



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

*Audit Report*

Controls over Supplemental Security  
Income Applicants/Recipients'  
Transferring Ownership of Resources

*A-02-16-50066 | May 2018*



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

**MEMORANDUM**

**Date:** May 29, 2018

**Refer To:**

**To:** The Commissioner

**From:** Acting Inspector General

**Subject:** Controls over Supplemental Security Income Applicants/Recipients' Transferring Ownership of Resources (A-02-16-50066)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration accurately processed cases when Supplemental Security Income applicants/recipients transferred ownership of a resource for less than fair market value.

If you wish to discuss the final report, please call me or have your staff contact Rona Lawson, Assistant Inspector General for Audit, 410-965-9700.

A handwritten signature in black ink that reads "Gale Stallworth Stone".

Gale Stallworth Stone

Attachment

# Controls over Supplemental Security Income Applicants/Recipients' Transferring Ownership of Resources

## A-02-16-50066



May 2018

Office of Audit Report Summary

### Objective

To determine whether the Social Security Administration (SSA) accurately processed cases when Supplemental Security Income (SSI) applicants/recipients transferred ownership of a resource for less than fair market value (FMV).

### Background

Transferring ownership of resources for less than FMV can result in an SSI ineligibility period of up to 36 months. Accordingly, SSA must determine whether applicants or recipients transferred any resources for less than FMV. SSA staff uses the Property/Cash Given or Sold (RGIV) screen in the Modernized Supplemental Security Income Claims System to determine the length of SSI ineligibility periods, if any. If an ineligibility period applies, staff manually records it on the Supplemental Security Record (SSR) and manually prepares a notice to inform the applicants or recipients about the decision.

We reviewed a random sample of 200 recipients who transferred resources worth between \$735 and \$500,000 for less than FMV from January 2012 through September 2016. We also reviewed the 37 cases in our population with transferred resource values over \$500,000.

### Findings

SSA did not always accurately process cases when applicants or recipients transferred resources for less than FMV. In 68 (29 percent) of 237 cases we reviewed, SSA did not accurately record in the SSR the SSI ineligibility period caused by resource transfers. In 46 of these cases, the inaccuracies resulted in approximately \$141,000 in payment errors.

We also found that SSA staff did not accurately compute the ineligibility period on the RGIV screen. These inaccuracies were often transferred to the SSR, which led to the payment errors. In addition, SSA failed to send required notices to 123 of the 237 recipients we reviewed. In another six cases, SSA issued a notice, but either the ineligibility period was inaccurately stated in the notice or the wrong notice was sent.

Projecting the results to our population, we estimate SSA inaccurately recorded the ineligibility period due to transferred resources in the SSR records of about 2,423 recipients and improperly paid about 1,604 of these recipients approximately \$4.5 million because of these errors.

### Recommendations

We recommend that SSA:

1. Review the eligibility of the 46 cases we determined were improperly paid and take appropriate corrective action, as needed.
2. Reinforce with staff through its field office training sessions how to accurately determine ineligibility periods caused by transfers of resources for less than FMV.
3. Determine the value of automating the transfer of ineligibility periods calculated on the RGIV screen to the SSR. If it adds value, make that change.
4. Determine the value of automating the release of the required notices. If it adds value, make that change.

SSA agreed with our recommendations.

## TABLE OF CONTENTS

Objective .....	1
Background .....	1
Transfer Exceptions .....	2
Ineligibility Period Computations .....	3
Property/Cash Given or Sold Screen .....	3
Results of Review .....	4
SSI Ineligibility Information in the SSR.....	5
RGIV Screen.....	6
Required Notices.....	7
Conclusions.....	7
Recommendations.....	7
Agency Comments.....	8
Appendix A – Scope and Methodology .....	A-1
Appendix B – Sampling Methodology and Results .....	B-1
Appendix C – Agency Comments.....	C-1

## ABBREVIATIONS

FBR	Federal Benefit Rate
FMV	Fair Market Value
MSOM	Modernized Systems Operations Manual
POMS	Program Operations Manual System
OIG	Office of the Inspector General
RGIV	Property/Cash Given or Sold
SSA	Social Security Administration
SSI	Supplemental Security Income
SSR	Supplemental Security Record

## OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) accurately processed cases when Supplemental Security Income (SSI) applicants/recipients transferred ownership of a resource for less than fair market value (FMV).

