that detail the administrative software functionality used for the Arkansas EBT Program. Training can involve the following:

- **In-person Training.** Hands-on training walks DHS staff through the system's functions and features, including administrative and reporting needs.
- **Web-conference Training.** We also offer training via web conferencing if that approach is a better fit for the needs of DHS and your staff.

During the Design Phase, we will work with DHS to update current training materials (e.g., EBT Program User Manual and EBT Reports Manual) to reflect new functionality and features. These manuals are the primary training documents that support your staff's ongoing training and operational support needs. They serve as handy references to refresh an existing skill or assist a new employee using the administrative terminal for the first time.

We likewise make updates and changes to the manuals associated with any functionality changes we make to the system over the life of the contract. We describe these materials in our response to Question E.7.A.2 below.

Cardholder Training Options

Through Conduent's comprehensive and easy-to-follow training materials, Arkansas cardholders continue to receive full support, training, and a thorough understanding of your EBT Program. As we do today, we provide new cardholders with a Welcome Package containing our training materials and their cards. In the case of replacement cards, cardholders receive information regarding card activation and PIN selection on the card carrier. See our response to Question E.7.A.2 for samples of these materials.

In addition to these training materials, highly trained CSRs are always available to answer questions and provide support 24/7. We include details on cardholder customer services in our response to Question E.6, Customer Service Requirements.

We also provide an easy-to-follow, 15-minute video that DHS staff can play at their offices to meet in-person cardholder training needs.

Retailer Training Options

As your incumbent Contractor, retailers currently participating in the EBT Program are already familiar with our processes. Our subcontractor, CDE Services, trains exempt retailers using Conduent-supplied POS equipment to support our "Ship-and-Train" approach. **Retail Manager Valarie Simms** oversees retailer participation and execution of this training.

We ship pre-programmed POS equipment with written training materials to every exempt retailer. This includes installation instructions, a Retailer User Manual (i.e., Retailer Policy & Procedures Manual), and a Quick Reference Guide in English and Spanish. The manual contains detailed instructions on manual vouchers and processing. We also provide non-traditional retailers with training materials and instructions on manual vouchers and processing to facilitate their participation.

The Retailer Help Desk supplements Conduent's training materials. Exempt retailers receive assistance with program information, manual voucher authorizations, adjustment requests, and any other help they need through this toll-free number. For general information about EBT policies and procedures, additional POS equipment, assistance, or problem resolution, retailers call this number to speak with a trained CSR. Retailers can be confident that we resolve their inquiries quickly and efficiently. Retailers can also access the Retailer portal for training materials and Frequently Asked Questions. We use this training approach in Arkansas today and in our other EBT programs.

A. Describe in detail the following training information for staff, cardholders, & retailers: 2. Training materials and resources	5 Points

We designed our comprehensive training materials and resources for the Arkansas EBT Program to educate cardholders, retailers, and DHS staff on the features of our solution. In addition, these materials advise them on the consequences of abuse or misuse of the solution, clearly stating that it is a crime to defraud Arkansas' EBT Program. As with all deliverables, the materials and training aids highlighted below are subject to DHS approval. We work with DHS during the JCS to update current materials. As we have the baseline materials already developed, this expedites the review and approval process for the next contract, whereas a new Contractor would need to start from scratch.

Cardholder Training Materials and Resources

New cardholders receive a Welcome Package containing their card, a brochure, and a card carrier (shown in Figures E.7-1 through E.7-3). We supply these materials in English and Spanish, and we are adding materials translated into Marshallese for the new contract. We can include other languages as required by law or regulation in the future. We write materials at a fifth-grade reading level for maximum clarity. The materials cover key topics, including:

- How to use the card at POS terminals and ATMs
- Safeguarding of the card and PIN
- Card replacement information
- How to set up or change a PIN
- How to report issues with the card or its use
- Customer service channels available to cardholders (e.g., Help Desk, IVRS, cardholder portal, and mobile app)
- Required messaging per State and federal regulations

Figure E.7-1. Current Arkansas EBT Brochure
With simple instructions from the brochure, cardholders understand how to activate and use their cards and manage their PINs.

Figure E.7-2. Current Arkansas EBT Brochure (Spanish Version)
We provide the brochure in Spanish as well.

Figure E.7-3. Card Carrier
We produce an EBT card carrier, which accompanies every new or replacement card.

As stated, we also provide a training video to the DHS EBT Office and DHS County offices. This video includes the same information as our printed materials, is directed at a fifth-grade reading level, and is available in English, Spanish, and other languages as needed (e.g., Marshallese). It features closed captioning as well.

With the support of these simple, familiar, and easy-to-understand materials, Arkansas EBT cardholders remain aware of the functions and features of their cards and available customer service support options.

Retailer Training Materials and Resources

With the guidance and instructions included in our training materials, participating in the EBT Program is simple and seamless for retailers and their employees. As part of our ship-and-train package – through which training occurs prior to implementation in accordance with 7 CFR 274.3(e)(7) – we offer two components of written, EBT-specific materials that meet all applicable federal requirements.

Retailer User Manual. Retailers receive this manual with their EBT-only POS device. It includes, at a minimum, the following information:

- Retailer Help Desk toll-free number for retailer help, voice authorizations, and general information
- Use of the IVRS
- Manual voucher processing procedures
- Information about key-entered transactions (e.g., the cardholder and card must be present)

- Use and care of POS device
- Adjustment processing
- Availability of the Retailer portal and its functions

We show a snapshot of the Retailer Policy & Procedures Manual in Figure E.7-4. As existing FNS-authorized retailers move to enhanced PAX 80 and PAX 920 terminals (described in our response to Question E.8.C), they will receive an updated manual that reflects the new terminals' features.
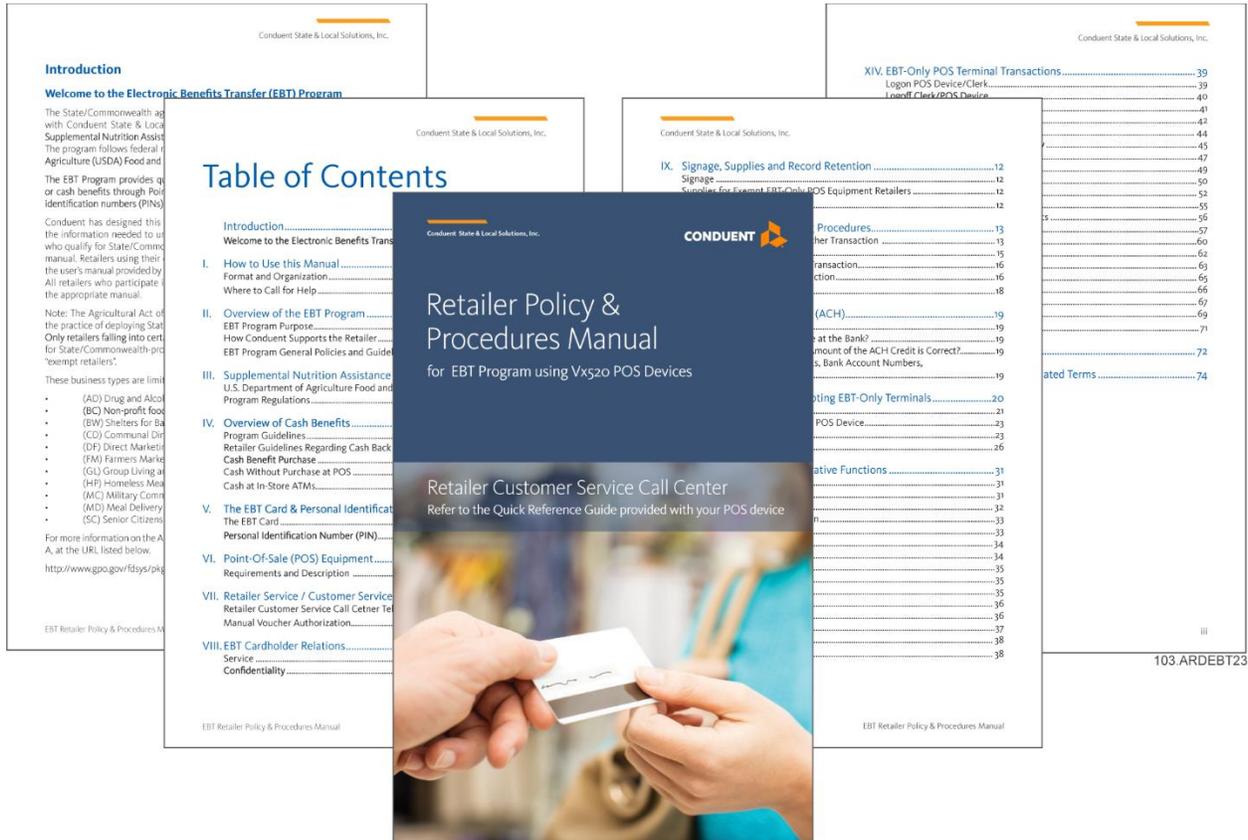
Figure E.7-4. Retailer Policy & Procedures Manual
*This document includes pertinent information required by
exempt retailers to understand and participate in EBT Services.*

Quick Reference Guide. Retailers receive this easy-to-follow guide with their EBT-only POS device. Printed on one side and small enough to post next to a cash register, it includes information on the following:

- Terminal sign-on/sign-off procedures
- Balance inquiry transactions
- Cash transaction purchase and cash back availability

- SNAP purchase transactions
- SNAP return transactions
- Retailer Help Desk number

We include a sample of the existing Quick Reference Guide in Figure E.7-5. We will create and provide retailers with a new guide as they move to the new PAX 80 and PAX 920 devices in the future.

Figure E.7-5. Exempt Retailer Quick Reference Guide
*This guide is a fact card for retailers and their employees to use
when processing transactions for the Arkansas EBT Program.*

If the State requires updates to existing materials under the next contract, we work with you to include the necessary information and messaging, as we do with all training materials.

We supplement EBT training materials through the Retailer IVRS, Retailer Help Desk, and Retailer portal. These customer service channels support retailers with any EBT help they may need.

DHS Staff Training Materials and Resources

The **EBT Program User Manual** serves as the primary training document for DHS staff. It is a handy reference to refresh an existing skill or assist a new employee using the system for the first time. We provide the manual to DHS staff electronically and update it as necessary throughout the contract period as screens or functionality changes.

We organize the manual by topic, allowing users to look up specific information. A partial list of topics covered includes:

- User access and navigation, including:
    - Login and logout
    - Creating and changing user passwords
    - Administrative terminal structure, including detailed information on each sample screen
    - Detailed explanations about using and maneuvering through the screens

- Application functionalities, including:
    - Fraud/Security
    - Financial transactions
    - System performance
    - Inventory control
    - User fields
    - Establishing a case in the system
    - Transaction History queries
    - Steps for card issuance/replacement
    - Updating/viewing cardholder and benefit information
    - Accessing and using the online reporting function

The **EBT Reports Manual** describes the entire suite of system and activity reports that users can access, view, and print. The manual includes a sample copy of each report and details every field on the report, offering a description and use of the content. Each report description identifies the format (e.g., PDF or CSV) and frequency (i.e., daily, weekly, or monthly). DHS and Conduent agree on the final number, type, and content of the reports for the next contract during the JCS.

The manual also describes the data files we transmit to DHS for internal report generation. Table E.7-1 summarizes the typical contents of an EBT Reports Manual. We work with DHS upon contract award to update the current manual as appropriate.

Table E.7-1. EBT Reports Manual Contents

Topic	Description
Introduction	Outlines the purpose of the manual
Data Files	Describes Conduent-provided data files for internal report generation
Reports defined by category	Identifies and describes all reports within each report category (e.g., financial, support, statistical, etc.) and includes a sample screen print and explanation of the purpose of each
Frequency of Generation	Details how often EPPIC EBT 3.0 produces a report
Report Access Method	Describes how users can produce reports in PDF and TXT file formats and how they can access them through administrative terminal screens

A. Describe in detail the following training information for staff, cardholders, & retailers: 3. Training programs	5 Points

As our responses to Questions E.7.A.1 and E.7.A.2 demonstrate, we design training programs and materials for staff, cardholders, and retailers. These programs are designed based on over 25 years of experience working with our clients. Our Arkansas-experienced team works with DHS leadership at the outset of the new contract to refine our approach, audiences, timelines, and training methods to confirm it meets your needs under the new contract.

Training activities are a highly collaborative effort between DHS and Conduent. We deliver training using a blended learning approach that can include a combination of the options described above to cover the various stakeholders of the Arkansas EBT Program.

B. Describe how much training will be provided, the number of trainers and whether training will be provided by the Prospective Contractor or subcontractor(s).	5 Points

The Conduent team conducts DHS training under the leadership of the Operational Project Manager, Priya Suresh, with assistance from other subject matter experts as needed. Our training plan is two-fold:

- A single refresher training session for State trainers, EBT project office, and fiscal office staff at a DHS central location. The subject matter for the training sessions includes the following: administrative terminal, settlement and reconciliation, security administration, data analysis and reports usage, and fraud prevention and investigation. We can deliver this training in person or through web conferencing as needed.

- Three separate refresher general overview and inquiry training sessions for staff located in county offices. Offering multiple sessions allows trainees flexibility in scheduling training while supporting their day-to-day responsibilities. We use web conferences for these training sessions.

Depending on the subject matter, the number of trainers may be as few as one or as many as three. Priya receives support from the core Conduent service delivery team, which assists with producing and distributing State-specific training materials.

See our previous responses to Questions E.7.A.1 and E.7.A.2 for detailed cardholder and retailer training information.

E.8 POS Terminals	
A. Describe the method used to block access to TANF benefits at POS terminals.	5 points

The EPPIC EBT 3.0 database controls where individuals can use EBT cards to conform to the Middle-Class Tax Relief and Job Creation Act of 2012. DHS drives this process and provides specific directions regarding locations to restrict/block. We recommend identifying targeted locations using name/address searches, public industry lists, and registrations (e.g., liquor licenses). Together, we can continually refine and categorize this information based on web searches to review a facility, location, and other factors to put the correct restrictions in place.

Restricting Access to Cash Benefits

- Transaction blocking is already in place at restricted locations
- We can restrict locations at either the MCC level or by specific TID
- DHS can modify blocking criteria as needed to meet EBT Program needs

EPPIC EBT 3.0 does not permit cardholders to use their EBT cards at the following types of businesses:

- Gambling or gaming establishments

- Adult entertainment venues where performers disrobe or perform in an unclothed state for entertainment

- Liquor stores that sell exclusively or primarily intoxicating liquor. Note that this does not include a grocery store that sells both liquor and groceries, including staple foods (within the meaning of Section 31 of the Food Nutrition Act of 2008)

Under the next EBT contract, DHS can notify us of any locations prohibited from using cash benefits (e.g., Group Living Arrangements). Conduent maintains procedures and administrative terminal screens, including the appropriate controls to restrict cash access at DHS-defined locations. Through these screens, authorized DHS personnel can restrict locations at the Merchant Category Code (MCC) level or by specific Terminal Identification (TID) number. This provides flexibility in the level and type of businesses you can add as restricted locations. Once a user enters MCC or TID as a restricted location, EPPIC EBT 3.0 denies a transaction if the MCC or TID matches the list of restricted codes and TIDs. This automated solution results in immediate denial of transactions performed at restricted locations.

The following are common MCCs to restrict:

- MCC 5921 for package stores – beer, wine, and liquor
- MCC 7995, 7800, 7801, and 9754 for gaming establishments including online gaming
- MCC 7273 or 7297 for adult entertainment establishments
- MCC 7299 for business establishments engaging in body piercing, branding, or tattooing
- MCC 7996 for fortune teller or psychic services

We can modify this list to meet DHS-specific needs as they change over time.

Authorized DHS and Conduent users can perform an MCC search using the administrative terminal on the MCC Management Search screen (Figure E.8-1).

Figure E.8-1. MCC Search Screen
Authorized users can search for retailers by the MCC on this screen.

Authorized users search by Terminal ID on the Terminal ID Management Search screen (Figure E.8-2).

Figure E.8-2. Terminal ID Search Screen
Users can search for blocked POS or ATM terminals on this screen.

Search results appear as shown in Figure E.8-3. Users can click the "Details" or "History" buttons on this screen for more information about the terminal.

Figure E.8-3. Terminal ID Search Screen
Users can view results following a search for blocked terminals.

Cash access blocking can be a reactive process that involves a thorough review of transaction records of potential sites a state might need to block. Often, independent ATM owners change processors or TIDs to avoid blocking. We are aware of such activities and work closely with TPPs and networks to identify and eliminate their occurrence.

EBT-Blocked Transaction Reporting

Conduent produces the following monthly reports that identify EBT-blocked transactions:

- Blocked ATM/POS Report
- Blocked Transactions Report

As with other EBT-related reports, authorized staff can access these reports through the administrative terminal.

For monitoring purposes, DHS staff receive a monthly **Blocked ATM/POS Report** that lists the ATM and POS restricted TIDs recorded in the EBT system. Figure E.8-4 shows how useful the report is because it indicates the TID, retailer name and address, the date/time of an entry, and by whom based on the User Login ID. Similar information is included for ATM terminal IDs. Staff use the report to confirm if the restricted location is already in EPPIC EBT 3.0. This report is also retrievable from the administrative terminal for authorized users.

```
                        BLOCKED ATM/POS REPORT
                  REPORT DATE OF 06/01/2022 - 06/30/2022
                          ARKANSAS EBT System

                                                          USER
 TYPE    TERMINAL ID                        BLOCKED DATE/TIME   LOGIN ID
 ATM     80288958                           05/16/2022 14:30:02
 ATM     82580692                           03/11/2021 11:05:53
 ATM     82581629                           03/18/2022 08:01:22
 ATM     ALI00939                           10/04/2021 11:40:51
 ATM     ALI04020                           01/26/2022 12:34:31
 ATM     CR022961                           10/04/2021 11:43:29
 ATM     CW05359                            02/14/2022 08:13:09
 ATM     DNS16764                           08/16/2021 10:46:00
 ATM     DNS21459                           11/30/2021 11:28:13
 ATM     DNS23117                           08/16/2021 10:19:17
 ATM     DNS24704                           08/16/2021 10:43:15
 ATM     DNS24789                           11/30/2021 11:18:12
 ATM     DNS25858                           08/16/2021 12:50:18
 ATM     DNS25932                           03/11/2021 11:22:02
                                      RUN DATE: 07/01/2022 02:44:08      PAGE 1
```

Figure E.8-4. Blocked ATM/POS Report
This monthly report shows what ATMs/POS are restricted.

EPPIC EBT 3.0 generates the monthly **Blocked Transactions Report** listing where cardholders attempted transactions at restricted locations (see Figure E.8-5). The system always denies these transactions because it stores the TID as a restricted location. DHS staff can view the report and determine if any cardholder action is necessary.

```
                        BLOCKED TRANSACTIONS REPORT
                     REPORT DATE OF 06/01/2022 - 06/30/2022
                           ARKANSAS EBT SYSTEM


       TERMINAL                        TRANSACTION                                      BLOCKED
 TYP   ID       CA CODE  LOCATION      DATE/TIME       TRANSACTION   AMOUNT  CARD NUMBER REASON
 ATM   80288958 n/a                    06/11/2022 17:41:01  ATM CASH                     BLOCKED
                                                            WITHDRAWAL                   TERMINAL ID
 ATM   80288958 n/a                    06/11/2022 17:41:51  ATM CASH                     BLOCKED
                                                            WITHDRAWAL                   TERMINAL ID
 ATM   80288958 n/a                    06/12/2022 17:43:43  ATM CASH                     BLOCKED
                                                            WITHDRAWAL                   TERMINAL ID

 TOTALS FOR ATM TERMINAL ID:        80288958      TOTAL COUNT:    3   TOTAL AMOUNT:   120.00
```

Figure E.8-5. EBT System Blocked Transactions Report
This monthly report shows where cardholders attempted
ATM and POS transactions at restricted locations.

B. Provide an overview of POS transaction types and functions.	5 points

EPPIC EBT 3.0 uses an uncomplicated set of transactions standard in EBT industry processing. These transactions satisfy all State and federal requirements for authorizing cardholder-initiated SNAP and cash transactions conducted at POS terminals and ATMs. The system performs transaction processing 24/7, allowing Arkansas EBT cardholders to access their SNAP and cash benefits anytime. Not only does EPPIC EBT 3.0 satisfy the needs of cardholders, but it also provides your staff with the control and oversight capabilities needed to certify that the system distributes all SNAP and cash benefits correctly and in accordance with all State and federal rules and guidelines.

POS SNAP Transaction Types and Functions

We describe the SNAP POS transaction types that EPPIC EBT 3.0 processes, at a minimum, in the following narrative.

SNAP Purchase

Cardholders can initiate transactions by card swipe or key entry. For swiped and key-entered transactions, EPPIC EBT 3.0 accepts and processes purchase requests that originate at an FNS-authorized retailer location, providing a cardholder enters a PIN correctly. If not, the system rejects the purchase attempt. Upon receiving a request for authorization of purchase and completing all validation steps accurately, EPPIC EBT 3.0 immediately debits the appropriate amount from a cardholder's account. The POS terminal then prints the new account balance on a receipt.

Figure E.8-6 shows examples of an approved and a rejected purchase.

```
           ABC Market                                    ABC Market
         1234 Main Street                              1234 Main Street
          Anywhere, USA                                 Anywhere, USA
            555-5555                                       555-5555
          #0000000000                                    #0000000000

Term#:0000000              10/01/23      Term#:0000000              10/0123
Clerk: 1234                12:00:34am    Clerk: 1234                12:00:34am
------------------------------------    ------------------------------------
SNAP Purchase                           SNAP Purchase

Card Num: XXXXXXXXXXXXXXXX0001          Card Num: XXXXXXXXXXXXXXXX0001
Settlement Date:    10/01               Settlement Date:    10/01

Balance Summary:                        Balance Summary:
------------------------------------    ------------------------------------
SNAP Begin Bal:     250.00              SNAP Begin Bal:     250.00
SNAP Purchase:      -25.00              SNAP Purchase:      -252.00 DENIED
                    ----------                              ----------
SNAP End Bal:       225.00              SNAP End Bal:       250.00


------------------------------------    ------------------------------------
Results:   Approved                     Results:   DENIED – 51
Auth #:    020030                       Reason:    Insufficient Funds
Trace#:    000027-000000109821734       Trace#:    000039-000000846957696

                                        DO NOT DISPENSE GOODS
------------------------------------    ------------------------------------
V1.00 010 027 000 000 000 000 000 000   V1.00 010 039 000 000 000 000 000 000

------------------------------------    ------------------------------------
------------------------------------    ------------------------------------
      *** CUSTOMER COPY ***                   *** CUSTOMER COPY ***
```

Figure E.8-6. Approved and Denied EBT Transactions
These receipts are examples of approved and denied SNAP purchases.
Note that EPPIC EBT 3.0 truncates card numbers for security purposes.

SNAP Returns

Authorized SNAP retailers can reimburse funds to a cardholder's SNAP benefit account if the cardholder returns damaged or spoiled goods. EPPIC EBT 3.0 accepts a card swipe or manual key entry (with a correctly entered PIN) to initiate a return transaction. For refund transactions, a benefit purchase transaction must exist for the system to post a return transaction properly. EPPIC EBT 3.0 posts credit adjustments immediately but limits refunds to a DHS-defined amount that does not exceed the original transaction amount. Cardholder receipts include new account balances.

Manual Authorizations

FNS-authorized retailers can use manual vouchers when they are:

- Without POS equipment
- A terminal failure prevents processing online authorizations
- During a declared disaster

Retailers obtain voice authorizations for these sales through the Automated Response Unit (ARU) or a Customer Service Representative (CSR) after account/balance verification. See our response to Question E.8.D, under the subheading "Offline Processing Interactions (Manual Vouchers)," for more information.

Voucher Clears

We support three methods of clearing a manual transaction voucher:

- Voucher transactions converted to electronic transactions for transmission for retailers with POS terminals when the terminal communicates with EPPIC EBT 3.0
- Vouchers for non-traditional or low-volume FNS-authorized retailers that submit them through the mail for clearing and settlement
- Voucher clears for FNS-authorized retailers through the Retailer portal

Regardless of the reason for using a manual voucher, once the authorization process is complete, retailers must clear the voucher to receive reimbursement for a sale, as shown in Figure E.8-7.

Clearing the Voucher Authorization

Clearing or settling the voucher can occur in **three ways:**

POS or Portal   **Mail**

STEP 1

Once POS terminal or communications problem is resolved, retailer clears voucher by entering voucher authorization number through POS terminal or Retailer portal.

Retailer mails completed voucher to Conduent.

STEP 2

POS or Retailer portal sends voucher clear transaction to Conduent.

Cardholder's account is debited for transaction amount.

Conduent team verifies voucher is complete.

Conduent team clears voucher on administrative terminal.

STEP 3

Retailer is paid during nightly settlement and reconciliation process.

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Figure E.8-7. Clearing a Voucher Process
Arkansas retailers are familiar with this simplified voucher clear process.

When a POS-equipped retailer uses a manual voucher as a temporary measure, the retailer converts the manual transaction to an electronic transaction for transmission to EPPIC EBT 3.0 when communications between the terminal and the host become available. This process is the quickest way to clear a voucher and settle a transaction, allowing the system to pay a retailer as soon as possible.

We do not clear vouchers for more than an authorized amount, nor can we clear a voucher for a SNAP return transaction for less than the authorized amount.

We require FNS-approved retailers without a POS terminal to mail the voucher to us for processing and settlement. We give these retailers the means and instructions to forward these vouchers to us. Conduent accepts vouchers that retailers mail to us at the address listed in bold print on the voucher. Retailers must mail approved vouchers with enough lead time to facilitate timely processing. Conduent date-stamps all vouchers upon receipt and processes them on the day of receipt.

We limit voucher clearing to the authorized amount of a voucher; we do not clear a voucher for an amount greater than previously authorized. In addition, voucher returns cannot be less than a previously authorized amount. However, retailers can clear purchase vouchers for less than an authorized amount. We allow retailers to cancel a purchase authorization before the expiration of the State's 15 calendar-day hold period (or clear the voucher for $0.00) if necessary.

Balance Inquiries

A POS terminal prints a receipt at the end of each successful POS transaction or balance inquiry. The receipt shows a truncated account number for security purposes, along with the real-time account balance for approved transactions and those denied for insufficient funds. The receipt helps cardholders track benefit balances while keeping EBT account numbers safe. For security reasons, a receipt never displays a balance when EPPIC EBT 3.0 denies a transaction for an invalid PIN or a statused card.

Cardholders can also use a POS terminal to complete a balance-inquiry transaction. They can obtain their current balance 24/7 through the ARU/IVRS, CSRs, the cardholder portal, or the mobile app. The information a cardholder receives includes their remaining benefits in real-time. We do not include benefits posted by DHS that have not reached their availability date in the account balance total. However, for added convenience, EPPIC EBT 3.0 displays pending benefit authorizations alongside balances on the cardholder portal and mobile app. EPPIC EBT 3.0 records balance-inquiry transactions in the administrative terminal's transaction history, allowing DHS staff to detect cardholder fraud patterns.

Voids or Cancellations

EPPIC EBT 3.0 enables retailers to void/cancel transactions at POS terminals. Void/cancellation messages include a trace number, exact dollar amount, and other identifying information from original transactions. The system accurately processes void and cancellation transactions and reflects them immediately in a cardholder's EBT account.

Voids. To void a transaction, there must be a previously completed transaction that posted a debit to a cardholder's account and completed a response back to a POS terminal. A void transaction occurs when a cardholder decides not to complete a sale and wishes to void actions posted to an EBT account from a prior transaction. POS software contains a feature within the transaction set that directs processing when an individual presses the void key on a terminal.

The void transaction rescinds the previous transaction and either credits or debits the cardholder's account. An individual can also void a credit transaction, which results in a debit to the account.

Figure E.8-8 is a sample voided transaction receipt.

POS software requires a store clerk to enter the number of the transaction to be voided, the dollar amount, the trace number (if available), and other store-specific information (e.g., clerk ID), as specified by ANSI X9.58-2013 standards (or most current version). EPPIC EBT 3.0 accepts the transaction and links the trace number of the void transaction to the original transaction number as part of ISO 8583 message formatting.

The system posts the void transaction to the EBT account as a credit, reversing the original debit amount or credit to debit, if not a withdrawal. The transaction appears immediately in a cardholder account, which permits immediate access to the funds for future purchases.

Commercial and EBT-only POS terminals may differ in their procedural steps for conducting a void transaction; regardless, EPPIC EBT 3.0 processes each transaction at the host in the same manner.

Figure E.8-8. Voided Transaction Receipt
This receipt displays a cardholder's balance to verify that EPPIC EBT 3.0 voided the transaction.

Cancellations. Cancelled transactions occur when a cardholder decides to abandon the entry of a transaction while in progress. POS terminal software controls the cancel feature and does not generate transactions in the host environment. When a cardholder presses the Cancel button, the software in the terminal deletes the information entered. It also sends a message to the screen indicating the cancellation. The system does not debit the cardholder's account, and no action occurs in the host processing environment.

Void/Cancellation Messages. Each transaction creates different processing steps and updates EPPIC EBT 3.0 based on the information identified in the ISO 8583 message. The message includes the trace number, exact dollar amount, and other pertinent identifying information from the original transaction – as specified by the ANSI X9.58-2013 standard or the most current version.

Processing. We process the void or cancellation transaction, so it is immediately and correctly reflected in the cardholder's EBT account. EPPIC EBT 3.0 also logs the transaction in the transaction history file, including the date and time stamp, to create traceability. The system posts voided transactions to the appropriate EBT account and includes them in the end-of-day settlement process. The amount of the void adjusts the cardholder's account, system accounts, and benefit obligation totals.

Reversals

EPPIC EBT 3.0 maintains transaction integrity through the proper and timely handling of reversals. The system performs POS transaction reversals using ISO 8583 transaction message sets and network routing standards. Reversals often occur due to a communication failure or terminal malfunction. They can also result from a delayed response that prevents a transaction request from receiving a complete

response or acknowledgment from the authorizing host. The transaction either times out or gets no response from EPPIC EBT 3.0.

The network routing software gives each communication link a specific timeframe to respond to the requesting transaction before assuming the host is not responding promptly. At the time-out point, the originating source (i.e., the TPP, authorized retailer/benefit acquirer, or the POS terminal) initiates a reversal transaction back to EPPIC EBT 3.0. All reversal transactions are system- or routing-switch generated. Reversal messages include a trace number, exact dollar amount, and other information identifying the original transaction as defined within the EBT ISO message specifications.

If EPPIC EBT 3.0 receives and processes a transaction (i.e., debits or credits the account) and the network fails to deliver the response to an originating source, the network fail-point generates a reversal message to EPPIC EBT 3.0. This then reverses the update to an account and routes the reversal back to the originating source. This action is a non-settling transaction, and it is immediately viewable in the cardholder's account, restoring the pre-transaction balance. The reversal does not affect the system or account totals at the end of the day. EPPIC EBT 3.0 denies any request for a reversal if the amount contained in the reversal does not match the original transaction amount.

Reversed funds are instantly available to the cardholder to use in a subsequent transaction.

Key-entered Transactions

EPPIC EBT 3.0 accepts and processes transactions where a person enters a PAN (i.e., key-entered) into a POS terminal, and an EBT cardholder then enters a valid PIN. Two of the most common reasons for accepting key-entered EBT transactions are damage to the card's magnetic stripe or a defective card reader on a POS terminal. All key-entered transactions require PIN entry by cardholders and subsequent validation, and cardholders must have a card with them to complete a purchase. The system denies a transaction where a PIN pad is defective, or a PIN does not accompany a transaction to the host system.

Conduent maintains and will adopt other necessary security measures to prevent cardholder and retailer abuse or misuse of the key-entry feature. EPPIC EBT 3.0 ensures that a printed transaction receipt includes a truncated PAN. In addition, we can disable or deny the capability of an EBT-only POS terminal from completing key-entered transactions. DHS can likewise remove key entry capability at individual retailer locations if a location abuses the function. Using the administrative terminal, authorized State users can select a POS terminal's button in a retailer profile and choose the "key-entered transaction" option to manage this feature easily. Retailers can also disable the key-entered feature on an individual terminal if they determine overuse.

We also designed EPPIC EBT 3.0 to track and report key-entered transactions by card number and retailer, retailer site/address, terminal ID number, and FNS retailer number. We log all information, make it auditable, and make it available to DHS in a flexible, easy-to-use manner through online query and reporting. This helps you stay on top of the percentage of manual transactions. We also provide a report (e.g., the Manual Card Entry Report) identifying cards with multiple consecutive key-entered transactions. The report helps you find patterns indicating card, terminal, or fraud issues. It allows DHS and Conduent to address potential misuse as well.

POS Cash Transaction Types and Functions

EPPIC EBT 3.0 supports cash transactions on commercially deployed POS terminals. Cardholders may process unlimited POS transactions (including cash POS transactions) without incurring a fee. At a minimum, EPPIC EBT 3.0 supports the following cash transactions performed at POS terminals.

Balance Inquiries. At the end of each successful POS transaction or balance inquiry, a POS terminal prints a receipt for a cardholder. The receipt shows a truncated account number for security purposes, along with the real-time account balance for approved transactions and those denied for insufficient funds. The receipt helps cardholders track benefit balances while keeping EBT account numbers safe. For security reasons, the system does not display the balance after denying a transaction for an invalid PIN or a statused card.

Cash Purchases (Swiped or Key-entered). Cash purchase transactions draw funds from a cash account. A cardholder presents an EBT card, swipes it through the POS terminal, verifies the transaction amount, and enters a PIN. The transaction transmits to EPPIC EBT 3.0, where the system validates the POS terminal, the account balance, and the PIN. If sufficient funds are available, the system approves the purchase and returns an approval message to the retailer. As with SNAP transactions, EPPIC EBT 3.0 accepts and processes cash transactions where a retailer enters the PAN manually (i.e., key-entered) into a POS terminal, and the cardholder enters a valid PIN.

Purchase with Cash Back. A cardholder can withdraw cash from a cash account (allocated to the appropriate benefit type) while purchasing goods. This transaction authorizes payment for items and permits a cardholder to withdraw funds over the amount of purchased items. This transaction follows the process outlined earlier for cash purchases to confirm that adequate funds are available to pay for the goods and provide cash back.

Cash Withdrawal. This transaction allows cardholders to withdraw cash from a cash account (allocated to the appropriate benefit type) without an accompanying purchase. It follows the same processes outlined above for cash purchases and purchases with cash back. The terminal prints a receipt with information about a transaction, including balance and truncated card number, as shown in Figure E.8-9.

Receipt

ABC Food Store
123 Liberty Street
Hot Springs, AR 71901

Transaction Date — 10/01/23   12:00:34 am — Transaction Time

Seq No. 000413   Term ID #32176 — Terminal Identification Number

Clerk Code 083

Partial EBT — EBT No: XXXXXXXXXXXX5123
Card Number

Transaction Amount	Ending Balance
SNAP $ 0.00	$121.50
Cash $20.00	$ 53.10

Figure E.8-9. POS Cash Withdrawal Receipt
EPPIC EBT 3.0 gives cardholders a full range of account
Information to support efficient management of their benefits.

Cash Voids. With cardholder approval, a retailer may void a last transaction, which returns all funds to the cardholder's cash account. To void a POS transaction, there must be a previously completed cash transaction that posted a debit to a cardholder account and completed a response back to a POS terminal. A void transaction occurs when a cardholder decides not to complete a cash withdrawal and wishes to void actions posted to the cash account in the prior transaction.

Cash Reversals. Cash reversals through a POS terminal occur in the same way, and EPPIC EBT 3.0 handles them in the same manner as SNAP reversals. Error messaging initiates the transaction reversal process, cancels the transaction, and returns the benefits to the cash account in real-time. A retailer can also cancel a cash transaction through the POS terminal should a cardholder change their mind about the cash withdrawal or purchase.

Benefit Transaction POS Functions

Conduent-provided POS terminals and the software installed on them support required EBT transaction functions. We designed the software for ease of use and to make sure that retailer functions are secure.

Retailer Logon and Logoff Security Functions

Our software requires each POS terminal user to log on and off a terminal with user-specific logins and passwords. The software includes distinct user access based on two types of users – supervisors and clerks. The supervisor function has greater privileges, such as access to end-of-day settlement reporting, while clerk functions are limited to basic transaction processing.

Only users with supervisor access can add additional users to the system. If a user without the requisite privileges attempts an inappropriate transaction, EPPIC EBT 3.0 stops the transaction before the terminal accesses the system. We configure the software to match the parameters established in EPPIC EBT 3.0. Table E.8-1 lists standard clerk and supervisor functions.

Table E.8-1. POS Terminal Functions

Function	Clerk	Supervisor
Logon/Logoff Terminal	X	X
SNAP Purchase	X	X
SNAP Return	X	X
Cash Purchase	X	X
Cash Purchase with Cash Back	X	X
Cash Withdrawal	X	X
Balance Inquiry	X	X
Void Last Transaction	X	X
Add/Delete Clerk		X
Change Clerk Password		X
Settle/Clear Voucher Transaction		X
Reports		X
Training Mode		X
Terminal Configuration		X

As part of the initial retailer setup, an authorized user creates an initial login and password that changes during installation. During the JCS, we work with DHS to review existing user roles and privileges, confirming which users have retailer setup privileges. We recommend that DHS limit the users authorized to set up retailers in EPPIC EBT 3.0 to Conduent employees. By doing so, we restrict user access, thereby minimizing the scope of potential mistakes and fraud.

Settlement Processing

Settlement processing functions are limited to the supervisor role. Supervisors can print the following reports directly from the terminal: clerk totals, terminal totals, retailer totals, and shift totals. Reports are based on a retailer's settlement day and match the amounts included in a retailer's daily settlement. These reports provide the information necessary for various close-of-business functions. We fully train retailers on terminal functions during installation, including reporting capabilities.

C. Describe the plan for supplying POS equipment to the exempt locations maintained by USDA requesting vendor supplied Terminals.	5 points

For over 25 years, we have supplied POS equipment, installation, and maintenance to exempt locations maintained by the USDA that request Conduent-supplied terminals – including Arkansas retailers. We provide equipment maintenance and technical support for all EBT-only POS terminals as required and in accordance with FNS policy for retailer participation as described in 7 CFR 274.12. Support includes, but is not limited to, reimbursing EBT-only retailers for supplies and supplying phone lines if requested.

We use a ship-and-train approach as the primary method for training retailers, shipping preprogrammed POS equipment with Conduent terminal software with written instructional materials to each retailer. These materials include installation instructions, the Retailer Policy & Procedures Manual, and a Quick Reference Guide. For samples of these materials, see our response to Question E.7, Training.

Retailers can request additional training, a replacement POS device, or assistance with settlement issues by calling the Retailer Help Desk. The following narrative highlights the enhanced POS equipment we propose for Arkansas retailers for the new contract.

Enhanced Retailer POS Equipment for Arkansas

As an EBT solution enhancement, we will replace existing Verifone VX520 POS terminals with new PAX A80 models (Figure E.8-10) through attrition for retailers contracting for equipment. We also replace POS equipment upon retailer request.

With the PAX A80, retailers experience optimal transaction processing performance and reduced maintenance issues. This results in more reliable system availability and improved user satisfaction. The terminal includes ISO 8583 message formats, the standard for notification of important information related to EBT Services. All POS equipment and software supplied meet ISO 8583 message formats.

Figure E.8-10. PAX A80 POS Terminal
We replace existing terminals under the next contract to better serve exempt retailers and cardholders.

The PAX A80 securely and efficiently handles all required EBT transaction types. It offers advanced features that meet the functional requirements of FNS regulations. It also supports the "minimum transaction set" defined in 7 CFR Section 274.8(b)(9). The PAX A80 meets all operational requirements for your EBT Program, which include system processing speeds, system availability and reliability, system security, system usability, and minimum terminal requirements.

The PAX A80 likewise supports the full online real-time EBT transaction set. This advanced terminal conforms to ANSI X9.58-2013 message formats and the Quest Operating Rules.

The PAX A80 combines the features of an Android tablet with a powerful, next-generation payment terminal – in an easy-to-use, compact design that sits on a countertop. It uses the advanced, user-friendly Android 6.0 operating system and meets relevant industry certifications, including:

- Payment Card Industry (PCI) PIN Transaction Security (PTS) 5x
- Secure Reading and Exchange of Data (SRED)
- Near Field Communication (NFC) contactless

Figure E.8-11 describes the terminal's technical specifications.

Figure E.8-11. PAX A80 Specifications
This full-featured terminal meets all State and FNS EBT transaction processing requirements.

Operational Efficiency. The PAX A80 leads users through each transaction process step and includes a training mode. This mode allows them to better understand the functionality without transmitting live data. Since the preprogrammed data is resident on each terminal for training purposes, users in "training mode" never connect to EPPIC EBT 3.0. When a terminal is in training mode, printed receipts show the phrase "Training Mode" in reverse highlight.

Wireless Terminals for Direct-marketing Farmers and Farmers' Markets

Cardholders rely on a wide variety of retailers to get the food they need for their families, including fresh fruits and vegetables offered at farmers' markets. To supply non-traditional retailers (i.e., direct-marketing farmers, farmers' markets, roadside stands, etc.) with a wireless equipment option, we leverage the extensive functionality of the PAX A920 wireless terminal to serve them.

The A920 includes a large high-definition color tablet display and a hidden high-speed thermal printer that optimizes screen usage for cardholder-facing transactions. The A920 uses cellular data connectivity and the newest processing technology. It is exceptionally dependable and provides the latest PCI security, including TransArmor® Triple DES (3DES) encryption and SRED functionality to protect cardholder information from the moment they swipe their card. The tablet supports Wi-Fi/Bluetooth combo, 3G, or 4G wireless connection to meet environmental requirements. It also offers maximum security and compliance with end-to-end encryption. Figure E.8-12 describes the PAX A920's technical specifications. We handle ongoing support and maintenance of the A920 through the Retailer Help Desk.

A920 MobileTablet

Features & Benefits

Unprecedented Security
- PCI PTS 4.x certified
- SRED
- Supports RSA, AES, 3DES

Multimedia Performance
- Double Injection
- Sleek & fashionable
- Large 5-inch capacitive color touch screen
- Super resolution 1280 x 720 pixels

Exceptional Stability and Reliability
- Flexible and secure platform
- Multiple connectivity: 4G / 3G / WiFi / Bluetooth
- High capacity Li-ion rechargeable battery
- 5-Volt Charging Port
- Inbuilt NFC contactless
- Dual Camera, 1D & 2D Scanner
- Supports electronic signature capture
- Illuminated Card Reader

Specifications

Application CPU
ARM Cortex A7 1.2GHz 4 Core Processor

Security CPU
ARM11 266MHz 32bit Security Processor

Operating System
Android 4.4

Memory
1GB DDR3 SDRAM, 8GB EMMC

Display
5.0 inch 720 x 1280 pixel capacitive touch screen, white LED backlights
Signal Strength, Bluetooth Connectivity, Battery Status

Port
1 Micro-USB (OTG)
1 SIM Card Slot
2 PSAM Card Slot
1 Micro SD Card Slot, Supports up to 32 GB

Physical Keys
2 Shortcuts, Default Scanner Shortcut, User Defined
1 ON/OFF Key
Back-lighting

Memory Extension Slot
Micro SD (TF) Card Slot, Supports up to 32 GB

Audio
Speaker Functionality
Microphone & Sound Wave Payment Supported

Magnetic Card Reader
Track 1/2/3, Bi-Directional
ISO 7810, ISO 7811, ISO 7813

Smart Card reader
Supports 1.8V, 3.3V, 5V Card
Supports Memory Card, CPU Card
EMV Ready, PBOC 3.0, ISO 7816 Standard

Contactless Card Reader
13.56MHz, 14443 Type A/B
Supports Point-to-Point Communication

Printer
High-Speed Thermal Printer
Paper Roll Width / Diameter: 58mm / 40mm

Camera
5 Megapixel Auto Zoom Camera

Scanner Camera (optional)
2 Megapixel Fixed Focal Camera

Security
ANSI X9.8 / ISO9564, ANSI X9.9 / ANSI X9.19 ANSI X9.24 / ANSI X9.52
3DES, RSA2048, SHA-256, SM2, SM3, SM4, etc
MK/SK, FIXEDKEY, DUKPT

Communications
TD-LTE / FDD-LTE
WCDMA / HSDPA / HSUPA / HSPA+
Bluetooth
WiFi

Satellite Positioning
GPS
GLONASS

G-Sensor
Support

Battery
Long Lasting Li-ion battery, 3400mAH, 3.7V

Voltage
Input: 100-240V AC, 50Hz / 60Hz
Output: 5.0V DC, 2.0A
Micro-USB Standard Charging Port

Physical
Length: 175.7mm
Width: 78mm
Height: 57mm

Weight
387g (Including Battery)

Environmental
-10°C to 50°C (14°F to 122°F) Operating Temperature
10% to 93% Relative Humidity, Non-Condensing
-20°C to 70°C (-4°F to 158°F) Storage Temperature

Accessories
Charging Base (optional)
Multi-functional Communications Base (optional)
1.0m Micro-USB Charging Cable

Certifications
PCI PTS 4.x
EMV L1 & L2
MasterCard Contactless
Visa payWave
AMEX expresspay
Discover D-PAS
MasterCard TQM
NSICC

www.pax.us

PAX — *Your Payment Partner of Choice*

Figure E.8-12. PAX A920 Specifications
The A920 uses cellular data connectivity and includes advanced processing technology along with the latest in PCI security.

Group Living Arrangements/Meal Services POS Devices

As part of our well-established retail management services, we support EBT processing at non-traditional sites (e.g., group living arrangements/meal services). We install and maintain POS terminals and provide management services that meet each facility's requirements. **Our history in successfully assisting the 60 non-traditional retailers/merchants in Arkansas today will continue to facilitate broader access to benefits for cardholders in these environments**. Today, non-traditional retailers/merchants include, but are not limited to, the following:

- Drug/alcohol treatment centers
- Blind/disabled group living facilities
- Shelters for battered women and children
- Providers of meals to the homeless
- Restaurants
- Dining facilities for the elderly and disabled
- Meal-delivery services
- Route providers

USDA-FNS authorizes group facilities that meet the monthly minimum SNAP redemption total as SNAP retailers/merchants. We also support those who opt for direct connect POS terminals.

We arrange for voucher access at DHS direction if a facility is under the SNAP voucher threshold. However, established federal Agricultural Act provisions mandate that new non-electronic retailers (i.e., retailers/merchants using only manual vouchers for authorization) cannot enroll in the program. Retailers who became SNAP authorized after March 21, 2014, are no longer able to use manual vouchers only for ongoing SNAP business.

We enter into agreements to deploy POS equipment with FNS-approved retailers. Conduent is responsible for authorizing cardholder-initiated SNAP transactions at these exempt retailer locations. We configure EPPIC EBT 3.0 only to accept SNAP transactions from FNS-approved retailers/merchants.

We propose to continue the following methods for processing EBT transactions for non-traditional retailers/merchants:

- FNS-authorized exempt retailers that meet the monthly minimum FNS SNAP redemption total can receive POS terminals to facilitate the clearance of manual vouchers. We install the terminals and offer training on their use and the transfer of benefits from cardholder accounts to a retailer's financial institution account. We make sure we distribute benefits within these EBT accounts on a First-In, First-Out (FIFO) basis (see our response to Question E.4.F for more information). As the system debits SNAP benefits from a resident account, it credits the retailer account, just as with any other authorized retailer.

  Each facility receives its own POS terminal. Note that a facility must obtain commercially deployed equipment to offer cash access services to EBT cardholders.

- We follow the established federal Agricultural Act provisions for non-traditional retailers/merchants that do not meet the monthly minimum.

DHS can access information for these facilities through the administrative terminal, just as you would for any other traditional retailer/merchant. Technical support and maintenance of the equipment, along with reporting, are the same. Exempt non-traditional retailers/merchants can contact the toll-free Retailer Help Desk number in case of equipment malfunction or for any other issue that may arise.

D. Describe the process to capture both on and offline transactions including online EBT, System initiated, online processing interactions, offline processing manual vouchers, online transactions processing related to cardholder, retailer and financial institution accounts, initiated at access terminals.	5 points

Arkansas requires an EBT system that can process both online and offline transactions accurately, efficiently, and securely; a system with features and functions that are easy to use and, ideally, one that is already familiar to its end users. As stated, the system must satisfy cardholders' needs and provide DHS staff with essential control and oversight capabilities to ensure that it distributes benefits correctly and in compliance with all State and federal rules and guidelines.

This innovative system is compatible with the existing commercial transaction processing infrastructure for transmitting and processing EBT transactions. Yet, it is flexible enough to meet DHS' specific needs and accommodate future changes.

EPPIC EBT 3.0 uses a basic, uncomplicated set of transactions common in EBT industry processing. These transactions satisfy all State and federal requirements for authorizing cardholder-initiated SNAP and cash benefit transactions; they also offer flexibility to support adding functions for future programs should Arkansas desire to do so. Additionally, Conduent complies with ISO 8583 and all updates to ISO 8583. EPPIC EBT 3.0 receives and processes cardholder transactions from POS terminals, confirming that cardholders access their SNAP benefits only at POS terminals in FNS-authorized retailer locations. The system likewise accepts and processes ATM transactions from cardholders who receive cash benefits.

Table E.8-2 identifies the POS and ATM transactions EPPIC EBT 3.0 supports for your EBT Program.

Table E.8-2. EPPIC EBT 3.0 Online Cardholder Transaction Processing

POS and ATM Transactions		
POS SNAP Transactions	**POS Cash Transactions**	**ATM Transactions**
- SNAP Purchases - SNAP Returns - Manual Authorizations - Voucher Clears - Balance Inquiries - Voids or Cancellations - Reversals	- Cash purchase - Purchase with cash back - Cash withdrawal - Balance inquiry - Voids or cancellations - System reversals	- Withdrawal from a cash account - Balance inquiry from a cash account - Full or partial reversals - Cancellations

See our response to Question E.8.B for additional details on the types of transactions processed. We include details about ATM transactions later in this section under the subheading "ATM Transaction Processing."

Online EBT Transactions

EPPIC EBT 3.0 provides for the efficient and quick receipt, processing, and authorization of cardholder EBT transactions made through POS terminals and cash benefit transactions conducted at ATMs. The system makes sure that cardholders access their SNAP benefits only at FNS-authorized food retailer locations. It also permits access to cash benefits at participating ATM and POS terminals throughout the US.

Since an individual cardholder may receive benefits under several programs, we process and track transactions separately by benefit program type (i.e., SNAP, TEA, etc.). We designed EPPIC EBT 3.0 to confirm it allocates all captured transactions to the proper SNAP or cash account.

EPPIC EBT 3.0 manages the flow of information through a structure designed to track and maintain data related to each EBT card. This allows it to maintain control of all transaction processing activity. The system's primary purpose is to authorize or deny transactions and to transmit response messages back to the acquirer that indicate the action taken. The response messaging also includes the data source for receipt printing, including truncated card numbers for security. Conduent's transaction processing capabilities, at a minimum, include the following features and required transaction functions:

- Accepting transactions originating from an authorized transaction acquirer or a POS terminal
- Authorizing or denying transactions, including the ability to block certain MCCs and TIDs
- Sending timely response messages back to the transaction acquirer that authorize or reject cardholder benefit transactions
- Providing needed information so a retailer's system or POS terminal can print a receipt with the account balance after a completed transaction
- Logging the authorized or denied transactions for subsequent settlement and reconciliation processing, transaction reporting, and viewing through transaction history

System-initiated Transactions

The primary system-initiated online transaction processes are the transfer of encryption keys and transaction reversals. We describe these processes in the following narrative.

Transfer of Encryption

Conduent applies secure, proven encryption techniques for transferring transaction messages to and from retailer terminals or networks/TPPs. The key used to encrypt the PIN in the database differs from that used to decrypt the PIN sent from a POS terminal or other sources. No individual, including the system administrator, can view the PIN in clear text form. The key used between EPPIC EBT 3.0 and a TPP or POS is unique. EPPIC EBT 3.0 sends a master key encryption key (KEK) for exchanging the session to a processor or POS, which then encrypts and decrypts the PIN. Our system supports the ANSI standard 3DES encryption for PIN encryption. EPPIC EBT 3.0 manages this encryption, which is easy to update should EBT Contractors adopt a new ANSI encryption standard (e.g., Advanced Encryption Standard [AES]) in the future. EPPIC EBT 3.0 encrypts the PIN in the database using a different key from the PIN transmission. For web-based traffic, EPPIC EBT 3.0 supports strong encryption at 128-bit key length, using secure HTTP and secure socket layer encryption protocols.

Transaction Reversals

There is constant communication between POS terminals and EPPIC EBT 3.0. The process is the same whether from POS terminals or TPPs/networks. A reversal occurs when a terminal does not receive a message back from the host. A problem could occur before the host receives the message, after the host authorizes or rejects it, and before a terminal receives it.

If EPPIC EBT 3.0 receives a transaction and transmits a response, it logs all transaction information into the database. As stated, reversals are generated when a terminal fails to receive a response (communication failure) from EPPIC EBT 3.0. A terminal sends a reversal message every two minutes or when the next transaction occurs, if earlier. In every case, the terminal sends a reversal before the next

transaction, which EPPIC EBT 3.0 processes. Since the database logs that information, EPPIC EBT 3.0 matches the reversal to the original transaction and processes it, sending a message to the terminal to clear the reversal. Subsequent transactions can be processed once a reversal clears. No other transactions can occur if a reversal is still on the terminal. This process exists to maintain data integrity.

If the host system never receives the transaction, it will not exist in the database. The terminal will still try to send the reversal, and when EPPIC EBT 3.0 receives it, it rejects it. This indicates that the information does not exist in the system. When a terminal receives the response, the reversal is cleared, and normal processing can occur. EPPIC EBT 3.0 does not accept a reversal if it cannot find the original transaction. This prevents unattached or mismatched reversals from occurring. If the data exists, we reverse it on the system; if it does not, we reject it. It is simple but makes a significant difference during the reconciliation and reporting processes.

Online Processing Interactions

EPPIC EBT 3.0 validates and authorizes cardholder EBT transactions made through POS terminals and cash benefit transactions made through ATMs and POS terminals forwarded by transaction acquirers authorized to participate in the Arkansas EBT Program. As stated, EPPIC EBT 3.0 ensures cardholders access their SNAP only at FNS-authorized retailer POS terminals.

Central to our transaction processing solution is a series of checks to determine whether EPPIC EBT 3.0 should approve a transaction. Through these checks, the system authorizes or denies transactions and initiates settlement. The transaction validation components of the system include verification that:

- The retailer has a valid FNS authorization number if the transaction is a SNAP transaction
- The card number (PAN) is valid, and the card is active
- The number of consecutive failed PIN tries has not been exceeded
- The PIN is verified as being correctly entered
- The account is active
- The EBT account holds a sufficient balance to satisfy the transaction request
- All refund transactions link to an existing benefit record so that a transaction can be properly posted

When any of the conditions are not met, EPPIC EBT 3.0 denies the transaction and generates the proper notification message indicating the reason for the denial (e.g., invalid PAN, invalid PIN, non-sufficient funds, etc.). After a successful SNAP or cash transaction, a printed receipt shows a cardholder's account balance with the card number truncated. Figure E.8-9, shown earlier in our response to Question E.8.B, includes examples of an approved and a denied purchase receipt.

Our Retailer Policies & Procedures Manual describes all POS error codes. We also provide a summary report of denied transactions. Throughout the validation process, we make sure that cardholder benefit accounts are not overdrawn and assume all liability if an account overdraft occurs.

Transaction Security Measures

The transaction messages EPPIC EBT 3.0 receives from TPPs and POS terminals represent the most important data flow for the EBT Program. As the system processes thousands of transactions each day, and because messages must convey accurate data in a consistent format, we designed EPPIC EBT 3.0 to use an EBT-specific version of ISO 8583, the industry standard for financial card transaction messages. Using this standard eliminates the need for re-mapping or translating messages between formats.

Message errors are easy to detect, and message validation is a routine security procedure for each transmission. EPPIC EBT 3.0 checks all key elements in each ISO 8583 transaction message against appropriate lists for validation before it processes transactions. These standard checks against the control files prevent unauthorized transactions and account overdrafts and protect EBT accounts and funds from unauthorized access outside of EPPIC EBT 3.0.

Offline Processing Interactions (Manual Vouchers)

We currently offer an established and operational paper/manual voucher process for authorized Arkansas retailers. Retailers can request phone authorizations when electronic transactions are unavailable due to disasters or EBT system failure. In addition, we will continue to allow the following USDA-FNS retailers to use manual vouchers for purposes other than disasters or system failures:

- Exempt retailers as identified in our response to E.8, POS Terminals
- Retailers authorized before March 21, 2014, and presently using manual vouchers (until further notice from the USDA-FNS)
- A new retailer with one of the two preceding exemptions (until further notice from USDA-FNS)

We distribute a supply of paper vouchers (described below) to each FNS-authorized retailer for the manual processing of SNAP transactions when required. We also send an adequate supply of forms for processing voice authorizations to these retailers on request.

Manual Voucher Processing

Manual voucher processing addresses one of several conditions when electronic authorization for a SNAP transaction is not available. We process manual transactions for SNAP benefits in accordance with established federal Agricultural Act provisions, including the following scenarios:

- **Retailers that do not have immediate access to a POS terminal at the time of purchase.** This includes:
    - Stationary food stores that choose to make home deliveries to FNS-certified households
    - House-to-house trade routes that operate on standing orders from customers
    - Food buying cooperatives
    - Farmers markets
    - Other retailers authorized to participate in SNAP

- **Retailers that do not have POS terminals.** This includes retailers that do not qualify to receive State-provided equipment based on their total monthly FNS SNAP sales.

- **Retailers that have POS equipment.** Their POS terminals are inoperable, or there are problems with the telecommunications network between the POS terminal and EPPIC EBT 3.0, or the system is down or otherwise not available (e.g., during a disaster declaration).

Manual Vouchers

We have an existing paper voucher that FNS-authorized retailers can use to process manual SNAP transactions in Arkansas. As part of their initial training, retailers receive instructions on the appropriate use of the manual transaction process and an initial supply of the forms for manual authorizations (i.e., vouchers). We supply the necessary information, including an authorization phone number, a "send to" address, and an adequate supply of the vouchers at no cost. TPPs provide manual vouchers and instructions to their retailers.

Our manual vouchers, shown in Figure E.8-13, are 2.5 inches by 6.0 inches, about the size of a dollar bill. Cardholders can fit the voucher copy into their wallet, and retailers can place them in a cash drawer. The vouchers are two- or three-ply documents that retailers must complete at the time of the purchase.

POS-equipped retailers use two-ply manual vouchers when their terminals cannot access EPPIC EBT 3.0. Retailers without terminals use the three-ply vouchers. The manual vouchers require retailers to include the following information:

- Cardholder EBT card number
- Date of transaction
- Authorization number
- Dollar amount of transaction
- Reason/type of problem (e.g., phone line or terminal), if any

- Purchase or refund
- Cardholder printed name
- Retailer FNS number
- Store name and address
- Store supervisor/clerk signature
- Cardholder signature

Larger retailers and TPPs often design and print their vouchers. We accept these vouchers provided they contain all the required information and meet minimum DHS- and Conduent-required data elements. Retailers with Conduent-designed vouchers contact the Retailer Help Desk when their supply is low. We ship a new supply free of charge so retailers can maintain an appropriate supply of vouchers.

Two-Ply Voucher

OFFLINE FOOD STAMP VOUCHER

Important! Vouchers must be entered or cleared on the POS device within 30 days of the sale or funds will not be reimbursed.

EBT CARD NUMBER

1234567

DATE (MM-DD-YYYY)   AUTHORIZATION $ AMOUNT

REASON ❏ 3rd Party Processor Down ❏ Store Terminal(s) Down
❏ Phone Line Problem ❏ Host Computer Down ❏ Emergency Issuance

❏ Purchase ❏ Refund

_____
PRINT CARDHOLDER NAME

Store FNS Auth Number: _____

Store Name: _____

Store Address: _____

Store City/State/Zip Code: _____

Store Supervisor/Clerk Signature: _____

_____
CARDHOLDER SIGNATURE

*In signing this voucher, I believe that food stamp funds
are available for the full amount of this transaction.*

Food Stamp regulations prohibit representation of this voucher by retailer if voice authorization is denied.

Three-Ply Voucher

OFFLINE FOOD STAMP VOUCHER FOR NON-EQUIPPED RETAILERS (NO POS)

Important! Mailed vouchers must be received within 30 days of customer sale or funds will not be reimbursed.

EBT CARD NUMBER

1234567

DATE (MM-DD-YY)   AUTHORIZATION $ AMOUNT

❏ Purchase ❏ Refund

_____
PRINT CARDHOLDER NAME

Store FNS Auth Number: _____

Store Name: _____

Store Address: _____

Store City/State/Zip Code: _____

Store Supervisor/Clerk Signature: _____

_____
CARDHOLDER SIGNATURE

*In signing this voucher, I believe that food stamp funds
are available for the full amount of this transaction.*

Food Stamp regulations prohibit representation of this voucher by retailer if voice authorization is denied.

