



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Evaluation Report

Payments to Individuals Confined in
Special Commitment Centers

A-06-14-14087 | April 2015

OIG Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: April 7, 2015

Refer To:

To: The Commissioner

From: Inspector General

Subject: Payments to Individuals Confined in Special Commitment Centers (A-06-14-14087)

The attached final report presents the results of our review. Our objective was to determine whether individuals improperly received payments while involuntarily confined in Special Commitment Centers.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



Patrick P. O'Carroll, Jr.

Attachment

Payments to Individuals Confined in Special Commitment Centers

A-06-14-14087



April 2015

Office of Audit Report Summary

Objective

To determine whether individuals improperly received payments while involuntarily confined in Special Commitment Centers (SCC).

Background

Federal law requires that the Social Security Administration (SSA) suspend payments to certain individuals who are in institutions as sexually dangerous persons. These provisions became effective in December 1999.

A 2012 OIG investigation identified 14 sexual predators who inappropriately received more than \$500,000 in SSA payments while confined in a Washington State SCC. The investigation identified 23 additional SCCs nationwide.

In April and May 2014, we reached out to officials at the 23 SCCs to request they provide information on the sexual predators involuntarily confined in their facilities. Officials at eight facilities provided us the names, Social Security numbers, and confinement dates of the individuals in their custody.

Conclusions

We identified 18 sexual predators who were involuntarily confined in 4 SCCs and who improperly received approximately \$524,000 in Social Security benefits and/or Supplemental Security Income payments.

Our review indicated that, after States transferred these sexual predators from prison to an SCC, the individuals contacted SSA to apply for benefits or request resumption of payments that SSA had suspended while they were incarcerated. While benefit suspension provisions continued to apply to these individuals, a mechanism had not been established to ensure SCCs reported inmate information to SSA. Consequently, SSA did not have the information it needed to prevent initiation of payments to these individuals.

We provided the names and Social Security numbers of the 18 individuals to SSA. SSA, in turn, suspended all 18 individuals' benefit payments and assessed \$523,987 in overpayments.

SSA's Office of Data Exchange staff stated that SSA will contact SCCs that do not have a memorandum of understanding with SSA and encourage them to provide information about confined individuals in exchange for potential incentive payments. Staff further stated the Office of Data Exchange will work with regional prison coordinators to contact any SCCs not reporting on individuals confined in their facilities.

Since SSA had already suspended payments to the 18 individuals and began contacting the SCCs to encourage them to provide information about individuals confined to their facilities for incentive payments, we are not making any recommendations at this time. However, we may revisit this issue in the future. The Agency reviewed the draft report and provided technical comments, which we incorporated, as appropriate.

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ABBREVIATIONS

OIG	Office of the Inspector General
Pub. L. No.	Public Law Number
SCC	Special Commitment Center
SSA	Social Security Administration
SSI	Supplemental Security Income

OBJECTIVE

Our objective was to determine whether individuals improperly received payments while involuntarily confined in Special Commitment Centers (SCC).

BACKGROUND

Federal law requires that the Social Security Administration (SSA) suspend benefit payments to certain individuals who are in institutions as sexually dangerous persons.¹ For benefit suspension to apply, institutions must immediately confine the beneficiary upon completion of his/her prison sentence. In addition, the crime for which the beneficiary was convicted and imprisoned must have an element of sexual activity. These provisions became effective in December 1999.

A 2012 OIG investigation identified 14 sexual predators who inappropriately received more than \$500,000 in SSA payments while residing at a Washington State SCC. The investigation identified 23 additional SCCs nationwide.

In April and May 2014, we reached out to officials at the 23 SCCs to request they provide information on the sexual predators involuntarily confined in their facilities. Officials at eight facilities provided us the names, Social Security numbers, and confinement dates of the sexual predators in their custody. For additional information on our scope and methodology, see Appendix A.

RESULTS OF REVIEW

We identified 18 sexual predators involuntarily confined in 4 SCCs who improperly received approximately \$524,000 in Social Security benefits and/or Supplemental Security Income (SSI) payments. This constituted less than 1 percent of the sexual predators residing in the facilities.

¹ *Ticket to Work and Work Incentives Improvement Act of 1999* Pub. L. No. 106-170 § 402 (1999). Federal law, SSA policy, and various States also refer to these individuals as *sex offenders*, *sexually dangerous individuals*, *sexually violent persons*, *sexually violent predators*, or *sexual predators*. To avoid confusion, throughout the report, we refer to these individuals as *sexual predators*.

Table 1: Involuntarily Committed Sexual Predators Improperly Receiving SSA Payments²

SCC Location	Individuals in Custody	Individuals Receiving SSA Payments	Improper Social Security Benefit Payments	Improper SSI Payments	Total Improper Payments
CA	1,148	11	\$218,565	\$48,433	\$266,998
FL	636	3	9,225	57,589	66,814
KS	229	2	128,252	0	128,252
ND	45	2	61,923	0	61,923 ³
Total	2,058	18	\$417,965	\$106,022	\$523,987

Our review indicated that, after States transferred these sexual predators from prison to an SCC, the individuals contacted SSA to apply for benefits or request resumption of payments that SSA had suspended while they were incarcerated. Below are examples of the cases we identified.

