

Union Calendar No. 28

108TH CONGRESS
1ST SESSION

H. R. 743

[Report No. 108-46]

To amend the Social Security Act and the Internal Revenue Code of 1986 to provide additional safeguards for Social Security and Supplemental Security Income beneficiaries with representative payees, to enhance program protections, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 2003

Mr. SHAW (for himself, Mr. MATSUI, Mr. COLLINS, Mr. POMEROY, Mr. LEWIS of Kentucky, Mr. BECERRA, Mr. RYAN of Wisconsin, Mrs. JONES of Ohio, Mr. RANGEL, Mr. FOLEY, Mr. BALLENGER, Mr. FLETCHER, Ms. HARRIS, Mrs. NORTHUP, and Mr. WHITFIELD) introduced the following bill; which was referred to the Committee on Ways and Means

MARCH 24, 2003

Additional sponsors: Mr. HULSHOF, Mr. HAYWORTH, Mr. McNULTY, Mr. ANDREWS, Mr. ROSS, Mr. MARSHALL, Ms. CARSON of Indiana, Mr. CASE, Mr. SMITH of New Jersey, Mr. ALLEN, Mr. BRADLEY of New Hampshire, Mr. ROTHMAN, Mr. ROYCE, Mr. MARIO DIAZ-BALART of Florida, Mr. McCOTTER, Mr. CARDIN, and Mr. PETERSON of Minnesota

MARCH 24, 2003

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on February 12, 2003]

A BILL

To amend the Social Security Act and the Internal Revenue

Code of 1986 to provide additional safeguards for Social Security and Supplemental Security Income beneficiaries with representative payees, to enhance program protections, 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 AND TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the “So-*
 5 *cial Security Protection Act of 2003”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents is as*
 7 *follows:*

Sec. 1. Short title and table of contents.

TITLE I—PROTECTION OF BENEFICIARIES

Subtitle A—Representative Payees

Sec. 101. Authority to reissue benefits misused by organizational representative payees.

Sec. 102. Oversight of representative payees.

Sec. 103. Disqualification from service as representative payee of persons convicted of offenses resulting in imprisonment for more than 1 year or fleeing prosecution, custody, or confinement.

Sec. 104. Fee forfeiture in case of benefit misuse by representative payees.

Sec. 105. Liability of representative payees for misused benefits.

Sec. 106. Authority to redirect delivery of benefit payments when a representative payee fails to provide required accounting.

Subtitle B—Enforcement

Sec. 111. Civil monetary penalty authority with respect to wrongful conversions by representative payees.

TITLE II—PROGRAM PROTECTIONS

Sec. 201. Civil monetary penalty authority with respect to knowing withholding of material facts.

Sec. 202. Issuance by Commissioner of Social Security of receipts to acknowledge submission of reports of changes in work or earnings status of disabled beneficiaries.

Sec. 203. Denial of title II benefits to persons fleeing prosecution, custody, or confinement, and to persons violating probation or parole.

Sec. 204. Requirements relating to offers to provide for a fee a product or service available without charge from the Social Security Administration.

- Sec. 205. Refusal to recognize certain individuals as claimant representatives.*
Sec. 206. Penalty for corrupt or forcible interference with administration of Social Security Act.
Sec. 207. Use of symbols, emblems, or names in reference to social security or medicare.
Sec. 208. Disqualification from payment during trial work period upon conviction of fraudulent concealment of work activity.
Sec. 209. Authority for judicial orders of restitution.

TITLE III—ATTORNEY FEE PAYMENT SYSTEM IMPROVEMENTS

- Sec. 301. Cap on attorney assessments.*
Sec. 302. Extension of attorney fee payment system to title XVI claims.

TITLE IV—MISCELLANEOUS AND TECHNICAL AMENDMENTS

Subtitle A—Amendments Relating to the Ticket to Work and Work Incentives Improvement Act of 1999

- Sec. 401. Application of demonstration authority sunset date to new projects.*
Sec. 402. Expansion of waiver authority available in connection with demonstration projects providing for reductions in disability insurance benefits based on earnings.
Sec. 403. Funding of demonstration projects provided for reductions in disability insurance benefits based on earnings.
Sec. 404. Availability of Federal and State work incentive services to additional individuals.
Sec. 405. Technical amendment clarifying treatment for certain purposes of individual work plans under the Ticket to Work and Self-Sufficiency Program.

Subtitle B—Miscellaneous Amendments

- Sec. 411. Elimination of transcript requirement in remand cases fully favorable to the claimant.*
Sec. 412. Nonpayment of benefits upon removal from the United States.
Sec. 413. Reinstatement of certain reporting requirements.
Sec. 414. Clarification of definitions regarding certain survivor benefits.
Sec. 415. Clarification respecting the FICA and SECA tax exemptions for an individual whose earnings are subject to the laws of a totalization agreement partner.
Sec. 416. Coverage under divided retirement system for public employees in Kentucky.
Sec. 417. Compensation for the Social Security Advisory Board.
Sec. 418. 60-month period of employment requirement for application of government pension offset exemption.

Subtitle C—Technical Amendments

- Sec. 421. Technical correction relating to responsible agency head.*
Sec. 422. Technical correction relating to retirement benefits of ministers.
Sec. 423. Technical corrections relating to domestic employment.
Sec. 424. Technical corrections of outdated references.
Sec. 425. Technical correction respecting self-employment income in community property States.

1 **TITLE I—PROTECTION OF**
2 **BENEFICIARIES**
3 **Subtitle A—Representative Payees**

4 **SEC. 101. AUTHORITY TO REISSUE BENEFITS MISUSED BY**
5 **ORGANIZATIONAL REPRESENTATIVE PAYEES.**

6 *(a) TITLE II AMENDMENTS.—*

7 *(1) REISSUANCE OF BENEFITS.—Section*
8 *205(j)(5) of the Social Security Act (42*
9 *U.S.C. 405(j)(5)) is amended by inserting after the*
10 *first sentence the following new sentences: “In any*
11 *case in which a representative payee that—*

12 *“(A) is not an individual (regardless of whether*
13 *it is a ‘qualified organization’ within the meaning of*
14 *paragraph (4)(B)); or*

15 *“(B) is an individual who, for any month dur-*
16 *ing a period when misuse occurs, serves 15 or more*
17 *individuals who are beneficiaries under this title, title*
18 *VIII, title XVI, or any combination of such titles;*

19 *misuses all or part of an individual’s benefit paid to such*
20 *representative payee, the Commissioner of Social Security*
21 *shall certify for payment to the beneficiary or the bene-*
22 *ficiary’s alternative representative payee an amount equal*
23 *to the amount of such benefit so misused. The provisions*
24 *of this paragraph are subject to the limitations of para-*
25 *graph (7)(B).”.*

1 (2) *MISUSE OF BENEFITS DEFINED.*—Section
2 205(j) of such Act (42 U.S.C. 405(j)) is amended by
3 adding at the end the following new paragraph:

4 “(8) For purposes of this subsection, misuse of benefits
5 by a representative payee occurs in any case in which the
6 representative payee receives payment under this title for
7 the use and benefit of another person and converts such pay-
8 ment, or any part thereof, to a use other than for the use
9 and benefit of such other person. The Commissioner of So-
10 cial Security may prescribe by regulation the meaning of
11 the term ‘use and benefit’ for purposes of this paragraph.”.

12 (b) *TITLE VIII AMENDMENTS.*—

13 (1) *REISSUANCE OF BENEFITS.*—Section 807(i)
14 of the Social Security Act (42 U.S.C. 1007(i)) (as
15 amended by section 209(b)(1) of this Act) is amended
16 further by inserting after the first sentence the fol-
17 lowing new sentences: “In any case in which a rep-
18 resentative payee that—

19 “(A) is not an individual; or

20 “(B) is an individual who, for any month
21 during a period when misuse occurs, serves 15 or
22 more individuals who are beneficiaries under
23 this title, title II, title XVI, or any combination
24 of such titles;

1 *misuses all or part of an individual's benefit paid to*
2 *such representative payee, the Commissioner of Social*
3 *Security shall pay to the beneficiary or the bene-*
4 *ficiary's alternative representative payee an amount*
5 *equal to the amount of such benefit so misused. The*
6 *provisions of this paragraph are subject to the limita-*
7 *tions of subsection (l)(2).”.*

8 (2) *MISUSE OF BENEFITS DEFINED.*—Section
9 *807 of such Act (42 U.S.C. 1007) is amended by add-*
10 *ing at the end the following new subsection:*

11 *“(j) MISUSE OF BENEFITS.*—*For purposes of this title,*
12 *misuse of benefits by a representative payee occurs in any*
13 *case in which the representative payee receives payment*
14 *under this title for the use and benefit of another person*
15 *under this title and converts such payment, or any part*
16 *thereof, to a use other than for the use and benefit of such*
17 *person. The Commissioner of Social Security may prescribe*
18 *by regulation the meaning of the term ‘use and benefit’ for*
19 *purposes of this subsection.”.*

20 (3) *TECHNICAL AMENDMENT.*—Section 807(a) of
21 *such Act (42 U.S.C. 1007(a)) is amended, in the first*
22 *sentence, by striking “for his or her benefit” and in-*
23 *serting “for his or her use and benefit”.*

24 (c) *TITLE XVI AMENDMENTS.*—

1 (1) *REISSUANCE OF BENEFITS.*—Section
2 1631(a)(2)(E) of such Act (42 U.S.C. 1383(a)(2)(E))
3 is amended by inserting after the first sentence the
4 following new sentences: “In any case in which a rep-
5 resentative payee that—

6 “(i) is not an individual (regardless of whether
7 it is a ‘qualified organization’ within the meaning of
8 subparagraph (D)(ii)); or

9 “(ii) is an individual who, for any month dur-
10 ing a period when misuse occurs, serves 15 or more
11 individuals who are beneficiaries under this title, title
12 II, title VIII, or any combination of such titles;
13 misuses all or part of an individual’s benefit paid to the
14 representative payee, the Commissioner of Social Security
15 shall pay to the beneficiary or the beneficiary’s alternative
16 representative payee an amount equal to the amount of the
17 benefit so misused. The provisions of this subparagraph are
18 subject to the limitations of subparagraph (H)(ii).”.

19 (2) *EXCLUSION OF REISSUED BENEFITS FROM*
20 *RESOURCES.*—Section 1613(a) of such Act (42
21 U.S.C. 1382b(a)) is amended—

22 (A) in paragraph (12), by striking “and”
23 at the end;

24 (B) in paragraph (13), by striking the pe-
25 riod and inserting “; and”; and

1 (C) by inserting after paragraph (13) the
2 following new paragraph:

3 “(14) for the 9-month period beginning after the
4 month in which received, any amount received by
5 such individual (or spouse) or any other person whose
6 income is deemed to be included in such individual’s
7 (or spouse’s) income for purposes of this title as res-
8 titution for benefits under this title, title II, or title
9 VIII that a representative payee of such individual
10 (or spouse) or such other person under section 205(j),
11 807, or 1631(a)(2) has misused.”.

12 (3) MISUSE OF BENEFITS DEFINED.—Section
13 1631(a)(2)(A) of such Act (42 U.S.C. 1383(a)(2)(A))
14 is amended by adding at the end the following new
15 clause:

16 “(iv) For purposes of this paragraph, misuse of bene-
17 fits by a representative payee occurs in any case in which
18 the representative payee receives payment under this title
19 for the use and benefit of another person and converts such
20 payment, or any part thereof, to a use other than for the
21 use and benefit of such other person. The Commissioner of
22 Social Security may prescribe by regulation the meaning
23 of the term ‘use and benefit’ for purposes of this clause.”.

