

# **CONGRESSIONAL RESPONSE REPORT**

## **Status of Corrective Actions Taken in Response to Recommendations in Fiscal Years 1997 Through 2000 Payment Accuracy Task Force Reports**

**A-13-01-21046**



**October 2002**

## **Mission**

**We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.**

## **Authority**

**The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:**

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

**To ensure objectivity, the IG Act empowers the IG with:**

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

## **Vision**

**By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.**

# *Background*

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During the early 1990s, the Social Security Administration (SSA) reported a decline in the accuracy of certain Supplemental Security Income (SSI) benefit payments.<sup>1</sup> To improve the accuracy of SSI and Old-Age and Survivors Insurance (OASI) program benefit payments, SSA created the Payment Accuracy Task Force (PATF) in 1996. The PATF was a cooperative effort between SSA and the Office of the Inspector General. A 10-member Associate Commissioner-level Steering Committee guided the PATF's work.

## **PATF Initiative**

Each year, the Steering Committee designated a “payment error category” for the PATF review. The PATF defined a payment error category as a broad grouping of specific deficiencies.<sup>2</sup> For example, the “SSI earned income” payment error category included wages and self-employment income deficiencies. These deficiencies primarily result from a claimant’s failure to report information affecting their entitlement or payment amount.

To select the payment error categories for PATF review, the Steering Committee used two reports issued by SSA’s Office of Quality Assurance and Performance Assessment. The Steering Committee primarily used the “Index of Dollar Accuracy” (IDA) reports,<sup>3</sup> which focused on a review of nonmedical factors of entitlement and/or eligibility for OASI initial claims awards and disallowances, as well as a review of SSI initial claims and field office redeterminations.<sup>4</sup> In addition, the Steering Committee used the Office of Quality Assurance and Performance Assessment’s Stewardship reports.<sup>5</sup> These reports provide information concerning the overall accuracy of benefit payments made to individuals “currently on the rolls.”

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<sup>1</sup> The reported IDA accuracy rate for SSI declined from 96.8 percent in FY 1990 to 94.8 percent in FY 1995.

<sup>2</sup> A deficiency is an action or failure to act on the part of SSA or the recipient, which results in an incorrect eligibility determination, incorrect payment amount or material change in the record.

<sup>3</sup> The Steering Committee used the following reports to select the four payment error categories: *Fiscal Year (FY) 1995 through 1997 Index of Dollar Accuracy (IDA) Final Reports—INFORMATION* and the *Fiscal Year (FY) 1998 Title II Payment Accuracy (Stewardship) Report—INFORMATION*.

<sup>4</sup> The IDA for SSI payments expresses the combined accuracy of current, retroactive and estimated long-term payments resulting from initial claims and field office redeterminations. IDA for OASI program payments expresses the combined accuracy of current, retroactive and estimated long term payments resulting from a review of nonmedical factors of entitlement/eligibility for initial claims awards and disallowances. Beginning in FY 1998, reviews of nonmedical aspects of Disability awards were added to the IDA and Stewardship reviews.

<sup>5</sup> The Stewardship reports provide a basic measure the Agency reports to Congress and other monitoring authorities on the accuracy of OASI and SSI payments and the nonmedical aspects of Disability claims. Payment accuracy rates are reported for overpayments and underpayments.

From Fiscal Years (FY) 1997 through 2000, the PATF reviewed four payment error categories: OASI earnings records, SSI earned income, SSI unearned income, and OASI relationship and dependency.

## PATF Reports

The PATF's initial report, *Payment Accuracy Task Force: Earnings Record Issue Team*, was issued on September 22, 1997. The report focused on earnings records, which historically accounted for the largest dollar amount of payment errors in the OASI program. Of the 18 reported recommendations, 13 addressed military service errors.

The second PATF report, *Payment Accuracy Task Force: SSI Earned Income Issue Team*, was issued on September 29, 1998. The report focused on SSI payment errors related to earned income. The Steering Committee's decision to focus on SSI was prompted, in part, by the General Accounting Office's 1997 designation of SSI as a high-risk program.

The payment error category of "earned income" was selected because it had historically accounted for one of the largest dollar amounts of payment errors in the SSI program. Claimants failing to report information affecting eligibility for, or the amount of, benefit payments was the major cause of earned income errors. Seven of the reports' 12 recommendations suggested ways SSA could address nonreporting.

On September 29, 1999, the PATF issued its third report, *Payment Accuracy Task Force Report: Supplemental Security Income Unearned Income*. As with the 1998 PATF report, the major cause of payment errors was related to claimants failing to report information affecting eligibility for, or amount of, benefit payments. Five of the eight recommendations focused on improvements in communicating reporting responsibilities to individuals receiving benefit payments or improvements to information systems to prompt field office staff to solicit and document reporting-related information.

On September 29, 2000, the PATF issued its last report, *Payment Accuracy Task Force Report: Title II Relationship and Dependency*. This report addressed OASI relationship and dependency payment errors.<sup>6</sup> From FY 1995 through 1999, the largest amount of OASI overpayment dollars, as reported in the SSA's FY 1998 Stewardship report, were attributable to relationship and dependency payment errors. The report's nine recommendations addressed payment errors involving child beneficiaries.

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<sup>6</sup> OASI relationship and dependency payment category encompasses a broad range of entitlement issues including, but not limited to, issues associated with out-of-wedlock children, stepchildren, legally adopted children, student beneficiaries, common-law and deemed marriages and beneficiary divorce.

# *Results of Review*

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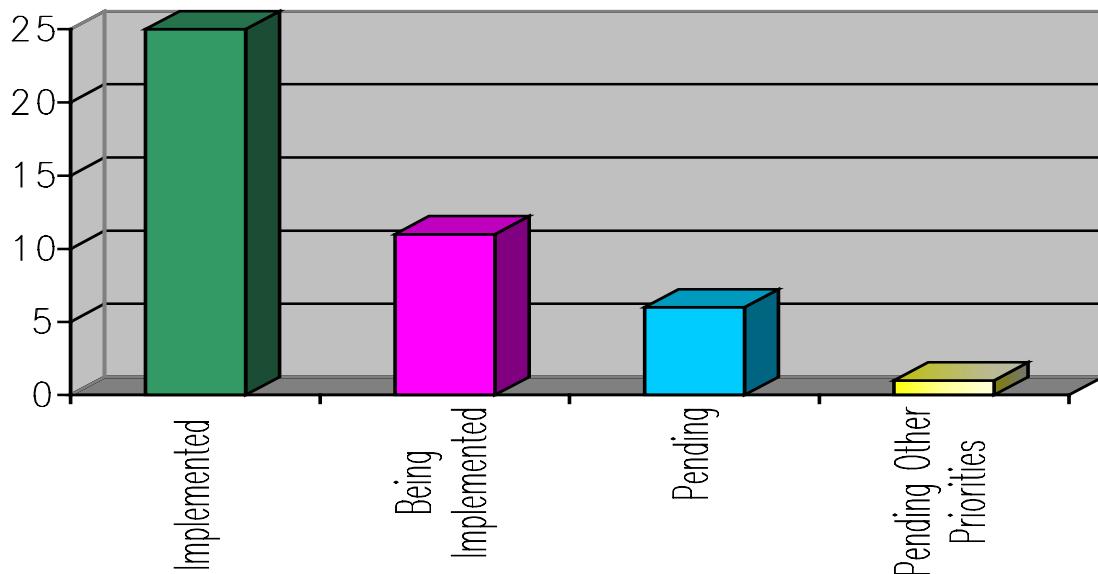
The Agency's self-reported implementation status of corrective actions taken in response to PATF report recommendations is summarized below, but the Agency did not provide information regarding the impact of its corrective actions. SSA provided the detailed status information contained in the attached Appendices in response to our inquiry. Accordingly, we did not audit or validate the information provided by the Agency. We attempted to determine whether, after the PATF reports were issued, overall benefit payment accuracy improved. We were unable to make this determination.

## **Status of Corrective Actions the Agency has Taken in Response to PATF Recommendations**

SSA has taken action to implement most of the PATF report recommendations. On May 30, 2001, we requested the Acting Commissioner of Social Security to provide up-to-date descriptions of current and/or planned efforts for implementing and measuring the impact of the FY's 1997 through 2000 PATF report recommendations. On July 20, 2001, the Acting Commissioner provided information on the implementation status of corrective actions taken for recommendations accepted by the Agency (Appendix A).

Of the 47 recommendations made in the 4 reports, the Agency concurred with all but 4 recommendations. Chart 1 provides the status of corrective actions taken in response to PATF recommendations accepted by the Agency. We subsequently obtained status updates in April 2002 (Appendix B).

## CHART 1: STATUS OF AGENCY'S CORRECTIVE ACTIONS



The 43 recommendations the Agency concurred with focused primarily on military wage issues; nonreporting of information/income affecting entitlement or monthly benefit amounts; nonreporting of unearned income affecting monthly benefits; and entitlement issues for child beneficiaries. Significant recommendations for each of these categories are shown below.

### **Military wages**

- Generate a systems alert when the claimant alleges no military service and the system can identify possible military service.
- Automate the feedback procedure used to prove alleged military service from 1957 to 1967.
- Perform a study of Earnings Modernization 2.8 earnings adjustments processed by field offices.<sup>7</sup>

### **Nonreporting of information/earned income affecting entitlement or monthly benefit**

- Reduce the maximum redetermination period to 2 years.
- Print wage estimates and detailed reporting instructions on the claims receipt form.
- Revise Modernized Supplemental Security Income Claims System to capture self-employment income for the current taxable year.

<sup>7</sup> Earnings Modernization 2.8 is a systems release/update that permits field office personnel to electronically correct an individual's earnings record. Corrections are processed for and updated to an individual's earnings record overnight.

### **Nonreporting of unearned income affecting monthly benefits**

- Discuss with the Department of Health and Human Services' Office of Child Support Enforcement the sufficiency of existing laws to permit on-line access to State child support enforcement agency records.

### **Entitlement issues for child beneficiaries**

- Develop supplemental tools to help with one-half support computation<sup>8</sup> (for example, an interactive computation screen supported by the Interactive Computation Facility, a worksheet for manual computation, and/or a desk guide).
- Distribute a program circular or other forms of communication to remind field offices and program service centers that legal precedent opinions on State and District of Columbia law are available in operating procedures stored on CD-ROM.

### **SSA Did Not Provide Impact of Corrective Actions**

In our request to the Acting Commissioner, we asked that the Agency provide information on the impact of corrective actions taken in response to the PATF recommendations. We also asked that, if impact had not been assessed, information be provided about SSA's plans and related time frames for assessing the impact of the actions taken. SSA did not provide us information about the impact corrective actions had on benefit payment accuracy or its operations and policies. Specifically, the Agency advised us that "...Current measurement instruments do not provide data specific enough to measure the impacts of these provisions. After carefully reviewing the recommendations, we found that these items did not warrant the establishment of discrete measurement mechanisms" (Appendix A, page A-1).

We discussed with senior Agency officials the lack of measurement mechanisms for assessing impact of corrective actions taken by SSA. The officials related the difficulty in determining the impact of corrective actions taken in response to PATF report recommendations. Concerns were articulated about the narrow focus of the recommendations, which made measuring impact difficult to identify and isolate. SSA believes that the creation of these mechanisms would not be cost-beneficial. Further, Agency officials indicated the following:

That there is serious doubt that such measurement mechanisms could be developed to measure the impact of narrowly focused and targeted recommendations. This is true because so many varied factors enter into the level of payment accuracy achieved in the OASDI and SSI programs in a given fiscal year or point in time. One would have to be able to identify all those factors and isolate their individual impact on payment accuracy, starting with the base time period and comparing this to the point at which you wish to measure the impact of the individual recommendations. The

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<sup>8</sup>Program Operations Manual System section RS 01301.010 defines one-half support as regular contributions made by the Social Security numberholder in cash, kind, or services to the claimant of which the amount of such contributions equals or exceeds one-half of the claimant's income from all sources.

problem is that the level of payment accuracy achieved at any given point in time is the result of a combination of many considerations that are often dynamic in nature and some of which have opposite impacts on accuracy. These considerations include such factors as: staffing levels in comparison to work processed, knowledge and experience of staff, competing workload pressures in the day-to-day work environment, complexity of work, new/changes in policies and procedures, level of supervisory staff available for spot checks and review of work, the amount of quality feedback provided to front line workers, to name a few.

