# LIFEINCHECK™
## by morse.

# Electronic Benefit Transfer Services System
# Solicitation # 710-23-0008
## Technical Response Packet
## COPY
### November 30, 2023

# RESPONSE SIGNATURE PAGE

*Type or Print the following information.*

| PROSPECTIVE CONTRACTOR'S INFORMATION | | | |
|---|---|---|---|
| Company: | **Morse Data Enterprises Government Services, LLC** | | |
| Address: | **13785 Research Blvd, Ste 125** | | |
| City: | **Austin** | State: **TX** | Zip Code: **78750** |
| Business Designation*:* | ☐ Individual     ☐ Sole Proprietorship     ☐ Public Service Corp<br>☐ Partnership     ☒ Corporation     ☐ Nonprofit | | |
| Minority and Women Owned Designation*\*:* | ☒ Not Applicable ☐ American Indian ☐ Service-Disabled Veteran<br>☐ 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: | **Joyce Ballack** | Title: | **Vice President** |
| Phone: | **321-506-5280** | Alternate Phone: | **336-327-1445** |
| Email: | **joyce.ballack@itsmorse.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: _____ Title: __President_____

Printed/Typed Name: ___Matthew John Fitzgerald_____ Date: _____

# 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.*

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

**Authorized Signature:** _____

                    *Use Ink Only.*

**Printed/Typed Name:**   Matthew John Fitzgerald          **Date:** _____

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

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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

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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.

_____          _____
Vendor Signature                                                            Date

__Morse Data Enterprises Government Services, LLC_____
Company

# 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:**      **SUBCONTRACTOR NAME:**

☐ **Yes** ☐ **No**

IS THIS FOR:

**TAXPAYER ID NAME:**      **Goods?**      **Services?**      **Both?**

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

**ADDRESS:**

**CITY:**      **STATE:**      **ZIP CODE:**    ---    **COUNTRY:**

*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_____Title_____Date_____

Vendor Contact Person_____Title_____Phone No._____

*Agency use only*

| Agency Number_____ | Agency Name_____ | Agency Contact Person_____ | Contact Phone No._____ | Contract or Grant No._____ |

# morse.

## **Equal Employment Opportunity Policy Statement**

Morse is an Equal Opportunity Employer. Employment is based upon personal capabilities and qualifications. We prohibit discrimination based on race, religion, gender, sexual orientation, age, national origin, disability, or any other protected characteristic as established by law. An employee found in violation of this policy is subject to disciplinary action up to and including termination.

_____

Richard Lemus
HR Manager
Morse.

# 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 |
|---|---|---|
| Disabled Veterans Call Center, LLC d/b/a Disabled Veterans Solutions (DVS) | 2323 W. 38th Street | Erie, PA. 16506 |
| MDE | 734 Main St #200 | Grand Junction, CO. 81501 |
| FISERV Solutions, LLC | 255 Fiserv Dr | Brookfield, WI 53045 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

☐ **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.

> **State of Louisiana**
> Start Date: November 8, 2019 - Present (six (6) year contract period with two (2) additional twenty-four (24) month renewal periods).
>
> Primary Contact: Timothy Jenkins
> Title: Program Manager
> Phone number: 225-342-3916
> Email: timothy.jenkins.DCFS@la.gov
>
> Project description: The state needed a full-service vendor with experience in the installation and operation of a large-scale EBT system. The vendor would provide the design, development, and operation of an EBT system to distribute SNAP benefits and Temporary Assistance to Needy Families (TANF) cash assistance to recipients in the state.
>
> Inmar's role: Provide the services of a full-service vendor by providing the design, development, and operation of an EBT system to distribute SNAP and TANF benefits within the state of Louisiana.
>
> Services included:
>
> - Transaction processing services
> - Training for DCFS personnel
> - Training for technology services personnel
> - Training materials
> - Initial and ongoing training for retailers POS devices
> - Reports
> - Reconciliation Recipient and retailer account maintenance Maintenance of EBT component systems Call Center for recipients and retailers
> - EBT card production and issuance

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).

**Authorized Signature:** _____  **Title:** President
                              (*Use Ink Only)*

**Printed/Typed Name:** Matthew John Fitzgerald        **Date:** _____

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

Document Version  1.3

## Change History

| Date | Version | Notes |
|---|---|---|
| 8/1/2019 | | Initial draft |
| 8/22/2019 | 1.0 | First Version |
| 9/26/2019 | | updated for ACS requirements |
| 12/16/2019 | 1.2 | Updated  version ( Minor changes) |
| 1/31/2020 | 1.3 | Updated in Jan 2020.Document updated to be used in 2020 after presenting to EAB. |

| Requirement Number | Requirement Group | Requirement Subgroup | Requirement | Comments | Meets Requirements | Describe How Requirements Met |
|---|---|---|---|---|---|---|
| 1 | Application Hosting | Batch – Job Control and Scheduling | Any technology vendor, application or solution shall develop, document and manage the processes and procedures for Interfaces and Batch Operations Architecture. | | Yes | We will develop, document and manage interfaces and batch operations. |
| 2 | Application Hosting | Batch – Job Control and Scheduling | Any technology vendor, application or solution shall define job scheduling requirements, application software interdependencies, and rerun requirements for all production jobs | | Yes | We will document and describe job scheduling requirements |
| 3 | Application Hosting | Batch – Job Control and Scheduling | Any technology vendor, application or solution shall utilize and manage scheduling tools for automating job execution (e.g., job workflow processes interdependencies, rerun requirements, file exchange functions, and print management) | | Yes | We will manage scheduling tools and currently have tools in place. |
| 4 | Application Hosting | Batch – Job Control and Scheduling | Any technology vendor, application or solution shall maintain a master job schedule and execute all batch jobs for the DHS Enterprise Program (e.g. any jobs provided by any vendor working on/with the DHS Enterprise Platform) | | Yes | We will maintain a master job schedule and execute batch jobs |
| 5 | Application Hosting | Batch – Job Control and Scheduling | Any technology vendor, application or solution shall perform job monitoring and manage resolution of any failed jobs. | | Yes | We will monitor all jobs using several methods and tools |
| 6 | Application Hosting | Change/Release Management | Any technology vendor, application or solution shall adhere to the Information Technology Infrastructure Library (ITIL) V3.0 Change and Release Management processes. | | Yes | We will follow change and release management processes that satisfy ITIL and our soc audits |
| 7 | Application Hosting | Change/Release Management | Any technology vendor, application or solution shall identify and submit any changes in compliance with the DHS Enterprise Program Change/Release Management process. | | Yes | We will submit changes in compliance with DHS |
| 8 | Application Hosting | Disaster Recovery | Any technology vendor, application or solution shall maintain a detailed Disaster Recovery plan to meet Disaster Recovery requirements. Plan shall include plans for data, back-ups, storage management, and contingency operations that provides for recovering the DHS Enterprise Platform within established recovery requirement timeframes after a disaster that has affected the users of the DHS Enterprise Platform. | | Yes | We currently have Disaster Recovery plans that meet the current requirements |
| 9 | Application Hosting | Disaster Recovery | Any technology vendor, application or solution shall provide support to the DHS support teams with implementing, configuring and testing disaster recovery. | | Yes | We will provide DHS support teams with implementing, configuring and testing disaster recovery |
| 10 | Application Hosting | Disaster Recovery | Any technology vendor, application or solution shall develop action plans to address any issues arising from Disaster Recovery testing. | | Yes | We will develop actions plans for issues from Disaster Recovery testing |
| 11 | Application Hosting | Infrastructure Security | Any technology vendor, application or solution using cloud technology shall be located within the continental US. All servers and data will be located in US Soil. | | Yes | Our solution resides within the US |
| 12 | Application Hosting | Infrastructure Security | Any technology vendor, application or solution shall proactively monitor all infrastructure including but not limited to network, storage, virtual environments, servers, databases, firewalls, etc. following industry best practices. | | Yes | We will and currently monitor our system |
| 13 | Application Hosting | Infrastructure Security | Any technology vendor, application or solution shall implement physical and logical security within new functionality defined in the security plan consistent with DHS' security policies and industry standards. | | Yes | We will and currently have physical and logical security |
| 14 | Application Hosting | Infrastructure Security | Any technology vendor, application or solution shall review all available infrastructure security patches relevant to the environment and classify the need and speed in which the security patches should be installed as defined by DHS security policies. | | Yes | We have security monitoring in place and review them regularly |
| 15 | Application Hosting | Network, Hosting and Data Center Services | Any technology vendor, application or solution shall provision new environments and capacity as required to ensure performance requirements are met as volume increases and additional functionality is implemented. | | Yes | Our system automatically scales to meet demand |
| 16 | Application Hosting | Operating System, Application and Database Backup and Recovery | Any technology vendor, application or solution shall encrypt all data at rest including backups using DHS and regulatory bodies (CMS, FNS, etc.) standards regardless of storage media. | | Yes | All sensitive data is encrypted at rest |
| 17 | Application Hosting | Storage Management Services | Any technology vendor, application or solution will provide data backup and restoration services in accordance with industry best practices. | | Yes | We backup all data |
| 18 | Application Hosting | Storage Management Services | Any technology vendor, application or solution will recommend techniques and procedures to ensure disk storage resources are utilized in an efficient and cost-effective manner. | | Yes | We will comply |

| | | | | | | |
|---|---|---|---|---|---|---|
| 19 | Application Hosting | Storage Management Services | Any technology vendor, application or solution shall regularly test recovery procedures and practices to demonstrate recoverability and verify that actual practices are in concert with procedures and report results, as well as meet business requirements | | Yes | We will and currently test recovery procedures |
| 20 | Application Hosting | Storage Management Services | Any technology vendor, application or solution shall monitor and demonstrate compliance with Arkansas Records Retention Schedule. | We can demostrate upon request | Yes | We can demostrate upon request |
| 21 | Application Hosting | System Monitoring | Any technology vendor, application or solution shall manage and maintain monitoring procedures and standards for system/solution/infrastructure including, but not limited to:<br>a. Monitoring of buffers, database buffers, table space fragmentation, database space, for unusual growth and propose a solution in case of alert<br>b. Monitoring of system logs, update error, database corruption, jobs execution failures etc. and propose solution in case of an alert<br>c. Monitoring of alert notification interface (e.g., Simple Mail Transfer Protocol (SMTP), sendmail), and propose a solution in case of an alert<br>d. Monitoring of transaction and trace logs, network event logs and traces, garbage collector, memory and CPU utilization, indexes, etc., and propose a solution in case of an alert<br>e. Monitoring of middleware (e.g., workflows, in- and out-bound queues) and report to DHS according to agreed procedure<br>f. Monitoring and reporting of end-to-end transaction response time to allow measurements against SLAs<br>g. Monitoring of interfaces | | Yes | Our system currently monitors the requested items |
| 22 | Application Hosting | System Monitoring | Any technology vendor, application or solution shall monitor infrastructure for availability as well as transaction and response time performance. | | Yes | Our system currently monitors the requested items |
| 23 | Application Hosting | System Monitoring | Any technology vendor, application or solution shall provide regular monitoring reports of infrastructure performance, utilization and efficiency (e.g., proactive system monitoring) | | Yes | We can provide reports on the metrics |
| 24 | Application M&O Services | Disaster Recovery | Any technology vendor, application or solution shall identify and make available appropriate resources to support DHS' disaster recovery planning, testing and execution. | | Yes | We will make resources available |
| 25 | Application M&O Services | Security Administration | Any technology vendor, application or solution shall provide documented procedures for security monitoring and log management functions, and use write-once technology or other secure approaches for storing audit trails and security logs. | | Yes | We will provide documented procedures |
| 26 | Data Governance | Master Data Management | Any technology vendor, application or solution shall provide data dictionary, data models, data flow models, process models and other related planning and design documents to DHS. | | Yes | We will provide the required documents |
| 27 | General System Behavior | Audit_&_Compliance | Any technology vendor, application or solution shall maintain a record (e.g. audit trail) of all additions, changes and deletions made to data in the applicable system or solution.  In addition, a log of query or view access to certain type of records and/or screens will be maintained for investigative purposes. This should be readily searchable by user ID or client ID.  This must include, but is not limited to:<br>a. The user ID of the person who made the change<br>b. The date and time of the change<br>c. The physical, software/hardware and network location (IP address) of the person while making the change<br>d. The information that was changed<br>e. The outcome of the event<br>f. The data before and after it was changed, and which screens were accessed and used | | Yes | Our system currently audits changes |
| 28 | General System Behavior | Audit_&_Compliance | Any technology vendor, application or solution shall prevent modifications to the audit records. | | Yes | Only designated users have access to modify records |

| | | | | | Yes | |
|---|---|---|---|---|---|---|
| 29 | General System Behavior | Audit_&_Compliance | Any technology vendor, application or solution must have the ability to capture electronic signatures on all documents, forms, letters, and correspondences. | n/a | Yes | n/a |
| 30 | General System Behavior | Audit_&_Compliance | Any technology vendor, application or solution shall be able to detect security-relevant events (as defined in NIST 800-53 moderate baseline, rev 4) that it mediates and generate audit records for them. At a minimum the events will include, but not be limited to:<br>a. Start/stop<br>b. User login/logout<br>c. Session timeout<br>d. Account lockout<br>e. Client record created/viewed/updated/deleted<br>f. Scheduling<br>g. Query<br>h. Order<br>i. Node-authentication failure<br>j. Signature created/validated<br>k. Personally Identifiable Information (PII) export<br>l. PII import<br>m. Security administration events<br>n. Backup and restore | | Yes | Our system creates audits logs for the listed events |
| 31 | General System Behavior | Interoperability-Interfaces | Any technology vendor, application or solution interfaces will secure and protect (encrypt) the data and the associated infrastructure from a confidentiality, integrity and availability perspective. | | Yes | Our system encrypts sensitive data |
| 32 | General System Behavior | Interoperability-Interfaces | Any technology vendor, application or solution shall develop/integrate services using standardized Web Services formats. | | Yes | Our system uses standard web service formats |
| 33 | General System Behavior | Interoperability-Interfaces | Any technology vendor, application or solution shall provide the ability to publish services and related data to be used by different types and classes of service consumers. | | Yes | Our system is flexible and can accomodate the request |
| 34 | General System Behavior | Interoperability-Interfaces | Any technology vendor, application or solution shall provide the capabilities for a Real-Time (or near real-time) Integrated Enterprise where common data elements about the customers served (e.g., clients) and services rendered are easily shared across organizational units with appropriate adherence to State and Federal security and privacy restrictions. | | Yes | We have the ability to support real-time and near real-time integrations |
| 35 | General System Behavior | Interoperability-Interfaces | Any technology vendor, application or solution shall have the capability to implement synchronous and asynchronous program-to-program communication, moving messages between service oriented architecture (SOA) service consumer modules and service provider modules at runtime. | | Yes | Our system has the ability to support this request |
| 36 | General System Behavior | Interoperability-Interfaces | Any technology vendor, application or solution shall have message and data formats that will be based on logical representations of business objects rather than native application data structures. | | Yes | Our system represents most data as business objects |
| 37 | General System Behavior | Interoperability-Interfaces | Any technology vendor, application or solution shall avoid point-to-point integrations. Application integration, both internal and external, will go through the DHS Enterprise Service Bus/Data Integration Hub. | | Yes | We can accomodate this request if necessary |
| 38 | General System Behavior | Interoperability-Interfaces | Any technology vendor, application or solution WSDLs developed for Arkansas will conform to the W3C standards for restful API development. | | Yes | Our api's follow the industry standards |
| 39 | General System Behavior | Interoperability-Interfaces | Any technology vendor, application or solution design will allow for the solution to continue to operate despite failure or unavailability of one or more individual technology solution components. | | Yes | Our system is designed to be resilient from failures and was built with high availability in mind |
| 40 | General System Behavior | Interoperability-Interfaces | Any technology vendor, application or solution shall have the ability to use standards-based communication protocols, such as TCP/IP, HTTP, HTTP/S and SMTP. Protocol bridging: The ability to convert between the protocol native to the messaging platform and other protocols, such as Remote Method Invocation (RMI), IIOP and .NET remoting. | | Yes | Our system is flexible and can accomodate the request |

| | | | | | | |
|---|---|---|---|---|---|---|
| 41 | General System Behavior | Interoperability-Interfaces | Any technology vendor, application or solution will have the capability to work with security policy manager for Web services that allows for centrally defined security policies that govern Web services operations (such as access policy, logging policy, and load balancing). | | Yes | Our system policies are governed in several centralized places |
| 42 | General System Behavior | Interoperability-Interfaces | Any technology vendor, application or solution shall have the capability to integrate with Master Data Management (MDM) technology for Enterprise Master Client Index (EMCI) implemented as part of the "State Hub" in a centralized or registry style implementation. | | Yes | We can accomodate this request if necessary |
| 43 | General System Behavior | Interoperability-Interfaces | Any technology vendor, application or solution shall be responsive and will automatically be sized for an optimum view to the display dimensions of PC, Tablet or Mobile phone. | | Yes | Our system is designed to support modern browsers and screen sizes |
| 44 | General System Behavior | Interoperability-Interfaces | Any technology vendor, application or solution components will be committed to an advanced approach to interoperability using web services and Service Oriented Architecture (SOA) aligned with DHS Enterprise Architecture Standards and industry standards and vision for interoperability. | | Yes | Our solutions provides api's that will be accessible to the state |
| 45 | General System Behavior | Perf. and Avail. | Any technology vendor, application or solution must be architected to support replication of the virtual machines to a secondary site. | | Yes | Our system is setup to run in multiple datacenters |
| 46 | General System Behavior | Perf. and Avail. | Any technology vendor, application or solution must be designed so all releases can be performed between 7pm and 6am except critical releases | | Yes | We can accomodate this request |
| 47 | General System Behavior | Perf. and Avail. | Any technology vendor, application or solution shall leverage virtualization to expedite disaster recovery. Virtualization enables system owners to quickly reconfigure system platforms without having to acquire additional hardware. | | Yes | Our system uses virtualization |
| 48 | General System Behavior | Perf. and Avail. | Any technology vendor, application or solution will provide the ability to perform archival/incremental backups and the ability to perform open/closed database backups. | | Yes | Our systems is flexible with database backups and can accomodate the request |
| 49 | General System Behavior | Perf. and Avail. | Any technology vendor, application or solution will provide at least one (1) production and one (1) non-production environment. Highly available solutions that mitigate single points of failure are recommended and encouraged. | | Yes | Our system currently has these environments |
| 50 | General System Behavior | Regulatory_&_Security | Any technology vendor, application or solution shall allow for different roles for Users including Operators, Administrators, Managers etc. | | Yes | Our system is a role/permission based system |
| 51 | General System Behavior | Regulatory_&_Security | Any technology vendor, application or solution shall, at a minimum, provide a mechanism to comply with security requirements and safeguard requirements of the following Federal agencies / entities:<br>a. Health & Human Services (HHS) Centers for Medicare & Medicaid Services (CMS)<br>b. Guidance from CMS including MITA Framework 3.0 and Harmonized Security and Privacy Framework<br>c. Administration for Children & Families (ACF)<br>d. Dept. of Agriculture Food and Nutrition Services<br>e. NIST 800-53 r5 Moderate, MARS-E and DOD 8500.2<br>f. IRS pub 1075, which points back to NIST 800-53 rev 3<br>g. Federal Information Security Management Act (FISMA) of 2002<br>h. Health Insurance Portability and Accountability Act (HIPAA) of 1996<br>i. Health Information Technology for Economic and Clinical Health Act (HITECH) of 2009<br>j. Privacy Act of 1974<br>k. e-Government Act of 2002<br>l. Patient Protection and Affordable Care Act of 2010, Section 1561 Recommendations<br>m. Section 471(a)(8) of the Social Security Act<br>n. Section 106(b)(2)(B)(viii) of the Child Abuse Prevention and Treatment Act | | Yes | We will comply with security requirements when necessary |
| 52 | General System Behavior | Regulatory_&_Security | Any technology vendor, application or solution shall adhere to the accessibility standard as outlined in the web guidelines and based on the W3C level 2 accessibility guidelines: (http://www.w3.org/TR/WCAG10/full-checklist.html) | | Yes | Our system follows the web accessibility standards wcag |

| 53 | General System Behavior | Regulatory & Usability | Any technology vendor, application or solution shall adhere to the AR State accessibility standards and comply with the provisions of Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013. | | Yes | We will comply where necessary |
|---|---|---|---|---|---|---|
| 54 | General System Behavior | Regulatory_&_Security | Any technology vendor, application or solution comply with the DHS branding standards as defined by DHS. | | Yes | We will comply where necessary |
| 55 | General System Behavior | Regulatory_&_Security | Any technology vendor, application or solution shall adhere to the principle of "Fail Safe" to ensure that a system in a failed state does not reveal any sensitive information or leave any access controls open for attacks | | Yes | All sensitive data in our system is encrypted at rest |
| 56 | General System Behavior | Regulatory_&_Security | Any technology vendor, application or solution shall maintain a level of security that is commensurate with the risk and magnitude of the harm that could result from the loss, misuse, disclosure, or modification of information | | Yes | Our system uses standard security practices. is regularly pen tested and follows the best practices when it comes to application security. |
| 57 | General System Behavior | Regulatory_&_Security | Any technology vendor, application or solution shall follow the DHS Enterprise Architecture Standards regarding identity, authorization and access management.

The current standards state that applications/solutions will integrate with Microsoft's Active Directory for internal/DHS users and will integrate with the IBM Cloud Identity platform for external users. Modern authentication protocols such as SAML or OIDC should be used and multi-factor authentication will be employed whenever deemed necessary by DHS or applicable regulatory bodies (CMS, FNS, IRS, etc.). | | Yes | Our system can accomodate SAML/ADFS to integrate with the states system. |
| 58 | General System Behavior | Regulatory_&_Security | Any technology vendor, application or solution shall support protection of confidentiality of all Protected Health Information (PHI) and Personally Identifiable Information (PII) delivered over the Internet or other known open networks via supported encryption technologies needed to meet CMS and NIST requirements for encryption of PHI and PII data.

Examples include: Advanced Encryption Standard (AES) and an open protocol such as Transport Layer Security (TLS), Secure Sockets Layer (SSL), Internet Protocol Security (IPsec), XML encryptions, or Secure/Multipurpose Internet Mail Extensions (S/MIME) or their successors. All vendors, applications and solutions will be subject to external Audit | | Yes | All sensitive data is encrypted during transit using TLS/SSL |
| 59 | General System Behavior | Regulatory_&_Security | Any technology vendor, application or solution shall, when storing PHI/PII, support the use of encryption technologies needed to meet CMS and NIST requirements for the encryption of PHI/PII data at rest. | | Yes | Our system meets NIST compliance |
| 60 | General System Behavior | Regulatory_&_Security | Any technology vendor, application or solution, prior to accessing any PHI, display a State-approved configurable warning or login banner (e.g. "The System should only be accessed by authorized users"). In the event that a application or solution does not support pre-login capabilities, the application or solution will display the banner immediately following authorization. | | | We can accomodate this request |
| 61 | General System Behavior | Regulatory_&_Security | Any technology vendor, application or solution shall not transmit or store any Personal Health Information (PHI) or Personally Identifiable Information (PII) using publically available storage over the Internet or any wireless communication device, unless:

1) the PHI or PII is "de-identified" in accordance with 45 C.F.R § 164.514(b) (2); or 2) encrypted in accordance with applicable law, including the American Recovery and Reinvestment Act of 2009 and as required by policies, procedures and standards established by DHS | | Yes | Our systems does not store any sensitive information on publically available storage |
| 62 | General System Behavior | Regulatory_&_Security | Any technology vendor, application or solution will include the same security provisions for the development, System test, Acceptance test and training environment as those used in the production environment except those provisions implemented specifically to protect confidential information (e.g. PHI, PII). | | Yes | Our non production environments are configured the same as our production environments |

| | | | | | Yes | |
|---|---|---|---|---|---|---|
| 63 | general System Behavior | Regulatory_&_Security | Any technology vendor, application or solution shall be able to associate permissions with a user using one or more of the following access controls:<br>a. Role-Based Access Controls (RBAC; users are grouped by role and access rights assigned to these groups)<br>b. Context-based (role-based with additional access rights assigned or restricted based on the context of the transaction such as time-of-day, workstation-location, emergency-mode, etc.) | | Yes | Our system uses RBAC |
| 64 | General System Behavior | Regulatory_&_Security | Any technology vendor, application or solution will comply with accessibility requirements described in 45 CFR 85 and with State of Arkansas accessibility requirements | | Yes | Our system complies with Arkansas accessibility requirements |
| 65 | General System Behavior | Solution Administration | Any technology vendor, application or solution will allow System administrators to create and manage user roles. | | Yes | Our system allows state security admins to manage roles |
| 66 | General System Behavior | Solution Administration | Any technology vendor, application or solution communications will be protected by at least 256-bit encryption. | | Yes | Our system meets these requirements |
| 67 | General System Behavior | Solution Administration | Any technology vendor, application or solution will be supported by public key/private key encryption Secure Socket Layer (SSL) certificates. | | Yes | Our system meets these requirements |
| 68 | General System Behavior | Regulatory & Usability | Any  application or solution will use colors to enhance user experience and System usability while complying with all disability requirements noted elsewhere in these requirements. | | Yes | Our system uses colors and follows wcag accessibility requirements |
| 69 | General System Behavior | User Interrace | Any technology vendor, application or solution must perform address validation for demographic information (e.g., USPS, Smarty Streets, AR GIS, etc.). Suggest the validated new address and prompt user to select either user entered address or validated address and then save accordingly. | | Yes | Our system is flexible and we can easily accomodate this request |
| 70 | General System Behavior | User Interface | Any technology vendor, application or solution must perform standard data validations such as  character, numeric, date, currency , phone, SSN etc. | | Yes | Our system currently performs these validations |
| 71 | General System Behavior | User Interlace | Any technology vendor, application or solution must have the ability to auto-save, prompt to save when leaving pages in all modules. | | Yes | We can accomodate this request |
| 72 | General System Behavior | User Interlace | Any technology vendor, application or solution shall have the ability to create prompts for user actions. (e.g., incomplete data entry of required fields, deletion of data, system log-off warnings). | | Yes | We can accomodate this request |
| 73 | General System Behavior | User Interlace | Any technology vendor, application or solution shall have  the capability to send notifications.  Examples include sending emails, text messages (SMS), etc. | | Yes | Our system has this capability |
| 74 | General System Behavior | Web based UI | Any technology vendor, application or solution providing data over a web browser interface (http, ftp, etc.) will include the capability to encrypt the data communicated over the network via SSL (e.g.. HTML over HTTPS). | | Yes | Our system has this capability |
| 75 | General System Behavior | Web based UI |  The system will support and maintain compatibility with the current to (N-2) version of the DHS Support Operating Systems.  The supported Operating Systems are Microsoft Windows, MAC OS, Apple IOS and Google Android. | | Yes | Our system supports these systems |
| 76 | General System Behavior | Web based UI | The system will support and maintain compatibility with the current to (N-2) version of the DHS approved Browsers.  The  supported Browsers are Chrome, Edge, and Safari.   This is to ensure that vendors test and certify their software/application for current to (N-2) versions of these Browsers. | | Yes | Our system supports these browsers |

| 77 | Technology Platform Requirements | Data Integ,Quality, ETL | Any technology vendor, application or solution Extract Transform and Load (ETL) components will provide process flow and user interface capabilities to enable business users to perform data-quality-related tasks and fulfill stewardship functions, including:<br>a. Packaged processes, including steps used to perform common quality tasks (providing values for incomplete data, resolving conflicts of duplicate records, specifying custom rules for merging records, profiling, auditing, for example)<br>b. User interface in which quality processes and issues are exposed to business users, stewards and others<br>c. Functionality to manage the data quality issue resolution process through the stewardship workflow (status tracking, escalation and monitoring of the issue resolution process)<br>d. Ability to customize the user interface and workflow of the resolution process<br>e. Ability to execute data quality resolution steps in the context of a process orchestrated by Business Process Management (BPM) tools (packaged integration or other ability to work with popular BPM suites, for example) | | Yes | Our system can accomodate the request if necessary |

| Requirement Number | Category | Comment for consideration |
|---|---|---|
| 1 | Application/Solution Hosting | DHS is interested in seeing the following hosting options for any new procurements:<br><br>1) On-Premise<br>2) Private Cloud<br>3) Hybrid Cloud<br>4) Public Cloud<br>5) SaaS, PaaS or other emerging options |
| 2 | Application/Solution Hosting | When proposing cloud, private cloud, or hybrid cloud solutions, respondents should make sure to clearly identify provisions, terms, conditions and details around the following areas:<br><br>1) Cost<br>2) Performance<br>3) Data Management<br>4) Governance<br>5) Service Levels<br>6) Location of Data<br>7) Vendor obligations in the event of a data breach<br>8) Provisions for data export and exit strategy<br>9) Provisions for data destruction by vendor after contract termination<br>10) Data Security<br>11) Regulatory compliance<br>12) Change processes and procedures<br>13) Information access costs/requirements (i.e. FOIA request, etc.) |
| 3 | Data | DHS would prefer for all data to be encrypted using the latest/supported technology protocols whether at rest/stored, in flight/transit, or communicated and/or accessed in any way. |

## 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 | |
| --- | --- |
| Name of Public Entity | |
| Name of Vendor/Contractor | |
| AASIS Vendor Number | |

_____          _____
Contractor Signature                                                                    Date

# 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 IT Requirements may be considered by evaluators in relevant categories in evaluation.*

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

| | Maximum RAW Score Available |
|---|---|
| **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 |

Inmar Government Services, LLC is now part of the Morse Data Enterprises Government Services, LLC family. We are now known as "MDE Government Services" or simply "Morse". Although our name has changed, Morse is still comprised of the same experienced LifeInCheck team and modern architecture that resulted in the LifeInCheck™ EBT solution. LifeInCheck EBT was developed with the latest technology and was designed by individuals with more than 22 years of servicing EBT cardholders.

Morse staff has worked on over 10 conversions and three deconversions between EBT processors. The LifeInCheck team was formed five years ago, and each member was selected for their specific experience in card services. Our team members brings experience supporting card services programs in nearly every state in the US.  This collective knowledge was used to design, develop, and implement the LifeInCheck EBT platform.  Unlike our competitors, it was not the result of a 20 year old product that has been patched multiple times over to ensure its ability to handle capacity and the changing needs of its customers. These patches are quite likely the cause of our competitors' unstable, and often unreliable technology that requires down time for repairs. Rather, LifeInCheck EBT was developed for the sole purpose of delivering EBT benefits using next generation, cloud-based payment processing technology and a user friendly design to ensure the most convenient experience for both state agencies and their cardholders.
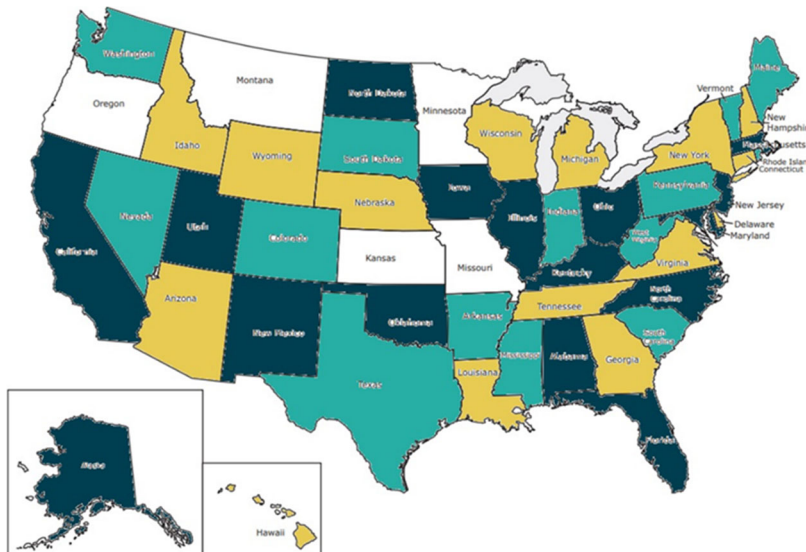


*Figure E.1.A.1: The LifeInCheck team has card services experience in nearly every state.*

In addition to applying the skills of experienced EBT developers, we utilized the skills of individuals who have collectively been in the financial industry for over 20 years. Our experience in financial settlement and financial payments expands to over 100 clients, from grocery retailers to pharmacy clients. The products that the team has helped to develop have supported more than 3.7 billion transactions per year and was designed for companies with some of the largest settlement volumes of pharmacy claims and coupon redemptions. This complex and secure payment processing technology has successfully handled billions of dollars in transactions per year with technology and services that scale and support a wide range of client segments. Implemented in countless successful projects at point-of-sale, in pharmacies, and at corporate or agency offices, these projects served more than 140,000 retail locations, delivered a POS-integrated solution that has a 99.99% system availability and managed more than $73 billion in transaction value to help retailers, hospitals, and manufacturers exchange or settle funds.

Our specific EBT experience in delivering reliable technology is evidenced by our work in the State of Louisiana. In 2019, Inmar was awarded the Louisiana Department of Children and Family Services (DCFS) electronic benefit program for SNAP. In June 2020, Inmar began providing EBT host processing services for the cardholders of Louisiana utilizing its LifeInCheck EBT system which continues to process SNAP, Pandemic EBT (P-EBT), D-SNAP and TANF/Cash benefits for over 600,000 households throughout the state. In our first year of operation, we successfully distributed D-SNAP benefits during three (3) hurricanes without disruption and seamlessly integrated to provide P-EBT benefits during the Covid pandemic.

> In 2020, LifeInCheck was tested and proven through unexpected caseload increases due to extended P-EBT and three D-SNAP issuances. LifeInCheck EBT handled the increased volumes with **ZERO** impact to performance.

We provided Louisiana with a combined total distribution of over $10.2 million dollars between Covid Pandemic Relief Funds (P-EBT) and D-SNAP disaster disbursements. In the summer of 2020, LifeInCheck distributed D-SNAP following three hurricanes, without any reliability issues. We worked with the State to ensure cardholders were able to get their benefits quickly and timely even when the results of the hurricane shut down several delivery options. We were creative, supportive, and always available.

Our experience in delivering reliable technology for State of Louisiana, demonstrates our ability to process secure, reliable, and accurate payments at scale.

We have taken a very careful approach to expanding our EBT business. Unlike other processing companies who often try to implement multiple states at one time, by choosing to fully implement one state before starting on the next, we ensure our resources are not over-burdened and can give the incoming state the time and attention that is needed for all parties to have a successful transition experience. We also understand that many states have experienced turnover and loss of institutional knowledge that is critical to a successful transition. To help alleviate this concern, Morse has secured additional subject matter experts who have retired from human services agencies and have EBT processing transition experience. This resource participates in all design and transition discussions to ask questions and offer insight so every aspect of the transition is taken into consideration. We believe so strongly in ensuring our state clients have a successful transition experience that we provide this resource as part of our overall service.

MDE Government Services is a division of Morse Data Enterprises, LLC. Another division of Morse Data Enterprises, LLC is MDE Payments, LLC (DBA Speak Benefits) – and like MDE Government Services which is involved in designing, developing, and implementing financial systems and networks, Speak distributes and manages health care benefits, reward, and incentive programs for both Medicare Advantage and Managed Medicaid recipients.  Speak contracts with over 30 national, state, and local health plans to provide engaging

and compliant programs to fully meet CMS requirements as well as health plan member quality goals. All Speak programs are designed to allow for maximum member dignity and respect through a fraud-resistant, fully trackable fintech platform, enabling members to use their benefit and reward funds to select approved products in their preferred local network retailer or online.

| E.1 | General Requirements | |
|---|---|---|
| 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 |

It is evident to us that the Arkansas Department of Human Services (DHS) put a great deal of time and thought into the planning and outlining of requirements for the Electronic Benefits Transfer Services System RFP that will service Arkansas cardholders for the next several years. Similarly, the LifeInCheck team has been studying the needs of states and EBT cardholders and the gaps that exist in the current EBT processing solutions available today. As a result, we are excited to propose to DHS our EBT processing system, LifeInCheck™ EBT, which not only provides the State with all the benefits of new technology, but a system that is complemented by a collection of features that create efficiencies for state and county staff and improve the user experience for EBT cardholders in Arkansas. LifeInCheck EBT balances the need for innovative, reliable technology with the need to remain engaged and connected to Arkansas families. LifeInCheck EBT is flexible, has the scalability to evolve with the needs of the State, and provides individual client attention by way of unique mobile capabilities and cardholder portal features.

*"Inmar [now Morse] has invested in their technical environment which has led to an industry leading 100% uptime since launching Louisiana SNAP and the successful launch of SNAP Online acceptance. This is the type of performance Walmart expects when it comes to EBT processing and we are thankful Inmar has invested in this level of technical resiliency because it improves the cardholder and the retailer experience."*

—— Walmart Global Treasury Payment Products & Services

LifeInCheck EBT is compliant with all federal and state requirements and is connected to all major TPPs to process SNAP and Cash transactions. Morse ensures all TPPs meet the FNS requirements in 7 CFR 274.3(d) and we have a streamlined plan to certify additional TPPs for a new state. Further, combining our technology with specific selections in architecture design, we have created a system that ensures the highest processing performance, best-in-class client access, and optimum operational efficiency. This has allowed us to maintain excellent relationships with retailers and they can vouch for the superiority of our LifeInCheck EBT system.

We developed LifeInCheck EBT for the sole purpose of supporting EBT cardholders. It has been successfully implemented and managed in the State of Louisiana for the past three years without any reliability issues. LifeInCheck EBT manages both SNAP and Cash programs using preexisting commercial networks, including available commercial ATMs and POS terminals in partnership with our experienced subcontractors, Fiserv and Novo Dia. In fact, LifeInCheck EBT has unlimited EBT access with virtually all TPPs and ATM networks, including, but not limited to NYCE, STAR, and Pulse utilizing Fiserv as our EBT gateway.

Fiserv is a global leader in payments and fintech, serving thousands of financial institutions and millions of businesses in more than 100 countries. Novo Dia's TotilPay Go POS mobile solution is an easily adoptable and secure way to process SNAP and cash transactions. It meets all ANSI X9.58-2013 specs and Quest

Operating Rules but most importantly, provides retailers flexibility to serve their clients in store or curbside. Our experiences, products, and services combined create an optimal solution for Arkansas's EBT program.

We understand that Arkansas's interest in procuring an EBT contractor doesn't end with the capabilities of the system itself but extends to the management of the overall project and an understanding of the complexities involved in converting and maintaining an EBT system. Morse provides Arkansas with highly knowledgeable staff – recognized experts with more than 22 years in the EBT industry – who have a proven track record in the design, development, implementation, and conversion of EBT, and we apply this experience and personnel to modify LifeInCheck EBT to meet the needs of the State, as needed. Unique to Morse and true to our character, we provide personalized support which helps transition the State to a new EBT processing system without disruption to normal activities. These are just a few of the many reasons that Morse is Arkansas's best choice for an EBT processor.

| E.1 General Requirements | |
|---|---|
| C. Describe the Prospective Contractor's experience concerning USDA Federal regulations pertaining to the EBT System. | 5 points |

The USDA regulations governing EBT SNAP systems are critical to ensuring the efficient and accountable operation of the EBT SNAP program. These regulations are designed to uphold the integrity of SNAP benefits, support eligible recipients, and maintain the security of the EBT SNAP system. The USDA regulations applicable to our scope of work, pertaining to the EBT SNAP system, regulate the secure and efficient operation of EBT cards and the network infrastructure that supports them.

As we have demonstrated in Louisiana, this includes ensuring privacy and security of beneficiaries' personal information and funds, as well as the prevention of misuse or fraud. We also have the capability to help USDA promote healthier food choices among the program's beneficiaries. Our compliance with these regulations supports those in need and fosters responsible use of government assistance.
The LifeInCheck™ EBT solution for Arkansas fully conforms to all applicable state and federal laws and industry guidelines and practices. The Morse team and LifeInCheck EBT comply with all applicable statutes, rules, regulations, and standards governing EBT systems, system operations, and software and equipment ownership. We are successful today not merely because we are a provider of card services and government solutions, but because we are committed to working as a responsible and proactive partner with state agencies to serve their cardholders. We are fully aware of the regulatory environment in submitting this proposal to Arkansas.

To support the controlling bodies and the state and federal governments, Morse provides staff with industry knowledge to assist governing boards with evaluating and rewriting the rules to meet the objectives. Morse is doing this today with the EMV project involving the updates needed to the X9 specifications and industry requirements to implement EMV for EBT.

To that end, Morse complies with all the following requirements:
- Federal statutes
- Federal regulations
- State rules
- Quest rules and/or applicable network rules
- Prevailing industry standards or ISO and ANSI standards relating to financial transactions

LifeInCheck EBT meets all data requirements, instructions, and formats for file transmissions required by FNS including but not limited to the retailer EBT data exchange (REDE), anti-fraud location of EBT retailer transactions (ALERT), automated standard application for payments (ASAP), store tracking and redemption subsystem (STARS), and account management agent (AMA) systems. The LifeInCheck team works with the Arkansas DHS to ensure that we meet expectations for operational compliance with all FNS regulations and policies to ensure that the EBT program is current and fulfills all federal requirements.

Morse is aware of the current and proposed regulatory environment and the specific requirements of EBT regulations, including:

- System functional requirements
- Household participation requirements
- Retailer participation requirements
- System performance and technical standards
- Processing speeds
- System availability and reliability
- System security
- System ease-of-use
- Third party processors
- Minimum card requirements
- Minimum transaction set
- Interoperability
- Concentrator bank responsibilities and requirements
- Settlement and reconciliation, management reporting examination, and audits requirements
- Store and forward

LifeInCheck EBT was designed for cloud-based EBT processing with modular architecture unlike competitive platforms. Our platform design **boasts uptimes of 99.99% on a 24/7/365 basis.**

As we do in our current successful EBT program, we commit to meeting Arkansas's performance expectations, including all processing requirements and criteria. We understand that as federal, state, or other applicable rules change or new rules are adopted, the EBT systems must be changed to meet these new requirements. As we have done during our current contract with the State of Louisiana, we implement necessary modifications to meet any new or amended requirements.

| E.1    General Requirements | |
|---|---|
| D. Describe the Prospective Contractor's existing commercial networks, ATMs, and POS terminals. | 5 points |

LifeInCheck™ EBT leverages AWS' proven technology platforms and is designed and developed utilizing the most advanced systems and methodologies. Our platform uses real-time web, transaction-based technology that demonstrates high security, availability, and scalability. LifeInCheck EBT is a fully interoperable solution that conforms to federal regulations, national standards, and State-specific performance standards. It uses existing commercial networks, including available commercial ATMs and POS terminals.  As stated previously, we provide unlimited EBT access with virtually all TPPs and ATM networks, including, but not limited to NYCE, STAR, and Pulse utilizing Fiserv as our EBT gateway.

Our overall goal as an EBT contractor is to make EBT project participation as easy as possible for retailers while maintaining full compliance with all state and federal regulations. Every element of our retailer

management approach is designed to give each FNS-authorized retailer the opportunity to participate in the Arkansas EBT project. Our approach to retailer management combines our extensive retail experience with our understanding of the important role played by the retail community in the success of the program. Our proposed retail manager, Tina Hamilton has more than 20 years of experience working with EBT retailers and third party processors.

Over the life of the Arkansas EBT contract, we use our established working relationships with TPPs and networks to encourage expansion of the commercial infrastructure to maximize the use of existing POS terminals consistent with federal regulations. We assist any new TPP with the certification process and help them recruit retailers interested in commercial processing. Morse continues to build upon these relationships to ensure that authorized retailers have all the information they need to make an educated decision relative to EBT transaction processing.

DHS deserves an EBT contractor with the knowledge and experience to ensure that the State's retailers have everything they require to support smooth, trouble-free cardholder access to benefits. The LifeInCheck EBT team has a proven approach to ensure successful retailer management for the Arkansas project. We fully expect to develop a strong and successful partnership with the State's retailer community, just as we have in Louisiana.

| E.1 General Requirements | |
|---|---|
| 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 |

Morse provides a distributed, modular, and responsive EBT system to support the State EBT program. LifeInCheck™ EBT is a turn-key system that provides a cost effective and cardholder-oriented benefit delivery of SNAP and Cash benefits. We have developed a system from bottom-up to meet state-specific EBT needs. Morse acknowledges that the foundational goals as an EBT contractor are to ensure benefits are accessible, transactions are efficient and accurate, easy to use, and that state staff can do their jobs quickly and effectively. With those goals in mind, Morse's mission is to provide its LifeInCheck EBT to take the Arkansas EBT program into the next generation of technology innovation. LifeInCheck EBT provides advantages for daily operations and benefits through its flexible integrations, web-based functions, high availability, efficiency, scalability, and security.

LifeInCheck EBT was developed using Microservices architecture. Microservices architecture is a distinctive method of implementing a modular approach to an enterprise software system that has grown in popularity in recent years. The goal of Microservices is to improve software delivery speed and increase system safety as scale increases. As Microservices are modular, the faster changes enable an evolutionary architecture where systems can adapt as the business needs change. Microservices can scale elastically and, by being service-oriented, can enable APIs natively. Microservices also reduce implementation, release cycle time, and enable continuous delivery. With Microservices, each service can scale independently to meet temporary traffic, complete batch processing and other business needs. Improved fault isolation reduces service issues, such as memory leaks or open database connections. The scalability of Microservices complements the flexibility of cloud services, improving overall service and handling more cardholders simultaneously without interruption. We confidently chose Microservices architecture to ensure a flexible platform that accommodates future EBT program innovation, dynamic changes, and rapid implementation to support speed to the market without interruption to the EBT cardholders. We also chose to use responsive web design (RWD) to implement EBT web portals, which provides support for multiple leading web browsers and display on different screen sizes.

Morse hosts LifeInCheck EBT on Amazon Web Services (AWS) cloud infrastructure. AWS provides services and infrastructure to build reliable, fault-tolerant, and highly available systems in the cloud. LifeInCheck EBT applications and database run on Linux operating system in AWS cloud infrastructure. LifeInCheck EBT supports delivery of the following services to the State EBT program: SNAP and Cash benefits through POS devices, Cash assistance benefits through ATMs. We built a next generation LifeInCheck EBT platform to support high-volume EBT transaction processing, administrative functions, cardholder self-service and other related features. Below you find more detail on the overall services available with LifeInCheck EBT:

## Transaction Processing

Morse has partnered with Fiserv to provide an EBT Gateway which interfaces with all TPPs, POS devices and ATMs to route Arkansas EBT SNAP and Cash transactions to LifeInCheck EBT authorization engine. Partnering with Fiserv provides the advantage of using existing networks for routing all EBT transactions to our host system. We want to ensure all FNS-approved retailers can confidently complete EBT transactions.

Morse ensures that Fiserv's EBT Gateway supports all EBT transactions in accordance with FNS and State EBT guidelines and message specifications. Fiserv currently has an established interface with all of the leading TPPs who support EBT transactions. The LifeInCheck team's experienced retailer operations team works closely with the EBT Gateway to encourage any new TPP participants to interface with the network. Our retail management staff has over 2 decades of experience working with EBT retailers and third-party processors. This puts us in a unique position to develop lasting relationships with retailers and TPPs and encourage better program participation and management. When this trust is paired with innovative technology solutions, retail locations are capable of providing a uniform platform to meet the cardholder's needs.

Morse enforces an EBT Gateway and TPP certification test whenever the following occurs:
Changes to EBT ISO specifications
State and FNS regulations impact authorization logic
State change requests are created that impact transaction processing
Morse's host system changes due to technological refresh, etc.

## Retailer Management

The LifeInCheck team provides solid retail management ensuring retailer satisfaction, which in turn increases retailer accountability, quality of service, and access points for cardholders. Our success with EBT is in part based upon our ability to effectively manage large networks of retailers, providing cardholders wide-spread access to their SNAP and cash benefits. We are a leader in retail management and recruitment processes in EBT. We offer a solid approach to managing retailer recruitment and participation in EBT projects. Through our staff experience we have recruited, trained, and deployed POS equipment to more than 140,000 retailers over the years, and have developed and maintained strong relationships with retailers large and small.

The LifeInCheck team is experienced in all aspects of retailer management. Our range of specialized retailer management services and responsibilities includes, but is not limited to:
- Performing retailer assessment, marketing, and recruitment of Food and Nutrition Service (FNS) authorized retailers to ensure all USDA FNS authorized retailers have the opportunity to participate in the Arkansas project.
- Maintaining nationwide EBT interoperability in system design and operation, in compliance with 7 CFR 274, to ensure that the Arkansas EBT system is interoperable with other states' EBT systems.
- Promoting and developing retailer locations to assure adequate cardholder access to SNAP and cash benefits. We secure operational contracts with FNS-authorized participating retailers, third-party processers (TPPs), and networks prior to accepting EBT transactions, including border stores and non-traditional retailers.

- Providing training and training materials to ensure that the participating retailers understand their responsibilities in regard to the policy, operating rules, and operations of the Arkansas project. We enter into agreements with retailers in accordance with 7 CFR 274.
- Maximizing the use of existing commercial POS terminals limits the number of EBT-only terminals to be deployed, while providing self-processed and commercially processed retailers with added convenience.
- Installing, maintaining, and supporting exempt retailers POS equipment in accordance with USDA FNS policy for retailer/provider participation as specified in 7 CFR 274.
- Providing newly-authorized retailers with a list of certified TPPs, along with a list of the benefits of processing transactions through a TPP. Both TPP and Retailer Agreements must be approved by the State and FNS prior to sending it out to the retail community and TPPs.

LifeInCheck EBT processes FNS daily and monthly National and State REDE file to load FNS authorized SNAP retailers into our database. Every SNAP transaction is validated against the FNS number for SNAP authorized retailers. Retailers are deauthorized immediately upon processing a REDE file if the retailer status is changed to deauthorized. Morse is partnering with Nova Dia to install and manage POS devices for EBT-only exempt retailers.

Our staff has worked with retailers of all sizes and segments for more than 20 years to support their financial settlement, operational and client engagement business needs. Through this work, our staff has countless successful projects implementing or integrating with retail technology at point-of-sale, in their pharmacy, back-offices or corporate headquarters. At one point, our staff served more than 140,000 retail locations, while delivering a POS-integrated solution that has 99.99% availability and manages more than $73 billion in transaction value to help retailers and manufacturers exchange or settle funds.

## Customer Service

EBT cardholders need efficient and responsive customer care that provides accurate and timely account information, and can deliver critical card services, such as the cancellation and replacement of a lost, stolen, or damaged card, with speed and courtesy. Accurate account information must be easily available to cardholders who depend on program benefits to meet their daily needs. In addition, the EBT cardholder customer service call center should provide multi-channel communication options to meet the needs of a more mobile and connected cardholder population. At the same time, the EBT retailer community needs contact center support to ensure their daily transactions process to completion and equipment issues are rapidly and efficiently addressed.

While picking up the phone to contact the customer service call center has traditionally been the way for cardholders and retailers to reach out for assistance, today they increasingly use the Internet or mobile phones to seek out information or services. Today's customer care center must look beyond the telephone and seek to provide a more comprehensive and balanced approach to communication. It should also be a more efficient and personalized experience that helps provide the information or services needed quickly and efficiently.

