California Welfare Recipients go to Hawaii

A review of California welfare recipients shows that almost $70 million was spent by these recipients out of state. This includes $12 million spent in Las Vegas and $1.5 million spent in Florida. These welfare recipients also spent significant amounts of money in Hawaii and on cruise ships. This has drawn heat from California legislators who note that their working, taxpaying constituents cannot afford to go to Hawaii, take a cruise ship, vacation in Florida, or gamble in Las Vegas.

Aside for the effrontery of these dubious expenses by vacationing welfare recipients is the fact that money spent outside of California does not help the state's economy. Keynesians point out that even wasteful government expenditures have a "multiplier effect." A California welfare recipient will frequent a local grocery, eat out at a nearby café, buy clothes at department stores in the area, and otherwise support merchants in the areas. Thus, the argument goes, a California welfare recipient helps keep other Californians employed.

Vacationing in Hawaii or Florida, however, does not even hypothetically create or preserve jobs in Californian. Gambling money at Las Vegas or traveling on a cruise ship does even less to help the economy of California, especially when the cruise ships are in the South Atlantic or the Far East. Some of the expenditures were at very upscale places like the Ala Moana Shopping Center and the gift shop of Jimmy Buffet's at the Beachcomber Restaurant in Honolulu, or the Four Seasons Resort on the island of Lanai.

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The disquieting information shows the places where the money was withdrawn but does not reveal the names of the welfare recipients. So if welfare payments are being used for dubious purposes, there is no way to find out who is spending the money. Recipients are also required to get clearance from their case workers before absenting themselves from the welfare program's 32-hour-a-week job training program. These recipients are not seriously reviewed until it appears that the recipient has been out of the state for more than 30 days.

John Haley, Commander of the Financial Crimes Division of the San Diego County District Attorney's Office, said that if an individual had taken a trip to Miami and it was a "one-time thing, we would never check that out." Haley also said that 24 percent of all new welfare applications had some sort of fraud and that his office's policy was to look for "patterns of fraud." It is a telling admission that one out of every four welfare recipients had committed some sort of fraud, which requires an actual intent to defraud rather than simply a mistake. In Los Angeles, Department of Public Services Director Phillip Browning said that his office had not been checking on recipients for three months, noting that is was "really just a resource issue."

All of this news comes at a time when California government is drowning in debt and taxpayers have angrily rejected ballot measures which expand government or taxes. Letting welfare recipients spend the taxpayer's dime to travel on cruise ships or vacation in Hawaii indicates some very fundamental problems with government. Will the voters take note? Will anyone care?