United States General Accounting Office

GAO

Report to Congressional Committees

November 1999

SUPPLEMENTAL SECURITY INCOME

Incentive Payments Have Reduced Benefit Overpayments to Prisoners

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United States
General Accounting Office
Washington, D.C. 20548

Health, Education, and
Human Services Division

B-279541

November 22, 1999

The Honorable William V. Roth, Jr.
Chairman
The Honorable Daniel Patrick Moynihan
Ranking Minority Member
Committee on Finance
United States Senate

The Honorable Bill Archer
Chairman
The Honorable Charles B. Rangel
Ranking Minority Member
Committee on Ways and Means
House of Representatives

The Supplemental Security Income (SSI) program, administered by the Social Security Administration (SSA), is the largest cash assistance program in the United States. In 1998, SSI paid about $29 billion to needy aged, blind, or disabled individuals. People who are confined in prisons or correctional facilities for at least 1 full month are ineligible for SSI benefits. Despite this prohibition, SSA's Office of the Inspector General (OIG) and we have reported that SSA has paid millions of dollars of SSI benefits to ineligible inmates.[1]

In November 1995, SSA began a major effort to obtain commitments from correctional facilities to report inmate information. These efforts were extremely successful. We estimate that, by August 1996, SSA had obtained reporting commitments from the Federal Bureau of Prisons and about 4,500 of approximately 5,500 state and local correctional facilities.

On August 22, 1996, federal welfare reform legislation provided SSA with a new way to identify ineligible prisoners receiving SSI. The legislation authorized SSA to contract with correctional facilities to pay them a maximum of $400 for timely information that resulted in suspension of an ineligible inmate's benefits.

The legislation required that we study and report on the impact of these incentive payments on the SSI program. Specifically, this report addresses the following questions: (1) How many correctional facilities signed

[1]SSA, OIG, Effectiveness in Obtaining Records to Identify Prisoners (Washington, D.C.: SSA, May 1996) and Supplemental Security Income: SSA Efforts Fall Short in Correcting Erroneous Payments to Prisoners (GAO/HEHS-96-152, Aug. 30, 1996).

incentive payment agreements, how many suspensions did SSA make, and what amount of overpayments did SSA identify and prevent at these facilities; (2) how many of the incentive payment agreements represented new reporting commitments that SSA did not have before the authorization of incentive payments, and what were the results at facilities that made these new commitments; and (3) what other benefits has the legislation produced?

We used SSA's computerized data to identify facilities that signed incentive payment agreements with SSA and to determine the number of suspensions and amount of overpayments identified and prevented at those facilities. We also identified and quantified certain costs of implementing the incentive payment program. We discussed the incentive program with SSA officials and obtained their perspectives on other benefits of the legislation. We also sampled facilities that had agreed to provide data to SSA before signing incentive agreements to determine if these facilities improved their reporting practices after signing.

We conducted our work between April 1998 and September 1999 in accordance with generally accepted government auditing standards. (See app. I for a more detailed description of our scope and methodology.)

Results in Brief

Since the legislation was passed, SSA has signed incentive payment agreements with 3,115 correctional facilities. Between the date each facility signed an incentive payment agreement and November 27, 1998, the most recent date for which we have comprehensive data, SSA made a total of 39,137 SSI benefit suspensions at these facilities. By suspending benefits, SSA identified $32.1 million of potentially recoverable SSI overpayments that it had already made and prevented approximately $37.6 million in future erroneous SSI payments.[2] SSA made incentive payments of almost $10 million to facilities, as required by the incentive agreements.

As a result of the legislation, SSA now receives more prisoner information than before. Our analysis showed that 210 of the 3,115 incentive

[2]A suspension, which is usually retroactive, results in the identification of an overpayment that SSA has already made, the prevention of subsequent overpayments, or both. For example, if a correctional facility notifies SSA in early July that an individual was confined in May, and that inmate is receiving SSI benefits, SSA suspends benefits effective June 1, because June is the first full month of confinement. This suspension involves stopping the August payment and beginning the process of collecting benefits paid erroneously in June and July. If the individual remains confined, the August payment and any subsequent benefits not paid because of the suspension are considered to be overpayments prevented.

agreements were new commitments; that is, 210 facilities had not agreed to provide inmate data to SSA before the incentive agreement legislation. At the facilities that made new commitments, SSA made 4,597 suspensions, identified about $3.3 million in overpayments that it had made to inmates, and prevented future overpayments of about $3.6 million.

