

In the Senate of the United States,

November 19, 1999.

Resolved, That the bill from the House of Representatives (H.R. 1802) entitled “An Act to amend part E of title IV of the Social Security Act to provide States with more funding and greater flexibility in carrying out programs designed to help children make the transition from foster care to self-sufficiency, and for other purposes.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

2 (a) *SHORT TITLE*.—*This Act may be cited as the “Fos-*
3 *ter Care Independence Act of 1999”.*

4 (b) *TABLE OF CONTENTS*.—*The table of contents of this*
5 *Act is as follows:*

Sec. 1. Short title; table of contents.

TITLE I—IMPROVED INDEPENDENT LIVING PROGRAM

Subtitle A—Improved Independent Living Program

Sec. 101. Improved independent living program.

*Subtitle B—Related Foster Care Provision**Sec. 111. Increase in amount of assets allowable for children in foster care.**Sec. 112. Preparation of foster parents to provide for the needs of children in State care.**Subtitle C—Medicaid Amendments**Sec. 121. State option of Medicaid coverage for adolescents leaving foster care.**Subtitle D—Adoption Incentive Payments**Sec. 131. Increased funding for adoption incentive payments.***TITLE II—SSI FRAUD PREVENTION***Subtitle A—Fraud Prevention and Related Provisions**Sec. 201. Liability of representative payees for overpayments to deceased recipients.**Sec. 202. Recovery of overpayments of SSI benefits from lump sum SSI benefit payments.**Sec. 203. Additional debt collection practices.**Sec. 204. Requirement to provide State prisoner information to Federal and federally assisted benefit programs.**Sec. 205. Treatment of assets held in trust under the SSI program.**Sec. 206. Disposal of resources for less than fair market value under the SSI program.**Sec. 207. Administrative procedure for imposing penalties for false or misleading statements.**Sec. 208. Exclusion of representatives and health care providers convicted of violations from participation in social security programs.**Sec. 209. State data exchanges.**Sec. 210. Study on possible measures to improve fraud prevention and administrative processing.**Sec. 211. Annual report on amounts necessary to combat fraud.**Sec. 212. Computer matches with Medicare and Medicaid institutionalization data.**Sec. 213. Access to information held by financial institutions.**Subtitle B—Benefits For Certain World War II Veterans**Sec. 251. Establishment of program of special benefits for certain World War II veterans.**Subtitle C—Study**Sec. 261. Study of denial of SSI benefits for family farmers.***TITLE III—CHILD SUPPORT***Sec. 301. Narrowing of hold harmless provision for State share of distribution of collected child support.***TITLE IV—TECHNICAL CORRECTIONS***Sec. 401. Technical corrections relating to amendments made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.*

1 **TITLE I—IMPROVED INDE-**
2 **PENDENT LIVING PROGRAM**
3 **Subtitle A—Improved Independent**
4 **Living Program**

5 **SEC. 101. IMPROVED INDEPENDENT LIVING PROGRAM.**

6 (a) *FINDINGS.—The Congress finds the following:*

7 (1) *States are required to make reasonable efforts*
8 *to find adoptive families for all children, including*
9 *older children, for whom reunification with their bio-*
10 *logical family is not in the best interests of the child.*
11 *However, some older children will continue to live in*
12 *foster care. These children should be enrolled in an*
13 *Independent Living program designed and conducted*
14 *by State and local government to help prepare them*
15 *for employment, postsecondary education, and suc-*
16 *cessful management of adult responsibilities.*

17 (2) *Older children who continue to be in foster*
18 *care as adolescents may become eligible for Inde-*
19 *pendent Living programs. These Independent Living*
20 *programs are not an alternative to adoption for these*
21 *children. Enrollment in Independent Living pro-*
22 *grams can occur concurrent with continued efforts to*
23 *locate and achieve placement in adoptive families for*
24 *older children in foster care.*

1 (3) *About 20,000 adolescents leave the Nation's*
2 *foster care system each year because they have reached*
3 *18 years of age and are expected to support them-*
4 *selves.*

5 (4) *Congress has received extensive information*
6 *that adolescents leaving foster care have significant*
7 *difficulty making a successful transition to adulthood;*
8 *this information shows that children aging out of fos-*
9 *ter care show high rates of homelessness, non-marital*
10 *childbearing, poverty, and delinquent or criminal be-*
11 *havior; they are also frequently the target of crime*
12 *and physical assaults.*

13 (5) *The Nation's State and local governments,*
14 *with financial support from the Federal Government,*
15 *should offer an extensive program of education, train-*
16 *ing, employment, and financial support for young*
17 *adults leaving foster care, with participation in such*
18 *program beginning several years before high school*
19 *graduation and continuing, as needed, until the*
20 *young adults emancipated from foster care establish*
21 *independence or reach 21 years of age.*

22 (b) *IMPROVED INDEPENDENT LIVING PROGRAM.—Sec-*
23 *tion 477 of the Social Security Act (42 U.S.C. 677) is*
24 *amended to read as follows:*

1 **“SEC. 477. JOHN H. CHAFEE FOSTER CARE INDEPENDENCE**
2 **PROGRAM.**

3 “(a) *PURPOSE.*—*The purpose of this section is to pro-*
4 *vide States with flexible funding that will enable programs*
5 *to be designed and conducted—*

6 “(1) *to identify children who are likely to re-*
7 *main in foster care until 18 years of age and to help*
8 *these children make the transition to self-sufficiency*
9 *by providing services such as assistance in obtaining*
10 *a high school diploma, career exploration, vocational*
11 *training, job placement and retention, training in*
12 *daily living skills, training in budgeting and finan-*
13 *cial management skills, substance abuse prevention,*
14 *and preventive health activities (including smoking*
15 *avoidance, nutrition education, and pregnancy pre-*
16 *vention);*

17 “(2) *to help children who are likely to remain in*
18 *foster care until 18 years of age receive the education,*
19 *training, and services necessary to obtain employ-*
20 *ment;*

21 “(3) *to help children who are likely to remain in*
22 *foster care until 18 years of age prepare for and enter*
23 *postsecondary training and education institutions;*

24 “(4) *to provide personal and emotional support*
25 *to children aging out of foster care, through mentors*

1 *and the promotion of interactions with dedicated*
2 *adults; and*

3 “(5) to provide financial, housing, counseling,
4 *employment, education, and other appropriate sup-*
5 *port and services to former foster care recipients be-*
6 *tween 18 and 21 years of age to complement their*
7 *own efforts to achieve self-sufficiency and to assure*
8 *that program participants recognize and accept their*
9 *personal responsibility for preparing for and then*
10 *making the transition from adolescence to adulthood.*

11 “(b) *APPLICATIONS.—*

12 “(1) *IN GENERAL.—A State may apply for funds*
13 *from its allotment under subsection (c) for a period*
14 *of five consecutive fiscal years by submitting to the*
15 *Secretary, in writing, a plan that meets the require-*
16 *ments of paragraph (2) and the certifications re-*
17 *quired by paragraph (3) with respect to the plan.*

18 “(2) *STATE PLAN.—A plan meets the require-*
19 *ments of this paragraph if the plan specifies which*
20 *State agency or agencies will administer, supervise,*
21 *or oversee the programs carried out under the plan,*
22 *and describes how the State intends to do the fol-*
23 *lowing:*

24 “(A) *Design and deliver programs to*
25 *achieve the purposes of this section.*

1 “(B) *Ensure that all political subdivisions*
2 *in the State are served by the program, though*
3 *not necessarily in a uniform manner.*

4 “(C) *Ensure that the programs serve chil-*
5 *dren of various ages and at various stages of*
6 *achieving independence.*

7 “(D) *Involve the public and private sectors*
8 *in helping adolescents in foster care achieve*
9 *independence.*

10 “(E) *Use objective criteria for determining*
11 *eligibility for benefits and services under the pro-*
12 *grams, and for ensuring fair and equitable treat-*
13 *ment of benefit recipients.*

14 “(F) *Cooperate in national evaluations of*
15 *the effects of the programs in achieving the pur-*
16 *poses of this section.*

17 “(3) *CERTIFICATIONS.—The certifications re-*
18 *quired by this paragraph with respect to a plan are*
19 *the following:*

20 “(A) *A certification by the chief executive*
21 *officer of the State that the State will provide as-*
22 *sistance and services to children who have left*
23 *foster care because they have attained 18 years*
24 *of age, and who have not attained 21 years of*
25 *age.*

1 “(B) A certification by the chief executive
2 officer of the State that not more than 30 percent
3 of the amounts paid to the State from its allot-
4 ment under subsection (c) for a fiscal year will
5 be expended for room or board for children who
6 have left foster care because they have attained
7 18 years of age, and who have not attained 21
8 years of age.

9 “(C) A certification by the chief executive
10 officer of the State that none of the amounts paid
11 to the State from its allotment under subsection
12 (c) will be expended for room or board for any
13 child who has not attained 18 years of age.

14 “(D) A certification by the chief executive
15 officer of the State that the State will use train-
16 ing funds provided under the program of Federal
17 payments for foster care and adoption assistance
18 to provide training to help foster parents, adop-
19 tive parents, workers in group homes, and case
20 managers understand and address the issues con-
21 fronting adolescents preparing for independent
22 living, and will, to the extent possible, coordinate
23 such training with the independent living pro-
24 gram conducted for adolescents.

1 “(E) A certification by the chief executive
2 officer of the State that the State has consulted
3 widely with public and private organizations in
4 developing the plan and that the State has given
5 all interested members of the public at least 30
6 days to submit comments on the plan.

7 “(F) A certification by the chief executive
8 officer of the State that the State will make every
9 effort to coordinate the State programs receiving
10 funds provided from an allotment made to the
11 State under subsection (c) with other Federal
12 and State programs for youth (especially transi-
13 tional living youth projects funded under part B
14 of title III of the Juvenile Justice and Delin-
15 quency Prevention Act of 1974), abstinence edu-
16 cation programs, local housing programs, pro-
17 grams for disabled youth (especially sheltered
18 workshops), and school-to-work programs offered
19 by high schools or local workforce agencies.

20 “(G) A certification by the chief executive
21 officer of the State that each Indian tribe in the
22 State has been consulted about the programs to
23 be carried out under the plan; that there have
24 been efforts to coordinate the programs with such
25 tribes; and that benefits and services under the

1 *programs will be made available to Indian chil-*
2 *dren in the State on the same basis as to other*
3 *children in the State.*

4 *“(H) A certification by the chief executive*
5 *officer of the State that the State will ensure that*
6 *adolescents participating in the program under*
7 *this section participate directly in designing*
8 *their own program activities that prepare them*
9 *for independent living and that the adolescents*
10 *accept personal responsibility for living up to*
11 *their part of the program.*

12 *“(I) A certification by the chief executive of-*
13 *ficer of the State that the State has established*
14 *and will enforce standards and procedures to*
15 *prevent fraud and abuse in the programs carried*
16 *out under the plan.*

17 *“(4) APPROVAL.—The Secretary shall approve*
18 *an application submitted by a State pursuant to*
19 *paragraph (1) for a period if—*

20 *“(A) the application is submitted on or be-*
21 *fore June 30 of the calendar year in which such*
22 *period begins; and*

23 *“(B) the Secretary finds that the applica-*
24 *tion contains the material required by para-*
25 *graph (1).*

1 “(5) *AUTHORITY TO IMPLEMENT CERTAIN*
2 *AMENDMENTS; NOTIFICATION.*—*A State with an ap-*
3 *plication approved under paragraph (4) may imple-*
4 *ment any amendment to the plan contained in the*
5 *application if the application, incorporating the*
6 *amendment, would be approvable under paragraph*
7 *(4). Within 30 days after a State implements any*
8 *such amendment, the State shall notify the Secretary*
9 *of the amendment.*

10 “(6) *AVAILABILITY.*—*The State shall make avail-*
11 *able to the public any application submitted by the*
12 *State pursuant to paragraph (1), and a brief sum-*
13 *mary of the plan contained in the application.*

14 “(c) *ALLOTMENTS TO STATES.*—

15 “(1) *IN GENERAL.*—*From the amount specified*
16 *in subsection (h) that remains after applying sub-*
17 *section (g)(2) for a fiscal year, the Secretary shall*
18 *allot to each State with an application approved*
19 *under subsection (b) for the fiscal year the amount*
20 *which bears the same ratio to such remaining amount*
21 *as the number of children in foster care under a pro-*
22 *gram of the State in the most recent fiscal year for*
23 *which such information is available bears to the total*
24 *number of children in foster care in all States for*

1 *such most recent fiscal year, as adjusted in accord-*
2 *ance with paragraph (2).*

3 *“(2) HOLD HARMLESS PROVISION.—*

4 *“(A) IN GENERAL.—The Secretary shall*
5 *allot to each State whose allotment for a fiscal*
6 *year under paragraph (1) is less than the greater*
7 *of \$500,000 or the amount payable to the State*
8 *under this section for fiscal year 1998, an addi-*
9 *tional amount equal to the difference between*
10 *such allotment and such greater amount.*

11 *“(B) RATABLE REDUCTION OF CERTAIN AL-*
12 *LOTMENTS.—In the case of a State not described*
13 *in subparagraph (A) of this paragraph for a fis-*
14 *cal year, the Secretary shall reduce the amount*
15 *allotted to the State for the fiscal year under*
16 *paragraph (1) by the amount that bears the*
17 *same ratio to the sum of the differences deter-*
18 *mined under subparagraph (A) of this para-*
19 *graph for the fiscal year as the excess of the*
20 *amount so allotted over the greater of \$500,000*
21 *or the amount payable to the State under this*
22 *section for fiscal year 1998 bears to the sum of*
23 *such excess amounts determined for all such*
24 *States.*

25 *“(d) USE OF FUNDS.—*

1 “(1) *IN GENERAL.*—A State to which an amount
2 is paid from its allotment under subsection (c) may
3 use the amount in any manner that is reasonably cal-
4 culated to accomplish the purposes of this section.

5 “(2) *NO SUPPLANTATION OF OTHER FUNDS*
6 *AVAILABLE FOR SAME GENERAL PURPOSES.*—The
7 amounts paid to a State from its allotment under
8 subsection (c) shall be used to supplement and not
9 supplant any other funds which are available for the
10 same general purposes in the State.

11 “(3) *TWO-YEAR AVAILABILITY OF FUNDS.*—Pay-
12 ments made to a State under this section for a fiscal
13 year shall be expended by the State in the fiscal year
14 or in the succeeding fiscal year.

