

Congress for Social Security, owed to attend the session of the mittee on economic security — setting the scene for the following dramatic confrontation. The crowd left the meeting singing, “We all Overcome!”

The outcome for Social Security is not nearly as dramatic; final recommendations of the conference called for some changes, but relatively mild ones compared to some of the proposals laid on the table. And the conference closed not in acrimony, but with some optimism.

The administration’s attempt to subvert the purpose of the conference was thwarted, and the administration’s issue that was out to get Social Security was cut off at the pass. The conference recommendations that were printed and distributed have been all but forgotten. But the politics of aging to display those four days will never be forgotten by people who care about the quality of life of older Americans. □

*Andrew Dobelstein, 50, teaches public policy to social work students at the University of North Carolina in Chapel Hill. Ann Johnson, 64, directs the Coordinating Council for Senior Citizens in Durham, North Carolina, and is a board member of the National Council on the Aging. This article is adapted from portions of their new book **Serving Older Adults: Policy, Programs, and Professional Activities**, copyright © 1985, pages 6-9, adapted by permission of Prentice-Hall, Inc., Englewood Cliffs, New Jersey.*

# What does it stand for?

## Supplemental Security Income or Supplemental Suffering and Intimidation?

In an odd reversal of its usual role, the Social Security Administration (SSA) launched a vigorous campaign in 1981 aimed at collecting “pay-backs” from the elderly poor and others judged to have received more than their due from federal entitlement programs. The upside-down crusade, scarcely reported in the press, brought fresh hardship to citizens already in distress, especially those who had been benefiting from the Supplemental Security Income program, or SSI. Now in its eleventh year, SSI was created to assist three categories of poor people who are getting too little Social Security or none at all: the blind, the disabled, and the elderly.

While some of the collection campaign’s worst abuses were quelled by Congress in October 1984, the federal collectors seem neither repentant nor finished. They estimate that about one million “overpayments” are still outstanding. One elderly woman in Gainesville, Florida, whom SSI had billed a year ago for more than \$3,000 in overpayments, said she is still being dunned. “But I don’t open those government bills no more,” she said. “Can’t pay ’em no how.”

The collection effort has undermined morale among the agency’s 81,000 employees and raised serious questions concerning SSA’s competence to hold up its end of the “safety net.” “There was a time,” says John D. Harris, an official of the American

Federation of Government Employees, “when our Social Security workers really cared about people. Now some of our most compassionate workers have become collection zealots.”

At the height of SSA’s “Debt Management Initiative” — the campaign’s official euphemism — Social Security workers were exposed to a variety of blandishments designed to introduce them to the joys of collecting. Several regional offices gave special awards to “The Collector of the Month.” With the help of T. Frank Hardesty, a consultant from Payco American Corporation of Columbus, Ohio, SSA made a 60-minute film to instruct Social Security “claims representatives” on how to get money from their SSI clients and how to “bring in maximum cash within a minimum amount of time.” A trainer by profession, Hardesty says his mission is to “motivate people toward intelligent aggression.”

At Social Security headquarters in Baltimore in 1981 there appeared to be no shortage of intelligent aggression. A middle-level manager there, who has requested anonymity, said his superiors “looked upon all those people out there getting checks as welfare cheats. The idea was to figure out ways to beat on them, to get the money back.”

To be sure, the collectors’ motives were not always consciously vindictive. Some SSA officials claimed to



perceive "paybacks" as a humane hedge against impending budget restrictions that could harm the poor. Robert D. Marder, director of debt management, reasoned, "We figured if we could get a lot of money back from overpayments, we wouldn't have to cut benefits."

The consequences of the campaign, however, turned out to be more far-reaching. By beating on the poor, SSA officials managed to brutalize an unusually enlightened program, the government's only attempt thus far to guarantee an income floor to poverty-stricken Americans.

Supplemental Security Income has never been bountiful. In 1984 the maximum payment to an individual with no other source of income was \$314 a month, 28 percent below the official poverty line. A couple could get up to \$472, 15 percent below the poverty line. Twenty-six states, none of them in the South, supply additional benefits, but only in Alaska, Connecticut, California, and Massachusetts do benefits lift people out of poverty.

In 1983 the federal program distributed some \$8 billion in SSI gold checks (in contrast to the green Social Security checks) to nearly four million people. It has been estimated that another three million are eligible but have not applied, either because they have never heard of the benefits or because they prefer to avoid the attendant humiliations.

SSI is a means-tested program that imposes strict limitations on a beneficiary's assets and income. If it does not always deliver a person from poverty, proof of deep poverty is required to get it delivered. The rules are complex and arcane, beginning with a 12-page application that can discourage the most determined applicant. Indeed, the increasingly byzantine nature of the program has been the undoing of many SSI recipients. Because older Americans, by and large, have received less schooling than their younger compatriots, especially in the South, they are more readily baffled by the prose of welfare bureaucracies (see table). Violating regulations they are often unable to read or understand, these mild miscreants may become victims of the collection crusade.