## Office of the Inspector General Assessment of Impact

We could not assess the impact of the actions the Agency has taken in response to the PATF report recommendations. Since the Agency does not have instruments to measure the impact of actions taken, we cannot attribute changes in the payment accuracy rates to the actions taken in response to the report recommendations. Consequently, we attempted to determine whether payment accuracy changed after the issuance of the PATF reports.

We reviewed payment accuracy information reported by SSA in its IDA and Stewardship reports.<sup>9</sup> For the PATF 1997 report concerning OASI payments, we reviewed the FY 1999 and 2000 IDA reports and the FY 1999 and 2000 Stewardship reports.<sup>10</sup> In addition, for the 1998 PATF report about SSI-related payments, we reviewed the FY 2000 Stewardship report for changes in SSI over- and underpayment accuracy rates.<sup>11</sup> Reported payment accuracy rates have not changed significantly.<sup>12</sup> The accuracy rates were as follows.

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<sup>9</sup> Based on Office of Management and Budget guidance for addressing audit recommendations, we limited our review to payment accuracy rates applicable to time periods occurring at least 1 year after the PATF reports were issued. OMB, Circular Number A-123, *Management of Federal Information Resources*, June 1995.

<sup>10</sup> *Fiscal Years (FY) 1998, 1999, and 2000 Title II Index of Dollar Accuracy (IDA) Reports—INFORMATION and Fiscal Years (FY) 1999 and 2000 Title II Payment Accuracy (Stewardship) Reports—INFORMATION.*

<sup>11</sup> *Fiscal Year (FY) 2000 Supplemental Security Income Payment Accuracy (Stewardship) Report—INFORMATION.*

<sup>12</sup> The assessment of payment accuracy was based on an examination of data reported by SSA in the IDA and Stewardship reports. We did not test the validity of these data.

**Table 1. Accuracy Rates****IDA Accuracy Rates**

<b>PATF Report Issuance and Subject</b>	<b>Rate at Report Issuance</b>	<b>FY 1999 Rate</b>	<b>FY 2000 Rate</b>	<b>FY 2001 Rate<sup>13</sup></b>
<b>September 1997 OASI</b>	99.80%	99.60%	99.90%	N/A
<b>September 1998 SSI</b>	93.90%	N/A*	94.00%	N/A

**Table 2. Stewardship Accuracy Rates<sup>14</sup>**

<b>PATF Report Issuance and Subject</b>	<b>Rate at Report Issuance</b>		<b>FY 1999 Rates</b>		<b>FY 2000 Rates</b>		<b>FY 2001 Rates</b>	
	<b>Payments Under</b>	<b>Payments Over</b>	<b>Payments Under</b>	<b>Payments Over</b>	<b>Payments Under</b>	<b>Payments Over</b>	<b>Payments Under</b>	<b>Payments Over</b>
<b>September 1997 OASI</b>	99.90%	99.90%	99.90%	99.80%	99.89%	99.96%	N/A	N/A
<b>September 1998 SSI</b>	98.80%	93.50%	N/A*	N/A*	98.60%	93.60%	N/A	N/A

\* Based on Office of Management and Budget guidance, we did not consider the accuracy rates for this period applicable since a sufficient period of time had not elapsed since the issuance of the respective reports. See Footnote 9.

We could not determine whether payment rates changed after the PATF reports were issued. For the 1997 PATF report, we would need at least 3 years of the IDA and Stewardship reports to conduct a trend analysis. The IDA report for FY 2001 was not available for this analysis. In addition, sufficient time has not elapsed to perform an analysis for the September 1998 through 2000 PATF reports.

### Changes in Deficiency Dollars Relative to the Specific Payment Error Categories

We also reviewed IDA and Stewardship information to determine whether there were changes in the amounts of "deficiency dollars"<sup>15</sup> reported for each of the specific

<sup>13</sup> IDA reports provide information on SSA program payment accuracy rates. As of August 6, 2002, the FY 2001 IDA and Stewardship reports were not available.

<sup>14</sup> Stewardship reports provide information concerning under- and overpayments for SSA programs.

<sup>15</sup> Deficiency dollars data represent the dollar value resulting from incorrect decisions made that are material to the fact or date of eligibility or payment amount, and can be expressed as an over or underpayment. Deficiency dollar data are based on a sample of cases that are "redeveloped." Redeveloped cases denote the use of procedures by Office of Quality Assurance and Performance

payment error categories reviewed by the PATF. The manner in which the deficiency dollar information was reported within the IDA and Stewardship reports did not enable us to compare information for FYs 1997 through 2000. Subsequently, we requested and received information from the Office of Quality Assurance and Performance Assessment that enabled us to group the deficiency dollar data into the four payment error categories evaluated by the PATF. However, similar to our efforts for reviewing overall payment accuracy, sufficient time had not elapsed to allow us to determine if actions taken in response to the reports impacted deficiency dollars.

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Assessment staff to review a beneficiary or recipient case to ensure appropriate eligibility and correct payment amounts.

## **Conclusions**

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SSA indicated it concurred with 43 of 47 recommendations in the PATF reports. Of the 43 recommendations, the Agency reported it had taken corrective action in response to 25 recommendations, 11 recommendations are being implemented, and the remaining 7 recommendations are being evaluated to assess the level of priority that is warranted. Although SSA did provide the status of its corrective actions, the Agency could not provide information regarding the impact of its corrective actions. SSA's current measurement instruments do not provide data specific enough to measure the impact of the corrective actions it has taken related to payment accuracy recommendations. Without proper measurement mechanisms, SSA cannot determine the impact of corrective actions it has taken in response to PATF report recommendations and the resulting effect those actions have had on overall payment accuracy rates. SSA officials indicated that it would not be cost-beneficial to develop discrete measurement mechanisms for narrowly focused and targeted recommendations solely to measure impact.

We could not determine whether overall payment accuracy improved after issuance of the PATF reports. This was due, in part, because enough time had not elapsed since the issuance of the PATF reports to allow for corrective action on all report recommendations. In addition, limited information was available at the time of our review.<sup>16</sup>

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<sup>16</sup> To determine if changes in payment accuracy had occurred subsequent to the Agency's implementation of corrective actions in response to report recommendations, we require IDA and Stewardship reports for FY 2001-2004.

# *Appendices*

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**Appendix A** – July 20, 2001 Memorandum from the Acting  
Commissioner of Social Security and Attachment  
Payment Accuracy Task Force 1997-2000 Reports SSA  
Status Update)

**Appendix B** – Update of the Status of Corrective Actions on Certain  
Payment Accuracy Task Force's Recommendations

**Appendix C** – Acronyms

**Appendix D** – OIG Contacts and Staff Acknowledgments

## ***Appendix A***

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### **July 20, 2001 Memorandum from the Acting Commissioner of Social Security**



## SOCIAL SECURITY

### MEMORANDUM

July 20, 2001

Refer To:

To: James G. Huse, Jr.  
Inspector General

Larry G. Massanari  
Acting Commissioner of Social Security

Subject: Request for Updated Implementation and Impact Status of the Fiscal Years 1997 Through 2000 Payment Accuracy Task Force (PATF) Recommendations (Your Memo, May 30, 2001) --  
REPLY

Thank you for the opportunity to update the implementation status of those recommendations from the PATF which have been accepted by SSA. The attachment reflects the previous status as well as current status for comparison purposes.

You also requested that we provide information on any plans to measure the impact resulting from implementation. Current measurement instruments do not provide data specific enough to measure the impacts of these provisions. After carefully reviewing the recommendations, we found that these items did not warrant the establishment of discrete measurement mechanisms.

Attachment:  
SSA Response

# PAYMENT ACCURACY TASK FORCE

## 1997 – 2000 REPORTS

### SSA Status Update

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Earnings Record Issue Team

September 1997

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Of the 18 recommendations, 12 have been implemented; 4 are being implemented; and 2 are pending SSA's prioritization within its Systems' 5-year plan.

#### **Recommendation 1: *Modify policy to require review of pre-1978 military wages.***

Current policy requires claims representatives (CR) to review a claimant's earnings records for possible earnings inaccuracies for the years 1978 to 2001. It is not a requirement for years before 1978. As a result, pre-1978 military service wages needed for benefit computation were frequently overlooked.

**Status (Implemented):** The Wage Development chapter of SSA's operating procedures is being rewritten and will include a review of pre-1978 military wages. The expected completion date is November 2001. In June 1999, SSA implemented military service on-line help screens to provide guidance to claims representatives in obtaining military service evidence. The screens included guidance regarding review of pre-1978 military wages.

**Responsible SSA Component:** DCDISP

#### **Recommendation 2: *Improve the presentation quality of the military service wage tables.***

CRs refer to military wage tables in their operating procedures to obtain basic pay scales for years of service for the various military ranks. This information is used in benefit computation. The CRs found the tables difficult to use, as parts of the table were completely illegible.

**Status (Implemented):** In September 1997, the presentation quality of the military service wage tables was improved.

**Responsible SSA Component:** DCDISP

**Recommendation 3: *Print the claimant's statement regarding periods of military service on the application.***

Claimants frequently disagree with the military service dates used in their benefit computations. To ensure the correct information is used in the computation, the claimant's periods of military service need to be generated in a printed application to provide them with opportunity to review the information.

**Status (Implemented):** In June 1999, SSA's operating procedures were revised to include this information and the Modernized Claims System (MCS) was modified to document the claimant's statement regarding periods of military service on the application. The MCS is an automated system used to input Disability and Retirement Survivors Insurance claims related data.

**Responsible SSA Component:** DCO

**Recommendation 4: *Generate a reminder on the development worksheet to prompt claims representatives to initiate military service development.***

CRs indicated there are often so many development issues to consider when processing a claim, it is possible to overlook development of military service. Many CRs used the MCS development worksheet to ensure claims are developed and documented. However, military service evidence is not shown on the worksheet.

**Status (Implemented):** As part of the MCS update in September 1998, a reminder is now generated for CRs to initiate military service development.

**Responsible SSA Component:** DCO

**Recommendation 5: *Generate a diary when military service is alleged and the claim is being adjudicated.***

CRs can award benefits so a claimant can receive partial benefits until military service evidence is received. If a diary is not established to control receipt of the evidence, the claimant may not receive the appropriate military service credit.

**Status (Implemented):** The generation of a diary was included in the November 2000 MCS update. When military service evidence

is not readily available, CRs can award partial benefits until evidence of military service is received. An automated systems diary has been established to remind the representatives to develop military service evidence.

**Responsible SSA Component:** DCO

**Recommendation 6: *Correct “scouting” and “feedback” terminology in operating procedures.***

“Scouting” is the process previously used by CRs to research an allegation of incorrect, missing or under/overstated earnings where an employer is known. With the advent of the Earnings Modernization System (EMS) Release 2.8, the process became automated and is now referred to as “feedback.”

**Status (Implemented):** The operating procedures were revised in September 1998 to change the term “scouting” to “feedback.”

