

Beneficiaries Whose Payments Have Been Suspended for No Child in Care and Who Are Serving as Representative Payees for Children

A-09-17-50200



February 2017

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) had adequate controls to ensure it did not improperly suspend mother/father or spousal beneficiaries who had a child in their care.

Background

A mother/father or spouse can be entitled to benefits under the child-in-care provisions of the *Social Security Act*. Entitlement to mother/father or spousal benefits requires that a wage earner's entitled child be in their care and under age 16 or disabled. SSA defines "in care" as exercising parental control and being responsible for the child's welfare and care.

For children under age 16, this generally means the parent must live in the same household as the child. If the child leaves the parent's care, SSA must suspend the mother/father or spousal benefits. However, a child may live in a separate household while mother/father or spousal benefits continue if the parent is still responsible for the child's welfare.

From SSA's Master Beneficiary Record (MBR), we identified 5,793 mother/father and spousal beneficiaries whose benefits SSA suspended for no child in care; however, they were serving as representative payees for 8,425 child beneficiaries.

Findings

SSA needs to improve its controls to ensure it does not improperly suspend mother/father and spousal beneficiaries who have a child in care. Based on our random sample, we estimate SSA improperly suspended 3,534 mother/father and spousal beneficiaries for no child in care. Of these, we estimate SSA underpaid 1,796 mother/father and spousal beneficiaries about \$40.2 million.

This occurred because SSA employees did not properly record the child-in-care data on the MBR to support payment to mother/father and spousal beneficiaries. Also, although SSA's automated system generated exceptions when there were no child-in-care data for the mother/father or spousal beneficiary, we found it did not generate exceptions when incorrect in-care data were on the MBR.

Recommendations

We recommend that SSA:

1. Take appropriate action for the remaining mother/father and spousal beneficiaries identified by our audit.
2. Evaluate the results of its actions for the mother/father and spousal beneficiaries in our sample and determine whether it should review the remaining population of 5,693 beneficiaries.
3. Remind employees to record and update child-in-care data on the MBR, as required, to support the suspension or payment of mother/father and spousal benefits.
4. Determine whether it should develop additional controls to ensure it does not improperly suspend mother/father and spousal beneficiaries who have a child in their care.

SSA agreed with our recommendations.