

barred people from using their benefits to buy things other than certain foods.

Welfare recipients are issued their benefits via Electronic Benefit Transfer, or EBT, cards, which can be used like debit cards to buy things or to withdraw cash from ATMs. Some states have barred the use of the cards to buy certain prohibited products; others have banned cash purchases of such items, too.

But cash transactions are all but impossible to police. To make it more difficult for welfare recipients to simply withdraw cash and spend it on banned items, states such as California and Washington have reprogrammed ATMs inside certain businesses to automatically reject welfare benefit cards.

Under many of the new laws, welfare recipients and

uncovered potential abuses. California, for example, enacted laws to prohibit ATM withdrawals at liquor stores, strip clubs and gambling establishments following a 2010 investigation by the Los Angeles Times that found that \$1.8 million in welfare benefits had been taken out of cash machines at California casinos over an eight-month period.

But Elizabeth Lower-Basch, a policy analyst for the Center for Law and Social Policy, a Washington-based nonprofit organization, said the regulations reflect "people's preconceived notions and stereotypes of low-income people." She said poor people have hardly any money left over for things like alcohol or tobacco after they pay for necessities.

New York lawmakers have proposed barring spending

Ann Valdez, New Jersey welfare recipient

on alcohol, strip clubs, cruise ships and psychics. "It's a slap in the face to people who are on public assistance and are trying to get off when other people in the system," said state Sen. Thomas Libous, a Republican.

Ann Valdez of Brooklyn's Coney Island section said it's "crazy" for the government to be dictating where people spend their assistance instead of creating living wage jobs. She said she struggles just to cover toiletries, clothing and other expenses for herself and her 13-year-old son on the \$120 she receives every two weeks.

"I don't know one person who uses their EBT money to buy liquor or anything

their ATMs to accept EBT cards. Colorado and Indiana have banned alcohol, guns or gambling.

Lawmakers in New Hampshire are calling for tighter restrictions after Jackie Whinton, a Peleborough store clerk, was fired in May for turning away a customer who tried to legally buy cigarettes with a benefits card. "I could not sit back and watch it happen," she said.

Christopher Borges, a New Hampshire resident, defended his and other welfare recipients' ability to buy cigarettes in a July 7 editorial submitted to the Concord Monitor newspaper.

"Why do people who are sick or unemployed need to justify their spending habits, since because they are in receipt of support from their community? Transferred via the government in the form of cash?" he wrote. He did

state are already barred from using their cards to buy lottery tickets, tobacco and alcohol. Pennsylvania legislators are calling for sweeping restrictions as well.

Philadelphia resident Lisa Crawford, who receives \$375 a month in benefits for herself and her 11-year-old son, said using public assistance at strip clubs and liquor stores is "abusive." But otherwise, she said, "I think you should be accountable for your living situation and should be able to buy what you want as long as your main bills are taken care of."

Crawford, who has been going on job interviews, said nail or hair salons shouldn't be put off limits, in part because job-seekers must look presentable. "Luxuries can also help you in the workforce."

Telephone companies have taken heat for the problem and have recently begun to act.

AT&T agreed earlier this year to limit third-party charges on landline bills. Verizon, also in a class action lawsuit settlement this year, said it would refund landline customers for third-party charges.

The other Illinois bills signed into law Wednesday include one that requires utilities to notify credit reporting bureaus when utility bills are paid off. The idea is to help customers improve credit scores. The law goes into effect Jan. 1.

The two other laws go into effect immediately. One allows townships to purchase energy in groups, just like municipalities and counties in Illinois already can. Another protects "net metering," where customers who produce their own renewable energy can sell excess power back to a provider.

The bills are HB5211, HB5625, SB3170 and SB3311.

## Fed survey: Growth, hiring slowed in June

25% of districts report backslide

WASHINGTON (AP) — The U.S. economy expanded modestly in June and early July, but growth and hiring slowed in several parts of the country. The key findings of the Federal Reserve survey echoed the gloomier outlook that Chairman Ben Bernanke offered to Congress this week.

Three of the Fed's 12 banking districts — New York, Philadelphia and Cleveland — reported weaker growth, according to the Beige Book survey released Wednesday. A fourth, Richmond, said economic activity was mixed.

The report was a shift from the Fed's previous survey, which noted that growth had picked up or held steady in 11 districts from mid-April through May.

The Fed also said that hiring was "flat" in most districts in June and early July, retail sales slowed in Boston, Cleveland and New York, and manufacturing weakened in most regions.

One positive note from the survey: All 12 districts reported gains in housing.