Mail to: Conduent State & Local Solutions, Inc., P.O. Box 80469, Austin, Texas 78708

Figure E.8-13. Manual Vouchers
We design manual vouchers to fit a cardholder's wallet and a retailer's cash drawer.

Voice Authorization

An authorized retailer must complete the manual voucher and receive a voice authorization (i.e., approval number) through the toll-free IVRS before the completion of the SNAP sale, as shown in Figure E.8-14. Retailers must write the Conduent-provided authorization number on the voucher as a condition for processing. In addition, cardholders must present their EBT card and sign the voucher, as required by FNS. The cardholder's signature is, in effect, a substitution for their PIN.
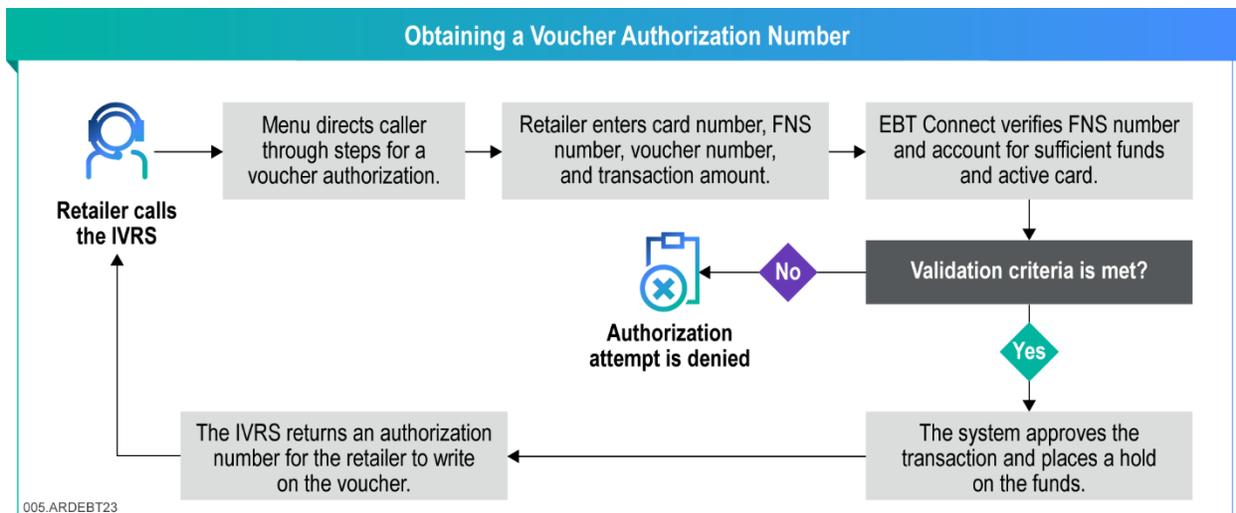
Figure E.8-14. Standard Manual Voucher Process
The Conduent process for providing a voucher authorization number is simple and secure.

If the IVRS is unavailable, a CSR can provide a retailer with a voucher authorization. The retailer must follow the prompts to enter their FNS number, the card number, the voucher number, and the transaction amount and must obtain a cardholder's signature. The IVRS accesses EPPIC EBT 3.0 to verify that there are enough funds in the cardholder's account and that the retailer is in good standing with FNS. If so, EPPIC EBT 3.0 approves the transaction and places a hold on the funds. The IVRS gives the retailer an authorization number to write on the voucher. To be paid for the transaction, the retailer clears the voucher electronically once the terminal or telecommunication problem is resolved.

The authorization process is automated, using the IVRS for purchases and returns, and supported by CSRs to assist retailers that experience issues obtaining authorizations. The retailer may need to speak to a CSR if a cardholder believes the system should have authorized a transaction or if an individual enters account information improperly. A transaction is approved or denied based on the accuracy of the information provided and the sufficiency of funds in the cardholder's account.

If communication lines between retailers and Conduent are inoperative, a retailer may perform a manual SNAP transaction and call later for authorization. **However, the retailer bears liability for the entire transaction amount if the voucher is not authorized.** Conduent accepts vouchers submitted for payment without authorization. However, we process them at the retailer's risk and only pay the retailer if the balance in the account is sufficient to cover the amount indicated on the face of the voucher. Retailers are liable for declined transactions if they fail to obtain prior authorization and an EBT account has insufficient funds to cover the purchase.

Holds

When a retailer uses manual vouchers to conduct ongoing business, we require them to clear the voucher within 15 calendar days of the voucher approval. They do so either electronically on the POS terminal or by mail. Specifically, once a manual transaction is authorized, we place a "hold" on the amount of benefits necessary to fund a SNAP transaction. We then maintain the "hold" on the specified amount until the voucher transaction is "cleared," up to a maximum of 15 calendar days. The funds revert to the cardholder if the retailer fails to submit within 15 days. If the acquirer pays the retailer for a voucher that has not been cleared on a timely basis, the acquirer is liable for the funds unless the funds can be recovered from the retailer.

Manual voucher transactions are subject to standard transaction processing procedures without PIN verification. A transaction is approved or denied based on the accuracy of the information shared and the sufficiency of funds in a cardholder account. If approved, the IVRS (or CSR) provides an approval (i.e., authorization) number that the retailer must write on the voucher. Retailers assume sole liability for manual SNAP transactions under the following conditions:

- Voucher submitted for payment without prior phone authorization
- Cardholder signature missing from the voucher
- Approval number not listed on the voucher, and insufficient funds are in the cardholder's account
- Voucher not submitted within 15 calendar days of funds being encumbered (for retailers without POS terminals)

Stand-in Processing

System outages, although rare, do not prevent cardholder access to benefits, and retailers do not face losses on properly conducted transactions due to insufficient funds. There may be rare occasions when retailers cannot process transactions due to system unavailability. When this occurs, Conduent allows for stand-in processing of SNAP purchases. We will revisit the limit for "stand-in" processing of SNAP purchases under such conditions with DHS during the JCS held after the contract award.

Retailers learn that stand-in processing is in effect by calling the IVRS, which will have a message that stand-in processing procedures are in place. From that notification, they can determine how best to proceed. In this case, Conduent is liable for any transaction processed up to the mutually agreed-upon amount with the State. If a retailer authorizes a transaction for more than that amount, the retailer is liable for any amount more than it if there are insufficient funds to cover the purchase. As stated, retailers can authorize manual transactions through the IVRS – we do not require them to speak to a CSR, though CSRs are always available if the retailer prefers.

Online Transaction Processing Related to Cardholder/Retailer and Financial Institution Accounts Initiated at Access Terminals

EPPIC EBT 3.0 uses a multi-tier account structure to initiate, control, and maintain accounts. This structure confirms that the system tracks all online SNAP and cash transactions conducted at POS and ATM terminals as separate transactions. Additionally, the multi-tiered approach ensures that EPPIC EBT 3.0 maintains all record-keeping for participating retailers, merchants, and financial institutions separately.

We designed EPPIC EBT 3.0 with all EBT stakeholders in mind. Not only did we incorporate the record-keeping needs of retailers and financial institutions into the system, but the design also makes sure that we addressed the needs of cardholders, states, and federal agencies.

POS Transaction Processing

A core element of any EBT system is its ability to process cardholder transactions initiated at a POS terminal. As with any debit-type system, core transactions must be included in the design of any software supporting POS terminals. EPPIC EBT 3.0 performs transaction processing 24/7, allowing cardholders to access their SNAP and cash benefits at any time. Retailers, TPPs, and networks sign agreements with us for participation in the Arkansas EBT Program. We will continue to require them to provide services in accordance with the Quest Operating Rules, regulations of federal funding agencies, and State-specific program guidelines.

Conduent administers contracts with each commercial service provider (i.e., TPPs, networks, or self-processed retailers) and encourages participation in the EBT Program. We hold providers and networks responsible for the conduct and performance of each participating retailer. Exempt retailers in Arkansas are a sub-group of the POS retailer community directly connected to EPPIC EBT 3.0.

After each system-processed transaction, as noted earlier, Conduent provides cardholders with a receipt reflecting their truncated account number and their account balances. The system tracks and reports on SNAP and cash transactions separately. The receipt helps cardholders keep track of their benefit balances (i.e., SNAP and cash benefits) while maintaining the security of their EBT account number.

For more detailed information about POS SNAP and POS cash transactions, see our response to Question E.8.B.

ATM Transaction Processing

EPPIC EBT 3.0 supports a full complement of ATM transaction types to meet the needs of cardholders wanting to use an ATM for cash access. The system handles EBT cash withdrawals from a cardholder's cash account and balance inquiries like any other debit transaction at an ATM. Once a cardholder inserts or swipes a card, entry of a PIN is required, and then the ATM authenticates the cardholder on EPPIC EBT 3.0 before processing their transaction(s).

ATM Cash Transactions

At a minimum, EPPIC EBT 3.0 supports the following transactions performed at ATMs:

Withdrawals. This ATM transaction type allows cardholders to withdraw cash from a cash account. Account balances are printed on approved cash withdrawal transaction receipts.

Balance Inquiries. Cardholders can access their cash balance information at any authorized ATM location 24/7. ATM terminals print cash account balances on approved balance-inquiry transaction receipts.

Full or Partial Reversals. These transactions sometimes occur when there is a problem with a transaction. Unlike POS terminals that only handle full reversals, ATMs permit full or partial reversals. A full reversal occurs if the full amount of the requested transaction is reversed (e.g., $60 requested, $0 dispensed, and $60 reversed on EPPIC EBT 3.0). A partial reversal occurs if only a portion of the requested amount is reversed and some portion of the requested amount is dispensed to the cardholder (e.g., $60 requested, $20 dispensed, and $40 reversed on EPPIC EBT 3.0). This is rare but can occur if there is an ATM malfunction. We designed EPPIC EBT 3.0 to deal with these anomalies. When EPPIC EBT 3.0 receives the transmission, the system returns the appropriate amount to the cardholder account.

Cancellations. Cancellations occur prior to a transaction ever leaving the ATM. An example is a cardholder pressing the cancel key at the ATM due to an error entering the transaction amount. As there is no communication from the ATM to EPPIC EBT 3.0 prior to the cancellation by the cardholder, no reversals or adjustments need to occur in EPPIC EBT 3.0. It is as if the transaction never occurred.

Retailer, Merchant, and Financial Institution Accounts

Access to EBT benefits through retailers and financial institutions typically includes the following categories:

1. ATMs through financial institutions
2. POS terminals through TPPs
3. POS terminals through direct connect and exempt retailers

Categories 1, 2, and 3 are self-servicing and provide internal controls related to ACH activity, sign-on/sign-off procedures, reprint processes, and settlement transactions outside the control of EPPIC EBT 3.0. Conversely, EPPIC EBT 3.0 supports a full complement of settlement transactions to assist retailers with their daily settlement processes. The host processor maintains the content of these reports. At sign-off, the retailer initiates an online transaction to transmit the end-of-day totals to the POS terminal.

E.9	Financial Transaction/Transmission Requirements, Financial Adjustment Processing	
A. Describe in detail how the proposed system will support financial transaction processing including the following: 1. identify networks included in the EBT system		5 Points

Conduent maintains responsibility for the authorization of cardholder-initiated SNAP and cash transactions. The EPPIC EBT 3.0 transaction processing platform uses a basic, uncomplicated set of transactions common in EBT industry processing. As we do today, the system maintains connectivity with all retailers, third party processors (TPPs), and ATM networks nationwide, directly or through our gateway, providing POS and ATM transaction authorization 24/7 for cardholder convenience.

EPPIC EBT 3.0's design emphasizes data integrity, program and cardholder security, and configurable functionality to meet your needs. We comply with all existing transaction processing standards, including the Quest Operating Rules. These rules govern the processing of all retail merchant POS transactions and ATM transactions performed by EBT cardholders. EPPIC EBT 3.0 verifies that EBT cardholders access their SNAP benefits only at POS terminals in FNS-authorized food retailer locations. Cardholders who receive cash payments from TEA or RCA may access benefits through participating ATMs or at POS terminals in authorized locations.

Figure E.9-1 illustrates the transaction processing between EPPIC EBT 3.0 and the endpoint networks to authorize the redemption of SNAP and cash benefits for your cardholders.

With widespread, dependable network availability, EPPIC remains the right solution for Arkansas EBT transaction processing and cardholder benefit access.

- The system handles a high volume of transaction processing, over 5 billion transactions and more than 20 million transactions in 2022 from your cardholders.
- Access through the POS network at FNS-approved retailer locations gives your cardholders more than 3,300 access points for SNAP redemption in Arkansas.
- EBT cardholders can access cash from nearly 1,000 Quest ATM locations in the State.
- National interoperability extends SNAP and cash benefit access across the US at FNS-authorized locations and Quest-branded ATMs.
- ATMs throughout the country display the Quest logo service mark to indicate the ATM accepts EBT cards.
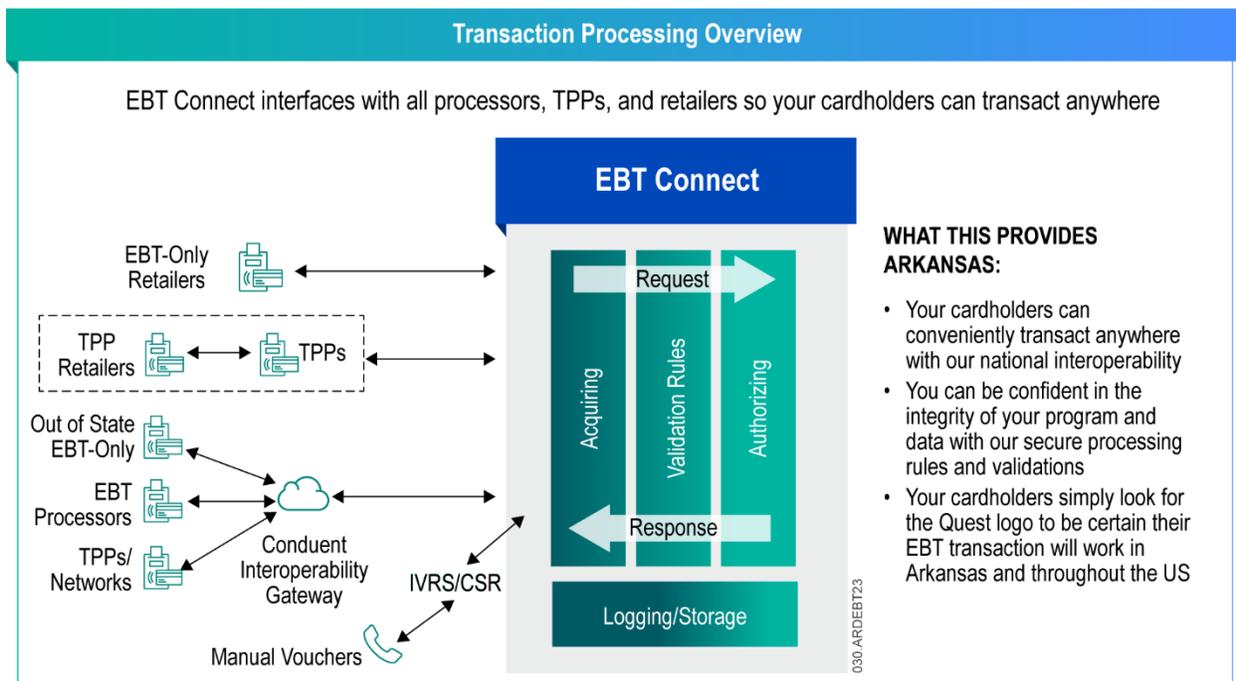
Figure E.9-1. Transaction Processing Overview
Cardholders confidently use their card, knowing our system accurately processes their transactions.

DHS and your cardholders already experience these key transaction processing benefits. However, we will take this to a higher level during the next contract by implementing EPPIC EBT 3.0 and its cloud-based architecture design. See our response to Question E.2, Design Phase, for more information.

Networks Included in EBT System

With the continued use of the national Quest network, EBT cardholders can successfully access their SNAP and cash benefits whenever and wherever the Quest logo is visible. Conduent maintains strong relationships with TPP POS networks to provide widespread SNAP and cash access at retailer locations. We have established relationships with every EBT acquirer and banking network for significant ATM access. Existing agreements are in place with the major networks such as Co-op, STAR, Pulse, and Shazam. Agreements exist with major acquirers such as First Data, Vantiv, TSYS, and FIS. These agreements require that all ATMs accepting EBT cards display the Quest logo. The logo informs Arkansas cardholders that their EBT card will work.

In addition, we maintain relationships with major retailers that facilitate access to cash benefits. These include Circle K, CVS, Dollar Tree, Save-a-Lot, Target, Walgreens, Walmart, and the USPS, to highlight a few. Cardholders may use their card at these locations to make purchases or obtain cash back.

Benefit access is essential for cardholders to use their benefits each month, whether in Arkansas or elsewhere. The Quest network delivers convenient access points in Arkansas and nationwide. Nationally, more than **260,600 FNS-approved locations** for SNAP benefit redemption and thousands of national retail chains and convenience stores support cash purchases and cash back. See our response to Question E.4.E, EBT System Functionality, for more details on processing out-of-state interoperable transactions.

2. online and off-line financial transactions	5 points

EPPIC EBT 3.0 manages both online and offline transactions, serving as the cornerstone of our comprehensive transaction processing capabilities. At its core, EPPIC EBT 3.0 efficiently authorizes or denies transactions, promptly communicates response messages to acquirers indicating the action taken, and initiates settlement procedures. Our system employs a straightforward yet robust set of transactions widely used across the EBT industry, ensuring smooth and standardized processing. In the following paragraphs, we describe how EPPIC EBT 3.0 manages both online and offline transactions, providing convenience and reliability for cardholders regardless of connectivity status.

Online Financial Transactions

EPPIC EBT 3.0 verifies all transactions against the correct account and distributes benefits on a first in, first out (FIFO) basis using the established Primary Program Designation (PPD) hierarchy and the benefit availability date. Credit transactions never exceed the total value of a "spent" benefit to post a credit. Our solution applies credit transactions in reverse order so spent benefits are re-established or "refilled," starting with the most recent and moving backward to the oldest available benefit.

Figure E.9-2 illustrates the FIFO withdrawal process for multiple SNAP benefits with different availability dates. As the example shows, there may be only one partial benefit per account at any time. However, there can be several whole benefits on the account.
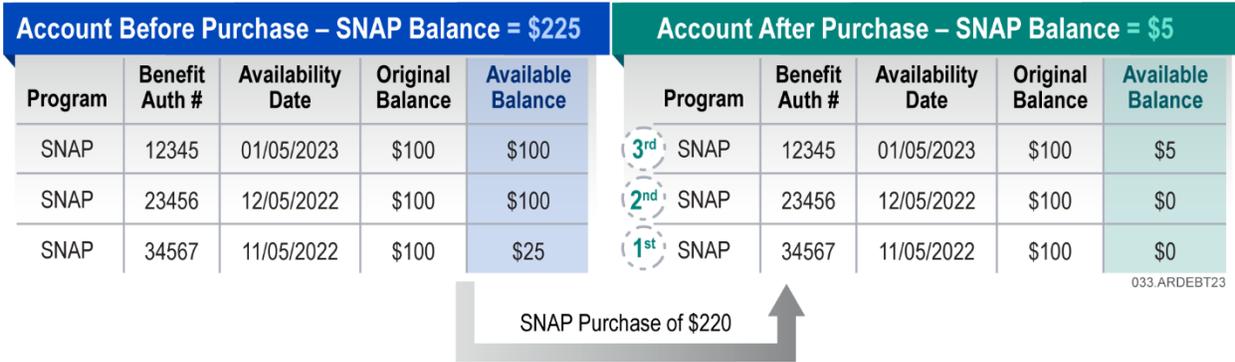
Figure E.9-2. FIFO Withdrawal Process
EPPIC EBT 3.0 determines which benefit to access using the FIFO methodology.

Transaction Authorization Process

To maintain control of all transaction activity, EPPIC EBT 3.0 manages the flow of information through a structure designed to determine the transaction type, verify its authenticity, track and maintain current activity, and record all transaction history. This structure includes the normal transaction validation, approval, tracking, and recording of transaction types. EPPIC EBT 3.0 determines if a transaction is subject to fees and then allocates those fees according to pre-determined State requirements. If the transaction arrives and EPPIC EBT 3.0 determines it is a SNAP transaction, the system does not perform any further fee determination steps. No limits are placed on the number of SNAP transactions, and they are not subject to fee accounting.

Similarly, if the transaction arrives as a cash purchase transaction or as a cash purchase with cash-back, EPPIC EBT 3.0 bypasses fee accounting as these transactions are also exempt from fees. However, if the transaction arrives as a cash withdrawal and is not associated with a purchase transaction, EPPIC

EBT 3.0 determines and performs fee accounting to determine the fee structure and payee for all transactions. Specifically, for cash account transactions, EPPIC EBT 3.0 determines if a fee applies according to State-specific requirements.

EPPIC EBT 3.0 first determines if a cardholder has exceeded their cash withdrawal transactions according to State-specific requirements. If the cardholder has not exceeded the monthly limit, EPPIC EBT 3.0 maintains a record of all tracking information, including program type, ATM or POS device, acquirer, and all other related transaction histories.

If a cardholder has exceeded their cash-only withdrawals per month per case, EPPIC EBT 3.0 determines if the cardholder has sufficient funds in their cash account to accommodate the withdrawal request and fee. If sufficient funds are unavailable, a transaction denial is returned to the ATM or POS device. However, if sufficient funds are available, EPPIC EBT 3.0 responds to the ATM or POS device with an approval message and debits the cardholder's cash account for the withdrawal and the debit fee. EPPIC EBT 3.0 also maintains a history of the transaction, noting that both the cash and the fee withdrawals from the cardholder's account. Transaction processing follows the steps shown in Figure E.9-3.
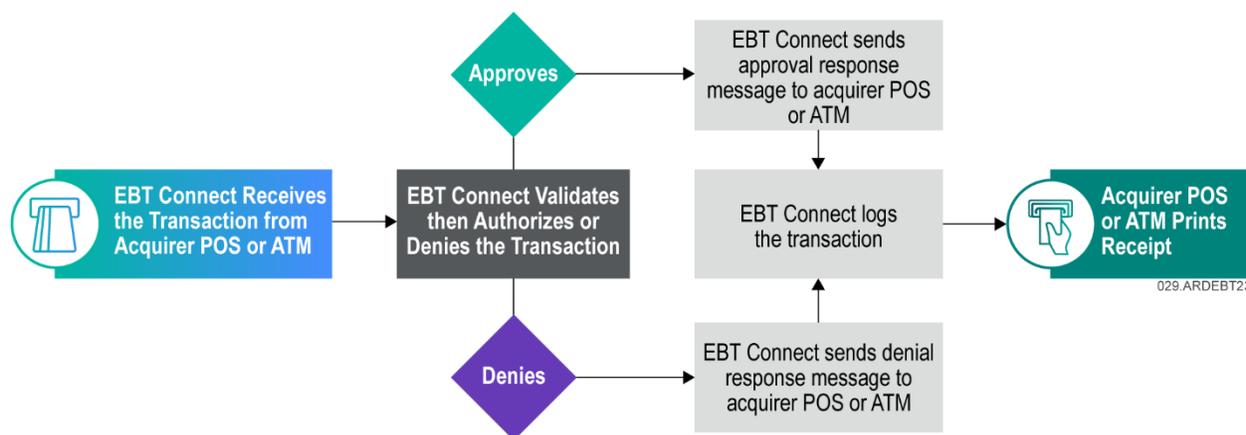
Figure E.9-3. EPPIC EBT 3.0 Transaction Processing Steps
*The online transaction authorization process follows a
secure and efficient flow, with an audit log of all activity.*

Transaction Validation Checks

EPPIC EBT 3.0 performs data validity checks for every cardholder-initiated transaction before authorizing and approving (or denying) a transaction. As transactions arrive, EPPIC EBT 3.0 immediately applies the transaction activity to the database in real-time at the benefit level. For each received transaction, the system validates that:

- The retailer has a valid FNS authorization number for SNAP transactions
- The card number (PAN) is valid, and the card is active
- The number of allowed consecutive failed PIN attempts has not been exceeded (currently, four PIN attempts are permitted from midnight to midnight before a reset)
- The PIN is entered correctly
- The account is open and active
- The appropriate account holds sufficient balance to satisfy the transaction amount requested

EPPIC EBT 3.0 denies a transaction if any of these conditions are not met. If the transaction is denied, EPPIC EBT 3.0 generates a notification message stating the reason for the denial (e.g., invalid PIN, invalid PAN, insufficient funds, or card status). The database records a complete history of all transactions by transaction code, time, and date of the transaction, where the transaction took place, and the transaction's outcome. While the final validation of a sufficient balance prevents overdrawn accounts, we assume any liability for overdrawn accounts following this unlikely event.

Upon approval of a SNAP or cash transaction, EPPIC EBT 3.0 immediately debits the correct amount from the cardholder account. The system also logs authorized and denied transactions for settlement and reconciliation processing, transaction reporting, and for viewing Transaction History screens in the administrative system. EPPIC EBT 3.0 transmits a response message to the transaction acquirer with the information needed to print a receipt for the cardholder (regardless of approval or denial) and truncates the card number for security. Receipts never include an entire card number.

By focusing on data integrity, program and cardholder security, and benefit flexibility, we make sure cardholders always have access to benefits and are not impacted by fraudulent transactions.

Offline Financial Transactions

We offer an established and operational paper/manual voucher process through phone authorizations. We distribute a supply of paper vouchers to each FNS-authorized retailer for use in the manual processing of SNAP transactions when required.

Manual voucher processing addresses one of several conditions when electronic authorization for SNAP transactions is not available. Conduent supports the manual authorization process and processes manual transactions for SNAP benefits in accordance with established federal Agricultural Act provisions.

Figure E.9-4 illustrates the scenarios for when a retailer should use the voucher process and the associated voucher limits.

See our response to Question E.8.D for more information about offline transactions and the manual voucher process.
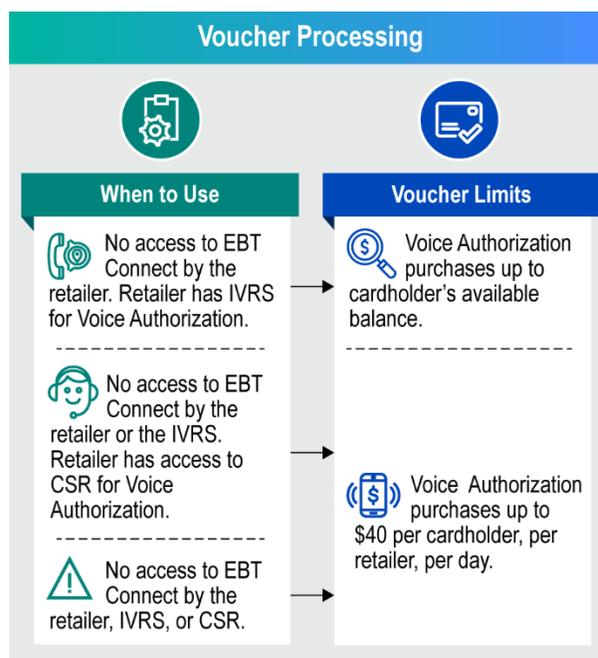
Figure E.9-4. Voucher Usage Scenarios
Conduent supports manual voucher processing when online transactions are not possible.

3. retailer & financial institution account processing	5 points

EPPIC EBT 3.0 supports the required functionality to process retailer and financial institution transactions to comply with the requirements set forth in the RFP, as described in the following pages.

System Recognition

Retailer Control Files. EPPIC EBT 3.0 accommodates standard FNS REDE file formats and applies REDE files according to the FNS schedule. We use the REDE system to maintain an accurate and up-to-date database. The database validates that we accept SNAP transactions only from FNS-authorized retailer locations. We also use it to verify we have the correct information to process SNAP redemptions to appropriate retailer bank accounts. We maintain authorization numbers for FNS-authorized retailers according to the retailer participation requirements specified in 7 CFR 274.3(e).

The REDE records specify which action we take on each record (i.e., add, modify, or remove). REDE processing includes standard (i.e., regularly scheduled) nightly, monthly, and ad hoc operations, which FNS handles. We maintain an interface with the REDE system to receive automated updates on retailer authorization status. The REDE system notifies our system of changes to retailer data (including the addition or removal of a retailer). In addition, it facilitates monitoring Conduent's compliance with FNS regulations to act within the established time period to add or remove retailers.

EPPIC EBT 3.0 accesses the REDE system daily for updates to the national REDE files used to validate authorized FNS retailer numbers. EPPIC EBT 3.0 verifies the retailer identification number for an FNS-authorized retailer before completing a transaction.

We conduct standard nightly processing Monday through Friday, then create State and national retailer data update files. We perform monthly processing on the first Saturday of the calendar month and create the full State and national retailer data files. We use the national retailer data update files to update the REDE database. We use the State files to update EPPIC EBT 3.0.

Retailer Account Setup. We use our web-accessible RAPS2 retailer management database to manage retailer data. It is a full-scale solution that integrates retailer management activities. This includes:

- The facilitation of deployed equipment
- Tracking of retailer agreements
- The status (i.e., authorization, de-authorization, and re-authorization) of each retailer

We use this retailer data for online transaction authorizations. Our National Retail Management Center (NRMC) uses RAPS2 to house all critical information about FNS-authorized retailers, such as contact and banking information.

Figure E.9-5 illustrates a sample RAPS2 screenshot. The FNS REDE file updates the RAPS2 and EPPIC EBT 3.0 databases daily with new retailer authorizations, de-authorizations, and status changes.

Figure E.9-5. Sample RAPS2 Retailer Management Screen
RAPS2 retailer management database integrates all retailer management activities.

As part of the retailer setup process, we enter the retailer's banking information into EPPIC EBT 3.0, which the system uses in the daily settlement process to pay EBT-only retailers.

Conduent's retailer management processes comply with RFP Section 2.38 Bank Requirements and bank regulation requirements at 7 CFR§ 274.8(c)(1).

Interface with Arkansas Integrated Eligibility System (ARIES). As it does today, EPPIC EBT 3.0 interfaces with the ARIES to accept and store data transmitted from DHS. The Interface Control Document (ICD) deliverable details the batch interfaces between our two systems. The ICD defines the business rules, file layouts, and communication channels. Similarly, all transactions authorized from the administrative terminal are in the EPPIC EBT 3.0 database and transmitted back to display in ARIES, including cancellations. This process of continual data exchange keeps both systems synchronized and data accessible to all authorized users.

Retailer Service Termination

We deactivate any retailer no longer authorized to participate in SNAP the same day as the information appears in the REDE file. **EPPIC EBT 3.0 uses the FNS REDE system to maintain an accurate database on RAPS2. RAPS2 immediately deactivates the retailer if suspended or terminated by FNS**. The deactivation trigger in RAPS2 disables the POS and creates a work order for our POS equipment subcontractor CDE to retrieve equipment, if applicable. If a retailer attempts a transaction after deactivation, EPPIC EBT 3.0 denies the transaction.

ATM/POS Settlement Processing

Following DHS-defined cutoff times, EPPIC EBT 3.0 captures a daily snapshot of all cardholder and retailer transactions to initiate the current-day settlement processing. We settle all transactions through the existing commercial banking ACH infrastructure in Arkansas and the US. We settle EBT transactions and handle credit and debit adjustments in the manner and time period dictated by federal regulations and Quest Operating Rules.

Retailer and financial institution account processing begins with the daily activity of cardholders gaining access to their benefits through retailers or financial institutions. It ends with the settlement of funds to all benefit providers (e.g., retailers, TPPs, and financial institutions) for all electronic and manual voucher transactions processed each settlement day. Settlement occurs directly or through financial networks, financial institutions, or other payment intermediaries using a clearing bank account owned and reconciled by Conduent.

Arkansas retailers, TPPs, and ATM networks can rely on us to settle all transactions through the commercial banking ACH infrastructure. The ACH file is sent to our concentrator bank, Wells Fargo, which distributes the file through the Federal Reserve System for next-day settlement to the retailers, TPPs, ATM networks, and gateways. **We own and reconcile a Demand Deposit Account (DDA) clearing account at Wells Fargo that we use for daily settlement and disbursement of funds.**

For retail merchants, TPPs, or other benefit providers directly connected to EPPIC EBT 3.0, Wells Fargo originates an ACH credit for the total balance due for EBT benefits redeemed during the processing day. We also verify that the ACH credit originates in time for settlement the next banking day. Credits due to entities not connected to EPPIC EBT 3.0 (e.g., through our interoperability gateway, TPP, national network) settle according to the Quest Operating Rules.

EBT-only retailers connected to Conduent receive net credit settlement in their bank accounts. Wells Fargo routes the ACH file through the Federal Reserve banking system for timely processing and settlement with these retailers. The process is like the TPPs and gateways, except that we pay EBT-only retailers directly instead of paying the TPPs and gateways, which then pay their downstream retailers.

SNAP Settlement Flow. The State, FNS, retailers, networks, and TPPs have a proven settlement process with Conduent that results in timely payments. Our current relationships and connectivity with all major TPPs, networks, and gateways result in uninterrupted ongoing operations. The step-by-step process for SNAP benefits from their entry into our system to their accurate and timely settlement to a retailer or TPP is as follows:

- State transmits the benefit authorization file to EPPIC EBT 3.0, and the system receives and posts benefits to cardholder accounts
- EPPIC EBT 3.0 sends benefit issuance data to AMA/ASAP
- Transactions route to EPPIC EBT 3.0 for processing and are either authorized or denied

- EPPIC EBT 3.0 transmits the ACH file to Wells Fargo, our settlement bank
- Wells Fargo transmits ACH deposits to FRB
- FRB regroups ACH file into transmissions for TPPs/Retailer Banks and retailer banks receive settlement
- Conduent sends payment request to ASAP and ASAP denies or authorizes request
- EPPIC EBT 3.0 sends clearing report to the State and the State audits and certifies accuracy
- FRB submits payment to Conduent's settlement account
- Deposits post to Conduent DDA Account

For a visual of how the EBT settlement flow process works, see our response to Question E.2.B.

Cash Settlement Flow. Conduent interfaces with DHS to perform cash settlement for day-of-draw cash benefit programs. It resembles the process used for SNAP benefits except that we initiate the transfer of cash settlement, and DHS authorizes it.

We provide you with daily settlement and reconciliation reports. The reports facilitate verifying and approving cash required for daily settlement with retailers, TPPs, and ATM owners. The cash benefit settlement flow includes, at a minimum, the following processes:

- DHS transmits both batch benefit authorizations to EPPIC EBT 3.0. The system posts the cash benefit authorizations to the database and uses the benefit availability date to determine when cardholders may access their benefits.

- Cardholders can access cash benefits from a POS or ATM once available. Transactions route to EPPIC EBT 3.0 for processing.

- At the end of each processing day (2:00 p.m. CT), EPPIC EBT 3.0 records and writes the cash transaction settlement totals to an ACH file. We use Internal reporting to reconcile with EPPIC EBT 3.0. Then, we calculate the aggregate amount of funds necessary to cover the liability due to retailers, TPPs, and ATMs networks.

- DHS authorizes reimbursement to the Conduent settlement account for the net amount due to retailers, TPPs, and network banks for redeemed cash benefits. This payment authorization is based on the transaction amount identified on the EPPIC EBT 3.0 Clearing Report for the settlement day. The report is available to DHS staff via the administrative terminal to verify and approve the requested cash disbursement amount.

- Conduent originates an ACH debit to your bank for the day's cash settlement using a Fedwire request or an aggregate ACH file entry.

- Upon receipt of the cash settlement amount at the Conduent settlement bank, the ACH file transmits to Wells Fargo for processing.

- Upon receipt of the ACH file at Wells Fargo, the bank transmits the ACH deposits to the Federal Reserve for processing. The Conduent settlement bank is then debited for the amount due for cash settlement.

- The ACH system releases credits for cash settlement to the appropriate retailers, TPPs, and bank networks. Cash settlement is complete once the receiving bank accepts the incoming deposit.

Clearing Report. Following the established cutoff time and after the ACH file is released for processing, our Settlement and Reconciliation Unit makes a payment request via ASAP for the amount paid to retailers for SNAP benefits. Our team requests the cash settlement amount from DHS. The daily settlement amounts for SNAP and cash benefits appear on the Clearing Report (see Figure E.9-6). This report is available to DHS-authorized users through the administrative terminal.

```
STATE AGENCY                           CLEARING REPORT (RPT003)                                    PAGE: 1
PREPARED FOR: STATE                    FOR: WEDNESDAY 10/23/2023               RUN: MON, 10/23/2023 10:49 AM
_____

PROGRAM TYPE          PROGRAM                  SUB-PROGRAM                   AMOUNT
------------   -------------------------   ------------------------------   --------------------
CASH           CASH                        FAMILY ASSISTANCE                         490.50
CASH           CASH                        NO SUBPROGRAM                               0.00

               TOTAL FOR CASH                                                        490.50

TOTAL FOR CASH                                                                       490.50


PROGRAM TYPE          PROGRAM                  SUB-PROGRAM                   AMOUNT
------------   -------------------------   ------------------------------   --------------------
SNAP     SNAP                              SNAP NON-ASSISTANCE                        890.00
SNAP     SNAP                              SNAP PUBLIC ASSISTANCE                     201.00
SNAP     SNAP                              NO SUBPROGRAM                                0.00

               TOTAL FOR SNAP

TOTAL FOR SNAP     SNAP                                                             1,091.00



     TOTAL AMOUNT CLEARED (ALL PROGRAM TYPES): $        1,581.50



                              ------------ END OF REPORT ------------
```

Amount of funds due from State for cash → 490.50

Amount of ASAP draw from FNS → 1,091.00

088.ARDEBT23

Figure E.9-6. Clearing Report
This report shows funds settled daily by program and sub-program types.

Funds Transfer and Reporting

ACH Transfer to Retailer or TPP. Conduent controls and transmits settlement data to networks, TPPs, and gateways. We require these entities to settle with us rather than the reverse. During this process, networks, TPPs, and gateways reconcile the files we transmit and note discrepancies or exceptions. We research these discrepancies and make the necessary adjustments the next business day. We provide the daily settlement of funds, including manual vouchers, to FNS-authorized retailers or through TPPs using a clearing bank account owned and reconciled by Conduent.

At the close of the EBT processing day, EPPIC EBT 3.0 originates an ACH credit for the total balance due for EBT benefits redeemed by system cutoff. A debit is generated via the ACH process if a retailer's refunds exceed sales for the settlement day. Because we only reconcile transactions completed before the system cutoff, DHS is never tasked with making sense of inflight or unapplied transactions that are difficult, if not impossible, to reconcile. This solution eliminates reconciliation problems for DHS.

Settlement Reports and Tools. EPPIC EBT 3.0 provides an array of electronic reports, online reports, and administrative terminal screens to assist DHS with viewing the daily results of the settlement and reconciliation process. **We document the entire settlement and funds movement process in the Arkansas EBT Settlement and Reconciliation Manual**. While this manual focuses on the process flow, the Arkansas EBT Report Specification Manual identifies and describes the system reports available for tracking and managing settlement totals (i.e., adjustments and voucher processing).

The business tools for managing the settlement and reconciliation process include both Financial Reports and Program Management Reports. Financial Reports record money movement and settlement. These reports show activity against EBT accounts, identifying benefits added and withdrawn.

Financial Reports include:

- ACH Activity Report
- Daily Statistical Report (Benefit Draw Down Totals Report)
- Clearing Report
- System Accounting Report
- Adjustment Activity Detail Report
- STARS Totals Report
- Retailer Terminal Activity Report
- Database Value Report
- Benefit Liability Report
- State Issuer Totals Report

Program Management reports assist DHS with monitoring the activity on EPPIC EBT 3.0 and cardholder usage. These reports include a variety of data on transactions and benefit usage. This information is valuable to DHS in managing the Arkansas EBT Program.

Program Management Reports include:

- ATM/POS Out-of-State Usage Report
- Repayment Report
- Voucher Authorization/Expiration/Settlement Report
- Large Dollar Transactions Report
- Even Dollar Transactions Report
- Reversals Activity Report

The administrative terminal provides access for authorized reconciliation staff with totals at the program and sub-program levels to reconcile settlement and benefit liability. These reports (shown in Table E.9-1) are the foundation of the settlement and reconciliation process and certify the final distribution of ACH funds transfer.

Table E.9-1. ACH Transfer Reports

ACH Transfer Screens and Reports	
Benefit Liability Report	Daily via screen access
System Accounting Report	Daily via screen access
Clearing Report	Daily CVS, PDF
Database Value Report	Daily CVS, PDF
STARS Total Report	Daily CVS, PDF
ACH Daily SNAP/Cash Breakdown Report	Daily CVS, PDF

With a full suite of settlement reports and online administrative terminal access to settlement-related screens, DHS has the support and tools to confirm accurate settlements daily.

We revise and submit the Arkansas EBT Settlement and Reconciliation Manual and the Arkansas EBT Report Specification Manual to DHS for approval for the next contract. See our response to Question E.15, Reporting, for more details on EPPIC EBT 3.0 reports.

Dispute Processing

Conduent's experienced support teams process dispute adjustments or uncover out-of-balance conditions daily. The daily settlement and reconciliation process may identify needed adjustments, or a retailer, financial institution, or TPP may contact us. No matter how our support team learns of a potential adjustment, we use compliant dispute processing procedures to document and complete the necessary debit and credit adjustments.

Retailer Dispute Support. Retailers can call the Retailer Help Desk anytime for assistance with system adjustments and resolving out-of-balance conditions. Expert CSRs know how to assist the retailer and explain the best resolution. If an adjustment is necessary, CSRs can also help with the following topics:

- Daily deposit inquiries
- Daily activity totals and ACH totals
- Account problem resolution

Cardholder/Retailer dispute resolutions meet the adjustment regulations in 7 CFR §274.2 (g)(2). See our response to Question E.9.D, Adjustment Processing, for more information on how our team efficiently handles cardholder disputes.

Retailer Account Transaction History

Conduent offers a secure Retailer portal free of charge to all participating EBT-only retailers. The portal provides the same functionality as the Retailer Help Desk, including accessing deposit, dispute, and adjustment activity. The Retailer portal is already in place and operational today for Arkansas. Retailers can access the portal 24/7 using a personal computer or mobile device running a standard web browser. Retailers do not need special software for access. Table E.9-2 summarizes the functionality available to retailers. The Retailer portal is comprehensive and user-friendly. Retailers are already familiar with this valuable online tool to get the information they need for the Arkansas EBT Program.

Table E.9-2. Retailer Portal Functionality

Feature/Function	Retailer Portal Provides
View transaction activity	✓
View adjustment/claim statuses	✓
Inquire on retailer payment status/deposit information (Daily activity totals and daily ACH Payment History)	✓
Access to 1099 Forms	✓
Update their User Profile information (Password, Display Name, Email, Identify Verification Question/Answer)	✓
Online voucher clearing	✓
Request equipment or problem resolution	✓
TPP website links or information	✓
Links and information to contact the Help Desk to request equipment, ask for assistance, or obtain help in seeking problem resolution	✓
Help Desk contact information	✓
Frequently Asked Questions and Retailer Notification Materials	✓
Link to USDA/FNS/SNAP website	✓

Once logged in to the Retailer portal, retailers can access the feature-rich main menu, including transaction history, as shown in Figure E.9-7. For security purposes, retailers cannot access cardholder information through the portal or see other retailers' information.
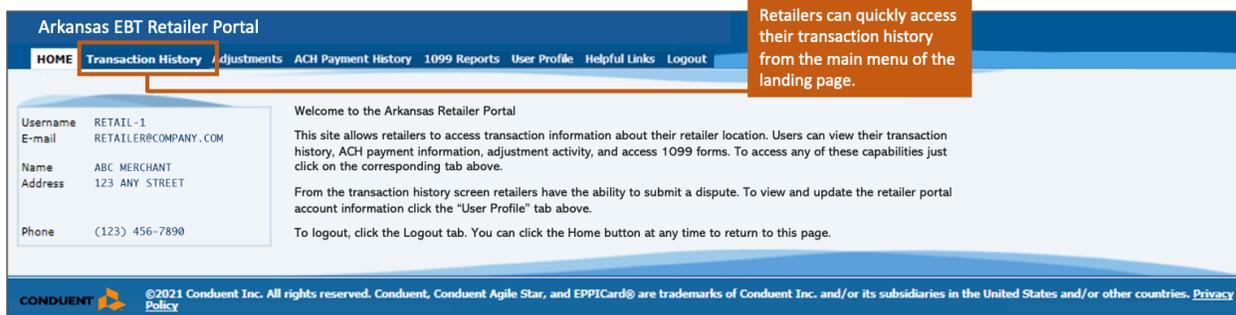
Figure E.9-7. Retailer Portal Main Menu
Retailers can easily navigate to Transaction History through point-and-click tabs.

Transaction History. Figure E.9-8 illustrates the Transaction History search and results screen. Retailers may view transaction activities and search for activity that took place at their locations. A retailer can search on this screen by month or for the past seven days. If there is an issue with a transaction, the retailer selects the transaction in question by clicking on the Transaction Date. This enables the retailer to submit a dispute to the Retailer Help Desk for investigation.
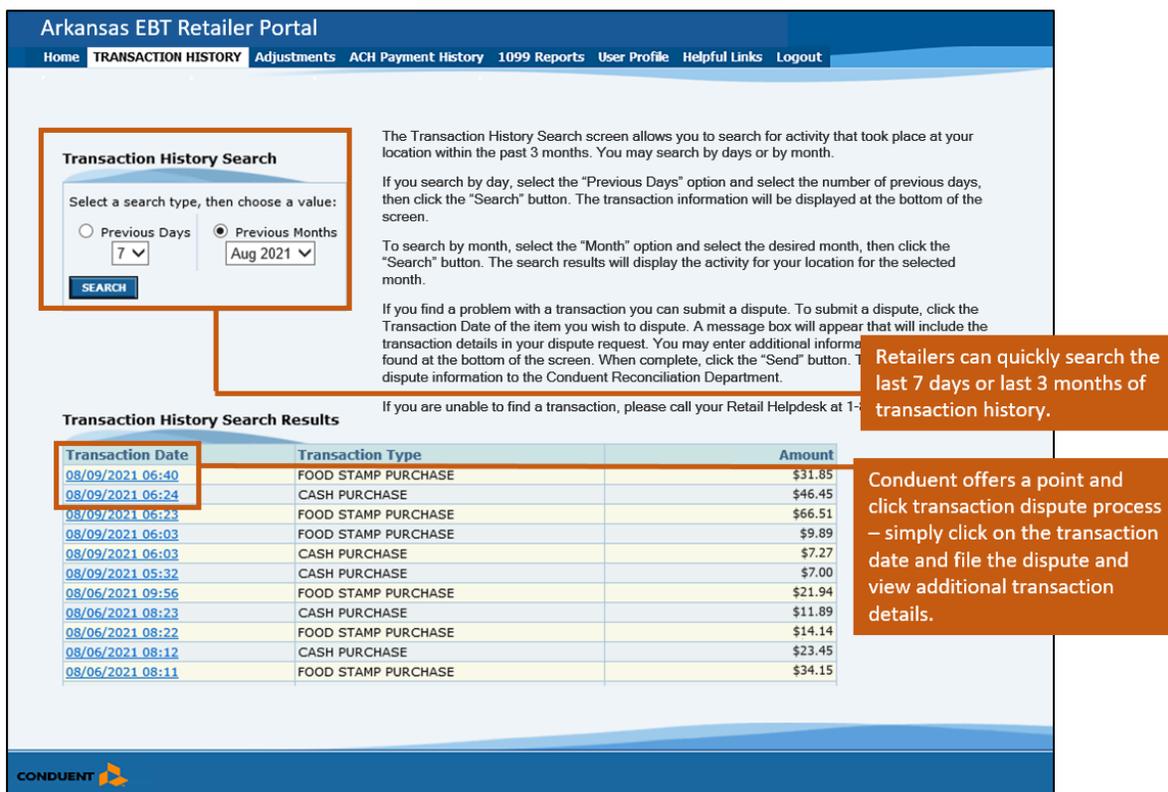
Figure E.9-8. Retailer Portal Transaction History Screen
Retailers can use this screen to search their transaction history for the past three months.

To view additional transaction detail information or report an issue with a transaction, the retailer selects the transaction in question by clicking on the Transaction Date, as illustrated in Figure E.9-9. This feature improves the retailers' efficiency in managing their operations and allows them to submit transaction disputes.
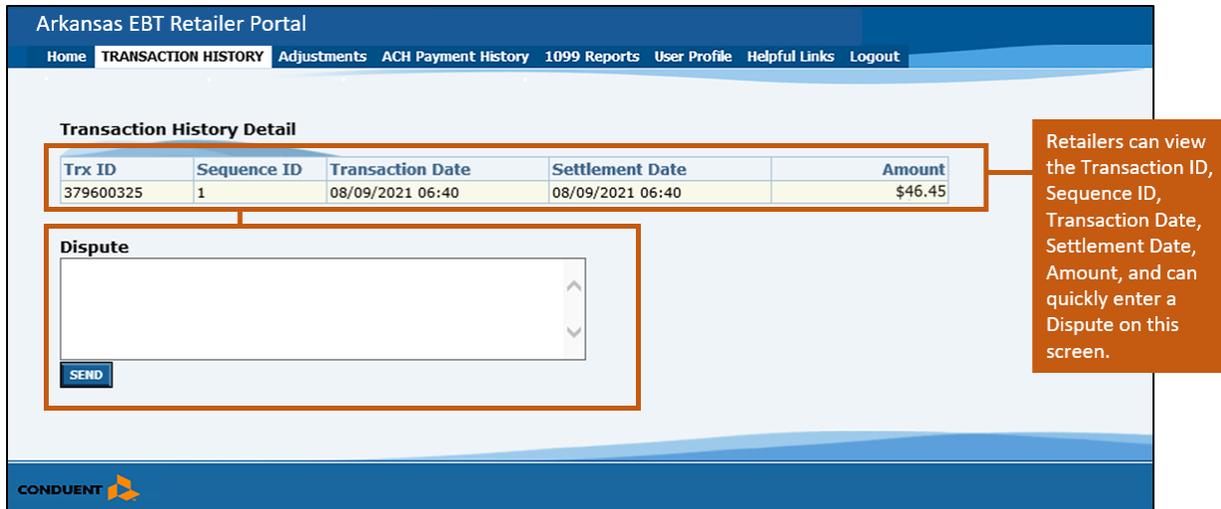
Figure E.9-9. Retailer Portal Transaction History Detail/Dispute
This screen provides additional transaction information
and the ability to send a dispute to us.

ACH Payments. Retailers can view their payment status and deposit payment history, as shown in Figure E.9-10. This screen shows the deposit amount and any daily withholdings based on their selected cutoff time. They can search up to the previous seven days or by month up to the last three months.
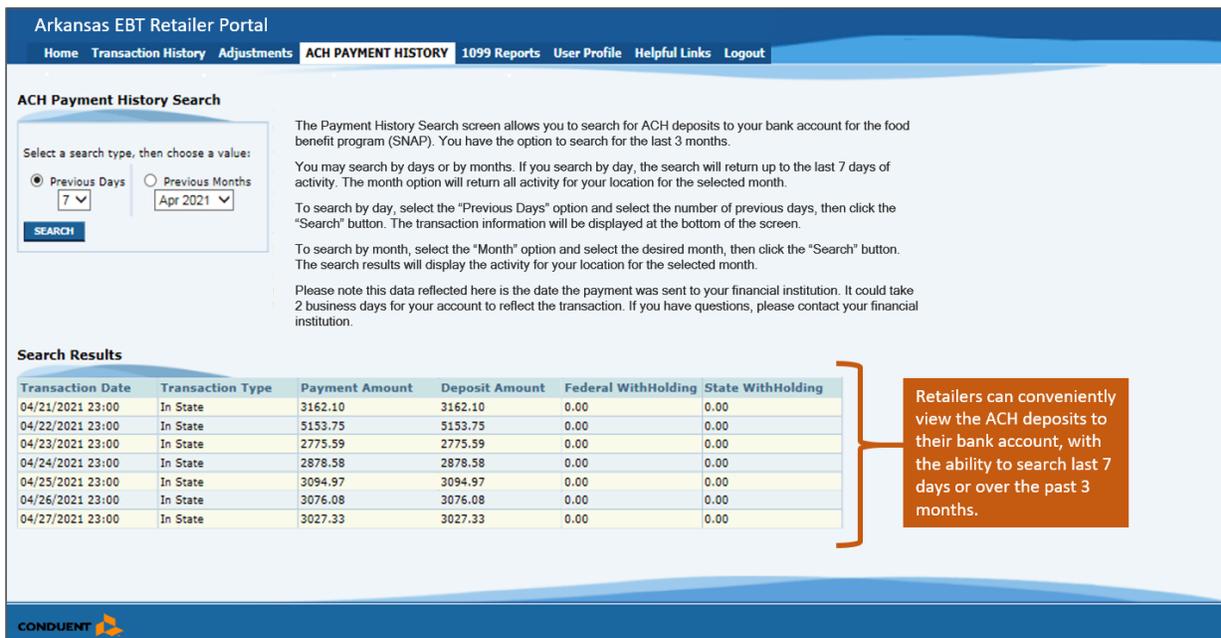
Figure E.9-10. Retailer Portal ACH Payment Screen
This screen lets retailers search for their ACH deposits going back three months.

Offline Storage. After three years, we move the transaction history to an offline storage file for the contract term. Access to the data is available to DHS and authorized government agencies for investigation and audit purposes within 48 hours of the request. Offline history files include all pertinent information regarding the transaction. The data consists of the following:

- Retailer identifier
- POS number and location
- Date, time, type, and amount of the transaction
- Cardholder card and account numbers

This transactional information assists DHS or FNS with their historical inquiry. Your Conduent team is always available to answer questions or provide further assistance.

Retailer Account Management

Participation. Our retailer management approach allows each FNS-authorized retailer to participate in the Arkansas EBT Program. This includes the ability to use whatever EBT processing method a retailer prefers. We handle retailer participation through an inclusive outreach process. This process confirms that we communicate with all retailers throughout the State. We make sure that enough retailers are participating to give cardholders adequate access to their benefits. This includes cardholders who shop at "border stores" and non-traditional retailers such as farmers' markets.

Retailer recruitment encourages retailer participation by:

- Contacting newly FNS-authorized retailers within 24 hours after we receive FNS notice
- Mailing new retailers a list of authorized TPPs and our retailer agreement
- Maintaining close contact with TPPs and self-processing retailers
- Providing ongoing outreach to and recruitment of eligible retailers

Agreements. As new retailers open businesses and want to participate, we enter into agreements with TPPs for commercial retailers and EBT-only agreements with traditional and non-traditional retailers in accordance with 7 CFR 274.3 (c). We support EBT processing for commercial and non-traditional retailers such as:

- Farmers' markets
- Direct marketing farmers
- Military commissaries
- Non-profit food-buying cooperatives
- Establishments, organizations, programs, or group arrangements

The TPP and EBT-only Retailer Agreements clarify that retailers cannot charge cardholders fees for accessing their EBT benefits. DHS has already approved the current TPP Agreement and EBT-only Retailer Agreement under the existing contract. If you require changes to either agreement, we will submit them to you for approval once we incorporate your changes.

We supplement the agreements with a Retailer Policy & Procedures Manual. The manual defines the rules, policies, and operations related to transaction processing, POS equipment, manual vouchers, and how to contact the Retailer Help Desk. A Quick Reference Guide is also in the packet for assistance in checkout lanes.

Retailer Associations. We will continue to work with retail associations, food wholesalers, minority businesses, and community-based organizations (e.g., group homes and advocacy groups) as needed during the next contract. This includes periodic meetings and communication – which we conduct in partnership with you – to convey any changes to the Arkansas EBT Program that affect the retail community or other stakeholders. DHS facilitates these interactions to evaluate system usage, discuss upcoming changes, and discuss current problems. Conduent remains responsible for collecting data, preparing an agenda, and providing all support materials for such meetings or communications. DHS approves all materials and other forms of information prior to distribution.

4. ATM Network and provide the total number of Network ATM locations	5 points

The Quest network is sizable and specifically available to support EBT programs like Arkansas. The Quest network offers **nearly 1,000 ATM access points in the State**. Most financial institutions, credit unions, and ATM owners participate in the Quest network, making a wide variety of ATMs available to Arkansas cardholders. Some of the popular Arkansas banks and credit unions where your cardholders use their EBT card today include:

- Arkansas Federal Credit Union
- Arvest Bank
- Bank of Little Rock
- Central Bank
- Chase Bank
- Community First Trust Bank
- Eagle Bank and Trust
- Encore Bank

- Equity Bank
- Farmers Bank
- First Horizon Bank
- First National Bank
- Peoples Bank
- Simmons Bank
- Union Bank
- U.S. Bank

Widespread national access is available to Arkansas cardholders through the Quest ATM network. Cardholders may use their Arkansas EBT card to obtain cash from any ATM with the Quest logo. Data from transaction history records identify more than **50,000 Quest ATM locations** available in the US.

Surcharge-Free ATM Access

We recognize that EBT cardholders depend upon surcharge-free access to their cash benefits and withdraw funds to pay rent, utilities, or other expenses without an additional fee. We anticipate that ATM owners providing surcharge-free cash access will continue to do so. Most major banks, such as Bank of America, Chase, Citibank, Wells Fargo, and credit unions, have already waived surcharge fees for public assistance programs. While we cannot force ATM owners to not surcharge, with our extensive relationships and experience in this area, we have successfully encouraged participating retailers and financial institutions to waive the surcharge. We will continue to do so through:

- Our pro-surcharge-free policy of not paying interchange on surcharged transactions
- Discussion of Community Reinvestment Act (CRA) credits that might be of value to financial institutions
- The positive publicity generated by such a policy to support public assistance programs

Additionally, we send a cardholder training brochure with each EBT card that provides helpful instructions on how to obtain cash from a store or from an ATM and a section advising about potential fees.

B. How does the proposed system support reporting of benefit access?	5 points

Benefit access reporting is extensive with EPPIC EBT 3.0 and accomplished in various ways to assist DHS with program management. EPPIC EBT 3.0 tracks and reports on every action through the lifecycle of the issued benefit. Tracking and reporting begin when a benefit is posted to a cardholder's account, and we use it to identify any transaction activity, records aging, and eventual expungement if cardholders do not fully redeem their benefits.

Tracking Benefit Withdrawals

EPPIC EBT 3.0 operates on a FIFO basis, prioritizing older benefit authorizations over newer ones when debiting accounts. It verifies transactions against specific accounts and allocates benefits based on an Arkansas-specific individual hierarchy and availability date. DHS determines the order of debiting programs within benefit categories, ensuring credits never exceed spent benefits. See our response to Question E.9.A.2 for more information about the FIFO process.

Account Activity File. EPPIC EBT 3.0 produces and transmits a daily Account Activity File to DHS. The file contains all financial transactions at the benefit level to support benefit access reporting. The data provides enough detail to conduct a transaction-level analysis. The data includes balance inquiries, denied transactions, and approved transactions to support audit, reconciliation, and investigative purposes.

Benefit Aging/Expungement File. SNAP and cash benefits age according to DHS-defined inactivity intervals as part of daily processing. EPPIC EBT 3.0 creates and transmits the Benefit Aging/Expungement File to DHS daily. The file identifies the 'four' aging periods based on inactivity for SNAP and cash benefits. As required, the benefit aging file entries contain all the benefit information initially provided by DHS for each account.

The currently approved ICD shows the file layout and business rules associated with these files. We will revise the document accordingly and submit it to DHS for approval if you require any modifications under the next contract.

SNAP Account Balances, Aging and Expungement

EPPIC EBT 3.0 does not close an EBT account when a SNAP case closes based on the business rules established and approved by DHS. Cardholders are entitled to—and may use—their remaining account balances if benefits are available. Cardholders may also request a replacement card or change their PIN to access remaining benefits for up to 274 days from the date of availability or 274 from the last transaction date based on DHS-defined aging inactivity rules.

Benefit Aging. Benefits begin aging once they become available to a cardholder. The aging clock in EPPIC EBT 3.0 resets each time a cardholder completes an approved debit or credit/refund transaction (account inactivity is based on these transactions). EPPIC EBT 3.0 applies benefit aging rules based on the cardholder's last transaction (debit, credit/refund) and the date it occurred. As eligibility/authorization systems add benefits to the account, the benefit "last used" timestamp is set to the "benefit available" timestamp for the new benefits. EPPIC EBT 3.0 records when the system posts all benefits to an account and then decreases the benefits on a FIFO basis.

EPPIC EBT 3.0 performs benefit aging at the benefit level by benefit type. All benefits within a benefit type on a case use the FIFO method based on the "last used" timestamp. When the oldest benefit in a SNAP account reaches 274 days without use, the benefit is aged from the system and returned to DHS. We include the benefit information related to the issuance transmission. The benefit information consists of the account code data associated with the initial benefit for each whole and partial benefit that the system returns.

Expungement Notification. Conduent mails expungement notification letters 45 days prior to the scheduled expungement date to alert cardholders of this pending action. The written notification uses the DHS and FNS-approved language. We retain mailed notices for DHS review and to meet audit standards.