24 (d) EFFECTIVE DATE.—The amendments made by this
25 section shall apply to any case of benefit misuse by a rep-

1 *representative payee with respect to which the Commissioner*
2 *makes the determination of misuse on or after January 1,*
3 *1995.*

4 **SEC. 102. OVERSIGHT OF REPRESENTATIVE PAYEES.**

5 *(a) CERTIFICATION OF BONDING AND LICENSING RE-*
6 *QUIREMENTS FOR NONGOVERNMENTAL ORGANIZATIONAL*
7 *REPRESENTATIVE PAYEES.—*

8 *(1) TITLE II AMENDMENTS.—Section 205(j) of*
9 *the Social Security Act (42 U.S.C. 405(j)) is amend-*
10 *ed—*

11 *(A) in paragraph (2)(C)(v), by striking “a*
12 *community-based nonprofit social service agency*
13 *licensed or bonded by the State” in subclause (I)*
14 *and inserting “a certified community-based non-*
15 *profit social service agency (as defined in para-*
16 *graph (9))”;*

17 *(B) in paragraph (3)(F), by striking “com-*
18 *munity-based nonprofit social service agencies”*
19 *and inserting “certified community-based non-*
20 *profit social service agencies (as defined in para-*
21 *graph (9))”;*

22 *(C) in paragraph (4)(B), by striking “any*
23 *community-based nonprofit social service agency*
24 *which is bonded or licensed in each State in*
25 *which it serves as a representative payee” and*

1 inserting “any certified community-based non-
2 profit social service agency (as defined in para-
3 graph (9))”; and

4 (D) by adding after paragraph (8) (as
5 added by section 101(a)(2) of this Act) the fol-
6 lowing new paragraph:

7 “(9) For purposes of this subsection, the term ‘certified
8 community-based nonprofit social service agency’ means a
9 community-based nonprofit social service agency which is
10 in compliance with requirements, under regulations which
11 shall be prescribed by the Commissioner, for annual certifi-
12 cation to the Commissioner that it is bonded in accordance
13 with requirements specified by the Commissioner and that
14 it is licensed in each State in which it serves as a represent-
15 ative payee (if licensing is available in such State) in ac-
16 cordance with requirements specified by the Commissioner.
17 Any such annual certification shall include a copy of any
18 independent audit on such agency which may have been
19 performed since the previous certification.”.

20 (2) TITLE XVI AMENDMENTS.—Section
21 1631(a)(2) of such Act (42 U.S.C. 1383(a)(2)) is
22 amended—

23 (A) in subparagraph (B)(vii), by striking
24 “a community-based nonprofit social service
25 agency licensed or bonded by the State” in sub-

1 clause (I) and inserting “a certified community-
2 based nonprofit social service agency (as defined
3 in subparagraph (I))”;

4 (B) in subparagraph (D)(ii)—

5 (i) by striking “or any community-
6 based” and all that follows through “in ac-
7 cordance” in subclause (II) and inserting
8 “or any certified community-based non-
9 profit social service agency (as defined in
10 subparagraph (I)), if the agency, in accord-
11 ance”;

12 (ii) by redesignating items (aa) and
13 (bb) as subclauses (I) and (II), respectively
14 (and adjusting the margination accord-
15 ingly); and

16 (iii) by striking “subclause (II)(bb)”
17 and inserting “subclause (II)”; and

18 (C) by adding at the end the following new
19 subparagraph:

20 “(I) For purposes of this paragraph, the term ‘certified
21 community-based nonprofit social service agency’ means a
22 community-based nonprofit social service agency which is
23 in compliance with requirements, under regulations which
24 shall be prescribed by the Commissioner, for annual certifi-
25 cation to the Commissioner that it is bonded in accordance

1 *with requirements specified by the Commissioner and that*
2 *it is licensed in each State in which it serves as a represent-*
3 *ative payee (if licensing is available in the State) in accord-*
4 *ance with requirements specified by the Commissioner. Any*
5 *such annual certification shall include a copy of any inde-*
6 *pendent audit on the agency which may have been per-*
7 *formed since the previous certification.”.*

8 (3) *EFFECTIVE DATE.—The amendments made*
9 *by this subsection shall take effect on the first day of*
10 *the thirteenth month beginning after the date of the*
11 *enactment of this Act.*

12 (b) *PERIODIC ONSITE REVIEW.—*

13 (1) *TITLE II AMENDMENT.—Section 205(j)(6) of*
14 *such Act (42 U.S.C. 405(j)(6)) is amended to read as*
15 *follows:*

16 “(6)(A) *In addition to such other reviews of represent-*
17 *ative payees as the Commissioner of Social Security may*
18 *otherwise conduct, the Commissioner shall provide for the*
19 *periodic onsite review of any person or agency located in*
20 *the United States that receives the benefits payable under*
21 *this title (alone or in combination with benefits payable*
22 *under title VIII or title XVI) to another individual pursu-*
23 *ant to the appointment of such person or agency as a rep-*
24 *resentative payee under this subsection, section 807, or sec-*
25 *tion 1631(a)(2) in any case in which—*

1 “(i) the representative payee is a person who
2 serves in that capacity with respect to 15 or more
3 such individuals;

4 “(ii) the representative payee is a certified com-
5 munity-based nonprofit social service agency (as de-
6 fined in paragraph (9) of this subsection or section
7 1631(a)(2)(I)); or

8 “(iii) the representative payee is an agency
9 (other than an agency described in clause (ii)) that
10 serves in that capacity with respect to 50 or more
11 such individuals.

12 “(B) Within 120 days after the end of each fiscal year,
13 the Commissioner shall submit to the Committee on Ways
14 and Means of the House of Representatives and the Com-
15 mittee on Finance of the Senate a report on the results of
16 periodic onsite reviews conducted during the fiscal year
17 pursuant to subparagraph (A) and of any other reviews of
18 representative payees conducted during such fiscal year in
19 connection with benefits under this title. Each such report
20 shall describe in detail all problems identified in such re-
21 views and any corrective action taken or planned to be
22 taken to correct such problems, and shall include—

23 “(i) the number of such reviews;

24 “(ii) the results of such reviews;

1 “(iii) the number of cases in which the represent-
2 ative payee was changed and why;

3 “(iv) the number of cases involving the exercise
4 of expedited, targeted oversight of the representative
5 payee by the Commissioner conducted upon receipt of
6 an allegation of misuse of funds, failure to pay a ven-
7 dor, or a similar irregularity;

8 “(v) the number of cases discovered in which
9 there was a misuse of funds;

10 “(vi) how any such cases of misuse of funds were
11 dealt with by the Commissioner;

12 “(vii) the final disposition of such cases of mis-
13 use of funds, including any criminal penalties im-
14 posed; and

15 “(viii) such other information as the Commis-
16 sioner deems appropriate.”.

17 (2) *TITLE VIII AMENDMENT.*—Section 807 of
18 such Act (as amended by section 101(b)(2) of this Act)
19 is amended further by adding at the end the following
20 new subsection:

21 “(k) *PERIODIC ONSITE REVIEW.*—(1) In addition to
22 such other reviews of representative payees as the Commis-
23 sioner of Social Security may otherwise conduct, the Com-
24 missioner may provide for the periodic onsite review of any
25 person or agency that receives the benefits payable under

1 *this title (alone or in combination with benefits payable*
2 *under title II or title XVI) to another individual pursuant*
3 *to the appointment of such person or agency as a represent-*
4 *ative payee under this section, section 205(j), or section*
5 *1631(a)(2) in any case in which—*

6 “(A) *the representative payee is a person who*
7 *serves in that capacity with respect to 15 or more*
8 *such individuals; or*

9 “(B) *the representative payee is an agency that*
10 *serves in that capacity with respect to 50 or more*
11 *such individuals.*

12 “(2) *Within 120 days after the end of each fiscal year,*
13 *the Commissioner shall submit to the Committee on Ways*
14 *and Means of the House of Representatives and the Com-*
15 *mittee on Finance of the Senate a report on the results of*
16 *periodic onsite reviews conducted during the fiscal year*
17 *pursuant to paragraph (1) and of any other reviews of rep-*
18 *resentative payees conducted during such fiscal year in con-*
19 *nection with benefits under this title. Each such report*
20 *shall describe in detail all problems identified in such re-*
21 *views and any corrective action taken or planned to be*
22 *taken to correct such problems, and shall include—*

23 “(A) *the number of such reviews;*

24 “(B) *the results of such reviews;*

1 “(C) the number of cases in which the represent-
2 ative payee was changed and why;

3 “(D) the number of cases involving the exercise
4 of expedited, targeted oversight of the representative
5 payee by the Commissioner conducted upon receipt of
6 an allegation of misuse of funds, failure to pay a ven-
7 dor, or a similar irregularity;

8 “(E) the number of cases discovered in which
9 there was a misuse of funds;

10 “(F) how any such cases of misuse of funds were
11 dealt with by the Commissioner;

12 “(G) the final disposition of such cases of misuse
13 of funds, including any criminal penalties imposed;
14 and

15 “(H) such other information as the Commis-
16 sioner deems appropriate.”.

17 (3) *TITLE XVI AMENDMENT.—Section*
18 *1631(a)(2)(G) of such Act (42 U.S.C. 1383(a)(2)(G))*
19 *is amended to read as follows:*

20 “(G)(i) In addition to such other reviews of representa-
21 tive payees as the Commissioner of Social Security may
22 otherwise conduct, the Commissioner shall provide for the
23 periodic onsite review of any person or agency that receives
24 the benefits payable under this title (alone or in combina-
25 tion with benefits payable under title II or title VIII) to

1 *another individual pursuant to the appointment of the per-*
2 *son or agency as a representative payee under this para-*
3 *graph, section 205(j), or section 807 in any case in which—*

4 *“(I) the representative payee is a person who*
5 *serves in that capacity with respect to 15 or more*
6 *such individuals;*

7 *“(II) the representative payee is a certified com-*
8 *munity-based nonprofit social service agency (as de-*
9 *defined in subparagraph (I) of this paragraph or sec-*
10 *tion 205(j)(9)); or*

11 *“(III) the representative payee is an agency*
12 *(other than an agency described in subclause (II))*
13 *that serves in that capacity with respect to 50 or*
14 *more such individuals.*

15 *“(ii) Within 120 days after the end of each fiscal year,*
16 *the Commissioner shall submit to the Committee on Ways*
17 *and Means of the House of Representatives and the Com-*
18 *mittee on Finance of the Senate a report on the results of*
19 *periodic onsite reviews conducted during the fiscal year*
20 *pursuant to clause (i) and of any other reviews of represent-*
21 *ative payees conducted during such fiscal year in connec-*
22 *tion with benefits under this title. Each such report shall*
23 *describe in detail all problems identified in the reviews and*
24 *any corrective action taken or planned to be taken to correct*
25 *the problems, and shall include—*

1 “(I) the number of the reviews;

2 “(II) the results of such reviews;

3 “(III) the number of cases in which the rep-
4 resentative payee was changed and why;

5 “(IV) the number of cases involving the exercise
6 of expedited, targeted oversight of the representative
7 payee by the Commissioner conducted upon receipt of
8 an allegation of misuse of funds, failure to pay a ven-
9 dor, or a similar irregularity;

10 “(V) the number of cases discovered in which
11 there was a misuse of funds;

12 “(VI) how any such cases of misuse of funds were
13 dealt with by the Commissioner;

14 “(VII) the final disposition of such cases of mis-
15 use of funds, including any criminal penalties im-
16 posed; and

17 “(VIII) such other information as the Commis-
18 sioner deems appropriate.”.

