



NEW YORK STATE SENATOR

Patrick M. Gallivan

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

PATRICK M. GALLIVAN February 5, 2014

| ISSUE: **SOCIAL SERVICES, CONTROLLED SUBSTANCES, ALCOHOL, TOBACCO, NUTRITION**



The New York Senate today passed the “Public Assistance Integrity Act,” sponsored by Senator Tom Libous, 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 Libous. “Every welfare dollar spent

at the liquor store is money that could be going to help families get back on their feet.”

“The Public Assistance Integrity Act is not about denying help; it’s about ensuring that resources are going to the families that are struggling most, the families that need the social safety net to get back on their feet. This legislation will make public assistance in New York more accountable to the taxpayers who fund it and more sustainable for the people who need it now or may need it in the future,” said Senator Patrick M. Gallivan (R-C-I, Elma).

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.

“That’s good news for both struggling families and hardworking taxpayers, but he didn’t go far enough,” Libous 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. 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.

"We persuaded the Governor to get it done by including it in his Budget," added Libous. "He acted just in time – but we need to go further than that."

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).

"I am pleased to again offer my strong support for the 'Public Assistance Integrity Act,' sponsored by my colleague Senator Tom Libous. I cosponsor this important legislation intended to prevent the misuse – and abuse – of taxpayer dollars. Public assistance benefits are not supposed to be misused to purchase alcohol, cigarettes and lottery tickets – or be withdrawn from ATMs at liquor stores and strip clubs. Unfortunately, this bill has died in

the Assembly for two consecutive years. The Public Assistance Integrity Act needs to become law this year," said New York State Senator Kathleen A. Marchione (R,C-Halfmoon).

"New Yorkers are always willing to lend a helping hand to those in need. But we don't like seeing taxpayer money being wasted. That's why I co-sponsored the Public Assistance Integrity Act, which will prohibit welfare recipients from using Electronic Benefit Transfer (EBT) cards to be spent on items like cigarettes, alcohol, and lottery tickets, and would also prevent the use of EBT cards to make ATM withdrawals from places like liquor stores, casinos and night clubs," said Senator Greg Ball (R, C, I – Patterson). "This common-sense bill would ensure that families in need get the temporary support they require, while also protecting hard-working taxpayers from abuse."

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.