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SUPPLEMENTAL SECURITY INCOME

Noncitizen Caseload Continues to Grow

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Supplemental Security Income: Noncitizen Caseload Continues to Grow

Mr. Chairman and Members of the Subcommittee:

Thank you for inviting me to speak about the rapid growth in the number of noncitizens receiving Supplemental Security Income (SSI) benefits. As you are aware, the SSI program provides means-tested income support payments to eligible aged, blind, or disabled persons. In 1995, over 6.5 million SSI recipients received nearly \$25 billion in federal benefits and over \$3 billion in state benefits.

Noncitizens, who include legal immigrants and refugees, accounted for nearly 25 percent of SSI's caseload growth from 1986 through 1993. In December 1995, almost 800,000 noncitizens were receiving SSI benefits, accounting for about 12 percent of all SSI recipients. In 1995, federal and state SSI benefits to noncitizens totaled nearly \$4 billion.

Today, I would like to focus on three issues: the overall growth in noncitizen SSI caseloads and some of the reasons for it; aged noncitizen recipients and how financial support from their families affects their SSI benefits; and disabled noncitizens and the potential for translator fraud, and actions the Social Security Administration (SSA) can take to reduce such fraud. My remarks are based on two reports we issued last year relating to immigrants and SSI,¹ and on updated SSA data.

In summary, we found that noncitizens are one of the fastest growing groups of SSI recipients. They represent nearly 33 percent of aged SSI recipients and about 6 percent of disabled recipients. While the growth rate for noncitizen caseloads has slowed somewhat, it is still higher than that for citizens, and the proportion of noncitizens relative to other SSI recipients continues to grow. About two-thirds of noncitizen SSI recipients, roughly 520,000, live in three states—California, New York, and Florida. On the whole, noncitizens are somewhat more likely to receive SSI than are citizens, but this may be primarily true for refugees and asylees. Moreover, the 1980s saw significant growth in immigration. Adult children of aged immigrants and others who say they are willing to financially support them sometimes do not. Eventually, some of these aged immigrants receive SSI. Also, some translators have assisted noncitizens in fraudulently obtaining SSI disability benefits.

¹Supplemental Security Income: Growth and Changes in Recipient Population Call for Reexamining Program (GAO/HEHS-95-137, July 7, 1995) and Supplemental Security Income: Disability Program Vulnerable to Applicant Fraud When Middlemen Are Used (GAO/HEHS-95-116, Aug. 31, 1995).

Background

The Congress established the SSI program in 1972 to replace federal grants to similar state-administered programs, which varied substantially in benefit levels and eligibility requirements. The Congress intended SSI as a supplement to the Social Security Old Age, Survivors, and Disability Insurance programs for those who had little or no Social Security coverage.

Federal SSI benefits are funded by general revenues and based on need, unlike Social Security benefits, which are funded by payroll taxes and, in effect, are based on the contributions of individuals and their employers. SSA has overall responsibility for the SSI program.

To be eligible for SSI, individuals must be 65 years old, blind, or disabled. To be considered disabled, adults must be unable to engage in any substantial gainful activity because of a physical or mental impairment expected to result in death or last at least 12 months. Individuals cannot have income greater than the maximum benefit level, which is about \$5,600 per year in 1996, or own resources worth more than \$2,000, subject to certain exclusions, such as a home. Individuals must also be U.S. citizens or immigrants lawfully admitted for permanent residence or noncitizens “permanently residing under color of law” (PRUCOL).²

In 1996, the maximum federal SSI benefit is \$470 per month for an individual and \$705 for a couple with both spouses eligible; these benefit rates are adjusted annually for cost-of-living increases. This monthly benefit is reduced on the basis of various factors: recipients’ incomes; living arrangements, such as living with family; and other sources of support, including Social Security benefits. As a result of these adjustments, the average monthly federal benefit in 1995 was \$334.

In addition to federal SSI benefits, states may provide supplemental benefits. In December 1995, nearly 40 percent of SSI recipients received an average of about \$105 per month in state supplemental benefits at a total cost to the states of about \$3.2 billion a year.

Most SSI recipients are generally eligible for Medicaid and food stamps, which can cost the government more than SSI benefits themselves. For

²PRUCOL is not an immigration status, such as immigrant or refugee. Rather, it is an eligibility status defined in the enabling legislation for major federal assistance programs, including SSI. PRUCOL is more frequently a transitional status for noncitizens who are becoming permanent residents than for those whose deportation has been delayed, though it can be either. Initially, PRUCOL was interpreted to include primarily refugees and asylees. Court decisions have broadened it to include other categories of noncitizens. Nearly 75 percent of SSI recipients in the PRUCOL category are refugees or asylees.

