

GAO

Report to the Chairman, Subcommittee
on Oversight, and the Chairman,
Subcommittee on Human Resources,
Committee on Ways and Means, House
of Representatives

August 1996

SUPPLEMENTAL SECURITY INCOME

SSA Efforts Fall Short in Correcting Erroneous Payments to Prisoners



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**Health, Education, and
Human Services Division**

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August 30, 1996

The Honorable Nancy L. Johnson
Chairman, Subcommittee on Oversight
Committee on Ways and Means
House of Representatives

The Honorable E. Clay Shaw
Chairman, Subcommittee on Human Resources
Committee on Ways and Means
House of Representatives

Recent media reports have focused attention on instances of prisoners receiving Supplemental Security Income (SSI) payments. SSI is a means-tested program that provides cash payments to aged, blind, or disabled individuals to help them meet basic needs—food, clothing, and shelter. Prisoners are ineligible for SSI because prisons and jails meet these basic needs.

The SSI program, which is administered by the Social Security Administration (SSA), is federally funded, but some states provide supplemental payments. In 1995, about 6.5 million SSI recipients received nearly \$25 billion in federal payments and \$3 billion in state supplemental payments. SSI is one of the fastest-growing federal entitlement programs.

Because of your concern about prisoners receiving SSI payments, you asked us to (1) determine if SSA has made erroneous SSI payments to prisoners in selected large county and local jail systems,¹ (2) if this has occurred, determine why, and (3) review SSA's efforts to prevent such payments.

To meet these objectives, we interviewed SSA officials and representatives from 23 county and local jail systems. We also obtained computerized information on current prisoners from 12 of these large jail systems. These prisoners represent about 20 percent of the nationwide prisoner population at county and local jails. In addition, we obtained information on prisoners recently released from two jail systems (including 1 of the 12 systems). To determine whether SSA made erroneous payments, we matched each prisoner's Social Security number (SSN) with SSI payment records. We carried out our work between September 1995 and June 1996 in accordance with generally accepted government auditing standards.

¹A jail system may include more than one individual jail.

(See apps. I and II for a more detailed discussion of our scope and methodology.)

Results in Brief

Despite SSA procedures to identify SSI recipients in county and local jails, we determined that a total of \$5 million had been erroneously paid to prisoners in the jail systems we reviewed. This includes \$3.9 million to prisoners who were still incarcerated at the time of our review (current prisoners) in 12 systems and \$1.1 million to prisoners who were paid while incarcerated, but had been released by the time we did our review (former prisoners) in 2 systems. SSA has been unaware of many of these erroneous payments and, therefore, had made no attempt to recover them.

A variety of factors have contributed to these payments. First, SSA field offices have not been obtaining information regularly on prisoners from county and local jails. Second, the SSI recipient—or the individual or organization designated to receive payments on the recipient's behalf—has not been reporting the incarceration, as required. Finally, SSA's efforts—to periodically verify, either by mail or interview, a recipient's continued financial eligibility for SSI—are sometimes ineffective.

In October 1995, as part of a new nationwide initiative to identify prisoners receiving SSI, SSA began emphasizing the necessity of implementing already-existing procedures. These procedures require SSA field offices to obtain prisoner information from county and local jails. SSA also began monitoring field office compliance with these procedures. It is too early to evaluate the effectiveness of this initiative as it relates to current prisoners. But we noted that the initiative does not require field offices to obtain information on former prisoners.

Background

The SSI program is authorized by title XVI of the Social Security Act. To qualify for SSI, an individual must meet financial eligibility and age or disability criteria. Generally, SSA determines an applicant's age and financial eligibility; the state's Disability Determination Service determines an applicant's initial medical eligibility. The maximum monthly benefit in 1995 was \$458 per month for an individual, increased to \$470 in 1996.

An individual is ineligible for SSI in any given month if throughout that month he or she is an inmate of a public institution (42 U.S.C. 1382 (e)(1)(A)). The title XVI regulation defines an inmate of a public institution as a person who can receive substantially all of his or her food and shelter

while living in a public institution. SSA operating instructions provide that a prison is a public institution.

SSI recipients may receive their payments in one of several ways: (1) SSI checks can be mailed to them at their residences or, in some cases, to post office boxes; (2) SSI checks can be direct-deposited into recipients' checking or savings accounts; or (3) SSI checks can be sent to recipients' representative payees—individuals or organizations that receive checks on behalf of SSI recipients who are unable to manage their own affairs (including legally incompetent people, alcoholics, drug addicts, and children).² A representative payee is responsible for dispensing the SSI payment in a manner that is in the best interest of the recipient.

SSA Procedures for Verifying Continuing Eligibility for SSI

Many events can affect a recipient's eligibility or payment amount. SSA requires that recipients voluntarily report these events and also monitors and periodically reviews recipients' financial eligibility.

