



NEW YORK STATE SENATOR

Hugh T. Farley

Senate Passes Bill to Prevent Welfare Cards from Buying Tobacco, Alcohol and Being Used at Liquor Stores, Casinos and Strip Clubs

HUGH T. FARLEY February 4, 2014

State Senator Hugh T. Farley (R, C, I - Schenectady) reports the Senate today passed the "Public Assistance Integrity Act" which would prohibit welfare benefits from being used to purchase alcohol and tobacco, or to be used at liquor stores, casinos and strip clubs in New York.

Parts of the Public Assistance Integrity Act were also added to Governor Cuomo's Executive Budget Proposal. The provisions added would make it illegal to use EBT Cards at liquor stores, strip clubs and casinos.

When people sign up for welfare, they are issued an Electronic Benefit Transfer (EBT) card, which works like a cash card at any ATM or like a debit card at a store. The card accesses two separate accounts: Food Stamps and Cash Assistance. Food stamps are tightly regulated – but Cash Assistance is not.

Public records and investigative reports by the news media have shown widespread abuse of the EBT cards. Cards are used to buy beer, cigarettes and lottery tickets, or at liquor stores, strip clubs and casinos. Libous crafted the Public Assistance Integrity Act to address that issue.

That taxpayer money is designed to go toward helping families in need purchase things like toothpaste, toilet paper, diapers, school supplies and clothes.

New York faces an important deadline: By Feb. 22, the state must show the federal government how it will prevent welfare fraud and abuse from EBT cards. If it doesn't, New York stands to lose more than \$120 million in federal Temporary Aid to Needy Families (TANF).

Members of the state Senate voted to pass the Public Assistance Integrity Act overwhelmingly – three times, in fact. To date, the state Assembly has refused to take it up.