1994, annual Medicaid benefits averaged about \$2,800 for the aged SSI recipients who received them and about \$5,300 for blind and disabled SSI recipients, excluding long-term care costs. Including long-term care, Medicaid benefits averaged about \$8,300 for the aged and \$7,700 for the disabled. In September 1994, a one-person household eligible for both food stamps and SSI, with no other income, could receive nearly \$1,000 per year in food stamp benefits, depending on the state.

SSI Provisions for Noncitizens and Related Immigration Policy

Immigrants are those with “lawful permanent resident” status. They include those who came here after obtaining an immigrant visa in their country of origin. They also include noncitizens already living here who have changed to this status. Since SSA data do not usually reflect changes in immigration status, we describe the status SSI recipients had when they applied for benefits.

In addition to immigrants, noncitizens on SSI include refugees and asylees as well as undocumented aliens legalized by the Immigration Reform and Control Act of 1986 (IRCA). Refugees and asylees are noncitizens who are unable or unwilling to return to their countries of nationality because of persecution or a well-founded fear of persecution. Refugees apply for their status from outside the United States, while asylees apply from within. Both are eligible for permanent resident status after 1 year of continuous presence in the United States.

Some legal immigrants are admitted to the country under the financial sponsorship of a U.S. resident. The Immigration and Nationality Act of 1952, as amended, provides for denying permanent resident status to noncitizens who are likely to become public charges. Noncitizens can demonstrate they will be self-sufficient in several ways, including having a financial sponsor. Sponsors sign an affidavit of support assuring the U.S. government that the immigrant will not become a public charge and in which they state they are willing and able to provide financial assistance to the immigrant for 3 years. However, several courts have ruled that these affidavits of support are not legally binding. Refugees and asylees do not need to demonstrate they will be self-sufficient to reside in the United States.

SSI’s “deeming” provisions, which apply only to immigrants with financial sponsors, attempt to reinforce immigration policy. In determining financial eligibility and benefit levels, SSA deems a portion of a sponsor’s income and resources to be available to the immigrant. This provision applies

regardless of whether a sponsor is actually providing financial support. This provision currently applies for 5 years from the immigrant's entry into the United States.³

