
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**SUPPLEMENTAL SECURITY
INCOME RECIPIENT MARRIAGES
NOT REPORTED TO THE
SOCIAL SECURITY ADMINISTRATION**

May 2008

A-01-07-27109

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

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- **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.**

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- **Independence to determine what reviews to perform.**
- **Access to all information necessary for the reviews.**
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SOCIAL SECURITY

MEMORANDUM

Date: May 19, 2008

Refer To:

To: The Commissioner

From: Inspector General

Subject: Supplemental Security Income Recipient Marriages Not Reported to the Social Security Administration (A-01-07-27109)

OBJECTIVE

Our objective was to determine whether individuals were receiving Supplemental Security Income (SSI) payments inappropriately by not reporting their marriages to Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries.

BACKGROUND

The Social Security Administration (SSA) administers the OASDI and SSI programs. The OASDI program provides benefit payments to qualified retired and disabled workers and their dependents as well as to survivors of insured workers.¹ The SSI program provides a minimum level of income to financially needy individuals who are aged, blind or disabled.²

The SSI program requires that individuals' income, resources and living arrangements be assessed on a monthly basis to determine eligibility and payment amounts. Therefore, SSA conducts redeterminations and limited issue reviews to ensure recipients remain eligible for SSI payments.³ Scheduled redeterminations are selected annually or once every 6 years, depending on the likelihood of payment error. Unscheduled redeterminations and limited issue reviews are initiated when SSI recipients report—or SSA discovers—certain changes in circumstances that could affect continuing SSI payment amounts.

¹ The *Social Security Act* § 201, *et seq.*, 42 U.S.C. § 401, *et seq.*

² The *Social Security Act* § 1601, *et seq.*, 42 U.S.C. § 1381, *et seq.*

³ Redeterminations are periodic reviews of the non-medical factors of SSI eligibility (20 C.F.R. § 416.204). Limited issue reviews are redeterminations that are limited in scope and do not require a full review of eligibility (SSA, Program Operations Manual System [POMS], SI 02305.015).

The amount of a recipient's SSI payment is based on many factors, including marital status. Generally, SSA relies on SSI recipients to voluntarily report any changes in their marital status or living arrangements.⁴ For example, a marriage could affect the deeming of income from a spouse not receiving SSI to the SSI recipient.⁵ When both members of a couple receive SSI payments and live together, they receive a lower payment amount as a couple rather than as two individuals.⁶ When one individual receives SSI payments, the spouse's income—whether from earnings or OASDI benefits—is deemed available to meet the recipient's needs.⁷ Based on the amount, such income may reduce or eliminate the individual's SSI payments.

For SSI purposes, a marital relationship is one in which members of the opposite sex are

- legally married under the laws of the State where they have their permanent home or
- living together in the same household and holding themselves out as husband and wife to the community in which they live.⁸

METHODOLOGY

To perform this review, we analyzed a file of all SSI recipients and all OASDI beneficiaries receiving benefits as of June 2006. Based on a match of recipients and beneficiaries with the same ZIP code, last name and first 8 characters of the address, we identified 146,285 cases for review. Then, based on additional computer matching and analysis, we limited our population to 9,945 recipients who may have received SSI payments inappropriately by not reporting a marriage to an OASDI beneficiary living at the same address. We selected a random sample of 200 cases and asked the Agency to determine their marital status and whether they were receiving SSI payments appropriately. (See Appendix B for additional information on our scope, methodology and sample results.)

⁴ In March 2008, SSA informed us that only four or five states have marriage/divorce data available electronically.

⁵ The term deemинг identifies the process of considering another person's income and resources to be available for meeting an SSI claimant's (or recipient's) basic needs for food and shelter (SSA, POMS, SI 01310.001).

⁶ As of January 2008, the Federal benefit rate for an individual was \$637 and for a couple was \$956 (SSA, POMS, SI 02001.020).

⁷ SSA, POMS, SI 01320.650.

⁸ SSA, POMS, SI 00501.150.

