

Audit Report

The Social Security Administration's
Electronic Remittance System for
Beneficiary-related Debts

A-04-19-50780 | January 2020

OIG

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: January 23, 2020 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: The Social Security Administration's Electronic Remittance System for Beneficiary-related Debts (A-04-19-50780)

The attached final report presents the results of the Office of Audit's review. The objectives were to determine the accuracy and timeliness of remittances field offices processed via the Social Security Electronic Remittance System for beneficiary-related debts. We also determined whether remittances field offices mailed to the Social Security Administration's Mid-Atlantic Program Service Center should have been processed through the System.

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

The Social Security Administration's Electronic Remittance System for Beneficiary-related Debts

A-04-19-50780



January 2020

Office of Audit Report Summary

Objectives

Our objectives were to determine the accuracy and timeliness of remittances field offices processed via the Social Security Electronic Remittance System (SERS) for beneficiary-related debts. We also determined whether remittances field offices mailed to the Social Security Administration's (SSA) Mid-Atlantic Program Service Center (MATPSC) should have been processed through SERS.

Background

MATPSC is SSA's national remittance processing site. SSA employees, beneficiaries, and debtors send payments for processing to MATPSC. Some debtors choose to remit their payment via mail, while others pay in-person at an SSA field office.

In 2017, SSA implemented SERS for field offices to process certain Old-Age, Survivors and Disability Insurance and Supplemental Security Income debts locally. There are some exceptions to using SERS which require that field offices continue to mail remittances to MATPSC.

From January 1 through November 9, 2018, SSA field offices processed 112,266 of the beneficiary-related remittances, totaling approximately \$80 million, through SERS, while MATPSC processed 316,691, totaling approximately \$397 million. We sampled 200 remittances from each population.

Findings

Field offices accurately processed the 200 sampled remittances through SERS. SSA also posted all of the 200 SERS-processed remittances to beneficiaries' accounts within 8 days.

Of the 200 sampled remittances MATPSC processed, field offices mailed 39 (19.5 percent) to MATPSC. However, the field offices should have processed these 39 remittances through SERS within their field offices. As a result, we estimate field office employees unnecessarily mailed approximately 62,000 remittances to MATPSC. SSA stated the unnecessary mailings occurred because SERS was a new process. Additionally, before our audit, SSA did not require that field office supervisors verify whether remittances sent to MATPSC should have been processed through SERS.

For the 39 sampled remittances field offices unnecessarily mailed to MATPSC, SSA did not post 3, totaling \$3,407, to beneficiaries' accounts for an average of 59 days. SSA explained it did not always know the reason for the delays but, in some instances, the remittance may have been processed timely in the field office, but mail delays may have caused MATPSC to receive the remittance late and delayed posting to the record.

Agency Actions Resulting from the Audit

Between March and August 2019, we provided SSA the 39 sampled remittances for review. In May and September 2019, SSA issued reminders to field office employees to use SERS, as required by policy, for remittances of beneficiary overpayments, conserved funds, and misused funds. Also, in September 2019, SSA revised its policy to require that field office supervisors verify that only appropriate remittances are mailed to MATPSC.

As a result of the actions SSA took during our audit, we are not making any recommendations.

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ABBREVIATIONS

MATPSC	Mid-Atlantic Program Service Center
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SERS	Social Security Electronic Remittance System
SSA	Social Security Administration
Stat.	Statutes at Large

OBJECTIVES

Our objectives were to determine the accuracy and timeliness of remittances field offices processed via the Social Security Electronic Remittance System (SERS) for beneficiary-related debts. We also determined whether remittances field offices mailed to the Social Security Administration's (SSA) Mid-Atlantic Program Service Center (MATPSC) should have been processed through SERS.

BACKGROUND

Some individuals owe debts to SSA and must remit payment. For example, when a beneficiary is overpaid, but no longer receiving benefits, he/she owes a debt to SSA. SSA's program service centers¹ send monthly bills to debtors who are not receiving benefits instructing them to remit their payment to MATPSC.² MATPSC is SSA's national remittance processing site. While some debtors choose to remit their payment via mail, others pay in-person at an SSA field office.³ Before SERS was implemented, field office employees were required to mail all payments received in the field offices to MATPSC for processing.

