



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

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**Operations Memo 2013-43
October 3, 2013**

To: Department of Transitional Assistance Staff

From:  **Lydia Conley, Acting Assistant Commissioner for Policy, Program and External Relations**

Re: EBT Card Usage – ATM and POS Blocking at Prohibited Establishments

Overview

State law prohibits the use of cash assistance (TAFDC and EAEDC) in certain establishments and for the purchase of specified items. This law applies to both Point-of-Sale (POS) transactions as well as ATM withdrawals in certain establishments. DTA will act to enforce this by blocking the use of EBT cash benefits at POS devices and ATMs in certain establishments.

The Department has begun blockings POS devices and ATMs in certain establishments. This is an ongoing process.

Purpose of Memo

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

- the blocking of POS devices and ATMs at prohibited establishments and at locations that have been determined to sell a majority of prohibited goods and services; and
 - notices and communication with retailers and law enforcement personnel advising them of this law and penalties for violating this law.
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**Blocking of
ATMs and POS
Devices at
Prohibited
Locations**

State law prohibits the use of EBT cash benefits at certain establishments:

- Ammunition and firearms dealers;
- Casinos, gambling casinos or gaming establishments;
- Cruise ships;
- Jewelry stores;
- Liquor stores;
- Manicure shops or aesthetic shops;
- Rent-to-own stores;
- Tattoo parlors; and
- Adult bookstores or adult paraphernalia stores or adult entertainment establishments.

State law also prohibits the use of EBT cash benefits for the purchase of:

- Ammunition and firearms;
- Gambling;
- Lottery tickets;
- Vacation services;
- Jewelry;
- Alcoholic beverages;
- Tattoos or body piercings;
- Adult-oriented entertainment material or performances;
- Tobacco products; and
- Court-ordered fees, fines, bail or bail bonds.

The law also requires businesses that accept EBT cards to post a sign with DTA's fraud hotline in an obvious area and to maintain a list of categories of prohibited products and services at each cash register.

DTA has investigated and continues to assess establishments that appear to be in violation of this law. DTA is in the process of permanently blocking POS devices and ATMs at identified prohibited establishments and at locations that have been determined to sell a majority of prohibited goods and services.

**Retailer
Notification**

The Department will contact retailers identified, regarding actions being taken to block the use of an ATM, POS device, or both in their establishment. Retailers identified for blocking are given the option to proactively block the acceptance of EBT cash benefits. This notification also informs them of the penalties for not following the law and how they can better comply with the law. Retailers are directed to <http://www.mass.gov/dta/retailers> for additional information.

Important: Retailers who contact DTA staff should be directed to call DTA's Legal Division at 617-348-8520.

A retailer who knowingly violates this law may be subject to fines as well as disciplinary action in connection with their license to sell alcoholic beverages and/or lottery tickets, if applicable.

Once blocked, retailers and vendors may request a review of this status by the Department's Legal Division.

**Law
Enforcement
Notification**

Local law enforcement officials are notified when action to block a retailer in their district has taken place. In these instances DTA sends:

- a letter informing them of the retailer's name and location; and
- a copy of the notice that was sent to the retailer.

**TAO Staff
Responsibilities**

Clients who attempt to use their EBT cash benefits at a prohibited establishment may come to the TAO stating that their EBT card does not work. Prior to replacing the card, clerical staff must check the card with the PIN machine. If the card cannot be read, it is defective and should be replaced following procedures in Operations Memo 2013-18.

If the card can be read, it is not defective. Clerical staff must show the client the *Where You Can't Shop with Your EBT Card* poster (posted in every TAO) which tells clients about places and items that are prohibited for EBT use. If the client still has questions, clerical staff must refer the client to his or her case manager who will answer any follow-up questions.

Questions

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