

01738

# REPORT TO THE CONGRESS



BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES



LM101738

## Supplemental Security Income Payment Errors Can Be Reduced

Social Security Administration

Department of Health, Education, and Welfare

The Social Security Administration has been computing Supplemental Security Income payments on the basis of inaccurate Veterans Administration and Railroad Retirement Board benefit amounts. GAO estimates that the actions the Social Security Administration is taking to base payments on accurate amounts will reduce program overpayments by \$60 million and correct underpayments by \$4 million a year.



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-164031(4)

To the President of the Senate and the  
Speaker of the House of Representatives

The Social Security Administration needs accurate Veterans Administration and Railroad Retirement Board benefit data to compute Supplemental Security Income payments. Accurate benefit data would greatly reduce erroneous payments under this program.

We made our review at the request of Senator Birch Bayh. We are sending copies of this report to the Director, Office of Management and Budget; the Secretary of Health, Education, and Welfare; the Commissioner of the Social Security Administration; the Administrator of Veterans Affairs; and the Chairman of the Railroad Retirement Board.

*James B. Steels*  
Comptroller General  
of the United States

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ABBREVIATIONS

CSC Civil Service Commission  
GAO General Accounting Office  
HEW Department of Health, Education, and Welfare  
OMB Office of Management and Budget  
RRB Railroad Retirement Board  
SSA Social Security Administration  
SSI Supplemental Security Income  
VA Veterans Administration

COMPTROLLER GENERAL'S  
REPORT TO THE CONGRESS

SUPPLEMENTAL SECURITY INCOME  
PAYMENT ERRORS CAN BE REDUCED  
Social Security Administration  
Department of Health, Education,  
and Welfare

D I G E S T

The Social Security Administration has had many problems in administering the Supplemental Security Income program since it began in January 1974. The Social Security Administration estimates that over \$1 billion was erroneously paid to recipients during the first 2 years.

A principal cause of erroneous payments is that the Social Security Administration does not have accurate and complete information on compensation and pension income received by many Supplemental Security Income recipients from federal agencies. Such information is used in determining eligibility and benefit payment amounts.

GAO estimates that if the Social Security Administration had accurate Veterans Administration and Railroad Retirement Board benefit information, Supplemental Security Income overpayments would be reduced by \$60 million a year; the Nation's needy aged, blind, and disabled would receive an additional \$4 million a year to correct present underpayments; and 35,600 recipients would be removed from Supplemental Security Income rolls, with associated reductions in administrative costs and medical assistance payments under Medicaid. (See pp. 3 to 6.)

GAO recommends that the Secretary of Health, Education, and Welfare direct the Commissioner of the Social Security Administration to

--obtain accurate and complete compensation and pension income information

on a timely and continuing basis from the Veterans Administration and the Railroad Retirement Board for computing Supplemental Security Income payments;

--review other Federal benefit payments to Supplemental Security Income recipients, such as Civil Service Commission retirement benefits, to determine the need for and feasibility of obtaining benefit information from other agencies; and

--establish, where appropriate, a system to insure that information on benefits paid to Supplemental Security Income recipients by Federal agencies will be obtained on a timely and continuing basis for future payment computations. (See p. 7.)

The Department of Health, Education, and Welfare agreed with these recommendations and stated that steps are being taken to automatically obtain compensation and pension benefit data from the Veterans Administration, the Civil Service Commission, and the Railroad Retirement Board. Consideration is also being given to obtaining benefit data from other Federal agencies. (See p. 12.)

The Veterans Administration and the Railroad Retirement Board indicated that they are cooperating with the Social Security Administration to insure correct Supplemental Security Income payments. (See pp. 13 and 15.) The Office of Management and Budget pointed out that more work needs to be done to see if data exchanges can be effectively extended to other Federal benefit paying agencies. (See pp. 8 and 9.)

## CHAPTER 1

### INTRODUCTION

We are reviewing the Social Security Administration's (SSA's) management of the Supplemental Security Income (SSI) program. Our work was done at Senator Birch Bayh's request of August 1975. Other members and committees of the Congress later expressed an interest in our review of the SSI program. This is our first report on causes of SSI overpayments and underpayments and our evaluation of agency actions to reduce payment errors.