In December 2017,⁴ SSA fully implemented SERS for field offices to process certain OASDI and Supplemental Security Income debts.⁵ SERS provides SSA field offices an automated system to collect, track, record, and report remittances. Field offices may use SERS only for remittances of overpayments, conserved funds,⁶ or misused funds.⁷ However, there are exceptions to using SERS, which require that field offices continue mailing remittances to MATPSC. For example, field offices cannot use SERS to process remittances when there is no

¹ Program service centers are responsible for paying Old-Age, Survivors and Disability Insurance (OASDI) benefits, administering the Medicare program, and handling other functions essential to maintaining beneficiary records.

² For reporting purposes, we use the term "MATPSC" to refer to the Debt Management Section in SSA's National Remittance Processing Center. MATPSC also processes remittances it receives directly from the public. SSA, *POMS*, GN 02403.001, A (October 3, 2017).

³ SSA, *POMS*, GN 02403.001, A (October 3, 2017).

⁴ In 2014, SSA implemented SERS in field offices to collect standard administrative fees for certain services, such as (1) copying electronic or paper folders for individuals or (2) verifying Social Security numbers for third parties. SSA, *POMS*, GN 02403.014, A, B (July 3, 2018). On October 4, 2017, SSA began rolling out SERS for field offices to process certain beneficiary-related debts.

⁵ SSA, *POMS*, GN 02403.161, A (December 11, 2019).

⁶ Conserved funds are benefits a representative payee does not spend on a beneficiary's current needs that must be returned to SSA when the beneficiary is no longer in the payee's care. SSA, *POMS*, GN 00502.114, A (February 27, 2014).

⁷ Misused funds are "... any case in which the representative payee receives payment . . . for the use and benefit of another person and converts such payment, or any part thereof, to a use other than for the use and benefit of such other person." *The Social Security Protection Act of 2004*, Pub. L. No. 108-203, § 101(a)(2)(8), 118 Stat. 493, p. 495.

debt on the record, a payment is greater than the total overpayment or debt amount due, or SERS equipment or the computer application is not working.⁸

SSA policy instructs employees to prepare a report that lists each remittance they are mailing MATPSC.⁹ The report includes such information as the beneficiary's name, account number, and amount of the remittance. Policy instructs field office supervisors to ensure the information on the report agrees with that on the remittances before they mail the remittances to MATPSC.¹⁰

From January 1 through November 9, 2018, SSA received 428,957 remittances, totaling \$477 million, for overpayments, conserved funds, and misused funds. Of these, SSA field offices processed 112,266 remittances, totaling approximately \$80 million, through SERS, while MATPSC processed 316,691 remittances,¹¹ totaling approximately \$397 million. Of those remittances MATPSC processed, field offices mailed 181,934 (57.4 percent), and the public mailed 134,757 (42.6 percent).

To determine field office accuracy and processing timeliness, we randomly sampled 200 of the 112,266 remittances field offices processed through SERS. We also randomly sampled 200 of the 316,691 remittances MATPSC processed to determine whether any mailed by field offices should have been processed through SERS. See Appendix A for our scope and methodology and Appendix B for our sampling results.

RESULTS OF REVIEW

Field offices accurately processed the 200 sampled remittances through SERS. SSA also posted all of the 200 SERS-processed remittances to beneficiaries' accounts within 8 days. Of the 200 sampled remittances MATPSC processed, field offices mailed 39 (19.5 percent) to MATPSC. However, the field offices should have processed these 39 remittances through SERS within their field offices.¹² As a result, we estimate field office employees unnecessarily mailed approximately 62,000¹³ remittances to MATPSC (see Appendix B). SSA stated that the unnecessary mailings occurred because SERS was a new process. Additionally, before our audit, SSA did not require that field office supervisors verify whether remittances sent to MATPSC should have been processed through SERS.

⁸ SSA, POMS, GN 02403.161, B, F, G (December 11, 2019).

⁹ SSA, POMS, GN 02403.006, B.2 (October 3, 2017).

¹⁰ SSA, POMS, GN 02403.012, D.3 and E.3 (April 1, 2016) and GN 02403.006, B.3 (October 3, 2017).

¹¹ These remittances were from field offices and the public.