**Responsible SSA Component:** DCO/DCDISP

**Recommendation 7: *Automate the feedback procedure used to prove alleged military service during 1957-1967.***

For CRs to obtain feedback information, they must exit the on-line claims taking process and enter into the EMS. By incorporating the feedback procedure into the claims taking process, CRs have the discretion to obtain feedback while discussing military service evidence with the claimant.

**Status (Pending SSA's Systems' 5-year Prioritization):** The automated feedback procedure used to prove military service during 1957 to 1967 is scheduled for implementation as part of the MCS enhancement scheduled for 2002.

**Responsible SSA Component:** DCS

**Update on Status:** No Change

**Recommendation 8: *Educate claims representatives on specific military service procedures.***

CRs indicated they found military policies and procedures difficult to interpret and follow. Additional training is needed on the proper use of military service codes, when and how to use military service

tables, when it is appropriate to request feedback, and how feedback differs from the “scouting” (now “feedback”) process.

**Status (Implemented):** In March and April 2000, an interactive video training (IVT) focused entirely on military service procedures.

**Responsible SSA Component:** DCDISP

**Recommendation 9: *Include “County Courthouses” as another potential source for military service proofs.***

Several CRs indicated they found it more expedient to obtain military service records from a courthouse than to wait for evidence requested from a branch of the military service. The local courthouse maintains the original copies of the veterans’ discharge papers, which is the preferred evidence for proof of military service.

**Status (Implemented):** In June 1998, SSA operating procedures were revised to emphasize “County Courthouses” as another potential source for obtaining proof of military service.

**Responsible SSA Component:** DCDISP

**Recommendation 10: *Implement an on-line edit to prevent the incorrect use of the proof code “precluded” used for post-1956 military service.***

Post-1956 military service can be used in calculating Social Security benefits unless the Railroad Retirement Board has given credit for the same service. The edit is to prevent CRs from giving the claimant credit for post-1956 military service until they check that the Railroad Retirement Board has not given the claimant credit.

**Status (Implemented):** As part of the June 1999 MCS update, an edit was incorporated into the screen for Military Service to prevent incorrect use of the proof code “precluded” for post-1956 military service.

**Responsible SSA Component:** DCO

**Recommendation 11: *Revise the military service question on MCS to solicit additional information regarding active reserve and National Guard service.***

CRs were not identifying all periods of military service. They were not specifically asking the claimants about active reserve or National Guard service.

**Status (Implemented):** Language is being incorporated in the latest MCS update to solicit information regarding active reserve and National Guard service.

**Responsible SSA Component:** DCO

**Recommendation 12: Generate a systems alert when the claimant alleges no military service, and the system can identify possible military service.**

For survivors' claims, the claimant sometimes does not or cannot remember the Social Security numberholder served in the military. SSA has a data base of military service information obtained when a prior claim was filed. An alert was needed in MCS to notify CRs of the existence of military service evidence.

**Status (Pending SSA's Systems' 5-year Prioritization):** SSA is evaluating a front-end systems alert to advise CRs of possible military service.

**Responsible SSA Component:** DCO

**Update on Status:** No Change

**Recommendation 13: Establish an intercomponent team to improve military service procedures.**

CRs were confused by SSA's policies and procedures and found them difficult to interpret and follow. Clarification was needed.

**Status (Implementation in Progress):** A team was formed and prepared draft military operating procedures, which have been released for intercomponent review. Expected release date of the final procedures is June 2001.

**Responsible SSA Component:** DCDISP

**Update on Status:** Due to other priority work, this recommendation has not been completed. We expect that the revised operating procedures will be completed and released in the summer of 2002.

**Recommendation 14: *Clarify the policy pertaining to lag earnings.***

Lag earnings are unposted earnings that were paid during the current year and the year preceding the claimant's date of filing for benefits. SSA's operating procedures did not indicate what is accepted evidence of lag earnings.

**Status (Implementation in Progress):** The policy on lag earnings is being revised as part of the military service procedure rewrite mentioned in Recommendation 1 Status.

**Responsible SSA Component:** DCDISP/DCO

**Update on Status:** Expected completion date of the chapter is November 2001.

**Recommendation 15: *Emphasize the importance of checking and resolving earnings discrepancies on the Personal Earnings and Benefit Estimate Statement (PEBES).***

PEBES provides the Agency an opportunity to heighten public awareness of the importance of accurate earnings information. The PEBES statement does not clearly encourage the public to take action to correct earnings information. (Note: PEBES was recently renamed "Social Security Statement.")

**Status (Implemented):** Language was included in the *Rights and Responsibilities* booklet, the Social Security Statement, and monthly information packets. They stress the importance of individuals checking and resolving earnings discrepancies on the Social Security Statements to ensure their earnings records are correct. Changes to the language of the Statement to clarify that individuals should report incorrect earnings only for years prior to the current year (since current-year earnings would not yet appear on the Statement) made a dramatic difference in the number of calls received by Social Security offices.

**Responsible SSA Component:** DCCOM

**Recommendation 16: *Support current efforts to develop a more comprehensive earnings query.***

CRs generate an on-line earning query(ies) to verify earnings during claims interviews. The query provides the CR with total wages for the year, but it does not provide CRs with earnings alerts or quarters of coverage. A comprehensive earnings query

generated at the beginning of a claims interview would provide the CR and claimant information that could facilitate identifying and correcting earnings records.

**Status (Implemented):** In September 2000, SSA completed work on the Informational/Certified Earnings Record (ICER), which provides more comprehensive earnings information. ICER facilitates identification and correction of correcting earnings discrepancies.

**Responsible SSA Component:** DCO

**Recommendation 17: *Develop a system to provide meaningful feedback to employees on payment accuracy.***

CRs seldom receive information regarding the accuracy of their work. The Agency annually conducts an Index of Dollar Accuracy (IDA) study to provide Agency management with payment accuracy data at a national level rather than at a field office level.

**Status (Implementation in Progress):** IDA is being restructured to provide more current, useable feedback to field offices and program service centers on the payment accuracy of recent claims (title II and title XVI) and redetermination (title XVI) transactions. The previous methodology did not allow identification of trends relating to the types of payment errors being made by regions or for the regions to share this information with their field offices.

**Responsible SSA Component:** DCFAM

**Update on Status:** An agency decision on the options being considered to modify IDA is expected in the summer 2001.

**Recommendation 18: *Perform a study of Earnings Modernization 2.8 earnings adjustments processed by field offices.***

The EMS allows field office personnel to electronically correct an individual's earnings record. However, many CRs were having difficulty completing earnings corrections because the system design operated differently from the claims input systems they were using.

**Status (Implementation in Progress):** This item has been included in the "Earnings Process Improvement Key Initiative" as part of SSA's Strategic Plan. The study is in the planning process.

**Responsible SSA Component:** DCO

**Update on Status:** This recommendation is in the planning process. Analysis is still being performed. The due date is to be determined.

Of the 12 report recommendations, 7 have been implemented; 2 are pending SSA's prioritization within its Systems' 5-year plan; and 3 did not have SSA concurrence.

**Recommendation 1: *Perform a study to determine if the State Wage Match could be expanded to confirm earned income information.***

The Office of Child Support Enforcement (OCSE) data base provides quarterly wage information from State data that SSA can match against its wage data to detect differences in reported wage amounts. The new wage match could be expanded for wages detected in excess of a \$250 difference to (1) encourage self-reporting by notifying individuals that wages on the OCSE data base differ from those in SSA's records, (2) revise wage estimates upwards for those individuals who do not respond to a notification of excess wages, and (3) verify wages within a certain tolerance level to eliminate unnecessary field office work.

**Status (SSA Did Not Concur):** SSA has expressed concerns over this recommendation. SSA currently matches State wage quarterly information with earned income amounts on SSA's Supplemental Security Income (SSI) record to identify unreported earned income. The accuracy of the information provided by the States varies, and SSA believes this would not be a good source to confirm earned income.

**Responsible SSA Component:** DCFAM

**Update on Status:** No change

**Recommendation 2: *Reduce the maximum redetermination period to 2 years.***

Redeterminations are conducted on selected cases each year to ensure SSI recipients are eligible for, and receiving, correct SSI payments. SSA uses a profile system to score each record based on the likelihood of an error. Cases may be selected every year or go as long as 6 years without a review. CRs indicated that 6 years is too long to expect claimants to maintain records and provide accurate information. In addition, SSA's policy prevents CRs from adjusting payments or collecting overpayments that occur beyond a 2-year period.

**Status (SSA Did Not Concur):** Although the Agency did not concur, its Office of Quality Assurance is considering incorporating this as a potential study in its Fiscal Year 2002 workplan.

**Responsible SSA Component:** DCFAM

**Update on Status:** No Change

**Recommendation 3: *Evaluate the use and enforcement of penalties and determine whether the penalty assessment process should be simplified.***

SSI recipients can be assessed penalties when they fail to report timely changes affecting their eligibility or payment amount. Most CRs had never assessed a penalty and almost all stated that, while it is the Agency's policy to assess penalties, it is not encouraged. The penalty assessment process is costly for CRs to perform and takes time away from processing claims.

**Status (SSA Did Not Concur):** SSA commented that the Foster Care Act addresses this recommendation. IVT was conducted in October 2000 on the Foster Care Act Provision, and language regarding the provision has been included in SSA's operating procedures. The provision allows for SSA to levy a penalty against the individual who makes a false or misleading statement that would impact determining title II or title XVI eligibility or benefit amounts. *The penalty is nonpayment of benefits for 6 months for the first occurrence, 12 months for the second, and 24 months for subsequent occurrences.*

**Responsible SSA Component:** OGC

**Update on Status:** The Administrative Sanctions process was successfully implemented nationwide in October 2000. The NY RO developed a database to provide management information. Currently there are 79 cases in the database. Of those cases, the sixty-day notice to impose a sanction has been sent to the claimant in 19 cases. Two of these cases are in suspension and the remainder are still in the appeals period. Of the remainder of the cases, some are pending in OIG and some have been returned to the FO and are awaiting the preparation of the 60-day notice. In six cases, a decision was made not to impose a sanction. The Office of Program Benefits recently circulated within SSA for component signoff draft final rules that would adopt without change interim final

rules, which were published in the Federal Register July 10, 2000. Those final rules are expected to be published this summer.

**Recommendation 4: *Include procedures in the Teleservice Center (TSC) Operating Guide for recording SSI work reports for aged individuals and deemors.***

The *TSC Operating Guide* instructs staff on how to handle different inquiries via SSA's 800-number. It includes detailed instructions on taking work reports for disabled workers, but it does not address handling reports from aged individuals or deemors. (Deemors are individuals who agree to support an alien as a condition of the alien's admission to the United States.)

**Status (Implemented):** Procedures for recording work reports for aged individuals and deemors have been included in the operating procedures and in the automated support program used by TSCs.

**Responsible SSA Component:** DCO

**Recommendation 5: *Issue a Spotlight on wage and self-reporting requirements.***

Reporting instructions were scattered among various publications and did not indicate the types of evidence individuals need to provide SSA. To ensure that SSI recipients and representative payees are aware of and understand reporting requirements, SSA needs to provide clear instructions. SSA uses *Spotlights* as handouts that contain general information to help SSA claimants through the process of applying and receiving SSI benefits.

**Status (Implemented):** A draft SSI *Spotlight* was prepared and sent to SSA's field components for review. It provides specific instructions on reporting requirements for wages or self-employment. *The final POMS containing the SSI Spotlight was sent to OPIM for printing and distribution in mid-May 2001.*

**Responsible SSA Component:** DCDISP

**Recommendation 6: *Print wage estimates and detailed reporting instructions on the claims receipt form.***

A claims receipt form is provided at initial application, but information about reporting responsibilities is broad and covers a wide range of reportable events. It does not specifically have information about what earned income is being used to calculate benefits nor does it instruct the individual on what types of evidence are required to verify earned income.