If the cardholder uses their EBT card for a financial transaction before the target expungement date, the transaction resets the aging parameter, and an expungement does not occur. The aged benefit expunges if the cardholder does not perform a financial transaction by the expunge date. Once expunged, benefits are no longer available to the cardholder, and the system sends the appropriate funds decline message to the POS or ATM terminal. If a pending SNAP overpayment is due on an account, the system can apply the expunged funds to the overpayment claim.

Transaction History

Ten Years of Transaction History. EPPIC EBT 3.0 maintains a **daily three-year online history of benefits and transactions through the administrative terminal for each account and up to 10 years of online transaction history through our powerful data warehouse solution**. Data stored in the data warehouse is separate from the production system, which enables users to query and retrieve data without affecting other production processes.

DHS staff have **24/7 online access to data** to support benefit access reporting through the administrative terminal and the data warehouse tool. These applications are in addition to the daily Account Activity File sent to ARIES.

Online access for transactional activity supports retrieving data for whole or partial benefits in EBT accounts. Users can retrieve data in the following ways:

- By account, summary credit, debit, and current balance information
- By account, detailed information on all SNAP and cash transactions for a specified period, including the date, time, location, and amount
- By account, detailed information on all transactions for a specific retailer, POS terminal
- By account, EBT card issuance and replacement history, including information on account balances at the time of replacement and summary totals of card replacements over a specified period
- By retailer, detail information on cash or SNAP transactions for a specified period, listing such information such as account numbers, days, times, locations, terminals, and amounts
- By retailer, detailed information on all transactions for a particular account

Offline Storage. Once we move EBT data offline, it will still be available through a simple request to the Conduent operational project manager. DHS submits a request identifying the data type needed (e.g., specific retailer or group of retailers, types of transactions, and cardholder information), the timeframe dates, and the format in which DHS would like to receive the data. DHS may also submit requests for offline data needed by FNS or other government agencies authorized to view data for auditing or investigative purposes. The Conduent database team restores the data from offline archive storage and makes the data available to DHS.

Offline data is just as complete as online data. For example, offline data contains card numbers, account numbers, POS terminal IDs, location details, transaction dates, amounts, and other data. We store offline data in a manner that supports sorting in the following ways:

- By account, transactions occurring at out-of-state locations over a specified period from one day up to three years
- By retailer or by store, summarize transaction history over a specified period from one day up to three years
- By retailer and account, even dollar transactions over a variable threshold over a specified period from one day up to three years

In most cases, we can restore data in a few days. If the retrieval request involves an exceptionally large amount of data to restore, it may take longer to allocate storage and reload the data for online availability.

Data Transfer at Contract Termination. Based on contractual requirements regarding the transfer of historical data at contract termination, Conduent prepares the necessary data files in a mutually agreed-upon format for the new EBT Contractor.

C. Describe when cardholders would be notified of adjustments to their EBT accounts.	5 points

Cardholders are informed during each step of the adjustment process. They receive written notification if an adjustment request is denied or receive an alert through the cardholder mobile app when a credit is posted to their account. Cardholders may also get adjustment status updates from the IVRS and the cardholder portal if they are not using the mobile app. We describe the adjustment process and timeframes in the following narrative.

Adjustment Process Overview

Conduent supports cardholders or retailers/TPPs who wish to initiate an adjustment request. Adjustment requests may be for SNAP transactions:

- To resolve errors and out-of-balance situations from a system error
- For cardholder/retailer disputes
- Related to a transaction error
- Or due to a TPP dispute

For any of these errors, we adjust cardholder accounts to correct auditable, out-of-balance settlement conditions. We define a system error as malfunctioning at any point in the redemption process. These errors can occur from the system host computer to the switch, to a TPP, to a store's host computer, or at a POS terminal.

Conduent-generated adjustments cause money to move to or from a cardholder's EBT account and impact daily settlement. Before closing the business day, we verify all adjustment activity captured on EPPIC EBT 3.0. Any adjustments made to a cardholder account are reflected in their account balance as required by the Quest Operating Rules and comply with 7 CFR § 274.2(g).

Conduent or DHS may initiate adjustments based upon:

- Cardholder disputes
- Retailer disputes
- Processor disputes
- Transaction errors
- Errors and out-of-balance conditions related to system errors

Figure E.9-12 highlights the adjustment process flow. The adjustment processing for SNAP transactions references an original settled transaction, partially or completely erroneous, and provides the necessary reporting mechanism to comply with federal regulations.
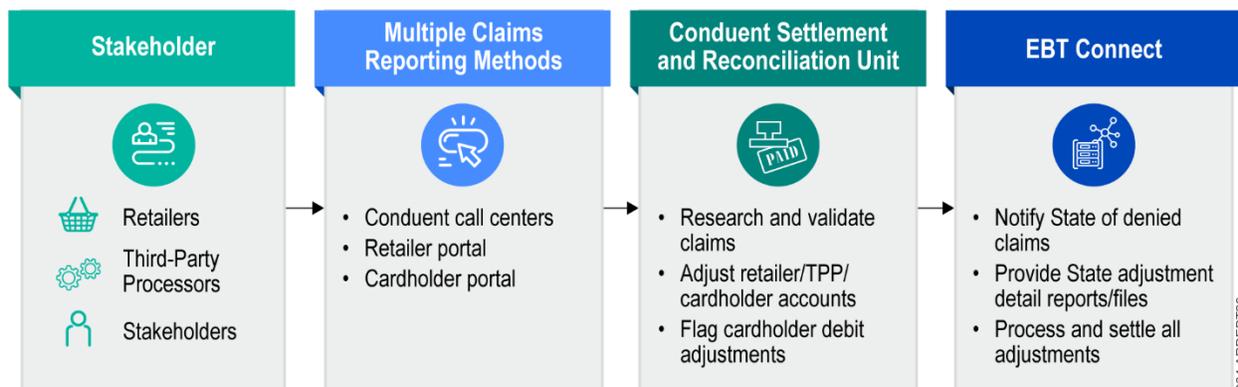
Figure E.9-12. Adjustment Flow
Conduent offers an efficient process for quickly resolving cardholder and retailer adjustments.

Cardholder-Initiated Adjustments. Cardholders begin the dispute process by calling the IVRS and selecting the option to start a dispute. This option transfers the caller to a CSR who records the information and initiates the steps to identify a processing error. Cardholders may also initiate the dispute through the cardholder portal. Recording the dispute starts the resolution process.

Our Dispute Resolution Unit receives the dispute ticket and begins the research and analysis toward error resolution. The research starts with referencing an original settled transaction on EPPIC EBT 3.0. The processor or retailer performs an investigation. Retailers may extract the register receipt, match the information to the cardholder data or records, or accept/reject the dispute.

The retailer or processor provides the Dispute Resolution Unit with a copy of the transaction receipt and a statement of acceptance or rejection. We often find the dispute relates to a duplicate transaction or an acknowledgment not received at the register. In most cases, the retailer agrees with the adjustment, and the Dispute Resolution Unit representative makes the appropriate adjustment updates through the administrative terminal. The system records the retailer debit and cardholder credit for the adjustment and performs settlement of the transaction at the end-of-day closeout.

Retailer-Initiated Adjustments. In addition to cardholders, retailers or TPPs may dispute transactions. They can report disputes to CSRs or through the Retailer portal if they have an account. These transactions typically result in debit requests for cardholder accounts. The investigation process resembles the one for cardholder disputes. POS receipts, manual vouchers, and system transaction history are used to investigate these disputes. Conduent-generated adjustments cause money to move to or from a cardholder's EBT account. These adjustments are reflected in the daily settlement. Before closing the business day, we verify that we properly document all adjustment activities performed in EPPIC EBT 3.0.

Any adjustment to the cardholder's account is reflected in their balance according to Quest Operating Rules and federal regulations. Conduent notifies DHR of requested debit adjustments through the Claim Adjustment Activity file and notifies cardholders of the pending action along with information on filing a fair hearing.

Adjustment File and Adjustment Reports for DHS. EPPIC EBT 3.0 generates a daily adjustment extract file that transmits electronically to ARIES. The Claim Adjustment Activity File contains information for new claim adjustments and key claim adjustment processing events in accordance with 7 CFR 274.2(g)(2). The activity file documents the adjustment activity that occurs each settlement day and is processed by ARIES to reflect the adjustment activity in the DHS system.

EPPIC EBT 3.0 also provides DHS with reports related to adjustment activity in the following:

- Account Activity Detail Report
- Adjustment Activity Detail Report
- Adjustment Audit Report

See our response to Question E.15, Reporting, for more information on the full suite of EPPIC EBT 3.0 reports.

Adjustment Timeframes

We initiate an adjustment to resolve a transaction error in response to a direct cardholder complaint or one that DHS forwards to us. Adjustment processing for SNAP transactions references an original settled transaction, which is partially or entirely erroneous. We process the adjustment, which is reflected in the cardholder's account. Whether it is a debit or credit adjustment, our adjustment process provides for a timely resolution in accordance with DHS and federal requirements.

Credit Adjustment. The Dispute Resolution Team investigates the claim, contacts the retailer for supporting information, and processes the credit adjustment to the cardholder's account as quickly as possible, but no later than 15 days.

Debit Adjustment. The system does not hold funds associated with a pending debit adjustment request until a 15-day waiting period has passed in accordance with operating rules. In some instances, where a dispute between the cardholder and retailer cannot be resolved through routine investigative procedures, Conduent seeks guidance and approval from DHR to resolve the outstanding issue.

If the cardholder does not dispute the adjustment claim, we complete the dispute at the end of 15 calendar days. The status of any claim submitted for investigation is stored on EPPIC EBT 3.0. This allows DHS staff to view the claims using the administrative terminal. If DHS approves the debit adjustment, EPPIC EBT 3.0 adjusts the cardholder's account after 15 days. If the cardholder's account does not have enough funds to cover the debit adjustment, we make daily attempts to debit the cardholder's account until the end of the following calendar month. Conduent does not perform partial adjustments against an account.

If the cardholder disputes the adjustment claim, Conduent does not take any further action on the cardholder's account until DHS completes the administrative hearing process, which can take up to 45 calendar days.

See our response to Question E.9.D for more information on the debit adjustment approval process, including the administrative terminal screen available for DHS use.

Cardholder Fair Hearing Rights. If the cardholder does not agree with the outcome of the adjustment claim, they have the right to appeal within 15 days from the date of notification.

EPPIC EBT 3.0 assigns an adjustment claim identifier and provides DHS staff with online functionality to notify Conduent if the cardholder disputes an adjustment. The adjustment claim identifier informs retailers and TPPs when the claim status changes.

Conduent staff works with DHS to supply supporting documentation for information related to the adjustment claim for use in the administrative hearing process.

The debit claim is denied if the administrative hearing decision is in the cardholder's favor. If the hearing decision favors the debit adjustment claim, EPPIC EBT 3.0 posts a debit to the cardholder's account because DHS approved the adjustment. If there are insufficient funds to cover the adjustment, EPPIC EBT 3.0 will attempt to process the adjustment daily through the end of the next calendar month.

Conduent supports all account adjustments in accordance with USDA FNS regulations and with DHS adjustment-related policies and procedures. EPPIC EBT 3.0 creates an audit trail for all actions and transactions conducted within the system.

D. How does the proposed system support and maintain written adjustment letters sent to participants.	5 points

EPPIC EBT 3.0 supports and maintains all required processes related to credit and debit adjustments, including the storage of data from written adjustment letters sent to cardholders. We built our adjustment process on the principles of the Quest Operating Rules and federal regulatory guidelines to support the proper notification and approvals for credit and debit adjustments. These processes integrate all paper trails required by FNS adjustment regulations and bank auditing standards for recording action steps performed as part of adjustment processing. Conduent mails adjustment letters to cardholders when a cardholder-requested credit is denied or if there is a request for a cardholder debit from a retailer or TPP. Figure E.9-13 shows a sample cardholder notification letter.
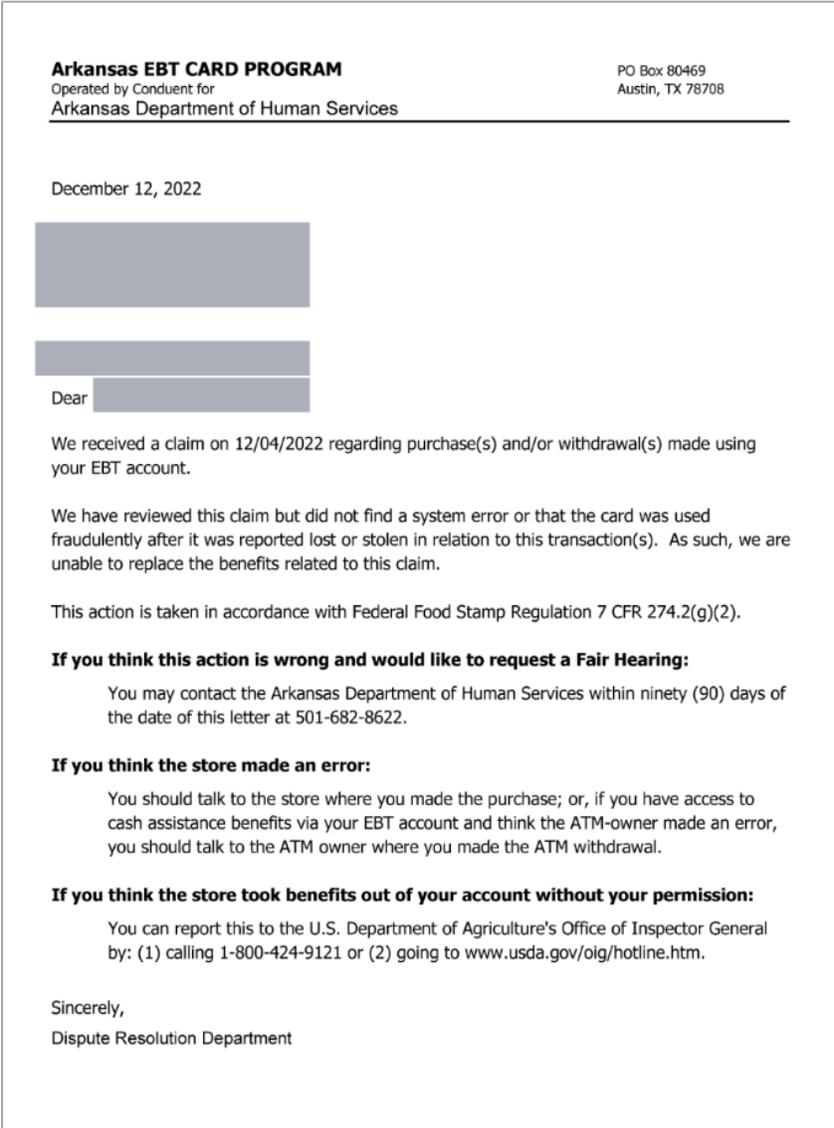
Figure E.9-13. Sample Cardholder Adjustment Letter
Conduent prepares, mails, and retains a copy of written adjustment letters sent to cardholders.

Conduent's operational project manager can provide a copy of any mailed adjustment letter to DHS should you need a physical copy.

Debit Adjustment Approvals

We provide DHS with details on pending debit adjustments through a daily Claim Adjustment Activity file to comply with 7 CFR 274.2(g)(2). The file contains the details from the DHS-approved notification letters sent to cardholders. We flag the adjustment pending notification to the cardholder regardless of funds availability in the account to cover the debit request. This process supports compliance with cardholder notification requirements in 7 CRF 273.13 (a)(4) by notifying the cardholder of the impending action. It contains instructions on how to request a fair hearing if desired. If a cardholder requests a fair hearing within a DHS-determined waiting period (e.g., 15 calendar days), authorized DHS users update the pending adjustment from the administrative terminal Adjustment screen, see Figure E.9-14. The system suspends the adjustment request until the outcome of the fair hearing. DHS staff must approve the action to make a debit adjustment to a cardholder's account.

Adjustment Information

Recipient Information

| First | | Last | |
| DOB | | SSN | |

Processor Information

ID		Name	
Phone		Type	CASH/FOOD STAMP/BALANCE
Contact		Class	PROCESSOR

Error Transaction History

Date	Type	Response	Program	Recipient Number	PAN	Amount
10/01/2023 12:54:46	FOOD STAMP PURCHASE	Approved/Success	FS		5077000151077218	$1.79

Adjustment Info

Tracking Number	3151998431	Adjustment Type	CLIENT REQ DEBIT TO RETAILER
Program Type	FOOD STAMP	Date Opened	10/03/2023
Amount	$1.79	Last Status Date	10/03/2023
Current Status	REJECTED	New Status	FAIR HEARING ▾ STATUS

055.ARDEBT23

Figure E.9-14. Adjustment Info Screen – Adjustment Status
DHS staff may modify the adjustment status or approve a debit adjustment using this screen.

If a fair hearing decision determines that a debit adjustment is appropriate, the request is reopened, and the debit adjustment is processed in that day's settlement cycle. If a hearing determines that a credit adjustment is necessary, the request is reopened, and the credit adjustment is processed that settlement day. Should the fair hearing determine that an adjustment is not applicable, the information is recorded in EPPIC EBT 3.0, the request is closed, and no further action is taken on the cardholder account. If a cardholder does not request a fair hearing within the DHS-determined waiting period, EPPIC EBT 3.0 processes the debit adjustment in that day's settlement cycle for the full amount of the debit. If sufficient funds are not available in the account for the total amount of the debit adjustment, the adjustment remains pending until the total amount is available. See our response to Question E.9.C for more information on the adjustment process flow and timeframes.

E.10 Maintenance & Change Request Processes & Procedures	
A. Provide the Prospective Contractor's plan for processing change order requests.	5 points

Proven processes and tools aligned with the highest industry standards for control, transparency, and traceability provide DHS with the industry's most effective change management approach. We maintain an established change management process, documented within our Change Management Plan, for managing any changes proposed to the system during the Design, Development, and Test; Transition In; Operations and Maintenance; and Transition Out phases. As we have an existing plan with the State, we discuss possible changes during the Design Phase.

Change Management Benefits:

- Active corporate oversight provided by our Change Control Board (CCB)
- Remedial, conforming, enhancing, and parameter/table changes are clearly defined and treated accordingly
- The change process begins with a request from either DHS or Conduent
- We log, track, and report on all approved change order requests
- DHS and Conduent fully test all changes prior to deployment

Effective change management includes more than managing software components. Hardware platforms, designs, models, databases, data, documentation, and other project work products need ongoing tracking. Version control confirms that we maintain the most recent copies of work products, so they are accessible and protected. Change management provides the control of multiple environments and the migration and control of components between environments, including the ultimate production environment. The goal of the change management process is to identify and manage change items throughout the project life cycle to preserve the integrity of your EBT system.

Conduent's change management process:

- Facilitates communication of change order requests among stakeholders
- Provides a standard process for resolving changes and reported problems
- Reduces the uncertainty around the existence, status, and outcome of a change order request

Several critical success factors define our change management approach, including:

- **Plan for Change Management from the Start.** We provide resources and focus on change management from the beginning of the program, including during initial estimates and planning. We encourage awareness and communication of change management protocols early in the next contract.

- **Staff, Train, and Organize for Success.** Conduent's knowledgeable staff who oversee change management have experience and understanding of our system architecture. More than one person can perform change management activities to avoid bottlenecks. We define roles and responsibilities to confirm competency.

- **Integrate Across the Program.** We coordinate and integrate change management for quality management, design, development, testing, and project management. We recognize that it does not operate effectively as a stand-alone function.

- **Use the Right Tools in the Right Way.** We apply a variety of tested tools and strict manual processes to manage change.

- **Use and Administer Plan Consistently.** We apply and enforce the Change Management Plan throughout the process.

Change Order Request Process

Figure E.10-1 illustrates the defined change management process we apply to address change order requests throughout a project life cycle.
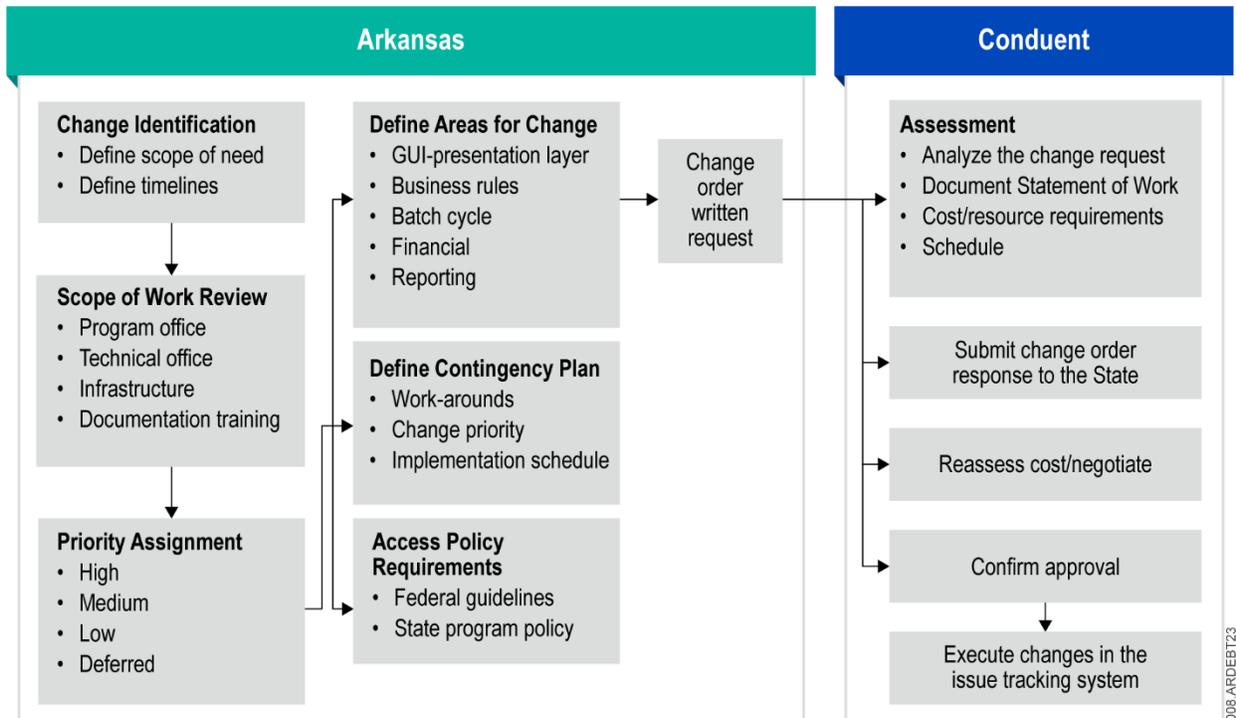
Figure E.10-1. We Work with DHS to Analyze the Impact and Optimize Changes
Change management activities follow a defined process for DHS and Conduent.

We track all change order requests as part of the CCB process. The CCB consists of Conduent leadership and other key technical and functional individuals. The CCB performs a comprehensive review of all changes, including their impact on the project's scope, system, cost, and schedule baselines. The CCB reviews change order requests to determine the impact of a change on the existing system, schedule, labor, and other services. CCB members discuss every request internally to determine all ramifications of implementing a change and how best to meet your needs.

Following the initial review by the CCB, we assign a change order request to the appropriate Conduent staff for a structured and detailed analysis. During the analysis stage, Conduent technical and functional staff meets with their DHS counterparts to verify that we understand the request. We also identify the potential impacts on current functions and system performance. In addition, we discuss the proposed solution to the request so that DHS staff understand how we plan to make the change.

We then submit the result of the analysis to DHS. You then approve, deny, or modify the request. If DHS requests a change, a designee signs and dates an approved Change Request Form and sends it to us. We begin development on a change order request once we receive a written and signed Change Order form from DHS indicating approval.

Figure E.10-2 illustrates the process flow for initiating a change order request through the approval/rejection.
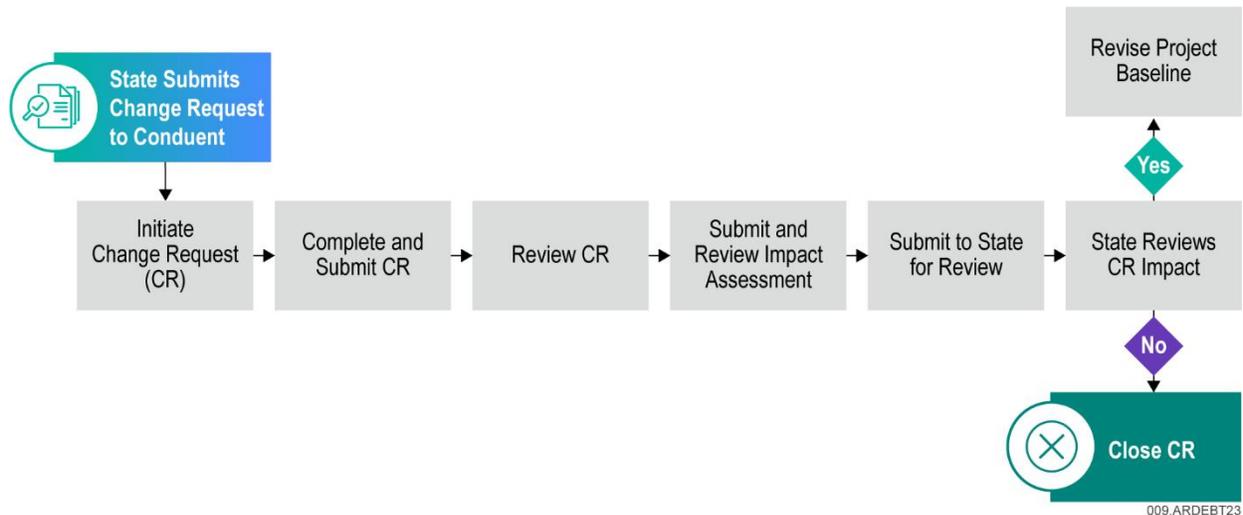
Figure E.10-2. The Change Request Process Flow Provides Transparency
We apply a proven, structured approach to managing change order requests from initiation to completion.

We conduct thorough and detailed testing of all changes before introducing them into the production environment. Once DHS approves a move to production, our technical support team readies the change for deployment, implements it, and continues to monitor the change to confirm it works without error. If the change is unsuccessful, production readiness procedures include rollback instructions to revert system operations to the point before we make a change.

You receive updates to change order requests during Operational Project Manager Priya Suresh's project status meetings, as you do currently. Our process ensures that we review and approve your requests before work begins, confirming we align with DHS' needs. You receive regular and frequent status updates to prevent surprises.

B. Provide the Prospective Contractor's contingency plan for unprocessed change order requests.	5 points

We log new change order requests, and they become part of workgroup emails that automatically notify applicable Conduent and DHS staff of any change in status. Priya and the development staff update the status daily so you can monitor progress and confirm that we process each change order request.

Upon completion of the development and testing process, DHS receives notification so you can test a change in the test environment. Once you test the change, you either approve it or determine if a defect is present and needs correction. If we discover a defect, Conduent makes this a high-priority item and prepares the defect for re-testing. We conduct thorough and detailed testing of all changes before introducing any change into the production environment. Once DHS approves the move to production, our technical support team readies the change for deployment, implements it, and continues monitoring the change to confirm it works without error.

Our standard production readiness procedures require a system restore point and include rollback instructions. If the change is unsuccessful, we revert system operations to the point before we made a change and resume operations. The change is then examined for defects and goes through the testing process for deployment.

C. Describe the EBT systems integration process for TPPs	5 points

Authorized TPPs across Arkansas already use our up-to-date interface specifications and are integrated with the system. We submit these specifications to the State within 30 days of the authorized notification of the contract start for review and approval for the next contract.

The specifications enable retailers to interface with EPPIC EBT 3.0 to perform EBT transactions. We provide these specifications to the State, FNS, participating retailers, and third-party terminal drivers as appropriate. With Conduent, the State already has an established and complete environment with redundant interfaces to all stakeholders, which mitigates risk to EBT Services going forward.

We offer a user-friendly application for certification and processing EBT transactions upon request by a TPP. TPPs must operate within the established Quest Operating Rules and ISO 8583 standards. They must also contract with an FNS-authorized retailer before the certification process can begin. We certify a new TPP as soon as possible so they can start supporting the EBT Program and offer additional benefit access support for your cardholders. We provide a plan for TPP certification approvals, subject to DHS and FNS approval. This plan includes all functional and technical requirements and timeframes the certification allows.

We continue to certify TPPs in the State and enter into agreements with those that connect to EPPIC EBT 3.0 in accordance with FNS Regulation 7 CR 274.3. The agreement defines and explains all associated costs of EBT certification, including testing. **We currently have agreements with all identified TPPs that process EBT activity in the State**. In addition, DHS and FNS have already approved the existing TPP Agreement used in Arkansas.

We do not unreasonably deny certification to TPPs or retailers that enter into direct-connect agreements with their selected gateway or with us. Newly authorized SNAP retailers that decide to use a TPP or elect to drive their terminals typically receive access to the system within 30 days of receiving FNS authorization unless the State and Conduent establish another mutually agreed upon time to allow third-party interface specifications and any State-required functional certification. We are prepared to offer certification of additional TPPs according to DHS standards over the life of the contract.

Connectivity may be direct or through another authorized TPP, after which they acquire EBT transactions and route them to EPPIC EBT 3.0 for authorization and settlement. The TPP receives settlement from us and is responsible for settling with their retailers. Retailers pay assessed TPP fees. DHS is not responsible for these fees, nor is the State responsible for providing supplies to retailers who use a TPP. TPPs remain responsible for all equipment, software, and the cost of data lines necessary to communicate with EPPIC EBT 3.0.

In the last 15 years, the commercial use of payment and benefit cards has increased significantly. We have certified virtually every TPP nationwide to process EBT transactions through EPPIC EBT 3.0. We offer the State a history of working to establish processing services for retailers who seek the benefits of providing their customers with a full range of payment options (including the use of mobile devices). We verify they remain FNS-certified and adhere to FNS regulations and other State requirements.

D. Describe the process and procedures for scheduled and unscheduled system downtime.	5 points

EPPIC EBT 3.0 is operational and available at 99.95% of scheduled uptime, 24/7, as measured monthly, exceeding the FNS requirement of 99.9%. EPPIC EBT 3.0 is typically operational 100% of the time each month. Scheduled uptime refers to the total time the database is available and accessible for transaction processing, the system is operational for cardholder balance inquiries, and the administrative system is available. It excludes scheduled downtime for routine maintenance. **In addition, the total system, including the central computer, network, or intermediate processing facilities under our control, is available at 98% of scheduled uptime 24/7.**

Downtime for Scheduled and Unscheduled Maintenance

[REDACTED]
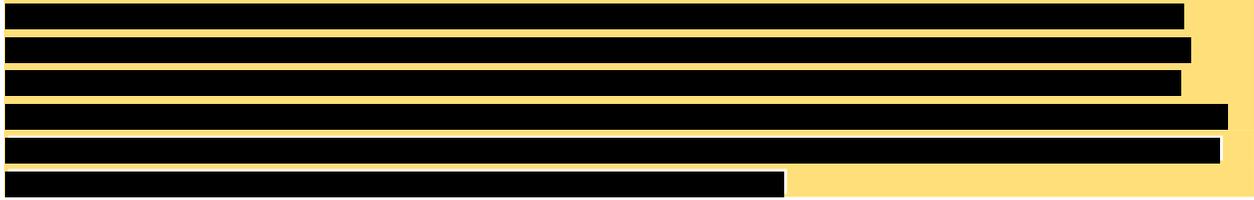
We generally do not require scheduled system downtime unless we deploy major updates to system functionality. Even then, our transaction server processes transactions without interruption, so there is no downtime for access to benefits. If the system requires maintenance for a major update to functionality, the usual impact on the application server for implementing approved software changes is less than one minute per occurrence. The impact on the transaction server is zero. Even this is unlikely because the multi-server configuration allows deployment of the release with zero downtime.

If we require routine maintenance, we provide advance notice to DHS. We schedule the maintenance during off-peak transaction periods (i.e., 3:00 a.m. to 5:00 a.m. CT when a minimum amount of transaction processing may occur). We also send advance notice of any scheduled downtimes required outside the normal routine maintenance timeframe. If the need arises, we arrange such downtime with State approval.

For unscheduled outages, we follow our proven processes and procedures outlined in our response to questions in E.4.

E.11 Problem Management, Contract Monitoring & Problem Resolution	
A. Describe the Prospective Contractor's specific strategy for problem management controls.	5 points

DHS needs to feel confident that your Contractor maintains procedures to address and resolve problems quickly when they arise. We designed our formal problem management process to maintain the system's integrity, minimize operational disruptions, decrease repeat incidents/issues, and restore normal operations as quickly as possible after we detect and record an issue or problem. We follow documented problem resolution and escalation procedures whenever DHS or Conduent identifies an issue. These controls and procedures typically include the following activities:

- Documenting the process for reporting system and operational problems, including:
  - How we document, resolve, and report problems to DHS
  - A priority ranking method for identifying the relevant problem severity
- Identifying, recording, tracking, and correcting problems/sues impacting service delivery
- Assigning priority to issues/problems
- Identifying expected timeframes for resolution based on the relative severity (with particular attention to unresolved problems within specified time frames to your satisfaction)
- Addressing primary root causes (i.e., root cause analysis)
- Performing trend analysis to make recommendations for improvements as needed
- Recognizing and preventing the recurrence of problems
- Taking action to reduce the number of problems
- Making sure that we maintain Service Level Agreements (SLAs)

While Conduent systems and processes minimize system problems, we are fully prepared to address problems that may arise to impact service delivery. We rely on detailed management procedures and processes to document, address, and resolve any identified problem. This problem management solution combines technology, processes, and commitment from our entire organization.

See our response to Question E.12.F for more information on procedures for incident management.

Problem Management Plan

We communicate all problems to DHS and monitor and resolve them through a formal written process, which we include in a Problem Management Plan. The plan, at a minimum, addresses our approach for:

- Problem definition
- Problem notification and recording
- Operational help desk (EPPIC24)
- Contractor escalation procedures
- Incident and problem monitoring and closure

The Problem Management Plan describes the formal written process for monitoring and resolving all problems. It includes an escalation contact list with names, telephone numbers, and email addresses of Conduent corporate officers and project team members. The objective of the plan is to define a structured, repeatable problem management process to verify the timely resolution of issues, thus avoiding a negative impact on the EBT Program. The purpose of continuous identification of problems is to allow the development of a more effective and timely strategy for resolving them. The plan defines our project team's strategy to support a continuous problem management model. Table E.11-1 includes a synopsis of the plan.

Table E.11-1. Problem Management Plan

Topic	Description of Contents
Introductory Information	Cover/title page, table of contents, document history, key terms
Issue and Problem Management Process	- Defining an incident or problem - Notification and recording process - EPPIC24, our operational help desk – EPPIC24 purpose and organization – Problem/issue input and tracking - Escalation procedures and process steps - Issue and problem monitoring and closure - Continuous issue monitoring - Future issue prevention and modifications
Roles and Responsibilities	Detailed description of Conduent project team members responsible for problem management processes, identifying all roles and responsibilities and including complete contact information
Milestones	Milestones related to problem management as described in the plan
Reporting Processes	Reporting processes for all incidents/issues/problems to designated DHS and Conduent program and corporate staff members
Supporting Documentation	Specific plans, processes, and procedures for items discussed in the main document

Communications

We proactively provide DHS appropriate reports on problems, including statistics on the total number of problems, outstanding problems, and resolution times. We integrate our problem-reporting processes and procedures with DHS. We include additional information about our communications approach and tools in our response to Question E.11.B.

B. Provide an overview explaining how the Prospective Contractor will monitor the contract and the steps for problem resolution.	5 points

For this contract, we continue to follow our well-established and industry-recognized Project Management Methodology (PMM) and the Standardized Process and Resource Kit – Implementing Technology Solutions (SPARK-ITS®) to monitor the contract and resolve any problems that may occur.

SPARK-ITS is the technical management tool we use to verify conformity with the DHS environment, the overall EBT strategic plan, and the long-range vision of your objectives over the contract term.

Industry standards *are* our standards. The core of the SPARK-ITS PMM is based upon the standards of the Project Management Institute (PMI) – the nationally recognized leader in project management – the Project Management Body of Knowledge (PMBOK), and the Capability Maturity Model Integration for Development standards. Conduent complies with industry practices and standards in all project management activities. Our depth of experience gained over many years of human services and healthcare government projects, including in Arkansas, enables us to apply direct experience integrated with these industry standards into SPARK-ITS.

SPARK-ITS builds upon PMI guidance and best practices while adding industry standards and practical experience. It includes repeatable, consistent, and documented processes that form the basis for our assessment at Capability Maturity Model Integration Maturity Level 3, an important milestone regarding our ability to create and deliver sophisticated IT solutions. This methodology is composed of two parts:

- **SPARK.** *Standardized Process and Resource Kit* for project management is a collection of tools and best practices for managing, delivering, and ensuring the quality of large-scale projects for government agencies.
- **ITS.** *Implementing Technology Solutions* guidelines within the SPARK family provides a methodology to guide the design, development, and implementation of mission-critical information systems.

As shown in Figure E.11-1, we apply the SPARK-ITS process of initiating, planning, executing, monitoring and controlling, and closing each project phase, providing standards, quality, and continuity. Using prescribed processes, Conduent Operational Project Manager Priya Suresh monitors critical elements of the program, including integration, scope, time/schedule, quality, human resources, communication, risk, procurement, and stakeholders.
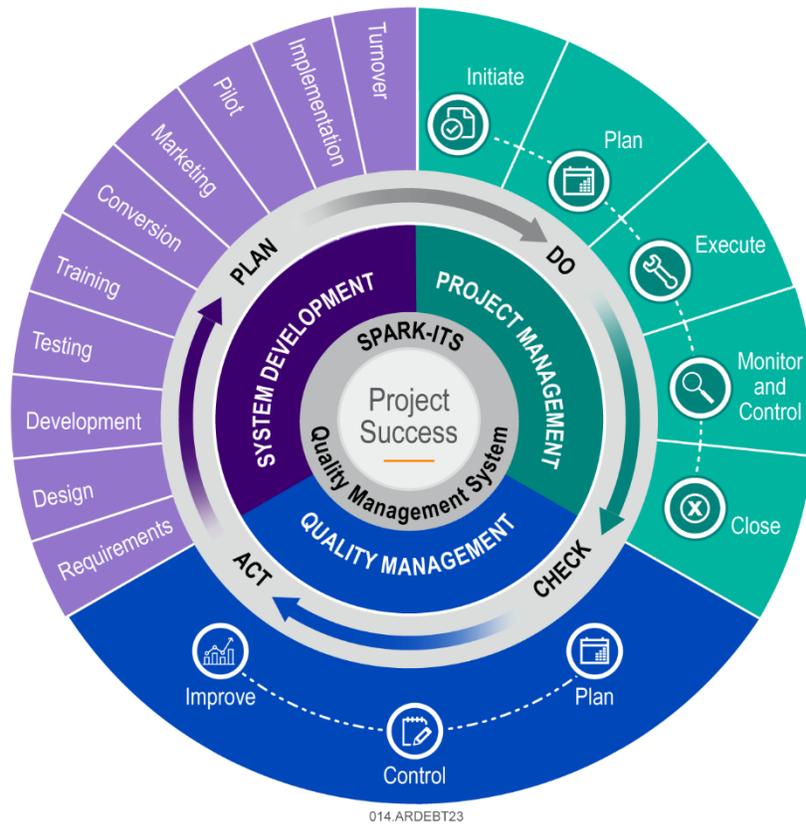
Figure E.11-1. SPARK-ITS Overview
Arkansas benefits from this proven and comprehensive project management process.

Project management methods are not discrete, one-time events but ongoing processes applied throughout each project phase. The 10 knowledge areas of project management, as defined in the PMBOK, form the basis of the SPARK-ITS methodology and align with project activities. The deliverables for EBT Services align to one of the 10 areas, as shown in Figure E.11-2.

Project Management Knowledge Areas

Project Integration Management
- Project management plan
- Project transition schedule

Project Scope Management
- Joint Configuration Session (JCS)
- Stakeholder input
- Status meetings
- Functional design document
- Detail design document
- Integrated change control

Project Time Management
- Status meetings/reports
- Internal status meetings
- Project work plan
- Transition plan
- Management oversight

Project Cost Management
- Kick-off meeting
- Plan cost management
- Estimate costs
- Determine budget
- Change requests

Project Quality Management
- Stakeholder input
- Continuous quality improvement
- System test plan
- Peer review
- Quality metrics
- Security plan
- System testing

Project Human Resource Management
- Project and organization charts
- Job descriptions
- Training–initial and ongoing
- Background checks
- Clearly defined roles and responsibilities

Project Communications Management
- Kick-off meeting
- Stakeholder input
- Escalation process
- Training plan
- Status meetings/reports

Project Risk Management
- Kick-off meeting
- Stakeholder input
- Disaster recovery backup and contingency operations plan
- Escalation process

Project Procurement Management
- Quality reviews
- Deliverable approval
- Stakeholder input
- Subcontractor status meetings/reports

Project Stakeholders Management
- Communications/escalations
- Agreements
- Project management plan

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Figure E.11-2. Conduent PMM
A detailed project management approach enables us to
monitor the contract to meet all your program requirements effectively.

The SPARK-ITS process guides Conduent managers and staff in applying the most effective techniques for our core management practices. We supplement these industry standards and best practices with direct experience performing similar activities for 23 EBT programs nationwide, including the Arkansas EBT Program.

Contract Monitoring

Effective project management, monitoring, and controls make the difference between meeting and failing to meet schedules. We monitor and evaluate all development and system changes in the system life cycle process, including State user testing, to confirm that we meet contractual requirements. Conduent never migrates any modifications to the production environment prior to written State approval.

Establishing a system encompassing all facets of EBT Services is a complex undertaking that requires strict project management and controls over the life of a project. The program life cycle aligns with these five generally sequential phases: Design, Development and Testing, Transition In, Operations and Maintenance, and Transition Out.

Our demonstrated success in implementing EBT Services is due, in part, to a corporate commitment to repeatable processes applied using standardized methods. We execute the same workflows in any EBT deployment, new system development, transfer, maintenance, or modification.

Project Tollgates

The SPARK-ITS PMM includes "tollgates" to ensure we consistently track and manage all project planning, development, testing, quality, security, and deliverables. Further, timely communication with DHS and other project stakeholders helps us control schedules, quality, and cost impacts. Each tollgate checkpoint allows us to mutually verify that a stage is complete and that the next stage is ready to begin. Some projects allow us to combine tollgates. Figure E.11-3 illustrates the various tollgates:

SEE – Solutions Engineering Exit
Entry gate to begin the project

SDR – System Definition Review
Verifies requirements are complete

URR – UAT Readiness Review
Verifies internal test results and the project is ready for UAT

ORR – Operational Readiness Review
Verifies system is stable and ready to hand over to operations team

PPR – Project Planning Review
Establishes scope, schedule, cost, solution, and resource baselines

TRR – Test Readiness Review
Verifies test planning and preparation is complete

PRR – Performance Readiness Review
Verifies system is ready for production deployment and cutover planning is complete

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Figure E.11-3. SPARK-ITS Tollgates
*SPARK-ITS improves project control and quality through its
formal tollgate approval process that requires approval from key personnel
before we proceed to the next stage of a project.*

These prescribed processes help Priya manage critical aspects of the program, including scope, quality, integration, time/schedule, communication, human resources, procurement, stakeholders, and risk.

Quality Control

Our project management team and quality assurance procedures confirm quality during all program phases – from development to testing and all facets of ongoing operations, including customer service, fraud prevention, and settlement and reconciliation. Quality assurance begins at contract startup with the kick-off meeting and JCS, during which we document your policies and business requirements, define the system configuration, and confirm deployment and ongoing operations. We identify the methods and tools in the plan to assist with early issue recognition, identification and isolation, problem tracking, and resolution. **The goal is to continue delivering EBT Services that create more value for Arkansas** by providing your program with the highest quality services. The Quality Assurance Plan, policies, and procedures govern our management and approach, focusing on customer satisfaction and management accountability. This approach includes:

- **Quality Planning** includes identifying relevant quality processes, measurements, and standards throughout the full project life cycle.
- **Quality Assurance** is the logical application of processes and activities to verify that performance meets requirements.
- **Quality Control** focuses on specific results to determine compliance with quality standards and eliminate unsatisfactory deviations.

All performance measures are important, and we monitor them to verify that we meet or exceed State levels. Components such as system uptime/performance, device deployment, and customer service performance levels are critical and quality-controlled.

The Quality Assurance Plan complements the PMM by assigning carefully placed control points where inspections and sample measurements provide objective evidence of process performance. We follow widely used PMI industry standards for quality management.

We conduct inspections, tests, and reviews to identify performance benchmarks early in the process. Building in time to achieve quality results on the front end is the most reliable means for eliminating costly rework in the later stages of the EBT Program. In addition to quality assurance and control, the quality management process becomes a feedback loop to measure, analyze, and improve our processes.

Risk Management

We apply proven methodologies, tools, and processes to identify, assess, and resolve project risks. The purpose of these procedures is to implement an avoidance strategy that minimizes risk across all service areas. To be effective, our risk management procedures are not theoretical but based on experience, with concrete processes to identify and manage project performance areas prone to risk.

We apply risk matrixes that measure risk items weighted based on the impact of the project and the likelihood of occurrence. Conduent's approach to risk management is a major factor in our success, enabling us to anticipate problems before they occur.

While we cannot eliminate all risks, we develop mitigation and contingency plans to ensure the timely completion of project milestones and deliverables. Our risk management process is thorough and includes the following fundamental elements:

- **Risk Identification.** We determine which risks are likely to affect the project and document the characteristics of each. It is not a one-time event; we perform it regularly throughout the project. This process addresses both internal and external risks. Internal risks are events the project team can control or influence. External risks are items beyond the control or influence of the team.

- **Risk Analysis.** We evaluate risks and risk interactions, quantifying and qualifying each and assessing the range of possible project outcomes. We use a risk classification matrix to determine which risk events warrant a priority response.

- **Risk Mitigation and Contingency Planning.** We perform two planning steps: mitigation planning and contingency planning. We assign responsibility for risk actions and develop mitigation and contingency plans, measurements, and action plans to respond to the risk. These activities include assessing additional resources, if needed, to respond to a risk. We can flex resources within our organization to ensure that we complete all Arkansas project milestones and deliverables in a timely manner. We may temporarily draw upon staff assigned to other Conduent projects, perform workload rebalancing to prioritize risk and contingency mitigation or use subcontractor staff as needed.

- **Risk Response Planning.** We implement risk mitigation and contingency plans developed in the previous step.

- **Risk Tracking/Monitoring and Control.** We follow the progress of each risk and its probability and the status of any mitigation strategies we have executed. We repeat the basic cycle of identifying, analyzing, and responding when changes occur.

- **Communication.** We update the status to make sure we track risks throughout all levels of the project.

Qualification and Quantification

Our risk analysis methodology uses a standard risk classification matrix, which allows us to determine where a risk fits into the overall population of program risks. A risk owner assigns a probability of occurrence and potential impact for each risk. By prioritizing risks this way, we focus activities on the most pressing risks. We assess risk items based on **severity**, **probability**, and **impact**.

Probability indicates the likelihood of a risk occurring, typically measured on a scale of one to five, with one being improbable and five being extremely likely.

Impact indicates the loss to the EBT Program, should the associated risk become a reality. Risks receive a high, medium, or low exposure depending on probability and impact. We then assign a numerical rating that corresponds to risk exposure.

Severity indicates its seriousness, typically measured as a high, medium, or low-level risk, depending on the probability and impact to the project.

We calculate an overall ranking that enables the project team to analyze and prioritize the most critical risks effectively. We then display these rankings on internal project management websites. As a result, we rate risks as high, medium, or low, as shown in Figure E.11-4.

Progress Reporting

Monthly project status reports and meetings offer a forum for regularly scheduled collaborative communications. Experience has shown us that the most successful projects develop open, trusting relationships between State and Conduent personnel. The Conduent team has built that over the past several years in Arkansas. **Our commitment to highly responsive customer service and communication promotes trust, improving staff interaction at all levels and enhancing project deliverables and service**.

For Arkansas EBT Services, we maintain an overall approach to effective communication that includes the following components.

Open Door Policy. An integral aspect of our overall contract and project management responsibilities centers on promoting frequent, open communications and a collaborative management style between Conduent and the State. Although we adhere to requirements for formal status meetings and reporting, we also encourage frequent informal communication among project staff members. Implementation Manager Priya Suresh encourages and is responsive to frequent, informal communications, which promote quick problem resolution, effective decision-making, a positive team spirit, and a productive working environment.

Formal Status Meetings. Formal status meetings follow an agreed-upon agenda, which we distribute to regular attendees before each meeting. To create effective communication, we follow the agenda, which includes time for open communication on the most pressing issues and discussion of, at a minimum, transition or management and operations activities (i.e., a PWP) and open issues.

Walkthroughs and Joint Reviews. As required or requested, we conduct scheduled and State-requested meetings and walkthroughs or joint reviews of deliverables. We hold meetings as necessary, include an agenda, and conclude with a written summary prepared by Conduent to memorialize all decisions and action items, including persons responsible and required completion dates.

Steps for Problem Resolution

Conduent maintains a very rigid project organizational structure related to problem escalation. All core project team members report directly to Priya, who has the authority to resolve virtually all project issues and implement the necessary corrective actions with the State project manager. All escalations receive a response within 24 hours of contact.
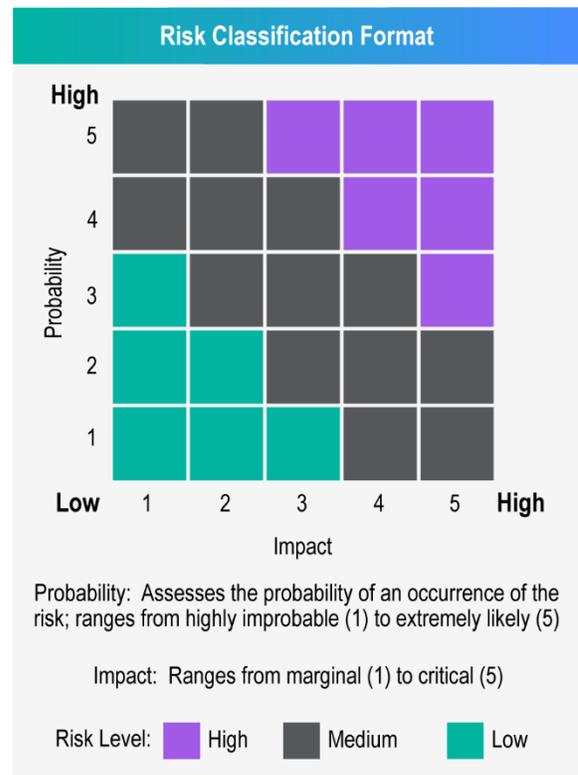
Figure E.11-4. Risk Classification Matrix
The matrix provides structure to risk qualification and quantification.

The timing and method of escalation of issues vary based on their criticality (see our response to Question E.12.F and Figure E.12-3 for priority levels and notification timelines). If critical, Priya immediately calls the State project manager and follows up with written documentation. Conduent's EPPIC24 technical help desk team coordinates resolution activity for high-severity issues, immediately opens a call bridge, and sends an alert to designated technical and business team members. We triage the issue and quickly engage additional team members (e.g., network or hardware staff) if we need to involve others. In parallel, we also initiate an escalation call tree. We do not count on notes and emails as escalation. The EPPIC24 team confirms direct contact and the acknowledgment from those with whom it escalates problems. Within the first 10-20 minutes, the EPPIC24 team escalates a problem to Priya, the technology team required to diagnose and resolve it, and the technology senior management team.

Conduent monitors internal activities through regular meetings and conference calls and reports on activities (i.e., accomplishments, issues, and resources). Conduent uses formal and informal mechanisms to assess internal and subcontractor work throughout the life of the project. While formal mechanisms such as regular meetings with agendas and issues logs are important, the frequent conversations among Priya and the rest of the Conduent project team (both key and support staff) lead to a complete understanding of their performance and status. These frequent conversations also confirm that each project team member is aware of any problems and our expectations for resolution.

If we need additional corporate support or if a risk scores as "high" using our risk classification matrix, Priya escalates issues to Joe Froderman, Vice President, Delivery Management. We make a return contact to the State within 24 hours of receipt of an escalation.

C. Describe the precautions the Prospective Contractor will take to ensure an EBT SNAP benefit account is not closed when a SNAP case closes.	5 points

EPPIC EBT 3.0 maintains an active account status for each EBT SNAP account so cardholders can access their benefits even if their case is no longer active. All accounts remain in active status for a minimum of 274 days from the date of availability or the last time accessed, whichever occurs last.

Benefits begin aging once they become available to a cardholder, and the aging clock within EPPIC EBT 3.0 resets each time the cardholder completes an approved debit or credit/refund transaction (account inactivity is based on these transactions). EPPIC EBT 3.0 applies benefit aging rules based on the last cardholder-initiated transaction (debit, credit/refund) and the date it occurred. As the State system adds benefits to EPPIC EBT 3.0, the benefit "last used" time stamp is initially set to the "benefit available" timestamp for the new benefits. EPPIC EBT 3.0 maintains a record identifying when the system posts all benefits to the account and then distributes the benefits on a FIFO basis. We expunge benefits not accessed by a cardholder for 274 days, notifying a cardholder 45 days prior to the expungement. Each benefit on the system ages individually and independently.

EPPIC EBT 3.0 performs benefit aging at the benefit level by benefit type (or as defined by DHS), and all benefits within a benefit type on a case use the FIFO method based on the "benefit available" timestamp. When the oldest benefit within a benefit type (program) reaches the defined period without a cardholder accessing it, the benefit ages from the system. EPPIC EBT 3.0 ages any benefit with a "last used" timestamp greater than the defined period from the availability date or on the benefit available date. The FIFO process confirms that older benefits are aged off EPPIC EBT 3.0 before newer benefits.

The rules for account aging conditions are configurable within EPPIC EBT 3.0. Should DHS decide to change these rules, EPPIC EBT 3.0 can readily meet any new aging and expungement requirements. The processing rules typically apply only to an account's withdrawals. Balance inquiries or State deposits do not impact the processing rules. We consider an account active if a cardholder withdraws funds during the DHS-defined period.

D. Explain the steps the Prospective Contractor will take to ensure that open accounts remain open during account close outs.	5 points

EBT accounts remain open during account close-out until they reach the State's pre-determined aging period (i.e., 274 days). Cardholders can access all their benefits during the month, leading to a zero balance. However, since benefits "refresh" monthly, an account with a zero balance remains in EPPIC EBT 3.0. As such, the State can add benefits to the account in the subsequent month if needed.

We close an EBT account when it reduces to a zero balance and remains at zero for 275 days. Note that the 275-day count begins when an account shows a zero balance.

E. Describe how the proposed system will recognize and reject requests for duplicate account assignments based on matching SSN, date of birth, and name. Include the process of how DHS will be notified.	5 points

EPPIC EBT 3.0 recognizes and rejects requests for duplicate account assignments based on matching SSN, date of birth, and name. In addition, EPPIC EBT 3.0 can reject individual records or entire batches for many reasons, including:

- Duplicate file names or records
- Invalid header or trailer format
- Data integrity errors (e.g., trailer record total does not match the cumulative detail total)
- Exceeding data integrity threshold
- Invalid record format

If EPPIC EBT 3.0 rejects a file, it retains a record of subsequent transmissions and completes file processing within minutes of the retransmission. The system immediately transmits a notice of acceptance or rejection and repeats the process until the transmission is successful. We can reject an individual record, process the remaining records in the file, and send an acknowledgment back to DHS. Like the initial notification, EPPIC EBT 3.0 transmits subsequent notifications within minutes of the transmission.

Rejecting duplicate files or duplicate records confirms that no inappropriate or fraudulent information loads into the system. We review these processes with you during the JCS and update the integrity thresholds as necessary to meet your requirements in the ongoing program.

We include this information as a part of the Batch Processing Report referenced in our response to Question E.15, Reporting. We generate the report for all batch files received from the State. The report contains a list of all records received within a batch that EPPIC EBT 3.0 did not process. The report lists all unprocessed records and includes a reason code (i.e., error code) for the cause of the rejection (i.e., why EPPIC EBT 3.0 could not process each record), including the identification of duplicate case exceptions.

E.12 System Performance, System Security Plan, Fraud Prevention Analysis	
A. Describe how the Prospective Contractor will provide card security.	5 points

With the rise of digital data and identity theft, Conduent and our state partners have a vested interest and responsibility regarding card security. Leveraging our extensive 25-year experience managing payment card services programs, including EBT, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) EBT, and Electronic Payment Card (EPC), gives us a unique perspective when it comes to card security. We take the experience and lessons learned from these projects and apply that information to the programs we manage for our clients. By embracing and incorporating innovations, such as EMV technology, alongside our rigorous card issuance protocols and robust card security measures, we deliver a secure ecosystem for our clients, such as DHS. We describe our approach toward card security in the following paragraphs.

Card Issuance Security

As we do today, we will continue to uphold a centralized card issuance management database on behalf of DHS, equipped with robust security measures. This database enables meticulous tracking of all cards, including those not yet shipped and those dispatched to local offices, by associating them with their respective distribution points via unique card numbers. Accessible around the clock, this database is securely available to authorized DHS personnel via designated passwords.

Our card fulfillment subcontractor, Fiserv, verifies the security of all Arkansas EBT card stock in its possession. It maintains secure card storage, handling, and mailing procedures and policies that protect cards throughout the production and issuance processes. Certified by Visa®, Mastercard®, Discover®, and American Express®, our subcontractor adheres to the highest security standards for facilities, personnel, materials, and data with more than 100 physical and logical audits per year, including SSAE-18/SOC1.

Fiserv handles card inventory and shipping with utmost care, utilizing highly secure storage facilities and an advanced card inventory system. Recognizing the sensitivity of EBT card stock as a potential target for fraudulent activity, Fiserv takes proactive measures. All cards are securely stored within locked vaults or cages at their production facility, strictly limiting access to authorized personnel only.

Card Activation and PIN Security

Cardholders have varied, user-friendly options like IVRS, cardholder portal, and mobile app for PIN selection or modification, all designed with secure and convenient protocols. These methods entail entering their card's PAN and DHS-defined demographic data (e.g., SSN, date of birth, ZIP Code) to verify identity before accessing PIN-related features, ensuring stringent security measures. Our security protocols encompass established systems and procedural controls ensuring strict oversight over all PINs. We uphold complete accountability in safeguarding the confidentiality of PINs throughout their entire lifecycle, encompassing generation, issuance, secure storage, and verification processes. See our response to Question E.5.E for information about card activation security. See our response to Question E.12.D for information about PIN security.

Returned Cards

Returned cards can also pose a potential security threat due to the sensitive nature of the information they carry. If not properly managed, these returned cards might fall into the wrong hands, potentially leading to identity theft, fraudulent use, or unauthorized access to sensitive information. Our processes

are instrumental in securing the handling and destruction of these returned cards, effectively mitigating any potential security risks associated with unauthorized access to sensitive card data.

The USPS returns EBT card mail marked as undeliverable to a dedicated Post Office Box address, which we print on the return address portion of the envelope used for mailing cards. We securely transport card packages daily, Monday through Friday during business hours, to our returned mail-processing center, where we update the card status in EPPIC EBT 3.0 as "Returned." Using defined operating procedures, we then destroy the cards and materials onsite. Conduent operates a secure PCI-compliant mail-processing center in Austin, Texas that adheres to strict specifications. We never forward returned EBT cards. We illustrate the returned card process in Figure E.12-1.

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| All card envelopes have a return address with a Conduent PO Box address. Undeliverable cards are returned to this PO Box. We pick up all returned mail each day. | A Conduent staff member opens the returned mail and changes the status of the card to "returned" in EBT Connect. The staff member also creates a daily log of all returned cards. | A separate Conduent staff member performs a quality check by comparing the cards returned against the daily log. The staff member also checks that the status of each card was correctly updated in EBT Connect. | Once the quality check is completed, all cards are destroyed. Conduent prepares and sends a Returned Cards Report to the State. |

Figure E.12-1. Conduent Returned Mail Process
This process follows strict industry guidelines for properly tracking, reporting, and disposing of returned mail.

An EBT card returned as undeliverable may not be the account's most recent or current card. A cardholder may have already updated the delivery information and requested a replacement card while the undeliverable card was in transit to Conduent. For this reason, we status cards as "Returned" based on their PAN. This confirms that we do not cancel a card incorrectly and potentially risk interrupting account access. See our response to Question E.5.E for more information about returned cards.

Transition to Europay, Mastercard, and Visa (EMV) Chip Cards

As stated in RFP Section 2.3, Current Environment, DHS intends to transition from magnetic stripe cards to integrated circuit chip cards. We are excited about the opportunity to support this. These state-of-the-art cards offer unparalleled security features by generating unique transaction codes for each payment, effectively mitigating the risks associated with counterfeit card fraud prevalent in magnetic stripe cards. The dynamic nature of these codes renders them useless for future transactions, significantly reducing the likelihood of unauthorized use, skimming, or cloning of card data.

We are fully prepared to collaborate closely with the State to facilitate a smooth and efficient card conversion process. Our expertise in payment systems and dedication to secure transaction environments will provide a seamless transition, aligning with the State's vision for enhanced card security by adopting chip-enabled cards.

See our response to Question E.5.B for more information about card design and manufacturing capabilities and our response to Question E.5.G for more information regarding card security features.

