

DOCUMENT RESUME

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[Duplicate Welfare Payments in New York Jurisdictions].
HRD-78-133; B-164031(3). June 21, 1978. 7 pp.

Report to Secretary, Department of Health, Education, and Welfare; by Philip A. Bernstein (for Gregory J. Ahart, Director, Human Resources Div.).

Issue Area: Federally Sponsored or Assisted Income Security Programs: Eligibility Determinations (1307).

Contact: Human Resources Div.

Budget Function: Income Security: Public Assistance and Other Income Supplements (604).

Organization Concerned: Social Security Administration.

Congressional Relevance: House Committee on Ways and Means; Senate Committee on Finance.

Authority: Social Security Act. =5 C.F.R. 232.

Data from the Aid to Families with Dependent Children (AFDC) program rolls in New York City were compared with data from Nassau, Suffolk, and Westchester Counties using social security number (SSNs) as the sole identifier. Computer comparisons were made of these jurisdictions' rolls to determine whether individuals received duplicate payments and, if so, whether the duplicate payments were received from more than one jurisdiction. A number of AFDC recipients' SSNs appeared on more than one jurisdiction's rolls or more than once on the same roll; however, the jurisdictions identified only a limited number of recipients who were receiving duplicate payments. Many recipients' case files had missing or incorrect SSNs; a number of the matches occurred because of incorrect SSNs. There was no standard format for storing recipient information in the agencies' data files. The Secretary of Health, Education, and Welfare should take action to resolve the controversy concerning whether dependent children are required by the Social Security Act to have social security numbers and direct that the Commissioner of Social Security take steps to insure that States obtain SSNs for all adult applicants and recipients. He should also direct the Inspector General to determine the magnitude of missing and incorrect SSNs and their effect on the results of matching efforts and direct the Commissioner of the Social Security Administration to determine the need for and feasibility of standardizing recipient data among jurisdictions.

(RRS)



6784

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HUMAN RESOURCES
DIVISION

IN REPLY
REFER TO:

B-164031(3)

JUNE 21, 1978

The Honorable
The Secretary of Health,
Education, and Welfare

Dear Mr. Secretary:

We recently compared data from the Aid to Families with Dependent Children (AFDC) program rolls in New York City and the New York counties of Nassau, Suffolk, and Westchester. Through computer comparisons, using social security numbers (SSNs) as the sole identifier, we made intra- and interjurisdictional matches of these jurisdictions' rolls to determine whether individuals received duplicate payments and, if so, whether the duplicate payments were received from more than one jurisdiction.

We found that (1) a number of AFDC recipients' SSNs appeared on more than one jurisdiction's rolls or more than once on the same jurisdiction's roll; however, the jurisdictions identified only a limited number of recipients who were receiving duplicate payments, (2) many recipients' case files had missing or incorrect SSNs, and (3) there was no standard format for storing recipient information in the agencies' data files.

We had planned to expand our work to include matches of AFDC rolls with HEW's Supplemental Security Income and the Department of Agriculture's Food Stamp program rolls in several jurisdictions. We had also planned to assess the quality of Federal and State public assistance files to identify needed improvements to facilitate interprogram and interjurisdictional matching so that such matching could effectively serve as a management tool in reducing erroneous welfare payments.

When planning our expanded work we were aware of related work that was being done by the HEW Audit Agency

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(106111)

under "Project Match", a nationwide program to identify employees on the Federal payroll who are improperly receiving AFDC benefits. We met with HEW Audit Agency officials to discuss the objectives and scope of our planned work and of Project Match. It was agreed that explicit differences in scope and geographic coverage between the two efforts insured that they would complement rather than duplicate each other.

Later, HEW Audit Agency officials informed us that the scope of Project Match had been expanded and would accomplish the objectives of our planned work and include all the States we had selected for examination. The officials said that as a part of Project Match they would perform an interprogram match of AFDC rolls with the Supplemental Security Income rolls and the Food Stamp program rolls, barring any legal complications. Accordingly, we decided to terminate our work to avoid duplication of effort. However, our work did yield the following results.