**Status (Pending SSA's Systems' 5-year Prioritization):** The claims receipt form is being revised and a request has been prepared for the Office of Systems to make the appropriate modifications to the Modernized Supplemental Security Income Claims System (MSSICS).

**Responsible SSA Component:** DCDISP

**Update on Status:** The claims receipt form has been revised. ODISP's Office of Program Benefits staff will meet with Office of Systems staff by the end of August 2001 to discuss the proposed MSSICS modifications.

**Recommendation 7: *Develop public information to address concurrent entitlement.***

An individual can receive SSI (title XVI) and Social Security (title II) benefits at the same time. This is called concurrent entitlement. The two programs have different income rules and reporting responsibilities. Often, claimants are confused between the two.

**Status (Implemented):** Information addressing claimants reporting responsibilities when they are concurrently entitled was included in the *Rights and Responsibilities* booklet and booklets for titles II and XVI.

**Responsible SSA Component:** DCCOM

**Recommendation 8: *Revise operating procedures to clarify what is considered to be acceptable evidence.***

When claimants report unemployment status, CRs must verify this information. Operating procedures list in order of priority the various acceptable forms of evidence CRs can obtain to remove wages from a claimant's record. However, we found that CRs did

not consistently follow the priority list and accepted the least preferred form of evidence.

**Status (Implemented):** SSA's operating procedures were revised in March 1999 to clarify when signed allegations from recipients stating that they are no longer working are acceptable for terminating wages.

**Responsible SSA Component:** DCDISP

**Recommendation 9: *Revise operating procedures to prompt development of cafeteria plans.***

A cafeteria plan is a written benefit plan offered by an employer where participants choose "cafeteria style" from a menu of two or more cash or qualified benefits. During this review, CRs indicated they were unaware of the need to develop cafeteria plans or misunderstood the operating procedures.

**Status (Implemented):** In March 1999, SSA operating procedures on "Wages" was revised to include cross-references to the operating procedure for "cafeteria plans."

**Responsible SSA Component:** DCDISP

**Recommendation 10: *Revise the MSSICS to assist CRs in developing blind and impairment-related work expenses.***

Work expenses related to an individual's blindness or other impairment can be deducted from his/her wages when determining eligibility and benefits. We found CRs infrequently encounter these types of cases. They told us it would be helpful to have on-line reminders to prompt for this information.

**Status (Pending SSA's Systems' 5-year Prioritization):** To date, the Office of Systems has not received a service request to include this recommendation as part of its Systems' 5-year plan.

**Responsible SSA Component:** DCDISP

**Update on Status:** The issue raised in this recommendation is being addressed through systems enhancements under active development or currently implemented. These include the Modernized Return to Work (MRTW) and the Continuing Disability Review Control File (CDRCF) systems. These systems will incorporate a wide variety of case and management information

enhancements relating to all the work incentives provisions, including Impairment-Related Work Expenses.

OESP plans to pilot the MRTW in the fall of 2001. In early 2002, we hope to implement the MRTW nationally using this LAN-based software. Then, by Fall 2002, national implementation is expected for a single database.

The CDRCF Ticket-related queries are now in use and Field Offices have access to this query function. The Employment Network (EN) queries will be in use when EN data is available for input. The other CDRCF functions will be available when Tickets are released.

**Recommendation 11: *Provide training to field office personnel on cafeteria plans and blind and impairment-related work expenses.***

Little reference is given to cafeteria plans and blind and impairment-related work expenses during basic CR training. It is the general expectation that additional on-the-job training for these areas will supplement basic training. However, we did not find this to be the case.

**Status (Implemented):** In April 1999, IVT was conducted on SSI High-Risk, which included information on cafeteria plans and blind and impairment-related work expenses.

**Responsible SSA Component:** DCDISP/DCHR

**Recommendation 12: *Revise the MSSICS to capture self-employment income for the current taxable year.***

At initial application, CRs are required to ask about any self-employment for the individual or any deemors. The general rule is that it is counted for 12 months regardless of how long the individual is engaged in the operation of the business or when the income is received. We found that CRs frequently misapplied the rule and only inquired about self-employment activity occurring at the time of filing.

**Status (Implemented):** In October 2000, MSSICS began capturing self-employment income for the current taxable year.

**Responsible SSA Component:** DCDISP

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## **Supplemental Security Income Unearned Income Issue Team September 1999**

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Of the 8 report recommendations, 3 have been implemented; 2 are in the process of being implemented; 2 are pending SSA's prioritization within its Systems' 5-year plan; and 1 did not have SSA concurrence.

**Recommendation 1: *Include a handout listing the types of unearned income in the recordkeeper or print the list on the recordkeeper itself. Field offices should be reminded of operating procedure guidance for using and distributing the folders and of the reordering process.***

Failure to report changes affecting entitlement and payment amounts has historically been a problem in the SSI program. SSA's tri-fold recordkeeper is a product that allows claimants to keep necessary records, for example, pay stubs, receipts, utility bills, etc. It allows claimants to store information regarding types of unearned income.

**Status (Implemented):** In April 2000, a listing in English of the types of unearned income was printed on the recordkeeper folder and a listing in Spanish was done as a handout.

**Responsible SSA Component:** DCDISP

**Recommendation 2: *Retitle the operating procedure section "Prizes" as "Gambling and Lottery Winnings and Other Prizes" so CRs can more easily locate instructions about properly counting gambling/lottery winnings.***

Gambling and lottery winnings are emerging as a source of unearned income. There is not a separate section on gambling. Rather, the information is subsumed under the section on "Prizes."

**Status (Implemented):** In October 2000, the chapter in operating procedures on "Prizes" was retitled "Gambling, Prizes and Other Winnings," and specific policy was included on gambling and lottery winnings.

**Responsible SSA Component:** DCDISP

**Recommendation 3: *Modify the MSSICS Income Menu (IMEN) screen by adding parenthetical information, which includes a reference to gambling and lottery winnings, “Other Income or Support Not Previously Mentioned.”***

The on-line IMEN screen used during initial claims taking and determinations has a limited list of sources of income. Gambling and lottery winnings were not included in the list of unearned income. (MSSICS is SSA's automated system used to input SSI claims-related information.)

**Status (Pending SSA's Systems' 5-year Prioritization):** A request to modify the MSSICS income screen to include a reference to gambling and lottery winnings is being drafted for inclusion in the Systems' 5-year plan.

**Responsible SSA Component:** DCDISP

**Update on Status:** Following discussions with the Office of Systems, this recommendation was combined with recommendation 4. The IOTH screen will be modified, but the IMEN screen did not contain enough space to make the recommended modification.

**Recommendation 4: *Modify the MSSICS Income Other (IOTH) screen so that gambling and lottery winnings can be listed under “Type Received.”***

Gambling and lottery winnings are also not included on the on-line input screen for “Other Income or Support Not Mentioned.”

**Status (Pending SSA's Systems' 5-year Prioritization):** A request to modify the MSSICS IOTH screen to include a reference to gambling and lottery winnings is being drafted for inclusion in the Systems' 5-year plan.

**Responsible SSA Component:** DCDISP

**Update on Status:** It has been determined that this change could be made without it needing to be submitted for inclusion in the 5-year plan. On June 15, 2001, ODISP's Office of Program Benefits staff submitted revised language on gambling and lottery winnings to the Office of Systems. They will proceed with modification of the IOTH screen.

**Recommendation 5: Ensure that recommendations from the SSI Unearned Income report and prior Payment Accuracy Task Force reports are included in the Agency's monthly SSI Initiatives Tracking Report, subsequent SSI management reports, and other information systems related to SSI high-risk efforts.**

Information regarding the SSI Payment Accuracy Task Force initiatives was not included in any of the Agency's monthly tracking reports.

**Status (Implementation in Progress):** All actions are done or are being completed at this time.

**Responsible SSA Component:** DCDISP

**Update on Status:** Implemented. Components have been advised to include this.

**Recommendation 6: Adapt the SSI unearned income portion of the April 1999 IVT for on-line training via SSA's virtual campus.**

An IVT was conducted in April 1999 on SSI Unearned Income policy revisions. However, the degree of field office staff participation in the training varied based on their workloads and IVT access.

**Status (Implemented):** In July 2000, the SSI unearned income portion of the April 1999 IVT became available on the Office of Training's website.

**Responsible SSA Component:** DCHR

**Recommendation 7: The Office of Disability and Income Security Programs (ODISP), as the SSA lead component for SSI High-Risk and Information Exchange activities, should discuss with the Department of Health and Human Services' (HHS) OCSE the sufficiency of existing laws to permit on-line access to State Child Support Enforcement (CSE) agency records on child support payments. If sufficient, then ODISP should request that HHS/OCSE issue a guidance letter to the State CSE agencies to provide SSA title XVI CRs with on-line single query access to such records. ODISP should then request that the Office of Operations make access to CSE as one of the target agencies in its SSA Access to State Records Online (SASRO) project. However, if existing laws are not sufficient, we recommend that ODISP should request the Office of**

***Legislation and Congressional Affairs to propose a legislative initiative to address SSA or OCSE concerns.***

CRs believe that on-line access to State data will improve detection of unearned income, particularly child support payments. SSA has a legislative proposal to permit access to OCSE child support data. SSA has a mechanism in place they can use to help access state child support data. The SASRO project could be used to pursue State agreements for child support data.

**Status (SSA Did Not Concur):** SSA commented that it is awaiting the outcome of negotiations regarding costs involved in using OCSE's child support data, and it does not want to complicate negotiations by discussing direct on-line access through SASRO.

SSA is preparing a legislative proposal to authorize access to the OCSE's records on child support payments.

**Responsible SSA Component:** DCDISP

**Update on Status:** SSA has discussed with HHS the sufficiency of existing laws to permit SSA online access to State Child Support Enforcement agency records on child support payments. While HHS' OGC formal response is pending, they have indicated to SSA that it is their position that Federal law does not authorize a Title IV-D agency (i.e., a Child Support Agency) to provide SSA with State Case Registry information, such as payment information or other case data.

**Recommendation 8: *Include the following addendum to SSA's current legislative proposal to access the Federal Case Registry of Child Support Orders: "States should be required to provide data on child support collections, receipt, and distribution to the Federal Case Registry."***

**Status (Implementation in Progress):** SSA will consider this recommendation as it develops its legislative package.

**Responsible SSA Component:** DCLCA

**Update on Status:** No Change

The report was released in September 2000. SSA's Executive Senior Management Staff was briefed on November 16, 2000 and charged with implementing the report's recommendations. The report also included a section of "Other Issues," with related suggestions that cut across all payment accuracy issues. To date, we have not received the Agency's official response; however, we are aware of one action that has begun. Information for Recommendation 9 and actions regarding the "Other Issue" discussed after Recommendation 9 is based on work we either conducted or in which we participated.

**Recommendation 1: *Add the following wording to Form SSA-2519 to help CRs develop relationships for out-of-wedlock children: "State of domicile" and "When considering the status of an out-of-wedlock child for entitlement, a child cannot be disallowed until applicable State intestacy law is considered."***

Form SSA-2519 (*Child Relationship Statement*) is required in all disallowed child cases where the relationship to the primary numberholder is not established for an out-of-wedlock child. The Form documents the potential existence of evidence the primary numberholder acknowledged a parent-child relationship. However, the Form only assists CRs in developing child relationships under section 216(H)(3) of Federal law. It does not provide guidelines for developing and documenting out-of-wedlock children under State intestacy law, which must be done before a disallowance can be considered proper.

**Status:** Not reported to date.

**Responsible SSA Component:** DCDISP

**Update on Status:** Changes to the Form SSA-2519 will be completed and released to the Office of Publications and Logistics Management for printing and distribution by November 2001.

