



NEW YORK STATE SENATOR

Thomas F. O'Mara

Senate approves 'Public Assistance Integrity Act' to prohibit abuses of public assistance benefits

THOMAS F. O'MARA February 4, 2014

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Albany, N.Y., February 4—The State Senate today approved, with strong bipartisan support, legislation co-sponsored by State Senator Tom O'Mara (R-C, Big Flats) to enact what's called the "Public Assistance Integrity Act." The act would prohibit public assistance recipients from using their state-administered electronic benefit transfer (EBT) debit cards to purchase tobacco, alcoholic beverages or lottery tickets, or to use their EBT cards to make withdrawals from ATMs at liquor stores, casinos or adult entertainment facilities such as strip clubs.

The legislation, sponsored by Senator Tom Libous (R-Binghamton), was approved by a vote of 53 to 4. Senators today called on state Assembly leaders to act on the legislation before a

federally imposed February 22, 2014 deadline or the state will risk losing more than \$100 million in federal funding.

Governor Andrew Cuomo's 2014-2015 proposed state budget includes provisions similar to, but not as extensive as the Senate legislation (S.966/A.2386). The governor proposes to ban ATM withdrawals at specific locations, but doesn't take further steps to outlaw specific purchases.

O'Mara said the governor's proposal doesn't go far enough.

"The governor's budget proposal is welcome, but the Senate believes state taxpayers deserve a zero-tolerance policy when it involves welfare fraud, abuse and waste. Public assistance is intended as short-term, temporary assistance to help recipients address basic, fundamental responsibilities for their families until they can find work, get back on their feet and provide for themselves. Most individuals and families utilize the assistance responsibly," said O'Mara. "But we still hear far too many reports about abuses."

O'Mara said that the Senate is moving forward with its own plan and will continue to negotiate with Cuomo and Assembly leaders to expand the governor's proposal in line with the Senate measure.

New York spends over \$2.7 billion each year administering cash assistance.

Welfare recipients receive both Supplemental Nutrition Assistance Program (SNAP) benefits and cash assistance, each of which is frequently administered through the EBT debit card.

Recipients can utilize cash assistance to purchase essential items that cannot be obtained with SNAP benefits, such as paper products and school supplies, and to help defray the cost of housing and energy expenses. However current state law does not explicitly prohibit public assistance recipients from utilizing their EBT cards to purchase other items including cigarettes, alcohol or lottery tickets.

Federal law enacted in 2012 requires states to take the prohibitive actions state lawmakers are seeking this year or risk the loss of federal funding. Specifically, the federal "Middle Class Tax Relief and Job Creation Act of 2012" requires states to limit the use of EBT cards in locations including liquor stores, casinos and adult entertainment facilities by welfare recipients by February 22, 2014. If New York fails to comply, the state will forfeit \$122 million in federal Temporary Assistance to Needy Families (TANF) funds.

Numerous 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.