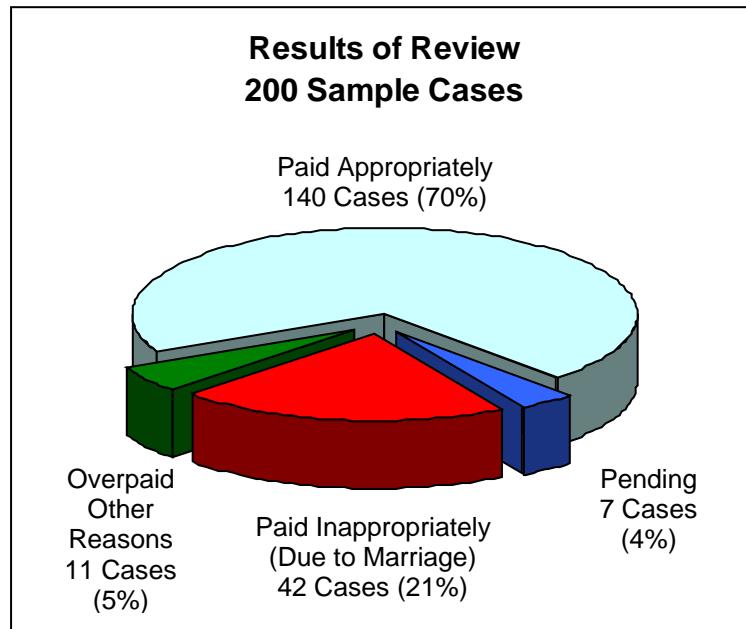
RESULTS OF REVIEW

SSI recipients in our population received payments inappropriately by not reporting their marriages to OASDI beneficiaries. Based on our sample, we estimate that about 2,088 recipients were overpaid approximately \$24.8 million. By stopping these payments, the Agency could save an estimated \$7.1 million that would be paid to about 2,039 recipients over the next 12 months.

SAMPLE RESULTS

Our review of 200 sample cases found:

- 42 recipients received \$497,808 in SSI payments inappropriately because they did not report their marriage to an OASDI beneficiary.⁹ The Agency will save an additional \$143,031 over the next 12 months by adjusting the payments for 41 of the recipients.¹⁰
- 11 recipients were overpaid \$40,218 for other reasons.
- 140 recipients were not overpaid.
- 7 recipients' payments were still under review as of April 2008.



⁹ The 42 recipients were overpaid \$11,852, on average—ranging from \$70 to \$89,465, with a median of \$8,229. These overpayments covered a period of 42 months, on average—ranging from 1 to 296 months (24 years), with a median of 26 months. These amounts were limited by the Agency's discretionary rules for administrative finality. In general, under these rules, the Agency will revise monthly SSI payments within 12 months for any reason, within 24 months for good cause, or at any time if fraud or similar fault exists (20 C.F.R. §§ 416.1488-1489).

¹⁰ One recipient was overpaid because she lived with her spouse until August 2007, when they moved apart. Since then, her ongoing payments have been for the correct amount.

RECIPIENTS PAID INAPPROPRIATELY BECAUSE OF UNREPORTED MARRIAGES OR HOLDING OUT

The 42 recipients, whose marriages were unreported to SSA, resulted in \$497,808 in improper payments.¹¹

- Of the 42 married recipients, 38 were issued \$350,942 in improper SSI payments.

A California couple was overpaid \$63,879 because they did not report their marriage to SSA. Their lack of action/reporting resulted in 296 months (24 years) of overpayments. They admitted they were always married and never eligible for SSI payments. This case has been referred to our Office of Investigations for possible fraud.

A Michigan couple was overpaid \$7,754 in SSI payments. The wife began receiving payments in September 2001. The husband was not in the household when payments began but returned to the household in February 2005. He thought by reporting his change of address to the Post Office, he was also notifying SSA. The husband understands he and his spouse were overpaid under the SSI program during any period they resided together.

A California couple was overpaid \$3,045 in SSI payments. In this instance, the husband moved in and out of the household several times. However, he permanently returned to the household 3 years ago. His spouse, who is an SSI recipient, admitted that she should have reported to SSA when her husband moved back into the household 3 years ago, since his income and resources affect her SSI payments.

- The remaining four recipients were found to be holding out as married resulting in \$146,866 in improper SSI payments.

An unmarried couple living in California informed SSA that they present themselves as husband and wife. Based on this information, SSA posted an overpayment of \$89,465 for a period of 260 months (21 years).

¹¹ As of April 2008, 12 cases had been referred to our Office of Investigations for possible fraud—3 were closed with no findings, and 9 were still being investigated.

ADDITIONAL OVERPAYMENTS DETECTED—UNRELATED TO MARRIAGE

As a result of our audit, the Agency assessed overpayments in 11 cases that may have otherwise been undetected. See the table below.

REASON FOR OVERPAYMENT	NUMBER OF CASES	SSI OVERPAYMENT
In-Kind Support and Maintenance	4	\$11,371
Excess Income	2	\$5,891
Excess Resource	3	\$17,338
Living Arrangements	2	\$5,618
TOTAL	11	\$40,218

An SSI recipient in California was overpaid \$2,000 for a period of 25 months. Although the recipient was not married, she was overpaid because she was receiving in-kind support and maintenance of which SSA was unaware. Specifically, the SSI recipient's son, the landlord, had reduced her rent by \$100 a month.

Another example involves a recipient in West Virginia who began receiving SSI payments in February 2002. Her ex-husband paid her alimony from their divorce in August 2002 until October 2002. Because of our audit, SSA discovered that the ex-husband had been paying \$342 of her monthly mortgage since November 2002, and she had failed to report this. The Agency determined that she was overpaid \$5,082 due to in-kind support and maintenance.

CONCLUSION AND RECOMMENDATION

We identified SSI recipients receiving payments inappropriately by not reporting their marriages to OASDI beneficiaries. To assist SSA in detecting and preventing improper payments, we recommend the Agency:

1. Review the remaining cases from our audit population that are most likely to result in overpayments due to unreported marriages.