The legislation also produced other benefits. First, SSA made 871 suspensions, identified $1.4 million of past overpayments, and prevented about $1.6 million of future overpayments in SSA's Old Age and Survivors Insurance (OASI) program and Disability Insurance (DI) program.[3] Moreover, other federal and state assistance programs, such as the Food Stamp program, now have access to this enhanced inmate information, which may help them improve the accuracy of their payments. In addition, after signing the agreements, some correctional facilities began to report confinements more frequently and in an electronic format that SSA can process more efficiently. This resulted in prevention of at least $2.7 million in future overpayments. Finally, SSA developed several new computer systems to facilitate operations, improve the control and monitoring of facility reporting and prisoner suspensions, and account for incentive payments.

Background

SSA administers three of the nation's largest benefit programs: SSI; OASI, also known as Social Security; and DI. Under SSI, the largest cash assistance program in the United States and the subject of this report, SSA provides cash assistance to needy individuals who are aged, blind, or disabled. Federal SSI benefits are funded by general revenues and are based on financial need. In 1998, SSA paid about $29 billion in SSI benefits. OASI provides monthly retirement benefits to workers and their dependents and survivors to protect them from the loss of wages resulting from retirement or death. DI provides monthly cash benefits to disabled workers and their families. OASI and DI are insurance programs funded through payroll taxes, and benefits are based on the contributions of individual workers and their employers. In 1995, the OASI and DI programs paid about $326 billion in benefits to about 43 million eligible beneficiaries.

The Social Security Act provides that, under certain circumstances, prisoners are ineligible for SSI, OASI, or DI payments. Individuals are ineligible for SSI in any given month if throughout that month they are housed in a public institution. Individuals are ineligible for OASI and DI if they are confined in a correctional facility as a result of committing an

[3]Under OASI and DI, prisoners are ineligible for benefits under certain conditions.

offense punishable by imprisonment for more than 1 year. In the above cases, a confined recipient or a representative payee (an individual or organization that receives payments on behalf of SSI recipients who are unable to manage their own affairs) is required to report the confinement to SSA, so that benefits can be suspended.

Despite the prohibitions in the act, ineligible prisoners have been receiving SSI, OASI, and DI benefits. In 1996, we reported that SSA had made $3.9 million in erroneous SSI payments to over 2,300 prisoners in the 12 county jail systems that we reviewed. Erroneous payments occurred because confinements were not reported by SSI beneficiaries, representative payees, or correctional facilities and because SSA's efforts to periodically verify recipients' continued eligibility for SSI were ineffective. Also in 1996, SSA's OIG reported that SSA had achieved only limited success in obtaining prisoner information from federal, state, and local institutions and, as a result, had continued to make payments to ineligible inmates.

SSA's Efforts to Stop Payments to Ineligible Prisoners

In November 1995, while our audit and that of the OIG were being completed, SSA undertook a major effort to prevent erroneous payments to prisoners. First, SSA formed a work group that focused exclusively on prisoner issues. Second, it established a regional prisoner coordinator in each SSA region to manage the effort at the field level. Third, SSA used its network of about 1,300 field offices to identify and contact correctional institutions and obtain commitments from them to report prisoner data. Fourth, in March 1996, the SSA Commissioner appealed to all federal and state penal institutions to send SSA a census of individuals who were confined in their facilities.

By August 21, 1996, SSA had successfully negotiated reporting agreements with the Federal Bureau of Prisons covering 137 federal facilities and with about 4,500 of approximately 5,500 state and local correctional facilities. During the period from January 1, 1996, through August 21, 1996, SSA suspended the benefits of about 30,203 prisoners. As a result of these suspensions, SSA identified about $151 million in overpayments already made and prevented about $173 million in additional overpayments. The agreements included most state facilities, facilities in Puerto Rico and the District of Columbia, and most large local facilities. Although most facilities began reporting, some reported on an irregular basis; in a less than timely manner; or on paper rather than computer disk or tape, thus making it more difficult for SSA to match files.

1996 Legislation Authorizing Incentive Payments for Prisoner Information

On August 22, 1996, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) was enacted, authorizing SSA to enter into incentive payment agreements with interested state and local correctional facilities in order to increase prison reporting to SSA.[4] The agreement that SSA developed, and that must be in place before SSA pays a facility, includes several reporting provisions. For example, each month the facility must provide SSA with a computer tape, cartridge, or disk, in an SSA-prescribed format, showing new inmates' names, Social Security numbers, dates of birth, and confinement dates. As part of the agreement, the facility must also complete a direct deposit form and agree to accept payment from SSA through direct deposit. Finally, the facility must show the names, Social Security numbers, and other information for its entire inmate population in its initial report. Under these agreements, SSA pays facilities for timely information that enables SSA to suspend ineligible prisoners' SSI benefits.

