

*Audit Report*

Non-responders to the Social Security  
Administration's Foreign  
Enforcement Questionnaires

A-13-16-50092 / August 2017



## MEMORANDUM

**Date:** August 2, 2017 **Refer To:**

**To:** The Commissioner

**From:** Acting Inspector General

**Subject:** Non-responders to the Social Security Administration's Foreign Enforcement Questionnaires (A-13-16-50092)

The attached final report presents the results of the Office of Audit's review. The objective was to assess the Social Security Administration's processes pertaining to the Foreign Enforcement Questionnaire.

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.

A handwritten signature in black ink that reads "Gale Stallworth Stone".

Gale Stallworth Stone

Attachment

# Non-responders to the Social Security Administration's Foreign Enforcement Questionnaires

## A-13-16-50092



August 2017

Office of Audit Report Summary

### Objective

To assess the Social Security Administration's (SSA) processes pertaining to the Foreign Enforcement Questionnaire (FEQ).

### Background

U.S. citizens and noncitizens who meet certain eligibility requirements can receive Old-Age, Survivors and Disability Insurance (OASDI) while they live abroad.

SSA uses the Foreign Enforcement Program to verify the existence and identities of OASDI beneficiaries living outside the United States. A significant component of the Foreign Enforcement Program is the FEQ.

SSA uses the FEQ to contact beneficiaries and representative payees annually or biennially. Beneficiaries who receive their own benefits receive a Form SSA-7162, *Report to United States Social Security Administration*, annually or biennially, depending on their age, country of residence, and benefit type as well as the last four digits of their Social Security numbers. All representative payees receive Form SSA-7161, *Report to the United States Social Security Administration by Person Receiving Benefits for a Child or Adult Unable to Handle Funds*, annually on behalf of the beneficiaries they serve.

### Findings

Generally, SSA complied with its policies and procedures concerning the FEQ process. For example, we reviewed FEQs for 500 beneficiaries and found no issues for 419. However, we could not find FEQs for 66 beneficiaries. Of the 66 beneficiaries, SSA held benefits for 18 in suspense status throughout the remainder of the 2015 cycle. For the remaining 48 beneficiaries, 15 continued receiving benefit payments, and 33 were reinstated without a completed FEQ for the 2015 cycle. Therefore, we estimated SSA paid approximately \$17.2 million in questionable payments to 6,334 beneficiaries without receipt of a completed FEQ. Finally, Agency staff did not take appropriate action based on the FEQs received for 15 beneficiaries.

### Recommendations

We recommend SSA:

1. Ensure the appropriate action was taken for the 48 beneficiaries we identified who did not respond to the FEQs.
2. Remind employees to ensure receipt of the FEQs before reinstating the benefits for beneficiaries in suspense status for non-receipt of FEQs.
3. Remind employees to scan the completed FEQs in the Automated Image Retrieval System.
4. Remind employees to follow up on actionable FEQ responses.

SSA agreed with our recommendations.

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## **ABBREVIATIONS**

FEQ	Foreign Enforcement Questionnaire
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
U.S.C.	United States Code

## OBJECTIVE

Our objective was to assess the Social Security Administration's (SSA) processes pertaining to the Foreign Enforcement Questionnaire (FEQ).

## BACKGROUND

U.S. citizens and noncitizens who meet certain eligibility requirements can receive Old-Age, Survivors and Disability Insurance (OASDI)<sup>1</sup> while they live abroad. SSA uses the Foreign Enforcement Program to verify the existence and identities of OASDI beneficiaries who are living outside the United States.<sup>2</sup> SSA uses the Foreign Enforcement Program to (a) verify the beneficiary is alive; (b) obtain information and documentation regarding events that may result in suspension, reduction, and/or termination of benefits; (c) obtain an annual accounting from the representative payee; (d) verify there was no change in custody of the incapable beneficiary; and (e) gather data to administer the Social Security program outside the United States.<sup>3</sup> The Foreign Enforcement Program does not apply to countries where the Department of the Treasury or SSA restrictions prohibit delivery of Social Security payments.

A significant component of the Foreign Enforcement Program is the FEQ. Beneficiaries who receive their own benefits receive Form SSA-7162, *Report to United States Social Security Administration*, annually or biennially, depending on their age, country of residence, and benefit type as well as the last four digits of their Social Security numbers (see Appendix A).<sup>4</sup> All representative payees annually receive Form SSA-7161, *Report to United States Social Security Administration by Person Receiving Benefits for a Child or for an Adult Unable to Handle Funds*, on behalf of the beneficiaries they serve (see Appendix B).<sup>5</sup>

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<sup>1</sup> *Social Security Act*, 42 U.S.C. §§ 401, 402(t) (1935).

<sup>2</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 02655, subch. RS 02655.001, sec. A.1 (August 17, 2011).

<sup>3</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 02655, subch. RS 02655.001, sec. A.2 (August 17, 2011).

<sup>4</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 02655, subch. RS 02655.005, sec. B (August 22, 2016).

<sup>5</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 02655, subch. RS 02655.001, sec. B.1 (August 17, 2011).