Morse provides a web-based cardholder portal as well as a mobile app for EBT cardholders. Using the same login credentials for both the web portal and the mobile app, cardholders have real time access to their account information at their fingertips. The mobile app also offers facial recognition on iOS devices to further protect the cardholder data. The mobile app provides all features supported by the cardholder portal and allows for important notifications cardholders may need in regard to benefit updates. Information is available to cardholders instantly and they do not have to stop and call for the information they need right away. This allows cardholders to attend to more important matters occurring throughout their day.

Our customer service model includes all required customer service aspects, such as providing 24/7 U.S.-based, Americans with Disabilities Act (ADA)-compliant cardholder and retailer customer service using a toll-free number, in required languages, which is accessible by public payphone, TTY/TDD, and rotary telephones. We also provide customer service to Arkansas State staff through our LifeInCheck EBT system help desk. To ensure continuity of service for cardholders, we maintain the existing cardholder toll-free customer service help desk number, as the help desk number is printed on the back of existing cards. The existing retailer call center number continues to be used provided the present contractor does not support additional states or programs with that number.  Should that be the case, we provide a new retailer number.

## Other EBT Functions Supported

At a minimum the following additional EBT functions and services are also provided by Morse.

**Reconciliation & Settlement -** Accurate and timely settlement and reconciliation provide Arkansas with confidence that their funds are properly remitted. Morse operates a successful EBT system because we do two important activities well. We correctly move funds to the proper end points and we fully account for all funds. Our experienced and highly skilled staff manage the settlement and reconciliation processes with utmost care and dependability. We provide the necessary reports and procedures to document and validate all financial activity, which enables DHS to be confident that money movement is efficient and trustworthy.

**Card Services -** Morse provides high-quality, responsive card services for the Arkansas EBT project that include the design, production, personalization, activation, and issuance of cards.

**Cardholder Benefit Processing -** LifeinCheck EBT allows for the immediate processing of all State files and online records.  Cardholders do not have to wait until 8:00 a.m. local time to access their benefits. Cardholders can redeem their benefits at 12:01 a.m. on their availability date. This also expedites the availability of one-time issuances. Additionally, all information is logged in the database for reporting or audit purposes, which allows Arkansas or authorized federal agencies to access all information quickly, either through online administrative terminal queries, standard report generation, or ad hoc reporting.

| 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 |

We provide and maintain a well-designed retailer database management system that interfaces with the FNS retailer database. It is integral to effective retailer management. Such an interface must be flexible in its ability to provide feedback and timely status updates. Our database meets these requirements, all USDA-FNS regulations, and the functional requirements of DHS, such as providing Third-Party Processor information for participating retailers.

The LifeInCheck™ EBT system is loaded with FNS Retailer EBT Data Exchange (REDE) files for both the national and state REDE files on an on-going basis according to the FNS schedule. LifeInCheck EBT accesses FNS daily and monthly national and state REDE files using the MoveIT server to load authorized retailer information and FNS numbers into our database in accordance with FNS regulations. We process REDE files on a daily basis for the state and national files, Tuesday through Saturday. We also will support ad hoc files as requested by the State if any are required.

Once the REDE file is loaded in the system each SNAP transaction is validated in real-time against the FNS number for USDA-FNS authorized and reinstated retailers ensuring that only authorized retailers are transacting in LifeInCheck. Reinstated exempt retailers that have EBT-only equipment are able to transact within 48 hours and retailers who are deauthorized are immediately disabled upon processing a REDE file.

Managing the retailer relationship from beginning to end plays a role in a successful EBT program. Once authorized by FNS, retailers are allowed to participate in the EBT system. We provide and assign a state and FNS approved retailer agreement with each exempt EBT-only retailer. Once the retailer management team has a completed and signed exempt retailer agreement, retailers are ready to use the EBT system within two weeks as per 7 CFR 274.3.(a)(ii). We provide an initial EBT-only equipment package to exempt retailers, which includes a mobile IPAD, Bluetooth card reader and printer and supplies as well as training materials that are effective in getting a retailer set up for active participation in the State EBT Program. Over the life of the DHS EBT services contract, we use our established working relationships with Third Party Processors (TPPs) and networks to encourage the expansion of the commercial infrastructure. All authorized retailers and TPPs that wish to participate in the program are included to ensure that no retailer is excluded from processing EBT transactions. All major TPPs are processing today with us and, if for some reason a new TPP would like to participate with the DHS contract, we have them certified no less than 30 days prior to receiving notification from DHS.

We certify and confirm that the TPPs connected to us route DHS EBT SNAP and Cash transactions to LifeInCheck EBT for authorization. As part of the TPP certification process, we comply with all FNS and state regulations. These regulations include, but are not limited to, the following:

- Terminal identification. Morse ensures that TPPs are responsible for assigning a unique ID per terminal/store and including those terminal IDs as part of their transaction messages. Each replacement device includes a new, unique terminal ID different from the ID of the terminal that was replaced. Morse in turn includes those IDs in the ALERT data submitted to FNS.
- Transactions. TPPs support the entire transaction set included in the FNS regulations. Morse processes all of these transactions.
- Interoperability. TPPs process transactions for cards issued by all states for all POS equipment they support.
- Balance information. TPPs display the remaining balance on the printed receipt for all POS equipment they support.
- FNS authorized retailers. TPPs only route SNAP transactions for retailers authorized by FNS to redeem SNAP benefits.
- Updated retailer list. TPPs are required to provide us with updates of their contracted retailer base.

| E.2 Design Phase | |
|---|---|
| B. Describe the design of Prospective Contractor's system including a description of the operating environment, procedures, and workflow. | 5 points |

## Overview of LifeInCheck EBT Solution

The EBT host processing solutions that currently dominate the market were developed more than a decade ago and are outdated. Providers of these systems have remained all too complacent throughout the years and, rather than innovating their core platforms, have been employing costly patches to try to accommodate growing demand for greater client engagement as well as the increasing program participation rates due to the pandemic. Morse proved LifeInCheck EBT's scalability and flexibility after adding roughly 200,000 more cases than anticipated for Pandemic EBT (P-EBT) without significant issues for the State of Louisiana while also supporting the State through multiple natural disasters in 2020.

LifeInCheck EBT leverages Morse's existing, proven technology platforms and is designed and developed utilizing the most advanced systems and methodologies. Our platform uses real-time web, transaction-based technology that demonstrates high security, availability, and scalability.

Some of the many advantages of our core solution are listed below.

### EBT System Hosted with Cloud Technology

LifeInCheck EBT was designed and built on modern, cloud-based technology in response to states' complaints regarding the persistent problem of system downtime and outages. By leveraging AWS cloud technology to host LifeInCheck EBT, we provide a reliable, fault-tolerant, and highly available system. Our application and database are hosted in more than one availability zone (data centers) in AWS east region to provide redundant power, network, connectivity, data redundancy, eliminate I/O freezes, and minimize latency spikes during peak processing time and system backups. System backup is built within the design because our system servers are already set up in multiple zones. If one server fails, other servers in another zone will take over and continue to process transactions. Databases are replicated in real-time.

Using cloud infrastructure provides us the flexibility to manage application and database hardware resources such as CPU, memory, and storage to scale up or down instantly based on the required capacity and performance. This capability minimizes the risk of having systems down due to system capacity and network issues. This cloud infrastructure enables us to accommodate system growth and scalability in terms of changes in transaction volume, addition of any future enhancements, or accommodating any new benefit programs. This infrastructure does not limit CPU capacity and can accommodate any transaction volume changes.

AWS cloud services are highly secure and adhere to industry best practices and standards. It is in compliance with:
- NIST 800-53
- FedRAMP
- PCI
- SOC

Morse has established its own Amazon Virtual Private Cloud (VPC) within AWS cloud infrastructure. Amazon VPC is logically isolated sections of the AWS Cloud where Morse launches AWS resources in a virtual network that we define, manage, and have complete control over the virtual networking environment, including selections of our own IP address range, creation of subnets, and configuration of route tables and network gateways. This capability enables Morse to manage separate database instances within our virtual network and control who can access the database. The front-end and backend virtual servers used to host data for the state of Arkansas are exclusively set up and configured for your EBT program and are not shared with other applications or other state systems.
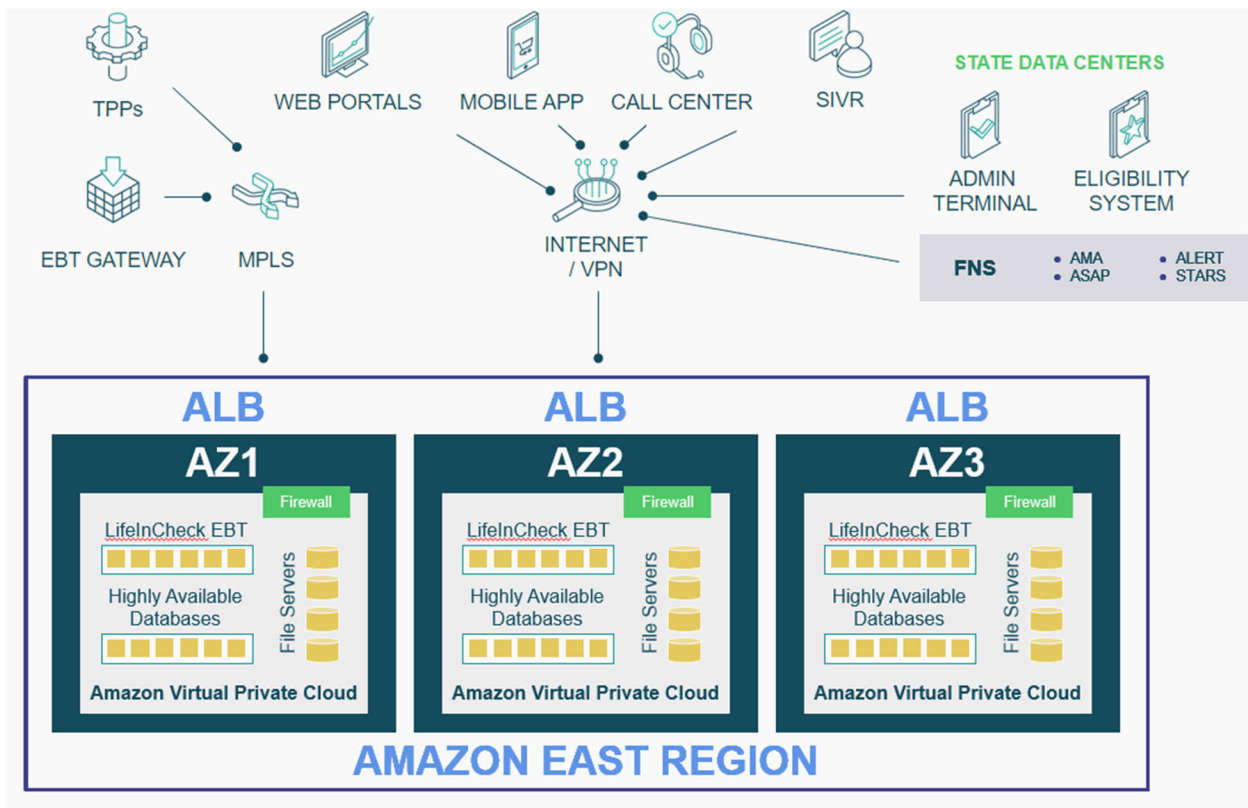
*Exhibit E.2.B.1 LIfeInCheck EBT Architecture*

**Modular Architecture**

The architectural design for LifeInCheck EBT comprises multiple "modules" that encompass the User Interface (UI). These individual modules act independently of one another -- meaning that no one module conflicts with another. When a system update is made in one module, no other components are affected resulting in system updates with no interruption in system availability.

The goal of our system architecture is to increase EBT service delivery speed and system security along with scale. Other architecture benefits include:

- High availability
- High reliability
- High scalability – volume fluctuation
- Ease-of-use

# Morse's LifeInCheck EBT Key Functions Overview

**Account Management**

Morse's LifeInCheck EBT allows for establishing an EBT account with multiple programs such as SNAP and Cash, and eHIP. The system has the flexibility to add multiple benefit types under each program based on different funding sources. This account structure allows for the handling of benefits at the funding level and is equipped to handle multiple types of programs should the State wish to add additional programs in the future.

LifeInCheck EBT allows for the immediate processing of account setup files or online records. Each account record that passes State and federal acceptance criteria, whether batch or online, is established on LifeInCheck EBT immediately and then available for benefit authorization. Established accounts are immediately available for any updates, deletions, or modifications received from the State.

Once the EBT account is established in LifeInCheck EBT with the primary client, the State can add alternates and issue a card to each of the alternates. Everyone's access to the available benefits in the EBT account is determined based on the cardholder's access to the programs. The State can use either batch file and/or the administrative terminal to establish regular and investigative accounts. The system is configured to accommodate various State specific business rules to validate and establish an EBT account.

### Benefit Management

LifeInCheck EBT allows for the immediate processing of daily and monthly benefit files or online records. Benefits are posted immediately to respective programs (SNAP and Cash) within their EBT account based on the state unique identifier (case number). Clients are not required to wait until the morning to access their benefits. They can redeem their benefits at 12:01 AM CST on their availability date. This also expedites the availability of one-time issuances. Benefits availability timing can be configured based on State requirements. State issued individual benefit authorizations are tracked separately and are not co-mingled between programs. This allows States to distinguish benefits by program type, amount posted, and debits drawn on an individual transaction level.

If the availability date is not reached, the State can void a benefit authorization through the benefit file or online at any time. Authorized state users can initiate a repayment transaction through LifeInCheck EBT for an active benefit authorization. The system will run daily expungement processes to remove inactive benefits based on the aging rules set by the state.

### Card and PIN Management

LifeInCheck EBT creates a PAN (Primary Account Number) for individuals assigned to an EBT account if card issuance is requested. Every day, LifeInCheck EBT sends a batch file to Fiserv, our card production partner, to emboss and mail a card to clients. The State also has an option for issuing over the counter (OTC) cards at County offices and can be included via change request. Upon receiving a card for the first time, clients will have to choose a PIN using either IVRS, the Cardholder Web Portal, the Mobile App or a PIN select device. Clients will be able to continue to use their existing card even after transition from the State's current EBT processor.

Cardholders can report a lost, stolen, or damaged card and request a replacement card through the IVRS, Cardholder Web Portal, Mobile App, or customer service. LifeInCheck EBT immediately cancels the card in real- time. The cardholder selects a new PIN and can start using their card immediately. Cardholder PIN numbers are always secure and encrypted.
 Morse uses the State's current card design or a new card design based on the State's interest. Our partner follows all applicable standards and guidelines to produce secure, accurate, and fully functioning magnetic strip EBT cards for the State of Arkansas. EMV cards are also available via our change request process should the state desire. Morse works with DHS to mass replace current cards to EMV cards while allowing the use of current cards during the transition.

### Transaction Processing

LifeInCheck EBT transaction processing engine is compliant with American Standards Institute (ANSI) standards and transaction processing requirements of the State of Arkansas and FNS. We follow EBT financial transaction specification ANS X9.58-2022 to build transaction processing message formats and authorization processing.

LifeInCheck EBT incorporates SNAP and Cash transaction processing rules, standards, and guidelines enforced by DHS and FNS. It seamlessly interfaces with existing third-party processors (TPPs), EBT

gateways, POS devices, and ATMs and supports all transaction types such as purchases, purchases with cash back, cash withdrawal, returns, reversals, void, manual voucher, balance inquiry and adjustments. We also support store and forward transactions.

LifeInCheck EBT receives and processes SNAP transactions that originate from the USDA FNS authorized retailers and Cash transactions from commercially deployed POS terminals and ATM networks. We are in compliance with Quest® Operating Rules for Cash transaction processing.

Novo Dia installs and manages POS devices on behalf of Morse for Farmer's Markets and exempt EBT Only retailers. These transactions route through Fiserv, our EBT Gateway, for authorization.
LifeInCheck EBT leverages our partners to provide interoperability capability to process Arkansas EBT card transactions initiated from other states. Arkansas exempt retailers (EBT only) can also accept any EBT cardholder from any state.

## Settlement and Reconciliation

LifeInCheck EBT performs daily settlements to the retailers through our EBT Gateway at a cut-off time agreed to by the State. The System generates an ACH file which includes all transactions authorized up to 24 hours prior to cut-off time and any direct deposit benefits. The LifeInCheck team transmits ACH files to our bank to process through the NACHA network.

 LifeInCheck EBT tracks SNAP and Cash transactions separately for different sources of funding. The LifeInCheck team draws down SNAP settled transactions from the Federal ASAP system or through the state bank based on the State's preferences. We provide AMA and STARS files for FNS validation. We send a clearing report to the State for cash settled funding. Our system has the flexibility to configure cash settlement funding sources based on the State requirements.

 LifeInCheck EBT performs and validates every authorized transaction to be settled. The system cross checks across various financial reports to make sure everything matches and is settled down to the penny. For an exceptional scenario in which any mismatch or out of balance occurs, the system notifies appropriate LifeInCheck resources for immediate action and resolution. The LifeInCheck financial team also validates all settlement-related reports every day for integrity and consistency.

Our solution does not have in-flight transactions, a difference that results in a more reliable and accurate reconciliation process. Our settlement data is reconciled immediately at the end of each day and is always in balance. The State does not have to be concerned about transactions held over until the next settlement day. Our system zero-balances every day, which means our system totals always match our program totals.

## Retailer Management

LifeInCheck EBT processes FNS daily and monthly National and State REDE files to load FNS authorized SNAP retailers into our database. Each SNAP transaction is validated against the FNS number for SNAP authorized retailers. Retailers are deauthorized immediately upon processing a REDE file if the retailer status is changed to deauthorized. Morse works with Novo Dia to install and manage POS devices for EBT only retailers and wireless POS devices for Farmer's Market establishments.

Our team has worked with retailers of all sizes and segments for over two decades to support their financial settlement, operational and client engagement business needs. Through this work, we have countless successful projects implementing or integrating with retail technology.

## Administrative Terminal

Morse provides the State an application that is highly secure, easy-to-use, flexible, and focused specifically on users' daily tasks. Our application is compatible with modern web browsers using any size of device

including smartphone, iPad/tablet, laptop, or desktop. Web-based access to the administrative terminal allows all authorized end-users including the state agency (DHS) staff, local county staff and federal users, to access the system through the internet. Users may be in centralized state or any county office. This feature also provides DHS with additional flexibility during disasters as no connection to DHS' network is needed. This capability is particularly useful during a crisis that is similar to the COVID-19 crisis. Those DHS staff who are granted authorized permissions and access can continue working from home to support clients during a crisis.

DHS and local county office staff access all required data online through the administrative terminal as information is processed in real time. The LifeInCheck™ EBT administrative terminal includes multilevel access controls that ensure only authorized individuals can process transactions and access client account information. Our security structure allows the State to select and control authorized individuals and their access to specific functionality.

During the User Acceptance Testing (UAT) our staff works with DHS to ensure that all administrative terminal functionality is available. Our staff works diligently to make certain that there is no sacrifice of function, access, security, information separation, etc. during the transition to LifeInCheck EBT.

The LifeInCheck EBT administrative terminal employs state-of-the-art technology to provide a wide range of administrative features designed to meet the needs of DHS, local county staff, and federal agencies. Morse strives to exceed all DHS EBT stakeholder expectations addressing both required functionality and providing added features. Standard, easy to navigate menu options are displayed in Figure E.2.B.2: Administrative Terminal Menu Options.
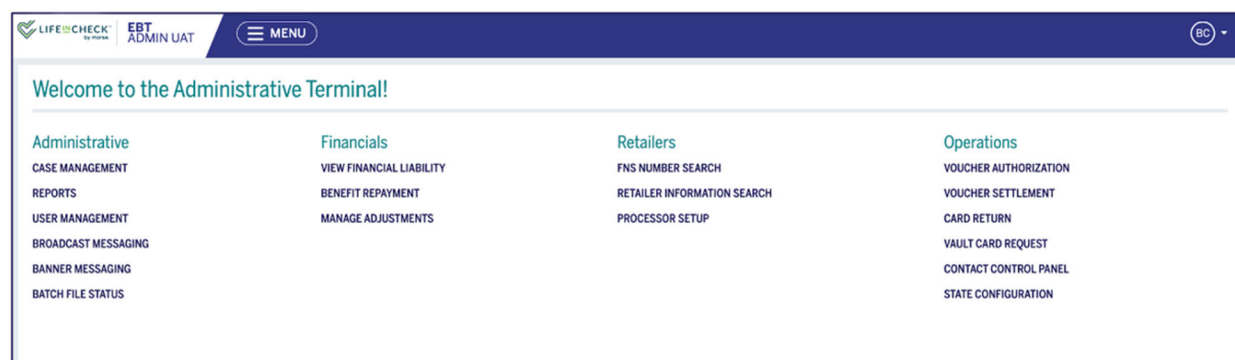


*Figure E.2.B.2: Administrative Terminal Menu Options*

The LifeInCheck EBT administrative terminal is operating system (OS) agnostic. The administrative terminal is a web application that runs on the latest versions of Google Chrome, Internet Explorer, and Microsoft Edge, which can be installed and used on Microsoft Windows. In addition, the administrative terminal is available on other operating systems such as macOS and Linux via the latest version of the Chrome browser.

The following is a general list of transactions supported in the LifeInCheck EBT administrative terminal:
- EBT account setup/benefit authorization
- Benefit cancellation prior to availability date
- Repayment functionality
- EBT account maintenance (demographic updates/cardholder updates)
- Optional ID entry
- EBT card status change (deactivation)
- EBT on-line card issuance and replacement
- EBT cardholder search (by name, PAN, case number-DCN, SSN and benefit   authorization number)
- EBT cardholder account information inquiry (demographics, benefit data)
- EBT card inquiry

- EBT card history
- Transaction history inquiry (by PAN, case number-DCN and FNS number)
- Retrieval of archived data
- Online reports

All LifeInCheck EBT administrative terminal screens are intuitively designed to minimize the need for retraining field staff by providing easy navigation and data presentation of the screens. Screens with 'update' capability are controlled by the permission selected under each user's role. All screen menu items, page titles, action buttons, and alerts are designed following prevalent best practices of user experience design in the industry. Users can easily transition from the cardholder search results screen to the details of the selected cardholder and vice versa. Authorized users can make updates and see them reflected in the same screen upon task completion.

Administrative terminal screens are clear, easy to read, and contain intuitive fields and links. If a user is unsure what to enter into a field, hints are provided by clicking the question mark above the field.

# Cardholder Self-Service

## Cardholder Portal

Our cardholder portal provides an expedient avenue for cardholders to access program and account information when it best fits their schedules. The LifeInCheck EBT website is where your cardholders can get 24/7/365 customer service on their accounts. It allows registered cardholders to check their account balances and recent transactions, which are the most common and important information cardholders want to obtain. If an extra security password has been enabled, our website first validates the extra security password before granting access to the site. Once logged in, cardholders can view account balances and transaction history, perform PIN selection/change in real-time, report lost, stolen, and damaged cards and request replacement cards as well as get updated messages from the customer service message center.

The following functions are included in the cardholder portal LifeInCheck EBT.com:

- SNAP, Cash benefit balance
- Transaction history
- Cardholder profile
- Account information
- Report lost/damaged/stolen card
- Select/update PIN
- Set preferences for spending threshold, out of state purchases, and online purchases
- Program information
- FAQs
- Links to agency resources

The Cardholder Web Portal is ADA Section 508 compliant.
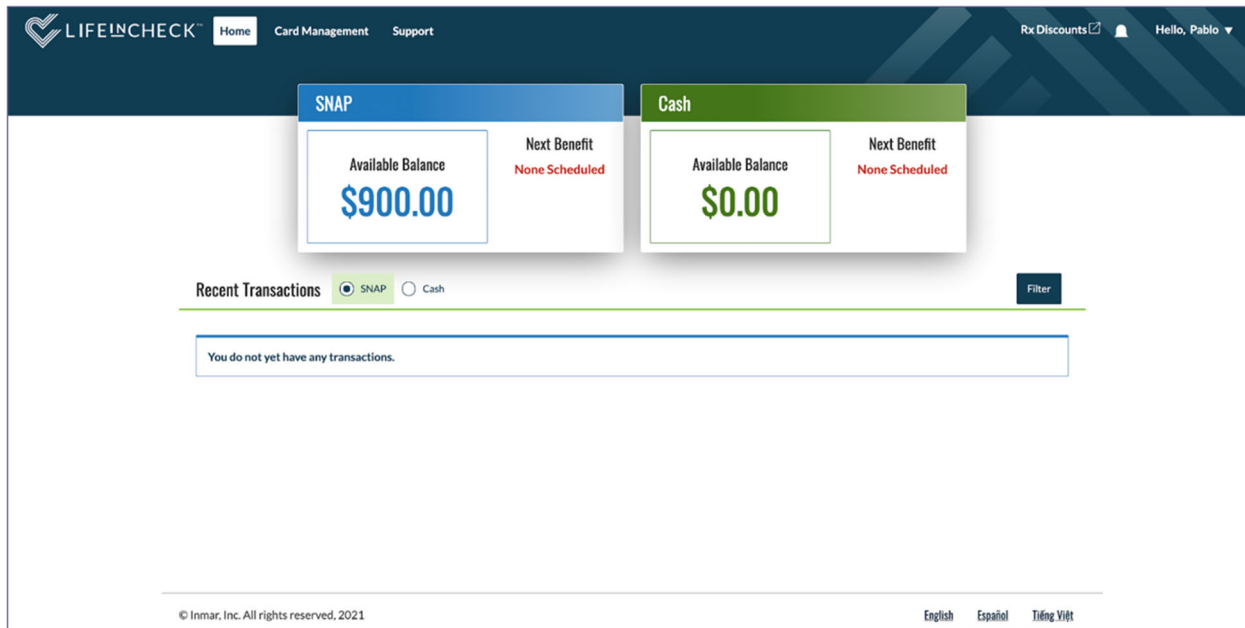
## Mobile App

Morse has developed a best-in-class LifeInCheck EBT mobile application for EBT cardholders on both Google Android and Apple iOS platforms, and the app is available in both English and Spanish. Cardholders use the same login credentials as they do on the cardholder website to log into the mobile app. Both the website and web app use the same identity validation criteria as the IVRS. When an account has an extra security password enabled, the password must be verified before access to the account is granted. The mobile app includes all features supported by the cardholder website and allows for important notifications. All cardholder data transmissions are encrypted from end-to-end using the latest secure communication protocols. No cardholder data is stored on the device except the user ID when the cardholder enables the "remember me" functionality on the device.

Cardholders can access the following features in the mobile app:

- SNAP, Cash benefit balance
- Transaction history
- Cardholder profile
- Account information
- Report lost/damaged/stolen card
- Select/update PIN
- Set preferences for spending threshold, out of state purchases, and online purchases
- Program information
- FAQs
- Links to agency resources

Also, users can find the nearest FNS authorized SNAP retailers if they allow location services on their mobile device. The below LifeInCheck EBT mobile app screens highlight some of the app's features.
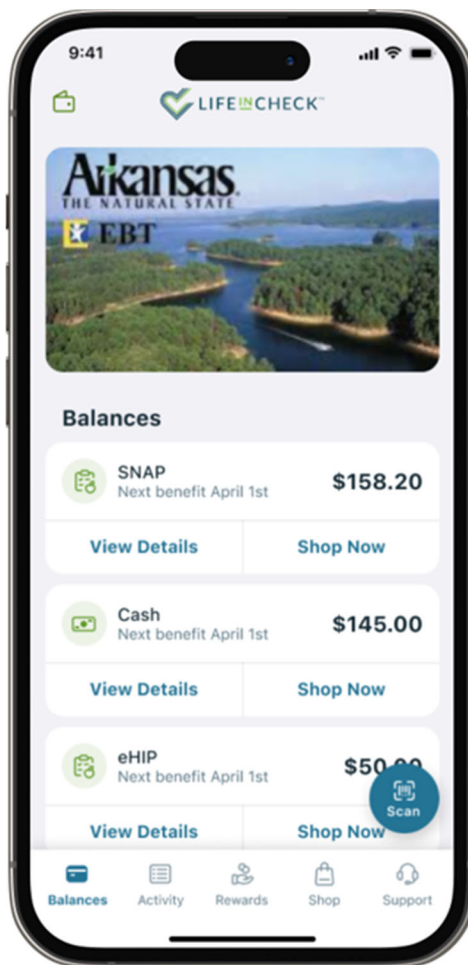
*Exhibit: E.2.B.4: Mobile App*

### Interactive Voice Response System (IVRS)

Arkansas EBT cardholders can dial a 1-800 number to check their account balance, PIN selection/change, report a lost, stolen, or damaged card, request a replacement card, etc. Our IVRS has easy to use menus for the user to select and quickly hear the response. Cardholders can choose an option to speak with a customer service representative (CSR) for additional support at any time. Morse transitions the existing Arkansas cardholder IVRS 1-800 number from the State's current EBT processor so that clients may continue to use the same number.

We also have a separate 1-800 number for retailer support. The IVRS supports manual voucher authorization for retailers required to use manual vouchers for any purchases or return transactions.

### Customer Service Call Center

Morse provides a cardholder customer service team to support any cardholder inquiries. Our customer service representatives (CSR) validate cardholder credentials before providing a service. Cardholders can speak with CSRs to clarify any information regarding their accounts, dispute transactions and check the status of the card among other services. We also have a retailer help desk to support retailer inquiries and a state help desk line to provide technical support.

| 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 |

Transitioning from one EBT processor to another can raise concerns about missed requirements, lack of institutional knowledge, or the general anxiety of the unknown. Morse works diligently to ensure all the details are addressed and even brings in additional resources well acquainted with state government to ensure no aspect of a transition slips through the cracks. We worry over all the details, so you don't have to.

When planning an EBT database transition, two key objectives must be met. The first is minimizing the disruption to retailers and cardholders and the second is selecting an appropriate date and time frame for the actual database transition. This is accomplished through careful, detailed planning, transparent activities, and open communication. Prior to the kickoff meeting, Morse submits a draft Transition-In Plan that addresses all transition activities and how Morse ensures all activities are successfully completed and approved by DHS prior to transition. The topics addressed in the plan include, but are not limited to:

1. Transition methodology
2. Hiring staff
3. Working with the current EBT Contractor to develop a transition and interim support plan
4. Purchasing and installing equipment
    a. Wireless POS device deployment and installation for eligible farmer markets and direct-marketing farmers
    b. Wired POS device deployment for military commissaries, non-profit cooperatives or organizations, group living arrangements, treatment centers, and prepared meal services
5. Creating/installing software programs and/or policies and procedures
6. Establishing necessary supporting contracts
7. Staff training
8. The key transition personnel and their respective roles
9. Transition those with access to the EBT services including cardholders, merchants, third (3rd) party providers, etc.
10. Milestones and key deliverable dates
11. The reporting mechanism for providing weekly reports during the transition
12. Experiences and/or relevant information from prior transitions and/or implementations
13. Risk assessment and mitigation recommendations/solutions
14. Bank Account Structure
15. Migration of transaction acquirers (TPPs) and retailers
16. Migration of client database
17. EBT/EFT card issuance and replacement including entering into an agreement with sponsoring financial institution on behalf of the State of Arkansas electronic payment

The plan is designed to address every aspect of the transition including how processes are tested and validated, contingencies for addressing various problems that might arise, and how we ensure everyone is ultimately in agreement that account balances are successfully converted.

Extensive and detailed preparation ahead of the conversion weekend minimizes unknown variables and ensures minimized impact to customer. Through the dry runs of the transition process, we perform with the incumbent vendor, we have a full understanding of how long it takes to transition the database. We identify data anomalies and make necessary corrections. We document back-up procedures and identify checkpoints throughout the transition process. This planning and preparation allows us to know how long the conversion process takes while putting procedures in place to ensure minimized system downtime and contingency should something unexpected arise.

Significant testing of the transition process is completed, including performing test transactions against the converted database in the Test System and validating that PINs have been converted successfully. As part of transition testing, Morse conducts a minimum of two "dry runs" to ensure that the conversion of production data to the new Morse hosted databases happens without issue during the cutover to production. Dry runs are performed multiple times to give every opportunity to identify and correct any data or file format issues. Dry run processes include the following:

- **Case/Client File Transition process** – Morse validates file formats and business rules that need to be implemented. The file is loaded into a blank database that contains no cardholder data but contains lookup values that have been preloaded. Once the file is loaded, queries are performed, and a report is produced to validate the integrity of the data.
- **Benefits file transition process** – Morse validates file formats and business rules that need to be implemented. The file is loaded into the database that now contains the Case/Client File that was loaded. The benefits are posted based on the business rules identified, and a report is produced that identifies errors in the file.
- **Voucher file transition process** – Morse loads the voucher file onto the database that contains the cases and benefits that have been loaded. A report is produced to validate that no vouchers were dropped.
- **Settlement and reconciliation process** – Morse runs queries against the database to compare against the incumbent's values that have been provided. The LifeInCheck EBT financial screens are also used to validate that the beginning liability is accurate and matches the ending balance of the incumbent balance.
- **Card history**– Morse loads the card history file provided by the incumbent onto the database. The card history file is provided by the incumbent to Morse on the transition weekend and during mock runs.
- **Transaction history file process** – The incumbent and Morse mutually agree on the amount of data to be transmitted and a schedule is created to show the months of transaction history that the incumbent delivers to Morse during and after the EBT implementation period. Monthly files are delivered to Morse prior to the transition, with the exception of the last month which is provided on transition weekend.

We manage a smooth transition of existing retail merchants, as well as meet FNS interoperability requirements. Exempt retailers are trained and have new state-of-the-art equipment installed before conversion ensuring there is no downtime. Much of our success in EBT is based on our ability to develop strong retailer relationships and the processes we have in place to prepare retailers for the transition. These processes include:

1. Communicating early and often with exempt retailers about the upcoming transition
2. Securing retailer and third-party processor agreements before accepting EBT transactions
3. Deploying wireless point of sale equipment to exempt EBT only retailers that meet industry standards
4. Training retailers in EBT system policy, operating rules, cash assistance options, and operations
5. Preparing and distributing retailer training materials, including POS manuals
6. Providing retailers with manual authorization and call center services for settlement and other resolution needs, as well as customer service for exempt EBT-only retailers

In June 2020, Morse, formerly Inmar, successfully converted the state of Louisiana to LifeInCheck™ EBT and began processing SNAP and Cash benefits. Louisiana has 411,399 SNAP cases with a monthly benefits issuance of approximately $110 million. There are 5,831 TANF cases with a monthly benefits issuance of approximately $1.7 million. In addition to SNAP and Cash, Morse also converted more than 200,000

pandemic-EBT cases and $10.8 million in benefits not originally part of the contract, without impact to the conversion schedule.  The COVID-19 pandemic presented several unexpected challenges never faced by a state or EBT processor.  It is a testament to Morse's creativity and flexibility that Louisiana was converted with zero impact to the schedule despite everyone working remotely with no ability to work together in the same location during state UAT, FNS UAT, or transition weekend.

| E.3    Transition In Requirements | |
|---|---|
| B.  Describe the Prospective Contractor's contingency plan for problems and issues that may occur during migration. | 5 points |

If problems or issues arise during the migration, Arkansas DHS, Morse, the incumbent, and FNS convene to execute contingency plans associated with one of the following scenarios:

**Scenario 1:** No Go decision made BEFORE the incumbent starts sending production files to Morse.

**Scenario 2:** No Go decision made AFTER Morse receives the files, Customer Service telephone lines cutover to Morse provider, and the incumbent authorizations have stopped.

**Scenario 3:** Morse receives the <u>first</u> Arkansas EBT transaction from their switch.

Scenario 1 No Go - Significant problems occur prior to the transition of authorizing and processing to Morse, and Arkansas DHS confers with FNS and decides not to complete the cutover. The incumbent will continue normal authorization processing and the cutover will be halted until the issues are resolved. An analysis will be conducted to determine when transition activity will be attempted again.
- Arkansas DHS EBT tasks
    - Confer with FNS to confirm No Go Decision
    - Announce No Go
    - Reschedule cutover dates

- Incumbent Tasks
    - Communication to internal team to resume business as usual.

- Morse Tasks
    - Cancel Resp Org process used to move toll free numbers to Morse
    - Communication to internal team
    - Reschedule cutover dates

Scenario 2 No Go - Morse receives files, incumbent authorizations are stopped, and Customer Service telephone lines have been redirected to Morse, and then issues are encountered.
- Arkansas DHS EBT tasks
    - Confer with FNS to confirm No Go Decision
    - Announce No Go
    - Reschedule next cutover dates

- Incumbent Tasks
    - Re-enable receipt of FTP files from state
    - Incumbent reopens file transmission pathways
    - Re-enable Arkansas administrative terminal user access
    - Re-enable any Arkansas User IDs disabled in the previous steps above
    - Fiserv/TPP must redirect Arkansas EBT transactions back to the incumbent

- Incumbent transition IVRS messaging is set up to begin playing at 12:00 AM CST on Saturday of cutover weekend and to stop at a certain point, usually Monday at 12:00 AM CST, after cutover. The message automatically stops at scheduled time.
- Incumbent begins support of any Customer Service telephone calls directed to the incumbent. Morse processes all cardholder calls until the telephone lines have been successfully transferred back to the incumbent and tested.
- If the customer service lines cannot be redirected back to the incumbent, go to Morse tasks below.
- The incumbent enters claims manually logged after the system was shut down but before the telephone lines were transferred to Morse.
- Settlement team confirms and corrects as needed:
  - Letter of Credit in the event the incumbent's system is restarted
  - Any impact of the ALERT or STARS reports

➢ Morse Tasks
- Advise telephone service provider to terminate activities associated with the Resp Org forms. If the Resp Org cannot be stopped and the lines cannot be transferred back to the incumbent in a timely manner, the Transition must continue and cannot be stopped.
- Note: the incumbent will not terminate the authorization switch until the telephone service has been successfully transferred to Morse. Transfer of the telephone lines back to the incumbent vendor is contingent upon the incumbent vendor's ability to redirect the line to their network. The timing of this chain of events is unknown.

Scenario 3 No Go - Morse accepts first transaction - Once the transition is complete, problems may affect the authorization and/or processing of transactions by Morse. If this were to occur, two possible avenues may be taken:
- Authorization and processing continue by Morse while the problem is addressed and corrected. Any account adjustments required are handled through the normal adjustment procedure.
- The Morse system is brought "down" while the problem is corrected. Once the problem is resolved, the Morse system is brought back online. Any account adjustments required are handled through the normal adjustment procedure.

➢ Arkansas DHS Tasks
- It should be noted that converting authorization and processing responsibilities back to the incumbent should not be considered as a fallback option once Morse begins authorizing transactions, except under the most extreme circumstances. The decision to fall back to the incumbent's EBT system will be made solely by the Arkansas EBT Program Manager with consultation from the incumbent, Morse and FNS.
- Incumbent Tasks
  - If possible, assist the State and Morse in remediating problems.
- Morse Tasks
  - Remediate problems and start receiving and processing Arkansas transactions
  - Shutdown LifeInCheck EBT if this is determined to be the best option

After the transition has taken place and Morse is authorizing/processing EBT transactions successfully, problems may surface. The following examples are considered post-Transition issues and should be addressed by Morse:
- Failure to perform settlement or failure to produce settlement reports
- Batch file transmission and host-to-host functionality failures
- Morse administrative screens not available/not functioning properly

- Morse Customer Service or IVRS not responding to cardholder inquiries
- Equipment or connectivity failures with card activation and/or PIN selection devices, POS terminals, or the Administrative Terminal application

Morse works with the incumbent and the State to assess and resolve the reason(s) for cutover failure and will reschedule the cutover to alternate dates once all issues have been assessed and resolved and the State has given Morse and the incumbent a "Go" decision for the revised transition date.

| E.3 | Transition In Requirements | |
|-----|---------------------------|-----------|
| C. Provide a schedule of high-level milestones for the transition in phase. | | 5 points |

A key component of managing a project of this size and scope is the project work plan. Created via Microsoft Project, the project schedule details all activities associated with the project. All high-level and detailed tasks, including milestones, dependencies, and deliverables are included in addition to task due dates and assigned resources.

The plan is organized according to project phase with assigned deliverables for each phase. It is updated weekly prior to beginning the operations phase with updates provided to the State including identification of completed tasks, upcoming tasks, and any late tasks. The schedule serves as a snapshot of the project health at any given point during the project and helps identify what resources are needed, when, and for how long.

Below is a list of high-level milestones and deliverables for the transition in phase.

| | |
|---|---|
| Contract Start | 6/1/2024 |
| Complete Project Kickoff and Design Sessions | 7/2/2024 |
| **Approval of Design Phase Deliverables** | |
| Transition In Plan | 6/14/2024 |
| Functional Design Document | 7/2/2024 |
| Detailed Design Document | 7/16/2024 |
| Interface Control Document | 7/16/2024 |
| Life Cycle Testing Plan | 7/2/2024 |
| Test Plan | 6/26/2024 |
| Back-up and Recovery Plan | 7/2/2024 |
| System Security Plan | 7/16/2024 |
| Training Plan | 7/2/2024 |
| Retailer and TPP Agreements | 7/2/2024 |
| Staffing Plan | 7/2/2024 |
| Project Management Plan | 7/2/2024 |
| Final Project Work Plan | 6/26/2024 |
| Final Communication Plan | 7/11/2024 |
| Change Management Plan | 7/2/2024 |
| Risk Management Plan | 7/2/2024 |
| Quality Assurance/Quality Control Plan | 7/2/2024 |
| Final Configuration Plan | 7/11/2024 |
| Business Continuity Plan | 9/29/2024 |
| **Approval of Development Phase Deliverables** | |
| System Test Scripts | 7/2/2024 |
| System Operations and Interface Procedures Manual | 7/2/2024 |

| | |
|---|---|
| Reports Manual | 7/16/2024 |
| Settlement/Reconciliation Manual | 7/2/2024 |
| EBT Program Manual | 7/31/2024 |
| System development complete | 10/31/2024 |
| System test complete | 12/10/2024 |
| UAT complete | 12/31/2024 |
| Initial state/county staff training complete | 1/7/2025 |
| Performance Readiness Review | 1/10/2025 |
| Go/No Go decision | 1/17/2025 |
| System conversion complete | 1/26/2025 |

| E.3 Transition In Requirements | |
|---|---|
| D. Provide the Prospective Contractor's bank account structure. | 5 points |

We provide the daily settlement of funds to benefit retailers and ATM owners through TPPs, using a clearing bank account owned and reconciled by Morse. Morse uses Wells Fargo as our clearing bank for our current EBT business given their extensive EBT experience. Morse remains the single point of contact for any problem resolution arising from Wells Fargo activities. Wells is a federally insured financial institution capable of accepting credits and/or debits and transmitting them in ACH format. Morse's clearing bank settles both SNAP and Cash financial transactions for retailers, TPP's, and ATM/POS Networks following the most recent version of the Quest(R) Operation Rules.

The settlement account managed by Wells Fargo bank includes functions such as:

- Accepting reimbursement initiated by Morse from FRB for SNAP
- Accepting reimbursement from DHS or the appropriate state agency account for Cash benefits redemptions
- Establishing with Morse a formal process and set of procedures to effect discrepancy reconciliation and error resolution for all errors including ACH returned items

Our Manger of Financial Transactions, Vicki Weihe, provides settlement and reconciliation services, initiates activities for moving funds to the receiving points, and validates the final postings once reconciliation and front-end balancing activities are complete. The ACH file, which includes manual vouchers, is approved at our clearing bank, Wells Fargo Bank, which in turn distributes the processed file through the Federal Reserve Banking system for next-day settlement to the retailers, TPPs, gateways, and network banks through our EBT gateway, Fiserv. Vicki offers 20-years experience in EBT, servicing more than 25 states over her career including Arkansas. She understands the importance of timely and accurate funding for retailers and ATM networks. In addition to Vicki's past experience, she brings in-depth knowledge and expertise to the settlement and reconciliation processes in the LifeInCheck EBT system with the State of Louisiana. A more in-depth look at our settlement and reconciliation is provided in the next several sections.

### Settlement Balance / Daily Cutoff

Morse establishes a standard daily cutoff time for EBT transaction processing in the State during the design phase of the project. We propose the cutoff of 2:30 p.m. CT for the Arkansas EBT program for the most efficient settlement processing. We can accommodate any cutoff time, and support whatever time you prefer, provided there is sufficient time to meet the ACH processing window. During our JAD sessions with your staff, we verify that this settlement cutoff time best meets your needs.

The cutoff time defines the 24-hour processing cycle and EBT transaction day. Morse closes the current processing day at the cutoff time and commences the next processing day. Morse ensures there is sufficient

time after the cutoff time to originate ACH payment for next day settlement with SNAP retailers or TPPs that adhere to the specified time. Morse's procedures adhere to the reconciliation requirements of 7 CFR 274.4 and the FNS EBT Reconciliation Guidelines. FNS successfully certified our LifeInCheck™ EBT system in early 2020. We have a robust solution that offers the latest settlement and reconciliation features such as our financial liability dashboard.

The EBT cutoff coincides with the cutoff time of the prevailing EBT transaction switch and/or regional POS networks as appropriate. Our solution does not have any in-flight transactions, a practice that results in a more reliable and accurate reconciliation process. Our settlement data reconciles immediately at the end of each processing day and is always in balance. The State does not have to be concerned about transactions held over until the next settlement day. Our system zero-balances every day, which means our system totals always match our program totals.

Morse maintains ledger accounts at the cardholder and benefit program levels. After the daily settlement cut-off every bank business day, or as required by standard banking practice, and in accordance with applicable state and federal regulations, LifeInCheck™ EBT is balanced and reconciled for SNAP and cash benefits. EBT balances at each level, on each settlement day. As a result, reconciliation is performed at the individual EBT account level up through the program and State levels. For each level, the end of day net position is equal to:

Opening Balance + Credits - Debits = The Settlement Day Balance.

As part of our daily reconciliation process and audit trail of activities taken, we follow USDA-FNS requirements and balance LifeInCheck EBT as a whole, daily. We ensure the change in net position in the sum of cardholder accounts equals the change in the net position of program accounts at a summary level. We also ensure the change in the net position in the sum of the program accounts is equal to the change in the net position (obligations outstanding) for FNS and Arkansas state agencies.
The financial liability dashboard is used to make sure the summary totals of the system balance and the benefits used match the daily ACH file paid to the retailers, TPPs, gateways, and financial institutions or networks.

We use an electronic settlement reporting tool as well, which contains copies of all reconciliation documentation used for internal audits and for required SSAE 18 audits. As part of our standard practice, our settlement team completes this daily to balance all of our system-generated reports. At a high level this system includes many automated check points allowing us to identify any out-of-balance conditions or report integrity issues and further reduce the possibility of manual oversight. The LifeInCheck EBT financial liability dashboard is just one example that reflects our goal to create and use industry best practices.

The following reports and tools are used when reconciling the system. The Benefit Draw Down Report, Database Value Report, STARS, and the SNAP/CASH Breakdown Report and the results are calculated and summarized in the Financial Liability Dashboard. Access to all of this is available to you in LifeInCheck EBT. The Financial Liability Dashboard is a comprehensive daily tool designed to provide DHS all financial activity and all transactions that affect settlement. As soon as the daily cutoff happens, DHS can view the final financial liability in real time for the previous 24-hour period and ascertain the daily change in outstanding obligations. An example dashboard is found in Figure E.3.D.1: Sample Financial Liability Dashboard.

# Financial Liability Dashboard

**Program Type:** All

**Settlement Date:** 03/12/2021

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| ☐ SHOW BENEFIT LEVEL | PROGRAM | | | |
|---|---|---|---|---|
| | SNAP | | CASH | |
| **TRANSACTION TYPES** | COUNT | AMOUNT | COUNT | AMOUNT |
| **Benefit opening balance** | | $107,021,472.55 | | $29,220,990.37 |
| Benefits authorized/issued thru Batch | | $0.00 | | $0.00 |
| Benefits authorized/issued thru AT | 1 | $10.00 | | $0.00 |
| Benefits void/cancel | | $0.00 | | $0.00 |
| Benefits repayment | | $0.00 | | $0.00 |
| Benefits expunged | | $0.00 | | $0.00 |
| **Total Retailer Settlement Amount** | | $0.00 | | $0.00 |
| **Benefits used** ⊞ | | | | |
| **Benefits returned** ⊞ | | | | |
| **Benefit end balance** | | $0.00 | | $0.00 |
| **TRANSACTION TYPES** | COUNT | AMOUNT | COUNT | AMOUNT |
| | SNAP | | CASH | |
| ☐ SHOW BENEFIT LEVEL | PROGRAM | | | |

| **Benefits used** ⊟ | | | | |
|---|---|---|---|---|
| SNAP Purchase | | $0.00 | | $0.00 |
| Cash Purchase | | $0.00 | | $0.00 |
| Cash Withdraw | | $0.00 | | $0.00 |
| Reversal debit | | $0.00 | | $0.00 |
| Void debit | | $0.00 | | $0.00 |
| Adjustment debit | | $0.00 | | $0.00 |
| Voucher purchase settled | | $0.00 | | $0.00 |
| Voucher purchase auth | | $0.00 | | $0.00 |
| Voucher return expires | | $0.00 | | $0.00 |
| Transaction fee | | $0.00 | | $0.00 |
| Card replacement fee | | $0.00 | | $0.00 |
| **Benefits returned** ⊟ | | | | |
| SNAP Return | | $0.00 | | $0.00 |
| Reversal credit | | $0.00 | | $0.00 |
| Void credit | | $0.00 | | $0.00 |
| Adjustment credit | | $0.00 | | $0.00 |
| Voucher return settled | | $0.00 | | $0.00 |
| Voucher return auth | | $0.00 | | $0.00 |
| Voucher purchase expires | | $0.00 | | $0.00 |
| **Benefit end balance** | | $0.00 | | $0.00 |

*Figure E.3.D.1: Sample Financial Liability Dashboard.*

We provide Arkansas with a Financial Liability Dashboard to exceed your reconciliation requirements. The dashboard ensures all financial inquiries and responsibilities for the State are available quickly and efficiently. The Financial Liability Dashboard is proven to meet all State and federal requirements as well as the Quest Operating Rules. With LifeInCheck™ EBT, you are not only able to view all financial activities that impact the settlement of EBT operations in one place but also be able to confirm the issuance of benefits.

Upon contract award we provide the support necessary for you to:

- Ensure benefits authorized by Arkansas' eligibility systems are posted to LifeInCheck EBT or otherwise accounted for
- Ensure SNAP benefits posted to LifeInCheck EBT are correctly reported to AMA
- Perform the draw down from the appropriate federal system for SNAP Program benefits used by cardholders
- Verify the liability remaining in LifeInCheck EBT at the end of the processing day for SNAP benefits against the outstanding liability on the Federal Reserve Bank's ASAP system
- Perform a daily reconciliation of the outstanding liability reported for cash benefits

| 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 |

In the event of a disaster, whether that be a communication outage lasting longer than five minutes or a natural disaster that impacts the State's systems, it is imperative to cardholders that the State's EBT contractor be capable of responding quickly and providing cardholders with much-needed assistance. As Arkansas's chosen EBT contractor we stand by the State and provide all necessary services and support to DHS and its cardholders during a disaster - whether the disaster occurs on LifeInCheck™ EBT, the State's eligibility system, or is due to natural disaster. Should the need arise, Morse project manager Chris Peterson immediately notifies the State in accordance with the Communication Plan. A message is placed on the IVRS for cardholders and retailers, as appropriate, with instructions for alternate processing. When an alternate means of authorization is required, manual vouchers and stand-in processing are used with terms mutually agreed upon with the State during the design session.