### SUPPLEMENTAL SECURITY INCOME PROGRAM

The Social Security Amendments of 1972 established the SSI program on January 1, 1974, to assist needy aged, blind, and disabled persons. The program, which replaced State-administered programs of Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled, provides minimum income to persons using nationally uniform eligibility requirements and benefit criteria.

In fiscal year 1976, the maximum Federal basic monthly benefit was \$157.70 for one person (\$236.60 for a couple). Larger monthly payments were made in those States that supplement SSI payments. In July 1976 the maximum Federal basic monthly benefit was increased to \$167.80 for one person (\$251.80 for a couple).

The SSI program is administered by about 22,000 SSA employees at the headquarters office in Baltimore, Maryland; 10 regional offices; and 1,300 district and branch offices throughout the Nation.

Generally, SSA eligibility determinations for SSI are also used to administer State supplemental payments and to determine eligibility for medical assistance under Medicaid (a State-administered program). State supplemental payments are administered by either the State or SSA.

SSI funds are appropriated from general revenues. For fiscal year 1976, \$5.5 billion was appropriated, and for fiscal year 1977, SSA estimates that \$5.8 billion will be needed to operate the program. SSA also estimates that federally administered State-financed supplemental payments will total about \$1.3 billion for fiscal year 1976. In January 1976 over 4 million persons received SSI payments, and by December 1976 the outlook is for 4.5 million persons.

SSA considers all income and resources of an SSI applicant in computing benefits. The applicant provides this and other information to an SSA claims representative at a district office for an eligibility determination. The information is then computerized. Once eligibility is established, the recipient must report within 30 days any subsequent change in income, resources, or other circumstances which would change a payment amount or affect eligibility. If any of this information is incorrectly reported or reported late, an overpayment or underpayment may result.

Included in the required income information are compensation and pension benefits paid by the Veterans Administration (VA) and pension benefits paid by the Railroad Retirement Board (RRB). SSA requests information on these benefits at the time of initial application and when an SSI recipient's case is reviewed for continued eligibility. These VA and RRB benefit payments are the subject of our report.

At the end of 1975, 2 years after the SSI program began, SSA estimates show cumulative erroneous payments of \$1 billion. On several occasions, the Commissioner of SSA advised the Congress that inaccurate Federal pension amounts constituted a major cause of erroneous payments. He stated that work on obtaining this data from other agencies, primarily VA, needed to move ahead quickly.



## CHAPTER 2

### ACCURATE BENEFIT DATA WOULD REDUCE

#### PROGRAM PAYMENT ERRORS

Most Social Security Administration data on Veterans Administration and Railroad Retirement Board benefits used in calculating Supplemental Security Income payments is inaccurate. We estimate that accurate data on benefits paid by these two Federal agencies would reduce SSI overpayments by \$60 million a year and correct underpayments by \$4 million a year. <sup>1/</sup> We also estimate that 35,600 ineligible recipients would be removed from the SSI rolls which, in turn, would reduce administrative and medical assistance costs

#### EFFECT OF USING INACCURATE BENEFIT DATA IN COMPUTING SSI PAYMENTS

To determine the accuracy of VA and RRB benefit amounts used in computing SSI payments, we randomly selected about 80,000 recipients' records and compared the VA and/or RRB benefit amounts in their records with those shown in the VA and RRB records. We found that 2,849 recipients were receiving VA benefits and 213 were receiving RRB benefits in January 1976, the sample month.

The charts on page 4 summarize our findings on the accuracy of benefit amounts recorded in the SSI recipients' files.

In 1,953 (69 percent) of the 2,849 VA cases and 192 percent) of the 213 RRB cases, an inaccurate benefit amount was used in computing the January 1976 SSI payment. To determine the effect of using inaccurate amounts, we substituted the correct benefit amount and computed an accurate January 1976 payment for our sample cases.