According to policy, SSA mails FEQs in May through June each year and requests responses within 60 days of receipt.<sup>6</sup> SSA directs the beneficiaries to return their completed FEQs to its Wilkes-Barre Direct Operations Center, which scans the FEQs, updates Agency systems, and identifies responses that require action.<sup>7</sup> According to SSA policy,<sup>8</sup> the Agency processes FEQs as either (a) approved FEQs that require no changes and all answers on the FEQ agree with the information on the Master Beneficiary Record or (b) actionable FEQs where some of the answers, or lack thereof, require action by SSA staff. SSA destroys the paper FEQs after 90 days and keeps the scanned FEQ images in the Automated Image Retrieval System for 7 years.<sup>9</sup>

After 60 days from the date SSA mails the FEQs, Agency staff creates a “nonresponder” file that contains the names of beneficiaries who did not return an FEQ.<sup>10</sup> In September, SSA mails a second FEQ to the beneficiaries and representative payees who did not respond to the first mailing with a request for reply within 45 days.<sup>11</sup>

SSA mails beneficiaries who do not respond to the second request a suspension notice around mid-January of the following year stating benefits will stop with the February payment.<sup>12</sup> If representative payees do not respond to the second request, SSA staff will determine whether the beneficiary had a change of address or representative payee, or whether benefits were terminated or suspended for reasons other than foreign enforcement.<sup>13</sup> In these cases, SSA will not suspend the beneficiary’s benefits. If these conditions do not apply, SSA will send a suspension letter to the representative payee and/or determine whether a new representative payee is needed. The Agency will then suspend the beneficiary’s benefits.<sup>14</sup> See Appendix C for SSA’s FEQ process.

We identified 385,780 beneficiaries residing in foreign countries to whom SSA sent initial FEQs in June 2015. We randomly selected and reviewed 500 beneficiaries—including 250 who received benefits directly and 250 who received benefits through representative payees.

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<sup>6</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 02655, subch. RS 02655.010, sec. A (August 22, 2016).

<sup>7</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 02655, subch. RS 02655.005, sec. B.4 (August 22, 2016).

<sup>8</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 02655, subch. RS 02655.007 (August 23, 2016).

<sup>9</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 02655, subch. RS 02655.007, sec. E (August 23, 2016).

<sup>10</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 02655, subch. RS 02655.010, sec. A (August 22, 2016).

<sup>11</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 02655, subch. RS 0265.010, sec. B (August 22, 2016).

<sup>12</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 02655, subch. RS 02655.010, sec. C (August 22, 2016).

<sup>13</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 02655, subch. RS 02655.010, sec. D.1 (August 22, 2016).

<sup>14</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 02655, subch. RS 02655.010, sec. D.2 (August 22, 2016).

Specifically, we reviewed 50 beneficiaries in each of the 5 strata contained in these two groups. See Appendix D for a discussion of our scope and methodology and Appendix E for our sampling methodology.

## RESULTS OF REVIEW

Generally, SSA complied with its policies and procedures concerning the FEQ process. For example, we reviewed FEQs for 500 beneficiaries and found no issues with 419. However, we could not find FEQs for 66 beneficiaries, and Agency staff did not take appropriate action based on the FEQs received for 15 beneficiaries. Table 1 shows the issues we identified during our review.

**Table 1: Summary Results**

Category	Beneficiaries Who Received Benefits Directly	Beneficiaries Who Received Benefits Through Payees	Total Per Category
No Issues	217	202	419
No FEQ Received	29	37	66
No Follow-up Action by SSA Staff	4	11	15
<b>Total Records Reviewed</b>	<b>250</b>	<b>250</b>	<b>500</b>

We estimate SSA paid approximately \$17.2 million to about 6,334 beneficiaries who continued receiving benefit payments or were reinstated without a completed FEQ for the 2015 cycle.

## SSA Did Not Receive FEQs

Once SSA receives FEQs, Agency staff is required to scan them into the Automated Image Retrieval System and process responses to create a responder file.<sup>15</sup> We did not find evidence that SSA received FEQs for 66 of the 500 beneficiaries in our sample.

### *SSA Suspended Benefits*

In February 2016, SSA suspended benefits to 51 of the 66 beneficiaries who did not respond to the FEQs. For 18 of the 51 beneficiaries, SSA held benefits in suspense throughout the remainder of the 2015 cycle. For example, one beneficiary in Spain passed away on September 18, 2015 and continued receiving monthly benefits until SSA suspended benefits in February 2016. A \$3,103 overpayment occurred because the representative payee did not notify the Agency of the beneficiary's death in a timely manner.

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<sup>15</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 02655, subch. RS 02655.007, sec. A (August 23, 2016).

SSA subsequently reinstated benefits to 33 of the 51 beneficiaries; however, we did not find evidence that SSA received completed FEQs. In one instance, SSA mailed FEQs to a beneficiary in Canada in June and October 2015 and did not receive a response. Therefore, on February 9, 2016, the Agency sent a suspense letter to the beneficiary and suspended benefits. In March 2016, SSA staff reinstated benefits to this beneficiary; however, we could not locate a completed FEQ.

Based on our sample results, we estimate SSA suspended and later resumed benefits to about 3,977 beneficiaries and paid them approximately \$9.4 million even though they did not respond to the FEQs.

### ***SSA Did Not Suspend Benefits***

SSA did not suspend benefits to 15 beneficiaries even though they did not respond to the FEQs.

- Nine beneficiaries had representative payees. When the payees did not respond to the second FEQ, SSA staff was required to take further action, including determining whether new payees were needed. As the Agency continued its review, SSA continued issuing payments to the payees.
- Six beneficiaries received benefits directly.<sup>16</sup> Although they did not respond to the second FEQ, SSA did not suspend their benefits in February, as required by policy.

