

Office of the Inspector General

August 29, 2000

William A. Halter
Deputy Commissioner
of Social Security

Inspector General

Old-Age, Survivors and Disability Insurance Benefits Paid to Fugitives (A-01-00-10014)

Attached is a copy of our final report. Our objective was to determine whether the Social Security Administration should pursue legislation to prohibit Old-Age, Survivors and Disability Insurance benefits to fugitives, similar to the provisions pertaining to Supplemental Security Income payments under Public Law 104-193.

Please comment within 60 days from the date of this memorandum on corrective action taken or planned on each recommendation. If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

James G. Huse, Jr.

Attachment

**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**OLD-AGE, SURVIVORS AND
DISABILITY INSURANCE
BENEFITS PAID TO FUGITIVES**

August 2000 A-01-00-10014

AUDIT REPORT



Executive Summary

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) should pursue legislation to prohibit Old-Age, Survivors and Disability Insurance (OASDI) benefits to fugitives, similar to the provisions pertaining to Supplemental Security Income (SSI) payments under Public Law (P.L.) 104-193.

BACKGROUND

The OASDI program provides retirement benefits to insured individuals who have reached the minimum retirement age, survivors' benefits to dependents of insured wage earners in the event the family wage earner dies, and disability benefits to disabled wage earners and their families. The SSI program provides income to financially needy individuals who are aged, blind, or disabled.

In August 1996, title XVI of the Social Security Act was amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) to prohibit SSI benefit payments to fugitive felons. However, title II of the Social Security Act was not similarly amended to prohibit OASDI benefits to fugitive felons. Currently, a fugitive felon is eligible to receive OASDI benefits, but he or she is not eligible to receive SSI benefits.

RESULTS OF REVIEW

SSA should pursue legislation to prohibit the payment of OASDI benefits to fugitives. Based on the results of our statistical sample, we estimate that at least 17,300 fugitives were paid at least \$108 million in OASDI payments between August 1996 and the date we reviewed the sample cases. We also estimate that fugitives will continue to receive at least \$39 million in OASDI benefits during the next year if legislation is not enacted to prohibit such benefit payments. The fugitives identified during our review are wanted for serious offenses and parole/probation violations.

Additionally, about 40 percent of the fugitives in our review receiving OASDI benefits also received SSI benefit payments. Although about \$597,000 in SSI payments paid to the fugitives in our sample are considered overpayments, these fugitives remain entitled to about \$1.7 million in OASDI benefits they were paid since August 1996 and will continue to be entitled to future OASDI payments unless the law is changed. Also, even though SSA has address information for these fugitives, under current law, SSA can only share information on fugitives receiving SSI benefits. For fugitives only receiving OASDI benefits, SSA cannot share address information about these potentially dangerous fugitives with law enforcement agencies to assist in their apprehension.

CONCLUSION AND RECOMMENDATION

Although the OASDI program is an entitlement program in which beneficiaries have paid into the Social Security trust funds, we believe that SSA should not provide OASDI benefits to fugitive felons. These benefit payments may finance a potentially dangerous fugitive's flight from justice. Additionally, we believe that implementation of a fugitive non-payment provision in the OASDI program would assist SSA in presenting a consistent message to the public of "zero tolerance for fraud and abuse." The current statutory provisions are inconsistent in that fugitives are prohibited from receiving one type of Social Security benefit, but can continue to receive a second type of benefit payment. Further, while both OASDI and SSI benefit payments are suspended for prisoners, only SSI benefit payments are suspended for fugitive felons. As a result, a prisoner cannot receive OASDI benefits, but a fugitive felon can.

Based on the results of our review, we recommend that SSA pursue legislation prohibiting payment of OASDI benefits to fugitives similar to the provisions pertaining to SSI payments under P.L. 104-193.

AGENCY COMMENTS

In response to our draft report, SSA stated it was not prepared at this time to agree to pursue legislation. However, SSA agreed to assess our recommendation and provide the results of its assessment within 60 days. (See Appendix B for SSA's comments to our draft report.)

OFFICE OF THE INSPECTOR GENERAL RESPONSE

We believe our report demonstrates the need for SSA to pursue legislation prohibiting OASDI benefits to fugitives, and we urge SSA to agree with our recommendation after its own assessment is complete.