The Beige Book, which is anecdotal, helps form the basis of discussions by the Fed's July 21-Aug. 1 meeting.

Bernanke told lawmakers this week that growth has

weakened from the start of the year. He said the Fed is prepared to take further action if unemployment stays high, but didn't specify what steps it might take or whether any action was imminent.

Investors are hoping the Fed will launch another round of bond purchases, known as quantitative easing. The bond purchases seek to lower long-term interest rates with the goal of encouraging more borrowing and spending.

Economists noted that Fed policymakers are likely to wait a little longer before taking that step.

"While the report is not a positive one, we believe that it is still not enough to push the Fed over the edge into more quantitative easing at its next meeting in two weeks," said Michael Doleg, an economist at TD Bank.

Jennifer Lee, senior economist at BMO Capital Markets, said the picture sketched by the survey was "grim" but not unexpected.

"The tone of the report was quite similar to Fed Chairman Bernanke's testimony this week," she said.

Bernanke noted that the economy, after growing at a 2.3 percent annual rate in the second half of 2011, slowed to roughly 2 percent from January through March. And it likely weakened further in the April-June period.

Job growth has slumped to

an average of 75,000 a month in the April-June quarter compared to 235,000 a month from January through March. The unemployment rate was stuck in June at 8.2 percent.

Consumers spent less at retail businesses in June for a third straight month, the government said earlier this week.

The Beige Book was compiled from information collected before July 4.

The survey found that nine regions reported slight gains in retail sales. Those largely reflected better auto sales. Auto dealers reported higher demand for more fuel-efficient vehicles.

Tourism remained strong in the New York, Richmond, Minneapolis, San Francisco and Atlanta districts.

Manufacturing expanded slowly in most districts but several noted a slowdown in new orders. Philadelphia and Richmond said that both new orders and shipments had weakened.

The Institute for Supply Management reported that manufacturing shrank in June for the first time in nearly three years. Europe's financial crisis and slower growth in emerging markets such as China and India have dampened demand for U.S. exports. That has sapped a key source of growth since the Great Recession ended three years ago.

## FARMERS

Continued from A1

committee chairman, said Davis' views were mostly in line with Farm Bureau policy objectives. The biggest difference between Davis and his opponent, Bloomington physician David Gill, is their view on foreign trade agreements, Ferguson said.

Gill said he understands many farmers have benefited from trade agreements but the overall economic impact has been negative.

The far larger portion of Central Illinois has been "gravely hurt economically," said Gill, a Democrat. "There

have been a tremendous number of lost jobs."

Low-interest emergency loans will be important for farmers as they deal with the drought, Gill said.

Gill said he appreciated the opportunity to meet with farmers and gain a better understanding of the issues. Both candidates were interviewed for the endorsement earlier this week by a group of 12 farmers, Ferguson said.

Davis and Gill are running to fill the seat being vacated by U.S. Rep. Tim Johnson, R-Urbana, who announced a decision following the March primary not to seek re-election. Johnson has served on the House Agriculture Com-

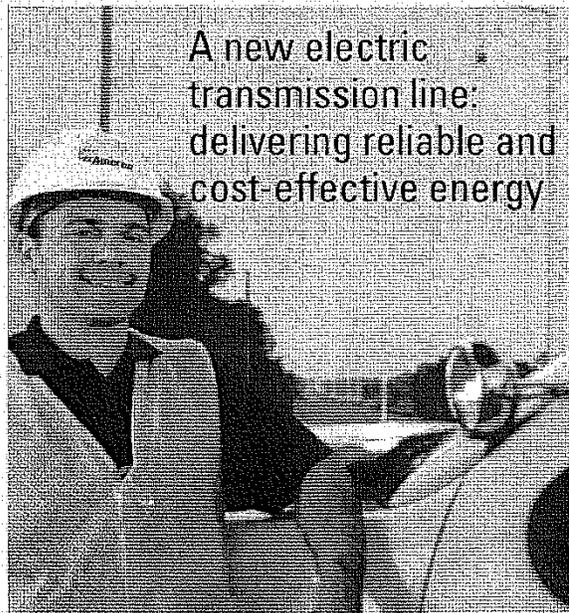
mittee.

The new configuration of the district means all of Macon County will have the same representative, which is important for area residents, said Dennis Hughes, the Macon County endorsement committee trustee.

The race is critical for farmers who look to have their interests represented in Congress as they start to find missing money challenging this year, Hughes said.

"It's going to be a struggle this year," Hughes said. "We're going to have less grain to sell. It's really going to be difficult to be profitable."

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