1 **SEC. 103. DISQUALIFICATION FROM SERVICE AS REP-**
2 **RESENTATIVE PAYEE OF PERSONS CON-**
3 **VICTED OF OFFENSES RESULTING IN IMPRIS-**
4 **ONMENT FOR MORE THAN 1 YEAR OR FLEE-**
5 **ING PROSECUTION, CUSTODY, OR CONFINEMENT.**
6 **MENT.**

7 (a) *TITLE II AMENDMENTS.*—Section 205(j)(2) of the
8 *Social Security Act (42 U.S.C. 405(j)(2))* is amended—

9 (1) in subparagraph (B)(i)—

10 (A) by striking “and” at the end of sub-
11 clause (III);

12 (B) by redesignating subclause (IV) as sub-
13 clause (VI); and

14 (C) by inserting after subclause (III) the
15 following new subclauses:

16 “(IV) obtain information concerning whether
17 such person has been convicted of any other offense
18 under Federal or State law which resulted in impris-
19 onment for more than 1 year,

20 “(V) obtain information concerning whether such
21 person is a person described in section
22 202(x)(1)(A)(iv), and”;

23 (2) in subparagraph (B), by adding at the end
24 the following new clause:

25 “(iii) Notwithstanding the provisions of section 552a
26 of title 5, United States Code, or any other provision of

1 *Federal or State law (other than section 6103 of the Inter-*
2 *nal Revenue Code of 1986 and section 1106(c) of this Act),*
3 *the Commissioner shall furnish any Federal, State, or local*
4 *law enforcement officer, upon the written request of the offi-*
5 *cer, with the current address, social security account num-*
6 *ber, and photograph (if applicable) of any person inves-*
7 *tigated under this paragraph, if the officer furnishes the*
8 *Commissioner with the name of such person and such other*
9 *identifying information as may reasonably be required by*
10 *the Commissioner to establish the unique identity of such*
11 *person, and notifies the Commissioner that—*

12 *“(I) such person is described in section*
13 *202(x)(1)(A)(iv),*

14 *“(II) such person has information that is nec-*
15 *essary for the officer to conduct the officer’s official*
16 *duties, and*

17 *“(III) the location or apprehension of such per-*
18 *son is within the officer’s official duties.”;*

19 *(3) in subparagraph (C)(i)(II), by striking “sub-*
20 *paragraph (B)(i)(IV),,” and inserting “subparagraph*
21 *(B)(i)(VI)” and striking “section*
22 *1631(a)(2)(B)(ii)(IV)” and inserting “section*
23 *1631(a)(2)(B)(ii)(VI)”;* and

24 *(4) in subparagraph (C)(i)—*

1 (A) by striking “or” at the end of subclause
2 (II);

3 (B) by striking the period at the end of sub-
4 clause (III) and inserting a comma; and

5 (C) by adding at the end the following new
6 subclauses:

7 “(IV) such person has previously been convicted
8 as described in subparagraph (B)(i)(IV), unless the
9 Commissioner determines that such certification
10 would be appropriate notwithstanding such convic-
11 tion, or

12 “(V) such person is person described in section
13 202(x)(1)(A)(iv).”.

14 (b) *TITLE VIII AMENDMENTS.*—Section 807 of such
15 Act (42 U.S.C. 1007) is amended—

16 (1) in subsection (b)(2)—

17 (A) by striking “and” at the end of sub-
18 paragraph (C);

19 (B) by redesignating subparagraph (D) as
20 subparagraph (F); and

21 (C) by inserting after subparagraph (C) the
22 following new subparagraphs:

23 “(D) obtain information concerning whether
24 such person has been convicted of any other of-

1 *fense under Federal or State law which resulted*
2 *in imprisonment for more than 1 year;*

3 “(E) obtain information concerning whether
4 such person is a person described in section
5 804(a)(2); and”;

6 (2) in subsection (b), by adding at the end the
7 following new paragraph:

8 “(3) Notwithstanding the provisions of section
9 552a of title 5, United States Code, or any other pro-
10 vision of Federal or State law (other than section
11 6103 of the Internal Revenue Code of 1986 and sec-
12 tion 1106(c) of this Act), the Commissioner shall fur-
13 nish any Federal, State, or local law enforcement offi-
14 cer, upon the written request of the officer, with the
15 current address, social security account number, and
16 photograph (if applicable) of any person investigated
17 under this subsection, if the officer furnishes the Com-
18 missioner with the name of such person and such
19 other identifying information as may reasonably be
20 required by the Commissioner to establish the unique
21 identity of such person, and notifies the Commis-
22 sioner that—

23 “(A) such person is described in section
24 804(a)(2),

1 “(B) such person has information that is
2 necessary for the officer to conduct the officer’s
3 official duties, and

4 “(C) the location or apprehension of such
5 person is within the officer’s official duties.”;
6 and

7 (3) in subsection (d)(1)—

8 (A) by striking “or” at the end of subpara-
9 graph (B);

10 (B) by striking the period at the end of sub-
11 paragraph (C) and inserting a semicolon; and

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

14 “(D) such person has previously been con-
15 victed as described in subsection (b)(2)(D), un-
16 less the Commissioner determines that such pay-
17 ment would be appropriate notwithstanding such
18 conviction; or

19 “(E) such person is a person described in
20 section 804(a)(2).”.

21 (c) *TITLE XVI AMENDMENTS.*—Section 1631(a)(2)(B)
22 of such Act (42 U.S.C. 1383(a)(2)(B)) is amended—

23 (1) in clause (ii)—

24 (A) by striking “and” at the end of sub-
25 clause (III);

1 (B) by redesignating subclause (IV) as sub-
2 clause (VI); and

3 (C) by inserting after subclause (III) the
4 following new subclauses:

5 “(IV) obtain information concerning whether the
6 person has been convicted of any other offense under
7 Federal or State law which resulted in imprisonment
8 for more than 1 year;

9 “(V) obtain information concerning whether such
10 person is a person described in section 1611(e)(4)(A);
11 and”;

12 (2) in clause (iii)(II)—

13 (A) by striking “clause (ii)(IV)” and insert-
14 ing “clause (ii)(VI)”;

15 (B) by striking “section
16 205(j)(2)(B)(i)(IV)” and inserting “section
17 205(j)(2)(B)(i)(VI)”;

18 (3) in clause (iii)—

19 (A) by striking “or” at the end of subclause
20 (II);

21 (B) by striking the period at the end of sub-
22 clause (III) and inserting a semicolon; and

23 (C) by adding at the end the following new
24 subclauses:

1 “(IV) the person has previously been convicted as
2 described in clause (ii)(IV) of this subparagraph, un-
3 less the Commissioner determines that the payment
4 would be appropriate notwithstanding the conviction;
5 or

6 “(V) such person is a person described in section
7 1611(e)(4)(A).”;

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

10 “(xiv) Notwithstanding the provisions of section 552a
11 of title 5, United States Code, or any other provision of
12 Federal or State law (other than section 6103 of the Inter-
13 nal Revenue Code of 1986 and section 1106(c) of this Act),
14 the Commissioner shall furnish any Federal, State, or local
15 law enforcement officer, upon the written request of the offi-
16 cer, with the current address, social security account num-
17 ber, and photograph (if applicable) of any person inves-
18 tigated under this subparagraph, if the officer furnishes the
19 Commissioner with the name of such person and such other
20 identifying information as may reasonably be required by
21 the Commissioner to establish the unique identity of such
22 person, and notifies the Commissioner that—

23 “(I) such person is described in section
24 1611(e)(4)(A),

1 “(II) such person has information that is nec-
2 essary for the officer to conduct the officer’s official
3 duties, and

4 “(III) the location or apprehension of such per-
5 son is within the officer’s official duties.”.

6 (d) *EFFECTIVE DATE.*—The amendments made by this
7 section shall take effect on the first day of the thirteenth
8 month beginning after the date of the enactment of this Act.

9 (e) *REPORT TO THE CONGRESS.*—The Commissioner
10 of Social Security, in consultation with the Inspector Gen-
11 eral of the Social Security Administration, shall prepare
12 a report evaluating whether the existing procedures and re-
13 views for the qualification (including disqualification) of
14 representative payees are sufficient to enable the Commis-
15 sioner to protect benefits from being misused by representa-
16 tive payees. The Commissioner shall submit the report to
17 the Committee on Ways and Means of the House of Rep-
18 resentatives and the Committee on Finance of the Senate
19 no later than 270 days after the date of the enactment of
20 this Act. The Commissioner shall include in such report any
21 recommendations that the Commissioner considers appro-
22 priate.

1 **SEC. 104. FEE FORFEITURE IN CASE OF BENEFIT MISUSE BY**
 2 **REPRESENTATIVE PAYEES.**

3 (a) *TITLE II AMENDMENTS.*—Section 205(j)(4)(A)(i)
 4 of the Social Security Act (42 U.S.C. 405(j)(4)(A)(i)) is
 5 amended—

6 (1) in the first sentence, by striking “A” and in-
 7 serting “Except as provided in the next sentence, a”;
 8 and

9 (2) in the second sentence, by striking “The Sec-
 10 retary” and inserting the following:

11 “A qualified organization may not collect a fee from an
 12 individual for any month with respect to which the Com-
 13 missioner of Social Security or a court of competent juris-
 14 diction has determined that the organization misused all
 15 or part of the individual’s benefit, and any amount so col-
 16 lected by the qualified organization for such month shall
 17 be treated as a misused part of the individual’s benefit for
 18 purposes of paragraphs (5) and (6). The Commissioner”.

19 (b) *TITLE XVI AMENDMENTS.*—Section
 20 1631(a)(2)(D)(i) of such Act (42 U.S.C. 1383(a)(2)(D)(i))
 21 is amended—

22 (1) in the first sentence, by striking “A” and in-
 23 serting “Except as provided in the next sentence, a”;
 24 and

25 (2) in the second sentence, by striking “The
 26 Commissioner” and inserting the following: “A quali-

1 *qualified organization may not collect a fee from an indi-*
2 *vidual for any month with respect to which the Com-*
3 *missioner of Social Security or a court of competent*
4 *jurisdiction has determined that the organization*
5 *misused all or part of the individual’s benefit, and*
6 *any amount so collected by the qualified organization*
7 *for such month shall be treated as a misused part of*
8 *the individual’s benefit for purposes of subparagraphs*
9 *(E) and (F). The Commissioner”.*

10 *(c) EFFECTIVE DATE.—The amendments made by this*
11 *section shall apply to any month involving benefit misuse*
12 *by a representative payee in any case with respect to which*
13 *the Commissioner of Social Security or a court of competent*
14 *jurisdiction makes the determination of misuse after 180*
15 *days after the date of the enactment of this Act.*

16 **SEC. 105. LIABILITY OF REPRESENTATIVE PAYEES FOR MIS-**
17 **USED BENEFITS.**

18 *(a) TITLE II AMENDMENTS.—Section 205(j) of the So-*
19 *cial Security Act (42 U.S.C. 405(j)) (as amended by sec-*
20 *tions 101 and 102) is amended further—*

21 *(1) by redesignating paragraphs (7), (8), and (9)*
22 *as paragraphs (8), (9), and (10), respectively;*

23 *(2) in paragraphs (2)(C)(v), (3)(F), and (4)(B),*
24 *by striking “paragraph (9)” and inserting “para-*
25 *graph (10)”;*

1 (3) in paragraph (6)(A)(ii), by striking “para-
2 graph (9)” and inserting “paragraph (10)”; and

3 (4) by inserting after paragraph (6) the fol-
4 lowing new paragraph:

5 “(7)(A) If the Commissioner of Social Security or a
6 court of competent jurisdiction determines that a represent-
7 ative payee that is not a Federal, State, or local government
8 agency has misused all or part of an individual’s benefit
9 that was paid to such representative payee under this sub-
10 section, the representative payee shall be liable for the
11 amount misused, and such amount (to the extent not repaid
12 by the representative payee) shall be treated as an overpay-
13 ment of benefits under this title to the representative payee
14 for all purposes of this Act and related laws pertaining to
15 the recovery of such overpayments. Subject to subparagraph
16 (B), upon recovering all or any part of such amount, the
17 Commissioner shall certify an amount equal to the recov-
18 ered amount for payment to such individual or such indi-
19 vidual’s alternative representative payee.

20 “(B) The total of the amount certified for payment to
21 such individual or such individual’s alternative representa-
22 tive payee under subparagraph (A) and the amount cer-
23 tified for payment under paragraph (5) may not exceed the
24 total benefit amount misused by the representative payee
25 with respect to such individual.”

