

Audit Report

Social Security Benefits Paid to
Non-citizens Granted Deferred
Action for Childhood Arrivals Status

MEMORANDUM

Date: June 6, 2018 **Refer To:**

To: The Commissioner

From: Acting Inspector General

Subject: Social Security Benefits Paid to Non-citizens Granted Deferred Action for Childhood Arrivals Status (A-08-16-50063)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration properly verified eligibility and paid Old-Age, Survivors and Disability Insurance and Supplemental Security Income benefits to non-citizens granted Deferred Action for Childhood Arrivals status.

If you wish to discuss the final report, please call me or have your staff contact Rona Lawson, Assistant Inspector General for Audit, 410-965-9700.



Gale Stallworth Stone

Attachment

Social Security Benefits Paid to Non-citizens Granted Deferred Action for Childhood Arrivals Status

A-08-16-50063



June 2018

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) properly verified eligibility and paid Old-Age, Survivors and Disability Insurance (OASDI) and Supplemental Security Income (SSI) benefits to non-citizens granted Deferred Action for Childhood Arrivals (DACA) status.

Background

The Department of Homeland Security (DHS) established DACA to offer undocumented non-citizens who came to the United States as children relief from removal. DHS began accepting requests for DACA status on August 15, 2012 and stopped accepting initial requests on September 5, 2017. DACA provides non-citizens temporary lawful presence and work authorization.

From October 1, 2012 through June 30, 2017, SSA assigned original Social Security numbers to 838,058 non-citizens granted DACA status. We determined 528 of these non-citizens had received OASDI benefits, and 4 received SSI payments. We reviewed a random sample of 50 DACA recipients who received OASDI benefits and all who received SSI payments.

Findings

SSA properly verified eligibility for OASDI benefits paid to non-citizens granted DACA status. However, SSA did not record the accurate lawful presence expiration date for 5 (10 percent) of the 50 DACA recipients in our review, which resulted in improper payments. As such, we estimate SSA improperly paid \$218,360 to 53 of the 528 DACA recipients who received OASDI benefits. SSA did not record accurate lawful presence expiration dates for 13 other DACA recipients. However, these errors did not result in improper payments. Finally, SSA improperly paid three DACA recipients \$42,831 in SSI payments. DACA recipients are not eligible to receive SSI payments.

We provided SSA information on the eight improper payments we identified, and it took corrective action on each. Additionally, SSA requested data on the remaining 478 DACA recipients who received OASDI benefits to ensure it had recorded or updated the accurate lawful presence expiration dates. While we are making no recommendations, we encourage SSA to ensure it takes all necessary steps to minimize the risk of improper payments to DACA recipients. SSA stated it will continue exploring ways of minimizing the risk of improper payments to DACA recipients.

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ABBREVIATIONS

DACA	Deferred Action for Childhood Arrivals
DHS	Department of Homeland Security
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SAVE	Systematic Alien Verification for Entitlements
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code
USCIS	U.S. Citizenship and Immigration Services

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) properly verified eligibility and paid Old-Age, Survivors and Disability Insurance (OASDI) and Supplemental Security Income (SSI) benefits to non-citizens granted Deferred Action for Childhood Arrivals (DACA) status.

BACKGROUND

The Department of Homeland Security (DHS) established DACA to offer undocumented non-citizens who came to the United States as children relief from removal.¹ DHS began accepting requests for DACA status on August 15, 2012 and stopped accepting initial requests on September 5, 2017.

DACA provides non-citizens temporary lawful presence and work authorization.² Therefore, in some situations, DACA recipients may be eligible for SSA OASDI benefits. In addition to lawful presence, individuals must meet all eligibility requirements to qualify for OASDI benefits, including quarters of coverage based on work or their relationship to an OASDI beneficiary.³ Based on quarters of coverage, DACA recipients may be eligible for OASDI retirement or disability benefits, as appropriate. An individual may also qualify for OASDI as the dependent of an existing beneficiary (for example, a spouse or child).⁴ Individuals with DACA status are not eligible for SSI.⁵

From October 1, 2012 through June 30, 2017, as required by law,⁶ SSA assigned original Social Security numbers to 838,058 work-authorized non-citizens whom DHS granted DACA status. We determined that 528 of these non-citizens had received OASDI benefits, and 4 received SSI payments. We reviewed a random sample of 50 DACA recipients who received OASDI benefits and all who received SSI payments. We determined whether SSA verified eligibility for OASDI. In addition to Master Beneficiary and Supplemental Security Records, we reviewed benefit applications, lifetime earnings, and DHS' Systematic Alien Verification for Entitlements (SAVE)⁷ program reports. See Appendix A for our detailed scope and methodology.

