



*Commonwealth of Massachusetts*  
*Executive Office of Health and Human Services*  
*Department of Transitional Assistance*


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Lieutenant Governor

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Commissioner

**Operations Memo 2013-56**  
**November 21, 2013**

**To:** Department of Transitional Assistance Staff  
**From:**  Lydia Conley, Acting Assistant Commissioner for Policy, Program and External Relations  
**Re:** EAEDC and TAFDC – ATM/POS Blocking and Intentional Program Violations (IPV)

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**Overview**

State law prohibits the use of cash assistance (TAFDC and EAEDC) in certain establishments and for the purchase of specified goods and services. This law applies to both Point-of-Sale (POS) transactions as well as ATM withdrawals in certain establishments. DTA will act to enforce this by blocking the use of EBT cash benefits at POS devices and ATMs in certain locations.

Operations Memo 2012-49 and Operations Memo 2013-43 advised DTA staff about the prohibited items and prohibited establishments and that the Department began blocking POS devices and ATMs in certain establishments.

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**Purpose of Memo**

This Operations Memo advises DTA staff that, effective with BEACON Build 45.9 (scheduled for November 25, 2013):

- There is a new type of Intentional Program Violation (IPV): EBT IPV;
- EAEDC and TAFDC clients who use their EBT cards to knowingly purchase prohibited goods and services or who use their EBT cards at prohibited establishments are considered to have committed an EBT Intentional Program Violation (IPV) and face penalties if found to have committed an EBT IPV after a combined Fair Hearing and Administrative Disqualification Hearing; and
- Notices (Attachment A, Attachment B and Attachment C) will inform clients of the EBT IPV penalties.

**Purchases of Prohibited Items/At Prohibited Establishments Penalties**

Clients who knowingly purchase prohibited goods or services or use their EBT cards at prohibited establishments are considered to have committed an EBT IPV and face the following penalties if found to have committed an EBT IPV after a combined Fair Hearing and Administrative Disqualification Hearing:

- for the first violation, the client must pay back the full amount of the prohibited purchase to the Department;
- for the second violation, the client will not receive benefits for a two-month period for himself or herself and must pay back the full amount of the prohibited purchase to the Department; and
- for the third violation, the client will no longer be able to receive benefits for himself or herself and must pay back the full amount of the prohibited purchase to the Department.

Effective with BEACON Build 45.9, clients will be automatically notified of the penalties incurred when it is determined that an EBT IPV has occurred.

**Note:** This EBT IPV process is separate from the IPV process at 106 CMR 706.305(A). If a client currently has an IPV and is found to have committed a second or third EBT IPV, the EBT IPV will not begin until the original IPV is completed.

The establishment of an EBT IPV will follow the same procedures as the existing IPV process. A combined Fair Hearing and Administrative Disqualification Hearing will be scheduled, and the Division of Hearings (DOH) will send the Hearing notice to the client. They will also receive a packet (provided by the Disqualification Unit) with proof of the evidence that the client has committed an EBT IPV. Unless rescheduled by the client, on the date of the hearing whether the client attends or not, the hearing will be held and the client will receive a written decision notice.

*Central Office Staff Responsibilities*

Central Office staff will enter the EBT IPV information on the Referral and Circumstances tab in the AR Referral Folder page:

- ✓ in the Source and Reason fields of the Referral tab, select EBT Prohibited Purchase; and
- ✓ in the Establishment name, Date of purchase and Address fields of the Circumstances tab enter the information of the EBT IPV.

The EBT IPV notice (either Attachment A, B or C) will be generated to the client based on the information entered.

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**State Letter**

A State Letter will be issued in the near future regarding changes to EBT restrictions and IPVs.

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**Questions**

If you have any questions, please have your Hotline designee call the Policy Hotline.

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### Client First Prohibited Purchase Sanction Notice

Dear Mary Jones:

You or a household member used your TAFDC benefits in a transaction in the amount of \$5.37 on:

November 21, 2013; at Joe's Shop, 123 Main Street, Sharon, MA 02067

to make a purchase that is not allowed by Massachusetts law.

It is illegal to use TAFDC benefits to purchase the following goods or services:

- alcoholic beverages;
- court-ordered fees, fines, bail or bail bonds;
- firearms or ammunition;
- gambling;
- jewelry;
- lottery tickets;
- adult oriented material or performances;
- tattoos or body piercings;
- tobacco products; or
- vacation services.

