

106TH CONGRESS  
1ST SESSION

# S. 1327

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.

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## IN THE SENATE OF THE UNITED STATES

JULY 1, 1999

Mr. CHAFEE (for himself, Mr. ROCKEFELLER, Mr. BOND, Mr. REED, Mr. JEFFORDS, Mr. MOYNIHAN, Mr. BREAUX, Ms. LANDRIEU, Mr. KERREY, and Ms. MIKULSKI) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

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.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

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

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Foster Care Independence Act of 1999”.

1       (b) TABLE OF CONTENTS.—The table of contents of  
2 this 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.

Subtitle C—Medicaid Amendments

Sec. 121. State option of medicaid coverage for adolescents leaving foster care.

Subtitle D—Welfare-To-Work Amendments

Sec. 131. Children aging out of foster care eligible for services.

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. Rules relating to collection of overpayments from individuals convicted of crimes.

Sec. 206. Treatment of assets held in trust under the SSI program.

Sec. 207. Disposal of resources for less than fair market value under the SSI program.

Sec. 208. Administrative procedure for imposing penalties for false or misleading statements.

Sec. 209. Exclusion of representatives and health care providers convicted of violations from participation in social security programs.

Sec. 210. State data exchanges.

Sec. 211. Study on possible measures to improve fraud prevention and administrative processing.

Sec. 212. Annual report on amounts necessary to combat fraud.

Sec. 213. Computer matches with medicare and medicaid institutionalization data.

Sec. 214. Access to information held by financial institutions.

Subtitle B—Benefits for Certain Veterans of World War II

Sec. 251. Establishment of program of special benefits for certain World War II veterans.

TITLE III—CHILD SUPPORT

Sec. 301. Elimination of enhanced matching for laboratory costs for paternity establishment.

Sec. 302. Elimination 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) The Adoption and Safe Families Act of  
8 1997 establishes that safety, health, and perma-  
9 nency are paramount when planning for children in  
10 foster care. States are required to make reasonable  
11 efforts to locate permanent families for all children,  
12 including older children and teens, for whom reunifi-  
13 cation with their biological families is not in the best  
14 interests of the children.

15 (2) Older children who continue to be in foster  
16 care as adolescents may become eligible for Inde-  
17 pendent Living programs. These Independent Living  
18 programs are not an alternative to permanency plan-  
19 ning for these children. Enrollment in Independent  
20 Living programs can occur concurrent with contin-

1       ued efforts to locate, and achieve placement in, per-  
2       manent families for older children in foster care.

3           (3) About 20,000 adolescents leave the Nation's  
4       foster care system each year because they have  
5       reached 18 years of age and are expected to support  
6       themselves. In addition, approximately 5,000 adoles-  
7       cents (foster children over the age of 12) are adopt-  
8       ed out of the foster care system each year, of whom  
9       approximately 620 are over the age of 16 at the  
10      time of their adoption. A large percentage of these  
11      children have not yet completed their high school  
12      education.

13          (4) Congress has received extensive information  
14      that adolescents leaving foster care are in trouble. A  
15      careful study of all the children aging out of foster  
16      care in Wisconsin during 1994 showed high rates of  
17      school dropout, out-of-wedlock childbearing, home-  
18      lessness, poverty, and being the target of crime and  
19      physical assaults.

20          (4) The Nation's State and local governments,  
21      with financial support from the Federal Government,  
22      should offer an extensive program of education,  
23      health and mental health care, training, employ-  
24      ment, financial support, and post adoption support  
25      services for adolescents leaving foster care (including

1       those who exit foster care to adoption), with partici-  
2       pation in such program beginning several years be-  
3       fore high school graduation and continuing, as need-  
4       ed, until the young adults exiting foster care estab-  
5       lish independence or reach 21 years of age.

6       (b) IMPROVED INDEPENDENT LIVING PROGRAM.—  
7       Section 477 of the Social Security Act (42 U.S.C. 677)  
8       is amended to read as follows:

9       **“SEC. 477. INDEPENDENT LIVING PROGRAM.**

10       “(a) PURPOSE.—The purpose of this section is to  
11       provide States with flexible funding that will enable the  
12       States to design and conduct programs—

13               “(1) to identify children who are likely to re-  
14       main in foster care during their teenage years and  
15       that help these children make the transition to self-  
16       sufficiency by providing services such as assistance  
17       in obtaining a high school diploma, career explo-  
18       ration, vocational training, job placement and reten-  
19       tion, training in daily living skills, training in budg-  
20       eting and financial management skills, substance  
21       abuse prevention, and how to maintain their own  
22       physical and mental health, including how to access  
23       health care, mental health, and community-based  
24       peer-support services;

1           “(2) to help children leaving foster care, includ-  
2           ing those adopted after age 16, obtain the education,  
3           training, and services necessary to obtain and main-  
4           tain employment;

5           “(3) to help children leaving foster care, includ-  
6           ing those adopted after age 16, prepare for and  
7           enter postsecondary training and education institu-  
8           tions;

9           “(4) to provide personal and emotional support  
10          to children aging out of foster care, through men-  
11          tors, the promotion of interactions with dedicated  
12          adults, and continued efforts at locating permanent  
13          family resources, including adoption, for these chil-  
14          dren; and

15          “(5) to provide financial assistance, access to  
16          health and mental health care, supervised housing,  
17          counseling, employment, education, permanency  
18          planning, and other appropriate support and services  
19          that promote active and responsible citizenship,  
20          healthy development, and community membership to  
21          former foster care recipients between 18 and 21  
22          years of age to complement their own efforts to  
23          achieve long-term self-sufficiency.

24          “(b) APPLICATIONS.—

1           “(1) IN GENERAL.—A State may apply for  
2 funds from its allotment under subsection (c) for a  
3 period of 5 consecutive fiscal years by submitting to  
4 the Secretary, in writing, a plan that meets the re-  
5 quirements of paragraph (2) and the certifications  
6 required by paragraph (3) with respect to the plan.

7           “(2) STATE PLAN.—A plan meets the require-  
8 ments of this paragraph if the plan specifies which  
9 State agency or agencies will administer, supervise,  
10 or oversee the programs carried out under the plan,  
11 and describes how the State intends to do the fol-  
12 lowing:

13               “(A) Design and deliver programs to  
14 achieve the purposes of this section in such a  
15 way that each child’s health, safety, opportunity  
16 for a permanent family, and successful, long-  
17 term self-sufficiency is of paramount concern.

18               “(B) Ensure that all political subdivisions  
19 in the State are served by the programs, though  
20 not necessarily in a uniform manner.

21               “(C) Ensure that the programs serve chil-  
22 dren of various ages and at various stages of  
23 achieving independence.

24               “(D) Involve public and private individuals  
25 and organizations familiar with, or interested in

1           addressing, the needs of youths aging out of  
2           foster care, including young people served by  
3           these programs, and, where they exist, organi-  
4           zations of youths who have been in foster care.

5           “(E) Use objective criteria for determining  
6           eligibility for benefits and services under the  
7           programs, and for ensuring fair and equitable  
8           treatment of benefit recipients.

9           “(F) Cooperate in national evaluations of  
10          the effects of the programs in achieving the  
11          purposes of this section.

12          “(G) Designate an independent living coor-  
13          dinator to oversee the delivery of benefits and  
14          services under the programs.

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

18               “(A) A certification by the chief executive  
19               officer of the State that the State will provide  
20               assistance and services to children who have left  
21               foster care after the age of 16 but have not at-  
22               tained 21 years of age.

23               “(B) A certification by the chief executive  
24               officer of the State that not more than 30 per-  
25               cent of the amounts paid to the State from its



1 allotment under subsection (c) for a fiscal year  
2 will be expended for room or board for children  
3 who have left foster care after the age of 16  
4 and have attained 18 but not 21 years of age,  
5 and that such room and board services shall be  
6 supervised, including interaction between the  
7 youths and adults, and the provision of such  
8 services shall include a requirement that the  
9 participating youths must be actively enrolled in  
10 educational, vocational training, or career devel-  
11 opment programs.

12 “(C) A certification by the chief executive  
13 officer of the State that none of the amounts  
14 paid to the State from its allotment under sub-  
15 section (c) will be expended for room or board  
16 for any child who has not attained 18 years of  
17 age.

18 “(D) A certification by the chief executive  
19 officer of the State that the State has consulted  
20 widely with public and private individuals and  
21 organizations familiar with, or interested in ad-  
22 dressing, the needs of youths aging out of foster  
23 care, including young people served by the pro-  
24 grams under the plan, and, where they exist,  
25 organizations of youths who have been in foster

1 care, in developing the plan and that the State  
2 has given all interested members of the public  
3 at least 30 days to submit comments on the  
4 plan.

5 “(E) A certification by the chief executive  
6 officer of the State that the State will make  
7 every effort to coordinate the State programs  
8 receiving funds provided from an allotment  
9 made to the State under subsection (c) with  
10 other Federal and State programs for youth,  
11 especially transitional living youth projects au-  
12 thorized under part B of title III of the Juve-  
13 nile Justice and Delinquency Prevention Act of  
14 1974 and funded and administered by the De-  
15 partment of Health and Human Services, local  
16 housing programs, programs for disabled youth,  
17 and school-to-work programs.

18 “(F) A certification by the chief executive  
19 officer of the State that each Indian tribe in the  
20 State has been informed about the programs to  
21 be carried out under the plan; that each such  
22 tribe has been given an opportunity to comment  
23 on the plan before submission to the Secretary;  
24 and that benefits and services under the pro-  
25 grams will be made available to Indian children

1 in the State on the same basis as to other chil-  
2 dren in the State.

3 “(G) A certification by the chief executive  
4 officer of the State that the State will use train-  
5 ing funds provided under the program of Fed-  
6 eral payments for foster care and adoption as-  
7 sistance to provide training to help foster par-  
8 ents, adoptive parents, workers in group homes,  
9 and case managers understand and address the  
10 issues confronting adolescents preparing for  
11 independent living, with such training utilizing  
12 a youth development approach, and will, to the  
13 extent possible, coordinate such training with  
14 the independent living program conducted for  
15 adolescents.

16 “(H) A certification by the chief executive  
17 officer of the State that the State will ensure  
18 that each adolescent participating in any pro-  
19 gram under this section will have a personal  
20 independent living plan, and that adolescents  
21 themselves will participate directly in designing  
22 their own program activities that prepare them  
23 for independent living and in taking personal  
24 responsibility for fulfilling their program re-  
25 quirements.

1           “(I) A certification by the chief executive  
2           officer of the State that the State has estab-  
3           lished and will enforce standards and proce-  
4           dures to prevent fraud and abuse in the pro-  
5           grams carried out under the plan.

6           “(4) APPROVAL.—The Secretary shall approve  
7           an application submitted by a State pursuant to  
8           paragraph (1) for a period if—

9           “(A) the application is submitted on or be-  
10          fore June 30 of the calendar year in which such  
11          period begins; and

12          “(B) the Secretary finds that the applica-  
13          tion contains the material required by para-  
14          graph (1).

15          “(5) AUTHORITY TO IMPLEMENT CERTAIN  
16          AMENDMENTS; NOTIFICATION.—A State with an ap-  
17          plication approved under paragraph (4) may imple-  
18          ment any amendment to the plan contained in the  
19          application if the application, incorporating the  
20          amendment, would be approvable under paragraph  
21          (4). Within 30 days after a State implements any  
22          such amendment, the State shall notify the Sec-  
23          retary of the amendment.

24          “(6) AVAILABILITY.—The State shall make  
25          available to the public any application submitted by

1 the State pursuant to paragraph (1), and a brief  
2 summary of the plan contained in the application.

3 “(c) ALLOTMENTS TO STATES.—For fiscal year 2000  
4 and each succeeding fiscal year, the Secretary shall allot  
5 the amount specified in subsection (h) that remains after  
6 applying subsection (g)(2) among States with applications  
7 approved under subsection (b) for the fiscal year in the  
8 following manner:

9 “(1) The Secretary shall first allot to each  
10 State an amount equal to the amount payable to the  
11 State for fiscal year 1998 under this section, as in  
12 effect on the day before the date of the enactment  
13 of the Foster Care Independence Act of 1999.

