

SSB 6386 - H COMM AMD

By Committee on Early Learning & Human Services

NOT CONSIDERED 03/02/2012

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that fraud associated  
4 with public assistance programs is a significant problem in the state  
5 of Washington. Therefore, the legislature encourages the office of  
6 fraud and accountability within the department of social and health  
7 services to coordinate with the office of the state auditor and the  
8 department of early learning to improve the prevention, detection, and  
9 prosecution of fraudulent activity taking place in public assistance  
10 programs. It is the purpose of this act to significantly reduce fraud  
11 and to ensure that public assistance dollars reach the intended  
12 populations in need.

13 **Sec. 2.** RCW 74.08.580 and 2011 1st sp.s. c 42 s 14 are each  
14 amended to read as follows:

15 (1) Any person receiving public assistance is prohibited from using  
16 electronic benefit cards or cash obtained with electronic benefit  
17 cards:

18 (a) For the purpose of participating in any of the activities  
19 authorized under chapter 9.46 RCW;

20 (b) For the purpose of parimutuel wagering authorized under chapter  
21 67.16 RCW;

22 (c) To purchase lottery tickets or shares authorized under chapter  
23 67.70 RCW;

24 (d) For the purpose of participating in or purchasing any  
25 activities located in a tattoo, body piercing, or body art shop  
26 licensed under chapter 18.300 RCW;

27 (e) To purchase cigarettes as defined in RCW 82.24.010 or tobacco  
28 products as defined in RCW 82.26.010;

29 (f) To purchase any items regulated under Title 66 RCW; or

1 (g) For the purpose of purchasing or participating in any  
2 activities in any location listed in subsection (2) of this section.

3 (2) On or before January 1, 2012, the businesses listed in this  
4 subsection must disable the ability of ATM and point-of-sale machines  
5 located on their business premises to accept the electronic benefit  
6 card. The following businesses are required to comply with this  
7 mandate:

8 (a) Taverns licensed under RCW 66.24.330;

9 (b) Beer/wine specialty stores licensed under RCW 66.24.371;

10 (c) Nightclubs licensed under RCW 66.24.600;

11 (d) Contract liquor stores defined under RCW 66.04.010;

12 (e) Bail bond agencies regulated under chapter 18.185 RCW;

13 (f) Gambling establishments licensed under chapter 9.46 RCW;

14 (g) Tattoo, body piercing, or body art shops regulated under  
15 chapter 18.300 RCW;

16 (h) Adult entertainment venues with performances that contain  
17 erotic material where minors under the age of eighteen are prohibited  
18 under RCW 9.68A.150; and

19 (i) Any establishments where persons under the age of eighteen are  
20 not permitted.

21 (3) The department must notify the licensing authority of any  
22 business listed in subsection (2) of this section that such business  
23 has continued to allow the use of the electronic benefit card in  
24 violation of subsection (2) of this section.

25 (4) Only the recipient, an eligible member of the household, or the  
26 recipient's authorized representative may use an electronic benefit  
27 card or the benefit and such use shall only be for the respective  
28 benefit program purposes. Unless a recipient's family member is an  
29 eligible member of the household, the recipient's authorized  
30 representative, an alternative cardholder, or has been assigned as a  
31 protective payee, no family member may use the benefit card. The  
32 recipient shall not sell, or attempt to sell, exchange, or donate an  
33 electronic benefit card or any benefits to any other person or entity.

34 (5) The first violation of subsection (1) (~~(or (4))~~) of this  
35 section by a recipient constitutes a class 4 civil infraction under RCW  
36 7.80.120. Second and subsequent violations of subsection (1) (~~(or~~  
37 ~~(4))~~) of this section constitute a class 3 civil infraction under RCW  
38 7.80.120.

1 (a) The department shall notify, in writing, all recipients of  
2 electronic benefit cards that any violation of subsection (1) or (4) of  
3 this section could result in legal proceedings and forfeiture of all  
4 cash public assistance.

5 (b) Whenever the department receives notice that a person has  
6 violated subsection (1) (~~(or (4))~~) of this section, the department  
7 shall notify the person in writing that the violation could result in  
8 legal proceedings and forfeiture of all cash public assistance.

9 (c) The department shall assign a protective payee to the person  
10 receiving public assistance who violates subsection (1) (~~(or (4))~~) of  
11 this section two or more times.

12 (6) In assigning a personal identification number to an electronic  
13 benefit card, the department shall not routinely use any sequence of  
14 numbers that appear on the card except in circumstances resulting from  
15 in-state or national disasters. Personal identification numbers  
16 assigned to electronic benefit cards issued to support the distribution  
17 of benefits when there is a disaster may include a sequence of numbers  
18 that appears on the card.

