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**OFFICE OF  
THE INSPECTOR GENERAL**

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**SOCIAL SECURITY ADMINISTRATION**

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**SUPPLEMENTAL SECURITY INCOME  
RECIPIENTS ELIGIBLE FOR  
VETERANS BENEFITS**

**January 2010**

**A-01-09-19031**

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**AUDIT REPORT**

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## Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, 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.

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## SOCIAL SECURITY

### **MEMORANDUM**

**Date:** January 6, 2010 **Refer To:**

**To:** The Commissioner

**From:** Inspector General

**Subject:** Supplemental Security Income Recipients Eligible for Veterans Benefits  
(A-01-09-19031)

### **OBJECTIVE**

Our objective was to identify Supplemental Security Income (SSI) recipients who were potentially eligible for Department of Veterans Affairs (VA) benefits instead of SSI payments.

### **BACKGROUND**

The SSI program is a national Federal cash assistance program administered by the Social Security Administration (SSA) that provides a minimum level of income to financially needy individuals who are aged, blind, or disabled.<sup>1</sup> Since the SSI program is intended to be a program of last resort, individuals must apply for all other benefits for which they are potentially eligible.<sup>2</sup> Generally, individuals are not eligible for SSI if they fail to take all the appropriate steps to apply for all other benefits for which they may be eligible—including VA benefits.<sup>3</sup>

VA administers a pension program that provides benefits to financially needy veterans who are aged or have disabilities unrelated to their military service.<sup>4</sup> VA considers individuals disabled if they have been determined disabled by SSA.<sup>5</sup> Veterans must also meet eligibility requirements related to their military service to qualify for VA pension benefits. Generally, VA monthly benefits are more than SSI payments, so it is

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<sup>1</sup> The Social Security Act § 1601 *et seq.*, 42 U.S.C. § 1381 *et seq.*

<sup>2</sup> The Social Security Act § 1611(e)(2), 42 U.S.C. § 1382(e)(2).

<sup>3</sup> 20 C.F.R. § 416.210.

<sup>4</sup> VA also administers a compensation program that provides benefits to veterans with disabilities related to their military service.

<sup>5</sup> 38 U.S.C. § 1502(a)(2).

usually more advantageous for someone to receive benefits from VA instead of SSI payments. See Table 1 for a comparison of SSI and VA benefit eligibility requirements.

**Table 1: Comparison of SSI and VA Benefit Eligibility Requirements**

Benefit Eligibility Requirements	SSI Payments	VA Pension Benefits
Aged (65 or older) or disabled	✓	✓
Limited income or resources	✓	✓
Discharged from military service under conditions other than dishonorable		✓
Served at least 90 days of active military service with 1 day during a wartime period. After September 7, 1980, generally served at least 24 months (or the full period for which called or ordered to active duty)		✓

As shown in Table 1, eligibility requirements for SSI payments and VA benefits are similar since individuals must be aged or disabled and have limited income/resources to qualify for benefits. Therefore, veterans may, in fact, be eligible for VA benefits instead of SSI payments if they also meet VA's requirements related to military service. As a result, if individuals indicate they served at least 90 days of active military service (with 1 day during a wartime period) while applying for SSI payments, SSA field office staff refers the individuals to VA to apply for benefits.<sup>6</sup> If individuals do not take all necessary steps to obtain any VA benefits, the individuals may not be eligible for SSI payments.<sup>7</sup>

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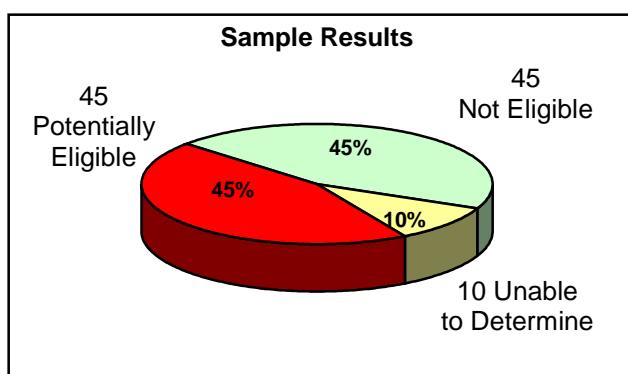
<sup>6</sup> SSA, Program Operations Manual System, SI 00510.010.