15 “(e) *PENALTIES.*—

16 “(1) *USE OF GRANT IN VIOLATION OF THIS*
17 *PART.*—If the Secretary is made aware, by an audit
18 conducted under chapter 75 of title 31, United States
19 Code, or by any other means, that a program receiv-
20 ing funds from an allotment made to a State under
21 subsection (c) has been operated in a manner that is
22 inconsistent with, or not disclosed in the State appli-
23 cation approved under subsection (b), the Secretary
24 shall assess a penalty against the State in an amount

1 *equal to not less than 1 percent and not more than*
2 *5 percent of the amount of the allotment.*

3 “(2) *FAILURE TO COMPLY WITH DATA REPORT-*
4 *ING REQUIREMENT.—The Secretary shall assess a*
5 *penalty against a State that fails during a fiscal year*
6 *to comply with an information collection plan imple-*
7 *mented under subsection (f) in an amount equal to*
8 *not less than 1 percent and not more than 5 percent*
9 *of the amount allotted to the State for the fiscal year.*

10 “(3) *PENALTIES BASED ON DEGREE OF NON-*
11 *COMPLIANCE.—The Secretary shall assess penalties*
12 *under this subsection based on the degree of non-*
13 *compliance.*

14 “(f) *DATA COLLECTION AND PERFORMANCE MEASURE-*
15 *MENT.—*

16 “(1) *IN GENERAL.—The Secretary, in consulta-*
17 *tion with State and local public officials responsible*
18 *for administering independent living and other child*
19 *welfare programs, child welfare advocates, members of*
20 *Congress, youth service providers, and researchers,*
21 *shall—*

22 “(A) *develop outcome measures (including*
23 *measures of educational attainment, high school*
24 *diploma, employment, avoidance of dependency,*
25 *homelessness, nonmarital childbirth, incarcer-*

1 *ation, and high-risk behaviors) that can be used*
2 *to assess the performance of States in operating*
3 *independent living programs;*

4 *“(B) identify data elements needed to*
5 *track—*

6 *“(i) the number and characteristics of*
7 *children receiving services under this sec-*
8 *tion;*

9 *“(ii) the type and quantity of services*
10 *being provided; and*

11 *“(iii) State performance on the out-*
12 *come measures; and*

13 *“(C) develop and implement a plan to col-*
14 *lect the needed information beginning with the*
15 *second fiscal year beginning after the date of the*
16 *enactment of this section.*

17 *“(2) REPORT TO THE CONGRESS.—Within 12*
18 *months after the date of the enactment of this section,*
19 *the Secretary shall submit to the Committee on Ways*
20 *and Means of the House of Representatives and the*
21 *Committee on Finance of the Senate a report detail-*
22 *ing the plans and timetable for collecting from the*
23 *States the information described in paragraph (1)*
24 *and a proposal to impose penalties consistent with*
25 *paragraph (e)(2) on States that do not report data.*

1 “(g) *EVALUATIONS.*—

2 “(1) *IN GENERAL.*—*The Secretary shall conduct*
3 *evaluations of such State programs funded under this*
4 *section as the Secretary deems to be innovative or of*
5 *potential national significance. The evaluation of any*
6 *such program shall include information on the effects*
7 *of the program on education, employment, and per-*
8 *sonal development. To the maximum extent prac-*
9 *ticable, the evaluations shall be based on rigorous sci-*
10 *entific standards including random assignment to*
11 *treatment and control groups. The Secretary is en-*
12 *couraged to work directly with State and local gov-*
13 *ernments to design methods for conducting the evalua-*
14 *tions, directly or by grant, contract, or cooperative*
15 *agreement.*

16 “(2) *FUNDING OF EVALUATIONS.*—*The Secretary*
17 *shall reserve 1.5 percent of the amount specified in*
18 *subsection (h) for a fiscal year to carry out, during*
19 *the fiscal year, evaluation, technical assistance, per-*
20 *formance measurement, and data collection activities*
21 *related to this section, directly or through grants, con-*
22 *tracts, or cooperative agreements with appropriate en-*
23 *tities.*

24 “(h) *LIMITATIONS ON AUTHORIZATION OF APPROPRIA-*
25 *TIONS.*—*To carry out this section and for payments to*

1 *States under section 474(a)(4), there are authorized to be*
2 *appropriated to the Secretary \$140,000,000 for each fiscal*
3 *year.”.*

4 *(c) PAYMENTS TO STATES.—Section 474(a)(4) of such*
5 *Act (42 U.S.C. 674(a)(4)) is amended to read as follows:*

6 *“(4) the lesser of—*

7 *“(A) 80 percent of the amount (if any) by*
8 *which—*

9 *“(i) the total amount expended by the*
10 *State during the fiscal year in which the*
11 *quarter occurs to carry out programs in ac-*
12 *cordance with the State application ap-*
13 *proved under section 477(b) for the period*
14 *in which the quarter occurs (including any*
15 *amendment that meets the requirements of*
16 *section 477(b)(5)); exceeds*

17 *“(ii) the total amount of any penalties*
18 *assessed against the State under section*
19 *477(e) during the fiscal year in which the*
20 *quarter occurs; or*

21 *“(B) the amount allotted to the State under*
22 *section 477 for the fiscal year in which the quar-*
23 *ter occurs, reduced by the total of the amounts*
24 *payable to the State under this paragraph for all*
25 *prior quarters in the fiscal year.”.*

1 (d) *REGULATIONS.*—Not later than 12 months after the
 2 date of the enactment of this Act, the Secretary of Health
 3 and Human Services shall issue such regulations as may
 4 be necessary to carry out the amendments made by this sec-
 5 tion.

6 (e) *SENSE OF THE CONGRESS.*—It is the sense of the
 7 Congress that States should provide medical assistance
 8 under the State plan approved under title XIX of the Social
 9 Security Act to 18-, 19-, and 20-year-olds who have been
 10 emancipated from foster care.

11 ***Subtitle B—Related Foster Care*** 12 ***Provision***

13 ***SEC. 111. INCREASE IN AMOUNT OF ASSETS ALLOWABLE*** 14 ***FOR CHILDREN IN FOSTER CARE.***

15 Section 472(a) of the Social Security Act (42 U.S.C.
 16 672(a)) is amended by adding at the end the following: “In
 17 determining whether a child would have received aid under
 18 a State plan approved under section 402 (as in effect on
 19 July 16, 1996), a child whose resources (determined pursu-
 20 ant to section 402(a)(7)(B), as so in effect) have a combined
 21 value of not more than \$10,000 shall be considered to be
 22 a child whose resources have a combined value of not more
 23 than \$1,000 (or such lower amount as the State may deter-
 24 mine for purposes of such section 402(a)(7)(B)).”.

1 **SEC. 112. PREPARATION OF FOSTER PARENTS TO PROVIDE**
 2 **FOR THE NEEDS OF CHILDREN IN STATE**
 3 **CARE.**

4 (a) *STATE PLAN REQUIREMENT.*—Section 471(a) of
 5 the Social Security Act (42 U.S.C. 671(a)) is amended—

6 (1) by striking “and” at the end of paragraph
 7 (22);

8 (2) by striking the period at the end of para-
 9 graph (23) and inserting “; and”; and

10 (3) by adding at the end the following:

11 “(24) include a certification that, before a child
 12 in foster care under the responsibility of the State is
 13 placed with prospective foster parents, the prospective
 14 foster parents will be prepared adequately with the
 15 appropriate knowledge and skills to provide for the
 16 needs of the child, and that such preparation will be
 17 continued, as necessary, after the placement of the
 18 child.”.

19 (b) *EFFECTIVE DATE.*—The amendments made by sub-
 20 section (a) shall take effect on October 1, 1999.

21 ***Subtitle C—Medicaid Amendments***

22 **SEC. 121. STATE OPTION OF MEDICAID COVERAGE FOR**
 23 **ADOLESCENTS LEAVING FOSTER CARE.**

24 (a) *IN GENERAL.*—Subject to subsection (c), title XIX
 25 of the Social Security Act is amended—

1 (1) in section 1902(a)(10)(A)(ii) (42 U.S.C.
2 1396a(a)(10)(A)(ii))—

3 (A) by striking “or” at the end of subclause
4 (XIII);

5 (B) by adding “or” at the end of subclause
6 (XIV); and

7 (C) by adding at the end the following new sub-
8 clause:

9 “(XV) who are independent foster
10 care adolescents (as defined in (section
11 1905(v)(1)), or who are within any
12 reasonable categories of such adoles-
13 cents specified by the State;”;

14 (2) by adding at the end of section 1905 (42
15 U.S.C. 1396d) the following new subsection:

16 “(v)(1) For purposes of this title, the term ‘inde-
17 pendent foster care adolescent’ means an individual—

18 “(A) who is under 21 years of age;

19 “(B) who, on the individual’s 18th birthday, was
20 in foster care under the responsibility of a State; and

21 “(C) whose assets, resources, and income do not
22 exceed such levels (if any) as the State may establish
23 consistent with paragraph (2).

1 “(2) *The levels established by a State under paragraph*
 2 *(1)(C) may not be less than the corresponding levels applied*
 3 *by the State under section 1931(b).*

4 “(3) *A State may limit the eligibility of independent*
 5 *foster care adolescents under section 1902(a)(10)(A)(ii)(XV)*
 6 *to those individuals with respect to whom foster care main-*
 7 *tenance payments or independent living services were fur-*
 8 *nished under a program funded under part E of title IV*
 9 *before the date the individuals attained 18 years of age.”.*

10 **(b) EFFECTIVE DATE.**—*The amendments made by sub-*
 11 *section (a) apply to medical assistance for items and serv-*
 12 *ices furnished on or after October 1, 1999.*

13 **(c) CONTINGENCY IN ENACTMENT.**—*If the Ticket to*
 14 *Work and Work Incentives Improvement Act of 1999 is en-*
 15 *acted (whether before, on, or after the date of the enactment*
 16 *of this Act)—*

17 *(1) the amendments made by that Act shall be*
 18 *executed as if this Act had been enacted after the en-*
 19 *actment of such other Act;*

20 *(2) with respect to subsection (a)(1)(A) of this*
 21 *section, any reference to subclause (XIII) is deemed a*
 22 *reference to subclause (XV);*

23 *(3) with respect to subsection (a)(1)(B) of this*
 24 *section, any reference to subclause (XIV) is deemed a*
 25 *reference to subclause (XVI);*

1 (4) the subclause (XV) added by subsection
2 (a)(1)(C) of this section—

3 (A) is redesignated as subclause (XVII); and
4 (B) is amended by striking “section
5 1905(v)(1)” and inserting “section 1905(w)(1”;
6 and

7 (5) the subsection (v) added by subsection (a)(2)
8 of this section—

9 (A) is redesignated as subsection (w); and
10 (B) is amended by striking
11 “1902(a)(10)(A)(ii)(XV)” and inserting
12 “1902(a)(10)(A)(ii)(XVII)”.

13 ***Subtitle D—Adoption Incentive*** 14 ***Payments***

15 ***SEC. 131. INCREASED FUNDING FOR ADOPTION INCENTIVE*** 16 ***PAYMENTS.***

17 (a) *SUPPLEMENTAL GRANTS.*—Section 473A of the So-
18 cial Security Act (42 U.S.C. 673b) is amended by adding
19 at the end the following:

20 “(j) *SUPPLEMENTAL GRANTS.*—

21 “(1) *IN GENERAL.*—Subject to the availability of
22 such amounts as may be provided in advance in ap-
23 propriations Acts, in addition to any amount other-
24 wise payable under this section to any State that is
25 an incentive-eligible State for fiscal year 1998, the

1 *Secretary shall make a grant to the State in an*
2 *amount equal to the lesser of—*

3 *“(A) the amount by which—*

4 *“(i) the amount that would have been*
5 *payable to the State under this section dur-*
6 *ing fiscal year 1999 (on the basis of adop-*
7 *tions in fiscal year 1998) in the absence of*
8 *subsection (d)(2) if sufficient funds had been*
9 *available for the payment; exceeds*

10 *“(ii) the amount that, before the enact-*
11 *ment of this subsection, was payable to the*
12 *State under this section during fiscal year*
13 *1999 (on such basis); or*

14 *“(B) the amount that bears the same ratio*
15 *to the dollar amount specified in paragraph (2)*
16 *as the amount described by subparagraph (A) for*
17 *the State bears to the aggregate of the amounts*
18 *described by subparagraph (A) for all States that*
19 *are incentive-eligible States for fiscal year 1998.*

20 *“(2) FUNDING.—\$23,000,000 of the amounts ap-*
21 *propriated under subsection (h)(1) for fiscal year*
22 *2000 may be used for grants under paragraph (1) of*
23 *this subsection.”.*

1 (b) *LIMITATION ON AUTHORIZATION OF APPROPRIA-*
 2 *TIONS.—Section 473A(h)(1) of the Social Security Act (42*
 3 *U.S.C. 673b(h)(1)) is amended to read as follows:*

4 “(1) *IN GENERAL.—For grants under subsection*
 5 *(a), there are authorized to be appropriated to the*
 6 *Secretary—*

7 “(A) \$20,000,000 for fiscal year 1999;

8 “(B) \$43,000,000 for fiscal year 2000; and

9 “(C) \$20,000,000 for each of fiscal years
 10 2001 through 2003.”.

