
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**BENEFICIARIES PAID UNDER
MORE THAN ONE SOCIAL
SECURITY NUMBER**

August 2006 A-01-06-26022

AUDIT REPORT



Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.



SOCIAL SECURITY

MEMORANDUM

Date: August 10, 2006 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: Beneficiaries Paid Under More than One Social Security Number (A-01-06-26022)

OBJECTIVE

Our objective was to identify and prevent individuals from receiving Old-Age, Survivors and Disability Insurance (OASDI) benefits and/or Supplemental Security Income (SSI) payments inappropriately under multiple Social Security numbers (SSN).

BACKGROUND

In April 2005, we issued a report, *Individuals Receiving Benefits Under Multiple SSNs at the Same Address* (A-01-05-25002), where we identified over \$9 million in overpayments and a number of cases involving fraud. The Social Security Administration (SSA) has since agreed to improve its matching processes to identify individuals receiving multiple benefits inappropriately at the same address. (See Appendix B for additional information on this prior report.) As a result of our April 2005 report, we initiated this review to identify individuals who received benefits inappropriately under multiple SSNs at different addresses.

To perform this review, we analyzed SSN and benefit records for approximately 54 million OASDI and SSI beneficiaries. Based on this analysis, we identified 320 beneficiaries who appeared to be receiving benefits inappropriately under at least two different SSNs. We referred these 320 cases to SSA in December 2005 for review and appropriate action. (See Appendix C for additional information on scope and methodology.)

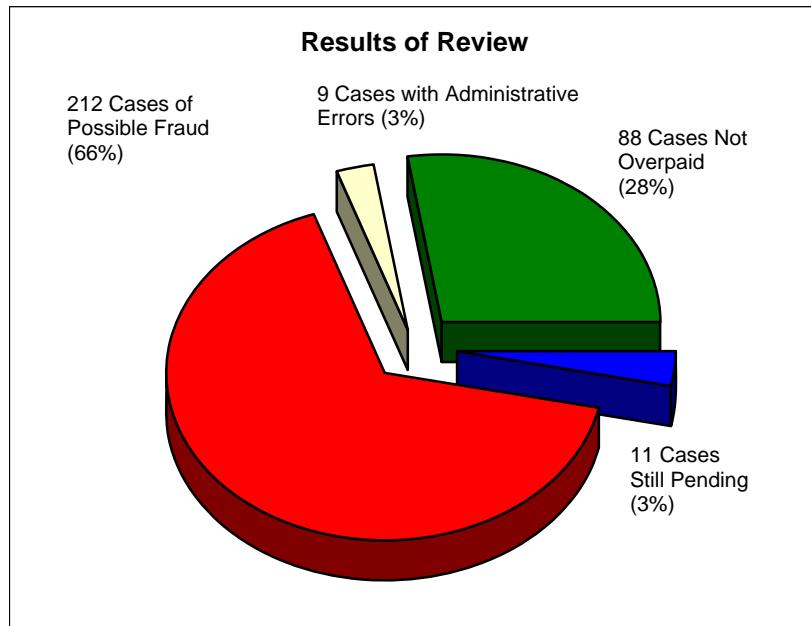
RESULTS OF REVIEW

With SSA's assistance, we identified 221 cases where individuals, in general, received benefits inappropriately under multiple SSNs at different addresses. Specifically, 212 cases involved possible fraud and 9 had administrative errors. As of July 2006, the Agency had identified \$3.0 million in overpayments for a portion of these cases. We also believe the Agency has avoided paying an additional \$296,711 by discontinuing

these inappropriate benefit payments.¹ Our Office of Investigations and SSA staff continue to work these cases. Therefore, we expect the Agency to assess additional overpayments.

Specifically, out of 320 cases:

- 212 cases involved possible fraud, resulting in about \$3.0 million in overpayments.²
- 9 cases were overpaid due to administrative errors (e.g., SSA staff not cross-referencing records)—resulting in \$66,972 in overpayments and \$8,260 in savings for the next 12 months.
- 88 cases were not overpaid.³
- 11 cases were still under review as of July 2006.



¹ This is the amount that would have been paid to the beneficiaries if SSA had not stopped benefits based on action taken during our review. Savings were calculated by taking the last monthly overpayment received by the beneficiaries multiplied by 12 months.

