

P U B L I C H E A R I N G

before

SENATE COMMITTEE ON INSTITUTIONS AND WELFARE

on

Welfare operations in the
City of Passaic

Held:
May 21, 1970
Assembly Chamber
State House
Trenton, New Jersey

MEMBER OF COMMITTEE PRESENT:

Senator Joseph J. Maraziti [Chairman],
Senate Committee

Also:

Assemblyman Joseph F. Scancarella
and
Assemblyman Joseph Hirkala
[Members of Assembly Committee on
Institutions and Welfare]

* * * *

I N D E X

<u>Name</u>	<u>Page</u>
John L. Salek Councilman City of Passaic	2 & 1A
Sidney H. Reiss Councilman City of Passaic	3A
Fred J. Kuren Councilman-at-Large City of Passaic	10A
Joseph Pojanowski President Welfare Board of Passaic County	17A
Albert Galik Chief Assessor City of Passaic	50A
Anthony C. Martini City Clerk Passaic	57A
Edmond A. De Santis Director Passaic County Welfare Board and A. Michael Rubin, Esq. Assistant Attorney Passaic County Welfare Board	62A
Carl Ellen Organizer Passaic Conference for Economic Opportunity	91A
Jacqueline Taylor Paterson, New Jersey	102A
Francisco Rosa Passaic, New Jersey	108A
Neil Morrison National President New Civic Group United Tenant Union	113A
Tabia Hill Passaic Conference for Economic Opportunity	119A

Index [Continued]

<u>Name</u>	<u>Page</u>
Theresa Bennett Passaic Tenants' Association	129A
Ann Davila Housing Specialist Passaic Conference	130A

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SENATOR JOSEPH J. MARAZITI [Chairman]: The hearing will come to order.

This is a hearing of the New Jersey Senate Institutions and Welfare Committee. Let the record show that there is present today Assemblyman Scancarella of Passaic County, Assemblyman Hirkala of Passaic County, and the Chairman, Joseph J. Maraziti. Senator Sisco who has been interested in this problem and who is also from Passaic County has worked with the Committee and had planned to attend today but because of a recent accident is not able to be here.

The purpose of this inquiry is to determine the conditions existing in the City of Passaic, but the Committee will not limit itself to that study. We will go into all facets of the welfare problem throughout the State of New Jersey, not only the administration of the program, but we will look into rules, regulations and statutes and determine what, if anything, can be done to improve conditions.

Let me first say that the purpose of the Committee is not to conduct a witch hunt. We are here to procure all the information we possibly can in order to see that we have an efficient operation of a good, fair and equitable welfare program and to see that abuses are eliminated. It is necessary to go into a type of inquiry of this kind and we expect it may last a year or a year and a half, because I for one feel that unless we devote our time and effort to this very serious question of welfare and of welfare administration, it will destroy us.

Our State budget alone, under the category of welfare, has an appropriation of almost \$300 million for one year, and this is without considering the appropriations of the cities, the counties, and the Federal Government, whose share is very heavy.

I also wish to state that this is a public hearing and everyone is welcome to attend and observe and listen

and everyone is welcome to testify either today or at some other date that will be determined for holding another public hearing.

Mr. Carl Moore, my legislative aide to the Committee, is seated at the second desk in the front row and, if there is anyone here who would like to testify, sometime during the course of the proceedings or during recess, will you please see him and give him your name and address and, if you represent a particular group or you have a particular office or position in an organization or in a governmental unit, please indicate that. Everyone will be given an opportunity to testify and at the time he may wish.

The first thing we would like to do is to begin with some of the officials of the City of Passaic. I want to say that I am pleased at the attendance here of the officials of the City of Passaic. Councilman John Salek is Chairman of the Welfare Committee of the Council of the City of Passaic. I am very happy that he has volunteered to appear here as did other members of the governing body and I will ask Councilman Salek to address the Committee and to give us the benefit of information and tell us what the problems are in the City of Passaic and what suggestions he may have. So, Councilman, you may proceed at will. You may read a prepared statement or speak orally without reference to your statement, or do both. Now, before proceeding will you kindly give your full name, your position, and your address.

J O H N L. S A L E K: Mr. Chairman and Members of the Committee, my name is John L. Salek, Councilman, City of Passaic, and Chairman of the Welfare Committee of the Council, City of Passaic.

First of all, I would like to express my gratitude on behalf of the Committee of the City of Passaic for conducting this welfare hearing and I am sure we are all

going to gain by it and certainly Passaic looks for some constructive reforms in this matter.

Certainly no one wishes to deny anyone welfare who is truly in need of assistance. Nevertheless, the present welfare program now in effect leads the working people to feel that the government is giving away something at their expense. Wholesale give-away programs achieve nothing except they encourage social problems. It is the opinion of the people that today's welfare program encourages relief and discourages working and initiative.

I would like to respectfully recommend that welfare should be a privilege, not a right. Unlike Social Security where the worker or participant contributes and earns a right to benefit from the program, there is no contribution made by the welfare client to any fund. Then conclusively the right should be substituted for privilege. Any abuse of this privilege by welfare clients would then jeopardize, curtail and, in some cases, nullify their monthly allotment.

Request respectfully a Welfare Fraud Squad from Trenton to clean out welfare fraud in the city and county. State probers will find Passaic a target city and a haven for welfare recipients and welfare frauds. In my opinion welfare frauds are rampant throughout the city. In a recent tour on April 27, 1970, guided by our building inspector. Mr. Elias Drazing, shocking results were revealed as expressed voluntarily by the welfare recipients that moneys earmarked for specific purposes such as furniture were deliberately used for other purposes.

New Jersey should acquire the reputation of being tough about handing out welfare. I, therefore, humbly request that a \$250 State ceiling be placed on referendum.

SENATOR MARAZITI: \$250 limit?

MR. SALEK: Yes, the ceiling.

Since the United States Supreme Court decision on April 7 which upheld a State law in Maryland - the Maryland

law sets a \$250-a-month ceiling on family assistance - 20 states have similar welfare ceilings. I am sure the citizenry of the State will overwhelmingly support a welfare ceiling.

The present mode of fiscal and personal irresponsibility in welfare must be made continuously visible and corrected. The Passaic County Welfare has shut itself off from communications with the public and must expect to be the object of suspicion and misunderstanding. We would recommend that welfare records become public records, since the public is footing the bill. The public is entitled to know where and to whom the money is going and the secrecy as to anyone being on welfare should be eliminated. In my opinion, we should print the names, addresses, and the amounts received in the newspapers each month. This would be a great aid in having the citizenry helping officials revealing frauds and misuse of welfare funds. The neighbors would supply a great deal of information about welfare recipients, thus eliminating some of the welfare staff and shrinking the cost of welfare.

The welfare program should be an incentive for people to go to work. How can these welfare recipients have any pride in sponging off others who work for what they receive? How can they hold up their heads in front of these people who are willing to work, who must contribute so that these people can sit back and collect money they really do not have the right to receive? Therefore, I would like to recommend the elimination of providing an opportunity for a welfare client to purchase a home. My thinking is that this should be eliminated.

Work incentive programs should be the theme. Day care centers for children should be provided or the hiring of baby sitters so that mothers may go to work. Direct aid to children for food and clothing subtracted from the parent's welfare check. In my opinion they should be made to purchase food stamps, because for \$20 they can purchase \$25 worth with food stamps. Give other stamps or scrip for clothing, rent, utilities, etc. Giving a bonus for each

illegitimate child should be eliminated. It is unfair to have hard-working taxpayers pay taxes for the purpose of enabling a woman on welfare to pursue her hobby of bringing these poor babies into the world with the terrible stigma of illegitimacy. An unwed mother welfare recipient should be told to name the father, and the father should be held responsible for supporting his offspring or be faced with a stiff fine or a stiff jail term or both.

Other indirect costs such as education, police and fire protection, garbage, medical and dental care, hospitalization, etc. are bankrupting our municipalities. We in the City of Passaic have an understanding of the problem. We want to get at the grass roots and hope that this Committee will take it further. We cannot cope with it on a local level. We would humbly request that the State should support federal legislation to promote uniform standards in each State to better distribute the population and check migration to overcrowded cities.

This is my formal statement, Senator. Thank you very much.

SENATOR MARAZITI: Thank you, Councilman.

I would like to go over some of the things you have talked about and discuss others. Do you have an approximate idea of the cost of public assistance for the City of Passaic? Do you know what that is for the current year? If you don't have it available, perhaps one of your colleagues does or you may -

MR. SALEK: I presume one of my colleagues does have it, but we do have statistics available that we had 69.1 per cent increase in welfare recipients in one year, from last April to this April.

SENATOR MARAZITI: In other words, 69.1 per cent increase over a period of one year.

Now we can get this particular figure from one of your colleagues. I see one of the gentlemen indicates that.

On that particular point, can you give us an idea

why there is such a tremendous increase, about 70 per cent increase? Can you give us the reason?

MR. SALEK: I'm sorry, Senator, I can't. This is what shocked us into being so concerned. The City of Passaic tried to get these answers from the County Welfare Board and was told that the records that would support this increase were not public records and not available to us.

SENATOR MARAZITI: Well, you have records of your own. You have city records, have you not?

MR. SALEK: Yes, sir.

SENATOR MARAZITI: But your point is that you feel that the county authorities do have information that would assist you. Is that correct?

MR. SALEK: Yes, sir, but they don't make them accessible to us.

SENATOR MARAZITI: Is that right?

MR. SALEK: I even proposed that we had the power to subpoena these particular records for the City of Passaic and I was told by our City Attorney that in his opinion we were not able to do so.

SENATOR MARAZITI: Who is the City Attorney?

MR. SALEK: Mr. Augustus Michaelis, City of Passaic.

SENATOR MARAZITI: Now you recommend a ceiling of \$250 per month, and would this be regardless of the size of the family?

MR. SALEK: Yes, sir, I feel this is one certain way that we can eliminate migration into the State of New Jersey by having this ceiling. I think it has worked in Maryland and is going to work in 20 other States, and I feel that by having a uniform payment for welfare recipients throughout our Nation if this is possible, this will again eliminate migration and the overcrowding in our particular city.

SENATOR MARAZITI: The only thing is, if there is a family of three, \$250 might be all right, but suppose it is a family of 6, wouldn't it be a problem there?

MR. SALEK: I believe where the ceilings are in the various States, they don't discriminate or they don't make exceptions as to the size of the family. Two hundred fifty dollars is the maximum they will give.

SENATOR MARAZITI: You did make one point that you felt it should be uniform throughout the United States and that would tend to discourage migration.

MR. SALEK: Yes, sir.

SENATOR MARAZITI: If we could have a uniform scale or some type of scale that would be applicable and that would not be an arbitrary fixed amount of \$250 - it could be an amount with a sliding scale to take into account increased sizes of family - that might accomplish your objective without perhaps unduly harming a larger family.

MR. SALEK: Yes, sir. However, I think the point that I am trying to make is that \$250 maximum, regardless of the size of the family, would serve as some incentive to have these people go into creative productive employment and would be sort of a stop-gap measure simply because \$250, as you very well pointed out, perhaps will not tidy over this family.

SENATOR MARAZITI: Well, I agree with you, if they are able to work and the family can be cared for, they should work if they only get \$50 a month, so there is no argument there. But I'm concerned - I won't labor the point now - but I'm concerned about a fixed limit. But I do see your point of uniformity throughout the country. If we had a scale maybe it would accomplish the same thing.

Now on this question of a Fraud Squad. You are recommending a Fraud Squad or a unit that would concentrate on ferreting out abuse and fraud in welfare.

MR. SALEK: Yes, just like you have a gambling squad.

SENATOR MARAZITI: Is there any facility now? Is there any method by which you can effectively check out fraud in welfare administration or on the part of recipients?

MR. SALEK: The only way that I personally have been receiving information is by telephone, letter, or being buttonholed on the street by someone saying that their neighbor is suspected of being on welfare and some type of fraud going on, because the husband is visiting on a daily basis or weekly basis. I think that the fraud squad from the State, having availability of the records, of course, which the City of Passaic does not have, since they are in the County Welfare Department --

SENATOR MARAZITI: Do you feel that from a practical standpoint and your knowledge of the operation of welfare in Passaic there have been abuses and these abuses have not been adequately checked out?

MR. SALEK: Yes, sir.

SENATOR MARAZITI: And do you feel that the present machinery, whatever it is, is not adequate?

MR. SALEK: No, sir.

SENATOR MARAZITI: And from what you are telling me, apparently there isn't much machinery?

MR. SALEK: Not in my opinion, sir, because this is the first time that the County Welfare Board to my knowledge has even hired an investigator for this purpose.

SENATOR MARAZITI: When did he start?

MR. SALEK: I don't know whether he has started yet. I was at a public meeting last month where they had appropriated funds for this position.

SENATOR MARAZITI: My understanding is that he hasn't started yet and I've got an idea the sooner he starts the better. In other words, your position is - perhaps I shouldn't be saying what your position is, I'll say it is mine because I have no right to say that. But I think you'll agree that those who are entitled to welfare should receive welfare. Those who are in need should receive welfare.

MR. SALEK: No doubt about it.

SENATOR MARAZITI: But those who are abusing it should not receive it and should be penalized.

MR. SALEK: Yes, sir. 8

SENATOR MARAZITI: And it is necessary, in order to ferret out the abuses, that you have some type of fraud unit or fraud squad, and I am in complete accord with this thinking. If anyone violates the law, they should be answerable for any violation. You have indicated that the county authorities are designating an investigator, but apparently this is one for the whole county.

MR. SALEK: Yes, sir, just one for the whole county.

SENATOR MARAZITI: Do you think that is sufficient?

MR. SALEK: No, sir, it is way inadequate.

SENATOR MARAZITI: Now you mention something else that bears on this point. Have you referred these complaints anywhere or is there anywhere to refer these complaints or abuses that you think exist?

MR. SALEK: On this tour that we had conducted, which was more by accident than design - we had no idea we were going to go to the next place. We did report these and it was published in the newspaper and I did go down to the Passaic County Welfare and asked the Supervisor, the person in charge, Mr. Gruszczynski, whether these people had been checked out, and why hadn't the money that was earmarked for furniture - and made such observations as when the refrigerator door was open there was no food in the refrigerator, and as to actually did they see them buy the furniture, did he have any type of receipt, or are they sure that the money that was given to them was expended for the purpose for which it was earmarked. He told me he was not going to make any comments to me about this. I related the story of the places we had visited, what we had seen, and got no satisfaction from that particular office.

SENATOR MARAZITI: This is your own office?

MR. SALEK: The Passaic County Welfare Office in the City of Passaic.

SENATOR MARAZITI: Now you mentioned another point that you felt the welfare recipients, in cases where assistance must be given to a poor child, which it certainly should, - the mother should name the father of the child.

MR. SALEK: Yes, sir.

SENATOR MARAZITI: Has it been your experience that this was not done?

MR. SALEK: When we questioned some of the mothers as to the fathers of the particular children, they did mention that they were not of the same father, and I did ask them if they would mention them, and they said that by this time the father is married to some other woman, which is the response I received.

SENATOR MARAZITI: In other words, you have taken upon yourself to put in a lot of time on your own to perform these functions which are really not your direct responsibility.

MR. SALEK: Yes, sir.

SENATOR MARAZITI: Which is commendable. But forgetting that for just a moment, and taking a situation where there is a married couple and a number of children and the father does not support the children and the wife. Naturally she must receive help and she does receive help, and she should receive help. Do you know if any concerted effort is being made to compel the father and husband to contribute to the support?

MR. SALEK: I have not made an investigation of that, sir. However, I would like to say this: I would like to emphasize the point that we can get together on any particular afternoon, meeting with the Housing Inspector, myself, or other city officials, and just at random go to X number of places and find this fraud without having any design, merely by accident. I am sure that any trained investigator or investigators can certainly pick this out and get to the bottom of who the fathers actually are and prosecute them or

have them support the children that they have sired.

SENATOR MARAZITI: Do you know if the Prosecutor's Office of the County of Passaic has made any investigation or prosecuted any violations of the welfare laws during recent years?

MR. SAKEL: I believe they have, yes, sir. I have heard as hearsay there are about 38 cases now in the county, I believe, referred to by the Welfare Board.

SENATOR MARAZITI: Which board? The County Welfare Board?

MR. SAKEL: The county board, yes, sir.

SENATOR MARAZITI: Thirty-eight cases to the Prosecutor's Office. You say "now." You mean, within the last several months?

MR. SAKEL: I don't know what the time span is, sir.

SENATOR MARAZITI: Well, what has happened during the last several years? Do you know?

MR. SAKEL: No, sir. I think these 30 cases are pending. Again I don't know what the time schedule is.

SENATOR MARAZITI: You have been told the cases are pending.

MR. SAKEL: I haven't been told. I have heard that there are 38 cases that are pending.

SENATOR MARAZITI: Pending now.

MR. SAKEL: Yes, sir.

SENATOR MARAZITI: Do you know of any prior interest by the Prosecutor's Office?

MR. SAKEL: I have just been told that he has been interested in this problem and I have heard that whenever referrals were made to him - this is again hearsay and discussion among the councilmen - they would have nothing else to do but take care of the welfare referrals.

SENATOR MARAZITI: If they took care of the welfare referrals, they would not be able to do the other work of the Prosecutor's Office.

MR. SAKEL: Yes, sir.

SENATOR MARAZITI: We don't know whether this is so or not, but if the report you are making is factual, there is an inference there that not much has been done by the Prosecutor's Office in an effort to compel deserting husbands and fathers to support.

MR. SAKEL: Not to my knowledge, sir.

SENATOR MARAZITI: Would you, between now and the next hearing, see if you can procure for me or the Committee, some information - if you need help, you can contact us - some information on what has been going on in the Prosecutor's Office in the last three years in connection with the desertion and non-support cases that have been pending there; also, what, if anything, has been done by the Prosecutor's Office in connection with checking out any complaints of fraud or if they received any.

MR. SAKEL: I certainly would be glad to do that, sir.

SENATOR MARAZITI: Now you mention that you feel that the welfare records should be public records because public funds are involved. I am interested myself and the Committee is interested in determining information; that is, we would like to know because there have been allegations that some buildings in the City of Passaic have been overcrowded with tenants. I don't know if this is so or not. Several months ago there was a disastrous fire in the city and I understand two firemen were killed and four were injured. There have been allegations that that particular building had more families in it than the authorities should have allowed and that the landlord may be reaping a bonanza in this case - I don't know. So, therefore, it is important for you to know and it is important for us to know and to have statistics and records as to how many families were in that particular building and how many families are in any other building in the City of Passaic. Now

it may be that the names of the welfare recipients should not be revealed. There is no point in that in this particular instance, though there may be in connection with other facts. Have you made any inquiry in this regard?

MR. SALEK: Yes, sir, I have. In connection with the death of the firemen, the fire took place on March 12, 1970, and there were 18 family-units -

SENATOR MARAZITI: March 12, 1970, 18-family units.

MR. SALEK: Yes, right.

SENATOR MARAZITI: Do you know the address or the street?

MR. SALEK: 179-181 Third Street, I believe, is the correct address.

SENATOR MARAZITI: Do you know the name of the owner of the building?

MR. SALEK: Mr. Joseph Satkin.

SENATOR MARAZITI: Can you spell it for me?

MR. SALEK: S-a-t-k-i-n.

It is believed that there were over 100 people on welfare in that particular building, with just a few adults. Since the records again, Senator, are not available to us, we have determined this merely by our housing inspection team going there prior to the fire and newspaper stories with two reporters investigating this particular incident and getting fragments of information. But again the records, it was told to us there was no way we could get them to check them out if they actually were there.

SENATOR MARAZITI: Well, there were 18 families and you say approximately 100 people.

MR. SALEK: Over 100.

SENATOR MARAZITI: Now the point would be how many families. Do you know how many families were there. There might be 7 or 8 in a family or maybe only 2 in a family. Now you are telling me that the county authorities refused to give you information on this particular building as well as others. Is

that right?

SENATOR MARAZITI: Even after the fire?

MR. SALEK: Well, I didn't ask them directly. I understand that in our Council discussions we tried to verify just exactly how many people were there to begin with, and then how many people -

SENATOR MARAZITI: Do you mean to tell me that the Passaic County officials refused to give you this information? I think the people of Passaic ought to know it. I don't think it's necessary for the welfare officials of the County of Passaic to give names, but certainly I see no reason why they would not disclose the exact number of families in this location, and I intend to ask that question this afternoon or sometime today of the proper Passaic County officials. If it isn't available, I would like to have it available by the next hearing. If it isn't available today, this morning, and if that official is in the room, I would suggest, if he doesn't have it with him, that he make the proper call to his office and be prepared to testify this afternoon as to the number of families at this particular residence and the number of families in other buildings in the City of Passaic.

MR. SALEK: Thank you very much, Senator.

SENATOR MARAZITI: I am a little mystified at all the secrecy. Who is the attorney for the City of Passaic?

MR. SALEK: Augustus Michaelis.

SENATOR MARAZITI: I'm sure if you seek the counsel's advice he will give you proper advice as to just what you should do between now and other hearings to get the information you need and just what procedure you should follow. If there is any difficulty I would like to have him communicate with me. Will you ask him to do that?

MR. SALEK: I certainly will, Senator. I would just like to state at this time also that the Council

has passed a resolution, 70, the entire Council, for a request of a welfare probe of the Prosecutor's Office. The resolution was passed on April 23rd, 1970, and for the record I would like to read the resolution, sir:

Public Welfare administration is interwoven with housing problems. The Public Assistance Program aids and abets overcrowding of housing facilities. Overcrowding of housing is a menace to health, safety and morals and environmental welfare.

The city inspectors report numerous instances of overcrowded conditions in slum tenement houses and dwellings by recent arrivals in the city who obtain instant welfare. The housing of new arrivals on welfare in some cases violates city housing codes governing minimum standards of living space.

The Mayor and Council are constantly criticized by residents about activities allegedly carried on by slumlords over whom the Council has no control. Housing facilities in the city are full to capacity and incapable of accommodating new residents who are attracted by the prospects of instant welfare.

There have been recurring rumors of alleged frauds and abuses of public assistance laws by welfare recipients suggesting exploitation by slumlords of public assistance laws. The welfare load in the city has increased 69.1 per cent since last April. Statistics assembled in the absence of firm data withheld because of federal, state and county laws indicate that approximately 1/10th of the city's population receives welfare assistance.

The City Council of Passaic has been in the forefront in bringing the problem of increasing welfare caseloads in Passaic to the public attention. The Passaic County Welfare Board has responded to the combined efforts of the Mayor and Council by requesting an inquiry into circumstances and allegations causing concern to the Mayor and the Council.

SENATOR MARAZITI: The resolution was passed in April, you say?

MR. SALEK: April 23, 1970.

SENATOR MARAZITI: And I assume that you notified the Prosecutor's Office?

MR. SALEK: Yes. This 375 word resolution was conveyed to the Prosecutor.

SENATOR MARAZITI: Now you mention about exploitation by landlords. I have heard rumblings about this. Will you elaborate on that?

MR. SALEK: Yes. Prior to slum lords or a particular landlord's taking over a building, the rents in that same building without any appreciable improvement were maybe 40 to 100 per cent less six months or nine months prior to the sale of the property or the takeover by the new landlord. Subsequently, after the new landlord takes over the building, without any appreciable renovations, immediately the rents are hiked, which was told to us by welfare recipients. This causes us a great deal of concern. If I may digress for a moment - There was the case where a home was supposedly to be sold to a welfare recipient's putting \$200 down in one part of our city and the home right next to it sold 4 or 5 months prior to that for \$5,000 less; in other words, that home sold for \$11,800, I believe, and this woman was going to be buying hers for \$16,900 next door to it, almost the same type of home.

SENATOR MARAZITI: Now as to the rent, do you know of cases where the rent has been increased or there is information. Is that correct?

MR. SALEK: Yes, sir. In fact, the welfare recipients and many of the people in Passaic have come forth at the City Council public meetings and complained about this.

SENATOR MARAZITI: In other words, the welfare recipients, many of them, want to cooperate with the authorities to correct this condition.

MR. SALEK: They seem to give that impression, sir.

SENATOR MARAZITI: This is a commendable attitude because actually they would not be paying the rent. The rent is being paid by the city. When did this happen? A month ago at a meeting?

MR. SALEK: I think this was a common practice over the past couple of years, sir.

SENATOR MARAZITI: What, if anything, has been done by anyone in connection with this problem? Anything?

MR. SALEK: Well, again, we have had a discussion at our Council meetings many times and, to try to rectify this to the best of our ability within the framework of the law, we had appointed a Public Housing Officer where violations would be corrected so these people can have a decent place to live, and we have even instituted - the Housing Officer has instituted rent control in the City of Passaic. I believe we are the only community in the State of New Jersey that has this rent control.

SENATOR MARAZITI: You have rent control now?

MR. SALEK: Yes, sir.

SENATOR MARAZITI: That will take care of future problems.

MR. SALEK: It has been taking care of some of the problems of the past.

SENATOR MARAZITI: You recommend that this privilege of purchasing a home be eliminated. How does that work? A \$200 deposit is made? Can you explain that program?

MR. SALEK: Yes. I understand it's a Federal program by which a welfare recipient can place \$200 down and have monthly payments. A viable mortgage is held, I believe, by the County Welfare - I'm not sure - and they do pay a monthly payment. My question is, of course, the justification of this program. This sort of penalizes the people who are working for a living and working all their lives trying to put down a down payment and makes a

mockery out of a payment of \$200 and having the welfare recipient, out of his welfare check, pay the money and in an X amount of years, or 30 years, own the home. Even this isn't bad, but what we feel is that since most of welfare recipients are unwed mothers, there won't be a man around the house to upkeep and upgrade this particular property. We feel that this house would deteriorate in a short time because of lack of funds and because of lack of interest and receiving this on sort of a platter.

SENATOR MARAZITI: \$200 down payment?

MR. SALEK: Yes, sir. In some cases, no down payment.

SENATOR MARAZITI: Where does that money come from?

MR. SALEK: From the welfare recipient's check.

SENATOR MARAZITI: But it's not in addition to his check?

MR. SALEK: No, sir.

SENATOR MARAZITI: It comes out of the recipient's money if they have it saved.

MR. SALEK: That's the way I understand it, sir.

SENATOR MARAZITI: Then there are monthly payments or interest, principal taxes, and so on. Do the welfare authorities pay more to welfare recipients if they buy a house or are the payments the same as if they pay rent?

MR. SALEK: I believe perhaps some of my committee members will go into that.

SENATOR MARAZITI: All right. We will defer that.

I would like to determine whether there is a difference in financial expense to the city or to the welfare authorities - city, State, or nation - because of this different program. How long has this program been in existence, do you know?

MR. SALEK: Not exactly, sir.

SENATOR MARAZITI: So you cannot tell if they have lost homes.

MR. SALEK: From newspaper accounts, I believe there were some homes that were in the process of being

purchased, but I don't believe there were any in Passaic County to my knowledge that were purchased.

SENATOR MARAZITI: I seem to think you feel it is not workable. Is that right?

MR. SALEK: I feel it is only not workable but I think this is very discouraging. I receive many phone calls and letters saying, "Why should I work? I've been scraping all my life. I would be better off by separating from my husband and putting \$200 down and getting a home, if it's that easy, for myself.

SENATOR MARAZITI: I'll put the question this way. This is very theoretical: If welfare recipients were able to purchase and own a home without any more expense to the city, or to the authorities, we'll say, because the city, State and nation are involved, without any more expense than if they were renting, if it worked out that way, theoretically it could be a desirable thing, couldn't it? Except there is one hitch in there which I haven't told you about but will in a minute. But here is what I'm getting at: If you could have a welfare recipient owning a home and it didn't cost the city any more and it worked out, that would be desirable except you are concerned about the morale of the ones that can take care of themselves. Right?

MR. SALEK: Also the fact, too, Senator, if you keep in mind that once the property is bought, how will it be maintained?

SENATOR MARAZITI: I am concerned myself about this. I think it costs more per month to own, maintain and operate a home than it does for rent. I could be wrong on this. Now, if it does and you could rent for less and have good quarters, that would be the most economic thing to do and, therefore, the taxpayers may be paying too much if they are subsidizing a home-owning program. I just had the idea it costs more money to own and operate a home. Of course, there may be special situations where it wouldn't. With a large family of

six or seven children, eight or nine children, or people, it may be more economical to have the home. Perhaps there should be some controls over this type of thing and, of course, there is also the psychological problem here of people working for years to acquire a home and who say it would be better to go on relief and get one, but I don't know if it works that way.

SENATOR MARAZITI: Now you recommend food stamps instead of cash.

MR. SALEK: Yes, sir. I think, first of all, that food stamps are a bargain, because we can purchase \$25 worth of food stamps for a \$20 bill so you are getting a discount to begin with and, secondly, you are using the money rightfully for the purpose for which you were given the money.

SENATOR MARAZITI: Now there is no food stamp program in Passaic at all, is that right?

MR. SALEK: Yes, there is.

SENATOR MARAZITI: There is?

MR. SALEK: There is a food stamp program and from the report that I received and the questions that I asked, very few use this particular program.

SENATOR MARAZITI: Using the books?

MR. SALEK: To purchase the food stamps.

SENATOR MARAZITI: Very few welfare recipients are using it?

MR. SALEK: Yes.

SENATOR MARAZITI: In other words, they have the book but they don't use it.

MR. SALEK: No, they don't purchase it.

SENATOR MARAZITI: They are supposed to purchase it from the Welfare Authorities? How does that work?

MR. SALEK: From the City of Passaic; I believe they come to the Welfare Department and they pay \$20 and they receive \$25 worth of food stamps.

SENATOR MARAZITI: Now your point is that they get the money from the county, is that it?

MR. SALEK: Yes.