B. Describe how the Prospective Contractor will monitor ATM accessibility.	5 points

Conduent offers the ideal mix of management, partnerships, and database tools to provide an effective approach to monitoring ATM accessibility. As your incumbent EBT Contractor, our strategies, methodologies, tools, and reporting are highly proven and already in place. We will replicate our current success under the new contract. We describe our approach to monitoring ATM accessibility in the following paragraphs.

Monitoring ATM Accessibility through Cash Access Plans, Strategies, and Methodologies

Conduent offers the requisite knowledge, experience, and retail/financial institution relationships to offer the best cash access possible for the program – not just for ATMs but also POS locations where cardholders can get cash back. Conduent maintains an extensive database to store data on ATM locations, retailers, and POS locations. The database has evolved over the past 20 years to provide the most comprehensive reporting possible.

Conduent's strategy to assess and determine the appropriate number of ATMs and cash access locations needed includes four components: capacity, proximity, distribution, and alternatives.

Capacity. Refers to the amount of cash and cash access points available in required ZIP Codes. Factors included in calculating capacity include the type of location, hours of operation, number of transactions, transaction amount, surcharging and non-surcharging locations, check cashers, single- and multi-lane retailers, as well as non-EBT demand on cash at ATM, POS, and point of banking sites. We use information from our retailer agreements, historical data, and FNS data—in addition to our work with the networks, retail associations, and banking communities—to collect the data needed to evaluate cash access coverage.

Proximity. Refers to cash availability within the ZIP Codes. Should there be a ZIP Code that does not meet standards (e.g., an inability to accommodate the amount of cash benefits issued to cardholders residing in the same ZIP Code), we review neighboring ZIP Codes to validate that access is sufficient. However, if access is not sufficient, our team asks existing retailers to increase their cash availability, or, in the case of retailers not offering cash at all, we encourage their participation by explaining the benefits of participation, such as minimizing the amount of cash on hand and having less cash to deposit daily lowing risk and expense for the retailer.

Distribution. Refers to widespread availability. Our retail partners and contacts in the banking/commercial ATM network community are integral to the success of our cash access solution. We are committed to actively soliciting the participation of the program with ATM owners, retailers, and networks. If not already in place, we develop professional relationships with new retailers, banks, or TPPs that support ATMs within the State to fill the need where cash access is limited.

Alternatives. Refers to our approach to finding "alternate" methods to supplement cash availability. Based on our demonstrated experience, we understand that these alternatives work to supplement cash access locations:

- **Cash Access in a Neighboring ZIP Code.** Provide cash access in a neighboring ZIP Code, usually contiguous with the ZIP Code in question. In some areas, especially rural towns, it may be reasonable for individuals to travel to a commercial center to conduct business. We seek to minimize travel to accommodate cash nearby to best serve cardholders.

- **POS Locations as Alternatives.** Include commercially provided POS locations where cardholders can pay bills. Locations such as housing authority offices, internet service providers, and utility pay stations that allow direct payment of bills reduce the required cash capacity and provide a safe, fee-free, and convenient way for cardholders to use their cash benefits to pay bills without withdrawing cash.

- **Additional POS Deployment.** If we are unable to meet minimum access standards (as defined by the combination of proximity, capacity, distribution, and alternatives) through the commercial electronic funds transfer infrastructure, Conduent may deploy additional POS equipment to supplement cash access to meet a defined need. Installation of POS equipment requires that a retailer or other business be willing to advance cash and provide this service without a fee to cardholders.

Our extensive experience, established partnerships, database tools, and reporting systems underpin our comprehensive approach to monitoring ATM accessibility. As a trusted incumbent EBT Contractor, our proven strategies and methodologies, already successfully implemented, deliver optimal cash access, not only for ATMs but also at POS locations where cardholders can get cash back.

See our response to Question E.9.A.4 for more information about ATM and cash access locations.

C. Describe the Prospective Contractor's Security Plan for the EBT System.	5 points

In today's web-enabled business environment, system security is a high priority. Our responsibility is to protect the security of Arkansas EBT Program disbursements and all the data entrusted to us. We use the best and most reliable tools available to deliver the necessary protection.

We maintain program integrity and cardholder security through advanced security standards, PIN protection, strict monitoring and operational procedures, and physical security validated through the latest security audits. Conduent provides DHS with the highest level of security protection in the industry. As standards and policies change, we update security controls to keep pace with evolving program protection needs.

We place a high priority on establishing and maintaining an appropriate level of security for the services we provide. We designed our system to:

- Prevent fraud
- Protect the privacy of the data entrusted to us
- Maintain internal controls and accountability
- Safeguard the integrity of system operations over the life of the contract

Unlike other Contractors who have experienced broad network intrusions, Conduent has never had a system breach in any state EPS program we manage, including Arkansas. Our next-generation EPPIC system (i.e., EPPIC EBT 3.0) uses a private cloud to maintain the integrity of your program's data and cardholder information. Our NIST 800-53 aligned approach uses the best names in the business to protect your program, including Azure, IBM QRadar Security Intelligence Platform, Carbon Black, Rapid7, and VxRail.

As part of our security standards, we also submit SOC 1 and SOC 2 audits annually to validate controls and program security standards. In addition, the Conduent solution complies with USDA-FNS 901 Handbook Security Guidelines and requirements.

We maintain in-depth operational knowledge of EFT standards, the Quest Operating Rules, and FNS EBT rules and regulations. Additionally, we fully comply with FNS regulations for EBT system security requirements in 7 CFR § 274.8(b)(3), the regulations for state-automated data processing and information retrieval systems in 7 CFR § 277.18(m), and additional State-specific security requirements. These FNS regulations include policies and guidelines for fraud prevention and overall administrative, physical, technical, and system security, all of which we have fully implemented in our systems and procedures.

Conduent designed EPPIC EBT 3.0 to be flexible enough to readily accommodate changes to these standards and rules, which enables us to implement them quickly. Using these standards and rules as the basis for the security program, we provide DHS with a grounded system fully compliant with industry standards and program regulations for handling and protecting sensitive information.

Though specific security guidelines and requirements vary from program to program, we always apply the same security mandate to all our operations – **to protect the privacy and safety of our customer's information, including their participants' personal and financial information – that of merchants and retailers, and Arkansas' EBT services data.** Our system consistently delivers the administrative, physical, technical, and system controls required for secure benefit delivery in accordance with EFT industry standards. These controls accompany every element of hardware, software, data transmission, transaction management, personnel access control, card distribution, and PIN selection and management. Applying a broad-based security strategy, we incorporate risk reduction procedures into every element of our services.

Security Plan

As the incumbent Contractor, we currently have an approved Security Plan in place. This plan:

- Applies industry-wide standards and principles to ensure a sound and secure operating environment for the State

- Remains aligned with emerging standards and accepted industry practices for data protection

- Identifies the roles and responsibilities of Conduent and the State and details the physical, electronic, and technical controls in maintaining security (i.e., hardware, software, data, communications, facilities, and goods)

The Security Plan addresses our approach to meeting each applicable security requirement outlined in the RFP, including the administrative, physical, and technical security controls in alignment with industry standards, along with the privacy safeguards we implement over the life of the contract. Specifically, it explains how our infrastructure incorporates rigorous security measures that restrict access to cardholders' personal data and benefits information only to authorized State and FNS employees, Conduent staff, and cardholders.

Table E.12-1 includes a high-level description of the Security Plan.

Table E.12-1. Security Plan Overview

Section	Content
Introductory Information	Cover/title page, table of contents, document scope, and roles and responsibilities of Conduent, subcontractors, and DHS
Facility Physical Security	Description of the environmental and physical site security measures in use at the data center(s), including key cards, cameras, intrusion alarms, exit alarms, dock area procedures, and computer room access
System Security	Description of auditing, monitoring, and logging procedures, administrative application security, web transmission security
System Data Security	Description of system access controls, data backup procedures, segregation of duties, laptop encryption
Administrative and Personnel Security	Description of security policies for Conduent personnel
Cardholder Security	Description of PIN security, cardholder portal access controls, multi-factor authentication
Telecommunications Security	Description of procedures to secure transaction processing and call center networks, settlement bank security, and DHS interface security
Addressing Security Deficiencies or Breaches	Description of procedures followed in the event of a security breach
Security Roles and Responsibilities	Description of Conduent and DHS security roles and responsibilities

The plan adheres to EFT industry standards and reflects the guidance of USDA-FNS Handbook 901, OMB (Office of Management and Budget) Circular A-130 and Circular A-133 Compliance Supplement, 7 CFR § 274, and EBT Security Guidelines Handbook, February 2004.

We will submit an updated Security Plan to DHS within 45 calendar days after the contract start date. We will then update the plan over the life of the contract as industry standards change, new State or federal requirements are issued, or new security concerns are discovered. All revisions of the Security Plan are subject to DHS approval.

D. Describe the proposed system's data security controls and indicate whether they meet or exceed FNS thresholds.	5 points

We take the security of your program's data seriously. Using measures that meet or exceed FNS thresholds, we use a combination of access controls, protective measures for disclosing information and data, PIN confidentiality and security, system modification and tampering controls, a data destruction methodology, and separation of duties.

We designed our time-tested controls to protect the system and confidential data to make sure this information is never disclosed for unauthorized purposes. We only provide access to State, local, and federal agencies with DHS approval.

Access Control

Using carefully controlled access controls, EPPIC EBT 3.0 verifies that only designated DHS staff and other State and federal authorized users can access EBT system data and operations. In addition, no other State or entity that contracts with Conduent can access your system data. For additional information on managing access in EPPIC EBT 3.0, see our response to Question E.4.B.

Disclosure of Information and Data

We only use sensitive information made available in any format to carry out the provisions of this contract. We do not divulge or disseminate any information to any person or entity except as is necessary in the performance of this contract. We account for all sensitive information upon receipt and securely store it before, during, and after processing. In addition, we give all related output the same level of protection as the source material and data.

PIN Confidentiality and Security

We generate all keys used to encrypt PINs securely. In addition, our encryption key management procedures fully comply with Quest Operating Rules and ANSI specifications, including ANSI X9.8–1982, X9.24–1992, and X3.92–1987. Conduent procedures also require that all encryption keys be subject to dual control (i.e., no single person controls all parts of an encryption key). If there is a known or suspected compromise of an encryption key, we employ clear internal escalation procedures to change the encryption key immediately. We ensure that all TPPs and other data acquirers comply with all encryption requirements.

Within our system, we encrypt PINs using the highest Data Encryption Standard (DES) block cipher at the point of entry on any device, transmitting them to the host system in encrypted form for verification. We never store PINs outside the Arkansas EBT cardholder database, and PINs are never visible to anyone but a cardholder. A PIN remains encrypted until it reaches EPPIC EBT 3.0, which then encrypts it under a different set of keys from the PIN transmission.

The key used between EPPIC EBT 3.0 and a processor or POS is unique. EPPIC EBT 3.0 and a processor, or POS, share a master key encryption key (KEK) for exchanging the session or a working key to encrypt and decrypt the PIN. The security service is an encrypted form for verification. The security service manages this encryption.

System Modification and Tampering Controls

We designed EPPIC EBT 3.0 with the intent to deliver the best in performance and reliability. Our built-in provisions for access controls and associated security measures continuously protect the system from tampering. Only specifically authorized personnel can make system changes that affect access controls or any other aspect of the system. Since these changes entail modifications to the EPPIC EBT 3.0 software, they are subject to a rigorous control process to protect against tampering or unauthorized changes.

As an additional security measure, system modifications, whether hardware, network, or software modifications, require prior security approval and, in some cases, change management approval. We employ system modification procedures to limit access to authorized users only, and we segregate duties to reduce the level and scope of access that employees require to perform their jobs. We remove employee access privileges of those targeted for termination before notifying the employee. Audit trails are in place to provide additional system security.

EPPIC EBT 3.0 tracks all root-level activities on its servers and maintains detailed records. Its built-in file-monitoring software tracks changes to all critical files (e.g., password files, configuration files, and audit trail files). The system's numerous features offer a means to monitor activities, safeguard data transmissions, and confirm that only authorized personnel access it.

EPPIC EBT 3.0 supports non-repudiation measures by maintaining thorough auditing logging, including user-level access auditing. It logs every action an authenticated user performs in the database. As the logging is part of a distributed transaction, we duplicate the audit trail on multiple databases and disks. We store this data in a relational database, which is easy to retrieve and analyze.

Data Destruction

We thoroughly protect DHS information in any form it takes. Our standard operating procedures provide for the destruction of magnetic media or deletion of data from magnetic media when we no longer require it. However, we do not anticipate that there will be extensive use of magnetic media for the submission of project-related information. All reports and archives remain available online for three years and in the optional data warehouse for ten (10) years, after which we archive all data on secured servers and store it for the life of the contract. We seek DHS approval on the destruction methodology prior to any data or media destruction.

Separation of Duties

Conduent recognizes that the separation of duties is essential for maintaining the security of the EBT system. To make sure that no one user can misuse the EBT system, we separate system operations functions from reconciliation duties. We adhere to standards outlined by the Cardholder Information Security Program (CISP) and Payment Card Industry Data Security Standard (PCI DSS) in delivering EBT services. Credit card companies develop and use these standards to ensure and enhance the privacy and security of financial data.

We provide adequate internal controls by separating duties and dual controls for EBT system functions, including card and PIN issuance, system administration, and security administration. This includes separating operations from control functions such as reconciliation controls, account setup and benefit authorization, and settlement.

As described above, individual users established in the system receive access only to the specific subsystems and functions needed to perform their jobs. This separation of duties prevents accidental or fraudulent misuse of sensitive information related to system or security administration, account setup and maintenance, card, PIN issuance, benefit or settlement authorization, or reconciliation.

Functions that affect a cardholder's account or balance are particularly sensitive because misuse of EBT financial data can result in loss or misallocation of funds. These functions include account setup, benefit authorization, settlement authorization, crediting or debiting of accounts, updates to account records, and crediting retailer bank accounts. As a security measure for these and similar functions, we separate these duties to reduce an individual's level of system access to the minimum needed to perform their job functions. We enforce this functionally through our management and detailed access controls.

Conduent employees serving critical functions may have at least one backup for contingency purposes. However, employees with access to these specialized functions cannot access other sensitive functions. In the reconciliation department, for example, one person performs federal reimbursement requests on the ASAP system, another performs Account Management Agent (AMA) entries, and a third coordinates ACH requests through our concentrator (or settlement) bank. No single person can access the funds at every stage because these duties do not overlap.

The system operations staff and the reconciliation staff work in separate facilities and have access only to those privileges required for their duties. EPPIC EBT 3.0 resides at the primary data center and is mirrored at the remote backup location, where the personnel that maintain the systems do not have access to any functions directly affecting accounts or finances. Reconciliation personnel have job-specific access to account functions but cannot administer or make changes to EPPIC EBT 3.0.

Summary

Most of our data security controls are aligned with various payment industry standards that exceed FNS thresholds. As described, we use a combination of access controls, protective measures for disclosing information and data, PIN confidentiality and security, system modification and tampering controls, a data destruction methodology, and separation of duties.

E. Describe how effective the Prospective Contractor's Fraud Prevention Plan has been with other EBT Systems.	5 points

As the landscape around fraud monitoring and prevention continues to evolve, Conduent is right there with DHS to make sure we stay one step ahead. Our dedicated fraud team offers proven experience from the world's leading banks, card associations, law enforcement, and government programs to benefit your EBT Program. This team focuses on finding, developing, and implementing the technology, solutions, and tools that enable DHS to protect program integrity and mitigate fraud.

Many of these tools and controls are in use today, and the results have been excellent. Some of the most widely used tools include:

The Right Tools to Combat Fraudsters

Here is a real example of fraudsters compromising funds from cards using a soft PIN, showing how quickly a fraudster can compromise funds:

- Between May 26 and 29, 2023, a group attempted online balance inquiries on 474,334 cards through the website of a small online grocer.

- The fraudsters were able to compromise the soft PIN on 3,111 cards, about a.65% success rate.

- The fraudsters drained all funds on cards with a balance over $100 within 24 hours of compromising the PIN.

- The compromised cards were manually keyed at small retailers in the state.

- The total loss to participants was $146,260.27.

- **Conduent's soft PIN restrictions solution prevents these types of incidents from occurring.** In addition, once soft PIN restrictions are in place, we can determine the existing cards using a soft PIN and reset them all, which forces cardholders to change to a stronger PIN and prevents them from being a target of these online attacks.

For example, we recently worked with one of our state agency partners to fulfill an urgent need for support in combating an alarming uptick in fraudulent behavior and lost cardholder funds. With the leadership of our fraud team, project team, and this customer, we quickly developed, coded, tested, and implemented a wide array of tools to support their programs. These included: Soft PIN restrictions, Card Controls for cardholders to lock and unlock their card, Adaptive Fraud Analytics with a velocity blocker enhancement for the IVRS, and new fraud benefit types for replacement benefits.

Fraud Prevention Approach Overview

As detailed in our response to Question E.17.B, we offer a range of core and optional enhanced services designed to safeguard the integrity of your EBT Program while verifying that benefits reach only those who truly need them.

A Fraud Solution that Evolves with Arkansas. As with any technical or reporting solution, your needs change over time. We collaborate continually with DHS to identify any additional or revised anti-fraud measures. We also regularly monitor these solutions to make sure they achieve our fraud prevention goals for your EBT Program. We likewise review the Anti-Fraud Plan annually to reflect the most current industry trends, recent fraudulent activities, and any countermeasures we deployed.

With Conduent's EBT fraud monitoring, prevention tools, reporting, and analysis services, DHS can confidently combat fraud, protect program integrity, and make sure that vital benefits reach the individuals and families who truly depend on them. We remain committed to delivering exceptional service, leveraging our expertise and innovative technologies to stay one step ahead of evolving fraud threats. Together with DHS, we can build an even stronger, more secure Arkansas EBT Program for the benefit of all.

We provide additional details on our approach to fraud prevention in our response to Question E.17.F.

F. Provide the Prospective Contractor's procedures for incident management.	5 points

While we focus on preventing potential or actual problems, unforeseeable events may create incidents requiring prompt action. Our enhanced controls and procedures define how Conduent notifies DHS of incidents, how the State can report system and operational problems, and how the team resolves them, notifies all affected parties, and records all progress, including the outcome. The goal is always to decrease repeat incidents and make sure we can restore normal operations quickly and safely once an incident occurs.

While Conduent's systems and processes minimize system incidents, we are always prepared to address anything impacting service delivery. We rely on detailed management procedures and processes to document, address, resolve, and report on any identified problem. When an issue occurs, Operational Project Manager Priya Suresh reports it to her designated DHS counterpart (or designated backups), following the timing and communication method for the severity assigned to an issue. We provide prompt notification that allows us to work collaboratively to address any matter that affects service. We also include additional specialists, as needed, to achieve an effective and rapid resolution for any State or Conduent-identified issue.

Figure E.12-2 describes the assigned severity levels and the notification timelines.

Before any proposed failover (i.e., the actual time we execute the cutover from one server to another), we communicate information to DHS or directly to affected stakeholders if required and assist you with available resources to notify affected stakeholders (e.g., TPPs and networks).

We also provide alert communications via Everbridge Mass Notification software to EBT team members that we add to the platform. Everbridge offers multiple communications channels (e.g., phone, text, and email) in the event of an issue. An important feature of Everbridge is its customizable contact management capability. Users establish individual contacts or contact groups and define available communication paths, including business phone, mobile phone, SMS contact, and email.

Priority Levels

High Severity
Report by phone immediately upon occurrence 24/7/365 with a reoccurring status call at an agreed upon interval (i.e., every 15 minutes until resolved)

Medium Severity
Report by phone within one business day upon occurrence, 24/7/365

Low Severity
Report by email within two business days of occurrence and follow up by phone within three business days

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Figure E.12-2. Severity Levels and Notification Timelines
Severity levels align with Conduent processes to address each issue in an established timeframe.

During the Operations and Maintenance Phase, several important problems or service requests may not be related to transaction processing (e.g., file transmission errors, financial settlement, reconciliation, or missing reports). Depending on how we receive notification of a problem, we resolve operational issues through the following:

- **EPPIC24.** This Conduent technical help desk provides immediate access to responsive technical staff. State staff can also access it through a dedicated email address at eppic24@conduent.com. We answer EPPIC24 requests immediately and typically resolve operational issues within a few minutes. We use an established escalation protocol to handle issues that prioritize critical issues in a timely and appropriate manner. The goal is to resolve issues quickly, and as such, we staff EPPIC24 with knowledgeable IT professionals experienced in addressing EPPIC EBT 3.0 and other technical issues. In addition, the staff at EPPIC24 can reach out to internal on-call support as needed.

- **Customer Service Representatives (CSRs).** Authorized staff have access to CSRs at the toll-free help desk to support daily operations and to receive help to resolve any issues while managing cardholder services, including services related to benefit availability, authorized items, or the cardholder portal.

- **Conduent Project Management.** The most important aspect of project management is the method and frequency of leadership and communication between the project team and all stakeholders. Priya and her project team will continue working with Arkansas to resolve all matters expeditiously.

G. Describe available options for federally and state required blocking of EBT transactions for prohibited card use and terminals.	5 points

As noted in our response to Question E.12.B, the EPPIC EBT 3.0 database controls where EBT cards can be used to conform to the Middle-Class Tax Relief and Job Creation Act. DHS will continue to drive this process and provide specific directions regarding which locations to restrict. We recommend using name/address searches, public industry lists, and registrations (e.g., liquor licenses) to identify targeted locations. Together, we continually refine and categorize this information based on web searches to review the facility, location, and other factors to put the correct restrictions in place.

As detailed in our response to Question E.8.A, EPPIC EBT 3.0 provides DHS staff with the appropriate controls through the administrative terminal to restrict cash access at locations defined by the State. DHS and Conduent can continually refine and categorize this information based on web searches to review the facility, location, and other factors. This series of screens allows authorized personnel to restrict locations at either the MCC level or by specific Terminal Identification (TID) numbers, providing flexibility in the level and type of businesses that can be added as restricted locations. Once the MCC or TID is entered as a restricted location, the transaction is denied if the MCC or TID matches the list of restricted codes and TIDs. This automated solution results in immediate denial of transactions performed at restricted locations.

See our response to Question E.12.B for more information on our reporting capabilities for this feature.

E.13 Independent Audit/Certification	
A. Provide copies of independent audit and all certifications required.	5 points

Conduent will continue to observe and comply with all applicable independent audit and certification requirements in support of the Arkansas EBT Program going forward.

We include copies of independent audits and required certifications in Proposal Section 8, Other Document/Information. The documents contain an executive summary of the following System and Service Organization Controls (SOC) reports generated as output from the annual Statement on Standards for Attestation Engagements (SSAE)-18 (formerly SSAE-16) audit:

- SOC 1 Report for Government Payment Solutions EPPIC Electronic Benefits Transfer Processing and Settlement System

- SOC 2 Report for Government Payment Solutions Electronic Benefits Transfer, Women & Infant Care, and e-Childcare Processing and Settlement Systems

Proven Audit Compliance

- Current SOC 1 and SOC 2 audit reports give DHS assurance that EPPIC EBT 3.0 already fully complies with State, federal, and security requirements.

- We apply industry-compliant security practices daily to protect systems, data, transactions, and access.

- Banking and financial service processes and rules are in place and operational to move funds each settlement day accurately.

- Fully compliant with FNS regulations and Quest Operating Rules.

A brief overview of the applicable annual audit reports and yearly self-certification statement follows.

SOC 1 and SOC 2 Annual Audits

Conduent undergoes annual SSAE-18 SOC 1 and SOC 2 audits by an independent auditor for all our EBT programs. The audits cover the next 12-month period from the previous examination period. **It is important to note that we participated in audits conducted under SSAE-18 SOC 1 and SOC 2 requirements without ever receiving a significant finding, including throughout our partnership with DHS**.

Under the current contract, we submit a copy of the SOC 1 and SOC 2 reports to DHS each year, and we will continue to do so under the next contract.

Annual Self-Certification

Conduent will provide DHS with an annual written self-certification affirming that we and our subcontractors comply with applicable banking regulatory and EBT terminal-specific requirements. We will work with you during JCS to determine the expected format and required additional attestation not included through our annual audits. The final product will be submitted with the annual audit documentation.

E.14 Project Management	
Provide the Prospective Contractor's staffing plan that includes the following: • An organizational chart • List of key personnel by position, title, and function including a description of all resource requirements, roles, and responsibilities • Resumes of key personnel	5 points

Providing the right management team is critical to the ongoing success of your EBT program. With the State's needs always in mind, we have assembled a program team of highly skilled industry professionals to continue supporting your program. We selected each team member based on their experience and delivery with similar programs, performance, subject matter expertise, and a history of exceeding expectations. With their collective experience in delivering high-quality and secure card-based services to Arkansas DHS and other state agencies, we provide the right quantity and quality of personnel to ensure continued successful operations under the next contract.

Conduent's Arkansas EBT Project team is led by Operational Project Manager Priya Suresh, who will oversee the EBT operation and take over the care of our long-standing relationship with DHS. Priya has more than 17 years of experience in implementing large electronic payment systems, including EBT systems. One of our most seasoned and trusted managers, Priya's expertise in the effective management of complex projects makes her an ideal choice to manage the program for Conduent during the next contract. She is known for her responsive and attentive nature to her customers, a dedication and energy she will no doubt bring to her role for DHS. She will be supported by Deputy Operational Project Manager Zoila Feaster and the rest of our Arkansas-experienced team.

Figure E.14-1 illustrates how Priya, her team, and our corporate and technical oversight teams' partner with DHS to manage and operate your EBT system efficiently and effectively.
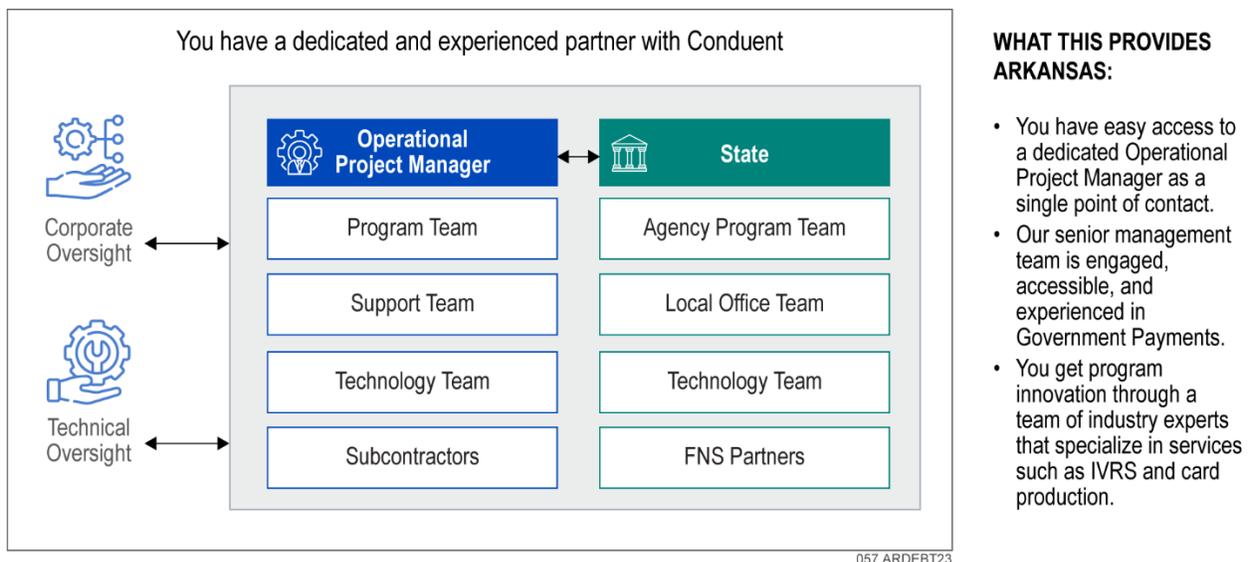
Figure E.14-1. Experienced Conduent Team
With oversight from corporate and technical leadership, Priya, and her team
partner with the State to successfully manage and operate the Arkansas EBT Program.

We provide an overview of our staffing plan on the following pages and a draft Staffing Plan deliverable following this section.

Organizational Chart

Conduent creates project organizations tailored to each contract. Our management structures focus on the required functions and roles of the program. We consider the influence and impact of external factors on the performance of the contract. We are committed to providing the corporate support and resources needed to continue meeting your requirements under the next contract. Our management structure uses lean management and clear lines of authority to increase communication and reduce errors. We enable a direct communication path with DHS to facilitate collaboration and transparency. This is essential to our project management approach and the ability to deliver outstanding EBT Services to Arkansas families.

Our proposed Arkansas project organization is shown in Figure E.14-2. This chart highlights key and support staff, corporate and technical oversight teams, and the subcontractors who will continue supporting your program.
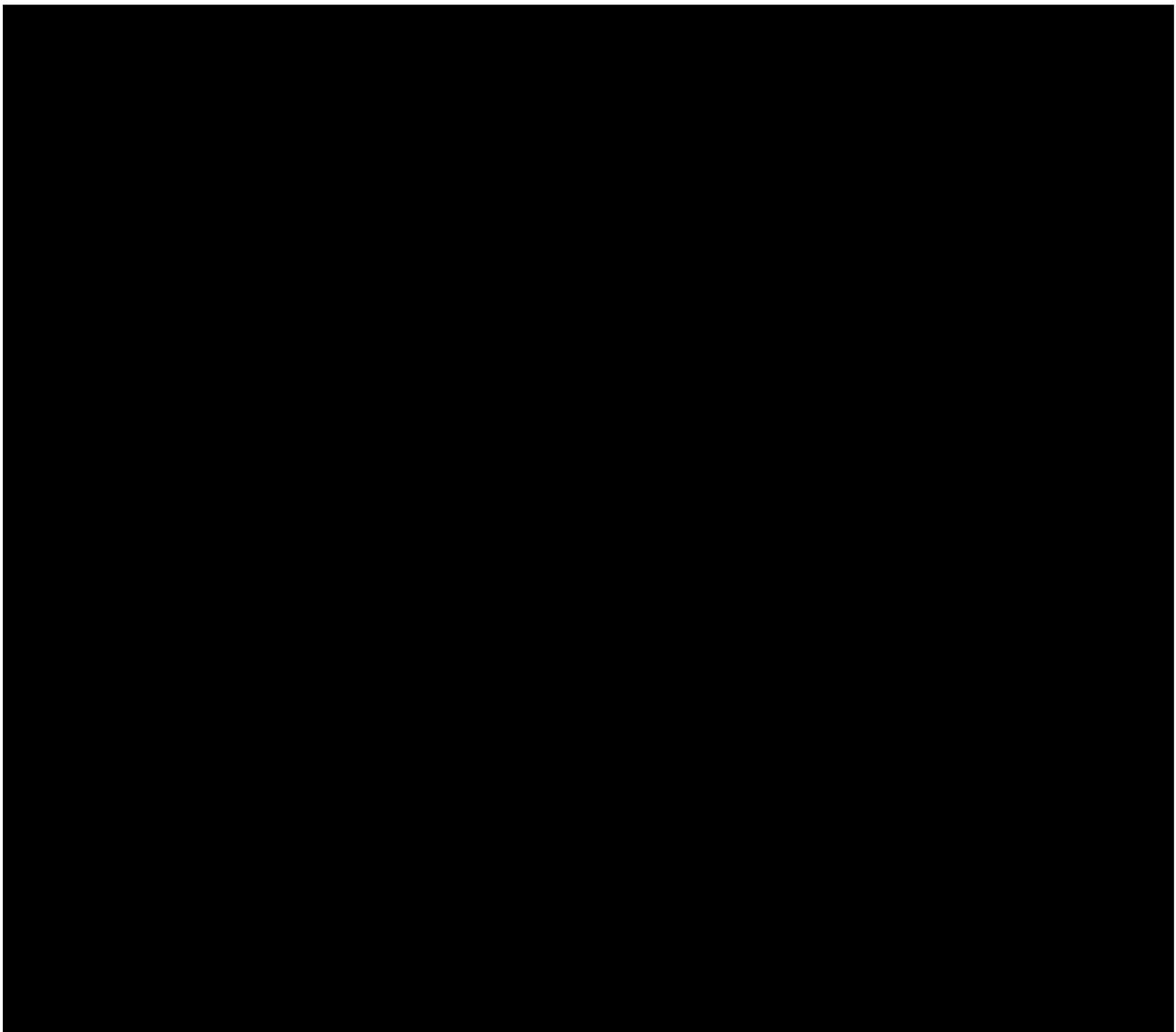
Figure E.14-2. Conduent Project Organization
*The Conduent team is organized and integrated in an efficient, well-managed
whole to provide you and your stakeholders with a reliable and effective service.*

For the Arkansas EBT Program, we will continually assess program needs and adjust staffing levels to maintain proper coverage to ensure repeatable project functions. By tailoring the organizational structure and personnel resources to the program's needs, we can maintain consistent staffing levels throughout the contract's lifecycle, including the operational phase through the end of the contract.

List of Key Personnel

It is not just the professionalism and expertise that set Conduent personnel apart – it's our company's commitment to human services programs, the quality of our teams' work, and the customers we serve. Conduent offers Arkansas a team of highly qualified key personnel dedicated to providing exceptional EBT Services for DHS. Led by Operational Project Manager Priya Suresh, all proposed personnel work as partners with DHS staff to develop, create, and implement processes and procedures. They also serve as resources and allies in problem resolution.

Table E.14-1 highlights the experience of the proposed key personnel. See our Response to Question E.14.B for descriptions of all resource requirements and responsibilities for each of their roles.

Table E.14-1. Key Personnel Experience

Name & Title	Experience Highlights

Name & Title	Experience Highlights

Our key personnel leverage the experience of our EBT support team, account manager, and corporate and technical oversight team members to make sure we are not only meeting but exceeding your expectations. We highlight these individuals below.

Support Team

Table E.14-2 provides the responsibilities, summary of qualifications, and experience of the operational support staff assigned to the Arkansas EBT Program.

Table E.14-2. Arkansas EBT Support Team

Name & Title	Summary of Qualifications and Experience
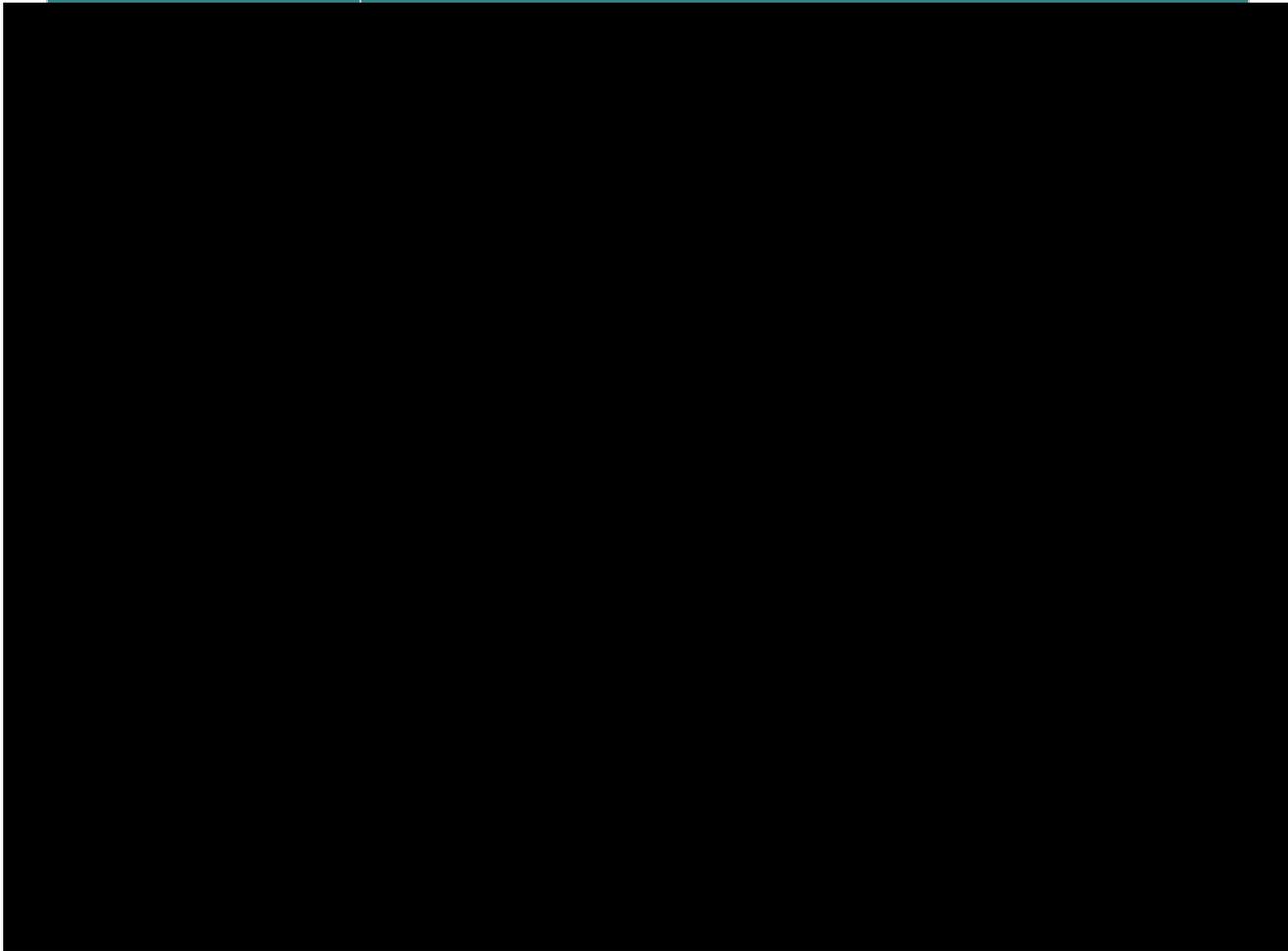
Corporate Oversight Team

This team includes individuals with a blend of financial and government payment expertise in federal and State programs, and who provide guidance and support to the project team. With their extensive experience and ability to guide the team, this team provides the direction needed to continue top-quality support of your program under the next EBT contract (see Table E.14-3). This team holds regular status reviews with key and support personnel to confirm we provide the support and resources to DHS for the ongoing successful operations of your EBT Services. The corporate oversight team makes sure that the project stays on schedule, on budget, and fully meets or exceeds State expectations.

Name & Title	Experience Highlights

Technical Oversight Team

This team comprises executive technical leadership, security, and technical operations SMEs. They provide guidance and support to our EBT Services technical operations and development teams. Table E.14-4 provides an overview of the technical oversight team members for Arkansas.

Table E.14-4. Technical Oversight Team

Name & Title	Experience Highlights

Resumes of Key Personnel

We include resumes for our key personnel on the following pages.

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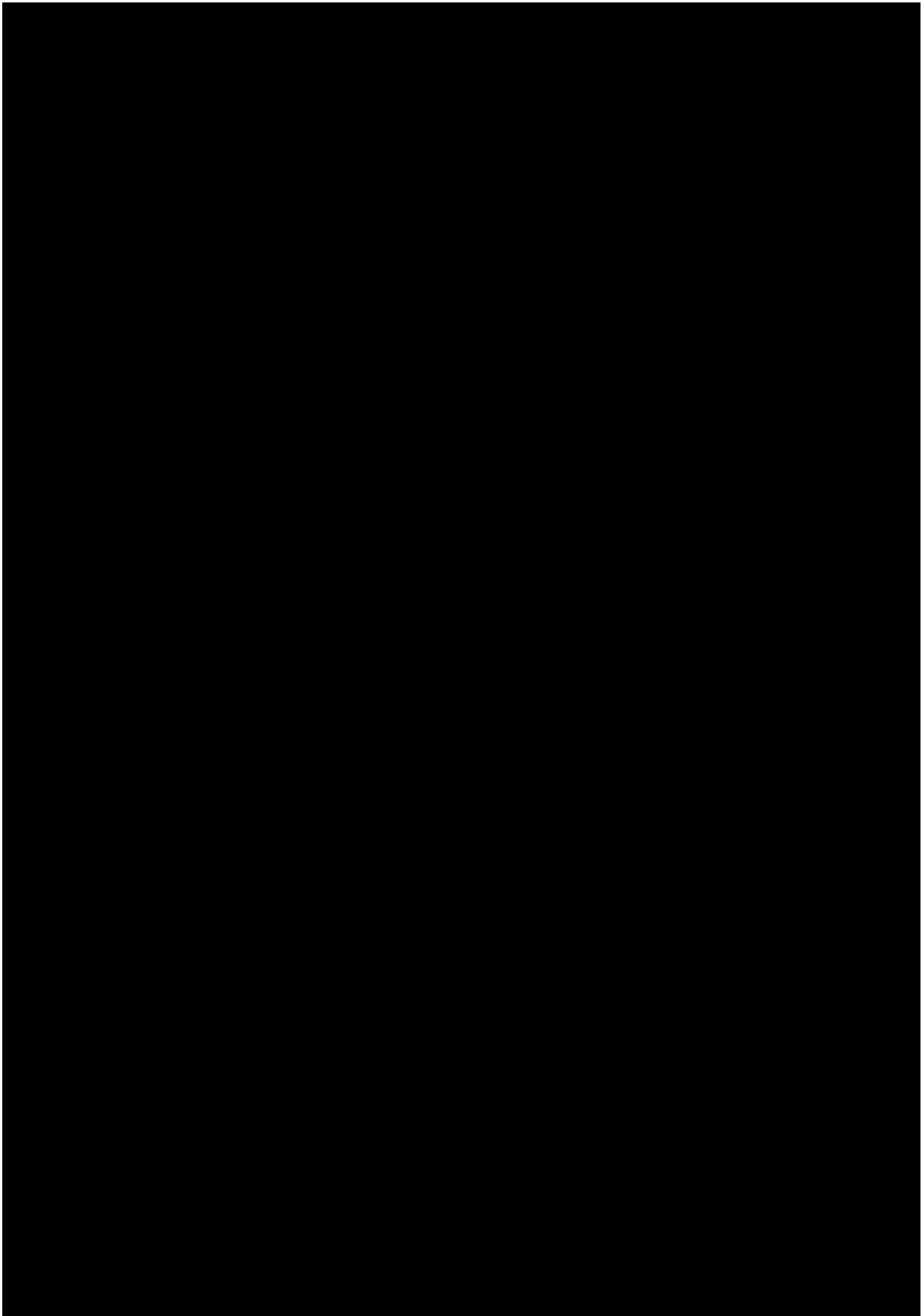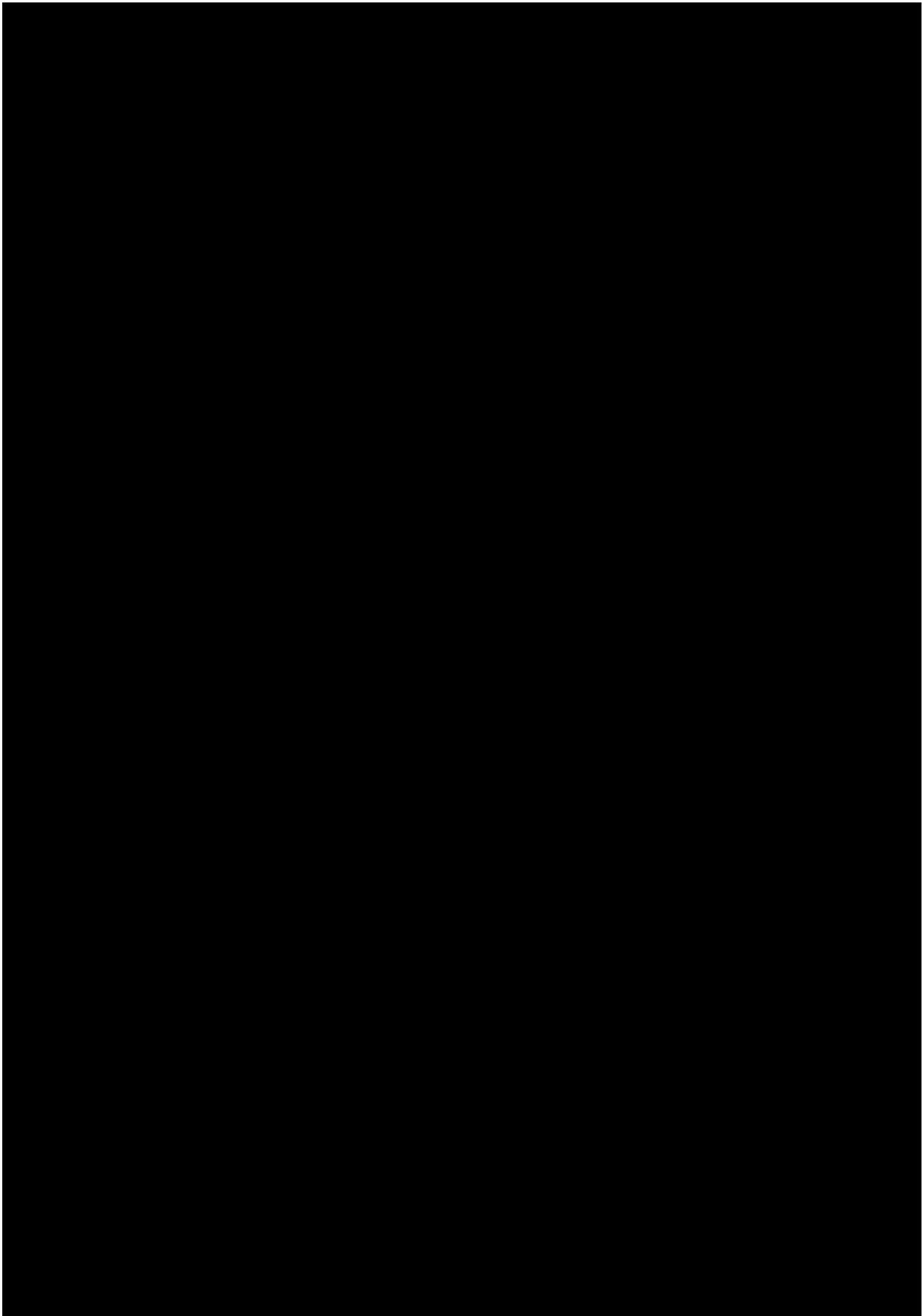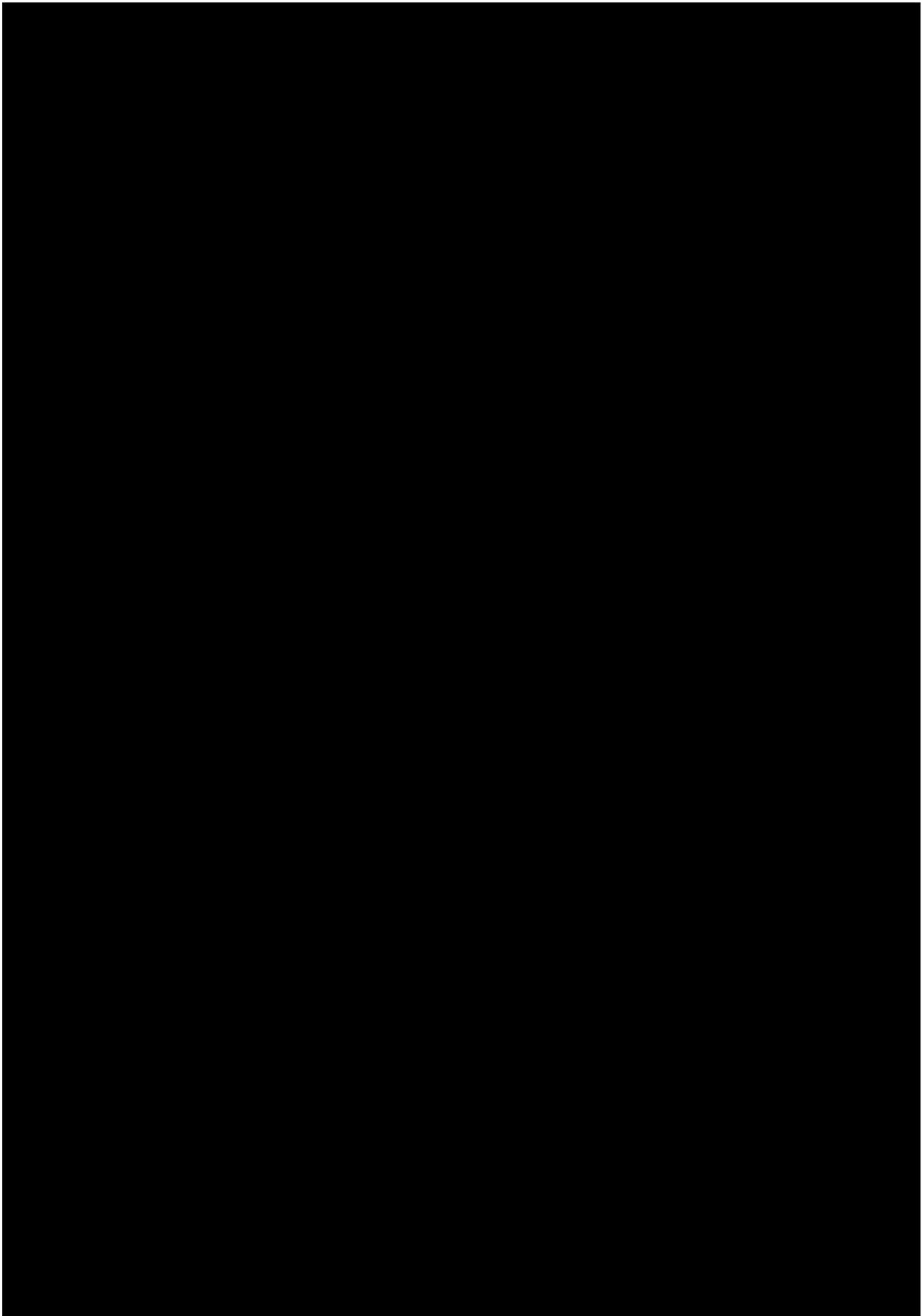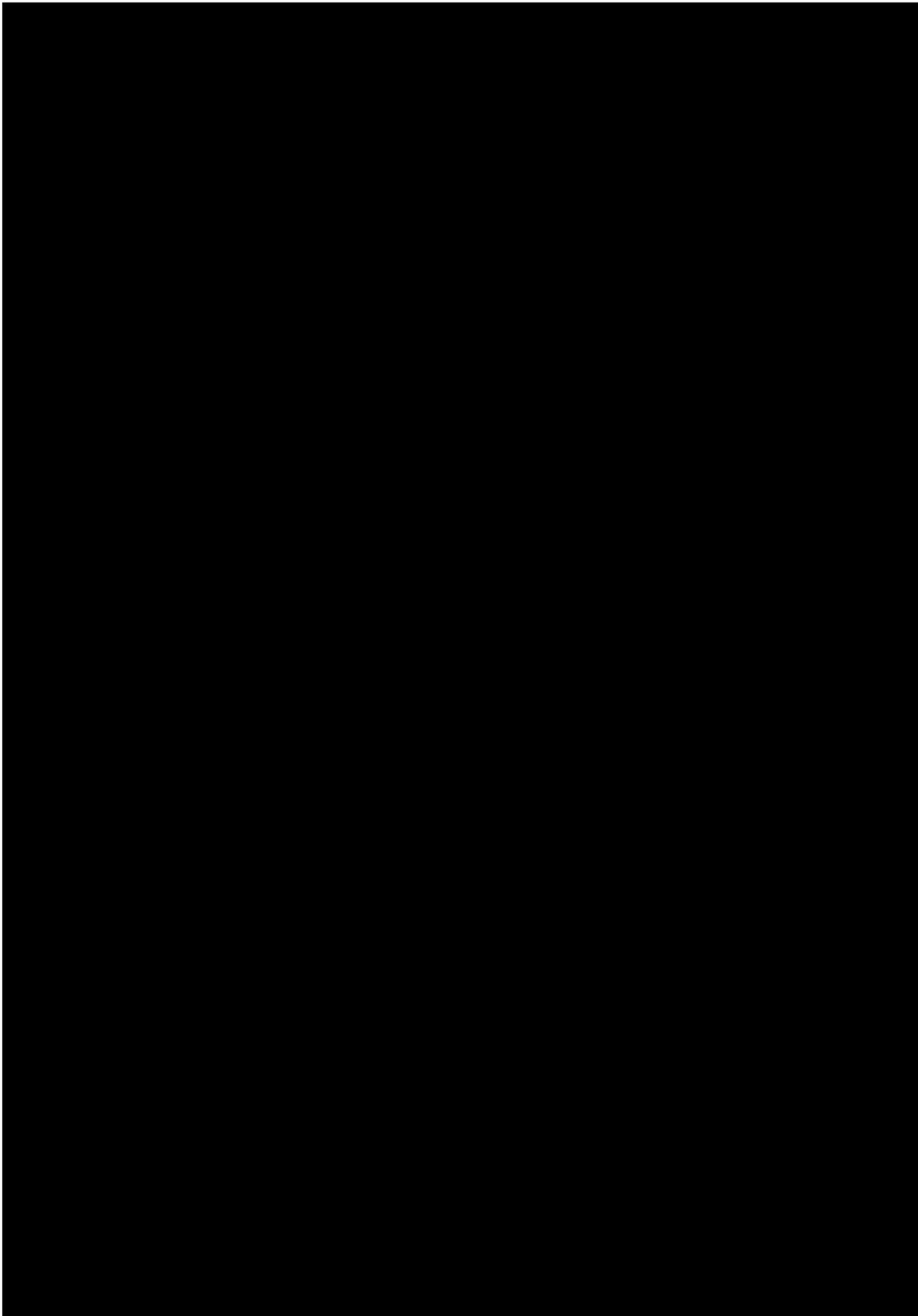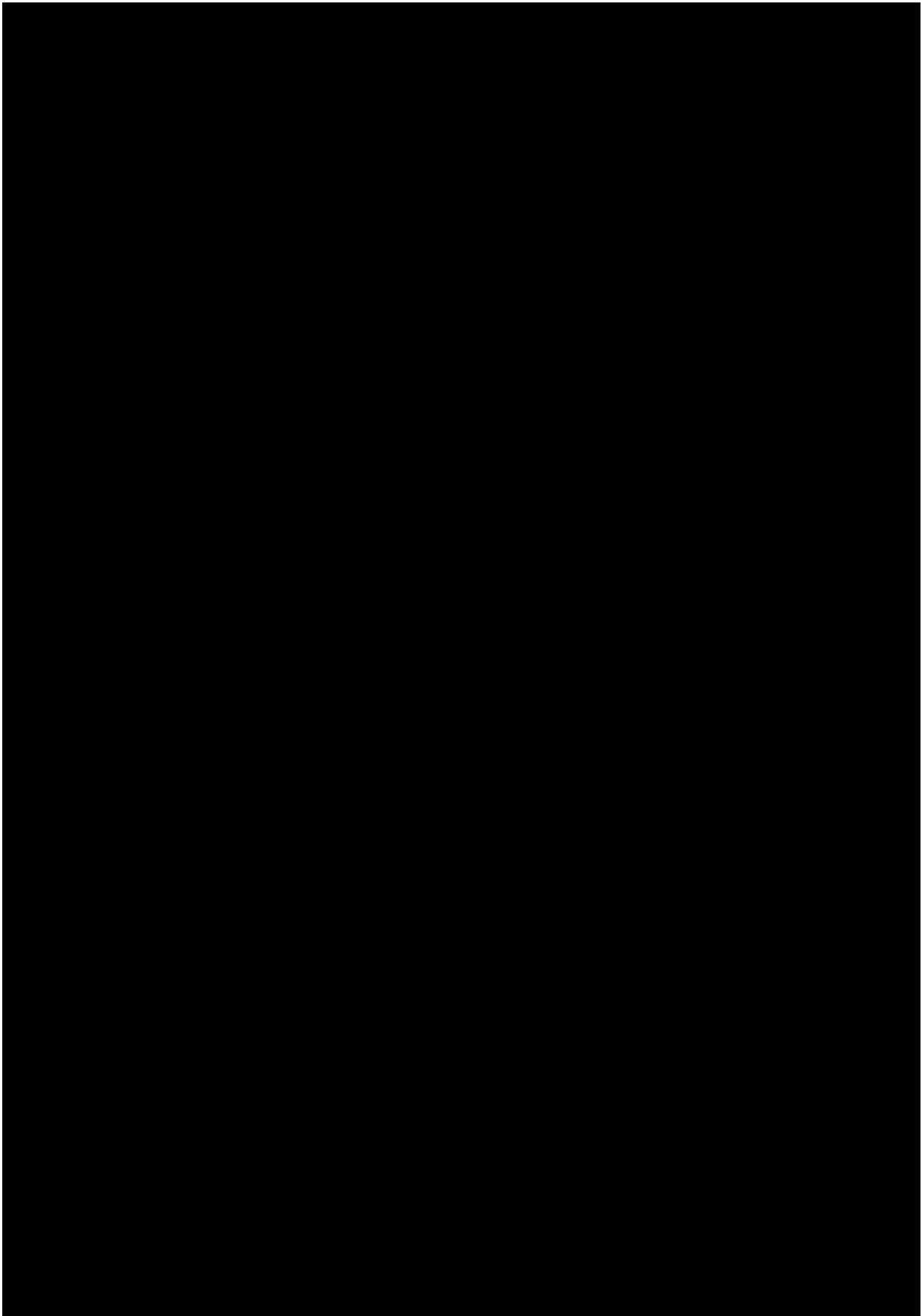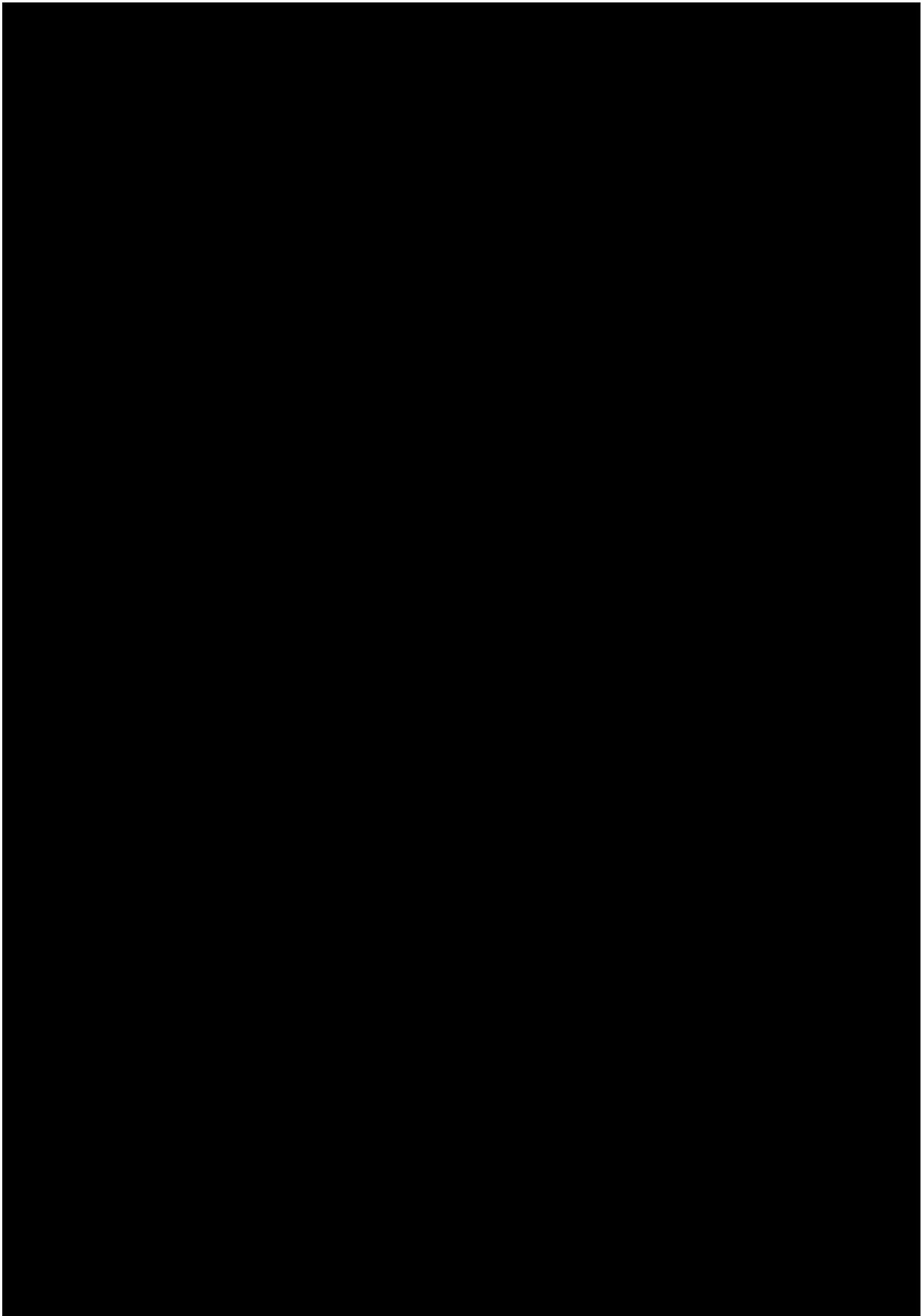
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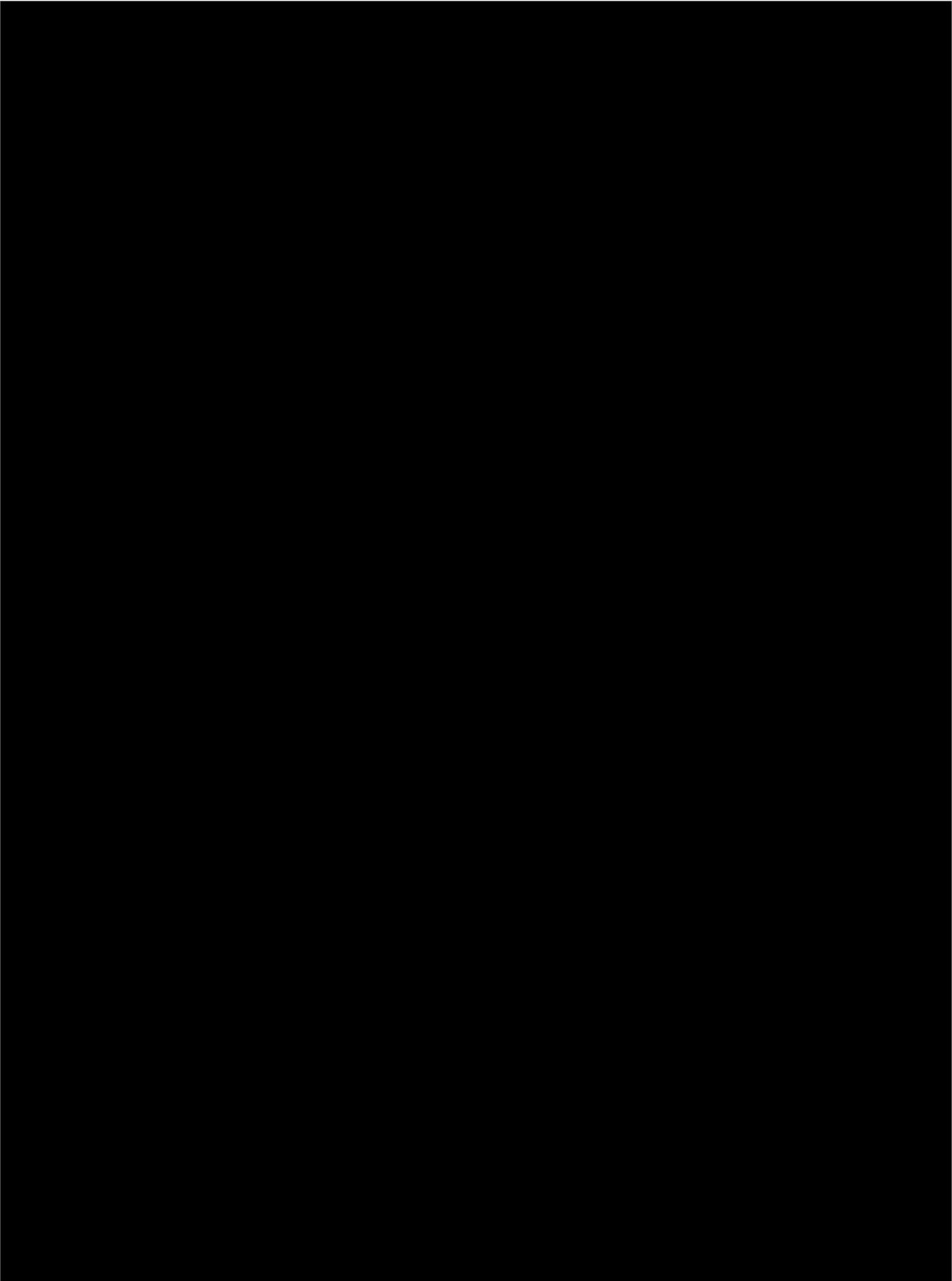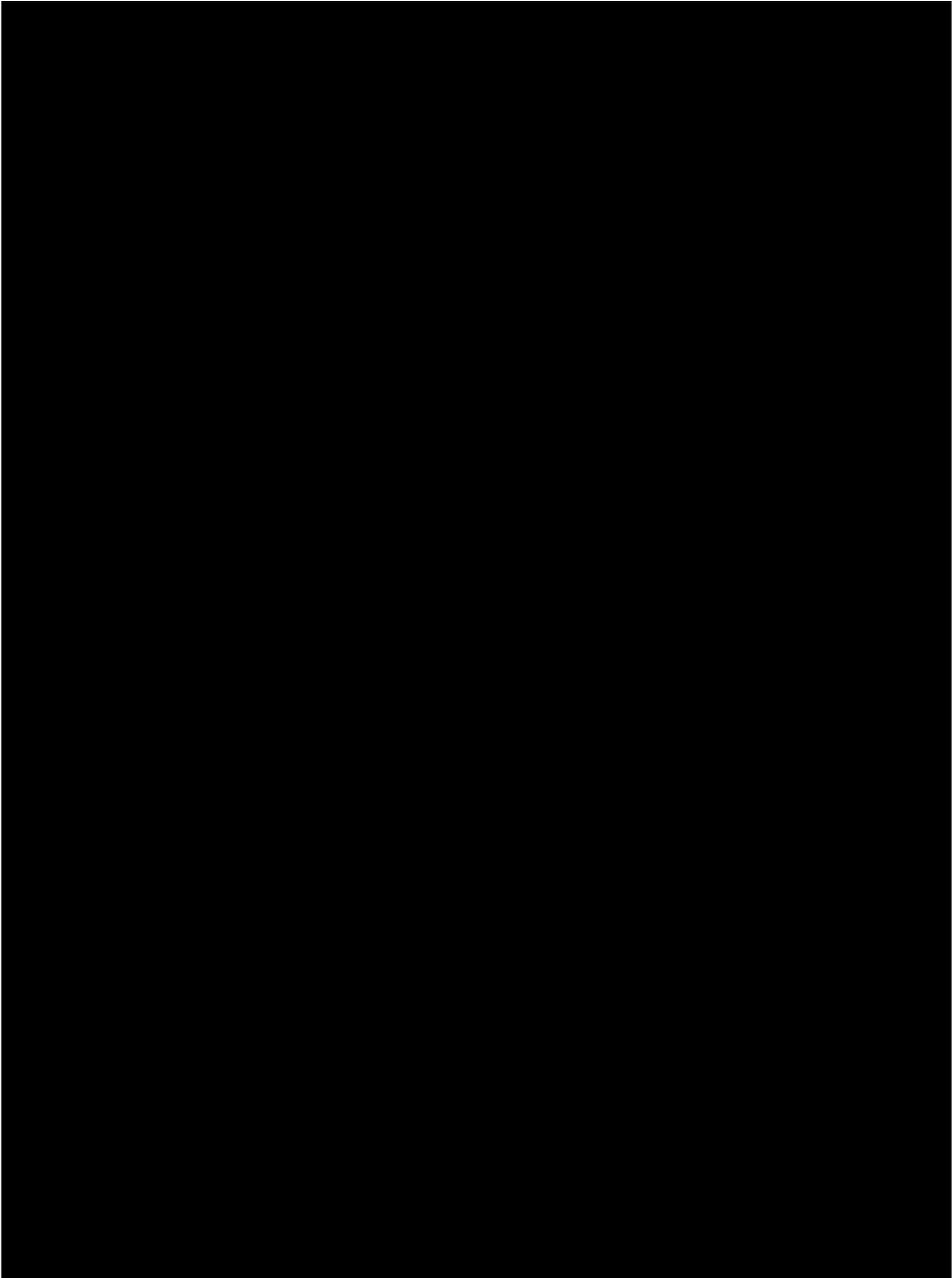
B. Provide a list of Project Management task that encompass all duties for managing staff. The list should include key personnel roles and responsibilities.	5 points

We provide Arkansas with an experienced team of professionals, all of whom have the expertise needed to successfully continue delivering outstanding EBT Services to the State and your constituents.