**Recommendation 2: *Place more emphasis on initial CR training and providing subsequent refresher training to emphasize consideration of State intestacy laws before disallowing a claim for an out-of-wedlock child.***

During our discussions with program service center reconsideration reviewers, we found they believed CRs did not always consider State intestacy laws before denying the claim of an out-of-wedlock

child. Their opinion was based on the number of initial decisions made by CRs that they are overturning. The CRs also reported receiving insufficient training about considering State intestacy law before disallowing a claim. Almost 60 percent of the CRs could not recall being provided any training on processing out-of-wedlock child claims using State intestacy laws. Additionally, during initial CR training, there is only one statement about State intestacy laws contained in the training materials.

**Status:** Not reported to date.

**Responsible SSA Component:** DCHR/DCO

**Update on Status:** The Title II Claims Representative Entry-Level course contains a lesson on Child's Benefits (CR-20). The lesson includes information on entitlement factors, child relationship types, dependency, and application requirements for child's benefits. The laws and regulations pertaining to state intestacy laws are referenced in the lesson as well as in an exhibit outlining the requirements and documentation necessary for each type of child. The exhibit can be used as a desk guide when developing child's claims. POMS procedures and instructions have been reorganized and updated to reflect the revised up-to-date rules and regulations in the state intestacy laws. In December 2000, an IVT transmittal training broadcast was conducted on the revised POMS transmittal.

**Recommendation 3: *Modify Form SSA-783 to include the number of individuals in a household and their income.***

During our site visit discussions, 80 percent of the CRs and two-thirds of the reconsideration reviewers said that one-half support claims were their most difficult to process relative to other types of relationship/dependency claims. The most frequent problems CRs mentioned in processing relationship/dependency claims were development and computation of one-half support. Form SSA-783 (*Statement Regarding Contributions*) is used to determine one-half support. The Form does not record the number of persons living in a household and the amount of their income.

**Status:** Not reported to date.

**Responsible SSA Component:** DCDISP

**Update on Status:** Changes to the Form SSA-783 will be completed and released to the Office of Publications and Logistics Management for printing and distribution by November 2001.

**Recommendation 4:** *Develop supplemental tool(s) to help with one-half support computation, e.g., an interactive computation screen supported by the Interactive Computation Facility, a worksheet for manual computation, and/or a desk guide.*

Recommendations 3 and 4 are linked. See explanation of issue in Recommendation 3.

**Status:** Not reported to date.

**Responsible SSA Component:** DCDISP

**Update on Status:** We will contact Office of Systems to initiate discussions on developing an electronic version of the one-half support calculations by September 2001. The results of those discussions will determine the extent to which this recommendation can be implemented and the timetable for completion.

**Recommendation 5:** *Revise operating procedures to include the September 1996 program circular on determining one-half support for stepchildren.*

Current operation procedures on stepchild dependency requirements refer technicians to a section for guidance on how to determine one-half support. However, the transmittal for that chapter had not been updated since April 1990, preceding the date of the program circular.

**Status:** Not reported to date.

**Responsible SSA Component:** DCDISP

**Update on Status:** RS 01301 will be updated to include the instructions in the September 1996 program circular and released to the Office of Publications and Logistics Management for printing and distribution by June 2002. In the interim, the program circular continues to be operative and the instructions in the electronic version of RS 01301 will be cross-referred to the program circular.

**Recommendation 6:** *Stress the importance of field office staff using Shared Process to document evidence and the Report of Contact*

***screen to document special determinations so that reconsideration reviewers have needed information to process requests for reconsideration of an initial determination.***

Adjudicators are required to document every decision that disallows a child for failure to establish a parent-child relationship. They are also required to electronically store evidentiary documents submitted in a claim by recording identifying data about the documents on the evidence screen from the Shared Process menu.

**Status:** Not reported to date.

**Responsible SSA Component:** DCDISP

**Update on Status:** Recommendations 6 and 7 will be combined. One program circular on documentation requirements and the availability of approved legal precedent opinions will be released to the Office of Publications and Logistics Management for printing and distribution by November 2001.

**Recommendation 7: *Distribute a program circular or other form of communication to remind field offices and program service centers that legal precedent opinions on State and District of Columbia law are available in operating procedures stored on CD-ROM.***

The State legal precedent opinions in operating procedures stored on CD-ROM provide all adjudicators with one, easily accessible, centrally maintained source for legal precedent opinions and a streamlined process for requesting new opinions. The ability to update the data base each month provides immediate access to the most current advice on the application of State and District of Columbia law. This ensures claimants consistent, equitable treatment because adjudicators can more readily consider and apply the most current version of State law.

**Status:** Not reported to date.

**Responsible SSA Component:** DCDISP

**Update on Status:** See recommendation 6

**Recommendation 8: *Reinforce reporting responsibilities either by modifying the MCS screen and the application path to output and print the "claims type specific" reporting responsibilities on the application receipt itself or by generating an alert on the***

***Developmental Worksheet as a reminder to print the reporting responsibilities. This would eliminate the need to revisit the claims path for additional printing.***

SSA relies on claimants to self-report any changes that might affect the amount and continued receipt of benefit payments. Even with the various methods SSA uses to inform claimants of their reporting responsibilities, almost two-thirds of the CRs told us claimants still assert they do not know they are supposed to self-report changes. Nonreporting still occurs despite the fact that CRs told us they advise claimants of their reporting responsibilities.

**Status:** Not reported to date.

**Responsible SSA Component:** DCDISP

**Update on Status:** While this recommendation is feasible, other Systems priorities will preclude initiating work until early 2002.

**Recommendation 9: *Conduct a study to determine the feasibility of continuing to send Beneficiary Recontact Program mailers to children ages 15 to 17 and to discern whether there are more efficacious ways to detect unreported marriages for this age group.***

SSA's Beneficiary Recontact Program was implemented in 1993 to detect unreported marriages, reports of no child in-care situations for young widow/widowers, and unreported marriages for young children aged 15 to 17. Being unmarried is a requirement for entitlement to a child's benefits. Before 1996, there was a question on a representative payee accounting form that asked about a child's marital status. In 1996, children aged 15 to 17 began receiving mailed recontact forms to report their marital status. Seventy thousand mailers (840,000/year) were distributed per month to this age group in calendar year 1999.

**Status (Implementation in Process):** On January 19, 2001, the OIG issued an early alert notifying SSA that, in Calendar Years 1999 and 2000, the Beneficiary Recontact Report, Forms SSA-1587 and SSA-1588, identified a small number of unreported marriages. Based on our review, we recommended SSA not renew its contract to mail the forms to detect unreported marriages for dependent children ages 15-17. SSA is considering the appropriate action to address this recommendation.

**Responsible SSA Component:** DCDISP

**Update on Status:** Following release of the Payment Accuracy Report, the Office of Quality Assurance and Performance Assessment (OQA) agreed to additional study of the cost benefit of the Beneficiary Recontact Program for children age 15 to 17. They are currently contacting the payees of children in the targeted age group who failed to return the recontact form resulting in termination of the child's benefit. These benefits are terminated for marriage according to the protocol of the automated program. Based on the results of their investigation, we anticipate that changes will be made to the automated program for children. The results are due by the end of the summer 2001.

# **Update of the Status of Corrective Action on Certain Payment Accuracy Task Force's Recommendations**

We obtained updates in April and September 2002 on the status of corrective actions taken since SSA's July 20, 2001 status report. SSA provided the updated information in response to our inquiry. Accordingly, we did not audit or validate the information provided by the Agency. The report title, recommendation number, and updated status provided by SSA are listed below.

# PAYMENT ACCURACY TASK FORCE 1997 – 2000 REPORTS

## SSA Status Update (As of 09/19/02)

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### Earnings Record Issue Team

September 1997

Of the 18 recommendations, 12 have been implemented; 4 are being implemented; and 2 are pending prioritization within The Deputy Commissioner for System Priority Plan.

#### **Recommendation 1: *Modify policy to require review of pre-1978 military wages.***

Current policy requires claims representatives (CR) to review a claimant's earnings records for possible earnings inaccuracies for the years 1978 to 2001. It is not a requirement for years before 1978. As a result, pre-1978 military service wages needed for benefit computation were frequently overlooked.

**Status (Implemented):** The Wage Development chapter of SSA's operating procedures is being rewritten and will include a review of pre-1978 military wages. The expected completion date is November 2002. In June 1999, SSA implemented military service on-line help screens to provide guidance to claims representatives in obtaining military service evidence. The screens included guidance regarding review of pre-1978 military wages.

**Responsible SSA Component:** DCDISP

#### **Recommendation 2: *Improve the presentation quality of the military service wage tables.***

CRs refer to military wage tables in their operating procedures to obtain basic pay scales for years of service for the various military ranks. This information is used in benefit computation. The CRs found the tables difficult to use, as parts of the table were completely illegible.

**Status (Implemented):** In September 1997, the presentation quality of the military service wage tables was improved.

**Responsible SSA Component:** DCDISP

**Recommendation 3: *Print the claimant's statement regarding periods of military service on the application.***

Claimants frequently disagree with the military service dates used in their benefit computations. To ensure the correct information is used in the computation, the claimant's periods of military service need to be generated in a printed application to provide them with opportunity to review the information.

**Status (Implemented):** In June 1999, SSA's operating procedures were revised to include this information and the Modernized Claims System (MCS) was modified to document the claimant's statement regarding periods of military service on the application. The MCS is an automated system used to input Disability and Retirement Survivors Insurance claims related data.

**Responsible SSA Component:** DCO

**Recommendation 4: *Generate a reminder on the development worksheet to prompt claims representatives to initiate military service development.***

CRs indicated there are often so many development issues to consider when processing a claim, it is possible to overlook development of military service. Many CRs used the MCS development worksheet to ensure claims are developed and documented. However, military service evidence is not shown on the worksheet.

**Status (Implemented):** As part of the MCS update in September 1998, a reminder is now generated for CRs to initiate military service development.

**Responsible SSA Component:** DCO

**Recommendation 5: *Generate a diary when military service is alleged and the claim is being adjudicated.***

CRs can award benefits so a claimant can receive partial benefits until military service evidence is received. If a diary is not established to control receipt of the evidence, the claimant may not receive the appropriate military service credit.

**Status (Implemented):** The generation of a diary was included in the November 2000 MCS update. When military service evidence is not readily available, CRs can award partial benefits until evidence of military service is received. An automated systems diary has been

established to remind the representatives to develop military service evidence.

**Responsible SSA Component:** DCO

**Recommendation 6: *Correct “scouting” and “feedback” terminology in operating procedures.***

“Scouting” is the process previously used by CRs to research an allegation of incorrect, missing or under/overstated earnings where an employer is known. With the advent of the Earnings Modernization System (EMS) Release 2.8, the process became automated and is now referred to as “feedback.”

**Status (Implemented):** The operating procedures were revised in September 1998 to change the term “scouting” to “feedback.”

**Responsible SSA Component:** DCO/DCDISP

**Recommendation 7: *Automate the feedback procedure used to prove alleged military service during 1957-1967.***

For CRs to obtain feedback information, they must exit the on-line claims taking process and enter into the EMS. By incorporating the feedback procedure into the claims taking process, CRs have the discretion to obtain feedback while discussing military service evidence with the claimant.

**Status (Pending The Deputy Commissioner for Systems Priority Plan):** The automated feedback procedure used to prove military service during 1957 to 1967 is scheduled for implementation as part of the MCS enhancement scheduled for 2002.

**Responsible SSA Component:** DCS

**Update on Status:** No Change

**Recommendation 8: *Educate claims representatives on specific military service procedures.***

CRs indicated they found military policies and procedures difficult to interpret and follow. Additional training is needed on the proper use of military service codes, when and how to use military service tables, when it is appropriate to request feedback, and how feedback differs from the “scouting” (now “feedback”) process.

