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Legal Aid Announces Distribution of Over \$22 Million to More than 54,000 New Yorkers in a Class Action Settlement with City and State for Illegally Terminating or Reducing Public Assistance

(New York, NY) – The Legal Aid Society today announced the distribution of over \$22 million pursuant to a [class action settlement](#) with the City and State to 54,280 New Yorkers who received public assistance and whose benefits were wrongfully reduced or stopped between 2007 and 2015 due to alleged violations of employment requirements that mandate recipients seek and maintain work.

Filed in April 2010, [Smith, et. al. v. Proud, et. al.](#) was brought by Legal Aid and Kramer Levin Naftalis & Frankel LLP against the New York State Office of Temporary and Disability Assistance (OTDA) and the New York City Human Resources Administration (HRA).

Under the settlement, the City and State restored benefits to recipients after a court certified the case as a class action and denied the State’s motion to dismiss, finding that plaintiffs presented viable claims that the sanctions were unlawful and were imposed without adequate notice to class members so that they could avoid the sanction by showing they had a legitimate reason to miss work, such as they were ill or could not obtain childcare. Additionally, any sanction that had been imposed during the covered time period was removed from the recipients’ sanction history.

After discovering that the City and State failed to issue payments to all eligible individuals, the litigation team returned to court to [enforce](#) the settlement. A remaining 5,000 individuals received their payments on May 8, 2022.

“We are proud of the years of advocacy and litigation that went into getting our clients and all New Yorkers who are on public assistance and were unlawfully sanctioned some justice,” said **Les Helfman, Senior Staff Attorney in the Brooklyn Neighborhood Office of The Legal Aid Society**. “The benefit levels that recipients receive are not enough to pay rent and meet basic needs to begin with, but when families were sanctioned, they were pushed even deeper into poverty. This settlement provides compensation for the neediest of these clients.”

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 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 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.

First, the settlement required the payment of a one-time benefit to eligible class members who are currently in receipt of public assistance. The settlement also required 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 were 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 required the City and State to delete the alleged sanctions from the case records for all plaintiff class members during the same time period.

On May 8, 2022, the total payments issued amounted to \$22,161,369.00 to 54,280 eligible class members in New York City.

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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 145 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. www.legalaidnyc.org