
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**FOLLOW-UP: INDIVIDUALS
RECEIVING BENEFITS UNDER MULTIPLE
SOCIAL SECURITY NUMBERS
AT DIFFERENT ADDRESSES**

January 2012 A-01-11-11145

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.
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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: January 13, 2012 Refer To:

To: The Commissioner

From: Inspector General

Subject: Follow-up: Individuals Receiving Benefits Under Multiple Social Security Numbers at Different Addresses (A-01-11-11145)

OBJECTIVE

The objective of our review was to identify and prevent individuals from inappropriately receiving Old-Age, Survivors and Disability Insurance (OASDI) benefits and/or Supplemental Security Income (SSI) payments under multiple Social Security numbers (SSN) at different mailing addresses.

BACKGROUND

In general, the Social Security Administration (SSA) assigns an individual only one SSN.¹ However, in some cases, because of fraud or staff mistakes, the Agency has assigned individuals more than one SSN. As a result, the Agency has controls in place to identify beneficiaries who may be receiving duplicate payments under different SSNs.

When an individual applies for OASDI benefits or SSI payments, SSA staff asks the person about any prior applications.² This is to ensure that individuals who may be entitled on more than one record receive the correct amount. In addition, SSA runs computer matches to identify records that appear to be duplicates based on name, date of birth, and/or ZIP code. SSA personnel review the records to determine whether they relate to the same beneficiary, correct the benefit amounts (if necessary), and assess any overpayments. For more information on SSA's controls for detecting duplicate payments, see Appendix B.

In our August 2006 report, *Beneficiaries Paid Under More Than One Social Security Number* (A-01-06-26022), we identified \$3 million in overpayments to 221 beneficiaries

¹ Under certain circumstances, SSA may assign an individual more than one SSN, such as when the individual objects to certain numbers in his or her original SSN for religious or cultural reasons. SSA, POMS, RM 10220.045 (January 21, 2011).

² SSA, POMS, GN 00205.010 (May 8, 2002).

who inappropriately received benefits under multiple SSNs at different addresses. Of these 221 cases, our Office of Investigations assessed 212 for potential fraud.

To conduct our current review, we analyzed a file of OASDI beneficiaries and SSI recipients who received benefits in January 2010. Our analysis of SSNs and other benefit data identified 165 beneficiaries who appeared to be inappropriately receiving benefits at different addresses under at least 2 different SSNs. We referred these cases to SSA for review and appropriate action. (See Appendix C for additional information on our scope and methodology.)

RESULTS OF REVIEW

Based on the results of our review, SSA assessed approximately \$2.9 million in overpayments to 46 beneficiaries who inappropriately received benefits under multiple SSNs at different addresses.³ Of these 46 cases, 40 involved possible fraud and 6 involved administrative errors. In addition, the Agency avoided paying \$354,070 by discontinuing these incorrect payments.⁴ As of December 2011, 77 cases had not been assessed overpayments because they were still under review—with 74 of the 77 cases being investigated for potential fraud by our Office of Investigations. Therefore, we expect SSA to assess additional overpayments.

Specifically, of the 165 cases,

- 6 had administrative errors with \$17,848 in overpayments;
- 40 involved potential fraud with approximately \$2.9 million in overpayments;
- 42 were not overpaid;⁵ and
- 77 were still under review as of December 2011, and SSA had not yet assessed overpayments—with 74 of the 77 cases being investigated for potential fraud.

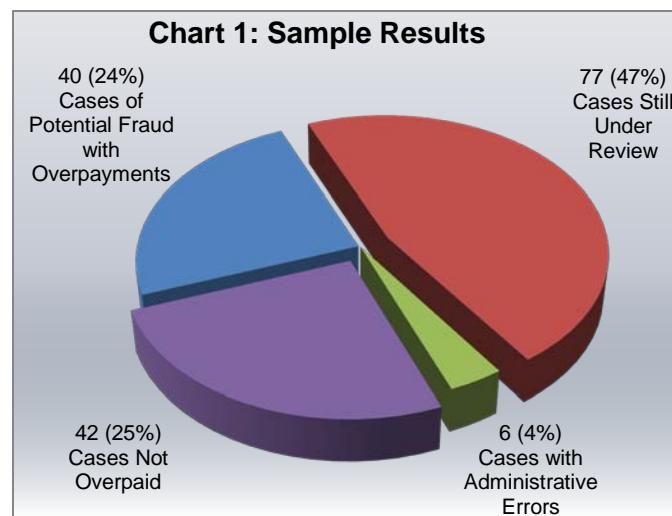


Table 1 summarizes the cases and overpayments by benefit type.