¹ USCIS, *DACA Toolkit*, p. 2 (September 7, 2017).

² See Footnote 1.

³ *Social Security Act*, 42 U.S.C. §§ 414(a), 402(a-h) (2016).

⁴ *Social Security Act*, 42 U.S.C. §§ 402(b-c), (d)(1) (2016).

⁵ *Social Security Act*, 42 U.S.C. § 1382c(a)(1)(B) (2004), SSA, *POMS*, *SI-Supplemental Security Income*, ch. 005, subch. SI 00501.400 (June 28, 2011), and SSA, *POMS*, *SI-Supplemental Security Income*, ch. 005, subch. SI 00502.100 (December 11, 2009).

⁶ Section 205(c)(2)(B)(i)(I) of the *Social Security Act* requires SSA to assign SSNs to work-authorized non-citizens.

⁷ SAVE is a fee-based intergovernmental initiative designed to help Federal, State, tribal, and local government agencies and licensing bureaus confirm immigration status information.

RESULTS OF REVIEW

SSA properly verified eligibility for OASDI benefits paid to non-citizens granted DACA status. However, SSA did not record the accurate lawful presence expiration date for 5 (10 percent) of the 50 DACA recipients in our review, which resulted in improper payments. As such, we estimate SSA improperly paid \$218,360 to 53 of the 528 DACA recipients who received OASDI benefits. SSA did not record accurate lawful presence expiration dates for 13 other DACA recipients. However, these errors did not result in improper payments. Finally, SSA improperly paid three DACA recipients \$42,831 in SSI payments. DACA recipients are not eligible to receive SSI payments.

We provided SSA information on the eight improper payments we identified, and it took corrective action on each. Additionally, SSA requested data on the remaining 478 DACA recipients who received OASDI benefits to ensure it had recorded or updated the accurate lawful presence expiration dates. While we are making no recommendations, we encourage SSA to ensure it takes all necessary steps to minimize the risk of improper payments to DACA recipients. SSA stated it will continue exploring ways of minimizing the risk of improper payments to DACA recipients.

Eligibility and Improper Payments

Our sample review of DACA recipients who received a Social Security number from October 1, 2012 through June 30, 2017 showed that SSA complied with its policies and procedures in awarding OASDI benefits. As shown in Figure 1, about three in four were children of eligible numberholders. As of March 14, 2018, about 89 percent of these child beneficiaries were no longer receiving benefits because they had turned age 18. Children may receive auxiliary benefits based on the earnings record of a parent receiving OASDI benefits.⁸ For example, SSA awarded benefits to one DACA recipient because his father was a lawfully admitted permanent resident, which allowed him to work in the United States. The father worked over 15 years and earned the requisite 40 quarters of coverage before his death in 2015. Generally, auxiliary benefits to a child end when the child turns 18,⁹ as they did for this child in 2017.

The remaining OASDI beneficiaries were primary numberholders receiving disability benefits or young spouses receiving auxiliary benefits based on a spouse's earnings record. Each of the primary beneficiaries applied for disability benefits¹⁰ before age 31 and had enough quarters of

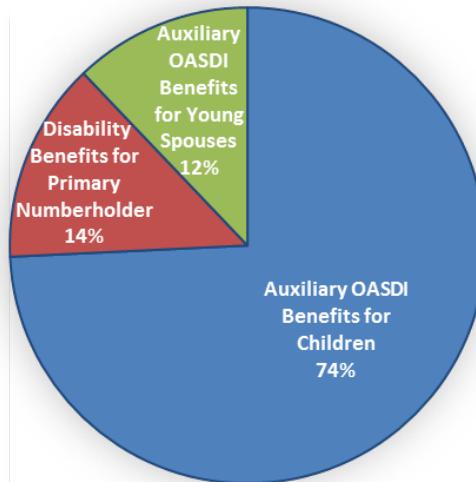
⁸ *Social Security Act*, 42 U.S.C. § 402(d)(1) (2016).