1 (b) *TITLE VIII AMENDMENT.—Section 807 of such Act*
2 *(as amended by section 102(b)(2)) is amended further by*
3 *adding at the end the following new subsection:*

4 “(l) *LIABILITY FOR MISUSED AMOUNTS.—*

5 “(1) *IN GENERAL.—If the Commissioner of So-*
6 *cial Security or a court of competent jurisdiction de-*
7 *termines that a representative payee that is not a*
8 *Federal, State, or local government agency has mis-*
9 *used all or part of a qualified individual’s benefit*
10 *that was paid to such representative payee under this*
11 *section, the representative payee shall be liable for the*
12 *amount misused, and such amount (to the extent not*
13 *repaid by the representative payee) shall be treated as*
14 *an overpayment of benefits under this title to the rep-*
15 *resentative payee for all purposes of this Act and re-*
16 *lated laws pertaining to the recovery of such overpay-*
17 *ments. Subject to paragraph (2), upon recovering all*
18 *or any part of such amount, the Commissioner shall*
19 *make payment of an amount equal to the recovered*
20 *amount to such qualified individual or such qualified*
21 *individual’s alternative representative payee.*

22 “(2) *LIMITATION.—The total of the amount paid*
23 *to such individual or such individual’s alternative*
24 *representative payee under paragraph (1) and the*
25 *amount paid under subsection (i) may not exceed the*

1 *total benefit amount misused by the representative*
2 *payee with respect to such individual.”.*

3 (c) *TITLE XVI AMENDMENTS.—Section 1631(a)(2) of*
4 *such Act (42 U.S.C. 1383(a)(2)) (as amended by section*
5 *102(b)(3)) is amended further—*

6 (1) *in subparagraph (G)(i)(II), by striking “sec-*
7 *tion 205(j)(9)” and inserting “section 205(j)(10)”;*
8 *and*

9 (2) *by striking subparagraph (H) and inserting*
10 *the following:*

11 *“(H)(i) If the Commissioner of Social Security or a*
12 *court of competent jurisdiction determines that a represent-*
13 *ative payee that is not a Federal, State, or local government*
14 *agency has misused all or part of an individual’s benefit*
15 *that was paid to the representative payee under this para-*
16 *graph, the representative payee shall be liable for the*
17 *amount misused, and the amount (to the extent not repaid*
18 *by the representative payee) shall be treated as an overpay-*
19 *ment of benefits under this title to the representative payee*
20 *for all purposes of this Act and related laws pertaining to*
21 *the recovery of the overpayments. Subject to clause (ii),*
22 *upon recovering all or any part of the amount, the Commis-*
23 *sioner shall make payment of an amount equal to the recov-*
24 *ered amount to such individual or such individual’s alter-*
25 *native representative payee.*

1 “(ii) *The total of the amount paid to such individual*
 2 *or such individual’s alternative representative payee under*
 3 *clause (i) and the amount paid under subparagraph (E)*
 4 *may not exceed the total benefit amount misused by the rep-*
 5 *resentative payee with respect to such individual.”.*

6 (d) *EFFECTIVE DATE.—The amendments made by this*
 7 *section shall apply to benefit misuse by a representative*
 8 *payee in any case with respect to which the Commissioner*
 9 *of Social Security or a court of competent jurisdiction*
 10 *makes the determination of misuse after 180 days after the*
 11 *date of the enactment of this Act.*

12 **SEC. 106. AUTHORITY TO REDIRECT DELIVERY OF BENEFIT**
 13 **PAYMENTS WHEN A REPRESENTATIVE PAYEE**
 14 **FAILS TO PROVIDE REQUIRED ACCOUNTING.**

15 (a) *TITLE II AMENDMENTS.—Section 205(j)(3) of the*
 16 *Social Security Act (42 U.S.C. 405(j)(3)) (as amended by*
 17 *sections 102(a)(1)(B) and 105(a)(2)) is amended—*

18 (1) *by redesignating subparagraphs (E) and (F)*
 19 *as subparagraphs (F) and (G), respectively; and*

20 (2) *by inserting after subparagraph (D) the fol-*
 21 *lowing new subparagraph:*

22 “(E) *In any case in which the person described in sub-*
 23 *paragraph (A) or (D) receiving payments on behalf of an-*
 24 *other fails to submit a report required by the Commissioner*
 25 *of Social Security under subparagraph (A) or (D), the*

1 *Commissioner may, after furnishing notice to such person*
2 *and the individual entitled to such payment, require that*
3 *such person appear in person at a field office of the Social*
4 *Security Administration serving the area in which the indi-*
5 *vidual resides in order to receive such payments.”.*

6 (b) *TITLE VIII AMENDMENTS.—Section 807(h) of such*
7 *Act (42 U.S.C. 1007(h)) is amended—*

8 (1) *by redesignating paragraphs (3) and (4) as*
9 *paragraphs (4) and (5), respectively; and*

10 (2) *by inserting after paragraph (2) the fol-*
11 *lowing new paragraph:*

12 “(3) *AUTHORITY TO REDIRECT DELIVERY OF*
13 *BENEFIT PAYMENTS WHEN A REPRESENTATIVE PAYEE*
14 *FAILS TO PROVIDE REQUIRED ACCOUNTING.—In any*
15 *case in which the person described in paragraph (1)*
16 *or (2) receiving benefit payments on behalf of a quali-*
17 *fied individual fails to submit a report required by*
18 *the Commissioner of Social Security under paragraph*
19 *(1) or (2), the Commissioner may, after furnishing*
20 *notice to such person and the qualified individual, re-*
21 *quire that such person appear in person at a United*
22 *States Government facility designated by the Social*
23 *Security Administration as serving the area in which*
24 *the qualified individual resides in order to receive*
25 *such benefit payments.”.*

1 (c) *TITLE XVI AMENDMENT.*—Section 1631(a)(2)(C)
 2 of such Act (42 U.S.C. 1383(a)(2)(C)) is amended by add-
 3 ing at the end the following new clause:

4 “(v) In any case in which the person described in
 5 clause (i) or (iv) receiving payments on behalf of another
 6 fails to submit a report required by the Commissioner of
 7 Social Security under clause (i) or (iv), the Commissioner
 8 may, after furnishing notice to the person and the indi-
 9 vidual entitled to the payment, require that such person ap-
 10 pear in person at a field office of the Social Security Ad-
 11 ministration serving the area in which the individual re-
 12 sides in order to receive such payments.”.

13 (d) *EFFECTIVE DATE.*—The amendment made by this
 14 section shall take effect 180 days after the date of the enact-
 15 ment of this Act.

16 **Subtitle B—Enforcement**

17 **SEC. 111. CIVIL MONETARY PENALTY AUTHORITY WITH RE-**
 18 **SPECT TO WRONGFUL CONVERSIONS BY REP-**
 19 **RESENTATIVE PAYEES.**

20 (a) *IN GENERAL.*—Section 1129(a) of the Social Secu-
 21 rity Act (42 U.S.C. 1320a–8) is amended by adding at the
 22 end the following new paragraph:

23 “(3) Any person (including an organization, agency,
 24 or other entity) who, having received, while acting in the
 25 capacity of a representative payee pursuant to section

1 205(j), 807, or 1631(a)(2), a payment under title II, VIII,
 2 or XVI for the use and benefit of another individual, con-
 3 verts such payment, or any part thereof, to a use that such
 4 person knows or should know is other than for the use and
 5 benefit of such other individual shall be subject to, in addi-
 6 tion to any other penalties that may be prescribed by law,
 7 a civil money penalty of not more than \$5,000 for each
 8 such conversion. Such person shall also be subject to an as-
 9 sessment, in lieu of damages sustained by the United States
 10 resulting from the conversion, of not more than twice the
 11 amount of any payments so converted.”.

12 (b) *EFFECTIVE DATE.*—The amendment made by this
 13 section shall apply with respect to violations committed
 14 after the date of the enactment of this Act.

15 **TITLE II—PROGRAM**

16 **PROTECTIONS**

17 **SEC. 201. CIVIL MONETARY PENALTY AUTHORITY WITH RE-**
 18 **SPECT TO KNOWING WITHHOLDING OF MATE-**
 19 **RIAL FACTS.**

20 (a) *TREATMENT OF WITHHOLDING OF MATERIAL*
 21 *FACTS.*—

22 (1) *CIVIL PENALTIES.*—Section 1129(a)(1) of the
 23 *Social Security Act* (42 U.S.C. 1320a–8(a)(1)) is
 24 amended—

1 (A) by striking “who” in the first sentence
2 and inserting “who—”;

3 (B) by striking “makes” in the first sen-
4 tence and all that follows through “shall be sub-
5 ject to,” and inserting the following:

6 “(A) makes, or causes to be made, a statement or
7 representation of a material fact, for use in deter-
8 mining any initial or continuing right to or the
9 amount of monthly insurance benefits under title II
10 or benefits or payments under title VIII or XVI, that
11 the person knows or should know is false or mis-
12 leading,

13 “(B) makes such a statement or representation
14 for such use with knowing disregard for the truth, or

15 “(C) omits from a statement or representation
16 for such use, or otherwise withholds disclosure of, a
17 fact which the person knows or should know is mate-
18 rial to the determination of any initial or continuing
19 right to or the amount of monthly insurance benefits
20 under title II or benefits or payments under title VIII
21 or XVI, if the person knows, or should know, that the
22 statement or representation with such omission is
23 false or misleading or that the withholding of such
24 disclosure is misleading,

25 shall be subject to,”;

1 (C) by inserting “or each receipt of such
2 benefits or payments while withholding disclo-
3 sure of such fact” after “each such statement or
4 representation” in the first sentence;

5 (D) by inserting “or because of such with-
6 holding of disclosure of a material fact” after
7 “because of such statement or representation” in
8 the second sentence; and

9 (E) by inserting “or such a withholding of
10 disclosure” after “such a statement or represen-
11 tation” in the second sentence.

12 (2) *ADMINISTRATIVE PROCEDURE FOR IMPOSING*
13 *PENALTIES.*—Section 1129A(a) of such Act (42
14 U.S.C. 1320a–8a(a)) is amended—

15 (A) by striking “who” the first place it ap-
16 pears and inserting “who—”; and

17 (B) by striking “makes” and all that follows
18 through “shall be subject to,” and inserting the
19 following:

20 “(1) makes, or causes to be made, a statement or
21 representation of a material fact, for use in deter-
22 mining any initial or continuing right to or the
23 amount of monthly insurance benefits under title II
24 or benefits or payments under title XVI that the per-
25 son knows or should know is false or misleading,

1 “(2) makes such a statement or representation
2 for such use with knowing disregard for the truth, or

3 “(3) omits from a statement or representation for
4 such use, or otherwise withholds disclosure of, a fact
5 which the person knows or should know is material
6 to the determination of any initial or continuing
7 right to or the amount of monthly insurance benefits
8 under title II or benefits or payments under title XVI,
9 if the person knows, or should know, that the state-
10 ment or representation with such omission is false or
11 misleading or that the withholding of such disclosure
12 is misleading,
13 shall be subject to,”.

14 (b) *CLARIFICATION OF TREATMENT OF RECOVERED*
15 *AMOUNTS.*—Section 1129(e)(2)(B) of such Act (42
16 U.S.C. 1320a–8(e)(2)(B)) is amended by striking “In the
17 case of amounts recovered arising out of a determination
18 relating to title VIII or XVI,” and inserting “In the case
19 of any other amounts recovered under this section,”.

20 (c) *CONFORMING AMENDMENTS.*—

21 (1) Section 1129(b)(3)(A) of such Act (42
22 U.S.C. 1320a–8(b)(3)(A)) is amended by striking
23 “charging fraud or false statements”.

