
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**SUPPLEMENTAL SECURITY
INCOME RECIPIENTS WHO DID NOT REPORT
THEIR MARRIAGE TO THE SOCIAL
SECURITY ADMINISTRATION**

April 2012

A-01-10-11020

AUDIT REPORT



Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

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- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

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SOCIAL SECURITY

MEMORANDUM

Date: April 16, 2012

Refer To:

To: The Commissioner

From: Inspector General

Subject: Supplemental Security Income Recipients Who Did Not Report Their Marriage to the Social Security Administration (A-01-10-11020)

OBJECTIVE

Our objective was to identify and quantify improper payments related to Supplemental Security Income (SSI) recipients who were married to Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries but did not report their marriages to the Social Security Administration (SSA).

BACKGROUND

SSA administers the OASDI and SSI programs. The OASDI program provides benefit payments to qualified retired and disabled workers and their dependents as well as to survivors of insured workers.¹ The SSI program provides a minimum level of income to financially needy individuals who are aged, blind, or disabled.²

The SSI program requires that SSA periodically assess individuals' income, resources, and living arrangements to determine eligibility and payment amounts. SSA does this through redeterminations and limited issue reviews.³ The Agency schedules redeterminations annually or once every 6 years, depending on the likelihood of payment error. The Agency also conducts redeterminations and limited issue reviews when SSI recipients report—or SSA discovers—certain changes in circumstances that could affect continuing SSI payment amounts.⁴

¹ The *Social Security Act* § 201, *et seq.*, 42 U.S.C. § 401, *et seq.*

² The *Social Security Act* § 1601, *et seq.*, 42 U.S.C. § 1381, *et seq.*

³ Redeterminations are periodic reviews of the non-medical factors of SSI eligibility. Limited issue reviews are redeterminations that are limited in scope and do not require a full review of eligibility.

⁴ 20 C.F.R. § 416.204. See also SSA, POMS, SI 02305.001 and 010 (October 4, 2007) and SI 02305.015 (March 13, 2009).

The amount of a recipient's SSI payment is based on many factors, including marital status. For example, when both members of a couple receive SSI payments and live together, they receive a lower payment amount as a couple rather than as two individuals.⁵ Also, when one individual receives SSI payments, the spouse's income—whether from earnings or OASDI benefits—is deemed available to meet the recipient's needs.⁶ Such income may reduce or eliminate the individual's SSI payments. Generally, SSA relies on SSI recipients to voluntarily report any changes in their marital status or living arrangements.

Our 2008 audit identified SSI recipients who were receiving payments inappropriately because they did not report they were married to OASDI beneficiaries.⁷ We estimated that about 2,088 recipients were overpaid approximately \$24.8 million. Based on our recommendation, SSA agreed to review the cases from our audit population that were most likely to result in overpayments due to unreported marriages.

To conduct our follow-up audit, we analyzed information from a file of records for SSI recipients and OASDI beneficiaries who were receiving benefits as of March 2011. Through this analysis, we identified 4,196 recipients who may have received SSI payments inappropriately by not reporting their marriage to an OASDI beneficiary living at the same address. From this population, we selected a random sample of 200 cases for further analysis. (See Appendix B for additional information on our scope, methodology, and sample results.)

RESULTS OF REVIEW

Based on our sample, we estimate that about 900 SSI recipients were overpaid approximately \$8.2 million because they did not report their marriages to SSA. By stopping these improper payments, the Agency could save an estimated \$3.4 million over the next 12 months.

During our follow-up audit, we found that the number of SSI recipients who were receiving payments inappropriately by not reporting their marriages to OASDI beneficiaries had significantly decreased as compared to the number of recipients identified during our 2008 audit. Table 1 compares our current and prior audits.

⁵ As of January 2011, the Federal benefit rate was \$674 for an individual and \$1,011 for a couple. SSA, POMS, SI 02001.020 C8 (October 31, 2011).

⁶ SSA, POMS, SI 01320.650 (February 17, 1998).

⁷ SSA, Office of the Inspector General, *Supplemental Security Income Recipient Marriages Not Reported to the Social Security Administration* (A-01-07-27109), May 2008.