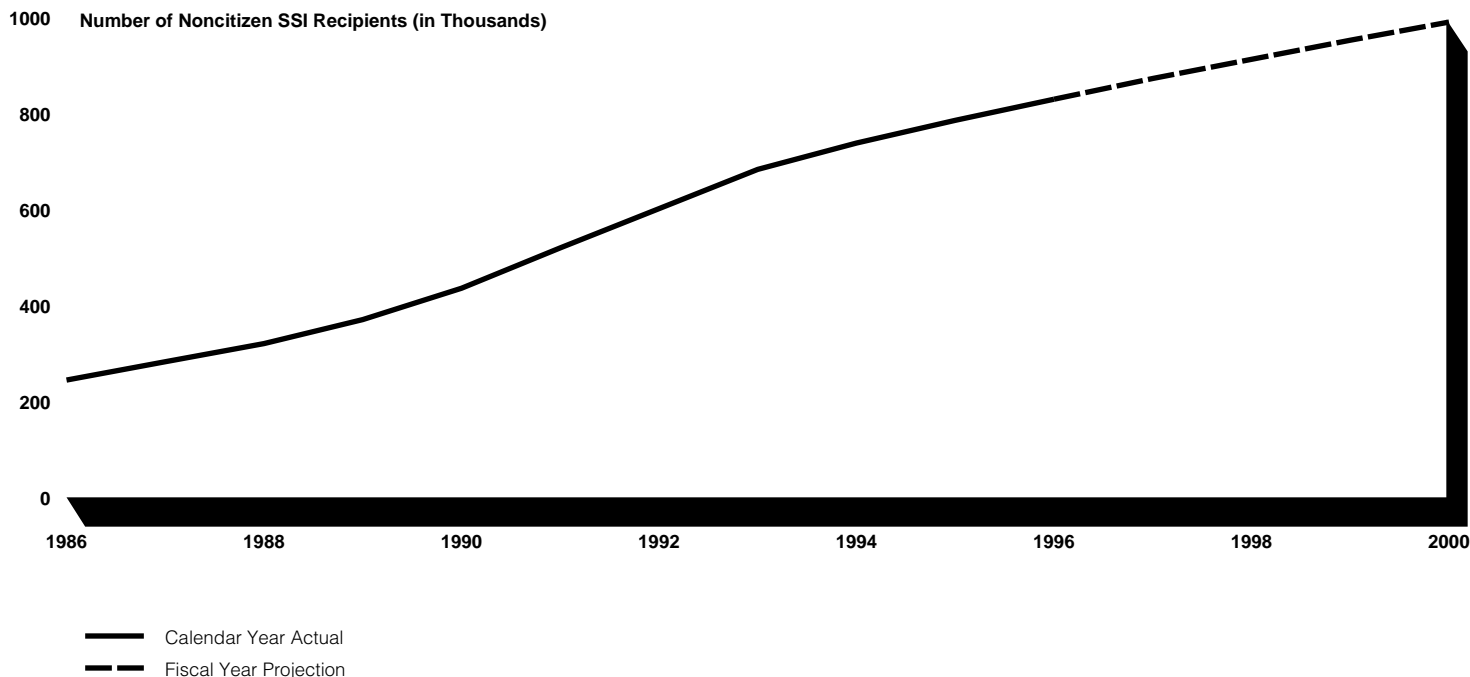
On May 2, 1996, the Senate passed an amended version of the Immigration Control and Financial Responsibility Act of 1996 (H.R. 2202), which the House of Representatives passed on March 21. The bill is still pending conference committee action. Both the House and Senate versions of the bill contain provisions to make the affidavits of support legally enforceable. They also contain provisions extending the deeming period. In addition, the bill makes some changes to eligibility requirements for noncitizens. It also provides that any noncitizen who receives more than 12 months' worth of federal, state, or local needs-based benefits within 5 years of becoming a lawful permanent resident (with several exceptions) would be considered deportable as a "public charge."

Overview of Noncitizen SSI Recipients

From 1986 through 1994, the number of aged or disabled noncitizen SSI recipients grew an average of 15 percent annually. In 1986, noncitizens constituted about 6 percent of all SSI recipients; by 1994, their proportion had grown to nearly 12 percent. This year, 800,000 noncitizens will receive \$3.6 billion in federal SSI benefits; SSA projects that nearly 1 million noncitizens will receive almost \$5 billion in the year 2000. From a peak growth rate of 19 percent in 1991, growth in noncitizen cases has slowed substantially, with a rate of just 6.4 percent last year. However, this remains higher than the growth in all SSI cases, which was 3.5 percent last year. SSA projects that growth rates will remain in this lower range at least through the year 2000. Figure 1 gives past and projected numbers of noncitizens on SSI.

³The Congress temporarily extended SSI's deeming period from 3 to 5 years from January 1994 through September 1996. However, in the affidavits of support, sponsors only say they are willing to provide support for 3 years.

Figure 1: SSI Noncitizen Caseload Growth



Source: SSA.

Refugee and asylee cases are growing somewhat faster than immigrant cases, averaging 18 percent growth annually from 1986 through 1993 compared with 15 percent. Refugees and asylees constitute a larger share of ssi's disabled noncitizen population than ssi's aged population, 23 percent compared with 16 percent.

Factors Contributing to Caseload Growth

The number of all ssi recipients has grown dramatically since the mid-1980s, and some of the factors contributing to this growth apply to noncitizens and citizens alike. Such factors include program outreach, and, in the case of the disabled, eligibility expansion and limited efforts to review recipients' disability status or help them return to work. Still, the number of noncitizens is growing faster than that of citizens. From 1986 through 1993, the number of all ssi recipients grew at an average annual rate of 5 percent, compared with the 15 percent rate for noncitizens. In

particular, growth among those aged 65 or over differs dramatically between citizens and noncitizens. While the number of aged noncitizens on SSI has grown dramatically, the number of aged citizens has actually declined.

Increased immigration has probably contributed to the growth in noncitizen SSI caseloads. The number of immigrants rose steadily in the 1980s, from about 500,000 per year early in the decade to 1.5 million in 1990, then fell to 900,000 in 1993. Altogether, the number of immigrants totaled more than 7.3 million in the 1980s. Roughly half of these immigrants did not need to demonstrate that they would be self-sufficient.