SENATOR MARAZITI: And then they could buy the food stamp book or they could use the money directly for food or anything else. Your recommendation is that if there is \$20 a week to be allowed for food, \$25 for food, or whatever it is, that should not be given in cash. It should be given in food stamps, mandatory.

MR. SALEK: Yes.

SENATOR MARAZITI: I am inclined to agree with you. There are two advantages there. The children are sure to have food. You say you saw refrigerators that didn't have food in them and, secondly, you get more food with the stamps than you would in cash. Is that right?

MR. SALEK: Yes.

SENATOR MARAZITI: I would like if you could, Councilman - you've been very cooperative - I'm giving you a lot of work but, after all, you wanted this and you are going to have it.

MR. SALEK: I appreciate the task.

SENATOR MARAZITI: If you could, you check with your stamp man in Passaic, whoever he is, or woman, and give me a little simple report over the last two years, or at some period, a year and a half, two years, two and a half, something easy for them to work with, as to how many food stamp books were procured. You might break it down by months, if you can, or quarters - any way the records are. I don't want to make it complicated. I don't want too many papers; I get mixed up.

The other thing I would like to know, and we may get this in the testimony today, is the approximate number of welfare recipients in the City of Passaic over the last couple of years. I don't know if you have these records. May you don't.

MR. SALEK: Ten per cent of our population.

SENATOR MARAZITI: Ten per cent. People must like Passaic.

MR. SALEK: Yes. We wonder why.

SENATOR MARAZITI: In other words, I would like to

have some statistics, and break them down as much as you can. In other words, what are the situations where the family is destitute with the husband and wife and the children there, and what are the situations where the husband has left and deserted, and what are the situations where it is difficult to locate the father, and so on. I would like to see what the pattern is in Passaic, what the problem is.

Now we come to one more point. We touched on this in the beginning. If a family needs assistance in welfare, certainly this is what all of us want, and I assume there may even be cases where welfare is warranted and they are not getting it or not getting enough, and I want to make it perfectly clear here now, and I think you feel the same way and the officials feel the same way -

MR. SALEK: We certainly do.

SENATOR MARAZITI: We are not opposed to this. We want this. It may even have to be upgraded and people who should be receiving it may not be receiving it, but I am concerned about a situation where assistance is being given and the primary obligation is not the obligation of the State or the city, county or nation, but the primary obligation, say, is of an absconding father or a deserting father. Can you tell us whether anything is being done to make him support that family instead of the taxpayers? Do you know of any situation?

MR. SALEK: I haven't investigated that particular -

SENATOR MARAZITI: All right. Now, this is probably a difficult thing for you too. Maybe the Prosecutor's Office can help. Maybe they started something the last month or two. But from what I have heard in the past several years they haven't done much.

I feel where assistance is necessary it should be given immediately without any problem, but then there should be an independent action started, not by the family or the wife, because she probably can't do it or won't do it, but

by the authorities - first, by the criminal authorities, the Prosecutor's Office. Desertion and non-support is a crime and there is no reason why a father or a husband who deserts and doesn't support the wife and children should go scot free.

MR. SALEK: I agree with you.

SENATOR MARAZITI: And, frankly, I am concerned about the law-enforcing officials of this State not prosecuting that particular aspect of this situation. It is not difficult. I served as Assistant Prosecutor myself for a number of years in the County of Morris, and it can be done. When it isn't done, do you know what it means? It means that the taxpayers of this State and the taxpayers of the City of Passaic are paying instead of the father in most cases.

Now I think too we should give some thought to a situation where it was suggested by some of your people not only criminal prosecution because maybe you can't find the defendant or he wants to rot in jail, and I say if he wants to rot in jail, let him rot in jail - he won't rot very long; he'll want to get out; he won't be able to stand it with the other fellows rotting in there. In addition to that remedy, it has been suggested there ought to be a remedy, a civil remedy, where a law suit could be started by, say, the officials of the City of Passaic or the officials of the County of Passaic, or the officials of the State of New Jersey to get a civil judgment against the particular father or husband for X number of dollars that we are putting out and a right of lien against his salary; an execution against his salary should lie.

This is a suggestion that has been made. Do you agree with that?

MR. SALEK: I certainly do, Senator.

SENATOR MARAZITI: Thank you for letting me put words in your mouth.

I have one more thing here. You are very helpful. You mention a very interesting term - I have seen

it in the press - and I would like to have you explain it. Instant Welfare. Do you have observations on that? Presumptive eligibility.

MR. SAKEL: I think it was brought out at the public meeting I attended of the Welfare Board that some families do receive instant welfare. For some others, of course, it does take time. I think the Welfare Administrator has admitted that in some cases this is possible and does happen - Mr. DeSantis - and people do get welfare immediately. I think instant welfare, in my own opinion, seems to be spreading because again our statistics bear it out where we have the 69.1 percent increase, and our county budget has gone from \$7.7 million to \$29 million in cost over a period of five years. So just on the basis of that, this will signify there is a great deal of instant welfare going on. This is also attributed to the fact of migration of people to our city in particular requiring and obtaining this instant welfare which presents a problem.

SENATOR MARAZITI: As I understand it, you are talking about presumptive eligibility. This is now the law in the State that if a person applies, rather than have that individual suffer in a needy case, assistance is given and then a check is supposed to be made afterward. Is that right?

MR. SALEK: Yes, sir.

SENATOR MARAZITI: Of course, this is the law all over, so this would not necessarily account for the 69.1 per cent increase unless people like Passaic better than other places. I mean, in other words, the law would apply to Paterson, Boonton, Dover, Trenton. There may be other factors -

MR. SALEK: Right.

SENATOR MARAZITI: They must love you in Passaic. You must be nice people.

MR. SALEK: We are wondering what is really attracting them to the City of Passaic. Perhaps in our county welfare is much easier to obtain than in other counties.

SENATOR MARAZITI: I don't know what the figures are for other cities, but have you compared it with Newark, Trenton, and those cities?

MR. SALEK: No, sir. I haven't, but we are the highest in the county.

SENATOR MARAZITI: On this question of presumptive eligibility, they applied to - where did they go? To the office of Mr. DeSantis?

MR. SALEK: I don't know the mechanics of this, sir.

SENATOR MARAZITI: I know I am asking you many questions that you necessarily don't have knowledge about and I appreciate your permitting me to do that but I am trying to get all I can out of you before you leave. I know how it operates. I know assistance is given upon application and then there is supposed to be a check out. Well now, Mr. Salek, what I am interested in is the check out. Do you know - if you don't know, say so - but do you know what happens?

MR. SALEK: No, I don't know but I would say that from the frauds, in my opinion, many of these cases are frauds simply by people reporting them to me by phone or by letter. Again, this is a presumption rather than a fact or first-hand information.

Now you understand the idea of presumptive eligibility, the principle behind presumptive eligibility. The principle is good if it's followed through correctly because it's based on the idea that if someone needs help they should receive the help immediately instead of waiting a week or two to have their application checked, because in a week or two they might pass on from starvation, so to speak, or have no place to live. The idea came about, I believe, because the authorities and the caseworkers said they didn't have enough time to check them out. Put them on first and check them out after. I have a very strong suspicion they put them on and never check them out.

Now in a way we cannot stop the need for immediate relief where it's necessary. If they were checked out immediately, there would be no problem because if it were a fraudulent case they would drop it. But we don't know whether they are checked out or not. Your inclination seems

to be they are not checked out in most cases.

MR. SALEK: I certainly agree with you, Senator, I think they are not checked out.

SENATOR MARAZITI: I think you're right, too. If they didn't check them out before, I don't know how they are checking them out now with the presumptive eligibility.

Now I am wondering if something of this type couldn't work out. Instead of presumptive eligibility, although we have it because it is a federal requirement - it doesn't mean that we can't change federal requirements. We can do anything if we try hard enough. But in order to take care of a case of needy people, in the City of Passaic couldn't there be an officer designated specifically to act in emergency situations where you get an emergency application - an application and it's emergent - he could check it out immediately within a matter of an hour or two or at least a preliminary check?

MR. SALEK: I am sure it can, Senator.

SENATOR MARAZITI: It isn't that difficult, is it?

MR. SALEK: I am sure that the City Council will provide for this at any time and will be most cooperative, and I think we would be delighted to help the County Welfare to check on these individuals for them to get at the truth.

SENATOR MARAZITI: Or the county could do it, could they not? In other words, it's not an impossible task, is it?

MR. SALEK: Not in my estimation, sir. I think this will help curtail and, of course, provide the service for those who definitely do need it. I certainly do share the opinion that this should be done and perhaps this is one of the things that we can insist on and effectuate.

SENATOR MARAZITI: I know I'm asking you a lot of questions I should be asking somebody else. I would like to get information on what has been done to check

out all these cases. Apparently we should check them all out. You can put that down. I don't think you will be able to get it, because it's not in your department, but put it down and we will see what we can do.

I don't know if I asked you to let me know-- I think I did - the approximate number of cases in the City of Passaic. I am not asking you now. You don't know now but are going to find that out for me, I think. You gave me the percentage of increase.

MR. SALEK: Ten per cent, and I believe there is about 5500 people -

SENATOR MARAZITI: About 5500 cases.

MR. SALEK: About 5500 people, all together.

SENATOR MARAZITI: 5500; 10 per cent of the population. Is the population 55,000?

MR. SALEK: Right.

SENATOR MARAZITI: So you've got about 5500. Now this is increasing, About how many new ones do you get a week? Do you know?

MR. SALEK: No, I don't, Senator. I found some statistics here that were reported in the newspaper. From April of 1969 there were 780 cases and this increased to 1,320 cases from April 1969 to April 1970 in the City of Passaic.

SENATOR MARAZITI: Now give me those figures again. April 1969 -

MR. SALEK: April 1969 - 780 cases, and from April 1969 to April 1970 - 1,320 cases - an increase of exactly 69.1 per cent.

SENATOR MARAZITI: And it totals about 5500.

One more question: In connection with this fire that occurred on March 12, 1970, aside from your own inquiry, do you know whether any investigation was made by any authorities as to the alleged overcrowding?

MR. SALEK: Yes, I believe the building was on a substandard list. We have our Chief Building Inspector

here, and there was a problem of trying to relocate people from this building, I believe, and every effort was expended to do this and there was an investigation by our Fire Prevention Bureau after the fire as to the cause of the fire and, incidentally, our dedicated city employees worked straight on through from the fire to relocate as many of the family as they possibly could until they got some satisfactory results for the families that were burnt out in these 18 units.

SENATOR MARAZITI: Thank you.

Is there anything else you would like to add to what you have said at this time. I am sure the Assemblyman may have some questions he would like to ask you, but is there anything else you would like to add?

MR. SALEK: Except that I will be glad to come back once again and provide you with the reports and appear before your Committee, and I am sure that the members of my committee have also great contributions to make to this particular committee.

Now, Assemblyman Scancarella, I wonder if you have any questions you would like to ask.

ASSEMBLYMAN SCANCARELLA: Yes, Senator, just a very brief question, if I may.

Mr. Salek, with reference to this ceiling that you told us about, which was found to be constitutional in the State of Maryland. You stated approximately 20 other States have similar ceilings?

MR. SALEK: Similar ceilings, yes.

ASSEMBLYMAN SCANCARELLA: Do you have any idea if they are in the area of \$250, or higher?

MR. SALEK: The article didn't report it. It just reported the five to three decision.

ASSEMBLYMAN SCANCARELLA: Do you know whether the ceilings in those States were based on the size of families or whether they were constant figures?

MR. SALEK: I don't really know, sir.

ASSEMBLYMAN SCANCARELLA: Do you know any of the States or at least what section of the country those

States might be in that have ceilings?

MR. SALEK: I don't recall.

ASSEMBLYMAN SCANCARELLA: With respect to this fixed ceiling that you mention in answer to the Senator's question, and which you feel should be a constant figure, whether it be \$250 or otherwise, you don't think it should be in accordance with the number of children that a family might have?

MR. SALEK: No, sir, because I feel that the objective of the ceiling is to curb welfare, regardless of size, as evidenced in other States where they have the same ceiling - of course, they have the same problem we would have rather than make it elastic as to size.

I also wish to point out, if I may, Assemblyman, that a person who is working and suitably employed in a factory or an office is paid a wage or an hourly rate, not based on the size of his family but on the work that he produces. I think that from this point of view, a man earns X number of dollars, not because the size of his family dictates that he be paid on that basis, but merely as to the performance and the result of his occupation.

ASSEMBLYMAN SCANCARELLA: Thank you. That was my next question, Councilman.

You mentioned earlier about work incentive and the fact that salaries are not based on the size of the family -

MR. SALEK: That would justify the ceiling.

ASSEMBLYMAN SCANCARELLA: Now you said you had difficulty acquiring the public records, and the records should be made public in your opinion. Do you know why they were refused? Is there a federal regulation or a State or county regulation?

MR. SALEK: I believe, as brought out in our resolution, it was because of state and federal regulations. This is why we were told these records were not made available to us even as city officials.

ASSEMBLYMAN SCANARELLA: When you talk about public records and work incentive and uniform standards, you are talking more or less about federal takeover, are you not, federal reform?

MR. SALEK: No, sir. I think the State can certainly put into effect many of the reforms, such as a ceiling, of course,- this is done on a State basis - and something that will hinder or curb welfare to recipients such as the fraud squad. I believe there are many things that the State can do to help alleviate the pressure of the municipalities which lead us on to the brink of bankruptcy. I also believe you can carry this forward to the Federal Government, no question about that.

ASSEMBLYMAN SCANCARELLA: I was referring more or less to those uniform standards you were talking about with regard to migration.

Are you aware of the bill that was passed in the Assembly last year but did not become law, that after a woman on welfare has a third illegitimate child she would not get any increased funds unless bastardy proceedings were introduced? Are you familiar with that?

MR. SALEK: I just heard about that.

ASSEMBLYMAN SCANCARELLA: Do you think that would be helpful if something like that became law?

MR. SALEK: I most certainly do.

ASSEMBLYMAN SCANCARELLA: You are the Councilman in the first ward. Is that right?

MR. SALEK: Yes.

ASSEMBLYMAN SCANCARELLA: And that is where the problem is most prevalent.

MR. SALEK: We have a preponderance of welfare recipients.

ASSEMBLYMAN SCANCARELLA: Now you discussed or described this condition which you called, I think, a haven. How long has that existed, would you say?

MR. SALEK: I think it has existed for the past two or three years and particularly because the old

families are dying out or selling their homes to specific landlords.

ASSEMBLYMAN SCANCARELLA: Prior to that time, is it not true that the surrounding areas found in Bergen County, let's say, right across the river and, as a matter of fact, the east side of Clifton, were not very much unlike the east side section of Passaic several years ago? Were they pretty similar, those areas up until this problem became more prevalent?

MR. SALEK: Pretty similar because they are old tenement buildings, if that is what you are referring to.

ASSEMBLYMAN SCANCARELLA: Yes, can you tell us why or give us your opinion as to why this problem has become more prevalent in the east side of Passaic rather than the surrounding communities?

MR. SALEK: Yes. As you very well know, we are an industrial community. Over or about 54 per cent of the industry in Passaic is located on the east side of Passaic. We have more tenement buildings in this part of town, old tenement buildings, sub-standard buildings than any other part of town and so this poses an attraction for welfare clients to move into this particular section of town.

ASSEMBLYMAN SCANCARELLA: I am not referring to this section. I am referring to that section - let's say the east side of Passaic or the Dundee section as compared to Garfield or Wallington or perhaps the east side of Clifton or East Rutherford or East Paterson; in other words, instant welfare or presumptive eligibility is available in these other towns. Why has Passaic been the haven, let's say, that you call it?

MR. SALEK: This is what I hoped the Grand Jury of the City of Passaic or this particular committee can certainly provide the answers for the City of Passaic. We would like to know why is it so attractive to come into these old sub-standard tenements at high rentals, Why in particular are they coming into this part of town? Certainly the industry is not attracting

them because it's not working. Why in particular are they there as opposed to a similar part of Paterson, for instance, or a similar part of any other section of the county. This is what I hope will be a revelation, I am sure, to the City of Passaic as to its attraction for this particular section.

ASSEMBLYMAN SCANCARELLA: One last thing. You mentioned sub-standard you mentioned crowded conditions earlier in response to the Senator's question. Now I assume or, as a matter of fact, I know you have housing ordinances in this area. Is that, would you say, part of the problem and perhaps more strict enforcement of the existing ordinances would help, or should the blame be attributed to other levels of government?

MR. SAKEL: I might say, Assemblyman, since the Council or new form of government has taken over, these ordinances have been passed and instituted, and I think for the first time the City of Passaic has had housing inspectors or the department has been increased and for the first time the citizens of Passaic have been getting their money's worth from the standpoint of having homes which were sub-standard upgraded, ordinances strictly enforced, and our Building Inspection Department is fully backed by the Council so that we may upgrade the community. As you very well know, we have demolished and improved the area more in the past two or three years than has been done in the past thirty years. So we are constantly striving to improve our community.

ASSEMBLYMAN SCANCARELLA: Do you think that is a case of perhaps being more too late than too little? In other words, you are doing it on the city level enough, or perhaps more than enough, but it's a question of getting a late start.

MR. SAKEL: It certainly is getting a late start. I believe these homes have been let go for the past 20 or 30 years and now our Department and the City Officials are doing the best they can and as expeditiously as possible

to upgrade them.

SENATOR MARAZITI: Thank you.

Assemblyman Hirkala?

ASSEMBLYMAN HIRKALA: Councilman Salek, in connection with your statement regarding information you received relative to welfare fraud, what types of fraud were reported to you?

MR. SALEK: In general, I would say that the frauds are reported to me where welfare recipients would be receiving X amount of dollars, supposedly under the guise of desertion or a man not living there. The reports I would get were that these men would either come on week ends, come at night many times, the money being spent for liquid refreshments, cook-outs, parties, colored televisions, telephones -

SENATOR MARAZITI: What kind of telephone - a fancy telephone or a regular telephone?

MR. SALEK: I'd say a fancy telephone. Colored televisions, wigs, and other things we consider luxuries. I refer them, of course, to report this to the proper authorities also.

ASSEMBLYMAN HIRKALA: There may be some disputes on whether having a colored television or a wig is in the area of welfare fraud. However, did you receive any information whatsoever that welfare caseworkers were apprized that there were frauds being committed?

MR. SALEK: I don't understand the question.

ASSEMBLYMAN HIRKALA: In other words, if people had information that they related to you that frauds were being perpetrated on the citizens of New Jersey, I want to know why no welfare caseworkers were apprized of the fact that frauds were being committed.

MR. SALEK: Well, the people who talked to me, I certainly told them to refer it to the proper authorities. Of course, this again is a question the

City of Passaic would like to know as to why there isn't a follow-up.

Let me say this, that as reported in the press by the admission of the administrator of the county welfare, they only feel that one or two per cent are frauds. I have stated here before that if I could go out just at random and hit 100 per cent. I dispute the figure of one or two per cent.

ASSEMBLYMAN HIRKALA: I am trying to determine in my own mind whether there would have to be a stepped-up program of investigation by the welfare caseworkers and that's why I'm probing into this area.

MR. SALEK: Yes, sir.

ASSEMBLYMAN HIRKALA: Have you ever received any information that welfare caseworkers were workers collusively with landlords regarding rental accommodations for welfare clients?

MR. SALEK: I haven't received the information directly, no, sir.

ASSEMBLYMAN HIRKALA: Do you think there is an element of fraud wherein the landlord charges an unconscionably high rate as soon as he determines that one of his tenants is now receiving welfare?

MR. SALEK: Yes, I would say that definitely this is a fraud, simply because he is stealing from the taxpayers of New Jersey; also the fact would dictate that if a similar apartment dwelling next door or two buildings away for the same sized apartment is considerable less for that same type of apartment, why should the welfare recipient be penalized and pay a higher price for the same type of apartment where a non-welfare recipient is paying.

ASSEMBLYMAN HIRKALA: Mr. Salek, would you like to comment in your own words on the critical housing shortage in Passaic and, in particular, the critical housing shortage as it affects those in the lower economic groups who may have children.

MR. SALEK: I would be glad to.

We have in the City of Passaic approximately 36 per cent of our city which is tax free. We are 3.2 square miles; we are constantly losing apartment units due to the highway construction of Route 21 and the demolition of old apartment dwellings and the constant erosion of the units we have in the City of Passaic. Yet it appears that there is some type of attraction where we seem to have, instead of less people due to condemnation proceedings, and all the other reasons that I have mentioned, an increase in our population and we are bulging at the seams in my opinion. I think many of the surrounding towns and places like Puerto Rico, etc., should take heed of the fact that we are overcrowded and we just can't accommodate families, that these old apartment dwellings have been and are cold water flats, three and four-room cold water flats, and these are not facilities to accommodate large families. It would only be contributing to the problem, to overcrowding, it's a health hazard, and if I might digress here, let us just think that if a tragic fire had taken place at night instead of in daylight hours many unfortunate people would have lost their lives due to the overcrowded conditions that have existed in that particular building. We have these overcrowded conditions; they are positive; they are real; they are just there; and I think the people should realize, with this type of increase in our population and the constant shrinkage of our housing units, and again emphasizing the 36 per cent tax free property, that we just cannot accommodate either in facilities or economically these families. It is not feasible for the City of Passaic to carry on this burden without becoming bankrupt.

SENATOR MARAZITI (addressing member of audience who desires to testify):

You may have an opportunity to testify. We want you to testify and, if you haven't given your name to Mr. Moore, we will break in a few minutes for lunch and you can give your name and you will certainly have an opportunity to testify today. I want to make sure that Mr. Moore reminds me that this gentleman wishes to testify and anyone else. We would like to hear from you.

I should say at this point, we are interested in information and all different views. We are not accepting what anyone says as the final situation at all. We are not doing that. We are trying to get all these viewpoints. We are asking questions, and sometimes when we ask a question it doesn't mean that we may agree with what the question indicates or the answer, but you will find out when you get down here. We want information from everybody. We are not here to criticize anyone. We are not here to penalize anyone. We are here to make the welfare program a better and more efficient and more reasonable program if this is possible. We will try. Let's hope we can succeed.

MR. SALEK: I would just like to conclude that this is not discriminatory. I only mentioned Puerto Rico in passing. If the overcrowding is coming from Italy or if it's coming from Russia, Poland, or from any part of the world or any part of the country, or whatever race, color, creed, or religion they are, we are just saying that actually we have enough to do to take care of the Passaicites. Our community, incidentally, is a melting pot of all nationalities, all races and creeds, and what we are saying is that whoever they are they will probably find better accommodations somewhere else. However, once they do come into the community, we certainly do accept them and we have no intention of discriminating in any shape, manner or form.

ASSEMBLYMAN HIRKALA: Councilman, to prepare you for my next question, I am going to read a paragraph which is taken from the New Jersey Department of Institutions and Agencies, Division of Public Welfare, Categorical Assistance Budget Manual, Chapter 2, Shelter, paragraph 2:

"Standards for Housing, Appendix II, page 10, have been adapted from those recommended by the Committee on the Hygiene of Housing of the American Public Health Association. The housing standards are essentially those factors which relate to health. The standards are intended to serve as a guide for evaluating the adequacy of a client's housing. When, in the judgment of the local agency, a client's housing fails to provide for the promotion and protection of the health of the client, it is recommended that the situation be referred to the appropriate local authority."

Now in accordance with this Standard Operating Manual, how many times has the County Welfare Board reported to the City of Passaic on sub-standard housing as it affected welfare recipients.

MR. SALEK: That's a very good question, Assemblyman. I have checked this out with our building inspector and health officer and the answer I received from them was that they were not doing this in the past. However, in the last three weeks, they have been abiding by this particular regulation, so I have been told by our Chief Housing Officer.

ASSEMBLYMAN HIRKALA: Now, Councilman, I am sure that everyone wants to uncover fraud wherever it may affect the citizens of New Jersey. In our efforts to uncover and eliminate fraudulent practices regarding welfare, do you feel that the County Welfare Board or the County Prosecutor can do an adequate job in this area or do you feel that the State Police might be a better investigatory

agency?

MR. SALEK: I believe, Assemblyman, that the State would be a better investigatory agency simply because they will concentrate on this problem, and I feel they will be coming in with just merely one objective in mind as opposed to having the County Prosecutor where he is involved in many phases of crime, and only in this way will we help clean up and shrink the fraudulent welfare recipients.

ASSEMBLYMAN HIRKALA: I just want to end on one note, Councilman. I think you join the Committee in your efforts to uncover fraud, but you certainly would not want to deny assistance to those families that really and truly deserve assistance.

SENATOR MARAZITI: He already testified to that and I am sure the Councilman and all of us, and the Council of Passaic, and everybody wants assistance to go to those who need it.

MR. SALEK: Definitely, and I would like to underscore that and make it perfectly crystal clear.

SENATOR MARAZITI: Councilman, I do have one more question I would like to ask you. It's getting a little late. The cafeteria closes at two o'clock, so I would like to break now and then when you come back I have one question. So we will adjourn - Would you like to leave or are you planning to stay?

MR. SALEK: I'll come back.

SENATOR MARAZITI: We will adjourn until two o'clock.

[R E C E S S]

[Afternoon Session]

SENATOR MARAZITI: The hearing will come to order.

[Continuation of testimony of John L. Salek]

SENATOR MARAZITI: Mr. Salek, there is another question I would like to ask you and that has to do with work incentive. We have a situation like this: Say there is a secretary receiving approximately \$100 a week in welfare - it is an arbitrary figures - and let us say that she is able to go to work and earn \$125 a week and make arrangements to have someone watch her child or children. Is she penalized to the extent of losing that entire welfare grant? That is my understanding. Is that right?

MR. SALEK: I would think so, Senator, yes.

SENATOR MARAZITI: This seems to me to be wrong and I understand this is your thinking too.

MR. SALEK: Yes, sir.

SENATOR MARAZITI: In other words, if this young lady is willing to apply herself and improve her condition and is willing to work, it doesn't seem to me that it is a fair thing to deprive her of all of her assistance because she has to make arrangements to take care of her children. If she makes \$100 or \$125 a week, by the time she is through, she has no more than she would get if she were on welfare. So in this area there is no incentive.

I am thinking of something like this: Suppose you have this case and she makes \$125 a week. Wouldn't it be fair to let her keep her \$125 per week and then have her receive either \$50 assistance a week or \$75, even \$75, because then we would be saving \$25 or maybe \$50. You really can't expect people - I know I wouldn't do it - to go to work to get the same or less if they stay home with their families. Would you favor that kind of a program, without going into detail?

MR. SALEK: I certainly would. I think what we are both in agreement with, Senator, is some type of a supplemental

income that she should be receiving from welfare if she doesn't make enough money.

SENATOR MARAZITI: In other words, you favor a program of encouraging the welfare recipients where they can. In some cases they can't. A young mother with three or four children couldn't do it. But in some cases they can. You would encourage that kind of a program?

MR. SALEK: Yes, sir.

SENATOR MARAZITI: One more thought: Do you favor a program where a young man who is in good physical condition and on welfare, if he is unable to find work, is given employment by the City of Passaic, say, driving a truck for one of the departments or perhaps working in a city office? Would you favor that type of program, provided he were physically able to do it and could do it without injury to his health? Would you favor that type of program?

MR. SALEK: Yes, sir. Not only that, I think every summer we have summer employment - that we are constantly looking in the field of recreation, parks, etc., or any type of office help that we would need for a specific period of time. I think that is a very good suggestion. I certainly would endorse a program of that type where the city would assume these welfare recipients. I think the problem is that no one has applied. I am sure if they applied and presented their hardship cases, that the city would be more than willing to provide some type of employment for them.

SENATOR MARAZITI: You mean no one has applied for this type of work.

MR. SALEK: Not to my knowledge.

SENATOR MARAZITI: This is some information you may not have. But do you know if on your welfare roles you have men that could perform this work? Maybe there aren't any. I don't know. This is something that could be checked out.

MR. SALEK: That's right.

SENATOR MARAZITI: You don't have much of that situation.

MR. SALEK: I haven't come across these situations, but I would assume that there are people that are capable and healthy enough to do this type of work.

SENATOR MARAZITI: Well, maybe we will get some of these statistics from others.

I would like at this time, unless there are further questions, to thank you, Councilman, for coming here today and testifying. You have done excellently as far as I am concerned. You have assisted the Committee. I appreciate your being here. I also want to thank you for being of assistance to the Committee and in asking the Committee to look at this situation in Passaic. You will be notified of the next hearing and I hope you will be able to bring with you some of the information we have talked about.

MR. SALEK: I certainly will, and thank you for the privilege, sir.

SENATOR MARAZITI: I wonder if Councilman Sidney Reiss will step forward, please. Councilman, would you kindly let us have your full name and address and position, please.

MR. REISS: Sidney H. Reiss, 663 Main Avenue, Passaic, and I am a Councilman of the City of Passaic.

SENATOR MARAZITI: Councilman, thank you for appearing here. You may proceed at will and testify in any way you desire.

S I D N E Y H. R E I S S: Thank you, Senator.

First let me say to you that some of the facts which I shall recite have already been covered. However, there may be some nuances that would be of interest and, therefore, I shall proceed with the statement that I had prepared.

Senator Maraziti, Assemblyman Scancarella, and Assemblyman Hirkala: I would like to thank the Committee

for inviting us here today to give our thoughts on a subject which has received a tremendous amount of public attention in the past few weeks and that subject is welfare.

Through a series of articles in the Herald News, the public has been told - and they reacted with what I think is justifiable indignation - that cheats and frauds have beaten a system through which tax dollars are channeled to help those in need.

As a former counsel to the Passaic County Welfare Board, I must say that there were, are, and will be cases of fraud. I have my own thoughts on how to discourage cheating, but first allow me to present a few statistics.