11 ***TITLE II—SSI FRAUD***
 12 ***PREVENTION***

13 ***Subtitle A—Fraud Prevention and***
 14 ***Related Provisions***

15 ***SEC. 201. LIABILITY OF REPRESENTATIVE PAYEES FOR***
 16 ***OVERPAYMENTS TO DECEASED RECIPIENTS.***

17 (a) *AMENDMENT TO TITLE II.—Section 204(a)(2) of*
 18 *the Social Security Act (42 U.S.C. 404(a)(2)) is amended*
 19 *by adding at the end the following new sentence: “If any*
 20 *payment of more than the correct amount is made to a rep-*
 21 *resentative payee on behalf of an individual after the indi-*
 22 *vidual’s death, the representative payee shall be liable for*
 23 *the repayment of the overpayment, and the Commissioner*
 24 *of Social Security shall establish an overpayment control*

1 *record under the social security account number of the rep-*
 2 *resentative payee.”.*

3 *(b) AMENDMENT TO TITLE XVI.—Section 1631(b)(2)*
 4 *of such Act (42 U.S.C. 1383(b)(2)) is amended by adding*
 5 *at the end the following new sentence: “If any payment of*
 6 *more than the correct amount is made to a representative*
 7 *payee on behalf of an individual after the individual’s*
 8 *death, the representative payee shall be liable for the repay-*
 9 *ment of the overpayment, and the Commissioner of Social*
 10 *Security shall establish an overpayment control record*
 11 *under the social security account number of the representa-*
 12 *tive payee.”.*

13 *(c) EFFECTIVE DATE.—The amendments made by this*
 14 *section shall apply to overpayments made 12 months or*
 15 *more after the date of the enactment of this Act.*

16 **SEC. 202. RECOVERY OF OVERPAYMENTS OF SSI BENEFITS**
 17 **FROM LUMP SUM SSI BENEFIT PAYMENTS.**

18 *(a) IN GENERAL.—Section 1631(b)(1)(B)(ii) of the So-*
 19 *cial Security Act (42 U.S.C. 1383(b)(1)(B)(ii)) is*
 20 *amended—*

21 *(1) by inserting “monthly” before “benefit pay-*
 22 *ments”; and*

23 *(2) by inserting “and in the case of an indi-*
 24 *vidual or eligible spouse to whom a lump sum is pay-*
 25 *able under this title (including under section 1616(a)*

1 of this Act or under an agreement entered into under
 2 section 212(a) of Public Law 93–66) shall, as at least
 3 one means of recovering such overpayment, make the
 4 adjustment or recovery from the lump sum payment
 5 in an amount equal to not less than the lesser of the
 6 amount of the overpayment or 50 percent of the lump
 7 sum payment,” before “unless fraud”.

8 (b) *EFFECTIVE DATE.*—The amendments made by this
 9 section shall take effect 12 months after the date of the en-
 10 actment of this Act and shall apply to amounts incorrectly
 11 paid which remain outstanding on or after such date.

12 **SEC. 203. ADDITIONAL DEBT COLLECTION PRACTICES.**

13 (a) *IN GENERAL.*—Section 1631(b) of the Social Secu-
 14 rity Act (42 U.S.C. 1383(b)) is amended—

15 (1) by redesignating paragraphs (4) and (5) as
 16 paragraphs (5) and (6), respectively; and

17 (2) by inserting after paragraph (3) the fol-
 18 lowing:

19 “(4)(A) With respect to any delinquent amount, the
 20 Commissioner of Social Security may use the collection
 21 practices described in sections 3711(f), 3716, 3717, and
 22 3718 of title 31, United States Code, and in section 5514
 23 of title 5, United States Code, all as in effect immediately
 24 after the enactment of the Debt Collection Improvement Act
 25 of 1996.

1 “(B) For purposes of subparagraph (A), the term ‘de-
2 linquent amount’ means an amount—

3 “(i) in excess of the correct amount of payment
4 under this title;

5 “(ii) paid to a person after such person has at-
6 tained 18 years of age; and

7 “(iii) determined by the Commissioner of Social
8 Security, under regulations, to be otherwise unre-
9 coverable under this section after such person ceases
10 to be a beneficiary under this title.”.

11 (b) *CONFORMING AMENDMENTS.*—Section 3701(d)(2)
12 of title 31, United States Code, is amended by striking “sec-
13 tion 204(f)” and inserting “sections 204(f) and 1631(b)(4)”.

14 (c) *TECHNICAL AMENDMENTS.*—Section 204(f) of the
15 Social Security Act (42 U.S.C. 404(f)) is amended—

16 (1) by striking “3711(e)” and inserting
17 “3711(f)”; and

18 (2) by inserting “all” before “as in effect”.

19 (d) *EFFECTIVE DATE.*—The amendments made by this
20 section shall apply to debt outstanding on or after the date
21 of the enactment of this Act.

1 **SEC. 204. REQUIREMENT TO PROVIDE STATE PRISONER IN-**
 2 **FORMATION TO FEDERAL AND FEDERALLY**
 3 **ASSISTED BENEFIT PROGRAMS.**

4 *Section 1611(e)(1)(I)(ii)(II) of the Social Security Act*
 5 *(42 U.S.C. 1382(e)(1)(I)(ii)(II)) is amended by striking “is*
 6 *authorized to” and inserting “shall”.*

7 **SEC. 205. TREATMENT OF ASSETS HELD IN TRUST UNDER**
 8 **THE SSI PROGRAM.**

9 *(a) TREATMENT AS RESOURCE.—Section 1613 of the*
 10 *Social Security Act (42 U.S.C. 1382b) is amended by add-*
 11 *ing at the end the following:*

12 *“Trusts*

13 *“(e)(1) In determining the resources of an individual,*
 14 *paragraph (3) shall apply to a trust (other than a trust*
 15 *described in paragraph (5)) established by the individual.*

16 *“(2)(A) For purposes of this subsection, an individual*
 17 *shall be considered to have established a trust if any assets*
 18 *of the individual (or of the individual’s spouse) are trans-*
 19 *ferred to the trust other than by will.*

20 *“(B) In the case of an irrevocable trust to which are*
 21 *transferred the assets of an individual (or of the individ-*
 22 *ual’s spouse) and the assets of any other person, this sub-*
 23 *section shall apply to the portion of the trust attributable*
 24 *to the assets of the individual (or of the individual’s spouse).*

25 *“(C) This subsection shall apply to a trust without re-*
 26 *gard to—*

1 “(i) the purposes for which the trust is estab-
2 lished;

3 “(ii) whether the trustees have or exercise any
4 discretion under the trust;

5 “(iii) any restrictions on when or whether dis-
6 tributions may be made from the trust; or

7 “(iv) any restrictions on the use of distributions
8 from the trust.

9 “(3)(A) In the case of a revocable trust established by
10 an individual, the corpus of the trust shall be considered
11 a resource available to the individual.

12 “(B) In the case of an irrevocable trust established by
13 an individual, if there are any circumstances under which
14 payment from the trust could be made to or for the benefit
15 of the individual or the individual’s spouse, the portion of
16 the corpus from which payment to or for the benefit of the
17 individual or the individual’s spouse could be made shall
18 be considered a resource available to the individual.

19 “(4) The Commissioner of Social Security may waive
20 the application of this subsection with respect to an indi-
21 vidual if the Commissioner determines that such applica-
22 tion would work an undue hardship (as determined on the
23 basis of criteria established by the Commissioner) on the
24 individual.

1 “(5) *This subsection shall not apply to a trust de-*
 2 *scribed in subparagraph (A) or (C) of section 1917(d)(4).*

3 “(6) *For purposes of this subsection—*

4 “(A) *the term ‘trust’ includes any legal instru-*
 5 *ment or device that is similar to a trust;*

6 “(B) *the term ‘corpus’ means, with respect to a*
 7 *trust, all property and other interests held by the*
 8 *trust, including accumulated earnings and any other*
 9 *addition to the trust after its establishment (except*
 10 *that such term does not include any such earnings or*
 11 *addition in the month in which the earnings or addi-*
 12 *tion is credited or otherwise transferred to the trust);*
 13 *and*

14 “(C) *the term ‘asset’ includes any income or re-*
 15 *source of the individual or of the individual’s spouse,*
 16 *including—*

17 “(i) *any income excluded by section*
 18 *1612(b);*

19 “(ii) *any resource otherwise excluded by*
 20 *this section; and*

21 “(iii) *any other payment or property to*
 22 *which the individual or the individual’s spouse*
 23 *is entitled but does not receive or have access to*
 24 *because of action by—*

25 “(I) *the individual or spouse;*

1 “(II) a person or entity (including a
 2 court) with legal authority to act in place
 3 of, or on behalf of, the individual or spouse;
 4 or

5 “(III) a person or entity (including a
 6 court) acting at the direction of, or on the
 7 request of, the individual or spouse.”.

8 (b) *TREATMENT AS INCOME*.—Section 1612(a)(2) of
 9 such Act (42 U.S.C. 1382a(a)(2)) is amended—

10 (1) by striking “and” at the end of subpara-
 11 graph (E);

12 (2) by striking the period at the end of subpara-
 13 graph (F) and inserting “; and”; and

14 (3) by adding at the end the following:

15 “(G) any earnings of, and additions to, the cor-
 16 pus of a trust established by an individual (within
 17 the meaning of section 1613(e)), of which the indi-
 18 vidual is a beneficiary, to which section 1613(e) ap-
 19 plies, and, in the case of an irrevocable trust, with re-
 20 spect to which circumstances exist under which a
 21 payment from the earnings or additions could be
 22 made to or for the benefit of the individual.”.

23 (c) *CONFORMING AMENDMENTS*.—Section 1902(a)(10)
 24 of the Social Security Act (42 U.S.C. 1396a(a)(10)) is
 25 amended—

1 (1) by striking “and” at the end of subpara-
2 graph (E);

3 (2) by adding “and” at the end of subparagraph
4 (F); and

5 (3) by inserting after subparagraph (F) the fol-
6 lowing:

7 “(G) that, in applying eligibility criteria of
8 the supplemental security income program under
9 title XVI for purposes of determining eligibility
10 for medical assistance under the State plan of an
11 individual who is not receiving supplemental se-
12 curity income, the State will disregard the provi-
13 sions of section 1613(e);”.

14 (d) *EFFECTIVE DATE.*—The amendments made by this
15 section shall take effect on January 1, 2000, and shall apply
16 to trusts established on or after such date.

17 **SEC. 206. DISPOSAL OF RESOURCES FOR LESS THAN FAIR**
18 **MARKET VALUE UNDER THE SSI PROGRAM.**

19 (a) *IN GENERAL.*—Section 1613(c) of the Social Secu-
20 rity Act (42 U.S.C. 1382b(c)) is amended—

21 (1) in the caption, by striking “Notification of
22 Medicaid Policy Restricting Eligibility of Institu-
23 tionalized Individuals for Benefits Based on”;

24 (2) in paragraph (1)—

25 (A) in subparagraph (A)—

1 (i) by inserting “paragraph (1) and”
2 after “provisions of”;

3 (ii) by striking “title XIX” the first
4 place it appears and inserting “this title
5 and title XIX, respectively,”;

6 (iii) by striking “subparagraph (B)”
7 and inserting “clause (ii)”;

8 (iv) by striking “paragraph (2)” and
9 inserting “subparagraph (B)”;
10 (B) in subparagraph (B)—

11 (i) by striking “by the State agency”;
12 and

13 (ii) by striking “section 1917(c)” and
14 all that follows and inserting “paragraph
15 (1) or section 1917(c).”; and

16 (C) by redesignating subparagraphs (A)
17 and (B) as clauses (i) and (ii), respectively;
18 (3) in paragraph (2)—

19 (A) by striking “(2)” and inserting “(B)”;
20 and

21 (B) by striking “paragraph (1)(B)” and in-
22 serting “subparagraph (A)(ii)”;

23 (4) by striking “(c)(1)” and inserting “(2)(A)”;
24 and

1 (5) by inserting before paragraph (2) (as so re-
2 designated by paragraph (4) of this subsection) the
3 following:

4 “(c)(1)(A)(i) If an individual or the spouse of an indi-
5 vidual disposes of resources for less than fair market value
6 on or after the look-back date described in clause (ii)(I),
7 the individual is ineligible for benefits under this title for
8 months during the period beginning on the date described
9 in clause (iii) and equal to the number of months calculated
10 as provided in clause (iv).

11 “(ii)(I) The look-back date described in this subclause
12 is a date that is 36 months before the date described in sub-
13 clause (II).

14 “(II) The date described in this subclause is the date
15 on which the individual applies for benefits under this title
16 or, if later, the date on which the individual (or the spouse
17 of the individual) disposes of resources for less than fair
18 market value.

19 “(iii) The date described in this clause is the first day
20 of the first month in or after which resources were disposed
21 of for less than fair market value and which does not occur
22 in any other period of ineligibility under this paragraph.

23 “(iv) The number of months calculated under this
24 clause shall be equal to—

1 “(I) the total, cumulative uncompensated value
 2 of all resources so disposed of by the individual (or
 3 the spouse of the individual) on or after the look-back
 4 date described in clause (ii)(I); divided by

5 “(II) the amount of the maximum monthly ben-
 6 efit payable under section 1611(b), plus the amount
 7 (if any) of the maximum State supplementary pay-
 8 ment corresponding to the State’s payment level ap-
 9 plicable to the individual’s living arrangement and
 10 eligibility category that would otherwise be payable to
 11 the individual by the Commissioner pursuant to an
 12 agreement under section 1616(a) of this Act or section
 13 212(b) of Public Law 93–66, for the month in which
 14 occurs the date described in clause (ii)(II),
 15 rounded, in the case of any fraction, to the nearest whole
 16 number, but shall not in any case exceed 36 months.

17 “(B)(i) Notwithstanding subparagraph (A), this sub-
 18 section shall not apply to a transfer of a resource to a trust
 19 if the portion of the trust attributable to the resource is con-
 20 sidered a resource available to the individual pursuant to
 21 subsection (e)(3) (or would be so considered but for the ap-
 22 plication of subsection (e)(4)).

