

Supporting Statement for Form SSA-640
Financial Disclosure for Civil Monetary Penalty (CMP) Debt
20 CFR 498
OMB No. 0960-0776

A. Justification

1. Introduction/Authoring Laws and Regulations

Section 1129 of the *Social Security Act (Act)* governs the imposition of civil monetary penalties (CMP) and assessments on individuals for fraudulent conduct related to Social Security Administration (SSA)-administered programs. This section lists the methods SSA uses to collect the CMP, including benefit withholding and installment agreements. For SSA to determine a monthly repayment amount, the agency needs financial information from the CMP-imposed individual, which SSA captures using the SSA-640, Financial Disclosure for CMP Debt. The policies for implementing Section 1129 of the *Act* are in 20 CFR 498 of the *Code of Federal Regulations*.

2. Description of Collection

SSA refers a person suspected of fraud or other misconduct to the Office of the Inspector General (OIG). If OIG investigates and validates that fraud or other misconduct occurred, but the U.S. Attorney declines to prosecute and issues the formal “declination” required by statute, OIG may refer the case to its Office of the Counsel for Investigations Enforcement (OCIE), which in turn may impose a Civil Monetary Penalty (CMP) after an adjudication.

The law authorizes the Commissioner to impose an assessment that is equal to or up to twice the amount of the overpayment that resulted from the false or misleading statement, representation, omission of fact, or misuse of benefits. Once the CMP is imposed and final, Operations is responsible for posting the CMP on the Master Beneficiary Record (MBR) and/or Supplemental Security Record (SSR) and for collecting the debt. Currently, SSA can pursue recovery of CMPs by: withholding monthly Title II benefits; withholding monthly Title XVI benefits; withholding monthly Title VIII benefits; billing and follow-up; or initiating a civil action.

SSA uses Form SSA-640, Financial Disclosure for CMP Debt, to obtain the information necessary to determine a monthly installment repayment rate for individuals owing a CMP. The questions asked are designed to provide SSA with up-to-date information about the respondent’s resources, income, and expenses to help inform an appropriate repayment rate. The respondents are recipients of Social Security benefits, and non-entitled individuals who must repay a CMP to the agency and choose to do so using an installment plan.

3. Use of Information Technology to Collect the Information

Form SSA-640 is available on SSA's website in a fillable PDF format. Once the form is completed, the respondent prints it, signs it, and mails it back to the agency with supporting documentation using the prepaid return envelope. We estimate that 100% of the respondents use this method to complete the form and return it to SSA.

This collection does not currently have a fully public-facing Internet version, as we prioritized other information collections for full electronic conversions. Given that IT Mod programming is an ongoing, dynamic project, we cannot provide specific timelines for when we will be able to make any particular ICR available via Internet web-based application. We will ultimately convert most existing ICRs to full electronic versions depending on how they fall within our overall IT Mod schema, but this may be unconnected to the PRA approval lifecycle.

In the interim, we evaluated this collection for conversion to a submittable PDF. Given the high volume of conversions we are coordinating and the more urgent nature of some of the other conversions, we ultimately decided not to prioritize this ICR for conversion to fully submittable PDF at this time. When we are able to schedule this form for conversion to a submittable PDF, we will submit a Change Request to OMB to request prior approval.

4. Why We Cannot Use Duplicate Information

The nature of the information we collect and the manner in which we collect it precludes duplication. SSA does not use another collection 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 Form SSA-640, we would have no means of allowing imposed individuals to participate in an installment repayment agreement. Because we only collect the information on an as needed basis, we cannot collect it less frequently. 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 June 23, 2021 at 86 FR 33007, and we received no public comments. The 30-day FRN published on September 2, 2021 at 86 FR 49403. If we receive any comments in response to this Notice, we will forward them to OMB.

9. Payments or Gifts to Respondents

SSA does not provide payment 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

This information collection requests personal financial information. Although an individual's response is voluntary, failure to provide all or part of the requested information could prevent SSA from making an accurate and timely decision regarding a fair and equitable monthly payment amount the individual must pay to satisfy the CMP. SSA keeps all information confidential.

