

**AMENDMENT TO H.R. 1802, AS REPORTED
OFFERED BY MRS. JOHNSON OF CONNECTICUT**

In section 1(b) of the bill, in the table of contents, after the item relating to section 121, insert the following:

Subtitle D—Adoption Incentive Payments

Sec. 131. Increased funding for adoption incentive payments.

In section 1(b) of the bill, in the table of contents, strike the item relating to subtitle B of title II and the item relating to section 251, and insert the following:

Subtitle B—Special Benefits For Certain World War II Veterans

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

In section 1(b) of the bill, in the table of contents, strike the item relating to section 301 and insert the following:

Sec. 301. Narrowing of hold harmless provision for state share of distribution of collected child support.

In section 477(a)(1) of the Social Security Act, as proposed to be added by section 101(b) of the bill, strike “design programs that”.

In section 477(b)(3)(A) of the Social Security Act, as proposed to be added by section 101(b) of the bill, strike “but” and insert “because they have attained 18 years of age, and who”.

In section 477(b)(3)(A) of the Social Security Act, as proposed to be added by section 101(b) of the bill, strike “and have attained 18 years of age but not” and insert “because they have attained 18 years of age, and who have not attained”.

In section 477(c)(1) of the Social Security Act, as proposed to be added by section 101(b) of the bill, insert “, as adjusted in accordance with paragraph (2)” before the period.

In section 477(c) of the Social Security Act, as proposed to be added by section 101(b) of the bill, strike paragraph (2) and insert the following:

1 “(2) HOLD HARMLESS PROVISION.—
2 “(A) IN GENERAL.—The Secretary shall
3 allot to each State whose allotment for a fiscal
4 year under paragraph (1) is less than the
5 amount payable to the State under this section
6 for fiscal year 1998 an additional amount equal
7 to the difference.”.

1 “(B) RATABLE REDUCTION OF CERTAIN
2 ALLOTMENTS.—In the case of a State not de-
3 scribed in subparagraph (A) for a fiscal year,
4 the Secretary shall reduce the amount allotted
5 to the State for the fiscal year under paragraph
6 (1) by the amount that bears the same ratio to
7 the sum of the differences determined under
8 subparagraph (A) for the fiscal year as the
9 amount so allotted bears to the sum of the
10 amounts allotted to all States not so described.

 In section 477(c) of the Social Security Act, as pro-
posed to be added by section 101(b) of the bill, strike
paragraph (3).

 At the end of section 477(d) of the Social Security
Act, as proposed to be added by section 101(b) of the
bill, add the following:

11 “(3) 2-YEAR AVAILABILITY OF FUNDS.—Pay-
12 ments made to a State under this section for a fiscal
13 year shall be expended by the State in the fiscal year
14 or in the succeeding fiscal year.”.

 At the end of title I of the bill, insert the following:

1 **Subtitle D—Adoption Incentive**
2 **Payments**

3 **SEC. 131. INCREASED FUNDING FOR ADOPTION INCENTIVE**
4 **PAYMENTS.**

5 (a) SUPPLEMENTAL GRANTS.—Section 473A of the
6 Social Security Act (42 U.S.C. 673b) is amended by add-
7 ing at the end the following:

8 “(j) SUPPLEMENTAL GRANTS.—

9 “(1) IN GENERAL.—Subject to the availability
10 of such amounts as may be provided in advance in
11 appropriations Acts, in addition to any amount oth-
12 erwise payable under this section to any State that
13 is an incentive-eligible State for fiscal year 1998, the
14 Secretary shall make a grant to the State in an
15 amount equal to the lesser of—

16 “(A) the amount by which—

17 “(i) the amount that would have been
18 payable to the State under this section
19 during fiscal year 1999 (on the basis of
20 adoptions in fiscal year 1998) in the ab-
21 sence of subsection (d)(2) if sufficient
22 funds had been available for the payment;
23 exceeds

24 “(ii) the amount that, before the en-
25 actment of this subsection, was payable to

1 the State under this section during fiscal
2 year 1999 (on such basis); or

3 “(B) the amount that bears the same ratio
4 to the dollar amount specified in paragraph (2)
5 as the amount described by subparagraph (A)
6 for the State bears to the aggregate of the
7 amounts described by subparagraph (A) for all
8 States that are incentive-eligible States for fis-
9 cal year 1998.

