

Audit Report

Follow-up on Supplemental Security
Income Recipients Eligible for
Veterans Benefits

MEMORANDUM

Date: February 13, 2020 **Refer To:**
To: The Commissioner
From: Inspector General
Subject: Follow-up on Supplemental Security Income Recipients Eligible for Veterans Benefits
(A-01-17-50236)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration identified Supplemental Security Income recipients who were potentially eligible for Department of Veterans Affairs benefits instead of Supplemental Security Income payments.

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



Gail S. Ennis

Attachment

Follow-up on Supplemental Security Income Recipients Eligible for Veterans Benefits

A-01-17-50236



February 2020

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) identified Supplemental Security Income (SSI) recipients who were potentially eligible for Department of Veterans Affairs (VA) benefits instead of SSI payments.

Background

Since SSI is a program of last resort, SSA requires that individuals apply for all other benefits for which they are potentially eligible, including VA benefits. In a January 2010 report, we estimated SSA paid approximately \$1.3 billion to 21,520 SSI recipients who appeared to meet VA's requirements for benefits.

To conduct our current review, we identified 1,327 SSI recipients (from 1 of 20 Social Security number segments) who appeared to meet VA's requirements for benefits. We randomly selected 50 cases for detailed analysis.

Findings

SSA improved its process of identifying SSI recipients potentially eligible for VA benefits. In October 2015, SSA implemented a process that annually identifies SSI recipients who may qualify for VA benefits. SSA policy is to advise recipients to apply with the VA within 30 days and then follow up on the VA application or decision. Policy requires that SSA employees receive and document the VA's final determination for benefits. Generally, if an individual does not apply for VA benefits within 30 days of notification, SSA policy is to deny or suspend SSI payments until he/she applies for VA benefits.

The changes SSA made to identify SSI applicants or recipients potentially eligible to receive VA benefits improved the condition from our prior report. We estimated approximately 7,960 SSI recipients (63 percent fewer than the 21,520 in our prior report) appeared to meet VA's requirements, and SSA had not documented VA's final determination for benefits or continued SSI payments even though recipients had not filed for VA benefits.

Agency Actions Resulting from the Audit

In our January 23, 2020 draft report, we recommended SSA issue a reminder and/or provide additional training to ensure cases involving SSI recipients potentially eligible for VA benefits are processed and followed up on according to policy. On February 10, 2020, SSA issued a reminder to field office employees of relevant policies and procedures to ensure cases involving SSI recipients potentially eligible for VA benefits are processed and followed up on. As a result of the action SSA took during our audit, we are not making any further recommendations.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code
VA	Department of Veterans Affairs

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) identified Supplemental Security Income (SSI) recipients who were potentially eligible for Department of Veterans Affairs (VA) benefits instead of SSI payments.

BACKGROUND

SSA administers the SSI program to provide payments to financially needy individuals who are aged, blind, or disabled.¹ Since the SSI program is intended to be a program of last resort, SSA requires that individuals apply for all other benefits—including VA benefits—for which they are potentially eligible.² Generally, an individual is not eligible for SSI if “SSA advises him/her, on a written, dated notice, of potential eligibility for other benefits; and he/she does not take all appropriate steps to file for and, if eligible, obtain any such payments within 30 days of receipt of such notice.”³

Similar to SSA’s SSI payments, VA pension benefits are needs-based and intended for veterans who are age 65 or older or have a permanent and total non-service connected disability.⁴ In addition, veterans must have been discharged from the military under conditions other than dishonorable and served at least 90 days of active service, with at least 1 day served during a wartime period.⁵

¹ *Social Security Act*, 42 U.S.C. § 1381a (govinfo.gov 2017).

² *Social Security Act*, 42 U.S.C. § 1382(e)(2) (govinfo.gov 2017). Certain individuals cannot be required to file for VA benefits, and their SSI payments cannot be suspended for failure to file for VA benefits. This includes individuals who were entitled to VA benefits as of December 31, 1978 and reside in Alabama, Alaska, Arizona, Colorado, Delaware, Idaho, Mississippi, Nevada, New Mexico, South Carolina, South Dakota, Texas, or Wyoming. *The Adoption Assistance and Child Welfare Act of 1980*, Pub. L. No. 96-272 § 310(b)(1)(A), 94 Stat. 500, p. 533.

³ SSA, *POMS*, SI 00510.001, B (December 18, 2015). If a person is physically or mentally incapable of doing so, SSA will assist them with filing for a VA pension. SSA, *POMS*, SI 00510.025, A (December 18, 2007).

⁴ The VA considers veterans permanently and totally disabled if they are receiving Social Security disability benefits. The VA also administers a compensation program that provides benefits to veterans with disabilities related to their military service. Department of Veterans Affairs, *Eligibility for Veterans Pension*, va.gov (last visited June 24, 2019).

⁵ For this review, we included cases that may involve the following VA recognized wartime periods: World War II (December 7, 1941 to December 31, 1946); Korean conflict (June 27, 1950 to January 31, 1955); Vietnam era (generally, February 28, 1961 to May 7, 1975); and Gulf War (August 2, 1990 through a date to be set by law or Presidential proclamation).

Generally, it is more advantageous for a veteran to receive benefits from VA rather than SSA. For instance, in December 2018, the maximum monthly VA pension benefit was \$1,128, which is \$378 more than the maximum \$750 SSI payment.⁶ See Table 1 for a comparison of SSI payments and VA pension eligibility requirements.

Table 1: Comparison of SSI Payments and VA Pension Eligibility Requirements

Benefit Eligibility Requirement	SSA SSI Payments	VA Pension Benefits
Aged (65 or older) or disabled	✓	✓
Limited income or resources	✓	✓
Discharged from the military under conditions other than dishonorable		✓
Served at least 90 days of active military service with at least 1 day during a wartime period. After September 7, 1980, generally served at least 24 months (or the full period for which called or ordered to active duty)		✓

In a January 2010 report, we estimated SSA paid approximately \$1.3 billion to 21,520 SSI recipients who appeared to meet VA's requirements for benefits.⁷ Based on our recommendation, SSA implemented a new process to identify individuals who are potentially eligible for VA benefits instead of SSI payments.

SSA's New Process to Identify SSI Recipients Potentially Eligible for VA Benefits

In October 2015, SSA implemented a process that annually identifies SSI recipients who may qualify for a VA benefit and prompts SSA to review the case.⁸ If SSA verifies the SSI recipient may qualify for a VA benefit, the Agency advises the recipient to file an application with VA within 30 days.⁹ SSA policy is for staff to "follow up [with the recipient] in 20 days" from the date the Agency mailed the notice to the individual to file for VA benefits—or "follow-up in

⁶ Department of Veterans Affairs, *Veteran's Pension Table*, va.gov (last visited December 6, 2019). As of December 2018, the maximum VA pension payment was \$13,535, and, if divided by 12, the monthly payment is \$1,128. SSA, *OASDI and SSI Program Rate & Limits, 2018*, ssa.gov (last visited December 6, 2019).

⁷ SSA, OIG, *Supplemental Security Income Recipients Eligible for Veterans Benefits*, A-01-09-19031, p. 3 (January 2010).

⁸ SSA, *POMS*, SI 02309.011, A (November 24, 2015). SSA refers to this process as the KV diary. In addition, every month, SSA matches the SSI records with VA benefit records. For individuals receiving SSI payments and VA benefits, if VA payment amount is changed, SSA will update the VA payment amount on the SSI record, modify the SSI payment if appropriate, and notify the recipient of the changes. SSA, *POMS*, SI 02310.020 (February 27, 2001). We developed our population independently of SSA's KV diary; our process is described under the Methodology section on page 3.

⁹ SSA, *POMS*, SI 00510.001, B (December 18, 2015).

15 days” from the date SSA handed the notice to the individual in the office.¹⁰ If SSA staff is not notified the individual filed for VA benefits by the initial follow-up date, staff should contact the individual and remind him/her to file for the VA benefits, and staff is to “Document the [SSA] file to show that contact was made.”¹¹ Further, SSA policy states that staff should “[d]eny or suspend the claim immediately when the claimant/recipient informs the [SSA field office] at any time that he/she will not comply with the requirement to file for or pursue the other benefits.”¹²

When SSA is notified an individual has applied for VA benefits, SSA will follow up with the VA (either directly or through the individual) to obtain the final determination for benefits—allowance or denial.¹³ If there has been no decision, and it is not the individual’s fault, SSA will “. . . continue to follow up every 30 days with the benefits source (either directly or through the individual) until there is a decision.”¹⁴ To complete these cases, SSA must receive and document VA’s final determination for benefits.¹⁵ If an individual does not apply within 30 days of notification, SSA is to deny or suspend SSI payments until he/she applies for VA benefits.¹⁶

Methodology

To conduct our current review, we identified 1,327 SSI recipients (from 1 of 20 Social Security number segments)¹⁷ with military earnings during a wartime period who appeared to meet VA’s pension benefit requirements yet did not appear to be receiving VA pension benefits. Based on this 1 segment, we estimate approximately 26,540 SSI recipients appeared to meet VA’s pension requirements. (We did not review SSI recipients who [a] were receiving VA pension benefits or [b] were not eligible for VA pension benefits based on SSA’s review.)

From the 1,327 SSI recipients, we randomly selected 50 cases to analyze. See Appendix A for details on our scope, methodology, and sample results.

¹⁰ SSA, *POMS*, SI 00510.025, C.2 (December 18, 2007).

¹¹ SSA, *POMS*, SI 00510.025, C.3 (December 18, 2007).

¹² SSA, *POMS*, SI 00510.025, B (December 18, 2007).

¹³ SSA, *POMS*, SI 00510.025, C.4 (December 18, 2007).

¹⁴ SSA, *POMS*, SI 00510.025, C.5 (December 18, 2007).

¹⁵ SSA, *POMS*, SI 02309.011, D.1 (November 24, 2015).

¹⁶ SSA, *POMS*, SI 00510.025, B (December 18, 2007).

¹⁷ The last two digits of the Social Security number are randomly assigned and can contain digits “00” to “99.” Social Security numbers can be categorized into 20 segments, each containing 5 sequential groups of these digits. For this review, we randomly selected Social Security numbers ending with the digits “05” to “09” from 1 Social Security number segment.

RESULTS OF REVIEW

SSA improved its process of identifying SSI recipients potentially eligible for VA benefits. We estimated approximately 7,960 SSI recipients appeared to meet VA's requirements, and SSA had not documented VA's final determination for benefits or continued SSI payments even though recipients had not filed for VA benefits. This is 63 percent fewer than the estimated 21,520 SSI recipients in our prior report.

Of the 50 SSI recipients in our sample, 15 (30 percent) appeared to be eligible for, but not receiving, a VA pension, and 35 (70 percent) did not appear eligible for VA benefits.¹⁸

Even though SSA identified and/or had documentation of the 15 recipients' military service, SSA did not adhere to its policies and follow up on these cases. Specifically, the 15 recipients filed SSI applications between Fiscal Years 2001 and 2017 (see Table 2). However, as of March 2019, SSA had no documentation of VA's final determination for benefits.

Table 2: SSI Application Dates by Fiscal Year

Fiscal Year	Number of Recipients
2001-2005	2
2006-2010	4
2011-2015	6
2016-2017	3
TOTAL	15

In addition, SSA did not document any follow up on these recipients' filing for VA benefits and continued issuing SSI payments. In March 2019, we referred these 15 cases to SSA for review.¹⁹

- VA determined 10 recipients were ineligible for VA benefits. For example, in July 2015, an Oklahoma man began receiving SSI payments. According to SSA's records, he served in the military for longer than 2 years during the Vietnam era with an unknown discharge. When he applied for SSI, his application listed no military service. In November 2015, SSA's new process identified him as being potentially eligible for a VA pension. However, SSA cleared the case without documenting VA's final determination. After we sent the case to SSA, it documented in May 2019 that VA determined he was ineligible for benefits.
- Three recipients were filing for, or awaiting a final determination on, VA benefits. For example, in February 2002, a New York man began receiving SSI payments. According to SSA's records, he served in the military for longer than 3 years during the Vietnam era with

¹⁸ The 35 recipients did not meet VA's benefit requirements, such as length of service or discharge type.

¹⁹ Of the 15 recipients, 3 resided in California, 2 in Florida, and 1 each in Georgia, Louisiana, Maryland, Massachusetts, Missouri, New York, Oklahoma, Pennsylvania, Virginia, and Washington.

an honorable discharge. When he applied for SSI, SSA advised him to file for VA benefits. However, as of February 2019, SSA's records indicated he had not filed for VA benefits, and there was no record of VA's final determination for benefits. Therefore, SSA should have suspended the SSI payments. In July 2019, SSA documented the VA requested more information to process his application for benefits. As of February 2020, SSA was waiting for VA's final determination for benefits.

In another example, in February 2008, a Pennsylvania man began receiving SSI payments. According to SSA's records, he served in the military for about 2 years during the Vietnam era with an unknown discharge. When he applied for SSI, SSA advised him to file for VA benefits. However, as of February 2019, SSA's records indicated he had not filed for VA benefits and there was no record of VA's final determination for benefits. Still, SSA continued issuing SSI payments when they should have been suspended. In November 2019, SSA followed up with VA and was informed this recipient had not applied for benefits. In December 2019, SSA received a letter from the VA confirming that it "Will Contact [the] Individual." As of February 2020, SSA was issuing SSI payments.

- One recipient appeared to be eligible for VA benefits; however, he did not apply for VA benefits. Specifically, in October 2017, a Maryland man began receiving SSI payments. When he applied for SSI, SSA advised him to file for VA benefits. However, as of February 2019, SSA's records indicated he had not filed for VA benefits and there was no record of VA's final determination for benefits. Again, in June 2019, SSA advised this individual to file for VA benefits. As of February 2020, he had not filed, and SSA had suspended his benefits until he does file for VA benefits.
- One recipient died after SSA advised him to file for VA benefits.

CONCLUSIONS

SSA addressed the issue identified in our prior report by modernizing its information technology processes to identify SSI recipients potentially eligible for VA benefits. However, we estimate that SSA did not completely process approximately 7,960 cases (of an estimated 26,540) in accordance with its policies.

AGENCY ACTIONS RESULTING FROM THE AUDIT

In our January 23, 2020 draft report, we recommended SSA issue a reminder and/or provide additional training to ensure cases involving SSI recipients potentially eligible for VA benefits are processed and followed up on according to policy. As shown in Appendix B, SSA agreed with this recommendation.

On February 10, 2020, SSA issued a message to staff, *Policy and Procedure Reminders for SSI Claimants and Recipients Eligible for Veterans Affairs (VA) Benefits*, which included relevant policies and procedures to ensure cases involving SSI recipients potentially eligible for VA benefits are processed and followed up on. As a result of the action SSA took during our audit, we are not making any recommendations in our final report.



Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE, METHODOLOGY, AND SAMPLE RESULTS

To accomplish our objective, we:

- Reviewed applicable sections of the *Social Security Act* as well as the Social Security Administration's (SSA) regulations, rules, policies, and procedures.
- Reviewed our prior report, *Supplemental Security Income Recipients Eligible for Veterans Benefits, A-01-09-19031* (January 2010).
- Obtained a data extract (from 1 of 20 Social Security number segments)¹ with military earnings during certain wartime periods who appeared to meet the Department of Veterans Affairs (VA) requirements for benefits.²
- Identified 1,327 individuals who appeared to be
 - receiving Supplemental Security Income (SSI) payments as of January 2019 and not receiving a VA benefit;
 - discharged from military service under conditions other than dishonorable; and
 - served at least 90 days of active military service with at least 1 day during a wartime period; or after September 7, 1980, generally served at least 24 months (or the full period for which called or ordered to active duty).³
- Selected a random sample of 50 cases from our population of 1,327 for detailed analysis and
 - analyzed SSA information in the following systems: Supplemental Security Records, Modernized SSI Claims System, Claims File User Interface, and SSA's electronic disability folder (eView) to determine whether SSA identified individuals as being potentially eligible for a VA benefit and/or documented VA's final determination for benefits;
 - referred 15 cases to SSA for review; and
 - estimated the number of cases SSA did not completely process in accordance with its policies.

¹ The last two digits of the Social Security number are randomly assigned and can contain digits “00” to “99.” Social Security numbers can be categorized into 20 segments, each containing 5 sequential groups of these digits. For this review, we randomly selected Social Security numbers ending with the digits “05” to “09” from 1 Social Security number segment.

² These individuals met SSA's age/disability and income/resource requirements. We did not determine whether they met VA's age/disability and income/resource requirements.

³ We included individuals with military earnings during the following wartime periods in our review: World War II (December 7, 1941 to December 31, 1946); Korean conflict (June 27, 1950 to January 31, 1955); Vietnam era (generally, February 28, 1961 to May 7, 1975); and Gulf War (August 2, 1990 through a date to be set by law or Presidential proclamation).

We conducted our review between February 2019 and February 2020 in Boston, Massachusetts. We determined the data used for this audit were sufficiently reliable to meet our objective. 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 objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Sample Results

Table A–1: Population and Sample Size

Description	Number of Recipients
Population	1,327
Sample Size	50
Estimated Number of Recipients in the Universe (Population of audited segment multiplied by 20)	26,540

Table A–2: SSI Recipients Potentially Eligible for VA Benefits and Not Processed According to SSA Policy

Description	Number of Recipients
Sample Results	15
Point Estimate	398
Projection Lower Limit	261
Projection Upper Limit	559
Estimate in 20 Segments (Point estimate multiplied by 20)	7,960

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

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

Office of the Commissioner

MEMORANDUM

Date: February 11, 2020

Refer To: S1J-3

To: Gail S. Ennis
Inspector General

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

From: Stephanie Hall
Chief of Staff

Subject: Office of the Inspector General Draft Report, "Follow-up: Supplemental Security Income Recipients Eligible for Veteran's Benefits" (A-01-17-50236) -- INFORMATION

Thank you for the opportunity to review the draft report. We appreciate OIG's acknowledgement of the significant improvement we have made in our detection of Supplemental Security Income recipients who may qualify for Department of Veterans Affairs benefits. We agree with the recommendation, and we will release a communication to our technicians to reinforce follow-up procedures and proper processing of these cases.

Please let me know if we can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.

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