24 (2) Section 1129(c)(1) of such Act (42
25 U.S.C. 1320a–8(c)(1)) is amended by striking “and

1 *representations” and inserting “, representations, or*
2 *actions”.*

3 (3) *Section 1129(e)(1)(A) of such Act (42*
4 *U.S.C. 1320a–8(e)(1)(A)) is amended by striking*
5 *“statement or representation referred to in subsection*
6 *(a) was made” and inserting “violation occurred”.*

7 (d) *EFFECTIVE DATE.—The amendments made by this*
8 *section shall apply with respect to violations committed*
9 *after the date on which the Commissioner implements the*
10 *centralized computer file described in section 202.*

11 ***SEC. 202. ISSUANCE BY COMMISSIONER OF SOCIAL SECU-***
12 ***RITY OF RECEIPTS TO ACKNOWLEDGE SUB-***
13 ***MISSION OF REPORTS OF CHANGES IN WORK***
14 ***OR EARNINGS STATUS OF DISABLED BENE-***
15 ***FICIARIES.***

16 *Effective as soon as possible, but not later than 1 year*
17 *after the date of the enactment of this Act, until such time*
18 *as the Commissioner of Social Security implements a cen-*
19 *tralized computer file recording the date of the submission*
20 *of information by a disabled beneficiary (or representative)*
21 *regarding a change in the beneficiary’s work or earnings*
22 *status, the Commissioner shall issue a receipt to the disabled*
23 *beneficiary (or representative) each time he or she submits*
24 *documentation, or otherwise reports to the Commissioner,*
25 *on a change in such status.*

1 **SEC. 203. DENIAL OF TITLE II BENEFITS TO PERSONS FLEE-**
2 **ING PROSECUTION, CUSTODY, OR CONFINEMENT,**
3 **AND TO PERSONS VIOLATING PROBATION**
4 **OR PAROLE.**

5 (a) *IN GENERAL.*—Section 202(x) of the Social Security
6 Act (42 U.S.C. 402(x)) is amended—

7 (1) *in the heading, by striking “Prisoners” and*
8 *all that follows and inserting the following: “Prisoners,*
9 *Certain Other Inmates of Publicly Funded Institutions,*
10 *Fugitives, Probationers, and Parolees”;*

11 (2) *in paragraph (1)(A)(ii)(IV), by striking “or”*
12 *at the end;*

13 (3) *in paragraph (1)(A)(iii), by striking the pe-*
14 *riod at the end and inserting a comma;*

15 (4) *by inserting after paragraph (1)(A)(iii) the*
16 *following:*

17 “(iv) *is fleeing to avoid prosecution, or custody*
18 *or confinement after conviction, under the laws of the*
19 *place from which the person flees, for a crime, or an*
20 *attempt to commit a crime, which is a felony under*
21 *the laws of the place from which the person flees, or*
22 *which, in the case of the State of New Jersey, is a*
23 *high misdemeanor under the laws of such State, or*

24 “(v) *is violating a condition of probation or pa-*
25 *role imposed under Federal or State law.*

1 *In the case of an individual from whom such monthly bene-*
2 *fits have been withheld pursuant to clause (iv) or (v), the*
3 *Commissioner may, for good cause shown, pay such with-*
4 *held benefits to the individual.”; and*

5 *(5) in paragraph (3), by adding at the end the*
6 *following new subparagraph:*

7 *“(C) Notwithstanding the provisions of section 552a*
8 *of title 5, United States Code, or any other provision of*
9 *Federal or State law (other than section 6103 of the Inter-*
10 *nal Revenue Code of 1986 and section 1106(c) of this Act),*
11 *the Commissioner shall furnish any Federal, State, or local*
12 *law enforcement officer, upon the written request of the offi-*
13 *cer, with the current address, Social Security number, and*
14 *photograph (if applicable) of any beneficiary under this*
15 *title, if the officer furnishes the Commissioner with the*
16 *name of the beneficiary, and other identifying information*
17 *as reasonably required by the Commissioner to establish the*
18 *unique identity of the beneficiary, and notifies the Commis-*
19 *sioner that—*

20 *“(i) the beneficiary—*

21 *“(I) is described in clause (iv) or (v) of*
22 *paragraph (1)(A); and*

23 *“(II) has information that is necessary for*
24 *the officer to conduct the officer’s official duties;*
25 *and*

1 “(ii) the location or apprehension of the bene-
2 ficiary is within the officer’s official duties.”.

3 (b) *REGULATIONS*.—Not later than the first day of the
4 first month that begins on or after the date that is 9 months
5 after the date of the enactment of this Act, the Commissioner
6 of Social Security shall promulgate regulations governing
7 payment by the Commissioner, for good cause shown, of
8 withheld benefits, pursuant to the last sentence of section
9 202(x)(1)(A) of the Social Security Act (as amended by sub-
10 section (a)).

11 (c) *EFFECTIVE DATE*.—The amendments made by sub-
12 section (a) shall take effect on the first day of the first
13 month that begins on or after the date that is 9 months
14 after the date of the enactment of this Act.

15 **SEC. 204. REQUIREMENTS RELATING TO OFFERS TO PRO-**
16 **VIDE FOR A FEE A PRODUCT OR SERVICE**
17 **AVAILABLE WITHOUT CHARGE FROM THE SO-**
18 **CIAL SECURITY ADMINISTRATION.**

19 (a) *IN GENERAL*.—Section 1140 of the Social Security
20 Act (42 U.S.C. 1320b–10) is amended—

21 (1) in subsection (a), by adding at the end the
22 following new paragraph:

23 “(4)(A) No person shall offer, for a fee, to assist an
24 individual to obtain a product or service that the person
25 knows or should know is provided free of charge by the So-

1 *cial Security Administration unless, at the time the offer*
2 *is made, the person provides to the individual to whom the*
3 *offer is tendered a notice that—*

4 “(i) *explains that the product or service is avail-*
5 *able free of charge from the Social Security Adminis-*
6 *tration, and*

7 “(ii) *complies with standards prescribed by the*
8 *Commissioner of Social Security respecting the con-*
9 *tent of such notice and its placement, visibility, and*
10 *legibility.*

11 “(B) *Subparagraph (A) shall not apply to any offer—*

12 “(i) *to serve as a claimant representative in con-*
13 *nection with a claim arising under title II, title VIII,*
14 *or title XVI; or*

15 “(ii) *to prepare, or assist in the preparation of,*
16 *an individual’s plan for achieving self-support under*
17 *title XVI.”; and*

18 (2) *in the heading, by striking “PROHIBITION OF*
19 *MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN REF-*
20 *ERENCE” and inserting “PROHIBITIONS RELATING TO*
21 *REFERENCES”.*

22 (b) *EFFECTIVE DATE.—The amendments made by this*
23 *section shall apply to offers of assistance made after the*
24 *sixth month ending after the Commissioner of Social Secu-*
25 *rity promulgates final regulations prescribing the stand-*

1 ards applicable to the notice required to be provided in con-
2 nection with such offer. The Commissioner shall promul-
3 gate such final regulations within 1 year after the date of
4 the enactment of this Act.

5 **SEC. 205. REFUSAL TO RECOGNIZE CERTAIN INDIVIDUALS**
6 **AS CLAIMANT REPRESENTATIVES.**

7 Section 206(a)(1) of the Social Security Act (42
8 U.S.C. 406(a)(1)) is amended by inserting after the second
9 sentence the following: “Notwithstanding the preceding sen-
10 tences, the Commissioner, after due notice and opportunity
11 for hearing, (A) may refuse to recognize as a representative,
12 and may disqualify a representative already recognized,
13 any attorney who has been disbarred or suspended from any
14 court or bar to which he or she was previously admitted
15 to practice or who has been disqualified from participating
16 in or appearing before any Federal program or agency, and
17 (B) may refuse to recognize, and may disqualify, as a non-
18 attorney representative any attorney who has been dis-
19 barred or suspended from any court or bar to which he or
20 she was previously admitted to practice. A representative
21 who has been disqualified or suspended pursuant to this sec-
22 tion from appearing before the Social Security Administra-
23 tion as a result of collecting or receiving a fee in excess
24 of the amount authorized shall be barred from appearing
25 before the Social Security Administration as a representa-

1 *tive until full restitution is made to the claimant and,*
2 *thereafter, may be considered for reinstatement only under*
3 *such rules as the Commissioner may prescribe.”.*

4 ***SEC. 206. PENALTY FOR CORRUPT OR FORCIBLE INTER-***
5 ***FERENCE WITH ADMINISTRATION OF SOCIAL***
6 ***SECURITY ACT.***

7 *Part A of title XI of the Social Security Act (42*
8 *U.S.C. 1301 et seq.) is amended by inserting after section*
9 *1129A the following new section:*

10 *“ATTEMPTS TO INTERFERE WITH ADMINISTRATION OF*
11 *SOCIAL SECURITY ACT*

12 *“SEC. 1129B. Whoever corruptly or by force or threats*
13 *of force (including any threatening letter or communica-*
14 *tion) attempts to intimidate or impede any officer, em-*
15 *ployee, or contractor of the Social Security Administration*
16 *(including any State employee of a disability determina-*
17 *tion service or any other individual designated by the Com-*
18 *missioner of Social Security) acting in an official capacity*
19 *to carry out a duty under this Act, or in any other way*
20 *corruptly or by force or threats of force (including any*
21 *threatening letter or communication) obstructs or impedes,*
22 *or attempts to obstruct or impede, the due administration*
23 *of this Act, shall be fined not more than \$5,000, imprisoned*
24 *not more than 3 years, or both, except that if the offense*
25 *is committed only by threats of force, the person shall be*
26 *fined not more than \$3,000, imprisoned not more than 1*

1 year, or both. In this subsection, the term ‘threats of force’
 2 means threats of harm to the officer or employee of the
 3 United States or to a contractor of the Social Security Ad-
 4 ministration, or to a member of the family of such an officer
 5 or employee or contractor.”.

6 **SEC. 207. USE OF SYMBOLS, EMBLEMS, OR NAMES IN REF-**
 7 **ERENCE TO SOCIAL SECURITY OR MEDICARE.**

8 (a) *IN GENERAL.*—Section 1140(a)(1) of the Social Se-
 9 curity Act (42 U.S.C. 1320b–10(a)(1)) is amended—

10 (1) in subparagraph (A), by inserting “ ‘Centers
 11 for Medicare & Medicaid Services,’” after “ ‘Health
 12 Care Financing Administration,’” by striking “or
 13 ‘Medicaid’, ” and inserting “ ‘Medicaid’, ‘Death Ben-
 14 efits Update’, ‘Federal Benefit Information’, ‘Funeral
 15 Expenses’, or ‘Final Supplemental Plan,’” and by in-
 16 serting “ ‘CMS,’” after “ ‘HCFA,’”;

17 (2) in subparagraph (B), by inserting “Centers
 18 for Medicare & Medicaid Services,” after “Health
 19 Care Financing Administration,” each place it ap-
 20 pears; and

21 (3) in the matter following subparagraph (B), by
 22 striking “the Health Care Financing Administra-
 23 tion,” each place it appears and inserting “the Cen-
 24 ters for Medicare & Medicaid Services,”.

1 (b) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply to items sent after 180 days after the*
3 *date of the enactment of this Act.*

4 ***SEC. 208. DISQUALIFICATION FROM PAYMENT DURING***
5 ***TRIAL WORK PERIOD UPON CONVICTION OF***
6 ***FRAUDULENT CONCEALMENT OF WORK AC-***
7 ***TIVITY.***

8 (a) *IN GENERAL.*—*Section 222(c) of the Social Secu-*
9 *rity Act (42 U.S.C. 422(c)) is amended by adding at the*
10 *end the following new paragraph:*

11 “(5) *Upon conviction by a Federal court that an indi-*
12 *vidual has fraudulently concealed work activity during a*
13 *period of trial work from the Commissioner of Social Secu-*
14 *rity by—*

15 “(A) *providing false information to the Commis-*
16 *sioner of Social Security as to whether the individual*
17 *had earnings in or for a particular period, or as to*
18 *the amount thereof;*

19 “(B) *receiving disability insurance benefits*
20 *under this title while engaging in work activity under*
21 *another identity, including under another social secu-*
22 *rity account number or a number purporting to be a*
23 *social security account number; or*

24 “(C) *taking other actions to conceal work activ-*
25 *ity with an intent fraudulently to secure payment in*

1 *in addition to or in lieu of any other penalty authorized*
2 *by law, that the defendant make restitution to the Social*
3 *Security Administration.*

4 “(2) Sections 3612, 3663, and 3664 of title 18, United
5 States Code, shall apply with respect to the issuance and
6 enforcement of orders of restitution under this subsection.
7 In so applying such sections, the Social Security Adminis-
8 tration shall be considered the victim.

9 “(3) If the court does not order restitution, or orders
10 only partial restitution, under this subsection, the court
11 shall state on the record the reasons therefor.”

12 (b) AMENDMENTS TO TITLE VIII.—Section 807(i) of
13 such Act (42 U.S.C. 1007(i)) is amended—

14 (1) by striking “(i) RESTITUTION.—In any case
15 where” and inserting the following:

16 “(i) RESTITUTION.—

17 “(1) IN GENERAL.—In any case where”; and

18 (2) by adding at the end the following new para-
19 graph:

20 “(2) COURT ORDER FOR RESTITUTION.—

21 “(A) IN GENERAL.—Any Federal court,
22 when sentencing a defendant convicted of an of-
23 fense under subsection (a), may order, in addi-
24 tion to or in lieu of any other penalty authorized

1 *by law, that the defendant make restitution to*
2 *the Social Security Administration.*

3 “(B) *RELATED PROVISIONS.*—Sections
4 3612, 3663, and 3664 of title 18, United States
5 Code, shall apply with respect to the issuance
6 and enforcement of orders of restitution under
7 this paragraph. In so applying such sections, the
8 Social Security Administration shall be consid-
9 ered the victim.