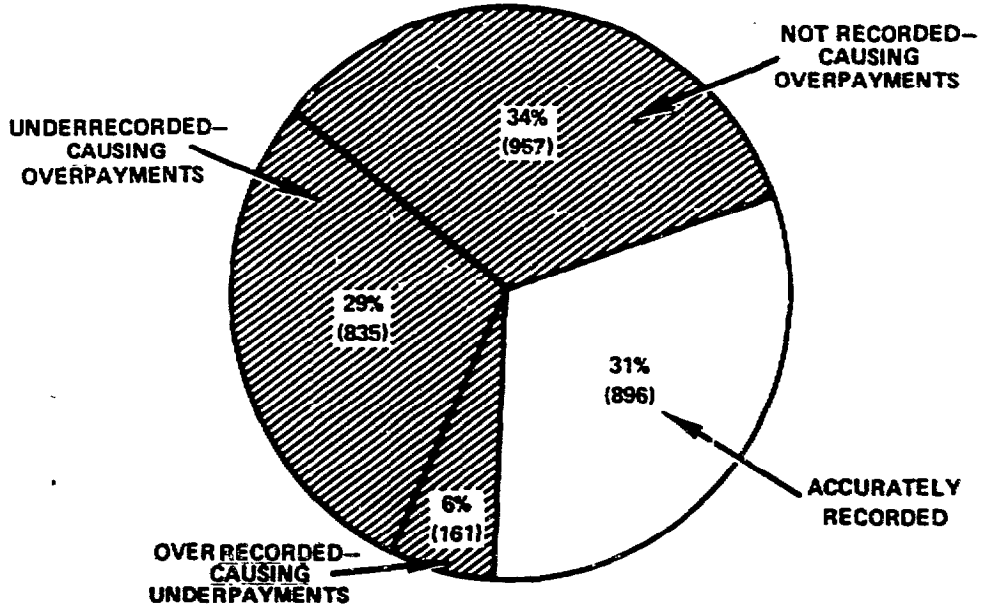
The tables on page 5 show the results of this computation.

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<sup>1/</sup>Amounts include federally administered State supplemental payments.

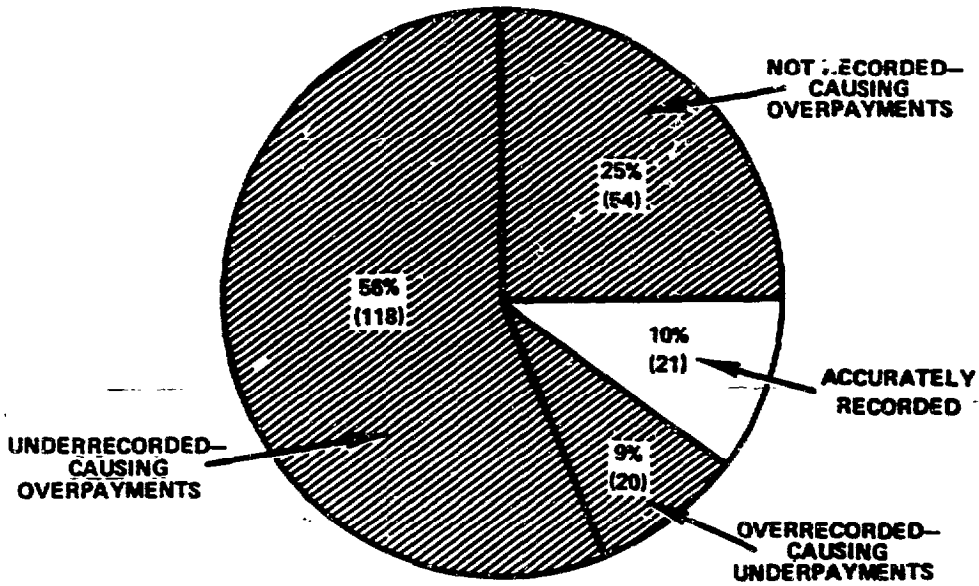
**VETERANS ADMINISTRATION BENEFITS**

(2,849 cases)