² Of these 212 cases, 5 involved illegal aliens stealing other people's identities to obtain SSNs on which they received SSI benefits inappropriately. For example, an illegal alien in California obtained an SSN using someone else's identification and received SSI payments under this SSN from August 1993 to April 2006. She was overpaid \$83,890 because an illegal alien is not entitled to receive SSI payments, per the Social Security Act § 1614(a)(1)(B)(i), 42 United States Code § 1382c(a)(1)(B)(i). Although SSA educates the public on identity theft through its publication, *Identity Theft and Your Social Security Number* (SSA Publication No. 05-10064), the Federal Trade Commission is the Federal clearinghouse for complaints by victims of identity theft.

³ These cases generally represented different individuals, such as twins. Additionally, in at least 3 cases, one person used another person's identification to obtain an SSN. Although these SSNs were obtained inappropriately, the individuals were not overpaid. For example, one woman obtained an SSN using her sister's identification but received spouse's benefits on her own husband's record.

Beneficiaries Were Overpaid Due to Possible Fraud

SSA staff—working with our Office of Investigations on 212 possible fraud cases—determined that 59 beneficiaries were overpaid about \$3.0 million⁴ and expect to determine additional overpayments for the majority of the remaining 153 beneficiaries. For example:

- A Florida resident obtained three different SSNs and received SSI payments under each SSN. She also reported a different address under one of her SSNs. From February 1992 to February 2006, she was overpaid \$90,506. This case is still being investigated.
- An Illinois resident began receiving disability benefits on one SSN in July 1971 while continuing to work under another SSN. Then, in April 1995, she began receiving retirement benefits on the second SSN. For each benefit, she reported a different address. She was overpaid \$63,248 from April 1995 to March 2006. This case is still being investigated.
- A Michigan resident began receiving SSI disability benefits under one SSN in September 1975 while continuing to work under another SSN. In October 2000, she began receiving retirement benefits on the second SSN. For each benefit, she reported a different address. Later, when her SSI eligibility was reviewed, she stated that she had no income—even though she was receiving retirement benefits and was earning over \$40,000 a year from a local school system under the second SSN. Because SSA was not aware of this income which made her ineligible for SSI, she was overpaid \$122,218 from October 2000 to February 2006. Our Office of Investigations reviewed this case, and the beneficiary signed an agreement to repay the funds.
- A Washington State resident with two different SSNs began receiving spouse's benefits in July 1964 under one SSN while continuing to work under another SSN. In November 1995, she began receiving retirement benefits on the second SSN. For each benefit, she reported different addresses. In May 2006, SSA suspended her benefits for possible fraud and referred the case to our Office of Investigations. The Agency is in the process of determining the amount of the overpayment while the case is being investigated.

Obtaining Multiple SSNs

Although SSA generally assigns an individual only one SSN, a second SSN was assigned to the majority of the 221 individuals who received benefits inappropriately. However, all of the second SSNs were assigned prior to 2002. Since then, SSA has implemented several initiatives to protect the integrity of the SSN.

For example, on October 27, 2003, the Agency began requiring mandatory interviews for all applicants for original SSNs who are over age 12 (lowered from age 18) and

⁴ The overpayments ranged from \$151 to \$188,227; and the number of months overpaid ranged from 1 month to 314 months (or 26 years).

required evidence of identity for all children, regardless of age. On April 18, 2005, SSA established its second Enumeration Center in Las Vegas, Nevada (the other is located in Brooklyn, New York) which focuses exclusively on assigning SSNs and issuing SSN cards. On December 17, 2005 several more changes were made to the SSN process as a result of the *Intelligence Reform and Terrorism Prevention Act of 2004*, including: (1) verifying birth records for any individual prior to obtaining an original SSN, and (2) tightening the minimum standards for documents that may be presented when applying for an original card.⁵

CONCLUSION AND RECOMMENDATIONS

SSA had not previously identified the beneficiaries in our review who received OASDI benefits and/or SSI payments inappropriately. However, many of these beneficiaries had more than one SSN—all obtained prior to 2002. Since then, SSA has made several changes to the SSN process—in line with its Strategic Plan—making it more difficult to obtain a second SSN or receive benefits inappropriately under multiple SSNs.⁶

To ensure all possible instances of fraud are identified and addressed for the cases in our review, we recommend SSA staff continue to work with our Office of Investigations and assess overpayments where appropriate.