14 “(2) From the amount remaining after carrying  
15 out paragraph (1), the Secretary shall allot to each  
16 State that elects the option under section  
17 1902(a)(10)(A)(ii)(XV) to provide medical assist-  
18 ance to independent foster care adolescents the sum  
19 of—

20 “(A) an amount equal to one-half of the  
21 amount allotted to the State under paragraph  
22 (1), plus

23 “(B) an amount bearing the same ratio to  
24 the amount remaining after carrying out para-  
25 graph (1) and subparagraph (A) as the number

1 of children in foster care under a program of  
2 the State in the most recent fiscal year for  
3 which such information is available bears to the  
4 total number of children in such foster care in  
5 all States for such most recent fiscal year.

6 “(3) REALLOTMENT OF UNUSED FUNDS.—The  
7 Secretary shall use the formula provided in para-  
8 graph (1) of this subsection to reallocate among the  
9 States with applications approved under subsection  
10 (b) for a fiscal year any amount allotted to a State  
11 under this subsection for the preceding year that is  
12 not payable to the State for the preceding year.

13 “(d) USE OF FUNDS.—

14 “(1) IN GENERAL.—A State to which an  
15 amount is paid from its allotment under subsection  
16 (c) may use the amount in any manner that is rea-  
17 sonably calculated to accomplish the purposes of this  
18 section.

19 “(2) NO SUPPLANTATION OF OTHER FUNDS  
20 AVAILABLE FOR SAME GENERAL PURPOSES.—The  
21 amounts paid to a State from its allotment under  
22 subsection (c) shall be used to supplement and not  
23 supplant any other funds which are available for the  
24 same general purposes in the State.

25 “(e) PENALTIES.—

1           “(1) USE OF GRANT IN VIOLATION OF THIS  
2     PART.—If the Secretary is made aware, by an audit  
3     conducted under chapter 75 of title 31, United  
4     States Code, or by any other means, that a program  
5     receiving funds from an allotment made to a State  
6     under subsection (c) has been operated in a manner  
7     that is inconsistent with, or not disclosed in the  
8     State application approved under subsection (b), the  
9     Secretary shall assess a penalty against the State in  
10    an amount equal to not less than 1 percent and not  
11    more than 5 percent of the amount of the allotment.

12           “(2) FAILURE TO COMPLY WITH DATA REPORT-  
13    ING REQUIREMENT.—The Secretary shall assess a  
14    penalty against a State that fails during a fiscal  
15    year to comply with an information collection plan  
16    implemented under subsection (f) in an amount  
17    equal to not less than 1 percent and not more than  
18    5 percent of the amount allotted to the State for the  
19    fiscal year.

20           “(3) PENALTIES BASED ON DEGREE OF NON-  
21    COMPLIANCE.—The Secretary shall assess penalties  
22    under this subsection based on the degree of non-  
23    compliance.

24           “(f) DATA COLLECTION AND PERFORMANCE MEAS-  
25    UREMENT.—

1           “(1) IN GENERAL.—The Secretary, in consulta-  
2           tion with State and local public officials responsible  
3           for administering independent living and other child  
4           welfare programs, child welfare advocates, members  
5           of Congress, youth service providers, and research-  
6           ers, shall—

7                   “(A) develop outcome measures (such as  
8                   measures of educational attainment, employ-  
9                   ment, career goal-setting and development, ac-  
10                  tive participation in personal health care, devel-  
11                  opment of healthy relationships with family,  
12                  mentors, and other community members, as  
13                  well as, avoidance of dependency, homelessness,  
14                  nonmarital childbirth, illegal activities, sub-  
15                  stance abuse or alcohol dependence, and high-  
16                  risk behaviors) that can be used—

17                           “(i) to assess the performance of  
18                           States in operating independent living pro-  
19                           grams, and

20                           “(ii) to explicitly track all outcomes,  
21                           particularly those related to educational at-  
22                           tainment, for youths who are provided with  
23                           room and board services under such State  
24                           programs;



1           “(B) identify data elements needed to  
2 track—

3           “(i) the number and characteristics of  
4 children receiving services under this sec-  
5 tion;

6           “(ii) the type and quantity of services  
7 being provided; and

8           “(iii) State performance on the out-  
9 come measures;

10          “(C) develop and implement a plan to col-  
11 lect the needed information beginning with the  
12 2nd fiscal year beginning after the date of the  
13 enactment of this section; and

14          “(D) ensure that the data collection plan  
15 described in subparagraph (C) will be coordi-  
16 nated with the development and implementation  
17 of other data collection efforts required under  
18 the Adoption and Safe Families Act of 1997  
19 and the Adoption and Foster Care Reporting  
20 System and the Statewide Automated Child  
21 Welfare Information Systems.

22          “(2) REPORT TO THE CONGRESS.—Within 12  
23 months after the date of the enactment of this sec-  
24 tion, the Secretary shall submit to the Committee on  
25 Ways and Means of the House of Representatives

1 and the Committee on Finance of the Senate a re-  
2 port detailing the plans and timetable for collecting  
3 from the States the information described in para-  
4 graph (1).

5 “(g) EVALUATIONS.—

6 “(1) IN GENERAL.—The Secretary shall con-  
7 duct evaluations of such State programs funded  
8 under this section as the Secretary deems to be in-  
9 novative or of potential national significance. The  
10 evaluation of any such program shall include infor-  
11 mation on the effects of the program on education,  
12 employment, and personal development. To the max-  
13 imum extent practicable, the evaluations shall be  
14 based on rigorous scientific standards including ran-  
15 dom assignment to treatment and control groups.  
16 The Secretary is encouraged to work directly with  
17 State and local governments to design methods for  
18 conducting the evaluations, directly or by grant, con-  
19 tract, or cooperative agreement.

20 “(2) FUNDING OF EVALUATIONS.—The Sec-  
21 retary shall reserve 1.5 percent of the amount speci-  
22 fied in subsection (h) for a fiscal year to carry out,  
23 during the fiscal year, evaluation, technical assist-  
24 ance, performance measurement, and data collection  
25 activities related to this section, directly or through

1 grants, contracts, or cooperative agreements with  
 2 appropriate entities.

3 “(h) LIMITATIONS ON AUTHORIZATION OF APPRO-  
 4 PRIATIONS.—To carry out this section, there are author-  
 5 ized to be appropriated to the Secretary \$140,000,000 for  
 6 each fiscal year.”.

7 (c) PAYMENTS TO STATES.—Section 474(a)(4) of  
 8 such Act (42 U.S.C. 674(a)(4)) is amended to read as fol-  
 9 lows:

10 “(4) the lesser of—

11 “(A) 80 percent of the amount (if any) by  
 12 which—

13 “(i) the total amount expended by the  
 14 State during the fiscal year in which the  
 15 quarter occurs to carry out programs in  
 16 accordance with the State application ap-  
 17 proved under section 477(b) for the period  
 18 in which the quarter occurs (including any  
 19 amendment that meets the requirements of  
 20 section 477(b)(5)); exceeds

21 “(ii) the total amount of any penalties  
 22 assessed against the State under section  
 23 477(e) during the fiscal year in which the  
 24 quarter occurs; or

1           “(B) the amount allotted to the State  
 2           under section 477 for the fiscal year in which  
 3           the quarter occurs, reduced by the total of the  
 4           amounts payable to the State under this para-  
 5           graph for all prior quarters in the fiscal year.”.

6           (d) REGULATIONS.—Not later than 12 months after  
 7           the date of the enactment of this Act, the Secretary of  
 8           Health and Human Services shall issue such regulations  
 9           as may be necessary to carry out the amendments made  
 10          by this section.

## 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:  
 17       “In determining whether a child would have received aid  
 18       under a State plan approved under section 402 (as in ef-  
 19       fect on July 16, 1996), a child whose resources (deter-  
 20       mined pursuant to section 402(a)(7)(B), as so in effect)  
 21       have a combined value of not more than \$10,000 shall  
 22       be considered to be a child whose resources have a com-  
 23       bined value of not more than \$1,000 (or such lower  
 24       amount as the State may determine for purposes of such  
 25       section 402(a)(7)(B)).”.

## 1   **Subtitle C—Medicaid Amendments**

### 2   **SEC. 121. STATE OPTION OF MEDICAID COVERAGE FOR** 3                   **ADOLESCENTS LEAVING FOSTER CARE.**

4           (a) IN GENERAL.—Title XIX of the Social Security  
 5 Act is amended—

6                   (1) in section 1902(a)(10)(A)(ii) (42 U.S.C.  
 7           1396a(a)(10)(A)(ii))—

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

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

12                           (C) by adding at the end the following new  
 13                   subclause:

14                                   “(XV) who are independent fos-  
 15                                   ter care adolescents (as defined in  
 16                                   (section 1905(v)(1));”; and

17                   (2) in section 1905 (42 U.S.C. 1396d), by add-  
 18                   ing at the end the following new subsection:

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

21                           “(A) who is under 21 years of age;

22                           “(B)(i) who, on the individual’s 18th birthday,  
 23                   was in foster care under the responsibility of a  
 24                   State, (ii) who is described in subparagraph (A),  
 25                   (B), or (C) of section 477(a)(2) (regardless of

1       whether or not the State has exercised the option de-  
 2       scribed in such subparagraph (B) or (C)), or (iii)  
 3       who was adopted after the individual's 16th birthday  
 4       and before the individual's 18th birthday and with  
 5       respect to whose adoption there was in effect an  
 6       adoption assistance agreement described in section  
 7       473; and

8               “(C) who meets the income and resource stand-  
 9       ards (if any) established by the State consistent with  
 10      paragraph (2).

11   The State may waive the application of any resource or  
 12   income standard otherwise applicable under subparagraph  
 13   (C) for reasonable classifications of adolescents.

14       “(2) The income and resource standards (if any) es-  
 15   tablished by a State under paragraph (1)(C) may not be  
 16   less than the corresponding income and resource stand-  
 17   ards applied by the State under section 1931(b) and the  
 18   income and resource methodologies (if any) used in apply-  
 19   ing such paragraph may not be more restrictive than the  
 20   methodologies referred to in paragraph (2)(C) of such sec-  
 21   tion.”.

22       (b) CONFORMING AMENDMENT.—Section 1903(f)(4)  
 23   of such Act (42 U.S.C. 1396b(f)(4)) is amended  
 24   by inserting “1902(a)(10)(A)(ii)(XV),” after  
 25   1902(a)(10)(A)(ii)((X),”.

1 (c) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to medical assistance for items and  
 3 services furnished on or after October 1, 1999, without  
 4 regard to whether or not final regulations to carry out  
 5 such amendments have been promulgated by such date.

6 **Subtitle D—Welfare-To-Work**  
 7 **Amendments**

8 **SEC. 131. CHILDREN AGING OUT OF FOSTER CARE ELIGI-**  
 9 **BLE FOR SERVICES.**

10 (a) RECIPIENTS WITH CHARACTERISTICS OF LONG-  
 11 TERM DEPENDENCY; CHILDREN AGING OUT OF FOSTER  
 12 CARE.—Clause (iii) of section 403(a)(5)(C) of the Social  
 13 Security Act (42 U.S.C. 603(a)(5)(C)(iii)) is amended—

14 (1) in subclause (I), by striking “or” at the  
 15 end;

16 (2) in subclause (II), by striking the period at  
 17 the end and inserting “; or”; and

18 (3) by inserting after subclause (II) the fol-  
 19 lowing new subclause:

20 “(III) to children—

21 “(aa) who have attained 18  
 22 years of age but not 25 years of  
 23 age; and

24 “(bb) who, on the day before  
 25 attaining 18 years of age were

1 recipients of foster care mainte-  
 2 nance payments (as defined in  
 3 section 475(4)) under part E or  
 4 were in foster care under the re-  
 5 sponsibility of a State.”.

6 (b) CONFORMING AMENDMENT.—Section  
 7 403(a)(5)(C)(iii) of the Social Security Act (42 U.S.C.  
 8 603(a)(5)(C)(iii)) is amended by inserting “HARD TO EM-  
 9 PLOY” before “INDIVIDUALS” in the heading.

10 (c) EFFECTIVE DATE.—The amendments made by  
 11 this section shall take effect on October 1, 1999.

12 **TITLE II—SSI FRAUD**  
 13 **PREVENTION**  
 14 **Subtitle A—Fraud Prevention and**  
 15 **Related Provisions**

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

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



1 control record under the social security account number  
2 of the representative payee.”.

