



July 22, 2019

Contact:

Alejandra Lopez
The Legal Aid Society
(212) 298-3142
ailopez@legal-aid.org

*****FOR IMMEDIATE RELEASE*****

LEGAL AID ANNOUNCES ISSUANCE OF \$13.1 MILLION AS PART OF CLASS ACTION SETTLEMENT TO OVER 30,000 NEW YORKERS WHOSE PUBLIC ASSISTANCE WAS WRONGLY TERMINATED OR REDUCED BY CITY

(New York, NY) – The Legal Aid Society announces the distribution of \$13.1 million pursuant to a class action settlement to over 30,000 New Yorkers who received public assistance in New York City and whose benefits were wrongfully reduced or stopped by the City between July 8, 2007 and December 22, 2015, due to alleged violations of employment requirements. These punitive sanctions were imposed without adequate notice to members of the plaintiff class of their ability to avoid the sanction by showing that there was good cause for the violation or that the violation was not willful.

The settlement is pursuant to *Smith, et. al. v. Proud, et. al.*, which was originally filed in April 2010 and was brought by Legal Aid and Kramer Levin Naftalis & Frankel LLP against the New York State Office of Temporary and Disability Assistance and the New York City Human Resources Administration (HRA). Plaintiffs argued that two types of notices required to be sent to plaintiffs during the sanction process violated the New York Social Services Law and the due process rights of the plaintiff class. In November 2018, plaintiffs and defendants reached an agreement that includes substantial monetary and procedural relief to members of the plaintiff class.

“Legal Aid represented scores of clients who could have avoided sanctions had they been adequately informed that their inability to comply with employment requirements would be excused if, for example, they were ill, they could not obtain child care, they had a meeting at

their child's school or for any number of other legitimate reasons. This settlement provides compensation for the neediest of these clients," said Les Helfman, one of the attorneys for the class.

Background:

During the period targeted by the lawsuit, tens of thousands of individuals received notices from the Human Resources Administration (HRA) stating that their subsistence level cash assistance and/or food benefits were being terminated or reduced to due to an alleged failure to comply with the agency's requirements that recipients seek and maintain employment. The duration of one of these punitive sanctions could have been as long as six months.

In *Smith, et. al. v. Proud, et. al.*, plaintiffs' lawyers challenged the adequacy of the Conciliation Notice and Notice of Decision (also known as Notice of Intent) required to be issued prior to the imposition of employment-related sanctions in New York City and negotiated a settlement that included both monetary and procedural relief for the plaintiff class. First, the settlement requires the payment of a one-time benefit to eligible class members who are currently in receipt of public assistance. The settlement also requires defendants to review their records every three months for a period of two years and issue one-time payments to class members who were not in receipt of public assistance at the time of a prior payment, but who are at the time of the review. In order to be eligible to receive a payment under the settlement, a class member must have an open Cash Assistance case and must have been sanctioned between July 8, 2007 and December 22, 2015. The settlement also requires the City and State to delete the alleged sanctions from the case records for all plaintiff class members during the same time period.

On June 1st, one-time payments totaling \$13.1 million were issued to the EBT cards of over 30,000 eligible class members in New York City and sanctions were deleted from their case records.

###

The Legal Aid Society exists for one simple yet powerful reason: to ensure that New Yorkers are not denied their right to equal justice because of poverty. For over 140 years, we have protected, defended, and advocated for those who have struggled in silence for far too long. Every day, in every borough, The Legal Aid Society changes the lives of our clients and helps improve our communities. <https://www.legalaidnyc.org>