Self-Reporting

SSI recipients are responsible for reporting information that may affect their eligibility or payment amounts. If the recipient has a representative payee, the payee is responsible for reporting such information to SSA. Significant events to be reported include a change in income, resources, marital status, or living arrangements, such as admission to or discharge from a public institution.

Redetermination

A redetermination is a review of financial eligibility factors to ensure that recipients are still eligible for SSI and receiving the correct payment.³ A redetermination addresses financial eligibility factors that can change frequently, such as income, resources, and living arrangements. Redeterminations are either scheduled or unscheduled. They are conducted—by mail, telephone, or face-to-face interview—at least every 6 years, but may be conducted more frequently if SSA determines that changes in eligibility or erroneous payments are likely. The redetermination process includes a question about whether the recipient spent a full calendar month in a hospital, nursing home, other institution, or any place other than the recipient's normal residence.

²After December 1996, eligibility for SSI will no longer be based on drug addiction or alcoholism. A recipient with an alcohol or drug addiction condition who is eligible, based on another condition, will receive payment through a representative payee only if SSA determines the recipient to be incapable of managing his or her own funds. (P.L. 104-121 section 105.)

³SSA relies on a separate process, Continuing Disability Reviews, to monitor disabled SSI recipients' continuing medical eligibility.

SSA Liaison With Institutions

Since the SSI program was established, SSA has recognized the potential for erroneous payments if SSI recipients become residents of public institutions, including state and federal prisons and county and local jails. SSA headquarters has established computer-matching agreements with state prison systems and the federal Bureau of Prisons. Under these agreements, the participating states and the Bureau can regularly provide automated prisoner information to SSA. SSA matches the information against its payment records to identify SSI recipients incarcerated in state and federal prisons.

According to information provided by SSA, the process of matching prisoner information against the SSI payment records is a cost-effective way to identify SSI recipients who are in prison. However, to succeed, SSA determined it is essential that field offices work closely with public institutions, both county and local, to facilitate the flow of information concerning the SSI population. Accordingly, SSA has, for years, instructed its field offices to (1) maintain regular contact (for example, regular visits) with prisons in their areas and (2) establish procedures for promptly obtaining information on events, such as admissions and discharges, that affect SSI eligibility and payment determinations.

Recent Legislation

On May 24, 1996, the Commissioner of Social Security sent draft legislation to the Congress. This proposed legislation is designed to promote timely carrying out of SSI provisions requiring cessation of payments to prisoners. The legislation would authorize the Commissioner to enter into agreements with willing state and local "correctional facilities." Under these agreements, the Commissioner would pay the facility for each report of a newly admitted inmate who has been a Social Security or SSI beneficiary but is not, as a prisoner, entitled to payments.

In August, the Congress passed The Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The act authorizes the Commissioner of SSA to enter into agreements with interested institutions. Under these agreements, the institutions would provide SSA with the names, SSNs, and other information about their inmates. SSA, subject to the terms of the agreements, would pay an institution for each inmate who SSA subsequently determines is ineligible for SSI. The act specifies, however, that the institution's primary purpose must be to confine individuals for offenses punishable by confinement for more than 1 year. This 1-year requirement would seem to preclude SSA from entering into agreements

with, as well as making payments to, county and local jails, which generally incarcerate prisoners for shorter periods.

Incidence of Prisoners Receiving SSI Is Widespread

Overall, in the jail systems we reviewed, we detected a total of \$5 million in erroneous SSI payments to prisoners. This includes \$3.9 million to 2,343 current prisoners in 12 jail systems and \$1.1 million to 615 former prisoners in 2 jail systems. Typically, an erroneous payment continued for 6 months or less and totalled about \$1,700. SSA was unaware that many of these payments had occurred.

SSA Erroneously Paid Many Current Prisoners

SSA had made erroneous payments to 2,343 prisoners, who were incarcerated in the 12 jail systems at the time of our work. These 2,343 prisoners represent about 4 percent of the prisoners with verified SSNs in these jail systems. As shown in table 1, SSA made payments to some prisoners in each of the 12 jail systems. The percentage of prisoners who received SSI payments differed somewhat among these jail systems, ranging from 2 to about 7.7 percent.

