

Supporting Statement for Forms SSA-7161-OCR-SM and SSA-7162-OCR-SM
Report to United States Social Security Administration by Person
Receiving Benefits for a Child or for an Adult Unable to Handle Funds;
Report to United States Social Security Administration
OMB No. 0960-0049

A. Justification

1. Introduction/Authoring Laws and Regulations

Section 203(c) of the *Social Security Act (Act)* requires the Commissioner of Social Security to make benefit deductions from the following categories: (1) Entitled individuals who engage in remunerative activity outside of the United States in excess of 45 hours a month, and (2) beneficiaries who fail to have in their care the specified entitled child beneficiaries. Section 203(g) of the *Act* provides for the Commissioner to impose penalty deductions on benefits of individuals who fail to make timely reports of events, which are cause for deductions. Section 205(a) of the *Act* empowers the Commissioner to make rules and regulations, and to determine an individual's continuing eligibility for benefits. The U.S. District Court for the Western District of Oklahoma ordered the Commissioner to obtain universal, mandatory annual accountings from all representative payees (*Jordan v. Heckler, Civ-79-994-W*). Sections 205(j) and 1631(e)(1)(A) establish the requirement for the agency to set up a monitoring system for representative payees. Because of the above laws, the Social Security Administration (SSA) uses Forms SSA-7161-OCR-SM, Report to United States Social Security Administration by Person Receiving Benefits for a Child or for an Adult Unable to Handle Funds, and SSA-7162-OCR-SM, Report to the United States Social Security Administration to collect the above information.

2. Description of Collection

SSA uses Forms SSA-7161-OCR-SM and SSA-7162-OCR-SM to: (1) determine continuing entitlement to Social Security benefits; (2) correct benefit amounts for beneficiaries outside the United States; and (3) monitor the performance of representative payees outside the United States. This collection is mandatory as an annual (or every other year, depending on the country of residence) review for fraud prevention. In addition, the results can affect benefits by increasing or decreasing payment amount or by causing SSA to suspend or terminate benefits. SSA employees collect this information via paper form. The respondents are individuals living outside the United States who are receiving benefits on their own (or on behalf of someone else) under Title II of the Act.

3. Use of Information Technology to Collect the Information

SSA mails the paper Forms SSA-7161-OCR-SM and SSA-7162-OCR-SM to the beneficiaries or the representatives. We did not create an electronic version of form SSA-7161-OCR-SM and SSA-7162-OCR-SM under the agency's Government Paperwork Elimination Act because of the high risk of potential fraud within the majority of the countries where these individuals reside, and because of the risk for

abusing the system. We continually complete vulnerability assessments to determine such fraud risks per country.

The Foreign Enforcement Program (FEP) is one of the most important integrity measures we have at the Social Security Administration (SSA) to verify the existence and identity of beneficiaries living outside the United States. We make contacts annually or biennially using two Foreign Enforcement Questionnaires (FEQs), the SSA-7161-OCR-SM and the SSA-7162-OCR-SM. Through mailing and receipt of these questionnaires, we ensure our beneficiaries in foreign countries receive SSA notices, and other important information. In addition, using these paper forms allows SSA to obtain assurance of free access to our beneficiaries, which is integral to the soundness of the program.

To allow beneficiaries to complete the FEQs electronically online would sacrifice our only method of keeping track of the physical presence of beneficiaries, and would put the integrity of the foreign Social Security program at risk. Routine and wide circulation of the forms would undermine the review process and would initiate potential fraud and abuse of the system. In addition:

- SSA currently minimizes the burden on the public by identifying the audience; pre-addressing the outgoing and incoming mailers; and offering check block responses.
- The existing system for processing and scanning the foreign enforcement forms uses pre-printed OCR paper forms and cannot accommodate forms independently printed, or electronically submitted by beneficiaries.
- We have no system in place to receive and process the information electronically.