¹² Neither we nor SSA identified any limitations that would have prohibited the field offices from processing these remittances through SERS. However, SSA has explained there could have been instances where the SERS equipment or computer application was not working at the time the remittance was mailed to MATPSC.

¹³ Our population, and our sample of 200, included remittances MATPSC received from the public as well as remittances mailed to MATPSC from field offices.

For the 39 sampled remittances field offices unnecessarily mailed to MATPSC, SSA did not post 3, totaling \$3,407, to beneficiaries' accounts for an average of 59 days. SSA explained it did not always know the reason for the delays but, in some instances, the remittance may have been processed timely in the field office, but mail delays may have caused MATPSC to receive the remittance late and delayed posting to the record.

Remittances Processed Through SERS

Field offices accurately and timely processed the 200 remittances we reviewed. The field offices ensured such remittance information as the beneficiary's name, Social Security number, and amount was correctly input in SERS. While SSA did not have written standards for timely processing, all 200 remittances were input in SERS within 1 day. SSA subsequently posted all 200 remittances to beneficiaries' Master Beneficiary¹⁴ or Supplemental Security Records¹⁵ within 8 days of the field offices' input in SERS. To determine whether SSA posted the remittance payments to beneficiary accounts timely, we compared the date the field office input the remittance in SERS with the date SSA's Debt Management System posted the payment to the beneficiary's account.¹⁶

Remittances Processed by the Mid-Atlantic Program Service Center

Of the 200 sampled remittances MATPSC processed,¹⁷ field offices should have processed 39 (19.5 percent) through SERS. We provided SSA these remittance records, and SSA confirmed all 39 were overpayments, conserved funds, or misused funds. SSA did not identify exceptions¹⁸ that would have prevented field offices from processing these 39 remittances through SERS. Therefore, field office employees should have used SERS to process the 39 remittances within their field offices, instead of mailing them to MATPSC for processing.

¹⁴ SSA establishes a Master Beneficiary Record for each OASDI claimant. The Record maintains pertinent information needed to pay benefits to the claimant and all entitled auxiliary beneficiaries. Auxiliary beneficiaries can be children, widows, spouses, and parents who receive OASDI benefits based on a primary wage earner's Social Security record. SSA, OIG, *Recovery of Old-Age, Survivors and Disability Insurance Overpayments When a Contingently Liable Beneficiary Stops Receiving Benefits*, A-04-18-50651, p. 1 (May 2019).

¹⁵ The Supplemental Security Record contains information about each individual applying for Supplemental Security Income. The Record maintains pertinent information needed to pay the claimant benefits. SSA, *Research, Statistics & Policy Analysis, Supplemental Security Income (SSI) Public-Use Microdata File, 2001 Data, Content and Sample Design*, ssa.gov (last visited August 5, 2019).

¹⁶ We excluded weekends and holidays from our count.

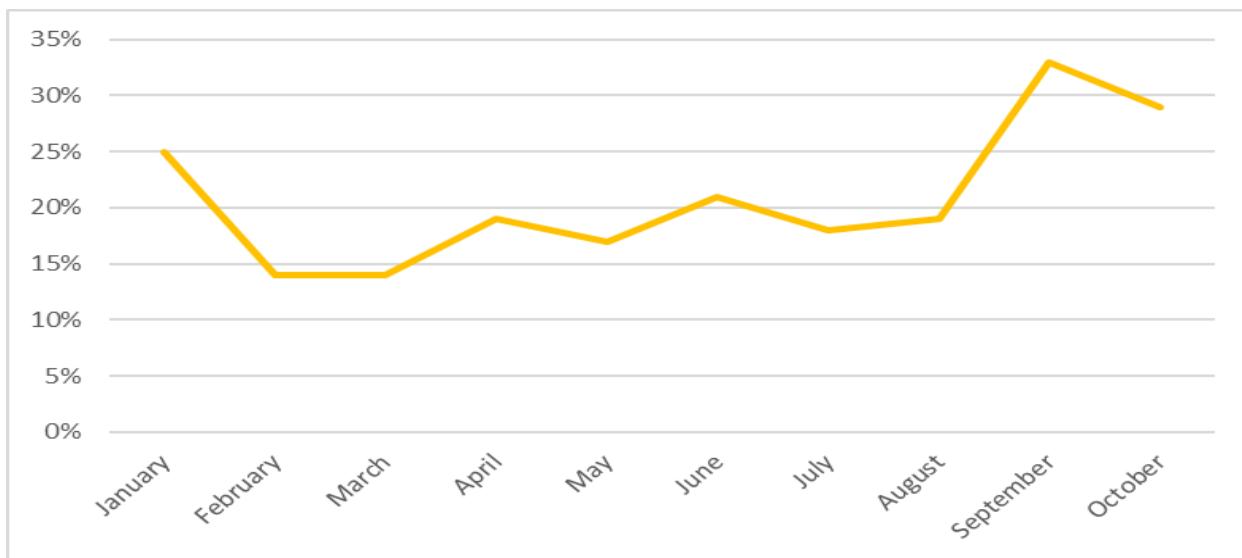
¹⁷ Our population, and our sample of 200, included remittances MATPSC received from the public as well as remittances mailed to MATPSC from field offices.