Table 1: Current SSI Recipients in Each County and Local Jail System

Jail system	Prisoners with verified SSNs			SSA region ^a
	Total	Receiving SSI		
		Number	Percent	
New York City	9,374	357	3.81	II
Broward Co., Fla.	2,510	49	1.95	IV
Dade Co., Fla.	8,529	185	2.17	IV
Orange Co., Fla.	3,211	66	2.06	IV
Shelby Co., Tenn.	3,401	193	5.67	IV
Cook Co., Ill.	7,686	591	7.69	V
Hamilton Co., Ohio	1,751	59	3.37	V
Harris Co., Tex.	3,358 ^b	59	1.76 ^c	VI
Los Angeles Co., Calif.	7,848 ^b	528	6.73 ^c	IX
Santa Clara Co., Calif.	1,586 ^b	99	6.24 ^c	IX
Maricopa Co., Ariz.	2,352 ^b	105	4.46 ^c	IX
King Co., Wash.	1,814	52	2.87	X
Total	53,420	2,343		

^aSee app. II for states covered by each SSA region.

^bPrisoners incarcerated for at least 30 days.

^cThe percentage was calculated using the number of prisoners incarcerated for at least 30 days. If all prisoners, regardless of length of incarceration, were used, this percentage would be lower. However, this jail system only provided information on prisoners incarcerated for 30 days or more.

In addition, there were 926 ssi recipients in jail at the time of our review who had not yet been there for 1 full calendar month. Collectively, these 926 prisoners were being paid about \$387,000 a month. To the extent these prisoners remain in jail for at least 1 calendar month and SSA remains unaware of their incarceration, ssi payments made after a full month of incarceration would be erroneous.

SSA's Erroneous Payments to Current Prisoners in the Millions of Dollars

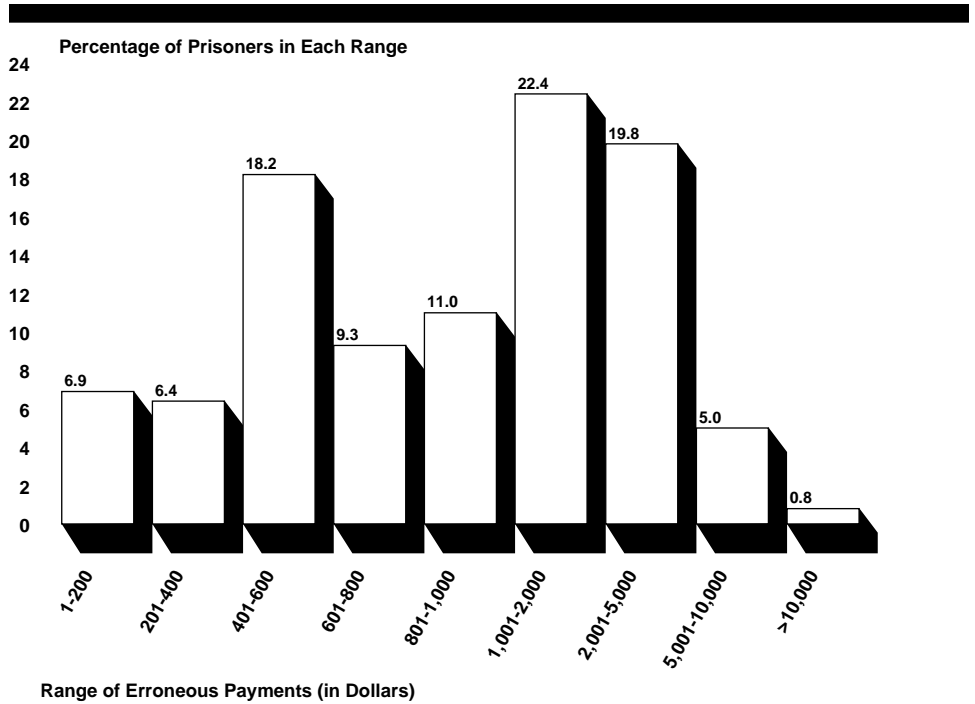
In the 12 systems we reviewed, as of the date we reviewed each system, we estimate that SSA paid \$3,888,471 to the 2,343 current prisoners (see table 2). The average amount paid to an individual prisoner varies among the jail systems, but the overall average is approximately \$1,700. Some payments are much larger.

Table 2: Erroneous Payments: Total and Average Amounts, by Jail System

Jail system	SSI recipients	Erroneous payments	
		Total	Average
New York City	357	\$649,165	\$1,818
Broward Co., Fla.	49	59,047	1,205
Dade Co., Fla.	185	338,680	1,831
Orange Co., Fla.	66	89,998	1,364
Shelby Co., Tenn.	193	419,630	2,174
Cook Co., Ill.	591	972,623	1,646
Hamilton Co., Ohio	59	40,782	691
Harris Co., Tex.	59	66,696	1,130
Los Angeles Co., Calif.	528	929,703	1,761
Santa Clara Co., Calif.	99	162,306	1,639
Maricopa Co., Ariz.	105	104,192	992
King Co., Wash.	52	55,649	1,070
Total	2,343	\$3,888,471	\$1,660

Erroneous payments to individual prisoners ranged from less than \$100 to over \$17,000. We determined that 136 prisoners received in excess of \$5,000, including 19 who received more than \$10,000. The percentage of current prisoners by range is shown in figure 1.