**Status (Implemented):** In March and April 2000, an interactive video training (IVT) focused entirely on military service procedures.

**Responsible SSA Component:** DCDISP

**Recommendation 9: *Include “County Courthouses” as another potential source for military service proofs.***

Several CRs indicated they found it more expedient to obtain military service records from a courthouse than to wait for evidence requested from a branch of the military service. The local courthouse maintains the original copies of the veterans' discharge papers, which is the preferred evidence for proof of military service.

**Status (Implemented):** In June 1998, SSA operating procedures were revised to emphasize "County Courthouses" as another potential source for obtaining proof of military service.

**Responsible SSA Component:** DCDISP

**Recommendation 10: *Implement an on-line edit to prevent the incorrect use of the proof code “precluded” used for post-1956 military service.***

Post-1956 military service can be used in calculating Social Security benefits unless the Railroad Retirement Board has given credit for the same service. The edit is to prevent CRs from giving the claimant credit for post-1956 military service until they check that the Railroad Retirement Board has not given the claimant credit.

**Status (Implemented):** As part of the June 1999 MCS update, an edit was incorporated into the screen for Military Service to prevent incorrect use of the proof code "precluded" for post-1956 military service.

**Responsible SSA Component:** DCO

**Recommendation 11: *Revise the military service question on MCS to solicit additional information regarding active reserve and National Guard service.***

CRs were not identifying all periods of military service. They were not specifically asking the claimants about active reserve or National Guard service.

**Status (Implemented):** Language is being incorporated in the latest MCS update to solicit information regarding active reserve and National Guard service.

**Responsible SSA Component:** DCO

**Recommendation 12: Generate a systems alert when the claimant alleges no military service, and the system can identify possible military service.**

For survivors' claims, the claimant sometimes does not or cannot remember the Social Security numberholder served in the military. SSA has a data base of military service information obtained when a prior claim was filed. An alert was needed in MCS to notify CRs of the existence of military service evidence.

**Status (Pending: The Deputy Commissioner for Systems Priority Plan):** SSA is evaluating a front-end systems alert to advise CRs of possible military service.

**Responsible SSA Component:** DCO

**Update on Status:** No Change

**Recommendation 13: Establish an intercomponent team to improve military service procedures.**

CRs were confused by SSA's policies and procedures and found them difficult to interpret and follow. Clarification was needed.

**Status (Implementation in Progress):** A team was formed and prepared draft military operating procedures, which have been released for intercomponent review. Expected release date of the final procedures is June 2001.

**Responsible SSA Component:** DCDISP

**Update on Status:** The completion of the revised military operating procedures has been delayed to provide resources to implement P.L. 107-117, the Department of Defense Appropriations Act of 2002, and P.L. 107-90, the Railroad and Survivors' Improvement Act of 2001. Both were effective January 1, 2002 and are to be implemented in November 2002. We expect to resume work on the military operating procedures after all work on the legislation is finished and anticipate completing the revised procedures by spring 2004.

**Recommendation 14: Clarify the policy pertaining to lag earnings.**

Lag earnings are unposted earnings that were paid during the current year and the year preceding the claimant's date of filing for benefits. SSA's operating procedures did not indicate what is accepted evidence of lag earnings.

**Status (Implementation in Progress):** The policy on lag earnings is being revised as part of the military service procedure rewrite mentioned in Recommendation 1 Status.

**Responsible SSA Component:** DCDISP/DCO

**Update on Status:** Expected completion date of the chapter is November 2002.

**Recommendation 15:** *Emphasize the importance of checking and resolving earnings discrepancies on the Personal Earnings and Benefit Estimate Statement (PEBES).*

PEBES provides the Agency an opportunity to heighten public awareness of the importance of accurate earnings information. The PEBES statement does not clearly encourage the public to take action to correct earnings information. (Note: PEBES was recently renamed "Social Security Statement.")

**Status (Implemented):** Language was included in the *Rights and Responsibilities* booklet, the Social Security Statement, and monthly information packets. They stress the importance of individuals checking and resolving earnings discrepancies on the Social Security Statements to ensure their earnings records are correct. Changes to the language of the Statement to clarify that individuals should report incorrect earnings only for years prior to the current year (since current-year earnings would not yet appear on the Statement) made a dramatic difference in the number of calls received by Social Security offices.

**Responsible SSA Component:** DCCOM

**Recommendation 16:** *Support current efforts to develop a more comprehensive earnings query.*

CRs generate an on-line earning query(ies) to verify earnings during claims interviews. The query provides the CR with total wages for the year, but it does not provide CRs with earnings alerts or quarters of coverage. A comprehensive earnings query generated at the beginning of a claims interview would provide the CR and claimant information that could facilitate identifying and correcting earnings records.

**Status (Implemented):** In September 2000, SSA completed work on the Informational/Certified Earnings Record (ICER), which provides more comprehensive earnings information. ICER facilitates identification and correction of correcting earnings discrepancies.

**Responsible SSA Component:** DCO

**Recommendation 17: *Develop a system to provide meaningful feedback to employees on payment accuracy.***

CRs seldom receive information regarding the accuracy of their work. The Agency annually conducts an Index of Dollar Accuracy (IDA) study to provide Agency management with payment accuracy data at a national level rather than at a field office level.

**Status (Implementation in Progress):** IDA is being restructured to provide more current, useable feedback to field offices and program service centers on the payment accuracy of recent claims (title II and title XVI) and redetermination (title XVI) transactions. The previous methodology did not allow identification of trends relating to the types of payment errors being made by regions or for the regions to share this information with their field offices.

**Responsible SSA Component:** DCFAM

**Update on Status:** OQA is piloting a new title II claims review process that has “meaningful feedback to employees on payment accuracy” as one of its goals. The pilot is expected to be completed by July 2002. After analyzing the results, the Agency will decide whether to implement the review as a replacement to the current Index of Dollar Accuracy review. We anticipate the new review will consist of 10,000 new claims, annually (as opposed to 2,500 in IDA), and will provide Operations with timely feedback on current adjudications.

**Recommendation 18: *Perform a study of Earnings Modernization 2.8 earnings adjustments processed by field offices.***

The EMS allows field office personnel to electronically correct an individual's earnings record. However, many CRs were having difficulty completing earnings corrections because the system design operated differently from the claims input systems they were using.

**Status (Implementation in Progress):** This item has been included in the “Earnings Process Improvement Key Initiative” as part of SSA’s Strategic Plan. The study is in the planning process.

**Responsible SSA Component:** DCO

**Update on Status:** This recommendation is in the planning process. Analysis is still being performed. The due date is to be determined.

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Of the 12 report recommendations, 7 have been implemented; 2 are pending prioritization within The Deputy Commissioner for System Priority Plan; and 3 did not have SSA concurrence.

**Recommendation 1: *Perform a study to determine if the State Wage Match could be expanded to confirm earned income information.***

The Office of Child Support Enforcement (OCSE) data base provides quarterly wage information from State data that SSA can match against its wage data to detect differences in reported wage amounts. The new wage match could be expanded for wages detected in excess of a \$250 difference to (1) encourage self-reporting by notifying individuals that wages on the OCSE data base differ from those in SSA's records, (2) revise wage estimates upwards for those individuals who do not respond to a notification of excess wages, and (3) verify wages within a certain tolerance level to eliminate unnecessary field office work.

**Status (SSA Did Not Concur):** SSA has expressed concerns over this recommendation. SSA currently matches State wage quarterly information with earned income amounts on SSA's Supplemental Security Income (SSI) record to identify unreported earned income. The accuracy of the information provided by the States varies, and SSA believes this would not be a good source to confirm earned income.

**Responsible SSA Component:** DCFAM

**Update on Status:** No change

**Recommendation 2: *Reduce the maximum redetermination period to 2 years.***

Redeterminations are conducted on selected cases each year to ensure SSI recipients are eligible for, and receiving, correct SSI payments. SSA uses a profile system to score each record based on the likelihood of an error. Cases may be selected every year or go as long as 6 years without a review. CRs indicated that 6 years is too long to expect claimants to maintain records and provide accurate information. In addition, SSA's policy prevents CRs from adjusting payments or collecting overpayments that occur beyond a 2-year period.

**Status (SSA Did Not Concur):** Although the Agency did not concur, its Office of Quality Assurance is considering incorporating this as a potential study in its Fiscal Year 2002 workplan.

**Responsible SSA Component:** DCFAM

**Update on Status:** OQA initiated the second part of the study of the redeterminations that are sent to Wilkes-Barre Data Operations Center (DOC) for processing. These are the 6-year cycle redeterminations conducted on the cases profiled as low or medium error. The study was undertaken to determine (1) the payment accuracy of these cases and the amount of payment changes that may have occurred in the years within the 6-year cycle that are barred from correction because of the 2-year administrative finality period under the SSI program and (2) depending on the study results, whether the Agency needs to consider any adjustment in the frequency in which these cases are redetermined.

The first phase looked at cases the DOC completed without recontacting the recipient. The payment accuracy of these cases was high (97.8 percent).

In the second phase, we will examine the cases that are transferred from the DOC to the field offices for processing. The case reviews for the second part are scheduled to be completed in September 2002. The final report should be finished by December 31, 2002.

**Recommendation 3: *Evaluate the use and enforcement of penalties and determine whether the penalty assessment process should be simplified.***

SSI recipients can be assessed penalties when they fail to report timely changes affecting their eligibility or payment amount. Most CRs had never assessed a penalty and almost all stated that, while it is the Agency's policy to assess penalties, it is not encouraged. The penalty assessment process is costly for CRs to perform and takes time away from processing claims.

**Status (SSA Did Not Concur):** SSA commented that the Foster Care Act addresses this recommendation. IVT was conducted in October 2000 on the Foster Care Act Provision, and language regarding the provision has been included in SSA's operating procedures. The provision allows for SSA to levy a penalty against the individual who makes a false or misleading statement that would impact determining title II or title XVI eligibility or benefit amounts.  
*The penalty is nonpayment of benefits for 6 months for the first occurrence, 12 months for the second, and 24 months for subsequent occurrences.*

**Responsible SSA Component:** OGC

**Update on Status:** The Administrative Sanctions process was successfully implemented nationwide in October 2000. The NY RO developed a database to provide management information. Currently there are 79 cases in the database. Of those cases, the sixty-day notice to impose a sanction has been sent to the claimant in 19 cases. Two of these cases are in suspension and the remainder are still in the appeals period. Of the remainder of the cases, some are pending in OIG and some have been returned to the FO and are awaiting the preparation of the 60-day notice. In six cases, a decision was made not to impose a sanction. The Office of Program Benefits recently circulated within SSA for component signoff draft final rules that would adopt without change interim final rules, which were published in the Federal Register July 10, 2000. The final rules were published on April 29, 2002.

**Recommendation 4: *Include procedures in the Teleservice Center (TSC) Operating Guide for recording SSI work reports for aged individuals and deemors.***

The *TSC Operating Guide* instructs staff on how to handle different inquiries via SSA's 800-number. It includes detailed instructions on taking work reports for disabled workers, but it does not address handling reports from aged individuals or deemors. (Deemors are individuals who agree to support an alien as a condition of the alien's admission to the United States.)

**Status (Implemented):** Procedures for recording work reports for aged individuals and deemors have been included in the operating procedures and in the automated support program used by TSCs.

**Responsible SSA Component:** DCO

**Recommendation 5: *Issue a Spotlight on wage and self-reporting requirements.***

Reporting instructions were scattered among various publications and did not indicate the types of evidence individuals need to provide SSA. To ensure that SSI recipients and representative payees are aware of and understand reporting requirements, SSA needs to provide clear instructions. SSA uses *Spotlights* as handouts that contain general information to help SSA claimants through the process of applying and receiving SSI benefits.

