

Report Summary

Social Security Administration Office of the Inspector General

August 2009



Objective

To assess the accuracy of incentive payments to prisons.

Background

The *Social Security Act* (Act) allows the Social Security Administration (SSA) to make incentive payments to State and local correctional institutions that provide inmate data to SSA. The incentive payment provisions in the Act were established to encourage the reporting of inmate data that would allow SSA to suspend Old-Age, Survivors and Disability Insurance (OASDI) and Supplemental Security Income (SSI) payments to prisoners in a timely manner.

To view the full report, visit
http://www.ssa.gov/oig/ADO_BEPDF/A-01-09-19029.pdf

Follow-up on the Social Security Administration's Prisoner Incentive Payment Program (A-01-09-19029)

Our Findings

SSA's procedures do not ensure that incentive payments to institutions that provide inmate information are being made in accordance with the provisions in the Act. Based on our review of 275 sample cases, we estimate about 119,862 incentive payments were issued incorrectly, resulting in approximately \$30.3 million in OASDI and SSI program funds that should not have been paid.

SSA informed us that, in June 2004, it developed a technical amendment that, if enacted, would amend the Act to align with how SSA programmed its systems to pay prisoner incentive payments. However, the Agency never submitted the proposal to Congress.

Our Recommendation

We recommended that SSA implement a system to pay incentive payments according to the Act to facilities reporting inmate information.

SSA generally agreed with our recommendation. Specifically, SSA agreed that there is a discrepancy between the incentive payment provisions included in the Act and how the Agency is paying incentive payments. SSA plans to include the technical amendment in a package of draft legislation it will consider for the next legislative cycle.