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

13 (c) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to overpayments made 12 months  
15 or 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  
19 Social 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

1       1616(a) of this Act or under an agreement entered  
 2       into under section 212(a) of Public Law 93–66)  
 3       shall, as at least one means of recovering such over-  
 4       payment, make the adjustment or recovery from the  
 5       lump sum payment in an amount equal to not less  
 6       than the lesser of the amount of the overpayment  
 7       or 50 percent of the lump sum payment,” before  
 8       “unless fraud”.

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

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

15       (a) IN GENERAL.—Section 1631(b) of the Social Se-  
 16      curity Act (42 U.S.C. 1383(b)) is amended—

17               (1) by redesignating paragraphs (4) and (5) as  
 18      paragraphs (5) and (6), respectively; and

19               (2) by inserting after paragraph (3) the fol-  
 20      lowing new paragraph:

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

1 after the enactment of the Debt Collection Improvement  
2 Act of 1996.

3 “(B) For purposes of subparagraph (A), the  
4 term ‘delinquent amount’ means an amount—

5 “(i) in excess of the correct amount of pay-  
6 ment under this title;

7 “(ii) paid to a person after such person  
8 has attained 18 years of age; and

9 “(iii) determined by the Commissioner of  
10 Social Security, under regulations, to be other-  
11 wise unrecoverable under this section after such  
12 person ceases to be a beneficiary under this  
13 title.”.

14 (b) CONFORMING AMENDMENTS.—Section  
15 3701(d)(2) of title 31, United States Code, is amended  
16 by striking “section 204(f)” and inserting “sections 204(f)  
17 and 1631(b)(4)”.

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

20 (1) by striking “3711(e)” and inserting  
21 “3711(f)”; and

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

23 (d) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to debt outstanding on or after  
25 the date 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  
 5 Act (42 U.S.C. 1382(e)(1)(I)(ii)(II)) is amended by strik-  
 6 ing “is authorized to” and inserting “shall”.

7 **SEC. 205. RULES RELATING TO COLLECTION OF OVERPAY-**  
 8 **MENTS FROM INDIVIDUALS CONVICTED OF**  
 9 **CRIMES.**

10 (a) WAIVERS INAPPLICABLE TO OVERPAYMENTS BY  
 11 REASON OF PAYMENT IN MONTHS IN WHICH BENE-  
 12 FICIARY IS A PRISONER OR A FUGITIVE.—

13 (1) AMENDMENT TO TITLE II.—Section 204(b)  
 14 of the Social Security Act (42 U.S.C. 404(b)) is  
 15 amended—

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

17 (B) by adding at the end the following new  
 18 paragraph:

19 “(2) Paragraph (1) shall not apply with respect to  
 20 any payment to any person made during a month in which  
 21 such benefit was not payable under section 202(x).”.

22 (2) AMENDMENT TO TITLE XVI.—Section  
 23 1631(b)(1)(B)(i) of such Act (42 U.S.C.  
 24 1383(b)(1)(B)(i)) is amended by inserting “unless  
 25 (I) section 1611(e)(1) prohibits payment to the per-  
 26 son of a benefit under this title for the month by

1 reason of confinement of a type described in clause  
 2 (i) or (ii) of section 202(x)(1)(A), or (II) section  
 3 1611(e)(5) prohibits payment to the person of a  
 4 benefit under this title for the month,” after “ad-  
 5 ministration of this title”.

6 (b) 10-YEAR PERIOD OF INELIGIBILITY FOR PER-  
 7 SONS FAILING TO NOTIFY COMMISSIONER OF OVERPAY-  
 8 MENTS IN MONTHS IN WHICH BENEFICIARY IS A PRIS-  
 9 ONER OR A FUGITIVE OR FAILING TO COMPLY WITH RE-  
 10 PAYMENT SCHEDULE FOR SUCH OVERPAYMENTS.—

11 (1) AMENDMENT TO TITLE II.—Section 202(x)  
 12 of such Act (42 U.S.C. 402(x)) is amended by add-  
 13 ing at the end the following new paragraph:

14 “(4)(A) No person shall be considered entitled to  
 15 monthly insurance benefits under this section based on the  
 16 person’s disability or to disability insurance benefits under  
 17 section 223 otherwise payable during the 10-year period  
 18 that begins on the date the person—

19 “(i) knowingly fails to timely notify the Com-  
 20 missioner of Social Security, in connection with any  
 21 application for benefits under this title, of any prior  
 22 receipt by such person of any benefit under this title  
 23 or title XVI in any month in which such benefit was  
 24 not payable under the preceding provisions of this  
 25 subsection, or

1           “(ii) knowingly fails to comply with any sched-  
 2           ule imposed by the Commissioner which is for repay-  
 3           ment of overpayments comprised of payments de-  
 4           scribed in subparagraph (A) and which is in compli-  
 5           ance with section 204.

6           “(B) The Commissioner of Social Security shall, in  
 7           addition to any other relevant factors, take into account  
 8           any mental or linguistic limitations of a person (including  
 9           any lack of facility with the English language) in deter-  
 10          mining whether the person has knowingly failed to comply  
 11          with a requirement of clause (i) or (ii) of subparagraph  
 12          (A).”.

13           (2) AMENDMENT TO TITLE XVI.—Section  
 14          1611(e)(1) of such Act (42 U.S.C. 1382(e)(1)) is  
 15          amended by adding at the end the following new  
 16          subparagraph:

17          “(J)(i) A person shall not be considered an eligible  
 18          individual or eligible spouse for purposes of benefits under  
 19          this title by reason of disability, during the 10-year period  
 20          that begins on the date the person—

21               “(I) knowingly fails to timely notify the Com-  
 22               missioner of Social Security, in an application for  
 23               benefits under this title, of any prior receipt by the  
 24               person of a benefit under this title or title II in a

1 month in which payment to the person of a benefit  
 2 under this title was prohibited by—

3 “(aa) the preceding provisions of this para-  
 4 graph by reason of confinement of a type de-  
 5 scribed in clause (i) or (ii) of section  
 6 202(x)(1)(A); or

7 “(bb) section 1611(e)(4); or

8 “(II) knowingly fails to comply with any sched-  
 9 ule imposed by the Commissioner which is for repay-  
 10 ment of overpayments comprised of payments de-  
 11 scribed in clause (i) of this subparagraph and which  
 12 is in compliance with section 1631(b).

13 “(ii) The Commissioner of Social Security shall, in  
 14 addition to any other relevant factors, take into account  
 15 any mental or linguistic limitations of a person (including  
 16 any lack of facility with the English language) in deter-  
 17 mining whether the person has knowingly failed to comply  
 18 with a requirement of subclause (I) or (II) of clause (i).”.

19 (c) CONTINUED COLLECTION EFFORTS AGAINST  
 20 PRISONERS.—

21 (1) AMENDMENT TO TITLE II.—Section 204(b)  
 22 of such Act (42 U.S.C. 404(b)), as amended by sub-  
 23 section (a)(1) of this section, is amended further by  
 24 adding at the end the following new paragraph:

1       “(3) The Commissioner shall not refrain from recov-  
 2       ering overpayments from resources currently available to  
 3       any overpaid person or to such person’s estate solely be-  
 4       cause such individual is confined as described in clause  
 5       (i) or (ii) of section 202(x)(1)(A).”.

6               (2) AMENDMENT TO TITLE XVI.—Section  
 7       1631(b)(1)(A) of such Act (42 U.S.C.  
 8       1383(b)(1)(A)) is amended by adding after and  
 9       below clause (ii) the following flush left sentence:  
 10      “The Commissioner shall not refrain from recovering over-  
 11      payments from resources currently available to any indi-  
 12      vidual solely because the individual is confined as de-  
 13      scribed in clause (i) or (ii) of section 202(x)(1)(A).”.

14       (d) EFFECTIVE DATE.—The amendments made by  
 15      this section shall apply to overpayments made in, and to  
 16      benefits payable for, months beginning 24 months or more  
 17      after the date of the enactment of this Act.

18      **SEC. 206. TREATMENT OF ASSETS HELD IN TRUST UNDER**  
 19                                      **THE SSI PROGRAM.**

20       (a) TREATMENT AS RESOURCE.—Section 1613 of the  
 21      Social Security Act (42 U.S.C. 1382b) is amended by add-  
 22      ing at the end the following new subsection:



1 “Trusts

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

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

9 “(B) In the case of an irrevocable trust to which are  
10 transferred the assets of an individual (or of the individ-  
11 ual’s spouse) and the assets of any other person, this sub-  
12 section shall apply to the portion of the trust attributable  
13 to the assets of the individual (or of the individual’s  
14 spouse).

15 “(C) This subsection shall apply to a trust without  
16 regard to—

17 “(i) the purposes for which the trust is estab-  
18 lished;

19 “(ii) whether the trustees have or exercise any  
20 discretion under the trust;

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

23 “(iv) any restrictions on the use of distributions  
24 from the trust.

1       “(3)(A) In the case of a revocable trust established  
2 by an individual, the corpus of the trust shall be consid-  
3 ered a resource available to the individual.

4       “(B) In the case of an irrevocable trust established  
5 by an individual, if there are any circumstances under  
6 which payment from the trust could be made to or for  
7 the benefit of the individual or the individual’s spouse, the  
8 portion of the corpus from which payment to or for the  
9 benefit of the individual or the individual’s spouse could  
10 be made shall be considered a resource available to the  
11 individual.

12       “(4) The Commissioner of Social Security may waive  
13 the application of this subsection with respect to an indi-  
14 vidual if the Commissioner determines that such applica-  
15 tion would work an undue hardship (as determined on the  
16 basis of criteria established by the Commissioner) on the  
17 individual.

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

20       “(6) For purposes of this subsection—

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

23               “(B) the term ‘corpus’ means, with respect to  
24 a trust, all property and other interests held by the  
25 trust, including accumulated earnings and any other

1 addition to the trust after its establishment (except  
2 that such term does not include any such earnings  
3 or addition in the month in which the earnings or  
4 addition is credited or otherwise transferred to the  
5 trust); and

6 “(C) the term ‘asset’ includes any income or re-  
7 source of the individual or of the individual’s spouse,  
8 including—

9 “(i) any income excluded by section  
10 1612(b);

11 “(ii) any resource otherwise excluded by  
12 this section; and

13 “(iii) any other payment or property to  
14 which the individual or the individual’s spouse  
15 is entitled but does not receive or have access  
16 to because of action by—

17 “(I) the individual or spouse;

18 “(II) a person or entity (including a  
19 court) with legal authority to act in place  
20 of, or on behalf of, the individual or  
21 spouse; or

22 “(III) a person or entity (including a  
23 court) acting at the direction of, or on the  
24 request of, the individual or spouse.”.

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

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

5 (2) by striking the period at the end of sub-  
 6 paragraph (F) and inserting “; and”; and

7 (3) by adding at the end the following new sub-  
 8 paragraph:

9 “(G) any earnings of, and additions to, the cor-  
 10 pus of a trust established by an individual (within  
 11 the meaning of section 1613(e)), of which the indi-  
 12 vidual is a beneficiary, to which section 1613(e) ap-  
 13 plies, and, in the case of an irrevocable trust, with  
 14 respect to which circumstances exist under which a  
 15 payment from the earnings or additions could be  
 16 made to or for the benefit of the individual.”.

17 (c) CONFORMING AMENDMENTS.—Section  
 18 1902(a)(10) of the Social Security Act (42 U.S.C.  
 19 1396a(a)(10)) is amended—

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

22 (2) by adding “and” at the end of subpara-  
 23 graph (F); and

24 (3) by inserting after subparagraph (F) the fol-  
 25 lowing new subparagraph:

1           “(G) that, in applying eligibility criteria of  
 2           the supplemental security income program  
 3           under title XVI for purposes of determining eli-  
 4           gibility for medical assistance under the State  
 5           plan of an individual who is not receiving sup-  
 6           plemental security income, the State will dis-  
 7           regard the provisions of section 1613(e);”.