AGENCY COMMENTS

SSA agreed with the recommendation. (See Appendix D.)



Patrick P. O'Carroll, Jr.

⁵ *The Intelligence Reform and Terrorism Prevention Act*, Pub. L. No. 108-458 § 7213. This Act was enacted in December 2004 and implemented by SSA on December 17, 2005 in accordance with the law.

⁶ SSA, *Strategic Plan FY 2006 – FY 2011*, pages 20 and 23. The Strategic Plan includes objectives to prevent fraudulent and erroneous payments and to strengthen the integrity of the SSN.

Appendices

[**APPENDIX A**](#) – Acronyms

[**APPENDIX B**](#) – Status on Prior Related Audit

[**APPENDIX C**](#) – Scope and Methodology

[**APPENDIX D**](#) – Agency Comments

[**APPENDIX E**](#) – OIG Contacts and Staff Acknowledgments

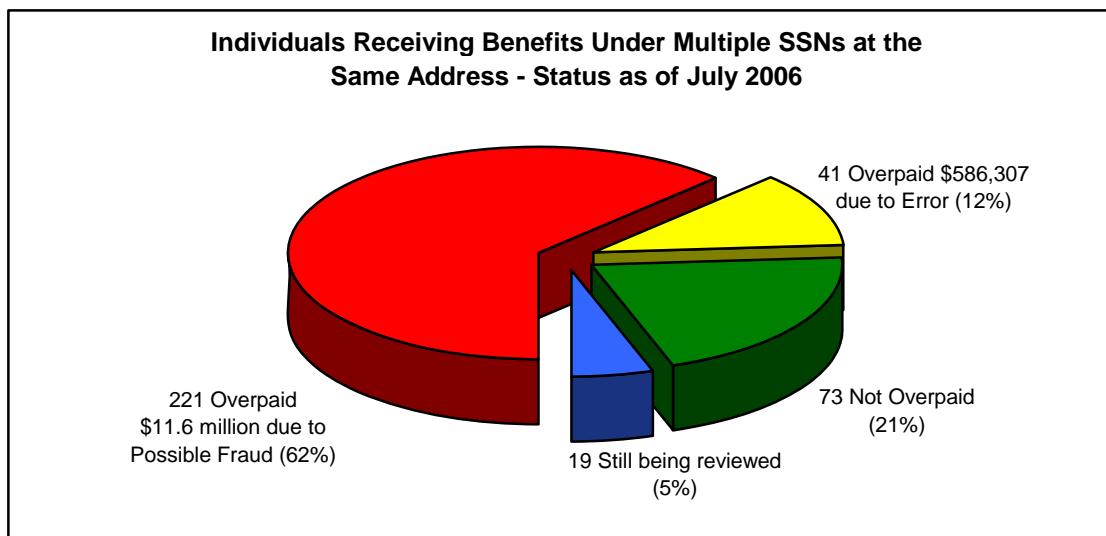
Appendix A

Acronyms

C.F.R.	Code of Federal Regulations
MBR	Master Beneficiary Record
OASDI	Old-Age, Survivors and Disability Insurance
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
SSR	Supplemental Security Record

Status on Prior Related Audit

In our April 2005 audit on *Individuals Receiving Benefits Under Multiple Social Security Numbers at the Same Address* (A-01-05-25002), we identified and referred to the Social Security Administration (SSA) 354 beneficiaries who may have received benefits inappropriately under at least two different Social Security numbers (SSN) at the same address. As a result, SSA assessed over \$9 million in overpayments and recovered \$517,905 (6 percent) of these funds. However, at the time we issued the report, in April 2005, there were 85 cases still pending. Therefore, we continued to follow the cases. See the pie chart below for a status of the cases as of July 2006.



With SSA's assistance, we found, out of 354 cases:

- 262 beneficiaries were assessed \$12.2 million in overpayments, \$1.4 million of which was recovered as of July 2006 by SSA. We also believe SSA avoided paying an estimated \$2.0 million by stopping these incorrect payments. Of these beneficiaries:
 - 221 were overpaid \$11.6 million due to possible fraud and a number of these cases have been prosecuted by the United States Attorney's office, and
 - 41 were overpaid \$586,307 due to error, such as staff establishing benefits under the wrong SSN.
- 73 beneficiaries were not assessed overpayments. Of these 73 beneficiaries, 13 died before the review could be completed. Additionally, SSA determined that 6 beneficiaries were not overpaid but adjusted their benefits as needed. In the remaining 54 cases, SSA determined that they involved two different individuals, usually twins, who were appropriately receiving benefits.
- 19 beneficiaries were still having their cases reviewed.

