

Payments to Individuals Incarcerated in Texas Department of Criminal Justice Facilities

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Office of Audit Report Summary

Objective

To identify individuals who improperly received payments while incarcerated in Texas Department of Criminal Justice (TDCJ) facilities and determine why these individuals' payments were not timely suspended/terminated.

Background

The Social Security Administration (SSA) receives reports of incarceration from various sources. For example, Federal, State, and local correctional institutions electronically send inmate reports to either SSA's Office of Central Operations or a field office. SSA matches prisoner information received through the Prisoner Update Processing System (PUPS) against its records. Once verified, SSA determines whether the prisoner is receiving Supplemental Security Income and/or Old-Age, Survivors and Disability Insurance payments.

Working collaboratively with SSA staff in the Dallas Region, we obtained a Texas Department of Criminal Justice data file that identified the personally identifiable information of approximately 134,000 Social Security numberholders incarcerated in Texas correctional facilities as of August 31, 2014. We matched the data against SSA payment records to identify inmates who improperly received SSA payments while incarcerated.

Findings

We identified 170 inmates who received improper payments while they resided in prison. Controls designed to prevent payments to prisoners were not effective in these instances.

In most cases, PUPS did not contain the inmates' most recent confinement information or contained what appeared to be contradictory information that may have provided the false appearance that beneficiaries were no longer in prison.

We note this is a small number of errors compared to the 9,288 instances in Fiscal Year 2014 where Texas prison facilities provided SSA with timely confinement information that resulted in suspension of SSA payments.

Upon notification of these cases, Dallas Region Operations personnel promptly confirmed these inmates' confinement status, suspended or terminated payments, and identified approximately \$3.7 million in overpayments. Prompt suspension of these payments prevented approximately \$1.4 million in additional overpayments over a 12-month period.

Recommendations

We recommend that SSA determine the feasibility of:

1. Periodically performing similar data matches with other States to identify additional prisoners improperly receiving payments.
2. Extending the length of time it retains non-claimants' prison information.

SSA agreed with Recommendation 1 and disagreed with Recommendation 2. We continue to believe the Agency should give this issue further consideration.