Passaic County this year is going to spend nearly \$29 million on public welfare. This amount which represents a 235 per cent increase over what was spent in 1964 is larger than the entire budget of the City of Clifton, a city of almost 100,000 people. That city's budget is \$26.2 million. And, of course, it is substantially larger than the city budget of my own City of Passaic, which is approximately \$19 million.

Gentlemen, at the present moment, one out of every seven residents in the City of Paterson is a welfare recipient. And in Passaic, it is my understanding that the rate is one out of every ten. This would mean that there are approximately 1800 welfare cases in Passaic and approximately 5500 welfare recipients.

The dollar amount we spend for welfare in Passaic County ranks us third in the State behind Essex and Hudson. But, by population, Passaic County is sixth in the State. The curve of welfare spending in Passaic County is pointing sharply upward, particularly in aid to dependent children, which accounts for roughly 84 cents of every dollar spent on welfare.

I think that what is happening in Passaic County may also be happening all over the State and that, Senator, is

what I understand is the reason for this hearing.

In 1965, New Jersey approved 9,597 aid to dependent children cases. The number in 1966 was 10,369; in 1967, 13,156 cases; and in 1968, 15,544. In 1969 the number of cases approved shot up to 43,735, a 109% increase over 1968.

And, gentlemen, I, personally, attribute this directly and substantially to presumptive eligibility. In 1968 the Federal Government told us that we must presume that everyone who applied for welfare was eligible and that we must give them assistance before we investigate. The result is there for everyone to see.

While we experienced a 50% increase in ADC cases from 1965 to 1968, we had 109% increase in one year, between 1968 and 1969.

This presumptive eligibility, in my opinion, must be a blame for a lot of the cheating and abuses. And, gentlemen, I also feel that this presumptive eligibility discourages follow-up investigations.

As one-time Counsel of the Welfare Board, I could say I have better knowledge of the cheating and frauds than some of the other critics of our welfare system in New Jersey, and in the country at large. Since we are drawing Federal aid for our Assistance Program, I don't know whether we will be able to do anything about this presumptive eligibility except through pressure on Congress and through our other sources of pressure on the Federal Government.

But, gentlemen, I think we can do something about abuses. The Passaic County Welfare Department, at present, has no investigators, although I understand that just yesterday two were authorized for hiring in Passaic County and a request of the Welfare Board was made to the Prosecutor for the loan of two of his investigators. So there should be a total of four. And this just happened today.

There are 90 caseworkers in Passaic County, 7 welfare aides and 13 supervisors among the 160 persons employed by the Department. An Assistant Counsel was recently appointed to help the Counsel to handle fraud cases. And from my own knowledge, this is a movement in the right direction, but I believe we need more.

Gentleman, it has been discussed with you and Councilman Salek has indicated that he is in favor of creating a fraud squad in Passaic County. I am of the same opinion. I do believe, however, that of necessity we need a statewide fraud squad. If there were 1% of fraud cases in Passaic County and if we were able to eliminate them, that means that we would save the taxpayers \$290,000 a year. If there were only a half of one percent, and I'm sure there are more, the savings would amount to \$150,000. Gentlemen, we could certainly build a nice city garage in the City of Passaic or half of a firehouse for \$150,000. And those are the terms in which I - much to the amusement perhaps of others -- but these are the terms in which I must see the problem that faces us.

I, as a Passaic Councilman, am in favor of setting a ceiling on welfare payments, something similar to what's being done in Maryland where recipients receiving aid to dependent children could collect only \$250 a month regardless of family size. Now I personally don't know whether \$250 is a realistic figure in New Jersey, but I certainly hope something could be done along this line. My own feeling is that perhaps the ceiling should somehow be tied into the minimum wage. I feel, in all fairness, that the Legislature should be consistent and that recipients should get no more than workers whose remuneration is carried by the sweat of their own brow.

My final point is the question of so-called welfare rights, of which much is said. But what of welfare

recipients' obligations? Paramount among these, the obligation of honesty. Welfare cheats harm not only themselves and the taxpayers but also the sincere recipient whose need is legitimate and whose actions bespeak honesty and integrity.

Recipients must be made to abide by the rules and accept their obligations.

Before closing, I think that the following must be said. I have been critical of some aspects of the welfare program, and I believe rightly so, but in a progressive and enlightened state like New Jersey no one must be permitted to go hungry or without life's basic necessities. But in order to accomplish this goal, I think we must see to it that it is done within the framework of credibility so that the harried taxpayer on whose shoulders rest this heavy burden will not feel that his money is being poured down a rathole of fraud and abuse. I think it behooves us at the present juncture to see to it that all welfare abuses are eliminated, that all legitimate needy persons are cared for honestly and properly, and that all parties work together toward the accomplishment of this goal.

Senator, I would like to extend our appreciation, and I speak for the Committee on Welfare of the City of Passaic, for the interest that you have taken in this matter. I am sure some legislative reform will come about as a result of these hearings and we in Passaic will be looking forward to this.

SENATOR MARAZITI: Thank you very much, Councilman. I am very much impressed with the fact that you served as Welfare Counsel and, therefore, I think this gives your testimony considerable weight.

I note your observation that you feel that presumptive eligibility could be blamed to a large extent for cheating and that it discourages follow-up investigations. I am interested in the latter point, for

a moment, the follow-up investigation. I don't really know but I had the same impression you have, and it's an impression with me, but I just had the idea that we don't have sufficient follow-up investigations, and I am just wondering if we could get some information on this. It may be difficult. I did ask Councilman Salek to check into this, but I am asking you if you would work together. Perhaps, having been Council of the Welfare Board you may be able to assist him. I imagine the records ought to show, if they don't show I will form a presumption that there has been no follow-up on the presumptive eligibility cases. I'm interested in finding out because I think it's important to find out if this idea works. Presumptive eligibility is based on a follow-up. If it's not based on a follow-up then it's an out and out --

MR. REISS: Give-away.

SENATOR MARAZITI: -- shoveling out of money, in some cases warranted and in some cases perhaps not. So that's important because it is a new concept. If it's followed through, it's probably all right; if it isn't followed through, we probably should devote some other thinking to it. And I know, as you do, as you mentioned, that Federal aid is tied in with this concept and we must accept it. And although the Legislature could not, of its own, abolish, unless they wanted to lose Federal aid, we could, if we had some alternative plan or some improvement, recommend to Congress by resolution a change or we could suggest this to our Congressional delegation. I think this is an area where we have got to work.

MR. REISS: Well, Senator, I just point this out to you, in accordance with the statistics that I recited, the number of cases in that one year shot up three times. Now, as so often happens with federal legislation, they give you a solution but they don't give you the means to

the solution. This is an onerous burden, I'm sure, for the Welfare Board to follow through on that many cases.

SENATOR MARAZITI: I see. You mentioned that presumptive eligibility can be blamed for the fraud. Do you think the fact that they can register immediately --

MR. REISS: Well, you see, it's my understanding that under the old system the City granted local assistance for an interim period while the case in question was being investigated. Now during that period the situation may have changed, people may have gotten jobs, the application may not have been pursued. In addition, the person was not untowardly harmed because local assistance picked up the interim period. Now, however, this interim period is bypassed. Immediately a recipient goes to the Welfare Board and, based on their affidavit and nothing more, welfare must be granted. The burden then is on the Welfare Board, no longer on the party. And that party will not be investigated for perhaps four, five, six or more months. Without taking the part of the Welfare Board, I think we must understand that with the heavy caseload they have a problem here, unless they get help as far as workers are concerned.

SENATOR MARAZITI: How many new cases do you think you get a week in Passaic, roughly?

MR. REISS: Roughly, I couldn't give you that answer but these figures I think are accurate. We have 1800 active cases in Passaic representing approximately 5500 people on welfare. Passaic's population is probably 57,000, which approximates the ten percent figure. I think that that's a substantially inordinate figure.

SENATOR MARAZITI: Well, I have no further questions.

Thank you very much, Counsellor, we appreciate your assistance.

Now I will call Councilman Kuren.

F R E D J. K U R E N: Senator, it's Fred J. Kuren, Councilman-at-Large, City of Passaic.

SENATOR MARAZITI: And your address?

MR. KUREN: 244 Pennington Avenue.

SENATOR MARAZITI: Councilman, thank you for appearing and you may proceed.

MR. KUREN: Thank you, Senator. My two great representatives from my County, I have tried to digest parts of my statement, due to the duplication from the previous speakers.

This probe, in my opinion, is long overdue in the State of New Jersey. It is my hope that its conclusion will be precedental in eliminating welfare abuses and, in effect, help to curtail parts of the welfare program. People simply must be put back to work. The banner of the National Welfare Rights Organization which states, "it's not a privilege to be on welfare, it's a right", must be overturned. The middle class residents of New Jersey have had it to the limit of their endurance and pocketbooks.

New Jersey's maximum is the highest in the nation. With this simple fact, it is not difficult, therefore, to ascertain why welfare recipients are flocking to our State. Since the housing available is limited to a few cities, 90% of the welfare problems are burdened upon 10 cities in New Jersey. Welfare, a national problem, enhanced by New Jersey's give-away, has become a major local problem for the few communities affected. The cost of the services necessary to maintain health, education and safety for communities with a high welfare population is staggering. In Passaic, 85% of those on welfare did not live in the city three years ago, and we are aware that the services mentioned has added 75 points to our tax rate and will increase with each coming year. Cities such as Passaic are at the verge of bankruptcy, they require aid, and in quick order.

- In my opinion, it is necessary for the State of New Jersey to lower its formula for aid to welfare recipients. The amount of the maximum payment should not under any circumstance exceed the amount of money that is earned by a person who is working at the minimum wage level. We cannot permit anyone to sit at home and do nothing to have more spending power than a wage earner, who is carrying his share of the load.

I wish to cite the spending power available at various levels of middle class salaries as compared with welfare recipients. The example utilizes six persons as a family unit, each in the same age group, attending like schools. Taxes and other necessary expenditures are deducted from each base salary.

<u>Salary Range</u>	<u>Spending Power</u>
\$10,000.	\$4,515.
9,000.	4,299.
8,000.	3,702.
Welfare	3,003.

This comparison indicates that a family earning \$10,000. winds up with .73¢ per hour in additional spending power than the welfare family. The \$9,000. family has .63¢ additional, and the \$8,000. family .35¢ additional. I might add that there are a great number of families in New Jersey who do not have an income of \$8,000. Based on this comparison, there is little wonder why many residents of New Jersey are asking why they should work, when they are being taxed to permit idleness.

The comparative takes on added meaning when you consider that the wage earner, if he is unfortunate enough to be laid off, will receive almost \$100 less in monthly payments than the welfare family. This cannot be considered equal justice.

For all of its ugliness, today's welfare problem is a by-product of progress that has relieved hundreds of thousands of men, women and children from back breaking toil on farms and menial tasks in factories. New Jersey's excessive welfare payment schedule has simply moved them from rural to urban areas. Communities like Passaic can no longer bear the strain of unfair federal and state legislation. We face extinction unless changes are made.

It is my recommendation that this committee consider the following:

1. Lower the maximum payment allowable.

This maximum should be comparable to the salary of a minimum wage earner, and should not change regardless of family size.

2. Implement a residence requirement.

We should not be burdened with the problems of another State.

3. Welfare records should be made public.

In our community, we can estimate with a 95% rate of accuracy that despite liberal welfare formula, 1 out of 5 cases are abusing this privilege.

4. Educational cost should be borne by the State.

This would distribute more dollars to the communities that provide the services.

Finally, a plea that rapidity in studying the results of this probe result in priority action for legislative change. As an official of the City of Passaic, I assure you that your Committee will receive the thanks of a grateful community. I am certain that a better Passaic means a better New Jersey, and that is what we are all looking toward.

SENATOR MARAZITI: Thank you, Councilman. Could you repeat item number two, please.

MR. KUREN: Item number two stated that we should implement the residence requirement.

SENATOR MARAZITI: Would you explain that slightly?

MR. KUREN: If I may cite one particular case, a building that was being torn down in the City of Passaic, five apartment units, - we found within the structure that the longest resident in the City of Passaic had been there two years. One of the apartment dwellers had been there only three months and yet this was a problem that was now Passaic's, not only relocating but also seeing to it, through the County, that welfare was available.

SENATOR MARAZITI: Well, this would be in the same category as the other situation, presumptive eligibility, where it would require federal action because of a Supreme Court ruling.

MR. KUREN: That is correct. Senator, if I may state also. You asked Councilman Salek, before, some questions about the purchasing of a home by welfare recipients.

SENATOR MARAZITI: Yes.

MR. KUREN: I have a communication here from Mr. Fiori, whose title seems to be Deputy Director, Division of Housing and Urban Renewal, Department of Community Affairs, who has forwarded to me a copy of the legislation that permits such action, and states that the only

requirement is a \$50 required down payment and that even this requirement may be waived. So that, in effect, we are saying that homes can be purchased without a penny of cash being put up.

SENATOR MARAZITI: Yes. I wonder, would you be willing to loan us that correspondence and we could xerox it this afternoon and give it right back to you, or give it to Assemblyman Scancarella and he will deliver it right to your office.

MR. KUREN: Certainly.

SENATOR MARAZITI: Then may I ask, in connection with this home purchase, do you know whether the welfare payments would vary upward if a person purchases a home or would they stay the same?

MR. KUREN: I attempted to look through the entire - it is a ten page document -- while you were speaking but I could not come across that.

SENATOR MARAZITI: You see, what I have in mind. In other words, I would like to determine - we don't have to do it now but I would like to determine if the welfare payments are the same for a rentor as they would be for the homeowner. Is it more, the same, or is it less. Perhaps I can procure that information from Fiori.

MR. KUREN: I think the information is available.

SENATOR MARAZITI: Now, do any members of the Committee have any questions?

ASSEMBLYMAN SCANCARELLA: Councilman Kuren, you state that New Jersey has the highest maximum in the nation. Do you have authentication of that?

MR. KUREN: Definitely. The figures, as I say, vary because of the amount of children that are involved but it is in the Aid to Dependent Children where the State of New Jersey ranks as the highest benefit payer.

ASSEMBLYMAN SCANCARELLA: Now, has that information been procured from the State Welfare Department?

MR. KUREN: No, that information is not available.

ASSEMBLYMAN SCANCARELLA: So this is an estimate.

MR. KUREN: I am telling you that it is a fact and if you can find out through your process, you will find that it is indeed fact. I think the Herald News --

ASSEMBLYMAN SCANCARELLA: Well, I have information to the contrary but it's probably the same as yours, not authoritative enough to make that as a cold statement.

MR. KUREN: Perhaps you will recall the Herald News, our local newspaper, ran an article and their figures were basically the same figures that were given to me, and I am certain that they are correct.

ASSEMBLYMAN SCANCARELLA: Assemblyman Hirkala and I had a meeting of our Committee in the Assembly with the State officials here and there seems to be some dispute in that regard. But even the dispute was so slight that if it's not the highest, it's among the highest.

You mentioned the fact that people on unemployment would get, I think, \$100 less than someone on welfare? Is that what you said?

MR. KUREN: Yes.

ASSEMBLYMAN SCANCARELLA: In other words, I think the maximum now in the State is about \$70 a week.

MR. KUREN: \$69 a week.

ASSEMBLYMAN SCANCARELLA: And welfare, of course, is --

MR. KUREN: Is higher than that.

ASSEMBLYMAN SCANCARELLA: Also as to your communication from Community Affairs, does that letter cite a federal regulation or are you talking about a State regulation, with reference to the purchase of homes?

MR. KUREN: "Enclosed is a copy of the demonstration rent supplement program, down-payment assistance program, as requested in your letter." This refers to - "In accordance with applicable provisions of the Administrative

Procedure Act of 1968" - and this, by the way, is ordered at Trenton, the 10th day of March, 1970, so it had to be a recent ruling.

ASSEMBLYMAN SCANCARELLA: Well that Administrative Procedure Act is federal legislation, I would think.

MR. KUREN: I don't think so. This seems to refer to the State of New Jersey throughout here.

ASSEMBLYMAN SCANCARELLA: And I think the Senator alluded to the fact that this residency requirement that you mentioned - a bill was passed in this Legislature, at least in this House of this Legislature, for a one year residency requirement and, within a week or so after, another residency requirement in another state was declared unconstitutional. I guess you are aware of that.

MR. KUREN: I realize that what I have asked is probably for you to try again to get the federal government to change it.

ASSEMBLYMAN SCANCARELLA: And one last thing, This presumptive eligibility that was initiated in 1968, do you know whether that was done by federal legislation or by administrative procedure? In other words, would it take congressional legislation to change it, or was that done by administrative act of the President, or what?

MR. KUREN: I don't think I can answer that question.

ASSEMBLYMAN SCANCARELLA: Thank you.

SENATOR MARAZITI: Any further questions?

In connection with the last observation by Assemblyman Scancarella, regardless, we know that this is a federal requirement that we must try to change, but you are recommending these things.

MR. KUREN: That's correct.

SENATOR MARAZITI: Councilman, I thank you very much for your appearance here and want you to know that the Committee and the Legislature appreciates it.

MR. KUREN: Thank you very much.

SENATOR MARAZITI: May I have a copy of that letter

and I will try to have it xeroxed and give it back to you this afternoon.

Mr. Joseph Pojanowski.

ASSEMBLYMAN SCANCARELLA: Mr. Chairman, before this witness testifies, inasmuch as we do have so many witnesses, I would just like to note on the record that Freeholder William Bate from Passaic County was in attendance here today. He will not testify but he was here in attendance.

SENATOR MARAZITI: We thank you for appearing here this afternoon, Freeholder, and we hope that you will be able to attend the other sessions and can give us the benefit of your observations. As I mentioned before, we are interested in getting as much information as possible and receiving as many suggestions as we can, in order to cooperate with everyone.

Now, Mr. Pojanowski, would you kindly let us have your address and your official position.

J O S E P H P O J A N O W S K I: Senator and Assemblymen, my name is Joseph Pojanowski, I live at 22 Albion Street, Passaic, and I am President of the Welfare Board of Passaic County.

SENATOR MARAZITI: We appreciate your appearing here today and suppose you tell us what you have in mind and feel free to testify in any manner you desire.

Do you have a prepared statement?

MR. POJANOWSKI: I do not. I have had a prepared statement for weeks and months and years in my head that should have been said and I am glad of this wonderful opportunity which you have afforded because something like this needed to be said and we just never had the proper forum because bureaucracy was on all sides. I think, had you not called this meeting in a very short time, we would not register as Republicans or Democrats, we would register as recipients and those that pay. That would be the distinction, and one would laugh at the other. However, in all seriousness,

gentlemen of the Legislature --

SENATOR MARAZITI: Well, yes, but let me say, maybe that's the case but no one should draw any conclusions, you know, from the fact that we're recipients or that we pay. In other words, we are going on the theory that those who need assistance should have it and those that do not need it should not have it. I want to make sure that no one gets the impression - I know you don't mean it this way, and we don't want anyone to get the impression that a recipient is someone to be looked down upon.

MR. POJANOWSKI: Oh, no, but I mean the distinction is getting --

SENATOR MARAZITI: I know you don't mean that but I just want to make that clear.

MR. POJANOWSKI: No, but I mean the distinction is getting rather sharp.

SENATOR MARAZITI: I know, not Republicans or Democrats. I know a lot of good Republicans are recipients and a lot of good Democrats are recipients, and vice versa.

MR. POJANOWSKI: Senator and Assemblymen, I know that this inquiry is a very important one and it's going to cover many facets and there is no simple answers that I am going to supply you with. And I am sure that none of the gentlemen preceding me or following me will have nice little pat answers where we'll walk away and have it all wrapped up.

I would like to confine my area of speaking to you to what we can do within the laws that exist. Now I know that there is so much that we can talk about in theory, what should be done, what the federal government should do, what you, as Legislators, should do, and you should, of course, take each of these good and excellent recommendations; but I still think that there are many things that we can do on our own, presently, if someone,

like this body, can bring it to the attention of the proper authorities and say, "Look, let's look into this. Maybe we don't need legislation, maybe we can just go ahead and do some of these things."

Every week or every couple of weeks the Supreme Court comes up and says we can't do this, you can't look in a bedroom, you can't inquire into this, various different restrictions, and handcuffs have been put on various departments so that their actions are limited in trying to enforce this program. I believe it's an archaic program, it needs repair. Everyone knows it needs repair. And yet, as the courts chip away at these rules, they replace it with nothing to reinforce the very people that are supposed to be administering this. And I would like to classify myself, I think, as a critic of the welfare system, not the recipients. I am not criticizing welfare needs, I am not criticizing the need for welfare, but the way it's being administered. And I think it's just something that grew. No one planned it that way, no one wants it that way, but it just grew and I think it starts right from the top, Senators and Assemblymen. I think your State Welfare Commission - I've never met a member of that Commission and no one has ever spoken to me. We've never sat down and had any sessions of mutual interest. They seem to be far removed and I strongly suspect they rarely have anything to do with each other. They may meet. Constitutionally, they are required to meet once a month, I am sure. I am sure Mr. Engelman, the State Director, speaks to them and they listen to him, just like I have known my predecessors to sit and listen to present directors. They tell them what's necessary. None of us would feel knowledgeable enough about the subject to inquire about the validity of the suggestion. We would pass them and someone makes a motion to adjourn and that would be the crux of the meeting.

I am afraid it has been 30 years of nobody getting

involved. I think there are six vacancies this year in an 11 man commission. These are appointees. Mr. Walter Kidde is the Chairman of this Commission. I think some attention should be given to people who are activists, people who are willing to be involved and understand what is going on.

I think a fault of the State Department, the Director's office is such that they've taught the various counties to depend on them for the smallest decision. They haven't been able to make decisions. And I have been admonishing our Board to take action first and then if Trenton stops us, we're not committing revolution, we cease and desist. We will try some other tactic. But, no, they feel they have to -- I know that we've been trying to hire an investigator for the past year. We are bouncing around first with the resolution whether we should or we shouldn't and then we talk about well, will Trenton permit us to do this? And then, before we get a reply, as time goes on, we still haven't hired anybody. We just authorized one yesterday.

Now, we can go on and on in this general aspect but I am still trying to think and talk in terms of what to do today without legislation, without federal laws, state or federal, and without hurting recipients. Now, first I would like to have it understood, I am not for hurting someone who wants welfare. I don't think anybody in any category wants that to happen. I'm talking now about the abuse of welfare, the frauds, the money that's being wasted on people who shouldn't be getting it and this should be devoted perhaps to the people who are not getting enough, because there are many people who are not getting all of the welfare that they are entitled to because our guidelines also set limitations.

Now, amongst the many, many things that we could consider - now these are just thoughts that could go

into the record and be mulled over and then perhaps I would like to come back and go over these in detail on the various aspects of each one.

I think, for instance, mothers that are capable of going to work but they have small children, perhaps they could give permission to other mothers to take care of their children while they go to work. Some system can be devised where some of the mothers that are capable can take gainful employment while other recipient mothers can take care of these children. And, of course, up to now I know you have to have a dietitian's certificate, you've got to have some sort of liability responsibility, various little stumbling blocks are in the way. But that's something to delve into and that can be implemented, if we have the will to implement these things.

I think fathers of abandoned children should be hauled into court as negligent. I mean, they are contributing to the negligence of a minor. I mean, under Title 9 I am sure we can find something in our statutes that would take a man - I know of fathers who are sitting in the neighborhoods, sitting in the same place, and they say they abandon the children. They go to work or they don't work and nothing happens to them. Yet there is nobody who feels it is his job. People meet me and say "Something should be done." What can be done? I see a lawyer - we have a legal department - he can't do it because it's not in his department. Then you go into the prosecutor and everything gets bogged down with various mounds of red tape.

Now there is such a thing as illegal use. I heard a gentlemen testify on presumptive eligibility. What's wrong with presumptive ineligibility? When someone is living and is known under one name and then you find that he is buying stuff on credit, merchandise on credit and he is using another name. Or he's going

to the Welfare Board and using one name and his mail and rent receipt are made out to another name. To me that's presumptive ineligibility. I think they should be immediately disqualified, or at least we could say, show us cause why we should not stop your checks immediately, instead of writing to Trenton and waiting for permission to curtail this particular check.

I know of many instances of that nature. I mean, I can go into case after case, but this is not the forum for that and we can go into that more in detail.

SENATOR MARAZITI: Yes it is. I would like to hear more about it.

MR. POJANKOWSKI: Well, I mean, I will come back to them but there's so much more, you might want to hear something more pertinent.

But presumptive fraud I think is just as important as presumptive eligibility.

I think that some thought must be given to, when money is issued to dependent children - I'm talking about dependent children only, not aged and other categories - that some supervision should be had so that this money is spent for these particular children, that the predominance of this money is used for their food, for their shelter.

I know of one case where the mother gets a substantial check and I am told that her boyfriend comes in and takes half of that money away and her children go around begging in the neighborhood for food and she is drunk every single day of the week, this particular mother. And I don't know if it's anybody's job to look into this. A caseworker, as our directors probably could testify to the mechanics of welfare - there isn't very much you can expect from a caseworker with the work load or the way the work is arranged or what is expected of them - they just can't watch herd over every particular mother. But

we do have to get somebody involved. It's somebody's job to see that welfare money to dependent children is primarily spent on the children that need this particular money.

Well, this is probably touching on the legislative side, but when it comes to illegitimate motherhood, continuous repetition of illegitimate motherhood, I know no one in his right mind would get up and say let's have these mothers sterilized, I mean you just couldn't do it and it wouldn't be right, probably. You wouldn't get away with it, anyway. But there should be some limitation where we are not giving these mothers a reward because in many instances a child is not a loved child, it's something that means another \$50 a month and something to be tossed away. So this has to be given some legislative thought.

I think that all departments of municipal government -- people say, what's wrong with the Welfare Department, why doesn't the State, why doesn't the Federal Government -- but I think this is a many facet problem. I think all departments of all municipalities, and state departments, have to cooperate in this tremendous picture that we do have. I mean, building departments, health departments in our municipalities. Our caseworkers must report abuse of children. If they are beaten excessively, we should have the prosecutor in to see if that gainful wage earner is not giving his family the proper care that they should have.

These are instances where we can go on and on. I can site you case after case. But, you see, the biggest problem is, in welfare business -- and I think it's a business because welfare, I think, is one of the biggest industries in the State of New Jersey today, it certainly is our biggest industry in Passaic County. It's a \$30 million industry without looking at the health ends of it. There is too much hush-hush. I mean, we've

had meetings of the welfare where we shouldn't give out releases, we shouldn't talk. I think it all started with the person's name that's receiving welfare is not supposed to be divulged because you may embarrass this fourth generation even now that it has become a trade, but you may embarrass that family by mentioning their name. And all this hush-hush has been misinterpreted. It reached the point that at a Welfare Board meeting no one spoke of anything outside of the welfare chambers because it was all hush-hush. In my opinion, the only hush-hush is the recipient's name, the amount of money we spend. The statistics should be and are public property, and it should be divulged because the people are paying for it. Whether the person's name should be held in a secret fashion, I doubt of its value because it has not deterred people from getting on welfare, in fact, many of them advertise it, that they are on welfare. I've seen them come to public meetings and admit publicly that they are on welfare. They feel there is no stigma to it. So I think welfare boards throughout the counties should welcome airing it. They should have public meetings and have people at least voice any objections to the workings of welfare. I can talk about the abuse of welfare but I am sure if there was a welfare rights organization talking they could talk about abusive caseworkers, perhaps, or unfair caseworkers, where they too have to be listened to, and they should also be heard in case we are wrong or we are restrictive in some fashion. I think there should be a forum where all welfare boards should have public meetings and the people can meet with them and discuss their mutual problems. That's as far as the hush-hush. I think the State encourages secrecy too much.

I think stolen checks - we have to assume a responsibility. There are a great deal of stolen checks, welfare checks. I know of one instance, and this is a

bona fide case, where the recipient cashed the check in the presence of a man who knew her. He cashed that check for her for \$210. She immediately turned around and claimed that her check was stolen. The check was stopped at the bank. This merchant came up to the welfare board and inquired why his check was stopped they said it was stolen. He said, "No. She signed it in my presence." So they still wouldn't acknowledge the fact that it was a bona fide signature. She had a case of 13 frauds behind her, and yet the merchant was never reimbursed this \$210 and the recipient was never chastised or caught or criticized for cashing this check doubly. The Welfare Department issued her another check because they felt she was entitled to it. The merchant certainly didn't get a proper hearing in this particular case. Perhaps people more knowledgeable could testify to its validity.

Now, I think there should be a definite freeze on how many people are going to receive welfare. A year ago, just about a year ago now, there was some federal legislation going on about a federal freeze. There was a congressional bill to freeze the welfare due to, I think, five recipients or four members of a family. Our Welfare Board in Passaic County passed a resolution, over my objection, that they wanted this bill defeated. And the reason given was, if the federal government doesn't participate in any amount of money required above the five recipients, then the counties would have to make up the difference out of their own funds. That was the objection, -it's better to have an unlimited supply of federal money and state money rather than have the county -- and this bill was defeated, incidentally, so that we do not have a freeze. But that was a very good piece of legislation that boards, like my own, defeat. They sent circular letters between all other boards to get on record that they are against it,

and it was a power play or pressure play, and they did prevail, regardless.

I think child centers should be thought of quite a deal, where honest-to-goodness mothers who want to do some work should have an honest-to-goodness safe place to bring children under some sponsorship where they can leave their children in safety, put in an honest day's work, even pay a small fee for the privilege of leaving the child at like a day nursery. But that is an area for a great deal of thought, in fact there should be a special committee on that alone.

Lastly, I want to touch slightly on owning a home. It seemed to interest the Senator and the Assemblymen. You see, it's paradoxical that the government can make the payments for a home because logically they can show that the payments in some instances can be cheaper than paying rent for the very same large family.