We estimate SSA did not suspend benefits to about 2,357 beneficiaries and paid them approximately \$7.8 million, even though they did not respond to FEQs.

On March 8, 2017, we provided the Agency information concerning the 66 beneficiaries for review, and the Agency completed its review. On April 6, 2017, the Agency responded that it received FEQs for 11 beneficiaries and stored them in its systems after the 2015 cycle. For the remaining 55 beneficiaries, the Agency did not have the completed 2015 FEQ in its systems.

Further, SSA reported it “. . . investigated a percentage of the reinstatements that did not have FEQs and found that some of the actions to reinstate the benefits were taken because the beneficiary had reported changes of address, submitted a substantially late FEQ form, and/or reported an issue with their benefits.” Also, SSA reported staff met to discuss the importance of improving the overall process, and they developed an internal site to provide all pertinent information regarding the FEQ process.

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<sup>16</sup> SSA appointed a payee for one of the beneficiaries in January 2016.

## **SSA Received FEQs But Did Not Take Appropriate Action**

Agency staff did not take appropriate action for 15 beneficiaries whose FEQ responses required action by SSA staff. There were instances where (1) the FEQ showed a new address, (2) responses to questions on the FEQ required action by SSA staff, (3) responses were incomplete, or (4) payees received FEQs for beneficiaries who were living in the United States. We could not find an indication that Agency staff took action to resolve these issues.

For example, a representative payee reported on the 2015 FEQ that the beneficiary's funds were going to another person. We also reviewed the 2014 FEQ and found the beneficiary's funds were going to the same person. However, as of December 2016, there was no indication that Agency staff took action to establish a new payee, as required by policy. On March 10, 2017, SSA staff responded employees did not take action "due to lack of training and education on the proper procedure of the FEQ process."

In another instance, a payee did not respond to the question of whether all Social Security benefits received were used or held for the beneficiary. Consequently, SSA did not know whether the representative payee used the funds for the beneficiary's needs. As required by policy, Agency staff should have categorized this case as an actionable FEQ and resolved this matter. However, as of October 2016, we had not found any indication the issue was resolved. On March 17, 2017, SSA staff responded the "Division of International Operations or Foreign Service Post may have verbally spoken to the beneficiary or representative payee to clarify the incorrect information or answer the question on the form." However, we did not find any indication in SSA's system that the issue was resolved for this beneficiary.

## **CONCLUSIONS**

Generally, SSA complied with its policies and procedures concerning the FEQ process. We reviewed FEQs for 500 beneficiaries and found no issues for 419. However, we could not find FEQs for 66 beneficiaries. Of the 66, SSA held benefits for 18 beneficiaries in suspense status throughout the remainder of the 2015 cycle. For the remaining 48 beneficiaries, 15 continued receiving benefit payments and 33 were reinstated without a completed FEQ for the 2015 cycle. Therefore, we estimate SSA paid approximately \$17.2 million in questionable payments to about 6,334 beneficiaries without receipt of a completed FEQ. Finally, Agency staff did not take the appropriate action based on the FEQs received for 15 beneficiaries.

## **RECOMMENDATIONS**

We recommend SSA:

1. Ensure the appropriate action was taken for the 48 beneficiaries we identified who did not respond to the FEQs.
2. Remind employees to ensure receipt of the FEQs before reinstating the benefits for beneficiaries in suspense status for non-receipt of FEQs.
3. Remind employees to scan the completed FEQs in the Automated Image Retrieval System.
4. Remind employees to follow up on actionable FEQ responses.

## **AGENCY COMMENTS**

SSA agreed with our recommendations. The Agency's comments are included in Appendix F.

A handwritten signature in black ink, appearing to read "Rona Lawson".

