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September 9, 2009

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Madam Secretary:

I am writing to express my strong concern regarding recent news reports that have detailed the improper use of TANF (Temporary Assistance for Needy Families) funds received under the American Reinvestment and Recovery Act (ARRA) by the state of New York.

As you know, on August 10, the Governor of New York announced that the state would use \$140 million in TANF funds received under the ARRA to give \$200 per child for school supplies to welfare and food stamp recipients with children between the ages of 3 and 17. However, the money was inexplicably distributed to recipients with no specific requirement that it be spent on school supplies beyond a verbal directive. It is my understanding that a number of recipients told reporters that they spent the money on cigarettes, haircuts, alcohol, and other activities that have no correlation to preparing children to go to school.

The TANF funding included in ARRA was meant to assist states that had experienced unexpected increases in their welfare caseloads and help stimulate the economy; the funding was never intended to be a "blank check" that would facilitate widespread waste and abuse. Accordingly, I would appreciate answers to the following questions:

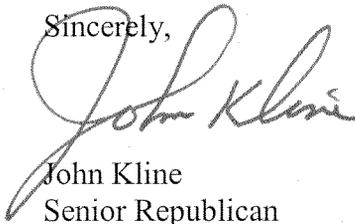
- (1) What is the legal authority under which the state of New York is distributing federal funds to welfare and food stamp recipients for the purchase of school supplies?
- (2) How much, in total, has the state of New York distributed to TANF recipients for school supplies? Are they continuing to do so?
- (3) How were recipients notified of the funds and the requirement that they be spent on school supplies? What assurances were recipients required to provide to demonstrate that the funds would be spent on school supplies?

- (4) How did the state of New York define "allowable" school supplies? Did HHS provide any guidance to New York in developing this definition or approving the funds for this particular purpose?
- (5) How were the federal funds distributed by the state of New York spent by recipients? What percentage was spent on school supplies? What types of school supplies were purchased? What percentage, if any, was spent on non-school activities? If the state of New York or the Department is unable to provide specific answers or specific percentages to answer this question, why not?
- (6) What is the Department's position on the actions of the state of New York? Does the Department believe that the state's actions contradict the tenants of the welfare reform law, which requires TANF recipients to meet certain work requirements when accepting federal assistance, including cash payments?
- (7) What monitoring and financial controls does the Department have in place to prevent a recurrence of the waste and fraud demonstrated in New York?

I am confident you share my belief that the federal government has a responsibility to spend taxpayer dollars wisely, as well as my commitment to ensuring that necessary monitoring and financial controls by the Department and state officials are in place to prevent waste, fraud, and abuse. The federal government must ensure that taxpayer dollars are not mismanaged or misused, but spent to assist those most in need.

I would appreciate a detailed response on New York's misuse of TANF funds and a commitment that the Department will demand a full accounting of these important funds. If you have any additional questions, please contact James Bergeron or Mandy Schaumburg on my staff at (202) 225-6558.

Sincerely,



John Kline
Senior Republican