Morse has identified critical business functions and applications within its organization which are included in the Disaster Recovery Plan along with roles and responsibilities of those identified as key members during a recovery scenario. The plan owner continues to provide coordination, ongoing support, and guidance to the recovery teams until the emergency has subsided and all normal production has regained.

The LifeInCheck team's ability to respond was displayed with the many declared disasters that were experienced within Louisiana during the 2020 hurricane season. Since COVID-19 was still active, normal disaster procedures were unsafe to follow. The team worked with Louisiana to adjust the process to mail DSNAP cards instead of having Louisiana DCFS staff and clients gathering in large groups, compromising their safety. Working with the State of Louisiana, Morse, formerly Inmar, was able to prove LifeInCheck EBT's system scalability, performance, and flexibility by distributing more than $674 million in emergency food assistance in response to the COVID-19 pandemic and hurricanes Laura, Delta, and Zeta. That assistance included the Pandemic EBT (P-EBT), Supplemental Nutrition Assistance Program (SNAP) emergency allotments, Disaster SNAP (DSNAP) benefits, Replacement SNAP benefits, and an increased distribution of Replacement DSNAP benefits. Should a disaster arise in the state of Arkansas, Morse uses the same

processes and procedures tailored to include our lessons learned to assist cardholders in a timely and efficient manner.

## Disaster Plan and Approach

Morse's Disaster Recovery Plan is a formal document that contains the process for disaster recovery, back-up, and contingency plans. It lists the responsibilities of all essential parties to ensure that appropriate processes are followed during a disaster event. The plan consists of the advance plans and arrangements that are necessary to ensure continuity of the critical functions of LifeInCheck EBT. The plan is reviewed and tested annually and Morse provides DHS with a copy of the test results. The plan contains a description of the actions to be taken, the resources to be used, the notification process and associated time frames, and the procedures to be followed before, during, and after any event occurrence that would render inoperative functions to support the EBT system.

## Morse System Recovery

Morse maintains a disaster recovery plan that contains procedures to ensure recovery of its operations in case of disruption, whether temporary or catastrophic. LifeInCheck EBT is hosted on cloud infrastructure which allows us to deploy, configure, and manage multiple availability zones in the same region. This capability helps us configure automatic failovers in case of system failures and we can process transactions from the backup in less than one hour. Morse also maintains a daily replication of crucial data in our secondary zone to ensure data can be restored in a timely manner. Morse ensures that authorized State users continue to have access to the administrative terminal over the internet during the failover to the backup site. We anticipate that during the auto failover between AWS zones there is no or minimal disruption to the operation of LifeInCheck EBT. Cardholders can continue to use their card for benefit access. Authorized State users can continue to use the administrative terminal to access clients, cases, benefits, cards, retailers, and transaction details. If LifeInCheck EBT can't be accessed beyond the expected failover period, Morse notifies the TPP, retailers, and the State. Additionally, information is posted on the cardholder web portal, mobile app via banner announcement and/or push notifications, retailer web portal, and the IVRS.

In an emergency, the Morse plan owner and the corporate business continuity manager ensure that Morse officially declares and starts the disaster recovery/business continuity process to recover business functions. This includes notifying all necessary State staff, leadership, key internal personnel, and vendors/subcontractors, reviewing staff availability, and implementing alternate assignments as necessary, and coordinating recovery activities.

If faced with a short-term outage, Morse systems automatically fail over to an alternate system within the same region thus eliminating the need for alternate procedures.



We anticipate that during the auto failover between AWS zones there is **no or minimal disruption** to the operation of LifeInCheck EBT. Cardholders can continue to use their card for benefit access.

## State Disaster Contingency

Morse supports the recovery of the State's eligibility and EBT interface systems at a back-up site in the event of a disaster at the State's primary data center. We provide support to ensure connectivity to the State's back-up site. Morse's team works with the State technical staff to provide support in this switchover and ensure connectivity to the State's back-up site is working correctly, and transmission of data files and reports can flow as expected. To ensure this disaster recovery process is seamless, the Morse team annually tests the communications between the State's backup site and Morse's primary and secondary sites. We commit to supporting the State's disaster recovery effort and you can rely on our EBT system's capability to process and provide benefits to Arkansas EBT cardholders during your recovery of the State's eligibility systems.
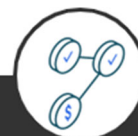
| E.4 | EBT System Functionality | |
|---|---|---|
| | B. Describe the Prospective Contractor's process of eliminating unauthorized access. | 5 points |

As a central part of LifeInCheck™ EBT's administrative terminal security, we employ a time-proven and now industry-standard security solution and comply with the most current designated security policies. This solution delivers an integrated set of shared security and management services, allows for centralized authentication and access control, and leverages these services across all users and applications.

Morse provides a robust and easy-to-use, multi-level security system with the administrative functionality required by DHS to administer and securely maintain user profiles, access controls, and permissions. Users are also able to reset their own passwords using our equally secure Cardholder Portal. We understand the importance of application security and are committed to providing highly secure, web-based applications that employ the most current industry-leading hardware and software.

Access to the LifeInCheck EBT administrative terminal is controlled by multilevel security administration, including two-factor authentication, and requires authorized users to enter their user IDs and passwords to log on to LifeInCheck EBT. This type of built-in, multi-level security ensures that system access is tightly controlled with users limited to viewing and/or updating data based on the roles and privileges assigned to them by the State security officer. Using role-based access control allows for maximum administrative flexibility and optimum management of system access.

The DHS security officer or other assigned resources has tremendous flexibility in defining user profiles/roles and responsibilities and assigning permissions/privileges based on a user's job function(s). Each user is assigned a user profile based on their duties. There is no limit to the number of user profiles and the State security officer has the ability to add, modify, enable, or disable user profiles at any time. Users at federal agencies can have user profiles that allow view-only access. The State security officer assigns a user ID and initiates temporary passwords to each agency end user. Users accessing the system for the first time, or when given a new password, are required to execute "Change Password" and select personal system security questions and answers to guard against any compromise in system security. To establish strong internal controls, the State security officer can (and should) ensure that DHS and local office users have access to only those administrative terminal functions needed to fulfill their job responsibilities. Also, the security administrator can (and should) restrict users' views so they can see only the last four digits of sensitive PII data such as SSN and PAN. During the transition phase, Morse works with DHS to migrate existing administrative terminal user IDs to LifeInCheck EBT and maps their current roles and privileges to corresponding roles and privileges in the administrative terminal user hierarchy.

All authorized users can access EBT account, benefit and card data per their profile permissions. All LifeInCheck EBT administrative terminal screens are intuitively designed to minimize the need for retraining field staff by providing easy navigation and data presentation of the screens. Administrative terminal screens are clear, easy to read, and contain intuitive fields and links. If a user is unsure what to enter into a field, hints are provided by clicking the question mark above the field.

### User Administrator
User administrators (i.e. DHS, FNS, Morse) determine the roles assigned to users. User roles are assigned to specific staff members based on the required functions/tasks to be performed through the administrative terminal. A user can be assigned only to those roles appropriate for that user administrator group. For example, users assigned as "LifeInCheck Operations Team Members" are not allowed to create a role with the privilege to access the account setup and benefit issuance screens because this is a function reserved only for DHS user profile categories.

### User Profiles/Roles

User profiles determine the access privileges that users are given in order to perform their job functions. User profiles are assigned to categories depending on the functions needed to be performed through the administrative terminal. Individual user profiles can be given multiple – but still limited – privileges within a category. For example, a local office worker role may have permission to view the status of an EBT card but may not have the access privileges necessary to approve additional benefits. Morse works with DHS to create the required six (6) or more State profiles. LifeInCheck EBT administrative terminal does not put any limit on the number of concurrent users accessing the system and can easily support the 500 concurrent users as currently required by the State.

### User Privileges

User privileges determine which screens a user can access and what actions they can perform. Privileges are assigned to user profiles rather than to individual users. A user inherits all privileges given to the user profiles they are assigned. User profiles are set by the State security officer based on the functions required by the DHS. Morse works with DHS to define all privileges and include these in the administrative terminal user manual. Controls on administrative terminal screens are privilege specific. If a user does not have privileges to perform certain functions, the controls that open those functions are disabled. At the same time, a user cannot perform any administrative function unless the user has a specific privilege needed to access that function. Depending on the user profiles, some screens may vary in appearance, showing only privilege-appropriate data and function controls.

LifeInCheck EBT features **two-step authentication** leveraging a temporary one-time password (OTP) sent to users' email addresses which is then required to complete login.

### User ID and Passwords Rules

User IDs in the administrative terminal are set up by the State security officer and conform to these rules:

- Must contain a minimum of six (6) and a maximum of sixteen (16) characters
- May contain both letters and numbers
- May not contain special characters, e.g.! exclamation, $ dollar sign, # pound sign, % percent sign, * asterisk
- User IDs are not case-sensitive
- User IDs are locked after 3 unsuccessful attempts.
- Clear-text representation shall be suppressed (blotted out) when entered at the login screen.

In addition, Morse can track device-specific user logins. If we detect a user logging on from a device not typically used, the system sends an OTP email to that user for further validation along with their password.

Unsuccessful log-in attempts to LifeInCheck EBT, the Cardholder Portal, and the LifeInCheck mobile app are limited to three (3) unsuccessful log-in attempts after which the account is locked. Morse completes monthly reviews of access authorization for LifeInCheck EBT and removes inactive users or users who should no longer be authorized.

### Logging

System user activity is logged and can be uniquely traced to respective users to uphold the principle of non-repudiation. Logged events are forwarded to a centrally managed Security Information and Event Management (SIEM) tool and reviewed by the security team. Any identified gaps in visibility are addressed on an ongoing basis.

Audit log process failures are monitored and remediated as high priority security events. Log processes in error are reviewed regularly by security team personnel.

Audit records and security events are centrally collected, managed and searchable to support on-demand reporting and analysis. Security events and suspected incidents, including but not limited to audit records, are reviewed on an ongoing basis by the security team and reviewed by other stakeholders on at least a monthly basis.

Audit information and logs are tamper evident and resistant, and audit logging functionality management and/or modification is restricted to system administrators and/or security personnel.

| E.4 EBT System Functionality | |
|---|---|
| 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 |

Taking over EBT processing responsibilities is about much more than simply providing an EBT processing platform. It includes responsibility for the accuracy and accountability of all data, procedures, processes, and programs developed for the DHS EBT program. We understand that cardholders often are completely dependent upon their SNAP and Cash benefits for their subsistence. Consequently, the host system must provide timely, accurate account set-up and benefit authorizations, as well as proper, valid, and timely access to those benefits. Anything less is unacceptable.

Morse performs interface testing to ensure that file (data) transmission is accurate between the State, FNS, and Morse. Both inbound and outbound transmissions are tested. For inbound transmissions, we ensure that the information is properly received, accepted, processed, and loaded into the database correctly. For outbound transmissions, we ensure that the information sent is complete and accurate per the interface design. This means all qualified records are included in the transmission and the information for those records is complete and formatted correctly. We validate this by examining the outbound file. Interface testing is completed successfully prior to the system acceptance test. We meet and exceed all State and FNS interface testing requirements and ensure that the process is properly planned and implemented.

Morse understands that the primary method used to exchange information between DHS's EBT interface systems and the existing contractor's system is by batch files. Morse supports the current interface infrastructure of DHS and works with its telecommunication staff to determine appropriate design and capacity of the interface link to ensure that all transmissions are completed within the performance parameters specified. Morse proposes to use Secure File Transmission Protocol (SFTP) for file transmissions to and from DHS based on DHS IT preferences.

LifeInCheck™ EBT's proven interface solution for the state of Arkansas offers exceptional flexibility and redundancy for the EBT program. We fully comply with all file transmission requirements and support scheduled batch transmissions, on-demand batch transmissions, and online, real-time transmission of data between the Arkansas Integrated Eligibility System (ARIES) and LifeInCheck EBT.

LifeInCheck EBT can receive and process the files at any time, whether scheduled in advance or not. We then immediately transmit response and confirmation reports back to DHS as the files are processed. Any errored records are sent back to the State at the completion of the processing. The error report includes all data in the record with an error code.

We have carefully reviewed the Case/Client Maintenance and Benefit Maintenance files format provided in Exhibit 1: Current EBT File Formats. DHS's existing Case/Client Maintenance and Benefit Maintenance file formats are fully supported by LifeInCheck EBT's interface capabilities.

During the design phase of the project, we meet with DHS during our joint application design session (JAD) to ensure that LifeInCheck EBT conforms to all DHS requirements for an effective and useful system. Morse submits an interface control document (ICD) for DHS's review and approval to make sure file formats and data elements comply with state agency requirements. During the JAD, we pay particular attention to additions and/or changes that may be required in LifeInCheck EBT to support the ARIES interface and the authorization of SNAP and Cash benefits.

## Batch Processing General Rules

In a typical batch environment, files are transmitted from ARIES to LifeInCheck EBT and vice-versa. LifeInCheck EBT applies detailed processing rules on the files sent from ARIES to LifeInCheck EBT to ensure the data is present, accurate, and correct. Each file sent from ARIES and sent from LifeInCheck EBT uses the combination of File Create Date and Time as unique identifiers. The respective systems update the File Create Date and Time for each file sent.

Batch files from the ARIES follow a standard format consisting of a header record, trailer record, and optionally one or more detail records. LifeInCheck EBT executes validation and update processes upon receipt of the file. The validation process, also called pre-processing, performs the following steps:

1. Create an initial response file
2. Conduct batch level integrity edits
3. Find any errors resulting from header/trailer or record count inconsistencies
4. Conduct syntax edits on the detail records

The update process performs the following steps:

5. Process each detail record, including:
   o Conducting business rule level edits
   o Detecting any business rules processing errors (such as not finding a benefit for a pending void transaction)
   o Conducting field level validations (such as ensuring an amount field is numeric)

## File Validation and Exception Handling

If the receiver (LifeInCheck EBT) rejects an entire file, the sender (ARIES) of that file has the responsibility to correct any error(s) and to retransmit the file. If the file format is correct, but the receiver (LifeInCheck EBT) is unable to accept the file due to an internal issue, the receiver (LifeInCheck EBT) has the responsibility to rectify the issue and request that the sender (ARIES) re-send the file if needed.

If a file contains errors within individual detail records in the file, the receiver (LifeInCheck EBT) rejects those detail records with errors and reports these to sender (ARIES) in the batch processing summary report. The receiver (LifeInCheck EBT) processes the remainder of the records in the file. The sender (ARIES) of the file is responsible for correcting the detail record errors and resending the corrected data in a future file.

LifeInCheck EBT creates a batch processing summary report as shown in Figure E.4.C.1 detailing the results of the file processing. The State can then access the report from their server and via the administrative terminal. LifeInCheck EBT also sends a response file to the sender after processing a file. If LifeInCheck EBT encounters errors in processing a file, it documents the details of those errors in both the batch processing summary report and the response file.

```
---------------------------------------------------------------
---------------------------------------
EBT Empowered Server 01                                                                    CASE File Processing

Batch Header                    :HDLACCDEMO20210211013111540000073LA        0000000000000033291

Batch Trailer                   :TRLACCDEMO20210211013111540000730000010000000000000000000033291

Date/Time in CDT                :Thu Feb 11 01:50:00 AM

Batch Errors

Case Number         :Record #          Change Type         Error Field                 Error Description

EBT Empowered Processing Summary
---------------------------------------------------------------
---------------------------------------
Total Records                   :1
Total Records Processed         :1
Total Records Rejected          :0
Total Records Added             :0
Total Records Changed           :1
File Processing Start Time      :Thu Feb 11 01:50:00 AM CDT
File Processing End Time        :Thu Feb 11 01:50:01 AM CDT
File Processing Total(seconds)  :0.27
Processing Rate records/sec     :3.7
```

*Figure E.4.C.1 : Batch File Processing Summary Report*

If LifeInCheck EBT cannot read the header record or trailer record, a member of the technical help desk contacts the State regarding the problem. If the State encounters issues when transmitting a file to LifeInCheck EBT, the State contacts the technical help desk to raise an incident ticket. If LifeInCheck EBT encounters issues when transmitting a file to the State, Morse's monitoring tool alerts the technical help desk, which takes the necessary actions to address the incident, including notifying the State.

When a file year, month, day, hour, minute combination matches that of a previously received file, LifeInCheck EBT rejects the file as a batch level error, setting the Response Code field of the header record to an appropriate error code.

When LifeInCheck EBT encounters an error in a detail record, it returns that detail record along with the associated header and trailer records in the response file.

When LifeInCheck EBT determines any of the mandatory fields are either missing or invalid in the detail record, that specific record is rejected, and the system processes the next record. An appropriate response code is sent in the response file for the rejected record in the response detail file along with header and record.

When LifeInCheck EBT finds one or more detail record errors but no batch errors, it returns only those detail records with errors, inserting these between the header and trailer.

When updating the records, LifeInCheck EBT fully overlays the existing database record for the matching case number with the new record in the demographic batch file.

Authorized DHS users can view file processing status at any time and download confirmation reports (Batch Posting Reports) on the administrative terminal. An example list of batch files processed is shown in Figure E.4.C.2.

*Figure E.4.C.2: Batch File Processing Status*

Users can click on any of the processed files to view the details or download the batch file processing summary report as shown in Figure E.4.C.3

```
--------------------------------------------------------------------------
--------------------------------------------------------------------------
EBT Empowered Server 01                                                  CASE File Processing

Batch Header            :HDLACCDEMO20210211013111540000073LA        0000000000000033291

Batch Trailer           :TRLACCDEMO20210211013111540000730000010000000000000000000033291

Date/Time in CDT        :Thu Feb 11 01:50:00 AM

Batch Errors

Case Number         :Record #        Change Type        Error Field            Error Description

EBT Empowered Processing Summary
--------------------------------------------------------------------------
--------------------------------------------------------------------------
Total Records              :1
Total Records Processed     :1
Total Records Rejected      :0
Total Records Added         :0
Total Records Changed       :1
File Processing Start Time  :Thu Feb 11 01:50:00 AM CDT
File Processing End Time    :Thu Feb 11 01:50:01 AM CDT
File Processing Total(seconds) :0.27
Processing Rate records/sec :3.7
```

*Figure E.4.C.3: Batch File Processing Summary Report*

| E.4 | EBT System Functionality | |
|---|---|---|
| | D. Describe the Prospective Contractor's card inventory control system. | 5 points |

The inventory control system allows DHS designated users to view and manage card inventory twenty-four seven (24/7) via a secure password. The system tracks cards received, mailed, activated, undelivered and voided/canceled. Through further discussion we can determine the specific requirements needed to implement. The following are examples of the Inventory Detail Search Results.

- Displays all active custom inventory by catalog number
- Provides item description
- Lists total on hand and quantity on order
- Overall Min – Use like a reorder point/low inventory
- Overall Max – Max amount we would have on hand at any given time
- Ability to download the list of inventory items
- Click on a specific catalog number to view monthly transaction detail

**Search Results**

Download

Page 1 of 1  9 total records   Records Per Page: 30  ▶▶   Go to page: 1  ▶▶   ||First | Prev | Next | Last

| CatalogID | Item Desc | Client No | Item Type | Total On site | Total Off site | Grand Total | Qty On Order | Overall Min | Overall Max | Location |
|---|---|---|---|---|---|---|---|---|---|---|
| 0449505DBT | Debit Cust Carrier | 04495 | 9000 CUSTOM / 9CUS | 969 | 0 | 969 | 0 | 500 | 5000 | Indianapolis |
| 0449511L2 | 800-123-4567 Activation Label | 04495 | ACTIVATION LABEL / ACTL | 969 | 0 | 969 | 0 | 500 | 5000 | Indianapolis |
| 0449530A1 | VISA REG E | 04495 | REG E | 987 | 0 | 987 | 0 | 300 | 1000 | Indianapolis |
| 0449534C4 | CARD PROTECTOR | 04495 | CARD PROTECTOR / CP | 969 | 0 | 969 | 0 | 250 | 2500 | Indianapolis |
| 0449541B2 | VISA PROMOTIONAL INSERT | 04495 | OTHER | 246 | 0 | 246 | 0 | 0 | 0 | Indianapolis |
| 0449541F1 | FREQUENTLY ASKED QUESTIONS | 04495 | OTHER | 990 | 0 | 990 | 0 | 250 | 1000 | Indianapolis |
| 0449542B | VISA BENEFIT PACKAGE | 04495 | BENEFIT / BENE | 996 | 0 | 996 | 0 | 250 | 1000 | Indianapolis |
| 0449570G1 | #10 Envelope - Sgl Cust. Wdw | 04495 | CUSTOM ENVELOPE / CE | 969 | 0 | 969 | 0 | 400 | 5000 | Indianapolis |
| X009512 | 068 Visa EMV CCP Charcoal Swirl | 09999 | PLASTIC-Visa EMV Plastic | 0 | 0 | 0 | 0 | 0 | 91 | Indianapolis |

*Figure E.4.D1: Inventory Control Search Results*

The inventory detail is also available by monthly results/reports.

- Month - Up to a 12-month view of the selected item
- Received Qty – Total quantity received into inventory
- Used Qnty – Quantity used for fulfilling orders
- Adjusted Qty – Internal movement and spoilage
- Ability to download the results to an Excel spreadsheet
- Click on a specific month to drill down further

**Search Results**



Figure E.4.D.2: Inventory Detail by Month

| E.4 | EBT System Functionality | |
|---|---|---|
| E. Describe the capability to process and accept out of state card transactions. | | 5 points |

LifeInCheck™ EBT maintains nationwide interoperability and portability in compliance with USDA/FNS interoperability regulations and ensures that the DHS EBT program operates in full compliance with state and federal regulations. We support all processors and exempt retailers, including retailers who process manual vouchers, with the capability of national SNAP and Cash interoperability.

DHS can be assured that the State's EBT program continues to be interoperable with other states' EBT programs nationwide because all EBT processors and TPPs are connected to LifeInCheck EBT. Interoperability is a key component in our retailer and TPP agreements. Additionally, our TPP agreements require the TPP to load and update BIN/IINs for all states including Arkansas.

### Non-DHS EBT Cardholder Transactions in Arkansas
For out-of-state EBT cardholders and transactions being processed in Arkansas, the process is as follows:
- The out-of-state EBT cardholder initiates a transaction at an authorized FNS retailer located in Arkansas.
- Transactions from a TPP-processed retailer, including our Novo Dia mobile solution for exempt retailers, passes directly to the out-of-state cardholder's state EBT processor for authorization or through their TPP.
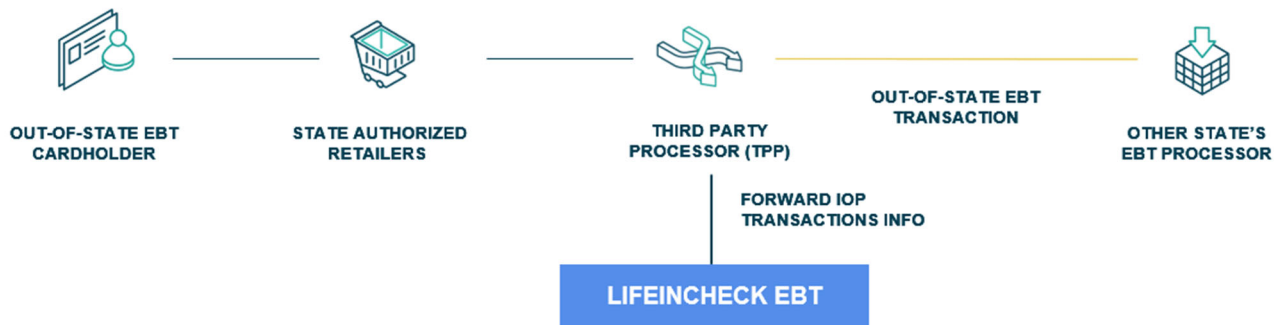
*Figure E.4.E.1: Interoperable Transaction Flow Non-DHS EBT cardholders in Arkansas*

## Out-of-State Transactions for DHS EBT Cardholders

For Arkansas EBT cardholder transactions at out-of-state retailers, the process is as follows:

- The Arkansas cardholder initiates a transaction at a retailer outside of Arkansas.
- If it originates at a TPP, the transaction is routed to LifeInCheck EBT for authorization. LifeInCheck EBT processes the transaction and returns the authorization back through TPP.
- If it originates at another EBT processor's EBT-only terminal, that processor routes the transaction to us through their interoperability gateway or TPP for authorization. We then return the appropriate response through the interoperability gateway or TPP.



*Figure E.4.E.2: Interoperable Transaction Flow*
*Out-of-State Transactions for DHS EBT Cardholders*

As noted, LifeInCheck EBT also supports out-of-state Cash transactions for DHS cardholders accessing their cash benefits in another state. Conversely, we also support out-of-state cardholders should they wish to access their cash benefits in Arkansas.

We ensure benefit access availability for Arkansas cardholders wherever they shop, and in-state retailers may easily serve out-of-state shoppers. Each commercial service provider, retailer, or TPP has an option to connect to LifeInCheck EBT. LifeInCheck EBT is fully compliant with FNS regulations found in 7 CFR 274.8(b)(10) and with the Quest operating rules on interoperability.

| E.4 | EBT System Functionality | |
|---|---|---|
| | F. How does the Prospective Contractor's system facilitate tracking and retaining individual benefits? | 5 points |

### Tracking Benefits

As the host EBT processing system, LifeInCheck™ EBT must provide timely, accurate account set-up and benefit authorizations, as well as proper, valid, and timely access to those benefits. In support of this requirement, LifeInCheck EBT maintains an account for each household or case which ensures cardholders have access to their authorized benefits. We also ensure that accurate and timely information is maintained regarding cardholder account balances and demographic information. Cardholders have access to the cardholder portal, mobile app, or IVRS to confirm their account balance in real time.

LifeInCheck EBT has the ability to process benefit files upon receipt and to make benefits available immediately after midnight on the day of availability. Benefits are not held for later posting. We make benefits available on a schedule that cardholders can count on.

LifeInCheck EBT fully supports the generation of multiple daily and monthly Benefit Maintenance files to transmit benefit authorization records from the ARIES interface to our host system.

Upon receipt of the Benefit Maintenance file, LifeInCheck EBT validates the file, processes the data, and posts all valid benefits to the cardholders' EBT account. LifeInCheck EBT uses the data contained in the Benefit Maintenance file to establish the amount, the type of benefit, and the availability date. Once the benefits are posted to LifeInCheck EBT, cardholder accounts show both the posted balance, as well as the available balance. Benefits with a future availability date are not made available to the cardholder until the availability date is reached.

LifeInCheck EBT uses the benefit authorization available timestamp (first in, first-out (FIFO)) to determine which benefits are to be used first even when multiple benefits are received on the same day. LifeInCheck EBT uses benefits from the earliest benefit authorization when a cardholder makes a purchase. For every subsequent purchase, the remaining benefits or partial benefits in the benefit authorization are continuously used until fully exhausted. This way LifeInCheck EBT ensures at any given point in time only one partial benefit exists in the system.

If a benefit is used, the system updates the "last used" timestamp to the transaction time. LifeInCheck EBT resets the cardholder's benefits aging clock if any cardholder-initiated activity occurs on the account within 274 calendar days prior to the expungement date. In this situation, no benefit authorization is expunged from the account.

On the 274th-calendar day of inactivity, LifeInCheck EBT returns all benefits remaining in the account to DHS. The daily expungement process expunges all benefits in the identified account and sends an accounting of this action in the daily Benefits Expungement file to DHS. This file includes all benefit information originally provided on the issuance data transmission.

LifeInCheck EBT also generates reports that provide information on the expunged benefits on any particular day. The Benefit Expungement and the Disaster Expungement reports as shown in Figures E.4.F.1, E.4.F.2, E.4.F.3, E.4.f.4 provide the benefits expunged by county, cardholder, benefit authorization number, original benefit amount, expunged benefit amount, original availability date, and expunged date calculated per business rules. The combination of expungement files and reports ensures the traceability of a benefit authorization from posting, withdrawals, and finally expungement of any unused benefits.

```
                      BENEFIT EXPUNGEMENT REPORT
                      AS OF DATE 11/01/2019
                      ARKANSAS EBT PROJECT

COUNTY CODE: 00
COUNTY NAME : STATE


STATEWIDE TOTALS          32,400,010    880,200,100.00           27.16


                          PROGRAM      COUNT       AMOUNT
                          CASH                  167   6987.21
                          SNAP                  219  10,365.25
                                                386  17352.46


                          RUN DATE :11/01/2019 18.30.00  PAGE 1
```

*Figure E.4.F.1: Benefit Expungement Report - Summary*

```
                                       BENEFIT EXPUNGEMENT REPORT
                                       REPORT DATE OF 10/01/2023
                                       ARKANSAS EBT PROJECT
COUNTY CODE : 01
COUNTY : BOONE
```

| CASE NUMBER | PROGRAM | BENFIT TYPE | AUTH NUMBER | ORIGINAL AUTH AMOUNT | EXPUNGED AMOUNT | BENEFIT AVAILABILITY DATE | LAST ACCESSED DATE | EXPUNGED DATE |
|---|---|---|---|---|---|---|---|---|
| 122365498 | SNAP | FSPA | 126587 | 125.00 | 25.00 | 1/1/2023 | 1/1/2023 | 9/30/2023 |
| 136549874 | CASH | CSBA | 128795 | 250.00 | 20.00 | 1/1/2023 | 1/1/2023 | 9/30/2023 |

| ACADIA TOTALS | PROGRAM | COUNT | AMOUNT |
|---|---|---|---|
| | CASH | 1 | 20.00 |
| | SNAP | 1 | 25.00 |
| | | 2 | 45.00 |

*Figure E.4.F.2 : Benefit Expungement Report - Detail*

```
                DISASTER BENEFIT EXPUNGEMENT REPORT
                AS OF DATE 11/01/2019
                ARKANSAS EBT PROJECT

COUNTY CODE: 00
COUNTY NAME : STATE


STATEWIDE TOTALS        32,400,010    880,200,100.00        27.16

                        PROGRAM    COUNT        AMOUNT
                        SNAP              219  10,365.25
                                          219   10365.25


                                RUN DATE :11/01/2019 18.30.00  PAGE 1
```

Figure E.4.F.3 : Disaster Benefit Expungement Report - Summary

```
                                DISASTER BENEFIT EXPUNGEMENT REPORT
                                REPORT DATE OF 10/01/2023
                                ARKANSAS EBT PROJECT
COUNTY  CODE : 01
COUNTY : BOONE

   CASE NUMBER        PROGRAM   BENFIT TYPE   AUTH NUMBER  ORIGINAL AUTH  EXPUNGED AMOUNT   BENEFIT AVAILABILITY  LAST ACCESSED   EXPUNGED
                                                          AMOUNT                           DATE                  DATE            DATE
        122365498 SNAP          FSDS01            126587      125.00           25.00          1/1/2023           1/1/2023        9/30/2023


   ACADIA TOTALS      PROGRAM   COUNT     AMOUNT
                      SNAP          1        25.00
                                    1        25.00
```

Figure E.4.F.4 : Disaster Benefit Expungement Report - Detail


### Maintaining Benefit Balances

We understand that cardholders receive monthly/daily benefits and use them for subsistence. However, some households may not be able to use their benefits regularly for various reasons. Such benefits are monitored based on the aging rules and expunged so that they can be returned to ASAP. When the State closes a SNAP case, the account's status does not make the benefits unavailable to the cardholder if they are within the prescribed 274-day period. Cardholders can continue to use benefit balances through their cards, replace their cards, and change their PINs even after the State closes the case. If a cardholder attempts to use benefits that have been expunged, LifeInCheck EBT transmits an appropriate 'funds unavailable' message to the retailer's POS or website.

Business rules are configured in LifeInCheck EBT to track aging of benefits and send notifications to the cardholders of the pending expungements. LifeInCheck EBT identifies all cardholders whose benefits are due for expungement 45 days from the current date and generates notification letters in the FNS approved language. Morse mails the notification letters to the cardholder's address received from ARIES in the Case/Client Maintenace file. Copies of all benefit expungement letters are retained for audit purposes and made available to DHS whenever requested.

| E.4 | EBT System Functionality | |
|---|---|---|
| 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 |

Morse understands that the primary method used to exchange information between DHS's EBT interface systems and the existing contractor's system is by batch files. Morse supports the current interface infrastructure of DHS and works with its telecommunication staff to determine appropriate design and capacity of the interface link to ensure that all transmissions are completed within the performance parameters specified. Morse proposes to use Secure File Transmission Protocol (SFTP) for file transmissions to and from DHS based on DHS IT preferences.

LifeInCheck™ EBT's proven interface solution for the State of Arkansas offers exceptional flexibility and redundancy for the Arkansas EBT program. We fully comply with all file transmission requirements and support scheduled batch transmissions, on-demand batch transmissions, and online, real-time transmission of data between the Arkansas Integrated Eligibility System (ARIES) and LifeInCheck EBT.

We have carefully reviewed the Case/Client Maintenance and Benefit Maintenance files format provided in Exhibit 1: Current EBT File Formats. DHS's existing Case/Client Maintenance and Benefit Maintenance file formats are fully supported by LifeInCheck EBT's interface capabilities.
During the design phase of the project, we meet with DHS during our joint application design session (JAD) to ensure that LifeInCheck EBT conforms to all DHS requirements for an effective and useful system. Morse submits an interface control document (ICD) for DHS's review and approval to make sure file formats and data elements comply with DHS requirements. During the JAD, we pay particular attention to additions and/or changes that may be required in LifeInCheck EBT to support the ARIES interface and the authorization of SNAP and Cash benefits.

The following sections describe the processing of case/client and benefit files in detail:

### Case/Client Maintenance File Processing
We understand and can support the State's process to accept a batch Case/Client Maintenance file which provides client demographic data necessary to establish an EBT account. ARIES determines the client's eligibility and then feeds this information to LifeInCheck EBT via a batch file to Morse. Upon receiving the transmission from DHS, we use the data to set up new or update existing account records. When processing the file, LifeInCheck EBT checks for flags that indicate if the record is new or existing but in need of update. If a record is flagged as new but a duplicate record already exists, we flag that record for further review by DHS. An EBT account is established for all new records and existing accounts are updated as appropriate. LifeInCheck EBT also adds additional cardholders to an account based on the client type specified in the Case/Client Maintenance file.

When the client record includes the flag to indicate a new card is needed, the specific client record is pulled into the Card Mailer file. This file is sent to our card vendor, Fiserv, for processing. The client's address is maintained in LifeInCheck EBT, and we use that address for mailing cards and notifications if applicable. LifeInCheck EBT determines the action on the EBT account based on the action type mentioned by DHS in the Case/Client Maintenance file. Apart from adding a new EBT account and updating the client demographic information, the system also deactivates the client account, and changes the client type. LifeInCheck EBT accepts and processes the Case/Client Maintenance file transmitted by DHS at a mutually agreed time. However, LifeInCheck EBT can receive and process the files at any time, whether scheduled in advance or

not. Upon receipt of a file, LifeInCheck EBT immediately transmits a response file to acknowledge receipt of the file. After processing, a batch processing summary report is generated. This file indicates the number of records received, processed, rejected, and associated error codes.

### Benefit File Processing

As soon as LifeInCheck EBT receives monthly or daily benefit files from DHS, the header and trailer records are validated to ensure the file is transmitted and received correctly. All files are processed and validated immediately upon receipt.

LifeInCheck EBT validates each record before posting the benefit authorization to the appropriate EBT account. The case number, benefit authorization number, and available date are used to apply the benefit to the proper account. Any file or record that fails the validation process is returned to DHS for correction including any duplicate benefit issuance. LifeInCheck EBT generates a response file to acknowledge receipt of the file and a batch processing summary report. The batch processing summary report contains all the errors in the file, including duplicate benefit authorization attempts, and the reason code for each error. This file is transmitted to the DHS immediately after a batch file is processed.

LifeInCheck EBT maintains an account for each household or case which ensures clients have access to their authorized benefits. We also ensure that accurate and timely information is maintained regarding client account balances and client demographic information. The cardholder can use the cardholder portal, mobile app, or IVRS to access their account balance in real time.

LifeInCheck EBT has the ability to process benefit files upon receipt and to make benefits available immediately after midnight on the day of availability. Benefits are not held for later posting. We make benefits available on a schedule that cardholders can count on.

We understand and are prepared to support the State's generation of multiple daily and monthly Benefit Maintenance files to transmit benefit authorization records from the ARIES to our host system. Upon receipt of the Benefit Maintenance file, LifeInCheck EBT validates the file, processes the data, and posts all valid benefits to the cardholder's EBT account. LifeInCheck EBT uses the data contained in the Benefit Maintenance file to establish the amount, the type of benefit and the availability date. Once the benefits are posted to LifeInCheck EBT, cardholder accounts show both the posted balance, as well as the available balance.

| E.4 EBT System Functionality | |
|---|---|
| H. Describe how the Prospective Contractor will provide online access to FNS. | 5 points |

### USDA-FNS Administrative Terminal Access

LifeInCheck™ EBT provides an administrative terminal that is highly secure, easy-to-use, flexible, and focused specifically on users' daily tasks. Web-based access to the administrative terminal allows all authorized end-users including the USDA staff in the designated FNS field offices, the regional office, the FNS Compliance office, and the Federal OIG investigative office to access the system through the internet. This feature also provides additional flexibility during disasters as no connection to a particular network is needed. This capability is particularly useful during a crisis that is like the COVID-19 crisis. All staff who are granted authorized permissions and access can continue working from home to support your clients as needed. Morse works with FNS to provide communication protocols necessary to connect staff on the FNS and OIG networks to the administrative terminal. This connection is provided via the internet to a Secure Socket Layer or Virtual Private Network (VPN) protected application that is compatible with the standard FNS/OIG desktop configurations. FNS and OIG networks staff do not require additional VPN client software.

### USDA-FNS Administrative Terminal Security

Morse creates an FNS administrative profile and a required number of user IDs for federal agencies as designated by the State. Morse ensures that FNS profiles and privileges/permissions are kept entirely separate from the State's profiles to ensure that FNS users do not have the capability to impact any state profiles. FNS users with the Security Administrator profile can add, delete, reactivate, and deactivate user IDs and provide permissions as necessary.

| 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 |

Arkansas EBT cardholders recognize the Arkansas EBT card and the food security benefits it provides their families. Following the State's EBT card standards and requirements, Morse works with Fiserv Output Solutions, a trusted card production subcontractor, to provide EBT cardholders with a quality card. Our card support services include inventory, production, personalization, and distribution of new and replacement cards by First Class mail to Arkansas cardholders.

### EBT Card Distribution Process

- Morse mails the initial and replacement cards to the cardholder no later than the next business day after receiving the request from DHS or from the cardholder requesting a replacement.
- The card is placed in a first-class security envelope. This envelope is a window envelope that includes the mailing address, return address, and non-forwarding wording.
- Envelopes are sealed and presorted for mailing.
- All cards are delivered by First Class mail.

In addition to the card, cardholders receive a card carrier/card mailer and brochure with the card packet, written in English, Spanish, Marshallese and other languages as requested by DHS. The Arkansas EBT brochure is easy to read, written at a fifth-grade reading level, and serves as an important reference and training guide.

The training brochure includes the following information:

- Use of the Arkansas EBT card including the type of benefit transactions that can be processed at EBT terminals
- Use of the Arkansas EBT card at ATMs, including the type of benefit transactions that can be processed at the ATMs and related fees
- Use and safeguarding of the card and PIN
- Card replacement information, for example PIN change methods and procedures
- Guidance on reporting problems with the card or its use and on reporting a lost or stolen Arkansas EBT card
- Use of transaction receipts to track balances
- Use of the customer service call center
- Cardholder service functions, including a prominent display of the toll-free customer service call center number
- Information on requesting and the processing of adjustments against a cardholder's EBT account
- Adherence to EBT policy regarding misuse of benefits
- Information about the use of cards across state lines (Interoperability)
- The following messages are included:

- EBT benefits shall not be used to pay for any eligible food purchased prior to the time at which an EBT card is presented to authorized retailers or meal services.
- EBT benefits cannot be sold for cash or exchanged for non-food items.
- In accordance with the Federal civil rights law and USDA civil rights regulations and policies, the USDA, its agencies, offices, employees, and institutions participating in or administering USDA.

The complete packet sent to the cardholder includes the Arkansas EBT brochure along with the EBT card, card carrier/card mailer, which includes instructions to the cardholder for activating the card. Cardholders can activate the card by calling the IVRS for PIN selection and activation or by visiting the cardholder web portal or the LifeInCheck™ EBT mobile app. Please refer to Technical Response section E.5.E for more information on the card mailer.

### Over The Counter Card Distribution

Morse supports over the counter card issuance and provides EBT card stock and cardholder materials to local offices. LifeInCheck EBT provides a simple ordering process for use by state staff when additional cards are needed.  We ensure the secure delivery of card orders to the local office address to maintain an adequate inventory of cards. Morse works with Arkansas to determine how you would like to set up the solution for over-the-counter cards. Once more specific information is available, we can discuss what is in the best interest of the State. We manage this solution through our change management process.E.6.J.6

| E.5    EBT Card Requirements | |
|---|---|
| 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 |

Fiserv is Morse's EBT card production and personalization subcontractor and leading provider of plastic card manufacturing. They have produced millions of cards that comply with all applicable state and EBT industry specifications, providing DHS with the experience necessary to produce and personalize Arkansas EBT cards. Fiserv continually upgrades its technology and equipment in order to handle a wide range of card production volumes. Fiserv is a member of the International Card Manufacturers Association (ICMA), SSAE18 - SOC1 certified, and is EMV and MasterCard/Visa certified. Fiserv EBT cards meet industry standards which include FNS regulations.

Morse works with Fiserv to provide hi-coercivity magnetic stripe cards to the State's EBT cardholders. Morse applies established processes and functions for issuing, replacing, and distributing cards to cardholders while maintaining a centralized card issuance management database on behalf of the State. The LifeInCheck™ EBT platform provides online, real time access to cardholders' EBT accounts through a magnetic stripe-based benefit access card that supports electronic transactions. We understand the States desire to convert to integrated circuit chip security for EBT cards. We support the transition to EMV chip cards through the change management process.

The EBT card Morse produces and issues adheres to applicable technical specifications and standards from the Quest® Operating Rules - Version 2.2, September 2014. Arkansas' EBT card is compliant with the International Standards Organization (ISO) and the American National Standards Institution (ANSI) relating to cards used for financial transactions as well as compliant with all federal regulations.

### Card Personalization

For card personalization and fulfillment, Fiserv has formally documented Standard Operating Procedures

(SOPs) available to production specialists. SOPs outline the job requirements for each phase of the automated card production cycle including personalization, mail quality check/sortation and fulfillment. SOPs also include documentation and logging requirements for the production job tracking systems to verify successful completion of card production jobs.

Fiserv facilities use job tracking systems to monitor and track the status of card production jobs at different stages during the production flow. At the completion of specific steps, production specialists log the completion of each phase (i.e., personalization, quality checks, quality inspection). The start and completion time, department (production phase), operator initials, and specific results related to each phase are recorded within the job tracking system by production specialists for review and reporting purposes. Job history reporting capabilities also are available within the job tracking systems for each job run.

At various phases of the card production cycle, quality inspections are performed by quality inspectors independent of production specialists to help ensure quality production standards. Fiserv's quality program incorporates elements from many different tool sets, like Six Sigma, to maximize the overall quality of the cards to ensure that Morse provides only the best cards to your cardholders.

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

### Replacement Cards

Cardholders can report their cards as lost, stolen or damaged via the Customer Service Help Desk, IVRS, the cardholder web portal or the mobile app 24x7x365. State users of the LifeInCheck™ EBT administrative terminal can also deactivate a card and, if applicable, request a replacement card. Each of the cardholder options includes an authorization process to validate the identity of the caller or user. For example, the cardholder must enter the last four digits of their Social Security Number (SSN), birthdate and zip code. For additional security, LifeInCheck EBT also offers the option of adding an additional password.

Cards reported as lost, stolen or damaged are deactivated immediately and their status updated. Cardholders with a deactivated card still have access to the cardholder portal or mobile app to view their account balance and information but they are not able to perform any financial transactions with a deactivated card. However, SNAP funds remaining in the cardholder accounts are still available and accessible to other active cardholders remaining on the account.

The LifeInCheck team deactivates all EBT cards reported lost, stolen, or non-functioning (damaged) and issues a new card in accordance with the Consolidated Appropriations Act of 2023. If the address or security requirements are not met or do not match what is in the EBT System, we will instruct the cardholder to contact DHS to update their information. Cardholders will be provided with free replacement cards and all replacement cards mailed will include an EBT card carrier/card mailer. The card issuance database will be accessible to DHS twenty-four seven (24x7) via password.

### Over the Counter Cards

Morse supports DHS offices in the use of EBT cards for over-the-counter issuance. Morse works with Arkansas to determine how you would like to set up the solution for over-the-counter cards. We manage this solution through our change management process.  Please refer to section E.17.D for more information on over the counter cards.

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

### Card Design

Cardholders are focused on feeding their families and need an easy way to access the benefits needed to sustain a healthy, productive lifestyle. A consistent card design enables cardholders and retailers to quickly recognize the SNAP and Cash benefit programs and how to use the associated benefits. The current design and features on the front and back of the EBT card are familiar to cardholders and Morse replicates this same graphic and color. Following detailed card specifications provided by DHS, Morse delivers EBT cards with required specifications and security features. At the State's request, the card may include a photo of the cardholder on the front of the card. Morse understands that security features, such as a hologram, four-color printing, fine line printing, or ultraviolet ink are not required for the card under this contract. Morse understands we are responsible for card production including:

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

The face of the card is embossed with the cardholder's name and primary account number (PAN), a sixteen (16) digit number. The back of the EBT card includes the following design features, subject to State approval:

- The toll-free numbers for Customer Service and Retailer Customer Service numbers
- Tamper resistant signature panel.
- Statement "Do Not Write PIN on Card" and "If found, return to address to be provided by Morse"
- A statement of nondiscrimination which reads "USDA is an Equal Opportunity Provider, Employer and Lender." in accordance with 7 CFR.274.2(e)(5).
- TTY number

Morse provides card samples for State approval prior to production for new design or any changes made to the card.



*Figure E.5.D.1: Card Design*

### Card Personalization

Fiserv has formally documented Standard Operating Procedures (SOPs) available to production specialists for card personalization and fulfillment. SOPs outline the job requirements for each phase of the automated card production cycle including personalization, mail quality check/sortation and fulfillment. SOPs also include documentation and logging requirements for the production job tracking systems to verify successful completion of card production jobs. For more information regarding Card Personalization and PIN, please refer to Technical Response section E.5.B.

### Track 2 Format

Morse follows the standard format for Track 2 encoding which is in accordance with ISO 7813. Please see Technical Response section E.5.G for more information regarding Track 2 Format.

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

### Issuing/Mailing Cards

Morse's effective process for card creation and issuance ensures that new EBT cards are created and mailed within the timeframes specified by the State so that cardholders can quickly access their benefits. LifeInCheck™ EBT creates an EBT card when initial benefits are posted for a new account or when a replacement card is requested due to a report of a lost, damaged, or stolen card.

After processing the demographic batch file received from DHS, new EBT accounts are set up and updates are made to existing EBT accounts in LifeInCheck EBT. When issuing cards to cardholders, this file is key in providing a current address and card requests. The card issuance indicator in the case/client maintenance file indicates whether the card is an initial card or if a replacement card. The cards require activation through the selection of a PIN through the Customer Service Help Desk at 1-800-997-9999, alternatively through the IVRS, cardholder portal, or mobile app. Adequate verification of identity prior to card activation is required. Once the Case/Client Maintenance file is received, LifeInCheck EBT creates a card mailer file. This file includes, at a minimum, card information such as:

- Cardholders name
- PAN
- Cardholders address
- Mail indicator
- Local County Code
- Language code

The following is printed on the card mailer in English Spanish, Marshallese, or any other language as requested by DHS:

- "Buying, selling, or otherwise misusing SNAP benefits is a federal crime. To report suspected abuse, visit the Customer Service Call Center toll free number at 1-800-997-9999".
- The cardholder Web Portal address

The primary cardholder's name appears on the card mailer when mailing a card to an authorized representative.

### EBT Card Customization and Mailing Process

- The card mailer file is created and sent to the card processor as soon as this file is created.
- Once received at the card processor, the file is divided into subsets by mail indicator code and zip code.
- All EBT cards are customized with the cardholder's name and PAN.
- The card mailer includes instructions for the cardholder to activate their card.
- The card is placed in a first-class security envelope. This envelope is a window envelope that includes the mailing address, return address, and non-forwarding wording.
- Envelopes are sealed and presorted for mailing.
- All cards are delivered by mail unless DHS implements over-the-counter issuance.

Morse understands card issuance requests within the daily case/client maintenance files received at an agreed upon time, must be processed and EBT cards mailed no later than the next business day.

The card issuance file is created every business day and sent to our EBT card production and personalization subcontractor, Fiserv. This file includes all initial and replacement card requests received in the demographic file from the State plus DHS card request entries from the LifeInCheck EBT administrative terminal. Replacement card requests from cardholders within the past 24 hours are also included in this card issuance file. All card requests included in this file are processed and placed in the U.S. mail system by the next business day after the file is created and submitted to Fiserv. Our card production and distribution system ensure that all cardholders receive an EBT card in accordance with federal regulations. Standard size envelopes, clear standard size print, and standardized addresses help meet the federal regulations for the EBT card delivery time frame indicated by Food and Nutrition Services of the USDA.

### Replacement Cards

We know that cardholders have busy lives and need to be able to take care of things sometimes while still attending to other family matters. Cardholders can cancel cards and request replacement cards through the LifeInCheck EBT mobile app and cardholder portal as well as the IVRS. Please refer to Technical Response section E.5.C for more details on card replacement.

### Incorrect Cardholder Addresses/Change of Addresses

When canceling a card, the mailing address is confirmed. If this address is incorrect or has changed, a special deactivation code is used by the call center to cancel the EBT card. In these situations, the call center does not issue a replacement card and instead refers the cardholder to the DHS Customer Service Center to update their address and order a new replacement EBT card.

### Undeliverable Cards

Morse requests no forwarding services for EBT card delivery and the cards are delivered by first class U.S. Mail. If for any reason the cards cannot be delivered, these undeliverable cards are returned to us at our EBT returned cards post office box. This PO address is printed on the envelope mailed to the cardholders. Morse receives, logs, and deactivates all undeliverable cards each business day. Cards are logged for tracking and audit purposes. Each undeliverable card is processed and logged by authorized LifeInCheck operation staff members at each step. The State, administrative user ID, date and time are recorded in the LifeInCheck EBT administrative terminal. All undeliverable cards are deactivated and the status changed to "undeliverable" in LifeInCheck EBT. LifeInChecks's operation staff verifies that the number of undeliverable cards processed matches the initial count received and then sends these undeliverable cards to be destroyed.