Rona Lawson  
Assistant Inspector General for Audit

# *APPENDICES*

## Appendix A – FORM SSA-7162

<div style="border: 1px solid black; padding: 2px;">7162</div> SOCIAL SECURITY ADMINISTRATION <b>REPORT TO THE UNITED STATES SOCIAL SECURITY ADMINISTRATION</b> <b>IMPORTANT:</b> Failure to complete and return this form within 60 days will result in suspension of benefits. <b>SIGN AND RETURN THIS FORM IN THE ENCLOSED ENVELOPE. SEE INSTRUCTIONS ENCLOSED.</b>	FORM APPROVED OMB NO. 0960-0049
<p><b>1.</b> Print your address here only if it is different from the one shown below.</p> <p><b>2.</b> Telephone number at which you may be contacted during the day.</p>	
<b>IF YOU ANSWER "YES" TO ANY OF THE QUESTIONS BELOW, PLEASE TURN THIS FORM OVER AND CONTINUE ON THE BACK. YOU MUST SIGN YOUR NAME IN ITEM 7 ON THE BACK OF THIS FORM.</b>	
<p><b>3.</b> Has there been a change in your citizenship or your country of residence that you have not yet reported to SSA? →</p> <p><b>4.</b> Have you married or had a divorce or annulment since you last reported your marital status to SSA? →</p> <p><b>5.</b> Did you work for someone else or were you self-employed (i.e. did you own a business or farm) since your last report of work to SSA? →</p>	
<p><b>Answer Question 6 only if you are the parent of a child under age 16 or disabled and you receive Social Security benefits because you have this child in your care.</b></p> <p><b>6.</b> Did you and the child live apart since you last reported the child's living arrangements to SSA? →</p>	
<p><b>OTHER REPORTABLE EVENTS</b></p> <p>In addition to the events listed on this form, you are responsible for reporting any other event that may affect benefit payments.</p>	
<b>(For SSA Use Only)</b>	
<b>SSN</b>	
<p>records with those of other Federal, State, or local government agencies. Information from these matching programs can be used to establish or verify a person's eligibility for Federally-funded or administered benefit programs and for repayment of payments or delinquent debts under these programs.</p> <p>A complete list of routine uses for this information is contained in our System of Records Notice 60-0069 (Claimants Folders System). Additional information regarding this form and our other system of records notices and Social Security programs are available from our Internet website at <a href="http://www.socialsecurity.gov">www.socialsecurity.gov</a> or at any U.S. Embassy, consulate, VARO or U.S. Social Security office.</p> <p><b>Paperwork Reduction Act Statement</b> - This information collection meets the requirements of 44 U.S.C. § 3507, as amended by section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget control number. We estimate that it will take about 5 minutes to read the instructions, gather the facts, and answer the questions. You may send comments on our time estimate above to: SSA 5401 Security Blvd, Baltimore, MD 21235-6401 USA. Send only comments relating to our time estimate to this address, not the completed form.</p>	

Form SSA-7162-OCR-SM (7-2011) Destroy Prior Editions

7162

Continued on the Reverse →

IF YOU HAVE ANSWERED "YES" TO ANY OF THE QUESTIONS ON THE OTHER SIDE OF THIS FORM, YOU MUST COMPLETE THE CORRESPONDING BLOCK(S) BELOW. IF YOU ANSWERED "NO" TO ALL OF THE QUESTIONS ON THE OTHER SIDE OF THE FORM, YOU SHOULD GO TO ITEM 7, SIGN, DATE, AND RETURN THE FORM.

3. If you answered "Yes" to question 3 on the reverse, complete the information below.	
(a) Country of new citizenship      Date acquired (Month-Day-Year)	
(b) Current country of residence      Date of change (Month-Day-Year)	
4. If you answered "Yes" to question 4 on the reverse, complete the information below.	
(a) <input type="checkbox"/> Marriage      (b) <input type="checkbox"/> Divorce      (c) <input type="checkbox"/> Annulment      (d) Enter date event occurred (Month-Day-Year)	
5. If you answered "Yes" to question 5 on the reverse, complete the information below.	
(a) Check one      (b) Date work began (Month-Day-Year)      (c) If ended, enter date work stopped (Month-Day-Year) <input type="checkbox"/> Employee <input type="checkbox"/> Self-Employed	
(d) List each month that you worked 45 hours or less (Explain in "Remarks")	
(e) Was this work done in the United States or did you pay United States Social Security taxes on earnings from this work? <input type="checkbox"/> Yes <input type="checkbox"/> No	
(f) If you answered "Yes" to (e) above, enter your total earnings for: the year before last      → and last year      → also give your estimate of earnings for this year      → \$ \$ \$	
6. If you answered "Yes" to question 6 on the reverse, complete the information below.	
(a) Date child left (Month-Day-Year)      (b) Date child returned (Month-Day-Year)      (c) Name of child	
(d) Reason for absence	
(e) If the child has not returned, print the address of the child here.	

**REMARKS**

**IMPORTANT:** I declare under penalty of perjury that I have examined all of the information on this form, and on any accompanying statements or forms, and it is true and correct to the best of my knowledge. I understand that anyone who knowingly gives a false or misleading statement about a material fact in this information, or causes someone else to do so, commits a crime and may be sent to prison, or may face other penalties, or both.

7. Signature or mark of beneficiary (Note: If this form is signed with a mark, a witness must sign below.)	Date
8. Signature of witness	Date

Form SSA-7162-OCR-SM (7-2011)

## Appendix B – FORM SSA-7161

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7161 SOCIAL SECURITY ADMINISTRATION <b>REPORT TO THE UNITED STATES SOCIAL SECURITY ADMINISTRATION</b> <b>BY PERSON RECEIVING BENEFITS FOR A CHILD OR FOR AN ADULT UNABLE TO HANDLE FUNDS</b> <b>IMPORTANT: FAILURE TO COMPLETE AND RETURN THIS FORM WITHIN 60 DAYS WILL RESULT IN A SUSPENSION OF BENEFITS. SIGN AND RETURN THIS FORM IN THE ENCLOSED ENVELOPE.</b> <b>SEE INSTRUCTIONS ENCLOSED.</b>	FORM APPROVED OMB NO. 0960-0049
1. Print your address here only if it is different from the one shown below.      2. Telephone number at which you may be contacted during the day.	

