



Office *of the* Inspector General
SOCIAL SECURITY ADMINISTRATION

Audit Report

Payments to Student Beneficiaries

A-09-13-13059 / December 2014

OIG

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: December 15, 2014

Refer To:

To: The Commissioner

From: Inspector General

Subject: Payments to Student Beneficiaries (A-09-13-13059)

The attached final report presents the results of our audit. Our objective was to evaluate the effectiveness of the Social Security Administration's controls over the payment of student benefits.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



Patrick P. O'Carroll, Jr.

Attachment

Payments to Student Beneficiaries

A-09-13-13059



December 2014

Office of Audit Report Summary

Objective

To evaluate the effectiveness of the Social Security Administration's (SSA) controls over the payment of student benefits.

Background

The *Social Security Act* provides benefits to children upon the insured wage earners' retirement, death, or disability. Child beneficiaries are entitled to benefits until they marry or attain age 18. After age 18, child beneficiaries become eligible for student benefits if they attend an elementary or secondary school full time. Generally, student benefits continue through the earlier of age 19 and 2 months or the end of the school year.

Student beneficiaries must complete and sign the Form SSA-1372 to provide SSA information on their school attendance. Additionally, a school official must review and certify attendance information provided by the student. The student must then return the completed SSA-1372. Finally, SSA employees must review the completed SSA-1372 before paying student benefits.

We identified a population of 1,539,078 student beneficiaries who were full-time students for at least 1 month from January 2007 through December 2013.

Findings

SSA needs to improve its controls over the payment of student benefits. We estimate that SSA

- overpaid \$225.3 million in student benefits to 106,336 beneficiaries and
- did not have evidence of school attendance for \$968 million in student benefits paid to 246,252 beneficiaries.

Generally, the payment errors occurred because neither students nor schools reported to SSA when students stopped attending school full time before the expected end of school year or SSA employees did not record graduation dates on the MBR. Further, we identified cases where SSA staff did not retain supporting documentation of student attendance (SSA-1372) as required.

Recommendations

We recommend that SSA:

1. Take appropriate action for the 19 beneficiaries we identified who discontinued full-time attendance or who were paid after they graduated. If appropriate, establish overpayments and initiate collection activities for these beneficiaries.
2. Raise awareness for schools to report when students discontinue full-time attendance before the expected end of school year.
3. Obtain evidence, as appropriate, of full-time school attendance for the 44 beneficiaries we identified.
4. Remind employees that they must retain evidence (SSA-1372) of student attendance.

SSA agreed with Recommendations 1, 2, and 4 but disagreed with Recommendation 3.

TABLE OF CONTENTS

Objective	1
Background	1
Results of Review	1
Overpayments to Student Beneficiaries	3
Students Who Discontinued Full-Time Attendance	3
Students Paid After Graduation	3
Unsupported Student Payments	4
Conclusions	5
Recommendations	5
Agency Comments	5
OIG Response	6
Appendix A – Scope and Methodology	A-1
Appendix B – Sampling Methodology and Results	B-1
Appendix C – Student’s Statement Regarding School Attendance	C-1
Appendix D – Agency Comments	D-1
Appendix E – Major Contributors	E-1

ABBREVIATIONS

MBR	Master Beneficiary Record
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration

FORM

SSA-1372	Student's Statement Regarding School Attendance
----------	---

OBJECTIVE

Our objective was to evaluate the effectiveness of the Social Security Administration's (SSA) controls over the payment of student benefits.

BACKGROUND

The *Social Security Act* provides benefits to children upon a wage earner's retirement, death, or disability.¹ Child beneficiaries are entitled to benefits until they marry² or attain age 18. After age 18, children are eligible for student benefits if they attend an elementary or secondary school full time, which is at least 20 hours per week.³ Generally, student benefits continue through the earlier of age 19 and 2 months or the end of the school year.⁴

Student beneficiaries must complete and sign the Form SSA-1372, *Student's Statement Regarding School Attendance*, (see Appendix C) to provide SSA information on their school attendance. Additionally, a school official must review the SSA-1372 and certify school attendance information the student provided. The student must then return the completed SSA-1372 to SSA before it will pay student benefits. SSA employees review the SSA-1372 and record the student information on the Master Beneficiary Record (MBR) to pay student benefits. SSA employees must also retain an electronic copy of completed SSA-1372s.⁵ Finally, the SSA-1372 instructs students and schools to report to SSA if a student stops attending school, reduces school attendance below full time, or changes schools.

We identified a population of 1,539,078 student beneficiaries who, according to the MBR, were full-time students for at least 1 month at an elementary or secondary school that operated on a yearly basis⁶ from January 2007 through December 2013. From this population, we selected a random sample of 275 beneficiaries for review (see Appendix A).

