



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Transitional Assistance
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Commissioner

Operations Memo 2012-49
October 11, 2012

To: Department of Transitional Assistance Staff

From:  Stephanie Brown, Assistant Commissioner for Policy, Program and External Relations

Re: TAFDC and EAEDC – Further Limitations on Use of Cash Benefits

Overview

On July 27, 2012, a new state law was enacted which prohibits DTA cash clients from using DTA direct cash assistance held on electronic benefit transfer (EBT) cards to purchase:

- Alcoholic beverages;
- Firearms and ammunition;
- Gambling services;
- Jewelry;
- Lottery tickets;
- Pornographic material or performances;
- Tattoos or body piercings;
- Tobacco products;
- Vacation services; or
- Pay court-ordered fees, fines, bail or bail bonds.

The new law contains penalties for clients who knowingly violate this law.

Purpose of Memo

The purpose of this Operations Memo is to advise TAO staff:

- about the new law;
 - about their responsibilities with respect to the new law;
 - about revised forms and posters; and
 - about a mailing sent to clients informing them of the new law.
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State Letter

A State Letter addressing these changes will be issued in the future.

Impact of the New Law

The new law prohibits EAEDC clients and TAFDC clients from using cash assistance held on EBT cards to purchase: alcoholic beverages, firearms and ammunition, gambling services, jewelry, lottery tickets, pornographic material or performances, tattoos or body piercings, tobacco products, vacation services or pay court-ordered fees, fines, bail or bail bonds. Clients may not use their EBT card/benefits to purchase these items.

If a client has been found to make such a purchase, he or she will:

- for the first offense, pay DTA back for the amount of the purchase or services of the prohibited items from their current and/or future benefits;
 - for the second offense, pay DTA back the amount of the items or services AND lose cash assistance for two months; and
 - for the third offense, pay DTA back the amount of the items or services AND lose cash assistance permanently.
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**Prohibited
Establishments
for EBT Use**

The following establishments will no longer accept EBT cards:

- Ammunitions dealers
- Casinos, gambling casinos and gaming establishments
- Cruise ships
- Firearms dealers
- Jewelry stores
- Liquor stores
- Manicure shops and aesthetic shops
- Rent-to-own stores
- Tattoo parlors
- Adult bookstores, or adult paraphernalia stores or pornographic performance establishments

Any store owner who knowingly accepts EBT cards in violation of this new law, will be punished by a fine of not more than \$500 for the first offense, a fine of not less than \$500 not more than \$1,000 for the second offense and a fine of not less than \$1,000 for the third and subsequent offense.

Posters

Posters (Attachment A) were sent to TAOs during the week of October 8, 2012 and must be displayed in every TAO until further notice. These posters inform our applicants and clients about the new law.

**Case Manager
Responsibilities**

Case managers must:

- ensure applicants and clients are told about the new law;
 - inform applicants and clients about the penalties involved with this new law; and,
 - direct anyone that reports prohibited purchases/sales by retailers or clients to the Fraud Hotline (1-800-FRAUD-99).
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Revised Forms The following forms are being revised to reflect the new law:

- Your Right to Know;
 - TAFDC Program Brochure;
 - EAEDC Program Brochure; and
 - EBT Brochure.
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Mailing A notice (Attachment B) will be sent to clients on October 12, 2012 informing them of the new law.

Questions If you have any questions, please have your Hotline designee call the Policy Hotline.

Attachment A

EBT Card Restrictions: What You Can't Buy

On July 27, 2012, a law passed making it illegal for you to use Department of Transitional Assistance (DTA) cash assistance benefits to pay for the following purchases or services:

Alcoholic Beverages (beer, wine, liquor, etc.)

Tobacco products (cigarettes, cigars, etc.)

Lottery tickets

Gambling (slot machines, horse racing, KENO, casino gaming, etc.)

Firearms and ammunition (guns, bullets, etc.)

Vacation services (cruise ships, resorts, etc.)

Tattoos or body piercings

Jewelry

Court-ordered fees, fines, bail or bail bonds; or

Pornographic material or performances (adult entertainment, adult books or paraphernalia, etc.)

Penalties include:

First Offense

The first time you buy any of these items or services with your cash benefits, you must pay DTA back the amount of the items or services.

Second Offense

If you buy any of these items or services with your cash benefits a second time, you must pay DTA back the amount of the items or services **AND** you will lose your cash assistance for 2 months.

Third Offense

If you buy any of these items or services with your cash benefits a third time, you must pay DTA back the amount of the items or services **AND** you will lose cash assistance permanently.

For more information, call 1-877-382-2363.

To report a prohibited purchase, call 1-800-FRAUD-99.

Per M.G.L. c.18, § 5I

Where You Can't Shop with Your EBT Card

On July 27, 2012, a law passed making it illegal for these stores to accept Department of Transitional Assistance (DTA) cash benefits:

Ammunitions dealers

Casinos, gambling casinos or gaming establishments

Cruise ships

Firearms dealers

Jewelry stores

Liquor stores

Manicure shops or aesthetic shops

Rent-to-own stores

Tattoo parlors

Adult bookstores, or adult paraphernalia stores, or pornographic performance establishments

These stores are no longer allowed to accept EBT cards.

Stores that knowingly violate this law can be fined and face possible disciplinary action.

For more information, call 1-877-382-2363.

To report a prohibited purchase, call 1-800-FRAUD-99.

Per M.G.L. c.18, § 5J

AN IMPORTANT NOTICE ABOUT CHANGES TO TAFDC

Dear Mary Jones:

What You Can't Buy with TAFDC Benefits on Your EBT Card

On July 27, 2012,* a law passed making it illegal for you to use TAFDC benefits to pay for the following purchases or services with your Electronic Benefit Transfer (EBT) card:

- Alcoholic beverages
- Court-ordered fees, fines, bail or bail bonds
- Firearms and ammunition
- Gambling
- Jewelry
- Lottery tickets
- Pornographic material or performances
- Tattoos or body piercings
- Tobacco products, or
- Vacation services

Penalties for breaking this law include:

First Offense

The first time you use your EBT card to buy any of these items or services with your TAFDC benefits, you must pay DTA back the amount of the items or services.

Second Offense

The second time you use your EBT card to buy any of these items or services with your TAFDC benefits, you must pay DTA back the amount of the items or services AND you will lose your cash assistance for two months.

Third Offense

The third time you use your EBT card to buy any of these items or services with your TAFDC benefits, you must pay DTA back the amount of the items or services AND you will lose cash assistance permanently.

Where You Can't Shop with Your TAFDC Benefits on Your EBT Card

The law also makes it illegal for these stores to accept TAFDC benefits on a DTA EBT card:

- Adult bookstores, or adult paraphernalia stores, or pornographic performance establishments
- Ammunitions dealers
- Casinos, gambling casinos or gaming establishments
- Cruise ships
- Firearms dealers
- Jewelry stores
- Liquor stores
- Manicure shops or aesthetic shops
- Rent-to-own stores, or
- Tattoo parlors

Stores that knowingly violate this law can be fined and face possible sanctions.

For more information, call 1-877-382-2363.

To report a prohibited purchase or sale, call 1-800-FRAUD-99.

*The new law is M.G.L. c. 18, § 5I and 5J.