23 “(ii) In the case of a trust established by an individual
 24 or an individual’s spouse (within the meaning of subsection
 25 (e)), if from such portion of the trust, if any, that is consid-

1 *ered a resource available to the individual pursuant to sub-*
 2 *section (e)(3) (or would be so considered but for the applica-*
 3 *tion of subsection (e)(4)) or the residue of the portion on*
 4 *the termination of the trust—*

5 *“(I) there is made a payment other than to or*
 6 *for the benefit of the individual; or*

7 *“(II) no payment could under any circumstance*
 8 *be made to the individual,*

9 *then, for purposes of this subsection, the payment described*
 10 *in clause (I) or the foreclosure of payment described in*
 11 *clause (II) shall be considered a transfer of resources by the*
 12 *individual or the individual’s spouse as of the date of the*
 13 *payment or foreclosure, as the case may be.*

14 *“(C) An individual shall not be ineligible for benefits*
 15 *under this title by reason of the application of this para-*
 16 *graph to a disposal of resources by the individual or the*
 17 *spouse of the individual, to the extent that—*

18 *“(i) the resources are a home and title to the*
 19 *home was transferred to—*

20 *“(I) the spouse of the transferor;*

21 *“(II) a child of the transferor who has not*
 22 *attained 21 years of age, or is blind or disabled;*

23 *“(III) a sibling of the transferor who has an*
 24 *equity interest in such home and who was resid-*
 25 *ing in the transferor’s home for a period of at*

1 *least 1 year immediately before the date the*
2 *transferor becomes an institutionalized indi-*
3 *vidual; or*

4 “(IV) a son or daughter of the transferor
5 *(other than a child described in subclause (II))*
6 *who was residing in the transferor’s home for a*
7 *period of at least 2 years immediately before the*
8 *date the transferor becomes an institutionalized*
9 *individual, and who provided care to the trans-*
10 *feror which permitted the transferor to reside at*
11 *home rather than in such an institution or facil-*
12 *ity;*

13 “(ii) the resources—

14 “(I) were transferred to the transferor’s
15 *spouse or to another for the sole benefit of the*
16 *transferor’s spouse;*

17 “(II) were transferred from the transferor’s
18 *spouse to another for the sole benefit of the trans-*
19 *feror’s spouse;*

20 “(III) were transferred to, or to a trust (in-
21 *cluding a trust described in section 1917(d)(4))*
22 *established solely for the benefit of, the trans-*
23 *feror’s child who is blind or disabled; or*

24 “(IV) were transferred to a trust (including
25 *a trust described in section 1917(d)(4)) estab-*

1 *lished solely for the benefit of an individual who*
2 *has not attained 65 years of age and who is dis-*
3 *abled;*

4 *“(iii) a satisfactory showing is made to the Com-*
5 *missioner of Social Security (in accordance with reg-*
6 *ulations promulgated by the Commissioner) that—*

7 *“(I) the individual who disposed of the re-*
8 *sources intended to dispose of the resources either*
9 *at fair market value, or for other valuable con-*
10 *sideration;*

11 *“(II) the resources were transferred exclu-*
12 *sively for a purpose other than to qualify for*
13 *benefits under this title; or*

14 *“(III) all resources transferred for less than*
15 *fair market value have been returned to the*
16 *transferor; or*

17 *“(iv) the Commissioner determines, under proce-*
18 *dures established by the Commissioner, that the denial*
19 *of eligibility would work an undue hardship as deter-*
20 *mined on the basis of criteria established by the Com-*
21 *missioner.*

22 *“(D) For purposes of this subsection, in the case of a*
23 *resource held by an individual in common with another*
24 *person or persons in a joint tenancy, tenancy in common,*
25 *or similar arrangement, the resource (or the affected portion*

1 of such resource) shall be considered to be disposed of by
 2 the individual when any action is taken, either by the indi-
 3 vidual or by any other person, that reduces or eliminates
 4 the individual's ownership or control of such resource.

5 “(E) In the case of a transfer by the spouse of an indi-
 6 vidual that results in a period of ineligibility for the indi-
 7 vidual under this subsection, the Commissioner shall appor-
 8 tion the period (or any portion of the period) among the
 9 individual and the individual's spouse if the spouse becomes
 10 eligible for benefits under this title.

11 “(F) For purposes of this paragraph—

12 “(i) the term ‘benefits under this title’ includes
 13 payments of the type described in section 1616(a) of
 14 this Act and of the type described in section 212(b)
 15 of Public Law 93–66;

16 “(ii) the term ‘institutionalized individual’ has
 17 the meaning given such term in section 1917(e)(3);
 18 and

19 “(iii) the term ‘trust’ has the meaning given
 20 such term in subsection (e)(6)(A) of this section.”.

21 (b) CONFORMING AMENDMENT.—Section 1902(a)(10)
 22 of the Social Security Act (42 U.S.C. 1396a(a)(10)), as
 23 amended by section 205(c) of this Act, is amended by strik-
 24 ing “section 1613(e)” and inserting “subsections (c) and (e)
 25 of section 1613”.

1 (c) *EFFECTIVE DATE.*—*The amendments made by this*
 2 *section shall be effective with respect to disposals made on*
 3 *or after the date of the enactment of this Act.*

4 **SEC. 207. ADMINISTRATIVE PROCEDURE FOR IMPOSING**
 5 **PENALTIES FOR FALSE OR MISLEADING**
 6 **STATEMENTS.**

7 (a) *IN GENERAL.*—*Part A of title XI of the Social Se-*
 8 *curity Act (42 U.S.C. 1301 et seq.) is amended by inserting*
 9 *after section 1129 the following:*

10 **“SEC. 1129A. ADMINISTRATIVE PROCEDURE FOR IMPOSING**
 11 **PENALTIES FOR FALSE OR MISLEADING**
 12 **STATEMENTS.**

13 “(a) *IN GENERAL.*—*Any person who makes, or causes*
 14 *to be made, a statement or representation of a material fact*
 15 *for use in determining any initial or continuing right to*
 16 *or the amount of—*

17 “(1) *monthly insurance benefits under title II; or*

18 “(2) *benefits or payments under title XVI,*

19 *that the person knows or should know is false or misleading*
 20 *or knows or should know omits a material fact or who*
 21 *makes such a statement with knowing disregard for the*
 22 *truth shall be subject to, in addition to any other penalties*
 23 *that may be prescribed by law, a penalty described in sub-*
 24 *section (b) to be imposed by the Commissioner of Social*
 25 *Security.*

1 “(b) *PENALTY.*—*The penalty described in this sub-*
 2 *section is—*

3 “(1) *nonpayment of benefits under title II that*
 4 *would otherwise be payable to the person; and*

5 “(2) *ineligibility for cash benefits under title*
 6 *XVI,*

7 *for each month that begins during the applicable period de-*
 8 *scribed in subsection (c).*

9 “(c) *DURATION OF PENALTY.*—*The duration of the ap-*
 10 *plicable period, with respect to a determination by the Com-*
 11 *missioner under subsection (a) that a person has engaged*
 12 *in conduct described in subsection (a), shall be—*

13 “(1) *six consecutive months, in the case of the*
 14 *first such determination with respect to the person;*

15 “(2) *twelve consecutive months, in the case of the*
 16 *second such determination with respect to the person;*
 17 *and*

18 “(3) *twenty-four consecutive months, in the case*
 19 *of the third or subsequent such determination with re-*
 20 *spect to the person.*

21 “(d) *EFFECT ON OTHER ASSISTANCE.*—*A person sub-*
 22 *ject to a period of nonpayment of benefits under title II*
 23 *or ineligibility for title XVI benefits by reason of this sec-*
 24 *tion nevertheless shall be considered to be eligible for and*
 25 *receiving such benefits, to the extent that the person would*

1 *be receiving or eligible for such benefits but for the imposi-*
 2 *tion of the penalty, for purposes of—*

3 *“(1) determination of the eligibility of the person*
 4 *for benefits under titles XVIII and XIX; and*

5 *“(2) determination of the eligibility or amount of*
 6 *benefits payable under title II or XVI to another per-*
 7 *son.*

8 *“(e) DEFINITION.—In this section, the term ‘benefits*
 9 *under title XVI’ includes State supplementary payments*
 10 *made by the Commissioner pursuant to an agreement under*
 11 *section 1616(a) of this Act or section 212(b) of Public Law*
 12 *93–66.*

13 *“(f) CONSULTATIONS.—The Commissioner of Social*
 14 *Security shall consult with the Inspector General of the So-*
 15 *cial Security Administration regarding initiating actions*
 16 *under this section.”.*

17 *(b) CONFORMING AMENDMENT PRECLUDING DELAYED*
 18 *RETIREMENT CREDIT FOR ANY MONTH TO WHICH A NON-*
 19 *PAYMENT OF BENEFITS PENALTY APPLIES.—Section*
 20 *202(w)(2)(B) of such Act (42 U.S.C. 402(w)(2)(B)) is*
 21 *amended—*

22 *(1) by striking “and” at the end of clause (i);*

23 *(2) by striking the period at the end of clause*

24 *(ii) and inserting “, and”; and*

25 *(3) by adding at the end the following:*

1 “(iii) such individual was not subject to a
2 penalty imposed under section 1129A.”.

3 (c) *ELIMINATION OF REDUNDANT PROVISION.*—Sec-
4 tion 1611(e) of such Act (42 U.S.C. 1382(e)) is amended—

5 (1) by striking paragraph (4);

6 (2) in paragraph (6)(A)(i), by striking “(5)”
7 and inserting “(4)”; and

8 (3) by redesignating paragraphs (5) and (6) as
9 paragraphs (4) and (5), respectively.

10 (d) *REGULATIONS.*—Within 6 months after the date of
11 the enactment of this Act, the Commissioner of Social Secu-
12 rity shall develop regulations that prescribe the administra-
13 tive process for making determinations under section 1129A
14 of the Social Security Act (including when the applicable
15 period in subsection (c) of such section shall commence),
16 and shall provide guidance on the exercise of discretion as
17 to whether the penalty should be imposed in particular
18 cases.

19 (e) *EFFECTIVE DATE.*—The amendments made by this
20 section shall apply to statements and representations made
21 on or after the date of the enactment of this Act.

1 **SEC. 208. EXCLUSION OF REPRESENTATIVES AND HEALTH**
 2 **CARE PROVIDERS CONVICTED OF VIOLA-**
 3 **TIONS FROM PARTICIPATION IN SOCIAL SE-**
 4 **CURITY PROGRAMS.**

5 (a) *IN GENERAL.*—Part A of title XI of the Social Se-
 6 curity Act is amended by inserting before section 1137 (42
 7 U.S.C. 1320b–7) the following:

8 “EXCLUSION OF REPRESENTATIVES AND HEALTH CARE
 9 PROVIDERS CONVICTED OF VIOLATIONS FROM PARTICI-
 10 PATION IN SOCIAL SECURITY PROGRAMS

11 “SEC. 1136. (a) *IN GENERAL.*—The Commissioner of
 12 Social Security shall exclude from participation in the so-
 13 cial security programs any representative or health care
 14 provider—

15 “(1) who is convicted of a violation of section
 16 208 or 1632 of this Act;

17 “(2) who is convicted of any violation under title
 18 18, United States Code, relating to an initial appli-
 19 cation for or continuing entitlement to, or amount of,
 20 benefits under title II of this Act, or an initial appli-
 21 cation for or continuing eligibility for, or amount of,
 22 benefits under title XVI of this Act; or

23 “(3) who the Commissioner determines has com-
 24 mitted an offense described in section 1129(a)(1) of
 25 this Act.

1 “(b) *NOTICE, EFFECTIVE DATE, AND PERIOD OF EX-*
2 *CLUSION.—(1) An exclusion under this section shall be effec-*
3 *tive at such time, for such period, and upon such reasonable*
4 *notice to the public and to the individual excluded as may*
5 *be specified in regulations consistent with paragraph (2).*

6 “(2) *Such an exclusion shall be effective with respect*
7 *to services furnished to any individual on or after the effec-*
8 *tive date of the exclusion. Nothing in this section may be*
9 *construed to preclude, in determining disability under title*
10 *II or title XVI, consideration of any medical evidence de-*
11 *rived from services provided by a health care provider before*
12 *the effective date of the exclusion of the health care provider*
13 *under this section.*

14 “(3)(A) *The Commissioner shall specify, in the notice*
15 *of exclusion under paragraph (1), the period of the exclu-*
16 *sion.*

17 “(B) *Subject to subparagraph (C), in the case of an*
18 *exclusion under subsection (a), the minimum period of ex-*
19 *clusion shall be five years, except that the Commissioner*
20 *may waive the exclusion in the case of an individual who*
21 *is the sole source of essential services in a community. The*
22 *Commissioner’s decision whether to waive the exclusion*
23 *shall not be reviewable.*

24 “(C) *In the case of an exclusion of an individual under*
25 *subsection (a) based on a conviction or a determination de-*

1 scribed in subsection (a)(3) occurring on or after the date
2 of the enactment of this section, if the individual has (before,
3 on, or after such date of the enactment) been convicted, or
4 if such a determination has been made with respect to the
5 individual—

6 “(i) on one previous occasion of one or more of-
7 fenses for which an exclusion may be effected under
8 such subsection, the period of the exclusion shall be
9 not less than 10 years; or

10 “(ii) on two or more previous occasions of one or
11 more offenses for which an exclusion may be effected
12 under such subsection, the period of the exclusion
13 shall be permanent.

14 “(c) NOTICE TO STATE AGENCIES.—The Commis-
15 sioner shall promptly notify each appropriate State agency
16 employed for the purpose of making disability determina-
17 tions under section 221 or 1633(a)—

18 “(1) of the fact and circumstances of each exclu-
19 sion effected against an individual under this section;
20 and

21 “(2) of the period (described in subsection (b)(3))
22 for which the State agency is directed to exclude the
23 individual from participation in the activities of the
24 State agency in the course of its employment.

1 “(d) *NOTICE TO STATE LICENSING AGENCIES.*—The
2 *Commissioner shall—*

3 “(1) *promptly notify the appropriate State or*
4 *local agency or authority having responsibility for the*
5 *licensing or certification of an individual excluded*
6 *from participation under this section of the fact and*
7 *circumstances of the exclusion;*

8 “(2) *request that appropriate investigations be*
9 *made and sanctions invoked in accordance with ap-*
10 *plicable State law and policy; and*

11 “(3) *request that the State or local agency or au-*
12 *thority keep the Commissioner and the Inspector Gen-*
13 *eral of the Social Security Administration fully and*
14 *currently informed with respect to any actions taken*
15 *in response to the request.*

16 “(e) *NOTICE, HEARING, AND JUDICIAL REVIEW.*—(1)
17 *Any individual who is excluded (or directed to be excluded)*
18 *from participation under this section is entitled to reason-*
19 *able notice and opportunity for a hearing thereon by the*
20 *Commissioner to the same extent as is provided in section*
21 *205(b), and to judicial review of the Commissioner’s final*
22 *decision after such hearing as is provided in section 205(g).*

23 “(2) *The provisions of section 205(h) shall apply with*
24 *respect to this section to the same extent as it is applicable*
25 *with respect to title II.*

1 “(f) *APPLICATION FOR TERMINATION OF EXCLU-*
 2 *SION.—(1) An individual excluded from participation*
 3 *under this section may apply to the Commissioner, in the*
 4 *manner specified by the Commissioner in regulations and*
 5 *at the end of the minimum period of exclusion provided*
 6 *under subsection (b)(3) and at such other times as the Com-*
 7 *missioner may provide, for termination of the exclusion ef-*
 8 *fectuated under this section.*

9 “(2) *The Commissioner may terminate the exclusion*
 10 *if the Commissioner determines, on the basis of the conduct*
 11 *of the applicant which occurred after the date of the notice*
 12 *of exclusion or which was unknown to the Commissioner*
 13 *at the time of the exclusion, that—*

14 “(A) *there is no basis under subsection (a) for a*
 15 *continuation of the exclusion; and*

16 “(B) *there are reasonable assurances that the*
 17 *types of actions which formed the basis for the origi-*
 18 *nal exclusion have not recurred and will not recur.*

19 “(3) *The Commissioner shall promptly notify each*
 20 *State agency employed for the purpose of making disability*
 21 *determinations under section 221 or 1633(a) of the fact and*
 22 *circumstances of each termination of exclusion made under*
 23 *this subsection.*

24 “(g) *AVAILABILITY OF RECORDS OF EXCLUDED REP-*
 25 *RESENTATIVES AND HEALTH CARE PROVIDERS.—Nothing*

1 *in this section shall be construed to have the effect of lim-*
 2 *iting access by any applicant or beneficiary under title II*
 3 *or XVI, any State agency acting under section 221 or*
 4 *1633(a), or the Commissioner to records maintained by any*
 5 *representative or health care provider in connection with*
 6 *services provided to the applicant or beneficiary prior to*
 7 *the exclusion of such representative or health care provider*
 8 *under this section.*

9 “(h) *REPORTING REQUIREMENT.*—*Any representative*
 10 *or health care provider participating in, or seeking to par-*
 11 *ticipate in, a social security program shall inform the Com-*
 12 *missioner, in such form and manner as the Commissioner*
 13 *shall prescribe by regulation, whether such representative*
 14 *or health care provider has been convicted of a violation*
 15 *described in subsection (a).*

16 “(i) *DELEGATION OF AUTHORITY.*—*The Commissioner*
 17 *may delegate authority granted by this section to the In-*
 18 *spector General.*

19 “(j) *DEFINITIONS.*—*For purposes of this section:*

20 “(1) *EXCLUDE.*—*The term ‘exclude’ from par-*
 21 *ticipation means—*

22 “(A) *in connection with a representative, to*
 23 *prohibit from engaging in representation of an*
 24 *applicant for, or recipient of, benefits, as a rep-*
 25 *resentative payee under section 205(j) or section*

1 1631(a)(2)(A)(ii), or otherwise as a representa-
2 tive, in any hearing or other proceeding relating
3 to entitlement to benefits; and

4 “(B) in connection with a health care pro-
5 vider, to prohibit from providing items or serv-
6 ices to an applicant for, or recipient of, benefits
7 for the purpose of assisting such applicant or re-
8 cipient in demonstrating disability.