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Acronyms

BIC	Beneficiary Identification Code
MBR	Master Beneficiary Record
OASDI	Old-Age, Survivors and Disability Insurance
OI	Office of Investigations
OIG	Office of the Inspector General
P.L.	Public Law
SSA	Social Security Administration
SSI	Supplemental Security Income

Introduction

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) should pursue legislation to prohibit Old-Age, Survivors and Disability Insurance (OASDI) benefits to fugitives,¹ similar to the provisions pertaining to Supplemental Security Income (SSI) payments under Public Law (P.L.) 104-193.

BACKGROUND

The OASDI program provides retirement benefits to insured individuals who have reached the minimum retirement age, survivors' benefits to dependents of insured wage earners in the event the family wage earner dies, and disability benefits to disabled wage earners and their families. The SSI program provides income to financially needy individuals who are aged, blind, or disabled.

In August 1996, section 1611(e) of the Social Security Act was amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) to prohibit SSI benefit payments for any month during which an individual is: (1) fleeing to avoid prosecution for a crime which is a felony (or in New Jersey, a high misdemeanor); (2) fleeing to avoid custody or confinement after conviction for a crime which is a felony (or in New Jersey, a high misdemeanor); or (3) violating a condition of probation or parole imposed under Federal or State law. This provision applies solely to SSI recipients and not to OASDI beneficiaries, even though many beneficiaries receive benefits concurrently under both the SSI and OASDI programs.²

In a regulatory commentary dated December 1997, the Office of the Inspector General (OIG) recommended that SSA seek a legislative change to expand the SSI fugitive felon payment prohibition to the OASDI program. In addition, the OIG stated that expansion of the SSI fugitive non-payment provisions to the OASDI program would further SSA's Strategic Plan objective of "zero tolerance for fraud and abuse." To date, SSA has not proposed the recommended legislative change.

¹ Throughout the report when we use the term "fugitive felons," we are referring to those fugitives specifically prohibited from receiving SSI benefits under P.L. 104-193, including parole and probation violators.

² Individuals receiving benefits under both the SSI and OASDI programs are called concurrent beneficiaries.

This is our third report on the fugitive felon issue. In our first report, we provided the results of a survey of the 50 States regarding the availability of fugitive files that are not currently provided to SSA.³ Our second report reviewed SSA's efforts to identify and prevent SSI benefit payments to fugitive felons in accordance with P.L. 104-193.⁴

SCOPE AND METHODOLOGY

To accomplish our objective, we matched a random sample of 10 State fugitive files⁵ against the Master Beneficiary Record (MBR) to identify fugitive felons receiving OASDI benefits. We then selected a random sample of 375 fugitive felon records, using a multi-stage sampling design. The 10 State fugitive files were obtained between February 1999 and April 2000 as part of our audit of fugitives receiving SSI payments. These 10 State fugitive files were matched against our MBR extract file of individuals receiving OASDI benefit payments as of March 1999. (See Appendix A for details of our sampling methodology.)

For most of the fugitives in our sample, we did not confirm the warrants with law enforcement officials since we were unable to share SSA's address information with them under the current law. However, we did confirm the 85 warrants for Idaho and Maine.⁶ The files Idaho and Maine provided did not include the date of the warrant. Therefore, we contacted the responsible law enforcement officials to obtain this date (which was needed to calculate the amount of OASDI benefits paid since issuance of the felony warrant) and we confirmed whether the individual was wanted for a felony charge. Therefore, our results are largely based on our computer matching of State fugitive files with SSA's records.

We conducted our review between March 1999 and May 2000 in Boston, Massachusetts. We conducted our review in accordance with generally accepted government auditing standards.

³ "Survey Results for Identification of Fugitives Receiving Benefits" (A-01-98-63002), July 1998.

⁴ "Identification of Fugitives Receiving Supplemental Security Income Payments" (A-01-98-61013).

⁵ The 10 States were Alabama, Colorado, Idaho, Illinois, Iowa, Maine, Nebraska, New Mexico, Oregon, and Texas. Each State's file was verified through SSA's Enumeration Verification System and only Social Security numbers that were verified were matched against the MBR.

⁶ There were 39 warrants for Idaho and 46 warrants for Maine.