Finally, we use the post-mark on the envelope for each completed form to ensure the respondents remain in countries with which we have Totalization agreements, allowing the respondents to continue to receive their benefits. At this time, there is no way to track country of origin for electronic applications. Until we have the means to do so, we cannot create electronic versions of these forms.

4. Why We Cannot Use Duplicate Information

The nature of the information we collect and the manner in which we collect it preclude duplication. SSA does not use another instrument to obtain similar data.

5. Minimizing Burden on Small Respondents

This collection does not affect small businesses or other small entities.

6. Consequence of Not Collecting Information or Collecting it Less Frequently

If we did not use Forms SSA-7161-OCR-SM and SSA-7162-OCR-SM, we would not have the information we need for these beneficiaries living outside of the U.S., which

may result in SSA improper payments and overpayments. In addition, SSA cannot collect this information less frequently because the law mandates collection of the information on the SSA-7161-OCR-SM annually. There are no technical or legal obstacles to burden reduction.

7. Special Circumstances

There are no special circumstances that would cause SSA to conduct this information collection in a manner inconsistent with 5 *CFR* 1320.5.

8. Solicitation of Public Comment and Other Consultations with the Public

The 60-day advance Federal Register Notice published on April 25, 2016 at 81 FR 24155, and we received no public comments. SSA published the second Notice on July 5, 2016, at 81 FR 43691. If we receive comments in response to the 30-day Notice, we will forward them to OMB. We did not consult with the public in the revision of this form.

9. Payment or Gifts to Respondents

SSA does not provide payments or gifts to the respondents.

10. Assurances of Confidentiality

SSA protects and holds confidential the information it collects in accordance with 42 *U.S.C.* 1306, 20 *CFR* 401 and 402, 5 *U.S.C.* 552 (Freedom of Information Act), 5 *U.S.C.* 552a (Privacy Act of 1974) and OMB Circular No. A-130.

11. Justification for Sensitive Questions

The information collection does not contain any questions of a sensitive nature.

12. Estimates of Public Reporting Burden

The following chart shows the burden for the SSA-7161-OCR-SM and the SSA-7162-OCR-SM:

Modality of Completion	Number of Respondents	Frequency of Response	Average Burden Per Response (minutes)	Estimated Total Annual Burden (hours)
SSA-7161-OCR-SM	42,176	1	15	10,544
SSA-7162-OCR-SM	394,419	1	5	32,868
Totals	436,595			43,412

The total burden for this ICR is **43,412** hours. This figure represents burden hours, and we did not calculate a separate cost burden.

13. Annual Cost to the Respondents (Other)

This collection does not impose a known cost burden to the respondents.

14. Annual Cost To Federal Government

The annual cost to the Federal Government is approximately \$78,900. This estimate is a projection of the costs for printing and distributing the collection instrument and for collecting the information.

15. Program Changes or Adjustments to the Information Collection Request

The respondents for SSA-7161-OCR-SM are representative payees; while the respondents for the SSA-7162-OCR-SM are the individual beneficiaries who do not require representative payees. We noted a slight decrease in responses from representative payees, as per normal fluctuation in usage from year to year. In addition, there was an overall increase in the reporting burden due to an increase in the beneficiary population living outside the U.S.

16. Plans for Publication Information Collection Results

SSA will not publish the results of the information collection.

17. Displaying the OMB Approval Expiration Date

OMB granted SSA an exemption from the requirement to print the OMB expiration date on its program forms. SSA produces millions of public-use forms with life cycles exceeding those of an OMB approval. Since SSA does not periodically revise and reprint its public-use forms (e.g., on an annual basis), OMB granted this exemption so SSA would not have to destroy stocks of otherwise useable forms with expired OMB approval dates, avoiding Government waste.

18. Exceptions to Certification Statement

SSA is not requesting an exception to the certification requirements at *5 CFR 1320.9* and related provisions at *5 CFR 1320.8(b)(3)*.

B. Collections of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.