Table E.14-5 presents our key personnel, including each role's requirements and responsibilities for the Arkansas EBT Program. This list encompasses all duties for managing staff as set forth in RFP Section 2.6.10, Staffing Plan.

Table E.14-5. Key Personnel
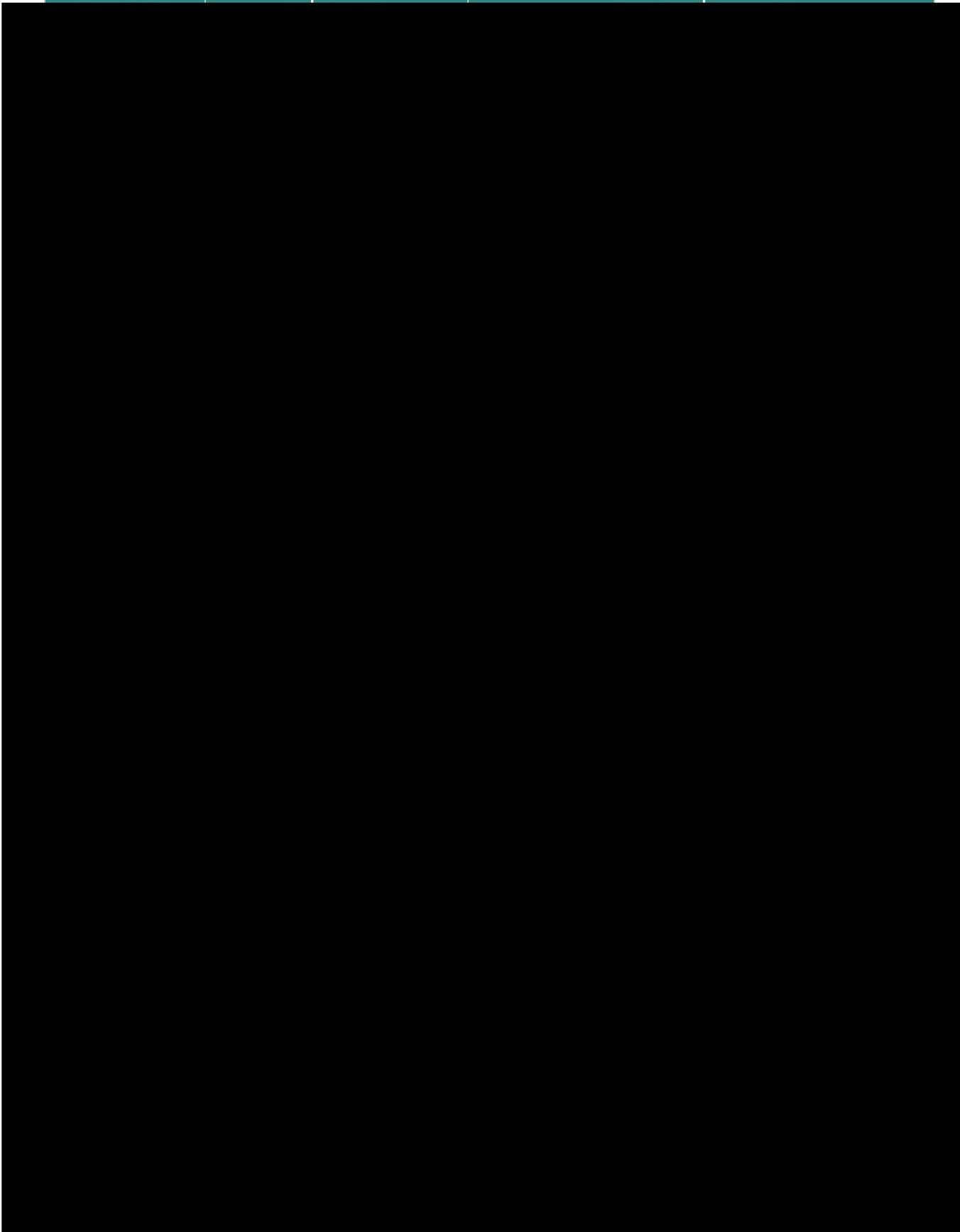
Name & Title	Requirements	Tasks & Responsibilities

Name & Title	Requirements	Tasks & Responsibilities
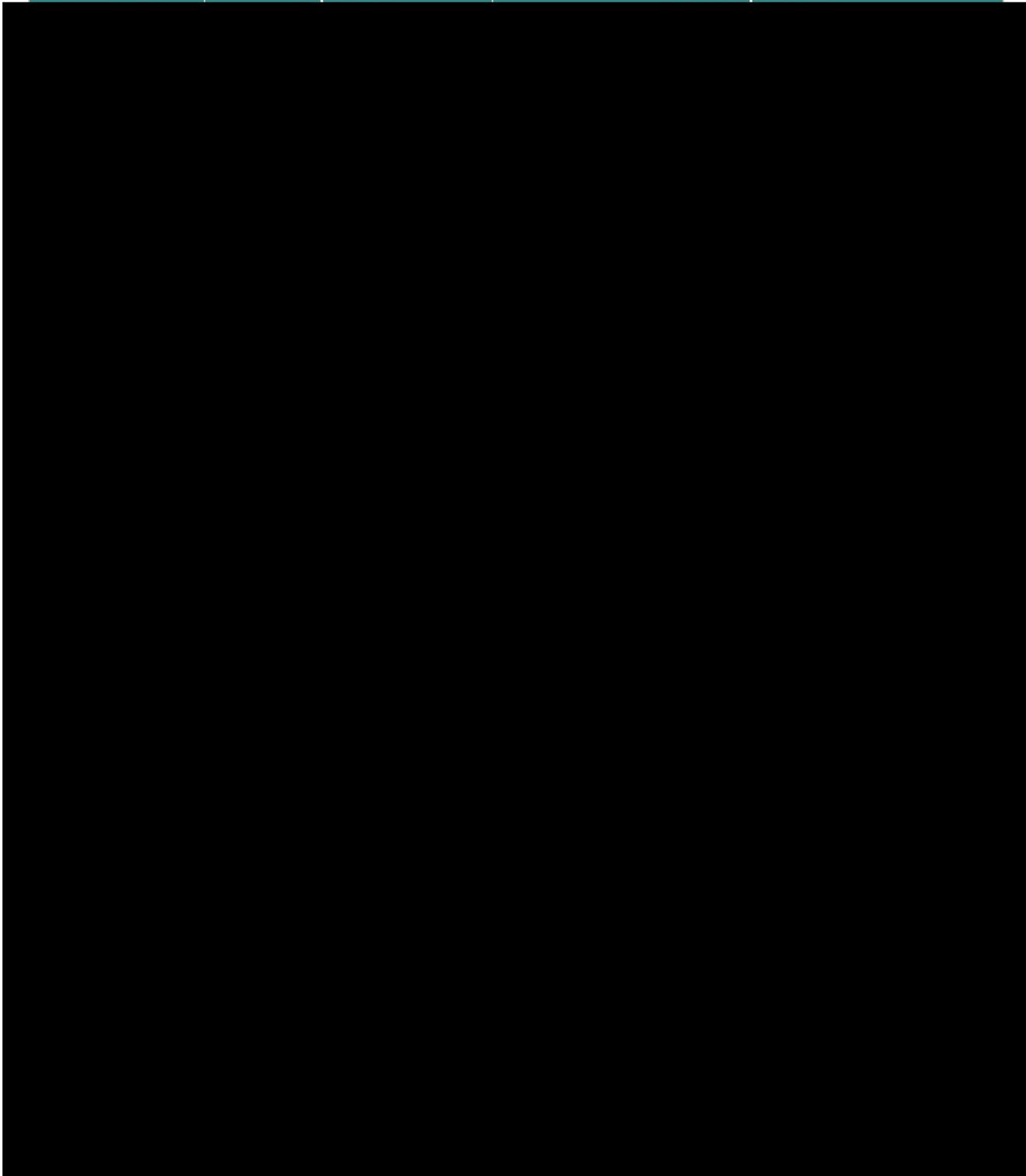
Staffing Plan

We provide our draft Staffing Plan on the following pages.

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This entire page Conduent Confidential Information
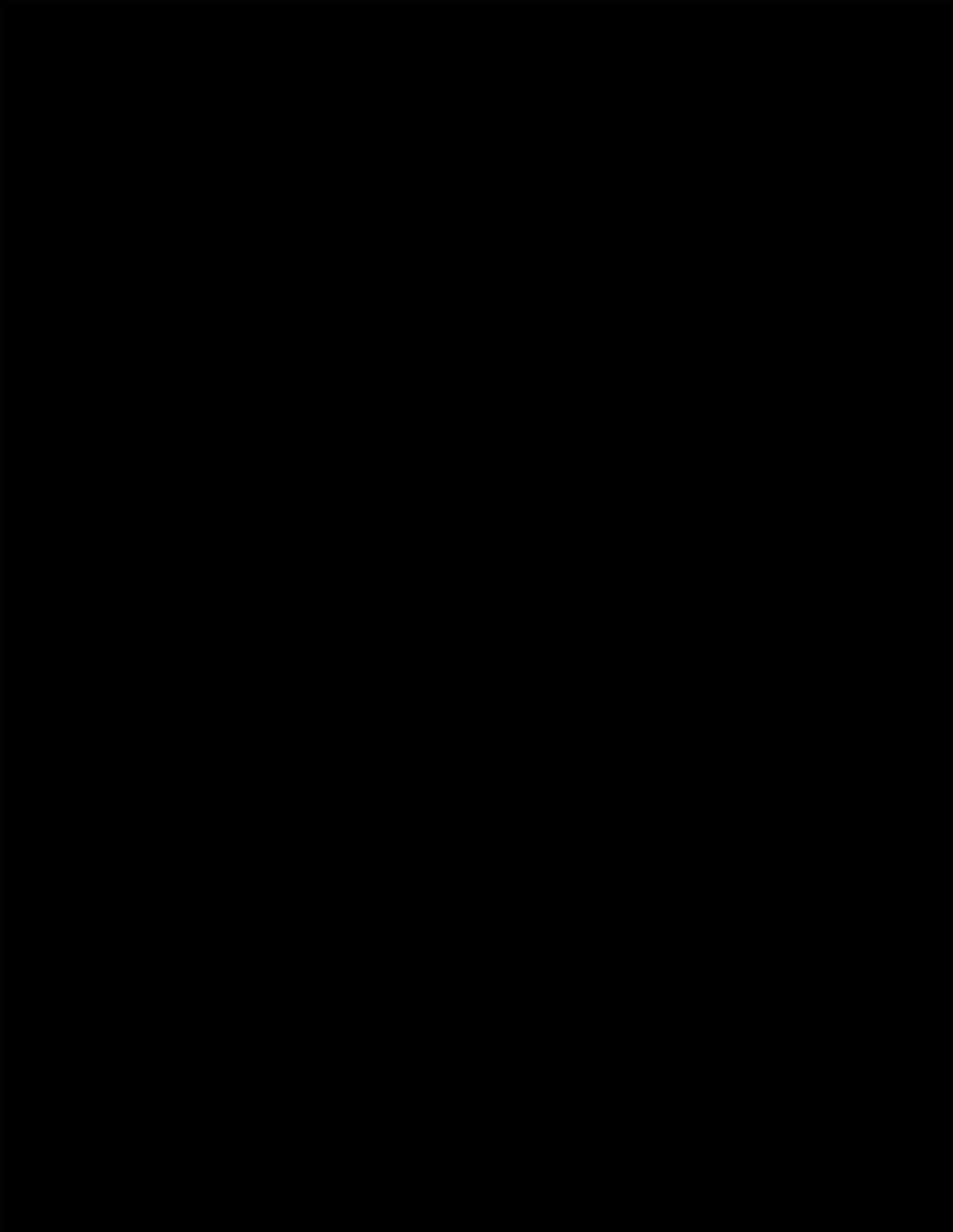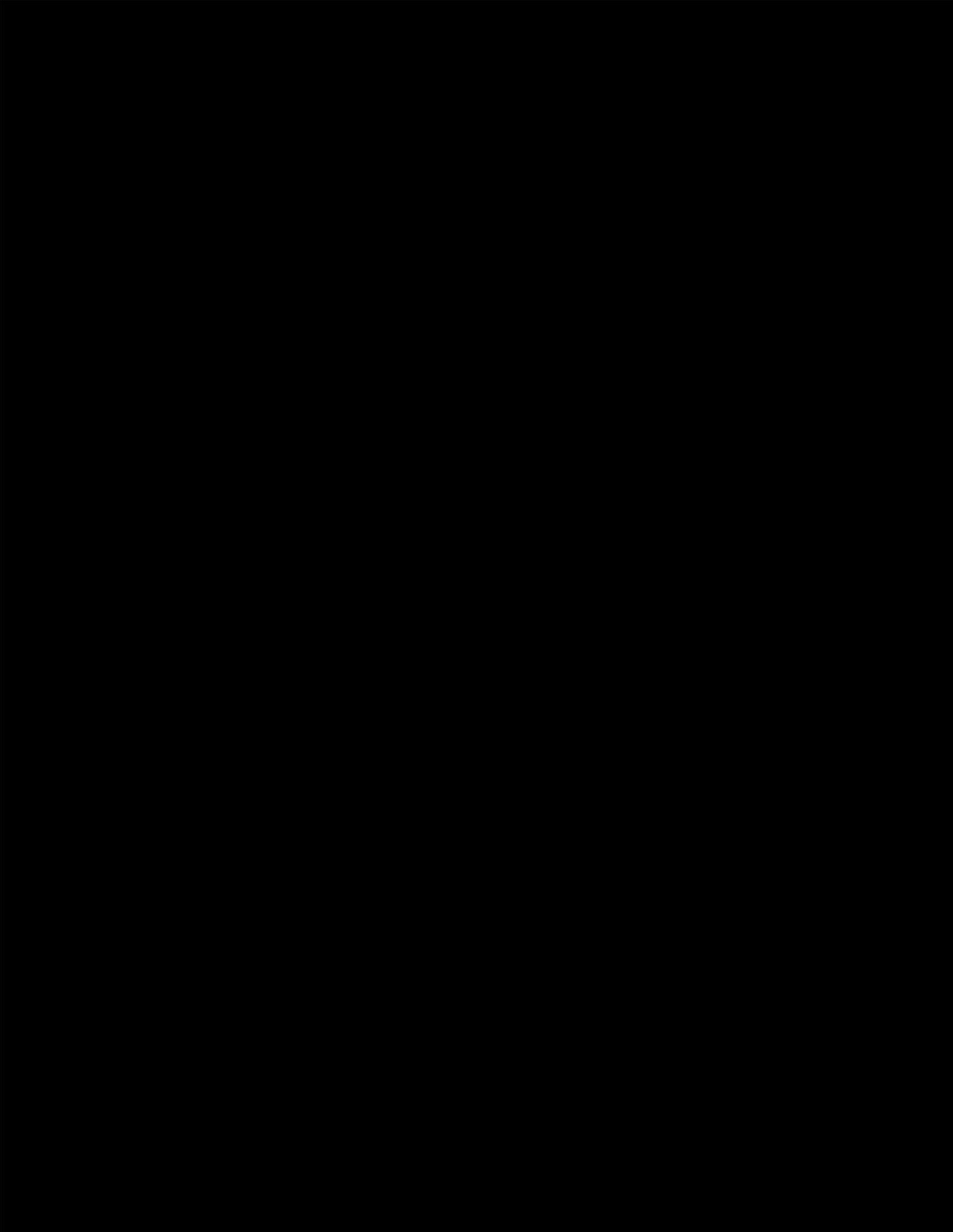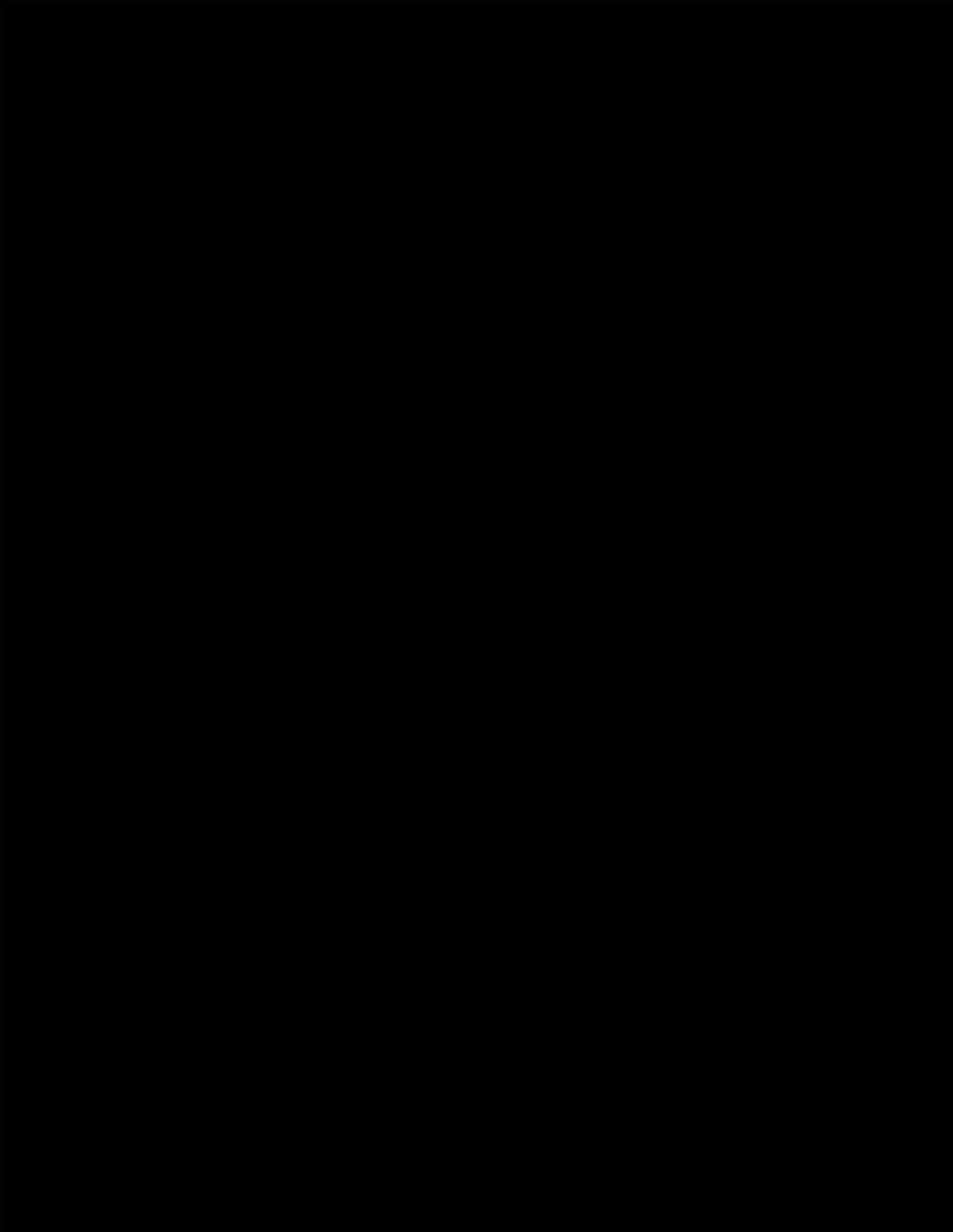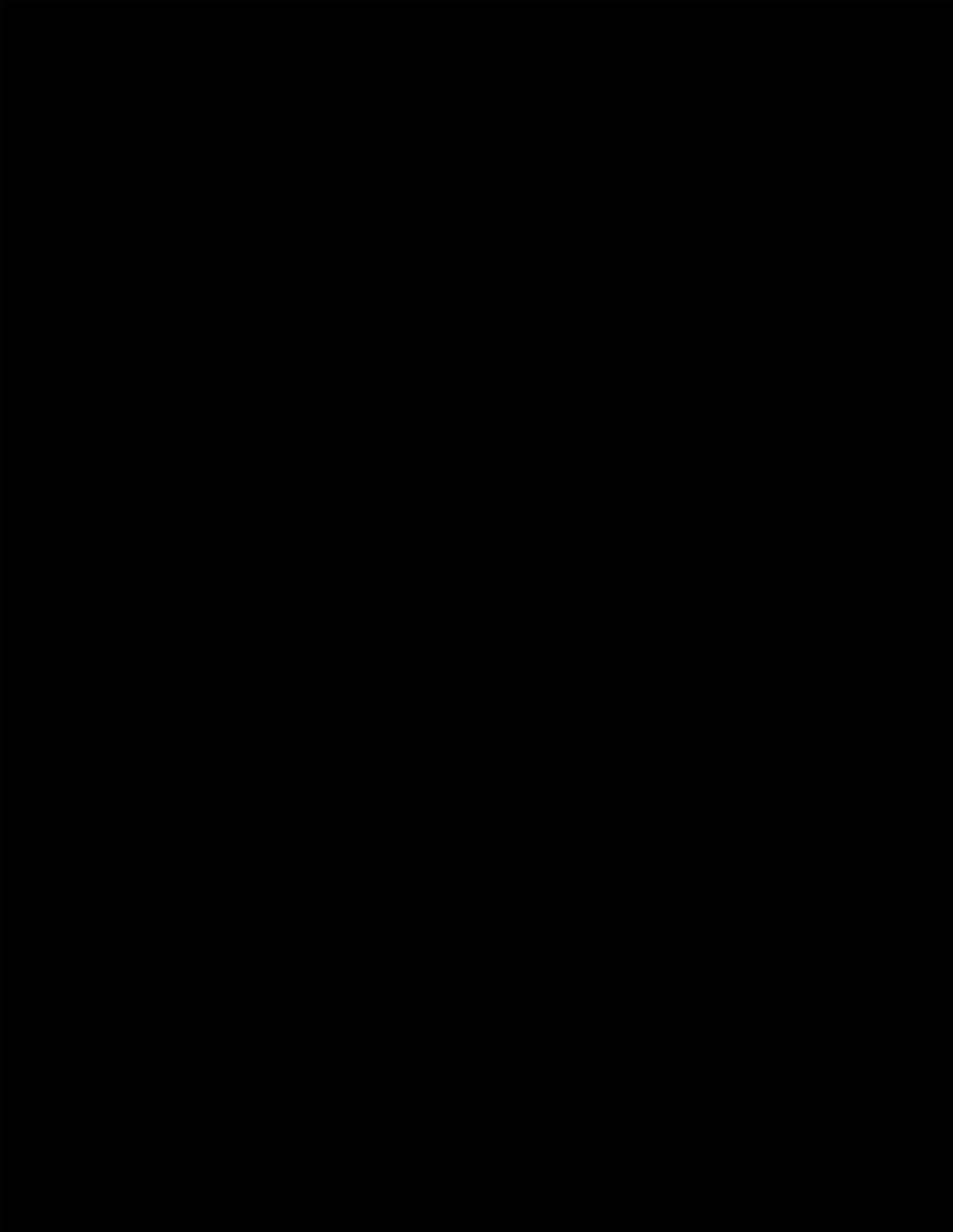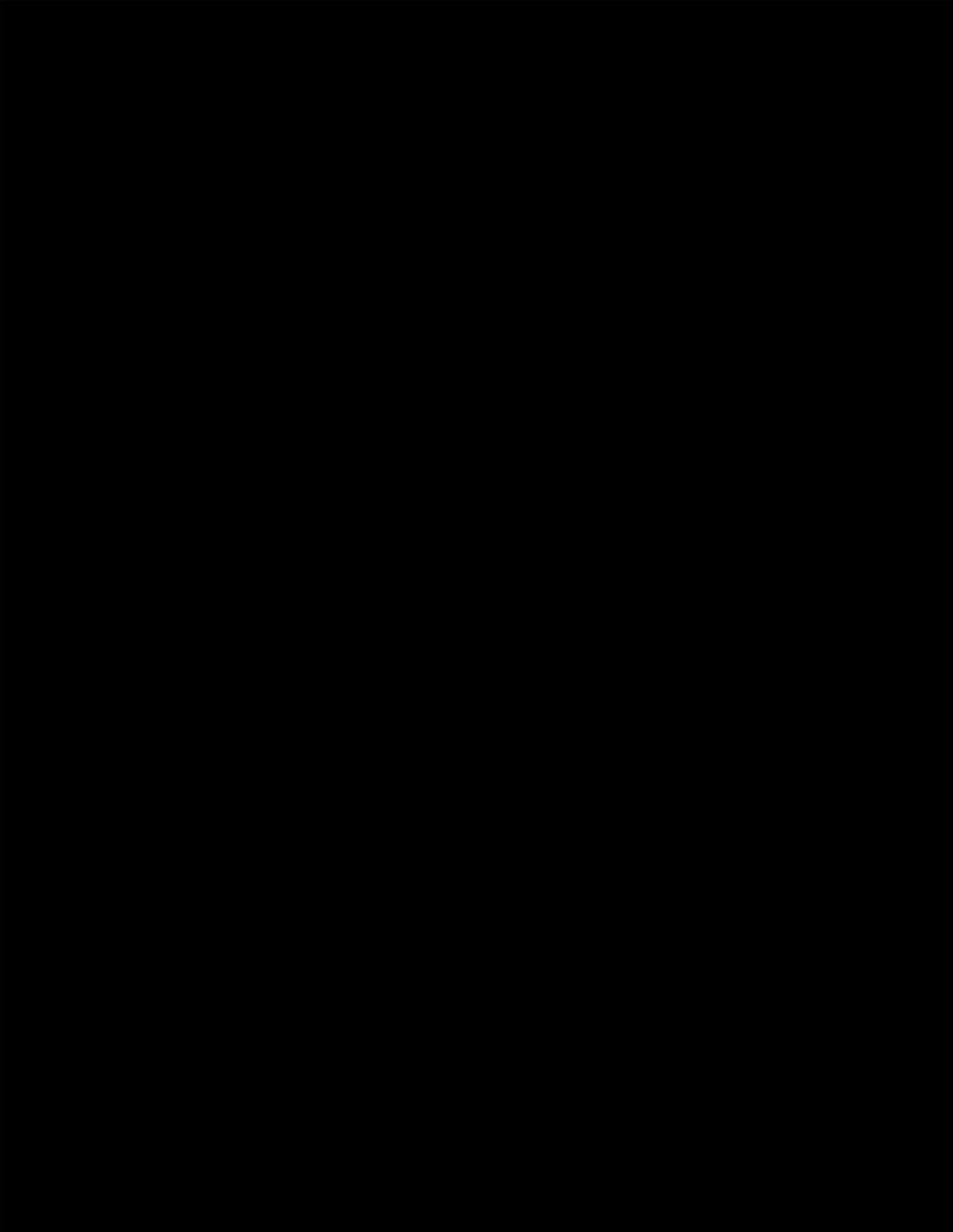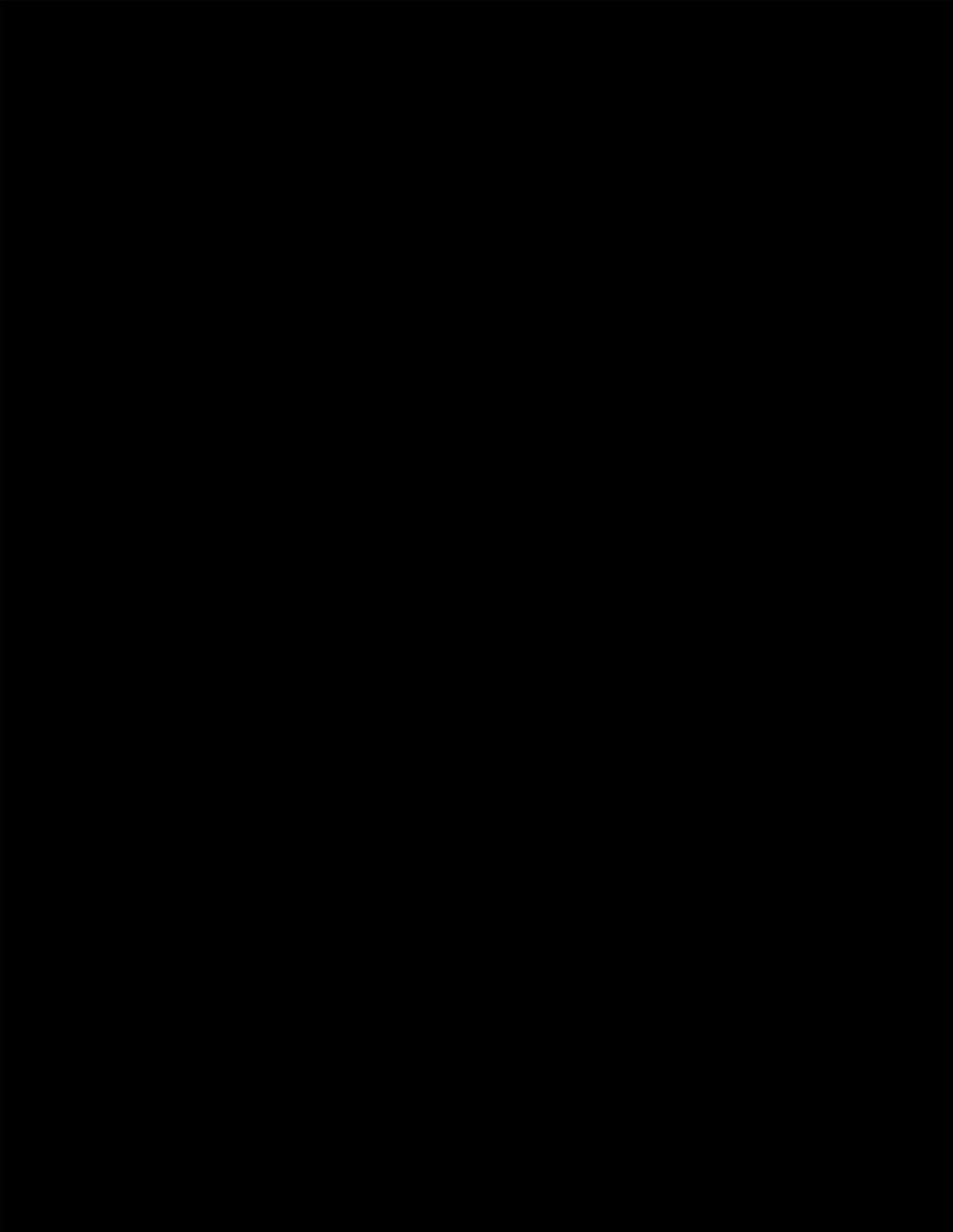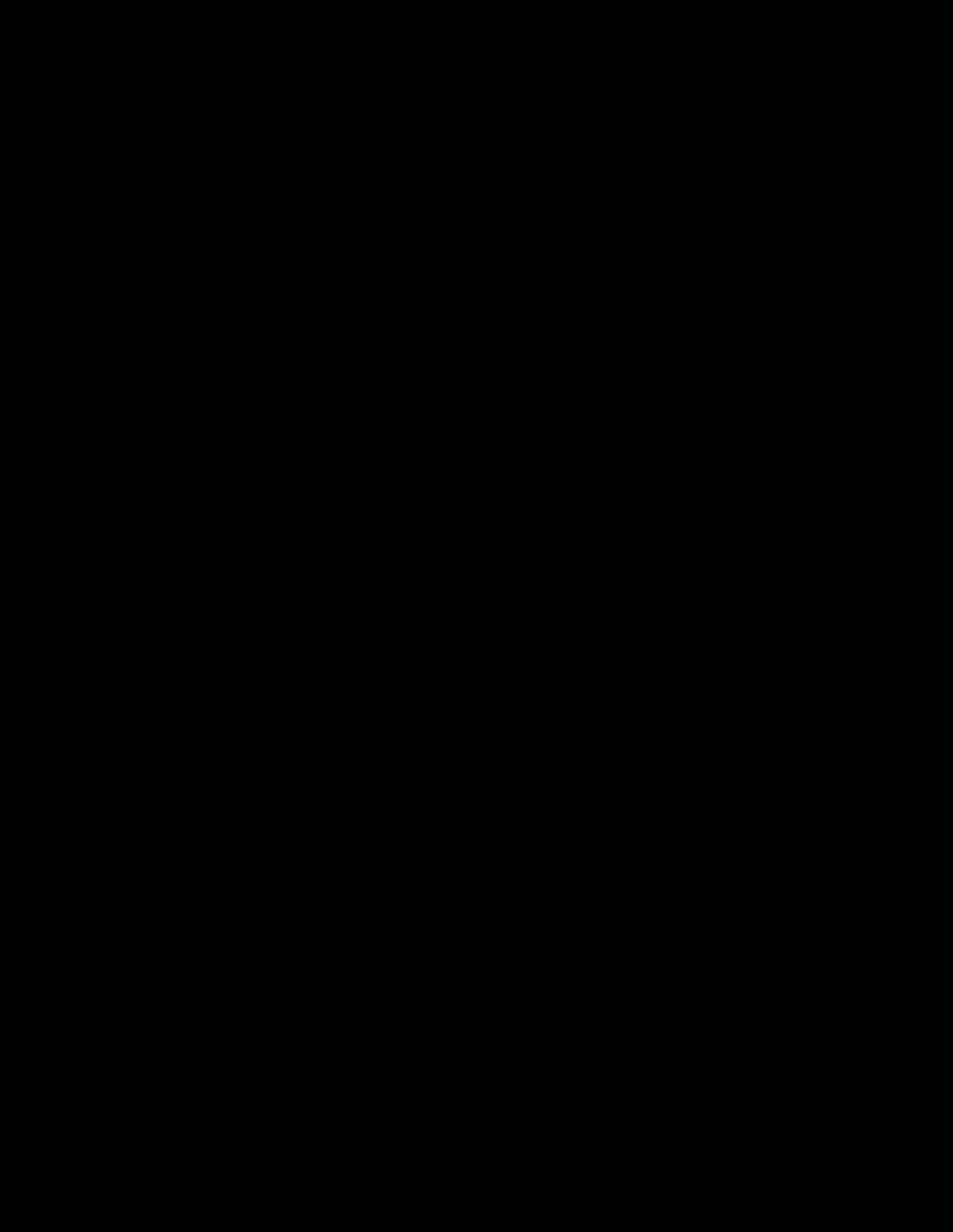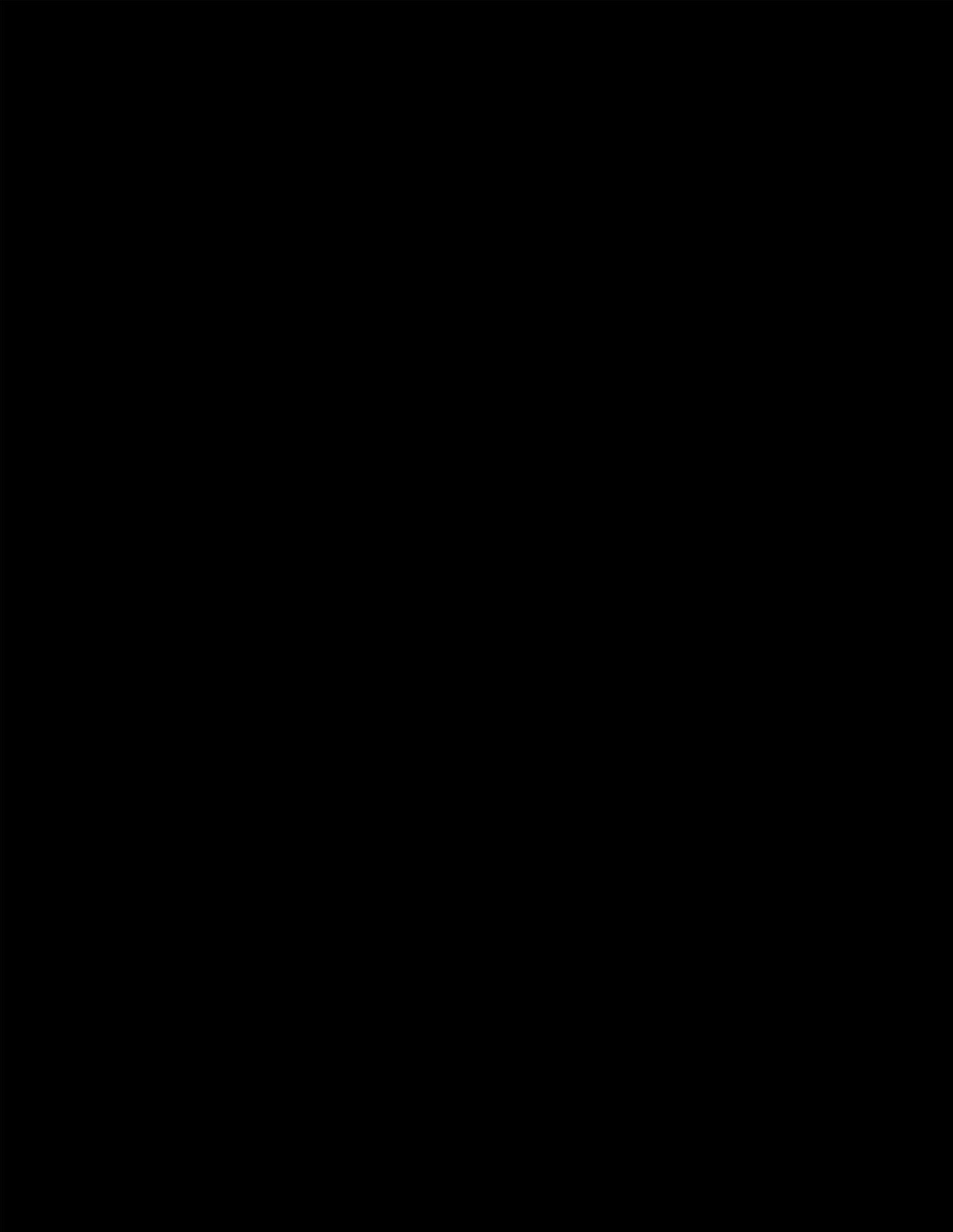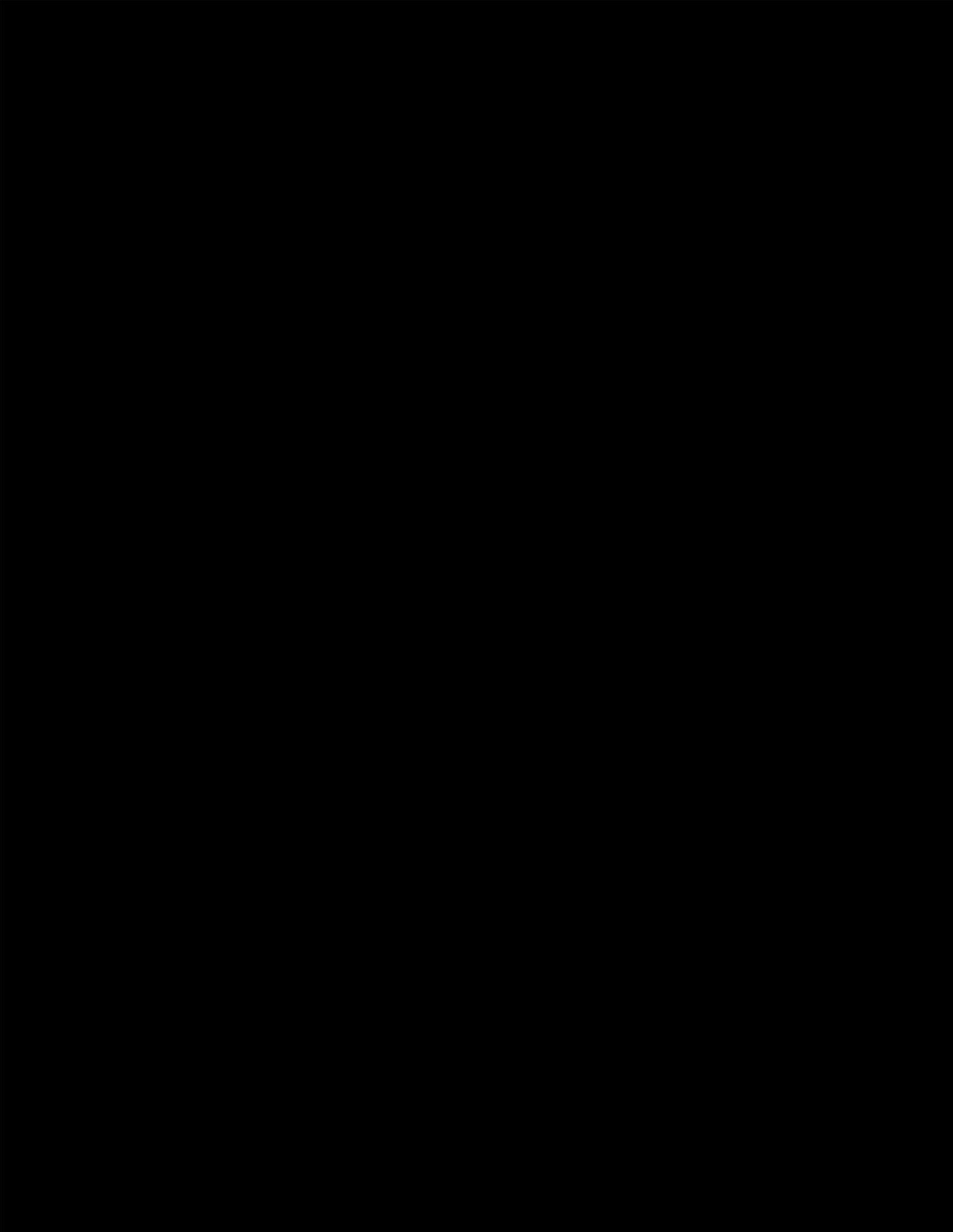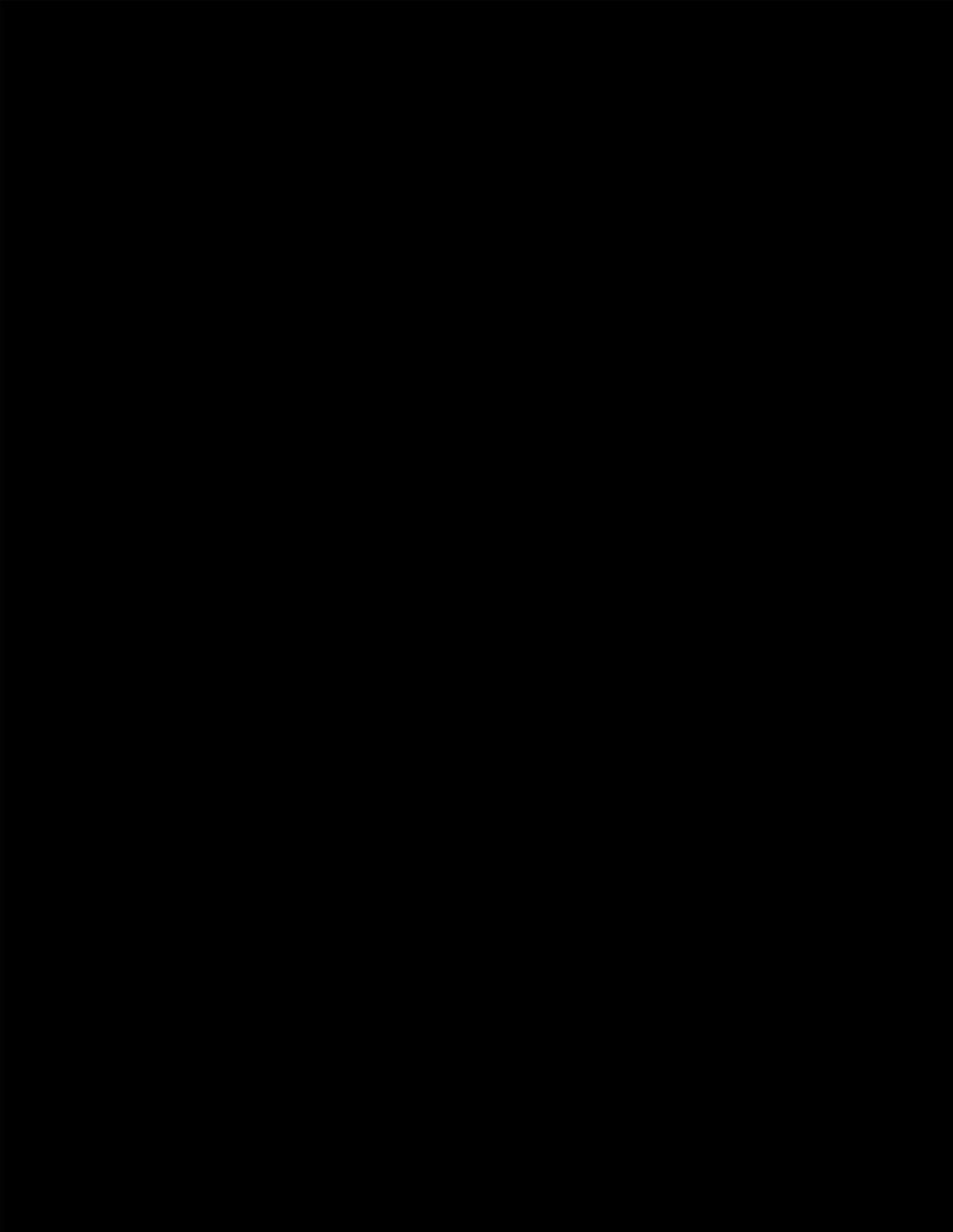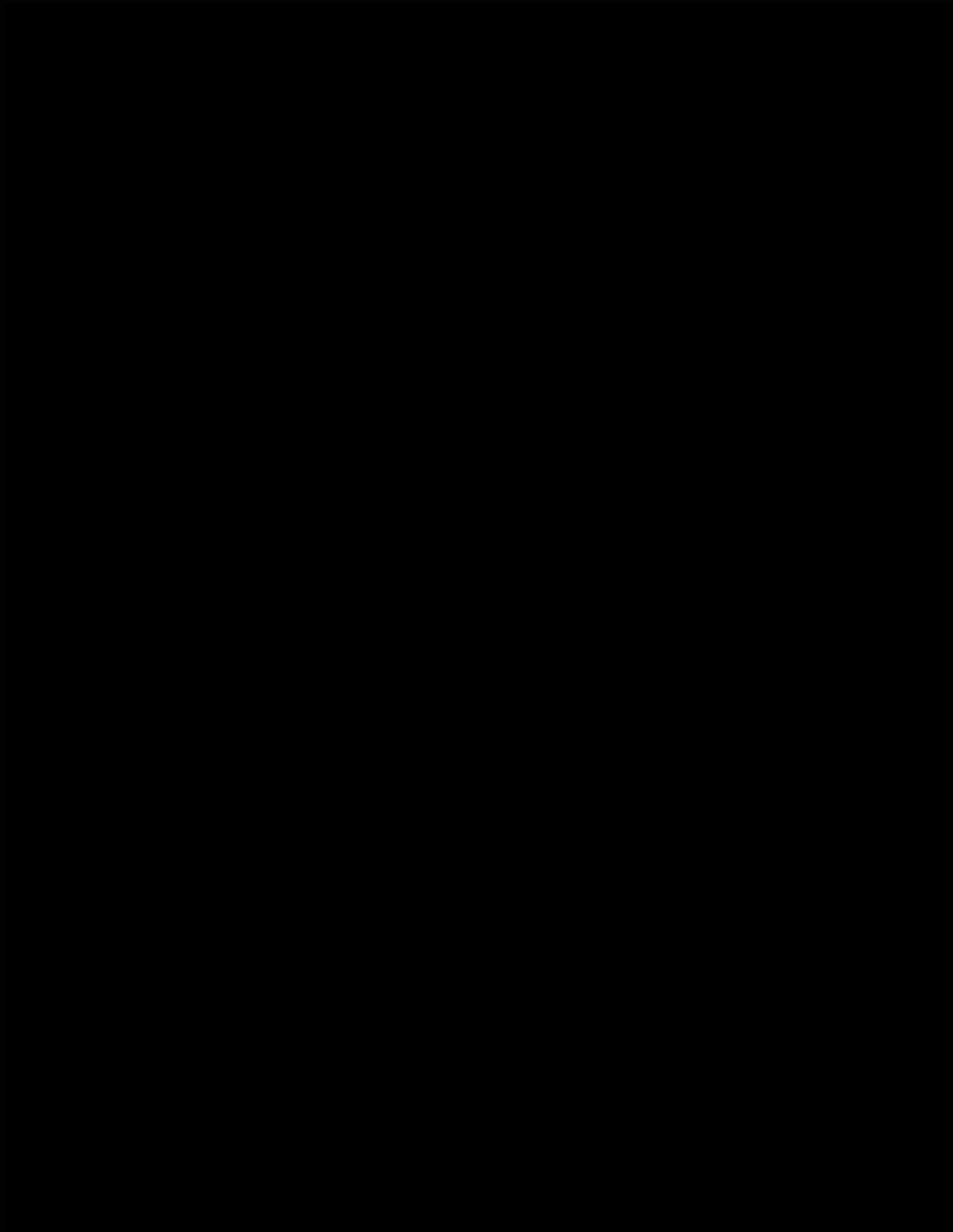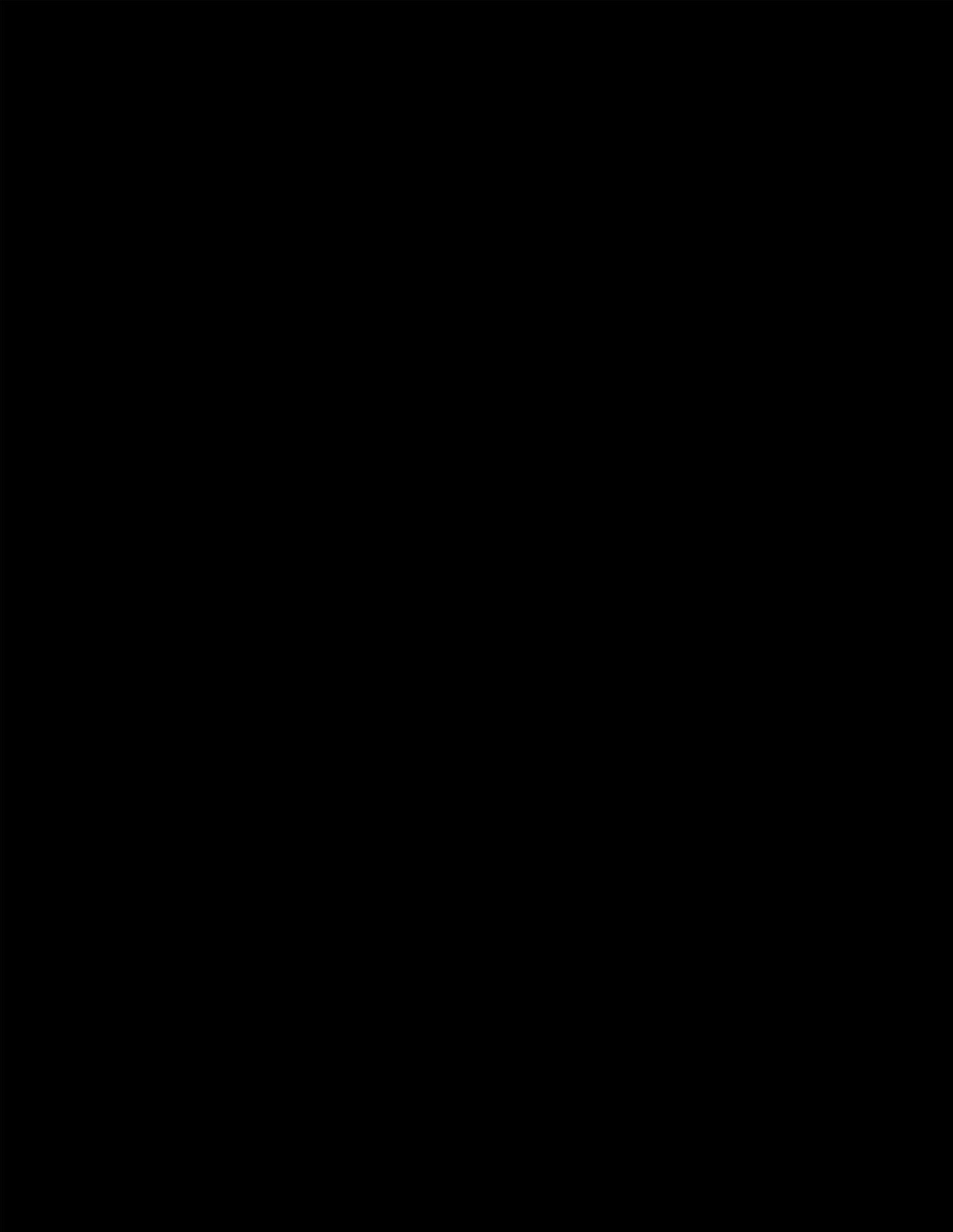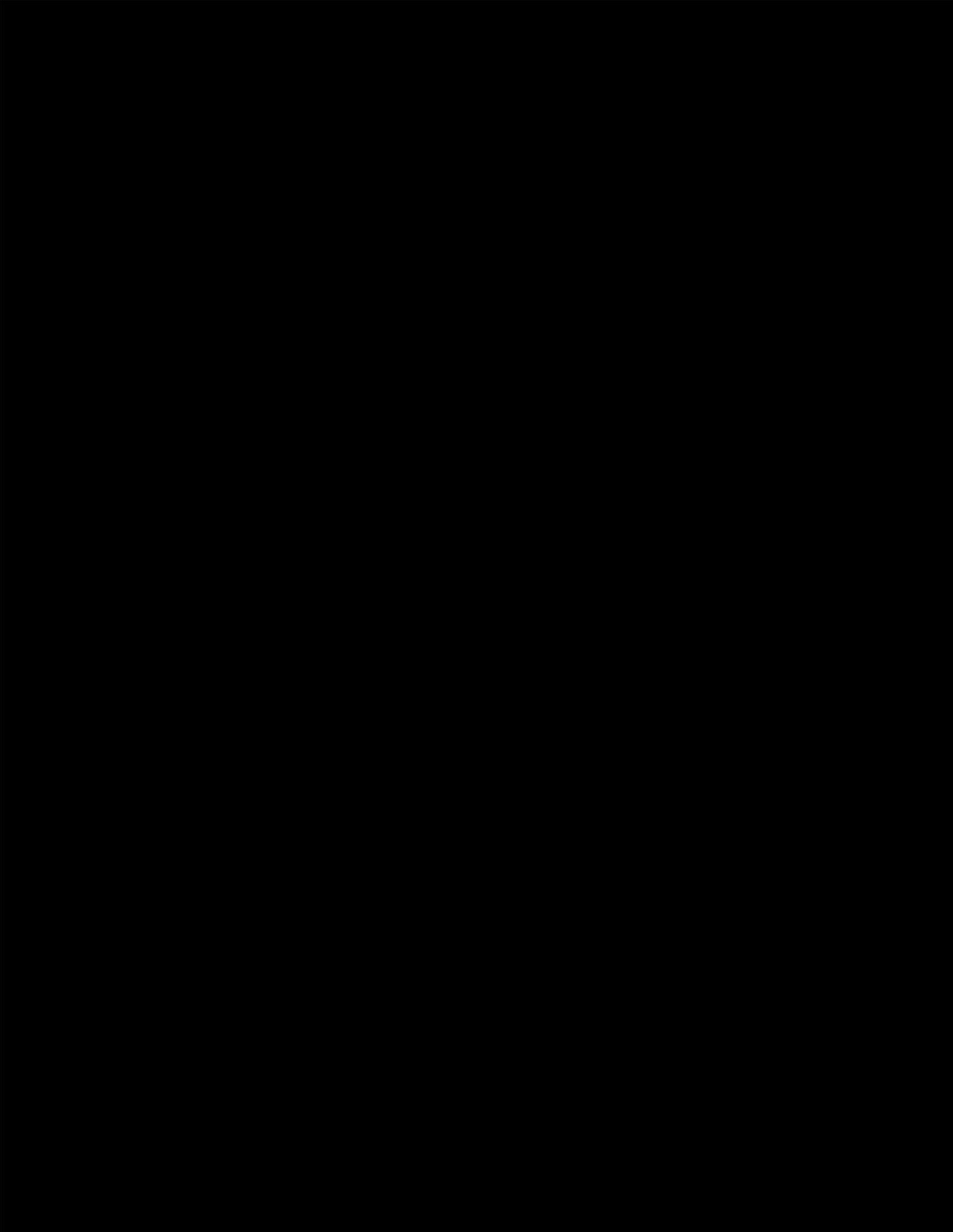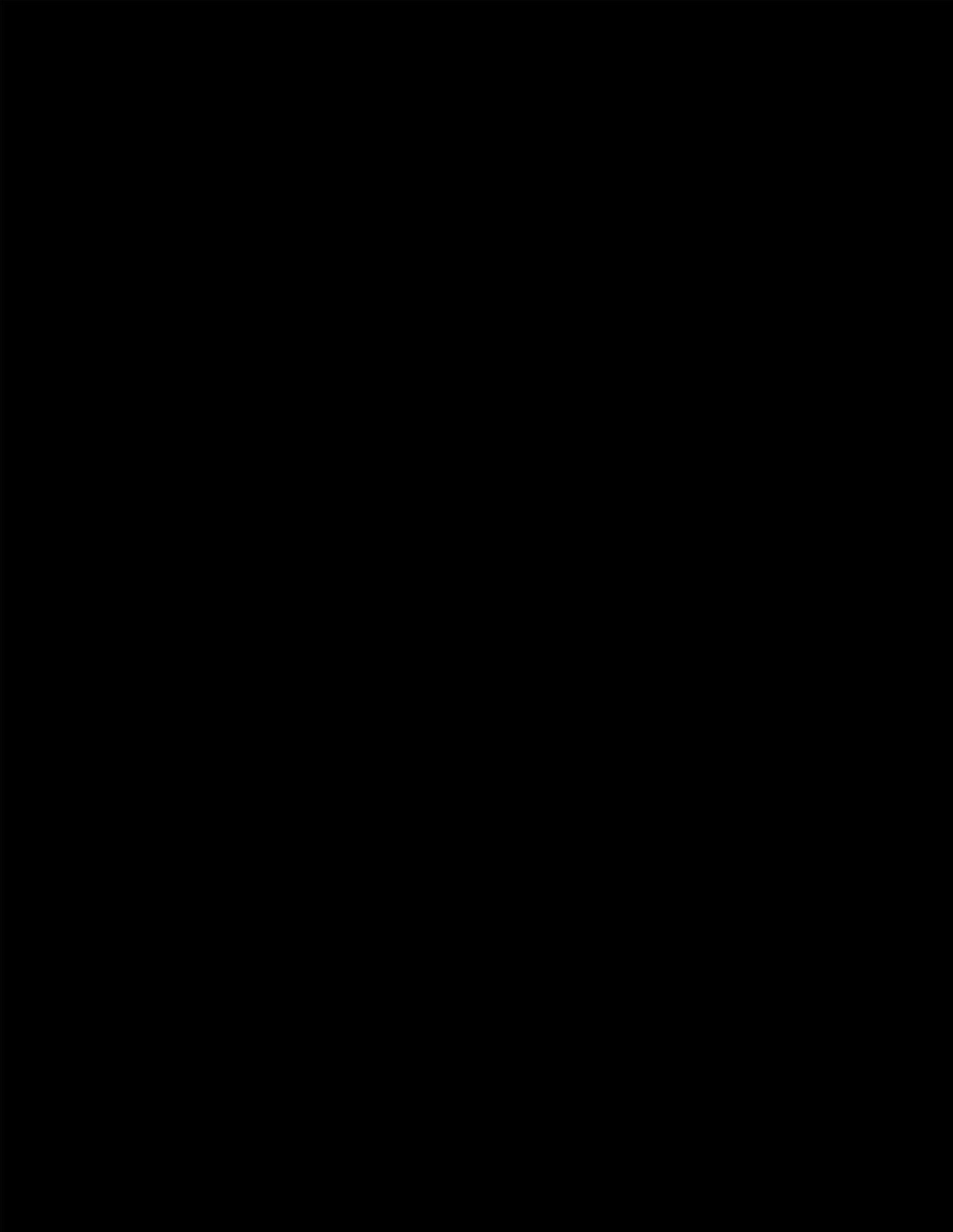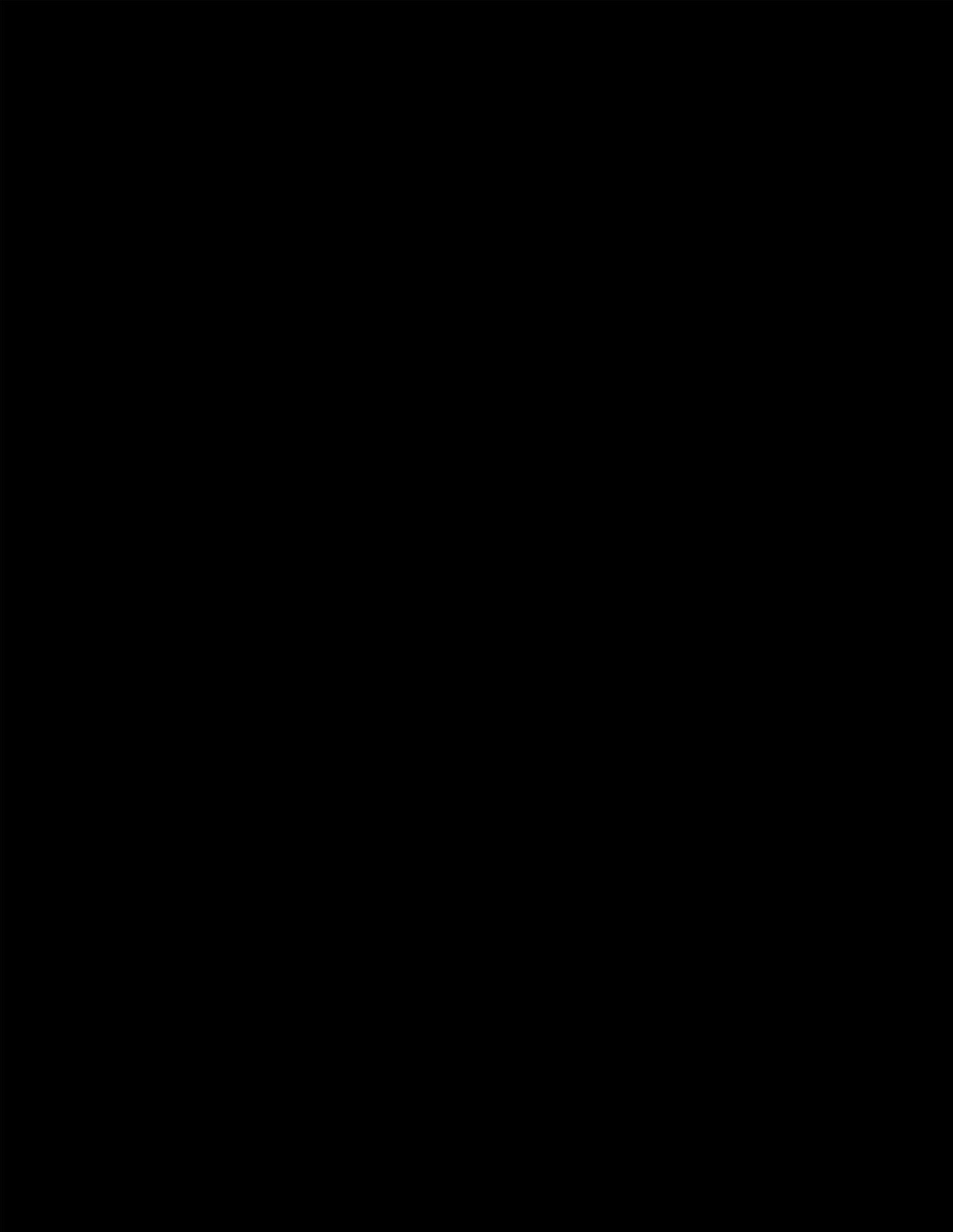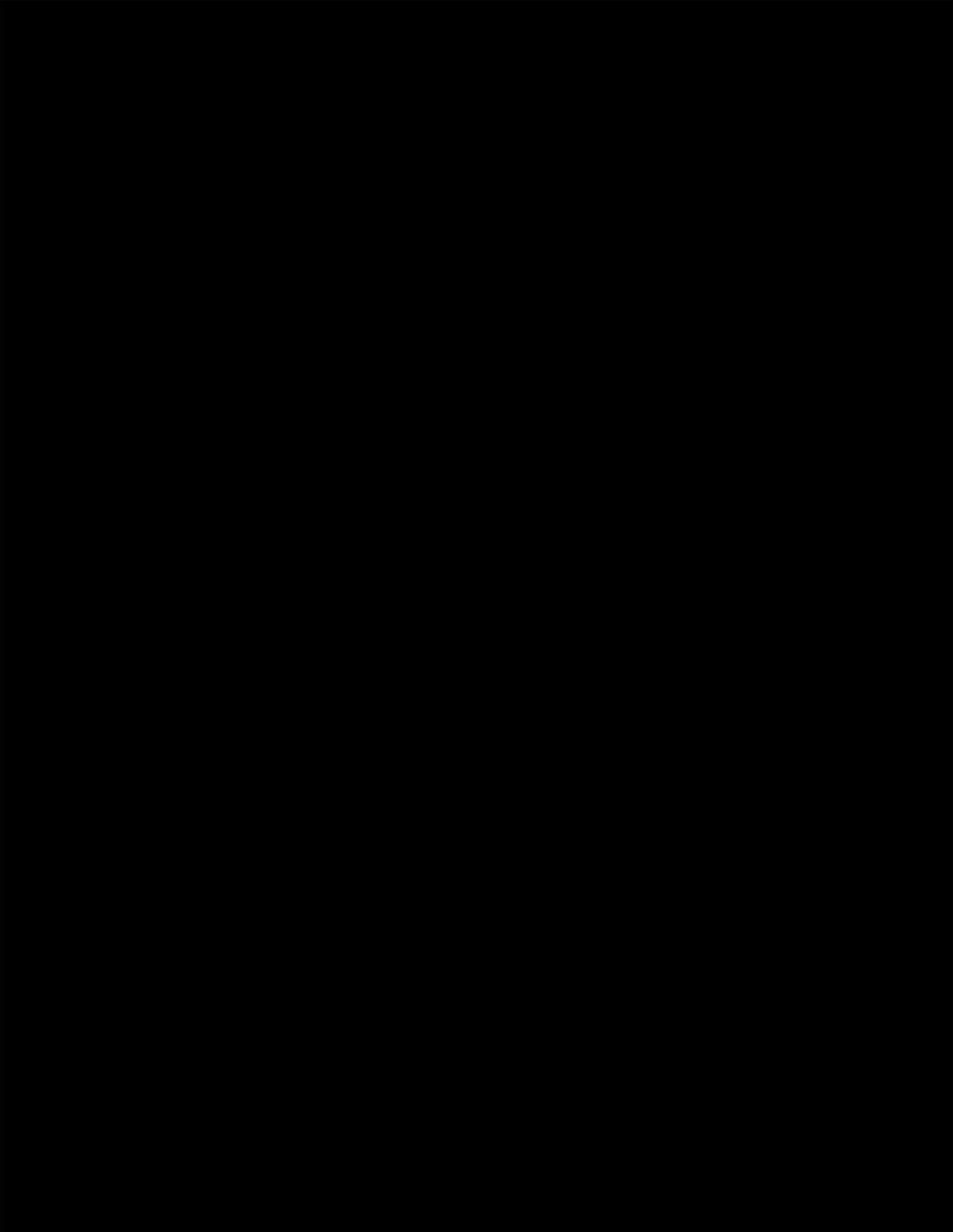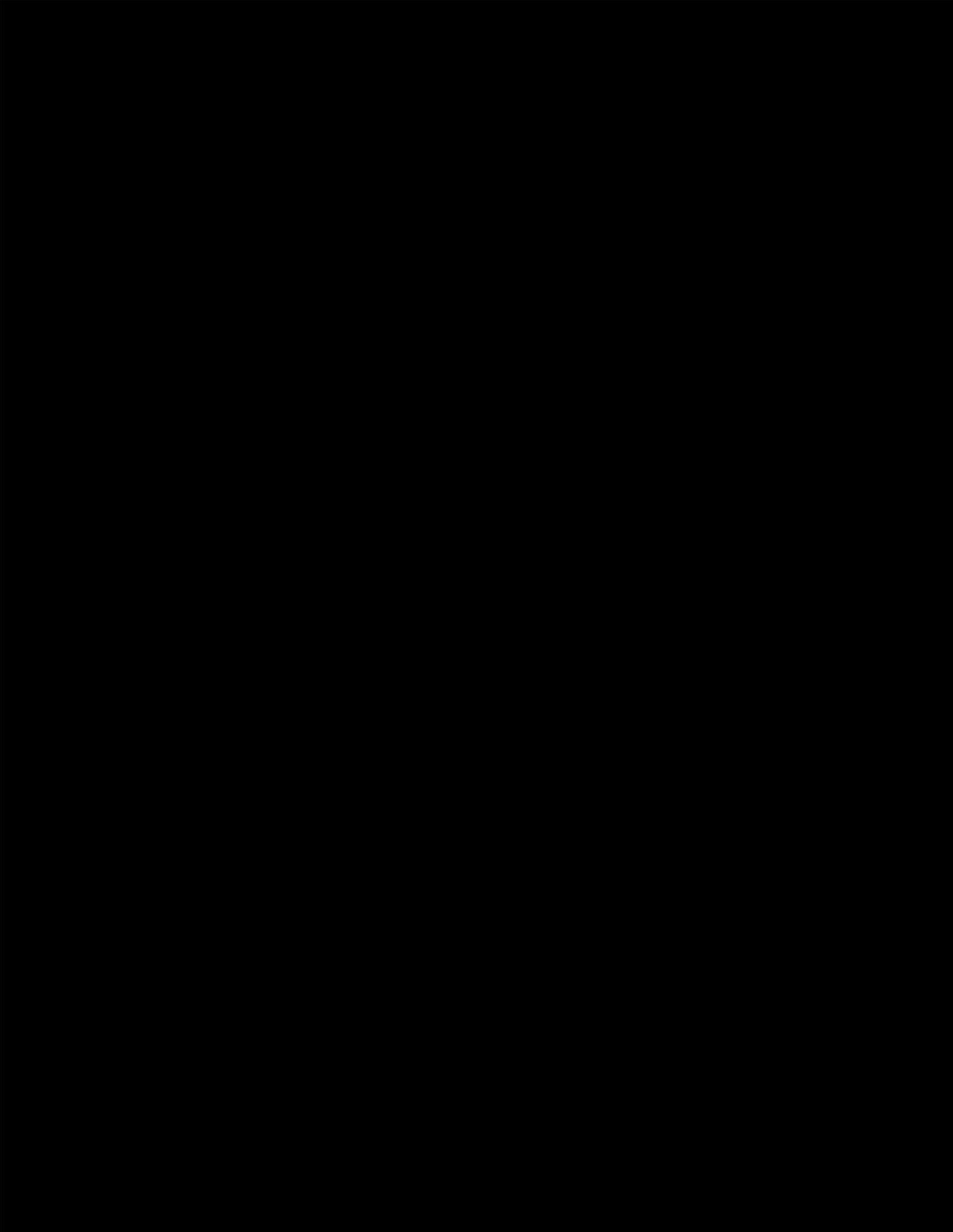
E.15 Reporting	
A Describe the proposed system's reporting capabilities and features for the following: • Financial • Batch Processing • Card • Billing • Security • Program Management • System Performance	5 points