Results of Review

SSA should pursue legislation to prohibit the payment of OASDI benefits to fugitives. We estimate that at least 17,300 fugitives were paid at least \$108 million in OASDI payments between August 1996 and the date we reviewed the sample cases. We also estimate that fugitives will continue to receive at least \$39 million annually in OASDI benefits if legislation is not enacted to prohibit such benefit payments. The fugitives identified during our review are wanted for felony offenses. Even though SSA has address information for these fugitives, under current law, SSA cannot share information about these potentially dangerous fugitives with law enforcement agencies to assist in their apprehension.

Additionally, about 40 percent of the fugitives in our review receiving OASDI benefits also received SSI benefit payments. Although about \$597,000 in SSI payments paid to the fugitives in our sample are considered overpayments, these fugitives remain entitled to about \$1.7 million in OASDI benefits they were paid since August 1996 and will continue to be entitled to future OASDI payments unless the law is changed.

FUGITIVES RECEIVING OASDI BENEFITS

Our one-time computer match between 10 State fugitive files and SSA's records identified 3,929 fugitive felons potentially receiving OASDI benefits. We sampled and reviewed 375 of the 3,929 fugitives and found that 364 (97 percent) of the sampled fugitives received OASDI benefits after their felony warrants were issued by the law enforcement agencies.⁷ If the SSI fugitive felon provisions of P.L. 104-193, which took effect in August 1996, had been applied to the OASDI program, these 364 fugitives would not have been entitled to the \$5.42 million in OASDI benefits they received. The table on the next page shows the results of our sample.

⁷ We confirmed 85 of the 375 warrants (23 percent) and found that 82 warrants were still outstanding. We did not confirm the remaining warrants, but instead relied on the computer matching results.

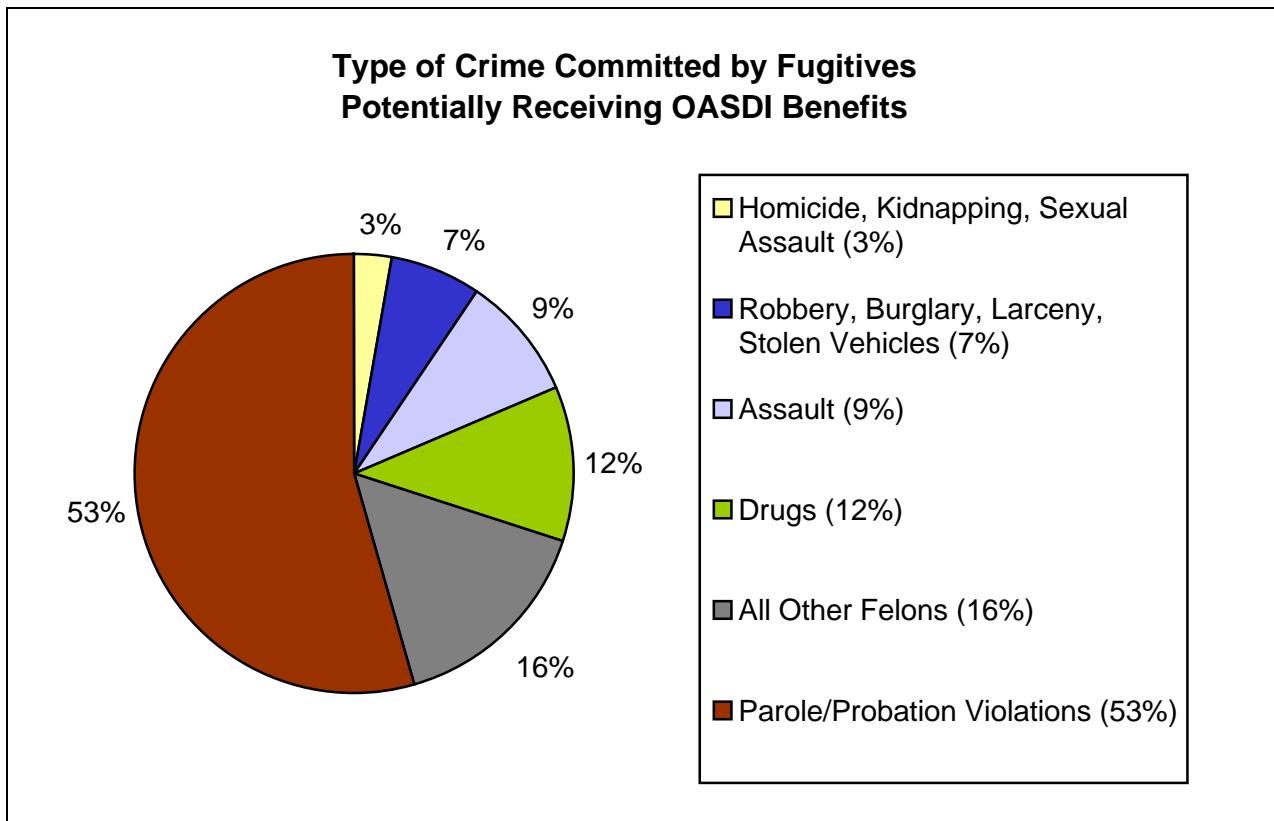
State	Number Receiving OASDI Benefits Based on Computer Match	Number in OIG Sample	Number of Sample Cases Paid OASDI Benefits	Amount of OASDI Benefits Paid to Fugitives in Sample	Number of Fugitives in Sample Not Paid OASDI Benefits⁸
Alabama	149	50	49	\$656,348	1
Colorado	462	50	48	861,144	2
Idaho	39	39	38	612,907	1
Illinois	690	35	34	448,641	1
Iowa	200	50	50	653,686	0
Maine	46	46	43	594,632	3
Nebraska	7	7	7	96,202	0
New Mexico	12	12	12	121,962	0
Oregon	614	50	48	928,407	2
Texas	1,710	36	35	446,492	1
TOTAL	3,929	375	364	\$5,420,421	11