I don't know if you are aware of it but when a recipient agrees to accept welfare money, he signs an affidavit that if he ever has money or falls into some money, he will reimburse the welfare board for the money they've expended on him. That is the regulation. Now, the welfare recipient signs this affidavit. Now, in view of this affidavit, if a bona fide recipient decides that he has had enough of welfare, he has the opportunity to go to work, takes a job, starts saving his money, puts it in the bank and buys himself a little home, well we, as the welfare board, can take that home away from him. We can attach his salary for the money he owes us, in theory. I don't say it's happened but in theory that's the way laws are rigged. And that certainly isn't much incentive for a person to get off of welfare.

But these are the things that need a great deal of attention without going into the legislative end, and

if we went into the legislative end, I think we would go on and on. But I don't hold much faith in what the Legislature or the Congress is going to do because we may come up with beautiful or thought-provoking ideas but, just like in New Jersey, - before we make a move in Passaic County very often we refer to Trenton, Mr. Engelman's office, and I am sure that Mr. Engelman, when he makes a decision, cannot make a decision for Passaic County. He has got to say, how will this apply to Sussex County, how will this apply to Hudson County. Then he comes out with a broad decision which is watered down or isn't hitting the point. Welfare Boards should be encouraged to take the initiative on their own parts so that they can react to local situations as they occur.

I think that federal bodies and state bodies, when they get to considering legislation it gets so watered down that you can hardly recognize it from what they started with because various groups come up, and rightfully so, - these various groups do come up and they will say, my dear sir, that's not enough to live on. Then somebody has to have the courage and say, of course, it's not enough to live on, that's the object of it. Because if it's enough to live on, why go to work? I mean, there has got to be some reward for the sweat of the brow. There has got to be some reason for me or anyone else to learn a trade, to have a good name, to see that I am debt free so that I will not be sued or something taken away from me. We are destroying these very people we think we're helping. We are helping them into some sort of a servitude.

I know, Senator and Assemblymen, they do have organizations but, like any other organization, they pay dues and they have representatives and it's their job - well, it's just plainly their job to perpetuate themselves and no matter what you give them will never be enough

because they feel that's what expected of them and required of them in order to justify their own existence.

I think the recipients should be helped for gainful employment. That should be a broad objective. I think these various little things that I have talked about can be implemented in some way to some degree. But this cannot continue on because we will be registering, as I said, as recipients or givers, one or the other.

That's the end of my statement, sir.

SENATOR MARAZITI: Thank you. I would like to ask you a number of questions on what you have covered. And I appreciate your testimony.

One of the points you made was that you feel that the fathers of abandoned children should be hauled into court and, if possible, if he has the funds or can acquire the funds, he should be made to pay. I certainly agree with that observation.

Now, I wonder if you can tell me if anything has been done in this regard in the last several years in Passaic County.

MR. POJANOWSKI: I can't testify. I mean, you have more qualified witnesses in that area. But I do know that, regardless of whether a man has means or doesn't have means, he shouldn't be sitting there and enjoying himself. He should be either sitting in jail - and this should be some deterrent for other fathers from drinking beer all afternoon while their wives are obtaining money, I think under fraudulent circumstances, because he's capable and should be working and providing for his family.

SENATOR MARAZITI: Well, I am in complete accord with your thinking, and I am concerned about it because, as you say, we do have sufficient statutory law to take care of a situation of this type. And this has come up a number of times today. I am wondering why it is that there hasn't been some definite action in this regard. You don't know that there isn't but it doesn't seem that

there has been.

MR. POJANOWSKI: Well, I have some opinions, Senator. I think municipalities that complain about states, states that complain about federal governments, - I think municipalities are just as guilty in this horrible picture as anyone else because it's a state statute. It's a state statute for a girl to have an illegitimate child. I mean, they call that fornication. Nobody has been taking them to court for it. Nobody is charging them with this crime because you just don't talk about these things. But we're neglectful. Either it's a crime or it isn't. Now if she has one child, I can see accident births. I can see two children, probably. But when you have four, five, six, seven or eight, and there's not the same father, I think she should be taken into court. Fornication is still a criminal offense in the State of New Jersey. If it isn't, then it should be removed from the books. But somebody has got to have the gall, guts, or whatever you want to call it, to implement these laws. I mean, you just don't go on. Just like a father, he shouldn't be laughing here while that kid is walking around begging for food from the public. That's what he's doing. He's putting his child into servitude because he's being born under the aegis of public handouts. He should go to work.

SENATOR MARAZITI: Let me ask you this. Is there any way that you think - I have suggested a number of ways, but I would like to get a report or information on the number of fathers who have abandoned their children and who are not supporting them to determine whether or not the prosecuting authority - we do have criminal laws in this regard - are doing what they should be doing. If they aren't, what is the reason. Who would have this information? In other words, there are X number of cases of abandoned children, and what the next step would be - are these referred to the prosecutor's office or how does it come to their

attention?

MR. POJANOWSKI: First of all, Senator, I am part of a policymaking committee rather than an administrative committee. I think you have more qualified witnesses, like Mr. DeSantis --

SENATOR MARAZITI: Who would Mr. DeSantis be?

MR. POJANOWSKI: He's the Director. He's better qualified to speak on the subject than I am, because he would have statistics. If he doesn't have them, he's capable of getting statistical information for you, and that would be factual.

But I would like to guard about one thing which is that we must draw the line and make the difference between being perfunctory and saying, well I made her go and report it to the police station and they took the information down and that was the end of it; rather than an honest endeavor of locating this father or making a real honest attempt to locate that man and bring him into court and face the judge. There's a big difference between giving lip service and actually performing the service that should be done. And someone has to take a stand on it. I think this body should be the opening gun on that.

SENATOR MARAZITI: Now on the question of presumptive eligibility. It's your opinion that it should be the other way around, they should establish proof of need before receiving assistance. I suppose the problem has been time involved. I don't know if this has been a problem.

MR. POJANOWSKI: I am somewhat familiar with it and I have strong opinions. Again, we can't go black or white, there are gray areas that we have to assume. And presumptive eligibility has its merits in its intent; it has its built-in abuses. I think the municipalities should initiate recipient's eligibility, not the county government. The county office of welfare should not

there has been.

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be the one to receive originally the recipient. I think the recipient should first register at some municipal office, such as the welfare offices that are staffed but no longer are funded in the communities. They should register there and establish the fact that they are residents. Because many times you can take these recipients and call up their landlord and they will never recognize their name. They probably don't live there or maybe they just moved in with their sisters and brothers and they're crowding this place. They say they have three or four children, or two children - I would like to have someone on the municipal level say, "Show me their birth certificates. Are they your children." I know a fraud can still be a fraud even with birth certificates. They counterfeit money so birth certificates shouldn't be that difficult, but it would be a deterrent to some extent. They certainly couldn't produce it on the spur of the moment. If they say they're married, I would like to see their marriage certificate. I know I got married but I never showed it yet, no motel ever required it. But the fact is that there should be a reason. If you have a marriage certificate, let's see what it looks like.

I think these are deterrent factors. But the main thing is when the municipal department could look in and say, "wait a minute, they can't be living here, that house is crowded, there is only one bedroom, how can nine people sleep in one bedroom?" And right there and then we're nipping it in the bud. I think municipalities also could contribute more to this, to the containment of welfare. It takes many aspects.

SENATOR MARAZITI: Well, there is no doubt about it there should be checking. Now the problem is, they changed the rule. Instead of checking before, they check after, maybe. Now, before the presumptive eligibility,

how did it work?

MR. POJANOWSKI: Before, the municipal department referred them to the county, induced the county to take over the expense of their --

SENATOR MARAZITI: I mean, say somebody applied for welfare before this presumptive eligibility rule, somebody applied, they would check them out right away, is that it?

MR. POJANOWSKI: That's right.

SENATOR MARAZITI: What happened? Didn't that work? Why the presumptive eligibility rule?

MR. POJANOWSKI: I think that's a State of New Jersey regulation.

SENATOR MARAZITI: It is now, I know, because it is a federal regulation.

MR. POJANOWSKI: Why they do it, I don't know.

SENATOR MARAZITI: Well, I'm asking you this, you were familiar with welfare operations before presumptive eligibility.

MR. POJANOWSKI: Slightly so. I wasn't a member that long.

SENATOR MARAZITI: All right. In other words, I am trying to find out if there was a problem in New Jersey before this change. We have to do it now because of federal regulations but I am trying to find out how it operated before. Was it satisfactory or not?

MR. POJANOWSKI: You have better qualified witnesses for that.

SENATOR MARAZITI: Who would know that?

MR. POJANOWSKI: Mr. DeSantis.

SENATOR MARAZITI: Oh, you suggested some method of supervising to see that the money paid for dependent children was spent for the benefit of the children. I guess what you were assuming is that there may be cases where the mother may receive the money and the children do not get the benefit. Of

course, in the matter of administration that's a very difficult problem.

MR. POJANOWSKI: Well, again it comes down to probably caseworkers. But I think it's mostly opening their eyes. Are the children properly dressed, do they seem to be fed, questioning the children, what did you have for dinner. I mean, you catch them in a moment off guard but at least you've got to try.

SENATOR MARAZITI: This would call for what we talked about before, some method of checking on the entire operation and this might be one of the functions.

MR. POJANOWSKI: That's right.

SENATOR MARAZITI: Now I am very much interested in one suggestion you made about child centers that would enable mothers, who would like to work, to place their children in the care of proper child centers. Is there anything like that in operation?

MR. POJANOWSKI: No. We had that discussion yesterday at a welfare meeting. It was brought up by one of the welfare commissioners, Mrs. Louise Friedman brought this subject up yesterday. We got quite interested in the subject. And there is a child care agency at a state institution that we are supposed to get in touch with and see what we can do on our own county level. I was very much in favor of not waiting for the state government, or any other government, to start implementing these various improvements, if we can do it. And we are going to look at it personally from a county level, but I think it should be directed from the state, a state set-up on this.

SENATOR MARAZITI: Well, do you have any child care centers now?

MR. POJANOWSKI: No, not official. We have various child care centers run by religious groups but there is nothing organized about it that the welfare department would say, we want you to take three or four

or eighteen of these and take care of them.

SENATOR MARAZITI: Do you think it would work?

MR. POJANOWSKI: I think that's one of the most necessary things we can have because these women are capable women. I don't know if many of them are here today but they are well dressed, intelligent looking ladies, and they certainly are capable of taking care of their children, their children are clean, and they can take care of other people's children, too.

SENATOR MARAZITI: In other words, on the child centers, I'm interested in that. Do you know of any states or any areas where that is in operation?

MR. POJANOWSKI: I do not, Senator.

SENATOR MARAZITI: And you feel too that many of these mothers who are well trained, many of them are secretaries and have other training, you feel they would welcome this opportunity?

MR. POJANOWSKI: I think so. I think there is real honest need for it.

SENATOR MARAZITI: You don't know of any state that has it.

MR. POJANOWSKI: I do not, Senator. We will know more about it in the next few weeks, probably.

SENATOR MARAZITI: Well, when you do find out, I am very much interested in it and when you find out could you communicate with me?

MR. POJANOWSKI: I certainly shall, sir.

SENATOR MARAZITI: Now, on the question of owning a home, no one really seems to know but it would appear here, from what you said, that perhaps the welfare authorities would pay the amount necessary to amortize a mortgage on the home and would also pay current expenses, taxes, interest, and so on, regardless of what it is.

MR. POJANOWSKI: Well, I think the original concept of this legislation or program was to make

recipients responsible home owners and give them a sense of responsibility and a sense of ownership and, thereby, get them off the welfare rolls. I think that's the original concept. I think the theory probably is a good one but I think it's self-defeating because there are so many people that work so hard and still don't own their homes and another group of people can go ahead and own homes and never contribute any of their own money to them. I think the whole concept cannot be --

SENATOR MARAZITI: Well, there are maybe a number of viewpoints on it. As you said, the original idea, I suppose, is to make home owners out of as many as possible and if this can be done without additional expense to taxpayers, it may be a worthwhile project, although it's too young in its operation to come to any conclusion on. Of course, there's the other element involved. It doesn't seem to me to be financially feasible because I can't understand how it is possible for a welfare recipient to own a home if people who are employed can't own a home. There is something here where we need more information.

MR. POJANOWSKI: The difference is mortgage money, Senator. It's the availability of mortgage money at a reasonable interest which is subsidized by the federal funds, not available to average citizens.

SENATOR MARAZITI: Well, if it's subsidized by federal funds, that means subsidized by taxpayers.

MR. POJANOWSKI: Yes.

SENATOR MARAZITI: And subsidized by the people who are working.

MR. POJANOWSKI: That's right.

SENATOR MARAZITI: In other words, it's an area in which a great deal more information must be procured. No one seems to have specific information in this area.

Now, one more point you made here, that you are concerned, and I think you are justly concerned, with the

fact that we ought to try to break the welfare cycle, that it is binding some people into some sort of servitude, which is really not good for them or for anyone else. We do know in certain cases it is very difficult for the individual to exist without support and, therefore, we must give it. But your thought is to attempt to do all we possibly can to restore them to a position where they can become gainfully employed, the ones that can; and the ones that can't, partially employed. Is that what your thinking is?

MR. POJANOWSKI: I believe it should be a many-sided approach again. I mean, the federal government and state government, even now we have various programs, WINS programs and other programs, and they are to be employed or trained for employment. I think that when the federal government took away the stigma of being on welfare, they've taken away initiative of getting off of welfare. I mean, this is the fourth generation of welfare recipients. Welfare now has become a trade, a profession, a craft. Certain families profess and know the laws better than you, Senator, or I. Certain recipients are better versed on what they are entitled to than we are, and probably it's good that they are, it's their business, but it certainly has become a way of life and a way of business. The hard part is that they - when I say "they" I mean narrowly the people that could get off of welfare but don't want to and it doesn't matter whether they're in the rural area or an industrial area, they feel that this is a better way of making a living.

SENATOR MARAZITI: These people that could get off of welfare. In other words, you are assuming that there are a number of people, and perhaps there are, that could be gainfully employed and don't have to be on welfare. That's your thinking.

MR. POJANOWSKI: That's right.

SENATOR MARAZITI: Now these people would be what, men, women?

MR. POJANOWSKI: Both, sir.

SENATOR MARAZITI: Then you feel that there are some men who are receiving welfare or - tell us about that.

MR. POJANOWSKI: I'll put it this way. I will just give you an instance. There is a man living in one of my houses. I found out he's on welfare. I go to this person - I go to Welfare Board and I find out who his caseworker is. I said, "Is this person on welfare?" She said, "Oh, yes." I said, "Why?" She said, "Oh, her husband left her." I go back to the husband and I said, "Where do you work?" "Oh," he said, "I work in Carlstadt." I said, "What's the name of the company?" So he looks around and gets me a stub of a check dated March 25 - I'm asking this, oh, about April 1st, just before April 1st, March 28th. I said, "Is that where you work?" He said, "Yes, that's where I work." So I go back to the welfare caseworker and I said, "I want you to stop this person's check because he's a definite fraud and this is going to be reported to the Legal Department, the man is working. I work around that building, which I own, and I see him at least three times a week and you shouldn't give him his check because he's there. That's a fraud. He's never deserted her. That's not even her name. They live in my house under another name. They gave you an assumed name." That's why I pointed out originally about the dual names. So I alerted this caseworker to that. I went back there on April 4th and I asked this caseworker, "Did you give her a check?" She said, "Oh, yes, I did." I said, "Why did you give her a check? I already told you not to. I alerted you." She said, "Well, she told me a different story, Mr. Pojanowski. It wasn't the same as yours."

Now, when you take that attitude - I mean, there's no guideline. And there is a man who is capable of working,

a man who is working. I waited. I collected my rent from him. He paid his rent out of his paycheck. And he also received welfare money. And when I brought this to the attention of the authorities, they claim that the caseworker has done the right thing, according to the statutes required of her. And I couldn't argue any further. If that's the law, that's the law. If she's entitled to it, she's entitled to it. But these are the things that we are helpless to guard against. I could go on and on. I have people that live --

SENATOR MARAZITI: Well, let me tell you something. You're not helpless because I'm going to turn in the name to the Prosecutor's office this afternoon. I want the name of that individual. I want the name of that man and I'm going to call the Prosecutor's office as soon as we conclude.

MR. POJANOWSKI: I'll give it to you again. The Prosecutor has this, Senator.

SENATOR MARAZITI: I want to know why a criminal complaint isn't going to be lodged against that individual.

MR. POJANOWSKI: They're investigating it.

SENATOR MARAZITI: Not an investigation. A criminal complaint is all you need. The investigations take place later. This is the kind of thing that we can't put up with. As I understand it, the husband is gainfully employed.

MR. POJANOWSKI: That's right. Or he's quit his job since then. He probably got scared. I don't know. I see him around there. He certainly has not deserted her. He's there constantly.

SENATOR MARAZITI: And the rent is paid how?

MR. POJANOWSKI: The rent is paid by him. Today she paid me her rent, belatedly.

SENATOR MARAZITI: The rent has been paid by him.

MR. POJANOWSKI: Yes.

SENATOR MARAZITI: And that family has been receiving welfare.

MR. POJANOWSKI: The April 1st rent was paid by him, out of his paycheck.

SENATOR MARAZITI: And it's your understanding that payments have been made to her on the basis that the husband wasn't working or wasn't supporting her.

MR. POJANOWSKI: Wasn't supporting her.

SENATOR MARAZITI: Somebody is wrong here. Either she is wrong or he is wrong.

MR. POJANOWSKI: That's right. And it's an assumed name. It's another name.

SENATOR MARAZITI: An assumed name.

MR. POJANOWSKI: That's right.

SENATOR MARAZITI: Who, he, she or both?

MR. POJANOWSKI: She.

SENATOR MARAZITI: Will you remain after the hearing and let me have that name.

MR. POJANOWSKI: Yes, I certainly shall.

SENATOR MARAZITI: Now you reported this to the caseworker.

MR. POJANOWSKI: That's right. I reported to the Director and he took exception to the fact that I had the audacity to talk to --

SENATOR MARAZITI: What's the Director's name?

MR. POJANOWSKI: Mr. DeSantis.

SENATOR MARAZITI: When did you do this?

MR. POJANOWSKI: I think it was about the third or fourth of April.

SENATOR MARAZITI: This is the County Director, right?

MR. POJANOWSKI: That's right.

SENATOR MARAZITI: This is one case that you actually know about.

MR. POJANOWSKI: That's right.

SENATOR MARAZITI: This is the sort of thing I am talking about. I mean, there's a responsibility on the part of officials to follow these things through.

Is there anybody here from the Prosecutor's Office of Passaic County? (No response)

Do you know of any situation where the rent has been increased because a welfare patient has gone in?

MR. POJANOWSKI: Only hearsay, Senator.

SENATOR MARAZITI: Do you know anything about an allegation that a caseworker of Passaic County was beaten up because she attempted to point out some irregularities?

MR. POJANOWSKI: I have not heard the direct details. I've heard of the incident. I don't know who the caseworker was and I don't know the details on it but I know something of that nature has occurred.

SENATOR MARAZITI: Now, can you give me the approximate date when you believe that this occurred?

MR. POJANOWSKI: I heard this, I think, about a month and a half ago, so at least it must have happened then.

SENATOR MARAZITI: And I am not asking you to reveal any names of any people, or anything like that, but did you receive this information from what you consider to be a reliable source?

MR. POJANOWSKI: About the caseworker? I don't even recall where I heard it. It was more or less in a chit-chat type of conversation, so I wouldn't put much credence in the way I heard it. I've heard it bandied about, you might say. Again, we have qualified people that can answer that.

SENATOR MARAZITI: How long have you been President of the Council?

MR. POJANOWSKI: Since January, sir.

SENATOR MARAZITI: Do you know what, if anything, the Prosecutor's Office of Passaic County has done for

the last two years in connection with desertion, non-support cases?

MR. POJANOWSKI: I have been hearing complaints that we have a basket that we throw things in at the Prosecutor's Office and nothing comes out of that basket. Now, whether they are saving them - in fact, I've been asking for some sort of a conference with the Prosecutor's Office. I know he's a new Prosecutor just appointed and he couldn't assimilate all of the cases there but I would like some sort of an inventory or status report, what his good intentions are going to be. We've heard nothing yet. I think a few convictions, if they are so warranted, - if they were publicized it would be a deterrent factor in itself.

SENATOR MARAZITI: So you've only been associated since the first of the year.

MR. POJANOWSKI: That's right, Senator.

MR. SCANCARELLA: As President.

MR. POJANOWSKI: As President. But I have been a member of the Commission a year previous to this.

SENATOR MARAZITI: Well, do you know of any proceedings against deserting and non-supporting fathers?

MR. POJANOWSKI: I have no statistics on that. I imagine in good conscience they must have convicted somebody, someplace, or at least issued a warrant for them and never found them, something like that. But there is no predominance of evidence of --

SENATOR MARAZITI: What would be - perhaps you don't know this, if you do, tell me, but if you don't, perhaps somebody else can. What would be the procedure - suppose someone comes for support because the husband or father has left. Support and welfare assistance is given to this family, as it should be. Then, where does it go from there? Is there any procedure where you or the Director or whoever it is turns over the file or the information to the Prosecutor's

Office? How does this work? It just goes in a basket?

MR. POJANOWSKI: I don't know who determines what goes to the Prosecutor's Office or what is used as a criteria. I don't know what the criteria is except that when I may call it a legal fraud, they turn it over to the Prosecutor and I don't see how they could avoid it.

SENATOR MARAZITI: Well, who says it's a legal fraud?

MR. POJANOWSKI: I said it. I said, not legal fraud I called it a fraud. If I said legal fraud, I'm in error.

SENATOR MARAZITI: Yes. But when you call it a fraud it goes to the Prosecutor's Office.

MR. POJANOWSKI: Well, I don't know if that's the criteria or not. That's what happened in this particular instance, as far as I'm concerned. I don't know the mechanics. I think you could have that question answered more properly here.

SENATOR MARAZITI: All right. But there should be some machinery whereby this is automatically done.

MR. POJANOWSKI: Well, here's what we voted yesterday at our meeting, this may be of some information to you. We voted that we create a public box and advertise the number quite extensively so that people who know of fraud or know of violations of welfare, they should report it to this particular address so that at least someone will be assigned to the duty of following these complaints down the line.

SENATOR MARAZITI: Well, fraud is one thing and this is a nature of fraud, but what I'm thinking about is, are there many cases where fathers do not support their children?

MR. POJANOWSKI: I feel there are plenty. I have no statistics.

SENATOR MARAZITI: Well that's what I'm talking

about. I've got to find out this afternoon from someone who knows.

MR. POJANOWSKI: I think it's common.

SENATOR MARAZITI: I think it is common. I want to know what's being done about it. It's very simple, what can be done about it. All you do is make a complaint against the father, call him before the court and if he doesn't pay within a reasonable time, into jail. This is a very simple thing and, as you said originally, you don't need any new legislation, you don't need any federal legislation, you don't need any rules, you don't need any regulations, all you need is a little determination and performance of duty by a proper officer. I don't mean you.

MR. POJANOWSKI: Except, Senator, that in many cases these recipients, when they are pressed to name the father, they will give a name and they will give an empty lot or something and they'll say that's his address.

SENATOR MARAZITI: It's a very simple thing to do. All they do is give them a subpoena to come in and testify and they've got to tell the truth. I think there are many capable lawyers in Passaic County but I would like to see more evidence of it.

MR. POJANOWSKI: They're capable.

SENATOR MARAZITI: Any questions by the members of the Committee?

ASSEMBLYMAN SCANCARELLA: You said four generations or the fourth generation, what do you mean by that?

MR. POJANOWSKI: Well, welfare has been, from the early thirties, part of America, the American scene. But, unfortunately, the welfare recipients of the 1930's are still - well, they are the predecessors of today's recipients.

ASSEMBLYMAN SCANCARELLA: I thought you meant that welfare was initiated earlier because 1930 didn't seem

like four generations.

MR. POJANOWSKI: Well, they have babies at a very early age, in this business.

ASSEMBLYMAN SCANCARELLA: When you talk about dependent children, were you here earlier when Councilman Salek talked about the food stamp idea?

MR. POJANOWSKI: No, I was not here.

ASSEMBLYMAN SCANCARELLA: Are you familiar with that?

MR. POJANOWSKI: No, I'm not familiar with the food stamps except that they give the privilege for the recipient to buy at a discount.

ASSEMBLYMAN SCANCARELLA: I mean to give the recipients stamps rather than cash to make certain that the dependent children get the benefit.

MR. POJANOWSKI: I'm in favor of any vendor being paid rather than the recipient.

ASSEMBLYMAN SCANCARELLA: All right. Now, you also said that this welfare problem was a many faceted one and that you really couldn't pinpoint it but it existed on several levels. And you discussed the non-legislative level and somehow skimmed over the legislative. Do you have any suggestions or ideas along those lines?

MR. POJANOWSKI: Well, yes, I always have ideas. I think that there should be, as the Councilman previous to me pointed out, some limitation. You just can't go on and on and on because it is axiomatic that the more children you have, it's a source of revenue. That's the first legislation. I think second is presumptive eligibility could be retained but also adopting presumptive ineligibility to balance it.

ASSEMBLYMAN SCANCARELLA: Now that's federal, the presumptive question.

MR. POJANOWSKI: That's right.

ASSEMBLYMAN SCANCARELLA: And the limit as far as number, or the ceiling, would be state.

MR. POJANOWSKI: State.

ASSEMBLYMAN SCANCARELLA: Now you also mentioned failings on the municipal level. Now, what would you like to see done on the municipal level that's not being done or hasn't been done?

MR. POJANOWSKI: Well, you see, the municipalities are hamstrung because they, again, do not get the list. I think they should be treated as part of government, the municipalities, and I think lists of welfare should be open to the municipalities. It shouldn't be public where every Tom, Dick and Harry could look at it but I think the City Clerk or the Building Department or the Board of Health should have the list of the recipients in Passaic, not only as a privilege of knowing but they should be in a position to help and even supersede, in many instances, the welfare board, because if the welfare board is not doing a proper job of providing for this family, they would have the ability of walking in and making these recommendations. I think it would be doubly effective.

ASSEMBLYMAN SCANCARELLA: But it's not up to the welfare board to do this. They are hamstrung themselves, are they not?

MR. POJANOWSKI: Well, whether they are hamstrung or not, I think a lot of this hamstringing is self-imposed. We read into things something that doesn't exist and everyone assumes that it's there. Like yesterday, we had a public meeting of the Welfare Board, open to everyone that wanted to talk, and they did participate.

ASSEMBLYMAN SCANCARELLA: Who didn't participate?

MR. POJANOWSKI: The recipients participated and various people, people that complained about welfare recipients, they all had a chance to get up and expound on what their theories were on welfare, just like you gentlemen are doing today. And this was never done. It was always hush-hush, don't talk about it. It was

always kept down, you don't discuss it. I think a list should be available to municipalities so that a municipality can go in and say, as I think one of the Councilmen pointed out, they'd like to find out if that's a dirty, filthy home, they want to know about it. If they are welfare recipients, they should know that. They can move them into better quarters, they can afford it.

ASSEMBLYMAN SCANCARELLA: You would like the agency on the county level to make available to those on the city level this list.

MR. POJANOWSKI: I think it's very important, even for the recipient's benefit.

ASSEMBLYMAN SCANCARELLA: What else, on the city level? Anything else?

MR. POJANOWSKI: I think just the supervision, walking in and seeing that the money is spent for the children. Then it would be a dual check on the case.

ASSEMBLYMAN SCANCARELLA: How about on the county level? What else can be implemented on the county level?

MR. POJANOWSKI: I think on the county level, if they just took the initiative more, themselves, rather than refer to the State office for directives. Whenever they want to act in a new area and there is no particular sentence in the manual saying it's prohibited, they should assume that it's open to them, and wait for the State to tell them to cease and desist.

ASSEMBLYMAN SCANCARELLA: Thank you.

ASSEMBLYMAN HIRKALA: Mr. Pojenowski, three witnesses who appeared before you all advocated welfare ceilings. Councilman Kuran advocates a maximum welfare ceiling, tied into minimum wages, to be predicated on the person who is employed at the minimum wage. Councilman Reiss advocates a welfare maximum, tied into the amount paid to a person who is unemployed and

receiving unemployment compensation under State laws. Councilman Salek advocates a maximum welfare ceiling of \$250 monthly. Are you in favor of a welfare maximum payment in New Jersey, and under what proposal would you advocate?

MR. POJANOWSKI: Assemblyman Hirkala, if I may qualify that remark, my answer, somewhat, it is a little peculiar what is adequate in this sense. We talk about children and so much per child but we are overlooking, even ignoring, the fact that New Jersey, I think, is peculiar. We set up budgets. Now, you may reduce the amount of money to one family and yet if they move and their rent is doubled they automatically get more because now you've created a new budget for that family. I think that the word "budgets" should be eliminated completely when considering what is enough for a family because when you take one man's expense against another man's expense, I think that is quite unfair because one person may live frugally, may be satisfied with a black-and-white TV and a regular telephone, where that would not be adequate for another family. So the welfare department sets up a different budget for the family that needs more. And when you start making budgets, you are tampering with what is the maximum.

ASSEMBLYMAN HIRKALA: Well, Mr. Pojanowski, possibly the day will come when New Jersey does impose a maximum welfare ceiling. However, I want to point out to you one area in which we may find ourselves in direct confrontation to the needs of people, and that is, I give a hypothetical case: A mother with five children under a maximum payment of \$250 monthly who pays \$150 a month rent, would then have \$100 for food, clothing and other vital necessities. A mother with three children, under the same welfare ceiling, who pays \$80 a month rent, would have \$170 a month to pay

for food, clothing and other necessities. And I point that out to you in the realization that whenever we do impose a ceiling, we are going to have to take these things into consideration.