<sup>7</sup> Certain individuals cannot be required to file for VA benefits or do not have their SSI payments suspended for failure to file for VA benefits. This includes individuals who were entitled to VA benefits as of December 31, 1978 and reside in Alabama, Alaska, Arizona, Colorado, Delaware, Idaho, Mississippi, Nevada, New Mexico, South Carolina, South Dakota, Texas, or Wyoming. The *Adoption Assistance and Child Welfare Act of 1980*, Pub. L. No. 96-272 § 310(b)(1); the *Social Security Act* § 1902(a)(10)(A), 42 U.S.C. § 1396a(a)(10)(A); and SSA, Program Operations Manual System SI 00510.005.

To perform our review, we identified 2,390 SSI recipients as of March 2009 (from 1 of 20 Social Security number segments)<sup>8</sup> with military earnings during certain wartime periods who appeared to meet VA's requirements for benefits.<sup>9</sup> We randomly selected 100 cases from this population for detailed analysis.<sup>10</sup> (See Appendix B for more details on our scope, methodology, and sample results.)

## RESULTS OF REVIEW

We found that some SSI recipients appeared potentially eligible for VA benefits instead of SSI payments. Based on our review, we estimate SSA paid about \$1.3 billion to approximately 22,000 SSI recipients who appeared to meet VA requirements for benefits. In addition, we estimate that SSA will continue to pay about \$126 million in SSI payments over the next 12 months to individuals who appeared eligible for VA benefits instead of SSI payments.



Of the 100 cases in our sample,

- 45 appeared potentially eligible for VA benefits;
- 45 did not appear eligible for VA benefits;<sup>11</sup> and
- 10 had military earnings, but we were unable to determine potential VA benefit eligibility.<sup>12</sup>

<sup>8</sup> The last 2 digits of the Social Security number are randomly assigned and can contain digits "00" to "99." Social Security numbers can be categorized into 20 segments, each containing 5 sequential groups of these digits. For this audit, we randomly selected Social Security numbers ending with the digits "30" to "34" from 1 Social Security number segment.

<sup>9</sup> We included individuals with military earnings during the following wartime periods in our review: Vietnam era (August 5, 1964 to May 7, 1975) and Persian Gulf War (August 2, 1990 through a date to be prescribed by Presidential proclamation or law). 38 C.F.R §§ 3.2(f) and 3.2(i). We also included the conflicts in Iraq and Afghanistan (2001 to present) in our review. In addition, these individuals met SSA's age/disability and income/resource requirements.

<sup>10</sup> Our sample of 100 cases included 98 disabled SSI recipients and 2 aged SSI recipients.

<sup>11</sup> This included individuals who did not appear to meet VA's requirements for benefits. For example, six individuals did not serve at least 1 day during a wartime period.

<sup>12</sup> For these cases, the individual's length of military service and/or discharge status was unknown. Therefore, we were unable to determine whether they met VA's requirements for benefits. These 10 recipients received about \$550,000 in SSI as of June 2009.

## SSI RECIPIENTS POTENTIALLY ELIGIBLE FOR VA BENEFITS

In total, 45 SSI recipients in our sample appeared potentially eligible for VA benefits instead of SSI and had received approximately \$2.7 million in SSI as of June 2009. These recipients had received SSI payments for an average of 134 months—or 11 years—as of June 2009.<sup>13</sup> Of the 45 individuals, 44 served during the Vietnam era and 1 during the Persian Gulf War.

For example, in one case, a disabled SSI recipient had military earnings during the Vietnam era. This recipient served in the Army from October 1968 to July 1970 for approximately 640 days—with at least 1 day during wartime—and received an honorable discharge from the military. Therefore, he appeared to meet VA's requirements for benefits and received about \$104,000 in SSI payments from January 1993 to June 2009. According to SSA's systems, there was no indication this individual had applied for VA benefits.

In another example, a disabled SSI recipient had military earnings during the Persian Gulf War. This recipient served in the Navy from June 1988 to May 1992 for about 1,427 days and received an honorable discharge from the military. Therefore, he appeared to meet VA's requirements for benefits and received about \$36,000 in SSI payments from January 2003 to June 2009. According to SSA's systems, there was no indication this individual had applied for VA benefits.

VA benefits are generally of greater monetary value than SSI payments—so it is usually more advantageous for individuals to receive VA benefits. Specifically, in Fiscal Year 2007, the average monthly VA benefit was \$709, whereas the average monthly SSI payment was \$468.<sup>14</sup> In addition, the greatest Federal monthly SSI payment an individual could receive in 2007 was \$623.<sup>15</sup> Therefore, if these individuals are, in fact, eligible for VA benefits, they could receive higher monthly benefit payments.