You cannot use TAFDC benefits in an EBT transaction at any of these places:

- adult bookstores, adult paraphernalia stores, or adult oriented performance establishments;
- casinos or gaming establishments;
- cruise ships;
- firearms or ammunitions dealers;
- jewelry stores;
- liquor stores;
- manicure shops or aesthetic shops;
- rent-to-own stores; or
- tattoo parlors.

**First Violation.** Since this is the first time you or a household member did not follow these rules, you must pay back the full amount of the prohibited purchase, \$5.37 to the Department.

**The next time someone in your household makes a prohibited purchase, you will lose your TAFDC benefits for 2 months.**

This is pursuant to G.L. c. 18 §5I and G.L. c.18 §5J of the Massachusetts General Laws.

### Client Second Prohibited Purchase Sanction Notice

Dear John Jones:

You or a household member used your TAFDC benefits in a transaction in the amount of \$8.11 on:

November 22, 2013; at Smith's Shoppe, 345 Water Street, Ashland, MA 01721

to make a purchase that is not allowed by Massachusetts law.

It is illegal to use TAFDC benefits to purchase the following goods or services:

- alcoholic beverages;
- court-ordered fees, fines, bail or bail bonds;
- firearms or ammunition;
- gambling;
- jewelry;
- lottery tickets;
- adult oriented material or performances;
- tattoos or body piercings;
- tobacco products; or
- vacation services.

You cannot use TAFDC benefits in an EBT transaction at any of these places:

- adult bookstores, adult paraphernalia stores, or adult oriented performance establishments;
- casinos or gaming establishments;
- cruise ships;
- firearms or ammunitions dealers;
- jewelry stores;
- liquor stores;
- manicure shops or aesthetic shops;
- rent-to-own stores; or
- tattoo parlors.

**Second Violation.** Since this is the second time you or a household member did not follow these rules, you cannot get TAFDC benefits for 2 months. You must also pay back the full amount of the prohibited purchase \$8.11 to the Department.

**The next time someone in your household makes a prohibited purchase, you will lose TAFDC benefits permanently.**

If you have earned income, you will lose the earned income disregards you would otherwise get. This means more of your earned income counts against your family's TAFDC grant.

Taking a household member out of the TAFDC grant makes the TAFDC grant smaller. Because of this, your income may put the smaller TAFDC family size over the income limit and completely stop your benefits.

This is pursuant to G.L. c. 18 §5I and G.L. c.18 §5J of the Massachusetts General Laws.

### Client Third Prohibited Purchase Sanction Notice

Dear Melissa Marks:

You or a household member used your TAFDC benefits in a transaction in the amount of \$14.27 on:

January 17, 2014; at Josh's Market, 54 Adams Street, Goshen, MA 01032

to make a purchase that is not allowed by Massachusetts law.

It is illegal to use TAFDC benefits to purchase the following goods or services:

- alcoholic beverages;
- court-ordered fees, fines, bail or bail bonds;
- firearms or ammunition;
- gambling;
- jewelry;
- lottery tickets;
- adult oriented material or performances;
- tattoos or body piercings;
- tobacco products; or
- vacation services.

You cannot use TAFDC benefits in an EBT transaction at any of these places:

- adult bookstores, adult paraphernalia stores, or adult oriented performance establishments;
- casinos or gaming establishments;
- cruise ships;
- firearms or ammunitions dealers;
- jewelry stores;
- liquor stores;
- manicure shops or aesthetic shops;
- rent-to-own stores; or
- tattoo parlors.

**Third Violation – Permanent Disqualification.** Since this is the third time you or a household member did not follow these rules, you are barred from TAFDC benefits **permanently**. You must also pay back the full amount of the prohibited purchase \$14.27 to the Department.

If you have earned income, you will lose the earned income disregards you would otherwise get. This means more of your earned income counts against your family's TAFDC grant.

Taking a household member out of the TAFDC grant makes the TAFDC grant smaller. Because of this, your income may put the smaller TAFDC family size over the income limit and completely stop your benefits.

This is pursuant to G.L. c. 18 §5I and G.L. c.18 §5J of the Massachusetts General Laws.