



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Press Release

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<http://oig.ssa.gov>

Contact: Tracy Lynge
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Texas Company Agrees to Pay \$65,000 to SSA for Using its Name

Kramer Direct, a mail distribution firm in Richardson, Texas, has agreed to pay a \$65,000 penalty to the Social Security Administration (SSA) for the unauthorized and inappropriate use of SSA's name on its marketing mailings. According to Inspector General Patrick P. O'Carroll, Jr., the company violated Section 1140 of the *Social Security Act*.

Section 1140, enacted by Congress, prohibits the use of SSA words and letters in advertisements or solicitations in a manner that leads the public to believe that SSA endorses the program or product, or that falsely indicates that there is an official connection between SSA and the owner of the product. Congress passed this legislation primarily to curtail deceptive insurance-related lead card mailing practices of this nature.

Kramer Direct, (d/b/a Distribution Center), without admitting violating Section 1140, cooperated with SSA's Office of the Inspector General (OIG) in its inquiry into the use of SSA's name on the company's insurance card mailings. According to the Inspector General, Kramer Direct mailed the insurance solicitations, or lead card mailings, with references to Social Security printed on its envelopes to give the appearance that SSA approved of the insurance.

The \$65,000 is a civil monetary penalty, which the OIG can impose, using authority delegated to us from the Commissioner of Social Security, against individuals, organizations, or other entities that violate Section 1140 of the *Social Security Act*. All monies collected under the OIG's Civil Monetary Penalty Program go directly to SSA's Old Age and Survivors Trust Fund.

We encourage public citizens to report companies or individuals who may be misusing Social Security's name or symbols to mislead the public. You can contact the OIG Office of the Counsel at 410-966-6211, and you can also report suspected violations to the Social Security Fraud Hotline:

- online at <http://oig.ssa.gov/report>;
- write to P.O. Box 17768, Baltimore, MD, 21235;
- fax (410) 597-0118; or
- call (800) 269-0271 from 10 a.m. to 4 p.m. Eastern Time, Monday through Friday.

For more information, please contact Tracy Lynge, Communications Director, at 410-965-2671.