

Audit Report

Supplemental Security Income
Payments to Confined Juveniles

A-08-17-50237 / September 2017



MEMORANDUM

Date: September 12, 2017 **Refer To:**

To: The Commissioner

From: Acting Inspector General

Subject: Supplemental Security Income Payments to Confined Juveniles (A-08-17-50237)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration was making improper Supplemental Security Income payments to confined juveniles.

If you wish to discuss the final report, please call me or have your staff contact Rona Lawson, Assistant Inspector General for Audit, 410-965-9700.

A handwritten signature in black ink that reads "Gale Stallworth Stone".

Gale Stallworth Stone

Attachment

Supplemental Security Income Payments to Confined Juveniles

A-08-17-50237



September 2017

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) was making improper Supplemental Security Income (SSI) payments to confined juveniles.

Background

On any given day, thousands of adolescents are confined in correctional facilities nationwide. Some of these juveniles receive SSI payments, which are intended to help pay for their basic needs, such as food, clothing, shelter, and medical care. Federal law requires that SSA suspend SSI payments for any full calendar month during which the beneficiary is confined in a correctional facility at public expense.

We requested juvenile justice departments in Florida, Illinois, Ohio, and Texas provide the names, Social Security numbers, dates of birth, and confinement dates for juveniles in their correctional facilities as of September 1, 2016. We reviewed SSA records for the juveniles to determine whether they received SSI payments while confined. We did not obtain information on all juveniles in custody. Because we conducted this audit for research purposes, we agreed not to take action or refer to SSA any specific juvenile or his/her legal guardian based on the data the States provided. Accordingly, SSA did not have the opportunity to validate our results.

Findings

SSA issued about \$1.7 million in improper SSI payments on behalf of 547 juveniles confined in correctional facilities in 4 States. While SSA had established overpayments for 274 of these juveniles, we identified 273 instances where SSA was unaware of all or part of the confinement period. We determined that 158 of these juveniles were confined for 6 months or longer without SSA's knowledge. Further, 229 juveniles were in current payment status when each State provided its data. Our findings are conservative because we did not receive data on all confined juveniles in all four States.

Although SSA has numerous memorandums of understanding (MOU) with correctional facilities to obtain information on incarcerated adults, it did not routinely obtain such information on all confined juveniles. Without MOUs, SSA must rely on other sources, such as self-reporting by juveniles' representative payees (for example, parent, legal guardian, relative, social agency, or institution). Unless such individuals notify SSA, it may continue making monthly SSI payments while the juvenile is confined, thus creating overpayments.

According to SSA, some States may refuse to provide information on confined juveniles in their custody because of privacy laws. SSA also told us that States could decide not to share their juvenile data for reasons other than privacy laws since sharing data with SSA is voluntary. However, SSA told us it did not collect and maintain data on State facilities it had contacted that refused to provide juvenile data. As such, it is unclear to what extent privacy laws or other reasons have prevented SSA from entering into agreements with State correctional departments to obtain information on confined juveniles.

Recommendation

We recommend that SSA contact State juvenile correctional departments to discuss the feasibility of obtaining information on confined juveniles to ensure SSA does not improperly pay SSI recipients. In doing so, SSA should determine the most cost-beneficial ways to obtain such information.

SSA agreed with our recommendation.

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ABBREVIATIONS

| | |
|--------|----------------------------------|
| C.F.R. | Code of Federal Regulations |
| MOU | Memorandum of Understanding |
| OIG | Office of the Inspector General |
| POMS | Program Operations Manual System |
| SSA | Social Security Administration |
| SSI | Supplemental Security Income |
| U.S.C. | United States Code |

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) was making improper Supplemental Security Income (SSI) payments to confined juveniles.

BACKGROUND

On any given day, thousands of adolescents are confined in correctional facilities nationwide.¹ Some of these juveniles receive SSI payments, which are intended to pay for their basic needs, such as food, clothing, shelter, and medical care.² Federal law requires that SSA suspend SSI payments for any full calendar month during which a beneficiary is confined in a correctional facility at public expense.³ However, if SSA does not know a recipient has been confined, it cannot know to suspend the payments.

If SSA does not receive incarceration information from a correctional facility, it must rely on other sources, such as the juvenile's representative payee (an individual or organization SSA selected to receive and manage benefits on behalf of an incapable beneficiary)⁴ to report the confinement.⁵ SSA requires that representative payees report any changes in the recipient's circumstances that may affect his/her eligibility to receive SSI, including periods of confinement.⁶ SSI recipients under age 15 must generally have a representative payee.⁷ SSI recipients between ages 15 and 17 generally have representative payees, but there are exceptions for juveniles in this age group.⁸

We contacted juvenile justice departments in Florida, Illinois, Ohio, and Texas, which had large populations of confined juveniles. We requested they provide the names, Social Security numbers, dates of birth, and confinement dates for all juveniles in State correctional facilities as of September 1, 2016. We reviewed SSA records for the juveniles to determine whether they received SSI payments while confined. We did not receive data on all confined juveniles in all four States.

