

SSB 6386 - H COMM AMD
By Committee on Ways & Means

ADOPTED 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~~
3 ~~(4))~~) of this section could result in legal proceedings and forfeiture
4 of all cash public assistance.

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

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

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

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

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

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

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

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

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

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

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

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

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

33 ~~((4))~~ (3) Beginning in fiscal year 2011, for families with
34 children enrolled in an early childhood education and assistance
35 program, a head start program, or an early head start program,
36 authorizations for the working connections child care subsidy shall be

1 effective for twelve months unless a change in circumstances
2 necessitates reauthorization sooner than twelve months.

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

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

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

12 Correct the title.

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