10 “(2) FUNDING.—\$23,000,000 of the amounts
11 appropriated under subsection (h)(1) for fiscal year
12 2000 may be used for grants under paragraph (1)
13 of this subsection.”.

14 (b) LIMITATION ON AUTHORIZATION OF APPROPRIA-
15 TIONS.—Section 473A(h)(1) of the Social Security Act
16 (42 U.S.C. 673b(h)(1)) is amended to read as follows:

17 “(1) IN GENERAL.—For grants under sub-
18 section (a), there are authorized to be appropriated
19 to the Secretary—

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

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

22 “(C) \$20,000,000 for each of fiscal years
23 2001 through 2003.”.

In section 206 of the bill, redesignate subsection (c) as subsection (d) and insert after subsection (b) the following:

1 (c) CONFORMING AMENDMENTS.—Section
2 1902(a)(10) of the Social Security Act (42 U.S.C.
3 1396a(a)(10)) is amended—

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

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

8 (3) by inserting after subparagraph (F) the fol-
9 lowing:

10 “(G) that, in applying eligibility criteria of
11 the supplemental security income program
12 under title XVI for purposes of determining eli-
13 gibility for medical assistance under the State
14 plan of an individual who is not receiving sup-
15 plemental security income, the State will dis-
16 regard the provisions of section 1613(e);”.

In section 207 of the bill, redesignate subsection (b) as subsection (c) and insert after subsection (a) the following:

17 (b) CONFORMING AMENDMENT.—Section
18 1902(a)(10) of the Social Security Act (42 U.S.C.

1 1396a(a)(10)), as amended by section 206(e) of this Act,
 2 is amended by striking “section 1613(e)” and inserting
 3 “subsections (c) and (e) of section 1613”.

Strike subtitle B of title II of the bill and insert the
 following:

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

6 **SEC. 251. ESTABLISHMENT OF PROGRAM OF SPECIAL BEN-**
 7 **EFITS FOR CERTAIN WORLD WAR II VETER-**
 8 **ANS.**

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

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

“TABLE OF CONTENTS

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

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

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

9 **“SEC. 802. QUALIFIED INDIVIDUALS.**

10 “Except as otherwise provided in this title, an
11 individual—

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

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

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

17 “(A) the month in which this title is en-
18 acted, and

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

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

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

1 “(6) who is in compliance with all requirements
2 imposed by the Commissioner of Social Security
3 under this title,
4 shall be a qualified individual for purposes of this title.

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

6 For purposes of section 801, with respect to any
7 month, an individual shall be regarded as residing outside
8 the United States if, on the first day of the month, the
9 individual so resides outside the United States.

10 **“SEC. 804. DISQUALIFICATIONS.**

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

13 “(1) that begins after the month in which the
14 Commissioner of Social Security is notified by the
15 Attorney General that the individual has been re-
16 moved from the United States pursuant to section
17 237(a) of the Immigration and Nationality Act and
18 before the month in which the Commissioner of So-
19 cial Security is notified by the Attorney General that
20 the individual is lawfully admitted to the United
21 States for permanent residence;

22 “(2) during any part of which the individual is
23 outside the United States due to flight to avoid pros-
24 ecution, or custody or confinement after conviction,
25 under the laws of the United States or the jurisdic-

1 tion within the United States from which the person
2 has fled, for a crime, or an attempt to commit a
3 crime, that is a felony under the laws of the place
4 from which the individual has fled, or which, in the
5 case of the State of New Jersey, is a high mis-
6 demeanor under the laws of such State;

7 “(3) during any part of which which the indi-
8 vidual violates a condition of probation or parole im-
9 posed under Federal or State law; or

10 “(4) during any part of which the individual is
11 confined in a jail, prison, or other penal institution
12 or correctional facility pursuant to a conviction of an
13 offense.

