



NEW YORK STATE SENATOR

Hugh T. Farley

Sen. Farley Reports Senate Passes Public Assistance Integrity Act

HUGH T. FARLEY June 19, 2013

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State Senator Hugh T. Farley (R, C, I – Schenectady) reported the New York State Senate recently approved the “Public Assistance Integrity Act” that would help cut down on the flagrant abuse of EBT (Electronic Benefit Transfer) cards by prohibiting welfare recipients from using cash assistance to purchase tobacco, alcoholic beverages, lottery tickets or to gamble.

EBT cards work like a debit card for welfare recipients. This card contains both Food Stamps and Cash Assistance. Food Stamps have strict regulations on what can be purchased, Cash

Assistance does not. Cash Assistance is intended for items that can't be purchased using food stamps, like soap, toothpaste, school supplies and toiletries.

However, recipients can also legally use this cash assistance to buy cigarettes and beer, or even to fund an afternoon at the racetrack or an evening at a local strip club. Currently, there are no laws or regulations against using taxpayer dollars for alcohol, tobacco, lottery tickets or gambling.

If signed into law, the Public Assistance Integrity Act (S966) would limit where EBT cards can be used and what they can be used for. Last year, the bill passed the Senate 56-3 but the Assembly didn't act on the bill. The Assembly needs to pass the bill this session or federal aid will be at risk.

The federal government has mandated that each state establish a system of fraud prevention in place by February 2014. If the state does not act, the federal government will penalize New York by cutting federal funding for Cash Assistance by 5 percent (\$120 million). New York spends over \$2.7 billion each year administering Cash Assistance.

The bill was sent to the Assembly.