



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

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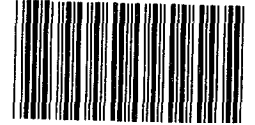
HUMAN RESOURCES
DIVISION

APR 11 1979

Mr. Stanford G. Ross
Commissioner of Social Security
Department of Health, Education,
and Welfare

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Dear Mr. Ross:

We are furnishing you information on the results of our review of the accuracy of benefits paid to Supplemental Security Income ~~SSI~~ recipients who also receive military retirement pensions. Retired military pensions can reduce SSI monthly benefits dollar for dollar after the first \$20. For some SSI recipients, we found that the pension was not recorded and for several others was incorrectly recorded in the SSI automated payment system. While your staff has attempted to determine the financial benefits of comparing the retired military and SSI payment records, their work has demonstrated no benefit. Our results, however, showed limited potential savings could be realized.

On August 2, 1978, the Office of Management and Budget (OMB) published proposed supplemental Privacy Act guidelines establishing procedures for conducting matching programs-- computerized comparisons of personal pay records maintained by agencies. One of the purposes of a matching program is to curtail fraud or unauthorized payments under Federal programs. One requirement of the guidelines is that a matching agency carry out a matching program only if the agency can demonstrate financial benefit to the Federal Government, and the benefit significantly outweighs any harm to individuals. The matching program and its related justification must be submitted to OMB for comment prior to its implementation. oA 1974

The Social Security Administration has, on numerous occasions, requested the Department of Defense to provide its entire automated retired military payment record (excluding Coast Guard) for matching purposes to assure that SSI recipients have properly reported their military pension. The Defense Manpower Data DL603321

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Center has been reluctant to provide all of its pension records until Social Security adheres to the OMB guidelines. The Center, however, selected and gave Social Security a sample of 501 pension records to allow Social Security to compare the records to the SSI payment records and accordingly assess the extent of financial benefits from a matching program. Comparison of these payment records showed that no SSI recipients had a military pension.

To determine whether a larger record sample would show whether erroneous SSI payments were occurring, we obtained the entire fiscal year 1977 retired military pension record (excluding Coast Guard) and matched these records with the July 1978 SSI payment records for California and New York. During that month, there were approximately 184,000 retired military in California and 33,000 in New York. In addition, 25 percent of all SSI recipients resided in these States and received about 34 percent of all SSI benefits that were paid, including federally-administered State supplementation payments.

We identified 113 SSI recipients who were also receiving retired military pay. Recognizing the time lag difference in the payment records, we compared the September 1977 military pension payment with the pension information contained in the July 1978 SSI payment record. In those cases where the pension was equal to or less than the amount recorded in the SSI payment record, we considered the pension to be correctly recorded. For the remaining cases, however, the actual pension paid was greater than the amount recorded in the SSI payment system; consequently, the SSI recipients were overpaid. Sixty-seven (59 percent) of the recipients, as shown on the table below, either had no pension recorded or had it under-recorded in the SSI payment system.

<u>State</u>	<u>Recorded correctly</u>	<u>Under-recorded</u>	<u>Not recorded</u>	<u>Total</u>
California	45	35	27	107
New York	<u>1</u>	<u>1</u>	<u>4</u>	<u>6</u>
Total	<u>46</u>	<u>36</u>	<u>31</u>	<u>113</u>

We estimate that the 67 recipients were overpaid SSI totalling \$4,150 in July 1978 or about \$49,800 annually. Of this annual amount, \$42,350 related to 31 SSI records lacking any pension information and \$7,450 related to 36 SSI records with incorrect pension information.

On February 13, 1979, Social Security sent its "Report on Matching Project" without demonstrating financial benefits, to the Department of Health, Education, and Welfare (HEW's) Privacy Act Coordinator for review. To justify the financial benefits to the Government, Social Security stated in its report that the existing interfaces with other Federal agencies have saved the Government millions of dollars, and anticipated additional savings will be achieved by matching SSI and retired military pension records. On April 4, 1979, HEW forwarded the report to OMB for review. We believe the results of our review should be brought to OMB's attention for its consideration in reviewing the report.

We are sending a copy of this letter report to the Privacy Act Coordinator, HEW. We would appreciate being advised of any actions taken and planned on the matters discussed in this letter.

Sincerely yours,



Michael Zimmerman
Assistant Director