9 “(2) SOCIAL SECURITY PROGRAM.—The term ‘so-
10 cial security programs’ means the program providing
11 for monthly insurance benefits under title II, and the
12 program providing for monthly supplemental security
13 income benefits to individuals under title XVI (in-
14 cluding State supplementary payments made by the
15 Commissioner pursuant to an agreement under sec-
16 tion 1616(a) of this Act or section 212(b) of Public
17 Law 93–66).

18 “(3) CONVICTED.—An individual is considered
19 to have been ‘convicted’ of a violation—

20 “(A) when a judgment of conviction has
21 been entered against the individual by a Federal,
22 State, or local court, except if the judgment of
23 conviction has been set aside or expunged;

1 “(B) when there has been a finding of guilt
2 against the individual by a Federal, State, or
3 local court;

4 “(C) when a plea of guilty or nolo
5 contendere by the individual has been accepted
6 by a Federal, State, or local court; or

7 “(D) when the individual has entered into
8 participation in a first offender, deferred adju-
9 dication, or other arrangement or program where
10 judgment of conviction has been withheld.”.

11 (b) *EFFECTIVE DATE.*—The amendment made by this
12 section shall apply with respect to convictions of violations
13 described in paragraphs (1) and (2) of section 1136(a) of
14 the Social Security Act and determinations described in
15 paragraph (3) of such section occurring on or after the date
16 of the enactment of this Act.

17 **SEC. 209. STATE DATA EXCHANGES.**

18 Whenever the Commissioner of Social Security requests
19 information from a State for the purpose of ascertaining
20 an individual’s eligibility for benefits (or the correct
21 amount of such benefits) under title II or XVI of the Social
22 Security Act, the standards of the Commissioner promul-
23 gated pursuant to section 1106 of such Act or any other
24 Federal law for the use, safeguarding, and disclosure of in-
25 formation are deemed to meet any standards of the State

1 *that would otherwise apply to the disclosure of information*
2 *by the State to the Commissioner.*

3 **SEC. 210. STUDY ON POSSIBLE MEASURES TO IMPROVE**
4 **FRAUD PREVENTION AND ADMINISTRATIVE**
5 **PROCESSING.**

6 (a) *STUDY.*—As soon as practicable after the date of
7 the enactment of this Act, the Commissioner of Social Secu-
8 rity, in consultation with the Inspector General of the So-
9 cial Security Administration and the Attorney General,
10 shall conduct a study of possible measures to improve—

11 (1) *prevention of fraud on the part of individ-*
12 *uals entitled to disability benefits under section 223*
13 *of the Social Security Act or benefits under section*
14 *202 of such Act based on the beneficiary's disability,*
15 *individuals eligible for supplemental security income*
16 *benefits under title XVI of such Act, and applicants*
17 *for any such benefits; and*

18 (2) *timely processing of reported income changes*
19 *by individuals receiving such benefits.*

20 (b) *REPORT.*—Not later than 1 year after the date of
21 the enactment of this Act, the Commissioner shall submit
22 to the Committee on Ways and Means of the House of Rep-
23 resentatives and the Committee on Finance of the Senate
24 a written report that contains the results of the Commis-
25 sioner's study under subsection (a). The report shall contain

1 *such recommendations for legislative and administrative*
 2 *changes as the Commissioner considers appropriate.*

3 **SEC. 211. ANNUAL REPORT ON AMOUNTS NECESSARY TO**
 4 **COMBAT FRAUD.**

5 *(a) IN GENERAL.—Section 704(b)(1) of the Social Se-*
 6 *curity Act (42 U.S.C. 904(b)(1)) is amended—*

7 *(1) by inserting “(A)” after “(b)(1)”;* and

8 *(2) by adding at the end the following new sub-*
 9 *paragraph:*

10 *“(B) The Commissioner shall include in the annual*
 11 *budget prepared pursuant to subparagraph (A) an*
 12 *itemization of the amount of funds required by the Social*
 13 *Security Administration for the fiscal year covered by the*
 14 *budget to support efforts to combat fraud committed by ap-*
 15 *plicants and beneficiaries.”.*

16 *(b) EFFECTIVE DATE.—The amendments made by this*
 17 *section shall apply with respect to annual budgets prepared*
 18 *for fiscal years after fiscal year 1999.*

19 **SEC. 212. COMPUTER MATCHES WITH MEDICARE AND MED-**
 20 **ICAID INSTITUTIONALIZATION DATA.**

21 *(a) IN GENERAL.—Section 1611(e)(1) of the Social Se-*
 22 *curity Act (42 U.S.C. 1382(e)(1)) is amended by adding*
 23 *at the end the following:*

24 *“(J) For the purpose of carrying out this paragraph,*
 25 *the Commissioner of Social Security shall conduct periodic*

1 *computer matches with data maintained by the Secretary*
 2 *of Health and Human Services under title XVIII or XIX.*
 3 *The Secretary shall furnish to the Commissioner, in such*
 4 *form and manner and under such terms as the Commis-*
 5 *sioner and the Secretary shall mutually agree, such infor-*
 6 *mation as the Commissioner may request for this purpose.*
 7 *Information obtained pursuant to such a match may be*
 8 *substituted for the physician’s certification otherwise re-*
 9 *quired under subparagraph (G)(i).”.*

10 (b) CONFORMING AMENDMENT.—Section
 11 1611(e)(1)(G) of such Act (42 U.S.C. 1382(e)(1)(G)) is
 12 amended by striking “subparagraph (H)” and inserting
 13 “subparagraph (H) or (J)”.

14 **SEC. 213. ACCESS TO INFORMATION HELD BY FINANCIAL**
 15 **INSTITUTIONS.**

16 Section 1631(e)(1)(B) of the Social Security Act (42
 17 U.S.C. 1383(e)(1)(B)) is amended—

18 (1) by striking “(B) The” and inserting “(B)(i)
 19 The”; and

20 (2) by adding at the end the following new
 21 clause:

22 “(ii)(I) The Commissioner of Social Security may re-
 23 quire each applicant for, or recipient of, benefits under this
 24 title to provide authorization by the applicant or recipient
 25 (or by any other person whose income or resources are mate-

1 rial to the determination of the eligibility of the applicant
 2 or recipient for such benefits) for the Commissioner to ob-
 3 tain (subject to the cost reimbursement requirements of sec-
 4 tion 1115(a) of the Right to Financial Privacy Act) from
 5 any financial institution (within the meaning of section
 6 1101(1) of such Act) any financial record (within the mean-
 7 ing of section 1101(2) of such Act) held by the institution
 8 with respect to the applicant or recipient (or any such other
 9 person) whenever the Commissioner determines the record
 10 is needed in connection with a determination with respect
 11 to such eligibility or the amount of such benefits.

12 “(II) Notwithstanding section 1104(a)(1) of the Right
 13 to Financial Privacy Act, an authorization provided by an
 14 applicant or recipient (or any other person whose income
 15 or resources are material to the determination of the eligi-
 16 bility of the applicant or recipient) pursuant to subclause
 17 (I) of this clause shall remain effective until the earliest
 18 of—

19 “(aa) the rendering of a final adverse decision
 20 on the applicant’s application for eligibility for bene-
 21 fits under this title;

22 “(bb) the cessation of the recipient’s eligibility
 23 for benefits under this title; or

24 “(cc) the express revocation by the applicant or
 25 recipient (or such other person referred to in sub-

1 *clause (I)) of the authorization, in a written notifica-*
2 *tion to the Commissioner.*

3 *“(III)(aa) An authorization obtained by the Commis-*
4 *sioner of Social Security pursuant to this clause shall be*
5 *considered to meet the requirements of the Right to Finan-*
6 *cial Privacy Act for purposes of section 1103(a) of such Act,*
7 *and need not be furnished to the financial institution, not-*
8 *withstanding section 1104(a) of such Act.*

9 *“(bb) The certification requirements of section 1103(b)*
10 *of the Right to Financial Privacy Act shall not apply to*
11 *requests by the Commissioner of Social Security pursuant*
12 *to an authorization provided under this clause.*

13 *“(cc) A request by the Commissioner pursuant to an*
14 *authorization provided under this clause is deemed to meet*
15 *the requirements of section 1104(a)(3) of the Right to Fi-*
16 *nancial Privacy Act and the flush language of section 1102*
17 *of such Act.*

18 *“(IV) The Commissioner shall inform any person who*
19 *provides authorization pursuant to this clause of the dura-*
20 *tion and scope of the authorization.*

21 *“(V) If an applicant for, or recipient of, benefits under*
22 *this title (or any such other person referred to in subclause*
23 *(I)) refuses to provide, or revokes, any authorization made*
24 *by the applicant or recipient for the Commissioner of Social*
25 *Security to obtain from any financial institution any fi-*

1 nancial record, the Commissioner may, on that basis, deter-
 2 mine that the applicant or recipient is ineligible for benefits
 3 under this title.”.

4 ***Subtitle B—Benefits For Certain***
 5 ***World War II Veterans***

6 ***SEC. 251. ESTABLISHMENT OF PROGRAM OF SPECIAL BENE-***
 7 ***FITS FOR CERTAIN WORLD WAR II VETERANS.***

8 (a) *IN GENERAL.*—The Social Security Act is amend-
 9 ed by inserting after title VII the following new title:

10 ***“TITLE VIII—SPECIAL BENEFITS***
 11 ***FOR CERTAIN WORLD WAR II***
 12 ***VETERANS***

“TABLE OF CONTENTS

“Sec. 801. Basic entitlement to benefits.
“Sec. 802. Qualified individuals.
“Sec. 803. Residence outside the United States.
“Sec. 804. Disqualifications.
“Sec. 805. Benefit amount.
“Sec. 806. Applications and furnishing of information.
“Sec. 807. Representative payees.
“Sec. 808. Overpayments and underpayments.
“Sec. 809. Hearings and review.
“Sec. 810. Other administrative provisions.
“Sec. 811. Penalties for fraud.
“Sec. 812. Definitions.
“Sec. 813. Appropriations.

13 ***“SEC. 801. BASIC ENTITLEMENT TO BENEFITS.***

14 *“Every individual who is a qualified individual under*
 15 *section 802 shall, in accordance with and subject to the pro-*
 16 *visions of this title, be entitled to a monthly benefit paid*
 17 *by the Commissioner of Social Security for each month*
 18 *after September 2000 (or such earlier month, if the Com-*

1 *missioner determines is administratively feasible) the indi-*
 2 *vidual resides outside the United States.*

3 **“SEC. 802. QUALIFIED INDIVIDUALS.**

4 *“Except as otherwise provided in this title, an*
 5 *individual—*

6 *“(1) who has attained the age of 65 on or before*
 7 *the date of the enactment of this title;*

8 *“(2) who is a World War II veteran;*

9 *“(3) who is eligible for a supplemental security*
 10 *income benefit under title XVI for—*

11 *“(A) the month in which this title is en-*
 12 *acted; and*

13 *“(B) the month in which the individual*
 14 *files an application for benefits under this title;*

15 *“(4) whose total benefit income is less than 75*
 16 *percent of the Federal benefit rate under title XVI;*

17 *“(5) who has filed an application for benefits*
 18 *under this title; and*

19 *“(6) who is in compliance with all requirements*
 20 *imposed by the Commissioner of Social Security*
 21 *under this title,*

22 *shall be a qualified individual for purposes of this title.*

23 **“SEC. 803. RESIDENCE OUTSIDE THE UNITED STATES.**

24 *“For purposes of section 801, with respect to any*
 25 *month, an individual shall be regarded as residing outside*

1 *the United States if, on the first day of the month, the indi-*
2 *vidual so resides outside the United States.*

3 **“SEC. 804. DISQUALIFICATIONS.**

4 “(a) *IN GENERAL.*—Notwithstanding section 802, an
5 *individual may not be a qualified individual for any*
6 *month—*

7 “(1) *that begins after the month in which the*
8 *Commissioner of Social Security is notified by the At-*
9 *torney General that the individual has been removed*
10 *from the United States pursuant to section 237(a) or*
11 *212(a)(6)(A) of the Immigration and Nationality Act*
12 *and before the month in which the individual is law-*
13 *fully admitted to the United States for permanent*
14 *residence;*

15 “(2) *during any part of which the individual is*
16 *fleeing to avoid prosecution, or custody or confine-*
17 *ment after conviction, under the laws of the United*
18 *States or the jurisdiction within the United States*
19 *from which the person has fled, for a crime, or an at-*
20 *tempt to commit a crime, that is a felony under the*
21 *laws of the place from which the individual has fled,*
22 *or which, in the case of the State of New Jersey, is*
23 *a high misdemeanor under the laws of such State;*