IF YOU ANSWER "YES" TO ANY OF THE QUESTIONS 3 THROUGH 8 BELOW, PLEASE TURN THIS FORM OVER AND CONTINUE ON THE BACK. YOU MUST SIGN YOUR NAME IN ITEM 11 ON THE BACK OF THIS FORM.			
		YES	NO
3.	Has anyone for whom you receive benefits changed his/her citizenship or country of residence in the past 15 months? →	<input type="checkbox"/>	<input type="checkbox"/>
4.	Has anyone for whom you receive benefits married, had a divorce (or annulment) or died in the past 15 months? →	<input type="checkbox"/>	<input type="checkbox"/>
5.	Has the parent (natural, adoptive or stepparent) or any child for whom you receive benefits died, married or had a divorce (or annulment) in the past 15 months? (It is not necessary that the parent have been receiving benefits.) →	<input type="checkbox"/>	<input type="checkbox"/>
6.	Did anyone for whom you receive benefits work for someone else or own a business or farm in the past 15 months? →	<input type="checkbox"/>	<input type="checkbox"/>
7.	Did any person for whom you receive benefits live apart from you during any of the past 15 months? →	<input type="checkbox"/>	<input type="checkbox"/>
8.	Did you give the Social Security checks or the full amount of the benefits to another person (for example, the beneficiary's custodian or the beneficiary himself/herself) during the past 15 months? →	<input type="checkbox"/>	<input type="checkbox"/>
9.	Were all Social Security benefits received during the past 15 months used for the beneficiary and/or held for the beneficiary? → If "No" explain in "Remarks" on the back of this form what was done with the benefits	<input type="checkbox"/>	<input type="checkbox"/>
10.	A. Show the manner in which any amounts not used for the beneficiary are being held:  <input type="checkbox"/> Bank Account <input type="checkbox"/> Other    If "Other", explain in "Remarks" on the back of this form.  <b>OTHER REPORTABLE EVENTS</b> In addition to the events listed on this form, you are responsible for reporting any other event that may affect benefit payments.	<b>B. Show the Title or Ownership of the Account:</b>  <b>(FOR SSA USE ONLY)</b>	
		SSN	7161      Continued on the Reverse →

Form SSA-7161-OCR-SM (5-2009) Destroy Prior Editions

IF YOU ANSWERED "YES" TO ANY OF THE QUESTIONS 3 THROUGH 8 ON THE OTHER SIDE OF THIS FORM, YOU MUST COMPLETE THE CORRESPONDING BLOCK(S) BELOW. IF YOU ANSWERED "NO" TO ALL OF THE QUESTIONS 3 THROUGH 8 ON THE OTHER SIDE OF THE FORM, YOU SHOULD GO TO ITEM 11, SIGN, DATE, AND RETURN THE FORM.

3. If you answered "Yes" to question 3 on the other side, complete the information below.									
<table border="1"> <tr> <td>(a) Name of person</td> <td>(b) Country of new citizenship</td> <td>(c) Date acquired</td> <td>(d) Current country of residence</td> <td>(e) Date residence began</td> </tr> </table>					(a) Name of person	(b) Country of new citizenship	(c) Date acquired	(d) Current country of residence	(e) Date residence began
(a) Name of person	(b) Country of new citizenship	(c) Date acquired	(d) Current country of residence	(e) Date residence began					
4. If you answered "Yes" to question 4 on the other side, complete the information below.									
(a) Name of person		(b) Check which event occurred <input type="checkbox"/> Marriage <input type="checkbox"/> Annulment <input type="checkbox"/> Divorce <input type="checkbox"/> Death	(c) Date event occurred						
5. If you answered "Yes" to question 5 on the other side, complete the information below.									
(a) Name of parent		(b) Check which event occurred <input type="checkbox"/> Marriage <input type="checkbox"/> Annulment <input type="checkbox"/> Divorce <input type="checkbox"/> Death	(c) Date event occurred						
6. If you answered "Yes" to question 6 on the other side, complete the information below.									
(a) Name of person		(b) Check one <input type="checkbox"/> Employee <input type="checkbox"/> Self-Employed	(c) Date work began						
(d) If ended, enter date work stopped		(e) List each month that he/she worked 45 hours or less (Explain in Remarks)							
(f) Was this work done in the United States or did he/she pay United States Social Security taxes on earnings from this work. <input type="checkbox"/> Yes <input type="checkbox"/> No		(g) If you answered "Yes" to (f), enter his/her total earnings for last year → \$ AND give your estimate of this year's earnings. → \$							
7. If you answered "Yes" to question 7 on the other side, complete the information below.									
(a) Name of beneficiary who did not live with you		(b) Date beneficiary left	(c) Reason for leaving	(d) Date beneficiary returned					
(e) If you listed someone in (a) above who has not returned, enter the address where he/she can be reached. (Include ZIP code)									
8. If you answered "Yes" to question 8 on the other side, show to whom the funds were given.									