Managing EBT programs successfully requires continuous and reliable access to reports on card program information, transaction volumes, activities, trends, and Contractor monitoring. Our current and proposed reporting solution for Arkansas EBT includes extensive features that offer an open window into all system information, account activity, and transactions.

Conduent's powerful reporting capabilities turn every piece of data (i.e., from cardholder EBT transactions, financial functions, user activity, customer service, and card activity) into useful and valuable information for program monitoring, evaluation, and fraud and misuse detection.

Benefits to Arkansas EBT:

• Standard detailed reporting capabilities in several formats and through multiple channels for convenient access to program data for State staff

• Easy online access to all reporting and analytics functions

• Powerful business intelligence and optional data warehouse enhance the State's anti-fraud efforts

We produce a wide assortment of reports to assist DHS with daily operations, system monitoring, program management, and performance supervision. We built our suite of reports drawing upon the considerable experience we have from working with you since 2017 and more than 20 other state EBT programs. These reports enable you to monitor system performance, perform internal reconciliations, and provide information to federal agencies.

We tailored EPPIC EBT 3.0 to the specific requirements of government benefit programs and continually modify it based upon our experience as an EBT Contractor. Through that experience, we understand that shifting program criteria and unavoidable budget constraints demand immediate, accurate data that is readily available for state program management and analysis.

With the level of customization for reporting that our system delivers, combined with a unique knowledge of your requirements, we can continuously improve your access to all needed information.

Capabilities Reporting Overview

We created our database and data structures to support the management needs of EBT programs – such as transaction processing, benefit aging and expungement, and fraud investigations. We also designed EPPIC EBT 3.0 to retrieve any data element it stores quickly and easily, saving State staff valuable time. Some systems other Contractors may have built for financial or commercial transactions cannot retrieve data as effectively. They will likely have problems reconciling data (e.g., require "suspense" transactions) and may face obstacles when producing new reports or responding promptly to queries. The system architecture includes a feature-rich reporting tool with reports accessible via the web-based administrative terminal.

The key to such meticulous and versatile reporting is an intelligently designed and configured EBT database where we cannot store data haphazardly. We store information in a manner that facilitates efficient and timely data retrieval, whether the data request is simple or complex. The system uses the industry-leading Oracle relational database to assist in searching and retrieving data elements. What distinguishes Conduent's solution from other systems is its ease of report development, its web-based access, and its easy-to-understand format and content.

Creating reports on the production system facilitates access to real-time transaction data. This is an advantage over reporting solutions that rely on a separate reporting database for transaction activity updates (often a day behind). EPPIC EBT 3.0 supports real-time report generation with its relational database structure without degrading transaction processing performance.

Configured for Optimal Ease of Use

To illustrate the ease of requesting and viewing a report for a specific date, we include two figures. Figure E.15-1 illustrates the system's main navigation menu on the administrative terminal. In this example, the authorized user selects "Reports." Through the screen shown, users can select the desired daily or monthly reports from a drop-down list for the date the user entered. In addition, a user can click the Search button to retrieve all daily or monthly reports for the date entered. The flexibility of the system's reporting capabilities accommodates user-specific reporting needs.
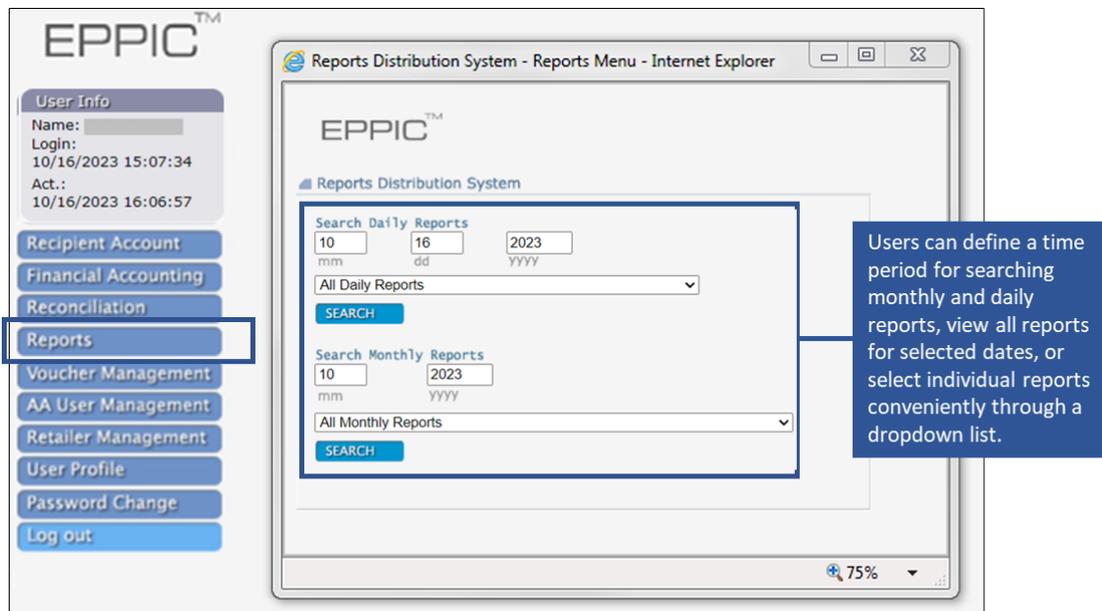
Figure E.15-1. Report Selection Screen
The screen displays available reports for the selected date in the drop-down menu.

Figure E.15-2 is a snapshot of the results of a search request for "All Daily Reports" made via the administrative terminal used today in Arkansas.
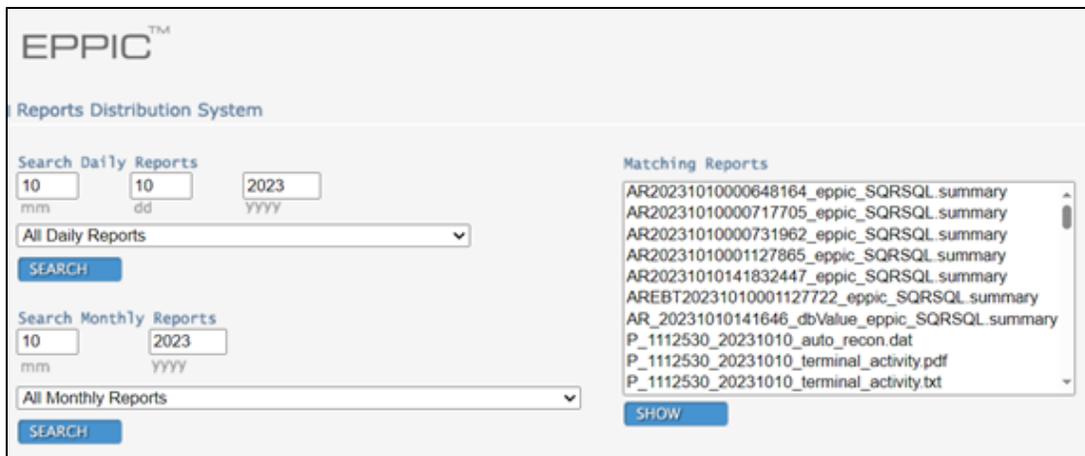
Figure E.15-2. Snapshot of Daily Reports
This screen illustrates the results of a search for daily reports through the administrative terminal.

Report Distribution

Under the next contract, Conduent will continue to maintain all the information identified by the State in the report listing included within the RFP. In addition to those reports, Conduent electronically transfers data from EPPIC EBT 3.0 to the Arkansas Integrated Eligibility System (ARIES) system. Reports that include county data, sort this information by county and display county and State totals.

We distribute appropriate daily, weekly, and monthly reports to the State and FNS (when applicable) in a format specified and approved by DHS or FNS. Upon request by DHS, we provide reports in different formats as needed. We submit these reports to DHS to account for, reconcile, and audit system processing and operations. Reports are accessible through:

- An online, web-based administrative terminal
- Standard reports sent via electronic file transmission to the State or FNS using Secure File Transfer Protocol (SFTP)
- The optional Conduent EBT Data Warehouse

Delivering reports online through a web interface offers the State a rapid-access, efficient user interface that generates reports users can save in preferred formats (e.g., Comma-Separated-Values [CSV] for use in Excel, PDF, text, and DAT for future reference). However, the system provides report delivery in any format and distribution method you prefer. We will finalize the method for report distribution under the next contract with you during the JCS held during the Design Phase.

We transmit daily reports to the State or FNS no later than 12:00 p.m. Central Standard Time (CST) the next business day for the previous day's activity. We send weekly reports no later than the second business day of the week following the reporting week. In addition, we submit monthly reports no later than the second business day of the month following the reporting month. We will continue to submit each report separately into a single report; we never submit partial reports.

The State can request an ad hoc reports at any time or use the optional Conduent EBT Data Warehouse to create the custom reports you need in real-time.

Report Categories

EPPIC EBT 3.0 produces reports for Arkansas EBT in the following categories:

- Financial
- Batch processing
- Card
- Billing

- Security
- Program management
- System performance

In the following narrative, we describe the reports we produce for the Arkansas EBT Program today within the categories referenced above.

Financial Reports

We currently produce and deliver financial reports to account for, reconcile and balance, and audit transaction processing and operations for the Arkansas EBT Program. These reports include the data and information necessary to confirm that we maintain program accounts accurately and with appropriate audit trails.

Daily Account Activity Reports (Account Activity Files Report). Under the current EBT contract, we transmit a daily Account Activity Detail Report in Excel format to the State. The report reflects all account actions received from the State through batch or online during an EBT processing day or taken on behalf of the State by Conduent (i.e., account expungements). Each report includes details on every transaction that impacts an EBT account balance. The report shows the transaction amount (i.e., account action), type of transaction, date and time, and how the transaction originated. It identifies the transaction originator at the batch/online level. In addition, if the transaction originator is "Batch," the report identifies the batch file name. The report also provides totals by program type for each transaction type, and it includes a grand total of activity for all programs at the end of the report.

ACH Activity Report. This report provides detailed and summary information on money movement initiated to settle cardholder transaction activity (e.g., withdrawals and purchases). The details include all merchant deposits and direct deposits for each business day.

Daily Statistical Report. This report, known in the current program as the **Benefit Draw-Down Totals Report**, includes a daily summary of cardholder transaction activity. The timing of this report corresponds with the established Settlement Day cutoff (currently 2:00 p.m. CST). The report provides a summary by program code and the following transaction types, with subtotals for cash and food benefits, as well as a grand total:

- Authorizations
- Administrative adjustments
- Aged
- Repayments
- Withdrawals

The report includes the count and amount for each transaction type and provides a month-to-date summary of the transaction activity for each program code and transaction type.

Clearing Report. This report recaps all financial activity of those funds the State or federal government agencies must transfer to offset money moved to various settlement endpoints. It includes summary information on cardholder transaction activity (e.g., direct deposits, withdrawals, purchases, and administrative adjustments) to determine the daily settlement. The timing of this report corresponds with the established settlement day cutoff.

The report summarizes information by program code and provides separate totals for cash and food benefits, as well as a grand total. In addition, the report reconciles the total switch log amount to the total settlement amount, accounting for all reconciling items (e.g., direct deposits, access fees, and switch adjustments). Figure E.15-3 is an example of our standard Clearing Report.

```
STATE AGENCY                              CLEARING REPORT (RPT003)                                  PAGE: 1
PREPARED FOR: STATE                       FOR: WEDNESDAY 10/23/2023              RUN: MON, 10/23/2023 10:49 AM
_____

PROGRAM TYPE          PROGRAM                      SUB-PROGRAM                   AMOUNT
------------   -------------------------   ------------------------------------  --------------------
CASH           CASH                        FAMILY ASSISTANCE                            490.50
CASH           CASH                        NO SUBPROGRAM                                  0.00

               TOTAL FOR CASH                                                           490.50
                                                                                                     Amount of funds
TOTAL FOR CASH                                                                          490.50       due from State
                                                                                                     for cash

PROGRAM TYPE          PROGRAM                      SUB-PROGRAM                   AMOUNT
------------   -------------------------   ------------------------------------  --------------------
SNAP           SNAP                        SNAP NON-ASSISTANCE                          890.00
SNAP           SNAP                        SNAP PUBLIC ASSISTANCE                       201.00
SNAP           SNAP                        NO SUBPROGRAM                                  0.00

               TOTAL FOR SNAP
                                                                                                     Amount of ASAP
TOTAL FOR SNAP      SNAP                                                              1,091.00        draw from FNS


TOTAL AMOUNT CLEARED (ALL PROGRAM TYPES): $        1,581.50



                                    ------------ END OF REPORT ------------
```

Figure E.15-3. Clearing Report
This report shows funds that have settled each day by program and,
sub-program type, and lists totals by program and sub-program,
for all accounts and includes a summary of all program types.

System Accounting Report. This report provides information based on the selected program, sub-program, or individual transaction level. The customizable user-defined date range report and the daily report include all settling transactions and match the settlement totals for the date selected for all SNAP and cash programs. We also submit monthly summary reports on the sub-program level. Figure E.15-4 is an example of our standard System Accounting Report/Screen.

System Accounting Report

Report on the selected program type / programs / benefit types for dates between 10/26/2023 and 10/26/2023 for All Counties

	SNAP		CASH	
FS SALE	596412	$17,681,695.20	0	$0.00
FS RETURN	4904	($72,043.22)	0	($0.00)
CASH WITHDRAW	0	$0.00	15455	$1,502,936.82
CASH PURCHASE	0	$0.00	26874	$670,086.21
CASH RETURN	0	($0.00)	131	($1,792.37)
TRX FEE	0	$0.00	11533	$19,391.19
CARD REP FEE	0	$0.00	0	$0.00
REVERSAL CREDIT	1220	($62,123.43)	84	($5,718.04)
REVERSAL DEBIT	3	$15.92	0	$0.00
VOID CREDIT	0	($0.00)	0	($0.00)
VOID DEBIT	0	$0.00	0	$0.00
RETAILER ADJ DEBIT	0	($0.00)	5	($372.49)
RETAILER ADJ CREDIT	0	$0.00	0	$0.00
VOUCHER SETTLED	52	$8,882.76	0	$0.00
VOUCHER RET SETTLED	0	($0.00)	0	($0.00)
BEN CASHOUT	0	$0.00	0	$0.00
DIRECT DEPOSIT	0	$0.00	0	$0.00
TOTAL RETAILER DEP	602591	$17,556,427.23	54082	$2,184,531.32
BEG VOUCHER BAL	0	$34,511.39	0	$0.00
VOUCHER AUTH	215	$13,676.10	0	$0.00
VOUCHER SETTLED	52	($8,882.76)	0	($0.00)
VOUCHER SETTLE DIFF	0	($0.00)	0	($0.00)
VOUCHER EXPIRE	3	($189.88)	0	($0.00)
END VOUCHER BAL	270	$39,114.85	0	$0.00
BEG VOUCHER RET BAL	0	$78.84	0	$0.00
VOUCHER RET AUTH	2	$50.00	0	$0.00
VOUCHER RET SETTLED	0	($0.00)	0	($0.00)
VOU RET SETTLE DIFF	0	($0.00)	0	($0.00)
VOUCHER RET EXPIRE	0	($0.00)	0	($0.00)
END VOUCHER RET BAL	2	$128.84	0	$0.00

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Figure E.15-4. System Accounting Report/Screen
This report shows the activity that makes up a day's settlement.
It also displays the outstanding voucher balance and voucher activity.

Benefit Repayment Report. Known in the current program as the **Benefit Type Repayment Report**, this report provides detailed information on repayment transactions performed through an administrative terminal. We do not permit repayment on cash transactions. Figure E.15-5 is an example of our standard Benefit Type Repayment Report.

```
                        BENEFIT TYPE REPAYMENT REPORT
                          REPORT DATE OF 07/27/2023
                               State EBT Project

COUNTY CODE:    N/A
COUNTY NAME:    STATEWIDE
PROGRAM:        SNAP
BENEFIT TYPE:   FSDS10

ENTRY DATE      RID          USER       CARD NUMBER      CARDHOLDER NAME      AMOUNT
07/27/2023                   N/A                                              319.00
07/27/2023                   N/A                                              92.26
07/27/2023                   N/A                                              169.30
07/27/2023                   N/A                                              319.00
07/27/2023                   N/A                                              638.00
07/27/2023                   N/A                                              319.00
07/27/2023                   N/A                                              94.80
07/27/2023                   N/A                                              1,013.15
07/27/2023                   N/A                                              638.00
07/27/2023                   N/A                                              222.62
07/27/2023                   N/A                                              319.00
07/27/2023                   N/A                                              957.00
07/27/2023                   N/A                                              151.83
07/27/2023                   N/A                                              162.36
07/27/2023                   N/A                                              74.17
07/27/2023                   N/A                                              309.18
07/27/2023                   N/A                                              319.00
07/27/2023                   N/A                                              208.57
07/27/2023                   N/A                                              319.00

FSDS10     TOTALS                                                            6,645.24

SNAP       TOTALS                                                            6,645.24


                                      RUN DATE: 07/28/2023 07:05 PM        PAGE 1
```
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Figure E.15-5. Benefit Type Repayment Report
This report provides detailed information on repayment transactions
made against benefit types via the administrative terminal.

Adjustment Activity Detail Report. This daily report details debit and credit adjustments made to EBT accounts. The list of all daily account adjustments includes:

- Personal Account Number (PAN)
- Conduent tracking code
- Date/time/type and amount of adjustment
- Date/time and amount of original transaction
- Initiator

Interoperability (IOP) ACH Report. This report details the information on settlement for interoperable transactions.

Store Tracking and Redemption System (STARS) Food Stamp Redemption Report. This daily FNS-required report covers SNAP activity for a specific settlement date. It lists transactions authorized for each FNS retailer and reported to the FNS Redemption Center for tracking and monitoring funds paid. It reports transaction types to show credits, debits, and adjustments to a retailer account.

Account Management Agent (AMA) Batch. This report documents the file that EPPIC EBT 3.0 transmits to the AMA for daily settlement and reconciliation.

Retailer Terminal Activity Report. This existing report includes a detailed listing of ATM, POS, and voucher activity by terminal at each location.

Batch Processing Reports

We produce a standard set of Batch Processing Reports that confirm the accurate and complete transfer of data during nightly batch processing. Upon receipt of any batch file, EPPIC EBT 3.0 prepares this report and displays data concerning approved and rejected records. Consequently, the system creates multiple reports on any calendar day if more than one batch file is transmitted. This report includes a summary section by file transmission that records confirmation for processed batch files. Figure E.15-6 is an example of this report.

```
================================================================================
EPPIC EXTFILE SERVER 01                         External File Processing
Report
Batch Header : HCARDHSRF        ARDHSFCASE/CLIENT     202307061822001673
Batch Trailer:
TC00000205900000028400000151700000022300000000000000000000000000000000003500000

Date/Time: Wed Jul 05 20:17:18 EST 2023
================================================================================


---------------------- BATCH ERRORS ----------------------------------------
RECIPIENT           RECORD            ERROR     ERROR
NUMBER              NUMBER   ACTION   CODE      DESCRIPTION
----------------    ------   -------  ------    --------------------------------
--
**NO ERRORS TO REPORT**


    ----------------------------------------------------------------------------


---------------------- EPPIC EXTFILE PROCESSING SUMMARY --------------------
 Total records pre-processed                 : 2,059
 Total records processed                     : 2,059
 Total records rejected during preprocessing : 0
 Total records rejected during processing    : 0
 File processing start time                  : Wed Jul 05 20:17:18 EST 2023
 File processing end time                    : Wed Jul 05 20:27:18 EST 2023
 File processing total time (seconds)        : 640
 Processing rate records/second              : 3.22

---------------------- EPPIC EXTFILE PROCESSING SUMMARY --------------------


================================================================================
```
092.ARDEBT23

Figure E.15-6. Batch Processing Report
This report confirms the accurate and complete transfer of data during batch processing.

The Batch Processing Report (or External File Processing Report) contains summary verification data, including the total number of records received in the batch and the number of records by record type (i.e., number of add, change, and delete records). Thus, the report provides a summary of the processing activity for the transmission.

We also generate a Batch Exception Report as a part of the Batch Processing Report. This report contains lists all records received within a batch that the system did not process. The system can reject individual records or entire batches for many reasons, including duplicate file name or records, invalid header/trailer format, data integrity errors (e.g., trailer record total does not match the cumulative detail total), exceeding data integrity threshold, and invalid record format.

The report lists all unprocessed records and provides a reason code to specify why the system could not process a record, including clear identification of duplicate case exceptions. Additionally, rejecting duplicate files or records makes sure that no inappropriate or fraudulent information loads onto the system. We review these processes with you during the JCS and update integrity thresholds, if necessary, to meet your requirements. Figure E.15-7 is an example of this report.

```
===============================================================================
EPPIC EXTFILE SERVER 01                              External File Processing
Report
Batch Header : HCARDHSRF          ARDHSFCASE/CLIENT       202301121823001424
Batch Trailer:
TC000002361000000232000001891000000194000000001000000000000000000000004300000
0000202201121823
Date/Time: Wed Jan 11 20:17:18 EST 2023
=============================================================================


---------------------- BATCH ERRORS ----------------------------------------
RECIPIENT            RECORD              ERROR      ERROR
NUMBER               NUMBER    ACTION    CODE       DESCRIPTION
----------------     ------    -------   ------     --------------------------
--
700208642            000275    D         DT65       Unable to deactivate client.
Record does not exist for the specified Account Number, Case Number, Client
Type combination.


----------------------------------------------------------------------------


---------------------- EPPIC EXTFILE PROCESSING SUMMARY -----------------
Total records pre-processed                : 2,361
Total records processed                    : 2,360
Total records rejected during preprocessing : 0
Total records rejected during processing    : 1
File processing start time                 : Wed Jan 11 20:17:18 EST 2023
File processing end time                   : Wed Jan 11 20:27:18 EST 2023
File processing total time (seconds)       : 781
Processing rate records/second             : 3.02

---------------------- EPPIC EXTFILE PROCESSING SUMMARY ----------------

=============================================================================
```
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Figure E.15-7. Batch Processing Exception Report
This is an example of a report resulting from a file with an error during preprocessing.

If EPPIC EBT 3.0 rejects a file, it maintains a record of subsequent transmissions. The system then processes a file within minutes of a re-transmission. Again, the system immediately transmits a successful receipt or rejection notice and repeats the processes until it receives a successful transmission. Further, we can reject an individual record, process all remaining records in the file, and send an acknowledgment back to the State. As with the initial notification, the system also transmits subsequent notifications within minutes of the transmission from the State.

Card Reports

We produce a suite of card reports today for Arkansas that are designed to enhance the State's ability to monitor and manage EBT card issuance and management. The following narrative describes the card reports we generate for the State under the next contract.

Card Issuance/Replacement Report (Vault Cards). These daily and monthly reports detail vault card activity, listing the card numbers issued. We include the following categories in the reports:

- County office
- Username
- Cardholder name
- Case number
- New card number
- Old card number
- Reason for vault card activity
- Issuance date and time

The reports also include a summary for each county office showing the replacement reason and the number of cards issued for each reason. The report lists the number of cards that were new issuances and those that were replacement cards.

Card Issuance/Replacement Summary (Mailed Cards). These daily and monthly reports summarize the number of EBT cards issued by mail. The reports also include a summary for each county office, showing the replacement reason and the number of cards issued for each reason. The reports also list the number of cards that were new issuances, and those that were replacement cards.

Card Replacement Analysis 1 Report. This monthly report lists all cardholders who were issued a replacement card during a month. The report displays the county office, case number, cardholder name, card number, issue date and time, and number of cards replaced. We currently meet this requirement by providing the following reports to DHS:

- **Card Issuance Report.** This report provides summary-level statistics on all cards issued or replaced statewide by their issuance type. It presents those statistics grouped by the day of the month they were issued and totals for the entire month.

- **Lost/Stolen/Damaged Card Report.** This report lists EBT cards reported as lost, damaged, or stolen. We include a sample of this report from the current Arkansas EBT Program as Figure E.15-8.

```
                    LOST/STOLEN/DAMAGED CARD REPORT
                   REPORT DATE OF 09/01/2023 THRU 09/30/2023
                          ARKANSAS, EBT SYSTEM

   COUNTY CODE:  N/A
   COUNTY NAME:  STATEWIDE


   STATEWIDE TOTALS:

   STATUS                  COUNT

   LOST                      7
   STOLEN                    1
   DAMAGED                   1

   TOTAL COUNT               9
```

Figure E.15-8. Lost/Stolen/Damaged Card Report
This monthly report displays EBT cards reported as lost, damaged, or stolen statewide.

Card Replacement Analysis Summary. This monthly report summarizes the number of cards replaced for each county. It lists each county and cardholders who have been issued three, four, five, six, seven, and more than seven cards. We currently meet this requirement by providing the following report to DHS.

Excessive Card Replacement Report. This report contains details about cardholders who have had four or more card replacements within a 90-day period so the State can issue cardholder notification letters per FNS rules and regulations. Primary and alternate cardholders can each have up to three card replacements, and we consider the fourth card replacement excessive. We include a sample of this report from the current Arkansas EBT Program as Figure E.15-9.

CASE NUMBER	COUNTY	NUMBER OF CARDS REPLACED	DATE/TIME OF LAST REQUESTED REPLACEMENT	CURRENT CARD STATUS	FIRST NAME	M	LAST NAME	ADDRESS	ADDRESS 02	CITY	STATE	ZIP
	911	4	02/28/2023 01:37:08 PM	ACTIVE						MOUNTAIN BURG	AR	729460000
	911	4	01/17/2023 01:24:37 PM	ACTIVE						BATESVILLE	AR	725010000
	911	6	03/27/2023 01:31:57 PM	UNDELIVE ABLE						JONESBOR	AR	724010000
	911	4	01/26/2023 12:57:39 PM	ACTIVE						JONESBOR	AR	724010000
	911	5	04/21/2023 10:30:19 AM	ACTIVE						JONESBOR	AR	724010000
	911	4	12/27/2022 02:07:19 PM	ACTIVE						LOWELL	AR	727450000
	911	5	03/06/2023 04:32:56 PM	ACTIVE						MARION	AR	723640000
	911	4	02/09/2023 01:46:08 PM	ACTIVE						WEST MEMPHIS	AR	723010000
	911	4	02/15/2023 08:07:59 AM	ACTIVE						DUMAS	AR	716390000
	911	4	02/15/2023 08:10:24 AM	ACTIVE						DUMAS	AR	716390000
	911	4	08/25/2023 10:38:35 AM	ACTIVE						DUMAS	AR	716390000
	911	4	04/19/2023 09:26:10 AM	ACTIVE						MARBLE FALLS	AR	726480000
	911	4	04/19/2023 09:25:33 AM	ACTIVE						MARBLE FALLS	AR	726480000
	911	5	09/29/2023 09:20:05 AM	ACTIVE						FORREST CITY	AR	723550000
	911	4	03/02/2023 08:08:59 AM	ACTIVE						LITTLE ROCK	AR	722090000
	911	4	03/01/2023 07:49:13 AM	ACTIVE						LITTLE ROCK	AR	722040000
	911	4	02/10/2023 03:	UNDELIVE						JACKSONV	AR	720760000

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Figure E.15-9. Excessive Card Replacement Report
This monthly report contains details about cardholders who request four or more card replacements within a 90-day period.

Returned Card Report. This daily report details those cards returned to Conduent as undeliverable. The report lists information by county, and each county code includes a total number of cases. We currently meet this requirement through our standard **Undeliverable Card Report**, as shown as Figure E.15-10.

Figure E.15-10. Undeliverable Card Report
This daily report provides details of all undeliverable cards
the Conduent back-office processes over a defined reporting day.

Billing Reports

Conduent's monthly billing report provides details about billable cases. This report identifies the month's active SNAP, cash, and combined cases. Billable cases are as those for which one or more financial transactions (i.e., credits to a cardholder account) post during a billing month. It lists cases that receive multiple deposits only once. It also provides case counts by county and benefit type, with statewide totals on the summary page. The reports summarize billing information for each benefit type, including miscellaneous billing information, and include a net billed amount for the month.

Security Reports

System security reports identify administrative terminal users, specific user access, and an audit trail of user transactions. All user security levels are based on the appropriate roles and types defined by the State EBT project manager and authorized security personnel. Additionally, all security features related to session management (e.g., automatic log-off after a pre-determined number of minutes) are table-driven, enabling them to be set for the State and modified when necessary. In the following narrative, we include descriptions of the security reports we will continue to generate for Arkansas under the next contract.

EBT Terminal Activity Report. We produce daily reports listing all administrative terminal activities received and processed by EPPIC EBT 3.0. At a minimum, the reporting tracks these functions:

- Benefit repayment
- User login
- User logout
- Administrative terminal user changes password
- Card status
- Open anew case
- Set up the cardholder

The following current reports meet this requirement.

Administrative Actions Report. This report provides a summary of all user-executed nonfinancial actions made through the administrative terminal and web services.

Administrative Actions Detail Report. This report provides the details of the user-executed nonfinancial actions made through the administrative terminal.

Administrative Transactions Report. This report provides summary information on user-executed financial transactions (e.g., adjustments, benefits issued, and repayments) made through the administrative terminal.

Administrative Transactions Detail Report. This report provides detailed information on user-executed financial transactions (e.g., adjustments, benefits issued, and repayments) made through the administrative terminal. We include a sample of this report from the current Arkansas EBT Program as Figure E.15-11.

ADMINISTRATIVE TRANSACTIONS DETAIL REPORT
REPORT DATE OF 09/29/2023
ARKANSAS, EBT SYSTEM

COUNTY CODE: 001
COUNTY NAME: PULASKI SOUTH
PROGRAM CASH

LOGIN	CARD NUMBER	CASE NUMBER	AUTHORIZATION NUMBER	ADJUSTMENT	PENDING VOID	BENEFIT ISSUE	REPAYMENT	VOUCHER SETTLE	DECEASED ENPUNGEMENTS
				0.00	-247.00	0.00	0.00	0.00	0.00
				0.00	-204.00	0.00	0.00	0.00	0.00
				0.00	-153.00	0.00	0.00	0.00	0.00
				0.00	-185.00	0.00	0.00	0.00	0.00
				0.00	-162.00	0.00	0.00	0.00	0.00
CASH TOTALS				0.00	-951.00	0.00	0.00	0.00	0.00
PULASKI SOUTH TOTALS				0.00	-951.00	0.00	0.00	0.00	0.00

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Figure E.15-11. Administrative Transactions Detail Report
This report provides information on financial transactions made through the administrative terminal.

Daily Adjustment Audit Report. This report details debit and credit adjustments made to EBT accounts. It includes the date of an adjustment, the time of the adjustment, the type of adjustment made, the account type adjusted, the adjustment amount, the adjusting entity, the User ID of the person who made the adjustment, and the cardholder's card number. This report includes total credit, total debit, total net amount, and total counts for the program and county.

EBT Terminal Last Access Report. This monthly report identifies all authorized State users, displaying the last time they logged into EPPIC EBT 3.0 and identifying those who have not logged into the system for more than 60 days. We include a sample of this report from the current Arkansas EBT Program as Figure E.15-12.

ARKANSAS, EBT PROJECT
ADMINISTRATIVE TERMINAL LAST ACCESS REPORT
REPORT DATE OF 09/01/2023 THRU 09/30/2023

LOCAL AGENCY	USER NAME	LOGIN	ENTRY DATE/TIME
WAO			09/26/2023 16:01:43
WAO			09/29/2023 15:31:50
WAO			09/11/2023 09:48:41
WAO			09/29/2023 15:44:07
WAO			09/26/2023 12:04:23

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Figure E.15-12. Administrative Terminal Last Access Report
This report shows the last date and time users logged into the administrative terminal.

EBT Terminal Failed Logon (Monthly). This monthly report, known in the current program as the **Administrative Terminal Failed Logon Report**, tracks daily activity. We deliver it monthly, and it lists State users who entered an invalid password for their user ID while trying to log onto the system.

Access Definition Report. This daily report, known in the current program as the **Administrative Terminal Access Definition Report**, lists all users with their roles identified. It shows each role with the privileges of each role, and includes the following:

- Date user was added
- Login ID
- Name
- Role ID
- Role Name
- Status (date changed or deleted).

Figure E.15-13 is an example of our standard Administrative Terminal Access Definition Report.

ADMINISTRATIVE TERMINAL ACCESS DEFINITION REPORT
REPORT DATE OF 06/01/2023 THRU 06/30/2023
STATE EBT PROJECT

COUNTY CODE: 01
COUNTY NAME: BRADLEY

LOGIN	USER NAME	ROLE NAME	ROLE CHANGE DATE	STATUS	STATUS CHANGE DATE
		INQUIRY ALL	09/15/2020	DISABLED	10/14/2019
		READ-ONLY	09/25/2020	ENABLED	
		READ-ONLY	09/23/2020	ENABLED	
		READ-ONLY	09/23/2020	ENABLED	11/26/2020
		READ-ONLY	09/25/2020	ENABLED	06/15/2022
		READ-ONLY	09/19/2020	ENABLED	04/01/2023
		READ-ONLY	10/23/2020	DISABLED	11/23/2020
		READ-ONLY	09/25/2020	ENABLED	12/28/2022
		READ-ONLY	09/30/2020	DISABLED	10/31/2020
		READ-ONLY	09/25/2020	DISABLED	09/04/2022
		READ-ONLY	03/06/2021	DISABLED	04/13/2021
		READ-ONLY	09/30/2020	DISABLED	11/10/2020
		READ-ONLY	09/24/2020	DISABLED	06/04/2023
		READ-ONLY	03/06/2021	DISABLED	04/16/2021
		READ-ONLY	09/24/2020	ENABLED	06/08/2023
		READ-ONLY	09/25/2020	DISABLED	10/01/2022
		READ-ONLY	09/25/2020	DISABLED	02/24/2021
		READ-ONLY	09/18/2020	DISABLED	10/19/2020
		READ-ONLY	09/17/2020	ENABLED	
		READ-ONLY	09/20/2020	DISABLED	10/16/2021
		READ-ONLY	11/07/2020	DISABLED	12/08/2020
		READ-ONLY	09/24/2020	DISABLED	10/26/2020
		READ-ONLY	10/10/2020	DISABLED	12/22/2020
		READ-ONLY	09/23/2020	DISABLED	04/13/2021

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Figure E.15-13. Administrative Terminal Access Definition Report
*This report provides details for each authorized user and
their ability to access the administrative terminal.*

Program Management Reports

We currently produce a suite of program management reports for the Arkansas EBT Program. In the following narrative, we describe the reports we offer under the next contract.

Bi-weekly Status Report. During each project phase (i.e., Implementation, Design, Development and Testing, Transition-In, Operations and Maintenance, and Transition-Out), we collect and organize all data necessary to produce bi-weekly Status Reports in Microsoft Excel format. The reports meet all State and federal reporting requirements and include progress information on all completed, ongoing, and planned project activities. They also provide necessary insight to maintain efficient EBT Program management and operations. The bi-weekly Status Reports also summarize any outstanding project issues or obstacles and describe any proposed deviations from planned activities, schedules, or staffing.

We submit the reports via email to EBT.Support@dhs.arkansas.gov by the close of business on the following Monday.

Out-of-state ATM Activity Report. This daily report, known in the current program as the **ATM/POS Out-Of-State Usage Report**, lists all EBT transactions conducted at ATMs and POS devices outside the State by county and case number/cardholder. The report provides the total count and amount for the county. It tracks transactions by benefit type and includes cardholder IDs, card numbers, retailer names, and amounts.

Under the next contract, this report allows you to select a date range for the consecutive months that cardholders use an EBT card during a selected date range. The report will not include transactions that occur in Arkansas and border states (e.g., Texas, Louisiana, Mississippi, Missouri, and Tennessee).

Repayment Report. This report, known in the current program as the **Benefit Type Repayment Report**, provides detailed information on SNAP repayment transactions completed through an administrative terminal. EPPIC EBT 3.0 does not permit repayments on cash for the Arkansas EBT Program. The report lists all repayments by cardholders, with cardholders listed by county and counties listed in alpha sequence. It includes a total for the entire State at the end of the report. We included a sample of our standard Benefit Type Repayment Report earlier as Figure E.15-5.

Voucher Authorization/Expiration/Settlement Report. We currently produce a daily **Voucher Activity Report** that lists all voice authorizations (i.e., approved manual vouchers) of SNAP EBT transactions performed by EBT retailers each business day. The system generates the report to combine all needed information into a single report, providing a quick, easy method for reviewing all voucher activity.

The report contains three sections (i.e., authorization, expiration, and settlement) to provide a comprehensive view of voucher activity. The report includes, at a minimum, the FNS retailer number, voucher authorization number, transaction amount and type, dollar amount, and date/time. It also identifies whether a retailer is a traditional or non-traditional retailer.

Large Account Balance Report (High Account Balance Report). This monthly report identifies all cardholders with a large balance in their SNAP and/or cash account. The report lists all cases with a balance of $1,000.00 or more in an EBT account, which may have both SNAP and cash components.

The report defaults to a $1,000.00 minimum balance, although this is a user-selectable field. The report output includes the county office that owns the case, a cardholder's full name, program type, balance, date of high balance, days since the change in balance, last withdrawal date and amount, and last deposit date and amount. The State runs this report using the optional Conduent Data Warehouse with Power BI.

Large Dollar Transactions Report. This monthly report lists large single transactions (SNAP-only, over $100 or more) by county and case number/cardholder. It includes the cardholder's name, card number, retailer name and FNS number, transaction type, amount, date, time, approved transactions, and food (SNAP) purchases. The date range, number of purchases, and large dollar amount (e.g., $100) are configurable system parameters set by Arkansas.

For Arkansas, this report does not include large stores where large transactions occur frequently. DHS can also provide data from a date range that a user enters in the administrative terminal.
Figure E.15-14 is an example of our standard Large Dollar Transactions Report.

LARGE DOLLAR TRANSACTIONS REPORT
REPORT DATE OF 08/01/2023 THRU 08/31/2023
STATE EBT PROJECT

COUNTY CODE: 049
COUNTY NAME: MARION

RID	CARDHOLDER NAME	CARD NUMBER	TYPE	AMOUNT	DATE/TIME	FNS NUMBER	RETAILER NAME
			PURCHASE	350.00	08/26/2023 10:49:37	2222222	TPP Retailer
			PURCHASE	400.00	08/26/2023 10:49:42	2222222	TPP Retailer
			PURCHASE	400.00	08/26/2023 10:49:44	2222222	TPP Retailer
			PURCHASE	1,200.00	08/26/2023 10:57:47	2222222	TPP Retailer
			PURCHASE	9,350.84	08/26/2023 11:32:51	2222222	TPP Retailer
			PURCHASE	500.00	08/26/2023 11:33:34	2222222	TPP Retailer

MARION TOTALS

TOTAL RETAILERS	1	
TOTAL PURCHASES	6	
TOTAL PURCHASE AMOUNT	12,200.95	

LARGE DOLLAR TRANSACTIONS REPORT
REPORT DATE OF 08/01/2023 THRU 08/30/2023
STATE EBT PROJECT

COUNTY CODE:
COUNTY NAME: STATEWIDE

STATEWIDE TOTALS

TOTAL RETAILERS	1	
TOTAL PURCHASES	6	
TOTAL PURCHASE AMOUNT	12,200.95	

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Figure E.15-14. Large Dollar Transaction Report
This report lists all approved SNAP purchases within a reporting date range for each retailer with at least a specified number of purchases greater than or equal to a dollar amount classified as excessive.

Even-Dollar Transactions Report. This monthly report lists approved even-dollar SNAP EBT benefit transactions over some pre-determined amount of the State's choosing (i.e., $200 for Arkansas). The report supports the ability to provide data from a date range entered. The report includes any even-dollar SNAP EBT transaction over the specified amount. The dollar amount and time period are parameter-driven and defined by the State. The report tracks transactions by dollar amount and benefit type to include the case number, cardholder name, card number transaction type, transaction amount, date/time, FNS number, and retailer name.

Rapid or Repeated Transactions Report. This monthly report lists two or more transactions by the same card number within three minutes of each other at the same store. Our current Rapid or Repeated Transactions Report serves as the foundation for this report. The three-minute timeframe is a configurable parameter. The report lists rapid or repeated transactions by county, city, and retailer.

Redemption of Entire Benefit in One Transaction Report. This monthly report, known in the current program as the **Redemption of Benefit in One Trans Report**, identifies transactions in which a cardholder withdraws a full authorized benefit amount in one transaction. The report lists transactions made during a month, SNAP EBT only, for $200.00 or more, where the account balance is $0.00 after the transaction is complete. The $200.00 amount is a configurable parameter; you can change it if desired. Users can query this report for more than one month to discern a pattern. Data elements include the case number, county, client last card number, FNS number, retailer name, address, city, state, and amount. The report consists of approved transactions and SNAP EBT purchases. Figure E.15-15 is an example of our standard Redemption of Benefit in One Trans Report.

REDEMPTION OF BENEFIT IN ONE TRANS REPORT
REPORT DATE OF 02/01/2023 THRU 02/29/2023
STATE EBT PROJECT

COUNTY CODE:
COUNTY NAME: STATEWIDE

RID	CARDHOLDER NAME	CARD NUMBER	FNS NUMBER	RETAILER NAME	ADDRESS	CITY	STATE	AMOUNT
								-236.25
								-101.08
								-128 03
								-150 00
								-267 00

COUNTY CODE:
COUNTY NAME: STATEWIDE

STATEWIDE TOTALS:

TOTAL WITHDRAWALS: 3,696
TOTAL WITHDRAWAL AMOUNT: -568,095.25

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Figure E.15-15. Redemption of Benefit in One Trans Report
This report lists all SNAP withdrawals of a full card balance in one transaction within
a reporting month where the withdrawal amount exceeds a minimum amount.

Multiple Transactions on the Same Day Report. This monthly report, known in the current program as the **Multiple Transactions Same Day Retailer Report**, lists two or more SNAP transactions with a minimum amount of $50.00 within one hour at the same store on the same day. The two transactions and the $50.00 amount are configurable parameters, and the State may change them if desired.

Retailer Manual Key Entered Transaction Report. This monthly report lists all SNAP transaction manual entries occurring at a retailer location. The report identifies and separates online transactions from manually entered transactions.

Retailer Terminal Activity Report. This daily report, known in the current program as the **Terminal Activity Report**, includes a detailed listing of ATM, POS, and voucher activity by the terminal at each location. At a minimum, the report includes the transaction type, transaction amount, transaction date, settlement date, merchant and terminal identifier, and benefits impacted.

POS Supply ACH Report. This monthly report details the amount of funds sent to exempt retailers for POS supply credit reimbursement.

Reversal Activity Report. This daily report, known in the current program as the **Reversals Activity Report**, shows POS reversal activities for cash and SNAP. Data elements include program, sub-program, benefit month, benefit availability date, case name, benefit number, amount number, post-reversal balance, and transaction time/type. Figure E.15-16 is an example of our standard Reversals Activity Report.

REVERSALS ACTIVITY REPORT
REPORT DATE OF 03/25/2023
STATE EBT PROJECT

COUNTY CODE: 01

COUNTY NAME: ALBANY

PROGRAM	SUB PROGRAM	BENEFIT MONTH	BENEFIT AVAILABILITY MONTH	CIN/APPREG	CASE NAME	BENEFIT NUMBER	AMOUNT	POST REVERSAL BALANCE	TIME/TYPE
SNAP	FS/NPA	02/2023	03/01/2023				-0.14	0.14	03/25/2023 11:08:59 REVERSAL CREDIT

ALBANY TOTAL FS/NPA   SUBPROGRAM TOTAL: COUNT: 1   AMOUNT: -0.14

ALBANY TOTAL SNAP   PROGRAM TOTAL: COUNT: 1   AMOUNT: -0.14

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Figure E.15-16. Reversals Activity Report
This report lists POS and ATM reversal activities for SNAP and cash.