³ In 2 of the 46 cases, the beneficiaries were deceased and SSA did not assess an overpayment. As of December 2011, SSA had recovered \$186,345 (6 percent) of the approximate \$2.9 million in overpayments.

⁴ This is the amount SSA would have paid the beneficiaries had it not stopped benefits based on action taken during our review. We calculated the savings by taking the last monthly overpayment received by the beneficiaries multiplied by 12 months.

⁵ In most of these cases, SSA determined the beneficiaries were different individuals, such as twins.

Table 1: Summary of Cases and Overpayments by Benefit Type

	OASDI Only		SSI Only		OASDI and SSI		Total Cases and Overpayments	
Potential Fraud	13	\$1,065,732	2	\$152,096	25	\$1,655,021	40	\$2,872,849
Administrative Errors	-	-	-	-	6	\$17,848	6	\$17,848
Subtotal	13	\$1,065,732	2	\$152,096	31	\$1,672,869	46	\$2,890,697
Not Overpaid	18	-	-	-	24	-	42	-
Pending Review	34	-	4	-	39	-	77	-
Total Cases and Overpayments	65	\$1,065,732	6	\$152,096	94	\$1,672,869	165	\$2,890,697

Beneficiaries Overpaid Due to Potential Fraud

SSA staff—working with Office of the Inspector General investigators—determined that the Agency had inappropriately paid 40 beneficiaries approximately \$2.9 million because of potential fraud.⁶ The average overpayment amount was \$73,663, and the average number of months the individuals were overpaid was 94 (more than 7 years).

SSA referred the 40 cases to our Office of Investigations, which investigates activity related to fraud in SSA's programs, including wrongdoing by individuals, such as applicants. Potential fraud includes individuals who make a false statement on a claim or conceal material facts that affect eligibility for benefits. The Office of Investigations refers for legal action those cases where there is reason to believe a beneficiary violated a Federal criminal law.

Below are examples of potential fraud cases we found during our review.

- A New York resident obtained two SSNs using different names in 1957 and 1979. In March 2003, she began receiving widow's benefits at one address under the first SSN. In March 2006, she began receiving retirement benefits at another address under the second SSN. When filing for retirement benefits, she did not report receiving any other benefit income—although she was receiving widow's benefits. She was overpaid \$22,486 from March 2006 through July 2011. Our Office of Investigations is reviewing this case for potential fraud.
- A California resident obtained two different SSNs in 1959 and 1986. In August 1989, she began receiving disability benefits at one address under the first SSN. Using the other SSN and another address, she continued working and began receiving retirement benefits in January 2004. Because she continued working, SSA determined she was not eligible for disability benefits. Therefore, she was overpaid \$154,194 from April 1994 through June 2011. Our Office of Investigations is reviewing this case for potential fraud.

⁶ In 1 of the 40 cases, the beneficiary was deceased and SSA did not assess an overpayment.

In addition to the 40 potential fraud cases with overpayments assessed, SSA referred 74 cases still under review and 6 other cases to our Office of Investigations. In total, the Agency referred 120 (73 percent) of the 165 cases for investigation.⁷

SSA runs computer matches to identify records that appear to be duplicates based on name, date of birth, and/or ZIP code. However, the Agency was unable to detect these cases because the beneficiaries had different addresses, and some were also receiving benefits under different names.

Beneficiaries Overpaid Due to Administrative Error

SSA staff determined it overpaid six beneficiaries because of administrative errors, resulting in \$17,848 in overpayments.⁸ In four cases, SSA was aware the beneficiaries were receiving *both* OASDI and SSI benefits under two different SSNs; however, Agency staff had not appropriately cross-referenced the records.

For example, in January 1987, a Montana resident began receiving SSI payments under one SSN. In November 1988, she began receiving disability benefits at a different address under another SSN. Although she was eligible for both benefits, SSA had not cross-referenced these records appropriately, and the recipient was overpaid \$2,131 from March 2009 through May 2011.

OBTAINING MULTIPLE SSNs

Although SSA generally assigns one SSN per individual, the individuals we identified in our review involving potential fraud had more than one SSN. Generally, SSA assigned these SSNs before 2001.⁹ Since 2001, the Agency has implemented several initiatives to protect the integrity of the SSN. For example, SSA

- began requiring (1) mandatory interviews of all applicants for original SSNs over age 12 and (2) evidence of identity for all applicants, regardless of age, and¹⁰
- established several Enumeration Centers that focus exclusively on assigning SSNs and issuing SSN cards.¹¹

⁷ In six of the cases the Agency referred to our Office of Investigations because of suspected fraud, one had an administrative error and five were not overpaid.

⁸ In one of the six administrative error cases, the beneficiary was deceased and SSA did not assess an overpayment.

⁹ In four cases, SSA staff issued the second SSN after 2001.