Figure 1: Range of Erroneous Payments for Current Prisoners



Notes: (1) The number of prisoners is 2,343. (2) Percentages may not add to 100 because of rounding.

Large erroneous payments to prisoners occurred because SSA paid some of them for long periods of time. For example, one ssi recipient was arrested on June 27, 1993, and was still in jail on November 30, 1995.⁴ SSA paid this prisoner monthly for this entire period. The erroneous monthly payments totaled about \$13,000. As of November 30, 1995, this ssi recipient was still in jail and SSA was continuing to pay him.

SSA Paid Most Current Prisoners for 6 Months or Less

We determined that 85 percent of the 2,343 current prisoners had received erroneous payments for a period of 6 months or less, at the time of our review.⁵ However, some were paid for longer periods. We found a total of

⁴This date is the ending date that we used to calculate the total erroneous payments to recipients. It is the date the jail system provided us with data on its prisoners; it is not the prisoners' release date. Some prisoners remained in jail after these dates.

⁵According to county and local jail officials, jails house prisoners for 1 to 3 months. These officials said, however, it is not uncommon for longer-term prisoners to be housed in county jails because of overcrowding in state prisons.

94 prisoners that had been paid for more than 1 year, including 13 who were paid for more than 2 years. The range of months during which payments continued is shown in table 3.

Table 3: Range of Months During Which Erroneous Payments Continued

Month(s) of erroneous payments	Prisoners erroneously paid	
	Number	Percent ^a
1	742	31.7
2	461	19.7
3	323	13.8
4	207	8.8
5	161	6.9
6	93	4.0
7 to 12	262	11.2
13 to 24	81	3.5
25 to 36	10	.4
37 to 48	3	.1
Total	2,343	

^aPercentages may not add to 100 because of rounding.

SSA Is Unaware That Many SSI Recipients Are Incarcerated

The erroneous payments to current prisoners are likely to increase. Based on a review of SSA’s records, we estimate that at the time of our review, SSA was unaware that 1,570 of the 2,343 recipients were in jail. SSA therefore continued to erroneously pay them. But SSA had stopped paying the remaining 773 and, for some of them, established an overpayment.

SSA Erroneously Paid Many Former Prisoners

We obtained information, from two jail systems, for 15,998 former prisoners who were released from jail between January 1 and June 30, 1995. We determined that of these former prisoners, 615 (3.8 percent) received ssi while incarcerated. In total, these former prisoners received about \$1.1 million in payments. The number of former prisoners, total erroneous payments, and average amount to individual prisoner by jail system are shown in table 4.

Table 4: SSI Payments to Former Prisoners, by Jail System

Jail system	SSI recipients	Erroneous payments	
		Total	Average
Cook Co., Ill.	419	\$901,792	\$2,152
Wayne Co., Mich.	196	225,076	1,148
Total	615	\$1,126,868	

Included in the count of 419 former prisoners in Cook County are 17 who were also in our population of current prisoners. This indicates that these 17 were in prison and received ssi payments on at least two occasions.

In Cook County, where we had data for both current and former prisoners, erroneous payments to former prisoners were higher. In that county, about 73 percent of the former prisoners were erroneously paid \$1,000 or more, compared with 48 percent of the current prisoners. The difference is predictable because former prisoners have completed their time in the county or local jail and current prisoners have not. In Wayne County, where we only had data on former prisoners, 38 percent of the former prisoners were erroneously paid \$1,000 or more.

SSA Is Not Recovering Erroneous Payments From Many Former Prisoners

Based on a review of SSA’s records, we estimate that SSA is unaware that it erroneously paid 454 (74 percent) of the 615 former prisoners (see table 5).

Table 5: Erroneous Payments to Former Prisoners, by Jail System

Jail system	Total	Former prisoners erroneously paid		
		SSA unaware		
		Number	Percent	Amount
Cook Co., Ill.	419	306	73	\$690,070
Wayne Co., Mich.	196	148	76	164,915
Total	615	454	74	\$854,985

As of December 1995, SSA was making ssi payments to 340 of the 454 former prisoners. However, SSA was not recovering these payments by withholding a portion of the current payments.

Several Factors Contributed to Prisoners Receiving SSI Benefits

Our review suggests that many of the erroneous payments to prisoners stem from the fact that SSA field offices were not following existing instructions. These indicate that field offices should contact county and local jails to detect incarcerated SSI recipients. Other reasons for such payments include SSI recipients (or their representative payees) not reporting incarcerations and redeterminations not identifying some incarcerated SSI recipients.