Cardholder Portal Activity Report. This monthly report, known in the current program as the **Client Portal Statistics Report**, shows how many times individuals access the cardholder portal monthly and tracks the following:

- Number of PIN changes
- Number of new cardholders registered
- Number of total cardholders registered
- Total number of logins to the cardholder portal

We include a sample of this report from the current Arkansas EBT Program as Figure E.15-17.

CLIENT PORTAL STATISTICS REPORT
REPORT DATE OF 09/01/2023 THRU 09/30/2023
ARKANSAS, EBT SYSTEM

PIN CHANGES	NEW CARDHOLDERS REGISTERED	TOTAL CARDHOLDERS REGISTERED	TOTAL LOGINS FOR THE MONTH
1,167	2,093	161,622	184,109

Figure E.15-17. Client Portal Statistics Report
The report shows how many times individuals access the cardholder
Portal each month and tracks PIN changes, logins, and more.

Authorized Representative Report (Ad Hoc report). This report identifies all authorized representatives in EPPIC EBT 3.0. At a minimum, the data fields include:

- Authorized Representative Name
- Cardholder Name
- Client ID
- Card Number
- Sorting by Date and Jurisdiction

EBT Benefit Issuance Receipt Confirmation File Report. We send his monthly report to the FNS-Southwest Regional Office, which identifies the data elements to be contained in this file. We expect that our standard Batch Processing Summary report will serve as its foundation.

FNS Report. We send this monthly report to the FNS-Southwest Regional Office. That office identifies the retailer where an individual uses an Arkansas card to originate a SNAP transaction and if the physical address of the retailer in the transaction data set matches the physical address of the retailer in the FNS REDE file. Conduent provides this report, and FNS provides a sample report to the State.

System Performance Reports

We produce a full suite of daily and monthly system performance reports that reflect system performance for Arkansas EBT services. As a group, the reports provide detailed information about the performance of EPPIC EBT 3.0, customer service operations, and the Integrated Voice Response System (IVRS). Using these reports, DHS can monitor the operations and performance of the EBT system. This includes accessing statistical information on system utilization response times. In the following narrative, we describe the system performance reports we generate for Arkansas under the next contract.

Host Response Time Analysis Report. This monthly report, known in the current program as the **Average Daily Response Time Report – POS/ATM Transactions**, contains a statistical summary of host response times within pre-established tiers by retailer terminal, ATM, third party, and network acquirers. The report details how Conduent's response times meet or do not comply with DHS expectations of pre-established performance tiers. The report is in two sections: Section 1 contains the number of transactions processed within specified response times by each day of a reporting month. Section 2 contains the number of transactions processed within the response times by each hour of the day for all the days in the reporting month.

We measure response time by the time it takes for the host to respond to a message. The specified response times are:

- 1.0 Seconds
- 1.5 Seconds
- 2.0 Seconds
- 3.0 Seconds
- > 3.0 Seconds

There are transaction totals and a percentage calculation at the end of each section of the report for each response time. The transaction totals and percentages for each response time match each report section. Additionally, Section 1 contains a calculation of average response time. This report is also applicable to direct-connect EBT retailers. We include a sample of this report from the current Arkansas EBT Program as Figure E.15-18.

AVERAGE DAILY RESPONSE TIME REPORT
REPORT DATE OF 09/01/2023 THRU 09/30/2023
ARKANSAS, EBT SYSTEM

COUNTY CODE : N/A
COUNTY NAME : STATEWIDE

HOUR OF DAY	1.0 SECONDS	1.5 SECONDS	2.0 SECONDS	3.0 SECONDS	> 3.0 SECONDS	# OF TRANS
00:00-00:59	0	0	0	0	0	0
01:00-01:59	0	0	0	0	0	0
02:00-02:59	0	0	0	0	0	0
03:00-03:59	0	0	0	0	0	0
04:00-04:59	0	0	0	0	0	0
05:00-05:59	0	0	0	0	0	0
06:00-06:59	0	0	0	0	0	0
07:00-07:59	0	0	0	0	0	0
08:00-08:59	0	0	0	0	0	0
09:00-09:59	0	0	0	2	18	20
10:00-10:59	0	0	0	2	30	32
11:00-11:59	0	0	0	0	0	0
12:00-12:59	0	0	0	0	0	0
13:00-13:59	0	0	0	1	5	6
14:00-14:59	0	0	0	1	15	16
15:00-15:59	0	0	0	2	2	4
16:00-16:59	0	0	0	2	7	9
17:00-17:59	0	0	0	0	0	0
18:00-18:59	0	0	0	1	0	1
19:00-19:59	0	0	0	0	0	0
20:00-20:59	0	0	0	0	0	0
21:00-21:59	0	0	0	0	0	0
22:00-22:59	0	0	0	0	0	0
23:00-23:59	0	0	0	0	0	0
TOTAL COUNT:	0	0	0	11	77	88
PERCENTAGE OF TOTALS:	0.0000 %	0.0000 %	0.0000 %	12.5000 %	87.5000 %	100.0000 %

Figure E.15-18. Average Daily Response Time Report – POS/ATM Transactions
This report summarizes EPPIC EBT 3.0's host response times within pre-established tiers.

System Availability Report. This monthly report includes detailed documentation and explanation of scheduled and unscheduled downtime and processing interruptions. The report confirms compliance with State system availability requirements, FNS EBT Regulations, and the EBT Operating Rules. Conduent Operational Project Manager Priya Suresh sends this report to DHS monthly via email.

STARS Report. This monthly report, known in the current program as the **STARS Totals Report**, provides SNAP net redemption data to the FNS Minneapolis Computer Support Center (MCSC). FNS specifies the data format and requirements of this file. At a minimum, the data elements we include in the file include:

- FNS retail merchant authorization number
- Date of Food Stamp (SNAP) redemption
- Total daily amount of Food Stamp (SNAP) redemptions by retailer

Cardholder and Retailer's Customer Service Call Center and IVRS Activity Report (Monthly). These monthly reports are available in CSV format for importing into Excel, as a PDF file, or an otherwise DHS-approved format. Priya sends these reports to DHS via email each month. At a minimum, we track IVRS performance by:

- Total number of calls offered
- Total minutes spent on IVRS
- Average call duration
- Total calls transferred to a CSR
- Percent of calls transferred to a CSR

We include samples of these reports from the current Arkansas EBT Program as Figures E.15-19 and E.15-20.
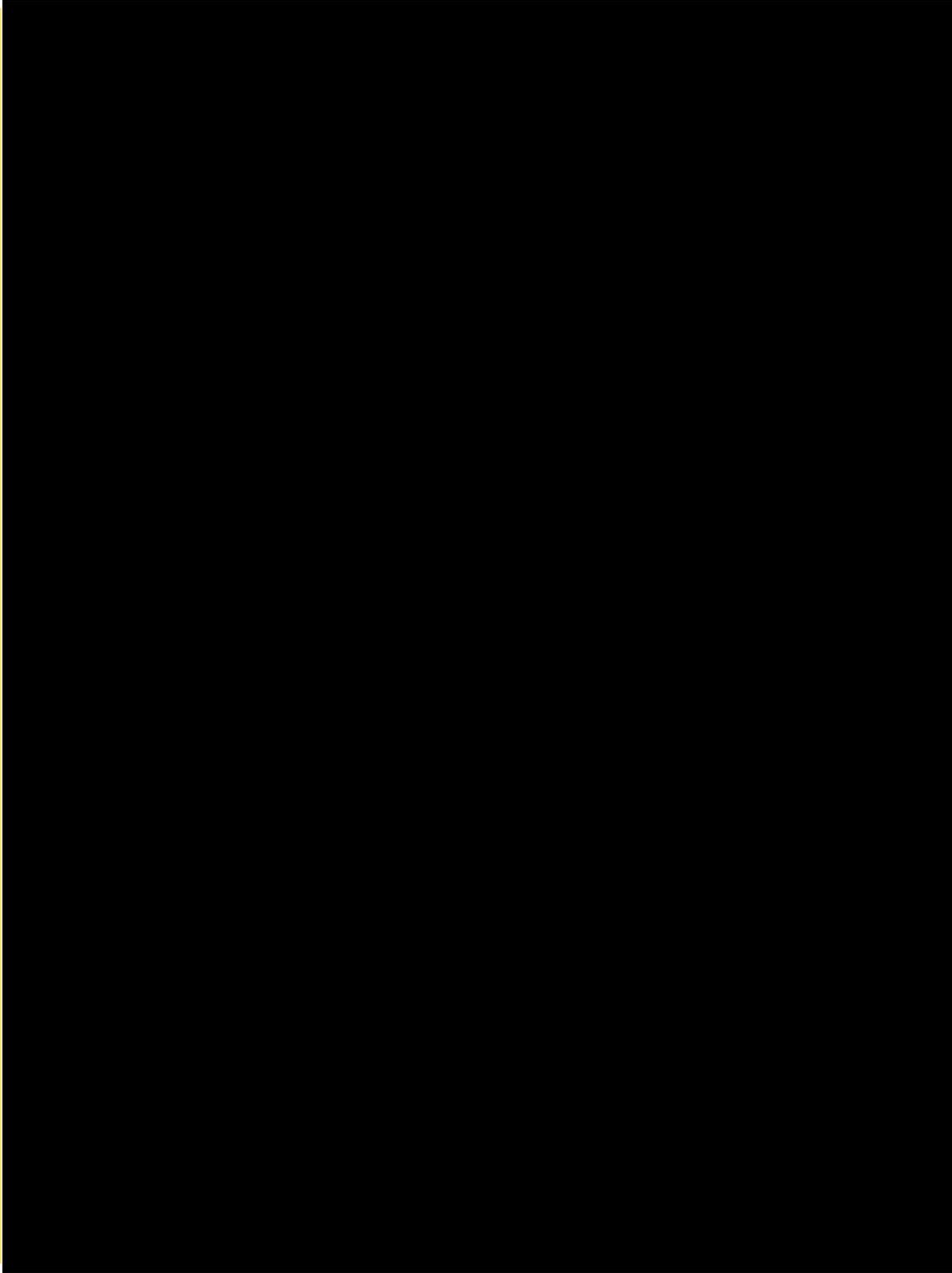
Figure E.15-19. Monthly Client Help Desk Activity Report (IVRS)
This report contains detailed information to monitor IVRS performance on the Client Help Desk.
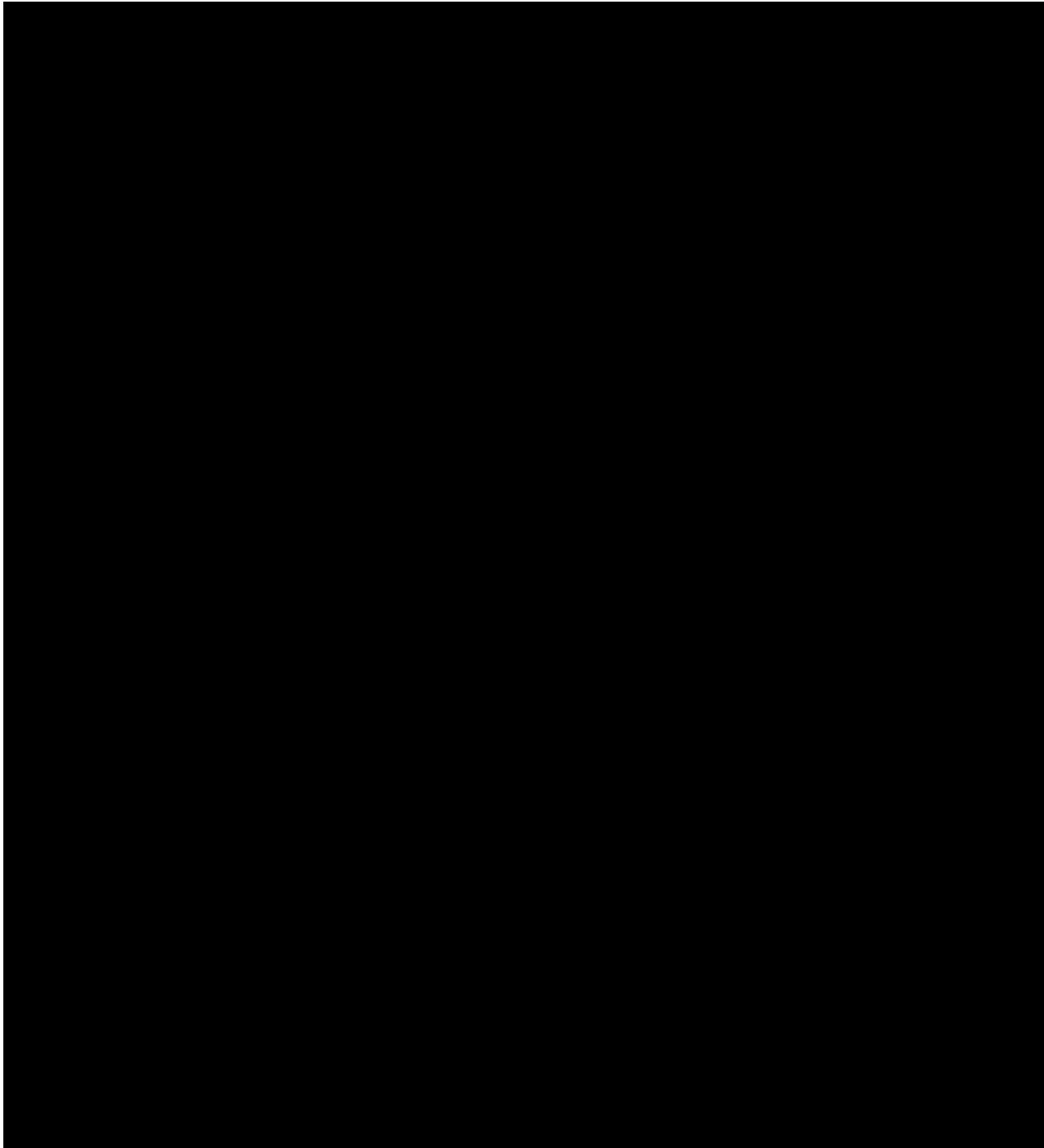
Figure E.15-20. Monthly Retailer Help Desk Activity Report (IVRS)
This report contains detailed information to monitor IVRS performance on the Retailer Help Desk.

Cardholder and Retailer CSR Activity Report (Monthly). At a minimum, these monthly reports track CSR performance by:

- Total number of calls received
- Number of calls answered, including calls placed on hold
- Number of abandoned calls from hold (we do not count these as answered calls)
- Average time of abandoned calls
- Average speed of answer
- Average talk time

We include a sample of the Monthly Client Help Desk Activity Report (CSR) from the current Arkansas EBT Program as Figure E.15-21.

Figure E.15-21. Monthly Client Help Desk Activity Report (CSR)
This report provides detailed information to track CSR performance on the Client Help Desk.

B. Describe the Prospective Contractor's process to incorporate an ad hoc report into a systematic report.	5 points

There are two ways to incorporate an ad hoc report into the system reports. First, the authorized user can save a report they developed using the optional data warehouse in their workspace for easy replication. Once the report is in their workspace, they can share it with specific people or copy and paste the link and send it to others (the recipient must have access to Power BI to run the report). Alternatively, if it is a report they want to see as part of the standard reports, they can request support through Project Manager Priya Suresh. She then submits a request to Conduent's data warehouse team, who can add a link to the report in the ad hoc/fraud report section, turning it into a systematic report. See our response to Question E.17.C for details on our ad hoc reporting capabilities.

E.16 Transition Out Requirements	
A. Describe the Prospective Contractor's complete transition out plan.	5 points

Over the life of the contract, we work with DHS to provide system operations and a level of service that meets or exceeds your requirements. At the conclusion of the contract, Conduent supports DHS and facilitates a timely transition to any successor Contractor, providing a smooth transition for all EBT Program stakeholders.

Unwavering Support

Conduent is committed to supporting DHS and any successor Contractor with professionalism and expertise to execute a seamless transition between the existing system environment and a successor's system and services.

A transition to another Contractor includes those activities that DHS, Conduent, and the successor perform at the end of the contract. During this period, we work cooperatively with DHS and any successor Contractor and supply all required information.

Transition Out Approach

While the overall approach and activities for transitioning to a successor at the end of the contract differ for specific programs, our commitment to cooperating and working professionally with DHS and a new Contractor is steadfast and consistent. During the transition period, Conduent:

- Cooperates and works with DHS and the successor for a smooth and timely transition of services
- Fully participates in all DHS-required transition meetings and activities, including formal weekly status meetings
- Accomplishes all assigned tasks by due dates unless we negotiate alternate dates with the DHS project manager
- Wherever possible, offers guidance, subject matter expertise, and other consultancy services to mitigate risk and advocate on behalf of DHS

We built our overall approach to the turnover of an EBT project on key principles:

- Planning end-of-contract transition activities early
- Keeping plans, systems, and documentation up to date
- Applying sufficient experienced resources to support the transition
- Communicating transition activities to all stakeholders
- Validating the successful completion of the transition

Advanced planning includes:

- Identifying key transition activities
- Assigning roles and responsibilities
- Verifying that trained resources are available
- Obtaining agreement with stakeholders related to the transition

Planning enables Conduent, DHS, and a new Contractor to understand the criteria for a successful contract transition. By adhering to these principles, we can achieve a seamless handoff of EBT operations to a successor Contractor if necessary.

Table E.16-1 details our approach for additional key elements for a successful end-of-contract transition.

Table E.16-1. Transition-Out Activities

Activity	Comment
Outstanding Deliverables	Conduent reports on any outstanding deliverables or tasks and their timeframes for completion. We make sure all documentation is current, reflecting all changes, enhancements, and modifications.
Documentation	We write our documentation clearly and regularly update and maintain it as changes occur. We store all documentation electronically and make it available to DHS and a successor Contractor as necessary.
DHS Project Manager	As a key part of any transition process, Conduent provides all required support and transition information to the DHS project manager.
Timely Transfer of Operations	We commit to supporting the State and any successor Contractor with professionalism and expertise. The goal of our activities as an outgoing Contractor is to cooperate fully with DHS and the new Contractor, thereby facilitating the transfer of operations prior to the expiration of the contract.

We complete all required transition activities within DHS-approved timeframes, enabling the successful turnover of the operation with no delays or decreases in services.

Transition-Out Plan

Conduent submits a Transition-Out Plan, which establishes a smooth transition between the Conduent and the successor Contractor, one year prior to the maximum contract end date or another DHS re-approved timeline. The plan includes a specific approach and schedule to transition services between Conduent and the successor Contractor.

This Transition-Out Plan includes a clear breakdown of tasks and responsibilities, including those that DHS is responsible for during the transition, as well as a turnover resource plan.

E.17 Value Added Services	
A. Describe benefits available to the cardholder (such as free ATM transactions) and cardholder convenience functionality included in the Prospective Contractor's proposal.	5 points

In addition to eliminating any cardholder confusion or delays caused by a full-scale conversion to a new contractor, Cardholders will continue to benefit from an array of convenient tools, support, and functionality with Conduent. Throughout the life of this new contract, these benefits will grow exponentially through the anticipated adoption of integrated chip cards – an unprecedented step forward to protect cardholder benefits from fraud.

Our comprehensive solution for DHS, EPPIC EBT 3.0, supports a rich selection of features that offer high customer satisfaction through convenience in accessing funds and account information, along with flexible and responsive customer service. We include a high-level overview of these core and optional features in Table E.17-1.

Table E.17-1. Convenient Functionality for Arkansas Cardholders

Feature	Benefit to Arkansas Cardholders
No changes to familiar cards, process, information, or access to information	Cardholders do not need to remember which card to use, what phone number to call, or which mobile app to use should DHS continue with Conduent in the next contract. This means fewer delays at the store or ATM – cardholders can keep accessing their benefits just as they do today with no interruption.
Widespread ATM Access	Cardholders can access their TEA benefits at any Quest ATM in the nation.
Cardholder Convenience	EBT cardholders receive more than just local access to obtain funds; they receive national access to their funds through the Quest Network. Cardholders can use their EBT card to get cash at retail POS locations or ATMs that display the Quest service mark if the terminal is not in a prohibited location based on Arkansas program policies.
Full Function IVRS Provides Vast Array of Self-Service Options	The IVRS is so comprehensive only slightly over 3% of callers feel the need to transfer to a CSR for additional support – a self-satisfaction rate of more than 96% for EBT cardholders.
24/7 Support from Highly Trained CSRs	CSRs resolve issues quickly using program-specific scripts and guides.
Responsive, Easily Navigable Cardholder Portal and Mobile App	The user-friendly cardholder portal and mobile app are convenient and powerful tools that cardholders can access from virtually any device with proper authentication. Using Responsive Web Design (RWD), the site screen adjusts to best fit an individual's viewing device and ensures that website interaction is optimal on all devices.
	Convenient service functionality available at cardholders' fingertips includes, but is not limited to:
	• Access to SNAP and cash real-time balances
	• Ability to status and replace their EBT card
	• Secure PIN selection
	• View transaction and deposit history
	• Dispute a transaction
	• Access customer service
Training Materials Make Participation Easy	Thoughtfully designed training and instructional materials include pamphlets and card carriers that walk cardholders through how to get the most out of their EBT card.
Enhanced System Platform Reduces Risk for Cardholder Transaction Processing Interruptions	We designed the new EPPIC EBT 3.0 platform for EPPIC EBT 3.0 to significantly reduce disruptions to benefit access.
Enhanced Cardholder Security Features	

Feature	Benefit to Arkansas Cardholders
Ability to Access Benefits at Farmers' Markets and other Non-Traditional Retailers	By providing non-traditional retailers with the equipment, they need to process transactions, cardholders can shop for the freshest fruits and vegetables at their local farmers' markets and direct-marketing farmers. This has the added benefit of providing extended access to benefits in areas with limited EBT retailers.
Over the Counter (OTC) Card Issuance	As part of the next contract is the option for OTC enrollment and card issuance – authorized personnel follow strict security procedures to establish an EBT account, access card stock from inventory, enter card information into the Conduent EPPIC EBT 3.0 database, personalize the card, and issue a new card. If DHS selects this service, cardholders can have access to benefits immediately without waiting for a mailed card.
EMV chip EBT Cards for Optimal Cardholder Security	Once the EBT industry is ready for EMV rollout, Conduent will be right there to support Arkansas in moving your cardholders to EMV card technology. Cardholders benefit from the added security of EMV card technology, which includes an embedded microchip with proven security features and other capabilities not possible with traditional magnetic stripe cards. For optimal cardholder security, EMV chip-enabled cards are virtually impossible to copy or counterfeit as the information contained in the chip is encrypted.

B. Describe the enhanced security options, features, or protocols providing additional security and assisting with fraud mitigation included in the Prospective Contractor's Proposal.	5 points

With EPPIC EBT 3.0 and EBT Connect, DHS benefits from the most secure platform in the industry and a robust set of security controls and features across all functions and stakeholders. With core and optional features and functionality like card lock/unlock, adaptive IVR, an enhanced Power BI data warehouse solution with Advanced Fraud Package, and a specialized, in-house fraud management team, we can monitor and support the integrity of the Arkansas EBT Program at all levels 24/7. The following narrative details the security options, features, and fraud prevention and mitigation protocols described in our technical proposal.

Enhanced Security Options, Features, and Protocols

As detailed in our response to Question E.12.C, the security of the Arkansas EBT Program and your cardholders' data are paramount to our team. As part of the core offering, we will transition Arkansas to our next-generation EPPIC EBT 3.0 platform, upon which the EBT Connect system resides. EPPIC EBT 3.0 uses a private cloud to maintain the integrity of your program's data and cardholder information. Our NIST 800-53 aligned approach uses industry-leading tools to help us mitigate attempts to compromise our network. Of note, **Conduent has never had a system breach in any of the State electronic payment services (EPS) programs we manage, including Arkansas**, and our goal is to keep it that way.

Table E.17-2. highlights the enhanced security features that are part of our core solution.

Table E.17-2. Core Security Features for EBT Connect

Enhanced Security Feature	Description
Expanded Authentication for Help Desk	Expanded authentication reduces frustrations and unnecessary transfers to CSRs if a caller cannot enter a card number when calling the IVRS. A cardholder can verify their identity with demographic information (e.g., date of birth, ZIP Code, or other personal information only known to the caller) rather than having the IVRS direct them to a CSR. See our response to Question E.6 Customer Service for additional details.
Administrative Terminal Access Controls	EPPIC EBT 3.0 uses a multi-level security structure that consists of types and roles that define a specific level of security for each user. These controls confirm that security profiles control DHS, federal, and Conduent staff access to any update or inquiry transaction through the administrative terminal. The set of features available for each user is the aggregate of type and role functions. With this multi-level security structure, DHS can assign and apply even slight security differences among user functions, giving DHS maximum flexibility and control over system access and privileges for authorized users. Please see our response to Question E.4.B for additional details.
PIN Security	PIN encryption takes place at the entry point of any device using the highest DES block cipher. The device transmits a PIN to EPPIC EBT 3.0 in encrypted form for verification. PINs are never stored outside of the system's database. We translate and decrypt transaction PINs into a secure Tamper Resistant Security Module (TRSM). We also use key management techniques in accordance with the latest ANSI standards. The PIN always remains encrypted until it reaches EPPIC EBT 3.0, and any translation of the PIN is performed within the physically secure TRSM without using the software. Please see our response to Question E.12 for additional details.

Enhanced Security Feature	Description

In addition to the core security features, we offer some optional features and enhancements for your consideration in the following narrative. We look forward to discussing these options with you during the joint configuration session (JCS).
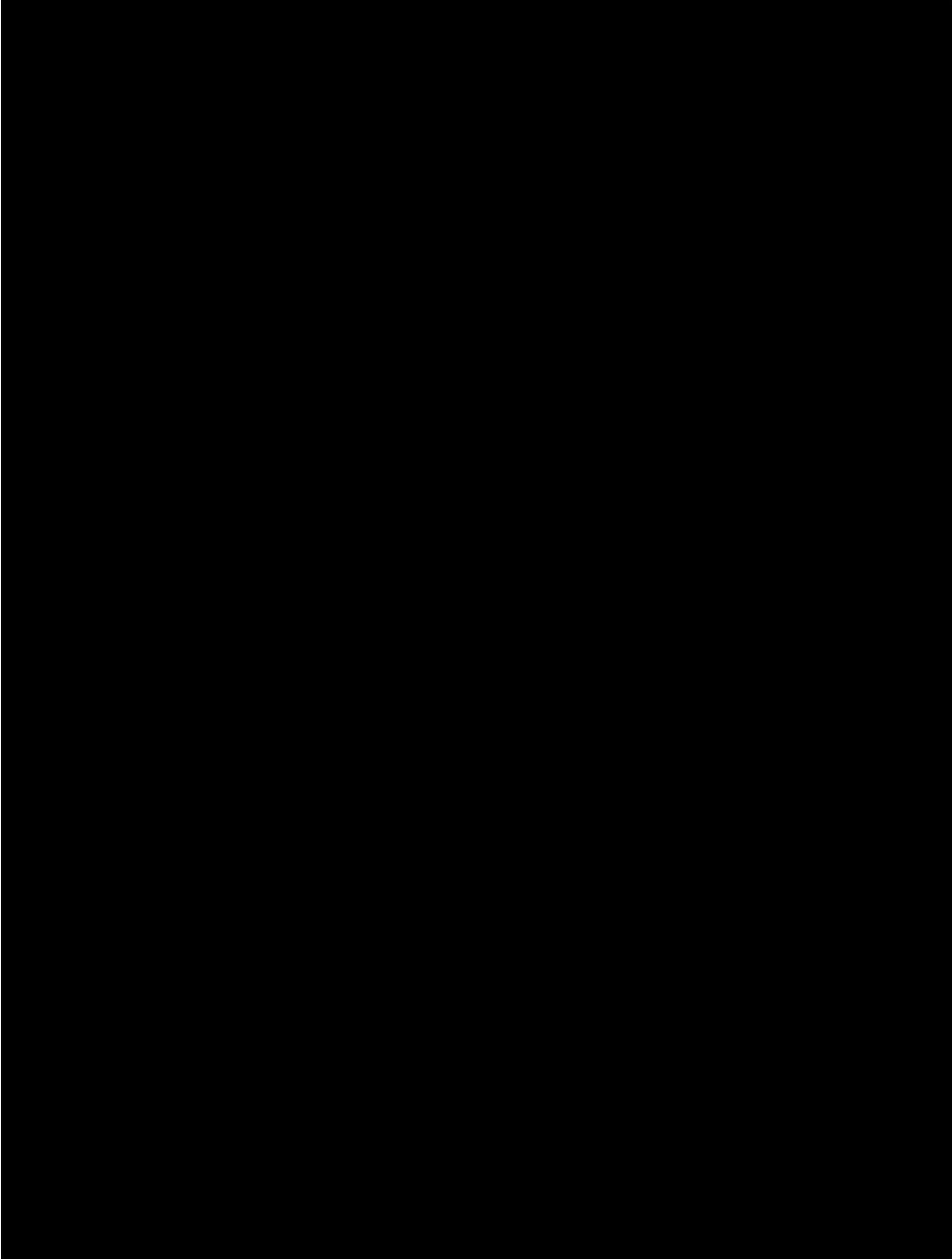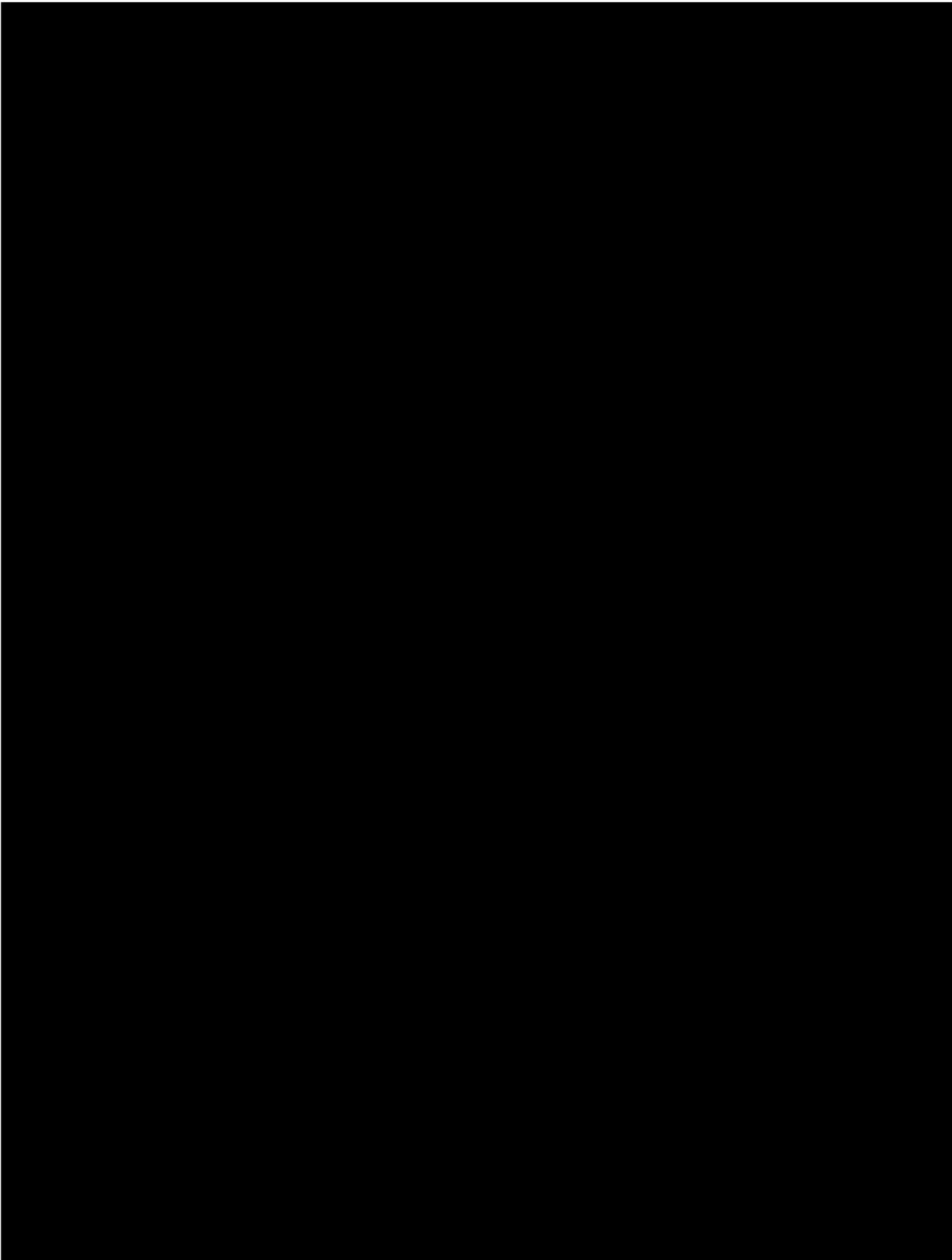
Assisting with Fraud Mitigation in Arkansas

An integral part of our core EBT Services solution for Arkansas, we take a multi-pronged approach to fraud mitigation and prevention using the latest electronic fraud analysis methods and state-of-the-art data analysis tools. Using a multi-layered mitigation, detection, and response strategy is essential for maximizing the efficiency and effectiveness of a robust anti-fraud program.

We use an array of internal and external data, prevention tools, and intelligent fraud data management tools to enhance our effectiveness at identifying new and emerging fraud risks. As illustrated in Figure E.17-1, we leverage all the above to create a thorough anti-fraud plan for the Arkansas EBT Program focused on prevention, detection, and response.
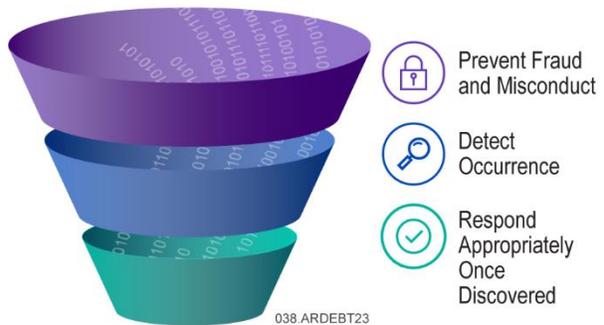
Figure E.17-1. Fraud Prevention Model
As a critical part of our strategy, Conduent recommends focusing on the prevention of fraud before it starts.

Each fraud scheme has a financial and reputational cost to the program or agency it impacts. Each agency serving the public may have unique requirements for preventing and detecting fraud. This constantly evolving battle can severely tax the State's already tight investigative, operational, and analytical resource pools. We provide the expertise, tools, and strategies to successfully reduce fraud and abuse for the relevant State benefit payment programs.

The primary components of this proposal include expert, ongoing fraud management support, support staff, intelligent data management, and user-friendly, flexible fraud reporting. Further, we boost our powerful core fraud prevention offering with one, several, or all optional value-added recommendations. The goal is to allow you to maximize expertise and skill so that when fraud does occur, we can quickly address it with minimal cost and damage.

A Specialized Fraud Team

The fraud management team's qualifications and experience exceed that of a large bank, as we offer a unique combination of financial services, commercial banking, law enforcement, the branded card industry, the closed-loop card industry, criminology, and, most importantly, government services. Our

team, led by Senior Manager of EBT Fraud Analytics Chris Jacobson, focuses exclusively on identifying and preventing fraud on government payment cards. Figure E.17-2 illustrates the functional areas of the team's responsibilities.
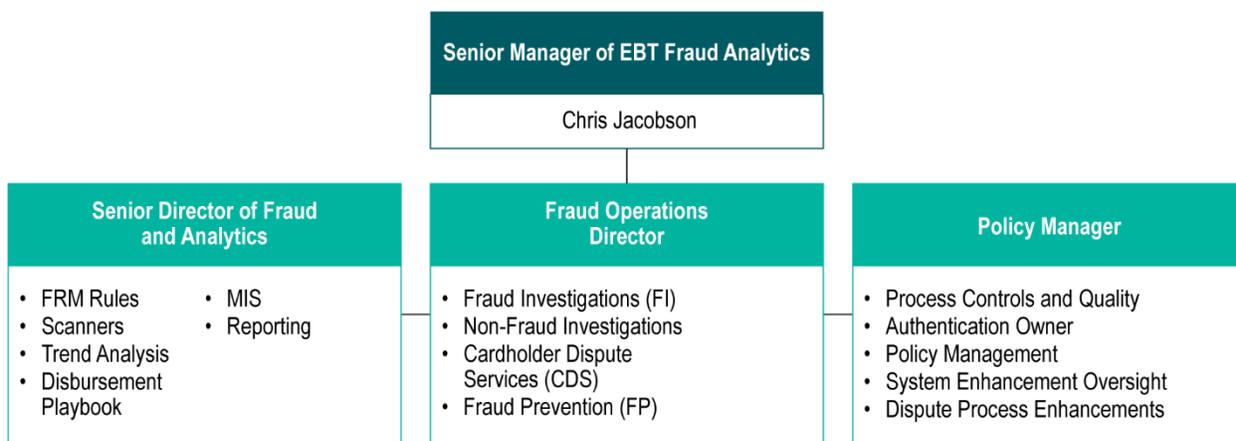

Figure E.17-2. Conduent Fraud Management Responsibilities
Within the Fraud Management organization, structured responsibilities provide effective and successful outcomes.

Chris brings over **20 years of fraud analytics and investigation experience within the payments industry**. Some of Chris's accomplishments include the analytics that ended a $13 million EBT fraud ring and a $22 million mail theft and check cashing ring. He also received a Public Service award from the Eastern District of Virginia US Attorney's Office for his analytics and financial surveillance in a US Secret Service case. He has testified as an expert witness in numerous local, state, and federal cases throughout the US.

Chris and his team focus on protection and security for all phases of a cardholder's experience to match the pace of evolving threats. As shown in Figure E.17-3, they strive for continuous improvement across several critical and interrelated operational areas, including detection/loss prevention, investigations, analytics, and fraud mitigation strategies.

Figure E.17-3. Fraud Management Strategic Approach
Conduent provides industry expertise, real-time monitoring, and leading-edge strategies to prevent fraudulent activities.

The primary responsibility of our fraud analysts is to protect the State from various forms of risk and fraud by reviewing activities and accounts. Other responsibilities may include:

- Developing and scheduling data, reporting, alerts generation, and prevention analysis to achieve DHS and Conduent management goals and objectives

- Applying various tools for gathering, data mining, analyzing, and interpreting data from various sources, including fraud losses, transactions, authorizations, and financial data

- Communicating with appropriate outside authorities, State fraud staff, and law enforcement on fraud case inquiries through phone, email, and fax while maintaining a strong level of customer service

- Monitoring activity reports and assisting with investigations as appropriate

- Working collaboratively with DHS to define specific areas to focus on, establish initial referral processes, and then repeatedly fine-tune the solution to meet the specific requirements as the fraud protection environment and related threats evolve over time

- Assisting federal, State, and local law enforcement agencies, the USPS, and others in conducting stings, controlled card deliveries, live account activity monitoring, and other office-based investigative tasks

For the in-house fraud team, we employ external data, information resources, and relationships to enhance our effectiveness at identifying new/emerging fraud risks and reacting accordingly. We also use third-party enterprises to assist with these efforts. This includes the identification of phishing risks and providing "source of truth data sources," KBA, and other fraud identification toolsets.

We focus on protection and security for all phases of a customer's lifecycle to provide stronger detection, ongoing fraud prevention analysis, swift investigations, and a pleasant and dependable experience.

User Groups

We strongly encourage best practice sharing and work to facilitate cooperation between programs and state agencies against this common foe. Fraud perpetrators do not pick on just one entity; they frequently work in multiple areas, so it is beneficial for government agencies to share the most current information to combat fraud. To this end, we sponsor user groups based on similar areas of interest for all our EPS programs, such as SNAP, WIC, EPC, and eCC. These groups meet regularly by phone and share information on trends, schemes, other intelligence, or topics of interest.

## Fraud and Analytics Tools for Arkansas

The following narrative details some of the core and enhanced fraud and analytics tools we employ to maintain the integrity of the Arkansas EBT Program.

