



NEW YORK STATE SENATOR

James L. Seward

Public Assistance Integrity Act Passes Senate

JAMES L. SEWARD June 19, 2012

| ISSUE: **SOCIAL SERVICES, PUBLIC ASSISTANCE, FOOD STAMPS**

ALBANY, 06/19/12 – The New York State Senate today passed the “Public Assistance Integrity Act” to protect public assistance for welfare recipients from being used to purchase cigarettes, alcoholic beverages, lottery tickets or for casino gambling. Unlike Food Stamps purchases, cash assistance purchases are currently permitted under New York State law.

The legislation (S.7671), co-sponsored by Senator James L. Seward (R/C/I-Oneonta) would also prevent individuals receiving welfare from using their electronic benefit transfer (EBT) card to make ATM withdrawals from certain places, including liquor stores, casinos and strip clubs.

“Public assistance is meant to provide essentials for families and individuals in need,” said Senator Seward. **“While most people who receive this assistance use it for its intended purpose, there are others who abuse the system and they need to be stopped.”**

Welfare recipients receive both food stamps and cash assistance, which are both frequently administered through the EBT debit card. Cash assistance allows individuals to purchase essential items that cannot be obtained using food stamps. However, recipients can also use this cash assistance to buy cigarettes and beer, or even to fund an afternoon at the race track or an evening at a local strip club.

“Legitimate expenses like housing and energy costs, or school supplies for children should be permitted through public assistance, paying for a booze-fueled night on the town should not. This commonsense legislation will end a practice I hear complaints about far too often, and ensure that funding is available for those who truly need help making ends meet,” Seward added. ”

Several states have already passed legislation to enact restrictions on the use of public assistance funds, including Arizona, California, Colorado, Indiana, Massachusetts, Minnesota, Missouri, Pennsylvania and Washington.

Earlier this year, President Obama signed the federal Middle Class Tax Relief and Job Creation Act of 2012, which requires states to limit electronic benefit transactions in locations including liquor stores, casinos and strip clubs by welfare recipients before February 2014. If New York fails to comply, the State will forfeit \$120 million in federal Temporary Assistance to Needy Families (TANF) funds.