¹⁰ SSA, POMS, RM 10210.001 (January 7, 2010).

¹¹ SSA has 10 enumeration centers: 1 each in California, Florida, Minnesota, Nevada, and Pennsylvania; 2 in Arizona; and 3 in New York.

Additionally, the *Intelligence Reform and Terrorism Prevention Act of 2004* requires that SSA (1) verify birth records for any individual before assigning an original SSN and (2) establish minimum standards for the verification of documents or records submitted by an individual to establish eligibility for an original or replacement SSN card, other than for purposes of enumeration at birth.¹²

CONCLUSION AND RECOMMENDATION

Based on our review, SSA assessed approximately \$2.9 million in overpayments to 46 beneficiaries who inappropriately received benefits under multiple SSNs at different addresses; and another 74 cases were under investigation for potential fraud and could result in additional overpayments. In total, SSA referred over 73 percent of the cases for investigation of potential fraud. As a result, this review supports SSA's Strategic Plan to collaborate with the Office of the Inspector General to reduce instances of fraud and pursue prosecution of individuals who harm its programs.¹³

Once the Office of Investigations completes its assessment of the pending potential fraud cases, we recommend SSA take appropriate action, such as assessing overpayments, stopping benefits, etc.

AGENCY COMMENT

SSA agreed with the recommendation. See Appendix D.



Patrick P. O'Carroll, Jr.

¹² The *Intelligence Reform and Terrorism Prevention Act of 2004*, Pub. L. No. 108-458 §7213, 118 Stat. 3638, 3830-3832 (2004).

¹³ SSA, *Strategic Plan Fiscal Years 2008 Through 2013*, page 26.

Appendices

[APPENDIX A](#) – Acronyms

[APPENDIX B](#) – The Social Security Administration’s Controls for Detecting Duplicate Payments

[APPENDIX C](#) – Scope and Methodology

[APPENDIX D](#) – Agency Comments

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

Appendix A

Acronyms

MAFDUP	Master File Duplicate Detection Operation
MBR	Master Beneficiary Record
OASDI	Old-Age, Survivors and Disability Insurance
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
SSR	Supplemental Security Record
U.S.C.	United States Code

The Social Security Administration's Controls for Detecting Duplicate Payments

When an individual applies for Old-Age, Survivors and Disability Insurance (OASDI) benefits or Supplemental Security Income (SSI) payments, Social Security Administration (SSA) staff asks the person about any prior applications. This is to ensure individuals who may be entitled on more than one record receive the correct amount. In addition, SSA runs computer matches to identify records that appear to be duplicates based on name, date of birth, and/or ZIP code. SSA personnel review the records to determine whether they relate to the same beneficiary, correct the benefit amounts (if necessary), and assess any overpayments.

OASDI

Under Title II of the *Social Security Act*, the OASDI program provides monthly benefits to retired or disabled workers and their families and to survivors of deceased workers.¹ An individual may be eligible for benefits on several records. For example, a person can be entitled to benefits on their own earnings record and on their spouse's record. Although entitled on both records, SSA's procedures generally provide that only the higher benefit amount is payable.

To ensure individuals who are entitled to multiple OASDI benefits receive the correct payment amount, SSA developed systems to adjust, validate, and post accurate entitlement information on the Master Beneficiary Record (MBR) involved.² SSA has another control in place to detect duplicate OASDI benefits, the Master File Duplicate Detection Operation (MAFDUP). The Agency runs MAFDUP to detect records that match on several items, including first name, middle initial, last name, ZIP code, and date of birth. MAFDUP generates alerts at the appropriate SSA office for beneficiaries who may be receiving benefits under multiple Social Security numbers (SSN).

SSI

Under Title XVI of the *Social Security Act*, the SSI program provides a minimum level of income to financially needy individuals who are aged, blind, or disabled.³ Generally, individuals may receive payment of both OASDI and SSI benefits under the same SSN

¹ *Social Security Act* §§ 202(a) – (k), 42 U.S.C. §§ 402(a) – (k).

² SSA, POMS, SM 00823.001 (April 20, 2005).

³ *Social Security Act* § 1601, *et seq.*, 42 U.S.C. § 1381, *et seq.*

as long as the combination of benefits does not exceed the SSI Federal Benefit Rate, plus a \$20 allowance.⁴

The Supplemental Security Record exchanges information with other SSA systems to detect duplicate records and payments. When the system detects differences between the identity data from the Supplemental Security Record and other databases, it generates an automatic alert. SSA field office staff review the records, resolve any discrepancies, and make any necessary adjustments to the SSI payments.⁵

Additionally, SSA designed the SSI Duplicate Payment Project to reduce the possibility of a recipient receiving duplicate payments because of multiple SSI records.⁶ The Agency designed the project to identify cases that have matching names and the same date of birth. The project identifies cases that meet these criteria and transmits alerts to the appropriate SSA office to resolve the discrepancies.