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

11   **SEC. 207. DISPOSAL OF RESOURCES FOR LESS THAN FAIR**  
 12                           **MARKET VALUE UNDER THE SSI PROGRAM.**

13          (a) IN GENERAL.—Section 1613(c) of the Social Se-  
 14          curity Act (42 U.S.C. 1382b(c)) is amended—

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

18               (2) in paragraph (1)—

19                       (A) in subparagraph (A)—

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

22                               (ii) by striking “title XIX” the first  
 23                               place it appears and inserting “this title  
 24                               and title XIX, respectively,”;

1 (iii) by striking “subparagraph (B)”  
 2 and inserting “clause (ii)”;  
 3 (iv) by striking “paragraph (2)” and  
 4 inserting “subparagraph (B)”;  
 5 (B) in subparagraph (B)—  
 6 (i) by striking “by the State agency”;  
 7 and  
 8 (ii) by striking “section 1917(c)” and  
 9 all that follows and inserting “paragraph  
 10 (1) or section 1917(c).”; and  
 11 (C) by redesignating subparagraphs (A)  
 12 and (B) as clauses (i) and (ii), respectively;  
 13 (3) in paragraph (2)—  
 14 (A) by striking “(2)” and inserting “(B)”;  
 15 and  
 16 (B) by striking “paragraph (1)(B)” and  
 17 inserting “subparagraph (A)(ii)”;  
 18 (4) by striking “(c)(1)” and inserting “(2)(A)”;  
 19 and  
 20 (5) by inserting before paragraph (2) (as so re-  
 21 designated by paragraph (4) of this subsection) the  
 22 following new subsection:  
 23 “(c)(1)(A)(i) If an individual or the spouse of an indi-  
 24 vidual disposes of resources for less than fair market value  
 25 on or after the look-back date described in clause (ii)(I),

1 the individual is ineligible for benefits under this title for  
 2 months during the period beginning on the date described  
 3 in clause (iii) and equal to the number of months cal-  
 4 culated as provided in clause (iv).

5 “(ii)(I) The look-back date described in this sub-  
 6 clause is a date that is 36 months before the date de-  
 7 scribed in subclause (II).

8 “(II) The date described in this subclause is the date  
 9 on which the individual applies for benefits under this title  
 10 or, if later, the date on which the individual (or the spouse  
 11 of the individual) disposes of resources for less than fair  
 12 market value.

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

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

20 “(I) the total, cumulative uncompensated value  
 21 of all resources so disposed of by the individual (or  
 22 the spouse of the individual) on or after the look-  
 23 back date described in clause (ii)(I); divided by

24 “(II) the amount of the maximum monthly ben-  
 25 efit payable under section 1611(b), plus the amount

1 (if any) of the maximum State supplementary pay-  
2 ment corresponding to the State's payment level ap-  
3 plicable to the individual's living arrangement and  
4 eligibility category that would otherwise be payable  
5 to the individual by the Commissioner pursuant to  
6 an agreement under section 1616(a) of this Act or  
7 section 212(b) of Public Law 93-66, for the month  
8 in which occurs the date described in clause (ii)(II),  
9 rounded, in the case of any fraction, to the nearest whole  
10 number, but shall not in any case exceed 36 months.

11 “(B)(i) Notwithstanding subparagraph (A), this sub-  
12 section shall not apply to a transfer of a resource to a  
13 trust if the portion of the trust attributable to the resource  
14 is considered a resource available to the individual pursu-  
15 ant to subsection (e)(3) (or would be so considered but  
16 for the application of subsection (e)(4)).

17 “(ii) In the case of a trust established by an indi-  
18 vidual or an individual's spouse (within the meaning of  
19 subsection (e)), if from such portion of the trust, if any,  
20 that is considered a resource available to the individual  
21 pursuant to subsection (e)(3) (or would be so considered  
22 but for the application of subsection (e)(4)) or the residue  
23 of the portion on the termination of the trust—

24 “(I) there is made a payment other than to or  
25 for the benefit of the individual; or



1           “(II) no payment could under any circumstance  
2       be made to the individual,  
3 then, for purposes of this subsection, the payment de-  
4 scribed in clause (I) or the foreclosure of payment de-  
5 scribed in clause (II) shall be considered a transfer of re-  
6 sources by the individual or the individual’s spouse as of  
7 the date of the payment or foreclosure, as the case may  
8 be.

9           “(C) An individual shall not be ineligible for benefits  
10 under this title by reason of the application of this para-  
11 graph to a disposal of resources by the individual or the  
12 spouse of the individual, to the extent that—

13           “(i) the resources are a home and title to the  
14 home was transferred to—

15           “(I) the spouse of the transferor;

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

18           “(III) a sibling of the transferor who has  
19 an equity interest in such home and who was  
20 residing in the transferor’s home for a period of  
21 at least 1 year immediately before the date the  
22 transferor becomes an institutionalized indi-  
23 vidual; or

24           “(IV) a son or daughter of the transferor  
25 (other than a child described in subclause (II))

1 who was residing in the transferor's home for  
2 a period of at least 2 years immediately before  
3 the date the transferor becomes an institu-  
4 tionalized individual, and who provided care to  
5 the transferor which permitted the transferor to  
6 reside at home rather than in such an institu-  
7 tion or facility;

8 “(ii) the resources—

9 “(I) were transferred to the transferor's  
10 spouse or to another for the sole benefit of the  
11 transferor's spouse;

12 “(II) were transferred from the trans-  
13 feror's spouse to another for the sole benefit of  
14 the transferor's spouse;

15 “(III) were transferred to, or to a trust  
16 (including a trust described in section  
17 1917(d)(4)) established solely for the benefit of,  
18 the transferor's child who is blind or disabled;  
19 or

20 “(IV) were transferred to a trust (includ-  
21 ing a trust described in section 1917(d)(4)) es-  
22 tablished solely for the benefit of an individual  
23 who has not attained 65 years of age and who  
24 is disabled;

1           “(iii) a satisfactory showing is made to the  
2       Commissioner of Social Security (in accordance with  
3       regulations promulgated by the Commissioner)  
4       that—

5           “(I) the individual who disposed of the re-  
6       sources intended to dispose of the resources ei-  
7       ther at fair market value, or for other valuable  
8       consideration;

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

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

15          “(iv) the Commissioner determines, under pro-  
16      cedures established by the Commissioner, that the  
17      denial of eligibility would work an undue hardship as  
18      determined on the basis of criteria established by the  
19      Commissioner.

20          “(D) For purposes of this subsection, in the case of  
21      a resource held by an individual in common with another  
22      person or persons in a joint tenancy, tenancy in common,  
23      or similar arrangement, the resource (or the affected por-  
24      tion of such resource) shall be considered to be disposed  
25      of by the individual when any action is taken, either by

1 the individual or by any other person, that reduces or  
 2 eliminates the individual’s ownership or control of such re-  
 3 source.

4 “(E) In the case of a transfer by the spouse of an  
 5 individual that results in a period of ineligibility for the  
 6 individual under this subsection, the Commissioner shall  
 7 apportion the period (or any portion of the period) among  
 8 the individual and the individual’s spouse if the spouse be-  
 9 comes eligible for benefits under this title.

10 “(F) For purposes of this paragraph—

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

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

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

20 (b) CONFORMING AMENDMENT.—Section  
 21 1902(a)(10) of the Social Security Act (42 U.S.C.  
 22 1396a(a)(10)), as amended by section 206(c) of this Act,  
 23 is amended by striking “section 1613(e)” and inserting  
 24 “subsections (c) and (e) of section 1613”.

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

4 **SEC. 208. ADMINISTRATIVE PROCEDURE FOR IMPOSING**  
 5 **PENALTIES FOR FALSE OR MISLEADING**  
 6 **STATEMENTS.**

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

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

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

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

19 “(2) benefits or payments under title XVI,  
 20 that the person knows or should know is false or mis-  
 21 leading or knows or should know omits a material fact  
 22 or makes such a statement with knowing disregard for the  
 23 truth shall be subject to, in addition to any other penalties  
 24 that may be prescribed by law, a penalty described in sub-

1 section (b) to be imposed by the Commissioner of Social  
2 Security.

3 “(b) PENALTY.—The penalty described in this sub-  
4 section is—

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

7 “(2) ineligibility for cash benefits under title  
8 XVI,

9 for each month that begins during the applicable period  
10 described in subsection (c).

11 “(c) DURATION OF PENALTY.—The duration of the  
12 applicable period, with respect to a determination by the  
13 Commissioner under subsection (a) that a person has en-  
14 gaged in conduct described in subsection (a), shall be—

15 “(1) 6 consecutive months, in the case of a first  
16 such determination with respect to the person;

17 “(2) 12 consecutive months, in the case of a  
18 second such determination with respect to the per-  
19 son; and

20 “(3) 24 consecutive months, in the case of a  
21 third or subsequent such determination with respect  
22 to the person.

23 “(d) EFFECT ON OTHER ASSISTANCE.—A person  
24 subject to a period of nonpayment of benefits under title  
25 II or ineligibility for title XVI benefits by reason of this

1 section nevertheless shall be considered to be eligible for  
 2 and receiving such benefits, to the extent that the person  
 3 would be receiving or eligible for such benefits but for the  
 4 imposition of the penalty, for purposes of—

5 “(1) determination of the eligibility of the per-  
 6 son for benefits under titles XVIII and XIX; and

7 “(2) determination of the eligibility or amount  
 8 of benefits payable under title II or XVI to another  
 9 person.

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

15 “(f) CONSULTATIONS.—The Commissioner of Social  
 16 Security shall consult with the Inspector General of the  
 17 Social Security Administration regarding initiating actions  
 18 under this section.”.

19 (b) CONFORMING AMENDMENT PRECLUDING DE-  
 20 LAYED RETIREMENT CREDIT FOR ANY MONTH TO WHICH  
 21 A NONPAYMENT OF BENEFITS PENALTY APPLIES.—Sec-  
 22 tion 202(w)(2)(B) of such Act (42 U.S.C. 402(w)(2)(B))  
 23 is amended—

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

1           (2) by striking the period at the end of clause  
2           (ii) and inserting “, and”; and

3           (3) by adding at the end the following new  
4           clause:

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

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

10           (1) by striking paragraph (4);

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

13           (3) by redesignating paragraphs (5) and (6) as  
14           paragraphs (4) and (5), respectively.

15           (d) REGULATIONS.—Within 6 months after the date  
16           of the enactment of this Act, the Commissioner of Social  
17           Security shall develop regulations that prescribe the ad-  
18           ministrative process for making determinations under sec-  
19           tion 1129A of the Social Security Act (including when the  
20           applicable period in subsection (c) of such section shall  
21           commence), and shall provide guidance on the exercise of  
22           discretion as to whether the penalty should be imposed  
23           in particular cases.



1 (e) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to statements and representations  
 3 made on or after the date of the enactment of this Act.

4 **SEC. 209. EXCLUSION OF REPRESENTATIVES AND HEALTH**  
 5 **CARE PROVIDERS CONVICTED OF VIOLA-**  
 6 **TIONS FROM PARTICIPATION IN SOCIAL SE-**  
 7 **CURITY PROGRAMS.**

8 (a) IN GENERAL.—Part A of title XI of the Social  
 9 Security Act (42 U.S.C. 1301–1320b–17) is amended by  
 10 adding at the end the following new section:

11 “EXCLUSION OF REPRESENTATIVES AND HEALTH CARE  
 12 PROVIDERS CONVICTED OF VIOLATIONS FROM PAR-  
 13 TICIPATION IN SOCIAL SECURITY PROGRAMS

14 “SEC. 1148. (a) IN GENERAL.—The Commissioner  
 15 of Social Security shall exclude from participation in the  
 16 social security programs any representative or health care  
 17 provider—

18 “(1) who is convicted of a violation of section  
 19 208 or 1632 of this Act,

20 “(2) who is convicted of any violation under  
 21 title 18, United States Code, relating to an initial  
 22 application for or continuing entitlement to, or  
 23 amount of, benefits under title II of this Act, or an  
 24 initial application for or continuing eligibility for, or  
 25 amount of, benefits under title XVI of this Act, or

1           “(3) who the Commissioner determines has  
2       committed an offense described in section  
3       1129(a)(1) of this Act.

4       “(b) NOTICE, EFFECTIVE DATE, AND PERIOD OF  
5       EXCLUSION.—(1) An exclusion under this section shall be  
6       effective at such time, for such period, and upon such rea-  
7       sonable notice to the public and to the individual excluded  
8       as may be specified in regulations consistent with para-  
9       graph (2).