If legislation is not enacted to prevent OASDI benefit payments to fugitives, we estimate that fugitive felons will be paid at least \$39 million in OASDI benefits annually. An example of a fugitive case in our review involves an individual who started receiving OASDI benefits in January 1974. In March 1994 a felony warrant was issued for the beneficiary's arrest on sexual assault charges. Between August 1996 and October 1999, about \$21,600 in OASDI benefits was paid to this fugitive felon. If the fugitive had been an SSI recipient, instead of an OASDI beneficiary, SSA could have stopped the \$21,600 in benefit payments. However, due to the current provisions of the Social Security Act, SSA cannot stop the monthly \$567 OASDI benefit from being paid to this fugitive felon. Also, the \$21,600 in OASDI benefits cannot be classified as an overpayment and collection action cannot be pursued since there is no payment prohibition for fugitive felons under the OASDI program. Additionally, we cannot divulge this fugitive felon's current address to law enforcement officials to assist in the fugitive's apprehension.

⁸ These fugitives did not receive OASDI benefits after the date their felony warrants were issued.

TYPES OF FELONY WARRANTS ISSUED FOR OASDI BENEFICIARIES

The fugitives identified during our review are wanted for felonies, as well as parole and probation violations. Specifically, the chart below shows the breakdown, by crime, of the 3,929 fugitives potentially receiving OASDI benefits.⁹



The OIG, Office of Investigations (OI) Special Agents cannot assist law enforcement officials by providing SSA address information for these fugitive felons receiving OASDI benefits, even though this authority exists under the SSI program.¹⁰ In the example described on page 4, SSA knows where the OASDI beneficiary is living, but OI Special Agents cannot share this information with the law enforcement agency to assist them in executing the warrant for sexual assault issued for the fugitive.

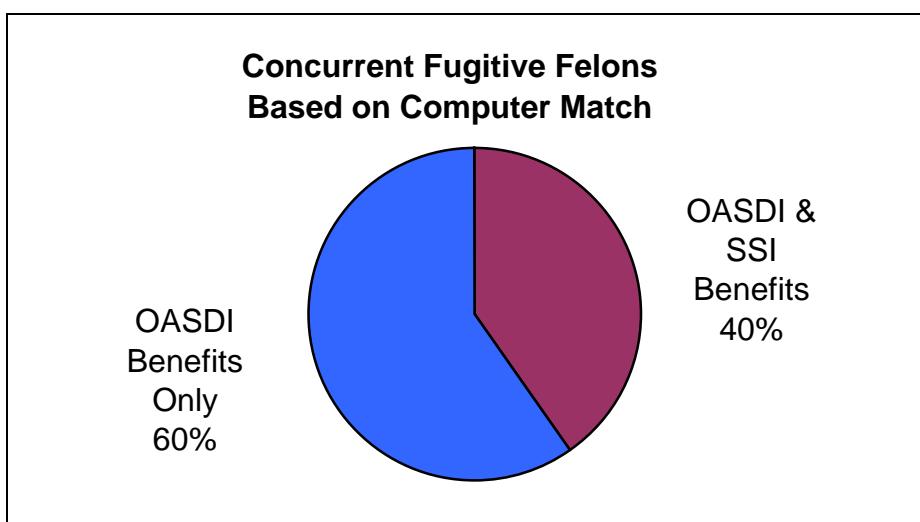
Between August 1996 (the effective date of P.L. 104-193) and October 12, 1999, OI Special Agents assisted Federal, State, and local law enforcement officials in the arrest of 1,853 fugitive felons receiving SSI payments. The apprehension of fugitive felons

