

Office of the Inspector General

September 30, 1998

Carolyn Colvin  
Deputy Commissioner for Operations

Assistant Inspector General  
for Audit

**Status of Individuals Suspended as a Result of the Southwest Tactical Operations Plan**

The attached final management advisory report presents the results of our review entitled, "Status of Individuals Suspended as a Result of the Southwest Tactical Operations Plan" A-06-98-61006. The objective of this review was to present the current payment status of individuals suspended as a result of the Southwest Tactical Operations Plan (STOP) and the status of overpayments for the suspended individuals.

You may wish to comment on any further action taken or contemplated. If you choose to offer comments, please provide them within the next 60 days. If you wish to discuss the final management advisory report, please call me or have your staff contact Bill Fernandez, Director, Western Program Audits, at (510) 970-1739.

Pamela J. Gardiner

Attachment

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**OFFICE OF  
THE INSPECTOR GENERAL**

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**SOCIAL SECURITY ADMINISTRATION**

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**STATUS OF INDIVIDUALS  
SUSPENDED AS A RESULT  
OF THE SOUTHWEST  
TACTICAL OPERATIONS PLAN**

**September 1998      A-06-98-61006**

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**MANAGEMENT  
ADVISORY REPORT**

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**Status of Individuals Suspended as a Result of the Southwest Tactical Operations Plan**

The objective of this management advisory report was to present the current payment status of individuals suspended as a result of the Southwest Tactical Operations Plan (STOP) and the status of overpayments for the suspended individuals. The review was done in response to concerns expressed by Social Security Administration (SSA) staff that Supplemental Security Income (SSI) recipients whose benefits are suspended based on their not residing in the United States are able to reestablish eligibility and that overpayments related to the period of nonresidency are difficult to recover.

**BACKGROUND**

SSI has specific eligibility requirements. One of the primary eligibility requirements is that individuals must be U.S. residents and either citizens, nationals, or eligible aliens. Residency requires that individuals maintain a continued presence in the United States.

SSA staff in field offices along the U.S.-Mexican border have alleged that individuals are qualifying for SSI while in the United States and subsequently moving to a foreign country or failing to maintain a continued presence in the United States. SSA's Office of the Inspector General implemented STOP in El Paso, Texas, to determine if individuals were fraudulently receiving SSI payments. The pilot project was intended to identify and suspend SSI payments to recipients receiving payments based on fraudulent statements regarding residency.

Between November 1996 and February 1997, we collected proof of U.S. residency from all SSI recipients who provided SSA with residence addresses in two ZIP codes for El Paso, Texas. If recipients were unable to provide proof of U.S. residency, we suspended their SSI payments. We identified 153 recipients (out of a population of 2,089 recipients) who failed to meet the residency requirements and whose payments were suspended.

In March 1998, we obtained copies of computerized SSA records for the 153 individuals suspended as a result of STOP. We reviewed these records to determine if individuals had reapplied for SSI, whether they were again receiving SSI, and whether they repaid or were in the process of repaying any overpayments.

## RESULTS

Approximately 1 year after completion of field work for STOP, 24 out of the 153 suspended recipients (15.7 percent) were again receiving SSI payments.<sup>1</sup> These individuals apparently were able to provide sufficient proof of U.S. residency to reestablish SSI eligibility. Under current regulations, residency is reestablished by living in the United States for 30 consecutive days. Moreover, there are no penalties related to the prior determination that the individuals improperly received SSI benefits while not living in the country.

As of March 1998, 32 of the 153 suspended recipients (20.9 percent) were repaying their overpayments. Of these, 15 were using their reinstated SSI payments, 14 were using their title II benefits, and 3 were using other sources. However, the length of time it will take the recipients to repay their overpayments (using current monthly repayment amounts) ranged from 9 months to 50 years, with an average of 15 years. Current regulations limit repayment amounts based on individuals' financial need and, for those also receiving title II benefits, do not permit title II benefit offsets to repay SSI overpayments, except with the express consent of the beneficiary.

SSA had initiated recovery actions but received no repayments for 87 of the 153 suspended recipients (56.9 percent). SSA referred 58 cases to the Department of the Treasury to institute income tax refund offsets and 18 cases to payment centers to send overpayment notices. For the remaining 11 cases, SSA had attempted other collection methods. In addition, 24 of the 87 individuals who were receiving title II benefits that were not being reduced to repay the overpayments.

There were no overpayment collection actions taken for the remaining 34 suspended recipients. SSA deemed the overpayments uncollectable for 17 cases because the individuals were out of the country or considered unable to repay the debt. Records for eight of the suspended recipients indicated no overpayment, apparently because the individuals were able to provide evidence indicating they were U.S. residents during the time in question. For three cases where the overpayments were minor, SSA waived them. SSA also terminated collection action in three cases where the individuals had recently died. (Information on three individuals was not available.)

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<sup>1</sup> The payments for the remaining individuals were terminated (93 or 60.8 percent) or in nonpayment status (36 or 23.5 percent) at the time of our review.

## **CONCLUSIONS**

There were 24 of the 153 suspended SSI recipients who were receiving payments again at the time of our review. At the same time, only 32 individuals (or about 21 percent of those suspended) were repaying their overpayments. In addition, for most of those 32 individuals, the repayment amounts were so small that recovery of the entire overpayment will not occur for years, if at all. SSA has included provisions in current legislative proposals to improve the SSI program that would address these concerns. As a result, we are making no further recommendations at this time. The results of this review support the need for the following provisions in proposed legislation.

- Enact administrative sanctions for individuals who make false statements of residency in order to receive SSI payments.
- Authorize mandatory collection of SSI overpayments from title II payments.
- Increase the percentage of SSI payments allowed for collection of overpayments.
- Extend to the SSI program all of the debt collection authorities currently available for title II.

Pamela J. Gardiner

# **APPENDICES**

## **MAJOR REPORT CONTRIBUTORS**

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### **Office of the Inspector General**

William Fernandez, Director, Program Audits (West)

Brian Pattison, Deputy Director

Billy Mize, Senior Auditor

George De Luna, Senior Evaluator

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**APPENDIX B**

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## **SSA ORGANIZATIONAL CHART**

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