## BACKGROUND

Because SSI is a needs-based program, SSA reviews the value of applicants/recipients' resources when it determines their eligibility for SSI payments. When determining the value of resources, SSA also considers whether applicants/recipients transferred any resources for less than FMV. According to SSA policy, transferring ownership of resources for less than FMV can result in an SSI ineligibility period of up to 36 months.<sup>1</sup>

SSA must determine whether applicants transferred any resources for less than FMV within the 36 months before they filed for SSI.<sup>2</sup> Additionally, SSA periodically determines whether SSI recipients still meet eligibility resource limits. During these reviews, SSA must determine whether recipients transferred any resources for less than FMV since SSA last reviewed their eligibility.<sup>3</sup> Specifically, SSA determines whether any of the following transactions occurred.

- Sale of property
- Trade or exchange of one property for another
- Spend-down of cash
- Cash given away
- Transferring any financial instrument (for example, stocks, bonds)
- Property given away (including adding another person's name as an owner of the property)<sup>4</sup>

---

<sup>1</sup> *Social Security Act*, 42 U.S.C. § 1613(C)(1)(A)(i).

<sup>2</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.110, sec. C.1 (October 14, 2014).

<sup>3</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.110, sec. C.2 (October 14, 2014).

<sup>4</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.001, sec. B.3 (November 30, 2016).

## Transfer Exceptions

If SSA determines recipients transferred resources for less than FMV, it must determine whether a transfer exception applies. If a transfer exception applies, a period of ineligibility will not apply to that transfer.<sup>5</sup> The following types of resource transfers are exempt.

- Transfer of resource to a trust<sup>6</sup>
- Transfer of a home<sup>7</sup>
- Transfer of non-home resources to certain family members<sup>8</sup>
- Transferred resource is returned to transferor<sup>9</sup>
- Transfer of a resource exclusively for a purpose other than to obtain SSI payments<sup>10</sup>
- Undue hardship<sup>11</sup>

---

<sup>5</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.003, sec. A.4 (December 24, 2013).

<sup>6</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.121, sec. A (December 24, 2013). The period of ineligibility for transferring a resource at less than FMV will not apply if the transfer is made to a trust that is a countable resource, for a disabled or blind child, or is for a disabled or blind individual under age 65.

<sup>7</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.122, sec. A-D (December 24, 2013). The period of ineligibility for transferring a resource at less than FMV will not apply if a home is transferred to a spouse (including a separated spouse), child, or sibling in certain circumstances as, outlined in the POMS.

<sup>8</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.123, sec. A (December 24, 2013). The period of ineligibility for transferring a non-home resource at less than FMV does not apply if the resource was transferred to the transferor's spouse (including a separated spouse), another person for the sole benefit of the transferor's spouse, or the transferor's child of any age who is blind or disabled.

<sup>9</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.124, sec. A (December 24, 2013).

<sup>10</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.125, sec. D (December 24, 2013).

<sup>11</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.126, sec. B.1 (December 24, 2013). Undue hardship exists if the (1) individual alleges that failure to receive SSI payments would deprive the individual of food or shelter and (2) individual's total available funds (income and liquid resources) do not equal or exceed the full Federal benefit rate (FBR) plus the applicable federally administered State supplement, if any, due for his/her living arrangement for the month that undue hardship is alleged.