⁹ Two States (Idaho and Nebraska) did not provide a breakdown of the fugitive felons by type of crime. Therefore, these 46 fugitives are classified in the "All Other Felons" category in the graph.

¹⁰ Section 1611(e)(6) of the Social Security Act allows SSA to furnish law enforcement officers with address information in certain circumstances related to fugitive felons receiving SSI payments.

could increase significantly if legislation were enacted to allow SSA to furnish law enforcement agencies with the current address of fugitive felons receiving OASDI benefits.

FUGITIVES RECEIVING BOTH OASDI AND SSI BENEFITS



Based on the cases in our sample, approximately 40 percent of the OASDI beneficiaries who are fugitive felons also received SSI payments. SSA can stop the SSI payments to these fugitives and pursue collection action for any overpayments resulting from the fugitive's receipt of

SSI benefits since P.L. 104-193 took effect. However, the OASDI benefits must continue to be paid to these fugitive felons under current law.

For example, one of the concurrent beneficiaries in our review started receiving OASDI benefits in August 1993 and SSI payments in June 1996. In July 1996, a warrant was issued for the beneficiary's arrest on a felony drug charge. Under current law, SSA is prohibited from paying the SSI payment to this fugitive, but it must continue to pay the OASDI benefit payment. Specifically, about \$4,700 in SSI benefits paid between August 1996 (the effective date of P.L. 104-193) and July 1999 (the date we reviewed the case) can be classified as an overpayment and recovered.¹¹ Also, future monthly SSI payments can be stopped while this person remains a fugitive from justice. However, under current law, about \$11,700 in OASDI benefits paid to this fugitive between August 1996 and July 1999 is not an overpayment. Further, the \$336 monthly OASDI benefit payment will continue to be paid to this fugitive felon indefinitely if legislation is not enacted to prohibit such benefit payments. The following table provides details on the OASDI beneficiaries in our sample also receiving SSI payments.

¹¹ SSA has applied administrative finality regulations which limit the overpayment period to 2 years.

State	Number of Fugitives Potentially Receiving OASDI Benefits Based on Computer Match	Number of OASDI Beneficiaries Also Potentially Receiving SSI Benefits Based on Computer Match	Number in OIG Sample	Number in OIG Sample Receiving Both OASDI and SSI Benefits	Amount of SSI Benefits Paid to Sample Fugitives Also Receiving OASDI	Amount of OASDI Benefits Paid to Sample Fugitives Also Receiving SSI
Alabama	149	70	50	18	\$28,826	\$167,252
Colorado	462	186	50	20	73,210	246,656
Idaho	39	21	39	16	67,081	227,429
Illinois	690	287	35	14	35,362	160,848
Iowa	200	87	50	18	68,369	180,280
Maine	46	17	46	12	23,807	103,200
Nebraska	7	7	7	7	20,574	96,202
New Mexico	12	6	12	5	18,048	31,037
Oregon	614	281	50	29	221,921	400,147
Texas	1,710	735	36	12	40,402	108,429
TOTAL	3,929	1,697	375	151	\$597,600	\$1,721,480

As shown above, 151 of the 375 (40 percent) OASDI beneficiaries wanted for felony warrants also received SSI benefit payments. For our 375 sample cases, approximately \$597,000 in SSI payments paid to the 151 concurrent beneficiaries are overpayments and can be recovered. However, under the current provisions of the Social Security Act, no action can be taken to collect about \$1.7 million in OASDI benefits paid to these same fugitive felons. Further, the monthly OASDI benefit amount will continue to be paid to these fugitive felons; thus financing the fugitives' efforts to elude apprehension by law enforcement officials.

