# <sup>112TH CONGRESS</sup> 2D SESSION H.R. 3567

## AN ACT

- To amend title IV of the Social Security Act to require States to implement policies to prevent assistance under the Temporary Assistance for Needy Families (TANF) program from being used in strip clubs, casinos, and liquor stores.
  - 1 Be it enacted by the Senate and House of Representa-
  - 2 tives of the United States of America in Congress assembled,

### 1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the "Welfare Integrity Now
3 for Children and Families Act of 2012" or the "WIN for
4 Children and Families Act".

5 SEC. 2. SPENDING POLICIES FOR ASSISTANCE UNDER
6 STATE TANF PROGRAMS.

7 (a) STATE REQUIREMENT.—Section 408(a) of the
8 Social Security Act (42 U.S.C. 608(a)) is amended by add9 ing at the end the following new paragraph:

10 "(12) STATE REQUIREMENT TO PREVENT UN11 AUTHORIZED SPENDING OF BENEFITS.—

12 "(A) IN GENERAL.—A State to which a 13 grant is made under section 403 shall maintain 14 policies and practices as necessary to prevent 15 assistance provided under the State program 16 funded under this part from being used in any 17 electronic benefit transfer transaction in—

18 "(i) any liquor store;

19 "(ii) any casino, gambling casino, or20 gaming establishment; or

21 "(iii) any retail establishment which
22 provides adult-oriented entertainment in
23 which performers disrobe or perform in an
24 unclothed state for entertainment.

25 "(B) DEFINITIONS.—For purposes of sub26 paragraph (A)—

1	"(i) LIQUOR STORE.—The term 'liq-
2	uor store' means any retail establishment
3	which sells exclusively or primarily intoxi-
4	cating liquor. Such term does not include
5	a grocery store which sells both intoxi-
6	cating liquor and groceries including staple
7	foods (within the meaning of section $3(\mathbf{r})$
8	of the Food and Nutrition Act of 2008 (7
9	U.S.C. 2012(r))).
10	"(ii) Casino, gambling casino, or
11	GAMING ESTABLISHMENT.—The terms 'ca-
12	sino', 'gambling casino', and 'gaming es-
13	tablishment' do not include a grocery store
14	which sells groceries including such staple
15	foods and which also offers, or is located
16	within the same building or complex as, ca-
17	sino, gambling, or gaming activities.
18	"(iii) Electronic benefit trans-
19	FER TRANSACTION.—The term 'electronic
20	benefit transfer transaction' means the use
21	of a credit or debit card service, automated
22	teller machine, point-of-sale terminal, or
23	access to an online system for the with-
24	drawal of funds or the processing of a pay-
25	ment for merchandise or a service.".

1	(b) PENALTY.—Section 409(a) of the Social Security
2	Act (42 U.S.C. 609(a)) is amended by adding at the end
3	the following new paragraph:
4	"(16) PENALTY FOR FAILURE TO ENFORCE
5	SPENDING POLICIES.—
6	"(A) IN GENERAL.—If, within 2 years
7	after the date of the enactment of the WIN for
8	Children and Families Act, any State has not
9	reported to the Secretary on such State's imple-
10	mentation of the policies and practices required
11	by section $408(a)(12)$ , or the Secretary deter-
12	mines, based on the information provided in
13	State reports, that any State has not imple-
14	mented and maintained such policies and prac-
15	tices, the Secretary shall reduce, by an amount
16	equal to 5 percent of the State family assist-
17	ance grant, the grant payable to such State
18	under section 403(a)(1) for—
19	"(i) the fiscal year immediately suc-
20	ceeding the year in which such 2-year pe-
21	riod ends; and
22	"(ii) each succeeding fiscal year in
23	which the State does not demonstrate that

25 tained such policies and practices.

such State has implemented and main-

24

"(B) REDUCTION OF APPLICABLE PEN-1 2 ALTY.—The Secretary may reduce the amount 3 of the reduction required under subparagraph 4 (A) based on the degree of noncompliance of 5 the State. 6 "(C) STATE NOT RESPONSIBLE FOR INDI-7 VIDUAL VIOLATIONS.—Fraudulent activity by 8 any individual in an attempt to circumvent the 9 policies and practices required by section 408(a)(12) shall not trigger a State penalty 10 11 under subparagraph (A).". (c) CONFORMING AMENDMENT.—Section 409(c)(4) 12

13 of the Social Security Act (42 U.S.C. 609(c)(4)) is amend14 ed by striking "or (13)" and inserting "(13), or (16)".

Passed the House of Representatives February 1, 2012.

Attest:

Clerk.

# 112TH CONGRESS H. R. 3567

# AN ACT

To amend title IV of the Social Security Act to require States to implement policies to prevent assistance under the Temporary Assistance for Needy Families (TANF) program from being used in strip elubs, casinos, and liquor stores.