**REMARKS**

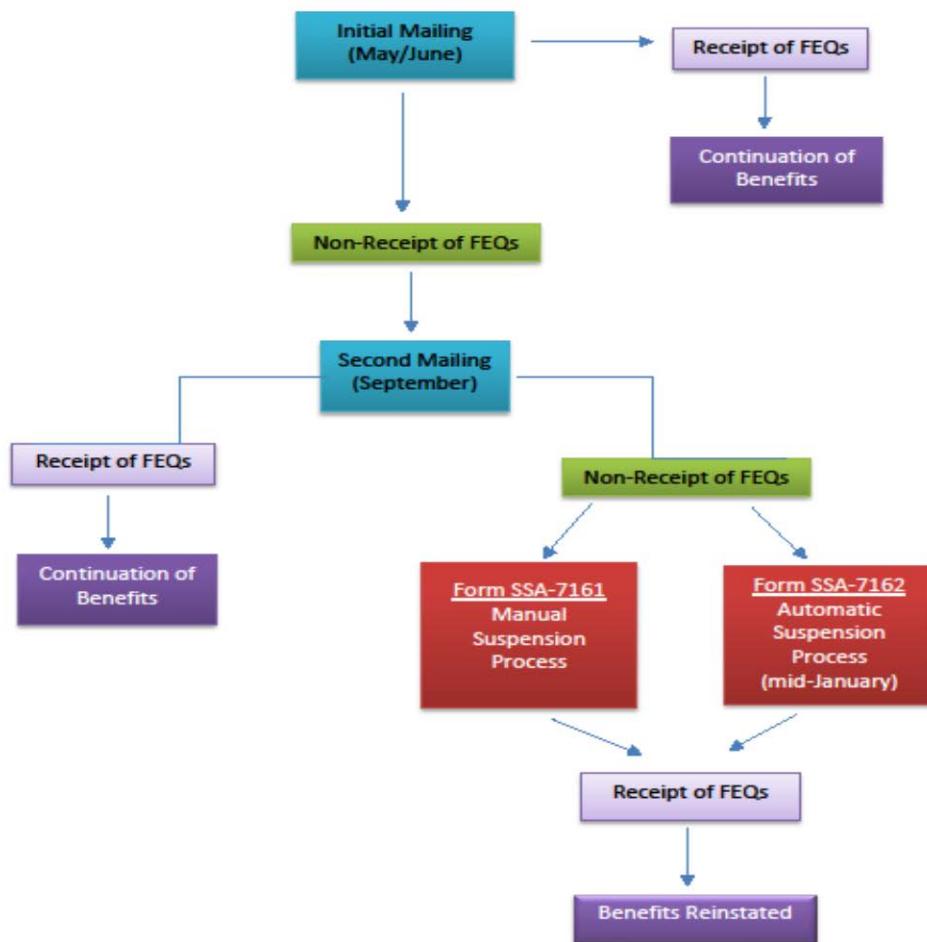
**IMPORTANT:** I declare under penalty of perjury that I have examined all of the information on this form, and on any accompanying statements or forms, and it is true and correct to the best of my knowledge. I understand that anyone who knowingly gives a false or misleading statement about a material fact in this information, or causes someone else to do so, commits a crime and may be sent to prison, or may face other penalties, or both.

11. Signature or mark of beneficiary (Note: If this form is signed with a mark, a witness must sign below.)	Date
12. Signature of witness	Date

Form SSA-7161-OCR-SM (5-2009)

## Appendix C – FOREIGN ENFORCEMENT QUESTIONNAIRE PROCESS

The flowchart shows the steps taken by the Social Security Administration staff when mailing and processing the return of Foreign Enforcement Questionnaires (FEQ) during the Foreign Enforcement process.



## **Appendix D – SCOPE AND METHODOLOGY**

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To achieve our objective, we:

- Obtained and reviewed applicable Federal laws and regulations and pertinent sections of the Social Security Administration’s (SSA) Program Operations Manual System and publications related to the Foreign Enforcement Program.
- Identified and reviewed prior Office of the Inspector General reports pertaining to the Foreign Enforcement Program and Foreign Enforcement Questionnaire (FEQ).
- Held discussions with personnel from the Office of the Deputy Commissioner for Operations.
- Obtained files from SSA comprising data for 351,781 beneficiaries to whom SSA sent initial FEQs and 42,638 beneficiaries to whom SSA sent second FEQs in 2015. In addition, we obtained files for 18,009 beneficiaries suspended in 2016. We selected and reviewed 250 beneficiaries who received Form SSA-7162, *Report to United States Social Security Administration*.
- Obtained files from SSA comprising data for 33,999 beneficiaries with representative payees to whom SSA sent initial FEQs and 8,177 beneficiaries with representative payees to whom SSA sent second FEQs in 2015. In addition, we obtained files for 3,767 beneficiaries with representative payees for whom SSA suspended benefits in 2016. We selected and reviewed 250 representative payees who received a Form SSA-7161, *Report to United States Social Security Administration by Person Receiving Benefits for a Child or an Adult Unable to Handle Funds*.
- Reviewed the FEQs to determine whether SSA
  - took the appropriate action when beneficiaries and representative payees returned the FEQs;
  - received FEQs from individuals who did not respond to SSA’s initial June 2015 mailing and to whom SSA sent second requests; and
  - suspended benefits for non-responders to SSA Form-7162 in accordance with SSA policy or established suspension on the Master Beneficiary Record for non-responders to SSA Form-7161 within SSA’s policy requirements.
- Reviewed FEQs to determine payments to non- and late responders.
- Reviewed the Automated Image Retrieval System, Claims File Records Management System, Master Beneficiary Record, and Paperless Read Only Query System for the FEQs and actions taken by SSA staff.

We determined the computer-processed data used for this audit were sufficiently reliable for their intended use. Further, any data limitations were minor in the context of this assignment, and the use of the data should not lead to an incorrect or unintentional conclusion.

The principal entity audited was the Office of the Deputy Commissioner for Operations. We conducted our review between June 2016 and February 2017 at SSA's Headquarters in Baltimore, Maryland. 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 believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Appendix E – SAMPLING METHODOLOGY

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We obtained Foreign Enforcement Questionnaire (FEQ) files from the Social Security Administration (SSA). As discussed in Appendix D, SSA reported it mailed initial Forms SSA-7162 to 351,781 beneficiaries in June 2015. Of the 351,781 beneficiaries, we randomly selected and reviewed 50 sample records from each of the sampling frames below.