PRWORA authorizes SSA to make different levels of incentive payments on the basis of the timeliness of the data provided. SSA is authorized to pay $400 if it suspends SSI benefits on the basis of information provided within 30 days after a prisoner's confinement. SSA is authorized to pay $200 if it suspends SSI benefits on the basis of information provided between 31 and 90 days after confinement. SSA is not authorized to pay for information received more than 90 days after confinement, even when it results in a suspension.

SSA Signed Incentive Agreements With Many Correctional Facilities and Suspended Payments to Thousands of Prisoners

After the enactment of PRWORA, SSA negotiated and signed incentive agreements with 3,115—almost 60 percent—of the approximately 5,500 state and local correctional facilities nationwide. Between the time each facility signed its incentive agreement and November 27, 1998, SSA made about 39,000 SSI suspensions at these facilities. As a result of these suspensions, SSA identified approximately $32 million in SSI overpayments it had already made to inmates and prevented about $38 million in future overpayments. SSA made incentive payments to facilities of almost $10 million for the information they provided.

SSA Negotiated Incentive Agreements

Beginning in early 1997, SSA personnel contacted state and local correctional facilities, including those that had already agreed to report prisoner data, and offered them the opportunity to sign the new incentive payment agreement. SSA signed incentive agreements with all 50 states,

[4]Federal correctional facilities are not eligible for incentive payments.

covering most state-run facilities; the District of Columbia; all of the large local jail systems; and many of the smaller local jails. As of November 27, 1998, the most recent date for which we have data, we estimate that incentive agreements covered about 80 percent of all confined individuals.

Although all 50 states and many local systems completed incentive agreements, not all signed immediately. About 66 percent of the states signed during the first 6 months; most others signed by March 1998. About 45 percent of the local facilities signed incentive agreements. According to SSA, there were two main reasons that 55 percent of the local facilities did not sign incentive agreements. First, in some cases the local facility would not have received the incentive payment directly. Rather, the payment would have gone into the county's general fund or some other central treasury. Second, some facilities did not want to conform to the strict electronic reporting requirements outlined in the incentive agreement. According to SSA, some of these local jails do not have computers.

The fact that many local facilities did not sign incentive agreements does not mean that these facilities are not providing inmate data to SSA. Many of these facilities have other types of reporting agreements under which they provide data to SSA but do not receive incentive payments. There are, however, a limited number of facilities that do not report. (See app. II for information on other agreements that SSA has made with correctional facilities and a summary of all SSA reporting agreements by state.)

SSA Made Suspensions, Identified Potentially Recoverable Overpayments, and Prevented Future Overpayments

Between the time each facility signed its incentive agreement and November 27, 1998, SSA made 39,137 SSI suspensions at the 3,115 facilities with incentive payment agreements. SSA made about 25 percent of the suspensions at state-run facilities and about 75 percent at local facilities. California, Florida, Louisiana, New York, Ohio, and Texas together accounted for almost half of all suspensions. (See app. III for a summary of SSI suspensions by state and agreement type.)

As a result of these suspensions, SSA identified $32.1 million of potentially recoverable overpayments it had already made. It is important that SSA identify overpayments to prisoners so that it can initiate the various mechanisms available to collect them. These mechanisms include (1) withholding all or a portion of the legitimate monthly SSI benefits of a former inmate who has reestablished eligibility for SSI benefits, (2) withholding a portion of a former prisoner's OASI or DI benefits, and (3) withholding an individual's income tax refund. Finally, if SSA is

unsuccessful in collecting an overpayment despite making all reasonable efforts to do so, the agency may refer the overpayment to the Department of Justice for recovery through civil action.

More importantly, perhaps, the suspension of inmates' SSI benefits also prevented about $37.6 million in future overpayments. Preventing overpayments is obviously far more effective than detecting those already made because the government does not incur a monetary loss that must be collected from the inmate. For example, when an overpayment is made, the government may not be able to collect all of the money owed by the inmate. Even if the overpayment is recovered through one of the various mechanisms described above, the government incurs certain administrative costs related to the recovery and loses the interest on the investment of the outstanding overpayment until it is recovered. Further, preventing overpayments maintains program integrity and, in turn, promotes public trust in the program.

