

Report Summary

Social Security Administration Office of the Inspector General

July 2012



Objective

Our objective was to determine the effectiveness of the Social Security Administration's (SSA) efforts to (1) prevent double check negotiations (DCN) and (2) identify and recover related overpayments.

Background

When an individual reports he or she did not receive his or her Old-Age, Survivors and Disability Insurance (OASDI) check, SSA can issue a courtesy replacement check before the Department of the Treasury (Treasury) determines the status of the original check. A DCN occurs when an individual cashes the original and replacement checks for the same benefit month that results in an overpayment and the individual's signature was not forged on the checks. SSA's Recovery of Overpayments, Accounting and Reporting (ROAR) system tracks overpayments related to DCNs for recovery.

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-02-10-10127>

Controls over Old-Age, Survivors and Disability Insurance Replacement Checks for Beneficiaries Who Double Negotiated Benefit Checks (A-02-10-10127)

Our Findings

SSA had taken actions to decrease the number of OASDI DCNs since we conducted our last audit, *Controls over Old-Age, Survivors and Disability Insurance Replacement Checks* (A-02-05-15080), May 2006. For example, in Fiscal Year 2012, SSA implemented a system enhancement that automatically places a stop payment on a replacement check when Treasury reports to SSA an individual cashed an original check. Before this system enhancement, SSA staff manually initiated stop payments on replacement checks when Treasury reported individuals cashed the original checks.

SSA's efforts corresponded with a decrease in the number of DCNs. In addition, in most cases, SSA recovered from beneficiaries the DCN-related overpayments posted to ROAR. In 2013, Treasury will direct deposit Social Security benefit payments into beneficiaries' bank accounts or to a Direct Express debit card. This regulatory change should substantially reduce, if not practically eliminate, DCNs in the future.

While we anticipate this initiative will substantially reduce DCNs starting in 2013, SSA has DCN-related overpayments on record it can recover, and the Agency could do more to identify additional overpayments.

Our Conclusion

We commend SSA for the actions it has taken to address DCNs, which corresponded with a decline in the number of DCNs. Given that SSA has taken steps to address DCNs and DCNs are expected to occur less frequently in the future, we did not make any formal recommendations.