**Table E–1: Audit Population: Form SSA-7162 – FEQ to Beneficiaries**

Sample Frame Number	Description	Number of Beneficiaries
1A	Responders to June 2015 Mailing (Initial Mailing) – SSA Reported	306,826
	Did Not Receive FEQ in 2015 Cycle: Responses Received by SSA But Not Sent in June 2015 Mailing Cycle – Office of the Inspector General (OIG) Identified	(972)
	Duplicated Responses to the June 2015 Mailing – OIG Identified	(1,045)
	<b>Responders to June 2015 Mailing (Initial Mailing) – OIG Recalculated</b>	<b>304,809</b>
2A	Mailed Form SSA-7162 (Initial Mailing) – SSA Reported	351,781
	Responders to June 2015 Mailing (Initial Mailing) – OIG Recalculated (from Sample Frame 1)	(304,809)
	<b>Non-Responders to June 2015 Mailing (Initial Mailing) – OIG Calculated</b>	<b>46,972</b>
3A	Responders to September 2015 Mailing (Second Mailing) – SSA Reported	29,675
	Did Not Receive FEQ in 2015 Cycle: Responses Received by SSA But Not Sent in September 2015 Mailing – OIG Identified	(1,384)
	Duplicate Responses to the September 2015 Mailing – OIG Identified	(5,035)
	<b>Responders to September 2015 Mailing (Second Mailing) – OIG Recalculated</b>	<b>23,256</b>
4A	<b>Beneficiaries Suspended in January 2016 – SSA Reported</b>	<b>18,009</b>
5A	Mailed Form SSA-7162 (Second Mailing) – SSA Reported	42,638
	Responders to September 2015 Mailing (Second Mailing) – OIG Recalculated	(23,256)
	Beneficiaries Suspended in January 2016 – SSA Reported (from Sample Frame 4)	(18,009)
	<b>Beneficiaries Who Did Not Respond to September 2015 Mailing (Second Mailing) But Not in Suspense Status</b>	<b>1,373</b>

As discussed in Appendix D, SSA reported it mailed initial Forms SSA-7161 to representative payees on behalf of 33,999 beneficiaries in June 2015. Of the 33,999 beneficiaries, we randomly selected and reviewed 50 sample records from each of the sampling frames below.

**Table E–2: Audit Population of SSA Form-7161 – FEQ to Representative Payees on Behalf of Beneficiaries**

Sample Frame Number	Description	Number of Beneficiaries
1B	Responders to June 2015 Mailing (Initial Mailing) – SSA Reported	25,104
	Did Not Receive FEQ in 2015 Cycle: Responses Received by SSA But Not Sent in June 2015 Mailing Cycle – OIG Identified	(124)
	Duplicate Responses to the June 2015 Mailing – OIG Identified	(132)
	<b>Responders to June 2015 Mailing (Initial Mailing) – OIG Recalculated</b>	<b>24,848</b>
2B	Mailed Form SSA-7161 (Initial Mailing) – SSA Reported	33,999
	Responders to June 2015 Mailing (Initial Mailing) – OIG Recalculated	(24,848)
	<b>Non-Responders to June 2015 Mailing (Initial Mailing) – OIG Calculated</b>	<b>9,151</b>
3B	Responders to September 2015 Mailing (Second Mailing) – SSA Reported	5,438
	Did Not Receive FEQ in 2015 Cycle: Responses Received by SSA But Not Sent in September 2015 Mailing Cycle – OIG Identified	(256)
	Duplicate Responses to the September 2015 Mailing – OIG Identified	(1,132)
	<b>Responders to September 2015 Mailing (Second Mailing) – OIG Recalculated</b>	<b>4,050</b>
4B	<b>Beneficiaries Suspended in January 2016 – SSA Reported</b>	<b>3,767</b>
5B	Mailed Form SSA-7161 (Second Mailing) – SSA Reported	8,177
	Duplicate Form SSA-7161 Mailed – OIG Reported	(1)
	Responders to September 2015 Mailing (Second Mailing) – OIG Recalculated (from Sampling Frame 3)	(4,050)
	Beneficiaries Suspended in January 2016 – SSA Reported (from Sample Frame 4)	(3,767)
	<b>Beneficiaries Whose Representative Payees Did Not Respond to September 2015 Mailing (Second Mailing) But Not in Suspense Status</b>	<b>359</b>

## Sample Results and Projections

We selected a random sample of 500 beneficiaries – 50 from each of the sample frames shown in Table E–1 and Table E–2. For each sample item, we reviewed SSA’s records to determine whether the Agency received the appropriate FEQ or suspended benefits if the individual did not respond to the FEQ within the 2015 cycle. Of the 500 beneficiaries reviewed, SSA continued paying benefits throughout the 2015 cycle for 15 beneficiaries even though they did not respond to the FEQs.

Sampling Frames 3, 4, and 5 are mutually exclusive. We first analyzed Sampling Frames 1 and 2 to develop these 3 mutually exclusive sampling frames. Therefore, no findings in Sampling Frames 1 and 2 were included in any of our projections because of possible double counting. For projection purposes, we removed findings related to four beneficiaries in Sample Frames 2A and 2B because these beneficiaries could be included in other sampling frames. After removing the findings related to these 4 beneficiaries, we projected our results for 11 errors from a sample of 200 records.