**RAILROAD RETIREMENT BOARD BENEFITS**

(213 cases)



 NOT ACCURATELY RECORDED

Veterans Administration benefits

| <u>Category</u> | <u>Error</u>        | <u>Erroneous payments</u> |                       |
|-----------------|---------------------|---------------------------|-----------------------|
|                 | <u>Number</u>       | <u>Overpayments</u>       | <u>Underpayments</u>  |
| Not recorded    | 957                 | \$63,077                  | \$ -                  |
| Underrecorded   | 835                 | 22,269                    | -                     |
| Overrecorded    | <u>161</u>          | <u>-</u>                  | <u>4,894</u>          |
| <b>Total</b>    | <b><u>1,953</u></b> | <b><u>\$85,346</u></b>    | <b><u>\$4,894</u></b> |

Railroad Retirement Board benefits

| <u>Category</u> | <u>Error</u>      | <u>Erroneous payments</u> |                       |
|-----------------|-------------------|---------------------------|-----------------------|
|                 | <u>Number</u>     | <u>Overpayments</u>       | <u>Underpayments</u>  |
| Not recorded    | 54                | \$4,407                   | \$ -                  |
| Underrecorded   | 118               | 4,554                     | -                     |
| Overrecorded    | <u>20</u>         | <u>-</u>                  | <u>1,054</u>          |
| <b>Total</b>    | <b><u>192</u></b> | <b><u>\$8,961</u></b>     | <b><u>\$1,054</u></b> |

Based on the foregoing sample results, we estimate that in January 1976, for the entire program, recipients were overpaid \$4,947,900 and underpaid \$312,100 because SSA used inaccurate VA and RRB benefit amounts in computing SSI payments.

The following tables show this estimate in more detail.

Veterans Administration benefits (note a)

| <u>Category</u> | <u>Error</u>          | <u>Estimated erroneous payments</u> |                         |
|-----------------|-----------------------|-------------------------------------|-------------------------|
|                 | <u>Number</u>         | <u>Overpayments</u>                 | <u>Underpayments</u>    |
| Not recorded    | 50,217                | \$3,309,400                         | \$ -                    |
| Underrecorded   | 43,828                | 1,168,400                           | -                       |
| Overrecorded    | <u>8,465</u>          | <u>-</u>                            | <u>256,800</u>          |
| <b>Total</b>    | <b><u>102,510</u></b> | <b><u>\$4,477,800</u></b>           | <b><u>\$256,800</u></b> |

a/Projected errors and erroneous payments have a statistical reliability of 95 percent subject to a maximum sampling error of plus or minus 1 percent for errors and 7 percent for payments.

Railroad Retirement Board benefits (note a)

| <u>Category</u> | <u>Error Number</u> | <u>Estimated erroneous payments</u> |                      |
|-----------------|---------------------|-------------------------------------|----------------------|
|                 |                     | <u>Overpayments</u>                 | <u>Underpayments</u> |
| Not recorded    | 2,834               | \$231,200                           | \$ -                 |
| Underrecorded   | 6,152               | 238,900                             | -                    |
| Overrecorded    | <u>1,050</u>        | -                                   | <u>55,300</u>        |
| Total           | <u>10,076</u>       | <u>\$470,100</u>                    | <u>\$55,300</u>      |

a/Projected errors and erroneous payments have a statistical reliability of 95 percent subject to a maximum sampling error of plus or minus 1 percent for errors and 2 percent for payments.

Based on our analysis of SSI enrollment and dollar payments, which have been relatively stable, we believe that January 1976 was a typical month. Therefore, we estimate that using inaccurate VA and RRB benefit amounts causes annual overpayments of \$60 million and underpayments of \$4 million.

Other benefits would also result from using correct VA and RRB benefit amounts. For example, when such income is considered, about 35,600 recipients would become ineligible for SSI payments and would be removed from the rolls. This would provide additional reductions in SSA administrative costs and in medical assistance payments under Medicaid. We did not attempt to measure these savings.