Scope and Methodology

To accomplish our objective, we:

- Reviewed applicable sections of the Social Security Act and Social Security Administration (SSA) regulations, rules, policies and procedures.
- Reviewed our April 2005 audit on *Individuals Receiving Benefits Under Multiple Social Security Numbers at the Same Address* (A-01-05-25002).
- Used—from the April 2005 audit—the file of (1) Master Beneficiary Records (MBR) for all Old-Age, Survivors and Disability Insurance beneficiaries and (2) Supplemental Security Records (SSR) for all Supplemental Security Income (SSI) recipients who received benefits in February 2004. We also obtained the Numident file for these beneficiaries and recipients.¹ We then ran several matches on these files based on the following fields: date of birth and first five characters of beneficiary's first name, parents' last names, and place of birth. We compared these four fields in the following files:
 - Records within the SSR file.
 - Records in the MBR file against the SSR file.
 - Records within the MBR primary beneficiary file.²
 - Records in the MBR primary beneficiary file against the MBR auxiliary beneficiary file.²
 - Records within the MBR auxiliary beneficiary file.

We removed any cases:

- That were identified in the prior audit, *Individuals Receiving Benefits Under Multiple Social Security Numbers at the Same Address* (A-01-05-25002).
- Where the benefits on one record were cross-referenced or accounted for on the other record—as these individuals were entitled on multiple records or were concurrent beneficiaries—and SSA has processes in place to ensure benefits are adjusted appropriately.

¹ SSA, Program Operations Manual System (POMS), RM 00209.002. The Numident Master File houses, in SSN order, the identifying information for each number-holder.

² SSA, POMS, GN 03301.002 B. A “primary beneficiary” is a Social Security number-holder entitled to benefits based on his/her own work record. An “auxiliary beneficiary” is someone entitled to benefits based on someone else’s work record, by virtue of relationship to the number-holder.

- Where the records were cross-referenced but the Social Security number (SSN) was incorrect, as we have previously studied this issue, and SSA is taking corrective action to identify and stop overpayments on these records with incorrect or missing SSNs.³

Any remaining instances where two or more cases matched on the fields listed above were kept for review.

This match resulted in 1,767 cases for possible inclusion in our review. We then analyzed the records in these cases further to determine whether the SSNs belonged to the same person or different individuals, such as twins with similar names. Specifically, we looked at the following: beneficiary's full name, gender, date of birth, place of birth, cross-referenced SSNs, initial date of application for a Social Security card, date of application for benefits, remarks, type of disability, date disability began, representative payee,⁴ address, telephone number, bank information, and parents' full names. We also ensured that the individuals were still receiving benefits in December 2005.

After our matching processes and additional reviews, we identified 321 individuals who may have received benefits inappropriately under multiple SSNs.⁵ On December 21, 2005, we referred these cases to SSA for review. We also requested that SSA refer any instances of possible fraud to the Office of the Inspector General's Office of Investigations.

After obtaining feedback from SSA on our cases, we quantified the amount of overpayments assessed by the Agency. We also calculated future savings for the next 12 months where SSA stopped the improper payments.

We conducted our audit between November 2005 and May 2006 in Boston, Massachusetts. We found the data used for this audit were sufficiently reliable to meet our audit objective. The entities audited were the Field Offices and Program Service Centers under the Deputy Commissioner of Operations, and the Office of Retirement and Survivors Insurance Systems and the Office of Disability and Supplemental Security Income Systems under the Deputy Commissioner for Systems. We conducted our audit in accordance with generally accepted government auditing standards.

³ We provided recommendations for incorrect and/or missing auxiliaries' SSNs in our audit reports—*Impact on the Social Security Administration's Programs When Auxiliary Beneficiaries Do Not Have Their Own Social Security Numbers* (A-01-02-22006), September 2002; and *Impact on the Social Security Administration's Programs When Auxiliary Beneficiaries Have Incorrect Social Security Numbers* (A-01-03-33020), November 2003.

⁴ A representative payee is a person, agency, organization, or institution selected to receive and manage benefits on behalf of a recipient who cannot manage or direct the management of his or her finances because of age, mental, and/or physical impairments (20 C.F.R. §§ 404.2010 and 404.2020).

