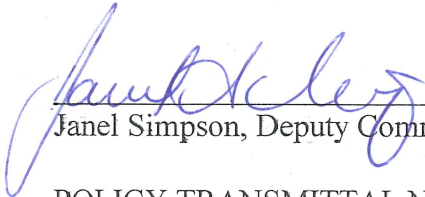




STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES
UNIFORM POLICY MANUAL



Janel Simpson, Deputy Commissioner

January 1, 2014

Effective Date

POLICY TRANSMITTAL NO.: UP-14-05

SUBJECT: EBT Restrictions for TFA Cash Assistance

The Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96), signed by President Obama on February 22, 2012, requires States to maintain policies and practices as necessary to prevent benefits provided from a TANF grant, such as TFA benefits, from being used in any electronic benefit transfer (EBT) transaction in a liquor store, gambling casino, or gaming establishment, or a retail establishment that provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.

To comply with this requirement, DSS promulgated a new UPM provision. This provision, section 8570.32, explicitly prohibits the use of TFA benefits in an EBT transaction in the prohibited locations referenced above. This prohibition applies to the withdrawal of TFA cash benefits at an automated teller machine located in a prohibited location, and to the use of TFA cash benefits in a point-of-sale transaction completed at a prohibited location.

Section 8570.32 authorizes DSS to monitor TFA recipients' account activity for evidence of prohibited transactions and to impose penalties on recipients when a violation is discovered. These penalties are as follows:

- For the first violation, a warning that a prohibited transaction occurred;
- For the second violation, a penalty in the amount of the EBT transaction that occurred at the prohibited location;
- For the third violation, a penalty of one month's suspension of the head of household's TFA benefits, in addition to the amount of the EBT transaction that occurred in the prohibited location; and
- For the fourth violation, DSS, at its discretion, may suspend the head of household's TFA benefits for any length of time that it determines to be appropriate or may terminate the head of household's TFA benefits permanently.

The new UPM section also provides recipients who are subject to a penalty (even a warning due to a first violation) with full fair hearing rights.

The Economic Security Unit in DSS' Central Office already notified all existing clients of these new restrictions and began issuing penalties earlier this year. All new clients are now being notified of the restrictions on the application form and at the time their benefits are granted.

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Although enforcement of this new provision is primarily being handled at Central Office, all staff should review and become familiar with the new restrictions and penalties, as TFA recipients may address questions or concerns to staff outside Central Office.

INSTRUCTIONS FOR UPDATING THE UPM:

Insert 8570.32

DISPOSITION: This is a new policy transmittal.

DISTRIBUTION: UPM list

RESPONSIBLE UNIT: Economic Security Unit, (860) 424-5540

JWS

Date Issued: 02/02/2015

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

Date: 10-2-14	Transmittal: 14-05	8570.32
Section: Jobs First		Type: POLICY
Chapter: Benefit Issuance		Program: TFA
Subject: Restriction on Use of Cash Benefits		

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 and that restricts admission to adults;
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 section 8570.32 B 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 the head of household's TFA benefits, in addition to the amount of the EBT transaction that occurred in the prohibited location; and
 - d. For the fourth violation, the Department, at its discretion, may suspend the head of household's TFA benefits for any length of time that the Department determines to be appropriate or may terminate the head of household's TFA benefits permanently.

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2. The Department shall construe all prohibited transactions that occur during the same calendar month as one cumulative transaction constituting a single violation.
3. For purposes of calculating a suspension penalty under section 8570.32 C.1.c or section 8570.32 C.1.d, the Department shall reduce the assistance unit size by one member for the period of time that the suspension is in effect.
4. Whenever a penalty is imposed under section 8570.32 C, the Department may appoint a protective payee pursuant to section 8570.25 of the UPM, based on financial mismanagement of TFA cash assistance, as described in section 8570.15 of the UPM.
5. 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.
6. Individuals who are notified that the Department intends to impose a penalty pursuant to this section, including a warning that a prohibited transaction has occurred, shall have the right to a hearing to contest the penalty in accordance with section 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 section 8570.32 C.1.

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.