



NEW YORK STATE SENATOR

Andrew J. Lanza

Senator Lanza Announces Legislation to Protect Taxpayers from Outrageous Welfare Abuses

ANDREW J LANZA February 4, 2014

Senate Passes Public Assistance Integrity Act to Prevent Welfare Cards from being used to buy tobacco & alcohol; and from being used at liquor stores, casinos and strip clubs

The New York Senate today passed the “Public Assistance Integrity Act,” cosponsored by Senator Andrew Lanza, 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.

“Public Assistance should not be spent at liquor stores, casinos or strip clubs, but under New York State Law, it’s legal. We need to stop this abuse,” said Lanza. “Every welfare dollar spent at the liquor store is money that could be going to help families get back on their feet.”

Parts of the Senate's 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.

“That’s good news for both struggling families and hardworking taxpayers, but he didn’t go far enough,” Lanza said. “This bill would also prevent beer and cigarettes from being purchased with EBT cards at grocery and convenience stores.”

Sarah Fish, a 33-year-old small business owner and former public assistance recipient, shared own experiences with public assistance at a press conference on Tuesday. Earlier in life, Sarah witnessed first-hand how easily the system can be abused, but through public programs and hard work, Sarah pursued her passion and became the chef of her own restaurant - the Hungry Fish Café in Troy, NY.

“Sometimes, we all need help. This isn’t about taking anything away from anyone, but about showing people how to help themselves,” said Fish. “I’ve been there, I’ve been homeless, I’ve been on welfare, but I also took responsibility for my situation and went to college, I got a job and I give back. If I can do it anyone can, but it has to start with tighter regulations on where welfare benefits are being spent – so the right people get help they need.”

"Sarah is an example of what public assistance should be – a temporary solution to help families get back on their feet," said Libous.

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. The Senate Republican Majority 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).

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.

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