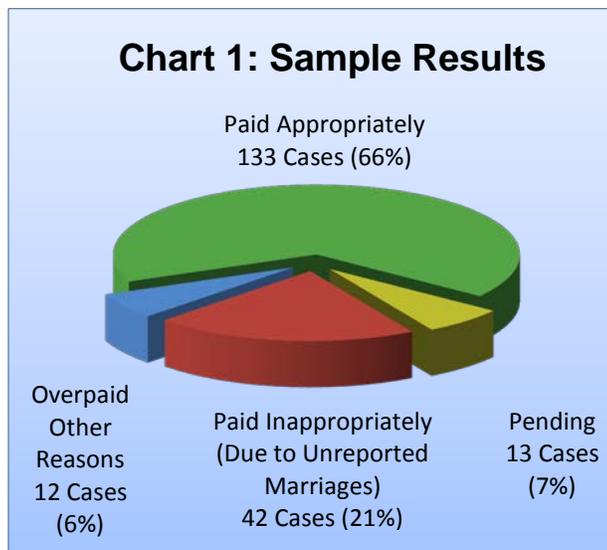
Table 1: Comparison of Current and Prior Audits			
	Current Audit	Prior Audit	Difference
Payment Receipt Date of Population When Identified	March 2011	June 2006	5 years
Size of Population	4,196	9,945	(58)%
Projected Number of Recipients Improperly Paid Because of Unreported Marriages	881	2,088	(58)%
Projected Amount of Overpayments	\$8.2 million	\$24.8 million	(67)%
Projected Savings for 12 Months After SSA Stopped Incorrect Payments Resulting from Unreported Marriages	\$3.4 million	\$7.1 million	(52)%

For our current audit, we are 90-percent confident the number of SSI recipients improperly paid is between 691 and 1,098 individuals, and the amount individuals improperly paid is between \$5.5 and \$10.9 million. For our June 2006 audit, we were 90-percent confident the number of SSI recipients improperly paid was between 1,632 and 2,610 individuals, and the amounts individuals improperly paid ranged from \$14.5 to \$35.0 million.

SAMPLE RESULTS

Our current review of 200 sample cases found:

- 42 recipients inappropriately received \$390,348 in SSI payments because they did not report their marriage to an OASDI beneficiary.⁸ The Agency will save an additional \$162,391 over the next 12 months by adjusting the payments for these 42 recipients.



⁸ As of March 2012, 3 of the 42 cases did not have an overpayment assessed, but the Agency suspended benefits in 2 cases and reduced the monthly payment in 1 case by 70 percent. The remaining 39 recipients were overpaid \$10,009, on average—ranging from \$476 to \$37,989, with a median of \$6,500. These overpayments covered a period of 33 months, on average—ranging from 7 to 82 months (nearly 7 years), with a median of 27 months.

- 12 recipients were overpaid \$47,847 for other reasons.
- 133 recipients were not overpaid.
- 13 recipients' payments were still under review as of March 2012.

RECIPIENTS PAID INAPPROPRIATELY BECAUSE OF UNREPORTED MARRIAGES

The 42 recipients whose marriages were not reported to SSA received \$390,348 in improper payments.⁹ For example, a South Carolina couple began receiving SSI payments in December 2004. In December 2005, the wife reported that she and her husband were no longer living together—even though they still were. In August 2011, she admitted to SSA that she lied about the separation because she was concerned her husband's income/resources would stop her SSI payments. As a result, SSA assessed a \$15,115 overpayment on her record and referred the case to our Office of Investigations for possible fraud.

In another example, an Illinois resident began receiving SSI payments in 2004. At that time, he was separated from his wife. Since 2004, he has suffered several major strokes. In 2008, his wife moved back into his household. However, he did not report this change to SSA, and as a result, the Agency overpaid him \$6,500.

ADDITIONAL OVERPAYMENTS FOR OTHER REASONS DETECTED

As a result of our audit, the Agency assessed overpayments in 12 cases that may have otherwise been undetected. For most of these cases, the overpayments occurred because of changes in living arrangements and excess income. For example, in October 2007, an SSI recipient moved to a nursing home, which entitled him to less SSI than his previous living arrangement. Because of our audit, SSA became aware of this change and assessed a \$16,100 overpayment.