RESULTS OF REVIEW

SSA needs to improve its controls over the payment of student benefits. Based on our random sample, we estimate that SSA

¹ The *Social Security Act* § 202 (d)(1), 42 U.S.C. § 402 (d)(1).

² Entitlement does not end if the child is a child disability beneficiary and the marriage is to a Social Security beneficiary. SSA, POMS, RS 00203.035.A (August 12, 2013).

³ SSA, POMS, RS 00205.300.C (March 7, 2001) and RS 00205.310 (July 25, 2000).

⁴ SSA, POMS, RS 00205.325.C (June 25, 2009).

⁵ SSA, POMS, RS 00205.400 (July 9, 2014) and GN 01085.030 (November 7, 2013).

⁶ We did not review student beneficiaries who, according to the MBR, attended a school that operated on a quarterly basis.

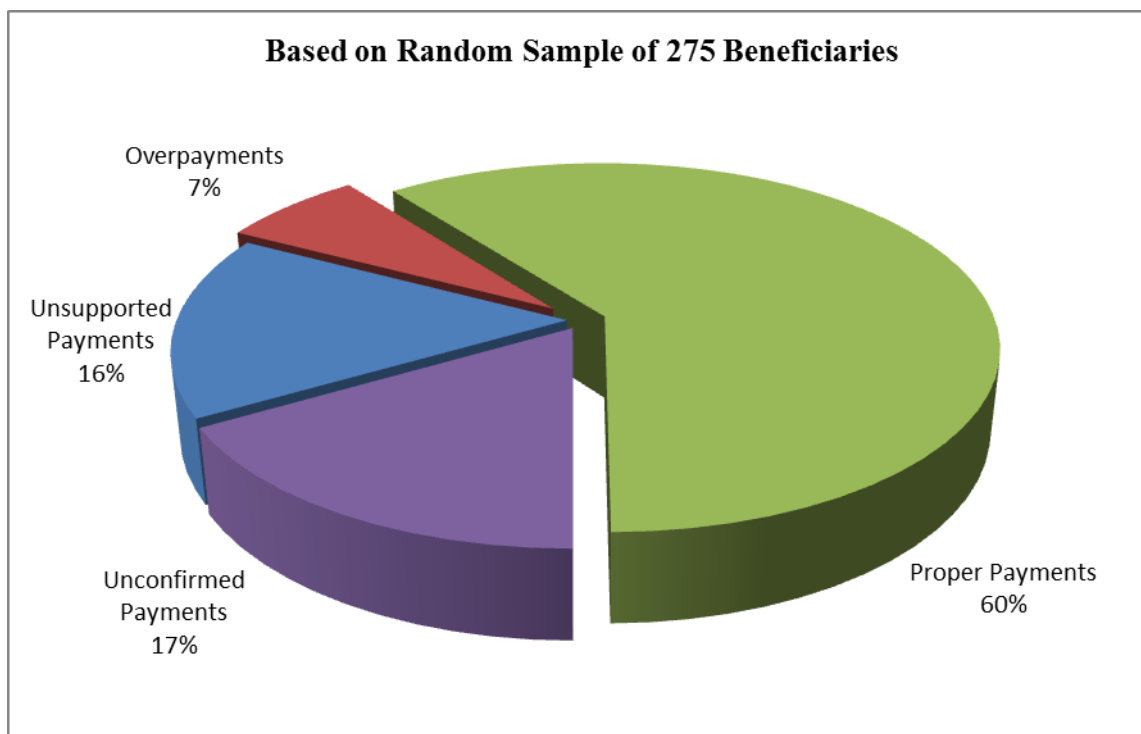
- overpaid \$225.3 million in student benefits to 106,336 beneficiaries and
- did not have evidence of school attendance (SSA-1372) for \$968 million in student benefits paid to 246,252 beneficiaries.

We are 90-percent confident the overpayments ranged from \$105 to \$345 million, and the number of overpaid students ranged from 70,358 to 153,493. We are also 90-percent confident the unsupported benefits ranged from \$652 million to \$1.3 billion, and the number of students ranged from 191,915 to 309,193 (see Appendix B).

Generally, the payment errors occurred because neither students nor schools reported to SSA when students stopped attending school full time before the expected end of the school year or SSA employees did not record graduation dates on the MBR. Further, we identified cases where SSA staff did not retain required supporting documentation of student attendance (SSA-1372).

For the 275 beneficiaries in our sample, SSA overpaid 19 (7 percent), did not have evidence (SSA-1372) of student attendance for 44 (16 percent), and properly paid 166 (60 percent). For the remaining 46 (17 percent), we did not verify school attendance because school officials did not provide us this information. The following chart summarizes the results of our review.

Figure 1: Payments to Student Beneficiaries



Overpayments to Student Beneficiaries

SSA overpaid 19 (7 percent) of the 275 student beneficiaries in our sample. This included 16 students who were overpaid because they were paid after they discontinued full-time attendance and 3 students who were overpaid because they were paid after they graduated.

Students Who Discontinued Full-Time Attendance

SSA pays benefits to students over age 18 who attend an elementary or secondary school full time.⁷ Generally, students must attend school at least 20 hours per week to be eligible for benefits.⁸ Students must provide SSA information on their school attendance by completing and signing the SSA-1372. A school official must also review the SSA-1372 and certify the student's attendance information. The student must then return the completed SSA-1372 to SSA before it pays student benefits. In addition, the SSA-1372 instructs students that they must report to SSA if they stop attending school, reduce school attendance below full time, or change schools. Finally, the SSA-1372 also requests that the schools report these events to SSA.⁹

We requested school officials verify whether 207 beneficiaries' school attendance information on the SSA-1372s was correct. Based on responses from 167 school officials, we determined that 16 students discontinued full-time attendance before the end of the school year reported on the SSA-1372. As a result, SSA overpaid these beneficiaries \$36,864 because neither the students nor the schools had notified SSA that they were no longer attending school. School officials did not verify school attendance for the remaining 40 beneficiaries.

For example, according to the MBR and the SSA-1372, a student beneficiary attended full time from May 2012 through May 2013. However, based on our contact with school officials, we found the student dropped out of school in August 2012 after attending for only 18 days. Neither the student nor the school reported this to SSA, resulting in a \$5,328 overpayment in student benefits from September 2012 through May 2013.

Students Paid After Graduation

Students are not eligible for benefits after they graduate or attain age 19, whichever occurs first. If the graduation ceremony is held the month after full-time attendance ends, the student is considered to be in full-time attendance for the month of graduation.¹⁰ When SSA receives the SSA-1372, it must record the student's expected graduation date on the MBR to ensure it properly pays the student.

⁷ SSA, POMS, RS 00205.001 (March 26, 2002), RS 00205.340 (June 30, 2010).

⁸ SSA, POMS, RS 00205.300.C (March 7, 2001) and RS 00205.310 (July 25, 2000).

⁹ SSA, POMS, RS 00205.735 (December 31, 2013).

¹⁰ SSA, POMS RS 00205.325.B (June 25, 2009) and RS 00205.310.D (July 25, 2000).

We contacted school officials because the MBR did not contain graduation dates for three beneficiaries, and the end of full-time attendance dates recorded on the MBR did not agree with the end of full-time attendance dates on the SSA-1372s. Based on our contacts, we found that SSA overpaid all three students \$3,391 after they graduated. The graduation dates on the SSA-1372 were correct and agreed with the dates provided by the school officials; however, SSA employees had not recorded an expected graduation date on the MBR, which caused the improper payments.

For example, SSA paid a student beneficiary from November 2012 through August 2013. The MBR did not have an expected graduation date. However, the SSA-1372 had an expected graduation date of May 2013. In addition, the school official confirmed the student graduated in May 2013. Because SSA had not recorded the graduation date on the MBR, SSA overpaid the student \$1,968 from June through August 2013.

Unsupported Student Payments

Student beneficiaries must complete and sign the SSA-1372 to provide SSA information on their school attendance. The SSA-1372 includes (1) the school name and address; (2) attendance dates; and (3) the certifying school official's name, title, and telephone number. Additionally, a school official must review the SSA-1372 and certify the attendance information provided by the student. The student then returns the completed SSA-1372 to SSA. SSA employees review the SSA-1372 and must record the student information on the MBR to pay student benefits. Finally, SSA employees must retain an electronic copy of completed SSA-1372s.¹¹

We found that SSA had not obtained or retained the SSA-1372 for 44 (16 percent) student beneficiaries. Since SSA did not retain the SSA-1372s, we did not have the name of the school the student attended or the name and telephone number of a school official to verify the attendance information on the MBR. As a result, we were unable to determine whether the benefit payments, totaling \$172,980, to these beneficiaries were proper.

For example, SSA paid a student beneficiary from September 2011 through June 2012. SSA paid these benefits based on a beginning of school year of August 2011 and end of school year of June 2012 recorded on the MBR. However, SSA did not either obtain or retain the SSA-1372 or any other documentation to support the payment of student benefits. As a result, we could not determine whether student benefits totaling \$5,830 were proper.

¹¹ SSA, POMS, RS 00205.400 D. 4 (July 9, 2014) and GN 01085.030.D (November 7, 2013).

CONCLUSIONS

SSA needs to improve its controls over the payment of student benefits. Our review found that SSA overpaid an estimated 106,336 student beneficiaries about \$225.3 million in benefits. We also estimated that SSA did not have evidence of school attendance for about \$968 million in student benefits paid to 246,252 beneficiaries (see Appendix B).

This occurred because SSA's current procedures relied on students and schools to report when they discontinued full-time attendance before their expected end of school year. In addition, SSA employees did not record graduation dates on the MBR and did not retain supporting documentation of student attendance (SSA-1372).

RECOMMENDATIONS

We recommend that SSA:

1. Take appropriate action for the 19 beneficiaries we identified who discontinued full-time attendance or who were paid after they graduated. If appropriate, establish overpayments and initiate collection activities for these beneficiaries.
2. Raise awareness for schools to report when students discontinue full-time attendance before the expected end of school year.
3. Obtain evidence, as appropriate, of full-time school attendance for the 44 beneficiaries we identified.
4. Remind employees that they must retain evidence (SSA-1372) of student attendance.

AGENCY COMMENTS

SSA agreed with Recommendations 1, 2, and 4 but disagreed with Recommendation 3.

Regarding Recommendation 3, SSA stated that verifying the accuracy of data that students report is not an existing SSA policy requirement or included in its business process. SSA also stated it could not enforce action against terminated students who do not comply by completing student forms. SSA acknowledged the evidence of student attendance is missing; however, it believes the lack of evidence does not indicate that students were improperly paid. See Appendix D for the text of SSA's comments.

OIG RESPONSE

Our recommendation is that SSA comply with its own requirement that it retain evidence (SSA-1372) supporting the entitlement to student benefits. In addition, in those instances where SSA had retained the SSA-1372, we found that SSA overpaid 19 (11.4 percent) of 167 student beneficiaries. Therefore, we believe SSA would detect additional overpayments based on its contacts with the 44 student beneficiaries. Finally, SSA's contacts with the 44 beneficiaries would allow it to determine whether it needs to improve controls over the retention of the SSA-1372 or the lack of documentation results in a more significant problem with SSA's student benefits program.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

From the Social Security Administration's (SSA) Master Beneficiary Record (MBR), we obtained a data extract of 1,539,078 student beneficiaries who were full-time students for at least 1 month at an elementary or secondary school that operated yearly during the period January 2007 through December 2013. From this population, we randomly selected a sample of 275 student beneficiaries for review.

To accomplish our objective, we

- reviewed the applicable sections of the *Social Security Act* and SSA's Program Operations Manual System;
- interviewed SSA personnel from the Offices of Operations and Policy;
- obtained and reviewed queries from SSA's MBR, Payment History Update System, and Claims File Records Management System;
- obtained and reviewed Form SSA-1372, *Student's Statement Regarding School Attendance*;
- obtained and reviewed Paperless electronic folders to determine whether SSA retained adequate supporting documentation to support student benefit payments issued;
- compared information on the SSA-1372 to the MBR;
- contacted schools to verify student attendance and graduation dates; and
- determined whether SSA properly terminated benefits.

We determined whether 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 audit work in Richmond, California, between December 2013 and July 2014. The entities reviewed were the Offices of the Deputy Commissioners for Operations, Policy, and Systems.

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 objectives. 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 the Social Security Administration's (SSA) Master Beneficiary Record (MBR), we obtained a data extract of 1,539,078 student beneficiaries who were full-time students for at least 1 month at an elementary or secondary school that operated yearly during the period January 2007 through December 2013. From this population, we randomly selected a sample of 275 student beneficiaries for review.

Overpayments

SSA overpaid 19 of the 275 student beneficiaries in our sample \$40,255 because (1) students discontinued attending school full time but neither the students nor the schools reported it to SSA or (2) SSA paid the students after they graduated. Projecting our sample results to our population of 1,539,078 students, we estimate that SSA improperly paid \$225,293,036 to 106,336 students.

Unsupported Payments

SSA did not have supporting documentation (SSA-1372) of student attendance for 44 of the 275 student beneficiaries in our sample. As a result, we could not confirm whether \$172,980 in student benefits was proper. Projecting our sample results to our population of 1,539,078 students, we estimate that SSA does not have supporting documentation for \$968,106,086 in student benefits paid to 246,252 student beneficiaries.

The following tables provide the details of our sample results and statistical projections.

Table B-1: Population and Sample Size

Description	Number of Recipients
Population Size	1,539,078
Sample Size	275

Table B-2: Overpayments

Description	Number of Recipients	Payment Amount
Sample Results	19	\$40,255
Point Estimate	106,336	\$225,293,036
Projection - Lower Limit	70,358	\$105,344,944
Projection - Upper Limit	153,493	\$345,241,128

Table B-3: Unsupported Payments

Description	Number of Recipients	Payment Amount
Sample Results	44	\$172,980
Point Estimate	246,252	\$968,106,086
Projection - Lower Limit	191,915	\$651,624,846
Projection - Upper Limit	309,193	\$1,284,587,327

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

Appendix C – STUDENT’S STATEMENT REGARDING SCHOOL ATTENDANCE

SOCIAL SECURITY ADMINISTRATION

Form Approved
OMB No. 0960-0105

ADVANCE NOTICE OF TERMINATION OF CHILD’S BENEFITS

NAME AND ADDRESS	SOCIAL SECURITY CLAIM NUMBER
	— —
	NAME OF CHILD BENEFICIARY TO WHOM THIS STATEMENT APPLIES
	DATE CHILD ATTAINS AGE 18

YOUR BENEFITS WILL AUTOMATICALLY STOP AT AGE 18 UNLESS:

- You are a full-time student at an elementary or secondary school (a secondary school is a school at or below the high school level), or
- You qualify for childhood disability benefits.

Your benefits will end with the payment for the month before the month in which you attain age 18. You attain age 18 on the day before your 18th birthday. This is important when your birthday is on the first day of the month. For example, if your 18th birthday is June 1, you attain that age on May 31. If you are neither a full-time student nor disabled in May, benefits would not be payable for May. The last benefit check to which you would be entitled would be the one received in May, which represents your payment for April.

FOR YOU TO RECEIVE STUDENT BENEFITS AFTER AGE 18, YOU MUST:

1. Complete the form, **STUDENT’S STATEMENT REGARDING SCHOOL ATTENDANCE** (page 2).
2. Take the form to the school for a school official to certify on **page 3** the information you provide on page 2.
3. Leave **page 4, NOTICE OF CESSATION OF FULL-TIME SCHOOL ATTENDANCE**, and **page 5** with the school official.
4. Bring **pages 2 (STUDENT’S STATEMENT REGARDING SCHOOL ATTENDANCE)** and **3 (CERTIFICATION BY SCHOOL OFFICIAL)** to a Social Security office or return them in the enclosed envelope (fold **page 2** so the address on back shows through window envelope) prior to the age 18 attainment month shown above.
5. For Direct Deposit, bring or mail a voided check or a copy of a bank statement. Your name must be on the account.

TO RECEIVE CHILDHOOD DISABILITY BENEFITS, YOU MUST CONTACT ANY SOCIAL SECURITY OFFICE AND HAVE THE FOLLOWING INFORMATION:

1. A history of the disabling condition, including names and addresses of medical record sources (such as doctors and hospitals) and schools attended. If you have worked, you must also furnish your work history.
2. Your Social Security Number.

Please keep the attached sheet, **INFORMATION ABOUT BENEFITS PAST AGE 18** (page 6), for your records. It contains important information about eligibility for student benefits and reporting responsibilities.

STUDENT'S STATEMENT REGARDING SCHOOL ATTENDANCE

The information requested on this form is sought pursuant to authority granted by law (42 U.S.C. 402 and 405). While you are not required to respond, your cooperation is needed to confirm your past and/or continuing entitlement to student benefits.

NAME AND ADDRESS

SOCIAL SECURITY CLAIM NUMBER

(For a change or correction of address, line through the old address and insert the new address.)

1. Current School Attendance

(a) Are you now in full-time attendance? ☐ Yes ☐ No (NOTE: If you are completing this form during a summer break period and you were in full-time attendance prior to the break and will continue school in the fall, you should answer YES to question 1(a). You should show the beginning date of the fall semester for question 1(b). See question 2 for past school attendance information.)

(b) Print School's Name and Address

School Year Began
Month, Day, YearSchool Year Will End
Month, Day, Year

(c) Type of School Program ☐ High School ☐ Home School ☐ GED ☐ Technical ☐ Vocational
☐ Other (Specify):

(d) Show the number of hours per week you are scheduled to attend

Hours

(e) Show your EXPECTED graduation date from SECONDARY school (e.g., high school)

Month, Year

(f) What months between now and your expected graduation will you not be in full-time attendance for the full month? (For example, months of summer vacation)

2. Last School Year**PAST DATES OF ATTENDANCE**

(a) Print School's Name and Address

School Year Began
Month, Day, YearSchool Year Ended
Month, Day, Year

(b) Type of School Program ☐ High School ☐ Home School ☐ GED ☐ Technical ☐ Vocational
☐ Other (Specify):

(c) Show the number of hours per week you were scheduled to attend

Hours

3. Are you disabled? ☐ Yes ☐ No4. Are you married? ☐ Yes ☐ No (If yes, show the date you were married)

Month, Day, Year

5. (a) Do you expect to earn more than _____ in year _____?

(b) If YES, how much do you expect your total earnings to be in year _____?

\$

☐ Yes ☐ No

(c) Enter the first month you expect to earn over _____ in year _____.

Month, Year

6. Are you being paid by your employer to attend school? ☐ Yes ☐ No7. Do you have a bank account? ☐ Yes ☐ No(If yes, attach a voided check or copy of a savings account statement to this form. Student's name must be on the account.)8. Do you have an unsatisfied warrant for your arrest for a crime or attempted crime of flight to avoid prosecution or confinement or escape from custody? ☐ Yes ☐ No

I understand that SSA will use the earnings reported to SSA by my employer(s) and my self-employment tax return (if applicable) as the report of earnings required by law and adjust benefits under the earnings test. I also understand that it is my responsibility to ensure that the information I give SSA concerning my earnings is correct. I also understand that I must furnish additional information as needed when my benefit adjustment is not correct based on the earnings on my record.

I declare under penalty of perjury that I have examined all the information on this form, and on any accompanying statements or forms, and it is true and correct to the best of my knowledge. I understand that anyone who knowingly gives a false or misleading statement about a material fact in this information, or causes someone else to do so, commits a crime and may be sent to prison, or may face other penalties, or both. I also certify that I have read the detachable information sheet. I authorize my school to disclose to the Social Security Administration any information concerning my status as a student as it pertains to past, current, or future Social Security student benefits.

SIGNATURE OF STUDENT

SIGN HERE First Name, Middle Initial, Last Name (Write in ink)

Mailing Address

Student's Own Social Security Number

Telephone Number (with area code)

Date

CERTIFICATION BY SCHOOL OFFICIAL

Name of Student	Social Security Claim Number
-----------------	------------------------------

Please review the information the student provided on page 2, answer the questions below, annotate the student's expected graduation date on page 4, and sign and date the form in the space provided. You should give pages 2 and 3 to the student to return to the Social Security Administration. Please retain page 4 for reporting if the student's full-time attendance ends, or the student graduates, before the date indicated.

- 1) All information entered in items 1 and 2 of page 2 is correct according to the school's records.
☐ Yes ☐ No
- 2) Is the school's course of study at least 13 weeks in duration?
☐ Yes ☐ No
- 3) Please indicate which of the following applies to the school's operating basis.
☐ Yearly
☐ Quarterly/Semester - No Reenrollment Required
☐ Quarterly/Semester - Reenrollment Required
- 4) I received pages 4 and 5 of this form for reporting changes in the student's attendance.
☐ Yes ☐ No
- 5) I annotated page 4 of this form with the student's expected graduation date as reported on page 2 of this form.
☐ Yes ☐ No

I declare under penalty of perjury that I have examined all the information on this form, and on any accompanying statements or forms, and it is true and correct to the best of my knowledge.

School
Official
Signs _____ Title _____

Printed Name _____

Date _____ Phone Number (With Area Code) _____ () - _____

The people in your Social Security office will be glad to help you with any questions concerning this form or any other questions you have about Social Security. **For more information, please see:** www.socialsecurity.gov/schoolofficials/.

SCHOOL SHOULD DETACH AND RETAIN THIS FORM

SOCIAL SECURITY ADMINISTRATION

Field Office Name and Address

Form Approved
OMB No. 0960-0105**NOTICE OF CESSATION
OF FULL-TIME SCHOOL ATTENDANCE**

NAME OF SOCIAL SECURITY BENEFICIARY	DATE OF BIRTH	SOCIAL SECURITY CLAIM NUMBER
STUDENT'S SOCIAL SECURITY NUMBER	STUDENT'S EXPECTED GRADUATION DATE (FROM PAGE 2)	Month, Year
INDIVIDUAL IDENTIFIED ABOVE CEASED TO BE A FULL-TIME STUDENT AT THIS SCHOOL ON (MONTH, DAY, YEAR)		

REASON:

- ☐ 1. Withdrawal, suspension, or expulsion
☐ 2. Changed to part-time status
☐ 3. Failed to continue in full-time attendance at start of new term (or new school year)
☐ 4. Other (Explain)

NAME AND ADDRESS OF SCHOOL

I declare under penalty of perjury that I have examined all the information on this form, and on any accompanying statements or forms, and it is true and correct to the best of my knowledge.

SIGNATURE (OR FACSIMILE) OF SCHOOL OFFICIAL PRINTED NAME

TITLE

DATE

IMPORTANT INFORMATION ABOUT THIS FORM

This form contains the name, date of birth, and Social Security claim number of a child beneficiary who tells us that he/she is (or will be when school resumes) a full-time student at your school. One of the conditions a child between 18 and 19 must meet to receive Social Security benefits is that he/she be a full-time student.

Full-Time Attendance

For Social Security purposes, a student in "full-time attendance" is one who is attending an elementary or secondary school and is enrolled in a day or evening non-correspondence course at least 13 weeks in duration. In addition, the student must be scheduled to attend at the rate of at least 20 hours weekly and be carrying a subject load that is considered full-time for day students under the school's standards and practices. If there is any question about whether a student's attendance is full or part-time, please apply your school's usual criteria.

What to Report

Please hold this form until the student is no longer a full-time student at your school (whether this is during the current school year, at the start of the next school year, or any time after that). Then, enter the date he/she stopped being a full-time student, check the appropriate box above and return the completed form to the Social Security office shown above. You should not return the form to report that attendance stopped for a scheduled break (e.g., summer break) unless you do not expect the student to return after the break. **You should report if the student stops attending school full-time, or graduates, earlier than the expected graduation date shown above.**

The people in your Social Security office will be glad to help you with any questions concerning this form or any other questions you have about Social Security. **For more information, please see:** www.socialsecurity.gov/schoolofficials/.

Thank you for your cooperation.

PRIVACY ACT/PAPERWORK REDUCTION ACT NOTICE

The Social Security Administration is authorized to collect information about school attendance under sections 202(d) and 205(a) of the Social Security Act, as amended (42 U.S.C. 402 and 405). While completing this form is voluntary, failure to provide all or part of this information is cause for suspension of benefit payments. The information on this form may be disclosed by the Social Security Administration to another person or agency for the following purposes: (1) to assist the Social Security Administration in establishing the student's right to Social Security benefits, (2) to help with statistical research and audits necessary to assure the integrity and improvement of the Social Security programs, and (3) to comply with laws requiring or allowing the exchange of information between the Social Security Administration and another agency. This information will be used to verify full-time attendance in school and to determine continuing eligibility to student benefits.

We may also use the information you give us when we match records by computer. Matching programs compare our records with those of other Federal, State, or local government agencies. Many agencies may use matching programs to find or prove that a person qualifies for benefits paid by the Federal government. The law allows us to do this even if you do not agree to it.

Explanations about these and other reasons why information you give us may be used or given out are available in Social Security offices. If you want to learn more about this, contact any Social Security office.

PAPERWORK REDUCTION ACT: This information collection meets the clearance requirements of 44 U.S.C. §3507, as amended by Section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget control number. We estimate that it will take you about 3 minutes to read the instructions, gather the facts, and answer the questions. **SEND OR BRING THE COMPLETED FORM TO YOUR LOCAL SOCIAL SECURITY OFFICE. The office is listed under U.S. government agencies in your telephone directory, or you may call Social Security at 1-800-772-1213 (TTY 1-800-325-0778).** *You may send comments on our time estimate above to: SSA, 6401 Security Blvd, Baltimore, MD 21235-6401. **Send only comments relating to our time estimate to this address, not the completed form.***

STUDENT SHOULD DETACH AND KEEP THIS INFORMATION FOR FUTURE REFERENCE

INFORMATION ABOUT BENEFITS PAST AGE 18

If you qualify for Social Security benefits because you are a full-time student, you can start receiving benefits as early as age 18 and usually through the month you graduate from secondary school, or the month before age 19, whichever is earlier. Your benefits will be paid in your own name beginning at age 18, either by direct deposit or by mail. Generally, we consider you to be a full-time student if you are in full-time attendance at a school that provides education at the secondary (grade 12) level or below. Full-time attendance means you are scheduled to attend classes at the rate of 20 hours per week, or at the rate determined by your school to be full-time (if higher).

INFORMATION ABOUT BENEFITS PAST AGE 19

Your benefits may continue past age 19 if you are in actual full-time attendance at a school that provides elementary or secondary education in the month you become age 19. If the school operates on a yearly basis, then payment may be continued after age 19 up through the earlier of (1) the month you complete the course in which you are enrolled full-time or (2) the second month after the month you become age 19. If the school requires re-enrollment on other than a yearly basis, benefits may continue through the month ending the term that is in progress when you become age 19. Note that payments beyond age 19 cannot be made if you become age 19 in a month of nonattendance (for example, you become age 19 in a month when you are on summer vacation).

IMPORTANT RESPONSIBILITIES

YOU MUST NOTIFY THE SOCIAL SECURITY ADMINISTRATION PROMPTLY IF:

- YOU MARRY
- YOU STOP ATTENDING SCHOOL
- YOU REDUCE YOUR SCHOOL ATTENDANCE BELOW FULL-TIME
- YOU CHANGE SCHOOLS
- YOU ARE PAID BY YOUR EMPLOYER TO ATTEND SCHOOL. (at the request of or as a requirement of your employer)
- YOU HAVE AN UNSATISFIED WARRANT FOR YOUR ARREST FOR A CRIME OR AN ATTEMPTED CRIME FOR FLIGHT TO AVOID PROSECUTION OR CONFINEMENT OR ESCAPE FROM CUSTODY

Your benefits may end if any of the above occur. You must report each of these events even if you believe your benefits should not end. We will tell you about how your benefits may be affected.

YOU SHOULD ALSO NOTIFY THE SOCIAL SECURITY ADMINISTRATION PROMPTLY IF:

- YOU MOVE OR CHANGE YOUR MAILING ADDRESS
- YOUR ESTIMATED EARNINGS FROM WORK CHANGE

When you are awarded Social Security benefits as a student, you will receive a booklet that further covers your responsibilities. It is important for you to read that booklet.

PRIVACY ACT/PAPERWORK REDUCTION ACT NOTICE

The Social Security Administration is authorized to collect information about your school attendance under sections 202(d) and 205(a) of the Social Security Act, as amended (42 U.S.C. 402 and 405). While completing this form is voluntary, failure to provide all or part of this information is cause for suspension of benefit payments. The information on this form may be disclosed by the Social Security Administration to another person or agency for the following purposes: (1) to assist the Social Security Administration in establishing your right to Social Security benefits, (2) to help with statistical research and audits necessary to assure the integrity and improvement of the Social Security programs, and (3) to comply with laws requiring or allowing the exchange of information between the Social Security Administration and another agency. This information will be used to verify full-time attendance in school and to determine continuing eligibility to student benefits.

We may also use the information you give us when we match records by computer. Matching programs compare our records with those of other Federal, State, or local government agencies. Many agencies may use matching programs to find or prove that a person qualifies for benefits paid by the Federal government. The law allows us to do this even if you do not agree to it.

Explanations about these and other reasons why information you give us may be used or given out are available in Social Security offices. If you want to learn more about this, contact any Social Security office.

PAPERWORK REDUCTION ACT: This information collection meets the clearance requirements of 44 U.S.C. §3507, as amended by Section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget control number. We estimate that it will take you about 8 minutes to read the instructions, gather the facts, and answer the questions. **SEND OR BRING THE COMPLETED FORM TO YOUR LOCAL SOCIAL SECURITY OFFICE. The office is listed under U.S. government agencies in your telephone directory, or you may call Social Security at 1-800-772-1213 (TTY 1-800-325-0778).** *You may send comments on our time estimate above to: SSA, 6401 Security Blvd, Baltimore, MD 21235-6401. Send only comments relating to our time estimate to this address, not the completed form.*

Appendix D– AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: November 24, 2014 **Refer To:** S1J-3

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

From: Katherine Thornton /s/
Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Payments to Student Beneficiaries”
(A-09-13-13059) - 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 Gary S. Hatcher at (410) 965-0680.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,
“PAYMENTS TO STUDENT BENEFICIARIES” (A-09-13-13059)**

Recommendation 1

Take appropriate action for the 19 beneficiaries we identified who discontinued full-time attendance or who were paid after they graduated. If appropriate, establish overpayments and initiate collection activities for these beneficiaries.

Response

We agree to review the information that OIG obtained from school officials regarding the full-time attendance of the 19 identified beneficiaries. We will follow the appropriate policy and procedures and process the information as a third party report by March 2015.

Recommendation 2

Raise awareness for schools to report when students discontinue full-time attendance before the expected end of school year.

Response

We agree. We recognize the importance of receiving information timely when a student discontinues full-time attendance or completes school earlier than expected. We will send letters to national organizations and federal agencies, such as the National Education Association and the Department of Education, since they work with the state boards of education, local governments, and school systems, about the importance of letting us know when a student discontinues full-time attendance or completes school earlier than expected. We expect to complete this by the end of the second quarter of fiscal year 2015.

Recommendation 3

Obtain evidence, as appropriate, of full-time school attendance for the 44 beneficiaries we identified.

Response

We disagree. OIG is requesting that we obtain evidence of full-time attendance from terminated beneficiaries who attended school between 2007 and 2013. Since verifying the accuracy of data that students report to us is not an existing policy requirement or included in our business process, we cannot justify requesting this evidence from terminated beneficiaries. We cannot enforce action against a terminated student who does not comply by completing the form; therefore, we see no benefit to requesting this form after we have terminated benefits. We have no precedent for asking a terminated beneficiary to resubmit forms to us, based solely on the fact that we cannot locate the form. While we acknowledge the evidence is missing in our electronic

database, the lack of evidence does not indicate that students received improper payments. It does indicate that our employees may have misplaced, destroyed, or housed the documentation in another location. We view the lack of evidence as a retention issue, which we address in recommendation 4.

Recommendation 4

Remind employees that they must retain evidence of (SSA-1372) student attendance.

Response

We agree. By December 2014, we will publish an Administrative Message to remind employees of our policy to retain evidence of student attendance.

Appendix E – MAJOR CONTRIBUTORS

James J. Klein, Director, San Francisco Audit Division

Joseph Robleto, Audit Manager

Regina Finley, Senior Auditor

Wilfred Wong, Audit Data Specialist

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 (<http://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 <http://oig.ssa.gov/audits-and-investigations/audit-reports/all>. For notification of newly released reports, sign up for e-updates at <http://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: <http://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