



NEW YORK STATE SENATOR

Catharine Young

Senate Passes Public Assistance Integrity Act to Crack Down on Welfare Abuse

CATHARINE YOUNG February 4, 2014

| ISSUE: **ALCOHOL, TOBACCO, PUBLIC ASSISTANCE**



Reforms to EBT Debit Cards Will Qualify New York for Federal Funding

ALBANY - With only weeks left to meet a federal deadline requiring changes that will clamp down on fraud in New York's public assistance system, Senator Catharine Young (R,C,I-Olean) and her Senate colleagues passed the Public Assistance Integrity Act ([Senate Bill 966](#)) today. The reforms will prevent recipients of public assistance from making Electronic Benefit Transfer (EBT) card withdrawals at liquor stores, casinos, and strip clubs,

helping to prevent wasteful and unnecessary purchases, while keeping New York State in compliance with federal requirements.

Federal legislation passed by Congress last year requires states to demonstrate meaningful reforms bringing them into compliance with federal standards that ban EBT debit card withdrawals at ATMs in liquor stores, strip clubs, and casinos. If New York State fails to come into compliance by February 22, 2014, it stands to lose \$122 million of federal funding for needy families.

“We owe these reforms to the taxpayers and to those on public assistance who are striving to provide for their families and make ends meet. When tax dollars are being squandered on alcohol, cigarettes, strip clubs, and gambling, this hurts everyone. We need to take the fraud out of the system and prevent this gross misuse of taxpayer money. When welfare recipients abuse the system, they take resources away from the truly needy who temporarily need a leg up,” Senator Young said.

The federal Middle Class Tax Relief and Job Creation Act passed in Congress last year requires New York and other states to restrict the use of welfare cash at these venues where tax dollars are likely to be wasted on inappropriate expenditures. States that do not comply risk losing federal Temporary Assistance to Needy Families (TANF) cash, which for New York State amounts to \$122 million.

Today marks the third consecutive year the State Senate has passed the Public Assistance Integrity Act, co-sponsored by Senator Young, prohibiting welfare recipients from using cash assistance for tobacco, alcohol, lottery tickets, gambling, and adult entertainment. However, the State Assembly has so far failed to move the bill forward for a vote.

In his Executive Budget proposal, Governor Cuomo also included a provision that would prevent New Yorkers from using EBT cards to withdraw funds at liquor stores, casinos, and strip clubs.

“I am glad to hear the Governor support this initiative. We need the Assembly to pass the Public Assistance Integrity Act so that those on public assistance who play by the rules aren’t unfairly hurt just to preserve fraudulent spending by those cheating the system.

“We cannot put at risk \$120 million of important federal funding that could be dedicated to helping struggling families purchase critical necessities, such as toothpaste, diapers, school supplies, and clothing. The time to act is now. I urge the State Assembly to support this common-sense initiative so that we can continue to receive federal funding that will aid our residents who are most in need,” said Senator Young.

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