In 3 of the 12 cases, SSA did not update the SSI recipients' records although the individuals previously reported their marriages to the Agency. For example, an SSI recipient was receiving payments when the individual married in May 2006. The recipient reported the marriage to SSA; however, the individual's record was never updated to reflect this situation. Because of our audit, SSA was made aware of the oversight and assessed an overpayment of \$7,593.

CONCLUSION AND RECOMMENDATION

Although we estimate that SSA overpaid recipients approximately \$8.2 million in SSI payments because the recipients did not report their marriages, this is significantly less than what we found in our prior audit.

⁹ As of March 2012, SSA had referred seven cases to our Office of Investigations for possible fraud, of which six are still under investigation and one was accepted for state prosecution.

We recommend the Agency review the remaining 3,016 cases from our audit population that will most likely result in overpayments because of unreported marriages.

AGENCY COMMENTS

SSA disagreed with our recommendation. The Agency stated that it would be willing to work with us to reduce the number of cases in the audit population that are likely to result in an overpayment, but SSA does not have the resources to review the more than 3,000 cases we identified in our review. SSA further stated that diverting resources to complete these reviews would jeopardize its ability to process claims, provide adequate service to the public, and perform other critical program integrity workloads. (See Appendix C for the Agency's comments.)

OIG RESPONSE

Our report demonstrates the need for SSA to work the remaining cases. Specifically, our review identified that an estimated \$8.2 million in overpayments exist because SSI recipients did not report to SSA that they were married. Additionally we estimated that by stopping these improper payments, the Agency could save an estimated \$3.4 million over the next 12 months.

We initially identified 4,196 cases. However, through additional analysis in March 2012, we reduced this to 3,016 cases that are most likely to be overpaid and provided the file to SSA on March 22, 2012. We estimate that it would cost SSA about \$511,000 to review the remaining cases, which is substantially less than the overpayments they would record and future inappropriate payments they would stop by conducting these reviews.¹⁰ Furthermore, SSA should continue reviewing the possibility of unreported marriages while conducting scheduled SSI redeterminations.



Patrick P. O'Carroll, Jr.

¹⁰ SSA's Cost Analysis System C2-15 DET report (<http://eis.ba.ssa.gov/ofpo/dca/c2-15det.html>) for Fiscal Year 2011 shows the cost per SSI redetermination was \$169.45. Therefore, we calculated our estimated cost by multiplying the number of cases SSA would need to review by the cost per redetermination—3,016 cases multiplied by \$169.45 to review each case equals a total cost of \$511,061.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Scope, Methodology, and Sample Results

APPENDIX C – Agency Comments

APPENDIX D – OIG Contacts and Staff Acknowledgments

Acronyms

C.F.R.	Code of Federal Regulations
MBR	Master Beneficiary Record
MSSICS	Modernized Supplemental Security Income Claims System
OASDI	Old-Age, Survivors and Disability Insurance
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
SSR	Supplemental Security Record
U.S.C.	United States Code

Scope, Methodology, and Sample Results

To accomplish our audit, we:

- Reviewed applicable sections of the *Social Security Act* and Social Security Administration (SSA) regulations, rules, policies, and procedures.
- Reviewed our May 2008 report, *Supplemental Security Income Recipient Marriages Not Reported to the Social Security Administration* (A-01-07-27109), and determined the Agency implemented our prior recommendation.¹
- Took the following steps, which are the same steps we took in our May 2008 audit.
 - Obtained from SSA a file of all Supplemental Security Records (SSR) and Master Beneficiary Records (MBR) for individuals in current payment status. We matched these MBRs and SSRs based on ZIP code, last name, and first 8 characters of the address and identified a preliminary population of 410,455 cases. We then narrowed the population by removing
 - ✓ SSRs that were couples' records;
 - ✓ individuals born more than 20 years apart;
 - ✓ address matches with different P.O. Box numbers;
 - ✓ records that had accounted for an Old-Age, Survivors and Disability Insurance (OASDI) beneficiary's payment;
 - ✓ matches with individuals who had the same parents (indicating they were siblings); and
 - ✓ records that were identified in our prior audit.