INDICATIONS OF
DUPLICATE PAYMENTS

We compared the SSNs of about 1 million recipients who were on the AFDC rolls of New York City and Nassau, Suffolk, and Westchester Counties. We found that as of March 1977, about 4,000 or 0.40 percent of the recipients had matching SSNs, that is, the same SSN appeared on the rolls of more than one jurisdiction or more than once on the roll of the same jurisdiction. The interjurisdictional matches produced about 850 matching SSNs and the intrajurisdictional matches about 3,140, as shown by the following table.

<u>Jurisdiction</u>	<u>Matches</u>	
	<u>Intra</u>	<u>Inter</u>
New York City	2,697	379
Nassau	6	28
Suffolk	161	251
Westchester	<u>275</u>	<u>190</u>
Total	<u>3,139</u>	<u>848</u>

We did not examine each jurisdiction's files to determine how many of the matches represented duplicate payments, but instead asked three of the agencies to do so and report the results to us.

New York City

According to the city, it matched SSNs of its AFDC recipients for about the same time period as our intrajurisdictional match. Therefore, the city did not review our matches to identify duplicate payments but gave the results of its own matching efforts. As a result of its work, the city either closed or reduced payment in 171 cases with an expected annual savings of about \$438,000.

The city did review our 379 interjurisdictional matches. According to the city, most of the matches were not duplicate payments. Some of them occurred because of incorrect SSNs and administrative overlap, but the city did not report the number of matches that occurred because of these reasons. However, the city did close or reduce payment in four cases that were receiving duplicate payments and reported that 20 cases had received duplicate payments at one time but were closed before its review of our matches.

New York counties

We did not ask Nassau County to report the results of its examination because we reviewed all the cases with matching SSNs with the agency. There were no duplicate payments made for the six matching SSNs we identified through the intrajurisdictional match. However, the county did close two cases as a result of its examination of our 28 interjurisdictional matches.

Suffolk County did not report any duplicate payments for the matching SSNs we identified through the intra- or interjurisdictional matches. The county reported that these matches occurred because (1) SSNs were incorrectly recorded, (2) more than one family member used the same SSN, or (3) the cases were closed.

According to Westchester County, there were no duplicate payments made for the 275 intrajurisdictional matches we found, and the primary reason our matches occurred was because of incorrect SSNs. However, as a result of our interjurisdictional match, four cases involving duplicate payments were identified. The county determined that three cases involved fraud and the fourth case was still under investigation. County officials attributed most of the interjurisdictional matches we found to incorrect recording of SSNs or cases being left open due to administrative error although payments had been terminated.

MISSING SSNS

Section 402(a)(25) of the Social Security Act requires that, as a condition of eligibility under a State's AFDC plan, each applicant for or recipient of aid shall furnish the State agency his/her SSN, and that the agency shall utilize the SSN, in addition to any other means of identification it may determine usable, in the administration of the State plan.

According to Federal regulation 45 C.F.R. 232.10, if the applicant or recipient (including dependent children) does not have an SSN, he/she must apply to the Social Security Administration (SSA) for a number through procedures adopted by the State or local agency. If such procedures are not in effect, the applicant or recipient must apply directly to SSA for a number and must inform the State of the application. The effective date of this Federal requirement was August 1, 1975, for new applicants. The States were to assure that recipients obtained or applied for SSNs no later than the date of their next semiannual redetermination of eligibility.

Our examination of the AFDC rolls in New York City and the counties of Nassau, Suffolk, and Westchester disclosed that as of March 31, 1977, about 18 percent of the jurisdictions' total number of AFDC recipients did not have an SSN, as shown in the following table.

<u>Jurisdiction</u>	<u>Number of recipients</u>	<u>Missing SSNs</u>
New York City	892,705	151,808
Nassau	31,175	2,985
Suffolk	66,089	7,387
Westchester	<u>99,692</u>	<u>30,921</u>
Total	<u>1,089,661</u>	<u>193,101</u>

Since we terminated our work, we did not review case files to determine whether these recipients had applied for SSNs or how many of the recipients without numbers were dependent children.