SSA Field Offices Are Not Obtaining Prisoner Information From County and Local Jails

At the start of our review, we contacted 23 county and local jail systems to determine if they were regularly providing prisoner information to SSA. Only 1 county was, although a few said SSA contacted them occasionally to determine if specific people were incarcerated. In addition, 1 other county indicated that it initiated contact with SSA, but had not provided data. SSA had contacted 6 additional systems about regularly obtaining information on prisoners, but these had not yet provided any data. The remaining 15 systems reported that they had not been contacted by SSA about regularly providing information on prisoners. For example, according to an SSA branch office manager, no one from SSA had visited the jails in the office's service area in more than 20 years.

SSI Recipients and Representative Payees Are Not Reporting Incarceration as Required

Our review of SSA records indicates that although some SSI recipients or their representative payees report incarceration to SSA as required, many do not. We determined that of the 615 former prisoners who were erroneously paid, 217 had representative payees while in prison. We also determined that of these representative payees, 164 did not report the SSI recipient's incarceration. About 87 percent of the representative payees who did not report were relatives; 1 percent were social agencies or other types of public and private organizations; and 12 percent were "other" types. Similar reporting problems were noted for current prisoners.

Redeterminations Have Not Identified Some Incarcerated SSI Recipients

In the redetermination process, SSA attempts to verify that recipients remain financially eligible for SSI and receive the correct payment. SSA records indicate that while in jail, 88 prisoners each had one redetermination and 4 prisoners each had two or more. We found that 32 of these 92 prisoners continued to be incarcerated and receive SSI payments after the redeterminations. According to SSA records, 22 of these redeterminations involved face-to-face contact between an SSA employee and the recipient or the representative payee. According to SSA officials, it is possible for inmates who are temporarily free, on work release or some

other similar arrangement, to appear for a redetermination and subsequently return to jail. In addition, representative payees may complete the redeterminations, including face-to-face, on behalf of the SSI recipient. The identity of the actual individual who appeared at the face-to-face redetermination is not included in SSA's computerized record, and a detailed review to determine who appeared at the interview was beyond the scope of our work.

SSA Has Initiated a Major Effort to Detect Incarcerated SSI Recipients in County and Local Jails

SSA's operating instructions contain provisions for field offices to contact local jails in order to obtain prisoner data from them. However, SSA only recently began implementing this program systematically. According to agency officials and internal documents, most of the jails nationwide had been contacted by April 1996 to obtain information on current prisoners and future admissions, but not on former prisoners.

Current Initiative Began in Late 1995

According to agency officials, in March 1995, SSA field offices were instructed to contact local jails in their service areas and report to their regional offices concerning which jails would agree to provide SSA with prisoner data. However, the field offices did not consistently comply with these instructions, these SSA officials stated. In October 1995, after the start of our review, SSA headquarters issued a follow-up memo to the regional offices, directing them to instruct their field offices to (1) complete a detailed census of all jails in their jurisdictions and (2) report to headquarters by November 30, 1995. It was during this period of time that the agency initiated a concerted effort to contact all county and local jails nationwide.

According to agency officials, prisons and jails are being contacted in the following order: (1) all state prisons, (2) the 25 largest county and local jails nationwide, and (3) all other county and local jails. According to SSA documents, as of March 1996, SSA had identified 3,878 county and local jails: SSA had obtained written agreements covering 2,647 of these and had agreements pending with 235. In addition, 843 jails were already reporting to SSA or held prisoners for less than 30 days; 153 jails had not responded or had refused to cooperate.

Current Initiative Addresses Current Prisoners and New Admissions

SSA has requested that facilities it has contacted provide lists of their inmates to the local field offices. The agency has offered flexible reporting guidelines for frequency and format of the lists (computerized or on paper). In general, SSA has requested that facilities that have provided data to it previously or on a trial basis continue providing data. In addition, SSA has requested that facilities that have not provided any lists in the past provide (1) a current census of their inmates and (2) continuing lists of new admissions to the facility. Specifically, we found that SSA has contacted the 25 largest jail systems in the country and requested prisoner data from them. Most of these systems had agreed to supply SSA with prisoner data beginning in early to mid-1996. One system (Orange County, Calif.) began providing data in April 1995, and another system (New York City) has agreed to a pilot project including data beginning with January 1995.

Conclusions

For many years, SSA has lacked an effective program to detect SSI recipients in county and local jails. It has relied primarily on (1) the recipients or their representative payees to voluntarily report incarceration and (2) redeterminations. Neither of these mechanisms has been completely effective; as a result, SSA has erroneously paid millions of dollars to thousands of prisoners in county and local jails. SSA was unaware of most of these payments. The number of SSI recipients who received SSI while in jail, including those with representative payees and those with redeterminations, raises numerous questions, including whether payments were obtained fraudulently.