**Status (Implemented):** A draft SSI *Spotlight* was prepared and sent to SSA's field components for review. It provides specific

instructions on reporting requirements for wages or self-employment. The final POMS transmittal containing the SSI Spotlight was issued in September 2001 (TN 10 to SI 00601.061).

**Responsible SSA Component:** DCDISP

**Recommendation 6: *Print wage estimates and detailed reporting instructions on the claims receipt form.***

A claims receipt form is provided at initial application, but information about reporting responsibilities is broad and covers a wide range of reportable events. It does not specifically have information about what earned income is being used to calculate benefits nor does it instruct the individual on what types of evidence are required to verify earned income.

**Status (Pending The Deputy Commissioner for Systems Priority Plan):** The claims receipt form is being revised and a request has been prepared for the Office of Systems to make the appropriate modifications to the Modernized Supplemental Security Income Claims System (MSSICS).

**Responsible SSA Component:** DCDISP

**Update on Status:** The claims receipt form has been revised. ODISP's Office of Program Benefits staff met with Office of Systems staff to discuss the proposed MSSICS modifications. As of the date of this report, no request for modifications has reached the scheduled portion of the old 5-Year Plan nor have templates been received for the new prioritization approach for FYs 2002 or 2003.

**Recommendation 7: *Develop public information to address concurrent entitlement.***

An individual can receive SSI (title XVI) and Social Security (title II) benefits at the same time. This is called concurrent entitlement. The two programs have different income rules and reporting responsibilities. Often, claimants are confused between the two.

**Status (Implemented):** Information addressing claimants reporting responsibilities when they are concurrently entitled was included in the *Rights and Responsibilities* booklet and booklets for titles II and XVI. Per actions cited in the (draft) Agency comments on the GAO draft report, *Social Security Administration Disability: Enhanced Procedures and Guidance Could Improve Service and Reduce Overpayments to Concurrent Beneficiaries*, SSA will develop a fact sheet for concurrent beneficiaries that explains the complex interaction of the two programs in language that beneficiaries can

understand. The Agency is also revising the publication, *Working While Disabled-How We Can Help*, to clarify that beneficiaries who are receiving benefits under one or both programs should contact SSA.

**Responsible SSA Component:** DCCOM

**Recommendation 8: *Revise operating procedures to clarify what is considered to be acceptable evidence.***

When claimants report unemployment status, CRs must verify this information. Operating procedures list in order of priority the various acceptable forms of evidence CRs can obtain to remove wages from a claimant's record. However, we found that CRs did not consistently follow the priority list and accepted the least preferred form of evidence.

**Status (Implemented):** SSA's operating procedures were revised in March 1999 to clarify when signed allegations from recipients stating that they are no longer working are acceptable for terminating wages.

**Responsible SSA Component:** DCDISP

**Recommendation 9: *Revise operating procedures to prompt development of cafeteria plans.***

A cafeteria plan is a written benefit plan offered by an employer where participants choose "cafeteria style" from a menu of two or more cash or qualified benefits. During this review, CRs indicated they were unaware of the need to develop cafeteria plans or misunderstood the operating procedures.

**Status (Implemented):** In March 1999, SSA operating procedures on "Wages" was revised to include cross-references to the operating procedure for "cafeteria plans."

**Responsible SSA Component:** DCDISP

**Recommendation 10: *Revise the MSSICS to assist CRs in developing blind and impairment-related work expenses.***

Work expenses related to an individual's blindness or other impairment can be deducted from his/her wages when determining eligibility and benefits. We found CRs infrequently encounter these types of cases. They told us it would be helpful to have on-line reminders to prompt for this information.

**Status (Pending The Deputy Commissioner for Systems Priority Plan):** To date, the Office of Systems has not received a service request to include this recommendation as part of its Systems' 5-year plan.

**Responsible SSA Component:** DCDISP

**Update on Status:** The issue raised in this recommendation is being addressed through systems enhancements under active development or currently implemented. These include the Modernized Return to Work (MRTW) and the Continuing Disability Review Control File (CDRCF) systems. These systems will incorporate a wide variety of case and management information enhancements relating to all the work incentives provisions, including Impairment-Related Work Expenses.

The Continuing Disability Review Control File is being replaced in November of 2002 by the Disability Control File (DCF). This will offer improved functionality in numerous areas relating to the processing and control of post-entitlement actions in disability-based workloads. The DCF will centralize and unify by providing on-line access to information, automated alerts to staff, batch processing of post-entitlement workloads, and the control of necessary actions. This will assist by allowing staff to know when work incentives, such as blind work expenses (BWE), and income related work expenses are involved, by expediting development in these cases, and by documenting data from determinations. In particular, the DCF will carry information about the use of work incentives, including the use of BWE. The DCF will also carry "blind" indicators that can be used to alert staff to consider BWE when a blind beneficiary works. Future enhancements will continue to expand the data reflected in the file, increase automated features, and improve the management information capabilities of this file. The Office of Public Service and Operations Support and Office of Employment Support Programs piloted the Modernized Return to Work (MRTW) screen in the fall 2001, and on August 12, 2002, made the MRTW application as a LAN-based software to all SSA FOs nationwide. By summer 2003, we hope to establish the MRTW as a national database. The MRTW is used mainly for title II and title XVI initial disability claims that have work issues and title II continuing disability reviews, based on work.

**Recommendation 11: *Provide training to field office personnel on cafeteria plans and blind and impairment-related work expenses.***

Little reference is given to cafeteria plans and blind and impairment-related work expenses during basic CR training. It is the general expectation that additional on-the-job training for these areas will

supplement basic training. However, we did not find this to be the case.

**Status (Implemented):** In April 1999, IVT was conducted on SSI High-Risk, which included information on cafeteria plans and blind and impairment-related work expenses.

**Responsible SSA Component:** DCDISP/DCHR

**Recommendation 12: *Revise the MSSICs to capture self-employment income for the current taxable year.***

At initial application, CRs are required to ask about any self-employment for the individual or any deemors. The general rule is that it is counted for 12 months regardless of how long the individual is engaged in the operation of the business or when the income is received. We found that CRs frequently misapplied the rule and only inquired about self-employment activity occurring at the time of filing.

**Status (Implemented):** In October 2000, MSSICS began capturing self-employment income for the current taxable year.

**Responsible SSA Component:** DCDISP

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## **Supplemental Security Income Unearned Income Issue Team September 1999**

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Of the 8 report recommendations, 3 have been implemented; 2 are in the process of being implemented; 2 are pending prioritization within The Deputy Commissioner for System Priority Plan; and 1 did not have SSA concurrence.

**Recommendation 1: *Include a handout listing the types of unearned income in the recordkeeper or print the list on the recordkeeper itself. Field offices should be reminded of operating procedure guidance for using and distributing the folders and of the reordering process.***

Failure to report changes affecting entitlement and payment amounts has historically been a problem in the SSI program. SSA's tri-fold recordkeeper is a product that allows claimants to keep necessary records, for example, pay stubs, receipts, utility bills, etc. It allows claimants to store information regarding types of unearned income.

**Status (Implemented):** In April 2000, a listing in English of the types of unearned income was printed on the recordkeeper folder and a listing in Spanish was done as a handout.

**Responsible SSA Component:** DCDISP

**Recommendation 2: *Retitle the operating procedure section "Prizes" as "Gambling and Lottery Winnings and Other Prizes" so CRs can more easily locate instructions about properly counting gambling/lottery winnings.***

Gambling and lottery winnings are emerging as a source of unearned income. There is not a separate section on gambling. Rather, the information is subsumed under the section on "Prizes."

**Status (Implemented):** In October 2000, the chapter in operating procedures on "Prizes" was retitled "Gambling, Prizes and Other Winnings," and specific policy was included on gambling and lottery winnings.

**Responsible SSA Component:** DCDISP

**Recommendation 3: *Modify the MSSICS Income Menu (IMEN) screen by adding parenthetical information, which includes a reference to gambling and lottery winnings, “Other Income or Support Not Previously Mentioned.”***

The on-line IMEN screen used during initial claims taking and determinations has a limited list of sources of income. Gambling and lottery winnings were not included in the list of unearned income. (MSSICS is SSA's automated system used to input SSI claims-related information.)

**Status (Pending The Deputy Commissioner for Systems Priority Plan):** A request to modify the MSSICS income screen to include a reference to gambling and lottery winnings is being drafted for inclusion in the Systems' 5-year plan.

**Responsible SSA Component:** DCDISP

**Update on Status:** Following discussions with the Office of Systems, this recommendation was combined with recommendation 4. This recommendation was previously on the unscheduled portion of the old 5-Year Systems Plan. The Deputy Commissioner for Systems has not received proposals for the FY 2002 or FY 2003 new Information Technology planning process.

**Recommendation 4: *Modify the MSSICS Income Other (IOTH) screen so that gambling and lottery winnings can be listed under “Type Received.”***

Gambling and lottery winnings are also not included on the on-line input screen for “Other Income or Support Not Mentioned.”

**Status (Pending The Deputy Commissioner for Systems Priority Plan):** A request to modify the MSSICS IOTH screen to include a reference to gambling and lottery winnings is being drafted for inclusion in the Systems' 5-year plan.

**Responsible SSA Component:** DCDISP

**Update on Status:** It has been determined that this change could be made without it needing to be submitted for inclusion in the 5-year plan. On June 15, 2001, ODISP's Office of Program Benefits staff submitted revised language on gambling and lottery winnings to the Office of Systems.

This recommendation was previously on the unscheduled portion of the old 5-Year Systems Plan. The Deputy Commissioner for

Systems has not received proposals for the FY 2002 or FY 2003 new Information Technology planning process.

**Recommendation 5: *Ensure that recommendations from the SSI Unearned Income report and prior Payment Accuracy Task Force reports are included in the Agency's monthly SSI Initiatives Tracking Report, subsequent SSI management reports, and other information systems related to SSI high-risk efforts.***

Information regarding the SSI Payment Accuracy Task Force initiatives was not included in any of the Agency's monthly tracking reports.

**Status (Implementation in Progress):** All actions are done or are being completed at this time.

**Responsible SSA Component:** DCDISP

**Update on Status:** Implemented. Components have been advised to include this.

**Recommendation 6: *Adapt the SSI unearned income portion of the April 1999 IVT for on-line training via SSA's virtual campus.***

An IVT was conducted in April 1999 on SSI Unearned Income policy revisions. However, the degree of field office staff participation in the training varied based on their workloads and IVT access.

**Status (Implemented):** In July 2000, the SSI unearned income portion of the April 1999 IVT became available on the Office of Training's website.

**Responsible SSA Component:** DCHR

**Recommendation 7: *The Office of Disability and Income Security Programs (ODISP), as the SSA lead component for SSI High-Risk and Information Exchange activities, should discuss with the Department of Health and Human Services' (HHS) OCSE the sufficiency of existing laws to permit on-line access to State Child Support Enforcement (CSE) agency records on child support payments. If sufficient, then ODISP should request that HHS/OCSE issue a guidance letter to the State CSE agencies to provide SSA title XVI CRs with on-line single query access to such records. ODISP should then request that the Office of Operations make access to CSE as one of the target agencies in its SSA Access to State Records Online (SASRO) project. However, if existing laws are not sufficient, we recommend that ODISP should request the Office of Legislation and***

***Congressional Affairs to propose a legislative initiative to address SSA or OCSE concerns.***

CRs believe that on-line access to State data will improve detection of unearned income, particularly child support payments. SSA has a legislative proposal to permit access to OCSE child support data. SSA has a mechanism in place they can use to help access state child support data. The SASRO project could be used to pursue State agreements for child support data.