**Table E–3: Population and Sample Size for Continuous Payments Projection**

Population Size	32,446
Sample Size	200

Based on a sample size of 200 beneficiaries, we questioned \$34,752 in benefit payments to 11 beneficiaries in 4 of our sampling frames.

**Table E–4: Sample Results for Continuous Payments**

Stratum Number	Number of Beneficiaries	Sample Size	Dollars	Number of Errors
3A	23,256	50	\$13,732.00	4
5A	1,373	50	\$4,220.00	1
3B	4,050	50	\$5,900.00	3
4B	3,767	50	\$10,900.00	3
<b>Totals</b>	<b>32,446</b>	<b>200</b>	<b>\$34,752.00</b>	<b>11</b>

Projecting these results to the population, we estimate questionable payments of \$7,802,015 to 2,357 beneficiaries. Table E–5 provides the details of our sample results, statistical projections, and estimates.

**Table E–5: Continuous Payments Without Receipt of FEQ During 2015 Cycle**

Description	Number of Beneficiaries	Questioned Payments
Sample Results	11	\$34,752
Point Estimate	2,357	\$7,802,015
Projection Lower Limit	844	\$2,126,000
Projection Upper Limit	3,870	\$13,478,031

**Note:** All projections were calculated at the 90-percent confidence level.

Of the 500 beneficiaries sampled, SSA reinstated benefits for 33 beneficiaries without receipt of an FEQ during the 2015 cycle.

Similar to the projections above, Sampling Frames 3, 4, and 5 are mutually exclusive. We first analyzed Sampling Frames 1 and 2 to develop these three mutually exclusive sampling frames. Therefore, no findings in Sampling Frames 1 and 2 were included in any of our projections because of possible double counting. For projection purposes, we removed findings related to five beneficiaries in Sample Frames 2A and 2B because these beneficiaries could be included in other sampling frames. After removing the findings related to these 5 beneficiaries, we projected our results for 28 errors from a sample of 200 records.

**Table E–6: Population and Sample Size for Reinstatement of Benefits**

Population Size	23,508
Sample Size	200

Based on a sample size of 200 beneficiaries, we questioned \$73,569 in benefit payments to 28 beneficiaries in 4 of our sampling frames.

**Table E–7: Sample Results for Reinstatement of Benefits**

Stratum Number	Number of Beneficiaries	Sample Size	Dollars	Number of Errors
4A	18,009	50	\$19,668.00	9
5A	1,373	50	\$18,700.00	6
4B	3,767	50	\$22,256.00	7
5B	359	50	\$12,945.20	6
<b>Totals</b>	<b>23,508</b>	<b>200</b>	<b>\$73,569.20</b>	<b>28</b>

Projecting these results to the population, we estimate questionable payments of \$9,367,236 to 3,977 beneficiaries. Table E–8 provides the details of our sample results, statistical projections, and estimates.

**Table E–8: Reinstatement of Benefits Without Receipt of FEQ during 2015 Cycle**

Description	Number of Beneficiaries	Questioned Payments
Sample Results	28	\$73,569.20
Point Estimate	3,977	\$9,367,236
Projection Lower Limit	2,322	\$ 5,420,497
Projection Upper Limit	5,632	\$13,313,975

**Note:** All projections were calculated at the 90-percent confidence level.

## **Appendix F – AGENCY COMMENTS**

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### **SOCIAL SECURITY**

#### **MEMORANDUM**

Date: July 26, 2017 Refer To: S1J-3

To: Gale S. Stone  
Acting Inspector General

From: Stephanie Hall/s/  
Acting Deputy Chief of Staff

Subject: The Office of the Inspector General Draft Report, “Non-responders to the Social Security Administration’s Foreign Enforcement Questionnaires” (A-13-16-50092) --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 Gary S. Hatcher at (410) 965-0680.

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, “NON-RESPONDERS TO THE SOCIAL SECURITY ADMINISTRATION’S FOREIGN ENFORCEMENT QUESTIONNAIRES” (A-13-16-50092)**

Thank you for the opportunity to review the draft report. We appreciate OIG’s acknowledgement that staff generally complied with policies and procedures in the Foreign Enforcement Questionnaire (FEQ) process. The individuals we serve abroad are a unique population and there are often external circumstances that affect the processing of FEQs. For example, in situations that involve political instability, the Ebola health crisis, or natural disasters we must consider each circumstance on a case-by-case basis. We have taken steps to improve our process by imaging all returned FEQs as soon as we receive them.

**Recommendation 1**

Ensure the appropriate action was taken for the 48 beneficiaries we identified who did not respond to the FEQs.

**Response**

We agree.

**Recommendation 2**

Remind employees to ensure receipt of the FEQs before reinstating the benefits for beneficiaries in suspense status for non-receipt of FEQs.

**Response**

We agree. We issued the reminder to employees on June 12, 2017.

**Recommendation 3**

Remind employees to scan the completed FEQs in the Automated Image Retrieval System.

**Response**

We agree. We issued the reminder to employees on June 12, 2017.

**Recommendation 4**

Remind employees to follow up on actionable FEQ responses.

**Response**

We agree. We issued the reminder to employees on June 12, 2017

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