



NEW YORK STATE SENATOR

Catharine Young

Senate Passes Legislation Prohibiting Misuse of Public Assistance Funds

CATHARINE YOUNG June 20, 2012

ALBANY – Welfare benefits could not be used to buy cigarettes, beer and lottery tickets as a result of a bill co-sponsored by Senator Catharine Young (R,C,I – Olean) and passed by the state Senate today.

The “Public Assistance Integrity Act” would prohibit the use of Electronic Benefit Transfer (EBT) debit cards to purchase tobacco products, alcoholic beverages and games of chance.

The legislation, which is co-sponsored in the state Assembly by Assemblymen Andrew Goodell (R,C – Chautauqua), and Joseph Giglio (R,C,I – Gowanda), also would not allow EBT cash withdrawals in casinos, liquor stores or strip clubs, Senator Young said.

Passage of the bill fulfills a federal requirement of states to restrict welfare assistance spending on these items by 2014. If the Legislature does not act, the state stands to lose \$125 million, Senator Young said.

“This measure is just plain common sense,” Senator Young said.

“Public assistance is meant to temporarily help the truly needy afford essential items until

they can become self-sufficient. Blowing hard-earned taxpayer dollars on liquor or gambling is wrong. It hurts children and families, and takes resources away from those who deserve help,” Senator Young said.

“Our taxpayers have had enough of wasteful spending. I have been contacted by many people from my district who are outraged because they have seen welfare abuse with their own eyes,” Senator Young said.

“I sponsor several pieces of legislation, including this bill, which tackle welfare reform, because there are too many cases in which people cheat the system. The Public Assistance Integrity Act will help eliminate fraud, waste and abuse,” she added.

Currently, there is no state law that protects public assistance cash benefits from being used to purchase alcohol, tobacco or lottery tickets. Nor is there anything preventing the withdrawal or use of these funds in establishments offering these items.

Assemblyman Giglio said, “I commend the state Senate for passing the ‘Public Assistance Integrity Act,’ legislation which would prohibit the use of welfare cash assistance for the purchase of alcohol, tobacco, lottery tickets and for casino gambling. Public assistance is intended to help the most needy families and children to put food on the table and for the purchase of other essentials, and is certainly not meant to buy cigarettes, beer and lottery tickets.”

“Senator Young has done a tremendous job in supporting meaningful and effective welfare reform. This legislation will play an important role in reducing the inappropriate use of tax-funded welfare benefits,” Assemblyman Goodell added.

“Our local Assembly representatives have been great partners and have worked tirelessly to reform our welfare programs,” said Senator Young.

A recent news report examined records in 11 New York counties. The results showed tens of thousands of dollars in cash assistance had been withdrawn from ATMs in adult entertainment clubs, OTBs, liquor stores, beverage centers and tobacco retailers throughout the state.

“Residents throughout the state have logged complaints about this abuse, and we must take action. The state Senate already has passed a number of important reforms and measures that will turn our state around. The ‘Public Assistance Protection Act’ is another positive change that will help protect our taxpayers and grow our economy,” she said.

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.