Through this analysis, we identified a population of 4,196 Supplemental Security Income (SSI) recipients who (1) were receiving payments as of March 2011 and (2) may have been married to an OASDI beneficiary at the same address but did not report that information to SSA.

- Selected a random sample of 200 cases from the population. For these cases, we reviewed the MBRs and SSRs in more detail. We also reviewed SSA's Modernized Supplemental Security Income Claims System (MSSICS). We sent cases for which we needed assistance to SSA for review and appropriate action. We then did the following for each case where appropriate.
 - ✓ Quantified the amount of SSI payments SSA determined were overpaid because the recipient did not report a marriage.

¹ Initially, we identified a population of 9,945 cases, but through additional analysis, we reduced this to 7,761 cases most likely to result in overpayments due to unreported marriages. To determine whether SSA worked these cases, we randomly selected and reviewed 100 of the 7,761 cases. For the 100 cases, we reviewed the SSRs and MSSICS.

- ✓ Quantified the amount of incorrect SSI payments the Agency would have continued to pay over a 12-month period because the recipient did not report his/her marriage. To calculate this amount, we multiplied the amount of the last monthly overpayment amount by 12.
- Projected results of the sample to the population.

We conducted our audit between April 2011 and March 2012 in Boston, Massachusetts. The entities audited were SSA's field offices under the Office of the Deputy Commissioner for Operations. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We tested the data obtained for our audit and determined them to be sufficiently reliable to meet our objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

SAMPLE RESULTS AND PROJECTIONS

Table B-1: Population and Sample Size	
Population size	4,196
Sample size	200

Table B-2: SSI Recipients Improperly Paid Because They Did Not Report Marriages		
	Attribute Projection	Dollar Projection
Sample cases	42	\$390,348
Point estimate	881	\$8,189,509
Projection lower limit	691	\$5,481,845
Projection upper limit	1,098	\$10,897,174

Note: All projections were calculated at the 90-percent confidence level.

Table B-3: Potential Savings for 12 Months If Marriages Were Reported to SSA		
	Attribute Projection	Dollar Projection
Sample cases	42	\$162,391
Point estimate	881	\$3,406,962
Projection lower limit	691	\$2,446,111
Projection upper limit	1,098	\$4,367,813

Note: All projections were calculated at the 90-percent confidence level.

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: March 26, 2012

Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Dean S. Landis /s/
Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, "Follow-up: Supplemental Security Income Recipients Who Did Not Report Their Marriage to the Social Security Administration" (A-01-10-11020)—INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Teresa Rojas at (410) 966-6784.

Attachment

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "FOLLOW-UP: SUPPLEMENTAL SECURITY INCOME RECIPIENTS WHO DID NOT REPORT THEIR MARRIAGE TO THE SOCIAL SECURITY ADMINISTRATION" (A-01-10-11020)

Recommendation 1

Review the remaining cases from our audit population that will most likely result in overpayments because of unreported marriages.

Response

We disagree. While we will continue to work with OIG as they conduct further analysis to reduce the number of cases in the audit population that are likely to result in an overpayment, we do not have the resources to review over 3,200 cases OIG identified in its review. Deviating resources to complete these reviews would jeopardize our ability to process claims, provide adequate service to the public, and perform other critical program integrity workloads.

OIG Contacts and Staff Acknowledgments

OIG Contacts

Judith Oliveira, Director, Boston Audit Division

David Mazzola, Audit Manager

Acknowledgments

In addition to those named above:

Chad Burns, Senior Auditor

Kevin Joyce, IT Specialist

Toni Paquette, Program Analyst

Alla Resman, IT Specialist

Charles Zaepfel, IT Specialist

For additional copies of this report, please visit our Website at <http://oig.ssa.gov/> or contact the Office of the Inspector General's Public Affairs Staff at (410) 965-4518. Refer to Common Identification Number A-01-10-11020.

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