⁹ *Social Security Act*, 42 U.S.C. § 402(d)(1)(E) (2016), SSA, *POMS, Retirement and Survivors Insurance*, ch. 002 subch. RS-00203.035(A)(2) (April 19, 2016).

¹⁰ Under the *Social Security Act*, SSA considers an individual disabled if he/she is unable to engage in any substantial gainful activity because of a medically-determinable impairment that (1) can be expected to result in death or (2) has lasted (or can be expected to last) for a continuous period of at least 12 months.

coverage to qualify for benefits. Spouses under age 62 qualify for auxiliary benefits if they have in their care an eligible child who is either under age 16 or disabled.¹¹

Figure 1: Types of OASDI Benefits



Source: OIG Analysis of SSA Claims Data

Although SSA properly verified eligibility for OASDI benefits, it did not always record the accurate lawful presence expiration date for some DACA recipients in its systems, which resulted in improper payments. For example, SSA did not accurately record lawful presence expiration dates for 5¹² (10 percent) of the 50 DACA recipients we reviewed. Using a straight-line methodology, we estimated SSA improperly paid \$218,360 to 53 DACA recipients.¹³ We provided SSA information on the five improper payments, totaling \$20,601, that we identified. SSA posted overpayments on all five records. SSA also did not record the accurate lawful presence expiration date for another 13¹⁴ of the 50 DACA recipients we reviewed. However, we determined these errors did not result in improper payments. At SSA's request, we provided it the remaining 478 DACA recipients who received OASDI benefits to ensure it had recorded or updated the accurate lawful presence expiration dates.

¹¹ Social Security Act, 42 U.S.C. § 402(b)(1)(B)(ii) and 42 U.S.C. § 402(c)(1)(B)(ii) (2017).

¹² SSA terminated or suspended benefits for these records. Because of a systems limitation regarding the updated lawful presence status expiration dates, SSA created a special diary to ensure timely review of the suspended records.

¹³ See Appendix A for our straight-line estimation methodology.

¹⁴ As of April 24, 2018, SSA had terminated benefits for 11 of these recipients. The remaining two recipients were in current pay status. Because of a systems limitation regarding the updated lawful presence status expiration dates, SSA created special diaries to ensure timely reviews for the suspended and current pay records.

In addition, although DACA recipients were not eligible for SSI, we determined SSA improperly paid \$42,831 to three recipients.¹⁵ While SSA communicated this restriction in an Emergency Message,¹⁶ field office technicians did not follow guidance and improperly awarded SSI payments. We provided SSA information on these improper payments, and it posted overpayments on all three records.

CONCLUSIONS

We concluded that SSA sufficiently verified eligibility for OASDI benefits paid to DACA recipients. However, SSA did not always record the accurate lawful presence expiration date for some of these non-citizens, which resulted in improper payments to five DACA recipients in our sample. In addition, SSA improperly paid three DACA recipients SSI payments. We provided SSA information on the eight improper payments we identified and it took corrective action on each. While we are making no recommendations, we encourage SSA to ensure it takes all necessary steps to minimize the risk of improper payments to DACA recipients.

AGENCY COMMENTS

SSA stated it will continue exploring ways of minimizing the risk of improper payments to DACA recipients. The full text of SSA's comments is included in Appendix B.



Rona Lawson
Assistant Inspector General for Audit

¹⁵ We used SAVE to verify these non-citizens' lawful presence status. SAVE showed three of the four were DACA recipients, and DHS had changed the immigration status of one recipient. We also verified that SSA terminated the DACA recipients' SSI payments and posted overpayments to their records.