The below screenshot, Figure E.5.E.1 Card Return Screen, demonstrates the screen used by LifeInCheck's operation staff to log undeliverable cards.

*Figure E.5.E.1: Card Return Screen*

LifeInCheck EBT generates a daily undeliverable card file, available in Excel, which contains records of cards that are created and mailed to recipients but are returned by the post office as undeliverable for the reporting business date.

## PIN Selection

Cardholders must choose a numeric four-digit PIN upon receiving their initial EBT card and replacement cards, in order to use the card at POS terminals or ATM devices. The cardholders can securely select a PIN using either the IVRS, the cardholder web portal or the LifeInCheck EBT mobile app. In all PIN selection situations, additional verification is required to ensure the EBT cardholder is the individual selecting the PIN. This verification, in addition to the card number, may include the cardholder's name, last four digits of their Social Security Number (SSN), date of birth (DOB) including the full year, and zip code. When selecting a PIN, cardholders are not allowed to select common or insecure codes such as "1234" or sequenced numbers. During the JAD session, Morse and DHS determine verification requirements and the common PIN codes not to allow.

LifeInCheck EBT validates the cardholder's PIN for every card transaction received from a POS device or ATM and invalid PIN transactions are rejected. The LifeInCheck EBT host logs and maintains a running count of incorrect PIN attempts. After four invalid PIN login attempts, the card is locked and cannot be used at a POS device. The internal incorrect PIN attempts counter is reset at 12:01 AM the following day, the PIN is unlocked, and the PIN may be used for validation at a POS device. For accounts with multiple cards, all other cards will be allowed continued access to the remaining available benefits.

Morse understands the State's desire for protective password solutions that has both the functions of a random password generation and the ability for the cardholder to create a password by calling the toll-free number listed on the back of the card to activate. The solution includes the following features:
- Auto generated PIN by the EBT System
- Contains random numbers
- Requires a CSR to request a cardholder protective password before the card status can be changed or a PIN selected
- Allows only EBT project office staff to generate passwords via a request from DHS staff

### Over the Counter Cards

Morse provides EBT card stock to local offices to be used for emergency and expedited circumstances or over the counter (OTC) card issuance. The local office staff links provided cards to the State's eligibility system for SNAP benefits as they are distributed. Morse works with Arkansas to determine how you would like to set up the solution for over-the-counter cards. We manage this solution through our change management process. Please see section E.17.D for more information on OTC cards.

| E.5 EBT Card Requirements | |
|---|---|
| F.   Describe the Prospective Contractor's approach to mass reissuance of EBT cards. | 5 points |

Morse transitions all existing cards and PINs from the incumbent processor's system to LifeInCheck™ EBT to minimize the operational impact to cardholders. Cardholders do not lose access to their benefits at any time and existing PINs continue to work after the transition is complete. Once a new EBT card is issued, the old card is deactivated.

Morse understands that DHS would like to transition to EMV chip cards in the near future. We work with DHS to develop a multi-stagged mass replacement to integrated circuit chip cards. The EMV chip card rollout schedule is determined through our change management process. We recommend the re-issuance occur in phases and on an agreed upon schedule. We work with DHS to establish a replacement plan. When the cardholder receives the new card, they are instructed to activate the new card by calling the customer service number or using the mobile app or cardholder portal. Once the new card is activated, the old card is deactivated.

Morse also offers the State the option to replace cards as part of attrition or the normal replacement process. A new card is sent when a replacement card is requested. After a determined point in time, the remaining cardholders are scheduled to be replaced using the mass mailing process. Training materials are included with each newly mailed card. Attrition replacement adds the benefit of being less disruptive to the cardholders.

| E.5 EBT Card Requirements | |
|---|---|
| G.   Describe enhanced security measures and features to minimize stolen card information. | 5 points |

Protecting cardholder information and benefit access while providing intuitive technology for cardholder interfaces is a focus for LifeInCheck™ EBT. Cardholders are able to report a compromised PIN by calling the Customer Service Help Desk. The system allows a cardholder to select his or her own PIN by using the IVRS PIN select procedure to ensure the cardholder's ability to stop unauthorized access to their funds. LifeInCheck EBT provides security features that meet or exceed FNS standards and Quest Operating Rules.

Selecting and changing a PIN requires an authorization process. Cardholders requesting this feature must follow the authorization process in the IVRS once calling the toll-free number. After the cardholder enters the card number, LifeInCheck EBT validates the cardholder's unique information. Morse recommends the following information for validation: the last four digits of their Social Security Number (SSN), date of birth (MM/DD/YYYY), and zip code. Each of these entries is validated by the IVRS repeating back to the caller what was entered and requesting confirmation. LifeInCheck EBT validates entered information with the information provided by the State. When validated, the cardholder is allowed to continue with the requested activities of selecting or changing their PIN. Should the entered cardholder information or security

requirements not match the information provided by the state, cardholders are instructed to contact DHS to update their information. The authorization process included in the IVRS is included in the cardholder web portal and LifeInCheck EBT mobile app.

Cardholders must choose a numeric four-digit PIN upon receiving their initial EBT card in order to use the card at POS terminals or ATM devices. LifeInCheck EBT does not allow repeated number PINs such as '1111' or sequential PINs like '1234'. During the JAD session, Morse and DHS determine verification requirements and any additional PIN codes to disallow.

Cardholders may change their PIN at any time and are not limited to a set number of PIN selections. LifeInCheck EBT cancels the previous PIN before a new PIN is selected. The cardholder-selected PINs are always encrypted. The PIN is converted to a PIN block before storing in the database, thereby linking the encrypted PIN block to the PAN.

LifeInCheck EBT validates the cardholder's PIN for every card transaction received from a POS device or ATM and invalid PIN transactions are rejected. The LifeInCheck EBT host logs and maintains a running count of incorrect PIN attempts. After four invalid PIN login attempts, the card is locked and cannot be used at a POS device. The internal incorrect PIN attempts counter is reset at 12:01 AM CST the following day, the PIN is unlocked, and the PIN may be used for validation at a POS device.

### Alternate Security/Additional Password

There are situations in which cardholders need an additional security identifier or password to protect their EBT card information. DHS can enable an additional security identifier in the administrative terminal on the Case Management screen. This information is then encrypted and stored for comparison when the caller or user tries to update cardholder data. This security identifier prevents anyone from changing the PIN or replacing the card. In addition to the usual authentication, the additional security identifier is enforced and validated when the cardholder logs in to the IVRS, web portal, and mobile app.

### Track 2 Format

LifeInCheck EBT follows the standard format for Track 2 encoding which is in accordance with ISO 7813. The maximum character count in Track 2 does not exceed 40 characters, including all control characters. Morse assures Arkansas that the Track 2 encoding meets the layout as specified by Arkansas, including the Service Code field with a value of "120", and non-expiring date code of 4912. LifeInCheck EBT encodes the CAV field on Track 2 with a cryptographic value to validate the Track 2 data contents. We use the State's current encryption keys and a cryptographic value to validate the Track 2 data. Morse works with the current EBT contractor and Arkansas to securely transition the current encryption key during the conversion phase.

Every transaction received from retailers' POS is validated with CAV if the card is swiped and Track 2 data is present in the transaction message. CAV verification is only a step in this process. LifeInCheck EBT authorizes transactions if the transactions pass the following validation conditions:
- Retailer has a valid USDA-FNS authorization number for all SNAP transactions
- Cardholder card is active
- Cardholder card passes CAV validation
- Cardholder PIN matches with the PIN on record
- Sufficient EBT account balance for the transaction

If any of the above conditions fail, the transaction is denied, a denied response code is sent back to the retailer, and the cardholder is not able to complete the transaction.

### Chip Card

EMV chip cards were created to prevent cloning. A chip card contains an embedded microchip in addition to the traditional magnetic stripe. The chip encrypts information to increase data security when making transactions at stores or automated teller machines (ATMs). Chip cards require the card reader to be certified to maintain compliance with chip and PIN standards. During a transaction, the customer inserts the payment card into the card reader and the chip and the card reader communicates to authenticate the transaction. Morse understands the State's desire for integrated circuit chip (smart card) security on all issued EBT cards. We work with the State on a mutually agreed upon conversion plan for smart cards following our change management process.

### Cardholder Self Service

LifeInCheck EBT offers several options that put the power of protection in cardholders' hands, leaving them feeling less vulnerable in an environment where they typically have little control. Cardholders now have the option to further secure their funds and prevent fraudulent activity with the following features.

### Spending Threshold

Cardholders set a spending limit for individual purchases. If a transaction exceeds the set spending threshold, the attempt is denied, and the card is locked if threshold is exceeded a second time.
Restrict Out of State Purchases: Cardholders restrict purchase transactions to retail locations in Arkansas. Any transaction attempts made outside of the state are denied and the card is locked if a second attempt is made.

### Restrict Online Purchases

Cardholders restrict online purchase transactions. Any online purchase attempt is denied, and the card is locked if a second attempt is made.

Cardholders can turn each feature on or off as desired, giving them complete control over how the EBT card is used. Each feature is accessible via the cardholder portal or the mobile app.

| 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 |

Morse believes that the thousands of calls handled by the EBT call center daily are the outward "face" of Arkansas. We provide DHS a support system that effectively allows EBT cardholders, retailers, and DHS personnel to obtain assistance with their processing needs or problem resolution. The call center staffing is closely examined using historical data to review the trends and high traffic call volume peaks and surges. Our Customer Service Call Center is staffed with a suitable number of fully trained CSRs to maintain expected service levels including wait times not to exceed 20 minutes. Morse works closely with our call center partner, DVS, to provide all call center staff training on the Arkansas EBT program to include diversity/inclusion training, security, benefit issuance, card issuance, balance inquiries, and all other necessary topics. The Customer Service Call Center is fully operational and available when the Operations and Maintenance phase begins.

Working with AWS Connect, Morse organizes phone companies to switch the current toll-free cardholder call center number (800-997-9999) the weekend of conversion to LifeInCheck™ EBT. Once FNS signs off on the system conversion, the toll-free number is switched to Morse. The existing retailer call center number continues to be used provided the present contractor does not support additional states or programs with that number. Should that be the case, we provide a new retailer number.

We support EBT cardholders and retailers 24/7/365 through the toll-free call center that begins with the IVRS and progresses to a live agent as needed. Touch-tone phones can access all services offered by LifeInCheck EBT. The IVRS menu includes instructions to remain on the line if the cardholder is calling from a rotary dial telephone. If the prompt selection has timed out, a message indicates a selection was not made and the cardholder is not using a touchtone telephone. These calls are forwarded to a live customer service agent for assistance.

Supporting callers with quick, clear answers to their questions is important. DHS cardholders and retailers select English, Spanish, or Marshallese when calling the call center. Morse works with DHS to ensure as many questions and situations as possible get handled by the IVRS or Customer Service Representatives (CSR's) to enable cardholders to receive answers in their native language. Morse reviews any DHS request to add additional languages if the need arises. Our project manager works with you on this change request to clarify your new language requirement.
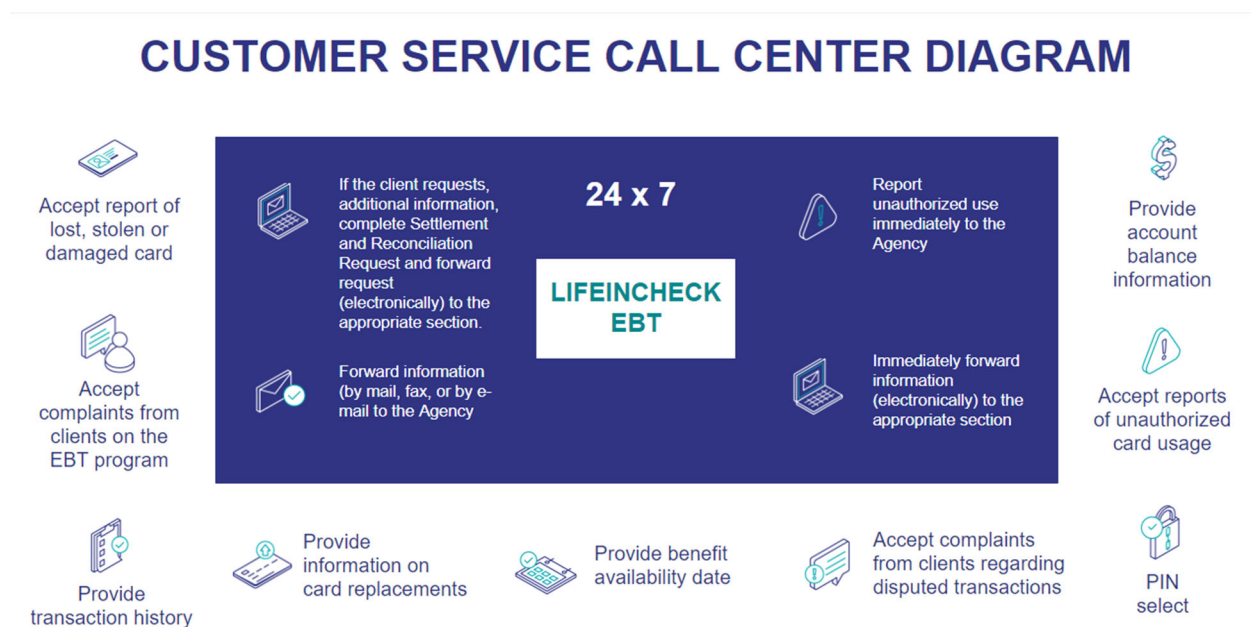


*Figure E.6.A.1: Customer Service Call Center Diagram*

Our customer service call center solutions handle the call volume provided in Exhibit 3 - Historical Data. To ensure we are meeting expected service levels, we generate and review monthly Cardholder Help Desk performance reports that include the following statistics:

- Number of calls received per day
- Duration of calls received
- Number of abandoned calls per day
- Average hold time
- Dequeued calls
- Maximum wait time
- Average answer speed

Our 24/7/365 IVRS ensures exempt retailers are supported by either a CSR or the IVRS at any time with a dedicated retailer toll-free number without charge or fee to the retailers. The retailer customer service help desk and IVRS serve as mechanisms to help all Quest retailers regarding manual voucher authorizations,

resolution of issues on EBT-only POS equipment for exempt retailers and help for resolving settlement and dispute questions and issues. The retailer help desk is operated and staffed following industry standards.

Retailers are required to enter their seven (7) digit FNS number as the key to gain access to system information from the IVRS. Callers who do not present valid data or no data are asked to confirm their FNS number and if needed contact FNS for assistance with their number. Additional information is required from the retailer in order for CSR to provide the requested information.

In the event of any IVRS or call center outage exceeding five minutes, we immediately notify DHS and, if necessary, engage our Disaster Recovery Plan as described in Technical Response section E.4.A. If the call center location is impacted by a disaster, our call center subcontractor, DVS, engages their documented Disaster Recovery Business Continuity Plan that establishes an Incident Command Center in Erie, PA. Should the primary facility in Erie, PA, become unavailable due to disaster, DVS provides a backup location in Pittsburgh, PA. LifeInCheck EBT is a secure web-based application allowing access to the administrative terminal, providing CSRs the ability to connect to LifeInCheck EBT and AWS Connect without connection to DVS during disasters. The agents can continue to take calls from home to support clients during a crisis.

Morse complies with the service levels listed below.

| Service Criteria | Acceptable Performance |
|---|---|
| Interactive Voice Response System | One hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS. |
| Help Desk | One hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS. |
| Call Center | <ul><li>95% calls answered by automated attendant within three (3) rings or fifteen (15) seconds.</li><li>Number of busy signals must not exceed five percent (5%) of total incoming calls.</li><li>95% wait times must not exceed three (3) minutes. Maximum wait time should not exceed twenty (20) minutes.</li><li>Abandoned call rate not to exceed twenty percent (20%) for any month</li></ul> |

| E.6 | Customer Service Requirements | |
|---|---|---|
| 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 |

One of Morse's core values is understanding the power of strong working relationships. By focusing on understanding how our clients and subcontractors prefer to do business, we are better able to get the most out of the relationship and maximize performance. Our subcontractors enhance our comprehensive solution and share our commitment to the success of the Arkansas EBT Program. Our goal for every program is to offer the strongest possible team to deliver the best services according to each state's vision. Therefore, for your EBT Program we partnered with the following subcontractors that have highly focused, specialized skills and experience to augment our solution.

### Customer Service Call Center and Retailer Help Desk

Disabled Veterans Call Center, LLC, d/b/a Disabled Veteran Solutions (DVS) is a nationally recognized provider of outsourced BPO services specializing in full-service contact center solutions, IVR, front and back-office services, a full range HR/PEO services, Training including Diversity/inclusion Training, as well as consulting. The DVS trademark is dedicated to high standards of ethics, excellence, and technological superiority. Tremendous flexibility and experience provide the edge which makes Disabled Veteran Solutions extremely successful. Services are offered to all organizations but especially to those interested in achieving Supplier Diversity Credits or choosing to be socially responsible by thanking those who have, and continue, to insure their Freedom. While DVS employment is open to all, DVS desires to reward Veterans and Military Families for their service by offering meaningful and respect-filled employment.

| Requirement | Response |
|---|---|
| Subcontractor's name and address | Disabled Veterans Call Center, LLC, d/b/a Disabled Veteran Solutions (DVS) 2323 W 38th St Erie, PA 16506 |
| Specific technical and support service(s) | Cardholder and retailer customer service call center |

Customer Service Call Center agents are prepared to assist callers with any of the following issues for either cardholders or retailers:
- Initiate disputes/adjustments
- Provide status of a claim
- Manual voucher authorization
- Disabling card due to lost/stolen/damage
- Issuing new cards
- Transaction information
- Program questions

### Data Processing Technical Support Help Desk

DHS EBT program personnel have direct access to Morse's Data Processing Technical Support Help Desk to assist with administrative terminal issues, file transfer issues, or other technical issues. The help desk associates are available twenty-four (24) hours a day, seven (7) days a week. Our team members triage

reported processing and technical issues using a ticketing system for documentation and escalation. We also help resolve administrative problems, provide support for features in LifeInCheck™ EBT, and answer EBT processing questions.

| Requirement | Response |
|---|---|
| Name and address | MDE<br>734 Main Street #200<br>Grand Junction, CO 81501 |
| Specific technical and support services | System monitoring, file transmission, technical support |

### Retailer Equipment Support Services – *Novo Dia Group, Inc.*

Novo Dia Group Inc. (NDG) is a privately held corporation formed in 2008 and headquartered in Lakeway, Texas. Founded to bring innovation through best of breed technology solutions to the health and human services industry. NDG is a technology services and software development firm focused on assisting clients in implementing cost-effective government solutions while improving citizen services.

| Requirement | Response |
|---|---|
| Subcontractor's name and address | Novo Dia Group Inc.<br>2303 Ranch Road 620 S.<br>Lakeway, TX 78734 |
| Specific technical and support service(s) | POS equipment management, maintenance, installation, and training |

NDG has been instrumental in the design, development, implementation, and support of over 40 EBT projects since 1994. They offer leading edge scalable technology products, effective project management, and unmatched experience in bringing mobile solutions to small merchants throughout the United States. In reviewing the Alabama requirements, we believe the TotilPay Go product with their integrated loyalty solution meets or exceeds the needs for this project. No other team offers the level of understanding and depth of dedicated resource intelligence than theirs in support of this project.

### Card Production - *Fiserv Solutions, LLC*

A leading global provider of information management and electronic commerce systems for financial institutions, investment and insurance firms, government agencies and other business customers, Fiserv Solutions, LLC (Fiserv), a wholly owned subsidiary of Fiserv, Inc

| Requirement | Response |
|---|---|
| Subcontractor's name and address | Fiserv Solutions, LLC<br>255 Fiserv Dr.<br>Brookfield, WI 53045 |
| Specific technical and support services | Card production and fulfillment services; transaction switching |

Fiserv is the leader in the fulfillment business, providing high-volume, turnkey laser personalization and mailing services, sophisticated fulfillment solutions, and mail presorting. They specialize in producing debit, credit, gift, and pre-paid cards, providing real-world solutions that optimize complex fulfillment streams.

| E.6 | Customer Service Requirements | |
|---|---|---|
| | C. Describe how the data processing technical support help desk will monitor the system and transmission line? | 5 points |

When a user has a question about an EBT process or if something is not working as expected, it is frustrating to call a support desk but not get immediate assistance or resolution. Morse understands the critical importance of providing EBT benefits to Arkansas cardholders. In addition, your time is valuable and the ability to quickly answer questions and resolve problems is paramount. To address this need, Morse has a team designated specifically to receive technical support calls. State users simply call the toll-free number to reach one of the support team members, 24 hours a day, 7 days a week.

### Understanding Your Needs

It is our goal to resolve the problem or question with a single call. Our technical support team is fully trained on LifeInCheck™ EBT and familiar with the most frequently asked questions. They can answer questions about using the administrative terminal, have access to reset users within State guidelines, can research status of incoming and outgoing files, and can open tickets and route them accordingly if further assistance is needed. They are fully empowered to escalate issues and engage all levels of management as needed to facilitate resolution.

### Our Technical Support Services

Morse is committed to providing exceptional technical support to ensure the success of your project and the satisfaction of your team. State agency support personnel have direct access to LifeInCheck's state support helpline to assist with administrative terminal issues, file transfer issues, or other technical issues.
We offer a comprehensive range of technical support services, including but not limited to:

- Help Desk Support: Our dedicated help desk team provides timely assistance for enterprise users, addressing queries, troubleshooting issues, and ensuring minimal downtime.
- 24/7 Availability: We understand that technical issues can arise at any time. Our support services are available 24/7, ensuring continuous assistance when you need it most.
- System Monitoring: The Technical Support Help Desk monitors the system performance and file transmissions in real time to ensure timely delivery and proactively resolve issues.
- Multiple Language Options: All technical and support services are provided in English, Spanish, Marshallese, and additional languages can be added upon request and further scoping.

**Customization**: Our technical support services are highly customizable to meet Arkansas's unique needs. We will work closely with your team to develop a support plan tailored to your specific requirements.

**Service Level Agreements (SLAs)**: We are committed to meeting and exceeding service level requests for 24x7 availability for file/system monitoring and support.

**Quality Assurance**: Quality assurance is at the heart of our technical support services. We regularly evaluate our performance, solicit feedback, and make necessary improvements to ensure the highest quality service.

| E.6 | Customer Service Requirements | |
|---|---|---|
| | D. Describe in detail how cardholders access ATMs and POS terminals to obtain cash. | 5 points |

Our proposed retail project manager for the DHS EBT project, Tina Hamilton, has over 20 years of direct experience in EBT cash access management nationally. Our retail contacts in the banking/commercial ATM network community are integral to the success of our cash access solution. Access to cash benefits is an important way to simplify the lives of families in need. Access is provided by offering the option to accept cash benefits as well as SNAP benefits at all FNS certified retailers and by establishing procedures for cash-only retailers to accept the State's cards through agreements with TPPs that are certified to connect to LifeInCheck™ EBT. Wherever the retailers have already installed their own POS equipment, Morse works with the retailers to leverage their existing POS equipment for cash back options as well.

Our approach to establishing the highest level of bank-owned and non-bank owned ATMs is through obtaining a list of all ATMs currently accepting Quest from ATM owners and processors, and then ensuring their continued participation in the EBT program. These lists include ATM terminal ID, location name, address, city, state, and ZIP code. See example reporting below.

| POINT OF SERVICE | TERMINAL ID | OWNER N | LOCATION NAME | ADDRESS | CITY | STATE | ZIP CODE | S/C FLAG | LAST TRANSACTION |
|---|---|---|---|---|---|---|---|---|---|
| ATM | IP6375 | | HOME BANK | 806 VETERANS DR | CARENCRO | AR | 70520 | Y | 09/11/2023 |
| ATM | IP6378 | | HOME BANK | 1219 ALBERTSON PARKWA | BROUSSARD | AR | 70518 | Y | 07/13/2023 |
| ATM | IP6381 | | HOME BANK | 4202 JOHNSTON ST. | LAFAYETTE | AR | 70503 | Y | 09/18/2023 |
| ATM | AR000431 | | HOME BANK | 128 E. ACADEMY | JENNINGS | AR | 70546 | Y | 09/06/2023 |
| ATM | AR000431 | | HOME BANK | 805 MAIN ST. | ELTON | AR | 70532 | Y | 09/05/2023 |
| ATM | AR000431 | | HOME BANK | 102 SOUTH ADAMS | WELSH | AR | 70591 | Y | 09/05/2023 |
| ATM | AR000431 | | HOME BANK | 800 1-10 S FRONTAGE | SCOTT | AR | 70583 | Y | 09/08/2023 |
| ATM | AR000431 | | HOME BANK | 357 ODD FELLOWS ROAD | CROWLEY | AR | 70527 | Y | 09/29/2023 |
| ATM | AR000431 | | PROGRESSIV | 701 TRENTON STREET | WEST MONROE | AR | 71291 | Y | 09/05/2023 |
| ATM | AR000431 | | PROGRESSIV | 1398 LAMY LANE | MONROE | AR | 71201 | Y | 09/03/2023 |
| ATM | AR000431 | | PROGRESSIV | 1411 N 19TH STREET | MONROE | AR | 71201 | Y | 09/26/2023 |
| ATM | AR000431 | | PROGRESSIV | 301 FAIR AVE | WINNSBORO | AR | 71295 | Y | 09/27/2023 |
| ATM | AR000431 | | PROGRESSIV | 3421 CYPRESS STREET | WEST MONROE | AR | 71291 | Y | 07/04/2023 |
| ATM | AR000431 | | HOME BANK | 503 KALISTE SALOOM RD | LAFAYETTE | AR | 70508 | Y | 08/18/2023 |
| ATM | AR000431 | | HOME BANK | 3524 S SHERWOOD F. BL | BATON ROUGE | AR | 70816 | Y | 08/03/2023 |
| ATM | AR000431 | | JD BANK | 4507 SOUTH HWY 27 | SULPHUR | AR | 70665 | Y | 09/12/2023 |
| ATM | AR000431 | | JD BANK | 438 NORTH 9TH ST | KINDER | AR | 70648 | Y | 09/30/2023 |
| ATM | AR000431 | | JD BANK | 609 MAIN ST | MAMOU | AR | 70554 | Y | 09/05/2023 |
| ATM | AR000431 | | JD BANK | 300 W. PARK | EUNICE | AR | 70535 | Y | 09/21/2023 |
| ATM | AR000431 | | JD BANK | 4989 E MCNEESE ST | LAKE CHARLES, | AR | 70607 | Y | 08/07/2023 |
| ATM | AR000431 | | JD BANK | 407 WEST DIVISION | JENNINGS | AR | 70546 | Y | 09/13/2023 |
| ATM | AR000431 | | JD BANK | 1511 SAMPSON ST | WESTLAKE | AR | 70669 | Y | 07/02/2023 |

*Figure E.6.D.1: ATM Location Report*

For retail locations, we record information provided by the retailers directly from their transaction history, including the amount of cash withdrawal and purchase with cash back that retailers offer cardholders. This allows us to verify the retailer documented policy to what is occurring in the field. We already have established relationships with major retailers that provide access for EBT cash (CVS, Dollar Tree, Save-a-Lot, Target, Walgreens, and Wal-Mart). We capture this information in the LifeInCheck EBT database and compare it to cardholder demographic information provided by DHS. LifeInCheck EBT provides detailed information on point-of-sale terminal and ATM identification numbers and location with any EBT cash transaction. This information is included in our standard reporting.

All cash transactions processed through LifeInCheck EBT comply with all state and federal rules and guidelines for cash access. EBT cash cardholders are afforded unrestricted access to their cash benefits at POS terminals and participating ATMs. Cardholders are offered ATM and SNAP approved retailer location information on the LifeIncheck EBT mobile app and can check it 24/7 for convenient shopping locations.

LifeInCheck EBT deducts any applicable bank assessed fees and ATM network surcharges from the cardholder's Cash benefit authorization. In the event there is a need to reverse or void a cash withdrawal, either partially or completely, there is no fee assessed as this is not considered a cash withdrawal.

LifeInCheck EBT debits the transaction fee back to EBT cardholder Cash account whenever cash withdrawal transactions are reversed by the ATM network/acquire or retailers. Cardholders can submit a dispute anytime through our call center if they find any misdispense cash withdrawal transactions. Morse follows the DHS dispute policy and procedures to process any misdispensed cash withdrawal transactions, if the dispute is approved. LifeInCheck EBT debits transaction fees back to the cardholder cash account.
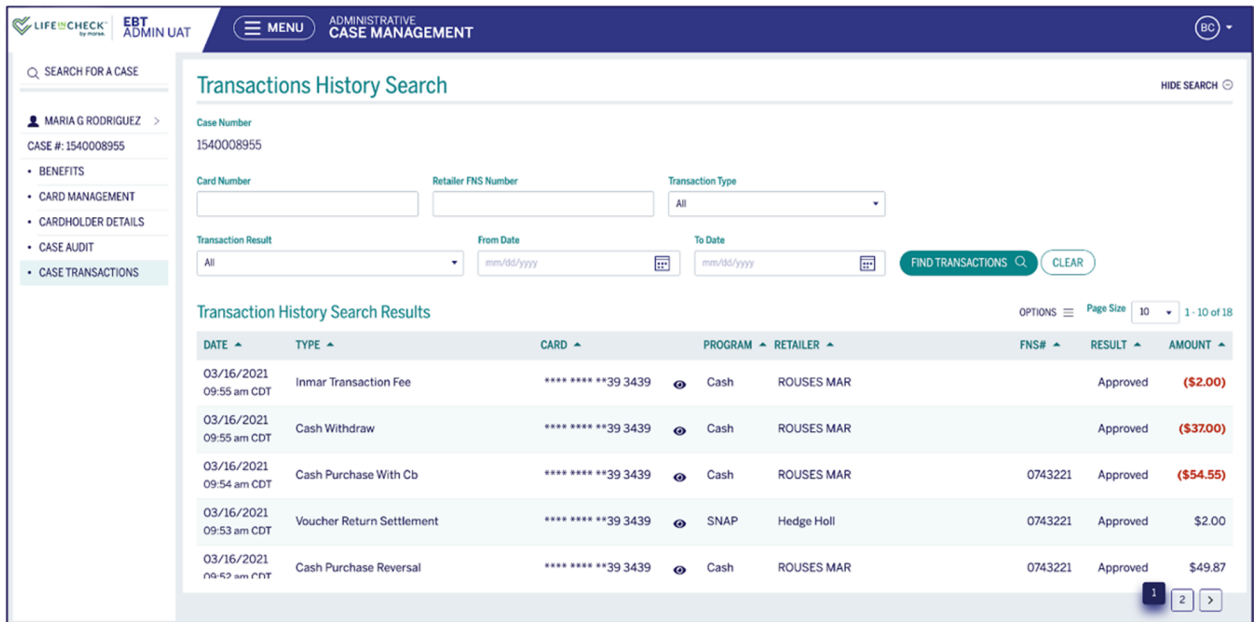


Figure E.6.D.2: Transaction History with ATM Withdrawal and Reversal

| E.6 | Customer Service Requirements | |
|---|---|---|
| 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 |

LifeInCheck™ EBT is securely built with all appropriate safeguards in accordance with federal regulatory guidelines to ensure the security, confidentiality and integrity of all data received related to Arkansas's customer and retailer populations. Morse ensures that EBT customers' and retailers' personal identifiable information (PII) data is secure in transit and at rest in our system. PII data is displayed to the users on the administrative terminal on a need-to-know basis only. Data visibility is controlled through privileges assigned to roles. We recently updated our administrative terminal access protocol to include two factor authentication. Any user trying to access the administrative terminal outside of Single Sign On protocol is asked to provide a second level of authentication such as receiving an email.  This includes Morse, FNS, and call center personnel.

LifeInCheck EBT uses the latest Transport Layer Secure (TLS 1.2) protocol between two endpoints to secure connection between front-end pages and LifeInCheck EBT. Additionally, we limit the amount of data exposed at endpoints in the system. Morse uses industry standard Web Access Firewall (WAF) products in our infrastructures to secure and protect deauthorized access to the websites and services.
As described below, Morse hosts LifeInCheck EBT and data storage to provide its services to the State of Arkansas and its end users solely from AWS data centers in the U.S.

### EBT System Hosted With Cloud Technology
One complaint we hear from many States is the persistent problem of system downtime during which

customers are unable to use their benefits. By leveraging cloud technology to host LifeInCheck™ EBT, we provide a reliable, fault-tolerant and highly available system. Our application and database are hosted in more than one data center within multiple regions to provide data redundancy, eliminate I/O freezes and minimize latency spikes during peak processing time and system backups. These databases are replicated in real-time. Using cloud infrastructure provides us the flexibility to manage application and database hardware resources such as CPU, memory and storage to scale up or down instantly based on the required capacity and performance. This capability minimizes the risk of having systems down due to system capacity and network issues.

Today, cloud technology is oftentimes more secure than traditional in-house systems. RapidScale claims that 94% of businesses saw an improvement in security after switching to cloud technology, and 91% said the cloud makes it easier to meet government compliance requirements.

We are using the AWS US East (Northern Virginia) Region as our primary hosting center and US West (Oregon) Region as our backup hosting center. AWS is a leading cloud hosting service provider in the industry and has the highest standards and security controls for their data centers.

Morse does not allow our personnel or contractors to store State of Arkansas data on portable devices, including personal computers, except for devices that are used for supporting the State of Arkansas and kept only at its U.S. data centers. Our security team regularly monitors user access and provides security training annually. Morse permits its personnel and contractors to access State of Arkansas data remotely only as required to provide technical support. In addition, all remote access requires a production VPN and a MultiFactor Authentication (MFA) to access the production system.

## Data Center Security

Morse utilizes best-in-class data centers to provide client facing services. The data centers are located in various regions and availability groups across the United States to provide our highly available systems. The data center locations currently available include Virginia, Ohio, California, and Oregon. All data centers are highly secure facilities with the following controls in place:

- **Redundancy** - data centers are designed to anticipate and tolerate failure while maintaining service levels
- **Availability** – identification of critical system components required to maintain the availability of the system and recover service in the event of outage
- **Capacity Planning** – continuous monitoring service usage to deploy infrastructure to support availability commitments and requirements.
- **Data center access review** - access to data centers is regularly reviewed.
- **Data center access logs** - physical access to data centers is logged, monitored, and retained.
- **Data center access monitoring** - monitor data centers using our global Security Operations Centers, which are responsible for monitoring, triaging, and executing security programs.
- **Media destruction** - decommission media using techniques detailed in NIST 800- 88 when a storage device has reached the end of its useful life.
- **Power** - electrical power systems are designed to be fully redundant and maintainable without impact to operations, 24 hours a day.
- **Climate and temperature** - mechanisms in place to control climate and maintain an appropriate operating temperature for servers and other hardware to prevent overheating and reduce the possibility of service outages.
- **Fire detection and suppression** - data centers are equipped with automatic fire detection and suppression equipment.
- **Leakage detection** - data centers are equipped with functionality to detect the presence of water.

- **CCTV** - physical access points to server rooms are recorded by Closed Circuit Television Camera (CCTV).
- **Data center ingress points** - physical access is controlled at building ingress points by professional security staff utilizing surveillance, detection systems, and other electronic means.
- **Intrusion detection** - electronic intrusion detection systems are installed within the data layer to monitor, detect, and automatically alert appropriate personnel of security incidents.

| E.6    Customer Service Requirements | |
|---|---|
| F. Describe employee support the Prospective Contractor will provide Call Center employees once the system is activated. | 5 points |

In preparation for taking live calls from Arkansas cardholders and retailers, each CSR goes through a structured training program specific to the Arkansas EBT program.  The program provides the agent with all the knowledge and resources necessary to perform their call center assignment.  Included in the training are classroom lessons and one-on-one training with an assigned tenured specialist.  The individual training, which we term shadowing, occurs after classroom training and before taking live calls.  The CSR is ready to take live calls while their tenured specialist supports them before being placed on their permanent schedule to take live calls from the production environment.  By the end of this training period, CSRs are fully equipped to perform the work they were hired for and continue to receive ongoing training and knowledge advancement.

**Week One Schedule**

| | Day One | Day Two | Day Three | Day Four | Day Five |
|---|---|---|---|---|---|
| Program | Wk1 | Wk1 | Wk1 | Wk1 | Wk1 |
| Trainer | Trainer | Trainer | Trainer | Trainer | Trainer |
| 8:30 | | | | | |
| 9:00 | Greet/Program Training | Greet | Greet | Greet | Greet |
| 9:30 | Program Training | Program Training | Shadow | Shadow | Shadow |
| 10:00 | Program Training | Program Training | Shadow | Shadow | Shadow |
| 10:30 | Program Training | Program Training | Shadow | Shadow | Shadow |
| 11:00 | Break | Program Training | Shadow | Shadow | Shadow |
| 11:30 | Program Training | Break | Break | Break | Break |
| 12:00 | Program Training | Shadow | Shadow | Shadow | Shadow |
| 12:30 | Program Training | Shadow | Shadow | Shadow | Shadow |
| 1:00 | Program Training | Break | Break | Break | Break |
| 1:30 | Program Training | Shadow | Shadow | Live Calls/Buddy System | Live Calls/Buddy System |
| 2:00 | Break | Shadow | Shadow | Live Calls/Buddy System | Live Calls/Buddy System |
| 2:30 | Program Training | Shadow | Shadow | Live Calls/Buddy System | Live Calls/Buddy System |
| 3:00 | Program Training | Shadow | Shadow | Live Calls/Buddy System | Live Calls/Buddy System |
| 3:30 | Recap | Recap | Recap | Recap | Recap |
| 4:00 | | | | | |
| 4:30 | | | | | |
| 5:00 | | | | | |

**Week Two Schedule**

| | Day One | Day Two | | Agents begin their permanent schedule and take live calls in production | Agents work their permanent schedule and take live calls in production with tenured buddy available to provide support and help answer questions. | Agents begin their permanent schedule and take live calls in production, at the end of their shift coaching for success to wrap up end of week two. |
|---|---|---|---|---|---|---|
| Program | Wk 2 | Wk 2 | | | | |
| Trainer | Trainer | Trainer | | | | |
| 8:30 | | | | | | |
| 9:00 | Greet | Live Calls/Training support | | | | |
| 9:30 | Live Calls/Training support | Live Calls/Training support | | | | |
| 10:00 | Live Calls/Training support | Live Calls/Training support | | | | |
| 10:30 | Live Calls/Training support | Live Calls/Training support | | | | |
| 11:00 | Break | Live Calls/Training support | | | | |
| 11:30 | Live Calls/Training support | Break | | | | |
| 12:00 | Live Calls/Training support | Live Calls/Training support | | | | |
| 12:30 | Live Calls/Training support | Live Calls/Training support | | | | |
| 1:00 | Live Calls/Training support | Break | | | | |
| 1:30 | Live Calls/Training support | Live Calls/Training support | | | | |
| 2:00 | Break | Live Calls/Training support | | | | |
| 2:30 | Live Calls/Training support | Live Calls/Training support | | | | |
| 3:00 | Live Calls/Training support | Live Calls/Training support | | | | |
| 3:30 | Recap | Live Calls/Training support | | | | |
| 4:00 | | | | | | |

*Figure E.6.F.1: The new CSR has a structured training schedule*

### Classroom Lessons

Experienced trainers serve as teachers for the classroom sessions.  During training, the CSR learns the specifics for the Arkansas program, such as account verification requirements, address change rules, and benefit availability dates.  Classroom training also covers the compliance requirements for the program including data confidentiality and pertinent service levels and where to find resources such as the policies and procedures for the project.  During the classroom training phase, CSRs are introduced to the relevant call scripts and receive guidelines on how to respond to typical caller questions.  CSR training is designed to accelerate the CSRs' ability to apply what they have learned and provide superior call handling.

### Monitoring

Once an agent enters production, they are assigned to a specific team. Their direct supervisors do live monitoring daily and provide the immediate feedback needed. Weekly meetings with their supervisors include reviewing all metrics for the program, along with attendance and concerns that the agents may have.

The training department provides additional check-ins with all CSRs at 30, 60, and 90 days and ongoing learning is scheduled throughout the agent's tenure.

After the 90-day window, the Quality Department reviews all calls and submits findings to management for feedback and training opportunities. Listening collaborations are held monthly to check calls, processes, and procedures to assist with coaching for success.

In addition to the classroom and one-on-one training, CSRs have access to the following:
- Call answering scripts, including FAQ's that have been reviewed and approved by DHS.
- Cardholder and retailer web portals. This enables the CSRs to see the layout, content, and navigation functions to assist cardholders with access to the web portal or mobile app.
- DHS-approved government websites and other approved state-specific online resources.
- Referral information, such as a list of local state offices, including addresses, phone numbers, and hours of business. We can also include contact information for different government offices or community organizations that may be useful to cardholders or retailers that DHS believes would be beneficial to the caller.

Morse and DVS hold weekly touchpoint calls to review staffing levels, monitor call volume, and gain additional information on upcoming changes or new projects. All staff assigned to the Arkansas project receive comprehensive training to cover every detail of the new program. If anything requires attention before the next touchpoint call, we maintain an open line of communication via phone or email.

Morse's goal is to arm all the call center staff with a complete support system and resources to provide outstanding customer service for Arkansas cardholders and retailers. All CSRs and supervisors have full access to the call center management team that includes supervisors, trainers, IT staff, and higher-level managers who are available for support, direction, advice and assistance with escalated calls 24/7/365 days a year.

| E.6    Customer Service Requirements | |
|---|---|
| G. Explain what the Prospective Contractor would do to gather transaction history if the agency requested. | 5 points |

LifeInCheck™ EBT maintains three years of transaction history on-line, accessible to users via the administrative portal. After three years, the transaction history is moved off-line to an easily accessible database. If transactions older than three years are needed by the agency, a request is made to Project Manager, Chris Peterson. The request is shared with the engineering team for fulfillment.

| E.6    Customer Service Requirements | |
|---|---|
| H. Describe the Prospective Contractor's interactive voice response system (IVRS) and features. | 5 points |

Morse understands how important customer service is particularly to EBT cardholders and exempt retailers. The need to support cardholders and retailers consistently 24 hours every day and 7 days a week means the quality of the Interactive Voice Response System (IVRS) flows are critical. EBT cardholders and retailers sometimes just need a quick answer or prefer to use an IVRS to perform tasks like activating their card or checking their balance. The objective of the IVRS is to determine as quickly as possible the caller's question or

request and respond quickly and clearly with instructions or information. We structure our call flows to be efficient and intuitive and provide our IVRS scripts to DHS for review and approval during Transition In.

IVRS services are provided in English, Spanish, Marshallese, and other languages as requested by DHS. Additionally, the IVRS complies with the ADA Act and provides TTY capability.

Access to the IVRS is controlled through the entry of the cardholder's 16-digit EBT PAN or through the retailer's FNS number. If the cardholder's PAN is not available (such as a lost card) Morse offers the option for an alternative validation process.  This includes at least three pieces of identifiable information from the client. We determine with DHS what identifying information is needed prior to providing any account information to the cardholder.

Whether using a public and private phone line, cardholders have access to a variety of information and options including:

- Ability to report a claim from the main menu
- Account balances
- Transaction history
- PIN selection or change
- Card cancellation and replacement

| Task/Service | Cardholder | Retailer |
|---|---|---|
| IVRS IS 24/7/365 days a year | ✓ | ✓ |
| IVRS supports English, Spanish, Marshallese, and other languages as requested by DHS | ✓ | ✓ |
| Supports rotary phones | ✓ | |
| Access via public telephone | ✓ | |
| Report a claim from the main menu | ✓ | |
| Access to account balances and transaction history | ✓ | |
| Card activation | ✓ | |
| Report card lost, stolen, or damaged | ✓ | |
| Request a replacement card | ✓ | |
| General Information | ✓ | |
| Transfer to helpdesk for support | ✓ | |
| General DHS-related inquiry or support | | ✓ |
| Manual Authorization approval | | ✓ |
| Daily deposit inquiries/settlement data | | ✓ |
| Account problem resolution | | ✓ |
| Transfer to helpdesk for assistance for problem resolution, including but not limited to connectivity, equipment performance, funds settlement and claims | | ✓ |
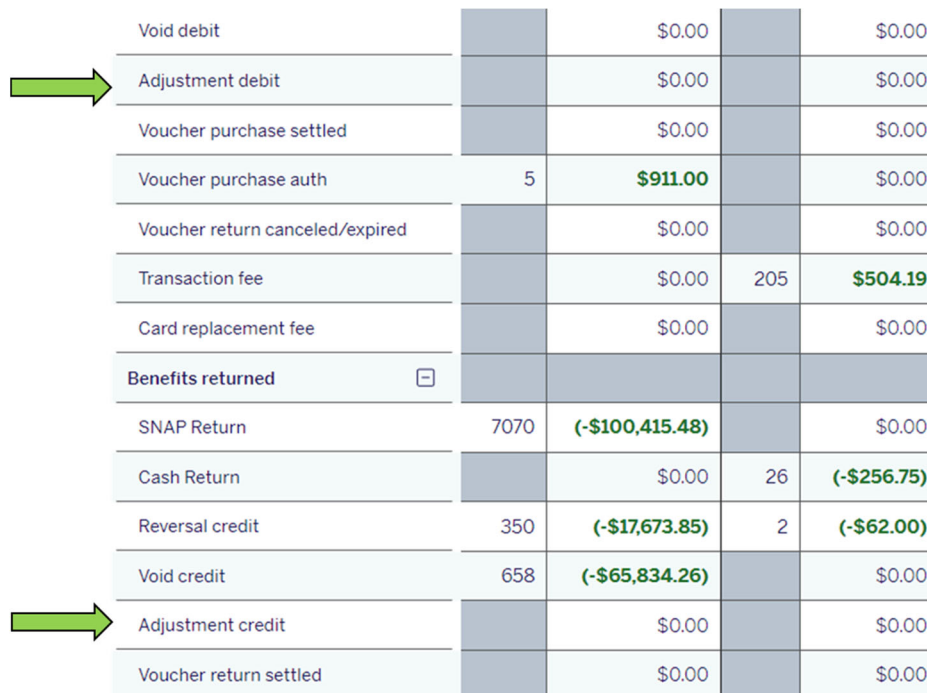
*Figure E.6.H.1: IVRS Features*

The volume of cardholder and retailer calls is significant and varies during the month. Morse's IVRS and call center are supported by Amazon Web Services (AWS). Amazon Connect architecture is load balanced across several instances at the non-telephony levels. Morse works with DHS to review performance reports and call flows to identify IVRS flow enhancements and CSR training opportunities. At the telephony level, when Morse claims or ports a phone number to Amazon Connect, we are claiming/porting that number to multiple carriers, which facilitates load balancing. If one of the carriers has an issue, it is automatically taken out of rotation to prevent impact to DHS customers.

| E.6 | Customer Service Requirements | |
|---|---|---|
| I. | Describe how cardholder complaints and disputes are resolved and the timeframes associated with the process. | 5 points |

An established procedure for resolving disputes that occur during the settlement process with retailers and cardholders is crucial. Retailers with an auditable out of balance settlement with their processor/financial institution are addressed within the FNS federal regulations and Quest® Operating Rules regarding timing and resolution. When disputes arise, LifeInCheck's dispute resolution team is notified, and we immediately start the investigation to resolve the issue. A clearly defined process is established with our operations team to settle any ACH deposit amount disputes raised by a TPP.

Following the FNS SNAP adjustment rules 7 CFR 274.2(g) and Quest® Operating Rules, LifeInCheck™ EBT adjustments are initiated by either calling the retailer call center or the cardholder call center. Following a call and with further research, the LifeInCheck team credits or debits a cardholder or retailer account to correct an auditable system error.  The adjustment is reflected in the daily settlement and can be viewed on the Financial Liability Dashboard in the administrative terminal.

| Void debit | | $0.00 | | $0.00 |
|---|---|---|---|---|
| Adjustment debit | | $0.00 | | $0.00 |
| Voucher purchase settled | | $0.00 | | $0.00 |
| Voucher purchase auth | 5 | $911.00 | | $0.00 |
| Voucher return canceled/expired | | $0.00 | | $0.00 |
| Transaction fee | | $0.00 | 205 | $504.19 |
| Card replacement fee | | $0.00 | | $0.00 |
| Benefits returned ⊟ | | | | |
| SNAP Return | 7070 | (-$100,415.48) | | $0.00 |
| Cash Return | | $0.00 | 26 | (-$256.75) |
| Reversal credit | 350 | (-$17,673.85) | 2 | (-$62.00) |
| Void credit | 658 | (-$65,834.26) | | $0.00 |
| Adjustment credit | | $0.00 | | $0.00 |
| Voucher return settled | | $0.00 | | $0.00 |

*Figure E.6.I.1: Financial Liability Dashboard with adjustment transactions*

Adjustments are also tracked in the daily Adjustment Report.

**ADJUSTMENT DETAIL ACTIVITY REPORT**
REPORT DATE OF 10/02/2019
ARKANSAS EBT PROJECT

COUNTY CODE : 05
COUNTY NAME : BOONE
PROGRAM : SNAP

| CASE NUMBER | CARDHOLDER NAME | ADJ TRACKING NUMBER | TRANSACTION DATE/TIME | CR/DB | ORIGINAL AMOUNT | CLAIM AMOUNT | CLAIM TYPE & DATE | CLAIM STATUS & DATE | RETAILER FNS NBR/ RETAILER NAME/ADDRESS |
|---|---|---|---|---|---|---|---|---|---|
| 112245698 | WOOD, JENNIFER | 12345678 | 11/27/2019 16:33:24 | CR | 18.45 | 18.45 | RETAILER - DEBIT TO RECIPIENT 10/02/2019 | APPROVED 10/02/2019 | 2990091 CAJUN MART 109 S EASTERN AVE CROWLEY , AR, 70256 |
| 523456789 | ARCHER, STEVEN | 12345685 | 10/01/2019 08:11:32 | DB | 60.00 | 40.00 | RECIPIENT - DEBIT TO RETAILER 10/02/2019 | PENDING 10/02/2019 | 5619420 CUCCIO'S 1025 N AVE G CROWLEY , AR, 70256 |
| 62356789 | DOE, JOHN | 12345695 | 11/28/2019 15:18:22 | DB | 40.00 | 40.00 | RECIPIENT - DEBIT TO RETAILER 10/02/2019 | DENIED 10/02/2019 | 112233659 WALMART SUPERCENTER 729 ODD FELLOWS RD CROWLEY , AR, 70256 |
| 8234567890 | HAYS, RENEE | 12345777 | 11/24/2019 23:05:36 | DB | 43.89 | 43.89 | RECIPIENT - DEBIT TO RETAILER 10/02/2019 | APPROVED 10/02/2019 | 528745698 SUPER 1 FOODS 2004 N PARKERSON AVE CROWLEY , AR, 70256 |

| SNAP TOTALS | CREDIT AMOUNT | DEBIT AMOUNT | NET AMOUNT | COUNT |
|---|---|---|---|---|
| | 18.45 | 123.89 | -105.44 | 4 |

RUN DATE: 10/03/2019  01:23:02  PAGE 3

*Figure E.6.I.2: Adjustment Detail Activity Report*

Participating retailers and cardholders may call the customer service call center at any time for assistance with adjustments and to initiate a dispute or to check on the status of a dispute. Customer service representatives initiate a service request for further investigation to resolve reported disputes promptly. Retailers must request adjustments no later than 10 business days from the date of the error. No funds are held on an account balance until the 15 business days have expired to allow sufficient time for the cardholder to respond or request a fair hearing. Upon receipt of the adjustment request, by the next business day, the LifeInCheck team initiates the adjustment by logging the request and managing it through our ticketing process. LifeInCheck EBT generates the Notice of Adjustment to DHS on the Daily Adjustment Activity Report. Households have 90 calendar days from the date of the Notice of Adjustment to request a Fair Hearing. If the household requests a Fair Hearing within 15 business days from the date of the Notice of Adjustment, no action is taken to debit the cardholder's account or credit the retailer's account until a hearing is held. If the household does not request a Fair Hearing by the 15th day after the date of notice, the adjustment is processed on the 16th day to debit the cardholder's account and credit the retailer's account.

