

Report Summary

Social Security Administration Office of the Inspector General

January 2011



Objective

To determine whether recent actions taken by the Social Security Administration (SSA) were effective in preventing and recovering double check negotiations (DCN).

Background

SSA has procedures to replace monthly Supplemental Security Income (SSI) checks that recipients claim they did not receive. SSA issues replacement checks immediately, except when SSA makes a decision to delay payment to obtain the status of the original check before replacement. A DCN occurs when someone cashes both the original and replacement check.

Based on our review of SSA data, we estimated that approximately 214,000 DCNs, totaling about \$118 million, occurred from January 2007 through December 2009.

To view the full report, visit
http://www.ssa.gov/oig/ADO_BEPDF/A-06-10-20144.pdf

Supplemental Security Income Double Check Negotiations (A-06-10-20144)

Our Findings

SSA has taken effective action to prevent and reduce SSI DCNs. The number of DCNs has declined significantly since 2002. A number of factors, including implementation of enhanced payment system controls, contributed to this positive trend. Our sample results also indicated that SSA effectively recovered overpayments from recipients who committed DCNs.

We commend SSA for actions taken to address this issue. Further, the Department of the Treasury (Treasury) recently announced plans to implement a requirement that, by March 2013, all Social Security benefit payments be issued via direct deposit or via Direct Express debit card. Full implementation of the Treasury initiative will eliminate replacement check issuance and related DCNs, which totaled approximately \$34 million during Calendar Year 2009.

Agency Comments

SSA plans to implement the Treasury initiative in two stages. Beginning in May 2011, SSA will pay all newly entitled Social Security beneficiaries and SSI recipients electronically. By March 2013, Social Security beneficiaries and SSI recipients receiving paper checks must switch to direct deposit.