10 “(b) *REQUIREMENT FOR ATTORNEY GENERAL.—For*
11 *the purpose of carrying out subsection (a)(1), the Attorney*
12 *General shall notify the Commissioner of Social Security*
13 *as soon as practicable after the removal of any individual*
14 *under section 237(a) or 212(a)(6)(A) of the Immigration*
15 *and Nationality Act.*

17 *“The benefit under this title payable to a qualified in-*
18 *dividual for any month shall be in an amount equal to 75*
19 *percent of the Federal benefit rate under title XVI for the*
20 *month, reduced by the amount of the qualified individual’s*
21 *benefit income for the month.*

24 “(a) *IN GENERAL.*—The Commissioner of Social Secu-
25 rity shall, subject to subsection (b), prescribe such require-

1 *ments with respect to the filing of applications, the fur-*
2 *nishing of information and other material, and the report-*
3 *ing of events and changes in circumstances, as may be nec-*
4 *essary for the effective and efficient administration of this*
5 *title.*

6 “(b) *VERIFICATION REQUIREMENT.*—*The requirements*
7 *prescribed by the Commissioner of Social Security under*
8 *subsection (a) shall preclude any determination of entitle-*
9 *ment to benefits under this title solely on the basis of dec-*
10 *larations by the individual concerning qualifications or*
11 *other material facts, and shall provide for verification of*
12 *material information from independent or collateral*
13 *sources, and the procurement of additional information as*
14 *necessary in order to ensure that the benefits are provided*
15 *only to qualified individuals (or their representative pay-*
16 *ees) in correct amounts.*

17 **“SEC. 807. REPRESENTATIVE PAYEES.**

18 “(a) *IN GENERAL.*—*If the Commissioner of Social Se-*
19 *curity determines that the interest of any qualified indi-*
20 *vidual under this title would be served thereby, payment*
21 *of the qualified individual’s benefit under this title may be*
22 *made, regardless of the legal competency or incompetency*
23 *of the qualified individual, either directly to the qualified*
24 *individual, or for his or her benefit, to another person (the*
25 *meaning of which term, for purposes of this section, includes*

1 *an organization) with respect to whom the requirements of*
 2 *subsection (b) have been met (in this section referred to as*
 3 *the qualified individual's 'representative payee'). If the*
 4 *Commissioner of Social Security determines that a rep-*
 5 *resentative payee has misused any benefit paid to the rep-*
 6 *resentative payee pursuant to this section, section 205(j),*
 7 *or section 1631(a)(2), the Commissioner of Social Security*
 8 *shall promptly revoke the person's designation as the quali-*
 9 *fied individual's representative payee under this subsection,*
 10 *and shall make payment to an alternative representative*
 11 *payee or, if the interest of the qualified individual under*
 12 *this title would be served thereby, to the qualified indi-*
 13 *vidual.*

14 “(b) *EXAMINATION OF FITNESS OF PROSPECTIVE REP-*
 15 *RESENTATIVE PAYEE.*—

16 “(1) *Any determination under subsection (a) to*
 17 *pay the benefits of a qualified individual to a rep-*
 18 *resentative payee shall be made on the basis of—*

19 “(A) *an investigation by the Commissioner*
 20 *of Social Security of the person to serve as rep-*
 21 *resentative payee, which shall be conducted in*
 22 *advance of the determination and shall, to the*
 23 *extent practicable, include a face-to-face inter-*
 24 *view with the person (or, in the case of an orga-*

1 nization, a representative of the organization);
2 and

3 “(B) adequate evidence that the arrange-
4 ment is in the interest of the qualified indi-
5 vidual.

6 “(2) As part of the investigation referred to in
7 paragraph (1), the Commissioner of Social Security
8 shall—

9 “(A) require the person being investigated
10 to submit documented proof of the identity of the
11 person;

12 “(B) in the case of a person who has a so-
13 cial security account number issued for purposes
14 of the program under title II or an employer
15 identification number issued for purposes of the
16 Internal Revenue Code of 1986, verify the num-
17 ber;

18 “(C) determine whether the person has been
19 convicted of a violation of section 208, 811, or
20 1632; and

21 “(D) determine whether payment of benefits
22 to the person in the capacity as representative
23 payee has been revoked or terminated pursuant
24 to this section, section 205(j), or section
25 1631(a)(2)(A)(iii) by reason of misuse of funds

1 *paid as benefits under this title, title II, or XVI,*
 2 *respectively.*

3 “(c) *REQUIREMENT FOR MAINTAINING LISTS OF UN-*
 4 *DESIRABLE PAYEES.—The Commissioner of Social Security*
 5 *shall establish and maintain lists which shall be updated*
 6 *periodically and which shall be in a form that renders such*
 7 *lists available to the servicing offices of the Social Security*
 8 *Administration. The lists shall consist of—*

9 “(1) *the names and (if issued) social security ac-*
 10 *count numbers or employer identification numbers of*
 11 *all persons with respect to whom, in the capacity of*
 12 *representative payee, the payment of benefits has been*
 13 *revoked or terminated under this section, section*
 14 *205(j), or section 1631(a)(2)(A)(iii) by reason of mis-*
 15 *use of funds paid as benefits under this title, title II,*
 16 *or XVI, respectively; and*

17 “(2) *the names and (if issued) social security ac-*
 18 *count numbers or employer identification numbers of*
 19 *all persons who have been convicted of a violation of*
 20 *section 208, 811, or 1632.*

21 “(d) *PERSONS INELIGIBLE TO SERVE AS REPRESENT-*
 22 *ATIVE PAYEES.—*

23 “(1) *IN GENERAL.—The benefits of a qualified*
 24 *individual may not be paid to any other person pur-*
 25 *suant to this section if—*

1 “(A) *the person has been convicted of a vio-*
2 *lation of section 208, 811, or 1632;*

3 “(B) *except as provided in paragraph (2),*
4 *payment of benefits to the person in the capacity*
5 *of representative payee has been revoked or ter-*
6 *minated under this section, section 205(j), or sec-*
7 *tion 1631(a)(2)(A)(ii) by reason of misuse of*
8 *funds paid as benefits under this title, title II,*
9 *or title XVI, respectively; or*

10 “(C) *except as provided in paragraph*
11 *(2)(B), the person is a creditor of the qualified*
12 *individual and provides the qualified individual*
13 *with goods or services for consideration.*

14 “(2) *EXEMPTIONS.—*

15 “(A) *The Commissioner of Social Security*
16 *may prescribe circumstances under which the*
17 *Commissioner of Social Security may grant an*
18 *exemption from paragraph (1) to any person on*
19 *a case-by-case basis if the exemption is in the*
20 *best interest of the qualified individual whose*
21 *benefits would be paid to the person pursuant to*
22 *this section.*

23 “(B) *Paragraph (1)(C) shall not apply with*
24 *respect to any person who is a creditor referred*
25 *to in such paragraph if the creditor is—*

1 “(i) a relative of the qualified indi-
2 vidual and the relative resides in the same
3 household as the qualified individual;

4 “(ii) a legal guardian or legal rep-
5 resentative of the individual;

6 “(iii) a facility that is licensed or cer-
7 tified as a care facility under the law of the
8 political jurisdiction in which the qualified
9 individual resides;

10 “(iv) a person who is an adminis-
11 trator, owner, or employee of a facility re-
12 ferred to in clause (iii), if the qualified in-
13 dividual resides in the facility, and the
14 payment to the facility or the person is
15 made only after the Commissioner of Social
16 Security has made a good faith effort to lo-
17 cate an alternative representative payee to
18 whom payment would serve the best inter-
19 ests of the qualified individual; or

20 “(v) a person who is determined by the
21 Commissioner of Social Security, on the
22 basis of written findings and pursuant to
23 procedures prescribed by the Commissioner
24 of Social Security, to be acceptable to serve
25 as a representative payee.

1 “(C) *The procedures referred to in subpara-*
2 *graph (B)(v) shall require the person who will*
3 *serve as representative payee to establish, to the*
4 *satisfaction of the Commissioner of Social Secu-*
5 *rity, that—*

6 “(i) *the person poses no risk to the*
7 *qualified individual;*

8 “(ii) *the financial relationship of the*
9 *person to the qualified individual poses no*
10 *substantial conflict of interest; and*

11 “(iii) *no other more suitable represent-*
12 *ative payee can be found.*

13 “(e) *DEFERRAL OF PAYMENT PENDING APPOINTMENT*
14 *OF REPRESENTATIVE PAYEE.—*

15 “(1) *IN GENERAL.—Subject to paragraph (2), if*
16 *the Commissioner of Social Security makes a deter-*
17 *mination described in the first sentence of subsection*
18 *(a) with respect to any qualified individual’s benefit*
19 *and determines that direct payment of the benefit to*
20 *the qualified individual would cause substantial harm*
21 *to the qualified individual, the Commissioner of So-*
22 *cial Security may defer (in the case of initial entitle-*
23 *ment) or suspend (in the case of existing entitlement)*
24 *direct payment of the benefit to the qualified indi-*

vidual, until such time as the selection of a representative payee is made pursuant to this section.

“(2) *TIME LIMITATION.*—

“(A) *IN GENERAL.*—Except as provided in subparagraph (B), any deferral or suspension of direct payment of a benefit pursuant to paragraph (1) shall be for a period of not more than 1 month.

“(B) *EXCEPTION IN THE CASE OF INCOMPETENCY.*—Subparagraph (A) shall not apply in any case in which the qualified individual is, as of the date of the Commissioner of Social Security’s determination, legally incompetent under the laws of the jurisdiction in which the individual resides.

“(3) *PAYMENT OF RETROACTIVE BENEFITS.*—

Payment of any benefits which are deferred or suspended pending the selection of a representative payee shall be made to the qualified individual or the representative payee as a single sum or over such period of time as the Commissioner of Social Security determines is in the best interest of the qualified individual.

“(f) *HEARING.*—Any qualified individual who is dissatisfied with a determination by the Commissioner of So-

1 cial Security to make payment of the qualified individual's
2 benefit to a representative payee under subsection (a) of this
3 section or with the designation of a particular person to
4 serve as representative payee shall be entitled to a hearing
5 by the Commissioner of Social Security to the same extent
6 as is provided in section 809(a), and to judicial review of
7 the Commissioner of Social Security's final decision as is
8 provided in section 809(b).

9 “(g) NOTICE REQUIREMENTS.—

10 “(1) IN GENERAL.—In advance, to the extent
11 practicable, of the payment of a qualified individual's
12 benefit to a representative payee under subsection (a),
13 the Commissioner of Social Security shall provide
14 written notice of the Commissioner's initial deter-
15 mination to so make the payment. The notice shall be
16 provided to the qualified individual, except that, if
17 the qualified individual is legally incompetent, then
18 the notice shall be provided solely to the legal guard-
19 ian or legal representative of the qualified individual.

20 “(2) SPECIFIC REQUIREMENTS.—Any notice re-
21 quired by paragraph (1) shall be clearly written in
22 language that is easily understandable to the reader,
23 shall identify the person to be designated as the quali-
24 fied individual's representative payee, and shall ex-
25 plain to the reader the right under subsection (f) of

1 *the qualified individual or of the qualified individ-*
2 *ual's legal guardian or legal representative—*

3 *“(A) to appeal a determination that a rep-*
4 *resentative payee is necessary for the qualified*
5 *individual;*

6 *“(B) to appeal the designation of a par-*
7 *ticular person to serve as the representative*
8 *payee of the qualified individual; and*

9 *“(C) to review the evidence upon which the*
10 *designation is based and to submit additional*
11 *evidence.*

12 *“(h) ACCOUNTABILITY MONITORING.—*

13 *“(1) IN GENERAL.—In any case where payment*
14 *under this title is made to a person other than the*
15 *qualified individual entitled to the payment, the*
16 *Commissioner of Social Security shall establish a sys-*
17 *tem of accountability monitoring under which the*
18 *person shall report not less often than annually with*
19 *respect to the use of the payments. The Commissioner*
20 *of Social Security shall establish and implement sta-*
21 *tistically valid procedures for reviewing the reports in*
22 *order to identify instances in which persons are not*
23 *properly using the payments.*

24 *“(2) SPECIAL REPORTS.—Notwithstanding para-*
25 *graph (1), the Commissioner of Social Security may*

1 *require a report at any time from any person receiv-*
2 *ing payments on behalf of a qualified individual, if*
3 *the Commissioner of Social Security has reason to be-*
4 *lieve that the person receiving the payments is mis-*
5 *using the payments.*

6 *“(3) MAINTAINING LISTS OF PAYEES.—The Com-*
7 *missioner of Social Security shall maintain lists*
8 *which shall be updated periodically of—*

9 *“(A) the name, address, and (if issued) the*
10 *social security account number or employer iden-*
11 *tification number of each representative payee*
12 *who is receiving benefit payments pursuant to*
13 *this section, section 205(j), or section 1631(a)(2);*
14 *and*

15 *“(B) the name, address, and social security*
16 *account number of each individual for whom*
17 *each representative payee is reported to be pro-*
18 *viding services as representative payee pursuant*
19 *to this section, section 205(j), or section*
20 *1631(a)(2).*

21 *“(4) MAINTAINING LISTS OF AGENCIES.—The*
22 *Commissioner of Social Security shall maintain lists,*
23 *which shall be updated periodically, of public agencies*
24 *and community-based nonprofit social service agen-*
25 *cies which are qualified to serve as representative*

1 *payees pursuant to this section and which are located*
2 *in the jurisdiction in which any qualified individual*
3 *resides.*

4 “(i) *RESTITUTION.*—*In any case where the negligent*
5 *failure of the Commissioner of Social Security to investigate*
6 *or monitor a representative payee results in misuse of bene-*
7 *fits by the representative payee, the Commissioner of Social*
8 *Security shall make payment to the qualified individual or*
9 *the individual’s alternative representative payee of an*
10 *amount equal to the misused benefits. The Commissioner*
11 *of Social Security shall make a good faith effort to obtain*
12 *restitution from the terminated representative payee.*

13 **“SEC. 808. OVERPAYMENTS AND UNDERPAYMENTS.**

14 “(a) *IN GENERAL.*—*Whenever the Commissioner of So-*
15 *cial Security finds that more or less than the correct*
16 *amount of payment has been made to any person under*
17 *this title, proper adjustment or recovery shall be made, as*
18 *follows:*