10 “(C) *STATED REASONS FOR NOT ORDERING*
11 *RESTITUTION.*—If the court does not order res-
12 titution, or orders only partial restitution, under
13 this paragraph, the court shall state on the
14 record the reasons therefor.”.

15 (c) *AMENDMENTS TO TITLE XVI.*—Section 1632 of
16 such Act (42 U.S.C. 1383a) is amended—

17 (1) *by redesignating subsection (b) as subsection*
18 *(c); and*

19 (2) *by inserting after subsection (a) the following*
20 *new subsection:*

21 “(b)(1) *Any Federal court, when sentencing a defend-*
22 *ant convicted of an offense under subsection (a), may order,*
23 *in addition to or in lieu of any other penalty authorized*
24 *by law, that the defendant make restitution to the Social*
25 *Security Administration.*

1 “(2) Sections 3612, 3663, and 3664 of title 18, United
2 States Code, shall apply with respect to the issuance and
3 enforcement of orders of restitution under this subsection.
4 In so applying such sections, the Social Security Adminis-
5 tration shall be considered the victim.

6 “(3) If the court does not order restitution, or orders
7 only partial restitution, under this subsection, the court
8 shall state on the record the reasons therefor.”.

9 (d) SPECIAL ACCOUNT FOR RECEIPT OF RESTITUTION
10 PAYMENTS.—Section 704(b) of such Act (42 U.S.C. 904(b))
11 is amended by adding at the end the following new para-
12 graph:

13 “(3)(A) Except as provided in subparagraph (B),
14 amounts received by the Social Security Administration
15 pursuant to an order of restitution under section 208(b),
16 807(i), or 1632(b) shall be credited to a special fund estab-
17 lished in the Treasury of the United States for amounts so
18 received or recovered. The amounts so credited, to the extent
19 and in the amounts provided in advance in appropriations
20 Acts, shall be available to defray expenses incurred in car-
21 rying out titles II, VIII, and XVI.

22 “(B) Subparagraph (A) shall not apply with respect
23 to amounts received in connection with misuse by a rep-
24 resentative payee (within the meaning of sections 205(j),
25 807, and 1631(a)(2)) of funds paid as benefits under title

1 *II, VIII, or XVI. Such amounts received in connection with*
 2 *misuse of funds paid as benefits under title II shall be*
 3 *transferred to the Managing Trustee of the Federal Old-Age*
 4 *and Survivors Insurance Trust Fund or the Federal Dis-*
 5 *ability Insurance Trust Fund, as determined appropriate*
 6 *by the Commissioner of Social Security, and such amounts*
 7 *shall be deposited by the Managing Trustee into such Trust*
 8 *Fund. All other such amounts shall be deposited by the*
 9 *Commissioner into the general fund of the Treasury as mis-*
 10 *cellaneous receipts.”.*

11 *(e) EFFECTIVE DATE.—The amendments made by sub-*
 12 *sections (a), (b), and (c) shall apply with respect to viola-*
 13 *tions occurring on or after the date of the enactment of this*
 14 *Act.*

15 **TITLE III—ATTORNEY FEE PAY-**
 16 **MENT SYSTEM IMPROVE-**
 17 **MENTS**

18 **SEC. 301. CAP ON ATTORNEY ASSESSMENTS.**

19 *(a) IN GENERAL.—Section 206(d)(2)(A) of the Social*
 20 *Security Act (42 U.S.C. 406(d)(2)(A)) is amended—*

21 *(1) by inserting “, except that the maximum*
 22 *amount of the assessment may not exceed the greater*
 23 *of \$75 or the adjusted amount as provided pursuant*
 24 *to the following two sentences” after “subparagraph*
 25 *(B)”;* and

1 (1) in subparagraph (A), in the matter preceding
2 clause (i)—

3 (A) by striking “section 206(a)” and insert-
4 ing “section 206”;

5 (B) by striking “(other than paragraph (4)
6 thereof)” and inserting “(other than subsections
7 (a)(4) and (d) thereof)”; and

8 (C) by striking “paragraph (2) thereof” and
9 inserting “such section”;

10 (2) in subparagraph (A)(i), by striking “in sub-
11 paragraphs (A)(ii)(I) and (C)(i),” and inserting “in
12 subparagraphs (A)(ii)(I) and (D)(i) of subsection
13 (a)(2)”, and by striking “and” at the end;

14 (3) by striking subparagraph (A)(ii) and insert-
15 ing the following:

16 “(i) by substituting, in subsections (a)(2)(B)
17 and (b)(1)(B)(i), the phrase ‘section 1631(a)(7)(A) or
18 the requirements of due process of law’ for the phrase
19 ‘subsection (g) or (h) of section 223’;

20 “(iii) by substituting, in subsection (a)(2)(C)(i),
21 the phrase ‘under title II’ for the phrase ‘under title
22 XVI’;

23 “(iv) by substituting, in subsection (b)(1)(A), the
24 phrase ‘pay the amount of such fee’ for the phrase
25 ‘certify the amount of such fee for payment’ and by

1 *striking, in subsection (b)(1)(A), the phrase ‘or cer-*
2 *tified for payment’; and*

3 *“(v) by substituting, in subsection (b)(1)(B)(ii),*
4 *the phrase ‘deemed to be such amounts as determined*
5 *before any applicable reduction under section 1631(g),*
6 *and reduced by the amount of any reduction in bene-*
7 *fits under this title or title II made pursuant to sec-*
8 *tion 1127(a)’ for the phrase ‘determined before any*
9 *applicable reduction under section 1127(a))’.”; and*

10 *(4) by striking subparagraph (B) and inserting*
11 *the following new subparagraphs:*

12 *“(B) Subject to subparagraph (C), if the claimant is*
13 *determined to be entitled to past-due benefits under this title*
14 *and the person representing the claimant is an attorney,*
15 *the Commissioner of Social Security shall pay out of such*
16 *past-due benefits to such attorney an amount equal to the*
17 *lesser of—*

18 *“(i) so much of the maximum fee as does not ex-*
19 *ceed 25 percent of such past-due benefits (as deter-*
20 *mined before any applicable reduction under section*
21 *1631(g) and reduced by the amount of any reduction*
22 *in benefits under this title or title II pursuant to sec-*
23 *tion 1127(a)), or*

1 “(ii) the amount of past-due benefits available
2 after any applicable reductions under sections
3 1631(g) and 1127(a).

4 “(C)(i) Whenever a fee for services is required to be
5 paid to an attorney from a claimant’s past-due benefits
6 pursuant to subparagraph (B), the Commissioner shall im-
7 pose on the attorney an assessment calculated in accordance
8 with clause (ii).

9 “(ii)(I) The amount of an assessment under clause (i)
10 shall be equal to the product obtained by multiplying the
11 amount of the representative’s fee that would be required
12 to be paid by subparagraph (B) before the application of
13 this subparagraph, by the percentage specified in subclause
14 (II), except that the maximum amount of the assessment
15 may not exceed \$75. In the case of any calendar year begin-
16 ning after the amendments made by section 302 of the So-
17 cial Security Protection Act of 2003 take effect, the dollar
18 amount specified in the preceding sentence (including a
19 previously adjusted amount) shall be adjusted annually
20 under the procedures used to adjust benefit amounts under
21 section 215(i)(2)(A)(ii), except such adjustment shall be
22 based on the higher of \$75 or the previously adjusted
23 amount that would have been in effect for December of the
24 preceding year, but for the rounding of such amount pursu-
25 ant to the following sentence. Any amount so adjusted that

1 *is not a multiple of \$1 shall be rounded to the next lowest*
2 *multiple of \$1, but in no case less than \$75.*

3 “(II) *The percentage specified in this subclause is such*
4 *percentage rate as the Commissioner determines is nec-*
5 *essary in order to achieve full recovery of the costs of deter-*
6 *mining and approving fees to attorneys from the past-due*
7 *benefits of claimants, but not in excess of 6.3 percent.*

8 “(iii) *The Commissioner may collect the assessment*
9 *imposed on an attorney under clause (i) by offset from the*
10 *amount of the fee otherwise required by subparagraph (B)*
11 *to be paid to the attorney from a claimant’s past-due bene-*
12 *fits.*

13 “(iv) *An attorney subject to an assessment under*
14 *clause (i) may not, directly or indirectly, request or other-*
15 *wise obtain reimbursement for such assessment from the*
16 *claimant whose claim gave rise to the assessment.*

17 “(v) *Assessments on attorneys collected under this sub-*
18 *paragraph shall be deposited in the Treasury in a separate*
19 *fund created for this purpose.*

20 “(vi) *The assessments authorized under this subpara-*
21 *graph shall be collected and available for obligation only*
22 *to the extent and in the amount provided in advance in*
23 *appropriations Acts. Amounts so appropriated are author-*
24 *ized to remain available until expended, for administrative*
25 *expenses in carrying out this title and related laws.”.*

1 (b) *EFFECTIVE DATE.*—

2 (1) *IN GENERAL.*—*The amendments made by*
3 *this section shall apply with respect to fees for rep-*
4 *resentation of claimants which are first required to be*
5 *certified or paid under section 1631(d)(2) of the So-*
6 *cial Security Act on or after the first day of the first*
7 *month that begins after 270 days after the date of the*
8 *enactment of this Act.*

9 (2) *SUNSET.*—*Such amendments shall not apply*
10 *with respect to fees for representation of claimants in*
11 *the case of any claim for benefits with respect to*
12 *which the agreement for representation is entered into*
13 *after 5 years after the date on which the Commis-*
14 *sioner of Social Security first implements the amend-*
15 *ments made by this section.*

16 (c) *STUDY REGARDING FEE-WITHHOLDING FOR NON-*
17 *ATTORNEY REPRESENTATIVES.*—

18 (1) *STUDY.*—*As soon as practicable after the*
19 *date of the enactment of this Act, the Comptroller*
20 *General of the United States shall undertake a study*
21 *regarding fee-withholding for non-attorney representa-*
22 *tives representing claimants before the Social Security*
23 *Administration.*

1 (2) *MATTERS TO BE STUDIED.*—*In conducting*
2 *the study under this subsection, the Comptroller Gen-*
3 *eral shall—*

4 (A) *compare the non-attorney representa-*
5 *tives who seek fee approval for representing*
6 *claimants before the Social Security Administra-*
7 *tion to attorney representatives who seek such fee*
8 *approval, with regard to—*

9 (i) *their training, qualifications, and*
10 *competency,*

11 (ii) *the type and quality of services*
12 *provided, and*

13 (iii) *the extent to which claimants are*
14 *protected through oversight of such rep-*
15 *resentatives by the Social Security Admin-*
16 *istration or other organizations, and*

17 (B) *consider the potential results of extend-*
18 *ing to non-attorney representatives the fee with-*
19 *holding procedures that apply under titles II*
20 *and XVI of the Social Security Act for the pay-*
21 *ment of attorney fees, including the effect on*
22 *claimants and program administration.*

23 (3) *REPORT.*—*Not later than 1 year after the*
24 *date of the enactment of this Act, the Comptroller*
25 *General shall submit to the Committee on Ways and*

1 *Means of the House of Representatives and the Com-*
2 *mittee on Finance of the Senate a report detailing the*
3 *results of the Comptroller General’s study conducted*
4 *pursuant to this subsection.*

5 ***TITLE IV—MISCELLANEOUS AND***
6 ***TECHNICAL AMENDMENTS***

7 ***Subtitle A—Amendments Relating***
8 ***to the Ticket to Work and Work***
9 ***Incentives Improvement Act of***
10 ***1999***

11 ***SEC. 401. APPLICATION OF DEMONSTRATION AUTHORITY***

12 ***SUNSET DATE TO NEW PROJECTS.***

13 *Section 234 of the Social Security Act (42 U.S.C. 434)*
14 *is amended—*

15 (1) *in the first sentence of subsection (c), by*
16 *striking “conducted under subsection (a)” and insert-*
17 *ing “initiated under subsection (a) on or before De-*
18 *cember 17, 2004”;* and

