

# Report Summary

Social Security Administration Office of the Inspector General

June 2012



## Objective

To determine whether the Social Security Administration (SSA) had established appropriate controls to (1) identify and monitor Internet Claim (iClaim) applications originating from restricted countries and (2) monitor payments to beneficiaries classified as residing in restricted countries.

## Background

In October 2010, we issued an early alert to the Commissioner of SSA addressing concerns with the Agency's controls for identifying iClaims originating in foreign countries and encouraging the Agency to monitor iClaims filed from overseas locations. We also conducted a separate audit of controls over the iClaims process, which included the review of broader trends regarding iClaims. In this review, we focused on iClaim applications originating from restricted countries as well as payments to beneficiaries in restricted countries.

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-05-10-20180>

## *Restricted Countries: Controls over Internet Claim Applications and Payments to Beneficiaries* (A-05-10-20180)

### Our Findings

Our review of iClaim applications from overseas locations from November 2009 to November 2010 identified 96 applications filed from restricted countries, including 13 applications that resulted in payments to beneficiaries who were residing in restricted countries. Of these 13 iClaim applications, the Office of International Operations (OIO) processed 12 while 1 was not properly referred to OIO, which resulted in an unauthorized payment to the claimant. OIO subsequently corrected this case and, in November 2011, SSA implemented an enhanced iClaim application to capture foreign addresses. This enhanced application will assist OIO in identifying iClaim applications from restricted countries. Additionally, we found SSA lacked sufficient controls over monitoring suspended payments to beneficiaries classified as residing in foreign countries. We identified 230 beneficiaries in suspense for residing in a restricted country when they appeared to be residing in non-restricted countries at the time of our review. As a result, SSA may have inappropriately held some payments to these beneficiaries. SSA is taking actions to resolve the issues we identified in our review.

### Our Recommendations

To improve oversight of beneficiaries residing in restricted countries, we recommend SSA:

1. Enhance the existing process to timely identify and resolve suspended benefits related to countries no longer restricted by Treasury or SSA.
2. Determine what additional steps may be necessary to ensure that Ledger Account File code SL is only used for restricted countries.
3. Complete the review of the cases identified in this report for a proper disposition.

SSA agreed with our recommendations.