The LifeInCheck team notifies DHS of pending debit adjustments and provides notification to the cardholder. We seek confirmation before adjusting the cardholder's account. The adjustments are made to cardholder accounts in accordance with FNS guidelines and DHS approved "no-hold" waiver obtained from USDA-FNS. Cardholders are allowed to appeal the adjustment request. When a cardholder appeals an adjustment decision by requesting a Fair Hearing, the adjustment is made according to the DHS waiver regulations. If the cardholder's account balance is insufficient to settle debits to the account, LifeInCheck EBT monitors the cardholder account to debit the amount when benefits become available in the next benefit month.
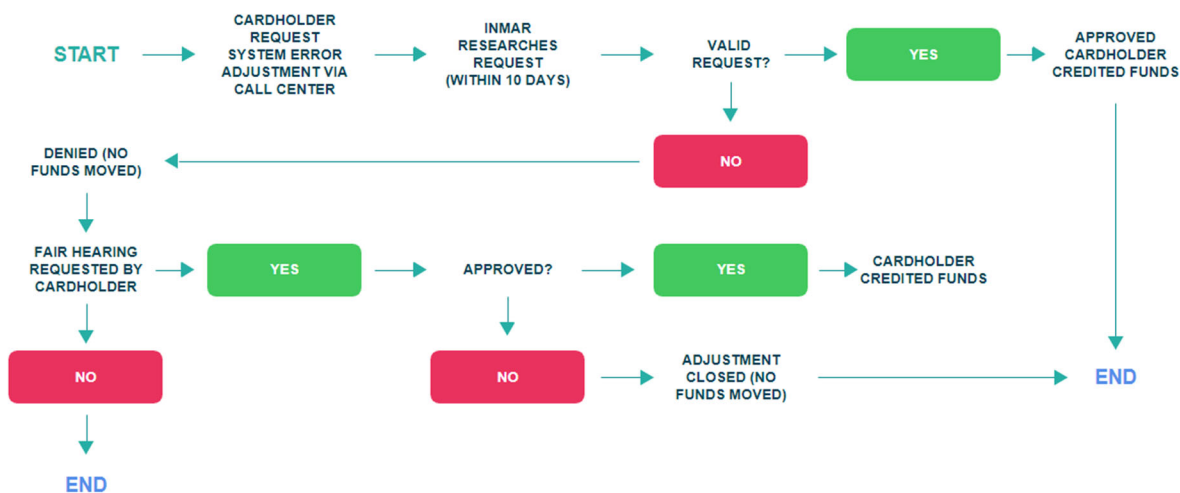
*Figure E.6.I.3: Adjustment Process*

| E.6 | Customer Service Requirements | |
|---|---|---|
| J. | Describe the process for educating cardholders on accessing the cardholder portal and how cardholders will navigate through the portal. | 5 points |

## Cardholder Portal

Our cardholder portal provides an expedient avenue for cardholders to access program and account information when it best fits their schedules. The LifeInCheck™ EBT portal is where your cardholders can get 24/7/365 customer service on their accounts. It allows registered cardholders to check their account balances and recent transactions, which are the most common and vital information cardholders want to obtain. If an extra security password has been enabled, our website first validates the extra security password before granting access to the site. Once logged in, cardholders can view account balances and transaction history, perform PIN selection/change in real-time, report lost, stolen, and damaged cards and request replacement cards as well as get updated messages from the customer service message center.

DHS cardholders are introduced to both the Arkansas EBT cardholder portal and the Arkansas cardholder mobile app on the card mailer that includes Quick Response code (QR) for easy registration on the mobile app. Cardholder only need to register on one of the platforms as their credentials provide access to both the cardholder portal and mobile app. We also provide information and links to DHS to include on FAQ's, websites, or other locations cardholders visit.



*Figure E.6.J.1: The Cardholder Portal and Mobile App make card activation easy.*

Our cardholder portal is compatible with the latest and at least the last two versions of Google Chrome, Microsoft Edge / Internet Explorer browser and Safari browsers. The portal is also accessible using any size of device including smartphone, iPad/tablet, laptop, and desktop. We chose to use responsive web design (RWD) to implement our EBT web portals, which provides support for multiple leading web browsers and displays on different screen sizes. It is also in compliance with Section 508 ADA. Our goal is to make access to information and self-service capabilities as convenient and easy as possible.

Users authenticate themselves using secure Web protocols in Spanish as spoken in Arkansas and English, user IDs and passwords. Cardholders must create passwords with at least 10 characters that meet specific guidelines including upper- and lower-case letters, numbers, and special characters.  Passwords must be changed every 90 days.

The following functions are included in the cardholder portal LifeInCheck EBT.com.
- SNAP, Cash benefit balance, both posted and available
- 90 day transaction history, both view and print
- Issuance schedule for SNAP and Cash
- Cardholder profile
- Account information
- Report lost/damaged/stolen card
- Customer service inquiries
- Select/update PIN
- Program information
- FAQs
- Links to agency resources

We continually expand our website capabilities to include additional services and functions for cardholders. We work with DHS during the Design Phase to configure our cardholder portal to deliver the functionality that DHS requires. The site is not available to the public prior to the review and approval of the DHS

# Key Tasks through Example Screenshots

## Obtain Current Account Balance and View Transaction History
Once cardholders log into the portal, they first see their account balances and their most recent transaction history.
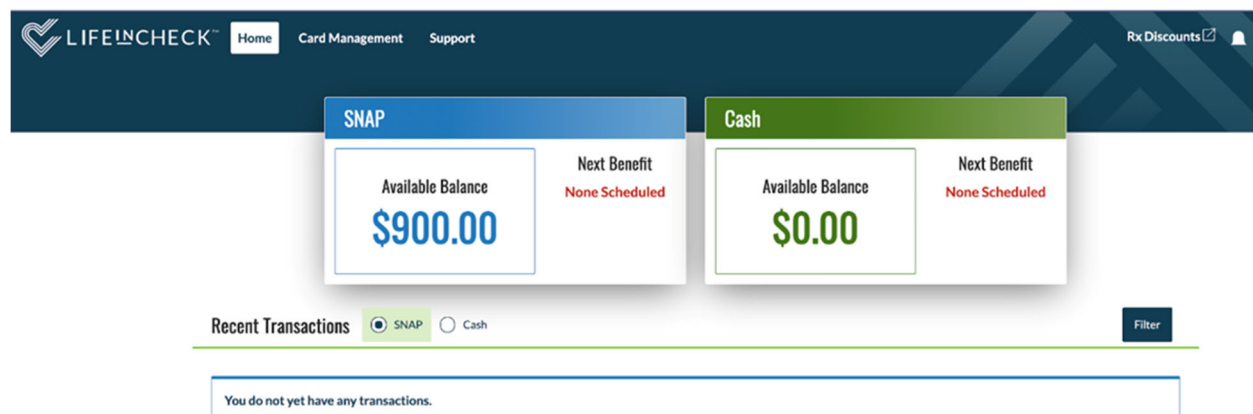


*Figure E.6.J.2: Cardholder Portal Landing Page*

## Select or Change PIN

Cardholders use the 'Select/Update PIN' option to select a new PIN or update their current PIN. After selecting the option of Select/Update PIN, the next screen validates cardholders by asking them to enter the last 4 digits of their Social Security Number, date of birth, and zip code and then select and confirm the PIN. We validate cardholders based on the criteria established by the State. We discuss these validation rules with you during JAD. The system only sets/updates the PIN if all verification data matches with what is stored in our database for this cardholder.



*Figure E.6.J.3: Select or update PIN via the Cardholder Portal*

## Card Cancellation and Replacement

Cardholders can cancel their card only, cancel and then request a replacement card, or if the card has already been previously cancelled, they can request a replacement card. In the following paragraph, we describe how to cancel and then request for a new replacement card on the customer service website.

Cardholders select "Cancel Current EBT Card" to cancel their card.
To cancel the card, cardholders first enter their demographic information and select a reason why they want to cancel the card. Once the information is validated, our system prompts the cardholders to confirm the cancellation and then the card is cancelled.

After the card has been cancelled, the cardholders are given the option to request a replacement card as shown in Figure *E.6.J.4*: Cancel Card. To avoid this replacement being sent to a wrong address, the system displays the address on file and asks the cardholder to confirm if this is correct. If the address is not correct and the cardholder desires to change the address, the website directs cardholders to contact DHS for address updates.

*Figure E.6.J.4: Card Cancellation via the Cardholder Portal*

**Broadcast Messages**

LifeInCheck EBT supports the ability for authorized DHS staff to post messages to cardholders. This banner message functionality is managed through the administrative terminal. Your staff can create banner messages and specify the effective period for the message to be displayed on the customer service website.
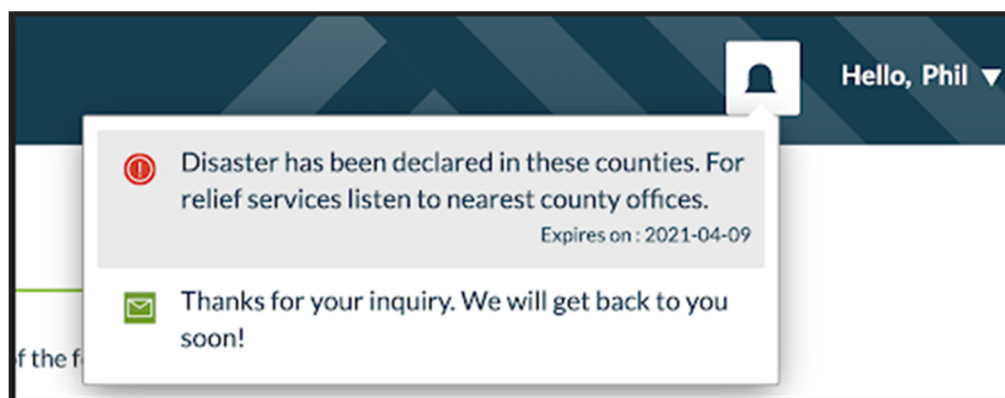


*Figure E.6.J.5: Broadcast Messages*

### Alerts and Notifications

Cardholders can manage and configure which transactions/activities notifications and alerts they want to receive. As shown in Figure E.6.J.6: Alerts and Notifications, types of notification and frequency of the notifications are configured in the cardholder website. Notifications and alerts are sent to the cardholders so they can easily self-monitor their account activities.



*Figure E.6.J.6: Alerts and Notifications*

| E.6 | Customer Service Requirements | |
|---|---|---|
| K. Explain how cardholders are notified of changes or adjustments that affect them. | | 5 points |

Morse supports all aspects of adjustment processing including providing cardholder notice of adjustments. We follow USDA FNS regulation 7 CFR 274.2(g) and QUEST Rules to provide cardholder notification and we are fully prepared to provide those services to Arkansas. LifeInCheck™ EBT cardholder adjustments are initiated by either a retailer calling the retailer call center or passed to us through our EBT gateway Fiserv's Client Central workstation. Following a call or ticket from Client Central we further research the request.

The LifeInCheck team takes action using the administrative terminal to credit or debit the cardholder to correct a system error.

We notify DHS of pending debit adjustments and sends a notification letter to the cardholder. The cardholder notification letter includes date, time, and location of the transaction, dollar amount to be debited from their account, and steps the cardholder can take if they do not agree with the adjustment request. The LifeInCheck team seeks approval from the state before adjusting the account.

| E.6 | Customer Service Requirements | |
|---|---|---|
| L. Describe the standard procedures employed to verify the identity of the cardholder using the help desk, web portal, and mobile applications. | | 5 points |

Protecting customer information and benefit access while providing intuitive technology for customer interfaces is a focus for LifeInCheck™ EBT. Selecting and changing a PIN, reporting a card lost, stolen or damaged, and requesting a new card are three activities that require an authorization process 24 hours a day. Cardholders requesting these features must follow the authorization process whether they are using the IVRS, cardholder portal, or mobile application.

### IVRS
When accessing information via the IVRS, the cardholder must first enter a valid 16-digit card number. Once LifeInCheck EBT validates the card number, the cardholder is asked to provide additional levels of validation. While this is configurable based on DHS's requirements, we recommend the following

- Last four digits of the cardholder's Social Security Number (SSN)
- Cardholder's date of birth (MM/DD/YYYY)
- Zip code associated with cardholder's account

Each of these entries is validated by the IVRS repeating back to the caller what was entered and requesting confirmation. LifeInCheck EBT validates entered information with the information provided by the State. Once validated, the cardholder can continue with the requested activities such as checking account balances or reporting lost, stolen, damaged, non-receipt or unauthorized use of card. Should the entered cardholder information not match the information provided by the State, cardholders are not permitted to continue. Morse works with the State to determine responses to cardholders not validated through the authorization process.

### Customer Service Representative
When a cardholder leaves the IVRS and speaks with a live agent, the agent validates the caller's identity a second time. The caller must provide the same information that validates the caller in the IVRS. When enabled, the agent asks for an extra security password to further validate the caller. This password is set up by the case worker working with the cardholder and offers additional account protection. It is an optional password but when present, the cardholder must provide it to access account information on any platform –

IVRS, agent, portal, or app.

### Cardholder Portal

The authorization process included in the IVRS is also included in the cardholder web portal. Before using the portal, the cardholder must first set up an account by providing the appropriate validation information. Validating information includes the cardholder's date of birth, the 16-digit card number, the last 4 digits of the SSN and the zip code. If any of the information provided does not match what is in LifeInCheck EBT, the registration fails. Once this information is validated, the cardholder must provide a valid email address and create a password. If the extra security password is enabled on the account, the cardholder must enter that passcode before accessing any account information.

### Mobile App

Once the cardholder creates an account for the cardholder portal, the same login information can be used to access the mobile app. Validation is not needed if an account has already been created. Cardholders creating an account in the mobile app but not the cardholder portal must provide the same validating information as in the cardholder portal and the IVRS. Additionally, if the extra security password is enabled, it must be provided before any account information can be accessed.

| E.6 Customer Service Requirements | |
|---|---|
| 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 |

With the rise in fraudulent activity impacting EBT cardholders, it is more important than ever to provide additional security features to protect cardholder information and benefits. LifeInCheck™ EBT provides the option for cardholders to enable a second password on their account. This additional security password is used in the IVRS, cardholder portal, and the mobile app to allow the customer to access their account information. It is also used as the customer authenticator when calling to speak to a customer service representative (CSR).

LifeInCheck EBT requires the additional security password to be:
- Selected by the cardholder but entered by the case worker
- Six to 12 alphanumeric characters in length
- Void of any special characters

When the extra security password is enabled:
- A message is displayed to anyone with access to the account information that an additional security password is enabled to the account regardless of the screen they are on.
- AT users must verify the password before EBT card issuance is allowed.
- The cardholder must verify the additional security password before accessing their account using the cardholder portal, mobile app, IVRS, or call center.
- The password can be changed or removed by an administrative terminal user with proper security access.
- Transaction logs are created and maintained for all activities related to password updates.

### Highly Secure and Protected Mobile App and Web Portal

The LifeInCheck EBT mobile app is fully compliant with all current and relevant International Standards Organization (ISO) standards to prevent tampering and other unauthorized use. We protect cardholders' personal Identifiable Information (PII) data by using AES 256 (256-bit Advanced Encryption Standard). All PII data travels over the interface and is always encrypted. Passwords must be changed every 90 days and

must meet specific requirements including:

- Must contain at least one uppercase letter
- Must contain at least one lowercase letter
- Must contain at least one special character
- Must contain at least one number
- Must be between 10-20 characters long
- Cannot contain username or full name

The LifeInCheck EBT cardholder portal data transmissions are encrypted from end-to-end using the latest secure communication protocols. We are using the latest Transport Layer Secure (TLS 1.2) protocol between two endpoints to secure connection between front-end pages and LifeInCheck EBT. Also, we are using an industry standard Web Access Firewall (WAF) product in our infrastructure to secure and protect unauthorized access to the portal. The cardholder web portal is compliant with Americans with Disabilities Act (ADA) Section 508. We log and monitor all user activities for tracking and auditing.

| 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 |
| 2.  Training materials and resources | 5 points |
| 3.  Training programs | 5 points |

### Training Options
At Morse, we believe in providing a variety of training options to help people find information in the format that best suits them. This includes printed materials, electronic files, interactive sessions, or video. We help users access the information needed to efficiently use LifeInCheck™ EBT cardholder portal, mobile app, POS device, or administrative terminal from the start. We regularly update training materials as features are added or updated to ensure the materials accurately reflect the product. Although all our products are intuitive and easy to navigate with zero training, we strive to have well-informed users who are 100% comfortable using the tools provided. We acknowledge that DHS retains ownership of any documentation that is developed and used in training.

Within 30 calendar days after the contract starts, project manager Chris Peterson submits a complete Training Plan that outlines all activities related to planning, design, development, production, and distribution of all training materials. The information below details our approach to training for cardholders, retailers, and staff.

### Cardholder Materials and Resources
Training materials are mailed as a pamphlet with all issued cards and to all existing EBT cardholders prior to data transfer. The cardholder training pamphlet focuses on providing customers with information that is sufficiently detailed, provided with a card mailer, uses clear language, is easy-to-understand and is presented in a variety of formats to better meet individual learning needs. The pamphlet is written at a grade level of 5.0 in compliance with SNAP program regulations. Additionally, the pamphlet is translated into English, Spanish and additional languages as required by law/regulation and requested by DHS.

A sample pamphlet is shown below and includes the information needed most by your customers including:
1. Use of the Arkansas EBT card including the type of benefit transactions that can be processed at EBT terminals

2. Use of the EBT card at ATMs including the type of benefit transactions that can be processed at the ATM and any related fees.
3. Use and safeguarding of card PIN
4. Card replacement and PIN changes
5. PIN change methods
6. Reporting problems including lost/stolen/damaged cards
7. Use of transaction receipts to track balances
8. Use of the customer service call center.
9. Customer service functions including prominent display of toll-free numbers
10. EBT account adjustment process
11. Adherence to FNS policy
12. Information about the use of cards across state lines
13. Specific messaging
    a. EBT benefits shall not be used to pay for any eligible food purchased prior to the time at which an EBT card is presented to authorized retailers or meal services.
    b. EBT benefits cannot be sold for cash or exchanged for non-food items.
    c. In accordance with Federal civil rights law and USDA civil rights regulations and policies, the USDA, its agencies, offices, employees, and institutions participating in or administering USDA.



*Figure E.7.A.1: Sample Cardholder Pamphlet*

In addition to the pamphlet, we provide a training video, directed at a fifth-grade education level, lasting no longer than 15 minutes, in English, Spanish, and other languages as requested by DHS and includes closed captioning. Both the video and printed materials are distributed to the DHS EBT Office as well as DHS County Offices across the state. Supplies are replenished upon request throughout the contract.

In addition to printed materials, we post all training materials online and make them accessible via the mobile app or cardholder portal. We additionally provide the training video in an electronic format for DHS to post online.

## Retailer Materials and Resources

As the first point of contact a new customer has when benefits are being accessed, retailers play an important part in delivering EBT benefits to customers which is why it is important to have comprehensive and detailed training for retail store employees prior to implementation. Preparing retailers to assist EBT customers with how to use their card and who to contact if there are any issues is a critical part of retailer training. Most retailers have been operating their own or a TPP's POS equipment and have supported EBT customers in obtaining their benefits for a long time, so the training they need to transition operations to a new EBT contractor's system can be accomplished quickly. When onboarding a new EBT retailer, we mail a Getting Started brochure, in English and Spanish, to prepare them for their POS device and next steps. A Retailer User Manual and a Quick Reference guide developed specifically for Arkansas retailers is distributed with the POS device to all EBT-only retailers participating in the program. We use a "ship and train" approach as the primary method for training retailers who use EBT-only equipment.

As part of our retailer training materials, we provide a Retailer User Manual and Quick Reference Guide within 90 days after contract start.  These materials include the following information:

- Retailer call center toll-free number
- Use of IVRS
- Manual Voucher Processing Procedures (including emergency vouchers)
- POS Installation Guide
- POS Troubleshooting Steps
- End-of-day Close-out Procedures
- How to clear a voucher, inquire on recent payments or initiate an adjustment request
- Information on the retailer online website
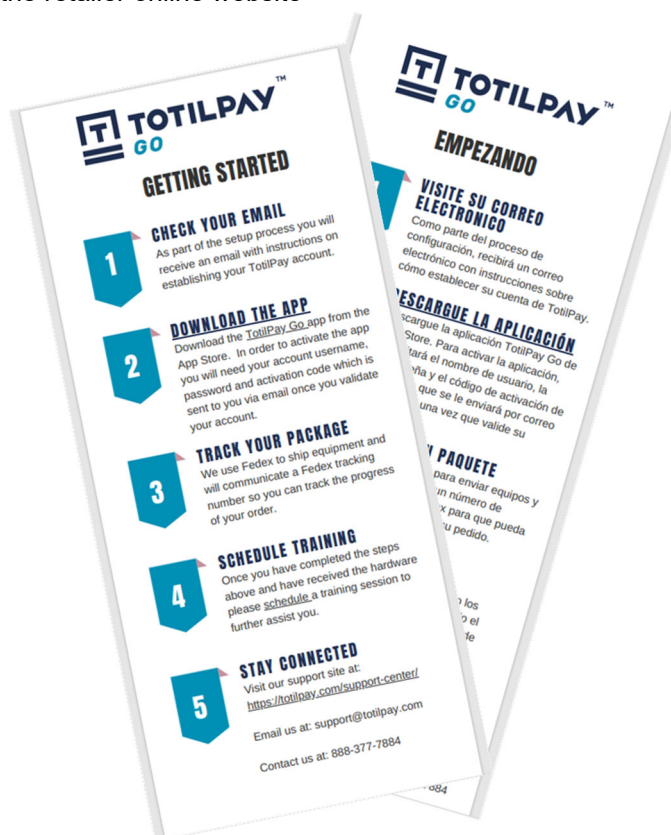


*Figure E.7.A.2: Sample Retailer Getting Started Brochure*

## DHS Staff Materials and Resources

Central to understanding the system and helping customers use the system is ensuring State and county staff have proper training as well as clear and concise materials. We provide training and training documentation to DHS staff both in written materials and instructor led training sessions. The following material is developed in support of that approach:

- Administrative Terminal Manual
- Reports Manual
- Settlement and Reconciliation Manual
- Adjustment Process Guide

Other training topics include fraud and security, inventory control, user fields, and system access with supporting training materials as needed. All training materials are submitted to DHS for review and approval prior to distribution.



*Figure E.7.A.3: Sample Staff Training Material*

We have experienced enormous success providing live training via instructor-led webinars, based on specific job functions. For example, it is only necessary for those serving as system administrators to attend sessions about system performance and setting up users. Likewise, system administrators likely do not need to attend sessions about financial transactions. By offering training based on job function, users can determine for themselves which sessions to attend and limit time wasted on topics that are of little to no interest to them. Additionally, each webinar is recorded and provided to DHS for use in cross training or new hire training.

## Training Programs

Just as important as the quality of the training materials provided within a training program is the timing of the delivery of the training program. Providing critical information months before it can be used is sure to result in frustration and negative impressions of the program. To ensure the most positive experience possible, we not only develop the highest quality of training materials for our programs, but we ensure we deliver our training programs at the appropriate time.

### Cardholders

Shipping printed materials with the card ensures cardholders have exactly what they need when they need it. Making FAQ documents available on the cardholder portal and mobile app provides quick answers on the go while call center agents are available to assist at any time. For those who are visual learners, the cardholder training video is available at both the local DHS office and online for convenient viewing.

### Retailers

Training begins with the Getting Started brochure followed by the printed materials sent with the POS device. Ship and Train is a commonly used form of training and very effective with retailers who are already familiar with POS device use. To assist those retailers who need additional support, the retailer support desk is available to assist with any setup or program questions. All information is also available on the retailer web portal and available at any time.

### DHS Staff

As noted, we have seen great success with providing training classes targeted at specific job functions. For example, we provide a session on settlement and reconciliation that need only be attended by those responsible for settlement and reconciliation duties. We also provide sessions on fraud, adjustments, and reports. We are happy to provide additional topics as needed. The key to successful training is providing the sessions just ahead of transition so the information is retained. We recommend providing sessions online so people from across the state can attend without incurring the time and expense to travel. Additionally, this affords the opportunity to record the training session for use at a later time for refresher training and for new hire training.

| E.7 Training | |
|---|---|
| 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 |

#### State Personnel

All State personnel training is conducted by LifeInCheck personnel. We understand the system better than anyone and what your personnel need to know to effectively do their jobs. Training efforts are led by Project Manager, Chris Peterson, with assistance from subject matter experts as needed. While we can send trainers to Arkansas for in person training, we have found that providing several options for online instructor led sessions is extremely effective and allows people to attend as best meets their schedule, without the trouble of finding rooms large enough to accommodate attendees. It also allows us to provide many more session options and to record each session for future viewing as needed. In addition to Ms. Peterson, we provide subject matter experts in topics such as settlement and reconciliation, system administration and user setup, and reports.

We are pleased to offer initial training sessions during the Transition In phase but can supplement this training throughout the contract as the need arises.

#### Cardholders

As described in Technical Response section E.7.A, we provide materials for initial cardholder training including mailing an informational pamphlet to all existing cardholders. Supplemental training is provided on an as needed basis to cardholders through our call center subcontractor DVS. By selecting the appropriate option in the IVR to get to a live agent, cardholders can request any additional information needed. The call center is staffed to ensure we can meet call volume demands.

#### Retailers

As described in Technical Response section E.7.A, retailer training is primarily handled with the ship-and-train

method using materials produced by us and approved by DHS. Retailers are further supported by our POS subcontractor Novo Dia.

| E.8    POS Terminals | |
|---|---|
| A.    Describe the method used to block access to TANF benefits at POS terminals. | 5 points |

In compliance with provisions in the Middle-Class Tax Relief and Job Creation Act of 2012 related to restricting TANF benefit access, LifeInCheck™ EBT has the ability to block access to benefits at chosen ATM (and POS) terminals. Arkansas EBT Program cardholders will not be permitted to use their EBT card at POS devices located at the following locations:

- 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 (this does not apply to a grocery store that sells both liquor and groceries including staple foods – within the meaning of Section 3I of the Food Nutrition Act of 2008)

We also can block TANF benefit access at these types of merchants:

- Dating, escort service
- Bars, cocktail lounge, discotheques, nightclubs, and taverns/drinking places
- Theatrical producers (except motion pictures) ticket agencies
- Tattoo or body piercing facilities
- Facilities providing psychic services

We provide an **automated solution** for blocking cash access. LifeInCheck EBT has the ability to deny incoming cash transactions at POS or ATM locations based on the Merchant Category Code (MCC), Terminal ID, or retailer name/location.

LifeInCheck™ EBT has an automated solution for blocking cash transactions at DHS identified prohibited locations mentioned above. LifeInCheck EBT can deny all cash transactions at POS or ATM locations based on the Merchant Category Code (MCC) or Terminal ID and/or retailer name/location.

We work with DHS to identify which locations they wish to block. DHS can use the data warehouse and activity reports to identify locations and names, along with public industry lists and registrations in order to compile a list of targeted locations. LifeInCheck EBT has the capability for authorized DHS users to input a list of identified ATMs, MCCs, POS terminal IDs, and retailer name/locations to block the cash transactions. Based on this list, when the transaction comes into LifeInCheck EBT, the cash transaction is denied if the MCC or terminal ID and/or retailer name/location matches. DHS can continually refine and categorize the list based on web searches used to review the facility, location, and other factors. Authorized State users have the ability to deselect identified ATM and POS locations from the blocked list to allow transactions.

The blocking capabilities in LifeInCheck EBT has been developed and implemented by our experienced EBT team who has been working in the industry since the early 2000s. We designed the technology based off experience with working with such states as California, Maine, Massachusetts and Michigan.

| E.8    POS Terminals | |
|---|---|
| B.    Provide an overview of POS transaction types and functions. | 5 points |

One of the core elements of any EBT system is its ability to process transactions at a POS terminal. LifeInCheck™ EBT performs transaction processing 24/7, allowing Arkansas EBT cardholders to access their

benefits at any time. Not only does our system satisfy the needs of cardholders, it also provides your staff with the control and oversight capabilities needed to certify that all SNAP and cash benefits are distributed correctly and in accordance with all State and federal rules and guidelines.

SNAP Transactions: LifeInCheck EBT is designed to serve as a transaction processor capable of handling all types of transactions to support POS terminals, ATMs, ARU, and administrative transactions for SNAP and Cash.

LifeInCheck EBT processes, at a minimum, the following SNAP transaction types:

- Purchase (swiped or key-entered or internet)
- Return
- Manual Authorization and voucher clear (including interoperable transactions)
- Balance inquiry
- Voids or cancellations
- Reversals (debits/credits)
- Adjustment (credit or debit)
- Store and Forward
- Key entered transactions

LifeInCheck allows for key entered transactions where the card number must be manually entered into a POS terminal. This occurs when a card is damaged, or the POS terminal is unable to read the magnetic stripe. PIN entry is also required with a manually entered transaction. We understand that DHS has the right to remove key entry capabilities from any retailer locations who are found to be abusing this functionality.

We understand federal regulations prohibit charging the cardholder fees to access their SNAP benefits. LifeInCheck EBT ensures that cardholders access their SNAP benefits only at FNS-authorized retailer POS terminals at no fee and that retailers do not limit the number of SNAP transactions or require a minimum dollar amount per transaction. LifeInCheck EBT logs all transaction messages for tracking and auditing purposes. The validation of the sufficient funds in the account balance ensures that no account is overdrawn. Checks and balances in LifeInCheck EBT prevent any overdraft of EBT accounts.

## Cash Transactions at POS

At a minimum, LifeInCheck EBT is processing the following Cash transaction types on commercially deployed and EBT only POS terminals:

- Purchase (swiped or key-entered or internet)
- Purchase with cash back
- Cash withdrawal
- Return
- Balance inquiry
- Voids or cancellations
- Reversals (debits/credits)
- Adjustments (credit or debit)
- Key entered transactions

## Cash Transactions at ATM

At a minimum, LifeInCheck EBT is processing the following ATM transactions:

- Withdrawals
- Balance inquiries
- Reversals
- Cancellations

### SNAP Returns/Refunds

LifeInCheck EBT allows POS SNAP refund transactions to be initiated by a card swipe or manual key-entry of data with a correctly entered PIN. Retailers can reimburse funds to the cardholder's account if the cardholder returns damaged, spoiled, or returnable items. LifeInCheck EBT posts credit adjustments immediately while crediting an amount to the appropriate SNAP account and provides the balance on the receipt. Limits placed on SNAP returns include:

- Ensuring that refunds are only placed in the cardholder's SNAP account
- Requiring the original card and the corresponding PIN be presented at the original FNS-authorized retailer location
- Ensuring that the refund does not cause the SNAP account to exceed the original issuance amount and does not exceed the total value of benefits previously debited

LifeInCheck EBT is configurable to limit refunds to a maximum transaction amount per transaction. During the JAD session, we work with your staff to determine return limits to be imposed such as per day, per retailer, etc. and configure these return limits accordingly.

### Voids or Cancellations

LifeInCheck EBT includes the functionality to void a transaction to correct any action posted to the cardholders account immediately and accurately. The system is capable of processing void transactions based on X9.58 EBT specifications from POS and ATM terminals.

To void a POS/ATM transaction, there must be a previously completed POS/ATM transaction that posted a debit to the cardholders account and must have completed a response back to the POS/ATM terminal. A voided transaction occurs when the cardholder decides not to complete the sale and wishes to void actions posted to the EBT account in the prior transaction. The voided transaction rescinds the previous transaction and adjusts the cardholders account accordingly. Similarly, a credit transaction may be voided, with the account being debited.

### Reversal

LifeInCheck EBT performs POS or ATM transaction reversals using the X9.58-2013 specifications, QUEST® processing standards for cash transactions, and state and FNS guidelines. Reversals most often occur because of a communication failure, a device malfunction or a late response that prevents a transaction request from receiving a complete response or acknowledgment from the authorizing host. The transaction is either timed out or receives no response from LifeInCheck EBT. The entity (specifically the TPP, authorized retailer, or the ATM/POS device), within the response chain, where the transaction error is recognized, generates a reversal message back to LifeInCheck EBT.

The ATM cash reversal transaction process is similar to a POS reversal transaction. If LifeInCheck EBT processes a transaction (i.e., debits or credits the account) and the network fails to deliver a response to the originating ATM/POS, the entity (specifically the TPP, authorized retailer, or the ATM/POS device), within the response chain, where the transaction error is recognized generates a reversal message back to LifeInCheck EBT. The reversal to the account occurs and routes the reversal back to the originating ATM/POS terminal. This action is a non-settlement transaction and reflects immediately and appropriately in the cardholder's account. The reversal does not affect the system or account totals at the end of the day.

### Key-Entered Transactions

LifeInCheck EBT receives and processes EBT transactions where the PAN is entered manually (i.e., key-entered) into a POS device with a valid PIN entered by the cardholder. These manual transactions may be entered in situations where the card's magnetic stripe is damaged, or the POS terminal is unable to accurately read the magnetic stripe. Manual card entry transactions go through the same verification process

as card-swipe transactions and a valid PIN is required for approval. LifeInCheck EBT denies any transactions where a PIN pad is defective or for other reasons a valid PIN does not accompany the transaction to LifeInCheck EBT.

Morse recognizes the importance of security measures that prevent cardholder and retailer abuse or misuse of the key-entry feature. Morse works with DHS to define business rules that deny key-entered transactions for the cardholders or retailers who are excessively using this feature. Our system is designed to track and report key-entered transactions by PAN and FNS number. DHS-authorized users have the capability to see key-entered transactions through the transaction history detail screen on a LifeInCheck EBT administrative terminal. DHS, likewise, receives reports identifying those cards and retailers with multiple consecutive key-entered transactions.

### Interoperability

LifeInCheck EBT maintains nationwide interoperability and portability, in compliance with USDA/FNS interoperability regulations and ensures that the DHS EBT program operates in full compliance with state and federal regulations. We support all processors, exempt retailers including retailers who process with manual vouchers the capability for national SNAP and cash interoperability. For additional information please refer to Technical Response section E.4.E The Capability to process out-of-state card transactions.

| E.8 POS Terminals | |
|---|---|
| C. Describe the plan for supplying POS equipment to the exempt locations maintained by USDA requesting vendor supplied Terminals | 5 points |

Morse provides retailer management services and support which spans the full spectrum of retailer requirements in the Arkansas EBT program. Our retail project manager, Tina Hamilton, has 20 years of EBT retail management experience. Tina is responsible for the management, equipment installation, and ongoing maintenance of retailer equipment, supplies, settlement, problem resolution, and maintaining call center services for exempt retailers with EBT-only deployed devices. Our overall goal as a contractor is to make EBT project participation as easy as possible for retailers while maintaining and providing full compliance with all state and federal regulations.

Morse converts exempt retailers' terminals prior to the actual database conversion which ensures continued reliable service without the inconvenience of having two terminals in place at the same time. We begin our installations about two months prior to the actual conversion date to ensure everything is in place and working properly and to mitigate any risk on the actual conversion date. Retailer conversion risk is minimized as a potential issue upon conversion when terminals are shipped in advance and they can transact on new equipment prior to the conversion date.

Our retailer transition planning ensures:
- All FNS authorized retailers—retailers using TPPs and exempt retailers—have new contracts with Morse well in advance of database conversion
- That participating exempt retailers have retailer agreements and new POS mobile terminals in place prior to database conversion
- Conversion occurs with no service disruption
- All cardholders are able to redeem their benefits at exempt retailers and at retailers using TPPs without difficulty or negative impact due to the conversion to new terminals

Following State and FNS approval of our exempt retailer agreement, we mail notices to exempt retailers explaining the enrollment process. We request an immediate turnaround so that each retailer may begin to

receive their new mobile equipment without delay.

Once the retailer enrolls using our online portal and electronically executes the retailer agreement, Inmar begins shipping the EBT-only POS terminals. The terminals are supplied by Novo Dia with whom we have contracted to support exempt retailers using an effective ship-and-train process. We provide retailers with new equipment including installation and operating instructions as well as instructions for uninstalling their old equipment. Each shipment is followed by a phone call to the retailer to answer any questions they may have and assist with the installation and training. The retailer help desk is also available to provide additional installation and training assistance, if necessary.

Communication is crucial to a successful transition. Our retailer management team brings 20 years of experience in successfully transitioning exempt retailers. Throughout the process, it is crucial to keep retailers thoroughly informed of the activities involved in this type of transition. As such, we send all exempt retailers several notices regarding cutover according to the timeframe and follow up with phone calls and emails to ensure they are informed if they have not enrolled. Morse provides weekly reports to DHS with the status of the exempt retailer conversion. We work with DHS and the FNS to send all authorized retailers in the State a letter notifying them of the upcoming conversion as well.

After the successful transition, we maintain responsibility for ongoing retailer management services for exempt retailers, including:
- Software and terminal operations
- Repair or replacement of existing POS equipment
- Installation, training, and maintenance of equipment for new exempt retailers
- Ongoing support and assistance to retailers

### Retailer Participation

All authorized retailers and TPPs that wish to participate in the program are included to ensure that no retailer is excluded from processing EBT transactions. All major TPPs are processing today with LifeInCheck™ EBT. We have a rich history with retailers and continue to recruit retailers for DHS if additional participation is needed. We expect to maintain all the existing retailers' participating in the Arkansas EBT program, with our TPPs connections or by replacing the current exempt retailer agreements with the Morse new contracts. While the recruitment of traditional retailers is essential for adequate access to both SNAP and cash benefits, the recruitment of non-traditional retailers is also necessary. Morse has taken a leading role in addressing the needs of non-traditional retailers such as farmers markets, roadside vendors, and route delivery retailers.

We contact all newly authorized FNS exempt retailers within 24 hours of receiving notice from the REDE file, and we explain their enrollment options. Managing the retailer relationship from beginning to end plays a role in a successful EBT program. Once authorized by FNS, retailers are allowed to participate in the EBT system. Morse provides and signs a state and FNS approved retailer agreement with each exempt EBT-only retailer. Once the retailer management team has a completed and signed exempt retailer agreement, retailers are ready to use the EBT system within two weeks as per 7 CFR 274.3.(a)(ii). We provide an initial EBT-only equipment package to exempt retailers, which includes a mobile IPAD, Bluetooth card reader and printer and supplies as well as training materials that are effective in getting a retailer set up for active participation in the State EBT Program.

Morse has a unique policy from other contractors for managing exempt merchants which includes farmers markets and other non-traditional retailers. We offer a mobile solution to everyone who is eligible for free equipment at no cost to the exempt retailer. This allows all exempt merchants to have the newest technology available in the EBT market. Wireless POS devices supported by our subcontractor, Novo Dia, that process SNAP/Cash EBT transactions are deployed to exempt retailers.

Figure E.8.C.1 below lists the current exempt business types.

| Business Type Code | Description | Store or Meal Service |
|---|---|---|
| AD | Drug or Alcohol Treatment Program | Meal Service |
| BC | Non-profit Food Buying Co-op | Store |
| BW | Battered Women/Children Shelter | Meal Service |
| CD | Communal Dining Facility | Meal Service |
| DF | Direct Marketing Farmer | Store |
| FM | Farmers Market | Store |
| GL | Group Living Arrangement | Meal Service |
| HP | Homeless Meal Provider | Meal Service |
| MC | Military Commissary | Store |
| MD | Meal Delivery Service | Meal Service |
| SC | Senior Citizens Center/Residential Building | Meal Service |

*Figure E.8.C.1: Exempt Business Types*

### Alternative Living Arrangements

Morse realizes that there are instances where cardholders' SNAP benefits must be available to group living arrangements or other authorized drug or alcohol treatment facilities. In addition to supporting SNAP transactions at traditional retail locations, we also support EBT cards at non-traditional locations such as these group living arrangements.

Retailers in this exempt group are eligible to receive EBT-only POS devices at no cost until final regulations addressing retailer equipment cost changes are promulgated. The exempt group includes, but is not limited to, the following:

- Group living arrangements
- Drug and /or alcohol treatment facilities
- Shelters for battered women and children
- Non-profit cooperatives or organizations
- Congregate meal providers
- Route vendors

FNS authorized group home arrangements such as drug and/or alcohol treatment facilities which meet the minimum monthly redemption requirement are provided with EBT-only POS devices. These facilities follow the same procedures established for all other EBT retailers and abide by the terms and conditions for terminal deployment as EBT-only retailers.

### Retailer Equipment

Morse proposes the Novo Dia TotilPay Go POS mobile solution to support exempt retailers. TotilPay Go is an easy and secure way to process SNAP and cash transactions with a portable iPad allowing retailers flexibility in how they serve their clients either in store or curbside. The POS hardware and software meets ANSI X9.58-2013 message format specification and supports the SNAP and cash transaction set specified in the Quest® Operating Rules.

- A magnetic stripe Bluetooth card reader
- Wireless Bluetooth printer
- Integrated PIN pad in the application

- iPad either supported by Morse or retailer-owned

Using security authority levels and management controls, retailers are given the ability to access LifeInCheck EBT via the POS device to process various close of business day functions. Cardholders can clearly identify and verify the details of the transaction being processed before taking action to validate the message for authorization and settlement.

The iPad features a 9.7-inch(diagonal) LED-backlit multi touch retina displays with IPS technology that includes an antireflective and fingerprint-resistant oleophobic coating.

The large picture-perfect screen permits visual validation of several key messages, including:
- Insufficient funds
- Incorrect PIN
- Inactive card
- Invalid card
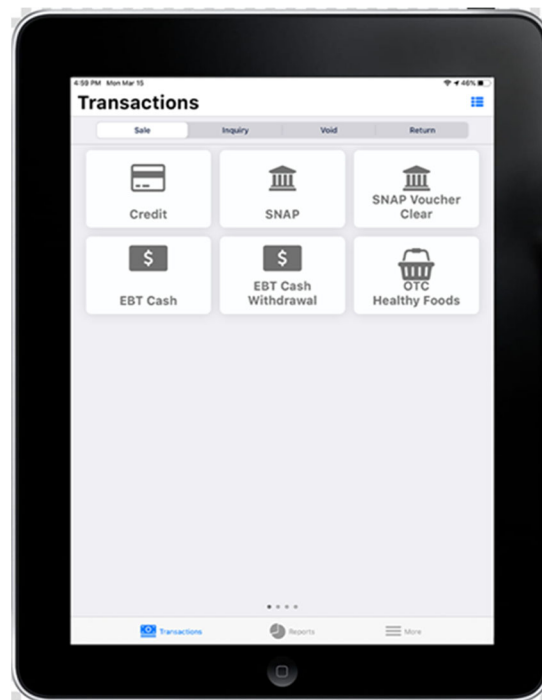


*Figure E.8.C.2: TotilPay Go wireless POS device*

TotilPay Go requires password validation before the application can be launched and supports Secure Socket Layer (SSL) encryption allowing the highest security level on every transaction. It also includes a fully functional training mode, online portal for device management, transaction history and real time reporting.

The TotilPay Go terminals are deployed with communication abilities such as Wi-Fi and cellular capabilities therefore do not require the telecommunications that traditional points of sale require, allowing retailers the flexibility to serve the cardholders outdoors in farmers markets where electricity and phone lines may not be available.

We take great pride in our ability to address the needs of newly authorized retailers and to ensure that these new retailers have access to the EBT system in a timely manner. Morse provides all retailers with state-of-

the-art hardware and software by TotilPay Go so that no exempt retailer has to deal with antiquated point of sale hardware that requires a telephone line to transact. We provide equipment deployment, maintenance, and technical support for all EBT-only POS terminals we supply. In addition, our mobile solution is equipped with cellular data therefore there is no need to reimburse retailers for a separate phone line if that is required in a location; we provide direct cellular access.

| E.8 POS Terminals | |
|---|---|
| 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 |

It is a priority to provide EBT cardholders access to their SNAP benefits even if the retailer POS terminals are not working or telecommunication lines have failed. To that end, Morse ensures easy-to-use offline transaction processing methods such as manual vouchers so FNS-approved EBT retailers can support Arkansas EBT cardholders' access to their SNAP benefits.

LifeInCheck™ EBT is built based on FNS and industry standards to meet both online and offline EBT financial transaction processing requirements. We provide an easy-to-use manual voucher process to support all SNAP transactions including purchases and returns. The manual vouchers support SNAP telephone authorization for retailers when electronic transactions are not available due to disasters or system failures. Such situations may include interruptions to the third-party processor or retailer system and/or communication interfaces between those systems.

We process manual vouchers by following the SNAP provisions of the Agricultural Act of 2014, based on the retailer authorization date. This allows those retailers to continue to process manual vouchers as the primary way to conduct ongoing SNAP business if they fall into one of the following categories:
- Retail merchants authorized before March 21, 2014, and currently accepting manual vouchers as a means to conduct ongoing SNAP business.
- Retailers authorized after March 21, 2014, and who purchase the business of one of the above authorized retailers previously accepting manual vouchers as a means to conduct business.

These retailers include entities such as eligible farmers markets, direct-marketing farmers, military commissaries, non-profit cooperatives or organizations, group living arrangements treatment centers and prepared meal service. The retailer's acquirer shall convert the paper voucher into an electronic voucher for transmission to LifeInCheck EBT. Upon receipt of a properly executed voucher clear transaction, LifeInCheck EBT provides settlement to the authorized retail merchant's TPP.

LifeInCheck EBT also supports the standard manual voucher process in conditions where:
- The retailer's POS terminals are inoperable
- There are problems with the telecommunications network between the POS terminal and the EBT host processor

### Design and Distribute Paper Vouchers
We have designed an easy-to-use paper voucher for SNAP manual transactions at FNS-authorized retailers. These vouchers are easy to use and easily fit into the retailer's cash drawer or in the cardholder's wallet. All pertinent data required to support manual transactions is requested on the voucher, including date and time of the transaction, cardholder name and account number, amount of the transaction and the retailer's FNS number. No manual transaction is approved without the cardholder's signature on the voucher.

# SNAP VOUCHER



*Figure E.8.D.1: SNAP Voucher*

Morse provides paper vouchers to FNS-authorized retailers for use in processing manual SNAP transactions when the need arises such as food stores that choose to make home deliveries to USDA-FNS authorized households, food buying cooperatives, or farmers markets. Retailers may request vouchers from their TPP or use their own forms for use in processing voice authorizations if the form meets the requirements of DHS and Morse. We offer the option for retailers to print vouchers from our retailer website for their use as well.

## Manual Voucher Authorizations
LifeInCheck EBT has an efficient and easy-to-use ARU system and retailer call center for retailers to obtain voice authorization for manual vouchers. The retailer ARU and call center are available 24/7/365 using a toll-free number. We include a toll-free number and instructions for the proper use of vouchers in the training manual for new exempt retailers. A retailer can perform a telephone authorization through our fully automated ARU without having to speak to a CSR. The retailer is liable for declined transactions in the event the retailer fails to obtain prior authorization and if the EBT account has insufficient funds to cover the purchase.

## Manual Voucher Clearance
Morse provides retailers flexibility in how they perform a voucher clear. For retailers equipped with a POS device, the retailer submits a voucher clearing transaction electronically once their POS is returned to an operational state. All electronically entered voucher clearing transactions require that the retailer: Enter the cardholder PAN, voucher number, approval number and amount. LifeInCheck EBT denies the voucher clearing transaction if the above information does not match the original approved voucher transaction. LifeInCheck EBT accepts voucher clear transactions from POS devices for all state Bank Identification Numbers (BIN). LifeInCheck EBT routes the transactions to the cardholder's state processor and settles funds to the retailer in the same manner as any real-time interoperable transaction. We settle electronic voucher clear transactions from all processors, including those originating from out-of-state retailers. FNS-authorized exempt retailers without a POS device are required to mail the voucher directly to Morse for clearing and settlement of the manual voucher. We provide retailers with instructions to efficiently forward manual vouchers to Morse. We process manual vouchers on the day the vouchers are received.

LifeInCheck EBT places a 'hold' on the cardholder's SNAP benefit authorization from any state for the amount of the transaction up to 15 days. The retailer has 15 days to submit a voucher, either electronically or by paper copy to complete the transaction. Morse works with DHS to mutually determine the number of days for

retailers to submit a voucher clear. If the retailer fails to submit within the 15 days, the hold is released, and the use of the funds are reverted back to the cardholder's SNAP account. Should the retailer fail to submit the voucher within the prescribed time, the voucher expires and the retailer or acquirer is liable for the transaction. The retailer is not permitted to resubmit voucher transactions once the hold has expired. If the need arises and the circumstances are appropriate, our Settlement/Reconciliation team has the ability to cancel the voucher before the hold period expires using the LifeInCheck EBT administrative terminal.

### Re-Presentment of Manual Voucher

When a retailer transmits a manual voucher transaction to LifeInCheck EBT, the system first validates if this manual voucher has been previously submitted. Re-presentment of manual vouchers is not allowed in the subsequent months except during stand-in processing for insufficient fund transactions.

### Emergency voucher processing / Stand-In Processing

LifeInCheck EBT provides for emergency stand-in processing; however, due to the reliability of our AWS cloud infrastructure, we do not anticipate this to be used. In the rare instance when FNS-approved SNAP retailers cannot process transactions due to Inmar's host system unavailability, we employ the emergency stand-in processing, when appropriate, ensuring no cardholder experiences a time when they are unable to access their benefits.

When emergency stand-in processing is in effect, Morse requires the retailer to call our ARU and retailer call center for an authorization number. This number along with the cardholder's PAN and signature are required on the voucher as a condition for processing. Emergency vouchers as an example may be approved for up to $40.00 per cardholder per retailer per day. We will work with DHS to determine what amount should be defaulted in the system. When the system becomes operational, the retailer should electronically clear the manual transaction through a POS voucher clear transaction. Retailers who choose to submit a voucher for an amount greater than the agreed upon amount are liable if the cardholder has insufficient funds to cover the purchase amount. Morse does not allow re-presentation of emergency stand-in manual vouchers based on State policies. The emergency stand-in process is covered in our exempt retailer agreement, as well as our third-party processor agreement. LifeInCheck EBT only allows re-presentment of the manual voucher if the insufficient funds occurred while authorizing manual voucher transactions during stand-in processing.