## Ineligibility Period Computations

If an exception does not apply, SSA determines the period of SSI ineligibility. SSA does this by determining the total uncompensated value of the transferred resource and dividing that by the recipient's full FBR<sup>12</sup> plus any<sup>13</sup> full federally administered State supplementary payment.<sup>14</sup> The resulting amount, computed to two decimal places and rounded down to the nearest whole number, is the number of months of the period of ineligibility. If the cumulative result of the calculation is less than 1 month, no period of ineligibility exists. For example, if staff determined a recipient with an FBR and State supplementary payment totaling \$800 transferred a resource for less than FMV with an uncompensated value of \$4,000, it would use the following formula to determine the related ineligibility period.

$$\frac{\$4,000 \text{ (uncompensated value of transferred resource)}}{\$800 \text{ (FBR + State supplemental payment amount)}} = 5 \text{ ineligible months}$$

## Property/Cash Given or Sold Screen

SSA staff uses the Property/Cash Given or Sold (RGIV) screen in the Modernized Supplemental Security Income Claims System to collect information needed to determine whether the claimant or claimant's spouse transferred any resources for less than FMV. The RGIV screen collects the transfer of resource information.

If staff determines a period of ineligibility applies, it must manually update the Supplemental Security Record (SSR) to ensure payments are not released during the period of ineligibility.<sup>15</sup> The information entered on the RGIV screen in the Modernized Supplemental Security Income Claims System does not transfer to the SSR, and the information in the SSR determines whether SSI payments are released. Staff must also manually prepare and send a notice to the applicants/recipients of the ineligibility periods caused by the transfer of resources.<sup>16</sup>

---

<sup>12</sup> 20 C.F.R. § 416.1101 (1995). The FBR is the monthly payment rate for an eligible individual or couple. It is the figure from which SSA subtracts countable income to determine how much a recipient's SSI payment should be.

<sup>13</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.111, sec. D (May 06, 2011). The full FBR is used to calculate the ineligibility period when a recipient transfers a resource for less than FMV. Also, recipients living in certain States can receive a State supplementary payment based on their living arrangements.

<sup>14</sup> 20 C.F.R. § 416.2001(a) (1997). State supplementary payments are any regular cash payments made by a State or one of its political subdivisions to an SSI recipient in supplementation of the SSI payment, in an amount based on the need or income of the individual or couple.

<sup>15</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.112, sec. D.1.a (December 24, 2013).

<sup>16</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.114, sec. E (December 24, 2013).

From all segments of the SSR, we identified 7,835 recipients with 8,737 transfers of resources for less than FMV with transfer amounts greater than \$735<sup>17</sup> that were transferred from January 2012 through September 2016. From this population, we reviewed the 37 recipients who had transferred resources valued at \$500,000 or more. We also randomly selected and reviewed a sample of 200 recipients from the remaining 7,798 recipients. See Appendix B for more information on our sampling methodology and results.

## RESULTS OF REVIEW

SSA did not always accurately process cases when applicants/recipients transferred resources for less than FMV. In 68 (29 percent) of the 237 cases we reviewed, SSA did not accurately record in the SSR the SSI ineligibility period caused by resources transferred for less than FMV. In 46 of these cases, the inaccuracies resulted in approximately \$141,000 in payment errors.<sup>18</sup>

In 11 cases, SSA determined the SSI ineligibility period was longer than it should have been so it paid recipients less than they were due. In 35 cases, SSA determined the ineligibility period was shorter than it should have been so SSA paid recipients more than they were due. The number of months that were counted as ineligible when they should not have been or were not counted as ineligible when they should have been ranged from 1 to 36 months (see Table 1).

**Table 1: Number of Cases with Eligibility Months Not Accurately Determined**

Number of Months Not Accurately Determined	Number of Cases	Percentage
1	20	43.5
2	10	21.7
3	2	4.3
4	1	2.2
5	3	6.5
6	2	4.3
7-12	1	2.2
13-24	3	6.5
25-36	4	8.7
<b>Totals</b>	<b>46</b>	<b>100<sup>19</sup></b>

<sup>17</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.111, sec. A (May 06, 2011). If the cumulative result of the ineligibility period calculation is less than 1 month, no period of ineligibility exists. As a result, we excluded cases with uncompensated values under the monthly 2017 FBR.

