
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**CONTROLS OVER TITLE XVI
IMMEDIATE PAYMENTS**

September 2009

A-04-09-19104

AUDIT REPORT



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.

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.



SOCIAL SECURITY

MEMORANDUM

Date: September 2, 2009 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: Controls over Title XVI Immediate Payments (A-04-09-19104)

OBJECTIVE

The objectives of our review were to (1) evaluate the adequacy of the Social Security Administration's (SSA) controls over the issuance of Title XVI immediate payments and (2) determine whether the payments were properly recorded on the Supplemental Security Record (SSR) and subsequently offset against future benefits.

BACKGROUND

Title XVI of the *Social Security Act* established the Supplemental Security Income (SSI) program to provide income to financially needy individuals who are aged, blind, or disabled.¹ Individuals eligible for SSI receive monthly payments. However, on occasion, SSI recipients claim delay, interruption, or nonreceipt of their payment and, as such, state that a financial emergency exists. The SSI program allows immediate payments to be issued at local field offices for SSI recipients who have a financial emergency involving an immediate concern to the individual's health or safety.²

SSA field offices issue immediate payments when payments through the Department of the Treasury cannot be requested or would not be fast enough. An immediate payment is an advance of an SSI payment due the recipient and must be recovered. The maximum amount of an immediate payment is \$999, which cannot be exceeded in any circumstance. However, the amount may be less based on the payment due the recipient or the amount requested for the emergency.³

¹ The *Social Security Act*, §§ 1601-1637, 42 U.S.C. §§ 1381-1383f.

² SSA, Program Operations Manual System (POMS), SI 02004.100.B.1. and SI 02004.005.A.2. In addition to a financial emergency, policy also allows SSA to make an immediate payment if the case represents a potential public relations problem requiring prompt action, such as homelessness or natural disasters that prevent mail delivery or access to banks.

³ POMS, SI 02004.100.B.5.

In 2002, we issued a report⁴ that noted a lack of controls and system automation in issuing immediate payments. In 2003, SSA automated the Title XVI immediate payment process and integrated the Third Party Payment System (TPPS) with the SSR so immediate payments are automatically posted to both systems.

If the conditions for an immediate payment are met, a field office claims/service representative initiates the process to issue an immediate payment by entering the payment information into the Modernized Supplemental Security Income Claims System (MSSICS). Field office management must then approve the immediate payment in MSSICS.⁵ In 2002, SSA began using a “2-PIN” process, meaning the approval for the immediate payment must come from an employee with a different personal identification number (PIN) and password than the one used to establish the immediate payment.

The claims/service representative transmits the payment information, which posts the immediate payment to the SSR and makes it available to the TPPS. A field office cashier uses TPPS to print the check. Upon receipt of the check, the beneficiary signs an *Advance Payment Receipt and Notice* (Form SSA-8102) to acknowledge receipt of the immediate payment and his/her understanding that the payment is an advance of SSI payments due, which will be recovered. The following day, the field office should obtain a Supplemental Security Income Display to confirm that the immediate payment was posted correctly. The field office should retain Form SSA-8102 and a copy of the third-party draft that was issued to the beneficiary.⁶

For Fiscal Years 2007 and 2008, SSA issued 116,278 SSI immediate payments totaling \$70,498,959. For our review, we randomly selected and analyzed 50 of these immediate payments to (1) determine what type of documentation SSA could provide to justify the payments and (2) ensure the immediate payments were correctly posted to the SSR and recovered from the beneficiary. Additional information about our scope and methodology is in Appendix B.

RESULTS OF REVIEW

SSA did not always maintain required documentation for the 50 Title XVI immediate payments reviewed. Specifically, field offices could not provide copies of Form SSA-8102 and/or third-party drafts for 14 (28 percent) of the 50 cases reviewed. Despite the missing documentation, SSA properly recorded the 50 immediate payments on the SSR and subsequently recovered the payments from the SSI recipients. We also noted that none of the immediate payments in our sample was more than the maximum allowed \$999 or the amount due the beneficiary.

⁴ *Review of Internal Controls for the Supplemental Security Income Immediate Payment Process* (A-05-00-10045), September 2002.

⁵ POMS, SI 02004.130.A – Step 7.

⁶ POMS, SI 02004.130.B.4.b. and Administrative Instructions Manual System 03.05.07.A.

SSA COULD IMPROVE ITS SUPPORTING DOCUMENTATION FOR THE ISSUANCE OF TITLE XVI IMMEDIATE PAYMENTS

SSA could not always provide required documentation for the 50 immediate payments reviewed. According to SSA policy, for each immediate payment, field offices should maintain the Form SSA-8102 and a copy of the third-party draft issued to the recipient.⁷ However, for 14 (28 percent) of the 50 Title XVI immediate payments reviewed, SSA could not provide 1 or both of these documents. For 6 (12 percent) of the 50 immediate payments, SSA could not provide the Form SSA-8102. In addition, for 12 (24 percent) of the 50 immediate payments, SSA could not provide a copy of the third-party draft. SSA should issue a reminder to the field offices to ensure they maintain all required documentation for Title XVI immediate payments.