SSA EFFORTS TO OBTAIN VA AND RRB BENEFIT AMOUNTS

The Social Security Act, as amended, states that the head of any Federal agency shall provide SSA information needed to determine eligibility for or amount of SSI benefits. Almost 2 years before the program began, SSA recognized the need to obtain accurate benefit data from other Federal agencies to effectively administer the program. In 1973 SSA discussed obtaining benefit data with some Federal agencies, particularly VA. Although discussions were held periodically with VA during 1974 and 1975, progress in obtaining the data was delayed apparently because of other SSI priorities, the complexities of required system modifications, and the concern about confidentiality of disclosing information contained in Government files.

In February 1976 SSA again talked with VA officials about obtaining limited VA benefit data. In March we

advised SSA officials that our preliminary results showed that many erroneous SSI payments were attributable to SSA having no information about recipients' VA benefits. In April SSA requested a meeting with VA to discuss verifying benefit payments for those recipients for whom SSA had VA benefit information.

Later in April we told SSA officials that the results of our review showed that their records contained VA benefit information on only two of every three VA beneficiaries on the SSI rolls. Consequently, in May SSA amended its request to VA to include SSI recipients for whom it had no VA benefit information. In May SSA made a similar request of RRB.

In commenting on our draft report, HEW said that SSA plans to use VA benefit data to correct the October 1976 SSI benefit checks and to adjust benefit checks using RRB benefit data shortly thereafter.

#### CONCLUSIONS

Most of SSA's data on VA and RRB benefits used in calculating SSI payments is inaccurate. We estimate that using accurate benefit information in computing SSI payments would reduce annual overpayments by \$60 million and correct underpayments by \$4 million. Additionally, 35,600 recipients--32,000 VA and 3,600 RRB--would become ineligible and would be removed from the benefit rolls, reducing administrative costs and Medicaid payments.

#### RECOMMENDATIONS

We recommend that the Secretary of Health, Education, and Welfare direct the Commissioner of the Social Security Administration to

- obtain accurate and complete compensation and pension income information on a timely and continuing basis from VA and RRB for computing SSI payments;
- review other Federal benefit payments to SSI recipients, such as Civil Service Commission retirement benefits, to determine the need for and feasibility of obtaining benefit information from other agencies; and
- establish, where appropriate, a system to insure that information on benefits paid to SSI recipients by Federal agencies will be obtained on a timely and continuing basis for future payment computations.

## CHAPTER 3

### AGENCY COMMENTS AND OUR EVALUATION

We presented our draft report to the Department of Health, Education, and Welfare; the Veterans Administration; the Railroad Retirement Board; and the Office of Management and Budget (OMB) for review and comment. (See apps. I to IV.)

HEW agreed with our recommendations and said that it has taken steps to automatically obtain compensation and pension benefit data from VA, the Civil Service Commission (CSC), and RRB. HEW said that the use of the VA data will become effective with the October 1976 Supplemental Security Income payment and CSC and RRB data shortly thereafter. VA and RRB indicated that they had no objection to the report and were cooperating with SSA to insure correct SSI payments.

OMB commented that, although the draft report suggests a data exchange with CSC, it does not specify Federal benefit paying agencies other than VA and RRB where automatic data exchanges can be effectively extended. OMB added that the draft report provides no guidance on the optional frequency of data exchanges giving consideration to the associated administrative costs.

Our preliminary work showed that VA and RRB benefit payments account for about 75 percent of the benefits SSI recipients receive from Federal agencies exclusive of Social Security benefits. Additional work needs to be done to determine how and when SSA should obtain benefit information from other Federal agencies for use in computing SSI payments and this work should include the comparative analysis that OMB suggests. However, since SSA is responsible for managing the SSI program, we believe that it should undertake this task and we have revised our recommendations to clarify our view.

According to HEW, SSA is considering obtaining data from other Federal benefit programs, such as VA Education Assistance, RRB Unemployment and Sickness Insurance, United States Military Retirement, and Black Lung under the Department of Labor. HEW said that automated data exchanges will be developed with other agencies as necessary and feasible.

