



# MAINE EQUAL JUSTICE

*Finding solutions to poverty and improving the lives of people with low income in Maine.*

## Governor Recycles So-Called “Welfare Reform” Strategy

### **Banning the purchase of certain products with EBT cards:**

A proposal that is nearly impossible to administer effectively and has little impact on the “misuse” of benefits.

The Governor’s proposal would restrict the use of Electronic Benefit Transaction (EBT) cards to purchase alcohol, cigarettes, lottery tickets, or post bail. Maine law already prohibits the use of EBT cards at liquor stores, casinos and adult entertainment facilities.

**Evidence does not support claims that this is a widespread problem.** Maine DHHS data presented last year show that only 3/10ths of 1% of all EBT transactions occurred in inappropriate venues. Put another way, 99.7% of people are using their benefits as intended. Moreover, even when EBT cards may be used at prohibited venues there is no evidence that funds have been spent improperly. These venues could be a location where a person works, or may simply be the most convenient place to access cash to pay the rent.

**The Governor offers no valid method to enforce this ban and instead asks neighbors to turn on each other.** Prohibiting certain purchases at the point of sale is far too costly to implement. Instead the Governor asks Maine people to turn in their neighbors by using the DHHS “hotline” if they suspect that people are using public benefits to purchase a banned product. This type of enforcement will be fraught with assumptions and misperceptions. What is more, this approach is destructive to communities and reinforces negative and unfair stereotypes of people living in poverty.

**Children will suffer most from this proposal.** While the penalty in this proposal is not yet clear, previous proposals have significantly reduced benefits for the family from one year to a lifetime. Such harsh penalties significantly increase the risk of homelessness for children in these families.

**Few states have made this extreme and unenforceable choice.** It appears that nine to twelve states have implemented EBT product bans. Policies vary in these states with some placing costly burdens on retailers in an effort to address the enforceability problem.

## Massachusetts: A Cautionary Tale

Massachusetts spent time and resources to impose more aggressive EBT card restrictions with minimal results. After expending a great amount of time and money pursuing EBT fraud and abuse, **Massachusetts narrowed potential offenders down to a list of six. Four of these cases have been dismissed; one remains pending and in only one case has an offense been established resulting in a claim by the state for recovery of \$7.17 for a pack of cigarettes purchased by that individual.**

**This proposal will negatively impact parents, their children, seniors and people with disabilities.** Any Maine family or individual that receives cash on their EBT card would be subject to this restriction. That includes parents who receive Temporary Assistance for Needy Families (TANF) and seniors and people with disabilities who receive a small State Supplemental Security Income (SSI) payment.

**This proposal may make for eye-catching headlines and popular politics, but it does nothing to improve the lives of children and families living on the edge.** Real reform should help people move into jobs and out of poverty. While the Governor focuses his energy on making more restrictions, he fails to address the largest problem— the parents' inability to adequately support themselves and their children. The data confirm that 1 in 5 young children (under age 5) is growing up in poverty. Poverty in Maine remains higher than all of our New England neighbors.

**Real reform should create opportunity for families;  
not push them deeper into poverty.**