MR. POJANOWSKI: Assemblyman Hirkala, that's the problem, then we're right back to where we started from. When you start evaluating and making extenuating circumstances and you start citing cases like you did, what do we do with the person that gets \$71 from Social Security, pays for his own utilities, pays rent, lives off this money, and gets no other supplement because he wouldn't ask for anyone to help him? I mean, you can't reduce everybody to this level either. You can't say, what happens? I think the answer is, some people will have to suffer, some people who call it an injustice. But then some people are going to learn that if they don't have those extra children, they will have more money left. Now, isn't that what it's supposed to be all about? We have got to put a guard fence somewhere. I mean, it's just like saying, why have speed laws when, if you are going to the hospital and you need to go there 90 miles an hour, it's to your advantage or you may save a life, so why have a speed law? We still have speed laws and you do have them. We do declare special budgets. We do act. We avoid parts of the program. We can waive certain parts and we even buy furniture when they burn up. I mean, we do these things. We have quite a bit of latitude but I think you still need guidelines with our ability to use our good judgment in the latitude that is permitted to us. But if you are going to legislate for everybody, then everybody becomes qualified under the maximum.

ASSEMBLYMAN HIRKALA: Mr. Pojanowski, do you think that part of the problem in Passaic, Paterson and other inner-core cities, is the lack of decent,

suitable housing for people from lower economic groups.

MR. POJANOWSKI: Mr. Hirkala, Passaic and Paterson will never have enough suitable housing if you built three times as much, because the minute we have some more housing more people will come in and fill it. This is a target area.

ASSEMBLYMAN HIRKALA: I am not trying to advocate that Passaic should build a lot more housing; I'm saying that in the administration of our welfare laws and welfare payments to pay for shelter rent, our problems in Passaic become bigger because we do not have housing available for the lower economic groups, wherein landlords then can charge rentals way beyond what those rental accommodations are worth.

MR. POJANOWSKI: Mr. Hirkala, if you intend or should intend to build adequate housing, proper housing or additional housing, by the same token in that one plan you also have to eliminate a certain amount of slum housing. So, the same people are accommodated. Because if you build your new housing first and fill them up with people, even with the people living in the slums, new slums move in, people from out of the area come in and take up those rooms and you've just increased and compounded your problem. You have not alleviated it. When you want to plan for housing - now we're going into another part of welfare which I didn't intend to go into, but you asked. But this is through urban renewal and the trouble with urban renewal is that they don't provide for tearing down the old when they want to put up the new. When you put up new units, you've got to tear down an equal number of old units, then you can contain your population or you contain the growth of the population, especially the welfare citizens of the community.

MR. HIRKALA: Thank you, Mr. Pojanowski.

SENATOR MARAZITI: Thank you very much. We appreciate your coming.

I would like to call on Albert Galik.

A L B E R T G A L I K: Albert Galik, 401 Brook Avenue, Passaic. I am Chief Assessor of the City of Passaic, connected with the Department of Revenue and Finance for over 17 years.

SENATOR MARAZITI: The most important department, where the money comes from.

MR. GALIK: Incidentally, Senator, that is the reason I am here today to talk primarily about money, also about people and also about buildings.

SENATOR MARAZITI: I assume that you have a little prepared statement first and then maybe you would like to enlarge on that.

MR. GALIK: No, oddly enough, I don't have a prepared statement. I do have some statistics.

SENATOR MARAZITI: That's all right. You go right ahead.

MR. GALIK: -- just some numbers that I put together that you may want to expand on.

The problems of our municipality came into existence, I would say, within the last decade. So I am going to limit my testimony to just about what happened in the last decade. To bring the panel up to date, here are some of the statistics that I have compiled:

In 1960, the City of Passaic had a little over 52,000 people. Today we have an estimated population of 57,000 people, which is a little under 5,000 difference. The welfare roles in 1960 in our municipality were practically negligible. I have no concrete figures, but I would say they were negligible. Today the welfare roles in our city amount to 5500 people. As you can see, it seems to me that the 5,000 increase in people - and again we are not blaming them - but it seems to have increased by the amount of people we have on the welfare roles.

As far as buildings are concerned, the City of Passaic in the last decade and primarily in the last five years has lost to the State Highway Department and also to the

redevelopment agency approximately 600 structures. And in these 600 structures, which included all kinds of buildings, commercial, residential and industrial, there were 1293 units, family units or apartments, whatever you want to call them, either one-family, two-family houses or 12-family apartment houses. But again when you take this statistic into consideration with the previous statistic I have given you, that we had gained almost 5,000 people, these 5,000 people are now crammed into 1293 less units. Sure enough, we did build several new apartment houses on the west side of our municipality. So this figure isn't exactly all on the east side because we did have approximately 500 units that were built on the west side of town.

This in my opinion leads to over-population. As you know, over-population is part of our ecology, part of our pollution. If you read about it, this is a very important problem that we have in the United States, not only in New Jersey.

In 1960, Passaic was a very vibrant and stable community. We are still a vibrant community. But our fiscal stability is beginning to be challenged. I say that because of this: Most of these people, most of our population that come into our town, according to my surveys and my inspections, come into just a few streets, and this is in a part of the east side of our town. It is just a small section, but they are getting to the point now that we just have this over population in this particular area, primarily Market Street, Third Street, and Fourth Street - also in other streets, but this is our primary problem.

What has happened as far as our secondary business district? Market Street in 1960 was a fairly vibrant secondary business district. There were 115 buildings on this street, primarily commercial. They had stores on the first floor and apartments on the second floor.

Market Street at that time was our good, secondary shopping area, bringing people from the east side of Passaic, Garfield and Wallington. We had a true value at that time of \$3,259,000. In 1970, the same area contained only a true value of \$2,385,000.

You ask how this happened? Well, because of the moving out of the little more affluent people and the influx of the lower economic people, evidently people began selling their buildings. Actually the rate of increase in our municipality was about 50 per cent in the value. Market Street, which was our secondary business district, lost 25 per cent. Here is a total loss in rateables to a municipality on one business street of approximately 75 per cent.

To give you a brief example of what this means to a municipality, a piece of property - and I am just going to pick a few and this is primarily in the last three years, '68, '69, and '70 -- we had a piece of property at 77 Market Street that the City of Passaic had assessed or appraised a true value of \$19,000. That property sold just last month for \$13,000. Here is another one at 106 Market Street. A piece of property we had assessed for \$44,000 was recently sold for \$21,000. Another piece of property that was assessed for \$45,000 recently was sold for \$19,300. I could go on and on and on.

In other words, there is a gradual erosion of value and some of it due to this over-population. That is as far as buildings are concerned.

Now let's see what effect people had upon the tax stability of the municipality. This is very simple also. We have again in these three particular streets - just to take the building that you had mentioned before, 179 and 181 Third Street - there were approximately 80 children in that building. Today we have three buildings like that - 1, 3, 5, 7, 9 Third Street. We have approximately 150 children in there. Just in these few buildings alone,

you have 250 children. You need at least ten to twelve classrooms to accommodate them in school.

SENATOR MARAZITI: There are 250 children in two buildings?

MR. GALIK: In three buildings.

SENATOR MARAZITI: How big are they?

MR. GALIK: One is a 28-family apartment, one is a 12, and one is a 10 - 50 families. And the one that burned down was 18 families.

SENATOR MARAZITI: You are making a very good case for State aid, but I am not going to give you any money.

MR. GALIK: The point that I am making is this, that as far as our tax rate is concerned, this is what is happening. In our municipality, our budget went up, our tax levy went up, from \$7,000,000 to a budget of over \$14,000,000 in ten years. Most of this budget increase was due to the fact that the school and county costs have gone up fantastically, while our municipal government costs have been pretty static and have gone up only very, very slightly. This is what I am trying to bring to your attention, that the over-population not only costs the county money in welfare costs but it costs our municipality as well as every other municipality additional moneys for schools.

Our tax rate in ten years has jumped 73 per cent in ten years. Again, as I pointed out, most of this was due to the school and county costs which increased drastically.

I have other figures that I could bring out, but they only point out the same fact, that where there is over-population involved, this causes a drain on the municipal budget.

I would be glad to answer any questions that deal with some of the things you may have in mind.

SENATOR MARAZITI: What we had in mind was this - anything that might be relevant to the welfare problem. In other words, I know that more people mean more problems

and more assistance. We know that. But do you have anything specific to suggest?

MR. GALIK: Yes. The specific item that I am talking about is the fact that the area that I am discussing - most of our welfare recipients live in this particular area.

SENATOR MARAZITI: We can't do anything about it. I mean, they are there and we are not going to take them out. We have to deal with this in terms of a program, what we can do to improve the program and eliminate abuses. I know there is a problem and I know it is in that area. What I want to ask you is: Do you have any suggestions? I don't say you have to have.

MR. GALIK: Well, there are some suggestions that I think are applicable. I think that the question of over-population was stressed by all the previous speakers, especially Mr. Pojanowski, who mentioned that probably some sort of a limit that doesn't reward extra large families is probably applicable. This in turn would reduce some of our costs.

SENATOR MARAZITI: Do you have any questions?

ASSEMBLYMAN SCANCARELLA: Just one or two, Mr. Chairman.

This over-population you seem to be stressing, Mr. Galik, - you say the increase since roughly 1960 is in the area of 5,000.

MR. GALIK: Yes, sir.

ASSEMBLYMAN SCANCARELLA: Did you also say that the amount of recipients has increased by a similar number?

MR. GALIK: Almost a similar number, yes.

ASSEMBLYMAN SCANCARELLA: You mentioned, of course, that there are less structures and more children of school age. Are more children of school age living in this section of town?

MR. GALIK: Yes.

ASSEMBLYMAN SCANCARELLA: And you say that the tax

rate has gone up in the last decade some 73 per cent.

MR. GALIK: That is correct.

ASSEMBLYMAN SCANCARELLA: If this is unchecked at this point, I assume that will keep rising at a similar rate or even a faster rate.

MR. GALIK: Yes.

ASSEMBLYMAN SCANCARELLA: Would that be your projection?

MR. GALIK: My projection is that if we keep on getting an influx of immigrants into our municipality, it is a situation that ---

SENATOR MARAZITI: You can't use terminology like that - "immigrants" - unless in a broad, broad term. You mean people go from one place to another. I know.

MR. GALIK: It is a broad term.

ASSEMBLYMAN SCANCARELLA: Just one more question: You mentioned the last decade and emphasized that - since 1960 --

MR. GALIK: Since 1960.

ASSEMBLYMAN SCANCARELLA: You described Market Street then as a vibrant or a secondary commercial street.

MR. GALIK: Yes. It was a good secondary commercial area.

ASSEMBLYMAN SCANCARELLA: And it doesn't enjoy that today.

MR. GALIK: It is no longer a commercial area.

ASSEMBLYMAN SCANCARELLA: And you attribute that to this over-population or this influx?

MR. GALIK: That's correct.

ASSEMBLYMAN SCANCARELLA: Why has this influx come to Passaic and not the surrounding communities which were not unlike Passaic in 1960?

MR. GALIK: My records since 1960 have shown that our rentals in 1960 among the people that were there in these tenement homes and apartments were approximately \$25 a month. In the course of the last ten years, these rentals

have jumped from \$25 to as much as \$150 a month. This increase in rental, in my opinion, causes some of the buildings to deteriorate because people actually are paying such fantastic rents and the landlords are not taking care of the properties. This particular situation is, I think, causing the over-population. When a person pays \$150 a month rent, if you go into the apartment, you will find two families.

ASSEMBLYMAN SCANCARELLA: They are trying to share the rent?

MR. GALIK: Yes. I think that is one of the problems.

ASSEMBLYMAN SCANCARELLA: How about the old tenement houses in Garfield or Wallington or the Botany Section of Clifton? Do they have similar problems or not?

MR. GALIK: They don't have similar problems because most of those tenements are over occupied. Most of our tenements in Passaic in the last ten years have gone from the owner-occupied to the absentee landlord.

SENATOR MARAZITI: Any further questions? [No response.] Thank you very much. We appreciate your coming here.

Let me say that we have quite a number of witnesses here and we want everyone to be heard. So I am going to ask the witnesses to confine themselves specifically to the point we are concerned with, if possible. Mr. Martini, would you like to step up now.

ASSEMBLYMAN SCANCARELLA: While we are waiting for Mr. Martini to take the stand, I would like to note on the record also that Mr. Elias Drazin and Mr. Peter Bruce from the Passaic Building Department are also here.

Is there anyone else here that has to leave that would like their presence noted on the record? Did anybody leave their names? Those still present, we may get to.

SENATOR MARAZITI: Let me say this: We expect to speed up the proceedings.

Mr. Martini, will you proceed. Give your name, address,

and position, please.

A N T H O N Y C. M A R T I N I: Anthony C. Martini, City Clerk of Passaic, and also appointed Public Officer of Housing last July.

First of all, I want to thank you for your invitation, Senator, and I appreciate the fact that we do have a Senator like you that is showing concern over our welfare costs.

Local governing bodies have practically nothing to say as far as welfare is concerned today and I think that the Governor, the United States Senators, the Congressmen, the State Senators, our Assemblymen and our Freeholders should all get very much concerned about the welfare. They represent all of the people of our State and, remember, all of the people - all of the people - are paying these high welfare costs, not only in Passaic County or in Essex County, but also in Monmouth County and Morris County. Some people don't realize this. They say, "We don't live in Passaic; we don't have to pay for this," or, "We don't live in Passaic County; we don't have to pay for this."

SENATOR MARAZITI: We realize it. The State is paying 75 per cent.

MR. MARTINI: Right.

SENATOR MARAZITI: So we are concerned. We are involved. We have become involved. Maybe that is part of the problem.

MR. MARTINI: New Jersey leads the nation in the amount of welfare grants to welfare recipients and naturally this leads to heavy migrations to our State from everywhere and causes over-crowded apartments, which in turn corrupts the morals of children.

As far as over-crowding is concerned, I took it upon myself last year and on November 3rd this editorial appeared in the local Herald News where I made a survey of one block in Passaic, only the one side of the street, not a square block, and we found 99 children. The school costs for the

99 children were \$79,200. Then the welfare costs came out to about \$90,000. The city in turn from \$175,000 that it was paying out, received in taxes \$10,924.53.

I will give you a few examples as to what I find when I go around inspecting apartment buildings. I am employed by the City of Passaic come this June 35 years. I will give you an example. I went into one apartment and there was the mother, no father, 12 kids, on welfare. In the kitchen, there was one chair. Now, mind you, 13 people eat in this particular apartment. There is one kitchen chair. My conclusion was that these kids were not eating. They were eating probably potato chips, pizza pies, and maybe, at best, hot dogs. The apartment was filthy dirty. The floor hadn't been swept in weeks. And this was at 1:00 p.m. on a Sunday afternoon.

Another visit to another apartment - a mother, no father, five children. At 1:30 on a Sunday afternoon, mind you, no father, when I peeked into one of the bedrooms, there was a person sleeping in the nude uncovered, and five children running around that apartment.

I give you another example - 11 kids with their mother on welfare. I went into this apartment around 12:00 Noon on a weekday. There was a baby that was about 4 to 5 months old ready to fall out of bed and I rolled the baby back into bed. I asked the older daughters where their mother was and they told me she was down at the corner tavern. These kids were pulling cold spaghetti out of a pot that sat on top of the stove and the spaghetti was all over the stove and all over the floor.

Would you say these kids are receiving the benefits of high welfare grants? I am not against giving welfare, but it should be spent on the children, to feed them properly and to clothe them properly.

I have a few recommendations:

Number one, the counties should use computer services to cross index in helping to find duplication of welfare

grants. I wonder how many people are getting welfare from more than one county by using more than one address. I think it is easy to do.

Two, welfare grants should be the same in all states, territories and the Commonwealth of Porto Rico. People should be able to live where they like to live. And right now I don't feel that people are living where they like to live. They are coming to Jersey because of their higher welfare grants. I think we should definitely have residency laws.

I also feel that welfare recipients should have to pick up their checks and sign for them. People on unemployment in this State who contribute to the unemployment fund out of their personal salaries have to go and pick up their checks once a week.

And investigators should visit welfare recipients at least once a month to examine living quarters and make sure the children are fed and clothed properly.

There should be an intensive campaign to locate fathers of the illegitimate children and to prosecute the fathers and build more foster homes to take care of children being neglected by welfare mothers who are spending most of their money on the wino boys, if you know what the wino boys are.

I think we should pay welfare only to the mother of the first illegitimate child. I think the second illegitimate child, the mother should be prosecuted.

I think welfare ceilings should be established for all new welfare applicants. I don't mean now if a mother has ten children - I don't think we should limit her to \$200 or \$250 a month because we know she can't live on a small amount like this, but I mean for future ones. So they know they can't come into the State of New Jersey, which has the best grants of them all, and come here just for that particular purpose and this should be done after

a certain date.

I honestly believe that people who qualify should receive welfare, but it should be spent properly to support, not the wino boys, but their children.

One thing perhaps that a lot of people don't realize and it is happening in our community - and I see dozens of people in my office and out on the streets every week - where people who are not on welfare, the older people, are suffering because of these high welfare costs and because of the fact that people today are paying for three rooms in our city up to \$125, \$130 a month in cold water flats. I had a person in yesterday looking for rooms, a widow, who is living on social security. I said, "Well, you deserve to get welfare." She started to get tears in her eyes and she said, "I don't want welfare. Just, please, get me an apartment." And it is not easy to find a woman an apartment because where she is getting out of, she is paying \$87 a month and the landlord wants these particular rooms for his own daughter who is getting married.

So naturally people who are living off welfare and living on social security or maybe a little life's savings that they have left have to compete with these high rents that are being charged by the slumlords. Because in my estimation a slumlord would much rather have a tenant that is on welfare than a tenant that is working in U. S. Rubber or Raybestos-Manhattan because they feel that at U. S. Rubber or Raybestos-Manhattan they could get laid off, but as far as welfare, that is going to go on and on. That is 100 per cent security and that is why our rents keep going up and up.

I took this job as Public Officer in the City of Passaic to help the tenants, not to help the landlords. I think we are the only city in the State of New Jersey operating under the State Control Act that was adopted by the municipal governing body in Passaic, where at the present time we have 15 buildings under rent control, and

the Public Officer has held 59 hearings on apartments in the City of Passaic, to help the tenants not the landlords.

SENATOR MARAZITI: Well, doesn't that take care of the situation then if you have rent control?

MR. MARTINI: Rent control is only imposed, sir, when a landlord is given a certain amount of time to fix his units and he doesn't fix his units. Then I impose rent control and I always make it less than it is.

SENATOR MARAZITI: In other words, you have the machinery to cope with the problem now.

MR. MARTINI: Yes. I don't know of any other city in the State that has imposed rent control, sir. But the City of Passaic has.

SENATOR MARAZITI: Now you have the equipment to cope with the problem.

MR. MARTINI: Right. So we are trying to help the tenants.

SENATOR MARAZITI: Very good.

ASSEMBLYMAN SCANCARELLA: These people that are paying \$100 or \$110 or \$130 a month - why are they paying these rents? In other words, why aren't they going to surrounding communities and paying less? Is it because they are able to get welfare?

MR. MARTINI: Oh, yes, they are getting welfare.

ASSEMBLYMAN SCANCARELLA: But they could also get it and get a flat in Clifton or Garfield for maybe \$50 or \$60 a month, couldn't they?

MR. MARTINI: Well, I don't know why they can't get it, sir. But it seems that they can't. For some reason or other, they just can't. We are surrounded by other communities and those other communities don't have the problems that the City of Passaic has.

ASSEMBLYMAN SCANCARELLA: And we can't honestly answer why.

MR. MARTINI: I can't answer why.

ASSEMBLYMAN SCANCARELLA: You have covered a list of recommendations which were pretty much covered by some or all of the other speakers --

MR. MARTINI: Right.

ASSEMBLYMAN SCANCARELLA: -- except one point which I thought was a good one on this ceiling which might be a reasonable compromise if it does come about and is started in futuro.

MR. MARTINI: Of course, you can't do it any other way. You don't want kids to starve. We still in America want kids to be clothed and to be fed. So you just can't start it arbitrarily tomorrow. You just can't do it that way.

ASSEMBLYMAN SCANCARELLA: That's all. Thank you.

SENATOR MARAZITI: Thank you very much. We appreciate your coming, Mr. Martini.

Mr. De Santis, please.

After Mr. De Santis testifies, I want to start hearing some of the people who have come here and waited a long time to be heard and who have been very patient. I want to assure you that we will move on quickly.

Mr. De Santis, I am sorry to keep you waiting so long.

ASSEMBLYMAN HIRKALA: Senator, may I be excused. I have to be on duty at the City Clerk's Office in Passaic by six o'clock, registering voters.

SENATOR MARAZITI: Be sure you put them all down. Thank you, Assemblyman Hirkala.

Mr. De Santis, thank you for your patience in waiting today. If you would like to make a general statement, you may - whatever way you would like to proceed. Please give your name, address and position.

EDMOND A. DESANTIS: Senator and Assemblymen, my name is Edmond A. De Santis. I am the Director of the Passaic County Welfare Board, which is located at 64 Hamilton Street in Paterson. My home address is 299 East

25th Street in Paterson.

SENATOR MARAZITI: Let the record show Mr. De Santis is accompanied by Counsel - and may I have your name and address, Counsel?

MR. RUBIN: A. Michael Rubin. My office address is 1341 Hamburg Turnpike, Wayne Township, New Jersey. And I am the assistant attorney for the Passaic County Welfare Board.

Before Mr. De Santis testifies before this tribunal, there is a particular section of the Social Security Act which, under law, he must recite, and I would appreciate him being given the opportunity to do so.

SENATOR MARAZITI: Certainly. Go right ahead.

MR. DE SANTIS: [Reading] "Upon being called to testify or produce agency records before a judicial officer or other officer under whose authority the subpoena has been issued, the officer or employee of the Welfare Board personally, or through counsel provided, shall make a statement substantially as follows: Under the terms of the Federal Social Security Act, information concerning applicants and recipients of assistance must be restricted to purposes directly connected with the administration of assistance. The authorities of the Federal government have advised that this includes a requirement of non-disclosure of such information in response to subpoena. If a disclosure is made of this information, either by personal testimony or by production of records, this is considered nonconformance with Federal requirements and may subject the state to loss of Federal financial participation in the assistance program."

SENATOR MARAZITI: May I look at that, please, Mr. Rubin. "The authorities of the Federal government advise that this includes a requirement of nondisclosure of such information in response to subpoena." What information, counsel - "nondisclosure of such" - so we can clarify this?

MR. RUBIN: Senator, I will be glad to answer the

question. I was prepared to answer this in response to many of the prior witnesses who advised this tribunal that they weren't able to receive information from the board. So this is in response to them and to you.

SENATOR MARAZITI: In other words, what I am trying to do is set the guidelines here so that we can have whatever testimony we may have; and what we cannot have, that will be a different thing. In other words, "The authorities of the Federal government have advised," and so on, this includes nondisclosure of such information in response to subpoena. I want you to define "such information" so that we don't have "such information."

MR. RUBIN: "Pursuant to --"

SENATOR MARAZITI: Where is that? Where are you reading from now?

MR. RUBIN: I have it in my hand. "Pursuant to the Federal Social Security Act --"

SENATOR MARAZITI: I have a copy of this.

MR. RUBIN: This is different.

SENATOR MARAZITI: In other words, this doesn't mean anything to me.

MR. RUBIN: I will read it to you. "Information considered confidential: Names and addresses, including lists.

SENATOR MARAZITI: Names and addresses.

MR. RUBIN: Yes. "Information contained in application; reports of investigation; reports of medical examinations; correspondence and other records concerning the condition or circumstances of any person from whom or about whom information is obtained, and including all such information, whether or not it is recorded; records of evaluation of such information." That is basically the Federal guideline for information considered confidential.

I am sure, Senator, that much of the information that you would require today would not include names and addresses of persons receiving benefits.

SENATOR MARAZITI: No. First of all, let me say,

even if it did allow the disclosure of the names, I would not want the names. I am not concerned with names. Names and addresses of persons - now I don't need the addresses either. I need figures, numbers.

MR. RUBIN: We have quite a few of those available to you.

SENATOR MARAZITI: I think both counsel and I have a general idea of what is not permitted. Let me say this, counsel, I would like your assistance if a question is propounded that you feel may be debatable. In other words, we are interested only, as I know you know we are, in getting whatever information we can so that we can do a better job as far as the Legislature is concerned and as far as improving the operation of this program.

MR. RUBIN: Very good. Thank you.

SENATOR MARAZITI: So I think perhaps we could do this: Don't hesitate at all, Mr. De Santis and counsel, to interrupt me because I want your assistance here.

I don't know whether Mr. De Santis would like to make a general statement or not. It may save a little time if he does.

MR. DE SANTIS: No, there is no particular general statement. I will be at your discretion for questions.

SENATOR MARAZITI: Let me say this: You have heard - you have read about the allegations in the ---- What is your position? Are you the Director?

MR. DE SANTIS: I am the Director.

SENATOR MARAZITI: Of Welfare of Passaic County?

MR. DE SANTIS: That's correct, sir.

SENATOR MARAZITI: And you have been Director about how long?

MR. DE SANTIS: My permanent directorship was December 30, 1969.

SENATOR MARAZITI: Then you were acting ---

MR. DE SANTIS: I was Acting Director from July 2nd of '69.

SENATOR MARAZITI: Prior to that time were you associated with the office?

MR. DE SANTIS: Yes, I was. I was Deputy Director. I have been there for almost 19 years.

SENATOR MARAZITI: You have a fair amount of information and knowledge.

MR. DE SANTIS: Yes, sir.

SENATOR MARAZITI: You have heard, have you not, that there have been allegations, and you heard them here today, that in some of the buildings in Passaic there may be more families than should be permitted according to law, the codes and so on? To be specific - and if you don't have this information, we perhaps can arrange to get it - I mean, it may be that I am asking you a question that will call for some mathematical computation. I don't want to make anything difficult at all. I want to make it as simple as possible. I thought it would be simpler perhaps to have you here and ask these questions and get what answers we can now.

The one specific question would be: Let me have the number of families receiving assistance located at 179-181 Third Street, City of Passaic, in the month of March, 1970.

MR. DE SANTIS: Eighteen families, Senator.

SENATOR MARAZITI: Eighteen families receiving assistance. Do you know - you may not know this -- do you know whether there were any families in that building aside from welfare recipients?

MR. DE SANTIS: One family.

SENATOR MARAZITI: So would it be correct to say there were 19 families in the building?

MR. DE SANTIS: That is correct, Senator.

SENATOR MARAZITI: I heard a remark from the assemblage here. There seemed to be disagreement. I would like that young lady to offer to testify later, will you? I heard something to the right here which

indicates disagreement. I am not sure that it is disagreement. But if that is the case, I would like testimony in that regard.

So apparently from what you have said it would appear that there were not any large number of families over the required families in that building.

MR. DE SANTIS: That's right.

SENATOR MARAZITI: Do you know how many people were involved, the total of people?

MR. DE SANTIS: Do you mean by that, adults and children?

SENATOR MARAZITI: Yes, everybody.

MR. DE SANTIS: There were 22 adults and 97 children.

SENATOR MARAZITI: Who is the owner of this building?

MR. DE SANTIS: The gentleman mentioned by your previous witness, Mr. Salek. I believe his name is Satkin.

SENATOR MARAZITI: Does he own any other buildings that welfare recipients rent from?

MR. DE SANTIS: Yes, he does.

SENATOR MARAZITI: Do you know how many approximately?

MR. DE SANTIS: Approximately, I do not know. But he does own others.

SENATOR MARAZITI: Would you say two or three more or four or five more? I don't want to tie you down. I am just trying to get an idea. One more or two more?

MR. DE SANTIS: I could hazard a guess - possibly three. I really don't know.

SENATOR MARAZITI: Do you know how many recipients live in each of those buildings?

MR. DE SANTIS: No, sir, I do not.

SENATOR MARAZITI: Could you do this - and we can arrange it either by correspondence or some other method -- when you get the opportunity if you could make a list of the buildings - counsel is putting down the information - the number of welfare families in each building and, if you know - you may not know - if you know, if there are

other families in the buildings. This you may not have.

Now, this idea of presumptive eligibility, you are familiar with this concept?

MR. DE SANTIS: Yes, sir.

SENATOR MARAZITI: Did you have any experience with the administration of welfare before the idea of presumptive eligibility came into use?

MR. DE SANTIS: Yes.

SENATOR MARAZITI: Can you tell me briefly how it operated, how it worked, and what your ideas are about it?

MR. DE SANTIS: A client would apply to the Welfare Board or be referred to the Welfare Board by some corresponding agency or some individual.

SENATOR MARAZITI: The County Welfare Board, right?

MR. DE SANTIS: That is correct. We would have an intake application taken or, if the individual was infirmed in some way or unable to come to the office by reason of transportation or otherwise, we would have what is known as a home intake done in the field. This would mean an investigation done immediately in the field. The process would follow that the information taken would then be given to a caseworker for investigation in the field. The worker would determine under the existing rules and regulations and laws whether or not the family was eligible or the individual, as the case might be. It might be a case of an older person, just alone. In turn the caseworker would make a report to his or her supervisor who in turn would review the case and if determined eligible would approve a budgetary grant which had been prepared by the worker, based on the circumstantial needs of that particular individual or family.

SENATOR MARAZITI: How long would this take in those days?

MR. DE SANTIS: Well, this might take from a week in some cases up to as much as 60 days where you had a

preponderance of medical information that might have to be developed.

SENATOR MARAZITI: Suppose you had a situation that you thought might be emergent - a person needed food or shelter immediately.

MR. DE SANTIS: Under the former method, the local departments of welfare were permitted to give emergency welfare assistance to these individuals while their applications were being processed and we would refer them to the local welfare departments for this to be done.

SENATOR MARAZITI: The local is taken away.

