
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**EVALUATION OF THE EFFICIENCY
OF USING FORMS SSA-1587
AND SSA-1588 TO DETECT
UNREPORTED MARRIAGES**

September 2001

A-13-01-31002

**MANAGEMENT
ADVISORY REPORT**



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We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.

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SOCIAL SECURITY
Office of the Inspector General

MEMORANDUM

Date: SEP 25 2001

Refer To:

To: Larry G. Massanari
Acting Commissioner
of Social Security

From: Inspector General

Subject: Management Advisory Report: Evaluation of the Efficiency of Using Forms SSA-1587 and SSA-1588 to Detect Unreported Marriages (A-13-01-31002)

OBJECTIVE

This Management Advisory Report describes the methodology and analysis used during our evaluation of the efficiency of using *Forms SSA-1587 and SSA-1588, Beneficiary Recontact Report*, to detect unreported marriages for dependent children aged 15 to 17.

BACKGROUND

In 1993, the Social Security Administration (SSA) implemented the Beneficiary Recontact Program (BRP) to detect unreported marriages. At that time, SSA used *Form SSA-1588* to collect this information from dependent children aged 15 to 17 who received Old-Age, Survivor, and Disability Insurance (OASDI) benefits. Dependent children are required to self-report marriage, which is a terminating event for receiving OASDI benefits. In September 1996, SSA began sending a separate form, *Form SSA-1587*, to dependent children's representative payee to inquire about the child's marital status.

SSA uses an independent contractor to print, handle, and mail one initial mailing of the Forms and one follow-up mailing. The contract is for a 1- year period, renewable each March.

SCOPE AND METHODOLOGY

The scope and methodology used for this evaluation are discussed in Appendix A.

RESULTS

During Calendar Years (CY) 1999 and 2000, our review of BRP-related data indicated that *Forms SSA-1587* and *SSA-1588* identified only a small number of beneficiaries aged 15 to 17 whose benefits were terminated due to marriage. SSA provided us with a data extract of 18,887 records from its Master Beneficiary Record for beneficiaries whose benefits were terminated for (1) not responding to the mailings, (2) self-reported marriage or (3) being reinstated as a result of the BRP and whose dates of birth were between December 31, 1978 and January 1, 1985. These records covered the period January 1, 1994 through September 26, 2000. Of the 18,887 records, 5,732 beneficiaries had their benefits terminated for either not responding to the mailings (4,582) or for self-reporting marriage (1,150).

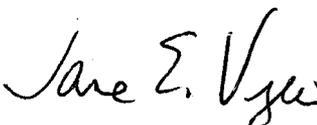
Specifically, during CYs 1999 and 2000, only 26 beneficiaries aged 15 to 17 had their benefits terminated for non-response, and 10 had their benefits terminated for marriage, a decline from previous years (see Appendix A, Table 2). When asked, SSA was unable to explain this dramatic decrease.

Using these results and BRP cost information, we performed a cost-benefit analysis to determine the feasibility of renewing the BRP contract to mail *Forms SSA-1587* and *SSA-1588* to detect unreported marriages for dependents aged 15 to 17 (see Appendix A). Based on our analysis, we believe the BRP's use of the Forms to detect these marriages is no longer cost-beneficial.

On January 19, 2001, we issued an Early Alert memorandum, *Use of Forms SSA-1587 and SSA-1588 to Detect Unreported Marriages for Dependents Aged 15 to 17 (A-13-01-31025)*, recommending that SSA not renew the BRP contract (see Appendix B). In response, the Office of Program Benefits stated that "due to various factors, including changes in processing the returned forms in the Agency's Wilkes-Barre Data Processing Center, additional work needed to be done to further determine whether or not the BRP contract should be continued, modified or discontinued." SSA also stated that the Office of Quality Assurance and Performance Assessment would perform the additional analysis during the BRP contract period, June 2001 through May 2002.

CONCLUSION

As a result of SSA's response to our Early Alert memorandum, we discontinued our evaluation efforts to avoid duplicative work in the subject area. However, for the Agency's use during its additional analysis, we are sharing the technical details of our work. Appendix A describes the technical steps we took to determine the feasibility of renewing the BRP contract to mail *Forms SSA-1587* and *SSA-1588*.


for James G. Huse, Jr.

Appendices

Appendix A – Cost-Benefit Analysis

Appendix B – EARLY ALERT: Use of Forms SSA-1587 and SSA-1588 to Detect Unreported Marriages for Dependents Aged 15 to 17 (A-13-01-31025)

Appendix C – Memorandum Regarding Additional Evaluation of the Beneficiary Recontact Program for Children Aged 15-17

Appendix D – OIG Contacts and Staff Acknowledgements

Cost-Benefit Analysis

Assumptions for Calculating Potential Beneficiary Recontact Program Costs

- ❑ Basic contract costs for printing and handling the Beneficiary Recontact Program (BRP) forms for Fiscal Years (FY) 1997 and 1998 were actual amounts, and FY 1999 and 2000 costs were estimates.
- ❑ We used estimates for BRP mailing costs for July 1996 through September 2000 for dependent children ages 15 to 17.
- ❑ Wilkes-Barre Data Processing Center (WBDOC) processing costs covered period FYs 1997 through 2000.
- ❑ For our use, SSA identified the cost components related to the BRP. These included (1) basic contract costs for printing and handling forms, (2) estimated costs for mailing forms, and (3) estimated costs for processing forms at the WBDOC.

Assumptions for Calculating Potential Savings as a Result of the BRP

- ❑ We assumed potential benefits to be received by the beneficiary whose benefits were terminated to be a constant amount at time of termination.
- ❑ All child beneficiaries whose benefits would be terminated at age 18.¹
- ❑ No other intervention would cause the beneficiary to have benefits terminated before age 18.

Data Extract

SSA provided a data extract from the Master Beneficiary Record (MBR) for beneficiaries who had benefits terminated as a result of the BRP (coded "T"), married (coded "M"), or reinstated (coded "X") and whose dates of birth were between December 31, 1978 and January 1, 1985. The data extract also included beneficiaries' names and Social Security numbers. SSA provided a data extract containing 18,887 records that met these criteria. The records covered the period January 1, 1994 through September 26, 2000.

¹Program Operations Manual System, RS 00203.035A.2.

Of the 18,887 records, we identified 5,732 beneficiaries whose Old-Age, Survivor, and Disability Insurance (OASDI) benefits were terminated as a result of the BRP. Of these, 1,150 beneficiaries who returned *Forms SSA-1587* and *SSA-1588* self-reported they were married. An additional 4,582 beneficiaries' benefits were automatically terminated because they neither responded to the mailings nor challenged the termination.

Sample

From the 5,732 records, we took a probe sample of 50 randomly selected Social Security numbers. After reviewing the 50 records, we expanded our probe sample to 380 MBR files, yielding a 15-percent precision level. We reviewed each record to determine the (1) amount of payment at termination, (2) beneficiary's date of birth, (3) family maximum benefit usage, (4) amount of any overpayment, (5) overpayment balance, and (6) date of termination.

Calculations

To determine the expected date of termination due to age (DoTA), we subtracted the date of birth (DoB) from the beneficiary's date of attainment of age 18 (DoAoA18).

$$DoAoA18 - DoB = DoTA$$

To ascertain the potential months of overpayment (PMoOP), we subtracted the date of termination for marriage (DoTM) from the expected date of termination due to age (DoTA).

$$DoTA - DoTM = PMoOP$$

Since SSA establishes a maximum amount of benefit dollars for each family, we determined the amount of each family member's benefit amount after redistribution of benefits among other family members. To determine the potential amount of overpayment (PAoOP), we multiplied the potential months of overpayment (PMoOP) by the amount of remaining benefit dollars after re-distribution (RDB).

$$PMoOP \times RDB = PAoOP$$

We also determined the amount of overpayment and related amount recovered by SSA created by an unreported marriage of the child beneficiary. We used the sample of 380 divided by the universe (5,732) to project the BRP's potential savings applicable to the OASDI trust fund.

BRP Calculated Costs

As shown in Table 1, BRP costs exceeded \$4 million from July 1996 through September 2000.²

Table 1. BRP Costs from July 1996 through September 2000 to Detect Unreported Marriages for Dependent Children Aged 15 to 17

<i>Fiscal Year</i>	<i>Printing and Handling</i>	<i>Mailing</i>	<i>WBDOC Processing</i>	<i>Total</i>
1996		\$369,113		\$369,113
1997	\$115,733	252,157	\$584,000	951,890
1998	111,114	292,576	603,900	1,007,590
1999	122,145	289,347	420,200	831,692
2000	125,275	293,120	476,200	894,595
Total	\$474,267	\$1,496,313	\$2,084,300	\$4,054,880

Potential Savings as a Result of the BRP

Table 2 identifies benefit terminations for non-responders and reported marriages as well as reinstatements by CY from the inception of the BRP in 1993 through September 26, 2000. During CYs 1999 and 2000, the number of benefit terminations for non-responders (26 in Column A) and unreported marriages (10 in Column B) precipitously declined from prior years, while reinstatements (6,248 in Column E) increased.³

² Our analysis did not include costs for (1) reinstatement time by the field office/program center for erroneously terminated beneficiaries and (2) burden hours on the public.

³ SSA was not able to explain the sudden changes.

Table 2. Benefit Terminations Due to the BRP from January 1, 1994 through September 26, 2000

	A	B	C	D	E
<i>Calendar Year</i>	<i>Terminations For Non-Response</i>	<i>Terminations For Marriage</i>	<i>Terminations Other than Non-Response And Marriage</i>	<i>Terminations Total</i>	<i>Reinstatements</i>
Before 1996	2,044	155	43	2,242	27
1996	123	261	24	408	25
1997	1,627	452	106	2,185	571
1998	762	272	190	1,224	3,189
1999	18	8	106	132	3,638
2000	8	2	55	65	2,610
Total	4,582	1,150	524	6,256	10,060

Note: Information in Column A may contain cases that were erroneously terminated and subsequently reinstated. Underpayments would result from this type of action (erroneous termination/reinstatement). Columns A + B do not include widows' benefits terminated due to disqualification resulting from termination of child in-care.

We project SSA could have saved over \$4.6 million, if it had not renewed the contract for June 2001 through May 2002, assuming the BRP correctly detected married dependent children who were aged 15 to 17. This projection was based on the assumption that all cases in Column A were correct terminations. We added Column A + Column B to get the total population of correctly terminated cases (N = 5,732). Next, we randomly sampled 380 cases out of 5,732. For the sample, there were \$310,675 in benefit payments, which SSA could have recovered, if the termination had been done timely. To project to the universe, we divided the \$310,675 by a projection factor of .06629449 (380/5732), yielding a figure of over \$4.6 million.

Additionally, from our sample, we identified \$68,067 in overpayments, which projected to \$1,026,737 in overpayments between July 1996 and September 2000.⁴ Of this projected total, we estimated that SSA had only recovered 36.2 percent (\$371,841),⁵ leaving 63.8 percent (\$654,896) still outstanding.⁶

⁴ \$68,067 divided by a projection factor of .06629449 (380/5732).

⁵ \$24,651 divided by a projection factor of .06629449 (380/5732).

⁶ \$43,416 divided by a projection factor of .06629449 (380/5732).

Appendix B

EARLY ALERT: Use of Forms SSA-1587 and SSA-1588 to Detect Unreported Marriages for Dependents Aged 15 to 17(A-13-01-31025)

Agency's Memorandum Regarding Additional Evaluation
of the Beneficiary Recontact Program for Children Aged
15 to17

OIG Contacts and Staff Acknowledgements

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