Although individuals in our sample appeared potentially eligible for VA benefits, only VA—not SSA—can make that determination. As of August 2009, VA had a backlog of approximately 400,000 pending cases—and it could create an additional workload for VA if all potentially eligible individuals file for benefits.<sup>16</sup> Although VA had a backlog, it

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<sup>13</sup> The median was 120 months.

<sup>14</sup> VA, Pamphlet on Strategic Goals, p. 2, February 2008. According to this Pamphlet, the annual average VA pension payment for 2007 was \$8,509. We divided the \$8,509 by 12 to calculate the monthly average of \$709. The 2007 average monthly SSI payment was obtained from the *SSA Annual Statistical Supplement*, p. 3, 2008.

<sup>15</sup> SSA, *SSI Annual Statistical Report, 2007*, p. 15. These individuals could receive an additional cash benefit from the State to supplement the Federal SSI payment. In some States, the supplement is administered by SSA and included in the SSI check.

<sup>16</sup> The 400,000 claims pending included all VA disability claims—not just VA pension claims.

was committed to reducing the processing times of disability claims and was trying to improve its technologies to process the claims faster and more efficiently.

### **SSA's EFFORTS TO WORK WITH VA**

At the time of our audit, SSA's Office of Quality Performance was working with VA to determine whether SSI recipients were actually eligible for VA benefits. Specifically, in September 2009, SSA provided VA information on approximately 62,000 SSI recipients so VA could determine whether these individuals were, in fact, eligible for benefits. As of November 2009, VA was still analyzing these cases.<sup>17</sup>

### **CONCLUSION AND RECOMMENDATION**

We found that some SSI recipients appeared potentially eligible for VA benefits instead of SSI payments. Generally, it is more advantageous for an individual to receive VA benefits instead of SSI since those monthly benefits tend to be higher. We estimate SSA paid about \$1.3 billion to approximately 22,000 SSI recipients who appeared to meet VA requirements for benefits—however, only VA can determine whether these individuals are, in fact, eligible for VA benefits. At the time of our review, SSA was working with VA to address this issue. However, VA had a backlog of pending cases, and this could create an additional workload if all SSI recipients potentially eligible filed for VA benefits.

In addition, we estimate that SSA will continue to pay about \$126 million in SSI payments over the next 12 months to individuals who appeared eligible for VA benefits instead of SSI payments. Therefore, we recommend SSA continue its efforts to work with VA to ensure individuals who should be receiving VA benefits instead of SSI payments are, in fact, receiving VA benefits.

### **AGENCY COMMENTS**

SSA agreed with our recommendation. See Appendix C.



Patrick P. O'Carroll, Jr.

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<sup>17</sup> In May 2008, the Government Accountability Office (GAO) recommended more coordination between Federal agencies in providing benefits to individuals. GAO, *Federal Disability Programs: More Strategic Coordination Could Help Overcome Challenges to Needed Transformation*, May 2008.

# **Appendices**

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**APPENDIX A** – Acronyms

**APPENDIX B** – Scope, Methodology, and Sample Results

**APPENDIX C** – Agency Comments

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

## ***Appendix A***

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### **Acronyms**

C.F.R.	Code of Federal Regulations
GAO	Government Accountability Office
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code
VA	Department of Veterans Affairs

# **Scope, Methodology, and Sample Results**

To accomplish our objective, we:

- Reviewed applicable sections of the *Social Security Act* and other relevant legislation as well as the Social Security Administration's (SSA) regulations, rules, policies, and procedures.
- Identified 2,390 Supplement Security Income (SSI) recipients as of March 2009 (from 1 of 20 Social Security number segments)<sup>1</sup> with military earnings during certain wartime periods who appeared to meet the Department of Veterans Affairs (VA) requirements for benefits.<sup>2</sup> Specifically, it appeared these individuals
  - ✓ were discharged from military service under conditions other than dishonorable and
  - ✓ served at least 90 days of active military service with 1 day during a wartime period; or after September 7, 1980, generally served at least 24 months (or the full period for which called or ordered to active duty).<sup>3</sup>
- From this population, we selected a random sample of 100 cases for detailed analysis. Our sample included 98 disabled SSI recipients and 2 aged SSI recipients. We analyzed each case to determine whether the SSI recipient appeared potentially eligible for VA benefits. Specifically, we:
  - ✓ Reviewed available information on the following SSA systems: Supplemental Security Record, Modernized Claims System, Modernized SSI Claims System, Master Earnings File, and VA Benefits Query.
  - ✓ Researched information related to the individuals' military service available on the National Archives and Records Administration database.<sup>4</sup>

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<sup>1</sup> The last 2 digits of the Social Security number are randomly assigned and can contain digits "00" to "99." Social Security numbers can be categorized into 20 segments, each containing 5 sequential groups of these digits. For this audit, we randomly selected Social Security numbers ending with the digits "30" to "34" from 1 Social Security number segment.