<sup>18</sup> Of the 46 cases that had improper payments, 35 had overpayments and 11 had underpayments. We used the absolute values of the improper payments to arrive at our total. The Agency's administrative finality policy prevents recovery of overpayments that were made longer than 2 years earlier unless staff finds that fraud occurred or similar fault applied. Administrative finality may apply to some cases, and SSA may not be able to collect any or all of the improper payments we identified.

<sup>19</sup> Due to rounding, the total is 99.9 percent.

Projecting our results to our population, we estimate SSA inaccurately recorded the ineligibility period due to transferred resources in the SSRs of about 2,423 recipients, resulting in payment errors of approximately \$4.5 million to about 1,604 of these recipients. (See Appendix B for more information on our projections.)

We also found that SSA staff did not accurately compute the ineligibility period on the RGIV screen. For 51 of the 68 cases that had inaccurate information in the SSR, staff inaccurately calculated the length of ineligibility periods on the RGIV screen and added the inaccurate information to the SSR. In 14 of the 68 cases, staff accurately calculated the ineligibility periods on the RGIV screens but added inaccurate information to the SSR. In the remaining three cases, we were unable to determine whether SSA processed the cases on RGIV accurately because the RGIV data were no longer available. Finally, SSA did not always send the required notices to recipients who had periods of ineligibility because they transferred resources for less than FMV.

## SSI Ineligibility Information in the SSR

In 68 of the 237 cases we reviewed, SSA did not accurately record the SSI ineligibility information in the SSR. In 46 of the 68 cases, the erroneous information led to payment errors totaling approximately \$141,000. The payment errors included \$19,400 in underpayments and \$121,600 in overpayments. Below are some examples of the payment errors we identified.

- A recipient had multiple cash transfers, totaling \$3,000. The cash transfers made her ineligible for SSI payments for 4 months. However, SSA did not apply the ineligibility period. SSA records did not document the ineligibility period or whether the recipient met undue hardship or any exceptions. Because the recipient received benefits when she should not have, she was improperly paid \$2, 840.
- A recipient transferred \$5,600 in May 2013. While SSA made the recipient ineligible in May 2013 because the cash put her over the resource limit, it also counted May 2013 as the first month of the ineligibility period the transfer caused. However, SSA should have counted the first month of ineligibility the month after the transfer was made, which was June 2013. Because the ineligibility period for the transfer of resources was recorded from May through November 2013, not June through December 2013, the recipient received a payment in December 2013 that she was not due and was overpaid \$596.
- SSA determined a recipient made multiple transfers of resources valued at \$27,815 for less than FMV, and a 36-month ineligibility period applied. However, SSA incorrectly determined the recipient did not transfer the resource to obtain SSI, when it appeared the transfers were made for that reason. Because SSA provided an exception, the recipient received \$17,600 she should not have.

- A recipient transferred resources valued at \$609,000 for less than FMV. Because of the transfer, the recipient should have been ineligible for 36 months. However, SSA recorded a 1-month ineligibility period. SSA records did not include documentation to explain why staff determined only a 1-month ineligibility period applied. Because the recipient received benefits when he should not have, he was improperly paid \$24,590.<sup>20</sup>

In the remaining 22 cases, either there were no improper payments because SSI payments were stopped for other reasons when the ineligibility period for the transfer should have been applied or we could not determine whether the errors led to improper payments. Specifically, SSA did not pay 19 recipients for other reasons and had not issued the remaining 3 recipients' payments because administrative law judges were reviewing them. Until they are issued payments, we cannot determine whether they received any payments improperly.

## RGIV Screen

SSA staff used the RGIV screen to calculate ineligibility periods that resulted from transfer of resources for less than FMV. Staff should manually update the results of the RGIV calculations to the SSR to ensure recipients do not receive SSI payments for months they are determined to be ineligible. In 14 of the 68 cases with inaccurate information in the SSR, staff accurately calculated the ineligibility periods on the RGIV screens.