10       “(2) Such an exclusion shall be effective with respect  
11       to services furnished to any individual on or after the ef-  
12       fective date of the exclusion. Nothing in this section may  
13       be construed to preclude, in determining disability under  
14       title II or title XVI, consideration of any medical evidence  
15       derived from services provided by a health care provider  
16       before the effective date of the exclusion of the health care  
17       provider under this section.

18       “(3)(A) The Commissioner shall specify, in the notice  
19       of exclusion under paragraph (1), the period of the exclu-  
20       sion.

21       “(B) Subject to subparagraph (C), in the case of an  
22       exclusion under subsection (a), the minimum period of ex-  
23       clusion shall be five years, except that the Commissioner  
24       may waive the exclusion in the case of an individual who  
25       is the sole source of essential services in a community. The

1 Commissioner's decision whether to waive the exclusion  
2 shall not be reviewable.

3       “(C) In the case of an exclusion of an individual  
4 under subsection (a) based on a conviction or a determina-  
5 tion described in subsection (a)(3) occurring on or after  
6 the date of the enactment of this section, if the individual  
7 has (before, on, or after such date of enactment) been con-  
8 victed, or if such a determination has been made with re-  
9 spect to the individual—

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

14           “(ii) on 2 or more previous occasions of one or  
15 more offenses for which an exclusion may be effected  
16 under such subsection, the period of the exclusion  
17 shall be permanent.

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

22           “(1) of the fact and circumstances of each ex-  
23 clusion effected against an individual under this sec-  
24 tion, and

1           “(2) of the period (described in subsection  
2           (b)(3)) for which the State agency is directed to ex-  
3           clude the individual from participation in the activi-  
4           ties of the State agency in the course of its employ-  
5           ment.

6           “(d) NOTICE TO STATE LICENSING AGENCIES.—The  
7           Commissioner shall—

8           “(1) promptly notify the appropriate State or  
9           local agency or authority having responsibility for  
10          the licensing or certification of an individual ex-  
11          cluded from participation under this section of the  
12          fact and circumstances of the exclusion,

13          “(2) request that appropriate investigations be  
14          made and sanctions invoked in accordance with ap-  
15          plicable State law and policy, and

16          “(3) request that the State or local agency or  
17          authority keep the Commissioner and the Inspector  
18          General of the Social Security Administration fully  
19          and currently informed with respect to any actions  
20          taken in response to the request.

21          “(e) NOTICE, HEARING, AND JUDICIAL REVIEW.—

22          (1) Any individual who is excluded (or directed to be ex-  
23          cluded) from participation under this section is entitled  
24          to reasonable notice and opportunity for a hearing thereon  
25          by the Commissioner to the same extent as is provided

1 in section 205(b), and to judicial review of the Commis-  
 2 sioner's final decision after such hearing as is provided  
 3 in section 205(g).

4 “(2) The provisions of section 205(h) shall apply with  
 5 respect to this section to the same extent as it is applicable  
 6 with respect to title II.

7 “(f) APPLICATION FOR TERMINATION OF EXCLU-  
 8 SION.—(1) An individual excluded from participation  
 9 under this section may apply to the Commissioner, in the  
 10 manner specified by the Commissioner in regulations and  
 11 at the end of the minimum period of exclusion provided  
 12 under subsection (b)(3) and at such other times as the  
 13 Commissioner may provide, for termination of the exclu-  
 14 sion effected under this section.

15 “(2) The Commissioner may terminate the exclusion  
 16 if the Commissioner determines, on the basis of the con-  
 17 duct of the applicant which occurred after the date of the  
 18 notice of exclusion or which was unknown to the Commis-  
 19 sioner at the time of the exclusion, that—

20 “(A) there is no basis under subsection (a) for  
 21 a continuation of the exclusion, and

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

1       “(3) The Commissioner shall promptly notify each  
2 State agency employed for the purpose of making dis-  
3 ability determinations under section 221 or 1633(a) of the  
4 fact and circumstances of each termination of exclusion  
5 made under this subsection.

6       “(g) AVAILABILITY OF RECORDS OF EXCLUDED  
7 REPRESENTATIVES AND HEALTH CARE PROVIDERS.—  
8 Nothing in this section shall be construed to have the ef-  
9 fect of limiting access by any applicant or beneficiary  
10 under title II or XVI, any State agency acting under sec-  
11 tion 221 or 1633(a), or the Commissioner to records main-  
12 tained by any representative or health care provider in  
13 connection with services provided to the applicant or bene-  
14 ficiary prior to the exclusion of such representative or  
15 health care provider under this section.

16       “(h) REPORTING REQUIREMENT.—Any representa-  
17 tive or health care provider participating in, or seeking  
18 to participate in, a social security program shall inform  
19 the Commissioner, in such form and manner as the Com-  
20 missioner shall prescribe by regulation, whether such rep-  
21 resentative or health care provider has been convicted of  
22 a violation described in subsection (a).

23       “(i) DELEGATION OF AUTHORITY.—The Commis-  
24 sioner may delegate authority granted by this section to  
25 the Inspector General.

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

2 “(1) EXCLUDE.—The term ‘exclude’ from par-  
3 ticipation means—

4 “(A) in connection with a representative,  
5 to prohibit from engaging in representation of  
6 an applicant for, or recipient of, benefits, as a  
7 representative payee under section 205(j) or  
8 1631(a)(2)(A)(ii), or otherwise as a representa-  
9 tive, in any hearing or other proceeding relating  
10 to entitlement to benefits, and

11 “(B) in connection with a health care pro-  
12 vider, to prohibit from providing items or serv-  
13 ices to an applicant for, or recipient of, benefits  
14 for the purpose of assisting such applicant or  
15 recipient in demonstrating disability.

16 “(2) SOCIAL SECURITY PROGRAM.—The term  
17 ‘social security programs’ means the program pro-  
18 viding for monthly insurance benefits under title II,  
19 and the program providing for monthly supplemental  
20 security income benefits to individuals under title  
21 XVI (including State supplementary payments made  
22 by the Commissioner pursuant to an agreement  
23 under section 1616(a) of this Act or section 212(b)  
24 of Public Law 93–66).

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

3                   “(A) when a judgment of conviction has  
4                   been entered against the individual by a Fed-  
5                   eral, State, or local court, except if the judg-  
6                   ment of conviction has been set aside or ex-  
7                   punged;

8                   “(B) when there has been a finding of  
9                   guilt against the individual by a Federal, State,  
10                  or local court;

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

14                  “(D) when the individual has entered into  
15                  participation in a first offender, deferred adju-  
16                  dication, or other arrangement or program  
17                  where judgment of conviction has been with-  
18                  held.”.

19           (b) EFFECTIVE DATE.—The amendment made by  
20           this section shall apply with respect to convictions of viola-  
21           tions described in paragraphs (1) and (2) of section  
22           1148(a) of the Social Security Act and determinations de-  
23           scribed in paragraph (3) of such section occurring on or  
24           after the date of the enactment of this Act.



1 **SEC. 210. STATE DATA EXCHANGES.**

2 Whenever the Commissioner of Social Security re-  
3 quests information from a State for the purpose of  
4 ascertaining an individual's eligibility for benefits (or the  
5 correct amount of such benefits) under title II or XVI of  
6 the Social Security Act, the standards of the Commis-  
7 sioner promulgated pursuant to section 1106 of such Act  
8 or any other Federal law for the use, safeguarding, and  
9 disclosure of information are deemed to meet any stand-  
10 ards of the State that would otherwise apply to the disclo-  
11 sure of information by the State to the Commissioner.

12 **SEC. 211. STUDY ON POSSIBLE MEASURES TO IMPROVE**  
13 **FRAUD PREVENTION AND ADMINISTRATIVE**  
14 **PROCESSING.**

15 (a) STUDY.—As soon as practicable after the date of  
16 the enactment of this Act, the Commissioner of Social Se-  
17 curity, in consultation with the Inspector General of the  
18 Social Security Administration and the Attorney General,  
19 shall conduct a study of possible measures to improve—

20 (1) prevention of fraud on the part of individ-  
21 uals entitled to disability benefits under section 223  
22 of the Social Security Act or benefits under section  
23 202 of such Act based on the beneficiary's disability,  
24 individuals eligible for supplemental security income  
25 benefits under title XVI of such Act, and applicants  
26 for any such benefits; and

1           (2) timely processing of reported income  
2       changes by individuals receiving such benefits.

3       (b) REPORT.—Not later than 1 year after the date  
4 of the enactment of this Act, the Commissioner shall sub-  
5 mit to the Committee on Ways and Means of the House  
6 of Representatives and the Committee on Finance of the  
7 Senate a written report that contains the results of the  
8 Commissioner’s study under subsection (a). The report  
9 shall contain such recommendations for legislative and ad-  
10 ministrative changes as the Commissioner considers ap-  
11 propriate.

12 **SEC. 212. ANNUAL REPORT ON AMOUNTS NECESSARY TO**  
13 **COMBAT FRAUD.**

14       (a) IN GENERAL.—Section 704(b)(1) of the Social  
15 Security Act (42 U.S.C. 904(b)(1)) is amended—

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

17           (2) by adding at the end the following new sub-  
18 paragraph:

19       “(B) The Commissioner shall include in the annual  
20 budget prepared pursuant to subparagraph (A) an  
21 itemization of the amount of funds required by the Social  
22 Security Administration for the fiscal year covered by the  
23 budget to support efforts to combat fraud committed by  
24 applicants and beneficiaries.”.

1 (b) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply with respect to annual budgets pre-  
 3 pared for fiscal years after fiscal year 1999.

4 **SEC. 213. COMPUTER MATCHES WITH MEDICARE AND MED-**  
 5 **ICAID INSTITUTIONALIZATION DATA.**

6 (a) IN GENERAL.—Section 1611(e)(1) of the Social  
 7 Security Act (42 U.S.C. 1382(e)(1)), as amended by sec-  
 8 tion 205(b)(2) of this Act, is further amended by adding  
 9 at the end the following new subparagraph:

10 “(K) For the purpose of carrying out this paragraph,  
 11 the Commissioner of Social Security shall conduct periodic  
 12 computer matches with data maintained by the Secretary  
 13 of Health and Human Services under title XVIII or XIX.  
 14 The Secretary shall furnish to the Commissioner, in such  
 15 form and manner and under such terms as the Commis-  
 16 sioner and the Secretary shall mutually agree, such infor-  
 17 mation as the Commissioner may request for this purpose.  
 18 Information obtained pursuant to such a match may be  
 19 substituted for the physician’s certification otherwise re-  
 20 quired under subparagraph (G)(i).”.

21 (b) CONFORMING AMENDMENT.—Section  
 22 1611(e)(1)(G) of such Act (42 U.S.C. 1382(e)(1)(G)) is  
 23 amended by striking “subparagraph (H)” and inserting  
 24 “subparagraph (H) or (K)”.

1 **SEC. 214. ACCESS TO INFORMATION HELD BY FINANCIAL**  
2 **INSTITUTIONS.**

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

5 (1) by striking “(B) The” and inserting “(B)(i)  
6 The”; and

7 (2) by adding at the end the following new  
8 clause:

9 “(ii)(I) The Commissioner of Social Security may re-  
10 quire each applicant for, or recipient of, benefits under  
11 this title to provide authorization by the applicant or re-  
12 cipient (or by any other person whose income or resources  
13 are material to the determination of the eligibility of the  
14 applicant or recipient for such benefits) for the Commis-  
15 sioner to obtain (subject to the cost reimbursement re-  
16 quirements of section 1115(a) of the Right to Financial  
17 Privacy Act) from any financial institution (within the  
18 meaning of section 1101(1) of such Act) any financial  
19 record (within the meaning of section 1101(2) of such  
20 Act) held by the institution with respect to the applicant  
21 or recipient (or any such other person) whenever the Com-  
22 missioner determines the record is needed in connection  
23 with a determination with respect to such eligibility or the  
24 amount of such benefits.

25 “(II) Notwithstanding section 1104(a)(1) of the  
26 Right to Financial Privacy Act, an authorization provided

1 by an applicant or recipient (or any other person whose  
2 income or resources are material to the determination of  
3 the eligibility of the applicant or recipient) pursuant to  
4 subclause (I) of this clause shall remain effective until the  
5 earliest of—

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

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

11          “(cc) the express revocation by the applicant or  
12          recipient (or such other person referred to in sub-  
13          clause (I)) of the authorization, in a written notifica-  
14          tion to the Commissioner.