SSA's recent initiative—to obtain better information on SSI recipients currently in county and local jails—is a positive step. However, the effort is not comprehensive enough. In general, SSA has begun to obtain information on current prisoners and new admissions. But SSA has not attempted to develop information, when available, on SSI recipients who may have been incarcerated and received payments in prior years. We found that this information is available and can provide SSA the means to identify and initiate recovery of many more erroneous payments.

Recommendations

In order to identify SSI recipients who have been erroneously paid in prior years, we recommend that the Commissioner of SSA direct SSA field offices to obtain information from county and local jails on former prisoners. SSA should then process this information to (1) determine if it made erroneous

payments to any of these former prisoners, (2) establish overpayments for the ones it paid, and (3) attempt to recover all erroneous payments.

Agency Comments and Our Response

SSA commented on a draft of our report in a letter, dated July 16, 1996, and acknowledged that investigation of the productivity of securing information on former prisoners appears desirable and worthy of further examination. However, SSA expressed concerns about the availability of data, the potential negative effect of requests for more data on existing reporting arrangements with county and local jail officials, the cost-effectiveness of processing data on former prisoners who may no longer be receiving SSI payments, and other matters. SSA believes these concerns need to be resolved before implementing our recommendations. (The full text of SSA's comments is included in app. III.)

Availability of Data

During its recent initiative to identify current prisoners, SSA identified local officials who know what data are available and can be provided. It should not be difficult or time-consuming, therefore, for SSA to contact these officials and determine if information on former prisoners is available. In addition, to identify information on former prisoners, SSA need not establish that "the majority" of county and local jail systems have such information, given that the largest jail systems account for the majority of prisoners.

Potential Negative Effects of Requests for More Data

During the course of its initiative, SSA expanded the number of agreements with local correctional facilities to report prisoner information. According to SSA, some of these facilities were initially reluctant to enter into these agreements because SSA does not have the authority to pay for this information. However, unlike information on current prisoners, which requires monthly or quarterly reporting, information on former prisoners only requires a onetime effort by the local jail systems. Therefore, SSA need not assume that requesting such data will jeopardize existing agreements. If county and local jail systems are initially reluctant to provide data on former prisoners, SSA could emphasize the potential benefit to state programs (such as the recovery of erroneously paid state supplements) that such data exchanges may provide.

Cost-Effectiveness of Processing Data on Former Prisoners

We agree that SSA stands a better chance of recovering erroneous payments if the former prisoner is still receiving SSI. However, the fact that he or she is not currently receiving SSI should not prevent the

implementation of our recommendation. To ensure program integrity, SSA has a responsibility to identify erroneous payments and collect overpayments. Once established, overpayments made to former prisoners remain in the record and could be recovered if the person again begins to receive SSI. Furthermore, SSA has the authority to recover SSI debts through a tax refund offset.

Other Matters

SSA also took issue with the fact that we reported that until recently, identifying prisoners was not a priority at SSA. According to SSA, however, policies and operating procedures call for field offices to (1) maintain contacts with local institutions and (2) determine prisoner eligibility for payments. In our review, we found that field offices had not been following this guidance. We made minor changes to the text of the report to clarify this point.

SSA also expressed concern about a statement in the report that erroneous payments to prisoners may be partially due to the vulnerability of redeterminations to abuse. Although we do not discuss the redetermination process in great detail, our review of SSA records indicates that 32 of 92 prisoners in our sample continued to receive benefits after a redetermination. If this process had been working as intended, SSA would have determined that these prisoners were no longer eligible to receive benefits. We made minor changes to the text of the report to clarify this point.

We are sending copies of this report to interested congressional Committees and Subcommittees; the Director, Office of Management and Budget; and other interested parties.

This report was prepared under the direction of Christopher C. Crissman, Assistant Director. Other GAO contacts and staff acknowledgments are listed in appendix IV.



Jane L. Ross
Director, Income Security Issues

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Abbreviations

EVS	Enumeration Verification System
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security number

Scope and Methodology

To determine if jail systems provide information on prisoners to SSA, we contacted 23 large county and local jail systems that met the following criteria: (1) a minimum average daily prisoner population of at least 1,000, with emphasis on the largest U.S. metropolitan areas, (2) geographic dispersion, and (3) populous SSA regions. Of the 23 systems we contacted, we subsequently requested data from the 13 that met the following additional criteria: (1) an ability to provide us with automated data tapes suitable for matching, (2) willingness to provide the data at no cost, and (3) not currently providing SSA with prisoner data.

Based on the above criteria, between September 1995 and January 1996, we obtained automated data on current prisoners from 12 county and local jail systems. They collectively represent about 20 percent of the county and local prisoner population nationwide. The jail systems that provided data to us are in 10 states, in 6 of SSA's 10 regions. The jail systems that provided current prisoner data to us were: Broward County (Fla.); Cook County (Ill.); Dade County (Fla.); Hamilton County (Ohio); Harris County (Tex.); King County (Wash.); Los Angeles County (Calif.); Maricopa County (Ariz.); New York City; Orange County (Fla.); Santa Clara County (Calif.); and Shelby County (Tenn.).