12. Estimates of Public Reporting Burden

Please see the burden chart below:

Modality of Completion	Number of Respondents	Frequency of Response	Average Burden per Response (minutes)	Estimated Total Annual Burden (hours)	Average Theoretical Hourly Cost Amount (dollars)*	Average Wait Time in Field Office (minutes)**	Total Annual Opportunity Cost (dollars)***
SSA-640	10	1	120	20	\$19.01*	24**	\$456***

* We based this figure on averaging both the average DI payments based on SSA's current FY 2021 data (<https://www.ssa.gov/legislation/2021FactSheet.pdf>), and the average U.S. worker's hourly wages, as reported by Bureau of Labor Statistics data (https://www.bls.gov/oes/current/oes_nat.htm).

** We based this figure on the average FY 2021 wait times for field offices, based on SSA's current management information data.

*** This figure does not represent actual costs that SSA is imposing on recipients of Social Security payments to complete this application; rather, these are theoretical opportunity costs for the additional time respondents will spend to complete the application. **There is no actual charge to respondents to complete the application.**

In addition, OMB's Office of Information and Regulatory Affairs is requiring SSA to use a rough estimate of a 30-minute, one-way, drive time in our calculations of the time burden for this collection. OIRA based their estimation on a spatial analysis of SSA's current field office locations and the location of the average population centers based on census tract information, which likely represents a

13.97-mile driving distance for one-way travel. We depict this on the chart below:

Total Number of Respondents Who Visit a Field Office	Frequency of Response	Average One-Way Travel Time to a Field Office (minutes)	Estimated Total Travel Time to a Field Office (hours)	Total Annual Opportunity Cost for Travel Time (dollars)*****
10	1	30	5	\$95

***** We based this dollar amount on the Average Theoretical Hourly Cost Amount in dollars shown on the burden chart above.

Per OIRA, we include this travel time burden estimate under the 5 CFR 1320.8(a) (4), which requires us to provide “time, effort, or financial resources expended by persons [for]...transmitting, or otherwise disclosing the information,” as well as 5 CFR 1320.8(b)(3)(iii) which requires us to estimate “the average burden collection...to the extent practicable.” SSA notes that we do not obtain or maintain any data on travel times to a field office, nor do we have any data, which shows that the average respondent drives to a field office, rather than using any other mode of transport. SSA also acknowledges that respondents’ mode of travel and, therefore, travel times vary widely dependent on region, mode of travel, and actual proximity to a field office.

NOTE: We included the total opportunity cost estimate from this chart in our calculations when showing the total opportunity cost estimates in the paragraph below.

The total burden for this ICR is **20** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$551**. SSA does not charge respondents to complete our applications. We base our burden estimates on current management information data, which includes data from actual interviews, as well as from years of conducting this information collection. Per our management information data, we believe that the 120 minutes accurately shows the average burden per response for reading the instructions, gathering the facts, and answering the questions. Based on our current management information data, the current burden information we provided is accurate.

13. Annual Cost to the Respondents (Other)

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

14. Updated #14 and Descriptions of the Categories

The annual cost to the Federal Government is approximately \$4,595. This estimate accounts for costs from the following areas:

Description of Cost Factor	Methodology for Estimating	Cost in Dollars*
----------------------------	----------------------------	------------------

	Cost	
Designing and Printing the Form	Design Cost + Printing Cost	\$575
Distributing, Shipping, and Material Costs for the Form	Distribution + Shipping + Material Cost	\$0*
SSA Employee (e.g., field office, 800 number, DDS staff) Information Collection and Processing Time	GS-9 employee x # of responses x processing time	\$600
Full-Time Equivalent Costs	Out of pocket costs + Other expenses for providing this service	\$0*
Systems Development, Updating, and Maintenance	GS-9 employee x man hours for development, updating, maintenance	\$3,420
Quantifiable IT Costs	Any additional IT costs	\$0*
Total		\$4,595

* We have inserted a \$0 amount for cost factors that do not apply to this collection.

SSA is unable to break down the costs to the Federal government further than we already have. It is difficult for us to break down the cost for processing a single form, as field office staff often help respondents fill out several forms at once, and the time it takes to do so can vary greatly per respondent. As well, because so many employees have a hand in each aspect of our forms, we use an estimated average hourly wage, based on the wage of our average field office employee (GS-9) for these calculations. However, we have calculated these costs as accurately as possible based on the information we collect for creating, updating, and maintaining these information collections.

15. Program Changes or Adjustments to the Information Collection Request

There are no changes to the public reporting burden. However, we updated the burden hours in ROCIS to include the 30-minute travel time to a field office, which increased the overall burden for this collection.

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 the 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.