Retailers learn that emergency stand-in processing is in effect by calling the LifeInCheck retailer ARU toll-free number which has a message that emergency stand-in processing procedures are in place. Only then is a retailer able to process emergency stand-in processing. Also, the LifeInCheck retailer management team notifies the TPPs and the State to alert them that stand-in processing is in effect. From that notification, retailers can determine how best to proceed.

| 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 |
| | 2. online and off-line financial transactions | 5 points |
| | 3. retailer & financial institution account processing | 5 points |
| | 4. ATM Network and provide the total number of Network ATM locations | 5 points |

## 1. Identify networks included in the EBT system

LifeInCheck™ EBT uses Amazon Web Services (AWS) to support high-volume EBT transaction processing. This platform is hosted on a cloud infrastructure enabling us to accommodate system growth and scalability in terms of changes in transaction volume, the addition of any future enhancements, or the accommodation of any new benefit programs. This platform incorporates SNAP and Cash transaction processing rules, standards, and guidelines enforced by DHS and FNS. It seamlessly interfaces with existing third-party processors (TPPs), EBT gateways, POS devices, and ATMs.

All EBT transactions are routed to LifeInCheck EBT for authorization. We use the New Relic ONE™ platform to monitor all internal and external interfaces and LifeInCheck EBT services for health checks, exceptions, anomalies, logs,etc. to proactively notify the LifeInCheck operations team to take any corrective actions necessary.

Since it is a fully interoperable solution, LifeInCheck EBT conforms to federal regulations, national standards, and state-specific performance standards. It uses existing commercial networks, including available commercial ATMs and POS terminals.  In fact, Morse has unlimited EBT access with virtually all TPPs and ATM networks, including, but not limited to NYCE, STAR, and Pulse utilizing Fiserv as our EBT gateway.

## 2. Online and off-line financial transactions

LifeInCheck EBT captures all online financial transactions whether they take place at a retailer's POS device or at ATM. Offline transactions are also captured as part of the manual voucher and payment process. LifeInCheck EBT immediately updates transaction activity in the cardholder account at the benefit level. The system adjusts the cardholder account balance based on credit or debit transactions at the benefit level in real-time. DHS authorized users can view cardholder account balances and transaction history details in the administrative terminal in real-time.
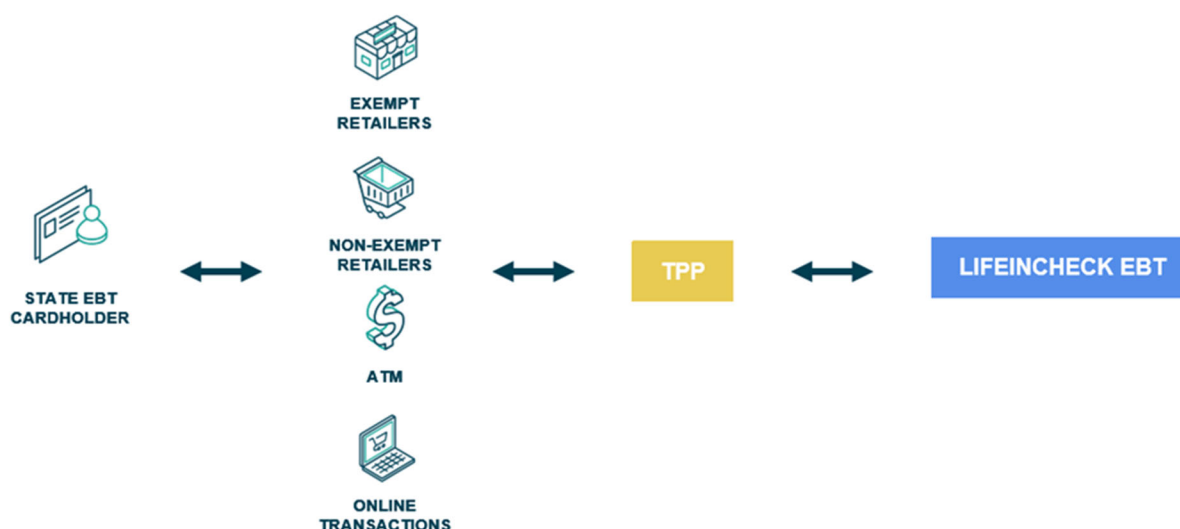


*Figure E.9.A.1: Transaction Flow*

Transaction Validation: The transaction validation that determines whether a transaction initiated by a cardholder is approved includes:

1. Determine and confirm the transaction is either SNAP and Cash
2. Validate the FNS number for FNS-approved retailers for SNAP transactions
3. Verify the Primary Account Number (PAN) and that the card status is active
4. Verify the PIN is correct and does not exceed the allowable incorrect PIN tries
5. Verify EBT account is active
6. Confirm there are sufficient funds available in the SNAP or Cash account to approve the transactions
7. For refund transactions, confirm the total amount of purchases previously completed for that account are equal to or greater than the refund amount and a benefit issuance record exists so that the transaction can be properly identified

LifeInCheck EBT successfully processes a SNAP and Cash purchase transaction after it passes all the validation steps and immediately debits/credits the amount from the cardholder's SNAP or Cash account based on the transaction type (e.g., purchase, return, etc.) with the remaining balance printed on the receipt. The specific amount is debited or credited and tracked from an individual SNAP or Cash benefit authorization. If any of the authorization rules are not met, the transaction is denied, and a return message with the appropriate denial reason code (e.g., invalid card number, invalid PIN, insufficient funds, return exceeds benefit authorization, etc.) is sent back to the POS/ATM device. Supported transaction types include:

1. Purchase (swipe, key-entry, or internet)
2. Return
3. Manual voucher clear (including interoperable transactions)
4. Balance inquiry
5. Voids or cancellations
6. Reversals (debits or credits)
7. Adjustment (credit or debit)
8. Store and Forward

Cash Transactions at POS: At a minimum, LifeInCheck processes the following Cash transaction types on commercially-deployed POS terminals:

1. Purchase (swiped or key-entered or internet)
2. Purchase with cash back
3. Cash withdrawal
4. Return (internet transaction only)
5. Balance inquiry
6. Voids or cancellations
7. Reversals (debits or credits)
8. Adjustments (credit or debit)

Cash Transactions at ATM: At a minimum, LifeInCheck EBT is processing the following ATM transactions:

1. Withdrawals
2. Balance inquiries
3. Reversals
4. Cancellations

Voids or Cancellations: LifeInCheck EBT voids a transaction to correct any action posted to the cardholder's account immediately and accurately. The system is capable of processing void transactions based on X9.58 EBT specifications from POS and ATM terminals.

To void a POS or ATM transaction, there must be a previously completed POS or ATM transaction that posted a debit to the cardholder's account and must have completed a response back to the POS or ATM

terminal. A voided transaction occurs when the cardholder decides not to complete the sale and wishes to void actions posted to the EBT account in the prior transaction. The voided transaction rescinds the previous transaction and adjusts the clients account accordingly. Similarly, a credit transaction may be voided, with the account being debited.

### Key-Entered Transactions

LifeInCheck EBT receives and processes EBT transactions where the PAN is entered manually (i.e., key-entered) into a POS device with a valid PIN entered by the client. These manual transactions may be entered in situations where the card's magnetic stripe is damaged or the POS terminal is unable to accurately read the magnetic stripe. Manual card entry transactions go through the same verification process as card-swipe transactions and a valid PIN is required for approval. LifeInCheck EBT denies any transactions where a PIN pad is defective or for other reasons a valid PIN does not accompany the transaction to LifeInCheck EBT.

### Off-Line Transaction Processing

It is a priority to provide EBT clients access to their SNAP benefits even if the retailer POS terminals are not working or telecommunication lines have failed. To that end, Morse ensures easy-to-use offline transaction processing methods such as manual vouchers so FNS-approved EBT retailers can support Arkansas EBT cardholders' access to their SNAP benefits.

We provide an easy-to-use manual voucher process to support all SNAP transactions including purchases and returns. The manual vouchers support SNAP telephone authorization for retailers when electronic transactions are not available due to disasters or system failures. Such situations may include interruptions to the third-party processor or retailer system and/or communication interfaces between those systems.

We process manual vouchers by following the SNAP provisions of the Agricultural Act of 2014, based on the retailer authorization date. This allows those retailers to continue to process manual vouchers as the primary way to conduct ongoing SNAP business if they fall into one of the following categories:
1. Retail merchants authorized before March 21, 2014, and currently accepting manual vouchers as a means to conduct ongoing SNAP business.
2. Retailers authorized after March 21, 2014, and who purchase the business of one of the above authorized retailers previously accepting manual vouchers as a means to conduct business

These retailers include entities such as eligible farmers markets, direct-marketing farmers, military commissaries, non-profit cooperatives or organizations, group living arrangements treatment centers and prepared meal service. The retailer's acquirer shall convert the paper voucher into an electronic voucher for transmission to LifeInCheck EBT. Upon receipt of a properly executed voucher clear transaction, LifeInCheck EBT provides settlement to the authorized retail merchant's TPP.

LifeInCheck EBT also supports the standard manual voucher process in conditions where:
1. The retailer's POS terminals are inoperable
2. There are problems with the telecommunications network between the POS terminal and the EBT host processor

Morse allows non-exempt retailers to submit manual vouchers. LifeInCheck EBT does not restrict manual voucher authorization process for non-exempt retailers.

### 3. Retailer & financial institution account processing

Morse is responsible for the daily settlement to retailers, third party processors (TPP's), ATMs and banks through the commercial banking ACH infrastructure. Next day settlement is supported by Morse as SNAP benefits are deposited into our bank account the next business day following the transaction. This bank

account is used only for the settlement of cardholder transactions and is a zero-balance clearing account. The LifeInCheck Settlement/Reconciliation team draws SNAP benefit funds from the ASAP system daily.

## Commercial Settlement

Morse is responsible for the commercial settlement to EBT retailers, EBT third party processors (TPP's), ATMs, and banks through the commercial banking ACH infrastructure. We use Wells Fargo as our concentrator bank for our current EBT business given their EBT experience.

For access to the ACH network for settlement and funds transfers, Morse uses its financial agent, which maintains an originating and receiving cardholder sponsorship in the national ACH network. This bank is a federally insured financial institution capable of accepting credits and/or debits and transmitting them in ACH format. Morse's financial agent settles both SNAP and Cash financial transactions for retailers, TPP's, ATM/POS Networks of SNAP and Cash benefits following the most recent version of the Quest(R) Operation Rules.

## Rejected ACH Settlement

The SNAP and Cash settlement process deposits funds directly into retailer or TPP accounts. If for any reason bank account information is incorrect or the account closed, we work with retailers and TPP's to research these unsettled funds. Morse follows the current process for researching, correcting, resending, and returning funds to the benefit provider as necessary as unsettled funds may occur with SNAP and Cash benefits. If settlement of SNAP benefits is unsuccessful within 90 calendar days from the initial ACH file, then unsettled funds are returned to FNS within 10 calendar days after the end of the Federal Fiscal Quarter (FFQ). Unsettled Cash funds are returned to the state using a similar process required by the state. For funds returned to the State, Morse provides the following information:
1. Transfer type (credit or debit)
2. Transfer method (ACH, wire transfer, etc.)
3. Total amount
4. Attempted settlement date(s)
5. Retailer/TPP name
6. Retailer's last known address

If SNAP funds are also involved, Morse provides the following information to the State:
- SNAP amount
- FNS retailer number
- STARS settlement date

## LifeInCheck EBT Settlement

The settlement process to move funds to authorized retailers, EBT third party processors (TPP's), ATMs, and banks begins at the end of the settlement day after the established cutoff. The cutoff time is critical as reconciliation processes must be completed after the cutoff and before the end of the ACH window allowed by the concentrator bank. Morse settles with our EBT gateway each day to ensure all retailer and TPPs are paid according to the federal regulations.

## Federal Settlement

Morse works with the State, FNS, and Federal Reserve Board (FRB) to establish a user account to log into the ASAP system. We make the federal payment request on behalf of the State through the ASAP system for the SNAP purchases made the previous day. Two associates from the Settlement/Reconciliation team document each request daily.

**State Settlement**

A separate financial institution account for Cash is maintained within the same financial institution where the settlement/clearinghouse institution account is maintained. DHS requests a transfer from the Cash account to the settlement/clearinghouse account each settlement day. The daily Cash settlement amount is reported on the LifeInCheck EBT Financial Liability Dashboard.

The Financial Liability Dashboard is a comprehensive daily report designed to provide DHS all financial activity and all transactions that affect settlement. As soon as the daily cut off happens, DHS can view the final financial liability in real time for the previous 24-hour period and ascertain the daily change in outstanding obligations.

**4. ATM Network and provide the total number of Network ATM locations**

Through our EBT gateway provider, Fiserv, LifeInCheck EBT has unlimited EBT access with more than 500,000 ATMs across the United States including, but not limited to, NYCE, STAR,and Pulse.

| E.9 | Financial Transaction/Transmission Requirements, Financial Adjustment Processing | |
|---|---|---|
| | B. How does the proposed system support reporting of benefit access? | 5 points |

LifeInCheck EBT loads benefit issuances either through the benefit file or online via the administrative terminal. The loaded benefit details are accessible in the administrative terminal for DHS authorized users and the cardholder portal, mobile app and IVRS for cardholders.

When the cardholder uses the benefits, LifeInCheck EBT immediately updates the transaction activity in the cardholder account at the benefit level. The system adjusts the cardholder account balance based on the credit or debit transactions at the benefit type & program level. DHS authorized users can view cardholder benefit access through the transaction history details screen and the benefit management screen in the administrative terminal.

The Transaction Details screen allows users to view the benefit authorization details including the amount originally issued, the amount of the transaction, and the remaining amount after the transaction.



*Figure E.9.B.1: Transaction Detail Screen*

The benefit management details, accessed via the Case Management screen in the administrative terminal, include the benefit issuance information, available balance, and benefit status for all benefit authorizations for the case as shown below.



| PROGRAM TYPE | STATUS | TOTAL BALANCE | AVAILABLE BALANCE |
|---|---|---|---|
| SNAP | Active | $16.17 | $16.17 |
| Cash | Active | $0.00 | $0.00 |

**Benefits Info**

ISSUE NEW BENEFIT ⊕   Page Size   10   ▾   1 - 10 of 89

| AUTHORIZATION # ▲ | ISSUED ▲ | AVAILABLE ▾ | PERIOD ▲ | TYPE ▲ | STATUS ▲ | ISSUED AMOUNT ▲ | REMAINING BALANCE ▲ |
|---|---|---|---|---|---|---|---|
| 3994847401000039 | 02/03/2023 | 02/04/2023 | 02/2023 | FSPA | Active | $152.00 | $0.00 |
| 4046072101000040 | 02/28/2023 | 03/02/2023 | 03/2023 | FSPA | Active | $129.00 | $0.00 |
| 4082220501000040 | 03/31/2023 | 04/02/2023 | 04/2023 | FSPA | Active | $129.00 | $0.00 |
| 4119382501000041 | 04/28/2023 | 05/02/2023 | 05/2023 | FSPA | Active | $129.00 | $0.00 |
| 4195734001000041 | 05/31/2023 | 06/02/2023 | 06/2023 | FSPA | Active | $129.00 | $0.00 |
| 4239268201000042 | 06/30/2023 | 07/02/2023 | 07/2023 | FSPA | Active | $129.00 | $0.00 |
| 4452544001000044 | 07/29/2023 | 08/02/2023 | 08/2023 | FSPA | Active | $129.00 | $0.00 |
| 4511358601000045 | 08/31/2023 | 09/02/2023 | 09/2023 | FSPA | Active | $129.00 | $0.00 |

[1] [2] [3] [4] [5] [...] [9] [>]

*Figure E.9.B.2: Benefit Management Screen*

LifeInCheck EBT end of day processes allows the State to efficiently manage all programs and benefits for SNAP and Cash through the financial liability screen on the administrative terminal and via the nightly account activity file. The liability screen is designed to show the benefit activity by state level for both SNAP & Cash benefit program at the benefit type level.



# Financial Liability Dashboard

Program Type: All ▾    Settlement Date: 10/23/2023 🗓    SEARCH 🔍

☐ SHOW BENEFIT LEVEL

| TRANSACTION TYPES | SNAP COUNT | SNAP AMOUNT | CASH COUNT | CASH AMOUNT |
|---|---|---|---|---|
| Benefit opening balance | | $79,373,256.77 | | $252,138.91 |
| Benefits authorized/issued thru Batch | 20328 | $10,278,752.00 | | $0.00 |
| Benefits authorized/issued thru AT | | $0.00 | | $0.00 |
| Benefits void/cancel | | $0.00 | | $0.00 |
| Benefits repayment | | $0.00 | | $0.00 |
| Benefits expunged | 383 | $39,740.52 | 1 | $9.59 |
| Total Retailer Settlement Amount | 103957 | $3,884,697.47 | 289 | $7,938.08 |
| Benefits used ⊞ | | | | |
| Benefits returned ⊞ | | | | |

*Figure E.9.B.3: Partial Financial Liability Screen*

We report transaction details in the Account Activity file which includes information about the benefits accessed and corresponding benefit type, credit or debit, authorization number, and benefit remaining balance for both SNAP & Cash transactions.

| E.9 Financial Transaction/Transmission Requirements, Financial Adjustment Processing | |
|---|---|
| C. Describe when cardholders would be notified of adjustments to their EBT accounts. | 5 points |

Adjustment transactions result from disputes by either cardholders or retailers. Cardholders and retailers can open a dispute for system errors like an ATM mis-dispense, transaction posted but no goods received, system outage, reversal but credit not returned to the cardholder. Retailers create debit adjustment claims against cardholders within six business days of the transaction. The debit adjustment claim is reviewed by LifeInCheck's operations team and if valid, a debit adjustment claim is created in LifeInCheck EBT.

Cardholders are notified of the pending adjustment transaction through a mailed letter within one day of the adjustment create date in LifeInCheck EBT. Cardholders have 15 calendar days from the mailed date to request the fair hearing process. The debit adjustment is processed and the cardholder account is debited if there is no response to the adjustment notice letter within the 15-day period. Morse acknowledges all debit adjustments shall be approved by DHS.

| E.9 Financial Transaction/Transmission Requirements, Financial Adjustment Processing | |
|---|---|
| D. How does the proposed system support and maintain written adjustment letters sent to participants. | 5 points |

When a transaction is disputed, a ticket is immediately opened for tracking purposes. The ticketing system contains complete details of the disputed transaction. All communication between DHS and Morse is documented in the ticket along with a copy of the notification letter sent to the cardholder. Storing this information in the ticket provides one single location for all the details and documents needed and is easily accessible if requested for a fair hearing.

| E.10 Maintenance & Change Request Processes & Procedures | |
|---|---|
| A. Provide the Prospective Contractor's plan for processing change order requests. | 5 points |

When a state begins to consider a change to their system or even if they know for sure a change needs to be made, it is important that the processor be responsive. No one likes to make a request for information then wait a protracted amount of time for a response. To that end, as outlined in our Systems Operations and Interface Procedures, we provide a clear procedure for submitting, reviewing, and approving change orders. Our change request process:

- Utilizes standardized methods and procedures
- Records all changes to service assets and configuration items
- Manages and minimizes business risk
- Supports business needs and goals
- Reduces risk exposure
- Minimizes impact and disruption
- Maximizes success on the first attempt

Morse responds to all requests for enhancements or change orders within a mutually agreed upon timeframe. Once the request is received, our team reviews, asks any clarifying questions to ensure a complete understanding, then provides a cost estimate. The cost estimate is presented to DHS and includes a detailed statement of work and an expected timeframe for completion. No work begins until we have written approval from DHS. Once approved, the change is scheduled through our Change Control Board.

We are responsible for development, testing and updating all associated project documentation such as the Interface Control Document or the Business Rules Document. Depending on the complexity of the change, test cases are fully documented with results shared with DHS. If warranted, we provide an opportunity for DHS to also test the change prior to implementation. Once DHS approves the test results, the Change Control Board also reviews them and the contingency plan if the release does not go as planned. Once approved, the implementation is scheduled with DHS.

We schedule releases when the impact to users is minimized such as late at night or early morning. Due to the modular nature of our system architecture, we can often complete releases with no downtime.
All system changes, whether change requests, defects, or maintenance are tracked from inception through production release in our JIRA ticketing system. JIRA allows us to follow tickets from when they are first entered, through development assignment, testing, release build, and finally production release. The ability to follow a ticket from start to finish in one system maximizes the visibility of the status of each ticket while minimizing any chance of losing track of any tickets.

| E.10  Maintenance & Change Request Processes & Procedures | |
|---|---|
| B.  Provide the Prospective Contractor's contingency plan for unprocessed change order requests. | 5 points |

There are a variety of reasons a change order might be unprocessed.  Priorities may shift, moving a particular change order lower on the list.  Requirements may change rendering an existing change order obsolete. While unlikely, but still possible, a change order just gets lost in the shuffle.

To ensure change orders are properly handled, Morse follows a procedure of regular review of all open change order tickets.  We monitor the progress of each change order and review priorities.  As needed, we review priorities with DHS to ensure changes are implemented in the desired order of importance.

If we find a change order that is continuously moved lower on the priority list, we confirm with DHS that the change is still needed and review the priority and expected timeframe to determine if adjustments need to be made.

| E.10  Maintenance & Change Request Processes & Procedures | |
|---|---|
| C.   Describe the EBT systems integration process for TPPs | 5 points |

All major TPPs today have connectivity with LifeInCheck™ EBT to process SNAP and Cash transactions. Morse ensures all TPPs meet the FNS requirements in 7 CFR 274.3(d).  We have a streamlined certification plan when a new TPP requests certification for a new state. Functional and technical requirements along with specific time frames to process transactions within 30 calendar days are included in our certification plan and are compliant with EBT regulations. We work with the TPP during certification and testing to successfully support the commercial EBT retailers' ability to process SNAP and Cash transactions. The certification test ensures that every TPP function, message, response, and error exception meets the TPP standard set forth by Morse as well as the applicable Quest and FNS EBT operating rules.

We issue the TPP a test script, test cards, and required instructions prior to a scheduled test. Additionally, the certification includes, at a minimum, performance testing (throughput and stress) and a review of system security, pin encryption, and disaster recovery plans.

We assume responsibility for certifying and decertifying TPPs and ensuring that TPPs comply with all USDA-FNS requirements, DHS requirements, and Quest operating rules. Our certification requirements include procedures that require all TPPs to validate retailer authorization numbers and the associated store location on record at FNS prior to EBT activation.

Morse includes DHS and FNS in the review and approval process for all TPPs and retailer agreements. All contracts are between Morse and the TPP or retailer. If a TPP engages in a clear breach of the processor activities, particularly violations of DHS state business rules, we take corrective action to bring the TPP into compliance. These rules and requirements are clearly defined in each DHS-approved TPP agreement. Should a TPP not comply with federal and/or the DHS EBT program rules and procedures, we may take action to decertify the TPP. DHS may also request us to decertify a TPP or retailer that is in direct violation of the rules governing the EBT system.

Our TPP agreements comply with USDA FNS requirements in 7 CFR§ 274.3(d). We allow TPPs a full interface to data on LifeInCheck EBT which they need to reconcile accounts, also providing:
- Written TPP certification standard approved by DHS and FNS
- Unique terminal IDs for each TPP and retailers which is included in their transaction messages as well as in ALERT data submitted to FNS
- Fully supportable transactions in compliance with EBT regulations
- Interoperability with other state's EBT issued cards
- Ability to display the date, merchant's name, location, transaction type, transaction amount, and remaining balances for the SNAP account on receipts
- Compliance with 12 CFR part 205 (Regulation E)
- Use of only a truncated PAN for the household member account on the receipt
- Assurance of servicing only EBT-authorized retailers

Over the life of the DHS EBT services contract, we use our established working relationships with Third Party Processors (TPPs) and networks to encourage the expansion of the commercial infrastructure. We settle all transaction disputes between TPPs and cardholders and report the results to DHS. Please see Technical Response section E.6.I for more information on dispute processing. All authorized retailers and TPPs that wish to participate in the program are included to ensure that no retailer is excluded from processing EBT transactions. All major TPPs are processing today with LifeInCheck EBT and, if for some reason a new TPP would like to participate with the DHS contract, we have them certified within 30 days of receiving notification from DHS.

| E.10  Maintenance & Change Request Processes & Procedures | |
|---|---|
| D.  Describe the process and procedures for scheduled and unscheduled system downtime. | 5 points |

### Scheduled Downtime
Routine maintenance is scheduled only during off-peak transaction periods. Before any scheduled maintenance release, our project manager, Chris Peterson, communicates the release schedule and scope to DHS at least 24 hours prior to the deployment. We notify you if any extra scheduled downtime is required outside of routine maintenance. We understand such downtime must be approved by DHS. However, most of

the time we do not require system downtime to deploy any changes to the production so that all users may continue to access LifeInCheck EBT without interruption.

### Unscheduled Downtime

We are enormously proud to report that in the three years we have been in production with the state of Louisiana, LifeInCheck EBT has never experienced any unscheduled downtime. The cloud technology supporting LifeInCheck EBT gives Morse the ability to better manage database and hardware resources to respond to changes in volume demands. This capability minimizes system downtime due to system capacity restraints and/or network issues. Our application and database are hosted in more than one region to provide data redundancy, eliminate I/O freezes, and minimize latency spikes during peak processing time and system backups. These databases are replicated in real-time.

In the event of unscheduled downtime, we follow communication and escalation procedures as outlined in the Communication Plan developed specifically for Arkansas.

LifeInCheck EBT was designed for cloud-based EBT processing with modular architecture unlike competitive platforms. Our platform design boasts uptimes of 99.9% on a 24/7/365 basis.

| E.11  Problem Management, Contract Monitoring & Problem Resolution | |
|---|---|
| A.  Describe the Prospective Contractor's specific strategy for problem management controls. | 5 points |

Morse's problem resolution and escalation procedure includes activities that are required to diagnose the root cause of incidents and to determine the resolution to those problems. This procedure is also responsible for ensuring that the resolution is implemented through the appropriate control procedures. Morse is committed to the quality execution of the problem resolution process to eliminate and minimize as much downtime as possible.

 The problem resolution and escalation process is based on Information Technology Infrastructure Library (ITIL) best practices to ensure the controlled handling, monitoring and effective closure of problems within the Arkansas EBT project. This is achieved by using a combination of activities that are designed in-line with ITIL best practices.

In the event an issue is detected by either Morse or State personnel, adherence to the established escalation procedure is critical to providing timely and effective responses. A clear procedure is established to minimize impact to client benefit access. Once reported to Morse, the issue may be escalated to specific levels based on the severity of the issue.
Once the issue is resolved, information is disseminated to the reporting parties through this same chain. If the issue cannot be resolved immediately, updates are provided to the Morse Project Manager for distribution to the designated State contact(s).

### Problem Reporting to Morse

During normal business hours 8:00am eastern to 6:00pm eastern, all issues may be reported through the Morse Project Manager. If the Project Manager is not available or it is after hours, calls should go through the Technical Support Help Desk. All calls are recorded in our online tracking system, Jira, which allows for complete documentation of the issue and resolution from the moment it is reported through implementation of a solution.

The following information needs to be shared with the person documenting the issue:

- System or area impacted (nightly files, transaction processing, IVRS, AT, etc.)
- Description of the problem
- Expected behavior
- Severity of the issue
- Contact information for updates

## Problem Reporting to DHS

Because we provide continuous monitoring of LifeInCheck™ EBT including all network devices, telecommunications, online activity, and batch activity, 24/7/365, we can detect performance issues almost immediately. If an issue is detected, we notify DHS within 20 minutes of a suspected Sev 1 or Sev 2 incident and within two hours of a Sev 3 or Sev 4 incident. When contacting DHS, we initially provide:

- Date and time of the incident
- Severity level
- High level description of the problem
- Expected impact on operations
- Actions being taken to resolve
- Security risk

Once the issue is resolved we provide a Root Cause Analysis as described below.

## Problem Resolution and Notification

The timeliness of responses to incidents is important to maintaining high customer satisfaction. For this reason, it is critical that all parties involved with incident responses act as rapidly as possible.

During the incident, Morse provides the State with updates at an agreed upon interval based on the impact and severity of the incident. The primary point of contact for the State is the Morse Project Manager.

In the event of technical issues, information is passed from the engineering team to the Morse Project Manager. In the case of severe incidents, Morse opens a conference bridge to better facilitate the communication process. Issues and incidents are given the following priorities:

1. Critical/Severity 1 (SEV1) – trouble ticket has an incident with major business impact with one (1) or more of the following characteristics:
a. Normal Business operations cannot be conducted.
b. Multiple end-users cannot run a production application.
c. The affected end-user is high profile (as defined by DHS). E.g., DHS EBT Project Office staff.
d. The incident cannot be circumvented.
Updates are provided every 20 minutes.

2. High/Severity 2 (SEV 2) – trouble ticket has an incident with substantial business impact including one (1) or more of the following characteristics:
a. Normal business operations are severely impeded.
b. The application/system functions but usability is severely limited for multiple end-users.
c. The application/system has experienced continual or repeated incidents.
Updates are provided every 20 minutes.

3. Medium/Severity 3 (SEV 3) – trouble ticket has an incident with limited business impact including one (1) or more of the following characteristics:

a. Normal business operations are minimally impeded.

b. The end-user can run the application but has lost some functionality.

c. The incident is not continual or repeated.

Updates are provided every two hours unless otherwise agreed upon.

4. Low/Severity 4 (SEV 4) – trouble ticket has an incident with no business impact including one (1) or more of the following characteristics:

a. Normal business operations are not impeded.

b. The end-user can run the application.

c. The request is an end-user inquiry only.

Updates are provided every two hours unless otherwise agreed upon.

## Root Cause Analysis

Root Cause Analysis (RCA) reports are produced in accordance with the State's requirements as defined by the contract. Morse provides the State an RCA containing an explanation of any outages within LifeInCheck EBT. RCA reports include the following information:

1. EBT Program affected
2. Date of Problem
3. Start time
4. End time
5. Problem Type
6. Detailed Problem Description
7. Detailed Problem Resolution
8. Prevention of future occurrences
9. Name of individual completing report

In the event of a Critical/Sev 1 incident, a preliminary RCA is delivered within 24 hours of the incident. An interim RCA is submitted every 24 hours with updated information. The final RCA is submitted no later than 72 hours after the resolution is completed and approved.

## Escalation

The Government Solutions team is empowered to take initiative and resolve issues in the most expedient way possible. For this reason, we do not employ layers upon layers of escalation. We route the problem to the right people to get the issue resolved quickly. For each call that comes into the support desk, there is an initial triage. If the initial triage does not resolve the issue, it is passed to a designated person in the appropriate area such as engineering, operations, or management. From this point, the problem owner may bring in any necessary resource whether that be specialist, manager, director, subcontractor, etc. Escalation occurs if a necessary resource is unresponsive or otherwise unavailable. The rate of escalation depends on the severity of the issue. For example, a Sev 1 problem is escalated every 15 minutes until the appropriate resources are actively working on the issue. A Sev 2 problem is escalated every 30 minutes.

When an issue involves a subcontractor, Morse maintains a minimum of three levels of contact within each subcontractor, often ending with the company owner or CEO. If we are unable to resolve the issue with one level, we immediately escalate to the next level.

| E.11  Problem Management, Contract Monitoring & Problem Resolution | |
|---|---|
| B.  Provide an overview explaining how the Prospective Contractor will monitor the contract and the steps for problem resolution. | 5 points |

Morse has retained the talented LifeInCheck team that brings with them decades of successful design and development projects, specifically focused on card services programs. Our team members have worked directly with nearly every US state implementing, converting, de-converting, managing, and supporting card services programs and bring that experience to the Arkansas project.

Project managers Chris Peterson and Taquanica Floyd bring more than three decades of project management experience to Arkansas. Successfully managing projects of all sizes and complexity helped us develop a robust methodology for project management.

## Contract Monitoring

Our project management approach is consistent with the traditional project management method as defined by the Project Management Institute's Project Management Body of Knowledge (PMBOK). This approach allows us to leverage the powerful tools of long-term planning and in-depth documentation to ensure a seamless transition and implementation.

The traditional method follows the processes of Initiating, Planning, Executing, Monitoring & Controlling, and Closing as shown in Figure E.11.B1: Project Management Process Groups.
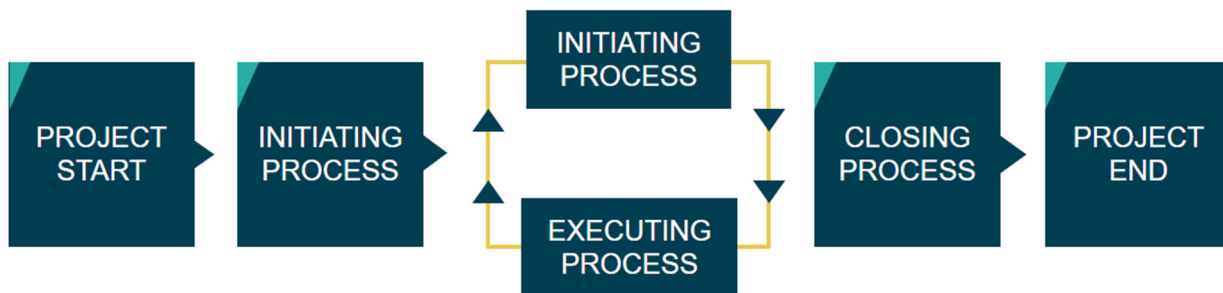


*Figure E.11.B1 Project Management Process Groups*

Morse also focuses on PMBOK's 10 knowledge areas as part of project management to help ensure that we effectively address all aspects of a particular project. These knowledge areas include:

- Integration Management
- Scope management
- Time management
- Cost management
- Quality management
- Human resource management
- Communications management
- Risk management
- Procurement management
- Stakeholder management

By addressing these areas ahead of time and throughout the project's life, we eliminate or minimize issues such as scope creep and project delays as well as any number of risks associated with improper planning.

Establishing a management plan to encompass all facets of the Arkansas EBT program is a complex undertaking that requires strict implementation management and controls throughout the life of the program. We provide project management tools such as the work plan and weekly status reports, and processes to

document, track and report program information to the State. The result is an open, transparent management approach that keeps you actively engaged and informed at every stage of the project.

After the transition to production, Morse continues to manage all aspects of the program as part of ongoing operations and maintenance. During Operations, Morse continues the close working relationship with the DHS developed during the previous project phases. Morse project manager Chris Peterson maintains an ongoing relationship with DHS, providing ongoing status reports containing completed, ongoing, and planned project activities and a summary of open project issues. She also attends ongoing status meetings with DHS. DHS personnel are invited to complete scheduled and unscheduled site visits, as appropriate, to assess performance and ensure contract compliance.

Our team continually reviews program operations, focusing on system performance, call center operations, and reconciliation to ensure all systems are operating as expected and meeting performance standards. To assist with this monitoring, we develop a variety of reports that continuously illustrate our performance to the contract requirements.

### LifeInCheck™ EBT System Monitoring

We endeavor to be in full compliance with the contract terms at all times.  In support of this endeavor, we provide the following:

- Support batch execution in all key environments
  - Batch processes are performed between 7:00pm and 7:00am CST
  - Online processes are performed between 7:00am and 7:00pm CST
- Production support 24/7/365
- Problem log of batch and online issues encountered
- System updates that require downtime are scheduled between 11:00pm and 6:00am CST and as agreed upon by DHS

To ensure LifeInCheck EBT is performing to expectations, we provide the following system performance reports.

| Report | Description |
|---|---|
| Host Response Time Analysis Report | System response time by retailer terminal, ATM, TPP and network acquirer |
| System Availability | Reports system availability and any scheduled or unscheduled downtime or processing interruptions |
| Cardholder and Retailer IVRS | Records total number of calls, minutes spent in IVRS, average call duration, number of calls transferred to CSR, percent of calls transferred to CSR. |
| Call Center Report | Reports total number of calls received, number answered, number abandoned from hold, average time of abandoned calls, average speed of answer, average talk time |
| Batch summary processing reports | Generated for each batch file processed, shows total number of |

| | records received by type, total number processed, and total number of records that could not be processed. |
|---|---|

## Problem Resolution

In the event a problem is raised, we follow documented procedures found in the System Operations and Interface Procedures Manual for addressing it. We first follow the communication and escalation procedures as defined in the approved manual and strive to resolve all problems in the most direct and expedient way possible. As a result, the Morse project manager is empowered to solve most issues directly without the need for escalation. Problems are documented and tracked in the ongoing status reports as well as the resolution, so there is a complete written record.  In conjunction with our documented problem resolution procedures, we agree that either Morse or DHS may serve notice of a dispute concerning payment or performance of the contract and that the dispute is decided by the Director of Arkansas Office of State Procurement in writing within 90 days. During this period, Morse continues to proceed with the performance of the contract.

| E.11  Problem Management, Contract Monitoring & Problem Resolution | |
|---|---|
| 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 |

LifeInCheck™ EBT processes the case/client maintenance file to setup EBT SNAP/Cash accounts. Authorized state users can setup EBT SNAP/Cash accounts directly in the LifeInCheck EBT administrative terminal.

Benefits are posted to the accounts after processing the daily/monthly benefit files from the State. LifeInCheck EBT validates each record before posting the benefit authorization to the appropriate EBT account. The case number, benefit authorization number, and available date are used to apply the benefit to the proper account. Cardholders redeem benefits based on the availability date and available balances. Cardholders can continue to use available benefits as long as their card is active.

LifeInCheck EBT does not validate the status of an EBT account when benefits are redeemed by the cardholder. This means that cardholders do not lose benefits or access to the benefits even if their EBT account is closed or set to inactive status by DHS. Any EBT account/case closed by DHS is not deleted and any unused benefit balances can still be used by the cardholder without any issue.

| E.11  Problem Management, Contract Monitoring & Problem Resolution | |
|---|---|
| D.   Explain the steps the Prospective Contractor will take to ensure that open accounts remain open during account close outs. | 5 points |

## Account Close Out

We have carefully reviewed the Account Close Out requirements and comply with all the business rules used for determining an account as 'Inactive'.

LifeInCheck™ EBT has business rules that ensure that an EBT account stays active for 275 days even when benefit balances are reduced to zero. LifeInCheck EBT makes an account 'inactive' after 275 days from the

date when the balance is reduced to zero. Any deposit or financial activity, except for balance inquiry transactions, resets the inactivity clock of the account.

We apply these same rules diligently during the time of conversion. All active accounts are converted as active accounts. Any account that had been inactive for 275 days from the date when the balances are reduced to zero is converted as an 'Inactive' account.

We understand that benefits in an account are expunged 274 days from their availability date if there are no financial transactions and benefits are not used. LifeInCheck EBT still maintains the account as "Active" and only the benefit status is updated to "Expunged."

| E.11  Problem Management, Contract Monitoring & Problem Resolution | |
|---|---|
| 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 |

LifeInCheck™ EBT applies detailed processing rules to the case/cardholder maintenance files sent from the ARIES to LifeInCheck EBT to ensure the data is present, accurate, and correct. Each file sent from ARIES and sent from LifeInCheck EBT uses the combination of File Create Date and Time as unique identifiers. The respective systems update the File Create Date and Time for each file sent.

LifeInCheck EBT executes validation and update processes upon receipt of the case/cardholder maintenance files. The validation process, also called pre-processing, includes the following steps:
1.  Create an initial response file
2.  Conduct batch level integrity edits
3.  Find any errors resulting from header/trailer or record count inconsistencies
4.  Conduct syntax edits on the detail records

As part of the update process, each detail record is checked for the following:
- Business rule level edits
- Business rule processing errors (such as not finding a benefit for a pending void transaction)
- Field level validations (such as ensuring an amount field is numeric)

### Duplicate Handling (Batch level)
When the case/client maintenance file sent year, sent month, sent day, sent hour, sent minute combination match that of a previously received file, LifeInCheck EBT rejects the file as a batch level error, setting the Response Code field of the header record to an appropriate error code.

### Duplicate Handling (Record level)
Typically, new cases are created in LifeInCheck EBT if the case number is unique in conjunction with the cardholder's name, date of birth, and social security number. However, we understand that a duplicate account may be created for a cardholder with matching name, date of birth, and social security number.

When LifeInCheck EBT finds a match on name, SSN, date of birth combination even with a unique case number, the record is created with a status of 'Hold'

LifeInCheck EBT returns the detail record with the appropriate error code, error field, error description along with the associated header and trailer records in the response file immediately after processing the

case/cardholder maintenance file.

LifeInCheck EBT also makes a batch processing summary report available on the administrative terminal that contains all error records and consolidated numbers on the total records processed, total records rejected, total records added, total records updated etc.

The response file and batch processing summary report contain all the information needed for DHS to take remedial action on the error records. During the design phase, we further discuss how to handle case records in 'hold' status.

| E.12  System Performance, System Security Plan, Fraud Prevention Analysis | |
|---|---|
| A.   Describe how the Prospective Contractor will provide card security. | 5 points |

Our card services subcontractor, Fiserv, supports card and PIN production and issuance at their Visa®/MasterCard® certified facilities. As a leading provider of plastic card manufacturing, Fiserv offers card production and personalization for Morse. Currently Fiserv produces more than 12 million cards annually for state EBT programs. Over the years, Fiserv has produced millions of cards that comply with all applicable state and industry specifications, providing them with the experience necessary to successfully produce EBT cards.

While Morse provides managerial oversight, Fiserv maintains physical controls that protect EBT cards and PINs during manufacture, storage, and shipping. Cards are stored in a vault equipped with alarms and security cameras. All cards going in or out of the vault are accounted for and all transactions are logged and kept on file. Cards are stored in locked vaults or cages accessible only by authorized personnel. All unissued card stock is carefully controlled from creation through shipment to cardholders. Some of the 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
Efficient staffing approach requiring minimal staff for all production and shipping tasks
Large individual card mailings commingled with non-card mail to prevent identification

Providing secure, industry-standard controls over card production, storage, and distribution is critical to ensure the integrity of the Arkansas EBT project. We understand the necessity of providing the most secure environment for the Arkansas program data and have built our systems around that security.

### Established Inventory Controls
We follow established EBT card inventory controls to maintain adequate card stock for production and distribution to cardholders. We maintain an inventory of cards in our databases to ensure that only Morse-supplied cards are issued and to facilitate tracking and fraud investigations. LifeInCheck EBT system processing environments conform to all EBT and credit card industry standards, United States Department of Agriculture Food Nutrition Services (USDA FNS) requirements and guidelines, Morse security guidelines, and the Quest Operating Rules (where applicable). Confidential information is made accessible only to authorized users of LifeInCheck EBT.

### Card Issuance Process
Upon receiving initial card issuance information in the demographic batch file, LifeInCheck EBT generates a PAN for each new positive card indicator in the file. LifeInCheck EBT assigns a PAN to the recipient on the

account each time a new account is established. Fiserv receives the card file, produces the new card, and mails it within the Arkansas required timeframes. Our procedures for initial EBT card production and issuance are shown below.

**Initial EBT Card Creation and Issuance Process**

| Step | Description |
|------|-------------|
| 1 | LifeInCheck EBT receives new cardholder information from the State in the account set-up file. |
| 2 | LifeInCheck EBT generates a new 16-digit PAN for each card, which is linked with the cardholder's account. |
| 3 | LifeInCheck EBT creates a card file with all relevant cardholder and account information. |
| 4 | LifeInCheck EBT transmits the card file to our card production and fulfillment facility for card production and mailing. |
| 5 | The cardholder's name and PAN are embossed on the front of the card. |
| 6 | The card is inserted into a card carrier, which contains instructions on how to select a PIN. |
| 7 | The cards are mailed using the U.S. Postal Service's first class mail. |

Fiserv processes the file, produces the cards, stuffs the envelopes with the required cardholder training materials, and seals and pre-sorts the envelopes for mailing. At any point prior to mailing, the LifeInCheck team and Fiserv personnel can pull a produced card for address updates and other State-authorized changes. Our process is straightforward, secure, and efficient.

## PIN Security
The LifeInCheck team provides complete security provisions to preserve the security and integrity of cards and PINs. PINs are encrypted at the point of entry using the AES (Advanced Encryption Standard) block cipher and are transmitted to the host system in encrypted form for verification. They are never stored outside of the cardholder database nor are they visible to anyone but the cardholder. LifeInCheck EBT adheres to strict security compliance in accordance with 7 CFR 274.8(b)(3)(c) and adherence to Quest Operating Rules (QORs) for EBT. At no time do we display or transmit a PIN "in the clear." LifeInCheck EBT is compliant with Federal Information Processing Standards (FIPS) encryption to protect data in transit and at rest.

Our PIN management operations render the PIN unintelligible during transmission to anyone not possessing the encryption keys. No one at Morse or state employees ever see a cardholder PIN, and PINs are never encoded on the card's magnetic stripe. Each PIN is validated before every transaction is completed. If the PIN is not valid, then regardless of the funds in the account, the transaction is denied.

A flexible, efficient approach to PIN selection enables EBT cardholders to securely select or change their own four-digit PIN with minimal effort. The LifeInCheck team offers options to cardholders to securely obtain or change a PIN using the IVRS, mobile app and state cardholder web portals.
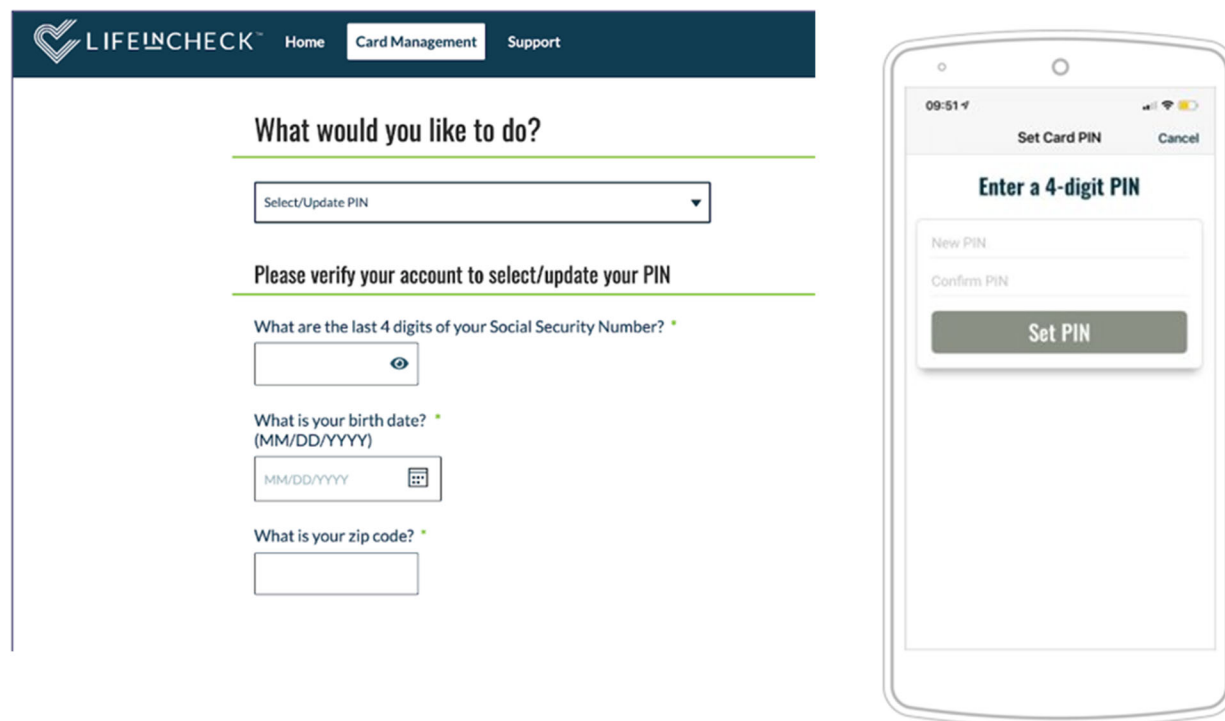
## PIN Selection via the IVRS
To select a four-digit PIN and activate the EBT card, program cardholders simply call the toll-free IVRS, available 24/7, and choose the menu option to select the PIN. Our secure, fully automated PIN selection requires only one call to be made by the cardholder. Cardholder PIN selection follows a secure process that requires the entry of the State's chosen identity verification information, including the cardholder's PIN (if changing the current PIN) or date of birth (if selecting a PIN for the first time) and SSN. After verifying their identity, the caller selects his or her PIN and is prompted to re-enter the PIN for confirmation. The cardholder is then informed if the PIN selection was successful. If the cardholder is selecting a PIN for the first time, this also activates the EBT card.

The secure process involves only the IVRS and the caller. CSRs (Customer Service Representative) can assist callers that have difficulty with IVRS PIN selection. To ensure complete PIN anonymity, CSRs cannot enter a new PIN for a caller. The CSR walks the caller through the process and then guides him or her back to the IVRS, which enables the PIN selection process to be completed by the caller. We provide instructions for cardholders in the card issuance materials regarding selection and/or changing the PIN by the IVRS.

PIN Selection/Change through the Web Portal & Mobile App
Additionally, LifeInCheck offers PIN selection/change through the EBT cardholder Web portal and in the LifeInCheck EBT mobile app. This option provides added convenience, enabling cardholders with Internet and phone access to log in to a secure website or app 24/7 and change their PIN at their convenience.



*Figure E.12.A.1: PIN screens on cardholder portal and mobile app*

### Invalid Pin attempts

To safeguard card accounts, LifeInCheck suspends all cards after four consecutive invalid PIN entry attempts, regardless of whether or not the consecutive attempts occur on the same calendar day. At this point, the card is "suspended" until 12:01 a.m. of the following day. During this time, all SNAP and cash transactions are denied. SNAP manual vouchers are also denied when calling for authorization so long as the card is in suspension because of invalid PIN entry attempts.

Following card suspension for invalid entry attempts, the PIN is automatically reset on the next calendar day without State input or manual process required. The suspension can also be lifted if the system is updated with the creation of a new PIN.

### EMV Cards

Morse understands the State's intent to move to EMV chip cards and is able to move in this direction as soon as the industry and FNS complete the overall analysis of the EMV transition for EBT. EMV cards are

supported with the same features described for the magstripe cards but with additional security features. In an EMV transaction, additional authentication checks are executed to determine if an EMV transaction should be approved or declined. The checks provide additional security to protect from fraud resulting from skimming or counterfeiting a card and to authenticate the validity of the card as well as the user of the card.  While traditional EBT program rules for authorization checks remain in place, new features such as an expiration date for EMV-enabled cards will be implemented.

