



NEW YORK STATE SENATOR

Dean G. Skelos

Senate Passes Public Assistance Integrity Act

DEAN G. SKELOS June 18, 2013



Senate Majority Coalition Leader Dean Skelos announced today that the New York State Senate today approved the “Public Assistance Integrity Act,” to 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.

“Public assistance is supposed to be used by recipients to help take care of their families and purchase goods and services they need,” Senator Skelos said. “Unfortunately, millions of

dollars in welfare funds are being abused by people who use the assistance to buy drugs, alcohol, cigarettes, and lottery tickets. This bill would protect hardworking taxpayers by ensuring that this assistance is not abused and that families in need use the money for its intended purpose.”

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.

Kate Hogan, former President of the New York State District Attorneys Association, said: “Recipients of assistance should not be permitted to spend their benefit money on illegal drugs, liquor, cigarettes or lap dances. Taxpayers expect their hard earned money to go for

the necessities of people in need, and not to pay for someone to frolic around town. We owe the taxpayer more oversight and better accountability. This bill is an important step in providing that control and curtailing this flagrant abuse.”

Paula Reid, an officer of the New York State Welfare Fraud Investigators Association, said: “NYWFIA supports this bill because it increases the public’s confidence in the integrity of the social services programs offered to recipients. This bill will help in maintaining that integrity and working with those who use their benefits for their intended purpose.”

The bill was sent to the Assembly.

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