

# Follow-up: Aged Beneficiaries Whose Benefits Have Been Suspended for Address, Whereabouts Unknown, or Foreign Enforcement

## A-09-16-50077



August 2019

Office of Audit Report Summary

### Objective

To determine whether the Social Security Administration (SSA) had taken appropriate actions for Old-Age, Survivors and Disability Insurance beneficiaries over age 70 whose benefits were suspended for address, whereabouts unknown, or failure to return the foreign enforcement questionnaire.

### Background

SSA may suspend benefits when it receives a third-party report that a beneficiary is missing or when checks are returned because they are undeliverable.

When a beneficiary's whereabouts are unknown and benefits have been suspended for at least 7 continuous years, SSA will assume the beneficiary failed to request payment during the 7-year period because he/she passed away.

In a 2011 audit, we estimated that 29,196 beneficiaries whose benefits were suspended for longer than 7 years had not been terminated based on a presumption of death.

For our current review, we identified 21,770 aged beneficiaries in suspense for address, whereabouts unknown, or foreign enforcement. Of these, 11,922 beneficiaries had a U.S. address, and 9,848 beneficiaries had a foreign address.

### Findings

SSA did not always take appropriate action for aged beneficiaries whose payments it suspended for address, whereabouts unknown, or failure to return the foreign enforcement questionnaire. This occurred because SSA does not apply its presumption of death policy to beneficiaries whose payments it suspended for address reasons. In addition, SSA did not have adequate controls to (1) identify and terminate payments for beneficiaries whose whereabouts were unknown and remained in suspense for 7 years or longer and (2) ensure it documents its attempts to locate beneficiaries whose whereabouts are unknown.

Based on our random samples, we estimate SSA did not terminate benefits for 6,433 (30 percent) beneficiaries it could not locate and whose payments it suspended for 7 years or longer. These beneficiaries had approximately \$115.4 million in suspended benefits since their presumed date of death that was at risk of being issued to someone other than the beneficiary. We also found that SSA employees did not document their attempts to locate 9,449 beneficiaries who had \$382.5 million in suspended benefits. Finally, SSA did not resolve the suspensions for 20,710 aged beneficiaries identified during our 2011 audit.

### Recommendations

We made seven recommendations for SSA to take corrective actions for beneficiaries whose payments it had suspended for address, whereabouts unknown, or failure to return the foreign enforcement questionnaire.

SSA agreed with our recommendations.