Card Authentication Method (CAM) is the method Morse plans to use to determine that the EMV payment card being used is not counterfeit. This check is performed through the validation of the authorization request cryptogram (ARQC) that is delivered in the online message. Below is a chart showing the differences between a magstripe and the EMV transaction.

| Magstripe Transaction | EMV Transaction |
|---|---|
| Card is swiped and is returned to the cardholder after the magstripe data has been read before the transaction is completed | Card must be inserted and remains in the terminal until the transaction is completed |
| There is no interaction between the card and the terminal after the magstripe has been read. | Data is exchanged between card and terminal via EMV chip to initiate the transaction. |
| Card does not generate a cryptogram. | EMV chip card generates a unique cryptogram which is sent to the host for verification. |
| EBT message spec today contains no EMV–specific data. | EBT message contains additional EMV– specific data |
| Host does not perform any EMV-related processing. | Additional processing is required by host to verify request cryptogram, generate response cryptogram, and interrogate additional EMV–specific fields in the request message. |

| E.12  System Performance, System Security Plan, Fraud Prevention Analysis | |
|---|---|
| B.   Describe how the Prospective Contractor will monitor ATM accessibility. | 5 points |

Cardholder access to cash benefits provided by the State is an integral part of the EBT program. DHS can be assured that Morse has proficiency in issuing EBT cards and in supporting PIN issuance processes to ensure access to ATMs while protecting client benefits. We provide the necessary card and PIN training materials to cardholders to provide maximum security for cash transactions.

LifeInCheck™ EBT meets or exceeds federal and state requirements for cash accessibility. Our system tracks each cash withdrawal at the transaction level requiring a valid PIN to complete the transaction, assuring the client benefits are secure. This level of tracking cash benefits also affords appropriate personnel the ability to research instances of fraud or abuse should the PIN be compromised.

Cash access for EBT clients begins with a secure and unique PIN selection process. PINs and cards are a one-to-one association, and both are kept in our highly secure database. To make PIN selection secure, we recommend each recipient activate their PIN electronically upon receipt of their card. The cardholder may call

the IVRS or activate their card on our mobile application or in the cardholder portal for quick easy secure set up.

Further security for withdrawing cash from ATMs is provided by card lockout after four unsuccessful attempts at entering the PIN. This feature is an added precaution since ATM access is always a card plus PIN transaction. The State can change the card lockout feature to any number of unsuccessful attempts to design the program to unique specifications for maximizing security. LifeInCheck EBT allows the State or cardholder to set the withdrawal limits and if the transaction is more than the specified limit, the transaction is rejected. If there are multiple denials due to exceeding the withdrawal limit, the card is blocked. This helps to prevent fraudulent transactions.

As noted earlier in Technical Response section E.8, in compliance with provisions in the Middle-Class Tax Relief and Job Creation Act of 2012 related to restricting cash benefit access, LifeInCheck EBT can block access to benefits at chosen ATM (and POS) terminals that DHS deems to fall into this category.

| E.12  System Performance, System Security Plan, Fraud Prevention Analysis | |
|---|---|
| C.   Describe the Prospective Contractor's Security Plan for the EBT System. | 5 points |

LifeInCheck™ EBT is governed by the System Security Plan which follows NIST 800-171 and NIST 800-35 moderate impact for confidentiality level and is updated yearly or as security events arise. It is also compliant with all security measures specified in relation to facility physical security, system security, system data security, administrative and personnel security, and cardholder security. Protecting our clients' data is a cornerstone of Morse's approach to every relationship. In today's web-enabled business environment, it is more important than ever to ensure the security and integrity of the system and services we provide. We are intentional about API security, runtime protection, and regular security testing.

Our System Security Plan addresses all aspects of system security as specified by USDA/FNS EBT regulations and ARDHS OIT security requirements as defined in Attachment I and is organized as follows:

    A.  Access Control
    B.  Awareness and Training
    C.  Audit and Accountability
    D.  Configuration Management
    E.  Identification and Authentication
    F.  Incident Response
    G.  System Maintenance
    H.  Media Protection
    I.  Personnel Security
    J.  Physical Protection
    K.  Risk Assessment
    L.  Security Assessment
    M.  Systems and Communications Protection
    N.  System and Information Integrity

Within the System Security Plan, Morse documents the security controls that protect the confidentiality, integrity, and availability of the system and its information.  We provide an annual Statement on Standards for Attestation Engagements (SSAE) eighteen (18) review that verifies all standards and controls are met. Additionally, all data is replicated to our backup system in real-time and disaster recovery tests are performed annually to ensure failover is always timely and successful.

| E.12 System Performance, System Security Plan, Fraud Prevention Analysis | |
|---|---|
| D. Describe the proposed system's data security controls and indicate whether they meet or exceed FNS thresholds. | 5 points |

The LifeInCheck™ EBT System Security Plan comprehensively covers the security control families as outlined in NIST 800-171 and NIST 800-53 revision 5 at the moderate impact for confidentiality level, which complies with FNS thresholds. Our System Security Plan includes all aspects of data security including:

- User access controls
- Sensitive information limitations
- Internal controls for separation of duties
- Backup procedures including access to manual processing
- Contingency plans
- System operating procedures and requirements
- System security features guide

Our data security controls include the following:

- Designated DHS users may only access LifeInCheck EBT in relation to EBT system data and operations
- Any sensitive information made available in any format is used only for the purpose of carrying out the provisions of the contract
- Adequate internal controls through separation of duties
- Backup procedures in the event of a temporary disruption
- Benefit access when any aspect of LifeInCheck EBT is not operational
- Contingency plans for benefit delivery in the event of catastrophic disruption of benefit delivery services
- Adequate documentation of system operating procedures and requirements
- User guide to describe the security features provided by LifeInCheck EBT
- Application that enforces access controls is continuously protected against tampering and/or unauthorized changes.

Morse performs regular system vulnerability and penetration testing. We also complete internal audits to evaluate security control operation and yearly, third-party audits to independently assess the security and integrity of its systems. Internal security, development, and operations teams also assess their respective domains on a regular and ongoing basis.

| E.12 System Performance, System Security Plan, Fraud Prevention Analysis | |
|---|---|
| E. Describe how effective the Prospective Contractor's Fraud Prevention Plan has been with other EBT Systems. | 5 points |

Morse understands that detection and control of fraud abuse in the SNAP program is a key priority for state agencies. We assist state and federal agencies in detection and investigations into abuses by cardholders, employees, or retailers by providing all key data and reports that help to identify, track, and prevent fraudulent SNAP transactions.

We support and provide a description of responsibility and procedures to DHS and the following agencies in

detection and investigative activities regarding fraud and abuse:

- Attorney General
- Office of Inspector General
- Any other law enforcement agencies

As such, we submit an Anti-Fraud plan to the State that includes but is not limited to the following and the real/near time data surrounding it:

- Detection and alert generation
- Fraud data management
- Predictive and prevention analysis
- EBT account alerts
- Proactive account activity alerts through SMS (text), mobile app and/or email
- Deposits, purchases, withdrawals, purchases with cashback, returns
- PIN changes, disallow soft PIN selection.
- Address, phone number, and email updates
- Monthly reports
- Cardholder-initiated card lock and unlock through the mobile app and cardholder portal, lock card to prevent all transactions, lock card to prevent only out of state transactions
- Drill down dashboard, analysis reports, risk behavior, data analytics
- Social network monitoring tools for suspicious activity related to EBT cards and cardholders

This plan is reviewed annually and updated based on industry trends as agreed and approved. Additionally, we also provide a description of the internal control framework supporting and enforcing the anti-fraud program and controls.

## Fraud Account Setup

We understand the need for the State to set up investigative accounts for the purpose of fraud detection. LifeInCheck™ EBT administrative terminal functionality supports fraud account operations. Authorized state users can set up fraud accounts using the administrative terminal or through the batch interface. Setting up the fraud account is easy. Authorized users enter the client's demographic information and then complete the card issuance process. Benefits can also be issued on the administrative terminal for this account whenever needed. Once the fraud account is set up and the card activated, agency and federal investigators use the issued benefits and card for their fraud investigation. Investigators can use any of the PIN selection methods to activate the cards. Authorized users have full access to transaction history of the fraud accounts to aid their investigation.

Morse provides the necessary training to the authorized users by sharing appropriate training materials and conducting a detailed walkthrough of the LifeInCheck EBT administrative terminal for setting up accounts and issuing cards. Please refer to Technical Response section E.7.A for more details about our training and manuals.

## Fraud Reporting & Analysis

LifeInCheck EBT reporting functionality turns data from the Arkansas EBT program benefit issuance files, financial functions, user activities, cardholder services, and card activities into useful and actionable information. These insights provide better program monitoring, evaluation of fraud patterns, waste, and abuse detection.

To help the State agency conduct daily operations, system monitoring, program management, and performance supervision, we provide an extensive reports package and web-based data analytics tool. As described in the Technical Response section E.17.C, Morse provides insights into cardholder and retailer

transaction data for monitoring and detection of fraudulent activities. Working with DHS, we update thresholds and parameters to detect fraudulent transactions and send alerts to State users. Our data analytics tool also helps FNS and the State to understand, at an aggregate level, client shopping patterns and behavior, benefits spending trends, and key areas of support services needed.

Additionally, we are always monitoring and seeking to enhance our services and have worked with Louisiana to implement additional prevention measures. Some of these measures include the ability for cardholders and administrators to set spending thresholds for individual purchases, restrict out of state purchases, and restrict online purchases.  These were all in response to potential threats seen in the current market.  Our team, in conjunction with Louisiana, has successfully avoided and mitigated any significant fraud attacks.

LifeInCheck EBT was developed solely for EBT processing unlike competitor platforms meant for other services. It is secure and adheres to FNS standards and guidelines to protect from third-party fraud. Morse shall not be responsible for third-party fraud which causes financial harm to the state unless and to the extent such fraud was a direct result of Morse's gross negligence. Any and all provisions shall be set forth in the contract terms and conditions so that the parties are fully aware of their respective obligations.  To this date, we have been successful at preventing and mitigating fraud and have not had any such liable incidents.

| E.12  System Performance, System Security Plan, Fraud Prevention Analysis | |
|---|---|
| F.   Provide the Prospective Contractor's procedures for incident management. | 5 points |

With the increasing threat of hackers, skimmers, phishing, and other forms of fraud and data theft, it is imperative that your EBT processor not only have stringent precautions in place to deter any sort of attack, but that they also have a clear plan in place should a security incident occur. To help prevent incidents and exposure of sensitive data Morse has taken several steps including adding Web Application Firewalls to all our publicly facing services to decrease attack vectors. In addition, all sensitive data is encrypted or hashed depending on the type of data.

Morse's Incident Response Plan provides details on the security measures in place such as intrusion detection, system alerts, firewall, etc., steps to take when responding to an incident, roles and responsibilities of those participating in an incident response and post incident analysis.

As described in response section E.6.E, Morse has multiple methods for securing the system and the data contained therein.  Should a security incident occur, the following steps are taken:
1. Determine which platform is impacted:  database, IVRS, portals
2. Assess cause of the incident
    a. Virus
    b. Malicious code
    c. Hacker activity
    d. Unauthorized attempted access
    e. System vulnerability
    f. Deviation from security policy
3. Take the necessary steps to secure the platform
4. Determine what, if any, impact
    a. PII stolen
    b. Compromised passwords
    c. Benefit funds stolen
5. Notify appropriate stakeholders
6. Develop steps to secure system

7. Implement security measures
8. Conduct post incident analysis

Any incident is reported within 24 hours of occurrence.

| E.12  System Performance, System Security Plan, Fraud Prevention Analysis | |
|---|---|
| G.   Describe available options for federally and state required blocking of EBT transactions for prohibited card use and terminals. | 5 points |

The environment for providing government services has grown more sophisticated and global. As a result, EBT contractors and government agencies must be increasingly vigilant against fraud and abuse. At Morse, we work in partnership with the State and USDA-FNS to actively advise, assist, and appropriately act to aid in detection and investigation of fraud and abuse, including reporting unusual activity. Regardless of who perpetrates program abuse or fraud, retailers, cardholders, or State staff, we fully engage in detection and investigative efforts. We cooperate with State and federal agencies responsible for compliance with laws and regulations for all programs supported by the EBT project under the terms of the contract including blocking of EBT transactions for prohibited card use as well as terminals.

Our actions include reporting unusual situations in which a history of card use matches a fraud profile, such data as even-dollar transactions or rapid purchases at abnormal shopping hours, cash transactions at Group Living Arrangements along with any other locations DHS deems prohibited. We work with DHS to refine our expansive list of reports to address Arkansas's specific needs during the design phase.  For more information about POS and ATM blocking, please see Technical Response section E.8.A.

Morse provides tools such as real-time account and transaction inquiry, an array of fraud detection reports, and investigator accounts and cards. These tools, supported by LifeInCheck™ EBT's automated capabilities, assist investigators in manual methods of fraud detection, such as investigative shopping and transaction activity review, or provide evidentiary support for pursuit of legal action against program violations.

LifeInCheck EBT rejects all transactions from retailers who the FNS deauthorizes from the program as part of our standard validation process. Based on the information provided to us on the daily REDE file. In addition, RuleManager, a web-based application offered by our EBT Gateway Fiserv, allows Morse and internal Fiserv support teams to write and implement risk mitigation rules in real-time. This also is an option for Arkansas that we discuss further during the design phase and can be accommodated through our change management process. It extends fraud management beyond the basic capabilities of typical transaction-blocking services and provides more availability of fields in the online message. This allows for greater flexibility in the number and complexity of rules that can be deployed. RuleManager also offers automated actions so risk mitigation can start immediately.

| E.13  Independent Audit/Certification | |
|---|---|
| A.   Provide copies of independent audit and all certifications required. | 5 points |

Our goal during the transition from the existing contractor to LifeInCheck™ EBT is to ensure it is a seamless process for Arkansas EBT cardholders, without any interruption in service. In addition, we recognize that to best serve the EBT cardholder, it is incumbent to expand the locations accessible to the EBT shopper, therefore we make it our goal to add qualified and responsible retailers (exempt and non-exempt) and third-party processors (TPP) in addition to those already servicing the Arkansas EBT SNAP shopper.

### Third Party Processors

LifeInCheck EBT provides the interface for qualified and certified TPPs; which are capable of relaying transactions to our central database for our authorization that have contracted for EBT services.

All TPP are required to enter into agreements with us which will be presented to DHS for approval. These approved agreements fully comply with federal and state regulations, and include the following requirements:

- Unique terminal IDs for each TPP and retailer that are included as part of their transaction messages
- Ability to support the entire transaction set included in the EBT regulations
- Interoperability with all states, regardless of which state issued the EBT card and ability to process all these transactions
- Ability to display remaining balances on the printed receipt, in addition provides the date, merchants name and location, transaction type, and transaction amount
- Identify the SNAP household(s) member's account number using a truncated or coded transaction number. Nowhere on the card or receipt does the household name appear unless a signature is required in the case of a manual transaction voucher.

Before a TPP is operational, we perform a certification test of their capability to interface with LifeInCheck EBT. This test ensures that every TPP function, message, response, and error exception meets the TPP standard set forth by Morse as well as Quest and FNS EBT operating rules.

All TPP's are provided with a test script, test cards, and required instructions prior to a scheduled test. In addition, the certification includes, at a minimum, performance testing, and a review of system security, PIN encryption and disaster recovery plan.

Finally, Morse settles all transaction disputes between TPPs and DHS Cardholders and reports the results to DHS, which includes a description of the dispute, the parties involved, as well as the outcome.

Over the life of the Arkansas contract, we use our established working relationships with TPPs and networks to encourage expansion of the commercial infrastructure to maximize the use of existing POS terminals consistent with federal regulations.

If a TPP wants to process EBT SNAP transactions, there are certain requirements and certifications they must meet. We only utilize TPPs who meet these requirements and certifications.

**Registration and Agreement** – TPP must register with FNS and sign an agreement that outlines the terms and conditions for processing EBT SNAP transactions.

**Technical Certification** – Before they can process EBT SNAP transactions, processors need to undergo a technical certification with FNS. This ensures that their systems are compatible with the EBT system and meet all the necessary security and functional requirements.

**Security** – TPP must ensure that their systems are secure, and they must comply with all federal data security standards.

**Training** – processors must ensure that their staff, as well as the retailers they service, are properly trained on EBT procedures and requirements.

**Compliance** – TPP need to regularly ensure they are compliant with all EBT SNAP regulations. This might

involve routine self-checks or evaluations.

**Audits** – FNS may conduct audits or reviews of TPP's to ensure compliance with EBT SNAP regulations. Such audits look at transaction data, system security, retailer training, and other relevant areas.

**Reporting** – TPP may be required to provide regular reports to FNS about their EBT SNAP transaction volume, any system issues, or other relevant information.

**Handling Complaints** – TPP need to have a system in place for handling complaints related to EBT SNAP transactions. This includes complaints from retailers and EBT cardholders.

## Independent Audit and Certification

We recognize that DHS has the right to visit, inspect, review and investigate and audit our performance records concerning EBT and facilities engaged in EBT work.  And upon request by DHS, we provide copies of our audits, results of our data processing, operations, disaster recovery, and security functions.

We also recognize that we are responsible for the performance of our subcontractors and provide DHS with an independent Annual Written Certification which verifies and validates our compliance and that of our subcontractors' compliance with applicable banking regulatory requirements and EBT specific requirements.

Our self-certification of compliance covered by our annual audit addresses the following eight points:
1. Compliance with banking, EFT and other financial service-related industry rules that relate to EBT application. Such as the National Automated Clearing House Association (NACHA) Operating Rules and Operating Guidelines, Dept of Treasury Financial Management Service (TFMS) Green Book Requirements and 31 CFR Section 210.
2. Quest EBT Operating Rules
3. SNAP Rules; such as but not limited to, 7 CFR Sections 272, 274, and 276 through 278
4. Internal controls and physical and personal security requirements
5. Evaluation of our compliance with the EBT terminal requirements, applicable regulatory requirements, and the overall effectiveness of the internal control structure.
6. Written certification of compliance (with EBT terminal requirements and applicable bank, EFT, and financial service industry requirements related to EBT application
7. An explanation of how determinations were made, including bank examinations, audit and internal review.
8. An explanation of any exceptions and a description of the corrective action to be taken or have been taken

There are two critical audits that are required to provide assurances of Morse's ability to perform information system services such as its EBT functions; Service Organization Control (SOC) one (1) and SOC two (2) audits.

SOC one (1) audit is designed to help service organizations that operate information systems such as EBT processing, and which provide information system services to other entities, build trust and confidence in our LifeInCheck EBT service delivery processes and controls.

SOC two (2) audit reports are intended to meet the needs of a broad range of users that need information and assurance about the controls at a service organization that affect the security, availability, and processing integrity of the systems and service organization uses to process user's data and the confidentiality and privacy of the information processed by these systems.

At Morse's expense, Morse ensures an independent audit firm conducts an annual Service Organization Controls (SOC) two (2) audit, to include SOC one (1) and SOC two (2) reports in accordance with Statement on Standards for Attestation Engagements (SAAE) No eighteen (18) on the issuance, redemption, and settlement of SNAP benefits.

In addition, SOC two (2) audits are conducted on LifeInCheck EBT operations and computer systems software and hardware that delivers SNAP and cash benefits through ATM's and POS devices. This audit is conducted in accordance with Reporting and Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (Guidance) in accordance with published Am Institute of Certified Public Accountants (AICPA) to assess the security of DHS data in an outsourced or cloud computing arrangement.

Morse utilizes independent auditors who have prior experience in conducting SOC two (2) type report audits. This audit includes:
1. Description of LifeInCheck EBT system and its suitability of its design and operating effectiveness of controls relevant to one (1) or more trust principles, as defined in the Guidance and AICPA rules.
2. Identify subcontractors who provide essential support for the LifeInCheck EBT services. Morse has the right to audit our subcontractors' performance.
3. After the State's fiscal year ends on June 30th, provide a final SOC two (2) report to DHS with the first audit due August 15th. With each subsequent audit being negotiable.

Morse ensures that the SSAE-18 report covers twelve (12) months of LifeInCheck EBT system operations and covers the period Morse was providing these services to the State.

It should be noted that our latest SOC Audit, which was completed in September 2023 resulted in NO FINDINGS!

## Bank Requirements

Morse is responsible for payments to and from concentrator bank for services rendered and is the single point of contact for problem resolution if issues arise. We include in the Transition-In Plan our bank account structure.  We provide Arkansas specific bank information upon request. Wells Fargo serves as our concentrator bank for ACH settlement for the payment of SNAP and Cash transactions to retailers, TPPs and ATM networks.

Federal requirements identify the performance requirements of the concentrator bank. The minimum functions are:
1. Receive from Morse a daily ACH tape with information on DHS benefits transacted and credited to each retailer
2. Transfer the ACH tape to Federal Reserve System
3. Post debits to State of Arkansas account at concentrator bank
4. Accept reimbursements initiated by Morse from the appropriate US Treasury account, via the Automated Standard Application for Payments (ASAP) System. However, the State has the option to designate another entity as the initiator of reimbursement for FNS redemption, provided the entity is acceptable to FNS
5. Morse agrees to cooperate with the concentrator bank to establish the formal process and set of procedures to effect discrepancy reconciliation and error resolution, when necessary,

Morse recognizes that we are liable for any errors in the creation of ACH tape or its transmission to the concentrator bank.

| E.14  Project Management | |
|---|---|
| A.  Provide the Prospective Contractor's staffing plan that includes the following:<br>• An organizational chart<br>• List of key personnel by position, title, and function including a description of all resource requirements, roles, and responsibilities<br>• Resumes of key personnel | 5 points |

We are pleased to introduce you to a highly capable, proven project team that will execute a successful conversion for DHS. Much of our team came to Morse with decades of experience working in card services. This team has been together for nearly five years and has developed an outstanding working relationship that serves our clients well.
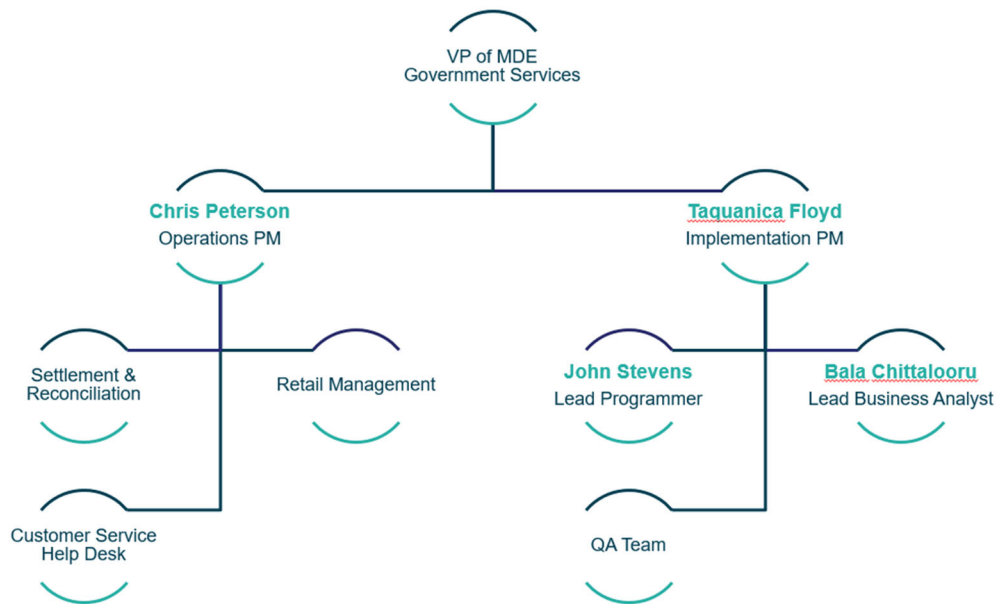


*Figure E.14.A.1: Project Organization Chart*

### Operations Project Manager
Chris Peterson // Senior Program Manager
Serving as Senior Program Manager for Morse, Chris manages state client relationships and applies project management principles to ensure effective and efficient operations, including our EBT implementation in Louisiana in 2020. Chris also serves as the State's primary Point of Contact (POC) funneling all feedback between the State and Morse operations, technology/software, and customer service teams to provide timely responses. Chris brings 20 years of IT program/project management experience to this project including working on the Arkansas DHS conversion from FIS to Conduent in 2018.
Chris holds a Master of Business Administration – Marketing from the University of Houston, a Bachelor of Arts – Business Administration from North Carolina State University and a Project Management Professional (PMP) from the Project Management Institute.

### Implementation Project Manager
Taquanica Floyd // Director, Government Programs
Serving as Director of Government Programs for Morse, Taquanica provides oversight for project and program managers responsible for all aspects of government proposals and projects including LifeInCheck™ EBT development, State project management, and technical project management. Taquanica also manages the implementation of large-scale software engineering projects. Her most recent successful project was as the technical project manager for the Louisiana EBT conversion. Taquanica has over ten years of Project Management experience, over five years of Technology Management experience, and over 15 years of

Technology Delivery experience.

Taquanica holds a Master of Business Administration – Project Management from Capella University, a Bachelor of Science – Electrical Engineering from North Carolina A&T State University, a HIPAA certification, a Six Sigma Black Belt from Winston-Salem State University, a Project Management Profession (PMP) from the Project Management Institute, a Certified SCRUM Master (CSM) certification from the SCRUM Alliance, and a Certified Product Manager (CPM) certification from the Association of International Product Marketing & Management (AIPMM).

Working together, Chris and Taquanica maintain open lines of communication with DHS and all stakeholders to ensure everyone is well informed and there are no surprises throughout the transition period. Responsibilities include:

- Ensuring project conformity with the DHS environment, overall DHS strategic plan, and long-range vision of DHS's objectives
- Implementing technical solutions and implementation plans
- Managing staffing resources
- Conducting weekly status meetings with DHS
- Maintaining an electronic and hard copy project library that include
  - Meeting minutes
  - Meeting agendas
  - Action item lists
  - Required plans and manuals
  - Risk assessments
  - Reports
  - Insurance certificates
  - Technical design documents
  - Problem escalation and resolution tickets and related correspondence
- Documenting the outcome of all key stakeholder meetings and distributing meeting minutes within two business days
- Producing a monthly status report of activities by the 15th calendar day after a month's close.

### Lead Business Analyst
#### Bala Chittalooru // Senior Business Analyst
Serving as Senior Business Analyst for Morse, Bala is responsible for all phases of requirements management and requirements artifact delivery as well as collaborating with product development, distributed project implementation teams on analysis, development, and testing activities. Bala has over 18 years of experience in analyzing, designing, and delivering functionally rich solutions in Technology, Financial Services, Telecommunication, and Government verticals. Bala has successfully managed requirements including change requests, delivered and baselined all key artifacts, and coordinated testing activities in Louisiana's transition to LifeInCheck EBT.
Bala holds a Master of Business Administration from Osmania University, a Bachelor of Arts from Osmania University, and a certificate in Supply Chain Management from APICS.

In his position on the Arkansas EBT project, Bala is responsible for collecting and documenting all project requirements while maintaining all technical project documentation.

### Lead Programmer
#### John Stevens // Software Engineering Director
Serving as Software Engineering Director for Morse, John is responsible for the design and implementation of the LifeInCheck EBT system for both SNAP and Cash programs and served as the engineering lead during the Louisiana implementation and conversion. In this position, John leads several software engineering teams that manage all aspects of enterprise development operations, software development, and automation. John has over six years of software management experience, over 14 years of enterprise architecture experience, systems administration, and dev ops experience.

John holds a Bachelor of Science – Software Engineering from the Florida Institute of Technology, a Certified Red Hat 6 Systems Administrator, and a Certified Oracle 11g Database Training.

# Resumes

Resumes of key personnel are provided on the following pages.

# CHRIS PETERSON

**Technical Experience**
20+ years of – IT program/project management
Successfully implemented and maintained EVV, EPC and EBT programs in Virginia, Ohio, Alabama, North Carolina, Arkansas, and Louisiana.

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**Functional Experience**

**Senior Program Manager – LifeInCheck, a Morse Company (Oct 2023 – Present)**

- Apply project management principles to successfully implement and maintain EBT programs
- Build and manage project work plan through conversion completion
- Develop and review project documentation including project management and system documentation
- Deliver system training to end users
- Provide guidance and feedback to internal team as subject matter expert

**Program Manager – Inmar (Aug 2018 – Sept 2023)**

- Apply project management principles to successfully implement and maintain EBT programs
- Manage EBT processor conversion in Louisiana from Conduent to Inmar
- Build and manage project work plan through conversion completion
- Develop and review project documentation including project management and system documentation
- Provide guidance and feedback to internal team as subject matter expert

**Program Manager – Conduent (April 2010 – July 2018)**

- Applied project management principles to successfully implement and maintain EVV, EPC, and EBT programs in Virginia, Ohio, Alabama, and Arkansas
- Led transition of EBT programs to Conduent, ensuring performance measurement and contract compliance
- Provided program support to Virginia Department of Taxation, as well as the EPC program with the Department of Social Services, Virginia Employment Commission, and Department of Accounts as part of Department of Treasury contract for debit card services
- Successfully implemented time and attendance tracking to over 7,000 childcare providers, across 99 counties in North Carolina, meeting timeline and budgetary objectives
- Developed and delivered training modules for providers, retailers, state, and county personnel on system usage and program details
- Maintained detailed project documentation including work plans, risk logs, status reports, system user manuals, and training plans
- Ensured program collateral complied with federal regulations

*-More-*

**Director, North Carolina Operations – S2Tech (August 2007 – December 2009)**

- Developed and documented project management methodologies aligned with SDLC to successfully manage onshore and offshore technical project teams to ensure on-time delivery of work product for multiple Medicaid system remediation projects
- Provided project management for COBOL, .Net, and JAVA development projects
- Analyzed project statistics to ensure resource allocation balanced budgetary requirements with project delivery requirements
- Negotiated scope changes, identified, and mitigated risks, communicated with client and project team to ensure successful completion of projects

**Director, Project Management Office – Conduent (February 2006 - July 2007)**

- Established Project Management Office, providing management infrastructure in a multi-contract environment following SDLC and based on PMI and CMMI principles
- Created written processes and procedures for management of each project phase, including documentation templates, as outlined in the Project Management Body of Knowledge
- Provided oversight of project management methodologies utilized on $6.1 million contract
- Analyzed new business opportunities, providing feedback and strategic solutions to executive leadership

**Implementation and Training Manager - Conduent (October 2002 - January 2006)**

- Successfully managed implementation and training components of the largest enterprise resource planning (ERP) system integration project in higher education
- Persuaded project stakeholders of the cost-benefit of the implementation and training plan, representing 70 percent of a $30.9 million contract extension
- Negotiated client and subcontractor agreement to implement solutions that balanced desired results and budgetary guidelines
- Supervised team of eight project managers with oversight responsibility for implementation activities at 58 client sites
- Managed Customer Support Center responsible for supporting 58 client sites and the client management office

**Certifications**

PMP

**Education**

Master of Business Administration, Marketing, University of Houston
Bachelor of Arts, Business Administration, North Carolina State University

# Taquanica Floyd

## Technical Experience

**11+ years** – Project Management

**5+ years** – Technology Management

**13 + years** – Technology Delivery

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## Functional Experience

### Director, Government Programs – LifeInCheck, a Morse Company (October 2023 – Present)

- Provide oversight and direction for the product and program management teams
- Strategize with team and various stakeholders to develop solutions for emerging technologies in government/EBT such as eHIP, mobile payments, EMV, etc.
- Manage large scale technology implementations

### Director, Government Programs - Inmar (July 2022 – September 2023)

- Provide oversight and direction for the product and program management teams
- Strategize with team and various stakeholders to develop solutions for emerging technologies in government/EBT such as mobile payments, EMV, etc.
- Manage large scale technology implementations

### Manager, Government Program & Project Management - Inmar (October 2018 – July 2022)

- Led the development of LifeInCheck EBT system from inception to implementation
- Responsible for managing the implementation of large-scale software engineering projects
- Served as technical project manager for Louisiana EBT managing implementation and technology change requests

### Project Manager, Government Solutions - Inmar (June 2017 – October 2018)

- Responsible for planning, organizing, and managing all phases of both small and large-scale projects within the government channel
- Determined resource requirements, selected team members, and coordinated support functions while working with management to forecast resource demands and task completion
- Led cross-functional teams through requirements analysis and design, establishing clear and concise project documentation

### Manager, Infrastructure - Inmar (April 2016 – June 2017)

- Led a team of 9 on-site and remote system engineers while overseeing the administration of Active Directory, backups, EMC SAN, G Suite, Microsoft Exchange, physical/virtual servers, and various projects
- Provided oversight for team implementation of G Suite including migrating 30+ years of company data and all existing users from Microsoft Exchange using Agile methodology
- Managed team deliverables for company data center migration design and implementation
- Provided oversight for team implementation of G Suite including migrating 30+ years of company data and all existing users from Microsoft Exchange using Agile methodology
- Managed team deliverables for company data center migration design and implementation

***-More-***

**Manager, IT End User Computing & Technical Operations – Inmar (January 2015 – March 2016)**
- Provided desktop support expertise and leadership to a team of desktop support and technical operations engineers in delivering tier 2 & 3 support for all Windows, Mac, and mobile platforms
- Collaborated with IT leadership, technical operations engineers, system engineers, vendors, and business teams to assess needs and recommend technology solutions
- Developed comprehensive project plans and facilitated the implementation of company-wide technology initiatives

**Manager, IT Service Desk & End User Computing - Inmar (March 2014 – December 2014)**
- Coached, mentored, and developed a team of IT service desk and desktop support engineers, including overseeing new employee onboarding and providing career development planning and opportunities, resulting in the promotion of 4 associates
- Managed hardware and software inventory and licensing; maintained appropriate levels of inventory for desktops, laptops, software, and peripherals

**Supervisor, IT Service Desk & End User Computing - Inmar (July 2013 – February 2014)**
- Led the IT service desk and desktop support team in providing technical support for a wide range of technology areas including computers, applications, networks, audio visual, telephones and mobile devices
- Developed and updated relevant information technology policies, procedures, and training materials to ensure compliance with all security and operational policies and procedures

**Team Lead, IT Service – Inmar (December 2012 – July 2013)**
- Led an IT service desk team while playing a lead role in resolving critical issues and supporting the daily operation of the IT service desk
- Drove process and technology improvements to improve end-user experience with core IT products and services, thus decreasing support call volume and increasing first call resolution

**IT Project Coordinator – (January 2012 – January 2013)**
- Organized and managed all phases of IT Infrastructure projects. Developed effective project plans for managing cross-functional teams and delivering on project objectives, schedule, and budget
- Led continuous improvement project to increase the uptime of IT systems by 50%

**Certifications**

HIPAA 2008-2017
Project Management Professional (PMP) 2015
Certified Scrum Master (CSM) 2018
Certified Product Manager (CPM) 2018

**Education**

BS, Electrical Engineering, NC A&T State University
MBA, Project Management, Capella University
Accelerated Leadership Development Academy (ALDA), May 2022

# Bala Chittalooru

## Technical Experience

18+ years of experience in analyzing, designing and delivery of functionally rich solutions in Technology, Financial Services, Telecommunication and Government verticals for some of the world's largest organizations.

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## Functional Experience

**Product Manager – LifeInCheck, a Morse Company (Oct 2023 – Present)**
- Responsible for product management in Government Services for EBT vertical and restricted card payment solutions
- Support proposal team with EBT domain, processes, issues information
- Deliver all key requirement artifacts, business rules for LifeInCheck EBT $^{TM}$ platform enhancements

**Product Manager of Government Enterprise Architecture - Inmar (July 2022 – Sept 2023)**
- Responsible for product management in Government Services for EBT vertical
- Develop product maps, epics/stories, implementation plans in EBT and general payment processing solutions
- Collaborate with engineering development, distributed project implementation teams on analysis, development, and testing activities
- Support proposal team with EBT domain, processes, issues information
- Deliver all key requirement artifacts, business rules for LifeInCheck EBT $^{TM}$ platform

**Senior Business Analyst of Government Enterprise Architecture - Inmar (Sept 2018 – June 2022)**
- Responsible for all phases of requirements management and requirements artifact delivery
- Collaborate with product development, distributed project implementation teams on analysis, development, and testing activities
- Support proposal team with EBT domain, processes, issues information
- Deliver all key requirement artifacts, business rules for LifeInCheck EBT $^{TM}$ platform

**Professional Services Principal - Conduent (April 2015 – Aug 2018)**
- Completed Requirements Management for Payment Solution Group key solutions in EBT, EWIC areas
- Led JAD (Joint Application Design) assignments comprising Client, Partner, and Project teams for several State Clients
- Close coordination with Account Management and direct communication with Client Stakeholders for Issue resolution
- Coordination of globally distributed teams for effective delivery

**Business/Systems Analyst (Siebel) – TIAA-CREF (Jan 2013 – Jan 2015)**
- Delivered several critical projects in support of the new initiatives in IAS (Individual Advisory Services) focused on deepening relationship with Clients and improving the size of the business under each

*-More-*

- Bulk Email – The Bulk Email Marketing project was a business-critical initiative for Advisors to provide a central bulk email and individual desktop email strategy for participants and contacts, qualitatively very different from a traditional Campaign Management aimed at general, large audiences
- Worked closely with critical stakeholders on requirements definition, scoping, UX Design, Testing Strategy

**Business Analyst – PNC Bank, Pittsburgh (Jan 2012 – Nov 2012)**

- Produced high-quality Siebel Upgrade work items list and resolution matrix after thorough investigation, analysis various conflict reports
- Identified various Application administration issues and documented resolutions
- Scrutinized data model changes and created impact analysis artifacts for EIM/Batch jobs
- Conducted multiple Business Process validation sessions with Business users to validate all the critical business processes for early detection of functional/technical issues in the upgraded system

**Siebel Manager, Development and Support – Hewlett Packard, Inc (PSG) Sunnyvale**
**(Feb 2010 – Dec 2011)**

- Delivered several critical projects in support of the new webOS products' launch using a quasi-RAD model on-time and on-budget
- Improved rigor in Requirements Definition by accurately categorizing requirements by type viz., Functional, Non-Functional, Performance, Interface
- Refined Design Process (Functional/Technical) to provide cleaner traceability to business requirements resulting in better design, eliminating rework

**Business/Systems Analyst – AT&T Mobility, WA (May 2008 – February 2010)**

- Contributed to Business Requirements improvement by active participation in reviews and providing feedback where appropriate
- Created robust, unambiguous Functional/Interface Requirements translating accurately from Business Requirements
- Conducted Functional/Interface Requirements reviews for business stakeholders/external teams as part of the general FR reviews

## Professional Tools and Training

Software – Siebel: 7.x/8.x Siebel Tools, Epiphany, EDM (Enterprise Dimension Manager), Clear Quest, MS Project, Visio, IIS Server, Erwin, SharePoint, Axapta, SAP PI, MDM
Databases – MS SQL Server 2005/2003/2000, Oracle 8i/9i/10g, MS Access
OS – Windows Family (XP, Vista, NT, 2000, 98), UNIX, LINUX, DOS
Languages – MS T-SQL, Visual Basic, PL/SQL, HTML

## Education

Masters in Business Management from Osmania University, India

# John A. Stevens II

## Functional Experience

**Software Engineering Director – LifeInCheck, a Morse company (October 2023 – Present)**
- Manage architecture and development of LifeInCheck EBT platform currently supporting over 700k cardholders averaging around 6.5M financial transactions per month; Achieving 100% uptime since go-live over the past 2 years. Integrating with partners such as Fiserv, implementing financial spec X9.58-2013 and building payment API's. Manage a team responsible for all aspects of Enterprise development operations, software development and automation
- Serve as scrum master managing sprint ceremonies such as stand-up, grooming, sprint planning and technical presentations.
- Manage a global team of engineers of all levels and calibers including (Jr/Mid/Sr) and (Backend/Frontend/Automation).
- Practice Agile and Continuous Integration/Delivery/Deployment technologies

**Software Engineering Manager - Inmar (November 2016 – September 2023))**
- Responsible for design and implementation of LA EBT solution (SNAP & TANF)
- Manage a team responsible for all aspects of Enterprise development operations, software development and automation
- Serve as active team member on development and automation projects
- Manage technical documentation, project planning and quality assurance
- Practice Agile and Continuous Integration/Delivery/Deployment technologies

**Software Engineer IV - Inmar (March 2016 – November 2016)**

- Developed applications for the enterprise and data analytics division
- Followed Agile (Scrum) development methodology
- Develop in C# (MVC/web forms), PHP, Bash, Python and Node.js (Java Script)

**Sr. Linux Systems Administrator - Inmar (October 2015 – September 2016)**
- Managed and maintained 400+ Linux and UNIX servers
- Implemented patch management for Linux servers
- Deployed configuration management for Linux servers

**Systems Administrator II – Florida Institute of Technology (August 2014 – October 2015)**
- Managed and maintained 400+ Linux, Windows, and UNIX servers' university wide
- Deployed configuration management for Linux servers
- Monitored user activity for runaway processes, unacceptable activities, space quotas, software updates and detecting security risks

*-More-*

**Enterprise Architect – Winston Salem State University (July 2011 – August 2014)**

- University Linux Administrator – Managed virtual and physical servers including Windows, utilizing VMware and Hyper-V
- Managed local Oracle stack and ERP applications
- Developed custom solutions for system interoperability between local and hosted systems
- Supported the infrastructure and networking team with various projects

**Systems Administrator – Florida Institute of Technology (September 2008 – July 2011)**

- Deployed and maintained 250+ physical and virtual Linux, Windows and UNIX servers
- Managed and maintained the university's local Tier-3 Datacenter and remote DR site across the WAN
- Administered infrastructure that supported over 15,000 users
- Automated system processes using scripting languages such as Bash, Perl and Powershell
- Implemented Opsview Monitoring solution in a clustered environment which provided monitoring for the university's infrastructure
- Oracle Certified 11g Database Training 2012

## Certifications

Red Hat 6 Certified Systems Administrator 2012
Oracle Certified 11g Database Training 2012

## Technical Skills

Languages: C#, "ASP.NET", JAVA, HTML, T-SQL, Shell Scripting (Bash), PowerShell, C/C++, PHP, Python
Essential Services Deployed/Admin: Exchange 07/10 (Clustered), Windows DNS, WDS,
    WSUS, TS, DHCP, KMS, Group Policy, IIS 6/7.x, MSSQL, Linux NFS, Samba, Apache,
    MySQL, Postfix, Cyrus-Imap, Opsview Monitoring Server (Clustered), subversion, Central
    Authentication System (CAS), Google Apps, O365
Hypervisors: VMware ESXI 4.x and 5.x (vCenter), Red Hat KVM, Hyper-V Server 2012

## Education

Bachelor of Science, Software Engineering, Florida Institute of Technology, Melbourne, FL

| E.14 | Project Management | |
|------|--------------------|---|
| 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 |

As described in Technical Response section E.14.A, we propose an experienced team to support DHS from transition through operations for the life of the contract. Below is a detailed description of each person's role on the Arkansas EBT project.

| Name/Title | Responsibilities |
|------------|-----------------|
| Chris Peterson<br>Operations Project Manager | Manage contract during all phases<br>Ensure conformity with overall DHS strategic plan<br>Ensure conformity with long-range vision of DHS' objectives<br>Manage staffing resources<br>Conduct weekly status meetings with DHS<br>Maintain document library<br>Document outcome of key stakeholder meetings<br>Distribute meeting minutes within two business days of the meeting<br>Produce monthly status report of activities by the 15th of the month<br>Serve as primary point of contact between DHS and Morse |
| Taquanica Floyd<br>Implementation Project Manager | Ensure conformity with DHS environment<br>Implement technical solutions and implementation plans<br>Participate in status meetings<br>Maintain document library<br>Coordinate transition activities with incumbent processor<br>Ensure development and testing activities adhere to work plan<br>Communicate any issues that impact the timeline to the Operations Project Manager |
| Bala Chittalooru<br>Lead Business Analyst | Participate in design sessions<br>Ensure all requirements are properly documented<br>Create and maintain system design documents<br>Collaborate with QA Lead to ensure test scripts accurately reflect requirements |
| John Stevens<br>Lead Programmer | Coordinate all engineering team efforts<br>Ensure LifeInCheck EBT customizations meet DHS requirements<br>Participate in design sessions |
| Selvi Marappan<br>Lead QA Manager | Create test plans and scripts<br>Certify interfaces<br>Document testing results<br>Manage all testing activities<br>Selvi has more than 12 years testing experience and has participated in transition-in activities in 10 states and transition-out activities in three states |
| Tina Hamilton<br>Retail Manager | Cultivate relationship with retailer associations and recruit new retailers<br>Distribute and process Retailer and TPP Agreement documents<br>Manage POS distribution in conjunction with Novo Dia<br>Issue and replace EBT-only POS devices for exempt retailers |

| | Ensure retailer training materials are updated and distributed including Retailer User Manual and Quick Reference Guide Tina brings over 20 years of payment processing and retail management experience to this project. |
|---|---|
| Marianne Callahan Cardholder Experience Manager | Oversee call center operations Provide scripts and other training material to agents Manage IVRS scripts Review performance measures Monitor staffing levels Research and settle cardholder disputes and adjustments Marianne has over 30 years of customer service experience |
| Vicki Weihe Manager, Financial Transactions | Manage daily settlement and reconciliation Monitor ACH and account activity and validation Manage relationship with gateway provider Vicki brings 20 years of EBT operations experience to this project. |

| E.15  Reporting | |
|---|---|
| A.  Describe the proposed system's reporting capabilities and features for the following:<br>• Financial<br>• Batch Processing<br>• Card<br>• Billing Security<br>• Program Management<br>• System Performance | 5 points |

# Reports Package

LifeInCheck™ EBT's standard report package for Arkansas is designed to meet or exceed your reporting needs as well as any USDA-FNS requirements. The reports are provided at the frequency (daily/weekly/monthly) indicated unless separately negotiated and agreed to between DHS and Morse. Access to the reports is controlled by user role and the permissions/privileges assigned. For example, a user assigned to a Security Admin role can access all the reports while a user assigned to a Customer Service role can access on cardholder or retailer service-related reports.

Our reporting suite offers the State a detailed view of program activities, statistics, and trends, at each program (SNAP, Cash) level. Most reports have a summary and a detailed view of information aggregated at the state and county levels respectively. The reports available in the administrative terminal are presented in descending order of date with the most recent displayed at the top.

LifeInCheck™ EBT generates reports in standard formats including PDF, .csv, and files (batch summary reports) in .txt format and makes them available online in LifeInCheck EBT administrative terminal. The reports can be downloaded or printed on any industry standard printer. As required, LifeInCheck EBT transmits all the reports in a file transmission to either DHS or FNS as appropriate. We agree to delivering the reports at the specified cadence i.e., daily reports delivered no later than 11.59.00 PM CST (Central Standard Time) the next business day, weekly reports no later than 2nd business day of the following week, and monthly reports no later than 2nd business day of the following month. We ensure that all reports delivered are complete.

Additionally, the system provides daily files containing information on the cardholders' daily transactions, benefits expungements, and adjustment activity. These files are transmitted via SFTP to the designated

secure folders of DHS after midnight (EST) or any other agreed upon time.

As a part of our reporting responsibilities, we:

- Provide all mandatory reports and data files required to conform to FNS and other federal reporting requirements.
- Provide financial, settlement, and reconciliation reports at summary state level and by county, program (SNAP, Cash).
- Provide all data elements, report information, and other required information through an electronic medium compatible with DHS requirements.
- Provide a detailed Report Control Document (RCD) describing the layouts, data elements, and business rules of all the reports during requirements phases of the project. This RCD is delivered to DHS for review and approval. Any changes to the RCD are captured in version history and an updated copy is delivered via email to identified contacts in DHS.

Our approach to developing suites of EBT reports encourages streamlining of the reporting package by identifying redundant data elements/reports, consolidating reports, and creating new reports from existing data. We look forward to applying this approach to deliver a finely tuned reports package to DHS.

## Financial Reports

Morse understands that accurate reporting of all financial transactions, settlement, and reconciliation are key to any EBT system. It ensures that all retailers and TPPs are reimbursed and it ensures that LifeInCheck EBT stays in balance. Additionally, we make sure that reports are submitted to federal agencies so that the State is properly reimbursed. At the close of the business day, LifeInCheck EBT provides financial reports for settlement, accounting, reconciliation, balancing, and auditing of our host system processing and operations. These daily reports are available on our report server and reflect all account actions received from the State through batch processing and/or online processing.

Table E.15.A.1: Financial Reports lists and describes the reports required by DHS.

### Table E.15.A.1 : Financial Reports

| # | Report Name | Description | Frequency |
|---|---|---|---|
| A.1 | Account Activity Report | Available in the administrative terminal, the Account Activity Report details all logged financial transactions, denials, and balance inquiries that occurred during the settlement day. The data includes balance inquiries and denied and approved transactions. This report also includes all transactions received from State, online or in batch mode, which affect the EBT account balance. Some of the key data displayed in this report include the transaction amount, transaction type, date and time of transaction, transaction response code, EBT account balance, fee amount, retailer info, and source of the transaction (batch or online). | Daily |

| A.2 | ACH Activity Report | Available in the administrative terminal, the ACH Activity Report details settlement amounts due to Fiserv, Morse's EBT Gateway Processor and to those processors behind Fiserv. The data includes total settlement amount broken down by SNAP, Cash programs for each processor and the associated retailer. | Daily |
|------|------|------|------|
| A.3 | Daily Direct Deposit Report | This report will be provided if needed.<br><br>Available in the administrative terminal, the Daily Direct Deposit provides all the details of SNAP and Cash benefits issued to cardholders in dollar amounts on any given day. The data includes cardholder name, case number, card number, benefit type, amount. | Daily |
| A.4 | Daily Statistical Report | Available in the administrative terminal, this report provides a statistical summary of case transaction activity on the system at settlement cut-off time (benefit /authorizations/issuances, administrative adjustments, aging, voids, repayments, purchases, etc.). The data includes count and amount for each transaction type, summarized at program level, month to date summary amount for every transaction type. | Daily |
| A.5 | Clearing Report | Available in the administrative terminal, the Clearing Report shows, at a summary level, the total funds that are being settled for the processing day by program type (i.e., Cash and Food Stamps) and sub-program type, which require funding.<br><br>This report shows a breakdown of funds that are settled each day by program and sub-program type.  Each program and sub-program is totaled for all accounts and the summary of the data is presented. The amount against each sub-program is a representation of all cardholder transactions included in arriving at the settlement amount (direct deposits, purchases, administrative adjustments).<br><br>Additionally, this report contains all the financial activity used for the draw down in ASAP for the settlement day. | Daily |

| C | System Accounting Report | Available in the administrative terminal, this report, also broken by program level, shows the overall net debit for SNAP and cash purchases as well as the offsetting credits, such as SNAP returns, voids, and adjustments. The data includes all settling transactions and matches the settlement totals for the date range selected directly on the financial liability dashboard.<br><br>This report is typically produced at the end of the month. | Monthly |
|---|---|---|---|
| D | Daily Benefit Repayment Report | Available in the administrative terminal, this report provides information on repayment transactions against benefit types **(except for cash)** within a program that were completed in the administrative terminal for the day. This report contains totals for each benefit type for a county and totals for each program within the county as well as statewide totals by program. Additional key data includes case number, transaction date, source, user ID, benefit type, authorization number, requested amount, and repayment amount for each daily repayment for the calendar month. | Daily |
| E | Adjustment Activity Detail Report | Available in the administrative terminal, this report details debit and credit adjustments made to EBT accounts (SNAP and Cash) per adjustment requests from merchants or third-party processors. This report contains a list of all daily account adjustments including PAN, vendor tracking code, date/time/type and amount of adjustment, date/time and amount of original transaction, and initiator (username). Information is presented at TPP/network levels. | Daily |
| F | Interoperability Report | Available in the administrative terminal, this report lists transactions for all Retailers for a State for a settlement period that had withholding amount.  If a processor does not have withholding for the settlement period, it will not be on this report. | |

| G | STARS Report | Available in the administrative terminal, this report contains SNAP transactions that occurred for each authorized FNS retailer that were reported to FNS in the daily STARS file.<br> The report sorted by the processor, contains the below transactions to the retailer's account:<br>• withdrawals<br>• refunds<br>• reversals<br>• void lasts<br>• adjustments | |
|---|---|---|---|
| H | Account Management Agent Batch Report | Available in the administrative terminal, the AMA Batch Issuance Report corresponds to the information contained in the AMA daily file sent to FNS AMA/ASAP system which is used for monitoring ASAP funding limits. This report contains daily SNAP transactions by type (i.e., issuance, cancellation, repayment, non-settlement, returns expungements and return repayments), effective date, and summary totals which have been posted to the daily database. | Daily |
| I | Retailer Terminal Activity Report | Available in the administrative terminal, this report provides a daily detailed listing of POS, ATM, voucher, and adjustment activity by EBT-only merchant terminal, TPP, or ATM Network. | Daily |

**Batch Processing Reports**

LifeInCheck EBT provides a comprehensive suite of reports designed to enable DHS to support, monitor, and control all file processing activity occurring in LifeInCheck™ EBT, file processing, card issuance/replacement, benefit expungement, and system availability.

