

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT
NYLAG and GULP Win Victory for Unnecessarily Penalized Food Stamp Recipients

New York, August 12, 2003 /U.S. Newswire/ -- More than 40,000 people across New York State are receiving notices of the proposed settlement of a federal class action lawsuit, *Thompson v. Wing*, 98 Civ. 7628 (JMA). In *Thompson*, the people sued the New York State Office of Temporary and Disability Assistance (OTDA) and the United States Department of Agriculture (USDA), claiming these agencies violated federal laws and the due process rights guaranteed by the United States Constitution in the way that they have taken income tax refunds to pay debts allegedly owed for food stamp overpayments. People were represented by the New York Legal Assistance Group (NYLAG) and the Greater Upstate Law Project (GULP).

From 1996 until 2000, the OTDA and USDA were utilizing the Treasury Offset Program (TOP – a program that allows the government to take tax refunds to pay back debts) to reclaim alleged overpayments of Food Stamps. The class action claimed that the agencies violated the law that created the TOP program by failing to give adequate notices and by using the program to collect debts not properly subject to TOP.

People who received this notice are advised that they do not need to respond to this notice unless they think the agreement to settle the case is not fair.

Under the proposed settlement, people across New York State will either automatically receive a refund or will receive a second notice telling them that they can dispute, at a fair hearing, whether or not they did in fact receive a Food Stamp overpayment. People who will receive funds automatically include:

- People whose income tax refunds were taken nine years or more after the alleged Food Stamp overpayment
- People who were receiving Food Stamps at the time when the refund was taken
- People whose alleged period of overpayment extended back more than 12 months before the debt was discovered

"The TOP program took income tax refunds from many people who had just started back to work after years on public assistance and food stamps," said Jane Greengold Stevens, Special Litigator with NYLAG. "We are pleased that these people are having their procedural rights restored."

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About NYLAG

Founded in 1990, the New York Legal Assistance Group (NYLAG) is a not-for-profit law office providing free civil legal services to low income New Yorkers. A full service agency, NYLAG offers comprehensive assistance to clients with more than one legal issue. NYLAG provides direct legal services, advocacy through impact litigation, consultation, and numerous volunteer and pro bono

opportunities. Last year, NYLAG handled 19,993 cases and benefited additional thousands through successful impact litigation and community legal education. For more information on NYLAG, go to www.nylag.org.

NYLAG is a beneficiary of UJA-Federation of New York and is supported by numerous foundations, organizations and individuals.

About the Greater Upstate Law Project

Operational since 1973, GULP is a statewide multi-service, multi-issue support center for civil legal services in New York. GULP provides training in a host of poverty law areas, acts as an information clearinghouse, engages in legislative and administrative advocacy and undertakes impact litigation. For more information visit www.gulpny.org.