

DEPARTMENT OF SOCIAL SERVICES

Notice of Intent to Adopt Regulations

In accordance with the provisions of subsection (a) of section 4-168 of the Connecticut General Statutes, notice is hereby given that the Commissioner of Social Services, pursuant to sections 17b-10 and 17b-3 of the Connecticut General Statutes, intends to amend the Department of Social Services' Uniform Policy Manual to add section 8570.32. Effective January 1, 2014, the Department will operate under this policy while in the process of adopting the policy as a regulation pursuant to section 17b-10 of the Connecticut General Statutes.

Statement of Purpose:

(A) The purpose of the regulation: To bring the state into compliance with the requirements of Section 4004 of Public Law 112-96, which requires that states maintain policies and practices to prevent individuals receiving assistance under the Temporary Family Assistance (TFA) program from using such assistance in an electronic benefits transfer (EBT) transaction in a liquor store, casino, gambling casino, gaming establishment, or retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.

(B) The problems, issues or circumstances that the regulation proposes to address: The proposed regulation brings the state into compliance with Section 4004 of Public Law 112-96, 126 Stat. 197. If a state fails to report to the Secretary of Health and Human Services on its implementation of the policies and practices required in Section 4004 by February 22, 2014, or the Secretary of Health and Human Services determines, based on the information in such report, that a state has not implemented and maintained such requirements by February 22, 2014, the Secretary of Health and Human Services must impose a reduction of five per cent of the state's Temporary Assistance to Needy Families (TANF) grant for the immediately succeeding fiscal year, as well as for each ensuing fiscal year in which the state does not demonstrate compliance.

Connecticut uses its TANF grant to fund and administer the TFA program, and could be subjected to a reduction in this grant if it fails to comply with Section 4004. The proposed amendment is intended to implement new policies and procedures necessary to ensure such compliance.

(C) The legal effects of the regulation, including all of the ways that the regulation would change existing regulations or other laws: The proposed regulation prohibits individuals receiving assistance under TFA from using such assistance in an EBT transaction in a liquor store, adult-oriented entertainment establishment, casino, gambling casino or gaming establishment. Previously, the Uniform Procedural Manual set forth no such prohibition. The proposed regulation also authorizes the Department of Social Services to audit TFA recipients' EBT transaction history for indications of prohibited transactions and to impose penalties that gradually increase in severity with each

additional violation. The proposed amendment requires the department to provide a recipient with notice of its intent to impose a penalty resulting in a reduction, suspension or termination of benefits at least ten days prior to the imposition of such penalty, and provides a recipient the right to contest such a penalty at a hearing. Finally, the proposed amendment requires the department to provide information about the new restrictions to all TFA recipients before imposing any penalties.

A copy of the complete text of this regulation is available, at no cost, upon request from the Office of Legal Counsel, Regulations and Administrative Hearings, Department of Social Services, 25 Sigourney Street, Hartford, Connecticut 06106; email: peter.hadler@ct.gov.

All written comments, questions, and concerns regarding this regulation may be submitted within thirty days of the publication of this notice in the Connecticut Law Journal (January 7, 2014) to the Department of Social Services, Office of Legal Counsel, Regulations & Administrative Hearings, 25 Sigourney Street, Hartford, Connecticut, 06106. Attention: Brenda Parrella, Director. A hearing will be scheduled on the proposed regulation if requested by fifteen persons, by a governmental subdivision of an agency or by an association having not less than fifteen members, if notice of the request is received by the Department within fourteen days after the date of publication of this notice.

When submitting comments, please refer to DSS Regulation # 13-07.

**CONNECTICUT DEPARTMENT OF SOCIAL SERVICES
UNIFORM POLICY MANUAL**

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8570.32 A. Definitions

For purposes of this section, the following definitions shall apply:

1. “Adult-oriented entertainment establishment” means a venue in which performers disrobe or perform in an unclothed state for the patrons’ entertainment;
2. “Casino, gambling casino or gaming establishment” means an off-track betting branch facility authorized pursuant to section 12-571a of the Connecticut General Statutes or a gaming facility as defined in section 30-37k(a)(2) of the Connecticut General Statutes, but does not include an establishment that offers casino, gambling or gaming activities incidental to the principal purpose of the business;
3. “Electronic benefit transfer transaction” or “EBT transaction” has the same meaning as provided in 42 USC 608(a)(12)(B)(iii); and
4. “Liquor store” means an establishment with a package store permit issued pursuant to subsection (a) of section 30-20 of the Connecticut General Statutes.

B. Restriction on Use of Electronic Benefits Transfer (EBT) Card

No person receiving cash assistance under the Temporary Family Assistance (TFA) program shall conduct an electronic benefit transfer transaction involving such cash assistance in a liquor store, adult-oriented entertainment establishment or casino, gambling casino or gaming establishment.

C. Penalties for Failure to Comply with Restriction

1. Any person receiving cash assistance through the TFA program who uses an EBT card in violation of paragraph B of this section shall be subject to the following penalties:
 - a. For the first violation, a warning that a prohibited transaction occurred;
 - b. For the second violation, a penalty in the amount of the EBT transaction that occurred at the prohibited location;
 - c. For the third violation, a penalty of one month’s suspension of TFA benefits in addition to the amount of the EBT transaction that occurred in the prohibited location; and

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- d. For the fourth violation, the Department, at its discretion, may suspend the recipient's TFA benefits for any length of time that the Department determines to be appropriate or may terminate the recipient's TFA benefits permanently.
2. The Department shall provide any person subject to a penalty under this section, which penalty causes a reduction, suspension or loss of benefits, with at least ten days advance notice before imposing such penalty.
3. Individuals who are notified that the Department intends to impose a penalty pursuant to this section shall have the right to a hearing to contest the penalty in accordance with 8525.05 of the UPM.

D. Notification of Policy

The Department shall provide TFA cash assistance recipients with information about the restrictions and penalties established in this section before imposing any of the penalties set forth in paragraph C of this section.

E. Enforcement of Penalty Provisions

The Department may audit the EBT transaction history of TFA recipients and such other evidence as necessary to ensure compliance with the restrictions set forth in this section.