Automatic exchange of benefit data between agencies requires that the records of the agencies have a common

identifier. VA and RRB estimates that about 15 percent and 17 percent, respectively, of their records do not contain a social security number--the common identifier used by SSA. OMB noted this and commented that the report could usefully discuss possible corrective courses of action. We discussed this matter with SSA officials who advised us that SSA plans to use other common record identifiers such as name, age, and sex for those VA and RRB recipients not identified by a social security number.

OMB also commented that our estimated savings may be understated because removing ineligible recipients from the SSI rolls would also reduce expenditures in the Food Stamp program. Although this may be true, SSI eligibility is not a prerequisite for food stamps. Therefore, individuals may continue to receive food stamps when eligibility for SSI benefits ceases, although perhaps in a different amount.

## CHAPTER 4

### SCOPE

We limited this review to the accuracy of the Veterans Administration and the Railroad Retirement Board benefit data in Supplemental Security Income records because our preliminary work showed that correction would have an immediate and significant impact on eliminating erroneous payments.

We made our review at the SSA Headquarters, Baltimore, Maryland; VA Headquarters, Washington, D.C.; the VA Data Center, Austin, Texas; and the RRB Headquarters, Chicago, Illinois. At each location we interviewed officials and obtained data on the accuracy of benefit amounts used in computing SSI payments. We also reviewed actions and plans by SSA to correct payments caused by inaccurate benefit amounts.

The statistical basis for our findings is a random sample from the SSI master file, consisting of about 2 percent (about 80,000 records) of the 4.3 million SSI enrollees in December 1975. This sample yielded a statistical reliability of 95 percent.

For each of the records sampled, we determined whether the payment computation included the proper VA and RRB benefit amount. Where differences were noted, we used the SSI computer payment module to compute the proper payment. We used assumptions which tended to state our results conservatively. For example, we generally matched SSI records with VA and RRB records that were identified by social security numbers. However, VA and RRB estimated that about 15 percent and 17 percent, respectively, of their records do not contain social security numbers. Therefore, we could not always determine the accuracy of benefit amounts or compute any potential erroneous program payments.



APPENDIX I

APPENDIX I



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D.C. 20201

OFFICE OF THE SECRETARY

SEP 4 1976

Mr. Gregory J. Ahart  
Director, Human Resources  
Division  
United States General  
Accounting Office  
Washington, D.C. 20548

Dear Mr. Ahart:

The Secretary asked that I respond to your request for our comments on your draft report entitled, "Supplemental Security Income Overpayments Can Be Reduced." The enclosed comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

We appreciate the opportunity to comment on this draft report before its publication.

Sincerely yours,

  
John D. Young  
Assistant Secretary, Comptroller

Enclosure

COMMENTS OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE ON THE  
GENERAL ACCOUNTING OFFICE DRAFT REPORT ENTITLED "SUPPLEMENTAL SECURITY  
INCOME OVERPAYMENTS CAN BE REDUCED"

GAO Recommendation

That the Secretary direct the Commissioner of Social Security to:

- obtain accurate and complete compensation and pension income information from the Veterans Administration and the Railroad Retirement Board for use in computing current SSI payments.
- review other Federal benefit payments, such as Civil Service Commission retirement benefits, to determine whether SSI recipients have reported accurate and complete information to SSA, and
- establish a system to help insure that information on benefits paid to SSI recipients by all Federal agencies will be obtained on a continuing basis for use in future payment computations.

Department Comment

We agree with the recommendation. GAO's findings confirm what SSA's own quality assurance studies have already defined as errors in SSI payment originating from inaccurate information regarding other Federal agency benefits. Since the effectuation of the SSI program, SSA has held discussions with certain Federal agencies to obtain correct benefit data through district office inquiry and automated interface. Automated interface with the Veterans Administration (VA) compensation and pension program will become effective with the October 1976 SSI check payments, while automated interfaces with the pension programs of the Railroad Retirement Board (RRB) and the Civil Service Commission (CSC) are anticipated shortly thereafter. The above represent the largest segment of benefit income to SSI recipients.

