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**OFFICE OF  
THE INSPECTOR GENERAL**

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**SOCIAL SECURITY ADMINISTRATION**

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**INDIVIDUALS RECEIVING  
MULTIPLE AUXILIARY OR  
SURVIVOR BENEFITS**

March 2005      A-01-05-25015

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**AUDIT REPORT**

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## **Mission**

**We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the 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**

**By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.**



## SOCIAL SECURITY

### **MEMORANDUM**

**Date:** March 28, 2005

**Refer To:**

**To:** The Commissioner

**From:** Inspector General

**Subject:** Individuals Receiving Multiple Auxiliary or Survivor Benefits (A-01-05-25015)

### **OBJECTIVE**

Our objective was to determine whether individuals who received multiple auxiliary or survivor benefits were entitled to the benefits paid to them.

### **BACKGROUND**

Eligible spouses and children of retired or disabled workers may be paid auxiliary benefits under Title II of the Social Security Act. In addition, benefits may also be payable to certain survivors of deceased workers.<sup>1</sup> The number of beneficiaries and total monthly benefits paid in December 2003 are shown in the table below.<sup>2</sup>

December 2003	BENEFICIARIES		BENEFITS PAID	
	Number (thousands)	Percent	Dollars (millions)	Percent
Spouses	2,773	24%	\$1,247	17%
Widow(er)s and Parents	4,899	42%	\$4,239	59%
Children	3,961	34%	\$1,764	24%
<b>Total</b>	<b>11,633</b>	<b>100%</b>	<b>\$7,250</b>	<b>100%</b>

Individuals may be entitled to auxiliary/survivor benefits based on several workers' earnings simultaneously (for example, based on the earnings of both parents), but may generally only be paid on the higher of the two. When an auxiliary/survivor beneficiary

<sup>1</sup> The Social Security Act § 202, 42 U.S.C. § 402.

<sup>2</sup> SSA, Fact Sheet on the Old-Age, Survivors, and Disability Insurance Program, January 2, 2004.

becomes entitled to another, higher benefit, the Social Security Administration's (SSA) policy is to stop issuing the lower benefit payments, thus preventing an overpayment from occurring.<sup>3</sup>

SSA uses its Master File Duplicate Detection Operation (MAFDUP) software to identify beneficiaries who may be incorrectly receiving benefits on multiple records. The Agency runs MAFDUP twice annually (March and September) and alerts are generated to SSA's Program Service Centers for review and action. To assist the Agency with tracking overpayments established as a result of MAFDUP, all overpayments posted to benefit records must be coded as "multiple entitlement."<sup>4</sup>

In February 2004—while conducting an audit on childhood disability benefits<sup>5</sup>—we identified a population of 1,514 beneficiaries whose Social Security numbers (SSN) were recorded on multiple records and, therefore, appeared to be incorrectly receiving multiple auxiliary/survivor benefits.<sup>6</sup> We randomly selected 200 of the 1,514 beneficiaries for review to determine whether payments to these beneficiaries were appropriate.<sup>7</sup> (For additional information about our scope, methodology and sampling results, see Appendix B.)

## RESULTS OF REVIEW

Generally, individuals who received multiple auxiliary/survivor benefits were not entitled to the benefits paid to them. Based on the results of our sample, we estimate that about 863 beneficiaries were incorrectly paid approximately \$3.5 million in benefits under multiple records. Although we estimate the Agency identified about \$1.5 million of these overpayments, we estimate about \$2.0 million went undetected by the Agency. Further, because of our audit, we estimate SSA avoided paying about \$614,336 by stopping some of the incorrect payments sooner than it would have through its existing procedures.

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<sup>3</sup> SSA, Program Operations Manual System, SM 00823.010.

<sup>4</sup> SSA, Operations Bulletin, OB 04-0197, April 1, 2004.