14 **“SEC. 805. BENEFIT AMOUNT.**

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

20 **“SEC. 806. APPLICATIONS AND FURNISHING OF INFORMA-**
21 **TION.**

22 “(a) IN GENERAL.—The Commissioner of Social Se-
23 curity shall, subject to subsection (b), prescribe such re-
24 quirements with respect to the filing of applications, the
25 furnishing of information and other material, and the re-

1 porting of events and changes in circumstances, as may
2 be necessary for the effective and efficient administration
3 of this title.

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

15 **“SEC. 807. REPRESENTATIVE PAYEES.**

16 “(a) IN GENERAL.—If the Commissioner of Social
17 Security determines that the interest of any qualified indi-
18 vidual under this title would be served thereby, payment
19 of the qualified individual’s benefit under this title may
20 be made, regardless of the legal competency or incom-
21 petency of the qualified individual, either directly to the
22 qualified individual, or for his or her benefit, to another
23 person (the meaning of which term, for purposes of this
24 section, includes an organization) with respect to whom
25 the requirements of subsection (b) have been met (in this

1 section referred to as the qualified individual's 'representa-
2 tive payee'). If the Commissioner of Social Security deter-
3 mines that a representative payee has misused any benefit
4 paid to the representative payee pursuant to this section,
5 section 205(j), or section 1631(a)(2), the Commissioner
6 of Social Security shall promptly revoke the person's des-
7 ignation as the qualified individual's representative payee
8 under this subsection, and shall make payment to an alter-
9 native representative payee or, if the interest of the quali-
10 fied individual under this title would be served thereby,
11 to the qualified individual.

12 “(b) EXAMINATION OF FITNESS OF PROSPECTIVE
13 REPRESENTATIVE PAYEE.—

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

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

1 “(B) adequate evidence that the arrange-
2 ment is in the interest of the qualified individ-
3 ual.

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

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

10 “(B) in the case of a person who has a so-
11 cial security account number issued for pur-
12 poses of the program under title II or an em-
13 ployer identification number issued for purposes
14 of the Internal Revenue Code of 1986, verify
15 the number;

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

19 “(D) determine whether payment of bene-
20 fits to the person in the capacity as representa-
21 tive payee has been revoked or terminated pur-
22 suant to this section, section 205(j), or section
23 1631(a)(2)(A)(iii) by reason of misuse of funds
24 paid as benefits under this title, title II, or title
25 XVI, respectively.

1 “(c) REQUIREMENT FOR CENTRALIZED FILE.—The
2 Commissioner of Social Security shall establish and main-
3 tain a centralized file, which shall be updated periodically
4 and which shall be in a form that renders it readily retriev-
5 able by each servicing office of the Social Security Admin-
6 istration. The file shall consist of—

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

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

19 “(d) PERSONS INELIGIBLE TO SERVE AS REP-
20 RESENTATIVE PAYEES.—

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

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

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

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

12 “(2) EXEMPTIONS.—

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

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

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

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

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

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

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

1 “(C) The procedures referred to in sub-
2 paragraph (B)(v) shall require the person who
3 will serve as representative payee to establish,
4 to the satisfaction of the Commissioner of So-
5 cial Security, that—

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

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

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

13 “(e) DEFERRAL OF PAYMENT PENDING APPOINT-
14 MENT OF REPRESENTATIVE PAYEE.—

15 “(1) IN GENERAL.—Subject to paragraph (2),
16 if the Commissioner of Social Security makes a de-
17 termination described in the first sentence of sub-
18 section (a) with respect to any qualified individual’s
19 benefit and determines that direct payment of the
20 benefit to the qualified individual would cause sub-
21 stantial harm to the qualified individual, the Com-
22 missioner of Social Security may defer (in the case
23 of initial entitlement) or suspend (in the case of ex-
24 isting entitlement) direct payment of the benefit to
25 the qualified individual, until such time as the selec-

1 tion of a representative payee is made pursuant to
2 this section.