19 (2) *in subsection (d)(2), by amending the first*
20 *sentence to read as follows: “The authority to initiate*
21 *projects under the preceding provisions of this section*
22 *shall terminate on December 18, 2004.”.*

1 **SEC. 402. EXPANSION OF WAIVER AUTHORITY AVAILABLE**
2 **IN CONNECTION WITH DEMONSTRATION**
3 **PROJECTS PROVIDING FOR REDUCTIONS IN**
4 **DISABILITY INSURANCE BENEFITS BASED ON**
5 **EARNINGS.**

6 *Section 302(c) of the Ticket to Work and Work Incen-*
7 *tives Improvement Act of 1999 (42 U.S.C. 434 note) is*
8 *amended by striking “(42 U.S.C. 401 et seq.),” and insert-*
9 *ing “(42 U.S.C. 401 et seq.) and the requirements of section*
10 *1148 of such Act (42 U.S.C. 1320b–19) as they relate to*
11 *the program established under title II of such Act,”.*

12 **SEC. 403. FUNDING OF DEMONSTRATION PROJECTS PRO-**
13 **VIDED FOR REDUCTIONS IN DISABILITY IN-**
14 **SURANCE BENEFITS BASED ON EARNINGS.**

15 *Section 302(f) of the Ticket to Work and Work Incen-*
16 *tives Improvement Act of 1999 (42 U.S.C. 434 note) is*
17 *amended to read as follows:*

18 *“(f) EXPENDITURES.—Administrative expenses for*
19 *demonstration projects under this section shall be paid from*
20 *funds available for the administration of title II or XVIII*
21 *of the Social Security Act, as appropriate. Benefits payable*
22 *to or on behalf of individuals by reason of participation*
23 *in projects under this section shall be made from the Federal*
24 *Disability Insurance Trust Fund and the Federal Old-Age*
25 *and Survivors Insurance Trust Fund, as determined appro-*
26 *priate by the Commissioner of Social Security, and from*

1 *the Federal Hospital Insurance Trust Fund and the Federal*
2 *Supplementary Medical Insurance Trust Fund, as deter-*
3 *mined appropriate by the Secretary of Health and Human*
4 *Services, from funds available for benefits under such title*
5 *II or XVIII.”.*

6 **SEC. 404. AVAILABILITY OF FEDERAL AND STATE WORK IN-**
7 **CENTIVE SERVICES TO ADDITIONAL INDIVID-**
8 **UALS.**

9 (a) *FEDERAL WORK INCENTIVES OUTREACH PRO-*
10 *GRAM.—*

11 (1) *IN GENERAL.—Section 1149(c)(2) of the So-*
12 *cial Security Act (42 U.S.C. 1320b–20(c)(2)) is*
13 *amended to read as follows:*

14 “(2) *DISABLED BENEFICIARY.—The term ‘dis-*
15 *abled beneficiary’ means an individual—*

16 “(A) *who is a disabled beneficiary as de-*
17 *finied in section 1148(k)(2) of this Act;*

18 “(B) *who is receiving a cash payment de-*
19 *scribed in section 1616(a) of this Act or a sup-*
20 *plementary payment described in section*
21 *212(a)(3) of Public Law 93–66 (without regard*
22 *to whether such payment is paid by the Commis-*
23 *sioner pursuant to an agreement under section*
24 *1616(a) of this Act or under section 212(b) of*
25 *Public Law 93–66);*

1 “(C) who, pursuant to section 1619(b) of
2 this Act, is considered to be receiving benefits
3 under title XVI of this Act; or

4 “(D) who is entitled to benefits under part
5 A of title XVIII of this Act by reason of the pe-
6 nultimate sentence of section 226(b) of this Act.”.

7 (2) *EFFECTIVE DATE.*—The amendment made by
8 this subsection shall apply with respect to grants, co-
9 operative agreements, or contracts entered into on or
10 after the date of the enactment of this Act.

11 (b) *STATE GRANTS FOR WORK INCENTIVES ASSIST-*
12 *ANCE.*—

13 (1) *DEFINITION OF DISABLED BENEFICIARY.*—
14 Section 1150(g)(2) of such Act (42 U.S.C. 1320b-
15 21(g)(2)) is amended to read as follows:

16 “(2) *DISABLED BENEFICIARY.*—The term ‘dis-
17 abled beneficiary’ means an individual—

18 “(A) who is a disabled beneficiary as de-
19 fined in section 1148(k)(2) of this Act;

20 “(B) who is receiving a cash payment de-
21 scribed in section 1616(a) of this Act or a sup-
22 plementary payment described in section
23 212(a)(3) of Public Law 93–66 (without regard
24 to whether such payment is paid by the Commis-
25 sioner pursuant to an agreement under section

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

3 “(C) who, pursuant to section 1619(b) of
4 this Act, is considered to be receiving benefits
5 under title XVI of this Act; or

6 “(D) who is entitled to benefits under part
7 A of title XVIII of this Act by reason of the pe-
8 nultimate sentence of section 226(b) of this Act.”.

9 (2) *ADVOCACY OR OTHER SERVICES NEEDED TO*
10 *MAINTAIN GAINFUL EMPLOYMENT.*—Section
11 1150(b)(2) of such Act (42 U.S.C. 1320b–21(b)(2)) is
12 amended by striking “secure or regain” and inserting
13 “secure, maintain, or regain”.

14 (3) *EFFECTIVE DATE.*—The amendments made
15 by this subsection shall apply with respect to pay-
16 ments provided after the date of the enactment of this
17 Act.

18 **SEC. 405. TECHNICAL AMENDMENT CLARIFYING TREAT-**
19 **MENT FOR CERTAIN PURPOSES OF INDI-**
20 **VIDUAL WORK PLANS UNDER THE TICKET TO**
21 **WORK AND SELF-SUFFICIENCY PROGRAM.**

22 (a) *IN GENERAL.*—Section 1148(g)(1) of the Social Se-
23 curity Act (42 U.S.C. 1320b–19) is amended by adding at
24 the end, after and below subparagraph (E), the following
25 new sentence:

1 *“An individual work plan established pursuant to*
2 *this subsection shall be treated, for purposes of section*
3 *51(d)(6)(B)(i) of the Internal Revenue Code of 1986,*
4 *as an individualized written plan for employment*
5 *under a State plan for vocational rehabilitation serv-*
6 *ices approved under the Rehabilitation Act of 1973.”.*

7 ***(b) EFFECTIVE DATE.***—*The amendment made by sub-*
8 *section (a) shall take effect as if included in section 505*
9 *of the Ticket to Work and Work Incentives Improvement*
10 *Act of 1999 (Public Law 106–170; 113 Stat. 1921).*

11 ***Subtitle B—Miscellaneous*** 12 ***Amendments***

13 ***SEC. 411. ELIMINATION OF TRANSCRIPT REQUIREMENT IN*** 14 ***REMAND CASES FULLY FAVORABLE TO THE*** 15 ***CLAIMANT.***

16 ***(a) IN GENERAL.***—*Section 205(g) of the Social Secu-*
17 *urity Act (42 U.S.C. 405(g)) is amended in the sixth sen-*
18 *tence by striking “and a transcript” and inserting “and,*
19 *in any case in which the Commissioner has not made a*
20 *decision fully favorable to the individual, a transcript”.*

21 ***(b) EFFECTIVE DATE.***—*The amendment made by this*
22 *section shall apply with respect to final determinations*
23 *issued (upon remand) on or after the date of the enactment*
24 *of this Act.*

1 **SEC. 412. NONPAYMENT OF BENEFITS UPON REMOVAL**
2 **FROM THE UNITED STATES.**

3 (a) *IN GENERAL.*—Paragraphs (1) and (2) of section
4 202(n) of the Social Security Act (42 U.S.C. 402(n)(1), (2))
5 are each amended by striking “or (1)(E)”.

6 (b) *EFFECTIVE DATE.*—The amendment made by this
7 section to section 202(n)(1) of the Social Security Act shall
8 apply to individuals with respect to whom the Commis-
9 sioner of Social Security receives a removal notice from the
10 Attorney General after the date of the enactment of this Act.
11 The amendment made by this section to section 202(n)(2)
12 of the Social Security Act shall apply with respect to remov-
13 als occurring after the date of the enactment of this Act.

14 **SEC. 413. REINSTATEMENT OF CERTAIN REPORTING RE-**
15 **QUIREMENTS.**

16 Section 3003(a)(1) of the Federal Reports Elimination
17 and Sunset Act of 1995 (31 U.S.C. 1113 note) shall not
18 apply to any report required to be submitted under any
19 of the following provisions of law:

20 (1)(A) Section 201(c)(2) of the Social Security
21 Act (42 U.S.C. 401(c)(2)).

22 (B) Section 1817(b)(2) of the Social Security Act
23 (42 U.S.C. 1395i(b)(2)).

24 (C) Section 1841(b)(2) of the Social Security Act
25 (42 U.S.C. 1395t(b)(2)).

1 (2)(A) *Section 221(c)(3)(C) of the Social Secu-*
2 *urity Act (42 U.S.C. 421(c)(3)(C)).*

3 (B) *Section 221(i)(3) of the Social Security Act*
4 *(42 U.S.C. 421(i)(3)).*

5 **SEC. 414. CLARIFICATION OF DEFINITIONS REGARDING**
6 **CERTAIN SURVIVOR BENEFITS.**

7 (a) *WIDOWS.—Section 216(c) of the Social Security*
8 *Act (42 U.S.C. 416(c)) is amended—*

9 (1) *by redesignating subclauses (A) through (C)*
10 *of clause (6) as subclauses (i) through (iii), respec-*
11 *tively;*

12 (2) *by redesignating clauses (1) through (6) as*
13 *clauses (A) through (F), respectively;*

14 (3) *in clause (E) (as redesignated), by inserting*
15 *“except as provided in paragraph (2),” before “she*
16 *was married”;*

17 (4) *by inserting “(1)” after “(c)”;* and

18 (5) *by adding at the end the following new para-*
19 *graph:*

20 *“(2) The requirements of paragraph (1)(E) in connec-*
21 *tion with the surviving wife of an individual shall be treat-*
22 *ed as satisfied if—*

23 *“(A) the individual had been married prior to*
24 *the individual’s marriage to the surviving wife,*

1 “(B) the prior wife was institutionalized during
2 the individual’s marriage to the prior wife due to
3 mental incompetence or similar incapacity,

4 “(C) during the period of the prior wife’s insti-
5 tutionalization, the individual would have divorced
6 the prior wife and married the surviving wife, but the
7 individual did not do so because such divorce would
8 have been unlawful, by reason of the prior wife’s in-
9 stitutionalization, under the laws of the State in
10 which the individual was domiciled at the time (as
11 determined based on evidence satisfactory to the Com-
12 missioner of Social Security),

13 “(D) the prior wife continued to remain institu-
14 tionalized up to the time of her death, and

15 “(E) the individual married the surviving wife
16 within 60 days after the prior wife’s death.”.

17 (b) WIDOWERS.—Section 216(g) of such Act (42
18 U.S.C. 416(g)) is amended—

19 (1) by redesignating subclauses (A) through (C)
20 of clause (6) as subclauses (i) through (iii), respec-
21 tively;

22 (2) by redesignating clauses (1) through (6) as
23 clauses (A) through (F), respectively;

1 (3) *in clause (E) (as redesignated), by inserting*
2 *“except as provided in paragraph (2),” before “he was*
3 *married”;*

4 (4) *by inserting “(1)” after “(g)”;* and

5 (5) *by adding at the end the following new para-*
6 *graph:*

7 “(2) *The requirements of paragraph (1)(E) in connec-*
8 *tion with the surviving husband of an individual shall be*
9 *treated as satisfied if—*

10 “(A) *the individual had been married prior to*
11 *the individual’s marriage to the surviving husband,*

12 “(B) *the prior husband was institutionalized*
13 *during the individual’s marriage to the prior husband*
14 *due to mental incompetence or similar incapacity,*

15 “(C) *during the period of the prior husband’s in-*
16 *stitutionalization, the individual would have divorced*
17 *the prior husband and married the surviving hus-*
18 *band, but the individual did not do so because such*
19 *divorce would have been unlawful, by reason of the*
20 *prior husband’s institutionalization, under the laws*
21 *of the State in which the individual was domiciled at*
22 *the time (as determined based on evidence satisfactory*
23 *to the Commissioner of Social Security),*

24 “(D) *the prior husband continued to remain in-*
25 *stitutionalized up to the time of his death, and*

1 “(E) the individual married the surviving hus-
2 band within 60 days after the prior husband’s
3 death.”.