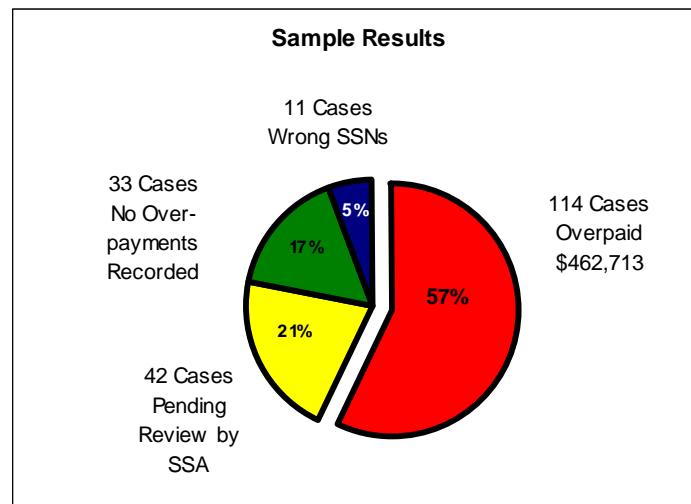
<sup>5</sup> SSA OIG, *Individuals Receiving Multiple Childhood Disability Benefits* (A-01-04-24078), September 2004.

<sup>6</sup> Of these 1,514 beneficiaries, 1,368 were receiving child's or student's benefits, 120 were receiving widow(er)'s benefits, and 15 were receiving spouse's benefits. The remaining 11 beneficiaries appeared to have received various benefits (for example, one child's benefit and one spouse's benefit).

<sup>7</sup> The OIG also expects to issue a report in Fiscal Year 2005 on *Individuals Receiving Benefits Under Multiple Social Security Numbers at the Same Address* (A-01-05-25002).

Of the 200 cases we sampled:

- 114 beneficiaries were overpaid \$462,713 because they incorrectly received benefits under multiple records simultaneously;
- 42 beneficiaries were still being reviewed by the Agency;<sup>8</sup>
- 33 beneficiaries stopped receiving incorrect payments, but SSA did not record any overpayments;<sup>9</sup> and
- 11 beneficiaries did not receive multiple benefits simultaneously, but their SSNs were incorrectly recorded on SSA's systems.<sup>10</sup> Although these individuals did not receive multiple benefits, SSA's ability to ensure payment accuracy is impacted when auxiliary/survivor beneficiaries' SSNs are not recorded correctly on their benefit records.<sup>11</sup>



### BENEFICIARIES OVERPAID MULTIPLE AUXILIARY/SURVIVOR BENEFITS

Of the 200 beneficiaries in our sample, 114 were incorrectly paid benefits under multiple records. The Agency detected \$198,074 in overpayments to 39 of these beneficiaries (34 percent).<sup>12</sup> However, \$264,639 in overpayments to the remaining 75 beneficiaries (66 percent) went undetected by the Agency.<sup>13</sup> Below are two examples.

<sup>8</sup> These 42 beneficiaries appeared to be receiving auxiliary/survivor benefits on multiple records as of December 2004. We expect that additional improper payments—similar to those described above—occurred in this group. (For a summary of all beneficiaries in our population who appeared to continue to receive multiple benefits as of December 2004, see Table 2 in Appendix B.)

<sup>9</sup> For 29 of these beneficiaries, our review of the benefit records indicated that overpayments may have occurred.

<sup>10</sup> Based on the 11 beneficiaries in our sample, we estimate that about 83 beneficiaries in our population had their SSNs incorrectly recorded in SSA's systems.

<sup>11</sup> For more information, see our related audit report, *Impact on SSA's Programs When Auxiliary Beneficiaries Have Incorrect Social Security Numbers* (A-01-03-33020), issued November 2003.

<sup>12</sup> For a summary of the overpayment periods for these 39 beneficiaries, see Table 6 in Appendix B.

<sup>13</sup> For the 75 beneficiaries whose overpayments were identified based on our audit, the average overpayment was \$3,529 over a period of 17 months.

- One beneficiary began receiving multiple benefits in September 2002. SSA detected the error and took corrective action in April 2004. As a result, ongoing incorrect payments were stopped and the Agency began efforts to recover the \$5,938 that was incorrectly paid to the beneficiary.
- In November 2002, the Agency began issuing new benefits to a beneficiary without stopping the other, smaller benefit payment. In December 2004, the Agency took corrective action based on our audit and began efforts to recover the \$4,718 incorrectly paid to this beneficiary.

## MAFDUP RESULTS

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### Cases Not Identified By MAFDUP

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Although SSA uses MAFDUP to detect situations involving multiple benefits, we found that not all beneficiaries who were incorrectly paid multiple benefits were identified by the software.