3 “(2) TIME LIMITATION.—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraph (B), any deferral or suspension of
6 direct payment of a benefit pursuant to para-
7 graph (1) shall be for a period of not more than
8 1 month.

9 “(B) EXCEPTION IN THE CASE OF INCOM-
10 PETENCY.—Subparagraph (A) shall not apply
11 in any case in which the qualified individual is,
12 as of the date of the Commissioner of Social
13 Security’s determination, legally incompetent
14 under the laws of the jurisdiction in which the
15 individual resides.

16 “(3) PAYMENT OF RETROACTIVE BENEFITS.—
17 Payment of any benefits which are deferred or sus-
18 pended pending the selection of a representative
19 payee shall be made to the qualified individual or the
20 representative payee as a single sum or over such
21 period of time as the Commissioner of Social Secu-
22 rity determines is in the best interest of the qualified
23 individual.

24 “(f) HEARING.—Any qualified individual who is dis-
25 satisfied with a determination by the Commissioner of So-

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

9 “(g) NOTICE REQUIREMENTS.—

10 “(1) IN GENERAL.—In advance of the payment
11 of a qualified individual's benefit to a representative
12 payee under subsection (a), the Commissioner of So-
13 cial Security shall provide written notice of the Com-
14 missioner's initial determination to so make the pay-
15 ment. The notice shall be provided to the qualified
16 individual, except that, if the qualified individual is
17 legally incompetent, then the notice shall be provided
18 solely to the legal guardian or legal representative of
19 the qualified individual.

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

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

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

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

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

12 “(h) ACCOUNTABILITY MONITORING.—

13 “(1) In any case where payment under this title
14 is made to a person other than the qualified individ-
15 ual entitled to the payment, the Commissioner of So-
16 cial Security shall establish a system of accountabil-
17 ity monitoring under which the person shall report
18 not less often than annually with respect to the use
19 of the payments. The Commissioner of Social Secu-
20 rity shall establish and implement statistically valid
21 procedures for reviewing the reports in order to
22 identify instances in which persons are not properly
23 using the payments.

24 “(2) SPECIAL REPORTS.—Notwithstanding
25 paragraph (1), the Commissioner of Social Security

1 may require a report at any time from any person
2 receiving payments on behalf of a qualified individ-
3 ual, if the Commissioner of Social Security has rea-
4 son to believe that the person receiving the payments
5 is misusing the payments.

6 “(3) CENTRALIZED FILE.—The Commissioner
7 of Social Security shall maintain a centralized file,
8 which shall be updated periodically and which shall
9 be in a form that is readily retrievable, of—

10 “(A) the name, address, and (if issued) the
11 social security account number or employer
12 identification number of each representative
13 payee who is receiving benefit payments pursu-
14 ant to this section, section 205(j), or section
15 1631(a)(2); and

16 “(B) the name, address, and social security
17 account number of each individual for whom
18 each representative payee is reported to be pro-
19 viding services as representative payee pursuant
20 to this section, section 205(j), or section
21 1631(a)(2).

22 “(4) The Commissioner of Social Security shall
23 maintain a list, which shall be updated periodically,
24 of public agencies and community-based nonprofit
25 social service agencies which are qualified to serve as

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

4 “(i) RESTITUTION.—In any case
5 where the negligent failure of the Commis-
6 sioner of Social Security to investigate or
7 monitor a representative payee results in
8 misuse of benefits by the representative
9 payee, the Commissioner of Social Security
10 shall make payment to the qualified indi-
11 vidual or the individual’s alternative rep-
12 resentative payee of an amount equal to
13 the misused benefits. The Commissioner of
14 Social Security shall make a good faith ef-
15 fort to obtain restitution from the termi-
16 nated representative payee.