AGENCY COMMENTS

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



Patrick P. O'Carroll, Jr.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Scope, Methodology and Sample Results

APPENDIX C – Agency Comments

APPENDIX D – OIG Contacts and Staff Acknowledgments

Appendix A

Acronyms

C.F.R.	Code of Federal Regulations
OASDI	Old-Age, Survivors and Disability Insurance
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code

Scope, Methodology and Sample Results

To accomplish our audit, we:

- Reviewed applicable sections of the *Social Security Act* and Social Security Administration (SSA) regulations, rules, policies and procedures.
- Reviewed prior Office of the Inspector General audits.
- Obtained from SSA a file of all Supplemental Security Income (SSI) and Master Beneficiary Records for individuals in current payment status in June 2006. We tested the data obtained for our audit for accuracy and completeness and determined they were sufficiently reliable to meet our audit objective.
- Identified a preliminary population of 146,285 cases based on a match of recipient and beneficiary records with the same ZIP code, last name and first 8 characters of the address.
- Narrowed the population by removing
 - SSI records that were couples' records;
 - couples born more than 20 years apart;
 - address matches with different Post Office Box numbers;
 - records that had accounted for an Old-Age, Survivors and Disability Insurance (OASDI) beneficiary's payment; and
 - couple matches who had the same parents (indicating they were siblings).
- Identified a population of 9,945 SSI recipients who may be married to an OASDI beneficiary at the same address but did not report that information to SSA.□
- Referred a sample of cases to SSA to determine the recipients' marital status and whether they were being paid appropriately.
- Quantified for each sample case the amount of SSI payments that were issued because the recipient did not report a marriage. Specifically, we:
 1. Quantified the amount of SSI payments SSA determined were overpaid because the recipient did not report a marriage.
 2. Quantified the amount of SSI payments the Agency would have continued to pay over a 12 month period because the recipient did not report a marriage. To calculate this amount we multiplied the amount of the last monthly overpayment amount by 12.
- Projected results of the sample to the population.

We conducted our audit between October 2007 and April 2008 in Boston, Massachusetts. The entities audited were SSA's field offices under the Deputy Commissioner for Operations. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

SAMPLE RESULTS AND PROJECTIONS¹

Table 1: SSI Recipients Improperly Paid Because They Did Not Report Marriages	
Population size	9,945
Sample size	200
Attribute Projections	
Sample cases	42
Point estimate	2,088
Projection lower limit	1,632
Projection upper limit	2,610

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

Table 2: Payments Issued Inappropriately Because Recipients Did Not Report Marriages	
Population size	9,945
Sample size	200
Dollar Projections	
Sample results	\$497,808
Point estimate	\$24,753,496
Projection lower limit	\$14,477,524
Projection upper limit	\$35,029,468

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

¹ The amounts in the following tables are rounded to the nearest whole dollar. Any differences are due to rounding.

Table 3: SSI Recipients With Potential Savings If All Marriages Were Reported

Population size	9,945
Sample size	200
Attribute Projections	
Sample cases	41
Point estimate	2,039
Projection lower limit	1,587
Projection upper limit	2,556

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

Table 4: Payments SSA Could Potentially Save If All Marriages Were Reported

Population size	9,945
Sample size	200
Dollar Projections	
Sample results	\$143,031
Point estimate	\$7,112,193
Projection lower limit	\$4,904,029
Projection upper limit	\$9,320,356

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

Appendix C

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: April 28, 2008

Refer To: S1J-3

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

From: David V. Foster /s/
Chief of Staff

Subject: Office of the Inspector General (OIG) Draft Report, "Supplemental Security Income Recipient Marriages Not Reported to the Social Security Administration" (A-01-07-27109)—
INFORMATION

We appreciate OIG's efforts in conducting this review. Our response to the recommendation is 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 (410) 965-4636.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL'S DRAFT REPORT,
"SUPPLEMENTAL SECURITY INCOME RECIPIENT MARRIAGES NOT
REPORTED TO THE SOCIAL SECURITY ADMINISTRATION" (A-01-07-27109)**

Thank you for the opportunity to review and provide comments on this draft report. We agree that identification of unreported marriages of Supplemental Security Income (SSI) recipients is a necessary task in the effective stewardship of the SSI program and we continue to make strides in this area.

Recommendation

Review the remaining cases from the audit population that are most likely to result in overpayments due to unreported marriages.

Comment

We agree. We are taking the necessary actions to forward the remaining cases to our field offices for investigation. The field offices will determine if the recipients in question are married, if the marriage is material to eligibility or payment amount, and if a referral for fraud investigation is appropriate. A completion date for the review of the remaining cases has yet to be determined.

Appendix D

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:

Chad Burns, Auditor

Phillip Hanvy, Senior Program Analyst

Kevin Joyce, IT Specialist

Kathleen Toli, Auditor

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