19 “(1) *With respect to payment to a person of*
20 *more than the correct amount, the Commissioner of*
21 *Social Security shall decrease any payment—*

22 “(A) *under this title to which the overpaid*
23 *person (if a qualified individual) is entitled, or*
24 *shall require the overpaid person or his or her es-*
25 *tate to refund the amount in excess of the correct*

1 *amount, or, if recovery is not obtained under*
 2 *these 2 methods, shall seek or pursue recovery by*
 3 *means of reduction in tax refunds based on no-*
 4 *tice to the Secretary of the Treasury, as author-*
 5 *ized under section 3720A of title 31, United*
 6 *States Code; or*

7 *“(B) under title II to recover the amount in*
 8 *excess of the correct amount, if the person is not*
 9 *currently eligible for payment under this title.*

10 *“(2) With respect to payment of less than the*
 11 *correct amount to a qualified individual who, at the*
 12 *time the Commissioner of Social Security is prepared*
 13 *to take action with respect to the underpayment—*

14 *“(A) is living, the Commissioner of Social*
 15 *Security shall make payment to the qualified in-*
 16 *dividual (or the qualified individual’s represent-*
 17 *ative payee designated under section 807) of the*
 18 *balance of the amount due the underpaid quali-*
 19 *fied individual; or*

20 *“(B) is deceased, the balance of the amount*
 21 *due shall revert to the general fund of the Treas-*
 22 *ury.*

23 *“(b) NO EFFECT ON TITLE VIII ELIGIBILITY OR BEN-*
 24 *EFIT AMOUNT.—In any case in which the Commissioner*
 25 *of Social Security takes action in accordance with sub-*

1 *section (a)(1)(B) to recover an amount incorrectly paid to*
2 *an individual, that individual shall not, as a result of such*
3 *action—*

4 “(1) *become qualified for benefits under this title;*
5 *or*

6 “(2) *if such individual is otherwise so qualified,*
7 *become qualified for increased benefits under this*
8 *title.*

9 “(c) *WAIVER OF RECOVERY OF OVERPAYMENT.—In*
10 *any case in which more than the correct amount of payment*
11 *has been made, there shall be no adjustment of payments*
12 *to, or recovery by the United States from, any person who*
13 *is without fault if the Commissioner of Social Security de-*
14 *termines that the adjustment or recovery would defeat the*
15 *purpose of this title or would be against equity and good*
16 *conscience.*

17 “(d) *LIMITED IMMUNITY FOR DISBURSING OFFI-*
18 *CERS.—A disbursing officer may not be held liable for any*
19 *amount paid by the officer if the adjustment or recovery*
20 *of the amount is waived under subsection (b), or adjustment*
21 *under subsection (a) is not completed before the death of*
22 *the qualified individual against whose benefits deductions*
23 *are authorized.*

24 “(e) *AUTHORIZED COLLECTION PRACTICES.—*

1 “(1) *IN GENERAL.*—With respect to any delin-
 2 quent amount, the Commissioner of Social Security
 3 may use the collection practices described in sections
 4 3711(e), 3716, and 3718 of title 31, United States
 5 Code, as in effect on October 1, 1994.

6 “(2) *DEFINITION.*—For purposes of paragraph
 7 (1), the term ‘delinquent amount’ means an
 8 amount—

9 “(A) in excess of the correct amount of the
 10 payment under this title; and

11 “(B) determined by the Commissioner of
 12 Social Security to be otherwise unrecoverable
 13 under this section from a person who is not a
 14 qualified individual under this title.

15 **“SEC. 809. HEARINGS AND REVIEW.**

16 “(a) *HEARINGS.*—

17 “(1) *IN GENERAL.*—The Commissioner of Social
 18 Security shall make findings of fact and decisions as
 19 to the rights of any individual applying for payment
 20 under this title. The Commissioner of Social Security
 21 shall provide reasonable notice and opportunity for a
 22 hearing to any individual who is or claims to be a
 23 qualified individual and is in disagreement with any
 24 determination under this title with respect to entitle-
 25 ment to, or the amount of, benefits under this title,

1 *if the individual requests a hearing on the matter in*
2 *disagreement within 60 days after notice of the deter-*
3 *mination is received, and, if a hearing is held, shall,*
4 *on the basis of evidence adduced at the hearing af-*
5 *firm, modify, or reverse the Commissioner of Social*
6 *Security's findings of fact and the decision. The Com-*
7 *missioner of Social Security may, on the Commis-*
8 *sioner of Social Security's own motion, hold such*
9 *hearings and conduct such investigations and other*
10 *proceedings as the Commissioner of Social Security*
11 *deems necessary or proper for the administration of*
12 *this title. In the course of any hearing, investigation,*
13 *or other proceeding, the Commissioner may admin-*
14 *ister oaths and affirmations, examine witnesses, and*
15 *receive evidence. Evidence may be received at any*
16 *hearing before the Commissioner of Social Security*
17 *even though inadmissible under the rules of evidence*
18 *applicable to court procedure. The Commissioner of*
19 *Social Security shall specifically take into account*
20 *any physical, mental, educational, or linguistic limi-*
21 *tation of the individual (including any lack of facil-*
22 *ity with the English language) in determining, with*
23 *respect to the entitlement of the individual for benefits*
24 *under this title, whether the individual acted in good*

1 *faith or was at fault, and in determining fraud, de-*
2 *ception, or intent.*

3 “(2) *EFFECT OF FAILURE TO TIMELY REQUEST*
4 *REVIEW.—A failure to timely request review of an*
5 *initial adverse determination with respect to an ap-*
6 *plication for any payment under this title or an ad-*
7 *verse determination on reconsideration of such an ini-*
8 *tial determination shall not serve as a basis for de-*
9 *denial of a subsequent application for any payment*
10 *under this title if the applicant demonstrates that the*
11 *applicant failed to so request such a review acting in*
12 *good faith reliance upon incorrect, incomplete, or*
13 *misleading information, relating to the consequences*
14 *of reapplying for payments in lieu of seeking review*
15 *of an adverse determination, provided by any officer*
16 *or employee of the Social Security Administration.*

17 “(3) *NOTICE REQUIREMENTS.—In any notice of*
18 *an adverse determination with respect to which a re-*
19 *view may be requested under paragraph (1), the Com-*
20 *missioner of Social Security shall describe in clear*
21 *and specific language the effect on possible entitlement*
22 *to benefits under this title of choosing to reapply in*
23 *lieu of requesting review of the determination.*

24 “(b) *JUDICIAL REVIEW.—The final determination of*
25 *the Commissioner of Social Security after a hearing under*

1 subsection (a)(1) shall be subject to judicial review as pro-
 2 vided in section 205(g) to the same extent as the Commis-
 3 sioner of Social Security's final determinations under sec-
 4 tion 205.

5 **“SEC. 810. OTHER ADMINISTRATIVE PROVISIONS.**

6 “(a) *REGULATIONS AND ADMINISTRATIVE ARRANGE-*
 7 *MENTS.—The Commissioner of Social Security may pre-*
 8 *scribe such regulations, and make such administrative and*
 9 *other arrangements, as may be necessary or appropriate to*
 10 *carry out this title.*

11 “(b) *PAYMENT OF BENEFITS.—Benefits under this title*
 12 *shall be paid at such time or times and in such installments*
 13 *as the Commissioner of Social Security determines are in*
 14 *the interests of economy and efficiency.*

15 “(c) *ENTITLEMENT REDETERMINATIONS.—An indi-*
 16 *vidual's entitlement to benefits under this title, and the*
 17 *amount of the benefits, may be redetermined at such time*
 18 *or times as the Commissioner of Social Security determines*
 19 *to be appropriate.*

20 “(d) *SUSPENSION AND TERMINATION OF BENEFITS.—*
 21 *Regulations prescribed by the Commissioner of Social Secu-*
 22 *rity under subsection (a) may provide for the suspension*
 23 *and termination of entitlement to benefits under this title*
 24 *as the Commissioner determines is appropriate.*

1 **“SEC. 811. PENALTIES FOR FRAUD.**

2 “(a) *IN GENERAL.*—Whoever—

3 “(1) *knowingly and willfully makes or causes to*
4 *be made any false statement or representation of a*
5 *material fact in an application for benefits under this*
6 *title;*

7 “(2) *at any time knowingly and willfully makes*
8 *or causes to be made any false statement or represen-*
9 *tation of a material fact for use in determining any*
10 *right to the benefits;*

11 “(3) *having knowledge of the occurrence of any*
12 *event affecting—*

13 “(A) *his or her initial or continued right to*
14 *the benefits; or*

15 “(B) *the initial or continued right to the*
16 *benefits of any other individual in whose behalf*
17 *he or she has applied for or is receiving the ben-*
18 *efit,*

19 *conceals or fails to disclose the event with an intent*
20 *fraudulently to secure the benefit either in a greater*
21 *amount or quantity than is due or when no such ben-*
22 *efit is authorized; or*

23 “(4) *having made application to receive any*
24 *such benefit for the use and benefit of another and*
25 *having received it, knowingly and willfully converts*

1 *the benefit or any part thereof to a use other than for*
 2 *the use and benefit of the other individual,*
 3 *shall be fined under title 18, United States Code, impris-*
 4 *oned not more than 5 years, or both.*

5 *“(b) RESTITUTION BY REPRESENTATIVE PAYEE.—If a*
 6 *person or organization violates subsection (a) in the per-*
 7 *son’s or organization’s role as, or in applying to become,*
 8 *a representative payee under section 807 on behalf of a*
 9 *qualified individual, and the violation includes a willful*
 10 *misuse of funds by the person or entity, the court may also*
 11 *require that full or partial restitution of funds be made to*
 12 *the qualified individual.*

13 **“SEC. 812. DEFINITIONS.**

14 *“In this title:*

15 *“(1) WORLD WAR II VETERAN.—The term ‘World*
 16 *War II veteran’ means a person who—*

17 *“(A) served during World War II—*

18 *“(i) in the active military, naval, or*
 19 *air service of the United States during*
 20 *World War II; or*

21 *“(ii) in the organized military forces of*
 22 *the Government of the Commonwealth of the*
 23 *Philippines, while the forces were in the*
 24 *service of the Armed Forces of the United*
 25 *States pursuant to the military order of the*

1 *President dated July 26, 1941, including*
2 *among the military forces organized guer-*
3 *rilla forces under commanders appointed,*
4 *designated, or subsequently recognized by*
5 *the Commander in Chief, Southwest Pacific*
6 *Area, or other competent authority in the*
7 *Army of the United States, in any case in*
8 *which the service was rendered before De-*
9 *cember 31, 1946; and*

10 *“(B) was discharged or released therefrom*
11 *under conditions other than dishonorable—*

12 *“(i) after service of 90 days or more; or*

13 *“(ii) because of a disability or injury*
14 *incurred or aggravated in the line of active*
15 *duty.*

16 *“(2) WORLD WAR II.—The term ‘World War II’*
17 *means the period beginning on September 16, 1940,*
18 *and ending on July 24, 1947.*

19 *“(3) SUPPLEMENTAL SECURITY INCOME BENEFIT*
20 *UNDER TITLE XVI.—The term ‘supplemental security*
21 *income benefit under title XVI’, except as otherwise*
22 *provided, includes State supplementary payments*
23 *which are paid by the Commissioner of Social Secu-*
24 *rity pursuant to an agreement under section 1616(a)*
25 *of this Act or section 212(b) of Public Law 93–66.*

1 “(4) *FEDERAL BENEFIT RATE UNDER TITLE*
2 *XVI.—The term ‘Federal benefit rate under title XVI’*
3 *means, with respect to any month, the amount of the*
4 *supplemental security income cash benefit (not in-*
5 *cluding any State supplementary payment which is*
6 *paid by the Commissioner of Social Security pursu-*
7 *ant to an agreement under section 1616(a) of this Act*
8 *or section 212(b) of Public Law 93–66) payable under*
9 *title XVI for the month to an eligible individual with*
10 *no income.*

11 “(5) *UNITED STATES.—The term ‘United States’*
12 *means, notwithstanding section 1101(a)(1), only the*
13 *50 States, the District of Columbia, and the Common-*
14 *wealth of the Northern Mariana Islands.*

15 “(6) *BENEFIT INCOME.—The term ‘benefit in-*
16 *come’ means any recurring payment received by a*
17 *qualified individual as an annuity, pension, retire-*
18 *ment, or disability benefit (including any veterans’*
19 *compensation or pension, workmen’s compensation*
20 *payment, old-age, survivors, or disability insurance*
21 *benefit, railroad retirement annuity or pension, and*
22 *unemployment insurance benefit), but only if a simi-*
23 *lar payment was received by the individual from the*
24 *same (or a related) source during the 12-month pe-*

1 *riod preceding the month in which the individual files*
 2 *an application for benefits under this title.*

3 **“SEC. 813. APPROPRIATIONS.**

4 *“There are hereby appropriated for fiscal year 2000*
 5 *and subsequent fiscal years, out of any funds in the Treas-*
 6 *ury not otherwise appropriated, such sums as may be nec-*
 7 *essary to carry out this title.”.*

8 *(b) CONFORMING AMENDMENTS.—*

9 *(1) SOCIAL SECURITY TRUST FUNDS LAE AC-*
 10 *COUNT.—Section 201(g) of such Act (42 U.S.C.*
 11 *401(g)) is amended—*

12 *(A) in the fourth sentence of paragraph*
 13 *(1)(A), by inserting after “this title,” the fol-*
 14 *lowing: “title VIII,”;*

15 *(B) in paragraph (1)(B)(i)(I), by inserting*
 16 *after “this title,” the following: “title VIII,”; and*

17 *(C) in paragraph (1)(C)(i), by inserting*
 18 *after “this title,” the following: “title VIII,”.*

19 *(2) REPRESENTATIVE PAYEE PROVISIONS OF*
 20 *TITLE II.—Section 205(j) of such Act (42 U.S.C.*
 21 *405(j)) is amended—*

22 *(A) in paragraph (1)(A), by inserting “807*
 23 *or” before “1631(a)(2)”;*

24 *(B) in paragraph (2)(B)(i)(I), by inserting*
 25 *“, title VIII,” before “or title XVI”;*

1 (C) in paragraph (2)(B)(i)(III), by insert-
 2 ing “, 811,” before “or 1632”;

3 (D) in paragraph (2)(B)(i)(IV)—

4 (i) by inserting “, the designation of
 5 such person as a representative payee has
 6 been revoked pursuant to section 807(a),”
 7 before “or payment of benefits”; and

8 (ii) by inserting “, title VIII,” before
 9 “or title XVI”;

10 (E) in paragraph (2)(B)(ii)(I)—

11 (i) by inserting “whose designation as
 12 a representative payee has been revoked
 13 pursuant to section 807(a),” before “or with
 14 respect to whom”; and

15 (ii) by inserting “, title VIII,” before
 16 “or title XVI”;

17 (F) in paragraph (2)(B)(ii)(II), by insert-
 18 ing “, 811,” before “or 1632”;

19 (G) in paragraph (2)(C)(i)(II), by inserting
 20 “, the designation of such person as a representa-
 21 tive payee has been revoked pursuant to section
 22 807(a),” before “or payment of benefits”;

23 (H) in each of clauses (i) and (ii) of para-
 24 graph (3)(E), by inserting “, section 807,” before
 25 “or section 1631(a)(2)”;

1 (I) in paragraph (3)(F), by inserting “807
2 or” before “1631(a)(2)”; and

3 (J) in paragraph (4)(B)(i), by inserting
4 “807 or” before “1631(a)(2)”.