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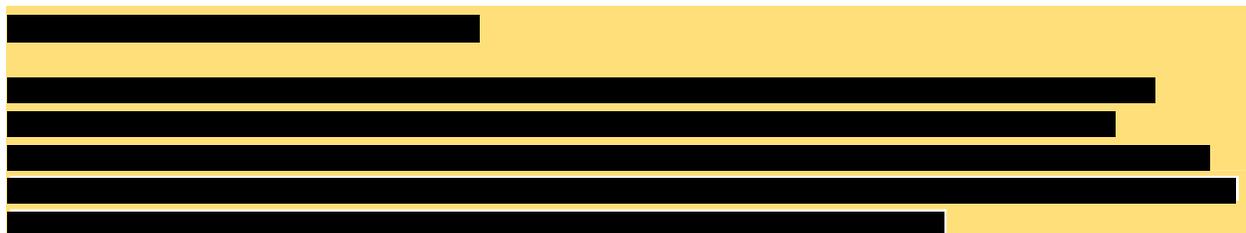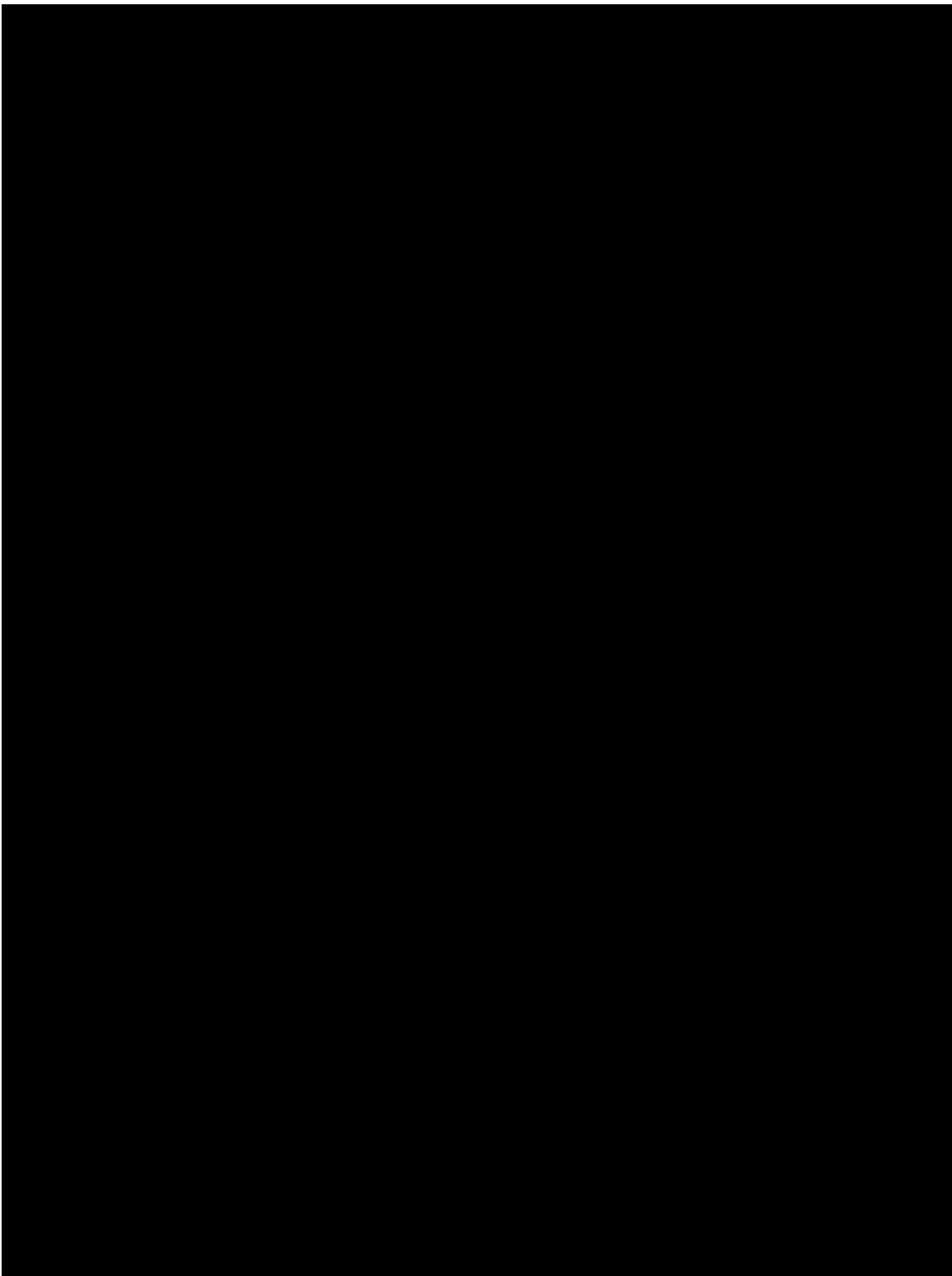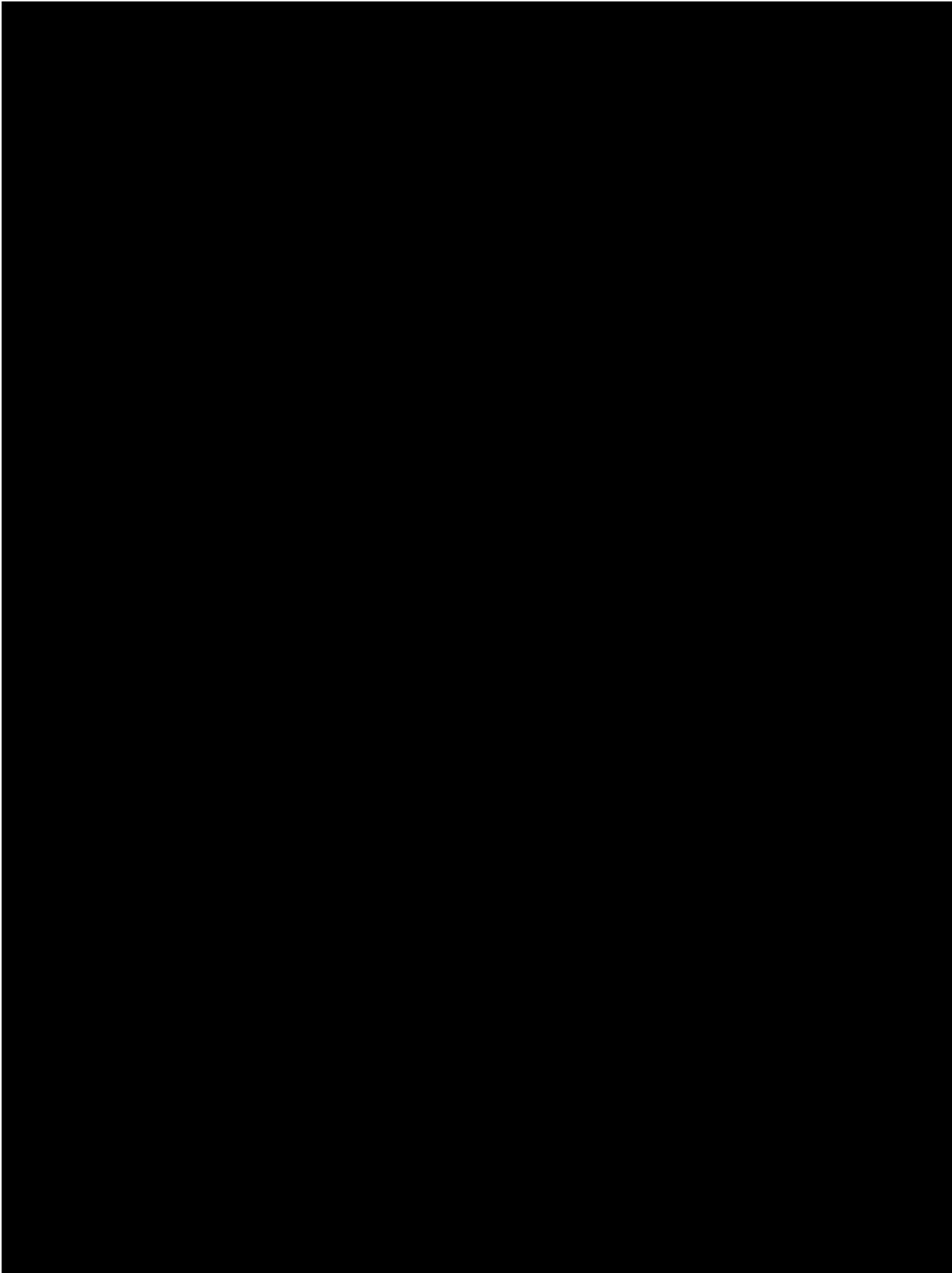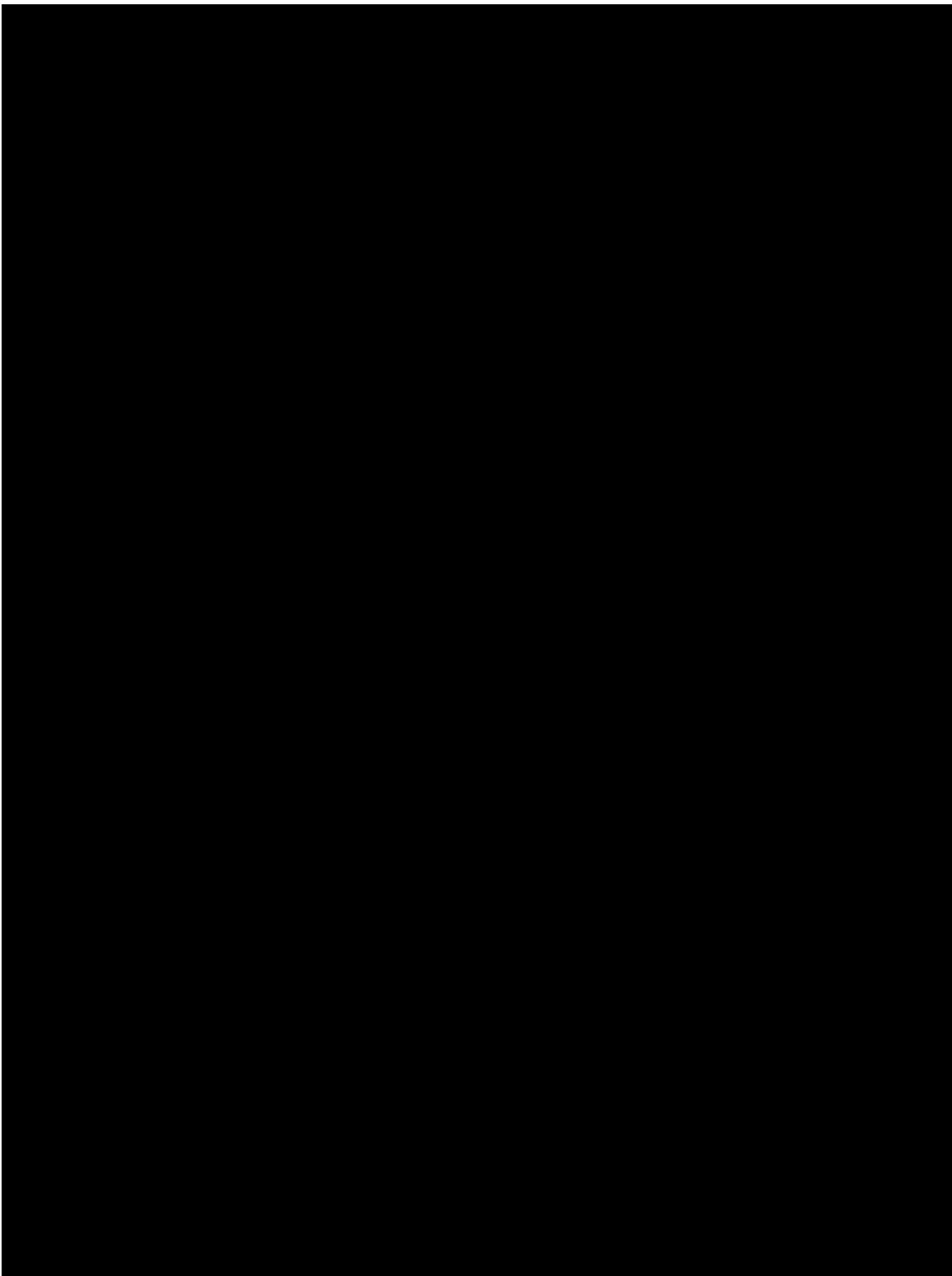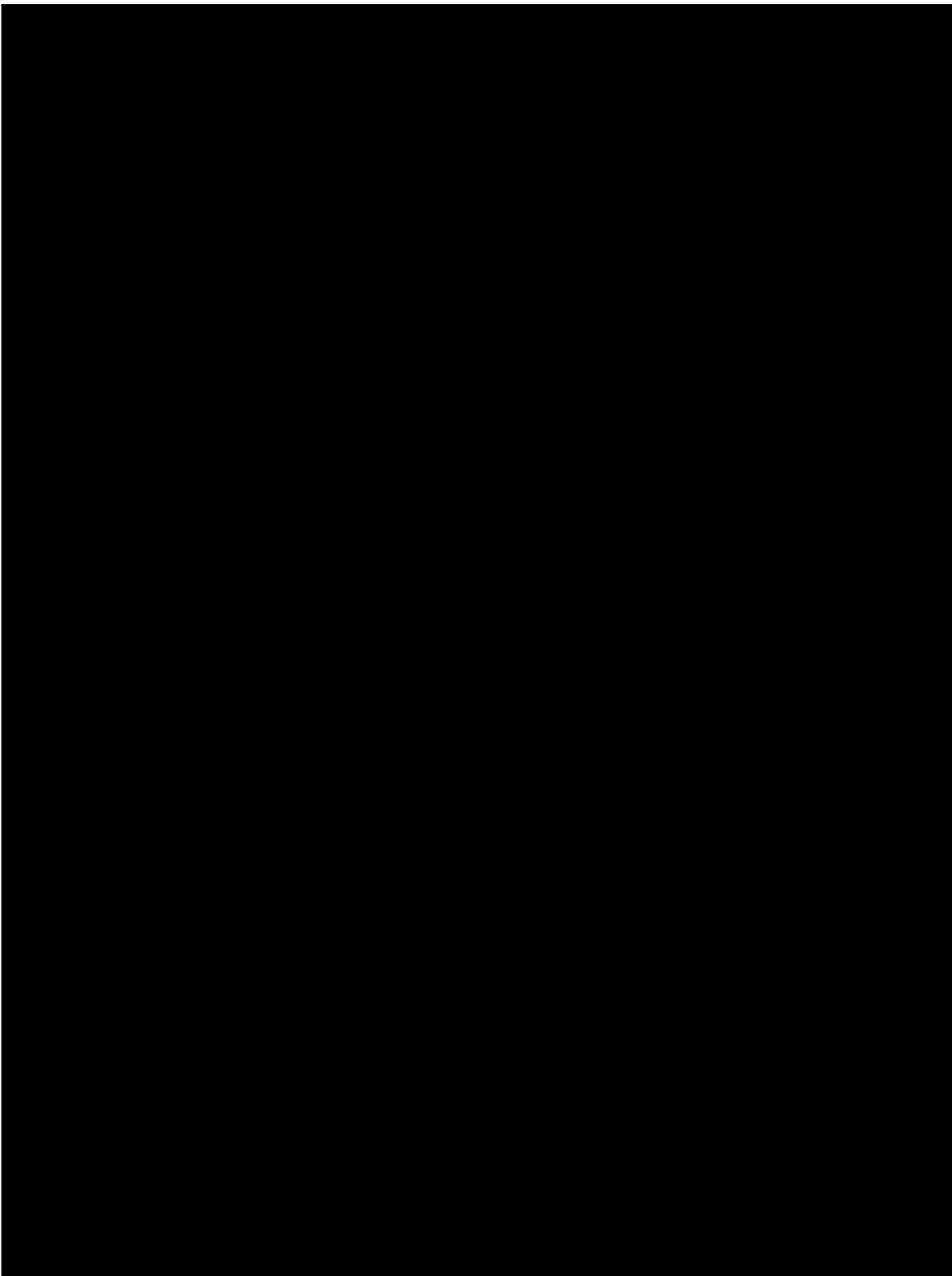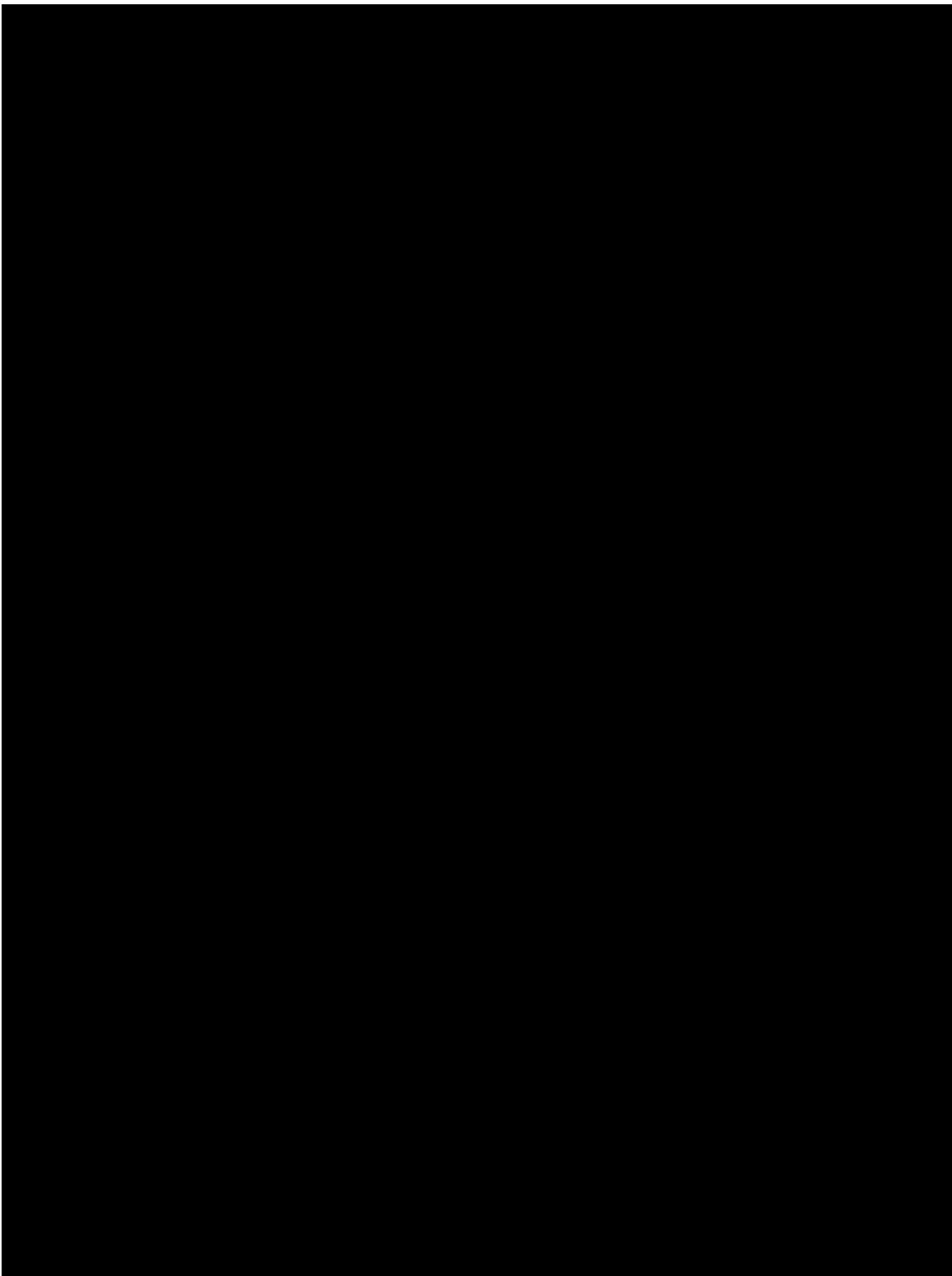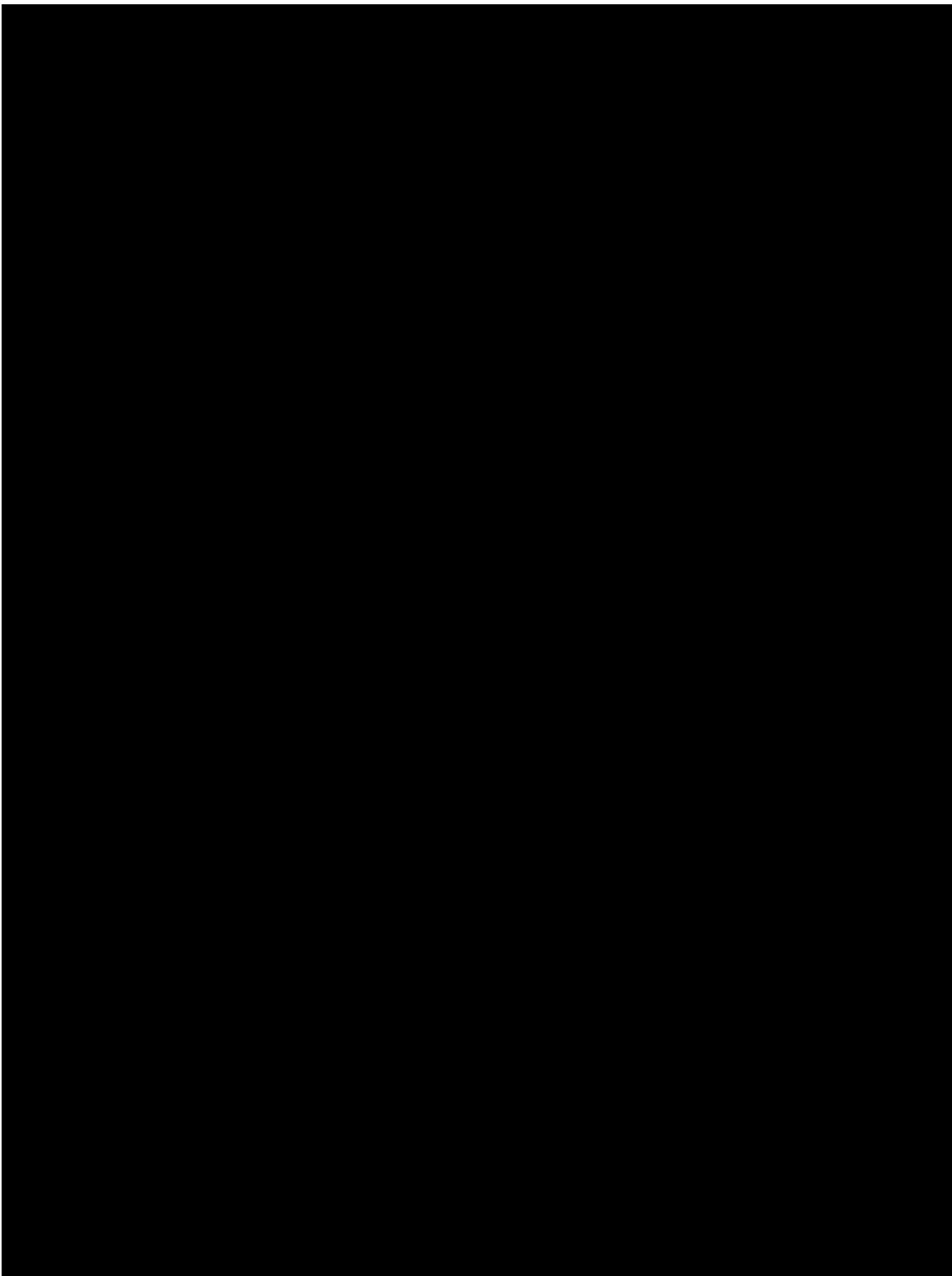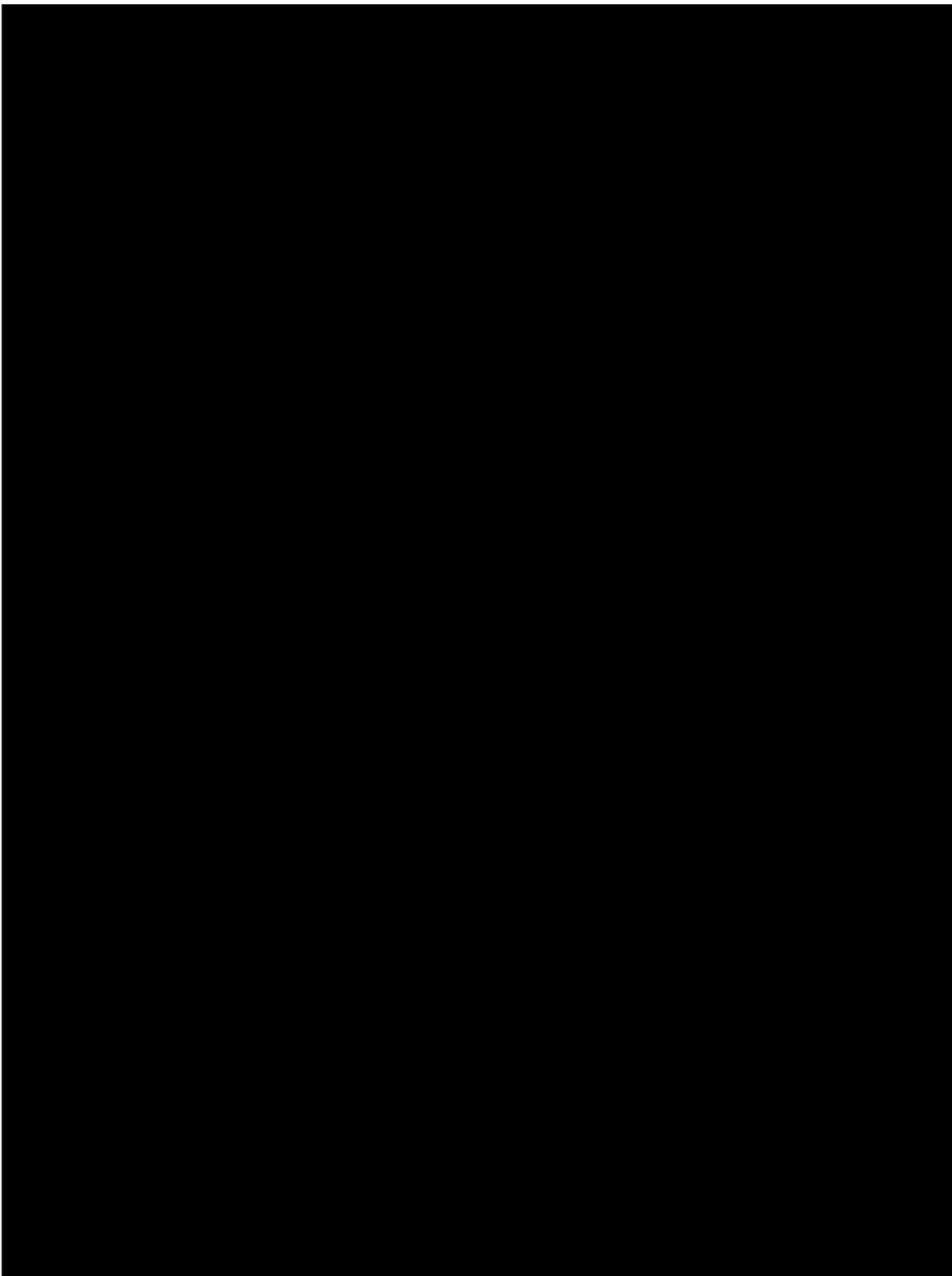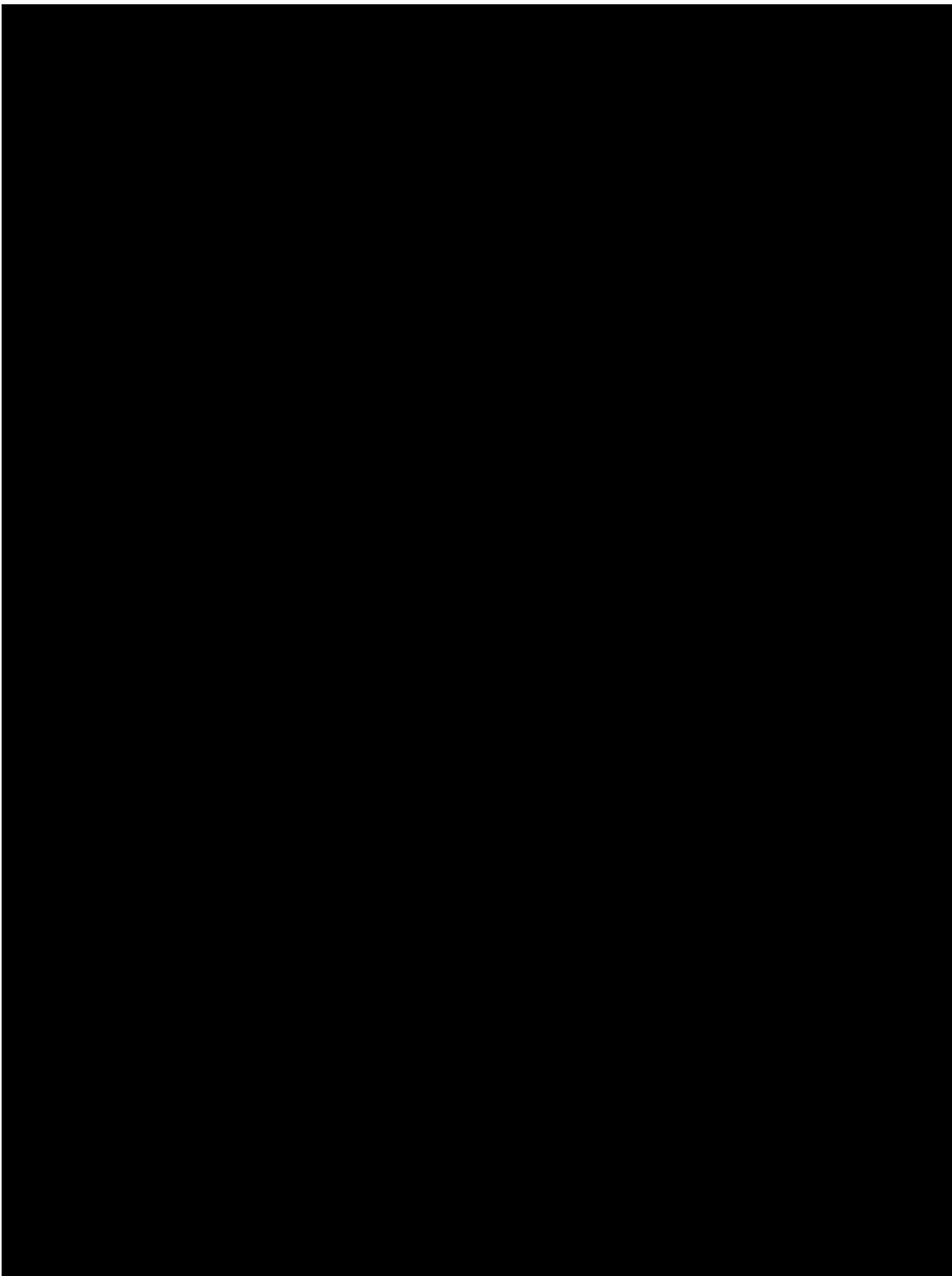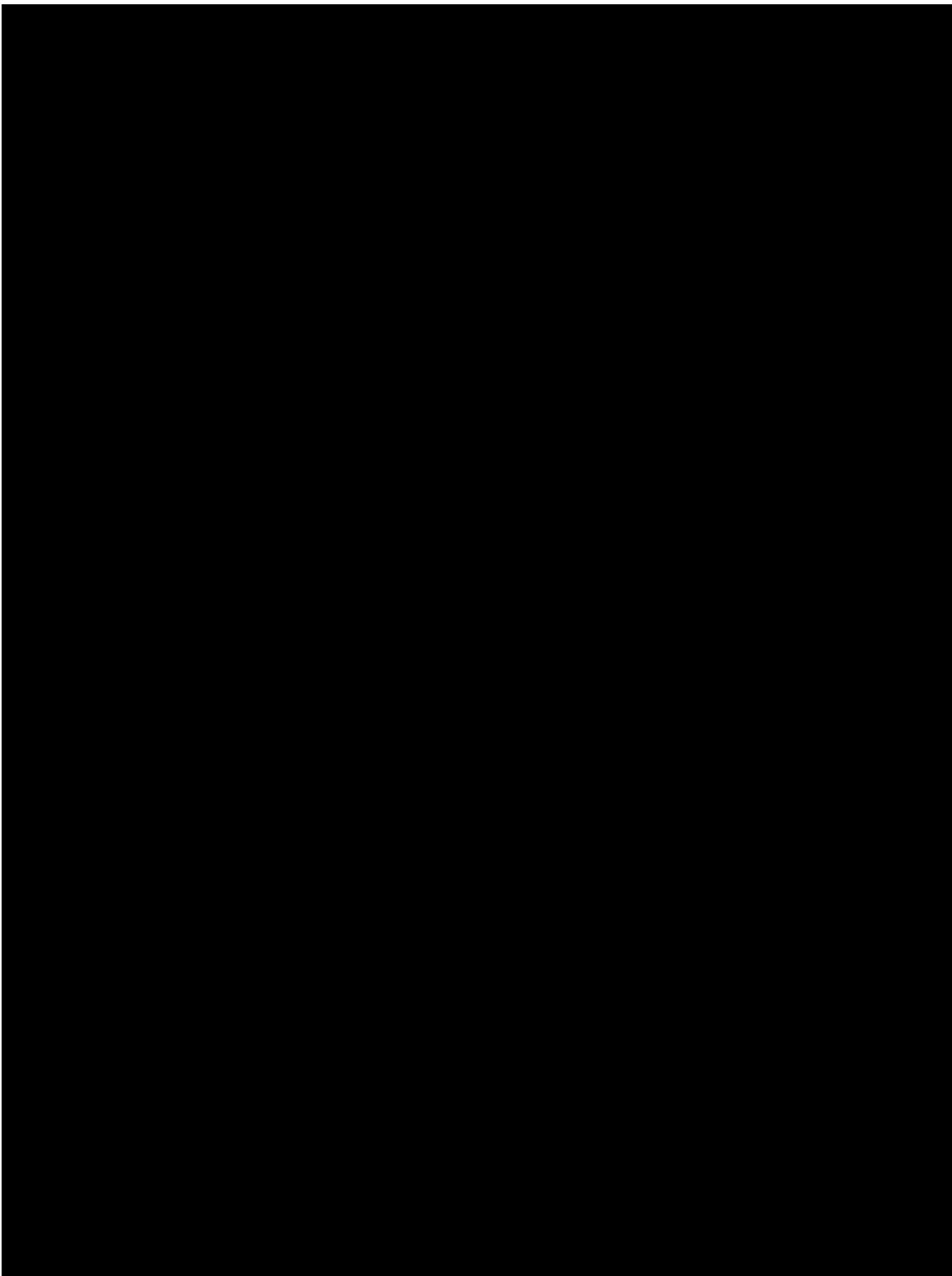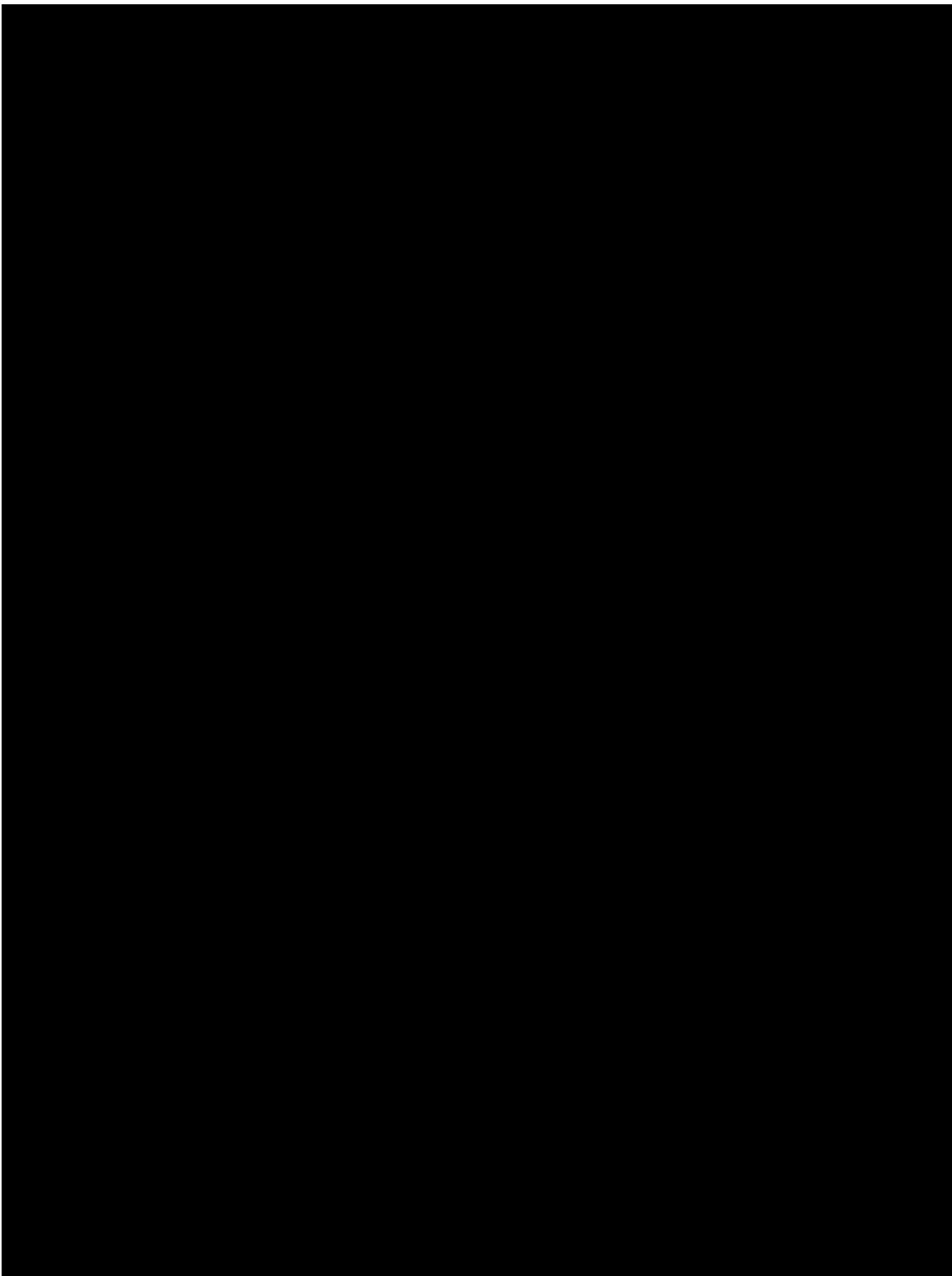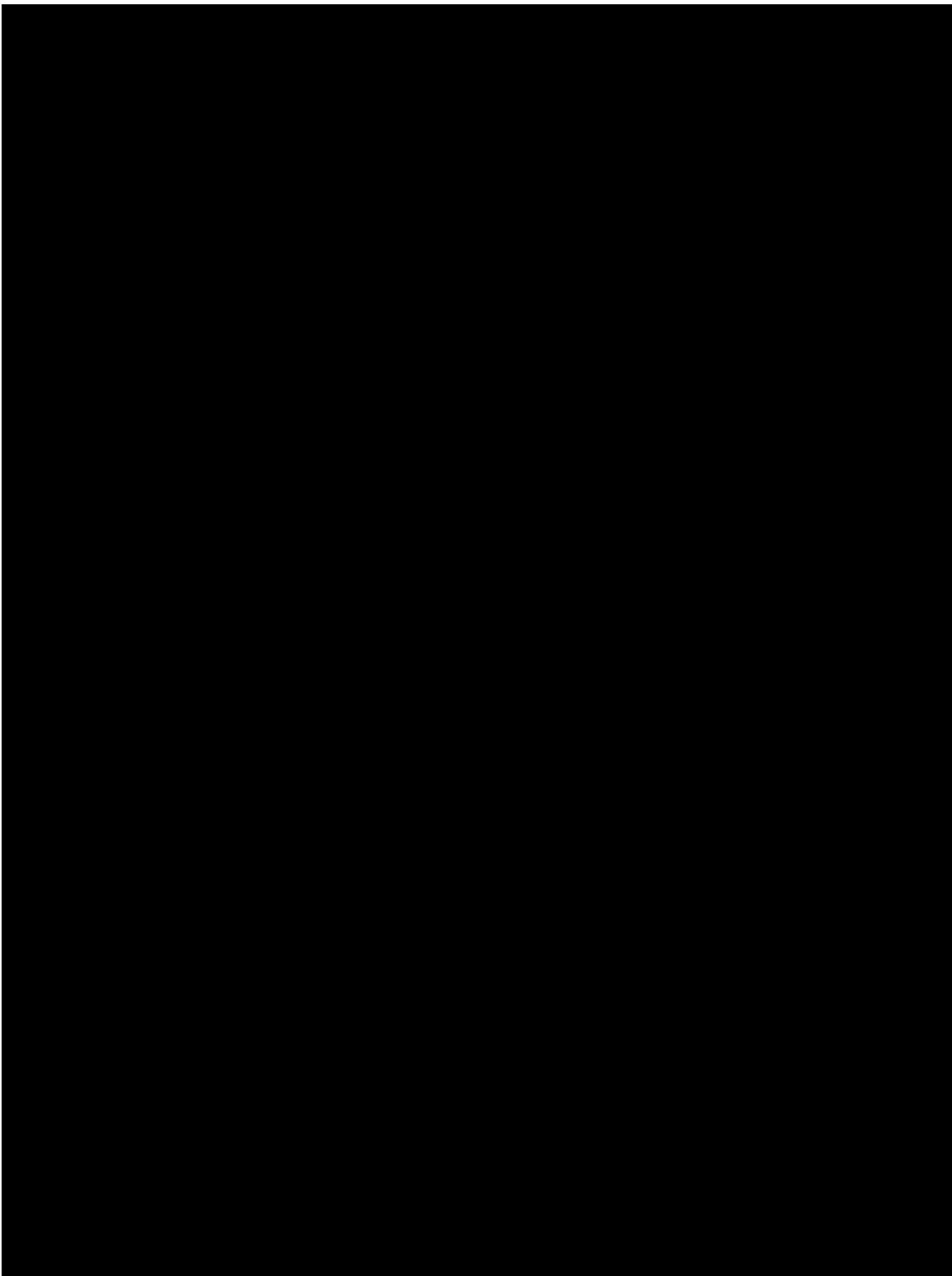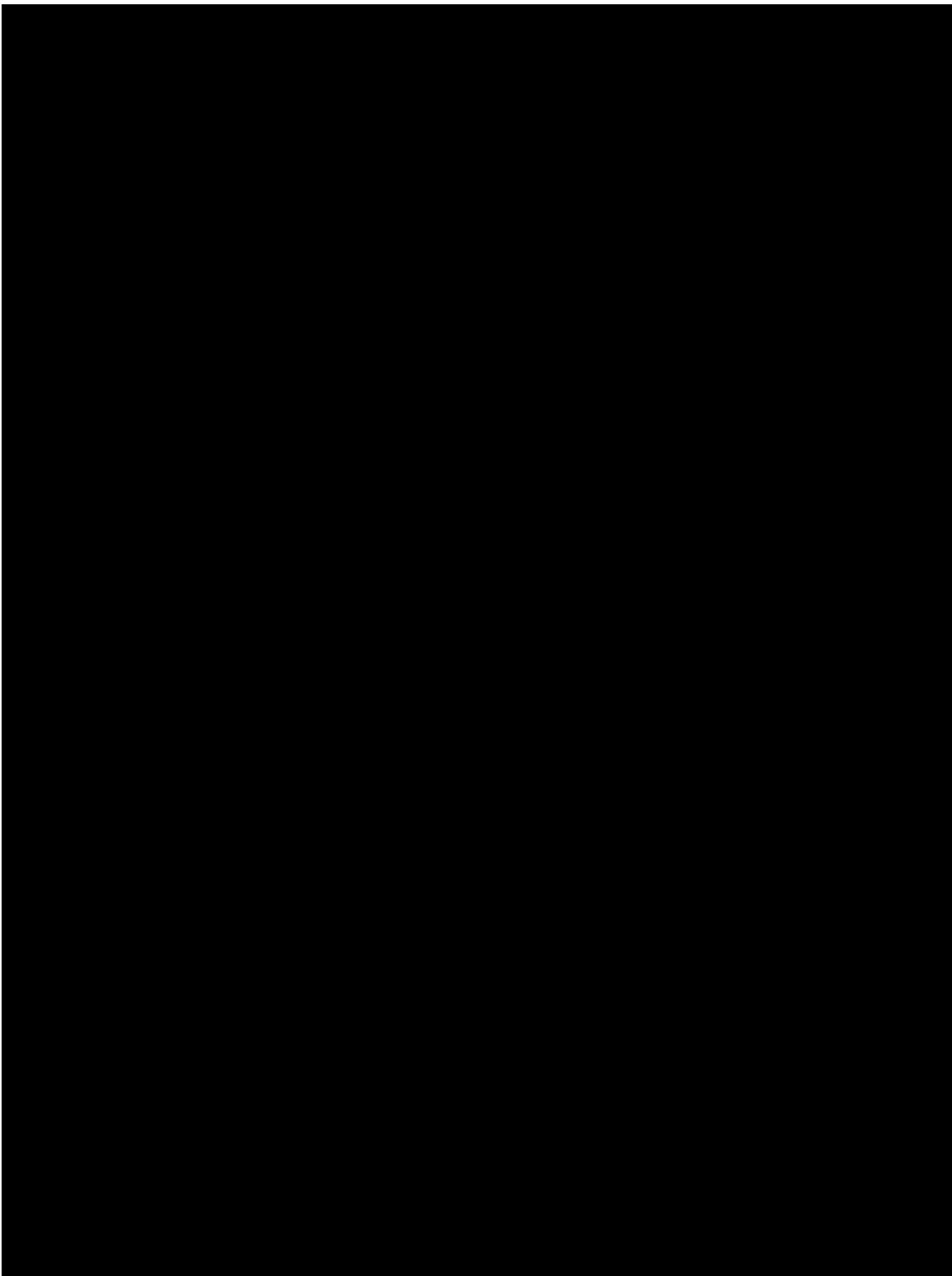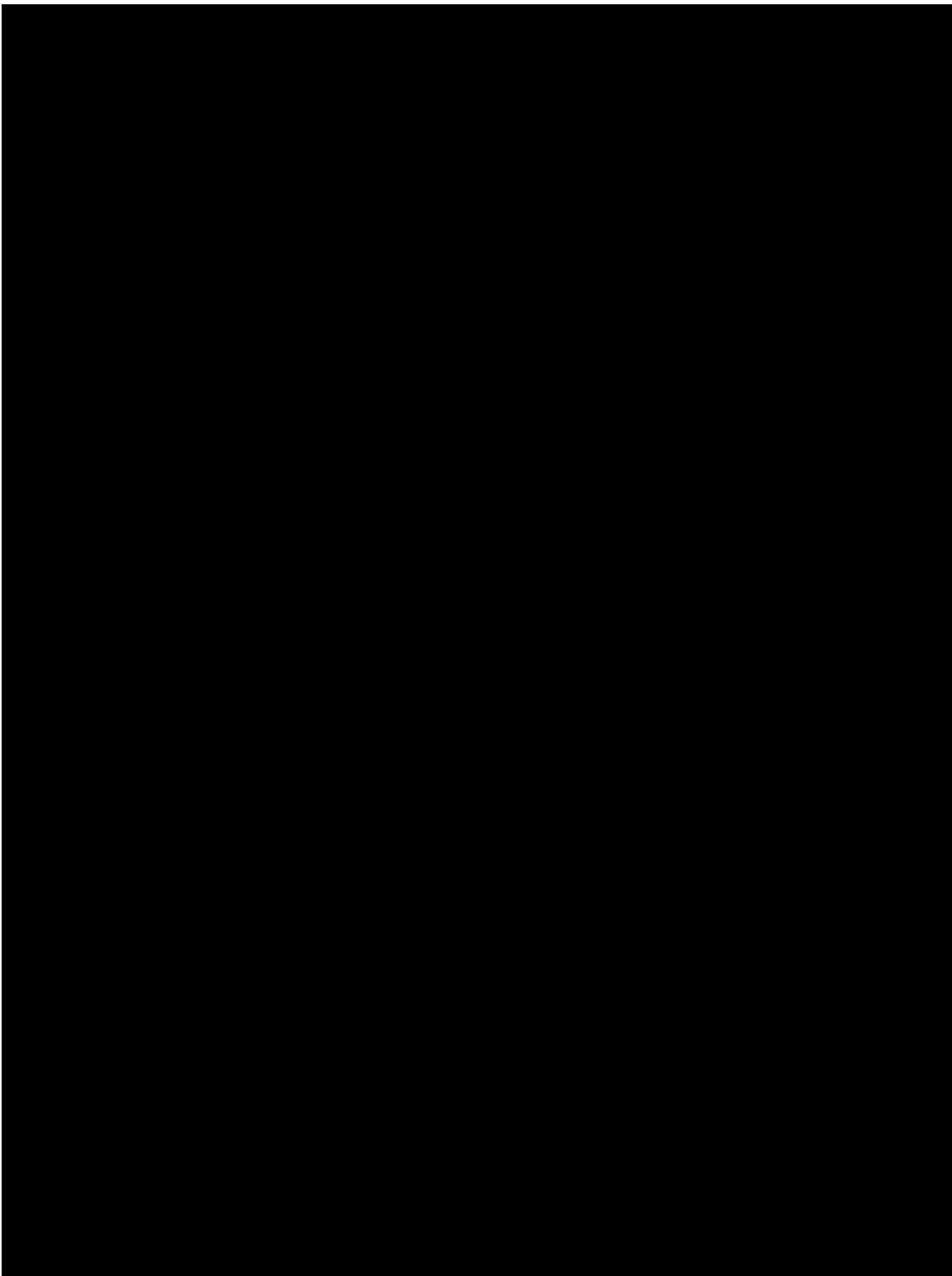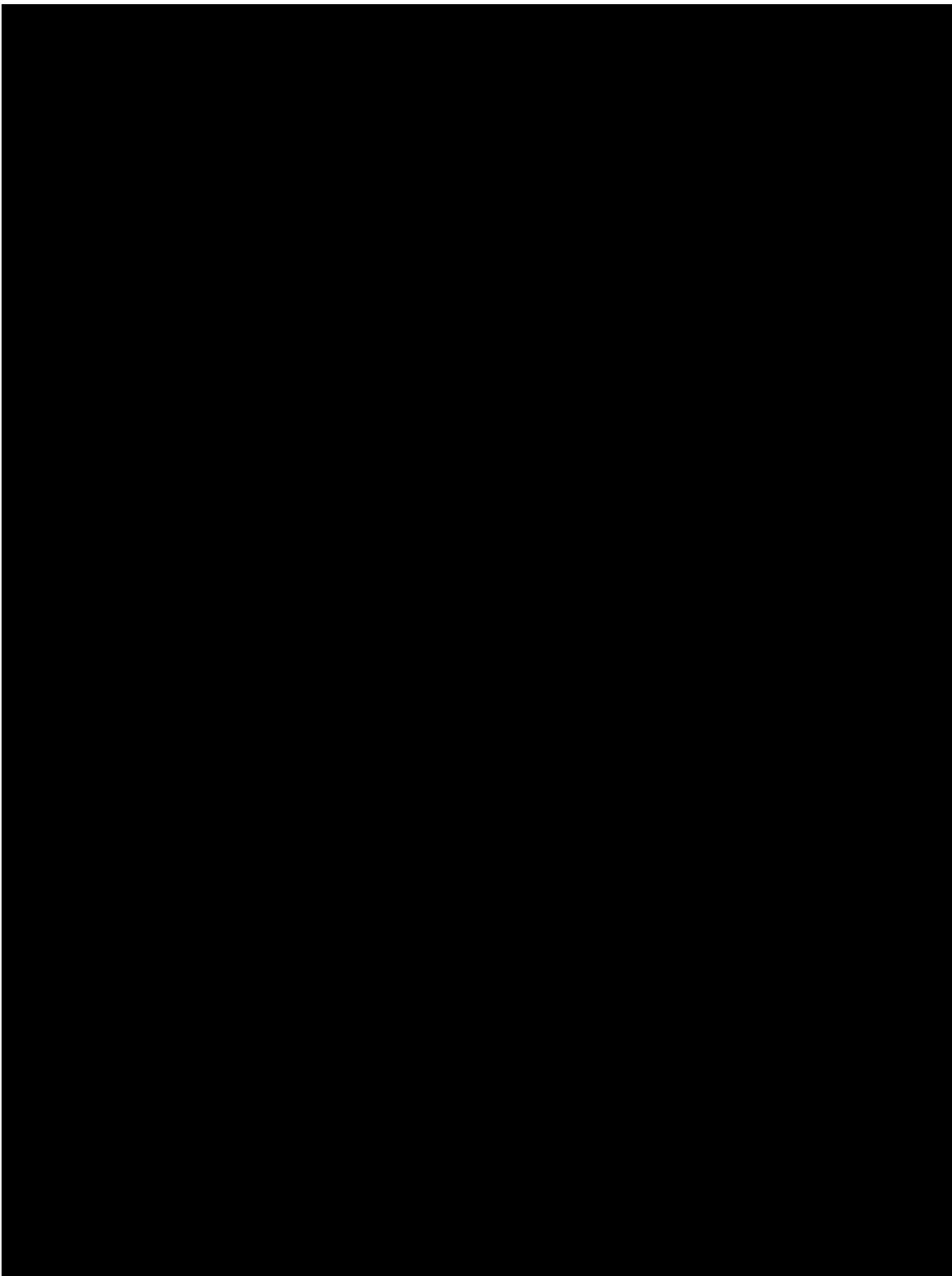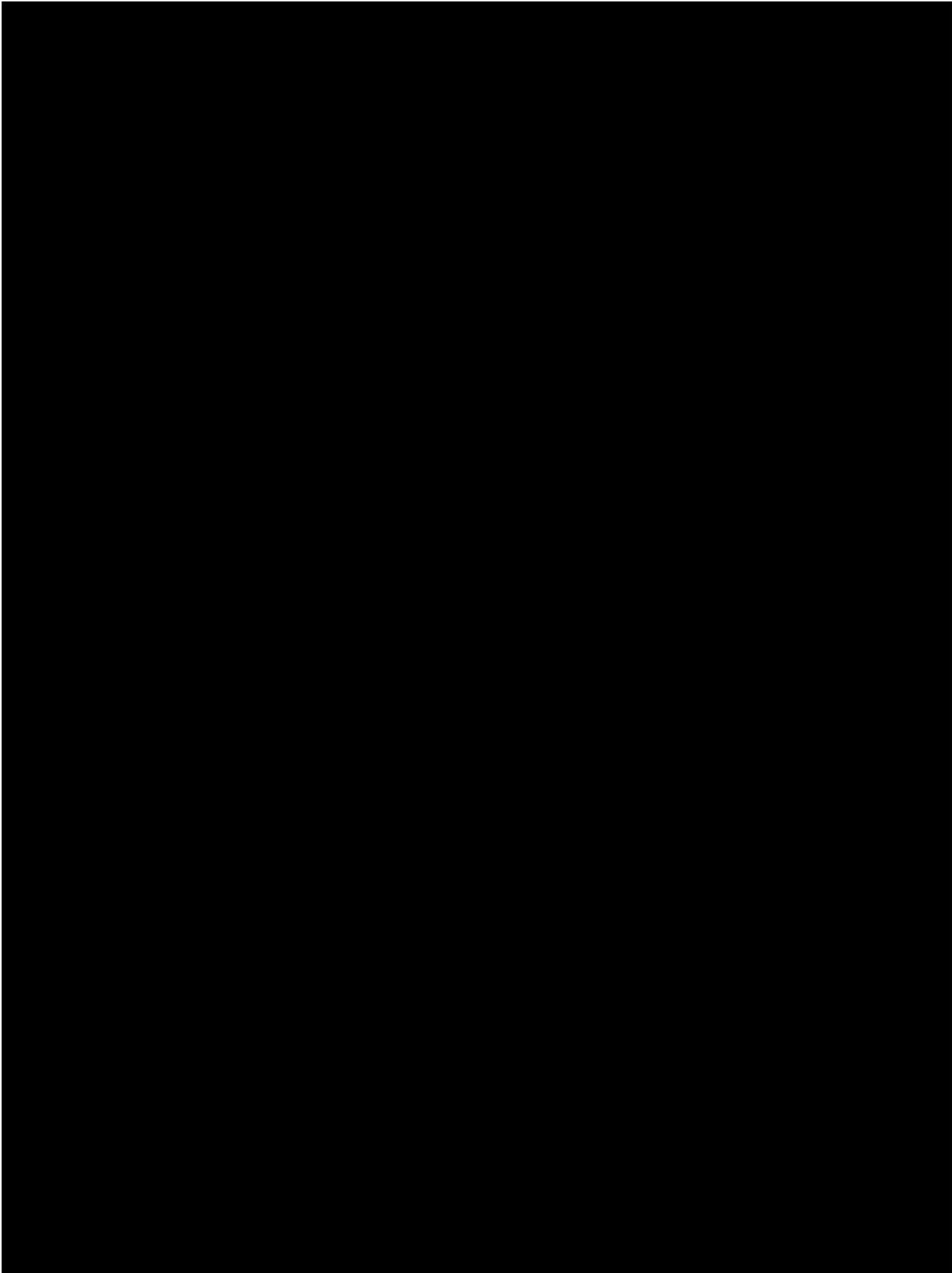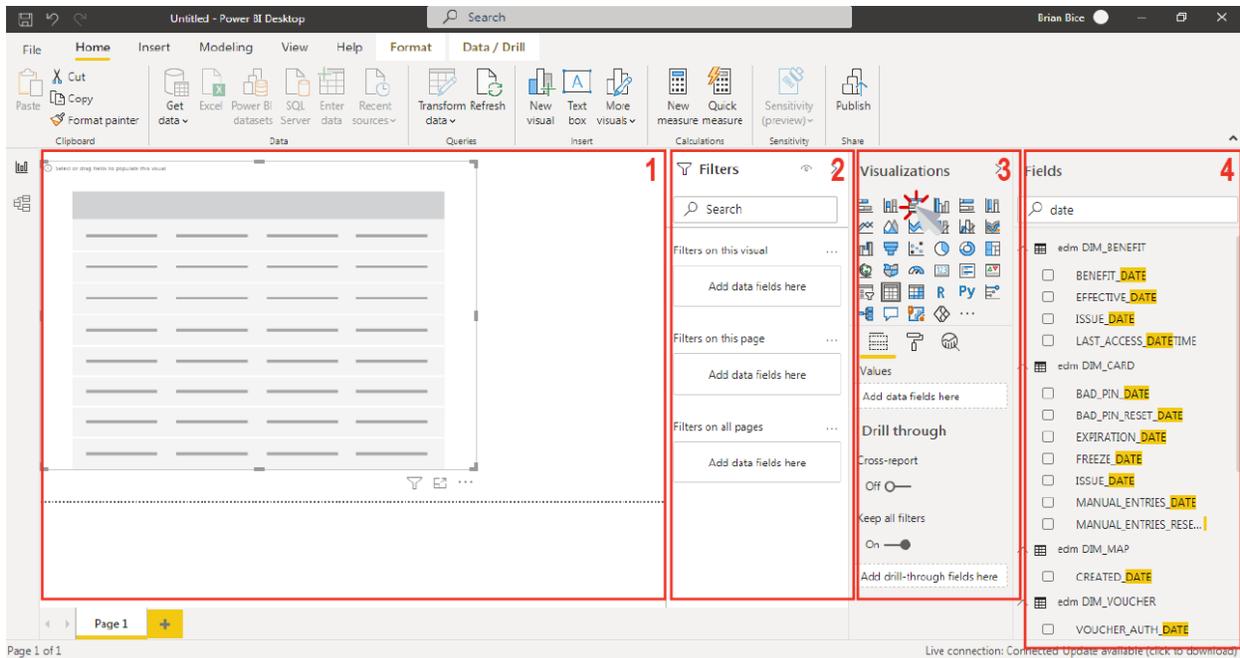
Figure E.17-18. Visualization displayed on Ad Hoc Report Generation Screen
Users select a visualization as the starting point for ad hoc report generation.

The next step in the generation process is to populate the report. Users select a field from the fourth column and drag and drop it onto the canvas on the left side of the screen. They can select multiple fields to populate the report. Users can add the type of field wanted into the search field. The screen then displays all data fields with that name. In the above example, we use "Date" as the search criteria to display all the various date fields in the database.

Figure E.17-19 illustrates a report generated in only two steps after the "Date," "Description," and "Amount" data fields were placed into the canvas. This report shows the number of all transactions by type for each day of the selected month.
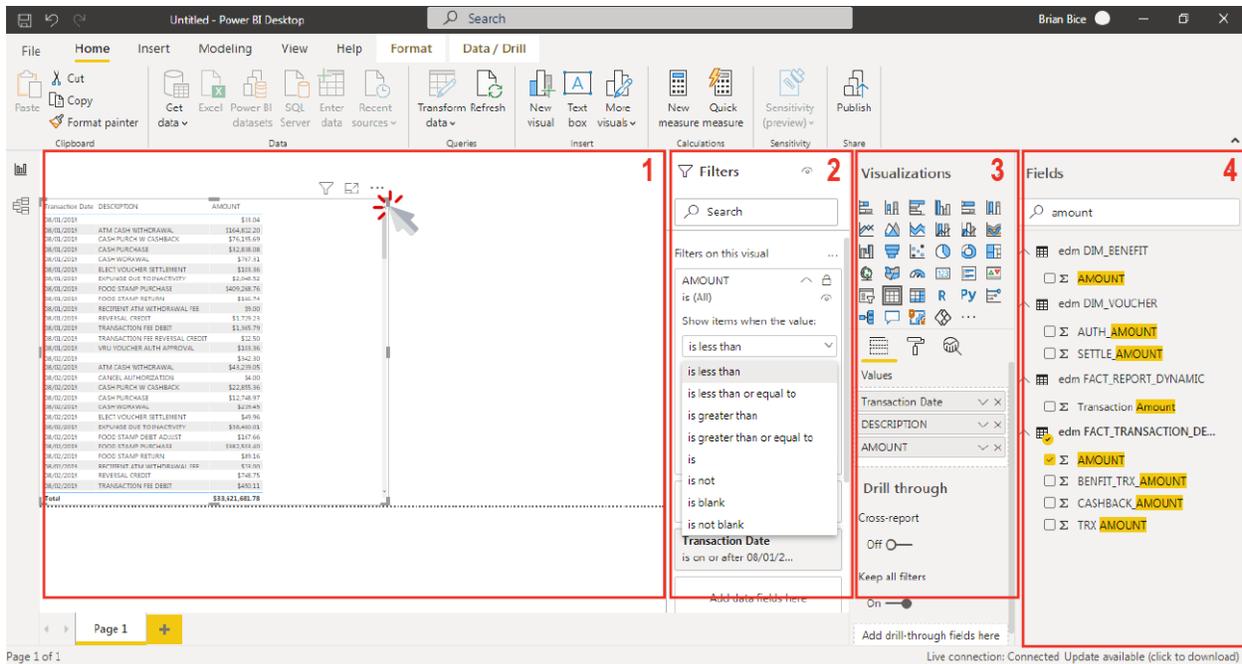
**Figure E.17-19. Ad Hoc Report**
Users drag and drop multiple data fields to populate the report with the necessary information.

Another strength of our ad hoc reporting tool is that it enables users to edit and refine their basic query. They can identify the information necessary for management reporting, fraud identification, or trend analysis. Users edit queries through filters and computational values (e.g., >, <, =) located in the second column.

Users can even create an ad hoc report using only the basic filters already listed in the drop-down menu. For example, a user can modify the basic report by choosing an hourly report for the "Date" to show a more detailed view of the activity for a shorter timeframe. Selecting a specific transaction type such as "Bad PIN" for the "Description" data will result in a more fraud-focused report. The "Amount" field offers the greatest flexibility for filtering, enabling the user to show the exact amounts desired (e.g., > $1,000). Including county name, case numbers, retailer information (name, address, and FNS number) are excellent additions to this basic report. The data warehouse allows users to generate their own ad hoc reports that supplement the more than 50 pre-built reports already included.

D. Describe how the Prospective Contractor would transition from all mailing to a hybrid model of card issuance for both mailing and over-the-counter card issuance including cost factors, resources, and the process.	5 points

A hybrid card issuance model, which includes both mailing and OTC issuance, is a simple process that we can offer with minimal additional cost or resources for the State. Our mailing issuance process is in place and working well for Arkansas. At DHS's option, we can also provide the capability to issue OTC EBT cards at DHS-defined sites. While there will be eventual cost differences between the costs of card stock, printers, and other items required to deploy OTC issuance due to the consideration of an EMV solution, the process, benefits, and approach will remain consistent.

Over-the-Counter Card Issuance Options

We can accommodate this new OTC function in two different ways. In the first option, we can provide blank card stock and install and maintain card printers in the local offices. The printers we are proposing are flat-print printers rather than embossing as we are providing up-to-date industry card production methods. The designated sites would receive blank card stock, which is then printed with the card and cardholder information as the card is being issued. We work with you to identify the office locations, the number of devices you want installed, and the roll-out schedule.

For the second option, we can generate and ship a supply of pre-printed and encoded vault cards. The user simply needs to assign the card number on the vault card to the cardholder on EPPIC EBT 3.0 as the card is being issued. We can make this very efficient for users with a simple card reader that populates the card field on the administrative terminal. This would preclude the need for card printers. For either option, we work with you to define the security needed for local office card inventory management and dual controls for accessing card stock.

Over-the-Counter Card Issuance – PIN Selection Options

The PIN selection method is independent of the card issuance method. The recommendation for the primary method of PIN selection is the IVRS. This eliminates the need for PIN select equipment in the local offices, which minimizes office space needs and results in less maintenance on equipment. Alternatively, we can provide PIN select devices to the local offices for the cardholder to select the PIN if a card is being issued OTC.

Over-the-Counter Card Issuance – Training

For DHS staff resources, we include OTC issuance as part of our training for the new contract. We want to be sure they are comfortable using the new equipment, which they will find highly intuitive and easy to use. We train them on the devices and work with them to establish how to administer card stock in the daily workflow, accountability procedures, and assigned staff. Local office staff have access to our 24/7 support to troubleshoot any issues that might arise.

Over-the-Counter Card Issuance – Inventory Management

If DHS transitions to a hybrid card issuance method that includes OTC issuance, Conduent would maintain an inventory of vault card stock at the card production facility. These cards would be for ordering and shipping to DHS locations and issuance. We supply and replenish DHS identified locations with the required inventory of vault cards in advance.

Automated Inventory Control System

We will maintain a centralized card issuance management database on behalf of DHS that includes security controls necessary to track all cards, including cards not shipped and cards ordered and shipped to local offices. We link the cards to their distribution point by card number. The card issuance database is accessible to DHS 24/7 via a password assigned to your designated personnel.

We work with you during JCS to confirm that we meet all required card functionality, including reporting requirements, to enable you to track and manage vault card stock effectively. We maintain all card information within the centralized card issuance database, along with safeguards to confirm security, quality, and prevent duplication of orders. Further, the PAN assignment and tracking process does not duplicate card numbers and never generates a PAN that duplicates an existing card.

Security. Unissued card stock and cards are sensitive materials. While providing managerial oversight, we maintain physical controls that protect cards during manufacturing, storage, and shipping. We will continue to store cards at Fiserv's card facility in Nashville in a vault equipped with alarms and security cameras. Fiserv accounts for all cards going in and out of the vault prior to mailing or shipping. They use badge access and onsite security monitoring. Only authorized personnel can access cards. Some of our card production, inventory control, and physical security measures include:

- Storage of card materials in controlled-access vaults or cages
- Bulk shipping in boxes sealed with tamper-proof tape
- Shipping manifests indicating the exact contents of each box
- An efficient staffing approach that results in minimal staff for production and shipping tasks
- Large individual card mailings co-mingled with non-card mail to prevent identification
- Secure courier for bulk shipments

Card Issuance Database

Using the administrative terminal main menu (see Figure E.17-20), the card issuance database is accessible to authorized DHS staff 24/7. From the administrative terminal, your staff can view card groupings by cards issued, activated, undelivered, and canceled. Within each of the card stock categories, your staff can identify the user types (i.e., DHS, Customer Service, cardholder portal, etc.) that issued each card.

During the JCS, our staff will review with you the workflow of managing card stock, user access and privileges, threshold levels, and shipping procedures. If you wish to modify any of the procedural steps within the workflow, we will modify them accordingly.

Low Inventory Prompts

The inventory control system includes prompts for low inventory/reorder conditions. We provide monthly management summary reports for tracking the inventory levels of available stock and categories of cards issued for your assessment of trends and general activity.

Figure E.17-20.
Main Menu
All administrative functions are easily accessible from this menu.

Department Access for Monitoring Card Inventory

As noted, the card issuance database is accessible to DHS 24/7 using the administrative terminal (see the example from one of our other State programs that does over-the-counter issuance in Figure E.17-21). User IDs and passwords for the administrative terminal are assigned to authorized personnel. Your staff can monitor card stock orders, delivery timeframes, confirmation of cards available at each LDSS office, and who received the delivery.

Figure E.17-21. Card Inventory Management Screen
An authorized State user can use this screen to select a Local Office from a drop-down menu to view inventory amounts, set threshold levels, and set shipment amounts.

Summary

The hybrid card issuance model can significantly benefit the overall program, as it gives DHS greater flexibility and gives cardholders quicker access to benefits. We have implemented this model in several other states and look forward to working with DHS to implement it for Arkansas.

For further details on the processes related to card issuance for mailing and OTC, including the specifications on the card printer for OTC, please see our response to Question E.5.E.

E. Describe any value-added services included in the Prospective Contractor's Proposal. Please detail how the set of services selected will provide a high impact on the State's program objectives. Prospective Contractors are encouraged to reference Tab 5 Value Added Services Priorities of the Cost Proposal Template for agency identified services and their associated priority levels. Only value-added services included in the Proposal shall be described. Prospective Contractors shall not include any potential future services for which offered pricing on Tab 7 Service Rate Card of Attachment T Cost Proposal Template but are not offering as a value- added service in their Proposal.	5 points

Conduent offers DHS a strong blend of high-impact, low-cost, value-added services, many of which we include in our core solution. We understand that high-impact, value-added services can significantly impact the success of the EBT Program. As Tab 5 states, the list contains items that the State may find to be advantageous, but did not require in the RFP. Table E.17-3 provide details for services aligned with those DHS has identified in RFP Tab 7 Service Rate Card of Attachment T Cost Proposal Template that the State can select at no additional cost. **We do not describe any services below for which we offered added cost to DHS in Tab 7.** We understand that as the State's needs evolve over the course of the contract, services may be added through a contract amendment.

Table E.17-3. Value-Added Services

Value-Added Service Priority List (RFP Attachment T)	Priority	Details
SNAP – Contractor Managed Adjustment Process	High	EPPIC EBT 3.0 allows cardholders or retailers/TPPs to initiate an adjustment claim request for SNAP/TEA transactions to resolve errors and out-of-balance situations due to a system error, cardholder/retailer disputes, transaction errors, or TPP disputes. We adjust cardholder accounts to correct auditable, out-of-balance settlement conditions because of these errors. We define a system error as resulting from a malfunction at any point in the redemption process. Conduent-managed adjustments cause money to move to or from a cardholder's EBT account and affect daily settlement. Before closing the business day, we verify that we document all adjustment activity performed on EPPIC EBT 3.0. Any adjustments to a cardholder account are reflected in an account balance as required by Quest Operating Rules and federal regulations. Our National Retailer Management Center (NRMC) staff monitors all adjustment activity tied to the daily settlement. For additional details, please see our response to Question E.9.D.
Cash – Contractor Managed Adjustment Process	High	EPPIC EBT 3.0 allows cardholders or retailers/TPPs to initiate an adjustment claim request for SNAP/TEA transactions to resolve errors and out-of-balance situations due to a system error, cardholder/retailer disputes, transaction errors, or TPP disputes. We adjust cardholder accounts to correct auditable, out-of-balance settlement conditions because of these errors. We define a system error as resulting from a malfunction at any point in the redemption process. Conduent-managed adjustments cause money to move to or from a cardholder's EBT account and affect daily settlement. Before closing the business day, we verify that we document all adjustment activity performed on EPPIC EBT 3.0. Any adjustments to a cardholder account are reflected in an account balance as required by Quest Operating Rules and federal regulations. Our National Retailer Management Center (NRMC) staff monitors all adjustment activity tied to the daily settlement. For additional details, please see our response to Question E.9.D.
Card Authentication Value	High	Current Arkansas EBT cards include Card Authentication Value.
ATM Balance Inquiry	Medium	Arkansas cardholders enjoy unlimited ATM balance inquiry capabilities. Additionally, they can check their account balance on the cardholder portal or mobile app, call the IVRS, or speak with one of our highly trained CSRs. See our response to Question E.9.4 for additional details.

Value-Added Service Priority List (RFP Attachment T)	Priority	Details
Card Design	Low	As required, we will use DHS's current card design and security features in place today. Should DHS desire in the future, we can work with you to develop a brand-new card design or incorporate additional security options including fine-line printing, holograms, or EMV through the change order process. See our response to Question E.5.D for additional details on the card design process.
Local District, Group Home, or Congregate Care PIN Selection via hardware Devices – Analog POS/:PIN Device	Low	As part of our well-established retail management services, we support EBT processing at "non-traditional" sites by equipping them with a POS device. Today, these retailers can include group living facilities, treatment centers, shelters, route providers, and communal dining facilities. We enter into agreements for deploying POS equipment with FNS-approved non-traditional retailers who elect to receive EBT-only equipment. Conduent accommodates the redemption of SNAP benefits in exempt facilities and programs and can assist other eligible (exempt) non-traditional retailers in applying for FNS authorization. DHS can access information about these facilities through the administrative terminal, as they would for any other traditional retailer. Technical support and maintenance of the equipment, as well as reporting, are the same. Non-traditional retailers can contact the toll-free Retailer Customer Service Center (CSC) should equipment malfunction or other issues arise. Non-traditional retailers also have the option to lease equipment. Additionally, they can arrange with other commercial providers of POS equipment under the next contract. Please see our response to Question E.8 for additional details.
Local District, Group Home, or Congregate Care PIN Selection via hardware Devices – Digital POS/PIN Device	Low	As part of our well-established retail management services, we support EBT processing at "non-traditional" sites by equipping them with a POS device. Today, these retailers can include group living facilities, treatment centers, shelters, route providers, and communal dining facilities. We enter into agreements for deploying POS equipment with FNS-approved non-traditional retailers who elect to receive EBT-only equipment. Conduent accommodates the redemption of SNAP benefits in exempt facilities and programs and can assist other eligible (exempt) non-traditional retailers in applying for FNS authorization. DHS can access information about these facilities through the administrative terminal, as they would for any other traditional retailer. Technical support and maintenance of the equipment, as well as reporting, are the same. Non-traditional retailers can contact the toll-free Retailer Customer Service Center (CSC) should equipment malfunction or other issues arise. Non-traditional retailers also have the option to lease equipment. Additionally, they can arrange with other commercial providers of POS equipment under the next contract. Please see our response to Question E.8 for additional details
PIN Restriction Functionality	High	As detailed in our response to Question E.17.B, EPPIC EBT 3.0 uses advanced PIN selection rules that disallow common and easily guessable combinations, such as 1234, 0000, 1111, or consecutive or repetitive numbers. We use a real-time fraud detection system as well that monitors PIN entry attempts and flags any suspicious patterns or repeated failed attempts. When cardholders call the IVRS to PIN cards, they hear an introduction that educates them on the importance of selecting a strong, unique PIN and provides guidelines for creating one.
Cardholder and Retailer Customer Service Interpreter Options –Other than English or Spanish	High	All our cardholder and retailer customer service access points are available in English and Spanish (and Marshallese under the next contract). To make sure we service all callers, we use the services of United Language Group, which offers translation support for more than 200 languages. United Language Group provides comprehensive interpreter coverage, reduces interpreter connection times, and maximizes first call resolutions. This partnership enables us to accommodate additional language requirements throughout the life of the contract. Please see our response to Question E.6 Customer service for additional details.

Value-Added Service Priority List (RFP Attachment T)	Priority	Details
Cardholder and Retailer Customer Service Interpreter Options – Translation of IVR Scripts	High	IVR services are available in both English and Spanish. Should DHS want to translate IVR scripts into additional language(s) (e.g., Marshallese), we look forward to working with you during JCS to define your needs. Please see Question E.6 Customer service for additional details.
IVR/ARU Card Replacement	High	Cardholders have multiple options to request a replacement card, all available 24/7. A cardholder may request to replace a lost, stolen, damaged card or one they report as never received. A cardholder may make this request through the IVRS, by speaking with a CSR, or by using the cardholder portal or the mobile app. DHS or Conduent staff then deactivate the original card and note the appropriate reason code (as specified by DHS) in the cardholder's account. We mail replacement cards in active status. We never reissue PANs, and PINs carry forward to replacement cards and do not require the generation of a new PIN. However, should a cardholder prefer to select a new PIN, we include instructions on the card carrier (card mailer) used to mail replacement cards. Please see Question E.6 Customer service for additional details.
Cardholder Printed Materials	High	As with all our training materials and as detailed in our response to Question E.7, Training, we provide all necessary cardholder printed materials and inserts in your required languages as part of the core offering. Please see Question E.7 Training for details on our materials.
State/Local Training Materials – Includes updates per State	High	For State and local office staff training purposes, we provide all updates to existing materials for Arkansas, so DHS staff have the latest information about the solution and features. See our response to Question E.7, Training, for details on our materials.
Data Processing Technical Support Help Desk	N/A	Conduent can provide 24/7 access to EPPIC24, our technical support desk dedicated to supporting EPPIC EBT 3.0 solutions for non-stop service in times of need. See our response to Question E.6.C. for details on this service.
Retailer EBT Web Portal	N/A	In use today, DHS can elect to continue to offer Retailer's access to this tool for retailers to access transaction information, 1099, program information, and more. See our response to Question E.6.A. for details on this service.
Mobile Device Application	N/A	In use today, DHS can elect to continue to offer cardholders access to the mobile application. The mobile app provides convenient access to cardholder account and program information, and has been enhanced advanced fraud features including card lock/unlock. See our response to Question E.6.J for details on the mobile app features and functions

F. Describe any value-added card features included in the Prospective Contractor's Proposal. Please detail how the card features selected will provide a high impact on the State's program objectives. Prospective Contractors are encouraged to reference Tab 6 Value Added Card Features Priorities of the Cost Proposal Template for agency identified card features and their associated priority levels. Only value-added card features included in the Proposal shall be described. Prospective Contractors shall not include any potential future card features for which they offered pricing on Tab 8 Card Features Rate Card of Attachment T Cost Proposal Template but are offering as a value-added card feature within their Proposal.	5 points

Conduent offers DHS several card features, many of which we include in our core solution. We understand that high-impact, card features can significantly impact the success of the EBT Program. Table E.17-4 provide details card features that align with those DHS has identified in RFP Tab 6 Service Rate Card of Attachment T Cost Proposal Template. As Tab 6 states, the list contains items that the State may find to be advantageous, but did not require in the RFP. **As instructed by the RFP requirement above, we are not describing any services below which we offered pricing for in Tab 8.** We understand that as the State's needs evolve over the course of the contract, services may be added through a contract amendment.

Table E.17-4. Value-Added Card Features

Value-Added Card Features (RFP Attachment T)	Priority	Details
Card Design	Low	As required, we will implement the current card design and security features mandated by DHS. If DHS wishes to explore new possibilities in the future, we're prepared to collaborate on designing a new card design or integrating further security elements, including four color printing, embossing, and holographic. For more information on the card design process, please refer to our answer to Question E.5.D.
Blank Card Stock	High	We can provide ample blank card stock inventory that displays the card design on the front of the card. The card back would contain the magnetic stripe (and EMV chip on the front when implemented), signature panel, and required printed text. The designated sites would receive blank card stock, which is then printed with cardholder information as the card is being issued. We can support all volumes listed in Tab 6 Service Rate Card of Attachment T Cost Proposal Template.
Over the Counter Cards	Low	Conduent can provide the ability to issue over the counter (OTC) EBT cards. We install and maintain card printers for personalizing the card by embossing or printing and encoding the card magnetic strip (and EMV chip on the front when implemented). This solution also includes software to link the EBT card printing equipment to the card production process to automate the process. If desired, we can also supply PIN selection/assignment devices at DHS-defined sites. DHS may also choose to install only card printers and use the IVRS for PIN selection while the cardholder is in the local office. For more information on the issuing OTC cards, please refer to our answer to Question E.5.E.

Value-Added Card Features (RFP Attachment T)	Priority	Details
Vault Cards	Medium	We can also generate and ship a supply of pre-printed and encoded vault cards. The user simply needs to assign the card number on the vault card to the cardholder as the card is being issued. We can make this very efficient for users with a simple card reader that populates the card field on the administrative terminal. This would preclude the need for card printers. We can support all volumes listed in Tab 6 Service Rate Card of Attachment T Cost Proposal Template. For more information on the issuing OTC cards, please refer to our answer to Question E.5.E.
Card Security	High	We acknowledge the State's desire for additional card security features and looks to eventually transition to cards with integrated chip technology (such as hybrid chip and magnetic stripe cards). EMV cards include chip technology for enhanced security of encrypted card information during transaction routing and authorization at ATM or merchant locations accepting EMV transactions. Additionally, EMV technology allows the support of both contact (i.e., inserting the EBT EMV card into the terminal) and RFID contactless transactions. Contactless transactions also commonly referred to as "tap and go" transactions, allows the cardholder to "tap" the card at a terminal that accepts contactless payments to complete the transaction. Furthermore, with EMV technology, we can also include CVV coding for secure and protected cardholder information for cloud-based internet and phone transactions. As described throughout our proposal, the Conduent team is at the forefront of the EMV technology effort, and we look forward to coordinating its implementation with DHS once it becomes commercially available.

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