SSA PROPERLY RECORDED AND RECOVERED TITLE XVI IMMEDIATE PAYMENTS

Through our review of 50 randomly selected Title XVI immediate payments, we determined SSA properly recorded the payments on the SSR and subsequently offset them against future payments. In all cases, the amount of the immediate payment SSA posted and recovered on the SSR matched the amount from our sample. In addition, none of the immediate payments in our sample was more than the maximum allowed \$999 or the amount due the beneficiary. Therefore, we concluded that SSA's automated systems were working appropriately to ensure immediate payments were recorded and recovered correctly.

CONCLUSION AND RECOMMENDATION

Since our review of Title XVI immediate payments in 2002, SSA has automated the process and integrated TPPS with the SSR. Accordingly, immediate payments are automatically posted to both systems through field office input in MSSICS. This process appears to be working well to ensure immediate payments are properly recorded on the SSR and recovered from the beneficiary. However, SSA could do a better job of maintaining supporting documentation for immediate payments.

Accordingly, we recommend that SSA issue a reminder to field offices to ensure they maintain all required documentation for Title XVI immediate payments.

⁷ Ibid.

AGENCY COMMENTS

SSA agreed with our recommendation. See Appendix C for the full text of SSA's comments.

A handwritten signature in black ink, appearing to read "Patrick P. O'Carroll, Jr."

Patrick P. O'Carroll, Jr.

Appendices

[**APPENDIX A**](#) – Acronyms

[**APPENDIX B**](#) – Scope and Methodology

[**APPENDIX C**](#) – Agency Comments

[**APPENDIX D**](#) – OIG Contacts and Staff Acknowledgments

Appendix A

Acronyms

Form SSA-8102	<i>Advance Payment Receipt and Notice</i>
MSSICS	Modernized Supplemental Security Income Claims System
OIG	Office of the Inspector General
PIN	Personal Identification Number
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
SSR	Supplemental Security Record
TPPS	Third Party Payment System

Scope and Methodology

To accomplish our objectives, we obtained a data extract from the Social Security Administration's (SSA) Audit Trail System for all Title XVI immediate payments made in Fiscal Years 2007 and 2008. For the period October 1, 2006 through September 30, 2008, SSA issued 116,278 Title XVI immediate payments totaling \$70,498,959. For our review, we randomly selected 275 of these immediate payments for testing. However, we performed initial testing on a probe sample of 50 Title XVI immediate payments. This probe sample consisted of the first 50 immediate payments from our random sample of 275.

For each Title XVI immediate payment reviewed, we (1) obtained the Supplemental Security Record (SSR) to determine whether the immediate payment was posted and recovered correctly; (2) ensured the immediate payment amount did not exceed the allowed maximum of \$999 or the amount due the beneficiary; and (3) obtained and reviewed all available documentation for the immediate payment from the issuing field office.

Our tests on the probe sample determined that all 50 immediate payments were properly posted to the SSR and recovered from the beneficiary, which did not result in an overpayment. Accordingly, we did not extend testing to the full sample of 275.

We also performed the following steps to accomplish our audit objectives.

- We reviewed applicable Federal laws and regulations as well as pertinent sections of SSA's policies and procedures.
- We reviewed previously issued Office of the Inspector General reports related to immediate payments.
- We interviewed SSA personnel to obtain an understanding of the procedures for processing a request for a Title XVI immediate payment and the subsequent actions needed to account for the payment.

We found the data used for this audit were sufficiently reliable to meet our audit objectives. The audited entity was the Office of the Deputy Commissioner for Operations. Our work was conducted in Atlanta, Georgia, from February through May 2009. 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.

Appendix C

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: August 20, 2009 Refer To: S1J-3

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

From: Margaret J. Tittel /s/ Michael Gallagher for
Acting Chief of Staff

Subject: Office of the Inspector General (OIG) Draft Report, "Controls Over Title XVI Immediate Payments" (A-04-09-19104)--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 recommendation.

Please let me know if we can be of further assistance. Please 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'S DRAFT REPORT,
"CONTROLS OVER TITLE XVI IMMEDIATE PAYMENTS" (A-04-09-19104)**

Our response to your specific recommendation is as follows.

Recommendation

Issue a reminder to field offices to ensure they maintain all required documentation for Title XVI immediate payments.

Comment

We agree. By December 2009, we will issue a reminder to our field offices to maintain all required documentation for Title XVI immediate payments.

Appendix D

OIG Contacts and Staff Acknowledgments

OIG Contacts

Kimberly A. Byrd, Director, Atlanta Audit Division

Frank Nagy, Audit Manager

Acknowledgments

In addition to those named above:

Mike Leibrecht, Auditor

Charles Lober, Information Technology Specialist

For additional copies of this report, please visit our web site at
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-04-09-19104.

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Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts investigations related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Counsel to the Inspector General

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Also, OCIG administers the Civil Monetary Penalty program.

Office of External Relations

OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

Office of Technology and Resource Management

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG's strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.