15          “(III)(aa) An authorization obtained by the Commis-  
16          sioner of Social Security pursuant to this clause shall be  
17          considered to meet the requirements of the Right to Fi-  
18          nancial Privacy Act for purposes of section 1103(a) of  
19          such Act, and need not be furnished to the financial insti-  
20          tution, notwithstanding section 1104(a) of such Act.

21          “(bb) The certification requirements of section  
22          1103(b) of the Right to Financial Privacy Act shall not  
23          apply to requests by the Commissioner of Social Security  
24          pursuant to an authorization provided under this clause.

1       “(cc) A request by the Commissioner pursuant to an  
 2 authorization provided under this clause is deemed to meet  
 3 the requirements of section 1104(a)(3) of the Right to Fi-  
 4 nancial Privacy Act and the flush language of section  
 5 1102 of such Act.

6       “(IV) The Commissioner shall inform any person who  
 7 provides authorization pursuant to this clause of the dura-  
 8 tion and scope of the authorization.

9       “(V) If an applicant for, or recipient of, benefits  
 10 under this title (or any such other person referred to in  
 11 subclause (I)) refuses to provide, or revokes, any author-  
 12 ization made by the applicant or recipient for the Commis-  
 13 sioner of Social Security to obtain from any financial insti-  
 14 tution any financial record, the Commissioner may, on  
 15 that basis, determine that the applicant or recipient is in-  
 16 eligible for benefits under this title.”.

## 17       **Subtitle B—Benefits for Certain** 18       **Veterans of World War II**

### 19       **SEC. 251. ESTABLISHMENT OF PROGRAM OF SPECIAL BEN-** 20       **EFITS FOR CERTAIN WORLD WAR II VET-** 21       **ERANS.**

22       (a) IN GENERAL.—The Social Security Act is amend-  
 23 ed by inserting after title VII the following:

1 **“TITLE VIII—SPECIAL BENEFITS**  
 2 **FOR CERTAIN WORLD WAR II**  
 3 **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.

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

5 “Every individual who is a qualified individual under  
 6 section 802 shall, in accordance with and subject to the  
 7 provisions of this title, be entitled to a monthly benefit  
 8 paid by the Commissioner of Social Security for each  
 9 month after September 2000 (or such earlier month, if  
 10 the Commissioner determines is administratively feasible)  
 11 the individual resides outside the United States.

12 **“SEC. 802. QUALIFIED INDIVIDUALS.**

13 “Except as otherwise provided in this title, an  
 14 individual—

15 “(1) who has attained the age of 65 on or be-  
 16 fore the date of the enactment of this title;

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

1           “(3) who is eligible for a supplemental security  
2 income benefit under title XVI for—

3           “(A) the month in which this title is en-  
4 acted; and

5           “(B) the month in which the individual  
6 files an application for benefits under this title;

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

9           “(5) who has filed an application for benefits  
10 under this title; and

11           “(6) who is in compliance with all requirements  
12 imposed by the Commissioner of Social Security  
13 under this title,

14 shall be a qualified individual for purposes of this title.

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

16       For purposes of section 801, with respect to any  
17 month, an individual shall be regarded as residing outside  
18 the United States if, on the first day of the month, the  
19 individual so resides outside the United States.

20 **“SEC. 804. DISQUALIFICATIONS.**

21       “Notwithstanding section 802, an individual may not  
22 be a qualified individual for any month—

23           “(1) that begins after the month in which the  
24 Commissioner of Social Security is notified by the  
25 Attorney General that the individual has been re-



1 moved from the United States pursuant to section  
2 237(a) of the Immigration and Nationality Act and  
3 before the month in which the Commissioner of So-  
4 cial Security is notified by the Attorney General that  
5 the individual is lawfully admitted to the United  
6 States for permanent residence;

7 “(2) during any part of which the individual is  
8 outside the United States due to flight to avoid pros-  
9 ecution, or custody or confinement after conviction,  
10 under the laws of the United States or the jurisdic-  
11 tion within the United States from which the person  
12 has fled, for a crime, or an attempt to commit a  
13 crime, that is a felony under the laws of the place  
14 from which the individual has fled, or which, in the  
15 case of the State of New Jersey, is a high mis-  
16 demeanor under the laws of such State;

17 “(3) during any part of which the individual  
18 violates a condition of probation or parole imposed  
19 under Federal or State law; or

20 “(4) during any part of which the individual is  
21 confined in a jail, prison, or other penal institution  
22 or correctional facility pursuant to a conviction of an  
23 offense.

1 **“SEC. 805. BENEFIT AMOUNT.**

2       “The benefit under this title payable to a qualified  
3 individual for any month shall be in an amount equal to  
4 75 percent of the Federal benefit rate under title XVI for  
5 the month, reduced by the amount of the qualified individ-  
6 ual’s benefit income for the month.

7 **“SEC. 806. APPLICATIONS AND FURNISHING OF INFORMA-**  
8 **TION.**

9       “(a) IN GENERAL.—The Commissioner of Social Se-  
10 curity shall, subject to subsection (b), prescribe such re-  
11 quirements with respect to the filing of applications, the  
12 furnishing of information and other material, and the re-  
13 porting of events and changes in circumstances, as may  
14 be necessary for the effective and efficient administration  
15 of this title.

16       “(b) VERIFICATION REQUIREMENT.—The require-  
17 ments prescribed by the Commissioner of Social Security  
18 under subsection (a) shall preclude any determination of  
19 entitlement to benefits under this title solely on the basis  
20 of declarations by the individual concerning qualifications  
21 or other material facts, and shall provide for verification  
22 of material information from independent or collateral  
23 sources, and the procurement of additional information as  
24 necessary in order to ensure that the benefits are provided  
25 only to qualified individuals (or their representative pay-  
26 ees) in correct amounts.

1   **“SEC. 807. REPRESENTATIVE PAYEES.**

2           “(a) IN GENERAL.—If the Commissioner of Social  
3   Security determines that the interest of any qualified indi-  
4   vidual under this title would be served thereby, payment  
5   of the qualified individual’s benefit under this title may  
6   be made, regardless of the legal competency or incom-  
7   petency of the qualified individual, either directly to the  
8   qualified individual, or for his or her benefit, to another  
9   person (the meaning of which term, for purposes of this  
10   section, includes an organization) with respect to whom  
11   the requirements of subsection (b) have been met (in this  
12   section referred to as the qualified individual’s ‘represent-  
13   ative payee’). If the Commissioner of Social Security de-  
14   termines that a representative payee has misused any ben-  
15   efit paid to the representative payee pursuant to this sec-  
16   tion, section 205(j), or section 1631(a)(2), the Commis-  
17   sioner of Social Security shall promptly revoke the per-  
18   son’s designation as the qualified individual’s representa-  
19   tive payee under this subsection, and shall make payment  
20   to an alternative representative payee or, if the interest  
21   of the qualified individual under this title would be served  
22   thereby, to the qualified individual.

23           “(b) EXAMINATION OF FITNESS OF PROSPECTIVE  
24   REPRESENTATIVE PAYEE.—

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

4           “(A) an investigation by the Commissioner  
5       of Social Security of the person to serve as rep-  
6       resentative payee, which shall be conducted in  
7       advance of the determination and shall, to the  
8       extent practicable, include a face-to-face inter-  
9       view with the person (or, in the case of an orga-  
10      nization, a representative of the organization);  
11      and

12          “(B) adequate evidence that the arrange-  
13      ment is in the interest of the qualified indi-  
14      vidual.

15          “(2) As part of the investigation referred to in  
16      paragraph (1), the Commissioner of Social Security  
17      shall—

18          “(A) require the person being investigated  
19      to submit documented proof of the identity of  
20      the person;

21          “(B) in the case of a person who has a so-  
22      cial security account number issued for pur-  
23      poses of the program under title II or an em-  
24      ployer identification number issued for purposes

1 of the Internal Revenue Code of 1986, verify  
2 the number;

3 “(C) determine whether the person has  
4 been convicted of a violation of section 208,  
5 811, or 1632; and

6 “(D) determine whether payment of bene-  
7 fits to the person in the capacity as representa-  
8 tive payee has been revoked or terminated pur-  
9 suant to this section, section 205(j), or section  
10 1631(a)(2)(A)(iii) by reason of misuse of funds  
11 paid as benefits under this title, title II, or title  
12 XVI, respectively.

13 “(c) REQUIREMENT FOR CENTRALIZED FILE.—The  
14 Commissioner of Social Security shall establish and main-  
15 tain a centralized file, which shall be updated periodically  
16 and which shall be in a form that renders it readily retriev-  
17 able by each servicing office of the Social Security Admin-  
18 istration. The file shall consist of—

19 “(1) a list of the names and social security ac-  
20 count numbers or employer identification numbers  
21 (if issued) of all persons with respect to whom, in  
22 the capacity of representative payee, the payment of  
23 benefits has been revoked or terminated under this  
24 section, section 205(j), or section 1631(a)(2)(A)(iii)

1 by reason of misuse of funds paid as benefits under  
 2 this title, title II, or title XVI, respectively; and

3 “(2) a list of the names and social security ac-  
 4 count numbers or employer identification numbers  
 5 (if issued) of all persons who have been convicted of  
 6 a violation of section 208, 811, or 1632.

7 “(d) PERSONS INELIGIBLE TO SERVE AS REP-  
 8 RESENTATIVE PAYEES.—

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

12 “(A) the person has been convicted of a  
 13 violation of section 208, 811, or 1632;

14 “(B) except as provided in paragraph (2),  
 15 payment of benefits to the person in the capac-  
 16 ity of representative payee has been revoked or  
 17 terminated under this section, section 205(j), or  
 18 section 1631(a)(2)(A)(ii) by reason of misuse of  
 19 funds paid as benefits under this title, title II,  
 20 or title XVI, respectively; or

21 “(C) except as provided in paragraph  
 22 (2)(B), the person is a creditor of the qualified  
 23 individual and provides the qualified individual  
 24 with goods or services for consideration.

25 “(2) EXEMPTIONS.—

1           “(A) The Commissioner of Social Security  
2           may prescribe circumstances under which the  
3           Commissioner of Social Security may grant an  
4           exemption from paragraph (1) to any person on  
5           a case-by-case basis if the exemption is in the  
6           best interest of the qualified individual whose  
7           benefits would be paid to the person pursuant  
8           to this section.

9           “(B) Paragraph (1)(C) shall not apply  
10          with respect to any person who is a creditor re-  
11          ferred to in such paragraph if the creditor is—

12               “(i) a relative of the qualified indi-  
13               vidual and the relative resides in the same  
14               household as the qualified individual;

15               “(ii) a legal guardian or legal rep-  
16               resentative of the individual;

17               “(iii) a facility that is licensed or cer-  
18               tified as a care facility under the law of  
19               the political jurisdiction in which the quali-  
20               fied individual resides;

21               “(iv) a person who is an adminis-  
22               trator, owner, or employee of a facility re-  
23               ferred to in clause (iii), if the qualified in-  
24               dividual resides in the facility, and the pay-  
25               ment to the facility or the person is made

1           only after the Commissioner of Social Se-  
2           curity has made a good faith effort to lo-  
3           cate an alternative representative payee to  
4           whom payment would serve the best inter-  
5           ests of the qualified individual; or

6           “(v) a person who is determined by  
7           the Commissioner of Social Security, on  
8           the basis of written findings and pursuant  
9           to procedures prescribed by the Commis-  
10          sioner of Social Security, to be acceptable  
11          to serve as a representative payee.

12          “(C) The procedures referred to in sub-  
13          paragraph (B)(v) shall require the person who  
14          will serve as representative payee to establish,  
15          to the satisfaction of the Commissioner of So-  
16          cial Security, that—

17               “(i) the person poses no risk to the  
18               qualified individual;

19               “(ii) the financial relationship of the  
20               person to the qualified individual poses no  
21               substantial conflict of interest; and

22               “(iii) no other more suitable rep-  
23               resentative payee can be found.