SSA staff used other screens, such as the CASH<sup>21</sup> or the Other Resource,<sup>22</sup> to determine whether SSI applicants or recipients met SSI resource limits. These screens automatically transfer information to the SSR, limiting the possibility that correctly computed information will be incorrectly added to the SSR.

For 51 of the 68 cases that had inaccurate information in the SSR, staff inaccurately calculated the length of ineligibility periods on the RGIV screen and added the inaccurate information to the SSR. Specifically, staff counted the month the transfer was made as an ineligible month when it should not have, applied exceptions for which the recipients were not eligible, or determined a resource was sold on the open market when it was not. These actions either added ineligible months that did not apply or under-counted the ineligibility periods. We were unable to determine whether SSA accurately processed the remaining three cases on RGIV because the RGIV data were no longer available for our review.

---

<sup>20</sup> The recipient transferred a house to his children. The transfer was made 2 months before the recipient's determined date of SSI entitlement. Additionally, the month before the date of entitlement, the recipient had a bank balance of \$151,740. When the recipient applied for SSI benefits, the account balance was under the resource limit. However, SSA records did not contain documentation on how the funds were spent down. The transfer did not meet the criteria described in Footnote 7, resulting in an ineligibility period.

<sup>21</sup> The CASH screen collects information about the amount of cash that the claimant and/or deems have.

<sup>22</sup> The Other Resource screen collects information about other resources that are not listed separately on the Resource Selection screen that are owned by the claimant, claimant's spouse, and/or deems.

## Required Notices

When an individual transfers a resource and has a period of ineligibility or can receive SSI based on undue hardship during a period of ineligibility, SSA must manually prepare and send a notice informing applicants or recipients of its decisions. SSA did not send these required notices to 123 of the 237 recipients we reviewed. In another six cases, SSA issued the required notice, but the ineligibility period was incorrect or the wrong notice was sent.

## CONCLUSIONS

SSA did not always accurately process cases when applicants or recipients transferred resources for less than FMV. Specifically, in 68 (29 percent) of the 237 cases we reviewed, SSA did not accurately record SSI ineligibility periods caused by resource transfers in the SSR. In 46 of these cases, the inaccuracies resulted in payment errors.

Many of the inaccurately recorded ineligibility periods in the SSR were caused by staff inaccurately computing the ineligibility periods on the RGIV screen. In other cases, SSA staff correctly computed the ineligibility periods on the RGIV screen, but the wrong ineligibility period was recorded on the SSR. SSA staff used other screens to determine whether SSI applicants or recipients met SSI resource limits, such as the CASH or the Other Resource screens. These screens automatically transfer information to the SSR, limiting the possibility that correctly computed information is incorrectly added to the SSR. In addition, SSA failed to send required notices informing SSI applicants and recipients of the ineligibility periods caused by the transfer of resources for less than FMV.

## RECOMMENDATIONS

We recommend that SSA:

1. Review the eligibility of the 46 cases we determined were improperly paid and take appropriate corrective action, as needed.
2. Reinforce with staff through its field office training sessions how to accurately determine ineligibility periods caused by transfers of resources for less than FMV.
3. Determine the value of automating the transfer of ineligibility periods calculated on the RGIV screen to the SSR. If it adds value, make that change.
4. Determine the value of automating the release of the required notices. If it adds value, make that change.

## AGENCY COMMENTS

SSA agreed with our recommendations. The Agency's comments are included in Appendix C.

A handwritten signature in black ink that reads "Rona Lawson". The signature is written in a cursive style with a large initial 'R' and a long, sweeping tail.

Rona Lawson  
Assistant Inspector General for Audit

# *APPENDICES*

## Appendix A – SCOPE AND METHODOLOGY

---

To accomplish our objectives, we:

- Reviewed the applicable sections of the *Social Security Act*, Code of Federal Regulations, and Social Security Administration’s (SSA) Program Operations Manual System.
- Obtained a data extract of 30,667 transfers of resources for 18,374 Supplemental Security Income recipients from a list of diaries as of April 29, 2016.
- From this population, we removed duplicate listings of transfers, excluded transfers that were under the 2017 \$735 Federal benefit rate,<sup>1</sup> and excluded transfers that were made before January 2012. We also determined whether the recipients had additional transfers through September 2016. In all, we identified 7,835 recipients with 8,737 transfers of resources for less than fair market value.
- From the 7,835 recipients, we reviewed the 37 recipients who had transferred resources of \$500,000 or more.
- From the remaining population, we selected a random sample of 200 recipients.