Conclusion and Recommendation

Although the OASDI program is an entitlement program in which beneficiaries have paid into the Social Security trust funds, we believe that SSA should not provide OASDI benefits to fugitive felons. These benefit payments may finance a potentially dangerous fugitive's flight from justice. Additionally, we believe that implementation of a fugitive non-payment provision in the OASDI program would assist SSA in presenting a consistent message to the public of "zero tolerance for fraud and abuse." The current statutory provisions are inconsistent in that fugitives are prohibited from receiving one type of Social Security benefit, but can continue to receive a second type of benefit payment. Further, while both OASDI and SSI benefit payments are suspended for prisoners, only SSI benefit payments are suspended for fugitive felons. As a result, a prisoner cannot receive OASDI benefits, but a fugitive felon can.

Based on the results of our review, we recommend that SSA pursue legislation prohibiting payment of OASDI benefits to fugitives similar to the provisions pertaining to SSI payments under P.L. 104-193.

AGENCY COMMENTS

In response to our draft report, SSA stated it was not prepared at this time to agree to pursue legislation. However, SSA agreed to assess our recommendation and provide the results of its assessment within 60 days.

Additionally, SSA had two specific comments on the information contained in our report. First, SSA disputed our statement that it can share information with law enforcement agencies for fugitives receiving SSI benefit payments, but cannot share this data for fugitives only receiving OASDI benefits. Secondly, SSA disputed our conclusion that a legislative change "would assist SSA in presenting a consistent message to the public of zero tolerance for fraud and abuse."

OFFICE OF THE INSPECTOR GENERAL RESPONSE

We believe our report demonstrates the need for SSA to pursue legislation prohibiting OASDI benefits to fugitives, and we urge SSA to agree with our recommendation after its own assessment is complete. Additionally, we disagree with SSA's two comments regarding the disclosure of information to law enforcement agencies and the need for a consistent message of "zero tolerance for fraud and abuse."

On page 5 of this report, we refer to section 1611(e)(6) of the Social Security Act which grants authority to SSA to furnish law enforcement officers with address information for

fugitives receiving SSI payments. This authority, which is in addition to the regulation cited in SSA's comments, specifically allows SSA to disclose address information for fugitives receiving SSI payments. Section 1611(e)(6), however, does not pertain to fugitives receiving OASDI benefits. Furthermore, the chart on page 5 shows that the majority of OASDI fugitive cases would not meet the limited disclosure criteria set forth in the regulation cited in SSA's comments. Therefore, our statement in the report that SSA OIG cannot share information for fugitives only receiving OASDI benefits with law enforcement, even though this authority exists under the SSI program, is accurate.

With regard to SSA's second comment, fugitives who escape from prison and continue to receive OASDI benefits are violating the prisoner non-payment provisions in section 202(x)(1) of the Social Security Act. Therefore, these fugitives are committing fraud and abuse against the OASDI program by not reporting their fugitive status to SSA.

Appendices

Sampling Methodology and Results

From the Social Security Administration (SSA), we obtained an extract from the Master Beneficiary Record (MBR) of Old Age, Survivors and Disability Insurance (OASDI) beneficiaries who were eligible for payment in March 1999. We then matched a random sample of 10 State fugitive files¹ against the MBR extract to identify fugitives receiving OASDI benefits. The table below shows the number and type of fugitive warrants provided by each State.

State	Date Fugitive File Received from State	Fugitives in Original State File	Type of Fugitive Warrants in State File
Alabama	January 2000	2,495	Felons
Colorado	April 2000	17,048	Felons
Idaho	August 1999	733	Felons
Illinois	February 1999	248,311	Felons and misdemeanors
Iowa	May 1999	38,702	Felons and misdemeanors
Maine	March 1999	1,158	Felons
Nebraska	March 1999	21,457	Felons and misdemeanors
New Mexico	February 1999	37,706	Felons and misdemeanors
Oregon	April 2000	117,775	Felons
Texas	February 1999	362,069 ²	Felons and misdemeanors

Five of our 10 State fugitive files consisted of both felonies and misdemeanors. Therefore, we had to separate the felons from the misdemeanors based on each fugitive's four-digit offense code.³ Based on input from law enforcement officials, we determined that the following offense codes relate to felons:

- all codes starting with 09 (Homicide), 10 (Kidnapping), 11 (Sexual Assault), 12 (Robbery), 13 (Assault), 20 (Arson), 21 (Extortion), 22 (Burglary), 24 (Stolen Vehicles), 49 (Flight-Escape);

¹ We initially obtained the 10 State fugitive files for our audit entitled "Identification of Fugitives Receiving Supplemental Security Income Payments" (A-01-98-61013). The 10 States were randomly selected from a population of 46 States (including the District of Columbia). At the time of our review, the remaining five States were unable to provide electronic fugitive data to us. One of our initial 10 States (South Dakota) was unable to provide a fugitive file so we randomly selected an alternate State (Alabama).

² We were only able to use 184,672 of the 362,069 Texas fugitive records due to incomplete or duplicate (alias) information.

³ Some States had a miscellaneous field on their fugitive files which detailed the criminal charges. We reviewed this field to refine our classification of the records between felonies and misdemeanors.

- certain codes starting with 35 (Dangerous Drugs); and
- codes 5011 (Parole Violation) and 5012 (Probation Violation).

Once we isolated the fugitive felons receiving OASDI benefits, we selected a random sample of 50 fugitive felons from each State.⁴ If a State had fewer than 50 fugitive felons receiving OASDI benefits, we reviewed all of the cases for that State.

For each sample case, we:

- calculated the amount of OASDI benefits paid to the fugitive since August 1996 or the date of the warrant (whichever date is later);
- ascertained the monthly OASDI benefit payment as of June 1999 in order to estimate an annual benefit payment; and
- determined whether SSI benefits were also paid to the fugitive and the amount of SSI payments, if any.

For most of the fugitives in our sample, we did not confirm the warrants with law enforcement officials.⁵ Our results are based on our computer matching of State fugitive files with SSA's records.

⁴ Texas and Illinois were the first two fugitive files we analyzed and we did not remove the fugitives with a beneficiary identification code (BIC) other than "A" prior to selecting our sample. (BIC "A" is for the primary claimant.) Our match identified children receiving OASDI benefits based on their parents' earnings; and the parents were the fugitives, not the children. We refined our sampling technique, and for the succeeding States in our sample, we only selected OASDI beneficiaries with a BIC equal to "A." For Texas and Illinois, sample populations of 2,295 and 999 (which included BICs other than "A") were used to select the secondary samples. BIC "A" only populations for Texas and Illinois are 1,710 and 690, respectively. Also, our original samples of 50 cases each for Texas and Illinois were reduced to 36 and 35, respectively, after we removed cases with BICs other than "A."

⁵ We confirmed the warrants for Idaho and Maine. The files Idaho and Maine provided did not include the date of the warrant. Therefore, we contacted the responsible law enforcement officials to obtain this date (which was needed to calculate the amount of OASDI benefits paid since issuance of the felony warrant) and we confirmed whether the individual was wanted for a felony charge.

Our sample results and projections are detailed in the tables below and on page A-4.

Sample Results and Attribute Projections				
State	Population Size	Sample Size	Number of Fugitives in Sample Paid OASDI Benefits	Projection of Fugitives Paid OASDI Benefits
Alabama	149	50	49	146
Colorado	462	50	48	444
Idaho	39	39	38	38
Illinois	690	35	34	670
Iowa	200	50	50	200
Maine	46	46	43	43
Nebraska	7	7	7	7
New Mexico	12	12	12	12
Oregon	614	50	48	589
Texas	1,710	36	35	1,662
10 State Total	3,929	375	364	3,811
Projection to 46 States in Population				17,535
Projection Lower Limit				17,327
Projection Upper Limit				17,743

Note: All projections are at the 90-percent confidence level.

Sample Results and Dollar Projections for OASDI Benefits Paid Since August 1996				
State	Population Size	Sample Size	OASDI Benefits Paid to Fugitives in Sample Since August 1996	Projection of OASDI Benefits Paid to Fugitives Since August 1996
Alabama	149	50	\$656,348	\$1,955,916
Colorado	462	50	861,144	7,956,974
Idaho	39	39	612,907	612,907
Illinois	690	35	448,641	8,844,633
Iowa	200	50	653,686	2,614,744
Maine	46	46	594,632	594,632
Nebraska	7	7	96,202	96,201
New Mexico	12	12	121,962	121,962
Oregon	614	50	928,407	11,400,840
Texas	1,710	36	446,492	21,208,380
10 State Total	3,929	375	\$5,420,421	\$55,407,189
Projection to 46 States in Population				\$254,873,073
Projection Lower Limit				\$108,801,484
Projection Upper Limit				\$400,944,663

Note: All projections are at the 90-percent confidence level.