5 (3) *WITHHOLDING FOR CHILD SUPPORT AND ALI-*
6 *MONY OBLIGATIONS.*—Section 459(h)(1)(A) of such
7 Act (42 U.S.C. 659(h)(1)(A)) is amended—

8 (A) at the end of clause (iii), by striking
9 “and”;

10 (B) at the end of clause (iv), by striking
11 “but” and inserting “and”; and

12 (C) by adding at the end a new clause as
13 follows:

14 “(v) special benefits for certain World
15 War II veterans payable under title VIII;
16 but”.

17 (4) *SOCIAL SECURITY ADVISORY BOARD.*—Sec-
18 tion 703(b) of such Act (42 U.S.C. 903(b)) is amended
19 by striking “title II” and inserting “title II, the pro-
20 gram of special benefits for certain World War II vet-
21 erans under title VIII,”.

22 (5) *DELIVERY OF CHECKS.*—Section 708 of such
23 Act (42 U.S.C. 908) is amended—

24 (A) in subsection (a), by striking “title II”
25 and inserting “title II, title VIII,”; and

1 (B) in subsection (b), by striking “title II”
 2 and inserting “title II, title VIII,”.

3 (6) CIVIL MONETARY PENALTIES.—Section 1129
 4 of such Act (42 U.S.C. 1320a–8) is amended—

5 (A) in the title, by striking “II” and insert-
 6 ing “II, VIII”;

7 (B) in subsection (a)(1)—

8 (i) by striking “or” at the end of sub-
 9 paragraph (A);

10 (ii) by redesignating subparagraph (B)
 11 as subparagraph (C); and

12 (iii) by inserting after subparagraph
 13 (A) the following new subparagraph:

14 “(B) benefits or payments under title VIII,
 15 or”;

16 (C) in subsection (a)(2), by inserting “or
 17 title VIII,” after “title II”;

18 (D) in subsection (e)(1)(C)—

19 (i) by striking “or” at the end of clause
 20 (i);

21 (ii) by redesignating clause (ii) as
 22 clause (iii); and

23 (iii) by inserting after clause (i) the
 24 following new clause:

1 “(ii) by decrease of any payment
2 under title VIII to which the person is enti-
3 tled, or”;

4 (E) in subsection (e)(2)(B), by striking
5 “title XVI” and inserting “title VIII or XVI”;
6 and

7 (F) in subsection (l), by striking “title XVI”
8 and inserting “title VIII or XVI”.

9 (7) *RECOVERY OF SSI OVERPAYMENTS*.—Section
10 1147 of such Act (42 U.S.C. 1320b–17) is amended—

11 (A) in subsection (a)(1)—

12 (i) by inserting “or VIII” after “title
13 II” the first place it appears; and

14 (ii) by striking “title II” the second
15 place it appears and inserting “such title”;
16 and

17 (B) in the heading, by striking “SOCIAL SE-
18 CURITY” and inserting “OTHER”.

19 (8) *RECOVERY OF SOCIAL SECURITY OVERPAY-*
20 *MENTS*.—Part A of title XI of the Social Security Act
21 is amended by inserting after section 1147 (42 U.S.C.
22 1320b–17) the following new section:

23 “*RECOVERY OF SOCIAL SECURITY BENEFIT OVERPAYMENTS*
24 *FROM TITLE VIII BENEFITS*

25 “SEC. 1147A. Whenever the Commissioner of Social
26 Security determines that more than the correct amount of

1 *any payment has been made under title II to an individual*
 2 *who is not currently receiving benefits under that title but*
 3 *who is receiving benefits under title VIII, the Commissioner*
 4 *may recover the amount incorrectly paid under title II by*
 5 *decreasing any amount which is payable to the individual*
 6 *under title VIII.”.*

7 (9) *REPRESENTATIVE PAYEE PROVISIONS OF*
 8 *TITLE XVI.—Section 1631(a)(2) of such Act (42*
 9 *U.S.C. 1383(a)(2)) is amended—*

10 (A) *in subparagraph (A)(iii), by inserting*
 11 *“or 807” after “205(j)(1)”;*

12 (B) *in subparagraph (B)(ii)(I), by inserting*
 13 *“, title VIII,” before “or this title”;*

14 (C) *in subparagraph (B)(ii)(III), by insert-*
 15 *ing “, 811,” before “or 1632”;*

16 (D) *in subparagraph (B)(ii)(IV)—*

17 (i) *by inserting “whether the designa-*
 18 *tion of such person as a representative*
 19 *payee has been revoked pursuant to section*
 20 *807(a),” before “and whether certification”;*
 21 *and*

22 (ii) *by inserting “, title VIII,” before*
 23 *“or this title”;*

24 (E) *in subparagraph (B)(iii)(II), by insert-*
 25 *ing “the designation of such person as a rep-*

1 representative payee has been revoked pursuant to
2 section 807(a),” before “or certification”; and

3 (F) in subparagraph (D)(ii)(II)(aa), by in-
4 serting “or 807” after “205(j)(4)”.

5 (10) ADMINISTRATIVE OFFSET.—Section
6 3716(c)(3)(C) of title 31, United States Code, is
7 amended—

8 (A) by striking “sections 205(b)(1)” and in-
9 serting “sections 205(b)(1), 809(a)(1),”; and

10 (B) by striking “either title II” and insert-
11 ing “title II, VIII,”.

12 **Subtitle C—Study**

13 **SEC. 261. STUDY OF DENIAL OF SSI BENEFITS FOR FAMILY** 14 **FARMERS.**

15 (a) *IN GENERAL.*—The Commissioner of Social Secu-
16 rity shall conduct a study of the reasons why family farm-
17 ers with resources of less than \$100,000 are denied supple-
18 mental security income benefits under title XVI of the So-
19 cial Security Act, including whether the deeming process
20 unduly burdens and discriminates against family farmers
21 who do not institutionalize a disabled dependent, and shall
22 determine the number of such farmers who have been denied
23 such benefits during each of the preceding 10 years.

24 (b) *REPORT TO THE CONGRESS.*—Within 1 year after
25 the date of the enactment of this Act, the Commissioner of

1 *Social Security shall prepare and submit to the Committee*
 2 *on Ways and Means of the House of Representatives and*
 3 *the Committee on Finance of the Senate a report that con-*
 4 *tains the results of the study, and the determination, re-*
 5 *quired by subsection (a).*

6 ***TITLE III—CHILD SUPPORT***

7 ***SEC. 301. NARROWING OF HOLD HARMLESS PROVISION FOR***
 8 ***STATE SHARE OF DISTRIBUTION OF COL-***
 9 ***LECTED CHILD SUPPORT.***

10 *(a) IN GENERAL.—Section 457(d) of the Social Secu-*
 11 *rity Act (42 U.S.C. 657(d)) is amended to read as follows:*

12 *“(d) HOLD HARMLESS PROVISION.—If—*

13 *“(1) the State share of amounts collected in the*
 14 *fiscal year which could be retained to reimburse the*
 15 *State for amounts paid to families as assistance by*
 16 *the State is less than the State share of such amounts*
 17 *collected in fiscal year 1995 (determined in accord-*
 18 *ance with section 457 as in effect on August 21,*
 19 *1996); and*

20 *“(2)(A) the State has distributed to families that*
 21 *include an adult receiving assistance under the pro-*
 22 *gram under part A at least 80 percent of the current*
 23 *support payments collected during the preceding fis-*
 24 *cal year on behalf of such families, and the amounts*
 25 *distributed were disregarded in determining the*

1 *amount or type of assistance provided under the pro-*
 2 *gram under part A; or*

3 *“(B) the State has distributed to families that*
 4 *formerly received assistance under the program under*
 5 *part A the State share of the amounts collected pursu-*
 6 *ant to section 464 that could have been retained as*
 7 *reimbursement for assistance paid to such families,*
 8 *then the State share otherwise determined for the fiscal year*
 9 *shall be increased by an amount equal to $\frac{1}{2}$ of the amount*
 10 *(if any) by which the State share for fiscal year 1995 ex-*
 11 *ceeds the State share for the fiscal year (determined without*
 12 *regard to this subsection).”.*

13 *(b) EFFECTIVE DATE.—The amendment made by sub-*
 14 *section (a) shall be effective with respect to calendar quar-*
 15 *ters occurring during the period that begins on October 1,*
 16 *1998, and ends on September 30, 2001.*

17 *(c) REPEAL.—Effective October 1, 2001, section 457*
 18 *of the Social Security Act (42 U.S.C. 657) is amended—*

19 *(1) in subsection (a), by striking “subsections (e)*
 20 *and (f)” and inserting “subsections (d) and (e)”;*

21 *(2) by striking subsection (d);*

22 *(3) in subsection (e), by striking the second sen-*
 23 *tence; and*

24 *(4) by redesignating subsections (e) and (f) as*
 25 *subsections (d) and (e), respectively.*

TITLE IV—TECHNICAL CORRECTIONS

SEC. 401. TECHNICAL CORRECTIONS RELATING TO AMEND- MENTS MADE BY THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996.

(a) *Section 402(a)(1)(B)(iv) of the Social Security Act (42 U.S.C. 602(a)(1)(B)(iv)) is amended by striking “Act” and inserting “section”.*

(b) *Section 409(a)(7)(B)(i)(II) of the Social Security Act (42 U.S.C. 609(a)(7)(B)(i)(II)) is amended by striking “part” and inserting “section”.*

(c) *Section 413(g)(1) of the Social Security Act (42 U.S.C. 613(g)(1)) is amended by striking “Act” and inserting “section”.*

(d) *Section 416 of the Social Security Act (42 U.S.C. 616) is amended by striking “Opportunity Act” and inserting “Opportunity Reconciliation Act” each place such term appears.*

(e) *Section 431(a)(6) of the Social Security Act (42 U.S.C. 629a(a)(6)) is amended—*

(1) *by inserting “, as in effect before August 22, 1986” after “482(i)(5)”;* and

(2) *by inserting “, as so in effect” after “482(i)(7)(A)”.*

1 (f) Sections 452(a)(7) and 466(c)(2)(A)(i) of the Social
 2 Security Act (42 U.S.C. 652(a)(7) and 666(c)(2)(A)(i)) are
 3 each amended by striking “Social Security” and inserting
 4 “social security”.

5 (g) Section 454 of the Social Security Act (42 U.S.C.
 6 654) is amended—

7 (1) by striking “, or” at the end of each of para-
 8 graphs (6)(E)(i) and (19)(B)(i) and inserting “; or”;

9 (2) in paragraph (9), by striking the comma at
 10 the end of each of subparagraphs (A), (B), and (C)
 11 and inserting a semicolon; and

12 (3) by striking “, and” at the end of each of
 13 paragraphs (19)(A) and (24)(A) and inserting “;
 14 and”.

15 (h) Section 454(24)(B) of the Social Security Act (42
 16 U.S.C. 654(24)(B)) is amended by striking “Opportunity
 17 Act” and inserting “Opportunity Reconciliation Act”.

18 (i) Section 344(b)(1)(A) of the Personal Responsibility
 19 and Work Opportunity Reconciliation Act of 1996 (Public
 20 Law 104–193; 110 Stat. 2236) is amended to read as fol-
 21 lows:

22 “(A) in paragraph (1), by striking subpara-
 23 graph (B) and inserting the following:

24 “(B) equal to the percent specified in para-
 25 graph (3) of the sums expended during such

1 quarter that are attributable to the planning, de-
 2 sign, development, installation or enhancement
 3 of an automatic data processing and informa-
 4 tion retrieval system (including in such sums the
 5 full cost of the hardware components of such sys-
 6 tem); and'; and''.

7 (j) Section 457(a)(2)(B)(i)(I) of the Social Security
 8 Act (42 U.S.C. 657(a)(2)(B)(i)(I)) is amended by striking
 9 "Act Reconciliation" and inserting "Reconciliation Act".

10 (k) Section 457 of the Social Security Act (42 U.S.C.
 11 657) is amended by striking "Opportunity Act" each place
 12 it appears and inserting "Opportunity Reconciliation Act".

13 (l) Effective on the date of the enactment of this Act,
 14 section 404(e) of the Social Security Act (42 U.S.C. 604(e))
 15 is amended by inserting "or tribe" after "State" the first
 16 and second places it appears, and by inserting "or tribal"
 17 after "State" the third place it appears.

18 (m) Section 466(a)(7)(A) of the Social Security Act
 19 (42 U.S.C. 666(a)(7)(A)) is amended by striking
 20 "1681a(f))" and inserting "1681a(f)))".

21 (n) Section 466(b)(6)(A) of the Social Security Act (42
 22 U.S.C. 666(b)(6)(A)) is amended by striking "state" and
 23 inserting "State".

1 (o) Section 471(a)(8) of the Social Security Act (42
2 U.S.C. 671(a)(8)) is amended by striking “(including ac-
3 tivities under part F)”.

4 (p) Section 1137(a)(3) of the Social Security Act (42
5 U.S.C. 1320b–7(a)(3)) is amended by striking
6 “453A(a)(2)(B)(iii)” and inserting “453A(a)(2)(B)(ii))”.

7 (q) Except as provided in subsection (l), the amend-
8 ments made by this section shall take effect as if included
9 in the enactment of the Personal Responsibility and Work
10 Opportunity Reconciliation Act of 1996 (Public Law 104–
11 193; 110 Stat. 2105).

Attest:

Secretary.

106TH CONGRESS
1ST SESSION

H. R. 1802

AMENDMENT

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