⁵ We later removed 1 person who was counted twice—which reduced the population to 320 individuals.

Appendix D

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: August 2, 2006 /s/

Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Larry W. Dye
Chief of Staff

Subject: Office of the Inspector General (OIG) Draft Report, "Beneficiaries Paid Under More than One Social Security Number" (A-01-06-26022)--INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the draft report content and the recommendation are attached.

Please let me know if we can be of further assistance. Staff inquiries may be directed to Ms. Candace Skurnik, Director, Audit Management and Liaison Staff, at extension 54636.

Attachment:
SSA Response

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,
“BENEFICIARIES PAID UNDER MORE THAN ONE SOCIAL SECURITY NUMBER”**
A-01-06-26022

Thank you for the opportunity to review and comment on the draft report. We appreciate both your Office of Audit's and Office of Investigations' efforts to help us ensure that benefits are paid only to those legally entitled to them. We are encouraged that your analysis of approximately 54 million Old Age Survivors and Disability Insurance and Supplemental Security Income beneficiaries identified only 320 individuals who appeared to be receiving benefits inappropriately under at least two different Social Security numbers (SSN). More important to us was the finding that of these 320 cases, only 9 (representing \$4,325 in overpayments) could be attributed to administrative errors by the Agency. We are very pleased that the findings of this review did not reveal any significant weaknesses in our processes.

For the 208 cases identified as possible fraud cases, we have taken action on all 208 cases to correct our records and assess the appropriate overpayments. Regarding the assignment of multiple SSNs, the report accurately notes that the majority of the potential fraud cases involved fraudulently obtained SSNs that were issued prior to 2002. Since we have tightened the requirements for obtaining an SSN, we do not believe these situations will occur in the future as the new process has made it much more difficult to obtain an SSN using fraudulent documents.

Our response to the recommendation is provided below.

Recommendation 1

The Social Security Administration staff should continue to work with the Office of Investigations and assess overpayments where appropriate.

Response

We agree. We will continue to work with the Office of Investigations where appropriate on any outstanding accounts.

Appendix E

OIG Contacts and Staff Acknowledgments

OIG Contacts

Judith Oliveira, Director, Boston Audit Division, (617) 565-1765

David Mazzola, Audit Manager, (617) 565-1807

Acknowledgments

In addition to those named above:

Phillip Hanvy, Senior Program Analyst

Kevin Joyce, IT Specialist

Toni Paquette, Program Analyst

Cheryl Robinson, Writer-Editor

For additional copies of this report, please visit our web site at
www.socialsecurity.gov/oig or contact the Office of the Inspector General's Public Affairs Specialist at (410) 965-3218. Refer to Common Identification Number A-01-06-26022.

DISTRIBUTION SCHEDULE

Commissioner of Social Security
Office of Management and Budget, Income Maintenance Branch
Chairman and Ranking Member, Committee on Ways and Means
Chief of Staff, Committee on Ways and Means
Chairman and Ranking Minority Member, Subcommittee on Social Security
Majority and Minority Staff Director, Subcommittee on Social Security
Chairman and Ranking Minority Member, Subcommittee on Human Resources
Chairman and Ranking Minority Member, Committee on Budget, House of Representatives
Chairman and Ranking Minority Member, Committee on Government Reform and Oversight
Chairman and Ranking Minority Member, Committee on Governmental Affairs
Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives
Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations,
House of Representatives
Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate
Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate
Chairman and Ranking Minority Member, Committee on Finance
Chairman and Ranking Minority Member, Subcommittee on Social Security and Family Policy
Chairman and Ranking Minority Member, Senate Special Committee on Aging
Social Security Advisory Board

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of our Office of Investigations (OI), Office of Audit (OA), Office of the Chief Counsel to the Inspector General (OCCIG), and Office of Resource Management (ORM). To ensure compliance with policies and procedures, internal controls, and professional standards, we also have a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts and/or supervises financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations and projects on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as OIG liaison to the Department of Justice on all matters relating to the investigations of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Chief Counsel to the Inspector General

OCCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Finally, OCCIG administers the Civil Monetary Penalty program.

Office of Resource Management

ORM supports OIG by providing information resource management and systems security. ORM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, ORM is the focal point for OIG's strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act of 1993.