States Received Varying Amounts of Incentive Payments

Between March 7, 1997, and November 27, 1998, SSA made incentive payments totaling about $10 million (see table 1). About 80 percent of the payments were for the maximum $400, indicating that correctional facilities provided information to SSA within 30 days of the individual's confinement. The remaining 20 percent were for $200. About 80 percent of the payments went to local correctional facilities, and about 20 percent went to state facilities.

Table 1 shows that six states received no incentive payments. We discussed this situation with SSA officials and identified two main reasons for this: three states were unable to provide data in the reporting format that SSA requires, and three others did not complete the required direct deposit form advising SSA where to deposit the payments.

Table 1: Incentive Payments to State and Local Correctional Facilities, March 7, 1997-November 27,1998

State	Amount paid to state	Amount paid to locality	Total
Alabama	$1,800	$86,000	**$87,800**
Alaska	35,600	[a]	**35,600**
Arizona	10,400	166,200	**176,600**
Arkansas	56,200	132,800	**189,000**
California	280,800	1,406,600	**1,687,400**
Colorado	5,400	62,800	**68,200**
Connecticut	226,800	[a]	**226,800**
Delaware	23,200	[a]	**23,200**
District of Columbia	200	[a]	**200**
Florida	34,800	485,400	**520,200**
Georgia	40,200	142,400	**182,600**
Guam	0	0	**0**
Hawaii	40,800	[a]	**40,800**
Idaho	7,000	11,800	**18,800**
Illinois	27,200	154,000	**181,200**
Indiana	56,400	89,400	**145,800**
Iowa	0	44,800	**44,800**
Kansas	0	52,200	**52,200**
Kentucky	4,000	294,200	**298,200**
Louisiana	123,200	503,000	**626,200**
Maine	7,000	55,000	**62,000**
Maryland	5,800	34,600	**40,400**
Massachusetts	94,000	319,200	**413,200**
Michigan	49,200	304,200	**353,400**
Minnesota	45,200	17,000	**62,200**
Mississippi	40,400	81,200	**121,600**
Missouri	11,000	146,400	**157,400**
Montana	2,200	6,000	**8,200**
Nebraska	0	2,400	**2,400**
Nevada	0	4,800	**4,800**
New Hampshire	7,000	40,800	**47,800**
New Jersey	27,800	347,600	**375,400**
New Mexico	12,800	40,400	**53,200**
New York	164,000	960,400	**1,124,400**
North Carolina	36,800	53,400	**90,200**
North Dakota	1,400	3,200	**4,600**
Ohio	40,200	452,400	**492,600**

(continued)

State	Amount paid to state	Amount paid to locality	Total
Oklahoma	13,000	26,200	**39,200**
Oregon	7,600	24,600	**32,200**
Pennsylvania	0	175,600	**175,600**
Puerto Rico	0	0	**0**
Rhode Island	99,000	[a]	**99,000**
South Carolina	90,000	62,400	**152,400**
South Dakota	1,400	2,800	**4,200**
Tennessee	6,200	184,000	**190,200**
Texas	165,000	426,000	**591,000**
Utah	600	11,400	**12,000**
Vermont	0	[a]	**0**
Virginia	15,600	54,400	**70,000**
Washington	42,400	46,600	**89,000**
West Virginia	800	30,400	**31,200**
Wisconsin	48,800	176,200	**225,000**
Wyoming	200	0	**200**
Total	**$2,009,400**	**$7,721,200**	**$9,730,600**

[a]This state has an integrated state/county prison system; the entire incentive amount, if any, is reported in the state column.

Legislation Prompted Some Facilities to Agree to Provide Prisoner Data for the First Time

A total of 210 of the 3,115 incentive agreements were new commitments by facilities that had not agreed to provide data to SSA before PRWORA. These 210 facilities provided SSA with information that prompted the agency to make 4,597 of the 39,137 total SSI suspensions under incentive agreements. Information from these facilities accounted for $3.3 million of the $32.1 million of overpayments identified, and $3.6 million of the $37.6 million of overpayments prevented. Without the incentive payment legislation, these facilities might not have reported their prisoner data to SSA.

Incentive Program Has Produced Other Benefits

The incentive payment program has resulted in several benefits beyond additional SSI suspensions, overpayments identified, and overpayments prevented. Specifically, SSA now also uses information it receives under incentive agreements to suspend benefits, identify overpayments, and prevent future overpayments in its OASI and DI programs. SSA also makes prisoner information available to other federal and state assistance

programs to help them control their payments. Further, some state and local facilities report more frequently or more efficiently than they did before signing incentive agreements. Finally, SSA has developed several new computer systems to facilitate operations, improve the control and monitoring of facility reporting and prisoner suspensions, and account for incentive payments.

SSA Puts SSI Inmate Information to Other Uses

PRWORA authorizes SSA to provide information it obtains under the incentive payment agreements to any federal or federally assisted cash, food, or medical assistance program for eligibility determination purposes. SSA used information it received under new incentive agreements to suspend the OASI and DI benefits of 871 recipients. As a result of these suspensions, SSA identified almost $1.4 million in overpayments it had already made and prevented almost $1.6 million of additional OASI and DI overpayments.

SSA also makes selected prisoner information available to states for their use in controlling Food Stamp program benefits. In addition, SSA is negotiating to establish sharing agreements with the Department of Veterans Affairs and the Department of Education in order to help those agencies control their payments.

Some State and Local Correctional Facilities Have Improved Their Reporting

According to SSA, before incentive payment agreements, all states, the District of Columbia, and Puerto Rico were reporting information to SSA. Most were reporting monthly, some quarterly, and some only sporadically. In addition, some states and many of the larger local facilities were reporting on paper, which is difficult for SSA to process, rather than diskette or computer tape. SSA staff told us that, in some cases, after facilities signed incentive agreements they began reporting more frequently and in electronic format, rather than on paper.

To determine the extent of reporting improvement, we reviewed a sample of 69 reporters[5] consisting of the 50 states, the District of Columbia, Puerto Rico, and 17 of the 25 largest county jail systems. We determined that 23 of the 69 improved their reporting frequency. For example, some began reporting monthly rather than quarterly or semiannually or, if not monthly, then more frequently than they had before signing the incentive agreement. We estimated that as a result of this more frequent reporting,

[5]A reporter may report for one or more facilities. For example, a state department of corrections may report for all state prisons.

SSA identified ineligible inmates earlier and prevented about $2.7 million of overpayments at the facilities we sampled. Although we did not sample small local facilities, we assume that some of these began reporting more frequently after signing an incentive agreement and that, as a result, SSA prevented overpayments at these facilities also. In addition, seven states that were reporting inmate data to SSA on paper changed to some form of electronic reporting after signing the agreement, which has reduced SSA's costs for operating the matches and speeded up the suspension process.

SSA Has Improved Its Monitoring and Control of Prisoner Data

Before implementing incentive payments, SSA was not effectively monitoring and controlling prisoner agreements or prisoner data. For example, SSA did not renegotiate several state agreements in a timely manner, did not have procedures to determine if it received prisoner information in accordance with the terms of its agreements, and did not have controls that provided reasonable assurance that inmate information it received was processed in a timely manner.

In conjunction with implementing incentive payments, SSA developed the Incarceration Report Control System and the Prisoner Update Processing System. These systems have improved monitoring and control of reporting agreements and prisoner information. The first system contains information about reporting agreements, reporters, facilities, details of reports received, and information on incentive payments. This system continuously reviews the information it contains and alerts the appropriate units in SSA when a reporting agreement needs to be renegotiated, or when a reporter does not provide inmate data as specified in the agreement. The Prisoner Update Processing System contains information on inmates. It uses this information to identify inmates who are receiving benefits and alerts the appropriate SSA field office when a suspension may be warranted. This system also periodically determines if action has been taken on the initial alerts and, if not, issues follow-up alerts.

Conclusions

The incentive payment legislation has produced significant benefits. SSA now receives prisoner information from 210 additional facilities, which has resulted in the prevention of about $3.6 million in future erroneous payments and the identification of approximately $3.3 million of potentially recoverable overpayments SSA has already made. In some cases, SSA now also receives prisoner data more frequently and in a more usable format from facilities that had been reporting data before the

legislation. As a result, SSA has been able to prevent $2.7 million in erroneous SSI payments at the facilities we sampled. In its OASI and DI programs, SSA has prevented $1.6 million in erroneous payments and identified $1.4 million of potentially recoverable overpayments. In addition, SSA has developed new electronic monitoring and control systems for inmate data and makes these data available to other federal and state agencies.

Some might argue that the program's cost of $10 million is high in relation to the savings realized. Most institutions reporting prisoner data today did so prior to the incentive program and might have continued to do so without financial incentive. Nonetheless, the benefits described above are important outcomes that are likely to enhance the operation of the SSI program and other federal programs for years to come.

Agency Comments

We obtained comments on a draft of this report from the Commissioner of Social Security, who concurred with our findings. See appendix IV for the full text of SSA's comments.