4 (c) *CONFORMING AMENDMENT.*—Section 216(k) of
5 such Act (42 U.S.C. 416(k)) is amended by striking “clause
6 (5) of subsection (c) or clause (5) of subsection (g)” and
7 inserting “clause (E) of subsection (c)(1) or clause (E) of
8 subsection (g)(1)”.

9 (d) *EFFECTIVE DATE.*—The amendments made by this
10 section shall be effective with respect to applications for ben-
11 efits under title II of the Social Security Act filed during
12 months ending after the date of the enactment of this Act.

13 **SEC. 415. CLARIFICATION RESPECTING THE FICA AND SECA**
14 **TAX EXEMPTIONS FOR AN INDIVIDUAL**
15 **WHOSE EARNINGS ARE SUBJECT TO THE**
16 **LAWS OF A TOTALIZATION AGREEMENT PART-**
17 **NER.**

18 Sections 1401(c), 3101(c), and 3111(c) of the Internal
19 Revenue Code of 1986 are each amended by striking “to
20 taxes or contributions for similar purposes under” and in-
21 serting “exclusively to the laws applicable to”.

1 **SEC. 416. COVERAGE UNDER DIVIDED RETIREMENT SYSTEM**
2 **FOR PUBLIC EMPLOYEES IN KENTUCKY.**

3 (a) *IN GENERAL.*—Section 218(d)(6)(C) of the Social
4 Security Act (42 U.S.C. 418(d)(6)(C)) is amended by in-
5 serting “Kentucky,” after “Illinois,”.

6 (b) *EFFECTIVE DATE.*—The amendment made by sub-
7 section (a) takes effect on January 1, 2003.

8 **SEC. 417. COMPENSATION FOR THE SOCIAL SECURITY ADVI-**
9 **SORY BOARD.**

10 (a) *IN GENERAL.*—Subsection (f) of section 703 of the
11 Social Security Act (42 U.S.C. 903(f)) is amended to read
12 as follows:

13 “Compensation, Expenses, and Per Diem
14 “(f) A member of the Board shall, for each day (includ-
15 ing traveltime) during which the member is attending meet-
16 ings or conferences of the Board or otherwise engaged in
17 the business of the Board, be compensated at the daily rate
18 of basic pay for level IV of the Executive Schedule. While
19 serving on business of the Board away from their homes
20 or regular places of business, members may be allowed trav-
21 el expenses, including per diem in lieu of subsistence, as
22 authorized by section 5703 of title 5, United States Code,
23 for persons in the Government employed intermittently.”.

24 (b) *EFFECTIVE DATE.*—The amendment made by this
25 section shall be effective as of January 1, 2003.

1 **SEC. 418. 60-MONTH PERIOD OF EMPLOYMENT REQUIRE-**
2 **MENT FOR APPLICATION OF GOVERNMENT**
3 **PENSION OFFSET EXEMPTION.**

4 (a) *WIFE'S INSURANCE BENEFITS.*—Section
5 202(b)(4)(A) of the Social Security Act (42 U.S.C.
6 402(b)(4)(A)) is amended by striking “if, on” and inserting
7 “if, during any portion of the last 60 months of such service
8 ending with”.

9 (b) *HUSBAND'S INSURANCE BENEFITS.*—Section
10 202(c)(2)(A) of such Act (42 U.S.C. 402(c)(2)(A)) is amend-
11 ed by striking “if, on” and inserting “if, during any por-
12 tion of the last 60 months of such service ending with”.

13 (c) *WIDOW'S INSURANCE BENEFITS.*—Section
14 202(e)(7)(A) of such Act (42 U.S.C. 402(e)(7)(A)) is amend-
15 ed by striking “if, on” and inserting “if, during any por-
16 tion of the last 60 months of such service ending with”.

17 (d) *WIDOWER'S INSURANCE BENEFITS.*—Section
18 202(f)(2)(A) of such Act (42 U.S.C. 402(f)(2)(A)) is amend-
19 ed by striking “if, on” and inserting “if, during any por-
20 tion of the last 60 months of such service ending with”.

21 (e) *MOTHER'S AND FATHER'S INSURANCE BENE-*
22 *FITS.*—Section 202(g)(4)(A) of the such Act (42 U.S.C.
23 402(g)(4)(A)) is amended by striking “if, on” and inserting
24 “if, during any portion of the last 60 months of such service
25 ending with”.

1 (f) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply with respect to applications for benefits*
3 *under title II of the Social Security Act filed on or after*
4 *the first day of the first month that begins after the date*
5 *of the enactment of this Act, except that such amendments*
6 *shall not apply in connection with monthly periodic bene-*
7 *fits of any individual based on earnings while in service*
8 *described in section 202(b)(4)(A), 202(c)(2)(A),*
9 *202(e)(7)(A), or 202(f)(2)(A) of the Social Security Act (in*
10 *the matter preceding clause (i) thereof)—*

11 (1) *if the last day of such service occurs before*
12 *the end of the 90-day period following the date of the*
13 *enactment of this Act, or*

14 (2) *in any case in which the last day of such*
15 *service occurs after the end of such 90-day period,*
16 *such individual performed such service during such*
17 *90-day period which constituted “employment” as de-*
18 *fin ed in section 210 of such Act, and all such service*
19 *subsequently performed by such individual has con-*
20 *stituted such “employment”.*

21 ***Subtitle C—Technical Amendments***

22 ***SEC. 421. TECHNICAL CORRECTION RELATING TO RESPON-*** 23 ***SIBLE AGENCY HEAD.***

24 Section 1143 of the Social Security Act (42
25 U.S.C. 1320b–13) is amended—

1 (1) by striking “Secretary” the first place it ap-
2 pears and inserting “Commissioner of Social Secu-
3 rity”; and

4 (2) by striking “Secretary” each subsequent place
5 it appears and inserting “Commissioner”.

6 **SEC. 422. TECHNICAL CORRECTION RELATING TO RETIRE-**
7 **MENT BENEFITS OF MINISTERS.**

8 (a) *IN GENERAL.*—Section 211(a)(7) of the Social Se-
9 curity Act (42 U.S.C. 411(a)(7)) is amended by inserting
10 “, but shall not include in any such net earnings from self-
11 employment the rental value of any parsonage or any par-
12 sonage allowance (whether or not excluded under section
13 107 of the Internal Revenue Code of 1986) provided after
14 the individual retires, or any other retirement benefit re-
15 ceived by such individual from a church plan (as defined
16 in section 414(e) of such Code) after the individual retires”
17 before the semicolon.

18 (b) *EFFECTIVE DATE.*—The amendment made by this
19 section shall apply to years beginning before, on, or after
20 December 31, 1994.

21 **SEC. 423. TECHNICAL CORRECTIONS RELATING TO DOMES-**
22 **TIC EMPLOYMENT.**

23 (a) *AMENDMENT TO INTERNAL REVENUE CODE.*—Sec-
24 tion 3121(a)(7)(B) of the Internal Revenue Code of 1986

1 *is amended by striking “described in subsection (g)(5)” and*
2 *inserting “on a farm operated for profit”.*

3 (b) *AMENDMENT TO SOCIAL SECURITY ACT.—Section*
4 *209(a)(6)(B) of the Social Security Act (42*
5 *U.S.C. 409(a)(6)(B)) is amended by striking “described in*
6 *section 210(f)(5)” and inserting “on a farm operated for*
7 *profit”.*

8 (c) *CONFORMING AMENDMENT.—Section 3121(g)(5) of*
9 *such Code and section 210(f)(5) of such Act (42*
10 *U.S.C. 410(f)(5)) are amended by striking “or is domestic*
11 *service in a private home of the employer”.*

12 **SEC. 424. TECHNICAL CORRECTIONS OF OUTDATED REF-**
13 **ERENCES.**

14 (a) *CORRECTION OF TERMINOLOGY AND CITATIONS*
15 *RESPECTING REMOVAL FROM THE UNITED STATES.—Sec-*
16 *tion 202(n) of the Social Security Act (42 U.S.C. 402(n))*
17 *(as amended by section 412) is amended further—*

18 (1) *by striking “deportation” each place it ap-*
19 *pears and inserting “removal”;*

20 (2) *by striking “deported” each place it appears*
21 *and inserting “removed”;*

22 (3) *in paragraph (1) (in the matter preceding*
23 *subparagraph (A)), by striking “under section 241(a)*
24 *(other than under paragraph (1)(C) thereof)” and in-*

1 serting “under section 237(a) (other than paragraph
2 (1)(C) thereof) or 212(a)(6)(A)”;

3 (4) in paragraph (2), by striking “under any of
4 the paragraphs of section 241(a) of the Immigration
5 and Nationality Act (other than under paragraph
6 (1)(C) thereof)” and inserting “under any of the
7 paragraphs of section 237(a) of the Immigration and
8 Nationality Act (other than paragraph (1)(C) thereof)
9 or under section 212(a)(6)(A) of such Act”;

10 (5) in paragraph (3)—

11 (A) by striking “paragraph (19) of section
12 241(a)” and inserting “subparagraph (D) of sec-
13 tion 237(a)(4)”;

14 (B) by striking “paragraph (19)” and in-
15 serting “subparagraph (D)”;

16 (6) in the heading, by striking “Deportation”
17 and inserting “Removal”.

18 (b) *CORRECTION OF CITATION RESPECTING THE TAX*
19 *DEDUCTION RELATING TO HEALTH INSURANCE COSTS OF*
20 *SELF-EMPLOYED INDIVIDUALS.*—Section 211(a)(15) of
21 such Act (42 U.S.C. 411(a)(15)) is amended by striking
22 “section 162(m)” and inserting “section 162(l)”.

23 (c) *ELIMINATION OF REFERENCE TO OBSOLETE 20-*
24 *DAY AGRICULTURAL WORK TEST.*—Section 3102(a) of the
25 Internal Revenue Code of 1986 is amended by striking “and

1 *the employee has not performed agricultural labor for the*
2 *employer on 20 days or more in the calendar year for cash*
3 *remuneration computed on a time basis”.*

4 ***SEC. 425. TECHNICAL CORRECTION RESPECTING SELF-EM-***
5 ***PLOYMENT INCOME IN COMMUNITY PROP-***
6 ***ERTY STATES.***

7 (a) *SOCIAL SECURITY ACT AMENDMENT.—Section*
8 *211(a)(5)(A) of the Social Security Act (42*
9 *U.S.C. 411(a)(5)(A)) is amended by striking “all of the*
10 *gross income” and all that follows and inserting “the gross*
11 *income and deductions attributable to such trade or busi-*
12 *ness shall be treated as the gross income and deductions*
13 *of the spouse carrying on such trade or business or, if such*
14 *trade or business is jointly operated, treated as the gross*
15 *income and deductions of each spouse on the basis of their*
16 *respective distributive share of the gross income and deduc-*
17 *tions;”.*

18 (b) *INTERNAL REVENUE CODE OF 1986 AMEND-*
19 *MENT.—Section 1402(a)(5)(A) of the Internal Revenue*
20 *Code of 1986 is amended by striking “all of the gross in-*
21 *come” and all that follows and inserting “the gross income*
22 *and deductions attributable to such trade or business shall*
23 *be treated as the gross income and deductions of the spouse*
24 *carrying on such trade or business or, if such trade or busi-*
25 *ness is jointly operated, treated as the gross income and*

- 1 *deductions of each spouse on the basis of their respective*
- 2 *distributive share of the gross income and deductions; and”.*

Union Calendar No. 28

108TH CONGRESS
1ST SESSION

H. R. 743

[Report No. 108-46]

A BILL

To amend the Social Security Act and the Internal Revenue Code of 1986 to provide additional safeguards for Social Security and Supplemental Security Income beneficiaries with representative payees, to enhance program protections, and for other purposes.

MARCH 24, 2003

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed