

Audit Report

Usefulness of Department of
Homeland Security Travel Data to
Identify Supplemental Security
Income Recipients Who Are
Outside the United States

MEMORANDUM

Date: February 1, 2013 **Refer To:**
To: The Commissioner
From: Inspector General
Subject: Usefulness of Department of Homeland Security Travel Data to Identify Supplemental Security Income Recipients Who Are Outside the United States (A-01-11-01142)

The attached final report presents the results of our audit. Our objective was to determine the amount of Supplemental Security Income overpayments the Social Security Administration could identify using Department of Homeland Security travel data.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



Patrick P. O'Carroll, Jr.

Attachment

cc:

Janet Napolitano, Secretary of the Department of Homeland Security
Charles K. Edwards, Deputy Inspector General, Department of Homeland Security

**Summary of Usefulness of Department of Homeland Security
Travel Data to Identify Supplemental Security Income Recipients
Who Are Outside the United States**
A-01-11-01142



February 2013

Objective

Our objective was to determine the amount of Supplemental Security Income (SSI) overpayments the Social Security Administration (SSA) could identify using Department of Homeland Security (DHS) travel data.

Background

Generally, SSI recipients are ineligible for payments once they are absent from the United States for 30 consecutive days.

DHS' U.S. Customs and Border Protection maintains TECS, which is a system that collects, among other things, travel data on individuals who enter and leave the United States.

Our Findings

Although there are legal and technical challenges in obtaining data from DHS to identify SSI recipients who are absent from the United States, we estimated 35,068 SSI recipients had approximately \$152 million in overpayments because of unreported absences from the United States between September 2009 and August 2011. Furthermore, millions of dollars more in overpayments could be identified if SSA includes all SSI recipients, regardless of their country of birth or associated bank. If our results using sample data associated with one bank represent all banks, we estimate our review would have identified an additional \$289 million in overpayments.

Developing a process with DHS—and if necessary, the Department of State—would be a long-term initiative; and SSA has a history of overcoming legal and technical factors with other initiatives it has pursued to address improper payments. Ultimately, the other agencies have to be willing to work with SSA.

Our Recommendations

We recommended that SSA reach out to DHS again (and if necessary, the Department of State) to attempt to create a process that provides the necessary information to identify all (not just foreign-born) SSI recipients outside the United States for longer than 30 days, which could include proposing legislative changes.

SSA agreed with the recommendation.

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ABBREVIATIONS

AFI	Access to Financial Institutions
C.F.R.	Code of Federal Regulations
CBP	U.S. Customs and Border Protection
DHS	Department of Homeland Security
DoJ	Department of Justice
HSPD	Homeland Security Presidential Directive
IPERA	<i>Improper Payments Elimination and Recovery Act of 2010</i>
IRS	Internal Revenue Service
MoU	Memorandum of Understanding
NACI	National Agency Check with Written Inquiries
OIG	Office of Inspector General
OMB	Office of Management and Budget
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
U.S.C.	United States Code

OBJECTIVE

Our objective was to determine the amount of Supplemental Security Income (SSI) overpayments the Social Security Administration (SSA) could identify using Department of Homeland Security (DHS) travel data.

BACKGROUND

Generally, SSI recipients are ineligible for payments once they are absent from the United States for 30 consecutive days.¹ Individuals who re-enter the United States after such absence are not eligible for payments until they have been in the United States for 30 consecutive days.²

SSI recipients are required to report events and changes of circumstances that may affect their eligibility and payment amounts—including departures from the United States.³ However, because reporting such events may make recipients ineligible for SSI payments, some recipients may fail to self-report this information to SSA.

In July 2003, the Government Accountability Office issued a report entitled, *SSI: SSA Could Enhance Its Ability to Detect Residency Violations* (GAO-03-724) that noted overpayments resulting from residency violations totaled about \$118 million between 1997 and 2001. The \$118 million, however, only represented the violations SSA detected. Further, the report noted that recipients born outside the United States accounted for at least 87 percent of those overpayments. As a result, we are exploring alternatives to help the Agency detect recipients' unreported absences from the United States.

DHS' U.S. Customs and Border Protection (CBP) maintains TECS, a system that collects, among other things, travel data on individuals who enter and leave the United States.⁴ These

¹ *Social Security Act* § 1611(f), 42 U.S.C. § 1382(f); see also 20 C.F.R. § 416.215. There are exceptions for certain blind or disabled children of military parents stationed overseas and students who are temporarily abroad for study purposes. See also 20 C.F.R. § 416.216; SSA, POMS, SI 00501.415 (June 12, 2006) and SI 00501.411 (June 14, 1996). An SSI recipient who is outside the United States for 29 days is eligible for payment. Our review did not include any analysis to identify recipients who may be following a pattern of being absent from the United States for 29 days, returning to the United States for 1 day, and then being absent from the United States again for 29 days.

² *Social Security Act* § 1611(f)(1), 42 U.S.C. § 1382(f)(1); see also 20 C.F.R. § 416.215.

³ 20 C.F.R. § 416.701; 20 C.F.R. §§ 416.708(m) and (n).

⁴ Per DHS, TECS is not an acronym. Also, TECS is a system that contains temporary and permanent enforcement, inspection, and operational records relevant to the antiterrorism and law enforcement mission of CBP; among these records are data pertaining to the travel by individuals who enter and leave the United States by air, land, or sea.

data include traveler's name, flight itinerary (for example, New York City to London),⁵ dates of travel, and passport number. TECS does not include travel information between the United States and its territories—America Samoa, Guam, Puerto Rico, and the U.S. Virgin Islands.

To conduct our review, we identified 7.6 million SSI recipients in current payment status as of February 2011. From this population, we identified 1.3 million foreign-born SSI recipients. We divided the 1.3 million into 2 groups based on how the individuals received their SSI payments. We sampled

- 250 from the 257,512 foreign-born recipients receiving SSI payments via direct deposit in the bank used by most recipients (Sample A)⁶ and
- 250 from the 221,505 foreign-born recipients receiving SSI payments via paper check (Sample B).

See Table 1 for a breakout of both samples by aged, blind, and disabled recipients.

Table 1: Aged, Blind, and Disabled Recipients

Sample	Aged	Blind	Disabled	Total
A	132	2	116	250
B	87	4	159	250

We provided the sample cases to DHS' Office of Inspector General (OIG), which worked with CBP to match the data against TECS. The match was based on name and date of birth; not Social Security number (SSN). CBP informed us that TECS did not track SSNs. Therefore, DHS could only match by (a) name and date of birth or (b) passport number.⁷

The match covered a 24-month period between September 2009 and August 2011. DHS OIG analyzed the results to determine whether SSI recipients had unreported absences from the United States for longer than 30 consecutive days. Because we performed this review for study

⁵ TECS does not contain full travel itinerary information but rather the foreign location originating or completing the trip to or from the United States.

⁶ Sample A comprised the same 250 SSI recipients sampled in our September 2012 review of *Supplemental Security Income Recipients with Automated Teller Machine Withdrawals Outside the United States* (A-01-11-01122). The remaining 800,370 SSI recipients in current payment status had direct deposit to a bank other than the Sample A bank.

⁷ SSA does not have passport numbers in its systems.

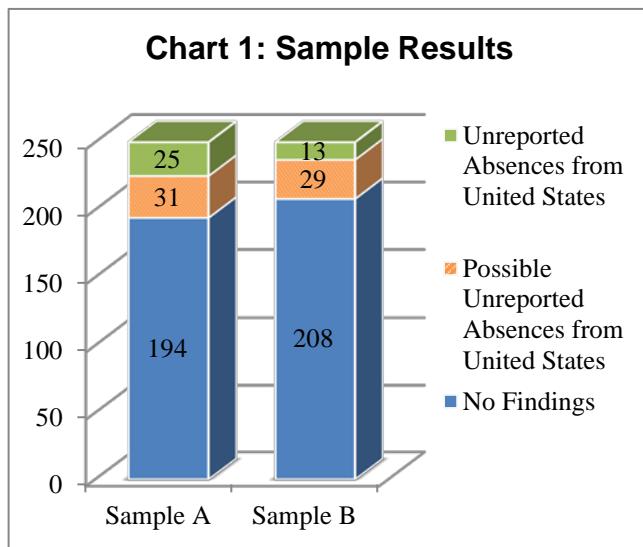
purposes only, we did not need a computer matching agreement with DHS.⁸ However, without a matching agreement, we were unable to provide SSA information on the SSI recipients in our sample who were outside the United States for longer than 30 days. As a result, SSA could not assess actual overpayments on these cases. (For additional scope, methodology, and sample results, see Appendix A.)

RESULTS OF REVIEW

Based on DHS OIG's review of TECS data, we estimate 35,068 SSI recipients had approximately \$152 million in overpayments because of unreported absences from the United States.⁹

Furthermore, millions of dollars more in overpayments could have been identified if we expanded our estimate to include all SSI recipients, regardless of their country of birth or associated bank.

Sample Results



DHS OIG's analysis of the 500 sample cases found the following.

- 38 recipients (25 from Sample A and 13 from Sample B) were overpaid an estimated \$166,647 because of unreported absences from the United States.¹⁰ These overpayments ranged from 1 to 24 months during our audit period.

⁸ Under the *Computer Matching and Privacy Protection Act of 1988*, 5 U.S.C. § 552a(o) et seq., a computer matching agreement is required, subject to certain exceptions, when an agency discloses *Privacy Act*-protected records in its system of records to another agency for use in a computer matching program. This effectively requires such an agreement in many cases where an agency intends to take action based on the results of a computerized data match between agencies.

⁹ We checked the 500 sample cases against SSA's records of all individuals assigned an SSN, and 3.2 percent in Sample A and 2.4 percent in Sample B had more than 1 person with the same name/date of birth combination. Therefore, to be conservative, we reduced our estimates by twice the percentage from each sample—a 6.4-percent reduction from Sample A and a 4.8-percent reduction from Sample B. The estimate shown in the report reflects these reductions to account for the possibility of name/date of birth mismatches since the data match was not based on SSN. See Appendix A of this report for more information.

¹⁰ In Sample A, 25 recipients were overpaid an average of \$3,858—ranging from \$151 to \$18,127, with a median of \$1,915. In Sample B, 13 recipients were overpaid an average of \$5,399—ranging from \$1,025 to \$20,361, with a median of \$3,041.

- 60 recipients (31 from Sample A and 29 from Sample B) had foreign travel, but we could not determine whether they were outside the United States for longer than 30 days.
- 402 recipients (194 from Sample A and 208 from Sample B) did not have an overpayment. TECS showed no foreign travel or foreign travel for fewer than 30 days. In other cases, TECS showed foreign travel greater than 30 days, but the recipient was not receiving SSI payments during that time.

Evidence Supporting Unreported Absences from the United States

For 38 of the 500 sample cases, the travel data showed SSI recipients arriving in the United States 30 or more days after leaving for a foreign country. All but one of these individuals traveled round-trip between the same foreign location and the United States.¹¹ Also, 6 of the 38 had multiple occurrences of foreign travel within the 2-year audit period.

For example, according to TECS data, one SSI recipient was outside the United States for longer than 6 months. However, the SSI recipient did not report this absence to SSA. Had SSA received travel data from DHS—instead of relying on SSI recipients to self-report or for SSA to identify the overpayment during a scheduled redetermination—SSA would have been able to determine the recipient was overpaid at least \$5,000.¹²

Possible Unreported Absences from the United States

For 60 of the 500 sample cases, the SSI recipients had foreign travel, but we could not determine whether they were outside the United States for longer than 30 days. For these cases, TECS showed one-way travel data for the recipients during our audit period with no record of a round-trip.

Without the round-trip travel data, we were unable to ascertain how long these 60 recipients were outside the United States. Therefore, some of these recipients may have been outside the United States for longer than 30 days.

Factors to Consider When Matching SSA Records Against TECS

There are legal and technical factors that SSA would need to address before data could be shared—some of which are more long-term than others.

¹¹ Of the 38 cases, foreign locations traveled round-trip were as follows: Asia (13), North America (12), South America (9), and Europe (4).

¹² A redetermination is a review of an SSI recipient's non-medical eligibility factors to determine whether the recipient is still eligible for and receiving the correct SSI payment. See 20 C.F.R. § 416.204(b)(2); SSA, POMS, SI 02305.001 (October 4, 2007) and SI 02305.022 (June 12, 2012).

Legal Factors to Consider

- Under the *Computer Matching and Privacy Protection Act of 1988*,¹³ SSA and DHS (and possibly the Department of State) generally need to enter into a formal matching agreement to perform a computerized data match in cases where such a match impacts eligibility or recoupment of payments under a Federal benefit program. Developing a matching agreement is time-consuming and requires the approval of each Agency. SSA indicated that it previously tried to work with DHS on several occasions since 2008, but the two agencies did not reach an agreement. Ultimately, the final decision to enter into a matching agreement rests with each Agency's Data Integrity Board.¹⁴
 - ✓ SSA OIG signed a Memorandum of Understanding (MoU) on April 9, 2012, with CBP for SSA OIG's Office of Investigations to access TECS for law enforcement purposes. As of January 2013, SSA OIG was working on an Interagency Security Agreement and technical issues related to accessing TECS. SSA OIG's access to TECS is for law enforcement purposes only and cannot be used to determine a recipient's eligibility for SSI payments for non-law enforcement purposes.
 - ✓ According to the section on routine uses of TECS in the Federal Register, data from TECS "... may be disclosed . . . [t]o an appropriate Federal, State, local, tribal, foreign, or international agency, if the information is relevant and necessary to a requesting agency's decision concerning the . . . issuance of a security clearance, license, contract, grant, or other benefit . . ."¹⁵ For routine uses of TECS, see Appendix B.
- SSA may need to enter into a matching agreement with the Department of State—in addition to an agreement with DHS. The only unique identifying information common between SSA's system and TECS was name and date of birth. Because these two fields were solely used to match and identify individuals in TECS, it is possible the results of our review identified false positives. That is, if multiple people have the same name and date of birth, the TECS data could be linked to a different person than intended for the match. Without a unique identifier, such as an SSN or passport number, the data match may not identify the intended recipient (for example, spelling of names may differ between the two systems).¹⁶

¹³ As reflected in the amended provisions of the *Privacy Act*, 5 U.S.C. § 552a(o).

¹⁴ A Data Integrity Board oversees and coordinates the various components of each Agency's implementation of data matches and consists of senior officials designated by the head of the Agency. See 5 U.S.C. § 552a(u). SSA has agreements with DHS' United States Citizenship and Immigration Services and the Department of State to assist SSA in enumerating aliens. DHS and Department of State collect enumeration data as part of the immigration process.

¹⁵ Routine uses of TECS are described in the Federal Register, Vol. 73, No. 245, December 19, 2008, 77778-77782. See Appendix B.

¹⁶ Under any future match, SSA would plan to confirm the travel data with the SSI recipient before stopping SSI payments and/or assessing an overpayment.

To more accurately identify SSI recipients with a unique identifier, SSA could potentially enter into an agreement with the Department of State to obtain passport numbers.¹⁷ With this identifier, SSA could work with DHS more effectively to detect SSI recipients with foreign travel.

SSA also expressed concern with being able to enter into an agreement with the Department of State to obtain passport numbers for SSI recipients. Specifically, SSA's review of the *Privacy Act*¹⁸ made it question whether (a) passport numbers were relevant and necessary to carry out the provisions of the SSI program and (b) the Agency would need to get the passport number directly from the SSI recipients (instead of the Department of State).

However, *Social Security Act* section 1611(f), Executive Order 13520, the *Improper Payments Elimination and Recovery Act of 2010* (IPERA),¹⁹ Office of Management and Budget (OMB) Memorandum M-11-02, and SSA's *Strategic Plan for Fiscal Years 2008-2013* support the need for such a match. A legislative change to the *Privacy Act* may be necessary to allow SSA to obtain passport numbers from the Department of State to facilitate a match with TECS.

- ✓ *Social Security Act* section 1611(f) prohibits SSI payments to recipients outside the United States for more than 30 days. SSA relies on recipients to self-report their absences from the United States; however, SSA could potentially use a recipient's passport number (which is a unique identifier) in a match with DHS' travel data to determine whether individuals are ineligible for SSI because they are outside the United States.
- ✓ The President issued Executive Order 13520 on November 20, 2009. The purpose of the Order was to reduce improper payments by intensifying efforts to eliminate payment error, waste, fraud, and abuse in the major programs administered by the Government—including SSA's programs.
- ✓ IPERA became law on July 22, 2010 and was enacted to prevent the loss of billions in taxpayer dollars. Under IPERA, agencies—including SSA—must estimate the amount of improper payments in their programs and take steps to reduce these improper payments.
- ✓ OMB Memorandum M-11-02, *Sharing Data While Protecting Privacy*, issued November 3, 2010, stated "Federal agencies are encouraged to engage in coordinated efforts to share high-value data for purposes of supporting important Administrative initiatives, informing public policy decisions, and improving program implementation. These efforts

¹⁷ The U.S. passport application contains name, date of birth, SSN, etc. When a passport is renewed, a new passport number is assigned. Therefore, if SSA pursues a matching agreement with the Department of State, SSA would need to obtain passport data periodically to ensure it has current passport numbers.

¹⁸ 5 U.S.C. §§ 552a(e)(1) and (2) state that an Agency shall "(1) maintain in its records only such information about an individual as is relevant and necessary to accomplish a purpose of the agency required to be accomplished by statute or by executive order of the President; (2) collect information to the greatest extent practicable directly from the subject individual when the information may result in adverse determinations about an individual's rights, benefits, and privileges under Federal programs."

¹⁹ Public Law No. 111-204, 124 STAT 2224-2235, July 22, 2010.

should include: . . . (2) identifying high-value data and data sharing methodologies that would promote more efficient delivery of Federal, State, and local benefits with lower error rates . . .”

- ✓ SSA’s *Strategic Plan Fiscal Years 2008-2013* includes an objective to curb improper payments. Under this objective, SSA states its need to “. . . reduc[e] improper payments in the [SSI] program . . . [and] continue [its] aggressive emphasis on . . . new data exchange opportunities to increase detection of improper payments.” The Strategic Plan has another objective to protect its programs from waste, fraud, and abuse; and SSA states that it “. . . will continue to aggressively prevent fraud and abuse in [its] programs by collaborating with other federal agencies . . .”.²⁰

Technical Factors to Consider Within SSA and DHS

- The data would have to be formatted so SSA could effectively use it to identify recipients who have been outside the United States for longer than 30 days. For instance, an individual could take multiple trips outside the United States and therefore could be listed in TECS multiple times. SSA’s systems would need to be able to recognize each unique trip and determine whether the individual was ineligible for SSI payments for the specified time period.
- TECS does not maintain complete information on individuals traveling between the United States and U.S. territories (that is, America Samoa, Guam, Puerto Rico, and the U.S. Virgin Islands). This limitation decreases SSA’s opportunity to identify recipients who are in the U.S. territories for longer than 30 days, and therefore, are ineligible for SSI.
- SSA and DHS would need to set a timeframe for receiving the data (that is, monthly, quarterly, etc.).²¹ To prevent overpayments, SSA would need to obtain TECS data as soon as possible after the recipient is outside the United States for longer than 30 days. Preventing the accumulation of overpayments is preferable to SSA’s learning months later that a recipient was overpaid and then trying to recover the overpayment from the SSI recipient.
- As of 2012, CBP had not fully implemented procedures to collect land departure data for U.S. citizens who enter Canada and Mexico from the United States. Without complete travel data for land crossings, SSA will be unable to determine how long SSI recipients travel outside the United States by land.²²

²⁰ SSA, Pub. No. 04-002, *Strategic Plan Fiscal Years 2008-2013*, September 2008, pages 23, 24, 26, and 27.

²¹ SSA already obtains certain immigration data monthly from DHS.

²² After September 11, 2001, tighter controls over tracking foreign travel were put in place. The Western Hemisphere Travel Initiative requires that U.S. travelers present a passport or other document that denotes identity and citizenship when entering and leaving the United States. This requirement went into effect in 2007 for air travel and 2009 for land and sea travel.

- CBP assigned an employee to manually create and run a program to match our sample data files against TECS, which took 2.5 hours to process 250 records.²³ When asked if CBP could handle a request for all 7 million SSI recipients receiving payments, it indicated there would be a major impact on its system and bandwidth resources. However, CBP said it could look into the feasibility of processing an automatic match directly between SSA's mainframe and TECS. In addition, CBP indicated it would require funding to process a match program.

Prior Attempts to Obtain TECS Data

As previously mentioned, SSA informed us that it had encountered barriers in obtaining TECS data.

- According to SSA, in February 2009, it began discussions with CBP to enter into an agreement to access TECS. CBP provided SSA its standard MoU, which allows law enforcement agencies to access and use TECS information. Many of the MoU's terms and conditions did not apply to SSA's intended use of ensuring proper SSI payments. SSA's Office of the General Counsel met with CBP's Office of the Chief Counsel to attempt to reach an agreement that would cover SSA's intended use and meet the requirements of the *Privacy Act*.
- In May 2009, SSA and CBP tried again to reach an agreement.
- In December 2011, SSA once again initiated discussions with CBP to explore a data exchange pilot using TECS to detect improper payments. CBP insisted that SSA field office employees who would access TECS undergo background checks.²⁴ CBP also stated it did not have the infrastructure to support a data exchange with another agency.

Long-Term Initiatives to Obtain and Use Data to Identify and Prevent Improper Payments

SSA has a history of overcoming legal and technical issues so it can obtain data to identify and prevent improper payments. Two examples are below—one obtaining prisoner data and one for bank information. Based on these prior initiatives, it does not seem unreasonable that, in the long-term, SSA could develop a process with DHS—and if necessary, the Department of State—

²³ CBP ran a separate match for each of the two sample groups of 250 each, for a total of 500 cases.

²⁴ SSA expressed concern that background checks for SSA's TECS users could be an administrative and financial burden on the Agency if the background checks required are more extensive than those currently performed for SSA employees under Homeland Security Presidential Directive (HSPD) 12, Policy for a Common Identification Standard for Federal Employees and Contractors. OMB Memorandum M-05-24 provided guidance on HSPD-12, which requires that agencies, such as SSA, process a National Agency Check with Written Inquiries (NACI) or other suitability or national investigation on all employees and contractors. As of December 2009, SSA reported 100 percent compliance in processing NACI clearances for all its employees and contractors.

to identify and prevent improper SSI payments to recipients who are outside the United States for more than 30 days. Ultimately, the other agencies have to be willing to work with SSA.

Prisoner Data Matching

Our May 1996 audit found that prisoners were improperly receiving Old-Age, Survivors and Disability Insurance and SSI benefit payments,²⁵ and SSA had achieved only limited success in obtaining prisoner information. Our June 1997 audit found that payments to prisoners were not always detected or stopped because of control weaknesses in SSA's prisoner record matching procedures and processing of prisoner alerts.²⁶ SSA made improvements over the years; and our July 2003 audit²⁷ found that SSA

- had active agreements to obtain prisoner data from the 50 States, the District of Columbia, the Federal Bureau of Prisons, and over 3,000 county and local facilities;
- implemented systems to monitor compliance with prisoner agreements and track and resolve prisoner cases that did not verify through SSA's Enumeration Verification System; and
- used the additional tools made available through new legislation²⁸ to improve its efforts to stop Social Security benefit payments to prisoners and collect overpayments from prisoners.

Although it took many years, SSA now regularly obtains data to identify and prevent improper payments to prisoners. Additionally, legislation was enacted to exempt SSA's prison matching program from the *Computer Matching and Privacy Protection Act of 1988*.²⁹

²⁵ Social Security Act §§ 202(x)(1)(A)(i) and 1611(e)(1)(A), 42 U.S.C. § 402(x)(1)(A)(i) and 42 U.S.C. § 1382(e)(1)(A).

²⁶ SSA OIG, *Effectiveness in Obtaining Records to Identify Prisoners* (A-01-94-02004), May 1996 and *Effectiveness of the Social Security Administration's Procedures to Process Prisoner Information, Suspend Payments and Collect Overpayments* (A-01-96-61083), June 1997.

²⁷ SSA OIG, *Follow-up On Prior Office of the Inspector General Prisoner Audits* (A-01-02-12018), July 2003.

²⁸ Public Law No. 104-193, the *Personal Responsibility and Work Opportunity Reconciliation Act of 1996*, § 203 (enacted in August 1996); Public Law No. 106-169, the *Foster Care Independence Act of 1999*, §§ 202 and 203 (enacted in December 1999); and Public Law No. 106-170, the *Ticket to Work and Work Incentives Improvement Act of 1999*, § 402 (enacted in December 1999).

²⁹ 5 U.S.C. § 552a(a)(8)(B)(viii).

Access to Financial Institutions Initiative

The *Social Security Act* was amended in 1999 to allow SSA to request financial data for SSI recipients, and SSA updated its regulations in 2003.³⁰ In 2005, SSA started its Access to Financial Institutions (AFI) pilot initiative in New York and New Jersey. AFI is an electronic process that assists SSA in verifying bank account balances for purposes of determining SSI eligibility. Specifically, a third-party vendor searches for undisclosed bank accounts within a certain geographical area, based on the SSI recipient's address.

After the initial pilot of AFI, SSA expanded it nationwide. The nationwide roll-out of AFI was completed in June 2011. In 2012, bank data from the third-party vendor was integrated into SSA's SSI system.

CONCLUSION

Although there are legal and technical challenges in obtaining data from DHS to identify SSI recipients who are absent from the United States, we estimated 35,068 SSI recipients had approximately \$152 million in overpayments because of unreported absences from the United States between September 2009 and August 2011. Furthermore, millions of dollars more in overpayments could be identified if SSA includes all SSI recipients, regardless of their country of birth or associated bank. If our results using sample data associated with one bank are representative of all banks, we estimate our review would have identified an additional \$289 million in overpayments (see Appendix A).

Developing a process with DHS—and if necessary, the Department of State—would be a long-term initiative; and SSA has a history of overcoming legal and technical factors with other initiatives it has pursued to address improper payments.

RECOMMENDATION

Instead of relying on SSI recipients to self-report absences from the United States, we recommend SSA reach out to DHS again (and if necessary, the Department of State) to attempt to create a process that provides the necessary information to identify all (not just foreign-born) SSI recipients outside the United States for longer than 30 days, which could include proposing legislative changes.

AGENCY COMMENTS

SSA agreed with the recommendation; see Appendix C.

³⁰ *Social Security Act* § 1631(e)(1)(B), 42 U.S.C. § 1383(e)(1)(B); 20 C.F.R. § 416.207. Also, see *Foster Care Independence Act of 1999* § 213.

APPENDICES

Appendix A – 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, procedures, and relevant reports.
- Obtained a file of 7.6 million Supplemental Security Income (SSI) recipients in current payment status as of February 2011. From this file, we identified 2 distinct groups of foreign-born recipients—1,057,882 with direct deposit and 221,505 without direct deposit (paper checks—Population B in Table B-1). From the 1 million with direct deposit, we selected 1 bank to sample—Population A in Table A-1.

Table A-1:

Population	Method of Payment	Number of SSI Recipients
A	Direct Deposit	257,512
B	Paper Check	221,505

Note: Population A was the same population we used in our audit *Supplemental Security Income Recipients with Automated Teller Machine Withdrawals Outside the United States* (A-01-11-01122). From 1,057,882 recipients who were foreign-born and had direct deposit, we grouped the records by bank institution and refined the population to 257,512 belonging to the bank with the most SSI recipients.

- Selected a random sample of 250 records from each of the 2 populations, totaling 500 records.
- Provided case data on these two samples to the Department of Homeland Security’s (DHS) Office of Inspector General (OIG).¹ DHS OIG sent the data to DHS’ U.S. Customs and Border Protection (CBP). CBP matched our records to those in TECS based on the SSI recipient’s first name, last name, and date of birth. CBP provided the results of the match to DHS OIG. DHS OIG analyzed the records for foreign travel during the 24-month period September 2009 through August 2011.

¹ The 250 SSI recipients in Sample A received \$346,756 in Federal SSI payments and \$94,915 in State Supplement payments during the 24-month period of September 2009 through August 2011. The 250 SSI recipients in Sample B received \$371,931 in Federal SSI payments and \$68,233 in State Supplement payments during this same time period. Each State decides whether they will make optional State supplement payments, what the eligibility categories will be and what the supplement rates will be. The intent of the optional State supplement program is to meet needs which are not fully met by the Federal SSI payment.

DHS OIG analyzed the results to identify SSI recipients who were outside the United States for longer than 30 days and calculated the estimated overpayment based on SSI payment information provided by SSA OIG.

We relied on DHS CBP to match the SSI recipients' names and dates of birth to TECS and provide the matches to DHS OIG. We also relied on DHS OIG to analyze the results of the match. However, we reviewed DHS OIG's supporting documentation to conclude on sufficiency and reliability to meet the needs of our audit.

We conducted our audit between August 2011 and September 2012 in Boston, Massachusetts, and Washington, D.C. The entities audited were SSA's field offices under 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 our findings and conclusions based on our audit objectives. We tested the SSI data obtained for our audit and determined them to be sufficiently reliable to meet our objective. The TECS data was also sufficiently reliable for our audit purposes and we disclosed the issues we had with the data in the body of this report. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Sample Results and Projections

Tables A-2, A-3, and A-4 show the results of Sample A—foreign-born SSI recipients with direct deposit—and Sample B—foreign-born SSI recipients with paper checks. Tables A-5 and A-6 show the overall results of Samples A and B combined if you assume the characteristics and findings observed for the selected bank to be representative of any bank providing services to the population of approximately 1 million recipients with direct deposit.²

Since the data match was based on name and date of birth (not Social Security number or passport number), there could be false hits. Therefore, we checked the 500 sample cases against SSA's records of all individuals assigned an SSN to determine how many of the name/date of birth combinations identified more than one person. We found that Sample A had 3.2 percent (8 of 250) and Sample B had 2.4 percent (6 of 250) of the cases with more than one person with the same name and date of birth combination. To be conservative, we reduced our estimates by twice these percentages to 6.4 percent in Sample A and 4.8 percent in Sample B, as shown below Tables A-3 and A-4.

² Nothing came to our attention that would indicate that an SSI recipient whose payment was direct deposited in Bank A was more or less likely to be ineligible for SSI because he or she was outside the United States for longer than 30 days than someone who had his or her SSI payment direct deposited in a different bank.

Table A-2: Population and Sample Size

	Sample A	Sample B
Population Size	257,512	221,505
Sample Size	250	250

Table A-3: Number of SSI Recipients with Unreported Absences from the United States

	Sample A	Sample B	Combined
Identified in Sample	25	13	38
Point Estimate	25,751	11,518	37,269
Projection Lower Limit	18,154	6,876	
Projection Upper Limit	35,239	18,027	

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

Based on our reduction factors of 6.4 percent and 4.8 percent, respectively, we calculated adjusted point estimates as: Sample A – 24,203; Sample B – 10,965; Combined – 35,068.

Table A-4: Amount of Undetected SSI Overpayments from Unreported Absences from the United States

	Sample A	Sample B	Combined
Identified in Sample	\$96,456	\$70,191	\$166,647
Point Estimate	\$99,353,933	\$62,190,700	\$161,544,633
Projection Lower Limit	\$51,171,930	\$21,419,346	
Projection Upper Limit	\$147,535,936	\$102,962,055	

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

Based on our reduction factors of 6.4 percent and 4.8 percent, respectively, we calculated adjusted point estimates as: Sample A – \$92,995,281; Sample B – \$59,205,546; Combined – \$152,200,827.

Sample A projections reflected the population from one bank with the most SSI recipients. However, where an SSI recipient has a bank account is not an indicator of whether the individual is more likely to travel outside the United States. Therefore, we also estimated our results to all banks from Sample A, as shown in Tables A-5 and A-6.

Table A-5: Population and Estimates to All Banks in Sample A

Population Size	1,057,882
Number of SSI Recipients with Unreported Absences from the United States	
Point Estimate	105,787
Amount of Undetected SSI Overpayments from Unreported Absences from the United States	
Point Estimate	\$408,154,717

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

Based on our 6.4-percent reduction factor, we calculated adjusted point estimates as 99,017 SSI recipients with \$382,032,815 of undetected SSI overpayments from unreported absences from the United States.

Table A-6: Adjusted Point Estimates for Combined Samples A (All Banks) and B

Adjusted, Estimated Number of SSI Recipients with Unreported Absences from the United States (99,017 from Sample A plus 10,965 from Sample B)	109,982
Adjusted, Estimated Amount of Undetected SSI Overpayments from Unreported Absences from the United States (\$382,032,815 from Sample A plus \$59,205,546 from Sample B)	\$441,238,361

Appendix B – ROUTINE USES OF TECS

Below is an excerpt from the Federal Register, Vol. 73, No. 245, December 19, 2008, page 77781, on the routine uses for TECS.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

In addition to those disclosures generally permitted under 5 U.S.C. 552a(b) of the Privacy Act, all or a portion of the records or information contained in this system may be disclosed outside DHS as a routine use pursuant to 5 U.S.C. 552a(b)(3) as follows:

A. To the Department of Justice or other Federal agency conducting litigation or in proceedings before any court, adjudicative or administrative body, when it is necessary to the litigation and one of the following is a party to the litigation or has an interest in such litigation:

1. DHS or any component thereof;
2. Any employee of DHS or any component in his/her official capacity;
3. Any employee of DHS or any component in his/her individual capacity where DOJ or DHS has agreed to represent the employee; or
4. The U.S. or any agency thereof, is a party to the litigation or has an interest in such litigation, and DHS or CBP determines that the records are both relevant and necessary to the litigation and the use of such records is compatible with the purpose for which DHS or CBP collected the records.

B. To a congressional office in response to an inquiry from that congressional office made at the request of the individual to whom the record pertains.

C. To the National Archives and Records Administration or other Federal government agencies pursuant to records management inspections being conducted under the authority of 44 U.S.C. 2904 and 2906.

D. To an agency, organization, or individual for the purpose of performing audit or oversight operations as authorized by law, but only such information as is necessary and relevant to such audit or oversight function.

E. To appropriate agencies, entities, and persons when:

1. DHS or CBP suspects or has confirmed that the security or confidentiality of information in the system of records has been compromised;

2. DHS or CBP has determined that as a result of the suspected or confirmed compromise there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of this system or other systems or programs (whether maintained by DHS, CBP, or another agency or entity) or harm to the individual who relies upon the compromised information; and

3. The disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with DHS or CBP's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm.

F. To contractors and their agents, grantees, experts, consultants, and others performing or working on a contract, service, grant, cooperative agreement, or other assignment for DHS or CBP, when necessary to accomplish an agency function related to this system of records. Individuals provided information under this routine use are subject to the same Privacy Act requirements and limitations on disclosure as are applicable to DHS/CBP officers and employees.

G. To appropriate Federal, State, local, tribal, or foreign governmental agencies or multilateral governmental organizations responsible for investigating or prosecuting the violations of, or for enforcing or implementing, a statute, rule, regulation, order, license, or treaty where DHS determines that the information would assist in the enforcement of civil or criminal laws.

H. To a court, magistrate, or administrative tribunal in the course of presenting evidence, including disclosures to opposing counsel or witnesses in the course of civil or criminal discovery, litigation, or settlement negotiations, or in response to a subpoena from a court of competent jurisdiction.

I. To third parties during the course of a law enforcement investigation to the extent necessary to obtain information pertinent to the investigation, provided disclosure is appropriate to the proper performance of the official duties of the officer making the disclosure.

J. To an organization or individual in either the public or private sector, either foreign or domestic, where there is a reason to believe that the recipient is or could become the target of a particular terrorist activity or conspiracy, to the extent the information is relevant to the protection of life or property and disclosure is appropriate to the proper performance of the official duties of the person making the disclosure.

K. To an appropriate Federal, State, local, tribal, foreign, or international agency, if the information is relevant and necessary to a requesting agency's decision concerning the hiring or retention of an individual, or issuance of a security clearance, license, contract, grant, or other benefit, or if the information is relevant and necessary to a DHS decision concerning the hiring or retention of an employee, the issuance of a security clearance, the reporting of an investigation of an employee, the letting of a contract, or the issuance of a license, grant or other benefit and when disclosure is appropriate to the proper performance of the official duties of the person making the request.

- L. To appropriate Federal, State, local, tribal, or foreign governmental agencies or multilateral governmental organizations, for purposes of assisting such agencies or organizations in preventing exposure to or transmission of a communicable or quarantinable disease or for combating other significant public health threats.
- M. To Federal and foreign government intelligence or counterterrorism agencies or components where CBP becomes aware of an indication of a threat or potential threat to national or international security, or where such use is to assist in anti-terrorism efforts and disclosure is appropriate in the proper performance of the official duties of the person making the disclosure.
- N. To the news media and the public, with the approval of the DHS Chief Privacy Officer in consultation with counsel, as appropriate, when there exists a legitimate public interest in the disclosure of the information or when disclosure is necessary to preserve confidence in the integrity of CBP or is necessary to demonstrate the accountability of CBP's officers, employees, or individuals covered by the system, except to the extent it is determined that release of the specific information in the context of a particular case would constitute an unwarranted invasion of personal privacy.
- O. To a Federal, State, or local agency, or other appropriate entity or individual, or through established liaison channels to selected foreign governments, in order to provide intelligence, counterintelligence, or other information for the purposes of intelligence, counterintelligence, or antiterrorism activities authorized by U.S. law, Executive Order, or other applicable national security directive.

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: January 07, 2013

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, "Usefulness of Department of Homeland Security Data to Identify Supplemental Security Income Recipients Who Are Outside the United States"
(A-01-11-01142)--INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comment. Please let me know if we can be of further assistance. You may direct staff inquiries to Gary Hatcher at (410) 965-0680.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,
“USEFULNESS OF DEPARTMENT OF HOMELAND SECURITY DATA TO
IDENTIFY SUPPLEMENTAL SECURITY INCOME RECIPIENTS WHO ARE
OUTSIDE THE UNITED STATES” (A-01-11-01142)**

Recommendation

Reach out to the Department of Homeland Security again (and if necessary, the Department of State) to attempt to create a process that provides the necessary information to identify all (not just foreign-born) Supplemental Security Income recipients outside the United States for more than 30 days, which could include proposing legislative changes.

Response

We agree.

Appendix D– MAJOR CONTRIBUTORS

Judith Oliveira, Director, Boston Audit Division

David Mazzola, Audit Manager

Chad Burns, Senior Auditor

Kevin Joyce, IT Specialist

Brennan Kraje, Statistician

Frank Salamone, Senior Auditor

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