Sample Results and Estimate of OASDI Benefits Expected to Be Paid Annually					
State	Population Size	Sample Size	Number of Fugitives Paid OASDI Benefits During June 1999	Monthly OASDI Payments to Fugitives During June 1999	Projection of Monthly OASDI Payments to Fugitives During June 1999
Alabama	149	50	37	\$24,060	\$71,699
Colorado	462	50	38	24,601	227,309
Idaho	39	39	36	20,861	20,861
Illinois	690	35	30	18,675	368,154
Iowa	200	50	45	25,166	100,662
Maine	46	46	41	23,343	23,343
Nebraska	7	7	6	2,643	2,643
New Mexico	12	12	12	6,240	6,240
Oregon	614	50	40	22,142	271,904
Texas	1,710	36	31	18,798	892,881
10 State Total	3,929	375	316	\$186,529	\$1,985,696
Projection to 46 States in Population					\$9,134,199
Projection Lower Limit					\$3,303,907
Projection Upper Limit					\$14,964,490
Annualized Estimate (Projection X 12 Months)⁶					\$109,610,388
Annualized Estimate – Lower Limit⁶					\$39,646,884
Annualized Estimate – Upper Limit⁶					\$179,573,880

Note: All projections are at the 90-percent confidence level.

⁶ This is a non-statistical estimate.

Appendix B

Agency Comments

**COMMENTS OF THE SOCIAL SECURITY ADMINISTRATION (SSA) ON THE
OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "OLD AGE,
SURVIVORS, AND DISABILITY INSURANCE BENEFITS PAID TO FUGITIVES" (A-
01-00-10014)**

Thank you for the opportunity to review the subject draft report. We offer the following comments.

OIG Recommendation

SSA should pursue legislation prohibiting payment of Old Age, Survivors, and Disability Insurance (OASDI) benefits to fugitives similar to the provisions pertaining to SSA payments under Public Law (P.L.) 104-193.

SSA Comment

While we are not prepared to agree to pursue legislation at this moment, we agree to assess this recommendation and provide the OIG with the results of our assessment within 60 days.

Other Comments

The OIG report states that for fugitives receiving only Title II benefits, SSA cannot share information with law enforcement agencies. The provision for law enforcement disclosure contained in Regulation 401.155 permits disclosure of SSA information to law enforcement agencies under certain conditions. Specifically, SSA may disclose information for law enforcement purposes where a violent crime has been committed and the individual whose information is being disclosed has been indicted or convicted of that crime, and the head of the law enforcement agency makes a written request showing that these conditions are met. This regulation balances the need of law enforcement for information while recognizing the individual expectation of, and right to, confidentiality of information held on that individual by SSA.

The third sentence of the "Conclusion and Recommendation" on page ii of the Executive Summary and page 8 of the draft report expresses the view that a legislative change to preclude payment of OASDI benefits to fugitives and probation or parole violators "would assist SSA in presenting a consistent message to the public of 'zero tolerance for fraud and abuse.'" Persons entitled to receive OASDI benefit payments that are fugitives or probation or parole violators are not, by virtue of receiving payments that are due them under the statute, committing fraud against the OASDI program or abusing the program. Thus, there is no apparent connection between the recommended legislative change and the "zero tolerance for fraud and abuse" message.

Appendix C

OIG Contacts and Staff Acknowledgments

OIG Contacts

Roger J. Normand, Director, Disability Program Audit Division, (617) 565-1822

Rona Rustigian, Deputy Director, (617) 565-1819

Acknowledgments

In addition to those named above:

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Katie Hallock, Auditor

Brian Jaspon, Auditor

Kevin Joyce, Auditor

Joseph LoVecchio, Auditor

David Mazzola, Auditor

For additional copies of this report, please contact the Office of the Inspector General's Public Affairs Specialist at (410) 966-5998. Refer to Common Identification Number A-01-00-10014.

Appendix D

SSA Organizational Chart