In addition, during February and March 1996, we obtained data on former prisoners from Cook County and from Wayne County (Mich.).

Prisoner Information Obtained From Jail Systems

From 12 of the county and local jail systems, we obtained data for prisoners who were under their jurisdiction on specific dates. The dates were selected by the jail systems, based on their available resources. Jail systems also supplied available personal identifiers, including name, Social Security number (SSN), date of birth, place of birth, mother's maiden name (or next of kin), ethnicity or race, home address, and date of incarceration.

SSN Verification

We received information on a total of 97,813 current prisoners and eliminated duplicate records. This reduced the initial universe to 79,595 prisoners. We processed the information on these prisoners through SSA's Enumeration Verification System (EVS), which uses key variables (name and date of birth) to verify the SSNs provided or determine an SSN if none is provided. We obtained verified SSNs for 53,420 of the 79,595 prisoners. We could not verify SSNs for the remaining 26,175 prisoners.

Identifying Prisoners With SSI Records

To determine which prisoners had SSI records, we matched the verified SSNs against the Supplemental Security Record. We identified 12,951 prisoners with SSI records. We analyzed these 12,951 records to determine if any of the prisoners received benefits while they were incarcerated; we then extracted and analyzed the records of these prisoners.

Verification of County Data

To test the accuracy of the current prisoner data provided by the counties, we selected a random sample of 240 current prisoners we had identified as having been paid SSI benefits while incarcerated (20 prisoners from each of 12 counties). We supplemented the random sample with 100 judgmentally selected cases (considering large payments to prisoners, long periods of incarceration, SSI eligibility date versus incarceration date, and other such factors). We requested that the jail systems verify (1) the booking date (the first day the prisoner was incarcerated) and (2) whether the prisoner was continuously incarcerated between the booking date and the date on which the jail created the list of inmates in its system. We requested that the jails verify the information from a source other than that used to produce the original data.

The results of our random sample indicate that overall, our data were reliable. For five counties, no errors were found for the sample cases. For three counties, one case that could not be verified was found for each. For three other counties, minor errors were found in the data. For the final county, some of the information we had originally been provided was incorrect. At that time, the county had not yet entered the release dates for some prisoners into its computer system. As a result, the original information showed 123 SSI recipients in jail on November 16, 1995 (the date on which the county produced the original data), when they actually had been released before that date. We eliminated these cases from our review. Of the original 20 randomly selected cases in this county, 10 were unaffected, with the original information being correct.

Information on Former Prisoners

To obtain information on former prisoners, we asked two county systems (Wayne and Cook) to provide us with automated lists of all the prisoners released from their systems in the first 6 months of 1995. We received information on 16,821 prisoners, with no duplicate records. We processed these data through EVS, and obtained 15,998 verified SSNs. We matched the verified SSNs against the Supplemental Security Record to detect former prisoners who received SSI, and extracted and analyzed their records.

SSA Regions

The 10 SSA regions are shown in figure II.1. As discussed in appendix I, we obtained our data from county and local jail systems in 10 states—New York, Florida, Tennessee, Ohio, Illinois, Texas, Arizona, California, Washington, and Michigan—in 6 regions—II, IV, V, VI, IX, and X.

Figure II.1: SSA Regional Boundaries



Comments From the Social Security Administration



SOCIAL SECURITY

Office of the Commissioner

July 16, 1996

Ms. Jane L. Ross
Director, Income Security
Issues
U.S. General Accounting Office
Washington, D.C. 20548

Dear Ms. Ross:

Enclosed are two copies of the Social Security Administration's comments on the U.S. General Accounting Office's (GAO) Draft Report, "Supplemental Security Income: SSA Actions Fall Short in Correcting Erroneous Benefits Paid to Prisoners" (GAO/HEHS-96-152), dated June 20, 1996.

I want to assure you that rectifying problems relating to erroneous payments to prisoners has been a high priority of mine. We have focused our energies on obtaining information from as many prisons as possible. All 50 states are now providing SSA with complete inmate census data, and all but a small percentage of the 3,500 local and county correctional institutions across the country have agreed to provide us with prisoner information on an ongoing basis. There should be no doubt that significant progress has been made, and state, county and local prisons should be commended for their cooperation in these efforts.

We appreciate the opportunity to comment. Please let us know if we may be of further assistance.

Sincerely,

A handwritten signature in cursive script that reads "Shirley S. Chater".