To determine whether SSA accurately processed the 237 cases where applicants/recipients alleged transferring ownership of a resource for less than fair market value, we took the following steps.

- Reviewed the recipients’ Modernized Supplemental Security Income Claims System screens, Claims File Records Management System records, and LexisNexis to determine whether SSA records contained information on the transferred resource.
- Determined whether SSA applied the excess income period when applicable.
- Determined whether SSA applied the correct ineligibility period in the Modernized Supplemental Security Income Claims System.
- Determined whether SSA applied the correct ineligibility period in the Supplemental Security Record.
- Determined whether SSA sent a manual notice to the recipient and, if so, whether SSA posted the correct ineligibility period and sent the correct notice.
- Determined through January 2018 the improper payments made after the recipients were ineligible because a resource was transferred for less than fair market value.

---

<sup>1</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.111, sec. A (May 06, 2011). If the cumulative result of the ineligibility period calculation is less than 1 month, no period of ineligibility exists. As a result, we excluded cases with uncompensated values under the monthly 2017 Federal benefit rate.

We determined the computer-processed data were sufficiently reliable for our intended use. We conducted tests to determine the completeness and accuracy of the data. These tests allowed us to assess the reliability of the data and achieve our audit objective.

We conducted our audit work in the New York Audit Division, New York, between October 2017 and February 2018. The entity audited was the Office of Operations 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 conduct the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## Appendix B – SAMPLING METHODOLOGY AND RESULTS

---

From all segments of the Supplemental Security Record (SSR), we identified 7,835 Supplemental Security Income (SSI) recipients who had 8,737 transfers of resources for less than fair market value (FMV) with transfer amounts greater than \$735<sup>1</sup> that were transferred from January 2012 through September 2016. We reviewed the 37 recipients in the population who had transfers valued at \$500,000 or more. We also randomly selected and reviewed a sample of 200 of the remaining 7,798 recipients.

**Table B–1: Population and Random Sample Size**

Description	Recipients
Population Size (identified from all segments of the Supplemental Security Record)	7,798
Random Sample Size	200

SSA did not always accurately process cases when applicants or recipients transferred resources for less than FMV. In 62 of the 200 randomly selected recipients we reviewed, SSA did not accurately record in the SSR the SSI ineligibility period caused by resource transfers.

**Table B–2: Randomly Selected Recipients with Errors**

Results from Random Sample Cases Reviewed	Number of Transfer of Resource Cases with Errors on the SSR
Sample Results	62
Point Estimate	2,417
Projection – Lower Limit	2,003
Projection – Upper Limit	2,865

**Note:** All projections are at a 90-percent confidence level.

In 41 of the 200 randomly selected cases, the inaccuracies resulted in payment errors totaling \$114,266.

---

<sup>1</sup> SSA, *POMS, SI-Supplemental Insurance*, ch. SI 011, subch. SI 01150.111, sec. A (May 06, 2011). If the cumulative result of the ineligibility period calculation is less than 1 month, no period of ineligibility exists. As a result, we excluded cases with uncompensated values under the monthly 2017 Federal benefit rate.

**Table B-3: Improper Payments for Randomly Selected Recipients**

Results for All Segments of the SSR of the Sampled Population	Number of Transfer of Resource Cases with Incorrect Payments	Improper Payment Amount
Sample Results	41	\$114,266
Point Estimate	1,599	\$ 4,455,234
Projection – Lower Limit	1,245	\$ 1,852,080
Projection – Upper Limit	2,003	\$ 7,058,388

**Note:** All projections are at a 90-percent confidence level.

We also found that SSA did not accurately record in the SSR the SSI ineligibility period caused by resource transfers for 6 of the 37 recipients who had transfers valued at \$500,000 or more. SSA improperly paid five of these recipients \$26,725 because of these errors.