¹⁸ For example, field offices cannot use SERS to process remittances when there is no debt on the record, when a payment is greater than the total overpayment or debt amount due, or when SERS equipment or the computer application is not working. SSA, *POMS*, GN 02403.161, B, F, G (December 11, 2019).

We estimate field offices unnecessarily mailed MATPSC approximately 62,000 remittances from January 1 through November 9, 2018.¹⁹

Based on our sample, we determined that field offices slightly increased the number of remittances they mailed to MATPSC, but should have processed through SERS. For example, from January 2018 through October 2018, field offices unnecessarily mailed, on average, 21 percent of the sample remittances to MATPSC.²⁰ See Figure 1 for the monthly percentage of sampled remittances field offices unnecessarily sent to MATPSC. SSA explained these mailings occurred because SERS was a new process or one of the exceptions discussed previously may have been present.

Figure 1: Percent of Sampled Remittances Field Offices Unnecessarily Sent to MATPSC January Through October 2018



At the start of our review, SSA policy did not require that field office supervisors confirm remittances sent to MATPSC should have been processed through SERS. Policy had instructed field office supervisors to review and compare each item in its daily remittance report against each remittance to ensure each is accounted for, and the information on the report agreed with the remittances it was mailing MATPSC.²¹ SSA did not have a control established to ensure supervisors confirmed whether the remittances should have been mailed to MATPSC. However,

¹⁹ See Appendix B for the sample results and projections.

²⁰ The mean was 21 percent, and the median was 19 percent. For ease of reading, we used the last full month of data, October, for this comparison.

²¹ SSA, *POMS*, GN 02403.006, B.3 (October 3, 2017).

in September 2019, SSA revised its policy to require that field office supervisors confirm whether the remittances should be mailed to MATPSC.²²

Finally, of the 39 sampled remittances MATPSC processed, SSA posted the payment to 36 beneficiaries' records within 7 days. However, SSA did not post the remaining three remittances, totaling \$3,407, to beneficiaries' accounts for an average of 59 days.²³ For example, because of a delay, a representative payee contacted SSA after he/she received a second letter from SSA requesting payment for a \$1,306 overpayment. The representative payee had mailed the payment to SSA, but SSA did not post the remittance to the beneficiary's account until 44 days after it received the remittance. SSA stated it took longer to post the remittance because it recorded the remittance as a "remittance of conserved funds" when it should have recorded it as an "overpayment."

CONCLUSIONS

SSA field offices accurately and timely processed the sampled remittances through SERS. However, we determined 19.5 percent of the sampled remittances MATPSC processed, field offices should have processed them through SERS, instead of mailing them to MATPSC for processing. During our 10-month audit period, we estimate field offices unnecessarily mailed approximately 62,000 remittances to MATPSC for processing (see Appendix B).

We recognize the first month in our audit period was the first full month field offices began using SERS. However, based on our review of the sampled remittances, field offices slightly increased the number of remittances they mailed unnecessarily to MATPSC during our 10-month audit period. When field offices do not process these remittances through SERS, MATPSC's workload increases. In addition, remittances MATPSC processed took longer to post to beneficiary records than those processed through SERS at a field office.