Shirley S. Chater
Commissioner
of Social Security

Enclosure

SOCIAL SECURITY ADMINISTRATION BALTIMORE MD 21235-0001

**Appendix III
Comments From the Social Security
Administration**

COMMENTS OF THE SOCIAL SECURITY ADMINISTRATION ON THE GENERAL ACCOUNTING OFFICE DRAFT REPORT, "SUPPLEMENTAL SECURITY INCOME: SSA ACTIONS FALL SHORT IN CORRECTING ERRONEOUS BENEFITS PAID TO PRISONERS" (GAO/HEHS-96-152)

We appreciate the opportunity to comment on the General Accounting Office (GAO) draft report regarding the collection of data required to detect Supplemental Security Income (SSI) recipients in county and local jails. As the report mentions, the Social Security Administration (SSA) has conducted a major initiative to expand reporting from local correctional facilities not already covered under existing State matching or local reporting agreements. At this point, SSA now has agreements with all 50 states. In addition, all but a small percentage of local correctional facilities are now either covered by a reporting agreement or have been identified as short-term holding facilities that do not house prisoners for as long as the full month required for SSI suspension.

GAO Recommendation

In order to identify SSI recipients who have been erroneously paid in prior years, the Commissioner of SSA should direct SSA field offices to obtain information from county and local jails on individuals who were incarcerated in prior years. SSA should determine if it erroneously paid SSI benefits to any of these former prisoners, establish overpayments for the ones it paid, and attempt to recover all erroneous payments.

SSA Comment

In view of the report's findings that the information on former prisoners supplied by county facilities showed that some former prisoners received SSI while they were incarcerated, further investigation of the productivity of securing historical data appears desirable and worthy of further examination. However, there are several factors that must first be evaluated, including the availability of such data, the potential effect on current reporting relationships with county and local jail officials, and the cost-effectiveness of processing this major manual workload.

Even though Cook and Wayne Counties were able to provide automated data on previously incarcerated individuals, there is no indication that the majority of county and local jails will have readily available information on prior admissions. In addition, our efforts to obtain agreements at the local level, even for the current prisoner population, have often initially been met with reluctant compliance. Currently, we can provide no remuneration to these local institutions for their assistance. Even if historical information is available, we believe many local correctional facilities will not be able to devote the manpower needed to compile this information or will be reluctant to do so without some sort of remuneration. Since there is no

**Appendix III
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legal mandate to report, we are concerned that efforts to compel facilities to provide historical data could jeopardize existing reporting arrangements.

Even where such information can be obtained, a further investigation of the cost-effectiveness of processing historical data needs to be conducted. Unless the overpaid individual remains in a continuing payment status, we suspect our chances of recouping any overpayments identified will be extremely limited. While findings from Cook and Wayne Counties suggest that many overpaid prisoners remained in payment status 6 to 12 months after release, we are uncertain this finding will hold true for earlier periods. This needs to be further explored.

Other Comments

Under the heading, "Identifying Prisoners Receiving SSI Had Not Been an SSA Priority," the report indicates that SSA officials at all levels stated that detecting prisoners was not a priority. This broad statement is based on very little information and only a few unnamed sources. As the report acknowledges, field offices have always been directed to maintain ongoing contacts with the facilities in their service areas and establish procedures for events that affect SSI eligibility and payment determinations. The SSI operating procedures have long identified this function as "essential," and it has never been SSI policy to treat this function as a low priority. Securing prisoner information has been a major agency initiative with regular high-level executive oversight. We recommend deletion of this section of the report.

The report indicates that one reason for incorrect payments to prisoners is that "redeterminations may be vulnerable to abuse." However, the report concedes that the conclusion is not based on case file reviews or any other real investigation. The report does not identify any deficiency in the redetermination procedures nor does it make any recommendations for revision of the procedures. We recommend that this section be significantly abridged or deleted.

We also recommend that the following paragraph be added to the "Proposed Legislation" section of the report.

"On May 24, 1996, the Commissioner of Social Security (SS) sent draft legislation to Congress that would make administrative improvements regarding reports by correctional facilities concerning their inmates. The administrative improvements are designed to promote timely effectuation of the SSI provisions requiring cessation of benefits to prisoners and similarly affected individuals. The proposed amendments would authorize the Commissioner to enter into agreements with willing State and local facilities under which the Commissioner would pay the facility for each report of a newly admitted inmate who is an SS or SSI beneficiary whose benefits are subject to nonpayment."

GAO Contacts and Staff Acknowledgments

GAO Contacts

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Staff Acknowledgments

In addition to those named above, the following also made important contributions to this report: Jeremy Cox, Evaluator; Mary Ellen Fleischman, Evaluator; James P. Wright, Assistant Director (Study Design and Data Analysis); and Jay Smale, Social Science Analyst (Study Design and Data Analysis).

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