Noncitizens are more likely to receive SSI than citizens: roughly 3 percent of noncitizens receive SSI compared with 1.8 percent of citizens. One reason that may partially explain this is that noncitizens typically have more limited U.S. work histories than life-long residents do and therefore qualify for smaller Social Security benefits. This, in turn, may make noncitizens more likely to qualify for SSI.

Still, the likelihood of receiving SSI probably varies for different types of noncitizens. Refugees and asylees may be more likely than citizens to receive benefits. They are not subject to sponsorship and deeming provisions and may qualify for benefits immediately after arriving here. Immigrants admitted through normal procedures may be no more likely or even less likely than citizens to be on SSI; data limitations make it difficult to say.⁴

About 46 percent of noncitizen recipients applied for SSI within 4 years of entering the United States. Roughly 5 percent of immigrants receiving SSI applied within a year of entry compared with 52 percent of the remaining noncitizens receiving SSI, such as refugees.

Noncitizen Beneficiary Profile

Fifty-one percent of noncitizens on SSI come from six countries—Mexico, the former Soviet Union, Cuba, Vietnam, the Philippines, and China. However, rates of growth vary substantially by country of origin. For example, among these six countries, annual caseload growth from 1986

⁴Data limitations that prevent drawing firmer conclusions include the following: (1) the general population data we examined estimated the noncitizens' status on the basis of country of origin rather than on their actual status and (2) SSI data about noncitizens reflect their status when they applied for benefits, not when they entered the United States. See Michael Fix and Jeffrey S. Passel, *Immigration and Immigrants: Setting the Record Straight* (Washington, D.C.: The Urban Institute, 1994), pp. 19-22, 34, and 63-67.

through 1993 ranged from an average of 11 percent for Cuba to 33 percent for the former Soviet Union.

About 20 percent of noncitizens on ssi also qualify for Social Security benefits, compared with 40 percent of all ssi recipients. When looking at aged ssi recipients alone, the contrast is even greater. About 22 percent of aged noncitizens on ssi qualify for Social Security compared with over 60 percent of all aged recipients. Those noncitizens who do qualify for Social Security tend to get smaller Social Security benefits and larger ssi benefits compared with other ssi recipients.

About two-thirds of noncitizen ssi recipients live in three states—California, New York, and Florida. Average annual growth rates from 1986 through 1993 for the noncitizen caseload varied from 7 percent in Maine to 27 percent in New Mexico.

Aged Recipients and Affidavits of Support

Nearly 70 percent of noncitizens on ssi are at least 65 years old. Without the growth in noncitizen cases, ssi's aged population would have decreased 10 percent from 1986 through 1993; instead, it remained relatively level. The aged noncitizen caseload grew an average of 14 percent annually during this period, increasing from 9 percent of aged cases to 23 percent. In December 1995, noncitizens were nearly one-third of aged cases. In 1993, the average federal ssi monthly benefit was \$304 for aged noncitizens compared with \$188 for all aged recipients.

Nearly 60 percent of aged noncitizen ssi recipients have been in the country fewer than 5 years. This raises questions about whether immigration policies have been effective in ensuring that immigrants will be self-sufficient. ssi's deeming provisions apply only to immigrants with financial sponsors. About 25 percent of immigrants receiving ssi applied for benefits within a year after the deeming period expired. Furthermore, even some affluent sponsors refuse to support the immigrants they sponsor, especially after the affidavits of support expire, but we do not know how many.

In considering changes to financial sponsorship or ssi deeming policies, it is worth noting that immigrants may respond by changing their behavior. For example, restricting benefit eligibility may prompt more immigrants to become citizens to retain their eligibility. Also, immigrants who lose eligibility for federal welfare programs may turn to state-funded public assistance programs, thus shifting costs to the states. For example, the

Orange County, California, Social Services Agency reported a significant cost shift to its General Relief program as a result of the extension in the SSI deeming period from 3 to 5 years.

Disabled Recipients and Translator Fraud

While disabled recipients constitute a smaller share of noncitizen cases than aged recipients, their number is growing faster, averaging 19 percent growth annually from 1986 through 1993. Noncitizens increased from 3 percent of disabled cases to 5.5 percent during this period. Perhaps the most significant factor contributing to caseload growth for disabled citizens and noncitizens alike was changes in the criteria for qualifying as disabled. New and broader standards for mental impairments were implemented in the late 1980s. Since then, disabled cases with psychiatric diagnoses have accounted for a large share of the caseload growth. These changes to the mental impairment standards may have also contributed to growth in noncitizen caseloads involving mentally disabled adults; the proportion of cases with a psychiatric diagnosis is similar for both citizens and noncitizens.

