

Disabled Beneficiaries Whose Benefits Have Been Suspended for Address Development, Whereabouts Unknown or Miscellaneous Reasons

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) had taken appropriate actions for disabled beneficiaries whose benefits it suspended for address development, whereabouts unknown, or miscellaneous reasons.

Background

SSA may suspend beneficiaries' payments when their whereabouts are reported as unknown or for address development if benefit checks are returned as undeliverable. SSA suspends benefits for "miscellaneous" reasons when no other defined reason applies.

Additionally, SSA performs continuing disability reviews (CDR) of beneficiaries at selected intervals to determine whether they should continue receiving benefits. SSA will suspend benefits if a beneficiary does not cooperate with a CDR and will terminate disability benefits after 12 months if the beneficiary does not provide necessary information.

We identified 35,616 disabled beneficiaries between ages 21 and 62 whose benefits SSA had suspended for address development, whereabouts unknown, or miscellaneous reasons as of December 2017.

Findings

SSA did not always take appropriate actions for disabled beneficiaries whose benefits it suspended for address development, whereabouts unknown, or miscellaneous reasons. Based on our random sample, we estimate SSA should have

- terminated disability benefits for about 5,699 beneficiaries who did not cooperate with a CDR or requested SSA terminate their benefits. These beneficiaries had approximately \$336.7 million in suspended benefits since the date SSA should have terminated their benefits;
- documented its attempts to locate about 6,055 beneficiaries who had approximately \$452.7 million in suspended benefits; and
- reinstated disability benefits totaling approximately \$197.2 million payable to 3,918.

This occurred because SSA did not have adequate controls to ensure it (1) terminated benefits for beneficiaries who did not cooperate with CDRs, (2) terminated benefits for beneficiaries who requested their benefits be terminated, (3) made or documented its attempts to obtain a correct address when the current one could not be verified or when mail was returned as undeliverable, and (4) reinstate benefits after obtaining a correct address.

Recommendations

We made four recommendations for SSA to take corrective actions for disabled beneficiaries whose benefits were suspended for address development, whereabouts unknown, or miscellaneous reasons.

SSA agreed with our recommendations.