- In December 2013, a sexual predator confined in a California SCC called SSA’s 800-number to apply for SSI disability payments. He also provided SSA with SCC medical documentation indicating he had lung cancer. SSA approved the claim, unaware the claimant was confined in an SCC. Because the man listed the State hospital as his residential address, SSA reduced the SSI payments to \$50 per month (\$30 in Federal SSI and \$20 in California supplement). In March 2014, the individual called SSA’s 800-number and falsely claimed he had moved from the hospital into an apartment. SSA increased his SSI payments to \$877 per month (\$721 Federal SSI and \$156 in California supplement). We referred this case to SSA Operations. SSA determined the man was not eligible for any of the SSI payments he received, suspended the payments, and assessed a \$3,610 overpayment.
- In July 2009, a sexual predator confined in a Kansas SCC submitted an Internet application for retirement benefits. The individual provided a false residential address. SSA approved the claim, unaware the individual was confined in an SCC. We referred this case to SSA Operations. SSA determined the man was not eligible for any of the retirement benefits he received, suspended his payments, and assessed a \$37,568 overpayment.

² We received rosters identifying 501 sexual predators involuntarily confined in SCCs in Arizona, Iowa, Missouri, and South Carolina. We matched the rosters against SSA’s payment records and identified no inmates receiving SSA payments.

³ The Office of Investigations determined that bank accounts used by these individuals to receive SSA benefit payments contained significant balances. The Office of Investigations worked with both SSA and Treasury to pursue reclamation of funds from the accounts. On November 21, 2014, Treasury reclaimed \$9,224.64 from one account, and on December 3, 2014, reclaimed \$8,621.18 from the other account. SSA will reduce the overpayment balances, accordingly.

- In January 2011, a sexual predator confined to a North Dakota SCC filed for retirement benefits. The individual provided a false residential address. SSA approved the claim, unaware the man was confined to an SCC. We referred this case to SSA Operations. SSA determined the man was not eligible for any of the benefits he received, suspended his payments, and assessed a \$28,299 overpayment.⁴

While benefit suspension provisions continued to apply to these individuals, SSA had not established a mechanism to ensure SCCs reported inmate information to SSA. Consequently, SSA did not have the information it needed to prevent initiation of payments to these individuals.

CONCLUSIONS

We identified 18 sexual predators involuntarily confined in 4 SCCs who improperly received approximately \$524,000 in Social Security benefits and/or Supplemental Security Income payments. This occurred because the SCCs did not report inmate information to SSA. As a result, SSA was not aware, in this small number of cases, that individuals applying for benefits or requesting resumption of previously suspended benefits were confined in SCCs.

We provided the names and SSNs of the 18 individuals to SSA. SSA, in turn, suspended all 18 individuals' benefit payments and assessed \$523,987 in overpayments.

SSA's Office of Data Exchange staff stated that SSA will contact SCCs that do not have a memorandum of understanding with SSA to encourage them to provide information about confined individuals in exchange for potential incentive payments. Staff further stated the Office of Data Exchange will work with regional prison coordinators to contact any SCCs not currently reporting on individuals confined in their facilities.

Since SSA had already suspended payments to the 18 individuals and began contacting the SCCs to encourage them to provide information about individuals confined to their facilities for incentive payments, we are not making any recommendations at this time. However, we may revisit this issue in the future. The Agency reviewed the draft report and provided technical comments, which we incorporated, as appropriate.

⁴ SSA recovered \$8,621 from the individual's bank account via the Treasury reclamation process (see Footnote 3).

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed applicable Social Security Administration (SSA) regulations.
- Reached out to officials at 23 Special Commitment Centers (SCC) to request inmate data. We note the facilities were under no obligation to respond to our request for information.

Table A–1: Summary of Efforts to Obtain SCC Inmate Data

	Facility Location	Spoke with Facility Officials	Sent Written Request for Inmate Roster	Facility Provided Inmate PII
1	Arizona	YES	YES	YES
2	California	YES	YES	YES
3	Florida	YES	YES	YES
4	Iowa	YES	YES	YES
5	Kansas	YES	YES	YES
6	Missouri	YES	YES	YES
7	North Dakota	YES	YES	YES
8	South Carolina	YES	YES	YES
9	California	YES	YES	NO ¹
10	Illinois	YES	YES	NO
11	Illinois	YES	YES	NO
12	Massachusetts	YES	YES	NO
13	Minnesota	YES	YES	NO
14	Minnesota	YES	YES	NO
15	Nebraska	YES	YES	NO
16	New York	YES	YES	NO
17	Virginia	YES	YES	NO ²
18	California	YES	NO	NO ³
19	New Hampshire	YES	NO	NO ⁴
20	New Jersey	NO	NO	NO
21	North Carolina	NO	NO	NO
22	Washington D.C.	NO	NO	NO
23	Wisconsin	NO	NO	NO

¹ Facility officials stated they already report inmate information to SSA per a November 2013 Incentive Payment Memorandum of Understanding.

² Facility officials stated they already report inmate information to SSA via the Prisoner Update Processing System.

³ Facility officials stated they already report inmate information to SSA each month.

⁴ Id.

- Sent letters to 17 facilities requesting the names, Social Security numbers, and commitment dates of all sexual predators involuntarily confined at the facilities.
- Received requested information from eight SCCs.
- Compared the names and Social Security numbers of sexual predators in custody at the eight SCCs against SSA's payment records.
- Identified 18 sexual predators in 4 SCCs receiving SSA payments.
 - ✓ Computed the amount of potential improper payments issued to each individual.
 - ✓ Referred the cases to SSA's Office of Operations for corrective action.

We conducted our review from April to November 2014 in Dallas, Texas. We conducted our review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Appendix B – MAJOR CONTRIBUTORS

Ron Gunia, Director, Dallas Audit Division

Neha Smith, Audit Manager

Warren Wasson, Senior Auditor

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