We are sending copies of this report to the Honorable Kenneth S. Apfel, Commissioner of Social Security, and other interested parties. We will also make copies available to others on request.

If you or your staff have any questions regarding this report, please contact me at (202) 512-7215 or Roland H. Miller at (202) 512-7246. Harry Johnson, Joan Vogel, and Dennis Gehley also made key contributions to this assignment.

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Abbreviations

DI	Disability Insurance
IRCS	Incarceration Report Control System
OASI	Old Age and Survivors Insurance
OIG	Office of the Inspector General
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act of 1996
PUPS	Prisoner Update Processing System
ROAR	Recovery of Overpayments, Accounting and Reporting System
SSA	Social Security Administration
SSI	Supplemental Security Income

Scope and Methodology

To measure the impact of the incentive payment legislation, we identified all state and local facilities that signed incentive payment agreements with the Social Security Administration (SSA) and the suspensions, overpayments identified, and overpayments prevented after signing the agreements. We also determined the results of agreements reached with facilities that had not agreed to provide data to SSA until after incentives were authorized. In addition, we sampled facilities that had previously agreed to provide data to SSA to determine if incentive agreements affected these facilities' reporting practices and, in turn, the Supplemental Security Income (SSI) program. We relied heavily on SSA's various computer systems for most of our information, but we did not independently verify SSA's databases. We also discussed the incentive program with SSA officials to obtain their perspective on the impact of the legislation.

Facilities With Incentive Agreements

We used SSA's Incarceration Report Control System (IRCS) to identify facilities with incentive agreements. IRCS, a central computer system that was implemented after incentive payments were authorized, contains information about correctional facilities. In addition to descriptive information (name, address, facility contact, and so on), IRCS also shows the type of agreement SSA has with a facility, the date the agreement was signed, how often the facility has reported, and details about the reports received. IRCS also contains information about facilities that do not provide data to SSA, including the reasons for their not reporting. Some facilities are included in IRCS more than once, and in some cases the agreement information associated with those facilities is inconsistent. We spent a considerable amount of time eliminating duplicates from the database. However, when we could not determine which of the duplicates to eliminate, we asked SSA's field offices to clarify the situation for us.

Facilities That Initially Did Not Agree to Provide Data to SSA but Eventually Signed Incentive Agreements

To identify these facilities, we determined their agreement status before incentive payments and compared it with the agreement status on November 27, 1998. To determine a facility's agreement status before incentive payments, we combined information from several different SSA sources. SSA field offices had negotiated agreements with correctional facilities and sent copies of those agreements to SSA headquarters. We used this information to establish our initial baseline data on agreements. We supplemented our initial baseline data with information from IRCS. Although IRCS was established after incentive payments were authorized, SSA had loaded IRCS with information on agreements that existed prior to the legislation, and some of that information remains in the system.

Finally, we asked SSA's field offices to review the agreement information we developed and verify its accuracy.

Suspensions, Overpayments Identified, and Overpayments Prevented

We obtained suspension information from SSA's Prisoner Update Processing System (PUPS), which identifies suspended inmates, the facilities where the individuals are confined, confinement dates, the type of benefit(s) suspended, and suspension dates. We obtained overpayment information from SSA's Recovery of Overpayments, Accounting and Reporting System (ROAR). ROAR controls the overpayments recovery and collection activity of the Old Age and Survivors Insurance (OASI) and Disability Insurance (DI) programs as well as the portion of SSI overpayments being withheld from title II benefits through cross-program recovery. We estimated the amount of overpayments prevented by using information from PUPS and two databases: the Supplemental Security Record and the Master Beneficiary Record. These two databases show the monthly benefits the individual was receiving when he or she went to prison, and PUPS provides the information noted above as well as data on actual or estimated release dates.

Reporting Practices

SSA officials told us that facilities that were reporting data to SSA before the legislation reported more frequently and in a more efficient format after they signed incentive agreements. We used various SSA internal reports that were prepared during calendar year 1996 to determine how often and in what format (for example, paper, computer tape, disk, or fax) facilities were reporting to SSA before incentive payments. We compared the preincentive reporting data with postincentive reporting data that we obtained from IRCS and from various other SSA records to determine if reporting practices had changed.

Amount of Incentive Payments

We used PUPS to determine the amount of incentive payments that SSA made to correctional facilities. PUPS calculates a facility's incentive payment after it determines that the facility has met all the requirements necessary to receive the payment. PUPS also maintains a record of these payments.