Translator Fraud May Add to Disabled Noncitizen Caseload

Translator fraud may contribute to disabled caseload growth and occurs primarily in noncitizen cases. Some ineligible non-English-speaking applicants have obtained SSI benefits illegally with the help of translators. The actual number of people who have done so is unknown. A translator, also sometimes referred to as a “middleman,” is a person or organization that provides translation and/or other services for a fee to help individuals apply for SSI.

For example, a Washington State translator arrested for fraud had helped at least 240 immigrants obtain \$7 million in SSI benefits by coaching them on which medical symptoms to claim and by providing false information on their medical conditions and family histories. In California, at least 6,000 potentially fraudulent applications have been identified since July 1992. Of these 6,000 applications, about 30 percent represented SSI claims that were being paid.⁵ Mistakes in accurately determining disability are costly. Given that the average time on disability is 11 years before recipients reach age 65, we estimated that a single ineligible SSI recipient

⁵About 1,800 of the 6,000 applications represented cases that could have been subject to periodic reviews of a recipient’s disability status. SSA had completed about 400 of these reviews as of June 1995.

can receive a total of about \$113,000 from SSI, Medicaid, and the Food Stamp program.⁶

A combination of factors has contributed to SSI's vulnerability to fraud involving translators. First, SSA's management practices and shortage of bilingual staff have allowed applicants to use translators that they select. For example, applicants have been able to apply for benefits at the field office of their choice—SSA has not restricted applicants to offices in which SSA has staff who speak their language. In addition, applicants' medical histories often have lacked documentation. And finally, SSA has had limited monitoring of translators, limited funds for investigations, and a lack of coordination with state Medicaid agencies.

The Congress, SSA, and several states have begun efforts to prevent or detect fraudulent SSI claims involving translators. Federal legislation has made SSI fraud a felony and has given SSA access to information from the Immigration and Naturalization Service and the Centers for Disease Control and Prevention. SSA established a task force in April 1993 on translators that has suggested initiatives such as developing and managing a translator database. Also as a result of this task force, SSA's San Francisco regional office is periodically reviewing the disability status of possibly fraudulent cases involving translators.

In addition to these efforts, we have recommended that SSA implement a more comprehensive, programwide strategy for keeping ineligible applicants from ever being accepted on the SSI rolls.⁷ SSA could require that its own bilingual staff or contractors conduct interviews with non-English-speaking applicants and explore the use of videoconferencing technology to maximize the use of SSA bilingual staff. SSA should also share among its field offices information it has already gathered about translators until its planned database is established. Furthermore, SSA should institute a mechanism to obtain regular access to investigative results from states with Medicaid fraud control units to help identify fraudulent claims associated with illegal translator activity.

Observations

Noncitizens are one of the fastest growing groups of SSI recipients; their number grew an average of 15 percent annually from 1986 through 1993.

⁶The actual total amount of \$112,805 represents \$50,688 from SSI, \$55,396 from Medicaid, and \$6,721 from food stamps. Some applicants ineligible for SSI could still be eligible for Medicaid, food stamps, or both.

⁷GAO/HEHS-95-116, Aug. 31, 1995.

To some extent, this parallels the rapid growth in immigration in the 1980s as well as in SSI caseloads overall. Caseload growth for noncitizens has slowed substantially to just over 6 percent last year, and SSA projects that growth rates will remain in this more moderate range. Still, according to SSA, noncitizen SSI recipients are projected to number nearly 1 million and receive nearly \$5 billion in federal benefit payments in the year 2000 compared with about 800,000 and \$3.6 billion this year.

As a percentage of aged SSI recipients, noncitizens increased from 9 percent to nearly 33 percent from 1986 through 1995. Adult children of some aged immigrants say they are willing to financially support their relatives but sometimes do not. Eventually, some of these aged immigrants receive SSI. About 25 percent of immigrants receiving SSI applied for benefits within a year of the deeming period's expiration.

Regarding translator fraud, our work suggests that it occurs primarily in noncitizen cases. Although we do not know how often such fraud occurs, we believe it can be reduced with a more comprehensive, programwide strategy for keeping ineligible applicants from ever receiving benefits.

This concludes my testimony. I would be happy to answer any questions.

Contributors

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