MR. DE SANTIS: This has been removed.

SENATOR MARAZITI: How would that work? They would have the local assistance, but how long would that local assistance go on?

MR. DE SANTIS: They were set up to issue temporary emergency assistance until such time as our application could be processed and we could reach a decision.

SENATOR MARAZITI: Of course, now when they apply and fill out whatever forms there are, then they are immediately eligible for assistance.

MR. DE SANTIS: Under presumptive eligibility, it is presumed that they are eligible based on the information given at the intake process.

SENATOR MARAZITI: Can you give me your opinion, your idea, of whether the county could take over the local function? In other words, give them temporary relief, temporary assistance, while it is being processed and then make it permanent if they are eligible.

SENATOR MARAZITI: This is exactly what we are doing, Senator. We take an application and we issue temporary emergency assistance. And we have a 90-day period in which to certify that this individual is or is not acceptable as a welfare client.

SENATOR MARAZITI: After 90 days, what happens?

MR. DE SANTIS: Well, if we find that this individual

is not acceptable, the individual case would be dropped.

SENATOR MARAZITI: Suppose nothing is done. I don't mean your office. I am trying to get the law here. I don't want to look it up. Suppose nothing is done after the 90 days are up.

MR. DE SANTIS: We lose our Federal matching funds.

SENATOR MARAZITI: In other words, if you don't make any report?

MR. DE SANTIS: That's right.

SENATOR MARAZITI: You have to make some kind of a report in 90 days one way or the other. So this in effect guarantees a report in 90 days.

MR. DE SANTIS: That's right.

SENATOR MARAZITI: The practical effect is that. Well, it is a little different now because you have 90 days, whereas the way you were explaining it before, in many cases it would be several weeks.

MR. DE SANTIS: Let me explain this to you, Senator, that the 90 days includes the point of application. In other words, they consider the month in which the application is taken to be part of that 90-day period. So if you took an application on the 25th of this month, this month would be part of the 90 days. So in effect you might have only 40 or 50 days in which to complete this application. In other words, the month in which the application is taken is considered in the total picture of the amount of days that are required.

SENATOR MARAZITI: This has been going on now for how long, a year?

MR. DE SANTIS: For years.

SENATOR MARAZITI: Will you prepare for the Committee, when you have a little opportunity, not names not addresses, just numbers - 50 cases or 100 cases applied and how many checked out. I suppose all of them checked out. Theoretically all of them would be checked out except the current ones. And how many were certified as eligible and how many turned down - in other words, found not to be eligible.

Say you might have over the period of a year 1,000 cases, new cases. How many checked out? How many were found eligible and how many found not eligible? Then, on the ones found not eligible where funds have been advanced, which I assume they would be - you have to do it - how much money was recovered, if any? Maybe none. If not, why not? Maybe they couldn't find the person. Or maybe no fraud was involved. As I understand it, if there is no fraud involved, you cannot recover the amount. There must be fraud for you to be able to recover the amount.

Let me ask you this question: - I am asking too many at one time. - Have there been cases where there has been an examination and they have been rejected?

MR. DE SANTIS: Yes, sir.

SENATOR MARAZITI: There has. Do you know of any case where money advanced has been recovered?

MR. DE SANTIS: Some cases.

SENATOR MARAZITI: There are some cases. Rather than pursue this line of examination, I suggest that you send this information in to us.

MR. DE SANTIS: All right, sir.

SENATOR MARAZITI: That would be simpler. While I am on that, counsel, in preparing that list of properties of this particular gentleman, also let me have a list of those dwellings - I don't mean single dwellings - where you have cut down the list where there are five or more family units in one building.

MR. RUBIN: We have the list right now.

SENATOR MARAZITI: That is fine. You certainly have put in a lot of time on this and I want to compliment you for it because I know it is a difficult thing. That would save that much time. If you could let us have that list, then you won't have to do that.

MR. RUBIN: Senator, this isn't limited to five-family dwellings.

SENATOR MARAZITI: I was trying to make it easy. If you have done the work, I can't make it any easier except to thank you for being so conscientious.

MR. RUBIN: It is all dwelling units.

SENATOR MARAZITI: Thank you, Mr. Rubin.

Do you think if we had the old plan, the old system of temporary relief and a check out within several weeks, it would be better than the present system? We have heard a lot of testimony here about presumptive eligibility making a lot of trouble, causing a lot of expense.

MR. DE SANTIS: Under the local system, of course, the local departments of welfare were not involved with the Federal government, theirs came from the state and local. So they were able to issue in the form of a voucher for the purchase of food and shelter. Consequently, they were not involved with a check to the individual. This in itself, of course, would be a check because the only way you could use this would be for the shelter cost or the food. But there are a preponderance of problems over and above that which that particular system wouldn't resolve. In other words, it wouldn't solve somebody wanting to go in and apply for welfare that wasn't entitled to it nor would it solve the various social problems that are involved.

SENATOR MARAZITI: But under the old system it seems that the checkup was made sooner. Let me reframe the question. Under the old system, emergency situations involved food and shelter, let's say, maybe clothes. Under the present system does it involve more than that?

MR. DE SANTIS: Under the old system it involved food, shelter, clothing and utilities and that is what is involved under this system.

SENATOR MARAZITI: Under this system it would involve all those things, but wouldn't it involve more too, like additional allowance, or is it the same thing?

MR. DE SANTIS: You mean additional payments?

SENATOR MARAZITI: Yes.

MR. DE SANTIS: No, we would still be guided by whatever our manual allowance would permit us to give.

SENATOR MARAZITI: Well, let's say, one person applied for relief - just one person applied for assistance. They sign up. What is the first thing that happens when they sign up and sign all the forms now?

MR. DE SANTIS: They are questioned as to various areas, areas including financial ability, if there is any income, or if there is anyone capable of supporting them.

SENATOR MARAZITI: I come there. I sign up and I want money. I want help. I am coming to your office and I am signing everything. What do I get? I have no job. I have no money. I have nothing. That's what I am telling you and you can't tell by looking at me whether I have or not. I'm not criticizing you. I want to pinpoint this thing. It is not as simple as it seems. I walk into your office and sign everything up and you have to give me something. What do you give me?

MR. DE SANTIS: We would compute your personal household needs plus your rental and that would be your grant.

SENATOR MARAZITI: What would I get? Would I walk out with a check?

MR. DE SANTIS: I would have to have a table of computation here to tell you. It would vary depending on the case. Your circumstances may not be the same ---

SENATOR MARAZITI: I'm single. I'm coming to this office. This is just the thing I am pointing out. I am coming into your office, I'm single and I have no job. I have fifteen cents in my pocket and I have this watch, and you can have it, and I have no place to go. I have no food and no place to sleep. And I have this suit. What would I get? I'm 32 years old. If I sign that, you've got to believe it.

MR. DE SANTIS: Once again I have to refer to the

fact that I would have to compute this, based on the figures that the State gives us.

SENATOR MARAZITI: All right. I am not trying to tie you down to a dollar figure. Do you give me a check to cover me for a month's rent and food for a month? I don't care about exact figures.

MR. DE SANTIS: Your personal and household needs plus your rental.

SENATOR MARAZITI: Right. In other words I get the rental of a room for a month in a hotel or some place. I like a nice fancy motel.

MR. DE SANTIS: No.

SENATOR MARAZITI: A room, enough for food and maybe a little bit for incidentals like tobacco and a glass of beer once in a while. I am not trying to be ridiculous. But I would probably get a check for what? \$200 or \$300?

MR. DE SANTIS: Oh, no, far less than that. A single person would get far less than that. The administrative ceiling for a family of two people at its maximum - that would be giving the utmost you could - would be, I believe, in the neighborhood of \$320. That would be two people.

ASSEMBLYMAN SCANCARELLA: Plus rent? Are you including rent?

MR. DE SANTIS: That would be plus rent.

SENATOR MARAZITI: Plus rent. What do I get for rent and everything?

MR. DE SANTIS: You are talking about the ceiling now. That would be including everything. That would be the maximum, \$320.

SENATOR MARAZITI: Plus the rent?

MR. DE SANTIS: No, including rent.

SENATOR MARAZITI: That's the whole thing. So I might get \$175.

MR. DE SANTIS: Right. You might.

ASSEMBLYMAN SCANCARELLA: That day?

MR. DE SANTIS: It is possible if there was need exhibited that day. If there was a question raised in the mind of the worker taking the case though, it doesn't necessarily have to be that day.

SENATOR MARAZITI: It doesn't have to be that day. Then this would go on for a maximum of three months. It could be and probably would be for two months or a month and a half, right?

MR. DE SANTIS: Yes.

SENATOR MARAZITI: I mean it probably would not be for the whole 90 days. I just have the feeling and I could be wrong - I probably am - that under the old system it seems a checkup was made sooner - several weeks.

MR. DE SANTIS: First of all, you mentioned something, you said you were 32 years of age and you came in and wanted assistance. You couldn't get assistance as a single individual at 32 years of age in our department. You would have to go to the General Assistance Department on a local level. Because in order to be a single individual and get assistance under our department, you would either have to be 65 years of age or over or you would have to be permanently and totally disabled. So if you weren't either of the two and you were a single individual, alone, you wouldn't qualify under our department. You would still have to go under the general assistance regulations in the local department of welfare.

SENATOR MARAZITI: You have four categories.

MR. DE SANTIS: We have old age, disability, blind, ADC and Cuban refugee.

SENATOR MARAZITI: In other words, if I had a child and came in, it would be a different story. I would come to your office.

MR. DE SANTIS: That's right.

SENATOR MARAZITI: I suppose it doesn't make any difference whether it is under the old system or the new system, but it seems you could recover when there is a

fraud. In other words, if I signed these papers, you could prove fraud. You could recover the money back from me. If you found out I was a lawyer and I was making \$55 a week and I was chisseling, you could recover. But you would have to prove the fraud, wouldn't you?

MR. DE SANTIS: If you had fraudulently obtained the funds, we would make a report of this fraud to our attorney.

SENATOR MARAZITI: If I made a mistake and thought I was eligible, then you couldn't do anything.

MR. DE SANTIS: No, sir. If we find that the individual has obtained money under statements which were not true, it is our job, our duty, to report this to our attorney as an alleged fraud.

SENATOR MARAZITI: It could be a case where the statements would not be true, but would not be fraud. Wouldn't there be cases like that? A person might say, "I made a mistake. I thought I could get money."

MR. DE SANTIS: Not as far as we are concerned.

SENATOR MARAZITI: All right. You report it to your attorney, Mr. Rubin.

MR. DE SANTIS: That's correct.

SENATOR MARAZITI: Then he takes it up from there.

MR. DE SANTIS: He would take it from there and he would file a copy with the local prosecutor and a copy with the Legal Division in Trenton.

SENATOR MARAZITI: Your attorney would not arrange for the collection of the money, the return of the money?

MR. DE SANTIS: We could arrange for the collection of the money, but the prosecution of the fraud would be the decision of the local prosecutor.

SENATOR MARAZITI: Right. Then the recovery of the money would be by the county.

MR. DE SANTIS: Through some arrangement, if such an arrangement were available.

SENATOR MARAZITI: If he could get it voluntarily or

start suit - it would be up to him. If you don't know, maybe he knows. Have any suits been started to recover money?

MR. DE SANTIS: Yes, there have.

SENATOR MARAZITI: You don't know now about how many cases you have had where you have recovered money on, do you?

MR. DE SANTIS: Offhand, I wouldn't know.

SENATOR MARAZITI: Three or four or fifty or sixty?

MR. SANTIS: I would be guessing.

SENATOR MARAZITI: All right. You will let me have this information.

MR. DE SANTIS: Right.

SENATOR MARAZITI: In other words, whether there has been recovery and about how much, all or part, whatever it is.

Then you forward this information to the Prosecutor's Office in case you have a situation like this.

Now you heard the testimony of Mr. Pojanowski, I think it was, in which he recited to you a situation where he felt there should be no payment to this person because he explained that he paid rent with his checks - he was his own tenant - and you heard him testify that he was ignored. Would you like to say anything about that?

MR. DE SANTIS: Mr. Pojanowski wasn't ignored, with all deference to him. He entered the office in Passaic and approached the individual involved, at first, telling her what to do with the case, explaining to her what he had found to be an alleged fraud. He then left the office. After that time, this individual had talked with her worker and although the individual's husband was earning money, in fact, he was not supporting his family. There was no food in the house. He was not making available to the family the necessities of life. We are bound, therefore, even though someone is living in a home, if they are not in fact supporting the family, if this family doesn't have food and is about to be evicted from shelter, etc. - we

are bound by our regulations to make sure that this money is available so that they can maintain the necessities of life.

The incident arose due to the fact that Mr. Pojanowski at that particular time became somewhat belligerent with the individual involved. There were some words exchanged. We had a subsequent meeting at which this was discussed. We discussed who it should have been referred to and who should have taken any action and whether or not the individual involved had in fact improperly proceeded on her job.

It was my decision as the Director of Welfare from the facts given to me from the local office on what had occurred that this woman had, in fact, acted within the regulations, had not exceeded her authority nor had she improperly acted. Therefore, I could not take up for dismissal of this particular individual. I explained this in front of the entire board and left it up to their discretion as to whether or not they wanted the matter pursued further. It was not pursued further since she had acted within the regulations.

SENATOR MARAZITI: In other words, as you say, the regulations call for payment of assistance even if there is a breadwinner in a home, if that person is in actual need, you must under the rules furnish the support. Your office came to this conclusion.

MR. DE SANTIS: That's correct.

SENATOR MARAZITI: I understand that. Now we have a situation where obviously the father is known. In this case did you report it to the Prosecutor's Office?

MR. DE SANTIS: Yes. We had Mr. Pojanowski sign affidavits.

SENATOR MARAZITI: Not Mr. Pojanowski, you. I mean, your office.

MR. DE SANTIS: Yes. We had him sign affidavits not as the President of the Board, but as the landlord of

that particular house with the information that he knew to be true. This in turn with a complete report was turned over to our counsel for referral to the Prosecutor for fraud proceedings.

SENATOR MARAZITI: Approximately how long ago did this thing occur and this affidavit was signed?

MR. DE SANTIS: I would say something in the neighborhood of a month ago. I could be off a week or so.

SENATOR MARAZITI: You turned it over to counsel and do you know whether counsel forwarded this to the Prosecutor's Office.

MR. DE SANTIS: It was Mr. Ferrante. He is not here at this time.

SENATOR MARAZITI: Mr. Ferrante?

MR. DE SANTIS: Mr. Carmen Ferrante.

SENATOR MARAZITI: Perhaps counsel - Mr. Rubin - he could include the information to me whether this information was sent to the Prosecutor's Office and when.

MR. RUBIN: Yes, sir.

SENATOR MARAZITI: In connection with this -- this is on the basis of fraud? Is this what you had in mind?

MR. DE SANTIS: Alleged fraud.

SENATOR MARAZITI: What about the situation where there is a husband that is allegedly working - what would your office do in connection with compelling support by that husband and father? What is the practice of the office?

MR. DE SANTIS: Complaint is filed by the recipient in the Juvenile and Domestic Relations Court of one or two things - either a complaint of non-support or complaint of neglect of minor children.

SENATOR MARAZITI: By the recipient?

MR. DE SANTIS: That is correct.

SENATOR MARAZITI: Now take a situation where the recipient is not interested. What happens then? I mean, there aren't many cases there because they are in love

with the husband and then the husband says to them, "Don't make a complaint against me because if you do, I'll rot in jail and you'll never get anything." You get that sort of thing. It is not new to me; it's not new to Mr. Rubin. We've heard it all the time. If I were the judge, I would let them rot in jail. What do you do in a case like that where the recipient doesn't do anything, which I wager to say is the situation most of the time? What happens?

MR. DE SANTIS: To the contrary, Senator, most of them are willing to file the application.

SENATOR MARAZITI: What happened in this case?

MR. DE SANTIS: In this case, it was automatically referred.

SENATOR MARAZITI: Not that part of it. The part that was referred you say was the fraud. But I am talking about the desertion and non-support part.

MR. DE SANTIS: If the woman herself doesn't want to file the charges or refuses to file them and refuses to cooperate, we may first withhold assistance to find out why. There may be a good reason for it. The second thing, if she doesn't do it, the department can file it.

SENATOR MARAZITI: That's right. I am assuming - I don't know what happened here -- I'm assuming she hasn't done this. Maybe she hasn't been requested, I don't know. First, I wonder if you could let me know when you write to me whether she was requested to make this complaint. You see, we are getting now down right to the meat of the situation, which is a repetition over and over and over again a hundred times, thousands of times. This is the crux of this whole situation here, whether the taxpayers of this State are going to support this wife and children or whether the husband and father is going to do it. There's where the real trouble is. And it depends upon people like you in your office with your authority and your capable counsel to follow through on these things. In other words,

what you need here is a request of this young lady that she file a complaint. If she doesn't, your office does it. Apparently the Prosecutor's Office will work with your office.

You have the authority to make this complaint, right?

MR. DE SANTIS: That's right.

SENATOR MARAZITI: This just happens to be one case we know about and I am not too concerned about it because I understand your situation where you felt the woman was entitled to assistance and you were obligated to give it. I can see this finding, regardless of where he is or what he does.

Forget this case for a moment, but in many cases like it where support is given, which it should be, what do we do about getting that money back? What do we do - get the money back from the parent or try to get it back or get him to support directly?

MR. DE SANTIS: We bring it before the court and the court will make a judgment. If it is felt that the individual will give the support payments - he might appear with an attorney who will guarantee that the support payments will be given - the judge will set down a court order, put the man on probation and the money is paid through the Probation Department to the client.

SENATOR MARAZITI: To the client?

MR. DE SANTIS: To the client. If, however, this man's behavior in the past has been erratic, he has not been the type of individual you can depend upon, the judge will then set down an order that the Welfare Department will receive the money and we will in turn give her a full grant and we will keep tabs on whether or not the money is forthcoming. If the man fails to meet his obligations, we will request that he be returned to court for further action.

SENATOR MARAZITI: This is better for the recipient because the recipient gets the money and then if the court

feels - in most cases maybe they do - they direct an order of payment to your department and you get all you can get. Then, of course, it is your responsibility or your department's responsibility - I don't mean you personally - to keep tabs, so to speak, on this tremendous caseload. And I know it must be tremendous. This probably is a problem too.

I am not saying this in a critical way. I am trying to get down to the meat of it. It seems to be such a slippery thing. Nobody can put their finger on it.

So now we must have a lot of these cases, or do we? Maybe we don't. Maybe we don't. In other words, your department may feel, why waste time - we'll never get any money out of these people. Do we have many cases, say, over a period of a year, where there are court orders to pay to you?

MR. DE SANTIS: We have many cases.

SENATOR MARAZITI: The next question is this: How are their accounts, good or bad?

MR. DE SANTIS: In some cases, very good; in some cases, very poor.

SENATOR MARAZITI: I don't want to ask you for specific figures because it would be impossible for you to testify to that. But could you let me have your caseload in numbers. I don't want names or anything like that. I don't know how your files are kept there. I don't want you to go back to the Dark Ages. I don't know how many years to have you go back. I'm going to leave it to your discretion, 2, 3, 4, 5 years, something like that, where you can tell me how many cases you have had in approximately 5 years. Maybe that is not possible. If not, you let me know and we can modify that. I would like to know how many court orders and the status of these accounts. This would be the obligation of the Prosecutor. You would notify the Prosecutor's Office and they would be hauled before the Juvenile Court.

MR. DE SANTIS: They would be on probation. We notify the Probation Officer.

SENATOR MARAZITI: But it is your responsibility to process this. All you have to do is notify the Probation Office. Your work is going to be easy.

You know what I suggest you do when you go home tonight and you think what a rascal that fellow was down in Trenton - you try to make up a little form letter: Dear Mr. Probation Officer: Mr. Blank is in default in his payments. Kindly take the necessary steps. And I imagine you are going to have four or five hundred.

MR. DE SANTIS: We have a form letter that interchanges information between both departments.

SENATOR MARAZITI: Wonderful. I expect Passaic County to collect a couple of hundred thousand dollars the next two or three months. I would like information on this and I would like to know just what the status is because I think --- Mr. Moore, will you kindly make a note at our next hearing, I want the Probation Officer of Passaic County to appear. We don't know the name, but we will get the name from this witness later. Or do you know the name?

MR. DE SANTIS: The Chief Probation Officer?

SENATOR MARAZITI: Yes.

MR. DE SANTIS: Mr. Alphonse Pezzuti.

SENATOR MARAZITI: Mr. De Santis, I really appreciate the information you are giving to us this afternoon. I want to say again my remarks are not directed to you personally and they are not critical in any way. I am just critical of the whole operation - not yours - everybody's. I can see now that your position is more of a notifying position. You notify these other people and it is their responsibility. You may not even have a check on what they do. You don't know. You just hope that they do their job and it is not your responsibility to see that they do. Of course, then I probably will have a complaint

from the Prosecutor's Office about having too much work.

Mr. Moore, at the next hearing ask the Prosecutor of Passaic County to send a representative down here that is familiar with the processing of the complaints that we are talking about.

So either everybody is going to do their job and Passaic County is going to have a couple of hundred thousand dollars or somebody is going to be in trouble and it won't be you. I am sure of that.

Now I would skip over quickly because this is taking more time than I anticipated and we may come back on some of this - I would like to get into this work incentive situation. I don't know if your office could be involved in that kind of thing where if someone goes to work, they lose their assistance completely.

MR. DE SANTIS: No, sir.

SENATOR MARAZITI: They don't, do they?

MR. DE SANTIS: No. You have had three programs that have been put into effect: presumptive eligibility, unemployed fathers and under-employed fathers. By that it means someone who is working to capacity but still cannot support the family. There are three categories there. It is possible for someone to be employed and still receive welfare.

SENATOR MARAZITI: This could be a mother too, could it not?

MR. DE SANTIS: This could be a mother.

SENATOR MARAZITI: A mother could work as a legal secretary and not lose all her welfare.

MR. DE SANTIS: That's right.

SENATOR MARAZITI: Apparently some people have the wrong impression here. I don't mean you.

MR. DE SANTIS: Quite a few people have the wrong impression. We have many working people who are on welfare.

SENATOR MARAZITI: Is there some kind of schedule?

MR. DE SANTIS: Their combined income together with

their needs determine whether or not

SENATOR MARAZITI: So it is an incentive to work, right?

MR. DE SANTIS: That's correct.

SENATOR MARAZITI: Could you, without taking your time now, send me that plan.

MR. DE SANTIS: The WIN program.

SENATOR MARAZITI: The program, right.

I would like to ask you this: - You may not have the information on this. - Do you know of a situation - and I have heard rumblings about a caseworker that has been beaten up because she attempted to point out irregularities. Can you help me in that regard?

MR. DE SANTIS: Yes, sir. We had one incident in our Passaic Office. A woman came in and during the discourse with the caseworker became angry and struck the caseworker. The caseworker lost her temper and struck her back. It evolved into one of these fights between two women.

My administrative supervisor - my regular supervisor - stepped between them. As a matter of fact, the regular supervisor was injured. The fight was stopped. The following day, charges were filed against this woman. She was brought before a court, found guilty, placed on probation, and she is to make a minimum payment towards the charges of a fine for disrupting and being a disorderly person and striking another person. This was taken care of.

SENATOR MARAZITI: In other words, this is the only thing that you know of.

MR. DE SANTIS: It is the only incident I know of. If there has been any other incident, nothing has been reported to me or to my department. This was the only incident I know of and it was followed through with the regular procedure.

SENATOR MARAZITI: I will not ask you for the name of the caseworker here, but I would like to have the name

of the caseworker when we recess here.

You have been very helpful. There is a tremendous amount of information that we have and more, I am sure, that you can give us. The only thing is, it is five o'clock now and I have a suggestion. I think we will get a lot of this information by correspondence and perhaps phone conferences. Rather than go on now, I would like to at this point give others who have been here sitting so patiently an opportunity to speak. It has taken much longer than I thought it would.

I am going to suggest this: I don't know when, perhaps not the next time, but at some later date I might like to have you return to help us in our deliberations. It may be it will not be necessary because I will get most of this information. But there may be other things that you can help us with. Because I am sure that we will not conclude with the whole list of things I have here. So I suggest that we terminate now and I will notify you considerably in advance.

Unless you have something else you would like to say voluntarily now, which is not necessary, but I don't want to close you off in any way, we will go on to the others.

MR. DE SANTIS: One thing I know that you asked about were food stamps of Mr. Salek.

SENATOR MARAZITI: Right.

MR. DE SANTIS: We have 1,463 cases. 5,670 people are receiving those benefits.

SENATOR MARAZITI: You have 1,463 cases and 5,670 have the food stamp setup. You see the value of having testimony.

MR. SCANCARELLA: How much does he have?

SENATOR MARAZITI: He has 1,463 cases. Of course, that might be 6,000 people.

MR. DE SANTIS: Right.

SENATOR MARAZITI: And 5,670 receiving food stamps.

In other words, everybody is receiving the food stamps. In other words, this is the practice - food stamps

instead of the cash.

MR. DE SANTIS: The food stamp program is available to anyone. Anybody can use it.

SENATOR MARAZITI: In other words, Assemblyman Scancarella brought out here that apparently everybody is using the food stamp system. You are using it.

MR. DE SANTIS:, I'm not using it. I'm not qualified for it. Our department -

SENATOR MARAZITI: Your department is using the food stamp program.

MR. DE SANTIS: It's a voluntary program.

SENATOR MARAZITI: You are using the food stamp program. You are putting it into operation. Now, is it voluntary or not?

MR. DE SANTIS: It is voluntary.

SENATOR MARAZITI: In other words, they all have volunteered.

MR. DE SANTIS: That is correct.

SENATOR MARAZITI: This does not jibe with your earlier testimony.

ASSEMBLYMAN SCANCARELLA: I don't know that I follow that.

SENATOR MARAZITI: I don't either. There are 5600 people, or 1,463 cases.

MR. DE SANTIS: There are 1,463 cases which cover 5,670 people.

SENATOR MARAZITI: How many cases use food stamps? Give us the answer in cases. Do you want to put it that way?

MR. DE SANTIS: How many cases are on food stamps?

SENATOR MARAZITI: Yes.

MR. DE SANTIS: 1,463.

SENATOR MARAZITI: Then why do you say "or"?

ASSEMBLYMAN SCANCARELLA: How many in your office?

MR. DE SANTIS: In my entire office? 9,456 including institution cases.

ASSEMBLYMAN SCANCARELLA: Well, how many are eligible

for the food stamp program that are not under the food stamp program roughly?

MR. DE SANTIS: Perhaps 6,000.

ASSEMBLYMAN SCANCARELLA: So it is up to them, whether they go on?

MR. DE SANTIS: It's up to them.

SENATOR MARAZITI: So six thousand, Assemblyman, are eligible but they are not using it. You gave the impression that they are all using it. In other words, six thousand are not using them and it is voluntary.

MR. DE SANTIS: That's right.

SENATOR MARAZITI: There is no way it can be made mandatory because of regulations.

MR. DE SANTIS: Not by us. I wish it were.

SENATOR MARAZITI: By whom?

ASSEMBLYMAN SCANCARELLA: By us or by the Federal?

MR. DE SANTIS: I would say that it would have to take both Federal and State legislation.

SENATOR MARAZITI: In other words, as far as you are concerned, you would recommend it.

MR. DE SANTIS: Definitely.

SENATOR MARAZITI: It would save money and also be better for the recipients.

MR. DE SANTIS: Absolutely.

SENATOR MARAZITI: All right. Thank you very much.

ASSEMBLYMAN SCANCARELLA: Just one question about 179 Third Street. You said there were 19 families. How many dwelling units, separate dwelling units, were there?

MR. DE SANTIS: That I don't know.

ASSEMBLYMAN SCANCARELLA: Were there 19 - were there 19 separate units for 19 separate families or were some combined?

MR. DE SANTIS: I heard testimony earlier to the effect that this was supposed to be either an 18- or 19-family dwelling. Whether this is so or not, I couldn't say.

ASSEMBLYMAN SCANCARELLA: You don't know whether they are separate living quarters.

MR. DE SANTIS: These were all separate living quarters of the families I am talking about.

ASSEMBLYMAN SCANCARELLA: Of the 19, 18 were on welfare and you gave them x amount of dollars plus rental.

MR. DE SANTIS: That's correct.

ASSEMBLYMAN SCANCARELLA: And the rental goes directly to the landlord or directly to the recipient?

MR. DE SANTIS: All money must be paid by Federal regulations directly to the recipient.

ASSEMBLYMAN SCANCARELLA: But it is paid separately so you know how much goes for rent.

MR. DE SANTIS: No. One check is given out. But it is broken down in the budget.

ASSEMBLYMAN SCANCARELLA: How much was the rent in this apartment?

MR. DE SANTIS: How much was the rent?

ASSEMBLYMAN SCANCARELLA: Yes.

MR. DE SANTIS: I could break that down. I don't have it here.

SENATOR MARAZITI: He doesn't have it here. Suppose you let us have that.

MR. DE SANTIS: All right. I didn't know you wanted that.

SENATOR MARAZITI: I know. We did not ask it. That's all right.

ASSEMBLYMAN SCANCARELLA: How about this under-employed program? Can you give us this information? In other words, how much can you get ---

MR. DE SANTIS: The same ceilings apply to these people as apply to the other programs. It depends on the size of the family and what the income of the individual is, minus the disregards, his employment incentive allowance and allowance for baby-sitting services and mandatory payroll expenses. Other than that, the entire income is taken

into consideration.

ASSEMBLYMAN SCANCARELLA: How is presumptive eligibility initiated? Was it by Federal legislation?

MR. DE SANTIS: Federal legislation with the State putting in a program to match what the Federal government required.

ASSEMBLYMAN SCANCARELLA: By act of Congress then.

MR. DE SANTIS: That's right.

ASSEMBLYMAN SCANCARELLA: It is not by administrative action within the department.

MR. DE SANTIS: None of the programs or the regulations or laws is done on the local level. They come down from the State and are instituted originally through the Federal government.

ASSEMBLYMAN SCANCARELLA: I understand that. Can the Federal department under which this comes - Health, Education and Welfare, I assume - can they do it by administrative act or does it have to take an act of Congress to do it?

MR. DE SANTIS: I believe they would have to go to the legislative body and pass a legislative regulation.

SENATOR MARAZITI: Thank you very much, Mr. De Santis, and, Mr. Rubin, thank you too for your attendance here and your courtesy and cooperation.

MR. RUBIN: We have the Supervisor of the Passaic Office. I assume you want to hear him at some other date.

SENATOR MARAZITI: Yes. Thank you for your thought there and I would very much like to hear him, but I feel very badly that I have not had an opportunity for these other people who have waited here, although ordinarily we would consider hearing all of the official side first.

MR. DE SANTIS: Senator, let me say I thank you for having me here and our department and I, myself, in particular are willing to cooperate with you at any time. We will come back or do anything else you want.

SENATOR MARAZITI: Thank you.

I will call Carl Ellen, then Francisco Rosa - and there are three people here who have signed a slip - Neil Morrison, Jacqueline Taylor and Evonne Seldon. We will move very quickly.

Mr. Ellen, let's have your full name and address and if you represent any group, you may state it.

C A R L E L L E N: My name is Carl Ellen. I live at 2-A Hudson Street, Passaic, New Jersey. I am Chief Organizer for the Passaic Conference for Economic Opportunity.

First, I think we should clarify what Mr. Salek and other city officials who followed him have said. They used the terminology "fraud" loosely - quoting in some cases - "We have discovered fraud. It runs rampant," and "we can knock almost on any door."

I really think that the use of the word "fraud" is very misleading and, in fact, in some cases is an outright lie.

The terminology of what Mr. Salek and others have found in their crusade against welfare recipients in general has not been any type of fraud whatsoever. What they have found, if we want to use the word, is mismanagement, but not mismanagement to such an extent that you can even say you are abusing your particular privileges.

I also would like to comment on not only the fact of ---

SENATOR MARAZITI: You mean mismanagement by ---

MR. ELLEN: --- by the welfare recipients.

SENATOR MARAZITI: I think what he was alleging was that there might be fraud on the part of recipients.

MR. ELLEN: Well, this is what we are saying - there is definitely not.

SENATOR MARAZITI: You say it does not exist.

MR. ELLEN: It does not exist. They have not been able to prove that there is any type of fraud in any of the particular cases which they referred to or which the local newspaper has reported on.

What they have reported on is where a person is putting

\$200 down toward a house of money which was earmarked for them.

SENATOR MARAZITI: I could understand that. That is not fraud. I mean, that is a Federal program that is permitted and it is completely legal. Your position is that there is no abuse of the welfare at all. Is that right?

MR. ELLEN: I wouldn't say in any type of thing. There might be some minor type of abuse. That includes politics and includes any other type of aspect you can look into - social security, the Army or any place else. There is some minor type of abuse.

SENATOR MARAZITI: You don't think there is anybody getting any money that doesn't deserve the money.

MR. ELLEN: No, definitely not.

SENATOR MARAZITI: In other words, you think there is no problem at all, that there is no fraud at all, in welfare in the City of Passaic.

MR. ELLEN: I would go so far as to say there is no fraud whatsoever in the City of Passaic in terms of those people receiving money who are eligible for it. However, I would say the type of fraud which we really should be looking into is not coming from the welfare recipient but from the welfare receivers, from those who are receiving money.

SENATOR MARAZITI: From the welfare receivers?

MR. ELLEN: From those who are receiving the money for services they render from welfare recipients. This is in terms of landlords, grocery store owners, etc.

SENATOR MARAZITI: I would like to know about that.

MR. ELLEN: I would like to follow this schedule, if possible, and we will get into it.

SENATOR MARAZITI: Fine.

MR. ELLEN: I would like to say that some of the tactics that have been used by the city officials and by the local newspaper in order to gain entrance and gain information make us feel like we are in pre-Hitler times

in that they use Gestapo-like tactics. What has been happening here is that a group of men, usually five or six travelling together, including city officials and local newspaper reporters, have been knocking on doors under the pretense that they are police officers. They walk inside these people's homes and accuse them of fraudulent practices and "If you don't testify, we are going to bring you to jail." I think even Hitler in his Gestapo tactics didn't do that.

SENATOR MARAZITI: Just a minute. When did this happen?

MR. ELLEN: This happened in terms of when the newspapers - like you say, we are not mentioning any names - but in terms of the particular case when it first came to light of a welfare recipient using his \$200 down to pay for rent, and the case where a welfare recipient supposedly had a color television and the price was on it, which was reported in the local newspaper. This was the procedure that was used. In talking to the individuals afterwards - and this is on record in our office - as to how this came about, we were told that the people posed as police officers. They came in and they demanded that all information be given to them or face court or go into jail.

SENATOR MARAZITI: What information was this?

MR. ELLEN: From the welfare recipients themselves. It is on record. I think we have one of the persons who was involved directly in that here who can testify in his own behalf if he feels, you know, he wants to.

Getting back to more specifics and in answer to some of your questions - number one, I would like to make a comment in terms of food stamps because I think you have been misled in terms of what food stamps really are. Number one, when you purchase food stamps, you might be able to purchase, for example, \$25 worth of stamps for \$20. However, you are limited to what you can buy with food

stamps. You can only buy American-made products. This, number one, would eliminate anyone of foreign ancestry who wants food of their native country.

SENATOR MARAZITI: Aren't there American companies that make spaghetti?

MR. ELLEN: We are not talking just about that - bananas from Santo Domingo, coffee from Argentina. We just don't have Italians, you know.

SENATOR MARAZITI: You mean you can't buy coffee from Argentina. That's a big problem.

MR. ELLEN: It's not just that. We can name numerous things that people eat.

SENATOR MARAZITI: I think that suggestion you are making is ridiculous. I can't help saying that. You give me an example of a food you can't buy because somebody comes from another nation. You can buy onions and garlic - American garlic, American tomato sauce and spaghetti. It doesn't make much sense to me. But let's not debate it at this point. There are items you cannot buy that people like to eat.

Assemblyman Scancarella, I have to explain he doesn't like food stamps.

MR. ELLEN: No, no, I didn't say that.

SENATOR MARAZITI: I'm sorry.

MR. ELLEN: I'm showing you some of the disadvantages.

SENATOR MARAZITI: The disadvantage of food stamps is that you cannot buy everything. There may be some special food from other countries that you are accustomed to. It's a point.

MR. ELLEN: It's a point, but there are more important points which I will take up as we go along.

Number two, there are items which you cannot buy with food stamps, period, at your local stores, such as toilet paper, Lestoil. It is only consumable foods you can purchase. This runs you into trouble. There are plenty of items you need around the house that are not food items.

SENATOR MARAZITI: I want your viewpoint. In other

words, you suggest that it would be better to discontinue food stamps.

MR. ELLEN: I am not saying discontinue food stamps. What I am saying is that it is impossible to use food stamps as a form of money. You can't use food stamps in purchasing all the items you need.

SENATOR MARAZITI: But are you against food stamps the way it is now? You don't agree with it?

MR. ELLEN: I don't disagree with it. The only thing I'm saying is there are too many disadvantages and it's not the answer. It's not the answer to say we can give food stamps to people and they can go shopping in stores and not get a better deal.

SENATOR MARAZITI: What do you recommend - that they get cash?

MR. ELLEN: I recommend they get cash and use food stamps as they are.

SENATOR MARAZITI: Get food stamps and get more cash.

MR. ELLEN: No, the point was made earlier by one of our Council that people should be paid in food stamps and go to stores versus the fact of money. I am saying it is impractical and it is impossible.

SENATOR MARAZITI: See if I understand this. If you get \$20 worth of food stamps, I believe it is equivalent to \$25 in merchandise.

MR. ELLEN: Right.

SENATOR MARAZITI: Now you are against this plan, right? You may be right. I am not criticizing. I want to find out how you stand.

MR. ELLEN: Let me give you an example. Say you get \$20. You go to the local bank and exchange it for \$25 worth. But there are only a few stores you can shop at.

SENATOR MARAZITI: You are against them.

MR. ELLEN: You are saying I am against them.

SENATOR MARAZITI: What do you recommend?

MR. ELLEN: I recommend it on a voluntary basis,

that people should pick up food stamps, depending upon their need.

SENATOR MARAZITI: In other words, your position is, you'd like to have the plan stay where it is now, permissive. If you want the food stamps, all right. If you don't want them, take the cash.

MR. ELLEN: Very good. This is what we have been trying to say from the very beginning.

Also, getting back to the first question you asked me in terms of what do I mean in terms of who receives the money, etc., or the welfare receiver. In this State, especially in the City of Passaic, it is a known fact - let's even take, for example, Mr. Satkin whose name has been mentioned here before - owns more property than three buildings that welfare recipients live in. In fact, I would even estimate it at 50 or better. He owns more than 250 different buildings throughout the entire city which was reported in our local newspaper and he manages quite a considerable amount more.

The tactics that have been used - and this is where we call it legalized fraud - because it is legal, but to me it seems fraud.

SENATOR MARAZITI: I have difficulty in understanding you. Could you speak slower and move the mike over so I can see your lips. I can't get everything you are saying and I know it is important.

MR. ELLEN: Take for example, a landlord, we have cases where a landlord will buy a building and he has tenants who have been living there, let's say, for 20, 30 or 40 years, and he automatically goes up on the rent from \$70, which is an exact case, to \$175 a month, realizing these people cannot afford this amount and are forced to move out.

He then turns around - and this is his main goal, to have them move out -- he then turns around and he rents the apartment to welfare recipients, realizing that they can afford maybe under their administrative ceiling to

pay this amount. You see, because in this building - and you will find buildings like this - he might have two people living in the same apartment, one on welfare paying \$150 or \$160 a month and one not on welfare paying \$70 or \$80 a month because welfare will pay. This is where our problem comes in.

SENATOR MARAZITI: I agree with you. That is fraud on the part of the landlord.

MR. ELLEN: It is definitely fraud. There is no doubt about it. However, it is what is called legalized fraud.

SENATOR MARAZITI: You heard me question the Welfare Director and ask him to supply me with a list of these buildings, the addresses of the buildings and the owners.

MR. ELLEN: A question was asked, I think by Mr. Scancarella, why in certain sections of Passaic, comparable to surrounding communities, we have this type of condition existing in terms of welfare cases, etc. Well, it's rather easy. The whole context is in terms of the slum landlord, the slum landlord who creates the ideal situation for disadvantaged people. He promises them something for nothing. What happens in this particular case is that the landlord will call in or will even advertise in newspapers - I understand even on road signs along southern highways and in foreign newspapers as well - he will advertise the fact, "Come to Passaic - fine beautiful apartments - low rents - beautiful scenery," and all kinds of other advertising campaigns. He will make sure that the person coming in, or try to find out from relatives or friends if the person coming in is on welfare. He knows that by their being on welfare, he can jack the rent up.

Now what has been happening here and what has been making him exist, and entirely exist on his own, is the old thing of supply and demand, and I think we are all familiar with this.

In the City of Passaic we have projects going on constantly in terms of tearing down buildings. There has

been over a thousand units in the last two years destroyed. Not one unit has been replaced. Of the thousand units that have been destroyed only one per cent of them are outside what might be referred to as a target area or a ghetto area or a minority area. Basically they are composed of blacks and Porto Ricans and poor whites.

In our Urban Renewal, which we refer to as negro removal, the city itself is destroying buildings where people are living and they are not building anything to replace them with. The highways coming through are going through ghetto areas or our areas, tearing down homes and not one is being replaced.

I am of the opinion here that this creates the ideal situation for a slumlord because he knows there is no place else for these people to go. What has been happening here in terms of the landlord and the slumlords, if you want to use that terminology, is that two or three citizens have bought up just about one-third of the entire city, basically 85 per cent of it within target and ghetto areas. I mean, one person or one corporation can be held responsible for, I would say, a vast majority of these welfare cases. This is what has been happening here.

ASSEMBLYMAN SCANCARELLA: On that point, because I brought that up with Mr. Martini and Mr. Galik, I can understand your view as far as the highways, urban renewal and the advertising down south or wherever. What I can't understand is why the people that come up here, wherever they come from, pay those kind of rents. Can't they find places, even if it is a cold water flat, right across the river in Garfield, right across the line in Clifton?

MR. ELLEN: There are two problems there. Number one, you find that Clifton is totally unfeeling towards the problems we have in Passaic. You have the community itself saying, "You have a problem. We are not going to have it here," which might be basically termed as discriminatory, but the fact is they don't want the problem. They will not

rent ---

ASSEMBLYMAN SCANCARELLA: But the dwellings there and in Garfield are not dissimilar. I am talking about the older dwellings which maybe in different towns can rent for \$50, \$60, \$70 a month and are renting for over a hundred according to some of the testimony here today, and are not as good. Do the people that come up here attempt to rent there and are turned down?

MR. ELLEN: Like I say, there are a number of reasons. Number one, you would find that the person would say, "Well, even though the rent is cheaper there," you are going to have this little thing, "Well, I'm not paying for it." You also are going to have the possibility when you go into a foreign town or go into another town that they don't want you there because of discriminatory practices, and other reasons. Then you also run into the problem, which is a basic problem, - it's just human nature - that people stick together. You usually stick with your own kind. This is nationwide. You have your Italian neighborhoods, Jewish neighborhoods, black neighborhoods, Spanish neighborhoods. This is one reason. People have been raised in this town all their life and they don't feel like they should run out or be forced out. So if they move from one place, they like to stay within the same area among their own peers and among their own people.

So I think it is a combination of things. It is not just one reason. I think these four reasons I gave you are the ones that really are the key issues as to why people don't move out and why they insist on staying, sometimes to the point of overcrowding.

ASSEMBLYMAN SCANCARELLA: Thank you.

SENATOR MARAZITI: I agree with you on this question of landlords raising the rents of the tenants when the tenants become welfare recipients. This is one of the things that is a problem and we should try to find an answer to it. It isn't right, even though, as I understand

it, the welfare recipient technically does not suffer because the rent is paid, but it isn't a good thing all the way around. And the welfare recipient is not receiving the type of accommodations they should receive for that kind of money. Right?

MR. ELLEN: We agree, Senator.

SENATOR MARAZITI: I don't expect you to have the solution - I don't have it - but have you any idea what we might be able to do?

MR. ELLEN: Yes. I think we have a couple of concrete ideas. Number one, I think we are all aware there has to be some form of changes in the welfare system. I don't think it is in terms of taking anything away from the welfare recipients because they are the ones that have the least. The first thing I would like to suggest, and I think it would be really appropriate and would really solve the problem and save in terms of money, is a form of rent control placed throughout different cities, especially in terms of what a landlord can take from welfare recipients. In other words, if we have a uniform type of code, if you make x amount up to a certain extent, this is the way that the poor are not exploited. This would be just one means of cutting down and saving money. The Welfare Board wouldn't have to pay out as much and the recipients would maybe get more for their money.

SENATOR MARAZITI: Right.

MR. ELLEN: That is just one phase I think you can do.

We also feel these people who are exploiting the welfare recipients should be taken into court for legal matters. Legislation should be enacted whereby a person should be able to do this. I noticed before Mr. Reiss, I believe it was, made the statement that it would be possible to build one-half a garage if one per cent of the fraud were eliminated. If we brought down the welfare rents, which out of that \$29 million, I believe approximately \$11 million of our records show ---

SENATOR MARAZITI: See if I understand this. You are Carl Ellen and you represent the Passaic Conference of Economic Opportunity.

MR. ELLEN: Right.

SENATOR MARAZITI: Are you an official in that Conference?

MR. ELLEN: I am Community Organizer.

SENATOR MARAZITI: This is your vocation? I mean, this is your position, your official position, right?

MR. ELLEN: Right.

SENATOR MARAZITI: This is your employment too?

MR. ELLEN: Right.

SENATOR MARAZITI: Well, let me thank you, Mr. Ellen. You heard the testimony this afternoon and I know you realize some of the problems. We will continue these hearings. We will have a number of hearings. I would like, if you have thoughts and ideas of how we can attempt to solve the problems, to communicate them to me. I hope you can attend the future hearings. Let me also say to you that I am not accepting everything that has been said here this afternoon by everyone. I know some of it is opinion. There have been many allegations of fraud. I don't necessarily accept that. I want to know. In other words, there are many things that we have to establish. And what we are trying to do is get all the information we can and make for a better setup for everybody.

MR. ELLEN: Thank you.

SENATOR MARAZITI: Now I want to call on as many people as possible. I know there have been a number of patient people, especially in the back row there, and I want to call these people in the best order possible.

I see two slips here. One is Francisco Rosa and then I have another slip Neil Morrison, Jacqueline Taylor. Who is that young lady over there? Are you Jacqueline? You have been very patient. We will have Jacqueline next.

Your name is Jacqueline Taylor?

MRS. TAYLOR: T-A-Y-L-O-R.

SENATOR MARAZITI: And what is your address?

MRS. TAYLOR: 72 - 12th Avenue, Paterson.

SENATOR MARAZITI: Thank you. You tell me whatever you would like to say.

J A C Q U E L I N E T A Y L O R: First of all, I have heard so much about a case and we have investigated this case, etc. I feel that bringing this case and one case up here - how can you judge a minority of people against a majority of people?

First of all - how can I put this? - every welfare recipient, as so many of the speakers before me have said, is not sitting home or in the gin mills and receiving a check on the first of the month. There are quite a few - as a matter of fact quite a few in this room here now - that are in training programs so that they won't have to work in the factories any longer and be too tired to even enjoy their home once they get there or to clean it up.

These programs are mostly Federal programs that are being funded Federally. Passaic County, as a whole, isn't doing anything to contribute to this, even help out in any way, for training these welfare recipients to even get better jobs. One I can name is New Careers. The Welfare Mothers got together a proposal, also the League of Welfare from Paterson, for the Day Care 100 Program, which will enable mothers to put their kids in day care centers free of charge and also an educational center. Maybe by doing this -- well, I can't word it exactly, but this is one of the ways you can help out because if you have eight kids and you are drawing \$65 salary, you will probably end up paying something like \$45 for baby sitting. That leaves you about \$15 a week that you have to live on. Your food bill probably cost you at least \$30 or \$40 a week. Maybe that can solve the problem of why so many mothers don't go to work today when they have a lot of kids. It's because of the baby sitting problem that they

have. This is answering for some of them.

SENATOR MARAZITI: In other words, you favor the child care centers.

MRS. TAYLOR: Not just the child care center. If it is going to be a child care center, I think it should combine education and child care together.

SENATOR MARAZITI: Education so that when the children are there, they can learn. These children would be how old? Would they be very young or would they be of school age? They could be any age, couldn't they?

MRS. TAYLOR: They could be from 2 to 5.

SENATOR MARAZITI: Especially in the summertime, they would be 6, 7 and 8 years old, right?

MRS. TAYLOR: Well, I guess so. I guess this would be up to the directors of the day center.

SENATOR MARAZITI: I agree with your thinking. I think it is an excellent idea. Because, if you had to pay a baby sitter, you couldn't make out; it wouldn't pay. Almost everything you make, you would have to pay the baby sitter.

MRS. TAYLOR: Not "if," you have to pay one. There is no "if" about it, I mean, if you want to go to work.

SENATOR MARAZITI: Yes, if you want to go to work. Then it would hardly pay to go to work if you paid one.

MRS. TAYLOR: Of course, it wouldn't.

SENATOR MARAZITI: Are there any child care centers in the vicinity in which you live?

MRS. TAYLOR: Like I say, Day Care 100 is now in the process. There is being quite a bit done with that. We have day care centers, yes, but in order to survive, they have to charge for staff and food, etc. You know, they have to charge.

SENATOR MARAZITI: They charge?

MRS. TAYLOR: Yes. \$10, \$12, \$14 a child.

SENATOR MARAZITI: For a week?

MRS. TAYLOR: A week.

SENATOR MARAZITI: This is near your home?

MRS. TAYLOR: Sure.

SENATOR MARAZITI: Is this all right or do you think it is too expensive?

MRS. TAYLOR: You mean, is it all right for me or for a welfare recipient?

SENATOR MARAZITI: I'm sorry. A welfare recipient. Do you think that would be all right?

MRS. TAYLOR: No, it wouldn't, not paying \$10, \$12, \$14 a week.

SENATOR MARAZITI: Well, how much would a welfare recipient make during a week if she worked?

MRS. TAYLOR: Well, in most factories, I imagine, \$60.

SENATOR MARAZITI: \$60. That's all?

MRS. TAYLOR: That's all.

SENATOR MARAZITI: \$60 take home.

MRS. TAYLOR: Less than that for take home.

SENATOR MARAZITI: Is that right? It doesn't seem to be in accordance with the Minimum Wage Act. Where is this, in Paterson?

MRS. TAYLOR: Paterson.

SENATOR MARAZITI: Who runs this day care center now, the one we are talking about?

MRS. TAYLOR: Now which one are you talking about? I was talking about two different ones.

SENATOR MARAZITI: The one where you pay \$10 or \$12 a week.

MRS. TAYLOR: What?

SENATOR MARAZITI: Is there a day care center in your area where you pay \$10 or \$12 a week?

MRS. TAYLOR: Yes.

SENATOR MARAZITI: Who operates it?

MRS. TAYLOR: Well, they have a director.

SENATOR MARAZITI: I mean, who operates it, the city?

MRS. TAYLOR: No, the city doesn't.

SENATOR MARAZITI: Is it private?

MRS. TAYLOR: It's a private organization.

SENATOR MARAZITI: In other words, your point is that in a private setup, you have to pay. Now if the day care center were run and you had education with it so that the children could learn while they are there and it didn't cost any money, you think that that would be a good thing and more welfare recipients would work. Is that right?

MRS. TAYLOR: Sure. This is one of the major reasons why they are not working. There is no one to take care of the kids and off the pay that you do get, it is impossible.

SENATOR MARAZITI: If they paid the \$12, what about that? They are still making money but they don't want to pay the \$12.

MRS. TAYLOR: Suppose you had four or five kids and you had to pay \$12 for each one of them.

SENATOR MARAZITI: In other words, to summarize this - I am in accord with your thinking - if they had a day care center that would take care of the children and have recreation for them and educational facilities and it didn't cost anything, you think that more welfare recipients would work.

MRS. TAYLOR: Well, I can't answer that. Personally, I think so, but I can't answer on the basis you want me to answer it on. It's just a personal opinion.

SENATOR MARAZITI: Yes. I think you are right in that opinion. Have you any other suggestions? I think this is a good one. Do you have any other suggestions that you could make? You know, some employees would make more than that, depending upon the type of work they do. Some secretaries would make more, would they not?

MRS. TAYLOR: First of all, I am not making suggestions to anything.

SENATOR MARAZITI: You are not making suggestions.

MRS. TAYLOR: No.

SENATOR MARAZITI: Well, I imagine if you have any

to help us -- you don't have to.

MRS. TAYLOR: These aren't suggestions. I am just making statements.

SENATOR MARAZITI: All right. Is there anything else that you would like to add to what you have said?

MRS. TAYLOR: Yes. I heard one of the councilmen say a little while back this morning about not allowing welfare recipients to buy homes because he felt that they wouldn't keep it up.

SENATOR MARAZITI: I think someone said there wouldn't be a man in the house to keep it up.

MRS. TAYLOR: Yes. Well, they would be able to keep it up, right? Somewhere along the line I heard or I read that the Federal government was more for home ownership because they felt that with the sense of pride -- with home ownership came a sense of pride. And judging by what is happening in Paterson as far as cooperative apartments are concerned and buying homes, they seem to have the right idea because to me it seems as though -- I mean, I thought that the Federal government was totally against high-rises, like projects and middle income.

SENATOR MARAZITI: You are right. The government does encourage home ownership and I think it is a good idea. The only question is there is no final views on home ownership. I think if we can have it without additional extra cost, it may be a good thing. We don't know. Nobody seems to know whether it would cost more for home ownership for welfare recipients or not. It could even cost less. We don't know, but it is something to think about. If it costs more, there seems to be objection to it. If it costs the same or less, it may be a good thing. Understand what I mean? Is there anything else you would like to say?

MRS. TAYLOR: What does that have to do with welfare recipients not having it? Isn't that discrimination of some sort?

SENATOR MARAZITI: Here is what I am saying. Say it costs \$300 a month for a welfare recipient if they rent

and suppose on the home ownership plan it costs \$400 a month. Would you be in favor of it?

MRS. TAYLOR: Would you repeat that? I lost you.

SENATOR MARAZITI: That's all right. Say I am a welfare recipient. I get welfare and it costs for myself and my wife, and whatever it is, three or four people -- I get \$300 a month when I rent. But if I want to buy a house under the plan it costs \$400 a month. See that costs more money. The taxpayers have to pay more money. Is that a good thing or not?

MRS. TAYLOR: Well, I am a taxpayer and I feel it is a good thing.

SENATOR MARAZITI: It's a good thing. O.K. That's your opinion and you are entitled to it. Some people think if it would cost more money, it is not a good thing. This is something that is good, but should it be paid from welfare money, you know. That's your opinion and I recognize it. Is there anything else you would like to say?

MRS. TAYLOR: Not really.

SENATOR MARAZITI: Let me thank you again. You come here and represent yourself and you speak here to help in this matter, right? Do you represent any group or any organization?

MRS. TAYLOR: The Paterson Task Force.

SENATOR MARAZITI: You are not a welfare recipient yourself.

MRS. TAYLOR: No.

SENATOR MARAZITI: Thank you very much for appearing here today.

Francisco Rosa. Francisco, would you defer to this gentleman? He would like to testify now. Would you mind if he testified now?

MR. ROSA: I feel that I should testify now because someone from the black community has spoken and somebody from the white community has spoken and I haven't heard

anybody from the Porto Rican community say anything yet.

SENATOR MARAZITI: I don't think this is the basis on which we are putting this at all. I think this gentleman in the rear had a good reason because he was with this group and I think they wanted to leave. But he has been kind enough to defer and I thank him very much.

All right, Francisco, I will hear you. I don't agree with your comments in this regard. Let me make that very clear because that is not the basis upon which we call people.

Go ahead, Francisco.

F R A N C I S C O R O S A: My name is Francisco Rosa and I am a resident of the City of Passaic for eleven years.

Senator, I would like to thank you first of all for giving me this opportunity to be part of this political issue of welfare. As I say, you are looking for suggestions, you know, and I have a pretty good suggestion for you in terms of the Spanish-speaking population.

SENATOR MARAZITI: Where do you live, Mr. Rosa?

MR. ROSA: In Passaic.

I don't know if you are aware of the fact that since the Castro regime we have a big percentage - quite a big amount of Cubans coming from Cuba. Since they killed Trujillo, we have quite a few Dominicans coming into Passaic who also create a welfare problem.

Now to make a long story short, Passaic hasn't built a single housing unit since back in the '40's but yet they are demolishing and condemning houses almost every day. As of today, people really don't have a place to go. Landlords are taking all kinds of advantage of the poor community, whether they are black, Porto Ricans or poor whites.

I did listen to quite a few speeches from various representatives of welfare departments, the City Treasurer and the city fathers and they are saying how much money

they have been paying in welfare for the poor. Now I do not know, myself, of any welfare recipient who owns any property or who has any money in the bank and I'd like to know really sometime where that money goes because they are still poor.

Now concerning the Porto Rican community, there is this propoganda in Porto Rico about the United States. There is no doubt in my mind this is a great country. I don't think there is any other country in the world as great as the United States. Some arrangements have to be made with the government of Porto Rico and the House of Representatives because we keep coming to Passaic, New York, Trenton, Philadelphia, and you name it, and we are not aware of the fact that we are not wanted. We are not aware of the fact that we do not have a place to live. What happens is the husband leaves first with the hope he might get some money and buy a house and go back to Porto Rico. That isn't the situation. Once he comes up here and brings his wife and kids because of the overcrowded conditions in Passaic, there are still no houses. Passaic knows what is happening. They do not want to cooperate. The city fathers do not want to respond to the needs of the people. And when you see a Porto Rican in Passaic or a black person, you might as well call him a dog because that is the way we are being treated in the City of Passaic.

We are talking about solutions to the problem. We are talking about how we can get people off the welfare roles. I, myself, when I go back to Passaic don't know whether the rent has been raised from \$65 to \$175. Say I am working making \$75 a week and maybe I have five or six children. There is no other alternative for me but to join the welfare roles. It is as simple as that. It is what is happening and it is why you have so many Porto Ricans and so many blacks ---

SENATOR MARAZITI: You mean they would raise the

rent in a situation like you say even where you are working to a figure that you could not afford to pay?

MR. ROSA: That's correct. That would mean if I don't have the money to pay the rent when the first of the month rolls around, either I leave my wife or I have to apply for welfare. When I apply for welfare, maybe they make it easier for me. I don't know how the welfare system works. Sometimes it is very hard and sometimes it is very easy. So I don't really know what type of monopoly they are running at the Welfare Department.

Another thing I want to say is, there is a situation here in Passaic where a house got burned out at 179 Third Street and there was a family there by the name of Franciso Rose Colon. This family has 11 children. The city wasn't able to relocate this family.

SENATOR MARAZITI: This is where the fire was?

MR. ROSA: This is where the fire was. So what happened? Some way or another this family relocated themselves in a two-room apartment. So you have many people in two rooms and, of course, they are Porto Ricans. I did consult almost every city official in Passaic besides the City Manager and there was nothing that they could do about the case but give this lady a summons for being overcrowded.

SENATOR MARAZITI: What is the summons?

MR. ROSA: "Did occupy apartment...at 23 Monroe St., Passaic, contrary to and in violation of Section 10.8 of Minimum Standard Housing Ordinance of the City of Passaic." Now this is inhuman.

SENATOR MARAZITI: In other words, they gave the summons to the family --

MR. ROSA: Right.

SENATOR MARAZITI:--for occupying the place in violation of the code instead of giving it to the landlord. Who relocated them? The Passaic officials?

MR. ROSA: No, no, the Passaic officials, they

didn't relocate them. They left them in the street. And I can point to another problem. Right now we have something like two or four families - they don't have a place to go - they are just in the street.

SENATOR MARAZITI: When is this summons returnable? When does the case come up?

MR. ROSA: The case is coming up for court appearance the 3rd of June at 9 o'clock in the morning.

SENATOR MARAZITI: This family is on welfare, isn't it?

MR. ROSA: They are on partial welfare. That is another thing.

SENATOR MARAZITI: I suggest that you or someone on behalf of this family communicate with Mr. De Santis. It looks to me as though this is a case for his department. What is the rent, do you know, at this place for two rooms?

MR. ROSA: I think they pay something like \$50. But to whom can they give the summons here? It is not the landlord's fault and it isn't the family's fault either. It is the city's fault because the city hasn't built anything. But maybe this lady - maybe she did lie because she was looking for a home so she can shelter her kids. I mean, I would lie myself if I found myself in a situation like that.

SENATOR MARAZITI: Who issued the summons?

MR. ROSA: The summons was issued by the Health Inspector.

SENATOR MARAZITI: I think if I were you I would take that to Mr. De Santis and also to the Mayor of Passaic. It seems to me it is a situation where there has got to be a place found. It is unusual and just fining these people is not going to solve the situation at all. It doesn't make any sense at all. I interrupted you.

MR. ROSA: Then I have a suggestion for you. Since the Porto Ricans are keeping coming to the United States because they are not aware of the facts like I mentioned

before --They don't know that Passaic has no houses for them. They just don't know. So I think that you should send a telegram to Governor Luis A. Ferre and tell him to stop every plane that is coming to the United States full of Porto Ricans. It is as simple as that. Because we just don't have a place to live. We are being treated like dogs. I think - and I don't know if you have ever been to Porto Rico - but I think that we are a very warm people. I think we do look at Americans like they are kings and we treat them like -- you know, with a plate in their hand.

SENATOR MARAZITI: I have been to Porto Rico four times. I love it. And sometimes I feel like I could live there permanently. People are very warm, they are very kind, and I love them.

MR. ROSA: So do I.

SENATOR MARAZITI: I love Porto Rico.

MR. ROSA: I love it also.

Now this is a pretty good suggestion because I don't think that the Governor of Porto Rico is aware of the social injustice that we are going through not only in the City of Passaic but in the whole State of New Jersey.

SENATOR MARAZITI: We have many Porto Rican friends in my town in Boonton and in Dover. In fact, I have some very nice Porto Rican tenants that live in my building and work for me. I don't want to stop them. I want them to come here. I think we have a lot of room for them. We want them here. They are American citizens. We want them here. I am not going to send a telegram. But you can do it if you want to.

MR. ROSA: I wouldn't know how to elaborate on that, sir, because I would say that 80 per cent of the Porto Ricans who are coming here to work -- because, number one, we didn't invent welfare. We come up here to work and produce. We don't come up here to be a pest of the so-called society. You know, we come up here to make it better and

find ourselves better understanding between Porto Rico and the United States. But the whole thing seems to be like a big joke. Because, like I say, right now every time you pick up the paper in Passaic, you have to read something about how bad the Porto Ricans are.

Concerning this family, they put an article in the Passaic Herald News that Mrs. Rose Colon - she was fined - she was given a summons because she was found living in overcrowded rooms. I called the Herald News back and I told the reporter, "Listen, don't you know this is the same family that got burned out at 179 Third Street and we weren't able to relocate." In other words, we haven't got anybody working for the Porto Ricans' interest, but we do have plenty of people trying to destroy the entire Porto Rican culture, which is beautiful.

I don't have much to say, but this is the truth of the facts and I can swear on a stack of bibles that this is what is happening. They are trying to destroy our entire culture. I think if you want to do something for the Porto Ricans, please stop us from coming away and we appreciate it. Thank you.

SENATOR MARAZITI: Let me thank you very much for your testimony. I want you to come to the hearings as we have them.

I want this gentleman here to testify, but I want a three- or four-minute recess here.

[Short Recess]

SENATOR MARAZITI: The hearing will come to order. Mr. Neil Morrison will be next. Mr. Morrison, would you give your full name and your address, please, and also if you represent any particular organization. If not, it's perfectly all right.

N E I L M O R R I S O N: My name is Neil Morrison. I live at 324 Broadway, Paterson, New Jersey. I am the National President of the New Civic Group, United Tenant

Union, with national headquarters located at 2047 Seventh Avenue, New York City. Another office is located at 116 East 23rd Street, Erie, Pennsylvania. The New Jersey Office is located at 88 Washington Street, Paterson, New Jersey.

SENATOR MARAZITI: Could I have the name of the organization again?

MR. MORRISON: New Civic Group, United Tenant Union.

SENATOR MARAZITI: Let me at this time, Mr. Morrison, thank you very much for deferring to the other gentleman who just testified. I appreciate it. You assisted the chair and I want you to know I am cognizant of your consideration

MR. MORRISON: Thank you, Senator, and let me compliment you for the time that you have given us, after, of course, recognizing or realizing that the meeting today was for city officials and not for welfare recipients.

SENATOR MARAZITI: Yes, in a way, except that it is a public hearing and everyone is entitled -- and I feel very badly that we have moved as slowly as we have. So you know, I have cut out some city officials and they are coming back, people I didn't call, because I wanted to get to some of our other friends.

MR. MORRISON: But I think the primary function of this meeting was for the city officials today.

SENATOR MARAZITI: For today.

MR. MORRISON: For a matter of record, this for today was for the officials and not for the recipients.

SENATOR MARAZITI: The way I had planned it, Mr. Morrison, was, the city officials had asked the Committee to start the study so I wanted to hear what their complaints were and then hear from everyone else. What I plan to do so that you will know and everyone else here will know -- we are going to conduct a series of these meetings, to go on, I feel, at least for seven or eight months, maybe a year's time, not only with Passaic but with other cities

and also the entire structure of the law, the entire philosophy, what we can do to improve and make things better. So I don't want you to feel in any way that we are limited like to today. But you are right. I wanted to hear the testimony of the city officials because they wanted the investigation and I wanted to see what they wanted investigated. Go ahead.

MR. MORRISON: Once again I thank you, especially in clarifying that issue that it was a city official meeting.

If I can continue - I am very mindful and I would personally as a minister like to thank the people that came here today and stayed here to this time, trying to get their point over. I will not take up their time any longer than possible, but I want to personally say to you that I feel that an investigation of this sort is desperately needed. However, I also feel that the facts that were presented here today from the city officials' side was out of order, there were lies and no concern for the recipients and people in general, as my Porto Rican friend, Francisco, stated.

But to end this here, Senator, I personally feel that it will be a waste of time and it wouldn't be advantageous to the people that are here right now to come forward and give complaints without being assured by this Committee, this investigating committee, that arrests can be forthcoming if city officials are proven negligent in their job, and if it can be proven that various slum landlords have over the years taken advantage of welfare clients, storeowners, etc., and exploited the situation. Because for anybody to come to this mike and say anything about these conditions, they automatically jeopardize not only their position in society but they put their life in jeopardy, based upon the fact that over a period of years our personal investigation has proven that there is a syndicate in the State of New Jersey that is operating and they are exploiting the very people that are fighting against them that come before you from the

people's standpoint.

I thank you for these few moments and I will wholeheartedly ask anybody here not to come up here but to go back and get better organized, so that when they do come here, they can present their case properly and with documentation to facts and figures. Then we look to you to make those arrests based upon your investigation. Thank you.

SENATOR MARAZITI: Mr. Morrison, I want to just hold up in my hand here -- I have what looks like about 45 or 50 sheets of addresses of buildings and apartments which we are going to have checked out because I think it has been established here this afternoon that there are some landlords - how many, I don't know, but we have heard of some - that automatically raise the rent as soon as they find out the tenant is a welfare recipient. This is not fair to the welfare recipient because he doesn't really get what he should get for the rent that is being paid, and it is not fair to the authorities and the officials because they are paying more than the apartment is worth. So we intend to continue the investigation in depth. I think you were here when I asked my aide to request the Prosecutor of Passaic County to appear at the next hearing and also the Probation Officer because I want to see if everybody is doing their job.

I also want to invite you not only to attend the next hearing but every hearing that we have. There will be a release in the papers, but I would like to make sure that those who are interested are notified so I would ask such people to give their names and addresses to Mr. Moore over at the right here and I will see to it that you receive a personal notice of every hearing that we have. Mr. Morrison, you have given your address here, but I don't know that it is on the list.

MR. MORRISON: Senator, I thank you very much. I am quite sure you have demonstrated goodwill and good

spirit and seem to be going in the right direction.

However, I would like to impose upon you for the sake of the people here, that they might see right from the onset to the very end and have faith and confidence in the work you are setting forth in your committee by requesting, by begging, that you immediately step into the picture on a case where a tenant was evicted, a woman with seven kids that lived in the Alexander Hamilton Hotel. One week her bill was \$590 and her check came to \$393 and they took the check and then they put her out on the street.

Today she is going back on the street after we worked very hard to keep her in there. Mr. De Santis called my office this morning and he informed me that he was not paying any more money and they cannot find relocation for the woman and she was trying to get under that new program that these here ladies, I am quite sure, would like to be a part of. But maybe now she might be in the street and this can develop into something that I don't think ---

SENATOR MARAZITI: I am glad to know about this. Would you also give to Mr. Moore the name of this individual. I will call Mr. De Santis tomorrow morning.

MR. MORRISON: Tomorrow morning might be too late. They say that 12 o'clock today the hotel was taking her clothes and they want to put her kids in the shelter.

SENATOR MARAZITI: Who put her in the hotel? De Santis?

MR. MORRISON: No, Mr. De Santis wouldn't have anything to do with it. It was the city Welfare Department and they, in turn, after that first bill of \$590, washed their hands of it and Mr. De Santis was supposed to pick up on it from the onset.

SENATOR MARAZITI: Is this in Passaic?

MR. MORRISON: This is in Passaic County. However, this is in Paterson.

SENATOR MARAZITI: In Paterson, but in Passaic County though. Do you know who put her in there?

MR. MORRISON: The city welfare put her in there -

the city relief - I'm sorry.

SENATOR MARAZITI: They put her in there and now she is being evicted. But she is still on welfare.

MR. MORRISON: Yes, but they refused to take the responsibility of paying the hotel prices of \$590.

SENATOR MARAZITI: Is there another place for her?

MR. MORRISON: They found several places for her. However, each place was worse than the place that she was in and the woman refused to go back into that type of dump and expose her children to drug addicts, pushers, prostitutes and people like that.

SENATOR MARAZITI: How long was the bill in the hotel for?

MR. MORRISON: The bill was for one week.

SENATOR MARAZITI: One week?

MR. MORRISON: And incidentally it is a documented case. I have it in the Prosecutor's Office and they have not moved on it.

SENATOR MARAZITI: They shouldn't have put her in the hotel?

MR. MORRISON:-- for the price they were charging. If you really want to know how the people are being exploited, it is already documented.

SENATOR MARAZITI: I think you are right. In other words, your point is -- See if I am right. I want to understand it. Here is \$500 being spent to house a person in a hotel. It doesn't make much sense, does it?

MR. MORRISON: No, sir, not when they could give that money in terms of people going into their own ownership.

SENATOR MARAZITI: If you give Mr. Moore a name or something I can go on, I will check into it.

MR. MORRISON: I just hope that you will be able to call so this woman can be housed until they find a place for her.

SENATOR MARAZITI: If I can reach De Santis tonight, which I probably can at his house - I will attempt to call him. Thank you very much.

All right. Go right ahead. Please, give your name.

T A B I A H I L L: My name is Tabia Hill, Passaic Conference for Economic Opportunity.

I would like to clarify a statement that Councilman Salek made from Passaic. He said every time a welfare recipient buys a home, it deteriorates. The homes that they were supposed to have put the down payment on - they were 50 or 60 years old, one-family homes. They had already deteriorated.

SENATOR MARAZITI: That's right.

MR. HILL: And the apartments that they live in are in the same condition but they do keep the apartments up. They can't keep the outside of the building up of an apartment house. If it was a one-family home that they own, yes, they can.

That is about all I have to say for now.

SENATOR MARAZITI: I am inclined to agree with you. I think if the right family buys a home, they can keep it up. I am not concerned about that. I think they can keep the home up all right - I mean, physically, paint it and so on. What I am concerned about is, is it too much for them or not. Maybe it isn't. Maybe it is a good thing. Maybe it costs less in the end.

MR. HILL: Well, if they put down a \$200 down payment on a home and the mortgage would come to about \$90 a month, they would be paying less than they would actually be paying in a five-room apartment.

SENATOR MARAZITI: You know what - you are absolutely right. You know why? After I hear about these rents, \$175 a month and \$200 a month, maybe we will save money with this program.

MR. HILL: Because each year the rent is going up for the welfare recipient that is renting an apartment in the ghettos -- I say ghettos because the average welfare recipient lives in the ghetto. They are not forced there.

But they have big families. I will say the slum landlords who were here today will buy five- or six-room apartments and cut them up into three-room apartments.

SENATOR MARAZITI: One thing we have learned here today is that a lot of these landlords have developed a nice, big racket. There is no doubt in my mind.

Thank you very much.

Next I will call on this young lady here. She has been very patient. I want to say for those who are here that we will continue as long as necessary, as long as you desire, and I don't want you to think you must absolutely testify today. You can if you wish, but we will have additional hearings. I merely say this so that you can accommodate yourself to the situation.

What is your name?

E V O N N E S E L D O N: Evonne Seldon. My address is 24 Garland Avenue, Paterson. I am a mother of six children. I am a welfare recipient. I am a working mother in a training program.

SENATOR MARAZITI: Tell me about this now - how this training program works? I don't know much about it.

MRS. SELDON: The first one that came into operation in Paterson was under Title 5 where it enabled the mother to further her education where she could get a job that paid enough money. I was able to finish my education and went to college and took the GED test and I passed that.

SENATOR MARAZITI: What kind of work do you do?

MRS. SELDON: I am in the training program now for early childhood development for the Day Care 100 Program which is going to open in Paterson.

Now when it comes to food stamps, everybody on welfare doesn't have a car.

SENATOR MARAZITI: Excuse me. I am very happy you are here because I know you can give me first-hand information. Now you have six children, you are getting assistance but you are working also, right?

MRS. SELDON: Right.

SENATOR MARAZITI: And you learned a great deal of what you are doing now through one of these training programs.

MRS. SELDON: Yes.

SENATOR MARAZITI: What do they call these programs - just training programs?

MRS. SELDON: Just a training program.

SENATOR MARAZITI: Because you work, you don't lose your assistance, right?

MRS. SELDON: I'll put it this way: When I was under the training program with New Careers, everybody on welfare, the mothers, were told when the proposal was written up, for one year your grant would not be affected, but this was not the case.

SENATOR MARAZITI: When you are in the training program, are you getting paid?

MRS. SELDON: When a welfare mother or anybody on welfare enters the training program, they receive a stipend, not a salary, a stipend, from the government. The reason why this money is paid is so that the person can, number one, pay transportation, food for the whole week or the month as the Welfare Department does it, and clothing and odds and ends like pencils, papers, etc.

Now, we were told this and when in turn you told your caseworker about this, they wanted to know how much it was. When New Careers started, we were just getting \$1.50 an hour. All right. Then six months later we got a 10-cent raise. I happened to tell my caseworker this. She took away \$33 from my grant. And I don't know how many other welfare mothers were affected.

The training programs are good. It enables mothers to further their education, also to get better jobs in order to be self-supporting. But I don't think it is fair that once mothers get into this program that their grant is affected until, the way I see it, they are in a job and

receiving a salary. That is when I think the Welfare Department should step in and evaluate their earnings.

SENATOR MARAZITI: Before they get the salary, they are in this program, right?

MRS. SELDON: Yes.

SENATOR MARAZITI: What do you get in this program? If you don't get money, do you get some allowance?

MRS. SELDON: You get money.

SENATOR MARAZITI: You get money. To get specific, how much did you get?

MRS. SELDON: In the program I am in now?

SENATOR MARAZITI: Yes, the program.

MRS. SELDON: I receive \$75 every two weeks.

SENATOR MARAZITI: Then they cut your grant?

MRS. SELDON: Well, right now they haven't ---

SENATOR MARAZITI: No, not now. I mean before.

MRS. SELDON: Before I wasn't receiving that. Before I was getting \$76 every week.

SENATOR MARAZITI: That's the grant?

MRS. SELDON: No. My grant was altogether different.

SENATOR MARAZITI: You were getting \$76 a week for training.

MRS. SELDON: Right.

SENATOR MARAZITI: Then they cut your grant down a little bit?

MRS. SELDON: Yes, they did.

SENATOR MARAZITI: Did they cut it down \$76 or how much about?

MRS. SELDON: In the first training program I was in, I was just receiving \$50 a month.

SENATOR MARAZITI: \$50 a month. They cut your grant?

MRS. SELDON: No.

SENATOR MARAZITI: Then you got \$75 --

MRS. SELDON: Right.

SENATOR MARAZITI: -- a month.

MRS. SELDON: A week.

SENATOR MARAZITI: And then they cut your grant?

MRS. SELDON: Yes. Each time I told them about a raise ---

SENATOR MARAZITI: Wait a minute. They cut your grant by how much? Did they cut the whole \$76 out?

MRS. SELDON: Look, I will explain it better to you this way. It wasn't what I was receiving from the training program that they cut. It was what I was receiving from the State, the grant.

SENATOR MARAZITI: Oh, they cut the grant. You don't think they should cut the grant, right?

MRS. SELDON: What I am saying is this: The Welfare Department should intervene with the income only when the person is on the job, once they have left the training and have gone into the job.

SENATOR MARAZITI: You are on a job now, right?

MRS. SELDON: No, I am still in training.

SENATOR MARAZITI: How long is this training for?

MRS. SELDON: This training is for eight weeks.

SENATOR MARAZITI: You will be through soon, right?

MRS. SELDON: Yes.

SENATOR MARAZITI: Then you will be on a job, you hope.

MRS. SELDON: Yes.

SENATOR MARAZITI: Then you agree they should cut something then.

MRS. SELDON: Yes.

SENATOR MARAZITI: But how much would they cut, do you know?

MRS. SELDON: They would have to subtract the amount of money I put out for a sitter, transportation and for my lunches. They would have to subtract all that from my grant and from the amount of money that I would be receiving once I was on the job.

SENATOR MARAZITI: They have cut all that out?

MRS. SELDON: Yes.

SENATOR MARAZITI: Well, don't they let you make a little profit?

MRS. SELDON: Are you kidding?

SENATOR MARAZITI: I feel that you should be allowed that because why work? I don't say you are that kind of a person.

MRS. SELDON: You don't understand. I'm saying this: They take my grant. They take the amount of money that I would be making each week. They add this all up. Then they would subtract the transportation, the food for lunches, and baby sitting fees. They would deduct that.

SENATOR MARAZITI: \$25. They would deduct that and you would keep the rest.

MRS. SELDON: Yes.

SENATOR MARAZITI: They deduct that. So if you made \$100 a week and your expenses - these things you talked about - came to \$25 a week, You would have your assistance, your welfare, plus \$75, right?

MRS. SELDON: They would deduct from the assistance.

SENATOR MARAZITI: They would deduct the expenses.

MRS. SELDON: Right, that I, myself, have to put out.

SENATOR MARAZITI: They would deduct that from the assistance. So you would be ahead of the game. It is better to work than not to work.

MRS. SELDON: I would not be ahead of the game. I would be on the borderline trying to survive.

SENATOR MARAZITI: That is what I want to find out. Why, because the expenses are high?

MRS. SELDON: I have six children.

SENATOR MARAZITI: Well, what do you think the expenses would be? See, this is important because unless there is an incentive to work ---

MRS. SELDON: Right now I am paying a sitter \$45 a week.

SENATOR MARAZITI: What was that?

MRS. SELDON: Right now that is my expenses for a

baby sitter alone.

SENATOR MARAZITI: How much?

MRS. SELDON: \$45 per week.

SENATOR MARAZITI: Then you have to add to that lunches and transportation.

MRS. SELDON: Yes.

SENATOR MARAZITI: Anything else?

MRS. SELDON: No.

SENATOR MARAZITI: \$15 a week maybe for that?

MRS. SELDON: I believe it is more because I'm in Paterson and I travel back and forth to New York City.

SENATOR MARAZITI: Well, \$20 a week. That would be \$65. How much would you make if you got a job?

MRS. SELDON: If I got a job, I would have to ---

SENATOR MARAZITI: No. How much would you make? How much money would you get a week salary?

MRS. SELDON: Now?

SENATOR MARAZITI: No. When you get your job.

MRS. SELDON: It would have to be where I would be able to meet all my means.

SENATOR MARAZITI: How much do you think it would be? \$100?

MRS. SELDON: It would have to be over.

SENATOR MARAZITI: Over? Well, your expenses would be \$65.

MRS. SELDON: Right.

SENATOR MARAZITI: So say you got \$125 a week and your expenses are \$65. They take that out, right? So you get all your assistance plus \$60. You are ahead of the game \$60 but you have to work.

MRS. SELDON: I can't see how you are saying I'm ahead of the game because you are still forgetting I haven't included rent.

SENATOR MARAZITI: What?

MRS. SELDON: Rent.

SENATOR MARAZITI: What rent? Don't they put this

in the assistance?

MRS. SELDON: Yes.

SENATOR MARAZITI: They take it away then?

MRS. SELDON: Oh, wait a minute. The reason I am working in this training program is because I plan to get off the welfare roles.

SENATOR MARAZITI: But you can't, can you? Will you be able to get off the welfare roles by making \$125 a week?

MRS. SELDON: No, I would still have to have a supplement.

But getting back to what I wanted to say before about the food stamps, the food stamps is a great idea but you cannot get certain things, and I am not talking about luxuries. Bleach, a broom, a dust pan, household articles, and what else have you, you cannot get. The only places where anybody on welfare or the low income people can really get their money's worth out of the food stamps would be to go out on the highway where anything in a grocery department is there you can get. Everybody on welfare does not have a car and to get out to these places, you have to take a cab.

Now from sitting here this morning, I think the idea that some of the people who have come up here and spoken was "food stamps only," no money, just food stamps.

SENATOR MARAZITI: I think they meant food stamps for food.

MRS. SELDON: Right. But still when it comes to welfare, there is a certain percent of your grant which you get, you have to go to the bank and buy these stamps. Like I said before, the food stamps is a good idea but it has its disadvantages also.

Now about taking the husbands to court for non-support. I took my husband to court. I went before the judge and he ordered him to pay \$50 a week to the welfare, which he is doing now. That covers that.

Also about burnt-out situations, I was a victim

in October of '69. I was working in the training program. I was on my job when the fire started. When I got there, I wasn't able to save nothing. All I and my kids had was what we had on our backs. The welfare put me up in a hotel, the Alexander Hamilton. I was there for two and one-half weeks. I was out of the training program temporarily. The bill came to \$364, not counting food. I wasn't able to eat in the restaurant downstairs there. My caseworker gave me a letter of credit for \$100 to clothe six people. This was in the wintertime. For furniture, my caseworker and supervisor informed me that there was a set limit on how much my estimates could come up to. They weren't going to pay no more, which I think was wrong. If they are going to set a ceiling with furniture, then it should be for everybody.

About frauds - landlords, number one --

SENATOR MARAZITI: Tell me about this Alexander Hamilton. Couldn't they find other places? What was the idea of that, putting everybody in the Alexander Hamilton Hotel?

MRS. SELDON: Number one, like I said, I had six children. You can read in the paper in Paterson, seven rooms available. You pick up the phone - no children, two adults. That's what they want. They don't want no children.

And, number two, discrimination.

Also there are certain stores in Paterson which the Welfare Department would refer you to, like, say, for instance, before when people lost their checks or say a family was burnt out and they didn't have no money. They would refer you to this store. You didn't have no money. When you got your grant that next month, this was money you had to pay out.

Also in Paterson, when the 2nd of the month rolls around, the stores go up on their prices. You are talking about fraud. Now who needs to be investigated, the

recipients or the people who exploit the State money? People on welfare also pay taxes. When you go into a store and buy items, the items are taxed.

That is about all I have to say.

SENATOR MARAZITI: Thank you very much. Let me ask you one question. I think I know the answer but I want you to tell me. Why are you going into the training program and why are you going for a job? I am glad you are, but I want to hear why.

MRS. SELDON: Number one, I'm tired of getting messed around by welfare people.

Number two --

SENATOR MARAZITI: That's the best thing I have heard in ten years.

MRS. SELDON: Number two, my children are of age - four of them are in school, two of them are not. The two that are not are walking and can kind of do for themselves. Also I have had the chance where I can kind of get up on my feet and do a little for myself. But there are a lot of mothers who have four or five young children not in school. When you have children in school, you don't have to pay the baby sitter that much money because the children aren't there from morning until night.

SENATOR MARAZITI: I thank you very much and I want to compliment you on your attitude. It is the best thing I have heard in years.

MRS. SELDON: I believe that there are more mothers on welfare that have the same attitude but they haven't had the chance.

SENATOR MARAZITI: I think you are going to help them.

I want to say before we go any further that we are going to bring this to a halt soon. These young ladies here have been taking this testimony down since this morning. I don't want to shut anyone off, but I want to announce now in case anyone would like to attend the subsequent hearings, they might. And I think unless there is some real objection, I would like to conclude with this next

young lady. Is that all right? And I want to apologize because I didn't realize it would be so long. I see many people here that I want to hear from and we are going on for a considerable length of time and if you will ask Mr. Moore here to take down your name and address, he will send you a notice of the next hearing.

Go right ahead.

T H E R E S A B E N N E T T: My name is Theresa Bennett. I live at 69 Howell Avenue, Passaic. I am also chairlady of the Passaic Tenants' Association.

First of all, Senator, I want to thank you for just giving me five minutes of your time.

SENATOR MARAZITI: Take your time.

MRS. BENNETT: I want to state one thing. I know I am jeopardizing myself and my family by coming here, but I feel what I am doing is right. I am just a concerned citizen. I am not a welfare recipient. But I do question the statement made by Mr. Pojanowski. He was asked if it was true that the welfare recipients are paying double the amount. He said it was hearsay. It is not hearsay, Senator. It is the truth.

As far as our City Council, I want to get one thing clarified, I am not a welfare recipient and my husband and I don't object to paying taxes for those who do need it. But I do feel our city fathers are not doing much to solve the problem.

I have asked for housing investigations since last year and also for an investigation in the structure within the welfare agencies and it seemed to fall on deaf ears.

I am sorry that that tragedy happened with the fire and those firemen had to die. But that was the only result that came out of it. Them poor firemen had to die for the people in Passaic to get any results.

As far as Mr. Pojanowski, he has asked for this investigation. He, himself, rents to welfare recipients. I will check on a building that I know he rents to. I do not know how long they are living there. But he has

accepted this welfare money from these people. Now all of a sudden, this welfare money isn't good enough for him anymore.

As far as our laws in Passaic, they are not being enforced the way they should be. We have city ordinances. They are enforced for a while and then they are dropped. I am referring to a city ordinance that went into effect in September, I believe, and it states a building while under violation should not be sold. Yet they continue to have slumlords buy these buildings while they are under violation. Now whether they make exceptions to certain landlords, I don't know. But I will say one thing - I also have written to Governor Cahill about the problems in Passaic. I have sent him a registered letter. I have sent him over 800 letters and as of this date, he has not extended the courtesy in answering me. I sent a telegram Tuesday afternoon - this is Thursday - and I still have not heard from the Governor.

But I do hope someone can help and do something for the people of Passaic because the situation is not getting any better. It is just getting worse. That's all.

SENATOR MARAZITI: Thank you very much. I appreciate your assistance.

MISS DAVILA: May I say something?

SENATOR MARAZITI: All right. But, you see, these girls have been working all morning.

MISS DAVILA: I won't be long.

SENATOR MARAZITI: Go right ahead. Give your name and address.

A N N D A V I L A: Ann Davila, 324 Montgomery Street, Passaic. I am housing specialist for Passaic Conference.

I wanted to speak about the fire at 179-181 Third Street. According to the testimony, there were 18 families in that building. The Passaic Conference worked with the families. We counted 28.

SENATOR MARAZITI: How many?

MISS DAVILA: 28. That building had been under

violation for a long time. The inspectors had gone in, they found the violations, and many, many violations still remained at the time of the fire.

Also I would like to clarify one other thing and then I will leave. On that housing for low-income families, that is not a bill designed only for welfare recipients. It is for low-income families. In the City of Passaic - I can't speak for the county - but I can say for the city not one single solitary mortgage went through. Mortgages went through where they had a supplementary aid, but it went through on the basis of the income. Also it is not a thing where there is a million dollars in an account for welfare recipients to go out and buy homes. There is an allotted amount for each state. It is renewed annually. So once that money is used up, which it is right now, - the program has not been refunded - you can only go until you use the money. That's all.

SENATOR MARAZITI: Thank you very much and I hope that you will attend our other hearings.

MISS DAVILA: Can I say one more thing?

SENATOR MARAZITI: Certainly.

MISS DAVILA: On Mr. Satkin - I heard somebody say he only had about 3 apartments. At the last count he had 222 mortgages. Since then he has bought about three complete city blocks.

SENATOR MARAZITI: Thank you.

The hearing is adjourned.

[Hearing Adjourned]

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