19 NEW SECTION. Sec. 3. A new section is added to chapter 74.08 RCW  
20 to read as follows:

21 A person who has in his or her possession or under his or her  
22 control electronic benefit cards issued in the names of two or more  
23 persons and who is not authorized by those persons to have any of the  
24 cards in his or her possession is guilty of a misdemeanor.

25 **Sec. 4.** RCW 74.04.014 and 2011 1st sp.s. c 42 s 24 are each  
26 amended to read as follows:

27 (1) In carrying out the provisions of this chapter, the office of  
28 fraud and accountability shall have prompt access to all individuals,  
29 records, electronic data, reports, audits, reviews, documents, and  
30 other materials available to the department of revenue, department of  
31 labor and industries, department of early learning, employment security  
32 department, department of licensing, and any other government entity  
33 that can be used to help facilitate investigations of fraud or abuse as  
34 determined necessary by the director of the office of fraud and  
35 accountability.

1           (2) The investigator shall have access to all child care records  
2 maintained by licensed and unlicensed child care providers with the  
3 consent of the provider or with a court order or valid search warrant.

4           (3) Information gathered by the department, the office, or the  
5 fraud ombudsman shall be safeguarded and remain confidential as  
6 required by applicable state or federal law. Whenever information or  
7 assistance requested under subsection (1) or (2) of this section is, in  
8 the judgment of the director, unreasonably refused or not provided, the  
9 director of the office of fraud and accountability must report the  
10 circumstances to the secretary immediately.

11           **Sec. 5.** RCW 43.215.135 and 2011 1st sp.s. c 42 s 11 are each  
12 amended to read as follows:

13           (1) The department shall establish and implement policies in the  
14 working connections child care program to promote stability and quality  
15 of care for children from low-income households. Policies for the  
16 expenditure of funds constituting the working connections child care  
17 program must be consistent with the outcome measures defined in RCW  
18 74.08A.410 and the standards established in this section intended to  
19 promote continuity of care for children.

20           (2) ~~((As a condition of receiving a child care subsidy or a working~~  
21 ~~connections child care subsidy, the applicant or recipient must seek~~  
22 ~~child support enforcement services from the department of social and~~  
23 ~~health services, division of child support, unless the department finds~~  
24 ~~that the applicant or recipient has good cause not to cooperate.~~

25           ~~(3))~~ Except as provided in subsection ~~((4))~~ (3) of this section,  
26 an applicant or recipient of a child care subsidy or a working  
27 connections child care subsidy is eligible to receive that subsidy for  
28 six months before having to recertify his or her income eligibility.  
29 The six-month certification provision applies only if enrollments in  
30 the child care subsidy or working connections child care program are  
31 capped.

32           ~~((4))~~ (3) Beginning in fiscal year 2011, for families with  
33 children enrolled in an early childhood education and assistance  
34 program, a head start program, or an early head start program,  
35 authorizations for the working connections child care subsidy shall be  
36 effective for twelve months unless a change in circumstances  
37 necessitates reauthorization sooner than twelve months.

1       ((+5)) (4) The department, in consultation with the department of  
2 social and health services, shall report to the legislature by  
3 September 1, 2011, with:

4       (a) An analysis of the impact of the twelve-month authorization  
5 period on the stability of child care, program costs, and  
6 administrative savings; and

7       (b) Recommendations for expanding the application of the twelve-  
8 month authorization period to additional populations of children in  
9 care.

10       NEW SECTION. **Sec. 6.** No later than October 1, 2013, the office of  
11 fraud and accountability within the department of social and health  
12 services, along with the state auditor's office and the department of  
13 early learning, shall collaborate in an effort to identify, review, and  
14 provide the legislature with recommendations for integrated monitoring  
15 and detection systems to prevent overpayments of public assistance from  
16 occurring."

17       Correct the title.

EFFECT: (1) Removes the requirement that the Department of Social  
and Health Services (DSHS) is categorically prohibited from using any  
sequence of the numbers that appear on the card as a personal  
identification number; requires that it refrain from routinely doing so  
except in circumstances of an in-state or national disaster.

(2) Clarifies the offense of possession of electronic benefit  
transfer cards to make it a misdemeanor offense if the person is in  
possession or has control over such cards without the authorization of  
the persons in whose names the cards were issued.

(3) Removes the provision which requires an applicant or recipient  
to seek child support enforcement services from the DSHS as a condition  
of receiving a child care subsidy.

(4) Extends to October 1, 2013, the date by which the Office of  
Fraud and Accountability, the Department of Early Learning, and the  
State Auditor's Office must report to the Legislature regarding  
recommendations for integrated monitoring and detection systems to  
prevent overpayments of public assistance.

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