**Status (SSA Did Not Concur):** SSA commented that it is awaiting the outcome of negotiations regarding costs involved in using OCSE's child support data, and it does not want to complicate negotiations by discussing direct on-line access through SASRO.

SSA is preparing a legislative proposal to authorize access to the OCSE's records on child support payments.

**Responsible SSA Component:** DCDISP

**Update on Status:** SSA has discussed with HHS the sufficiency of existing laws to permit SSA online access to State Child Support Enforcement agency records on child support payments. While HHS' OGC formal response is pending, they have indicated to SSA that it is their position that Federal law does not authorize a Title IV-D agency (i.e., a Child Support Agency) to provide SSA with State Case Registry information, such as payment information or other case data.

OCSE has concluded that SSA does not have legal authority to access child support payment data and has formally informed the State child support agencies of this fact. SSA is considering proposing legislation to allow access.

**Recommendation 8: *Include the following addendum to SSA's current legislative proposal to access the Federal Case Registry of Child Support Orders: "States should be required to provide data on child support collections, receipt, and distribution to the Federal Case Registry."***

**Status (Implementation in Progress):** SSA will consider this recommendation as it develops its legislative package.

**Responsible SSA Component:** DCLCA

**Update on Status:** No Change

Of the 9 report recommendations, 4 have been implemented; 3 are in the process of being implemented; 2 are pending prioritization within The Deputy Commissioner for System Priority Plan.

**Recommendation 1:** *Add the following wording to Form SSA-2519 to help CRs develop relationships for out-of-wedlock children: “State of domicile” and “When considering the status of an out-of-wedlock child for entitlement, a child cannot be disallowed until applicable State intestacy law is considered.”*

Form SSA-2519 (*Child Relationship Statement*) is required in all disallowed child cases where the relationship to the primary numberholder is not established for an out-of-wedlock child. The Form documents the potential existence of evidence the primary numberholder acknowledged a parent-child relationship. However, the Form only assists CRs in developing child relationships under section 216(h)(3) of the Social Security Act. It does not provide guidelines for developing and documenting out-of-wedlock children under the rule in Section 216(h)(2)(A) of that Act requiring reference to an individual’s status as a child of the insured under State intestacy law, which must be done before a disallowance can be considered proper,

**Status:** **(Implemented )**

**Responsible SSA Component:** DCDISP

**Update on Status:** Form SSA-2519 was released to the contractor for printing in June 2002.

**Recommendation 2:** *Place more emphasis on initial CR training and providing subsequent refresher training to emphasize consideration of State intestacy laws before disallowing a claim for an out-of-wedlock child.*

During our discussions with program service center reconsideration reviewers, we found they believed CRs did not always consider State intestacy laws before denying the claim of an out-of-wedlock child. Their opinion was based on the number of initial decisions made by CRs that they are overturning. The CRs also reported receiving insufficient training about considering State intestacy law before disallowing a claim. Almost 60 percent of the CRs could not recall

being provided any training on processing out-of-wedlock child claims using State intestacy laws. Additionally, during initial CR training, there is only one statement about State intestacy laws contained in the training materials.

**Status: (Implemented)**

**Responsible SSA Component:** DCHR/DCO

**Update on Status:** The Title II Claims Representative Entry-Level course contains a lesson on Child's Benefits (CR-20). The lesson includes information on entitlement factors, child relationship types, dependency, and application requirements for child's benefits. The laws and regulations pertaining to state intestacy laws are referenced in the lesson as well as in an exhibit outlining the requirements and documentation necessary for each child relationship type. The exhibit can be used as a desk guide when developing child's claims. POMS procedures and instructions have been reorganized and updated to reflect the revised up-to-date rules and regulations in the state intestacy laws. In December 2000, an IVT transmittal training broadcast was conducted on the revised POMS transmittal.

**Recommendation 3: *Modify Form SSA-783 to include the number of individuals in a household and their income.***

During our site visit discussions, 80 percent of the CRs and two-thirds of the reconsideration reviewers said that one-half support claims were their most difficult to process relative to other types of relationship/dependency claims. The most frequent problems CRs mentioned in processing relationship/dependency claims were development and computation of one-half support. Form SSA-783 (*Statement Regarding Contributions*) is used to determine one-half support. The Form does not record the number of persons living in a household and the amount of their income.

**Status: (Implementation in Progress).**

**Responsible SSA Component:** DCDISP

**Update on Status:** Changes have been made to Form SSA-783. The Office of Management and Budget approved the revised Form but requested additional information to support the change. SSA has provided a copy of the PATF report to the Office of Publications and Logistics Management. Office of Publications and Logistics Management will have the revised form printed and distributed.

**Recommendation 4: *Develop supplemental tool(s) to help with one-half support computation, e.g., an interactive computation screen supported by the Interactive Computation Facility, a worksheet for manual computation, and/or a desk guide.***

Recommendations 3 and 4 are linked. See explanation of issue in Recommendation 3.

**Status: (Pending The Deputy Commissioner for Systems Priority Plan)**

**Responsible SSA Component:** DCDISP

**Update on Status:** ODISP's Office of Program Benefits prepared an Information Technology template to have the MCS project added to the list of systems' priorities. However, because of higher priority initiatives, this item did not make the ODISP list for 2002.

**Recommendation 5: *Revise operating procedures to include the September 1996 program circular on determining one-half support for stepchildren.***

Current operation procedures on stepchild dependency requirements refer technicians to a section for guidance on how to determine one-half support. However, the transmittal for that chapter had not been updated since April 1990, preceding the date of the program circular.

**Status: (Implementation in Progress)**

**Responsible SSA Component:** DCDISP

**Update on Status:** RS 01301 will be updated to include the instructions in the September 1996 program circular and released to the Office of Publications and Logistics Management for printing and distribution by June 2002.

Because of a loss of staffing and higher priority projects, the POMS has been delayed. We anticipate having the revised POMS published by the first quarter of 2003. In the interim, the program circular continues to operate.

**Recommendation 6: *Stress the importance of field office staff using Shared Process to document evidence and the Report of Contact screen to document special determinations so that reconsideration reviewers have needed information to process requests for reconsideration of an initial determination.***

Adjudicators are required to document every decision that disallows a child for failure to establish a parent-child relationship. They are also required to electronically store evidentiary documents submitted in a claim by recording identifying data about the documents on the evidence screen from the Shared Process menu.

**Status: Implemented**

**Responsible SSA Component:** DCDISP

**Update on Status:** Recommendations 6 and 7 will be combined. A program circular was issued on August 30, 2001 that stressed the importance of using (1) the Shared Process screen to document evidence and (2) the availability of state legal precedent opinions.

**Recommendation 7:** *Distribute a program circular or other form of communication to remind field offices and program service centers that legal precedent opinions on State and District of Columbia law are available in operating procedures stored on CD-ROM.*

The State legal precedent opinions in operating procedures stored on CD-ROM provide all adjudicators with one, easily accessible, centrally maintained source for legal precedent opinions and a streamlined process for requesting new opinions. The ability to update the data base each month provides immediate access to the most current advice on the application of State and District of Columbia law. This ensures claimants consistent, equitable treatment because adjudicators can more readily consider and apply the most current version of State law.

**Status: (Implemented)** A program circular was issued on August 30, 2001 that stressed the importance of using (1) the Shared Process screen to document evidence and (2) the availability of state legal precedent opinions.

**Responsible SSA Component:** DCDISP

**Update on Status:** See recommendation 6

**Recommendation 8:** *Reinforce reporting responsibilities either by modifying the MCS screen and the application path to output and print the "claims type specific" reporting responsibilities on the application receipt itself or by generating an alert on the Developmental Worksheet as a reminder to print the reporting responsibilities. This would eliminate the need to revisit the claims path for additional printing.*

SSA relies on claimants to self-report any changes that might affect the amount and continued receipt of benefit payments. Even with the various methods SSA uses to inform claimants of their reporting responsibilities, almost two-thirds of the CRs told us claimants still assert they do not know they are supposed to self-report changes. Nonreporting still occurs despite the fact that CRs told us they advise claimants of their reporting responsibilities.

**Status: (Pending The Deputy Commissioner for Systems Priority Plan)**

**Responsible SSA Component:** DCDISP

**Update on Status:** ODISP's Office of Program Benefits prepared an Information Technology template to have the MCS project added to the list of systems' priorities. However, other priorities took precedence for 2002.

**Recommendation 9:** *Conduct a study to determine the feasibility of continuing to send Beneficiary Recontact Program mailers to children ages 15 to 17 and to discern whether there are more efficacious ways to detect unreported marriages for this age group.*

SSA's Beneficiary Recontact Program was implemented in 1993 to detect unreported marriages, reports of no child in-care situations of widow/widowers, and unreported marriages for young children aged 15 to 17. Being unmarried is a requirement for entitlement to certain title II benefits, including child's benefits. Before 1996, there was a question on a representative payee accounting form that asked about a child's marital status. In 1996, children aged 15 to 17 began receiving mailed recontact forms to report their marital status. Seventy thousand mailers (840,000/year) were distributed per month to this age group in calendar year 1999.

**Status (Implementation in Process):** On January 19, 2001, the OIG issued an early alert notifying SSA that, in Calendar Years 1999 and 2000, the Beneficiary Recontact Report, Forms SSA-1587 and SSA-1588, identified a small number of unreported marriages. Based on our review, we recommended SSA not renew its contract to mail the forms to detect unreported marriages for dependent children ages 15-17. SSA is considering the appropriate action to address this recommendation.

**Responsible SSA Component:** DCDISP

**Update on Status:** Following release of the Payment Accuracy Report, the Office of Quality Assurance and Performance Assessment (OQA) agreed to additional study of the cost benefit of

the Beneficiary Recontact Program for children age 15 to 17. Based on further study by OQA, SSA stopped sending the SSA-1587 to children under age 17 in June 2002. SSA will only contact children age 17 with payees and those in direct payment beginning June 2002. There will be no automated termination for children who fail to return the forms since OQA found that most of these terminations were erroneous.

### **Acronyms**

BWE	Blind Work Expenses
CDRCF	Continuing Disability Review Control File
CR	Claims Representative
CSE	Child Support Enforcement
DCCOMM	Deputy Commissioner for Communications
DCDISP	Deputy Commissioner for Disability and Income Security Programs
DCF	Disability Control File
DCFAM	Deputy Commissioner for Finance, Assessment and Management
DCHR	Deputy Commissioner for Human Resources
DCLCA	Deputy Commissioner for Legislation and Congressional Affairs
DCO	Deputy Commissioner for Operations
DCS	Deputy Commissioner for Systems
DOC	Data Operations Center
EMS	Earnings Modernization System
EN	Employment Network
FO	Field Office
HHS	Health and Human Services
ICER	Informational/Certified Earnings Record
IDA	Index of Dollar Accuracy
IMEN	Income Menus
IOTH	Income Other
IVT	Interactive Video Training
LAN	Local Area Network
MCS	Modernized Claims System
MRTW	Modernized Return to Work
MSSICS	Modernized Supplemental Security Income Claims System
NY RO	New York Regional Office
OASI	Old-Age and Survivors Insurance
OCSE	Office of Child Support Enforcement
ODISP	Office of Disability and Income Security Programs
OESP	Office of Employment Support Programs
OGC	Office of the General Counsel
OIG	Office of the Inspector General
OPB	Office of Program Benefits
OPIM	Office of Process and Innovation Management
OQA	Office of Quality Assurance and Performance Assessment
PATF	Payment Accuracy Task Force
PEBES	Personal Earnings and Benefit Estimate Statement
POMS	Program Operations Manual System
SASRO	SSA Access to State Records Online
SSI	Supplemental Security Income
TSC	Teleservice Center

## ***Appendix D***

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# **OIG Contacts and Staff Acknowledgments**

### ***OIG Contacts***

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