

# Report Summary

Social Security Administration Office of the Inspector General

May 2009



## Objective

Our objective was to determine whether Supplemental Security Income (SSI) underpayments were deposited in dedicated accounts in accordance with Social Security Administration (SSA) policy.

## Background

Public Law 104-193 amended the *Social Security Act* by requiring that certain underpayments due SSI recipients under age 18 (child) be placed in dedicated accounts. A dedicated account must be established when the applicable past due SSI payment exceeds six times the applicable Federal Benefit Rate plus any State supplemental benefit payable.

To view the full report, visit  
<http://www.ssa.gov/oig/ADO/BEPDF/A-13-08-28122.pdf>

## ***Establishment of Dedicated Accounts*** (A-13-08-28122)

### Our Findings

The Agency made significant improvements in establishing dedicated accounts for children. Since 1998, we estimate there has been a substantial decline in SSI underpayments not placed in dedicated accounts. However, SSA staff did not always deposit these underpayments in a dedicated account.

We asked Agency staff to analyze 29 underpayments made to children to determine why dedicated accounts were not established. Agency staff indicated dedicated accounts for 22 of the 29 underpayments should have been established. Of the 22 underpayments not placed in dedicated accounts, 14 were because of noncompliance with policy and procedures. The other 8 should have been deposited into dedicated accounts but were erroneously issued to new representative payees as conserved funds, which do not require the establishment of a dedicated account.

For the remaining seven underpayments, Agency staff paid four payments into dedicated accounts. However, because of staff recording errors, the SSR did not show that Agency staff issued the payment to a dedicated account. Finally, the dedicated account rules did not apply for three underpayments.

### Our Recommendations

To further improve controls over establishing dedicated accounts for children, we recommend SSA:

1. Remind staff of policies and procedures for dedicated accounts, including how to properly record the dedicated account on the SSR.
2. Consider establishing a dedicated account remittance code to indicate when funds held in a dedicated account are reissued from one representative payee to another.