<sup>2</sup> These individuals met SSA's age/disability and income/resource requirements. We did not determine whether they also met VA's age/disability and income/resource requirements.

<sup>3</sup> We included individuals with military earnings during the following wartime periods in our review: Vietnam era (August 5, 1964 to May 7, 1975) and Persian Gulf War (August 2, 1990 through a date to be prescribed by Presidential proclamation or law). 38 C.F.R §§ 3.2(f) and 3.2(i). We also included the conflicts in Iraq and Afghanistan (2001 to present). For the purposes of our review, we only included individuals with earnings beginning in 1968 for the Vietnam era.

<sup>4</sup> The National Archives and Records Administration is the nation's recordkeeper of all documents and materials created in the course of business by the U.S. Government.

- ✓ Calculated the amount of SSI received by recipients who appeared potentially eligible for VA benefits as of June 2009.
- Obtained information from SSA's Office of Quality Performance on the Agency's efforts to work with VA.

We performed our audit between June and October 2009 in Boston, Massachusetts. We tested the data obtained for our audit and determined them to be sufficiently reliable to meet our objective. The entities audited were SSA's field offices under the Deputy Commissioner for Operations. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## SAMPLE RESULTS

Table B-1: Population and Sample Size		
Population (one segment)		2,390
Sample Size		100
Estimated Number of Recipients in the Universe (Population of audited segment multiplied by 20)		47,800

Table B-2: SSI Payments to Recipients Potentially Eligible for VA Benefits	Number of Recipients	Dollars
Sample Results	45	\$2,683,550
Point Estimate	1,076	\$64,136,848
Projection Lower Limit	877	\$47,046,785
Projection Upper Limit	1,279	\$81,226,911
Estimate in 20 Segments (Point estimate multiplied by 20)	21,520	\$1,282,736,960

Note: All projections are at the 90-percent confidence level.

Table B-3: SSI Payments SSA Will Continue to Pay over the Next 12 Months to Recipients Potentially Eligible for VA Benefits	Number of Recipients	Dollars
Sample Results	45	\$262,717
Point Estimate	1,076	\$6,278,953
Projection Lower Limit	877	\$4,816,134
Projection Upper Limit	1,279	\$7,741,771
Estimate in 20 Segments (Point estimate multiplied by 20)	21,520	\$125,579,060

Note: All projections are at the 90-percent confidence level.

## **Appendix C**

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### **Agency Comments**



## SOCIAL SECURITY

### MEMORANDUM

Date: December 28, 2009 Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.  
Inspector General

From: Margaret J. Tittel /s/ Dean Landis for  
Acting Chief of Staff

Subject: Office of the Inspector General (OIG) Draft Report, "Supplemental Security Income Recipients Eligible for Veterans Benefits" (A-01-09-19031)—INFORMATION

Thank you for the opportunity to review and comment on the draft report. We appreciate OIG's efforts in conducting this review. Attached is our response to the report findings and recommendation.

Please let me know if we can be of further assistance. You may direct staff inquiries to Candace Skurnik, Director, Audit Management and Liaison Staff, at (410) 965-4636.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, “SUPPLEMENTAL SECURITY INCOME RECIPIENTS ELIGIBLE FOR VETERANS BENEFITS” (A-01-09-19031)**

**Recommendation**

Continue the efforts to work with the Department of Veterans Affairs (VA) to ensure individuals who should be receiving VA benefits instead of Supplement Security Income (SSI) payments are, in fact, receiving VA benefits.

**Comment**

We agree. We will continue to work with the VA to identify SSI recipients who may be eligible for VA benefits. In addition, we will ensure that those SSI recipients who are eligible for VA benefits take the necessary actions to apply and receive VA benefits.

## ***Appendix D***

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# **OIG Contacts and Staff Acknowledgments**

### **OIG Contacts**

Judith Oliveira, Director, Boston Audit Division

### **Acknowledgments**

In addition to those named above:

Kevin Joyce, IT Specialist

Melinda Padeiro, Senior Auditor

Katie Toli, Auditor

For additional copies of this report, please visit our web site at  
[www.socialsecurity.gov/oig](http://www.socialsecurity.gov/oig) or contact the Office of the Inspector General's Public Affairs Staff Assistant at (410) 965-4518. Refer to Common Identification Number A-01-09-19031.

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Social Security Advisory Board

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