The VA interface will initially involve SSA's receipt of compensation and pension payment data on all VA beneficiaries, via magnetic tape, and the ultimate update of SSA records for the computation of current SSI payments and the adjustment of prior payments. VA/SSI status will be determined by available data, including social security number and VA claim number. Subsequent interface with the VA will be on a scheduled basis, with the emphasis on recording legislated VA rate changes and verifying current benefit data on new SSI applicants. Interface with RRB and CSC will involve similar activity, if applicable.

SSA is considering interface with other Federal benefit programs, such as VA Education Assistance, RRB Unemployment and Sickness Insurance, United States military retirement, and Black Lung under the Department of Labor. If necessary and feasible, a tape exchange will be developed with the agencies involved.

APPENDIX II

APPENDIX II

UNITED STATES OF AMERICA  
RAILROAD RETIREMENT BOARD  
644 RUSH STREET  
CHICAGO, ILLINOIS 60611

AUG 30 1976

JAMES L. COWEN  
CHAIRMAN  
NEIL P. SPEIRS

Mr. Gregory J. Ahart  
Director, Human Resources Division  
United States General Accounting Office  
Washington, D. C. 20548

Dear Mr. Ahart:

In compliance with your letter of July 28, 1976, we have reviewed the draft of the report "Supplemental Security Income Overpayments Can Be Reduced."

In the fourth paragraph of Chapter 3 dealing with the scope of the review, the statement is made that the Railroad Retirement Board estimated that about 40 percent of their records do not contain a social security number. This is apparently a misunderstanding.

Our master benefit file has social security numbers for 97 percent of the employee records, 90 percent of the spouse records and 60 percent of the survivor records. The statement in the report is true only for the survivor records. On an overall basis, only 17 percent of our records do not contain the individual beneficiary's social security account number. Other than this item, the Board has no objection to the report. [See GAO note below.]

I also want to make you aware of the Board's efforts in assisting the Social Security Administration in securing more accurate railroad retirement benefit data for the Supplementary Security Income Program. Several meetings have been held in the last six months between representatives of our two agencies to discuss ways to improve the exchange of data through automated systems.

In June, an agreement was reached under which the Bureau of Supplementary Security Income will periodically receive the Board's computer records needed to verify entitlement and benefit rate data. The Social Security Administration is now testing the computer systems used to process the data and we expect the new system to be operational within a short time. We also recently implemented an expedited manual data exchange system for use in the Supplementary Security Income Quality Assurance Program.

GAO note: Page 10 has been revised to show the correct percentage of RRB records not containing a Social Security number.



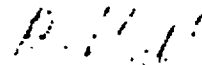
*Keep Freedom in Your Future With U.S. Savings Bonds*

APPENDIX II

APPENDIX II

These measures, and others still under consideration, should help to reduce Supplemental Security Income overpayments made because of erroneous information about railroad retirement payments. The Railroad Retirement Board will continue to cooperate fully in efforts being made to resolve this problem.

Sincerely yours,



FOR THE BOARD  
R. F. Butler, Secretary

APPENDIX III



APPENDIX III

VETERANS ADMINISTRATION  
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS  
WASHINGTON, D.C. 20420  
SEPTEMBER 2 - 1976



Mr. Gregory J. Ahart  
Director, Human Resources Division  
U. S. General Accounting Office  
441 G Street, N. W.  
Washington, D. C. 20548

Dear Mr. Ahart:

We have reviewed your draft report, "Supplemental Security Income Overpayments Can Be Reduced" (HRD-76-159), dated July 28, 1976, and appreciate the opportunity to offer our comments.

Following several meetings with representatives of the General Accounting Office (GAO) and the Social Security Administration's Supplemental Security Income (SSI) program between December 1975 and June 1976, two different test tapes were released to SSI in June 1976. On July 12, 1976, SSI advised that their project to process our tapes was well under way and they would need tapes from our end-of-month August file representing Veterans Administration (VA) payments for September 1. The tapes were forwarded to them on August 24. They intend to process these tapes in order to release due process notices and reduce affected cases on their October 1 checks.