Adding the projected totals based on our random sample results to the actual results for the 37 recipients who had transfers valued at \$500,000 or more, we estimate that SSA inaccurately recorded the ineligibility period due to transferred resources in the SSR of about 2,423 recipients and improperly paid about 1,604 of these recipients approximately \$4,481,959 because of these errors.

## Appendix C – AGENCY COMMENTS

---



## SOCIAL SECURITY

### MEMORANDUM

**Date:** May 23, 2018 **Refer To:** SIJ-3

**To:** Gale S. Stone  
Acting Inspector General

*Stephanie Hall*

**From:** Stephanie Hall  
Acting Deputy Chief of Staff

**Subject:** Office of the Inspector General Draft Report, "Controls over Supplemental Security Income Applicants/Recipients' Transferring Ownership of Resources" (A-02-16-50066) --  
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 Trae Sommer at (410) 965-9102.

Attachment

**SSA COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT, “CONTROLS OVER SUPPLEMENTAL SECURITY INCOME APPLICANTS/RECIPIENTS’ TRANSFERRING OWNERSHIP OF RESOURCES” (A-02-16-50066)**

**GENERAL COMMENTS**

We are committed in our efforts to achieve high payment accuracy while using all available tools to recover overpayments. Specifically, we developed an agency priority goal to improve the integrity of the Supplemental Security Income (SSI) program by focusing our efforts on reducing overpayments. We will continue to monitor our progress by conducting quarterly internal reviews and taking necessary actions to improve SSI program integrity and reduce costs in administering the SSI program. We agree there is added value in the development of automated tools to avoid manual calculations of ineligibility periods caused by the transfer of resources. We will continue to review our processes to identify opportunities to use automation wherever possible.

**Recommendation 1**

Review the eligibility of the 46 cases we determined were improperly paid and take appropriate corrective action, as needed.

**Response**

We agree.

**Recommendation 2**

Reinforce with staff through its field office training sessions how to accurately determine ineligibility periods caused by transfers of resources for less than fair market value.

**Response**

We agree.

**Recommendation 3**

Determine the value of automating the transfer of ineligibility periods calculated on the Property/Cash Given or Sold screen to the Supplemental Security Record. If it adds value, make that change.

**Response**

We agree.

**Recommendation 4**

Determine the value of automating the release of the required notices. If it adds value, make that change.

**Response**

We agree.

## MISSION

By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration's (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

## CONNECT WITH US

The OIG Website (<https://oig.ssa.gov/>) gives you access to a wealth of information about OIG. On our Website, you can report fraud as well as find the following.

- OIG news
- audit reports
- investigative summaries
- Semiannual Reports to Congress
- fraud advisories
- press releases
- congressional testimony
- an interactive blog, “[Beyond The Numbers](#)” where we welcome your comments

In addition, we provide these avenues of communication through our social media channels.



[Watch us on YouTube](#)



[Like us on Facebook](#)



[Follow us on Twitter](#)



[Subscribe to our RSS feeds or email updates](#)

## OBTAIN COPIES OF AUDIT REPORTS

To obtain copies of our reports, visit our Website at <https://oig.ssa.gov/audits-and-investigations/audit-reports/all>. For notification of newly released reports, sign up for e-updates at <https://oig.ssa.gov/e-updates>.

## REPORT FRAUD, WASTE, AND ABUSE

To report fraud, waste, and abuse, contact the Office of the Inspector General via

**Website:** <https://oig.ssa.gov/report-fraud-waste-or-abuse>

**Mail:** Social Security Fraud Hotline  
P.O. Box 17785  
Baltimore, Maryland 21235

**FAX:** 410-597-0118

**Telephone:** 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. Eastern Standard Time

**TTY:** 1-866-501-2101 for the deaf or hard of hearing