SSA's Other Reporting Agreements

SSA has nonincentive agreements with the Department of Justice, covering federal correctional facilities, and with 1,742 state and local correctional facilities. Under these agreements, facilities provide prisoner information to SSA, but SSA does not pay them for it.

Many of the 1,742 state and local facilities report under agreements they made with SSA before the Congress authorized incentives. Some of these agreements are memorandums of understanding, some are letters from correctional facilities agreeing to report data and documenting their reporting procedures, and some are verbal agreements. Under these agreements, facilities have latitude in the amount of information they provide and the way they provide it. Most facilities have agreed to provide data monthly directly to the field office. Reports may be made by mail, phone, or fax or may be hand-delivered. SSA processes the data and suspends SSI benefits when appropriate but does not pay the facilities.

Between March 7, 1997, and November 27, 1998, for the 1,742 facilities with nonincentive agreements, SSA made 8,316 SSI suspensions, identified $6.4 million in overpayments, and prevented $6.8 million of additional SSI overpayments. In addition, SSA made 4,324 OASI/DI suspensions, identified $9.8 million in OASI/DI overpayments it had already made, and prevented $10.6 million of future OASI/DI overpayments.

A total of 666 facilities do not provide any prisoner data to SSA, and in most cases it would not be appropriate for them to do so. According to SSA's records, 446 facilities (67 percent) do not provide inmate data because they hold inmates for less than 1 full month. A full month is the minimum time that an SSI beneficiary must be confined before SSA can suspend benefits. The other 220 facilities do not provide data for a variety of reasons: 74 claim they lack the resources to assemble and provide prisoner data to SSA; 58 facilities, mostly juvenile, cite privacy laws that prohibit them from providing juveniles' names; and 88 facilities simply refuse to cooperate. Table II.1 shows SSA reporting agreements by state.

Table II.1: Summary of SSA Reporting Agreements by State

State[a]	Incentive agreement	Nonincentive agreement	No agreement
Alabama	85	35	29
Alaska	60	0	0
American Samoa	0	0	1
Arizona	25	11	17
Arkansas	75	24	31
California	109	40	11
Colorado	30	51	50
Connecticut	21	0	2
Delaware	8	0	0
District of Columbia	4	1	0
Florida	236	55	2
Georgia	174	91	13
Guam	0	1	0
Hawaii	8	1	0
Idaho	25	20	12
Illinois	97	60	35
Indiana	64	55	8
Iowa	10	87	8
Kansas	5	92	10
Kentucky	91	24	8
Louisiana	109	15	49
Maine	22	5	0
Marianas	0	0	1
Maryland	58	13	1
Massachusetts	35	17	1
Michigan	123	24	13
Minnesota	31	52	8
Mississippi	94	46	5
Missouri	39	83	3
Montana	14	37	18
Nebraska	11	53	7
Nevada	4	30	5
New Hampshire	14	3	1
New Jersey	49	5	0
New Mexico	38	9	10
New York	131	42	6
North Carolina	131	58	11

(continued)

State[a]	Incentive agreement	Nonincentive agreement	No agreement
North Dakota	5	16	12
Ohio	200	42	25
Oklahoma	96	17	52
Oregon	20	23	19
Pennsylvania	45	59	0
Puerto Rico	0	38	0
Rhode Island	1	2	0
South Carolina	71	72	6
South Dakota	18	13	13
Tennessee	131	25	4
Texas	247	115	131
Utah	7	15	12
Vermont	0	9	0
Virginia	98	50	0
Virgin Islands	0	3	0
Washington	47	24	13
West Virginia	18	22	0
Wisconsin	79	29	1
Wyoming	2	28	2
Total	**3,115**	**1,742**	**666**

[a]Also included are American Samoa; Guam; the Marianas; Puerto Rico; the Virgin Islands; and the District of Columbia.

Some SSI Recipients Report Confinements Themselves

SSI recipients (or their representative payees) are responsible for reporting confinements to SSA. Although self-reporting does not appear to be the norm, on the basis of reports from recipients, SSA made 5,736 SSI suspensions, identified $1.1 million in SSI overpayments, and prevented $1.3 million of future SSI overpayments between March 7, 1997, and November 27, 1998.

In addition, SSA made 3,915 suspensions, identified $1.3 million in OASI/DI overpayments it had already made, and prevented $2.2 million of additional OASI/DI overpayments on the basis of beneficiary reports.