For example, while unearned income such as gifts and dividends can push a person above SSI eligibility limits, *earned* dollars are treated more tolerantly under the law. In computing a recipient's monthly income, SSI does not count the first \$60 in earnings. The distinction may seem clear enough, yet it is frequently lost on SSI clients and is sometimes muddled by overzealous bureaucrats. In Miami recently the agency refused to concede that money paid to a woman for babysitting with her grandchildren was legitimately earned income. It didn't count, declared an SSA official, because it was "all in the family." The grandmother appealed and eventually got the decision reversed — but not until after she had endured considerable anguish and several months without SSI assistance.

The "Debt Management Initiative"

**LEVELS OF EDUCATION  
People with Under Six Years  
of Schooling (percent)**

	South	Non-South
Over 15 years	84.4	46.1
Over 65 years	25.1	13.5
Over 75 years	29.8	18.8

Source: U.S. Bureau of the Census

originated in the late 1970s, when budget-conscious members of the Carter administration thought they saw a fiscal bonanza in SSI overpayments. But if debt collection was a gleam in Jimmy Carter's eye, it came to full term under Ronald Reagan and his Social Security commissioner, John A. Svahn, who had served as Governor Reagan's welfare commissioner in California. Svahn, now a member of the White House staff, still keeps an eye on the Social Security Administration.

Early in 1982 Svahn and his minions took the offensive. From district offices thousands of letters went out informing SSI clients that they had retroactively flunked the means test and, therefore, they owed the U.S. government money they had already received and spent — as much as \$11,000 in some instances. In classic collection-agency fashion, the creditors demanded full and instant payment and enclosed a self-addressed envelope for the purpose. ("The ins-

tant you think in terms of less than full payment," Hardesty advises debt collectors, "you lose control.")

SSA devised a standard notice-of-payment form, printed in faceless computer type, but quite a few district offices got carried away and wrote their own. One not atypical missive began with the word "NOTICE" in bold, inch-high letters. It continued:

**WE HAVE NOT RECEIVED  
PAYMENT ON YOUR  
ACCOUNT. WE MUST  
DISCUSS THIS TODAY.  
PLEASE CALL ME WITHIN  
48 HOURS.**

These astonishing letters from a federal program created to befriend the poor have caused much pain in the ranks of the aged. Many people have been too confused to comprehend the tough bureaucratic language and too intimidated to fight back. Nearly all would have been unable to raise lump-sum payments against their alleged debts, many of which are due to "overpayments" made seven or eight years previously. An SSA official in Rhode Island has remarked that many people are "really very docile. They'll give starve to death."

Another Social Security worker wrote to her congressman that collection letters were causing SSI clients "so much worry that they have been unable to sleep for several days. Occasionally some 80-year-old recipient dies soon after receiving an overpayment letter for a large amount. It is impossible to prove a direct connection."

In Miami recently an aging Cuban refugee visited her Social Security office to inquire why her SSI check had not arrived that month. "I have a little surprise for you," said the man behind the desk. He handed her an overpayment bill for more than \$3,000. "When I understood what it was," she said later, "I burst into tears. I couldn't stop crying for the longest time."

According to testimony in May 1984 at a hearing of the Senate Special Committee on Aging, a 93-year-old Arkansas woman "had five cents in her bank account in 1982 when the Social Security administration told her she no longer qualified for SSI benefits because she had 'excessive' assets." The agency was referring to the wom-

s one-ninth share in land inherited from her parents, which she couldn't live without hiring a lawyer she couldn't afford. The land paid her about \$90 a year. In their zeal to collect, SSA officials have frequently violated their own due-process rules. They have failed to inform debtors of appeal procedures and have even threatened to reduce people's Social Security payments in order to redress SSI debts. The picture that emerges from thousands of such cases is one of a hard-hearted government bullying a weak and perplexed constituency — people who are no match for the government's "intelligent aggression."

The most common violation of SSI rules, it appears, pertains to the assets ceiling, which was fixed in 1974 at \$2,500 for an individual and \$2,250 for a couple. As part of the 1984 Deficit Reduction Act, Congress finally raised the limits, which by 1989 will reach \$2,000 and \$3,000 respectively. In the same act Congress extended overdue protection to SSI debtors by making recovery of the debts less devastating. In deducting "paybacks" from SSI checks, the Social Security Administration is now restricted to chopping off no more than 10 percent of the recipient's benefits each month.