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

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

23 “(1) With respect to payment to a person of
24 more than the correct amount, the Commissioner of
25 Social Security shall decrease any payment under

1 this title to which the overpaid person (if a qualified
2 individual) is entitled, or shall require the overpaid
3 person or his or her estate to refund the amount in
4 excess of the correct amount, or, if recovery is not
5 obtained under these two methods, shall seek or pur-
6 sue recovery by means of reduction in tax refunds
7 based on notice to the Secretary of the Treasury, as
8 authorized under section 3720A of title 31, United
9 States Code.

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

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

21 “(B) is deceased, the balance of the
22 amount due shall revert to the general fund of
23 the Treasury.

24 “(b) WAIVER OF RECOVERY OF OVERPAYMENT.—In
25 any case in which more than the correct amount of pay-

1 ment has been made, there shall be no adjustment of pay-
2 ments to, or recovery by the United States from, any per-
3 son who is without fault if the Commissioner of Social Se-
4 curity determines that the adjustment or recovery would
5 defeat the purpose of this title or would be against equity
6 and good conscience.

7 “(c) LIMITED IMMUNITY FOR DISBURSING OFFI-
8 CERS.—A disbursing officer may not be held liable for any
9 amount paid by the officer if the adjustment or recovery
10 of the amount is waived under subsection (b), or adjust-
11 ment under subsection (a) is not completed before the
12 death of the qualified individual against whose benefits de-
13 ductions are authorized.

14 “(d) AUTHORIZED COLLECTION PRACTICES.—

15 “(1) IN GENERAL.—With respect to any delin-
16 quent amount, the Commissioner of Social Security
17 may use the collection practices described in sections
18 3711(e), 3716, and 3718 of title 31, United States
19 Code, as in effect on October 1, 1994.

20 “(2) DEFINITION.—For purposes of paragraph
21 (1), the term ‘delinquent amount’ means an
22 amount—

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

1 “(B) determined by the Commissioner of
2 Social Security to be otherwise unrecoverable
3 under this section from a person who is not a
4 qualified individual under this title.

5 **“SEC. 809. HEARINGS AND REVIEW.**

6 “(a) HEARINGS.—

7 “(1) IN GENERAL.—The Commissioner of So-
8 cial Security shall make findings of fact and deci-
9 sions as to the rights of any individual applying for
10 payment under this title. The Commissioner of So-
11 cial Security shall provide reasonable notice and op-
12 portunity for a hearing to any individual who is or
13 claims to be a qualified individual and is in disagree-
14 ment with any determination under this title with
15 respect to entitlement to, or the amount of, benefits
16 under this title, if the individual requests a hearing
17 on the matter in disagreement within 60 days after
18 notice of the determination is received, and, if a
19 hearing is held, shall, on the basis of evidence ad-
20 duced at the hearing affirm, modify, or reverse the
21 Commissioner of Social Security’s findings of fact
22 and the decision. The Commissioner of Social Secu-
23 rity may, on the Commissioner of Social Security’s
24 own motion, hold such hearings and to conduct such
25 investigations and other proceedings as the Commis-

1 sioner of Social Security deems necessary or proper
2 for the administration of this title. In the course of
3 any hearing, investigation, or other proceeding, the
4 Commissioner may administer oaths and affirma-
5 tions, examine witnesses, and receive evidence. Evi-
6 dence may be received at any hearing before the
7 Commissioner of Social Security even though inad-
8 missible under the rules of evidence applicable to
9 court procedure. The Commissioner of Social Secu-
10 rity shall specifically take into account any physical,
11 mental, educational, or linguistic limitation of the in-
12 dividual (including any lack of facility with the
13 English language) in determining, with respect to
14 the entitlement of the individual for benefits under
15 this title, whether the individual acted in good faith
16 or was at fault, and in determining fraud, deception,
17 or intent.

18 “(2) EFFECT OF FAILURE TO TIMELY REQUEST
19 REVIEW.—A failure to timely request review of an
20 initial adverse determination with respect to an ap-
21 plication for any payment under this title or an ad-
22 verse determination on reconsideration of such an
23 initial determination shall not serve as a basis for
24 denial of a subsequent application for any payment
25 under this title if the applicant demonstrates that

1 the applicant failed to so request such a review act-
2 ing in good faith reliance upon incorrect, incomplete,
3 or misleading information, relating to the con-
4 sequences of reapplying for payments in lieu of seek-
5 ing review of an adverse determination, provided by
6 any officer or employee of the Social Security Ad-
7 ministration.