¹ U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention, *Statistical Briefing Book, Juveniles in Corrections*, ojjdp.gov (August 3, 2016).

² 20 C.F.R. § 416.640(a) (2011).

³ 20 C.F.R. § 416.1325(a) (1986).

⁴ See *Social Security Act*, 42 U.S.C. §§ 405(j)(1)(A) (2015) and 1383(a)(2)(A)(ii) (2016).

⁵ SSA, *A Guide for Representative Payees*, Publication No. 05-10076, pp. 9-10 (May 2017).

⁶ SSA, *POMS, GN-General*, ch. GN 005, subch. GN 00502.114, sec. A (February 27, 2014).

⁷ SSA, *POMS, GN-General*, ch. GN 005, subch. GN 00502.001, sec. C (January 26, 2017).

⁸ SSA, *POMS, GN-General*, ch. GN 005, subch. GN 00502.070, sec. A.1 (January 26, 2017).

We obtained data on confined juveniles for research and statistical purposes and did not independently verify the reliability of State data. We compared key identifying information, such as the names and Social Security numbers of juveniles in custody against SSA's payment records to identify potential improper payments on behalf of confined juveniles. However, because we obtained the juvenile confinement data for research and statistical purposes, we agreed not to take action or refer to SSA any specific juvenile or his/her legal guardian based on the data the States provided.⁹ Accordingly, SSA did not have the opportunity to validate our results. See Appendix A for additional information on our scope and methodology.

RESULTS OF REVIEW

SSA issued about \$1.7 million in improper SSI payments on behalf of 547 juveniles confined in correctional facilities in 4 States.¹⁰ While SSA had established overpayments for 274 of these juveniles, we identified 273 instances where SSA was unaware of all or part of the confinement period. We determined that 158 of these juveniles were confined for 6 months or longer without SSA's knowledge. Further, 229 juveniles were in current payment status when each State provided its data.

Our findings are conservative because we did not receive data on all confined juveniles in all four States. For example, two States provided data on juveniles confined in State correctional facilities but not at local juvenile facilities Statewide. The following examples illustrate cases in which SSA made improper SSI payments on behalf of confined juveniles.

- One payee received over \$24,000 in improper SSI payments while the juvenile was confined for 34 months. During confinement, the payee completed two redeterminations¹¹ with SSA and falsely stated the juvenile was living in a private residence and had not been confined in a correctional facility for a calendar month.
- One payee received over \$18,000 in improper SSI payments while the juvenile was confined for 25 months. The juvenile remained confined and in current payment status when the State provided its data.
- One payee received almost \$17,000 in improper SSI payments while the juvenile was confined over 23 months. The juvenile remained confined and in current payment status when the State provided its data.

⁹ We signed a data use agreement with Florida to obtain information on confined juveniles. While Illinois, Ohio, and Texas did not request a data use agreement to release juvenile data, we agreed not to share their data or take action.

¹⁰ Because we agreed not to take action or refer to SSA any specific juvenile or his/her legal guardian based on the data the States provided, SSA did not have the opportunity to validate our results

¹¹ SSA, *POMS, SI-Supplemental Security Income*, ch. SI 023, subch. SI 02305.001, sec. A (August 29, 2014). A redetermination is a review of a recipient's income, resources, and living arrangements to determine whether the recipient is still eligible for and receiving the correct SSI payment.

- One payee received almost \$12,000 in improper SSI payments while the juvenile was confined over 16 months. During confinement, the payee completed a redetermination with SSA and falsely stated the juvenile was living with her in a private residence. The juvenile remained confined and was in current payment status when the State provided its data.
- One payee received over \$9,500 in improper SSI payments while the juvenile was confined for 13 months. According to SSA records, the juvenile's payee fraudulently provided a substitute person for a consultative examination while the juvenile was confined and failed to report two periods of confinement. SSA identified and established these improper SSI payments.

Although SSA has numerous memorandums of understanding (MOU) with correctional facilities to obtain information on incarcerated adults, it did not obtain such information on all confined juveniles. For example, one State did not have MOUs with juvenile facilities, one State had an MOU with only one county, and two States provided data on juveniles confined in State correctional facilities but not at local juvenile facilities Statewide. Without MOUs, SSA must rely on other sources, such as self-reporting by juveniles' representative payees (for example, parent, legal guardian, relative, social agency, or institution). Unless such individuals notify SSA, it may continue making monthly SSI payments while the juvenile is confined, thus creating overpayments.