24          “(e) DEFERRAL OF PAYMENT PENDING APPOINT-  
25          MENT OF REPRESENTATIVE PAYEE.—



1           “(1) IN GENERAL.—Subject to paragraph (2),  
2           if the Commissioner of Social Security makes a de-  
3           termination described in the first sentence of sub-  
4           section (a) with respect to any qualified individual’s  
5           benefit and determines that direct payment of the  
6           benefit to the qualified individual would cause sub-  
7           stantial harm to the qualified individual, the Com-  
8           missioner of Social Security may defer (in the case  
9           of initial entitlement) or suspend (in the case of ex-  
10          isting entitlement) direct payment of the benefit to  
11          the qualified individual, until such time as the selec-  
12          tion of a representative payee is made pursuant to  
13          this section.

14           “(2) TIME LIMITATION.—

15                   “(A) IN GENERAL.—Except as provided in  
16                   subparagraph (B), any deferral or suspension of  
17                   direct payment of a benefit pursuant to para-  
18                   graph (1) shall be for a period of not more than  
19                   1 month.

20                   “(B) EXCEPTION IN THE CASE OF INCOM-  
21                   PETENCY.—Subparagraph (A) shall not apply  
22                   in any case in which the qualified individual is,  
23                   as of the date of the Commissioner of Social  
24                   Security’s determination, legally incompetent

1           under the laws of the jurisdiction in which the  
2           individual resides.

3           “(3) PAYMENT OF RETROACTIVE BENEFITS.—

4           Payment of any benefits which are deferred or sus-  
5           pended pending the selection of a representative  
6           payee shall be made to the qualified individual or the  
7           representative payee as a single sum or over such  
8           period of time as the Commissioner of Social Secu-  
9           rity determines is in the best interest of the qualified  
10          individual.

11          “(f) HEARING.—Any qualified individual who is dis-  
12         satisfied with a determination by the Commissioner of So-  
13         cial Security to make payment of the qualified individual’s  
14         benefit to a representative payee under subsection (a) of  
15         this section or with the designation of a particular person  
16         to serve as representative payee shall be entitled to a hear-  
17         ing by the Commissioner of Social Security to the same  
18         extent as is provided in section 809(a), and to judicial re-  
19         view of the Commissioner of Social Security’s final deci-  
20         sion as is provided in section 809(b).

21          “(g) NOTICE REQUIREMENTS.—

22                 “(1) IN GENERAL.—In advance of the payment  
23                 of a qualified individual’s benefit to a representative  
24                 payee under subsection (a), the Commissioner of So-  
25                 cial Security shall provide written notice of the Com-

1       missioner’s initial determination to so make the pay-  
2       ment. The notice shall be provided to the qualified  
3       individual, except that, if the qualified individual is  
4       legally incompetent, then the notice shall be provided  
5       solely to the legal guardian or legal representative of  
6       the qualified individual.

7               “(2) SPECIFIC REQUIREMENTS.—Any notice re-  
8       quired by paragraph (1) shall be clearly written in  
9       language that is easily understandable to the reader,  
10      shall identify the person to be designated as the  
11      qualified individual’s representative payee, and shall  
12      explain to the reader the right under subsection (f)  
13      of the qualified individual or of the qualified individ-  
14      ual’s legal guardian or legal representative—

15              “(A) to appeal a determination that a rep-  
16      resentative payee is necessary for the qualified  
17      individual;

18              “(B) to appeal the designation of a par-  
19      ticular person to serve as the representative  
20      payee of qualified individual; and

21              “(C) to review the evidence upon which the  
22      designation is based and to submit additional  
23      evidence.

24              “(h) ACCOUNTABILITY MONITORING.—

1           “(1) In any case where payment under this title  
2           is made to a person other than the qualified indi-  
3           vidual entitled to the payment, the Commissioner of  
4           Social Security shall establish a system of account-  
5           ability monitoring under which the person shall re-  
6           port not less often than annually with respect to the  
7           use of the payments. The Commissioner of Social  
8           Security shall establish and implement statistically  
9           valid procedures for reviewing the reports in order to  
10          identify instances in which persons are not properly  
11          using the payments.

12          “(2) SPECIAL REPORTS.—Notwithstanding  
13          paragraph (1), the Commissioner of Social Security  
14          may require a report at any time from any person  
15          receiving payments on behalf of a qualified indi-  
16          vidual, if the Commissioner of Social Security has  
17          reason to believe that the person receiving the pay-  
18          ments is misusing the payments.

19          “(3) CENTRALIZED FILE.—The Commissioner  
20          of Social Security shall maintain a centralized file,  
21          which shall be updated periodically and which shall  
22          be in a form that is readily retrievable, of—

23                  “(A) the name, address, and (if issued) the  
24                  social security account number or employer  
25                  identification number of each representative

1 payee who is receiving benefit payments pursu-  
2 ant to this section, section 205(j), or section  
3 1631(a)(2); and

4 “(B) the name, address, and social security  
5 account number of each individual for whom  
6 each representative payee is reported to be pro-  
7 viding services as representative payee pursuant  
8 to this section, section 205(j), or section  
9 1631(a)(2).

10 “(4) The Commissioner of Social Security shall  
11 maintain a list, which shall be updated periodically,  
12 of public agencies and community-based nonprofit  
13 social service agencies which are qualified to serve as  
14 representative payees pursuant to this section and  
15 which are located in the jurisdiction in which any  
16 qualified individual resides.

17 “(i) RESTITUTION.—In any case  
18 where the negligent failure of the Commis-  
19 sioner of Social Security to investigate or  
20 monitor a representative payee results in  
21 misuse of benefits by the representative  
22 payee, the Commissioner of Social Security  
23 shall make payment to the qualified indi-  
24 vidual or the individual’s alternative rep-  
25 resentative payee of an amount equal to

1                   the misused benefits. The Commissioner of  
2                   Social Security shall make a good faith ef-  
3                   fort to obtain restitution from the termi-  
4                   nated representative payee.

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

6           “(a) IN GENERAL.—Whenever the Commissioner of  
7 Social Security finds that more or less than the correct  
8 amount of payment has been made to any person under  
9 this title, proper adjustment or recovery shall be made,  
10 as follows:

11           “(1) With respect to payment to a person of  
12 more than the correct amount, the Commissioner of  
13 Social Security shall decrease any payment under  
14 this title to which the overpaid person (if a qualified  
15 individual) is entitled, or shall require the overpaid  
16 person or his or her estate to refund the amount in  
17 excess of the correct amount, or, if recovery is not  
18 obtained under these two methods, shall seek or pur-  
19 sue recovery by means of reduction in tax refunds  
20 based on notice to the Secretary of the Treasury, as  
21 authorized under section 3720A of title 31, United  
22 States Code.

23           “(2) With respect to payment of less than the  
24 correct amount to a qualified individual who, at the  
25 time the Commissioner of Social Security is pre-

1       pared to take action with respect to the  
2       underpayment—

3               “(A) is living, the Commissioner of Social  
4       Security shall make payment to the qualified in-  
5       dividual (or the qualified individual’s represent-  
6       ative payee designated under section 807) of  
7       the balance of the amount due the underpaid  
8       qualified individual; or

9               “(B) is deceased, the balance of the  
10       amount due shall revert to the general fund of  
11       the Treasury.

12       “(b) WAIVER OF RECOVERY OF OVERPAYMENT.—In  
13       any case in which more than the correct amount of pay-  
14       ment has been made, there shall be no adjustment of pay-  
15       ments to, or recovery by the United States from, any per-  
16       son who is without fault if the Commissioner of Social Se-  
17       curity determines that the adjustment or recovery would  
18       defeat the purpose of this title or would be against equity  
19       and good conscience.

20       “(c) LIMITED IMMUNITY FOR DISBURSING OFFI-  
21       CERS.—A disbursing officer may not be held liable for any  
22       amount paid by the officer if the adjustment or recovery  
23       of the amount is waived under subsection (b), or adjust-  
24       ment under subsection (a) is not completed before the

1 death of the qualified individual against whose benefits de-  
2 ductions are authorized.

3 “(d) AUTHORIZED COLLECTION PRACTICES.—

4 “(1) IN GENERAL.—With respect to any delin-  
5 quent amount, the Commissioner of Social Security  
6 may use the collection practices described in sections  
7 3711(e), 3716, and 3718 of title 31, United States  
8 Code, as in effect on October 1, 1994.

9 “(2) DEFINITION.—For purposes of paragraph  
10 (1), the term ‘delinquent amount’ means an  
11 amount—

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

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

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

19 “(a) HEARINGS.—

20 “(1) IN GENERAL.—The Commissioner of So-  
21 cial Security shall make findings of fact and deci-  
22 sions as to the rights of any individual applying for  
23 payment under this title. The Commissioner of So-  
24 cial Security shall provide reasonable notice and op-  
25 portunity for a hearing to any individual who is or



1       claims to be a qualified individual and is in disagree-  
2       ment with any determination under this title with  
3       respect to entitlement to, or the amount of, benefits  
4       under this title, if the individual requests a hearing  
5       on the matter in disagreement within 60 days after  
6       notice of the determination is received, and, if a  
7       hearing is held, shall, on the basis of evidence ad-  
8       duced at the hearing affirm, modify, or reverse the  
9       Commissioner of Social Security's findings of fact  
10      and the decision. The Commissioner of Social Secu-  
11      rity may, on the Commissioner of Social Security's  
12      own motion, hold such hearings and to conduct such  
13      investigations and other proceedings as the Commis-  
14      sioner of Social Security deems necessary or proper  
15      for the administration of this title. In the course of  
16      any hearing, investigation, or other proceeding, the  
17      Commissioner may administer oaths and affirma-  
18      tions, examine witnesses, and receive evidence. Evi-  
19      dence may be received at any hearing before the  
20      Commissioner of Social Security even though inad-  
21      missible under the rules of evidence applicable to  
22      court procedure. The Commissioner of Social Secu-  
23      rity shall specifically take into account any physical,  
24      mental, educational, or linguistic limitation of the in-  
25      dividual (including any lack of facility with the

1 English language) in determining, with respect to  
2 the entitlement of the individual for benefits under  
3 this title, whether the individual acted in good faith  
4 or was at fault, and in determining fraud, deception,  
5 or intent.

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

21 “(3) NOTICE REQUIREMENTS.—In any notice of  
22 an adverse determination with respect to which a re-  
23 view may be requested under paragraph (1), the  
24 Commissioner of Social Security shall describe in  
25 clear and specific language the effect on possible en-

1        entitlement to benefits under this title of choosing to  
 2        reapply in lieu of requesting review of the deter-  
 3        mination.

4        “(b) JUDICIAL REVIEW.—The final determination of  
 5        the Commissioner of Social Security after a hearing under  
 6        subsection (a)(1) shall be subject to judicial review as pro-  
 7        vided in section 205(g) to the same extent as the Commis-  
 8        sioner of Social Security’s final determinations under sec-  
 9        tion 205.

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

11        “(a) REGULATIONS AND ADMINISTRATIVE ARRANGE-  
 12        MENTS.—The Commissioner of Social Security may pre-  
 13        scribe such regulations, and make such administrative and  
 14        other arrangements, as may be necessary or appropriate  
 15        to carry out this title.

16        “(b) PAYMENT OF BENEFITS.—Benefits under this  
 17        title shall be paid at such time or times and in such install-  
 18        ments as the Commissioner of Social Security determines  
 19        are in the interests of economy and efficiency.

20        “(c) ENTITLEMENT REDETERMINATIONS.—An indi-  
 21        vidual’s entitlement to benefits under this title, and the  
 22        amount of the benefits, may be redetermined at such time  
 23        or times as the Commissioner of Social Security deter-  
 24        mines to be appropriate.

1       “(d) SUSPENSION OF BENEFITS.—Regulations pre-  
 2       scribed by the Commissioner of Social Security under sub-  
 3       section (a) may provide for the temporary suspension of  
 4       entitlement to benefits under this title as the Commis-  
 5       sioner determines is appropriate.