Table E.15.A.2: Batch Processing Reports lists and describes the batch processing reports as required by DHS

**Table E.15.A.2 : Batch Processing Reports**

| # | Report Name | Description | Frequency |
|---|---|---|---|
| A | Batch Exception Reports | LifeInCheck EBT generates a response file for every batch file that is processed and is made available in the administrative terminal. It contains a listing of all records that are not processed, including the relevant error codes explaining the rejection. Duplicate case exceptions are clearly identified. | Daily |
| B | External File Processing Reports | Available in the administrative terminal, these reports provide summary verification data, including the total number of records received in the batch, the total dollar amounts, and the number of records by record type (e.g., number of add, change, and delete records) for all batch files received. They also contain a processing summary including number of records accepted and number of records rejected. | Daily |

## Card Reports

LifeInCheck EBT provides a comprehensive suite of reports designed to enable DHS to support, monitor, and control card issuance and replacement activity, including file processing, card issuance/replacement, benefit expungement and system availability.

Table E.15.A.3: Card Reports lists and describes the card issuance/replacement reports as required by DHS.

| # | Report Name | Description | Frequency |
|---|---|---|---|
| A | Card Issuance/ Replacement Report (vault cards) | Available in the administrative terminal, this report provides detailed information on new and replacement vault cards issued by the State through the batch demographic file or OTC (over the counter). This report is aggregated at the county level and contains county office, username(state), cardholder name, case number, new card number, old card number, source of the replacement request (IVRS, mobile app, or cardholder portal), the reason for replacement, issuance/re-issuance date/time, and cumulative number of cards replaced as of date. Statistics include count of issued/mailed/damaged/lost cards and count of issuance type (new, replacement, ratio of total cards issued/replacement cards) | Daily/Monthly |
| B | Card Issuance/ Replacement Summary | Available in the administrative terminal, this report provides detailed information on new and replacement cards(mailed) issued by the State through the batch demographic file. This report contains summary/count of cards issued by mail by county name, the reason for replacement, counts of cards for every replacement reason and new issuances, issuance/re-issuance date. | Daily/Monthly |
| C | Card Replacement Analysis Report | Available in the administrative terminal, this report contains details of all the replacement cards issued by issuance type (mail replacement) and replacement reason. This report is aggregated at the county level and contains cardholder name, case number, new card number, old card number, issuance/re-issuance date and cumulative number of cards replaced as of date. | Monthly |
| E | Card Replacement Analysis Summary | Available in the administrative terminal, this report is aggregated at the county level and contains number of cards replaced county. The details of the report include case number, cardholder name, count of card replaced as of date. | Monthly |

| F | Returned Card Report | Available in the administrative terminal, this report contains information about cards that have been returned to Morse because they could not be delivered to the cardholder.<br><br>This report provides summary at the state level and details at the county. The details include case number, card number, cardholder name, address, reason returned, date and time, returned card entered by(receiver name). | Daily |
|---|---|---|---|
| G | Inactive Cards Report | Available in the administrative terminal, this report contains information about cards that have been inactive or NOT pinned 10 or more days from the date of issuance.<br><br>This report provides details by the county and include case number, card number, cardholder name, date of issuance, card status | Daily |

### Billing Reports

LifeInCheck EBT provides billing reports designed to enable DHS to understand all the activities that qualify an account to be included or not for monthly billing.

Table E.15.A.4: Billing Reports lists and describes the card billing reports as required by DHS.

#### Table E.15.A.4: Billing Reports

| # | Report Name | Description | Frequency |
|---|---|---|---|
| A | Billing Cases Report | Available in the administrative terminal, this report contains a list of cases with at least financial transaction posted in the reporting month. The details include case number, benefit authorization number, benefit type, benefit availability date, last financial transaction date. | Monthly |
| B | Billing Report | Available in the administrative terminal, this report contains number of billed cases for each benefit type, billed amount, total billing amount for the month. | Monthly |

## System Security Reports

When providing access to sensitive information, it is important to know exactly who is access what information and when. To help protect recipient information and enable monitoring of all user activity, LifeInCheck EBT generates administrative security reports for DHS. The following reports describe how we provide the identification of all the users and their privileges/permissions as well as an audit trail of all transactions occurring on the administrative terminal. These reports help identify any potential security threats and help take timely action to prevent/eliminate such threats.

Table E.15.A.5: System Security Reports lists and describes all system security reports required for DHS.

### Table E.15.A.5 : System Security Reports

| # | Report Name | Description | Frequency |
|---|---|---|---|
| A | EBT Terminal Activity Report | Available in the administrative terminal, this report contains a list of all administrative actions resulting in changes to cardholder, case, or account data (e.g., cardholder name or address), new account setup, statusing card, and benefit repayments as well as administrative terminal's user action information regarding  login, logout, password changes. | Daily |
| B | EBT Terminal Last Access Report | Available in the administrative terminal, this report provides details about DHS users with last access to the EBT terminal. The data includes status of the user (active, inactive for 60+ days, new, revoked), level of access, as well as the state profiles and the access afforded to each profile. | Monthly |
| C | EBT Failed Login Report | Available in the administrative terminal, this report provides a list of all DHS users, by county, who have failed login attempts into LifeInCheck EBT. | Daily |
| D | Access Definition Report | Available in the administrative terminal, this report provides details about DHS users with access to EBT data including that status of the user (active, inactive, new, revoked), date added, login ID, name, role ID, role name and level of access. | Monthly |

## Program Management Reports

For the life of the contract, LifeInCheck EBT supports the State's focus on fraud investigation and detection in SNAP and Cash programs by providing program management reports that document suspicious activity by recipient or retailer on a daily or monthly basis.

Table E.15.A.6: Program Management Reports list and describes all program management reports required for DHS.

**Table E.15.A.6 : Program Management Reports**

| # | Report Name | Description | Frequency |
|---|---|---|---|
| A | Out of State ATM Activity Report | Available in the administrative terminal, this report identifies all Arkansas cardholders' ATM transactions occurring out of state for the past consecutive months (date range can be specified) including the state in which the transaction occurred, transaction type, transaction amount, and TPP behind the terminal. This report does not include transactions from the border states i.e., Texas, Louisiana, Mississippi, Missouri, and Tennessee. | Monthly |
| B | Repayment Report | Available in the administrative terminal, this report provides information on repayment transactions against benefit types (except cash) within a program that were completed in the administrative terminal for the day. This report contains totals for each benefit type for a county and totals for each program within the county as well as statewide totals by program. Additional key data includes case number, transaction date, source, user ID, benefit type, authorization number, requested amount, and repayment amount for each daily repayment for the calendar month. | Daily |
| C | Voucher Authorization Report | Available in the administrative terminal, this report includes a list of all vouchers processed for retail merchants during the business day and includes the merchant name and FNS number, the transaction amount and type, the authorization number, the date and time, the client performing the transactions, and whether the merchant is a traditional or non-traditional merchant. | Daily |
| D | Voucher Expiration Report | Available in the administrative terminal, this report lists total vouchers that have expired/not cleared within the date. This report contains FNS retailer number, voucher authorization number, voucher amount authorized, and date/time. | Daily |

| | | | |
|---|---|---|---|
| E | Voucher Settlement Report | Available in the administrative terminal, this report lists total vouchers that have closed/cleared.<br>This report contains FNS retailer number, voucher authorization number, voucher amount authorized, and date/time. | Daily |
| F | Large Account Balance Report | Available in the administrative terminal, this report provides a listing of all food assistance and cash assistance cases that have a balance on the benefit type over $1,000.00. Additional fields include EBT case number, last transaction date, last authorization amount, current balance. | Monthly |
| G | Large Dollar Transactions Report | Available in the administrative terminal this report lists large single transactions (more than $100 or a configurable amount) by county and case number/client. It also includes client's name, card number, retailer name and FNS number, transaction type, amount, date, time, location of transaction, approved transactions, and food (SNAP) purchases. Transactions from FNS defined large groceries, supermarkets, super stores are excluded from this report. | Monthly |
| H | Even Dollars Transactions Report | Available in the administrative terminal this report lists even transactions ($100 or more) by county and case number/client. It also includes client's name, card number, retailer name and FNS number, transaction type, amount, date, time, location of transaction, approved transactions, and food (SNAP) purchases. User shall have the ability to specify a date range when generating this report. | Monthly |
| I | Rapid or Repeated Transactions Report | Available in the administrative terminal, this report provides a listing of accounts with two or more SNAP transactions within 3 minutes (configurable) at the same retailer/store. The data includes transaction date and time, card number, case number. | Monthly |
| J | Redemption of Entire Benefit in One Transaction Report | Available in the administrative terminal, this report provides details of cardholder SNAP transactions exceeding $200 or more (or another configurable amount) reducing SNAP balance to zero.<br>The data includes transaction date and time, card number, case number, transaction amount. Authorized state users can specify date range beyond a single month while generating report. | Monthly |

| K | Multiple Transactions on the Same Day Report | Available in the administrative terminal, this report provides details of 2 or more cardholder SNAP transactions (configurable parameter) exceeding $50 or more (or another configurable parameter) performed by the same or different cardholders in the household, occurring at the same retailer/store on the same day.<br> The data includes transaction date and time, card number, cardholder name, case number, transaction amount. | Monthly |
|---|---|---|---|
| L | Retailer Manual Key Entered Transaction Report | Available in the administrative terminal, this report provides a listing of all manually entered/keyed SNAP transactions at a retailer/terminal distinguishing POS vs online transaction.<br>The data includes terminal ID, card number, case number, merchant ID, clerk ID, transaction date and time, transaction type, rejection code and transaction amount. | Monthly |
| M | Retailer Terminal Activity Report | Available in the administrative terminal, this report contains a detailed listing of all POS, ATM and voucher transactions that results in funds movement to retailers, third party processors and ATM providers. Includes details of transaction type, amount, date and time of transaction, settlement date, merchant and terminal identifier and benefits impacted. | Daily |
| N | POS Supply ACH | Available in the administrative terminal, this report summarizes all EBT-only merchant ACH transactions relating to the POS supply credit reimbursements by count and amount. | Monthly |
| O | Reversal Activity Report | Available in the administrative terminal, this report reflects system errors and details reversal transactions for cardholders' EBT accounts. | Daily |
| P | Cardholder Portal Activity Report | Available in the administrative terminal, this report summarizes the number of times the cardholder portal was accessed each day, totaled by month and by method (i.e., cardholder/state agency). | Monthly |
| Q | Authorized Representative Report | Available in the administrative terminal, this report provides details of all authorized representatives in LifeInCheck EBT. The data includes authorized representative name, cardholder name, client ID, card number. | (Ad-Hoc report) |

| R | EBT Benefit Issuance Receipt Confirmation File Report | Available in the administrative terminal for FNS Southwest Regional Office which identifies the data elements to be contained in this file | Monthly |
|---|---|---|---|
| S | FNS Report | Available in the administrative terminal this report identifies the specific retailer where an Arkansas card was used to originate a SNAP transaction where the address in transaction matches with physical address of the retailer in the FNS REDE file. This report is provided to FNS-Southwest Regional Office | Monthly |

### System Performance Reports

LifeInCheck EBT was developed to ensure it meets the performance and technical standards for EBTsystems set forth in federal regulations, which specifically outline the requirements in the areas of system processing speeds, system availability, reliability, and system security.

Table E.15.A.7: System Performance Reports lists and describes the various system performance reports required by DHS.

**Table E.15.A.7: System Performance Reports**

| # | Report Name | Description | Frequency |
|---|---|---|---|
| C 1 | Host Response Time Analysis Report | Available in the administrative terminal, this report provides a summary of LifeInCheck EBT host response times within pre-established tiers for both client transactions (retailer terminal, ATM, third party, network acquirers) and administrative user transactions. | Monthly |
| C 2 | System Availability | This is a monthly report of the system availability for LifeInCheck EBT, cardholder portal, mobile app, cardholder IVR and retailer IVR including detailed documentation and explanation of both scheduled and unscheduled downtime or FE.3 processing interruptions. | Monthly |

| C 3 | STARS Report | Available in the administrative terminal, this report contains SNAP transactions that occurred for each authorized FNS retailer that were reported to FNS Minneapolis Computer Support Center (MCSC) in the daily STARS file.<br><br>The report contains retailer FNS number, date of SNAP redemption, total daily amount of SNAP redemptions. The transaction types include:<br>• withdrawals<br>• refunds<br>• reversals<br>• void lasts<br>• adjustments | Daily |
|---|---|---|---|
| C 3 b (1) | Cardholder IVRS and Activity Report | This report contains details of cardholder IVRS and CSR performance tracked by total number of calls, total minutes within IVRS, average call duration, totals of calls transferred to CSR, percent of calls transferred to CSR.  This report is delivered in MS Word, Excel or any format approved by DHS. | Monthly |
| C 3 b (2) | Retailer IVRS and Activity Report | This report contains details of retailer IVRS performance tracked by total number of calls, total minutes within IVRS, average call duration, totals of calls transferred to CSR, percent of calls transferred to CSR.  This report is delivered in MS Word, Excel or any format approved by DHS. | Monthly |
| C 3 b (3) | Cardholder and Retailer CSR Activity Report | This report contains details of cardholder and retailer CSR activity tracked by total number of calls, total min. Additional data includes:<br><br>• Date<br>• Number of calls to the 800 line<br>• Number of calls answered including that are placed on hold<br>• Number of abandoned calls<br>• Average time of abandoned calls<br>• Average response time in seconds<br>• Average call duration (talk time) | Monthly |

| E.15 Reporting | |
|---|---|
| B. Describe the Prospective Contractor's process to incorporate an ad hoc report into a systematic report. | 5 points |

Even with the most extensive report portfolio, it is not unusual for an agency to request an ad hoc report. In some cases, the information is so helpful that it needs to be incorporated into the existing system reports. When DHS needs a one-time report to become a regular system report, you need only make the request to Morse project manager, Chris Peterson. When an ad-hoc report needs to become systematic, Morse creates the design, format, summary, and detailed sections of the report as part of the change request process. This report is included in the RCD for review and approval. Once the documentation is approved Morse develops, tests, and deploys the new report to be available in AT with the rest of the reporting suite, taking it from an ad hoc report to a systematic report.

As described in Technical Response section E.17.C, Morse's data warehouse features a highly flexible, intuitive user interface for ad-hoc reporting that gives users ready access to financial and non-financial transaction data elements at their fingertips. Users can run custom queries and analyze their program data for program trends and fraud analysis. We also provide the capability to save previously run queries and reports as part of the standard data warehouse solution so users can build their own data analysis library for future use.

| E.16 Transition Out Requirements | |
|---|---|
| A. Describe the Prospective Contractor's complete transition out plan. | 5 points |

After re-procurement, should the State decide to change EBT processors, Morse commits to working collaboratively with the incoming processor to achieve a seamless and successful conversion to the new processor. As with any complex project, the first step to success is having a fully documented plan. We provide a detailed Transition-Out plan one year prior to the maximum contract end date. The plan includes:
- Our approach to transition out activities including our approach to seamless transition from our system to the new contractor
- Clear breakdown of tasks and responsibilities during the transition
- Identification of any outstanding deliverables or tasks and time frames for completion
- Strategy for updating all documentation to ensure they reflect all changes, enhancements and modifications to the system. All documentation is provided in hardcopy and electronic copy in MS Word or applicable medium.
- Delivery of all required support and transition information to the DHS project manager
- Our approach for seamless transfer of operations prior to the expiration of the contract
- Identification of resources, tasks and timeframes Morse commits during the transition period
- Identification of tasks that are DHS responsibility
- Procedures and policies relating to the protection and control of confidential system media that is transported from one location to another or when there is a change in custody of the media
- Procedures and policies that protect against the inadvertent release or destruction of State data.

We commit to taking all reasonable steps to ensure a positive working relationship with the incoming processor and works to coordinate all transition activities including:
- Participation in transition planning
- Cleaning up the database
- Providing data and files for a minimum of two trial runs

- Participating in trial run activities
- Transferring the customer service numbers
- Providing keys for encryption/decryption PIN blocks
- Providing database values
- Final reporting
- Resolving liability questions if errors are found
- Payment for liabilities, if Morse is responsible
- Delivery of all proprietary data collected or created during the life of the contract

In the event the database conversion fails, we are prepared to continue EBT processing for a reasonable period of time until the failure is resolved. We commit to retaining sufficient staff for the duration of the transition.

| 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 |

We believe the future of EBT cardholder convenience lies within mobile devices. Included in this offering is our LifeInCheck™ EBT mobile app. We have identified the features embedded in this app as "mobile digitalization". These features include:

Real time access to SNAP and Cash balances – allows users to avoid the delay in retrieving the balance via the IVRS

**GPS location service** – allows users to locate retail stores that accept EBT SNAP dollars

**Retail coupons** - can expand the shoppers' purchasing power

**Integrated customer support** – decreased the call volume and makes experience with call center more efficient

**Product eligibility barcode scanner** - assists the shopper in identifying SNAP products

The use of mobile digitalization is an example of Morse's continued dedication to investing in the latest technology to support and advance our LifeInCheck EBT capabilities that ultimately benefit the EBT cardholder.

The EBT cardholder still receives an EBT card but can add the LifeInCheck EBT App to obtain the mobile digitalization features.  We recognize that not all EBT cardholders are comfortable with utilizing the mobile app but believes that the EBT cardholders will quickly see the value of using the mobile digitalization features. Below is a description of the current mobile digitalization features. Keep in mind that in order to keep up with technology, Morse is committed to expanding the features to ensure we can provide the latest technology.

## Digital incentives

Delivering "opt-in access" for cardholders to find money-saving digital promotions in the same cardholder web portal and mobile app where they can manage their benefits increases their ability to stretch monthly benefits further. This includes the ability to link loyalty program information to continue earning points through a participating retailer.
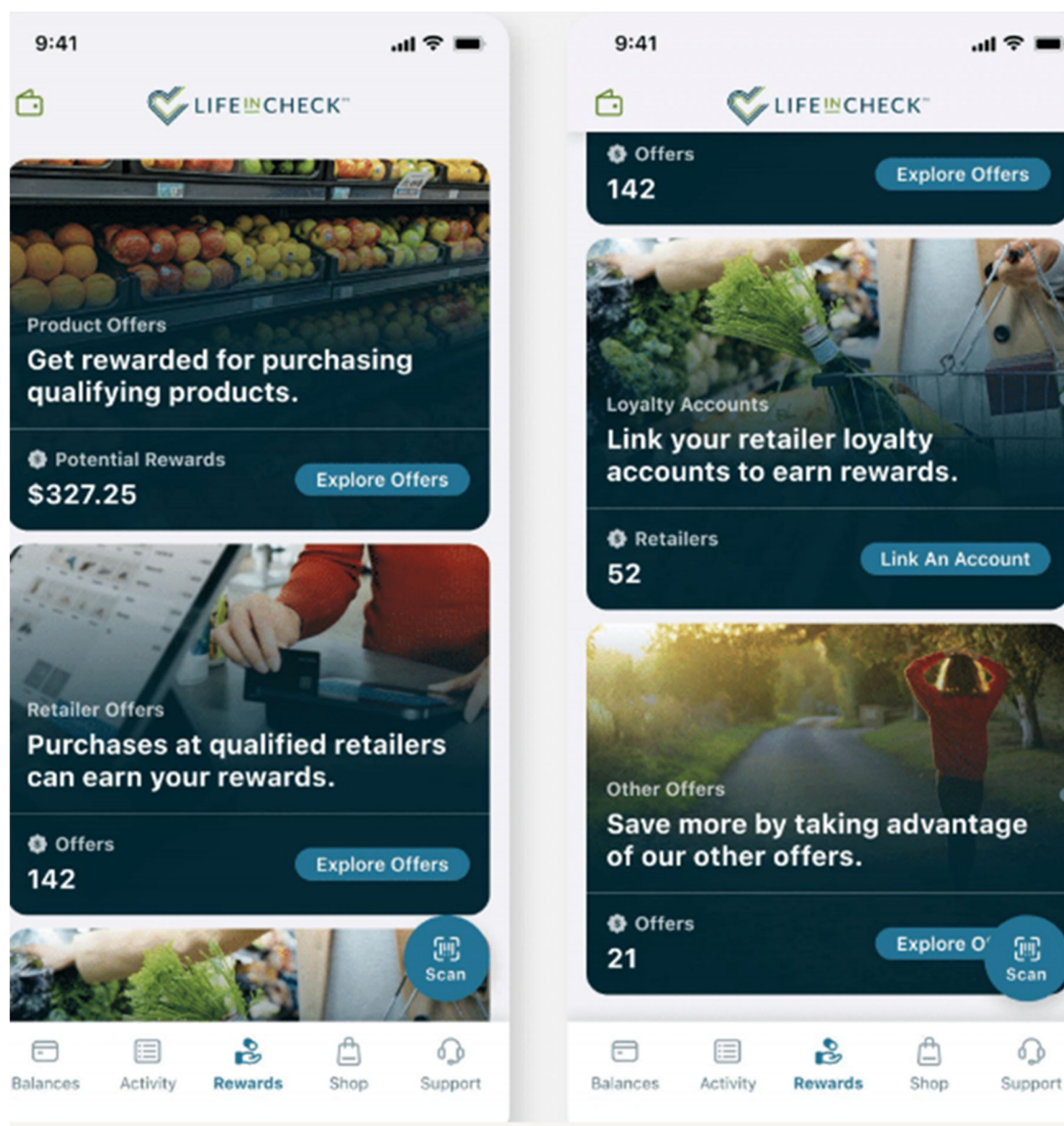


*Figure E.17.A.1: Digital Incentives*

## Store Locator

With the help of GPS technology, the LifeInCheck EBT mobile app helps cardholders find the closest participating retailer, no matter where they are.
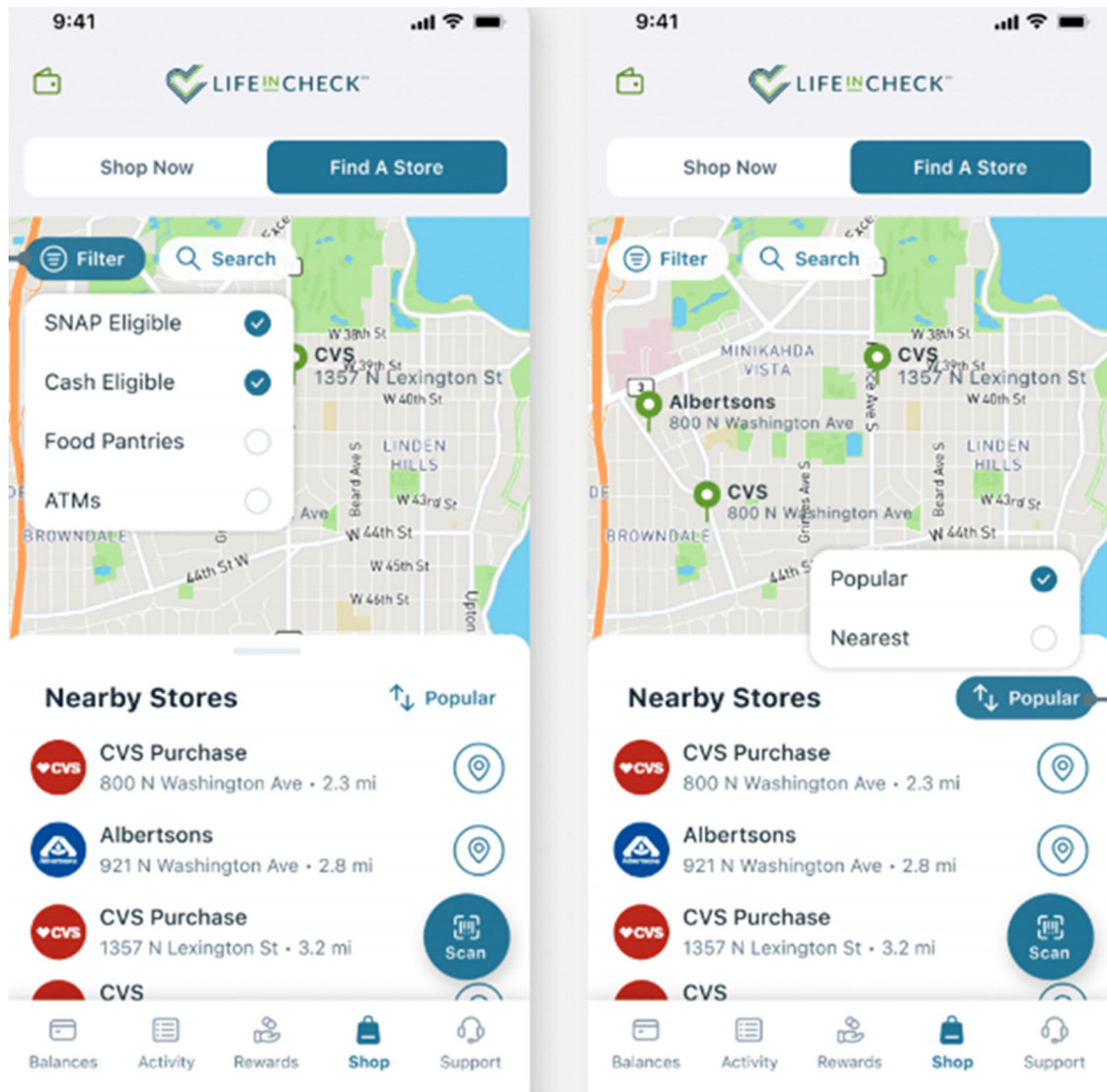


*Figure E.17.A.2: EBT Store Locator*

## Integrated Customer Support

Everyone appreciates getting questions answers as efficiently as possible, especially while standing in the check-out aisle with a basket full of groceries. Utilizing the integrated customer support feature, also known as a chat bot, cardholders can type in their question and receive an answer moments later without having to call the IVRS or reach a live agent.
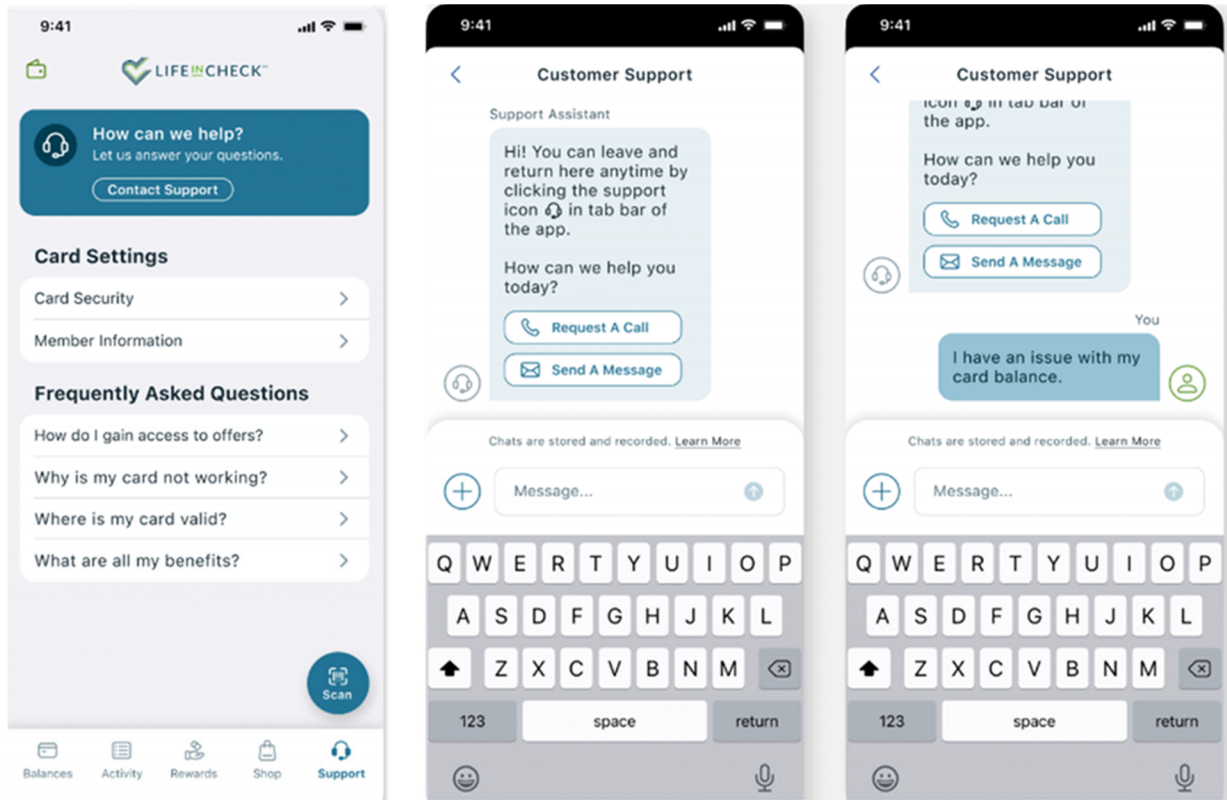


*Figure E.17.A.3: Integrated Customer Support*

## Product Eligibility Barcode Scanner

Taking the guess work out of finding eligible products, the eligibility barcode scanner allows the cardholder to scan a product barcode and know instantly if it is EBT-eligible.
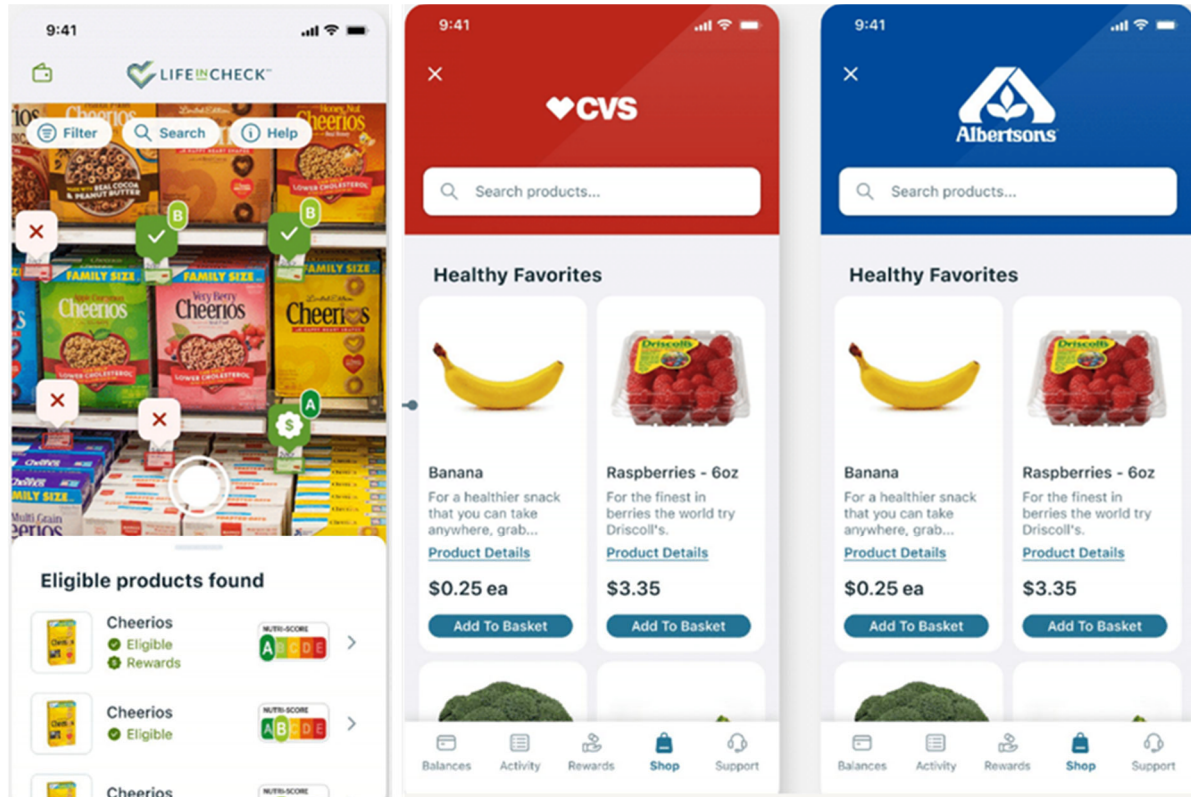


*Figure E.17.A.4: Product Eligibility Barcode Scanner*

| E.17  Value Added Services | |
|---|---|
| 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 |

Along with all the standard requirements to keep the LifeInCheck™ EBT data and system safe, Morse provides additional security features to further assist with fraud prevention and mitigation and the comfort in knowing that security is a top priority.  Given the condition of today's financial environment and the excessive fraud attempts now spilling over into the EBT market, we are happy to provide more stringent authentication methods and self-service security options that also provide cardholders with the ability to make changes specific to their needs.

### Account & Data Security

Morse has introduced two-factor authentication (2FA) for all LifeInCheck EBT administrative terminal access.  Before access is granted, users are required to enter their designated username and password combination and be verified by an additional passcode sent to a secondary source on file, such as email.  After both measures have been met, then and only then are users granted access to the administrative terminal.  This

ensures that each user has multiple levels of information required and makes it nearly impossible for scammers and hackers to use compromised passwords or information retrieved by guessing or even phishing thus protecting our customers from data breaches and cardholders from loss of funds.

### Cardholder Self-Service Security

Morse offers several options that put the power of protection in cardholders' hands, leaving them feeling less vulnerable in an environment where they typically have little control. Cardholders now have the option to further secure their funds and prevent fraudulent activity with the following features.

### Spending Threshold

Cardholders set a spending limit for individual purchases. If a transaction exceeds the set spending threshold, the attempt is denied, and the card is locked if threshold is exceeded a second time.

### Restrict Out of State Purchases

Cardholders restrict purchase transactions to retail locations in Arkansas. Any transaction attempts made outside of the state are denied and the card is locked if a second attempt is made.

### Restrict Online Purchases

Cardholders restrict online purchase transactions. Any online purchase attempt is denied, and the card is locked if a second attempt is made.

Cardholders can turn each feature on or off as desired, giving them complete control over how the EBT card is used. Each feature is accessible via the cardholder portal or the mobile app.

| E.17  Value Added Services | |
|---|---|
| C. Describe proposed data warehouse reporting and ad hoc reporting functionality included in the Prospective Contractor's Proposal. | 5 points |

The LifeInCheck™ EBT data warehouse is designed with the flexibility to run either existing reports or customized reports using user-defined search criteria to meet DHS needs. Users can perform analysis on all transactional data on cardholder benefit accounts and on retailer activities.
Morse works with DHS and the incumbent EBT contractor to identify and convert all required data into the LifeInCheck EBT data warehouse in a mutually agreed upon format.  Morse accepts and converts all available transaction history from the incumbent EBT contractor system to populate the LifeInCheck EBT data warehouse.

Our data warehouse solution provides a centralized database of cardholder and transaction information. We retain data in the data warehouse for up to three years. Transaction data includes cardholder card and account numbers, POS number and location, and date and amount of the transaction. DHS staff and other authorized government agencies can access information for audit or investigative purposes. In the following sections, we describe our data warehouse capabilities including data access, user access, reports access, and ad-hoc report capabilities.

We provide a detailed data warehouse user manual for DHS data warehouse users to understand and navigate the system.

Our data warehouse includes all raw transactional data (cardholder and retailer) and provides the following features:
- Data warehouse dashboard

- Standard reports
- Customized reports
- Ad-hoc reports/queries
- Previously saved reports/queries
- User-customized views
- Flexible report formats (PDF, CSV, or other)
- Data search and investigation tools
- Data drill-down capability
- Data management capability
- Visualization of reports (charts and graphs)
- Notification mechanism to alert data warehouse users on fraudulent activities



*Figure E.17.C.1: LifeInCheck EBT Data Wareshouse Features*

### Data Access and Reports

Our data warehouse solution includes the capability to perform data analytics and the business intelligence to help you with your day-to-day EBT program services including monitoring cardholder spending activities, purchasing activities, retailer locations, and potential fraudulent EBT account activities. State users can use our data warehouse solution to track EBT accounts across a variety of reports and configure alert notifications on possible fraudulent retailer and cardholder activities. DHS can use the LifeInCheck EBT data warehouse to monitor EBT activities, administrative actions, and to detect fraud as part of your daily/monthly routine or during natural disasters.

The flexibility of the LifeInCheck EBT data warehouse allows users to access data in a variety of ways based on fields selected.  At a minimum, users are able to review data:
- By account, transactions occurring at out-of-state locations over a specified period from one day up to three years
- By retailer and/or by store, summary 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

## Fraud Analysis
LifeInCheck EBT offers the following features in the fraud analysis dashboard and reports for DHS users.

### Dashboard
- Cardholder demographic data such as SSN and DOB used across multiple cases
- Cross-validation between cases to identify the person who is in multiple cases
- Frequent address updates
- Out of state address
- Continuous new benefits issuance but no card transaction activities
- Frequent expedited card issuance
- Frequent card replacement
- Frequent PIN change
- Transaction history
- Transaction trend(s)
- Multiple transactions at different retailers in a short timeframe
- Repeated reversal transactions by a retailer
- Transactions attempted on canceled cards
- Purchase or withdrawal of entire balance
- Out of state transactions
- Frequent return transactions up to the maximum limit

### Fraud Reports
- Even Dollar Transaction Report
- Excessive Dollar Transaction Report
- Excessive Return Transaction Report
- Large Account Balance Report
- Large Dollar Transaction Report
- Multiple Transactions on the Same Day Report
- Rapid or Repeated Transactions Report
- Redemption of Entire Benefit in One Transaction Report
- Frequent manual/keyed card transactions Report
- Out of state transactions Report
- After hour transactions Report

### Ad-Hoc Reports/Queries
As stated in the feature list above, in addition to a full menu of standard and custom reports, the data warehouse features a highly flexible, intuitive user interface for ad-hoc reporting that gives users ready access to financial and non-financial transaction data elements at their fingertips. Users can run custom queries and analyze their program data for program trends and fraud analysis. We also provide the capability to save previously run queries and reports as part of the standard data warehouse solution so users can build their own data analysis library for future use. Common ad-hoc report requests that users can run through our data warehouse include:
- Account balance information by program types
- Account transaction history queries for a specific period, date, location, or amount
- Cardholder card information queries for card status or numbers of issuances/replacements
- Cardholder PIN information queries for PIN select or update
- Retailer locations on SNAP or Cash transactions for a specific period, date, location, or amount

- Retailer inquiries on all transactions for a specific cardholder account

Alignment on the purpose of intended reports is essential. We do not want to create reports for the sake of reporting; we want to work with DHS to ensure that reports drive better and/or more informed outcomes. Morse works with the DHS stakeholders to identify any new reports required for fraud analysis. The LifeInCheck EBT data warehouse leverages all the data and reports available in the data warehouse to conduct research, detect problem patterns, identify problem cardholders or retailers, respond to the problems, and achieve the goal of reduced fraud. The benefit of choosing us as your EBT processor is our experience in analyzing and identifying data trends. We can, at the state agency request as an optional service, provide assistance to help you determine the most impactful data points to identify and resolve issues through ad-hoc reporting.

| E.17   Value Added Services | |
|---|---|
| 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 |

While Morse is fully committed to providing the option to issue over-the-counter cards, we also believe in providing the most cost-effective service by leveraging innovation.  Issuing over the counter cards includes creating additional inventories of cards of each issuing location and/or providing card printers.  There is also a need for a card wedge to activate the cards. Each of these items adds complexity and cost to the overall EBT processing. We believe the goal is to get a card into your constituent's hands as quickly as possible. As such, we propose to leverage the work currently being done to implement mobile EBT transactions.

As a large percentage of EBT participants also have a smartphone, they are excellent candidates for a virtual card.  The LifeInCheck™ EBT Cardless solution starts with the most innovative feature – a Virtual EBT Card. This card displays the design of the current Arkansas EBT card including the cardholder's name and secure Primary Account Number (PAN). Using the LifeInCheck EBT mobile application, cardholders can present their Virtual EBT Card at retailer checkout and instantly access their benefits. The State does not have to maintain local card inventories or any related hardware and is still able to instantly provide a card to a constituent. Implementation of virtual EBT cards does not require major POS changes and can be executed seamlessly. Morse wants to offer the State the opportunity to help innovate and revolutionize the EBT processing industry with a cardless EBT solution. Our Cardless EBT solution has the potential to help save the State on administrative costs while also enhancing operational efficiency. We recognize that a cardless EBT solution posts a challenge in changing EBT client behavior; however, by working together, Morse and the State can deliver a cardless EBT solution that reflects the changing financial technology and customer service landscapes.

The virtual card can be implemented at any time, with FNS approval. Once the EBT Mobile Pilot is in progress, the virtual card fits seamlessly into the solution. The virtual card can also be implemented ahead of the Mobile Pilot.

If the State still believes over the counter issuance is the appropriate solution for Arkansas, then we propose a phased implementation where we establish card issuance/replacement volume by region. We first need to determine if local offices will print cards on demand or if inventory will be maintained in each DHS office.

Considerations include:
- Will each location print their own cards or will each location hold inventory
- Does each location have a way to secure card inventory

- Cost of printers and wedges
- Personnel training – who has access to issue cards
- Contingency if hardware needs repair
- Business rules for OTC issuance vs mail issuance

These considerations determine what hardware needs to be ordered and what inventory needs to be on hand – blank cardstock or pre-printed cards. Starting in the region with the highest issuance rate, we order and install the necessary equipment and train personnel in hardware usage. Also, we work with DHS to determine how and where the card inventory is to be secured and establish guidelines for who has access to the inventory and at what levels additional inventory should be ordered. The OTC process is rolled out by region until all counties are live with the process. Flat files are updated to indicate when a new case has already been issued a card versus a new case that needs a card to be mailed.

| E.17  Value Added Services | |
|---|---|
| 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.<br><br>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 |

As part of our EBT processing services, Morse is pleased to provide the following value-added services as part of our overall solution.

**SNAP contractor-managed adjustment process:** As described in Technical Response sections E.6.I, the LifeInCheck operations team handles all adjustment activity including logging the request, investigation, notifications, and financial adjustments.

**Cash contractor-managed adjustment process:** As described in Technical Response sections E.6.I, the LifeInCheck operations team handles all adjustment activity including logging the request, investigation, notifications, and financial adjustments.

**CAV:** With all magnetic stripe cards, we provide CVV capability

**ATM Balance Inquiry:** Cardholders are given unlimited free ATM balance inquiries at any participating ATM network including NYCE, Star, and Pulse.

**Analog POS/PIN device:** Morse exceeds this requirement by providing wireless devices to all participating local district, group home or congregate care facilities as described later in this section.

**Digital POS/PIN device:** Morse exceeds this requirement by providing wireless devices to all participating local district, group home or congregate care facilities as described later in this section.

**PIN restriction functionality:** LifeInCheck™ EBT capabilities include restricting PIN selections so the user cannot repeat the same number such as '1111' or use sequential numbers such as '1234'. During the design phase, we work with DHS to determine any additional PIN restrictions to be implemented.

**Data Warehouse:** As described in Technical Response section E.17.C, Morse provides a complete data warehouse as part of the LifeInCheck EBT solution.

**EBT retailer policies:** The LifeInCheck operations team has full responsibility for managing the retailer onboarding process including updating and distributing retailer agreements. Once authorized by FNS, retailers are allowed to participate in the EBT system. Morse provides and signs a state and FNS approved retailer agreement with each exempt EBT-only retailer. Morse deactivates retailers from our system immediately when we are notified from the FNS through the REDE file. The REDE file information (both daily and monthly) updates LifeInCheck EBT.

**Hand-held wireless POS device:** Morse proposes the Novo Dia TotilPay Go POS mobile solution to support exempt retailers. TotilPay Go is an easy and secure way to process SNAP and cash transactions with a portable iPad allowing retailers flexibility in how they serve their clients either in store or curbside. The POS hardware and software meet ANSI X9.58-2013 message format specification and supports the SNAP and cash transaction set specified in the Quest® Operating Rules. For additional information about TotilPay Go, please see Technical Response section E.8.C.

**Customer Service Interpreter Options:** We offer a translation service that allows cardholders to select from over 170 languages. When calling the IVRS and asked to select a language, callers who select "other" as their language are immediately transferred to a live agent who engages the translation service in the appropriate language.

**IVR Translation Service:** We include IVR translation for Marshallese as part of the Arkansas EBT solution.

**IVRS Card Replacement:** The ability to request a new card via the IVRS is a standard service. The cardholder simply validates their identity in the IVRS, then reports their existing card as lost, stolen, or damaged. They are then able to select the option to order a replacement card.

**Cardholder Video – English:** A training video for English-speaking cardholders lasting no more than 15 minutes is provided as a standard part of Morse's training program.

**Cardholder Video – Spanish:** A training video for Spanish-speaking cardholders lasting no more than 15 minutes is provided as a standard part of Morse's training program.

**Cardholder Training Brochure:** The cardholder training brochure, included in every card mailer, offers detailed instructions to activate cards and supports usage of SNAP and Cash benefits. It is a standard part of our solution.

**Informational Inserts –** We provide translation of informational inserts in English, Spanish, and Marshallese.

**State/local district training materials:** As described in Technical Response section E.7.A, Morse creates all training material needed to ensure state and local district personnel can effectively use LifeInCheck EBT to find the information they need to perform daily tasks. We provide an initial hard copy, copies on flash drives, and unlimited electronic copies to DHS.

**Data Processing Technical Support Help Desk:** As described in Technical Response section E.6.B, we provide a technical support help desk accessible by all state and county workers.

**Retailer EBT Web Portal:** EBT exempt retailers are provided access to the TotilPayGo retailer portal quickly

see their respective sales and performance at any given time. The TotilPay Go Dashboard provides a sales overview of the retailer's activity for a given day/period.

**Mobile Device Application:** As described throughout the Technical Response, the LifeInCheck EBT mobile application, including all enhanced features, is available to all Arkansas EBT cardholders.

**EBT POS Devices for Exempt Retailers:** All exempt retailers are supplied with wireless, handheld POS devices as described above.

While we are certainly capable and willing to provide additional value-added services, we need further discussion with DHS to understand the scope of the service.

| E.17  Value Added Services | |
|---|---|
| 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.<br><br>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 |

As part of our EBT processing services, Morse has the capabilities to provide the following value-added services for the State of Arkansas. Some features are already included such as CVV at no additional cost. Other features such as EMV cards and mobile transaction processing are addressed through the change management process once the requirements are clearly defined in the industry and FNS has approved the overall approach.  We look forward to discussions with you to get more information on your desired features including what you are trying to address with over-the-counter card issuance.

#### EMV
While Arkansas already has some card features to deter fraud, there are additional card specifications that help avoid card cloning. When a card is cloned, the physical card is not stolen, however the information within the magnetic strip is stolen. As the customer slides their card into a compromised machine, the card skimmer reads the magnetic strip on the card and stores the card number. The PIN can be captured, too, if a fake keypad was placed over the real one. Later, a thief scoops up the information and either sells it or uses it himself.

Chip cards were created to prevent cloning. A EMV chip card is a standard-size plastic card which contains an embedded microchip in addition to the traditional magnetic stripe. The chip encrypts information to increase data security when making transactions at stores or automated teller machines (ATMs). Chip cards require the card reader to be certified to be compliant with chip and PIN standards. During a transaction, the cardholder inserts the card into the card reader. The chip and the card reader communicate to authenticate the transaction. This card feature provides a higher level of security to Arkansas cardholders.

The EBT industry is already moving from magstripe cards to EMV. Morse participates in the industry collaboration meetings on the new message specification changes as well as the overall implementation activities lead by the FNS.  We are ready to transition Arkansas cardholders to EMV cards and discuss further during the design phase how best to accomplish this with little to no disruption.
A transition to EMV cards is a good time to consider a card design change, which includes features such as four-color printing and embossing. Again, through further discussion we can determine the specific

requirements needed to implement EMV.

## Mobile Card

Morse is proud to participate in moving the EBT processing industry towards mobile EBT payments. Morse is currently participating in the mobile pilot program with the State of Louisiana. Using the LifeInCheck™ EBT mobile app, EBT cardholders can spend benefits at retailer checkout – no longer needing a physical EBT card. This feature is ready to test as a part of the FNS Mobile EBT Payment pilot. Mobile EBT payment adheres to new backend processing procedures requiring pilot testing and POS integration.

The LifeInCheck EBT mobile card feature provides EBT cardholders the ability to use their EBT benefits through our mobile app. After registering for the LifeInCheck EBT mobile app, cardholders can view their EBT card number and start using it as soon as the State issues the SNAP, Cash, Summer EBT, and/or DSNAP benefits.

The mobile card solution provides cardholders instant access to their benefits, once a successful pilot is completed and approval has been given by FNS. We are excited to deliver this new innovation to the EBT industry in order to help cardholders buy necessities quicker for their families and help minimize dependency on the US mail services and shipping vendors.
We look forward to discussing additional features and security options of RFID to better understand the requirement. We manage RFID and hybrid card solutions through our change management process.

## Over the Counter Cards

Morse supports over-the-counter card issuance and provides EBT card stock to local offices. We work with Arkansas to determine how you would like to set up the solution for over-the-counter cards and specifically understand what you are trying to address to determine if we can offer a more efficient solution that addresses your issues while streamlining your processes. For more information about our plan to implement over-the-counter card issuance, please see Technical Response section E.17.D.

In conclusion we offer CVV capabilities today in our programs at no additional cost to the State of Arkansas. We also offer services for EMV, mobile transaction processing and over-the-counter issuance should the State decide to implement OTC.  We work with the State to understand the requirements and manage the implementation of these services through our change management process.