8 “(3) NOTICE REQUIREMENTS.—In any notice of
9 an adverse determination with respect to which a re-
10 view may be requested under paragraph (1), the
11 Commissioner of Social Security shall describe in
12 clear and specific language the effect on possible en-
13 titlement to benefits under this title of choosing to
14 reapply in lieu of requesting review of the deter-
15 mination.

16 “(b) JUDICIAL REVIEW.—The final determination of
17 the Commissioner of Social Security after a hearing under
18 subsection (a)(1) shall be subject to judicial review as pro-
19 vided in section 205(g) to the same extent as the Commis-
20 sioner of Social Security’s final determinations under sec-
21 tion 205.

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

23 “(a) REGULATIONS AND ADMINISTRATIVE ARRANGE-
24 MENTS.—The Commissioner of Social Security may pre-
25 scribe such regulations, and make such administrative and

1 other arrangements, as may be necessary or appropriate
2 to carry out this title.

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

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

12 “(d) SUSPENSION OF BENEFITS.—Regulations pre-
13 scribed by the Commissioner of Social Security under sub-
14 section (a) may provide for the temporary suspension of
15 entitlement to benefits under this title as the Commis-
16 sioner determines is appropriate.

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

18 “(a) IN GENERAL.—Whoever—

19 “(1) knowingly and willfully makes or causes to
20 be made any false statement or representation of a
21 material fact in an application for benefits under
22 this title;

23 “(2) at any time knowingly and willfully makes
24 or causes to be made any false statement or rep-

1 resentation of a material fact for use in determining
2 any right to the benefits;

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

5 “(A) his or her initial or continued right to
6 the benefits; or

7 “(B) the initial or continued right to the
8 benefits of any other individual in whose behalf
9 he or she has applied for or is receiving the
10 benefit,

11 conceals or fails to disclose the event with an intent
12 fraudulently to secure the benefit either in a greater
13 amount or quantity than is due or when no such
14 benefit is authorized; or

15 “(4) having made application to receive any
16 such benefit for the use and benefit of another and
17 having received it, knowingly and willfully converts
18 the benefit or any part thereof to a use other than
19 for the use and benefit of the other individual,

20 shall be fined under title 18, United States Code, impris-
21 oned not more than 5 years, or both.

22 “(b) RESTITUTION BY REPRESENTATIVE PAYEE.—If
23 a person or organization violates subsection (a) in the per-
24 son’s or organization’s role as, or in applying to become,
25 a representative payee under section 807 on behalf of a

1 qualified individual, and the violation includes a willful
2 misuse of funds by the person or entity, the court may
3 also require that full or partial restitution of funds be
4 made to the qualified individual.

5 **“SEC. 812. DEFINITIONS.**

6 “In this title:

7 “(1) WORLD WAR II VETERAN.—The term
8 ‘World War II veteran’ means a person who served
9 during World War II—

10 “(A) in the active military, naval, or air
11 service of the United States during World War
12 II, and who was discharged or released there-
13 from under conditions other than dishonorable
14 after service of 90 days or more; or

15 “(B) in the organized military forces of the
16 Government of the Commonwealth of the Phil-
17ippines, while the forces were in the service of
18 the Armed Forces of the United States pursu-
19 ant to the military order of the President dated
20 July 26, 1941, including among the military
21 forces organized guerrilla forces under com-
22 manders appointed, designated, or subsequently
23 recognized by the Commander in Chief, South-
24 west Pacific Area, or other competent authority
25 in the Army of the United States, in any case

1 in which the service was rendered before De-
2 cember 31, 1946.