6       **“SEC. 811. PENALTIES FOR FRAUD.**

7       “(a) IN GENERAL.—Whoever—

8               “(1) knowingly and willfully makes or causes to  
 9       be made any false statement or representation of a  
 10       material fact in an application for benefits under  
 11       this title;

12              “(2) at any time knowingly and willfully makes  
 13       or causes to be made any false statement or rep-  
 14       resentation of a material fact for use in determining  
 15       any right to the benefits;

16              “(3) having knowledge of the occurrence of any  
 17       event affecting—

18                   “(A) his or her initial or continued right to  
 19       the benefits; or

20                   “(B) the initial or continued right to the  
 21       benefits of any other individual in whose behalf  
 22       he or she has applied for or is receiving the  
 23       benefit,

24       conceals or fails to disclose the event with an intent  
 25       fraudulently to secure the benefit either in a greater

1 amount or quantity than is due or when no such  
 2 benefit is authorized; or

3 “(4) having made application to receive any  
 4 such benefit for the use and benefit of another and  
 5 having received it, knowingly and willfully converts  
 6 the benefit or any part thereof to a use other than  
 7 for the use and benefit of the other individual,  
 8 shall be fined under title 18, United States Code, impris-  
 9 oned not more than 5 years, or both.

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

18 **“SEC. 812. DEFINITIONS.**

19 “In this title:

20 “(1) WORLD WAR II VETERAN.—The term  
 21 ‘World War II veteran’ means a person who served  
 22 during World War II—

23 “(A) in the active military, naval, or air  
 24 service of the United States during World War  
 25 II, and who was discharged or released there-

1 from under conditions other than dishonorable  
2 after service of 90 days or more; or

3 “(B) in the organized military forces of the  
4 Government of the Commonwealth of the Phil-  
5ippines, while the forces were in the service of  
6 the Armed Forces of the United States pursu-  
7ant to the military order of the President dated  
8 July 26, 1941, including among the military  
9 forces organized guerrilla forces under com-  
10 manders appointed, designated, or subsequently  
11 recognized by the Commander in Chief, South-  
12 west Pacific Area, or other competent authority  
13 in the Army of the United States, in any case  
14 in which the service was rendered before De-  
15 cember 31, 1946.

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 BEN-  
20EFIT UNDER TITLE XVI.—The term ‘supplemental  
21 security income benefit under title XVI’, except as  
22 otherwise provided, includes State supplementary  
23 payments which are paid by the Commissioner of  
24 Social Security pursuant to an agreement under sec-

1       tion 1616(a) of this Act or section 212(b) of Public  
2       Law 93–66.

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

13          “(5) UNITED STATES.—The term ‘United  
14      States’ means, notwithstanding section 1101(a)(1),  
15      only the 50 States, the District of Columbia, and the  
16      Commonwealth of the Northern Mariana Islands.

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

1 same (or a related) source during the 12-month pe-  
 2 riod preceding the month in which the individual  
 3 files an application for benefits under this title.

4 **“SEC. 813. APPROPRIATIONS.**

5 “There are hereby appropriated for fiscal year 2001  
 6 and subsequent fiscal years 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,”;  
 17 and

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

20 (2) REPRESENTATIVE PAYEE PROVISIONS OF  
 21 TITLE II.—Section 205(j) of such Act (42 U.S.C.  
 22 405(j)) is amended—

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



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

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

5 (D) in paragraph (2)(B)(i)(IV)—

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

10 (ii) by inserting “, title VIII,” before  
 11 “or title XVI”;

12 (E) in paragraph (2)(B)(ii)(I)—

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

17 (ii) by inserting “, title VIII,” before  
 18 “or title XVI”;

19 (F) in paragraph (2)(B)(i)(II), by insert-  
 20 ing “, 811,” before “or 1632”;

21 (G) in paragraph (2)(C)(i)(II) by inserting  
 22 “, the designation of such person as a rep-  
 23 resentative payee has been revoked pursuant to  
 24 section 807(a),” before “or payment of bene-  
 25 fits”;

1 (H) in each of clauses (i) and (ii) of para-  
 2 graph (3)(E), by inserting “, section 807,” be-  
 3 fore “or section 1631(a)(2)”;

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

6 (J) in paragraph (4)(B)(i), by inserting  
 7 “807 or” before “1631(a)(2)”.

8 (3) WITHHOLDING FOR CHILD SUPPORT AND  
 9 ALIMONY OBLIGATIONS.—Section 459(h)(1)(A) of  
 10 such Act (42 U.S.C. 659(h)(1)(A)) is amended—

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

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

15 (C) by adding at the end a new clause as  
 16 follows:

17 “(v) special benefits for certain World  
 18 War II veterans payable under title VIII;  
 19 but”.

20 (4) SOCIAL SECURITY ADVISORY BOARD.—Sec-  
 21 tion 703(b) of such Act (42 U.S.C. 903(b)) is  
 22 amended by striking “title II” and inserting “title  
 23 II, the program of special benefits for certain World  
 24 War II veterans under title VIII,”.

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

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

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

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

10           (A) in the title, by striking “II” and in-  
11 serting “II, VIII”;

12           (B) in subsection (a)(1)—

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

15           (ii) by redesignating subparagraph  
16 (B) as subparagraph (C); and

17           (iii) by inserting after subparagraph  
18 (A) the following:

19           “(B) benefits or payments under title VIII,  
20 or”;

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

23           (D) in subsection (e)(1)(C)—

24           (i) by striking “or” at the end of  
25 clause (i);

1 (ii) by redesignating clause (ii) as  
 2 clause (iii); and

3 (iii) by inserting after clause (i) the  
 4 following:

5 “(ii) by decrease of any payment  
 6 under title VIII to which the person is en-  
 7 titled, or”;

8 (E) in subsection (e)(2)(B), by striking  
 9 “title XVI” and inserting “title VIII or XVI”;  
 10 and

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

13 (7) RECOVERY OF SSI OVERPAYMENTS.—Sec-  
 14 tion 1147 of such Act (42 U.S.C. 1320b–17) is  
 15 amended—

16 (A) in subsection (a)(1)—

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

19 (ii) by striking “title II” the second  
 20 place it appears and inserting “such title”;  
 21 and

22 (B) in the title, by striking “SOCIAL SECU-  
 23 RITY” and inserting “OTHER”.

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

4           (A) in subparagraph (A)(iii), by inserting  
 5       “or 807” after “205(j)(1)”;

6           (B) in subparagraph (B)(ii)(I), by insert-  
 7       ing “, title VIII,” before “or this title”;

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

10          (D) in subparagraph (B)(ii)(IV)—

11           (i) by inserting “whether the designa-  
 12       tion of such person as a representative  
 13       payee has been revoked pursuant to section  
 14       807(a),” before “and whether certifi-  
 15       cation”; and

16           (ii) by inserting “, title VIII,” before  
 17       “or this title”;

18          (E) in subparagraph (B)(iii)(II), by insert-  
 19       ing “the designation of such person as a rep-  
 20       resentative payee has been revoked pursuant to  
 21       section 807(a),” before “or certification”; and

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

1           (9)       ADMINISTRATIVE       OFFSET.—Section  
2       3716(c)(3)(C) of title 31, United States Code, is  
3       amended—

4                   (A) by striking “sections 205(b)(1)” and  
5       inserting “sections 205(b)(1), 809(a)(1),”; and

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

## 8           **TITLE III—CHILD SUPPORT**

### 9   **SEC. 301. ELIMINATION OF ENHANCED MATCHING FOR** 10                   **LABORATORY COSTS FOR PATERNITY ESTAB-** 11                   **LISHMENT.**

12       (a) IN GENERAL.—Section 455(a)(1) of the Social  
13   Security Act (42 U.S.C. 655(a)(1)) is amended by striking  
14   subparagraph (C) and redesignating subparagraph (D) as  
15   subparagraph (C).

16       (b) EFFECTIVE DATE.—The amendment made by  
17   this section shall be effective with respect to calendar  
18   quarters beginning on or after October 1, 1999.

### 19   **SEC. 302. ELIMINATION OF HOLD HARMLESS PROVISION** 20                   **FOR STATE SHARE OF DISTRIBUTION OF COL-** 21                   **LECTED CHILD SUPPORT.**

22       (a) IN GENERAL.—Section 457 of the Social Security  
23   Act (42 U.S.C. 657) is amended—

24                   (1) in subsection (a), by striking “subsections  
25       (e) and (f)” and inserting “subsections (d) and (e)”;

1 (2) by striking subsection (d);

2 (3) in subsection (e), by striking the 2nd sen-  
3 tence; and

4 (4) by redesignating subsections (e) and (f) as  
5 subsections (d) and (e), respectively.

6 (b) EFFECTIVE DATE.—The amendments made by  
7 this section shall be effective with respect to calendar  
8 quarters beginning on or after October 1, 1999.

## 9 **TITLE IV—TECHNICAL** 10 **CORRECTIONS**

### 11 **SEC. 401. TECHNICAL CORRECTIONS RELATING TO AMEND-** 12 **MENTS MADE BY THE PERSONAL RESPONSIB-** 13 **ILITY AND WORK OPPORTUNITY REC-** 14 **ONCILIATION ACT OF 1996.**

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

18 (b) Section 409(a)(7)(B)(i)(II) of the Social Security  
19 Act (42 U.S.C. 609(a)(7)(B)(i)(II)) is amended by strik-  
20 ing “part” and inserting “section”.

21 (c) Section 413(g)(1) of the Social Security Act (42  
22 U.S.C. 613(g)(1)) is amended by striking “Act” and in-  
23 serting “section”.

1 (d) Section 413(i)(1) of the Social Security Act (42  
 2 U.S.C. 613(i)(1)) is amended by striking “part” and in-  
 3 serting “section”.

4 (e) Section 416 of the Social Security Act (42 U.S.C.  
 5 616) is amended by striking “Opportunity Act” and in-  
 6 serting “Opportunity Reconciliation Act” each place such  
 7 term appears.

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

10 (1) by inserting “, as in effect before August  
 11 22, 1986” after “482(i)(5)”; and

12 (2) by inserting “, as so in effect” after  
 13 “482(i)(7)(A)”.

14 (g) Sections 452(a)(7) and 466(c)(2)(A)(i) of the So-  
 15 cial Security Act (42 U.S.C. 652(a)(7) and  
 16 666(c)(2)(A)(i)) are each amended by striking “Social Se-  
 17 curity” and inserting “social security”.

18 (h) Section 454 of the Social Security Act (42 U.S.C.  
 19 654) is amended—

20 (1) by striking “, or” at the end of each of  
 21 paragraphs (6)(E)(i) and (19)(B)(i) and inserting “;  
 22 or”;

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



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

4       (i) Section 454(24)(B) of the Social Security Act (42  
5       U.S.C. 654(24)(B)) is amended by striking “Opportunity  
6       Act” and inserting “Opportunity Reconciliation Act”.

7       (j) Section 344(b)(1)(A) of the Personal Responsi-  
8       bility and Work Opportunity Reconciliation Act of 1996  
9       (110 Stat. 2236) is amended to read as follows:

10               “(A) in paragraph (1), by striking sub-  
11               paragraph (B) and inserting the following new  
12               subparagraph:

13               ‘(B) equal to the percent specified in para-  
14               graph (3) of the sums expended during such  
15               quarter that are attributable to the planning,  
16               design, development, installation or enhance-  
17               ment of an automatic data processing and in-  
18               formation retrieval system (including in such  
19               sums the full cost of the hardware components  
20               of such system); and’; and”.

21       (k) Section 457(a)(2)(B)(i)(I) of the Social Security  
22       Act (42 U.S.C. 657(a)(2)(B)(i)(I)) is amended by striking  
23       “Act Reconciliation” and inserting “Reconciliation Act”.

24       (l) Section 457 of the Social Security Act (42 U.S.C.  
25       657) is amended by striking “Opportunity Act” each place

1 it appears and inserting “Opportunity Reconciliation  
2 Act”.

3 (m) Section 466(a)(7) of the Social Security Act (42  
4 U.S.C. 666(a)(7)) is amended by striking “1681a(f))” and  
5 inserting “1681a(f))”.

6 (n) Section 466(b)(6)(A) of the Social Security Act  
7 (42 U.S.C. 666(b)(6)(A)) is amended by striking “state”  
8 and inserting “State”.

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

12 (p) Section 1137(a)(3) of the Social Security Act  
13 (42 U.S.C. 1320b–7(a)(3)) is amended  
14 by striking “453A(a)(2)(B)(iii))” and inserting  
15 “453A(a)(2)(B)(ii))”.

16 (q) The amendments made by this section shall take  
17 effect as if included in the enactment of the Personal Re-  
18 sponsibility and Work Opportunity Reconciliation Act of  
19 1996.

○