AGENCY ACTIONS RESULTING FROM THE AUDIT

Between March and August 2019, we provided SSA the 39 remittances for review. In May and September 2019, SSA issued reminders to field office employees to use SERS, as required by policy, for remittances of beneficiary overpayments, conserved funds, and misused funds. Also, in September 2019, SSA revised its policy to require that field office supervisors verify that only appropriate remittances are mailed to MATPSC.²⁴ As a result of actions SSA took during our audit, we are not making any recommendations.

²² SSA, *POMS*, GN 02403.161, C (December 11, 2019).

²³ The mean was 59 days, and the median was 64 days.

²⁴ SSA, *POMS*, GN 02403.161, C (December 11, 2019).

OTHER MATTER

Of the 200 sampled remittances MATPSC processed, SSA posted 156²⁵ (78 percent) timely to beneficiaries' accounts but did not post, or took longer than 30 days in posting,²⁶ the remaining 44²⁷ (22 percent), totaling approximately \$118,200. For the 44 remittances, we determined the following.

- For six (3 percent) remittances, totaling approximately \$21,600, SSA had not posted the amount received to beneficiaries' accounts as of October 2019. The oldest of these remittances had been pending since January 4, 2018. The pending dates range from 243 to 455 days, and, on average, these remittances had been pending for 376 days.²⁸
- For 22²⁹ (11 percent) remittances, totaling approximately \$47,000, it took SSA longer than 60 days to post the amount received to beneficiaries' accounts. The average time to post these remittances was 106 days.³⁰
- For 16³¹ (8 percent) remittances, totaling approximately \$49,600, it took SSA between 30 and 60 days to post the amount received to beneficiaries' accounts. The average time to post these remittances was 47 days.³²

For those remittances that took SSA longer than 30 days to post, or those that have not yet been posted, SSA records did not reflect that it sent "late notices" or received complaints from the remitter. We provided SSA the 44 sampled remittances and asked that it review them. SSA explained it did not always know the reason for delays but, in some instances, the remittance may have been processed timely in the field office but mail delays may have caused MATPSC to receive the remittance late and not post it timely to the record.

²⁵ Of these 156 remittances, 36 were remittances that field offices mailed to MATPSC, which was discussed in the previous section.

²⁶ SSA sends a notice informing the overpaid person to repay the overpayment within 30 days of receiving the notice and that he/she has 60 days to request an appeal. SSA, *POMS*, NL 00703.106.A (August 22, 2016). SSA will refer the debt for external collection after 60 days have expired from the date on the overpayment notice to the debtor. SSA, *POMS*, GN 02201.032.C (March 9, 2016). For the 200 sampled remittances processed by MATPSC, we evaluated the number of days SSA took to post the remittances based on SSA's overpayment collection policies.

²⁷ Of these 44 remittances, field offices mailed 3 to MATPSC, which was discussed in the previous section.

²⁸ The mean was 376 days, and the median was 403 days.

²⁹ Of the 22, we discussed 2, totaling \$2,101, in the previous section.

³⁰ The mean was 106 days, and the median was 87 days.

³¹ Of the 16, we discussed 1, totaling \$1,306, in the previous section.

³² The mean was 47 days, and the median was 50 days.

When SSA does not post remittances for overpayments to beneficiaries' accounts within 60 days, the debt appears past due in SSA's debt management system.³³ Therefore, SSA may take unnecessary collection actions against beneficiaries when it does not post remittances timely. Also, SSA may improperly offset beneficiaries' OASDI or Supplemental Security Income payments to collect an overpayment when they are in current pay status.³⁴

We identified this issue in our 2017 audit of SSA's national remittance process.³⁵ We reported on the workload at MATPSC and how it caused SSA to initiate unnecessary collection actions against some beneficiaries.³⁶ In that report, we recommended that SSA establish timeliness standards for remittance processing.³⁷ SSA agreed with our recommendation and established a processing target of 7 business days. We are planning a follow-up to our 2017 audit and will follow up on our prior recommendations and assess MATPSC's processing of all types of remittances.

AGENCY COMMENTS

SSA stated that since it fully implemented SERS in December 2017, field office use of SERS has grown significantly. SSA further stated that the new requirement for management review will help ensure its proper use. The full text of SSA's comments is included in Appendix C.