⁴ Social Security Act § 1611(a)(1)(A), 42, U.S.C. § 1382(a)(1)(A).

⁵ SSA, POMS, SM 02001.001-.425 (varying effective dates).

⁶ SSA, POMS, SI 02310.100 (May 27, 1999).

Scope and Methodology

To accomplish our objective, we:

- Reviewed applicable sections of the *Social Security Act* and Social Security Administration (SSA) regulations, rules, policies, and procedures as well as other applicable Federal laws and regulations.
- Reviewed our August 2006 report, *Beneficiaries Paid Under More than One Social Security Number* (A-01-06-26022), and ensured SSA reviewed the pending cases.
- Obtained a file of Master Beneficiary Records (MBR) for all Old-Age, Survivors and Disability Insurance beneficiaries and Supplemental Security Records (SSR) for all Supplemental Security Income recipients who received benefits in January 2010.¹ We ran several matches on these files based on the following fields: date of birth; first name; place of birth; and parent's last names. We compared these fields in the following files.
 - Records in the SSR.
 - Records in the MBR primary beneficiary file.
 - Records in the MBR auxiliary beneficiary file.
 - Records in the MBR primary beneficiary file against the MBR auxiliary beneficiary file.
 - Records in the MBR against the SSR file.

We removed any cases where the benefits on one record were cross-referenced or accounted for on the other record—as these individuals were entitled on multiple records or were concurrent beneficiaries—and SSA has processes in place to ensure benefits are adjusted appropriately. In addition, we removed cases identified in our previous audits.²

We then obtained the Numident record for each beneficiary and compared beneficiaries' full names and any other information on the records to help determine whether the

¹ A primary beneficiary is a Social Security numberholder entitled to benefits based on his/her own work record. An auxiliary beneficiary is someone entitled to benefits based on someone else's work record, by virtue of relationship to the numberholder. SSA, POMS GN 03301.002 B. (August 1, 2008).

² SSA, Office of the Inspector General, *Individuals Receiving Benefits Under Multiple Social Security Numbers at the Same Address* (A-01-05-25002), April 2005; *Beneficiaries Paid Under More than One Social Security Number* (A-01-06-26022), August 2006; and *Follow-up: Individuals Receiving Benefits Under Multiple Social Security Numbers at the Same Address* (A-01-10-11008), October 2011.

Social Security numbers (SSN) belonged to the same person or different individuals, such as twins with similar names.³

Through this additional analysis, we identified 165 cases where we believed individuals might be inappropriately receiving benefits under more than 1 SSN at different addresses. We referred these cases to SSA for review and requested that the Agency refer any instances of potential fraud to our Office of Investigations.

After obtaining feedback from SSA on our cases, we quantified the amount of overpayments assessed by the Agency. We also calculated future savings for the next 12 months where SSA stopped the improper payments.

We conducted our audit between March and September 2011 in Boston, Massachusetts. The entities audited were the field offices and program service centers under the Office of the Deputy Commissioner for Operations and the Offices of Retirement and Survivors Insurance Systems, Disability Systems, and Applications and Supplemental Security Income Systems under the Deputy Commissioner for Systems. 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 tested the data obtained for our audit and determined them to be sufficiently reliable to meet our objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

³ The Numident Master File houses, in SSN order, the identifying information for each numberholder. SSA, POMS, RM 10240.010 (April 26, 2010).

Appendix D

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: December 09, 2011

Refer To: S1J-3

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

From: Dean S. Landis /s/
Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, "Follow-up: Individuals Receiving Benefits Under Multiple Social Security Numbers at Different Addresses"(A-01-11-11145)—INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Frances Cord at (410) 966-5787.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,
“FOLLOW-UP: INDIVIDUALS RECEIVING BENEFITS UNDER MULTIPLE SOCIAL
SECURITY NUMBERS AT DIFFERENT ADDRESSES”**
(A-01-11-11145)

Recommendation

Once the Office of Investigations completes its assessment of the pending potential fraud cases, we recommend SSA take appropriate action, such as assessing overpayments, stopping benefits, etc.

Response

We agree. We will continue to work with the Office of Investigations and take appropriate action based on the outcome of its assessment.

Appendix E

OIG Contacts and Staff Acknowledgments

OIG Contacts

Judith Oliveira, Director, Boston Audit Division

David Mazzola, Audit Manager

Acknowledgments

In addition to those named above:

Kevin Joyce, IT Specialist

Katie Toli, Auditor

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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.

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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.

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