Summary of SSI Suspensions by State and Agreement Type

State[a]	SSI suspensions at facilities with incentive agreements			SSI suspensions at facilities without incentive agreements	Total SSI suspensions
	State	Local	Total		
Alabama	162	397	559	71	**630**
Alaska	112	0	112	0	**112**
Arizona	54	520	574	119	**693**
Arkansas	167	511	678	71	**749**
California	888	6,762	7,650	497	**8,147**
Colorado	34	210	244	133	**377**
Connecticut	795	0	795	0	**795**
Delaware	101	0	101	0	**101**
District of Columbia	10	0	10	0	**10**
Florida	413	1,605	2,018	865	**2,883**
Georgia	220	601	821	158	**979**
Hawaii	184	0	184	0	**184**
Idaho	35	43	78	45	**123**
Illinois	165	819	984	322	**1,306**
Indiana	190	286	476	396	**872**
Iowa	0	165	165	201	**366**
Kansas	0	174	174	318	**492**
Kentucky	123	989	1,112	91	**1,203**
Louisiana	525	1,652	2,177	38	**2,215**
Maine	18	182	200	10	**210**
Maryland	50	154	204	25	**229**
Massachusetts	334	1,070	1,404	45	**1,449**
Michigan	248	1,049	1,297	324	**1,621**
Minnesota	133	63	196	256	**452**
Mississippi	79	360	439	250	**689**
Missouri	46	488	534	386	**920**
Montana	9	23	32	63	**95**
Nebraska	0	10	10	87	**97**
Nevada	0	19	19	144	**163**
New Hampshire	27	163	190	1	**191**
New Jersey	290	1,028	1,318	96	**1,414**
New Mexico	51	153	204	60	**264**
New York	456	3,473	3,929	447	**4,376**
North Carolina	412	183	595	183	**778**

(continued)

State[a]	SSI suspensions at facilities with incentive agreements			SSI suspensions at facilities without incentive agreements	Total SSI suspensions
	State	Local	Total		
North Dakota	10	9	19	6	**25**
Ohio	548	1,593	2,141	205	**2,346**
Oklahoma	88	90	178	49	**227**
Oregon	39	86	125	99	**224**
Pennsylvania	0	1,061	1,061	1,009	**2,070**
Puerto Rico	0	0	0	3	**3**
Rhode Island	299	0	299	9	**308**
South Carolina	243	266	509	64	**573**
South Dakota	17	13	30	9	**39**
Tennessee	31	661	692	58	**750**
Texas	1,071	1,535	2,606	255	**2,861**
Utah	34	13	47	16	**63**
Vermont	0	0	0	69	**69**
Virginia	175	492	667	111	**778**
Washington	139	204	343	112	**455**
West Virginia	14	100	114	63	**177**
Wisconsin	186	635	821	159	**980**
Wyoming	2	0	2	35	**37**
Unknown[b]	0	0	0	283	**283**
Total	**9,227**	**29,910**	**39,137**	**8,316**	**47,453**

Note: The 5,736 suspensions due to self-reporting are not included.

[a]Also included are Puerto Rico and the District of Columbia.

[b]The information we had did not identify the location of the facility where the SSI recipient was confined.

Comments From the Social Security Administration

SOCIAL SECURITY

Office of the Commissioner

November 4, 1999

Ms. Cynthia M. Fagnoni
Director, Education, Workforce and Income Security Issues
Health, Education, and Human Services Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Ms. Fagnoni:

Thank you for the opportunity to review the General Accounting Office draft report, Supplemental Security Income: Incentive Payments Have Reduced Benefit Overpayments to Prisoners GAO/HEHS 00-02). We concur with the report's findings, and appreciate that GAO recognizes the efforts of the Social Security Administration over the past 5 years to implement an effective program for suspending Supplemental Security Income (SSI) and Social Security benefits to prisoners. Because of our aggressive actions in this area, we now have prisoner information reporting agreements with more than 4,000 correctional facilities. We are also pleased that the report notes the successful groundwork we performed prior to the SSI incentive payment legislation, which resulted in the Agency having already secured reporting agreements with the majority of prison facilities prior to enactment of the legislation. In addition, we concur with the report findings that the legislation increased facility reporting, and improved the timeliness and quality of the reports. We believe our activities in this regard constitute a significant protection of public funds, and we continue to view effective management of the prisoner suspension process as an essential part of our stewardship responsibilities.

Sincerely,

Kenneth S. Apfel

Kenneth S. Apfel
Commissioner
of Social Security

SOCIAL SECURITY ADMINISTRATION BALTIMORE MD 21235-0001

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