Rona Lawson
Assistant Inspector General for Audit

³³ When a debtor is 2 or more months behind on OASDI installment payments or 45 days behind on Supplemental Security Income installment payments, SSA may report the late payment information to the national credit repositories. SSA, *POMS*, GN 02201.032 (March 9, 2016); GN 02201.031 (May 31, 2019); SI 02220.014 (April 19, 2006); and SI 02220.013 (September 5, 2013). SSA, OIG, *The Social Security Administration's National Remittance Process, A-04-16-50111*, p. 6 (March 2017).

³⁴ SSA, *POMS*, GN 02210.008, A (April 25, 2013).

³⁵ SSA, OIG, *The Social Security Administration's National Remittance Process, A-04-16-50111*, p. 3 (March 2017).

³⁶ See Footnote 36 pp. 5 through 7.

³⁷ See Footnote 36, p. 11.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objectives, we:

- Reviewed applicable Federal laws and regulations and sections of the Social Security Administration’s (SSA) policies and procedures related to remittances and the Social Security Electronic Remittance System (SERS).
- Reviewed the Mid-Atlantic Program Service Center (MATPSC) Field Office Remittance Guide.¹
- Reviewed previous Office of the Inspector General reports about remittances processed by SSA.
- Obtained SSA’s Master Remittance File from January 1 through November 9, 2018, which contained 428,957 remittances for overpayments, conserved funds, and misused funds. These remittances totaled approximately \$477 million.
 - SSA field offices processed 112,266, totaling approximately \$80 million, through SERS.
 - MATPSC processed 316,691, totaling approximately \$397 million. Of these remittances processed by MATPSC, field offices mailed 181,934 (57.4 percent) remittances totaling approximately \$257 million, and the public mailed 134,757 (42.6 percent) remittances totaling approximately \$140 million.
- Selected a random sample of 200 from the 112,266 beneficiary-related remittances field office employees processed via SERS to determine whether field offices processed the remittances accurately and timely.
- Selected a random sample of 200 of the 316,691 beneficiary-related remittances MATPSC processed to determine whether any should have been processed by field offices via SERS.

¹ SSA, *MATPSC Field Office Remittance Guide*, (April 2014).

- For each sampled remittance, we reviewed the
 - Master Beneficiary Record² and Recovery of Overpayments, Accounting and Reporting³ system;
 - Supplemental Security Record;⁴ and
 - Debt Management System.⁵

The principal entities reviewed were the Offices of the Deputy Commissioners for Operations and Budget, Finance, and Management. We conducted our review in Atlanta, Georgia, between November 2018 and October 2019. We determined the data used in this report were sufficiently reliable given our review objectives and its intended use. 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

² SSA establishes a Master Beneficiary Record for each Old-Age, Survivors and Disability Insurance claimant. The Master Beneficiary Record maintains pertinent information needed to pay benefits to the claimant and all entitled auxiliary beneficiaries. Auxiliary beneficiaries can be children, widows, spouses, and parents who receive Old-Age, Survivors and Disability Insurance benefits based on a primary wage earner's Social Security record. SSA, OIG, *Recovery of Old-Age, Survivors and Disability Insurance Overpayments When a Contingently Liable Beneficiary Stops Receiving Benefits*, A-04-18-50651, p. 1 (May 2019).

³ SSA's Recovery of Overpayments, Accounting and Reporting system controls the recovery and collection activity of Old-Age, Survivors and Disability Insurance overpayments. Its record contains the cause and amount of the overpayment, person liable for the debt, actions against the overpayment record, and status of the overpayment. SSA, OIG, *Recovery of Old-Age, Survivors and Disability Insurance Overpayments When a Contingently Liable Beneficiary Stops Receiving Benefits*, A-04-18-50651, p. 2 (May 2019).

⁴ SSA establishes a record for each Supplemental Security Income claimant. The Supplemental Security Record maintains pertinent information needed to pay benefits to the claimant. SSA, *Research, Statistics & Policy Analysis, Supplemental Security Income (SSI) Public-Use Microdata File, 2001 Data, Content and Sample Design*, ssa.gov (last visited August 5, 2019).