According to SSA, some States may refuse to provide information on confined juveniles in their custody because of privacy laws. SSA also told us that States could decide not to share their juvenile data for reasons other than privacy laws since sharing data with SSA is voluntary. However, SSA told us it did not collect and maintain data on State facilities it had contacted that refused to provide juvenile data. As such, it is unclear to what extent privacy laws or other reasons have prevented SSA from entering into agreements with State correctional departments to obtain information on confined juveniles.

CONCLUSIONS

Without MOUs, SSA must rely on self-reporting by juveniles' representative payees. Unless such individuals notify SSA, the Agency will continue making monthly SSI payments while the juvenile is confined, thus creating overpayments. As such, given the number of improper payments we identified, we encourage SSA to contact State correctional departments that do not report juveniles confined in their facilities to pursue data agreements.

RECOMMENDATION

We recommend that SSA contact State juvenile correctional departments to discuss the feasibility of obtaining information on confined juveniles to ensure SSA does not improperly pay SSI recipients. In doing so, SSA should determine the most cost-beneficial ways to obtain such information.

AGENCY COMMENTS

SSA agreed with our recommendation. The full text of SSA's comments is included in Appendix B.

A handwritten signature in black ink, appearing to read "Rona Lawson".

Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed relevant Social Security Administration (SSA) regulations related to Supplemental Security Income (SSI) and confined juveniles.
- Contacted juvenile justice departments in Florida, Illinois, Ohio, and Texas, which had large populations of confined juveniles. We signed a data use agreement with Florida to obtain information on its confined juveniles. Although Illinois, Ohio, and Texas did not request a data use agreement to release juvenile data, we agreed not to share their data or take action on any potential overpayments.
- Requested the names, Social Security numbers, dates of birth, and confinement dates for juveniles confined in correctional facilities in Florida, Illinois, Ohio, and Texas as of September 1, 2016. Not all States provided all the requested information. One State provided juvenile data for only one county for juveniles incarcerated 30 days or longer between September 1, 2016 and December 2, 2016. Two other States provided data on juveniles confined in State correctional facilities but not at local juvenile facilities Statewide.
- Compared juveniles (under age 18 at time of confinement) in custody against SSA's payment records.
- Computed the amount of improper SSI payments SSA issued on behalf of confined juveniles.
- Computed the number of months SSA made improper payments on behalf of confined juveniles.
- Determined whether SSA had posted the overpayment for all or part of the confinement period and whether the juvenile remained in current payment status when each State provided its data.
- Discussed confined juveniles with SSA and State officials.

Our review of internal controls was limited to gaining an understanding of information on the Supplemental Security Record and SSA's process of suspending payments to confined juveniles. We conducted our review from March through July 2017 in Birmingham, Alabama. We found SSA's payment records used in this review to be sufficiently reliable. However, we did not determine the reliability of the State data.

The entity audited was the Office of Income Security Programs under the Office of the Deputy Commissioner for Retirement and Disability Policy. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: August 25, 2017 Refer To: S1J-3

To: Gale S. Stone
Acting Inspector General

From: Frank Cristaudo for
Stephanie Hall
Acting Deputy Chief of Staff

Subject: The Office of the Inspector General Draft Report, “Supplemental Security Income Payments to Confined Juveniles” (A-08-17-50237)--INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,
“SUPPLEMENTAL SECURITY INCOME PAYMENTS TO CONFINED JUVENILES”
(A-08-17-50237)**

General Comments

We take seriously our responsibility to effectively, efficiently, and accurately administer our programs. One of our best tools for doing so is our use of agreements with nearly 2,300 correctional and mental institutions to provide us with information we need to suspend benefits to incarcerated or confined beneficiaries and recipients when appropriate. When we enter into these reporting agreements, we ask the institutions to provide us with information on all inmates and confined individuals within their facility. After submission and processing of a correctional or mental health institution’s initial report, we only request them to report new admissions. We do not specifically search for specific categories of beneficiaries and recipients (e.g. juveniles) during our computer matching process.

We plan to instruct our Regional Prisoner Coordinators (RPC) to contact each State’s juvenile correctional department or agency to determine if they will sign an agreement to send monthly confined juvenile records to us for computer matching. We will request each RPC to document their contacts with each State’s juvenile correctional department. This documentation will ensure we have confirmation of which State juvenile corrections departments will participate in our computer match process and which will not and why not. Retaining this documentation with each State juvenile corrections department will alleviate any confusion in the future regarding a State’s ability or willingness to provide institutionalized juvenile information to us.

We make incentive payments to institutions for providing timely information on any confined adult or child in a State or local correctional or mental institution. However, some States or counties may not provide information on institutionalized juveniles due to privacy laws that prohibit the disclosure of such information.

Recommendation 1

Social Security Administration (SSA) contact State juvenile correctional departments to discuss the feasibility of obtaining information on confined juveniles to ensure SSA does not improperly pay Supplemental Security Income recipients. In doing so, SSA should determine the most cost beneficial ways to obtain such information.

Response

We agree.

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