

SS SB 251 -- PUBLIC ASSISTANCE FRAUD AND ABUSE

This bill changes the laws regarding public assistance fraud and abuse.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES ELECTRONIC BENEFIT TRANSFERS

Eligible recipients of temporary assistance for needy families (TANF) benefits must not use these funds in any electronic benefit transfer (EBT) transaction in a liquor store, casino, gambling casino, gaming establishment, adult-oriented establishment, or in any place or for any item that is primarily marketed to or used by a person 18 years of age or older and/or is not in the best interests of the child or household. A TANF recipient who does so must reimburse the Department of Social Services for the purchase. An individual, store owner, or proprietor must not accept TANF cash assistance funds held on an EBT card for the purchase of alcoholic beverages, lottery tickets, or tobacco products or for a transaction in any of the establishments listed above. An individual, store owner, or proprietor who knowingly accepts an EBT card in violation of these provisions will be punished by a fine of up to \$500 for the first offense, a fine of at least \$500 but no more than \$1,000 for the second offense, and a fine of at least \$1,000 for the third or subsequent offense.

PUBLIC ASSISTANCE FRAUD

The bill revises provisions regarding public assistance fraud to be consistent with current federal language regarding the Food Stamp Program and for the use of EBT cards. The criminal offenses of unlawfully receiving, unlawful conversion, and unlawful transfer of public assistance benefits have been updated and renamed to include EBT cards. A person found guilty of violating these offenses will be guilty of a class A misdemeanor for a first offense if the value of the benefits is less than \$500, a class D felony for a second offense if the value of the benefits is less than \$500, and a class C felony for a second or subsequent felony offense.

A person who is found guilty of felony unlawfully receiving, unlawful conversion, or unlawful transfer of public assistance benefits or EBT cards must serve at least 120 days in the Department of Corrections unless the person pays full restitution to the state within 30 days of the date of execution of sentence. In addition to any criminal penalty, a person found guilty of unlawfully receiving, unlawful conversion, or unlawful transfer of public assistance benefits or EBT cards must pay full restitution to the state for the total amount of moneys converted. A person

placed on probation for the offense cannot be released from probation until full restitution has been paid.

The Department of Social Services, rather than the Attorney General's Office, must establish and maintain a statewide toll-free telephone service to be operated eight hours a day during the work week, rather than a 16-hour schedule during the work week and an eight-hour schedule on weekends and holidays, to receive complaints of suspected public assistance fraud. The department must also study analytical modeling-based methods of detecting fraud and issue a report to the General Assembly and Governor by December 1, 2013, relating to the benefits and limitations of the model, experiences in other states using the model, and estimated costs for implementation.