We understand that even before SSA became responsible for administering the AFDC program in March 1977, it was

working with States to verify AFDC applicants' and recipients' SSNs and to assign new numbers when they were requested. However, according to an SSA official, SSA has not monitored the States activities to see if they are requiring all AFDC applicants and recipients to obtain SSNs. Also, our review of data recently compiled by SSA revealed that many recipients in States other than New York have not obtained SSNs.

Since 1975 at least five suits, all pertaining in part to the SSN requirement, have been filed in U.S. district courts by AFDC recipients. The recipients are challenging HEW's regulations requiring dependent children to obtain SSNs. In all the suits the recipients contend that the regulations are in violation of the constitutional right to privacy of their children and inconsistent with the act, therefore, invalid. In four of the suits, the recipients requested preliminary injunctions prohibiting HEW from denying benefits to their children for not having SSNs. In two cases, the requests were denied, one of which was upheld on appeal. The court granted the request in the third case and no action has been taken on the fourth case. In the fifth case, a request for summary judgment was made by the recipients and granted. However, the ruling was reversed by a court of appeals.

NEED FOR A STANDARD FORMAT

As part of our audit work, we had planned to perform matches on other identifiers such as last names, dates of birth, and addresses. We thought this approach might be especially useful in overcoming the problems of missing SSNs or the use of more than one number by the same recipient. We found, however, that this approach was not practical because of differences in the type and way information was stored in the files of the various jurisdictions. For example, New York City did not record the day on which an individual was born, its file contains only the month and year of birth, while the New York counties recorded the day of birth as well as the month and year. Also, the jurisdictions recorded names and addresses differently.

CONCLUSIONS

Compared to the total number of SSNs we matched, the number of matching SSNs that represented duplicate payments was small. However, as shown by the information reported by New York City, closing or reducing payment in a relatively small number of cases can result in substantial annual savings.

Our match in New York City and adjacent counties did not include all AFDC recipients on the jurisdictions' rolls because about 18 percent, or 193,101, did not have SSNs. Further, the responses from the New York jurisdictions indicate that a number of our matches occurred because of incorrect SSNs.

The absence of such a large number of SSNs and the existence of incorrect SSNs decreases the effectiveness of computerized matching using SSNs as the primary identifier, and could distort any statistical reporting. Also, because all jurisdictions require generally the same basic information about public assistance recipients--SSNs, name, date of birth, and address--it may be feasible for them to maintain the information in a standard format to facilitate using the data to verify eligibility and benefit payments.

RECOMMENDATIONS

We recommend that you (1) take action, through the Congress if necessary, to resolve the controversy concerning whether dependent children are required by the Social Security Act to have SSNs and (2) direct that, in the interim, the Commissioner of SSA take steps to insure that States obtain SSNs for all adult applicants and recipients and record them correctly.

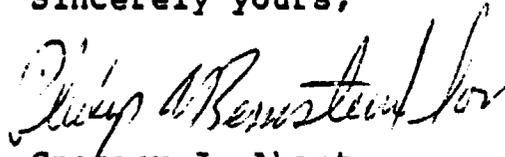
We also recommend that you (1) direct the Inspector General to determine the magnitude of missing and incorrect SSNs and their effect on the results of HEW's matching efforts and (2) direct the Commissioner of SSA to determine the need for and feasibility of standardizing recipient data among jurisdictions to facilitate use of the data to verify eligibility.

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As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this letter to the Chairmen of the Senate Committees on Governmental Affairs and Finance and the House Committees on Governmental Operations, Appropriations, and Ways and Means. We are also sending copies to the Chairmen of the Permanent Subcommittee on Investigations, Senate Committee on Governmental Affairs; Subcommittee on Labor, Health, Education, and Welfare, Senate Committee on Appropriations; Subcommittee on Public Assistance, Senate Committee on Finance; Subcommittee on Public Assistance and Unemployment Compensation, House Committee on Ways and Means; and to the Director, Office of Management and Budget.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Gregory J. Ahart".

Gregory J. Ahart
Director