The Congressional reforms are already having a beneficial effect. Attorneys at Legal Services offices around the country, who since 1982 have spent a good deal of their time assisting "overpayment" victims, report sharp declines in their SSI caseloads. On the other hand, some SSA officials seem reluctant to apply the new assets ceilings retroactively. They continue to collect old debts that no longer apply.

That is what happened to Pearl Battles [a pseudonym], a 76-year-old former schoolteacher whom I interviewed recently in Miami. She is prey to her own frugality. So well did she manage her meagre SSI stipend that she accumulated \$1,538 in savings, which she had mentally earmarked for her burial expenses.

Battles is a tiny woman with bright green eyes and an innocent smile. She knows how to buy creatively at thrift shops and rummage sales. On the day of our interview she was wearing a black-and-white print dress with a

matching scarf knotted at the throat, and on her head a rakish brown bowler bedecked with chartreuse gauze. "Guess what this hat cost," she demanded of me. "Two dollars, that's what."

We sat side by side on stiff little chairs in the lobby of the Ritz Hotel, where Battles rents a room for \$190 a month. The Ritz has seen better days, but Battles, who is not easily discouraged, described the place as "a nice family hotel, a pleasant establishment." Later she conceded that her room was "not all that spacious" and that her stove, which she had bought used for \$49, was "usually on the blink."

Battles has been able to make ends meet on combined monthly incomes from Social Security (\$259) and SSI (\$75). "It isn't a great deal," she admitted, "but I'm a powerful bargain hunter. I don't shop frivolously."

When Battles took a room at the Ritz in May 1984, she dutifully visited the local Social Security office to report the move. SSI recipients are required to report changes of address. "I met a very nice young Negro gentleman there," she recalled. "He couldn't

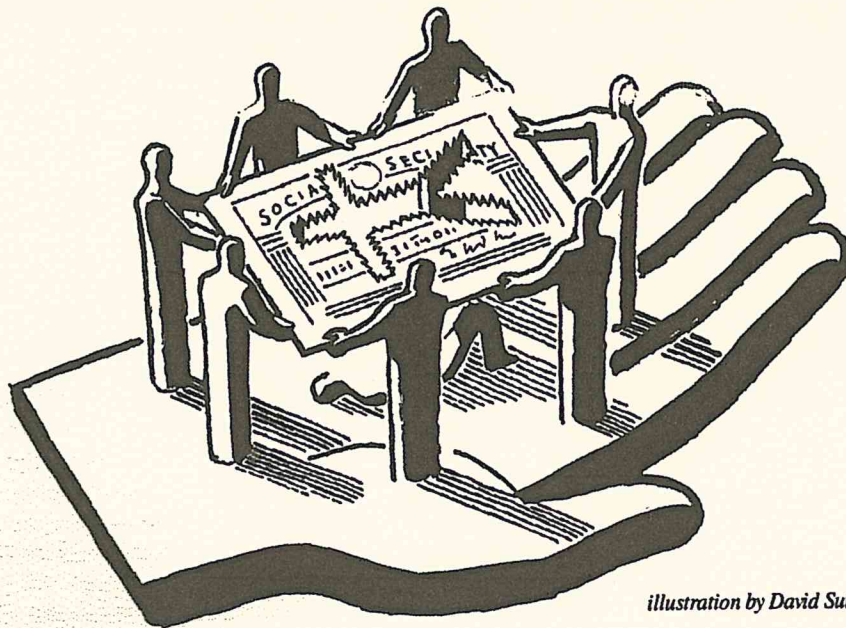
have been more polite. We were just making small talk, I thought, when he asked me how much money I had in the bank. 'Oh, not much at all,' I assured him. 'Just fifteen-hundred-and-thirty-eight dollars.' You see, I didn't know. I never dreamed the limit was so low."

The young man seemed sorry to hear the news. "He put his hands over his ears," Battles remembers. Then he told her she was over the "resource limit" and he would have to report the fact to his superiors.

There followed a sporadic investigation of Battles's bank account, both past and present. To date, examiners have discovered "overpayments" amounting to nearly \$1,000, and they may find more before they are done. "All these years I've been putting in and taking out," she told me. "I mean the totals keep changing. Lord knows how many times I went over that silly limit." The agency's position is that Battles's entire monthly SSI check was "illegally" received in each of the months that her savings account contained so much as one cent more than \$1,500.

Battles's case is by no means the most difficult, yet in some respects she typifies many victims of the Great Collection Crusade. Gutsy, uncompromising, and above all thrifty, she is being punished now because she was able to save her pennies on an income well below the poverty line. She is one among several million reasons why we as a nation should be worrying less about what poor people owe us and begin worrying more about what we owe them. □

*Richard J. Margolis, 55, a writer and lecturer on social issues, is working on a book about the nation's elderly poor.*



*illustration by David Suter*