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

6 “(3) SUPPLEMENTAL SECURITY INCOME BENE-
7 FIT UNDER TITLE XVI.—The term ‘supplemental se-
8 curity income benefit under title XVI’, except as oth-
9 erwise provided, includes State supplementary pay-
10 ments which are paid by the Commissioner of Social
11 Security pursuant to an agreement under section
12 1616(a) of this Act or section 212(b) of Public Law
13 93-66.

14 “(4) FEDERAL BENEFIT RATE UNDER TITLE
15 XVI.—The term ‘Federal benefit rate under title
16 XVI’ means, with respect to any month, the amount
17 of the supplemental security income cash benefit
18 (not including any State supplementary payment
19 which is paid by the Commissioner of Social Security
20 pursuant to an agreement under section 1616(a) of
21 this Act or section 212(b) of Public Law 93-66) pay-
22 able under title XVI for the month to an eligible in-
23 dividual with no income.

24 “(5) UNITED STATES.—The term ‘United
25 States’ means, notwithstanding section 1101(a)(1),

1 only the 50 States, the District of Columbia, and the
2 Commonwealth of the Northern Mariana Islands.

3 “(6) BENEFIT INCOME.—The term ‘benefit in-
4 come’ means any recurring payment received by a
5 qualified individual as an annuity, pension, retire-
6 ment, or disability benefit (including any veterans’
7 compensation or pension, workmen’s compensation
8 payment, old-age, survivors, or disability insurance
9 benefit, railroad retirement annuity or pension, and
10 unemployment insurance benefit), but only if a simi-
11 lar payment was received by the individual from the
12 same (or a related) source during the 12-month pe-
13 riod preceding the month in which the individual
14 files an application for benefits under this title.

15 **“SEC. 813. APPROPRIATIONS.**

16 “‘There are hereby appropriated for fiscal year 2001
17 and subsequent fiscal years such sums as may be nec-
18 essary to carry out this title.’”.

19 (b) CONFORMING AMENDMENTS.—

20 (1) SOCIAL SECURITY TRUST FUNDS LAE AC-
21 COUNT.—Section 201(g) of such Act (42 U.S.C.
22 401(g)) is amended—

23 (A) in the 4th sentence of paragraph
24 (1)(A), by inserting after “this title,” the fol-
25 lowing: “title VIII,”;

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

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

6 (2) REPRESENTATIVE PAYEE PROVISIONS OF
7 TITLE II.—Section 205(j) of such Act (42 U.S.C.
8 405(j)) is amended—

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

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

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

15 (D) in paragraph (2)(B)(i)(IV)—

16 (i) by inserting “, the designation of
17 such person as a representative payee has
18 been revoked pursuant to section 807(a),”
19 before “or payment of benefits”; and

20 (ii) by inserting “, title VIII,” before
21 “or title XVI”;

22 (E) in paragraph (2)(B)(ii)(I)—

23 (i) by inserting “whose designation as
24 a representative payee has been revoked

1 pursuant to section 807(a),” before “or
2 with respect to whom”; and

3 (ii) by inserting “, title VIII,” before
4 “or title XVI”;

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

7 (G) in paragraph (2)(C)(i)(II) by inserting
8 “, the designation of such person as a rep-
9 resentative payee has been revoked pursuant to
10 section 807(a),” before “or payment of bene-
11 fits”;

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

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

17 (J) in paragraph (4)(B)(i), by inserting
18 “807 or” before “1631(a)(2)”.

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

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

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

1 (C) by adding at the end a new clause as
2 follows:

3 “(v) special benefits for certain World
4 War II veterans payable under title VIII;
5 but”.