¹⁶ SSA, *Emergency Message-Claims Alien Eligibility and Evidence: Deferred Action for Child Arrivals (DACA) and I-94 Arrival Departure Record Automation -One-Time-Only Instructions*, EM-13039 REV, p. 2 (February 10, 2015).

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed relevant laws related to the Deferred Action for Childhood Arrivals (DACA) program.
- Obtained a data extract from the Social Security Number Application Process that identified DACA recipients whom the Social Security Administration (SSA) had assigned original Social Security numbers from October 1, 2012 through June 30, 2017.
- Used data from SSA’s Master Beneficiary and Supplemental Security Records to identify 528 DACA recipients who received Old-Age, Survivors and Disability Insurance (OASDI) benefits and 4 who received Supplemental Security Income (SSI) payments during our audit period.
- Selected a random sample of 50 DACA recipients who received OASDI to determine whether SSA properly verified their eligibility. For the error cases identified, we used a straight-line methodology to estimate the (1) number of DACA recipients who improperly received OASDI benefits and (2) total overpayments.
 - Straight-line Estimation for Population Errors: First, we divided the 5 error cases by the sample size of 50, which equaled 10 percent. Next, we multiplied this percentage (0.10) by the DACA population of 528 recipients who received OASDI payments, which equaled 53 estimated errors.
 - Straight-line Estimation for Population Overpayments: First, we divided \$20,601 in overpayments found in the sample by the 5 error cases, which resulted in a \$4,120 average overpayment. We then multiplied the average overpayment amount (\$4,120) by the 53 estimated errors in the population to determine the total estimated overpayments in the population, which equaled \$218,360 in overpayments.
- Identified four DACA recipients who received SSI payments. (Note: The Department of Homeland Security [DHS] changed one DACA recipient’s lawful presence status, making him eligible for SSI before receiving payments.)
- Validated the claimant’s immigration and lawful presence status using DHS’ online Systematic Alien Verification for Entitlements (SAVE)¹ program reports.

¹ SAVE is a fee-based intergovernmental initiative designed to help Federal, State, tribal, and local government agencies and licensing bureaus confirm immigration status information.

- Reviewed queries from SSA's Master Beneficiary and Supplemental Security Records, Numident, Master Earnings File, Modernized Claims System, Modernized SSI Claims System, and Claims Folder Records Management System to determine whether SSA sufficiently verified eligibility for OASDI and SSI benefits made to DACA recipients.

We determined the computer-processed data from the Social Security Number Application Process were sufficiently reliable for our intended use. We tested the data to determine their completeness and accuracy. These tests allowed us to assess the reliability of the data and achieve our audit objective.

We conducted our review in Birmingham, Alabama, from August 2017 through March 2018. We tested the data obtained for our audit and determined them to be sufficiently reliable to meet our objective. The principal entity reviewed was the Office of 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 findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

Date: May 31, 2018

Refer To: S1J-3

To: Gale S. Stone
Acting Inspector General

A handwritten signature in blue ink that reads "Stephanie Hall".

From: Stephanie Hall
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, "Social Security Benefits Paid to Non-citizens Who Have Been Granted Deferred Action for Childhood Arrivals Status." (A-08-16-50063) -- 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 Trae Sommer at (410) 965-9102.

Attachment

SSA COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, “SOCIAL SECURITY BENEFITS PAID TO NON-CITIZENS GRANTED DEFERRED ACTION FOR CHILDHOOD ARRIVALS STATUS” (A-08-16-50063)

We have policies in place to ensure that field technicians accurately verify eligibility factors when non-citizens who qualify for Deferred Action for Childhood Arrivals (DACA) status apply for benefits. Individuals eligible for benefits under the Old-Age, Survivors, and Disability Insurance programs must meet lawful presence policies. Our policies state that individuals with DACA status do not meet the Department of Homeland Security’s residence and citizenship requirement, and therefore, are not eligible for Supplemental Security Income payments. To minimize the risk of improper payments to non-citizens with DACA status, we communicate these policies through the publication of instructions and reminders, as cited in the report. We appreciate OIG’s acknowledgement of the actions we took on the error cases it identified during the audit. We will continue to explore ways to minimize the risk of improper payments to DACA recipients.

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By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration's (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

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