⁵ The Debt Management System is part of SSA's modernized data processing system, it consolidates all of SSA's Old-Age, Survivors and Disability Insurance debt management data entry activities. Some Supplemental Security Income debt management is also done via the Debt Management System, for example, remittance, billing, and Treasury Offset Program inputs. SSA, *Privacy Program, Privacy Impact Assessment, Debt Management System*, ssa.gov (last visited July 17, 2019).

Appendix B – SAMPLE RESULTS AND PROJECTIONS

Background

In December 2017,¹ the Social Security Administration (SSA) fully implemented its Social Security Electronic Remittance System (SERS) for field offices to process certain Old-Age, Survivors and Disability Insurance and Supplemental Security Income debts locally.² SERS provides SSA field offices an automated system to collect, track, record, and report remittances. Field offices may use SERS only for remittances of overpayments, conserved funds,³ or misused funds.⁴ However, there are exceptions to using SERS,⁵ which requires that field offices continue to mail remittances to the Mid-Atlantic Program Service Center (MATS), which is SSA's national remittance processing site.

Population

From January 1 through November 9, 2018, MATS processed 316,691 remittances related to beneficiary debt,⁶ totaling approximately \$397 million. MATS received these remittances from field offices and the public. From the population, we selected a random sample of 200 for review to determine whether field offices should have processed any via SERS.

¹ In 2014, SSA implemented SERS in field offices to collect standard administrative fees for certain services, such as making (1) copies of electronic or paper folders for individuals or (2) verifying Social Security numbers for third parties. SSA, *POMS*, GN 02403.014, A, B (July 3, 2018). On October 4, 2017, SSA began rolling out SERS for field office use to process certain beneficiary-related debts.

² SSA, *POMS*, GN 02403.161, A (December 11, 2019).

³ Conserved funds are benefits a representative payee does not spend on a beneficiary's current needs that must be returned to SSA when the beneficiary is no longer in the payee's care. SSA, *POMS*, GN 00502.114, A (February 27, 2014).

⁴ Misused funds are “. . . any case in which the representative payee receives payment . . . for the use and benefit of another person and converts such payment, or any part thereof, to a use other than for the use and benefit of such other person.” *The Social Security Protection Act of 2004*, Pub. L. No. 108-203, § 101(a)(2)(8), 118 Stat. 493, p. 495-496.

⁵ For example, field offices cannot use SERS to process remittances when there is no debt on the record, when a payment is greater than the total overpayment or debt amount due, or when SERS equipment or the computer application is not working. SSA, *POMS*, GN 02403.161, B, F, G (December 11, 2019).

⁶ These beneficiary-related debts were overpayments, conserved funds, or misused funds.

Sample Results

For the 200 sampled remittances reviewed, we determined field offices mailed 39 (19.5 percent) to MATPSC for processing but should have used SERS. We provided SSA with the 39 remittance records, and SSA confirmed that all were overpayments, conserved funds, or misused funds. SSA did not identify any exceptions that would have prevented field offices from processing these remittances through SERS. As such, the field office employees should have used SERS to process these remittances instead of mailing them to MATPSC to process.

Sample Projection

Based on our results, we estimate field office employees unnecessarily mailed approximately 62,000 remittances, from January 1 through November 9, 2018, to MATPSC for processing. See Table B-1.

Table B-1: Field Office Mailing of Remittances

Description	Mailed Remittances
Sample Results	39
Point Estimate	61,755
Projection – Upper Limit	78,176
Projection – Lower Limit	47,523

Note: Projections are calculated at the 90-percent confidence level.

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: January 2, 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, "The Social Security Administration's Electronic Remittance System for Beneficiary-related Debts" (A-04-19-50780) -- INFORMATION

Thank you for the opportunity to review the draft report. We fully implemented the Social Security Electronic Remittance System (SERS) in all field offices in December 2017. Since that time, field office usage of SERS has grown significantly. We are pleased that all sampled remittances field offices processed through SERS were accurate. Additionally, the new requirement for management review will help ensure its proper use.

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

MISSION

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

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Website: <https://oig.ssa.gov/report-fraud-waste-or-abuse>

Mail: Social Security Fraud Hotline
P.O. Box 17785
Baltimore, Maryland 21235

FAX: 410-597-0118

Telephone: 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. Eastern Standard Time

TTY: 1-866-501-2101 for the deaf or hard of hearing/