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

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

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

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

17 (6) CIVIL MONETARY PENALTIES.—Section
18 1129 of such Act (42 U.S.C. 1320a-8) is
19 amended—

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

22 (B) in subsection (a)(1)—

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

- 1 (ii) by redesignating subparagraph
2 (B) as subparagraph (C); and
3 (iii) by inserting after subparagraph
4 (A) the following:
5 “(B) benefits or payments under title VIII,
6 or”;
7 (C) in subsection (a)(2), by inserting “or
8 title VIII,” after “title II”;
9 (D) in subsection (e)(1)(C)—
10 (i) by striking “or” at the end of
11 clause (i);
12 (ii) by redesignating clause (ii) as
13 clause (iii); and
14 (iii) by inserting after clause (i) the
15 following:
16 “(ii) by decrease of any payment
17 under title VIII to which the person is en-
18 titled, or”;
19 (E) in subsection (e)(2)(B), by striking
20 “title XVI” and inserting “title VIII or XVI”;
21 and
22 (F) in subsection (l), by striking “title
23 XVI” and inserting “title VIII or XVI”.

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

4 (A) in subsection (a)(1)—

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

7 (ii) by striking “title II” the second
8 place it appears and inserting “such title”;
9 and

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

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

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

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

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

21 (D) in subparagraph (B)(ii)(IV)—

22 (i) by inserting “whether the designa-
23 tion of such person as a representative
24 payee has been revoked pursuant to section

1 807(a),” before “and whether certifi-
2 cation”; and

3 (ii) by inserting “, title VIII,” before
4 “or this title”;

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

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

11 (9) ADMINISTRATIVE OFFSET.—Section
12 3716(e)(3)(C) of title 31, United States Code, is
13 amended—

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

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

 Strike section 301 of the bill and insert the follow-
ing:

18 **SEC. 301. NARROWING OF HOLD HARMLESS PROVISION**
19 **FOR STATE SHARE OF DISTRIBUTION OF COL-**
20 **LECTED CHILD SUPPORT.**

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

1 “(d) HOLD HARMLESS PROVISION.—If—

2 “(1) the amounts collected which could be re-
3 tained by the State in the fiscal year (to the extent
4 necessary to reimburse the State for amounts paid
5 to families as assistance by the State) are less than
6 the State share of the amounts collected in fiscal
7 year 1995 (determined in accordance with section
8 457 as in effect on the day before the date of the
9 enactment of the Personal Responsibility and Work
10 Opportunity Reconciliation Act of 1996); and

11 “(2)(A)(i) the State has not retained any of the
12 current support so collected during the preceding fis-
13 cal year on behalf of any family that is a recipient
14 of assistance under the State program funded under
15 part A (except any such family in a control group
16 required by a waiver granted to the State under sec-
17 tion 1115); and

18 “(ii) at least the lesser of \$150 or the total
19 amount of current support paid to such a family in
20 any month is disregarded in determining the amount
21 or type of assistance to be provided to the family for
22 the month under the State program funded under
23 part A; or

24 “(B) the State has distributed to families not
25 less than $\frac{1}{2}$ of the child support arrearages collected

1 pursuant to section 464 during the preceding fiscal
2 year, that accrued after the families ceased to re-
3 ceive assistance from the State (as defined in sub-
4 section (c)(1)),
5 then the State share otherwise determined for the fiscal
6 year shall be increased by an amount equal to $\frac{1}{2}$ of the
7 amount (if any) by which the State share in fiscal year
8 1995 exceeds the State share for the fiscal year (deter-
9 mined without regard to this subsection).”.

10 (b) **AUTHORITY OF STATE TO PASS THROUGH POR-**
11 **TION OF CHILD SUPPORT ARREARAGES COLLECTED**
12 **THROUGH TAX INTERCEPT.**—Section 457(a)(2)(B)(iv) of
13 such Act (42 U.S.C. 657(a)(2)(B)(iv)) is amended in the
14 first sentence by inserting after the 2nd sentence the fol-
15 lowing: “After making such payment, the State may
16 distrbute to the family not more than $\frac{1}{2}$ of the remaining
17 amount so retained.”.

18 (c) **EFFECTIVE DATE.**—The amendment made by
19 subsection (a) shall be effective with respect to calendar
20 quarters beginning on or after October 1, 1998.

21 (d) **REPEALER.**—Effective October 1, 2001, section
22 457 of the Social Security Act (42 U.S.C. 657) is amended
23 by striking subsection (d).