SSI has informally told us that approximately 104,000 VA cases must be audited to determine the validity of SSI payments since January 1, 1974. Detailed information will be needed on an undetermined number of these cases, requiring a review of the claims folder and check microfilm in some instances.

VA and SSI are exploring methods for a continued automated updating of SSI records. Policies and procedures must be developed so SSI can provide us with verified social security account numbers. For instance, there is the problem of identifying VA file numbers for minor and helpless children. The SSI payee file number is ~~not~~ ~~an~~ ~~individual's~~ ~~own~~ social security number and VA master records do not have fields to retain this data for dependents. While these problems are being considered, we will still be able to furnish SSI with complete extracts at the frequency they deem appropriate.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard L. Roudebush".  
RICHARD L. ROUDEBUSH  
Administrator

APPENDIX IV

APPENDIX IV



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

SEP 8 1976

Mr. Gregory J. Ahart  
Director  
Human Resources Division  
General Accounting Office  
Washington, D.C. 20548

Dear Mr. Ahart:

The General Accounting Office draft report, entitled "Supplemental Security Income Overpayments Can Be Reduced," has identified a significant area for improvement in the management of the SSI program within the Department of Health, Education, and Welfare. The draft report suggests (pages 9-10) a corrective course of action for part of the problem, but only tentatively touches on other components of the deficiency and its possible remedies.

The study does not specify other Federal benefit-paying programs for which a tape match-up system could be effectively extended. For example, although the draft report suggests the possibility of a tape match-up with the Civil Service Commission (page 10), it provides no guidance on the optimal frequency of the cross-check, giving consideration to the associated administrative costs. Similarly, the draft report only broadly suggests that other Federal benefit-paying programs should also have their benefit payments matched up without indicating the possible frequency of such activities.

We recognize the magnitude of the savings associated with tape match-ups may be significantly understated: excluding ineligible recipients from the SSI rolls also would reduce expenditures in the Food Stamp program in addition to the savings recognized on page 7.

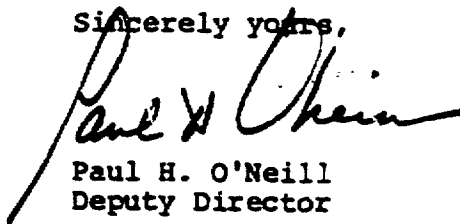
Finally, the draft report refers to but does not document the magnitude of the problem caused by individuals on the rolls of the Veterans Administration and the Railroad Retirement Board who are not presently identified by a social security number. The draft report could usefully discuss possible corrective courses of action for this problem.

APPENDIX IV

APPENDIX IV

We would like to thank the General Accounting Office for the briefing provided to concerned OMB staff on Wednesday, August 18. We have been advised that the Department of Health, Education, and Welfare is taking action to correct the deficiencies which this report addresses. We await the issuance of the revised report on reducing SSI overpayments.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Paul H. O'Neill".

Paul H. O'Neill  
Deputy Director

PRINCIPAL OFFICIALS OF THE DEPARTMENT OF  
HEALTH, EDUCATION, AND WELFARE  
RESPONSIBLE FOR ADMINISTERING  
ACTIVITIES DISCUSSED IN THIS REPORT

|   | <u>Tenure of office</u> |            |
|---|-------------------------|------------|
|   | <u>From</u>             | <u>To</u>  |
| <b>SECRETARY OF HEALTH, EDUCATION,<br/>AND WELFARE:</b> |                         |            |
| David Mathews   | Aug. 1975               | Present    |
| Caspar W. Weinberger                                    | Feb. 1973               | Aug. 1975  |
| Frank C. Carlucci (acting)                              | Jan. 1973               | Feb. 1973  |
| Elliot L. Richardson                                    | June 1970               | Jan. 1973  |
| <b>COMMISSIONER OF SOCIAL SECURITY:</b>                 |                         |            |
| James B. Cardwell                                       | Sept. 1973              | Present    |
| Arthur E. Hess (acting)                                 | Mar. 1973               | Sept. 1973 |
| Robert M. Ball  | Apr. 1962               | Mar. 1973  |