Of the 114 overpaid beneficiaries in our sample, 90 (79 percent) were identified by MAFDUP, but 24 were not (21 percent). These 24 beneficiaries were not identified by MAFDUP even though their SSNs appeared on multiple records.<sup>14</sup>

For example, SSA began issuing new benefit payments to one beneficiary in June 2002 without also stopping the other benefits that were already being paid. Although the beneficiary's SSN appeared on both benefit records, the software did not identify the multiple payments that were issued. Consequently, SSA personnel were unaware that payments totaling \$10,336 were incorrectly issued until our audit. Based on our review, the Agency took corrective action in July 2004 and began efforts to recover the overpayment.

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### Alerts Not Worked Timely

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Overpayments can accumulate when alerts are not worked timely. Although 90 of the overpayment cases were identified by MAFDUP, 53 of them were not corrected until our audit. For example, one beneficiary—whose multiple benefits were identified by MAFDUP—was overpaid \$6,813 from November 2002 through May 2004. In May 2004, SSA stopped the ongoing incorrect payments based on our audit. If the earlier alerts produced by MAFDUP had been investigated timely, a significant portion of the overpayment could have been prevented.<sup>15</sup>

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### Frequency of MAFDUP

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SSA runs MAFDUP twice annually (March and September). Therefore, the opportunity exists for overpayments to be larger and span longer periods of time than they otherwise would be if they were detected and resolved sooner. For example, one beneficiary began receiving

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<sup>14</sup> Although MAFDUP software did not identify 24 of the 114 cases overpaid, SSA did identify 2 of the 24 cases by other means (e.g., contact with beneficiaries).

<sup>15</sup> We assumed that this beneficiary—who met MAFDUP criteria in 2004—also met MAFDUP criteria in 2002 and 2003 when the multiple payments were issued.

multiple benefits in October 2003 (one month after MAFDUP was last run). The incorrect payments went undetected for several months (and overpayments continued to accumulate) until MAFDUP was run again in March 2004. The Agency took corrective action in April 2004 to stop the payments and recover the \$2,054 that was incorrectly paid to the beneficiary. If SSA were to run MAFDUP more frequently (e.g., monthly), individuals receiving multiple benefits could be identified sooner and overpayments could be avoided.

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**Overpayments  
Resulting from  
MAFDUP**

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To assist the Agency with tracking the results of MAFDUP, SSA captures the overpayments recorded on the beneficiaries' records subsequent to the alerts, provided the overpayment reasons are shown as resulting from "multiple entitlement."

Agency personnel correctly recorded the overpayment reasons for 77 of the 114 overpaid beneficiaries (68 percent). However, for the remaining 37 beneficiaries (32 percent), the overpayments were not recorded as resulting from "multiple entitlement."<sup>16</sup> As a result, the value of the Agency's MAFDUP software—as expressed in terms of overpayments identified—may have been understated.

## **ACCURACY OF OVERPAYMENTS RECORDED**

In addition to analyzing the 200 cases in our sample, we confirmed the accuracy of overpayments recorded for 68 of the 1,514 beneficiaries in our audit population. We found that Agency personnel did not accurately calculate and record overpayments for all beneficiaries who were incorrectly paid multiple auxiliary/survivor benefits.

Overpayments resulting from multiple benefits must be manually computed and recorded and, therefore, are error prone. We requested that SSA review the 68 records to determine whether the individuals were overpaid and, if so, whether the overpayments were calculated and recorded accurately.

The Agency confirmed that the overpayments recorded for 32 of these 68 beneficiaries were not correct (47 percent).<sup>17</sup> SSA originally calculated and recorded overpayments totaling \$17,789. However, after reviewing these records based on our audit, the Agency determined that an additional \$65,528 was overpaid, but was not previously recorded. Of these 32 beneficiaries:

- 24 did not have any overpayments recorded prior to our audit, even though they were overpaid a total of \$56,704.
- 8 were not assessed the correct overpayment amounts prior to our audit. Specifically, SSA only recorded \$17,789 of the \$26,613 in overpayments (67 percent) they actually received. Based on our audit, the Agency assessed an additional \$8,824 in overpayments.

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<sup>16</sup> The records for these beneficiaries reflected various other overpayment reasons, including "Incorrect Month of Entitlement," "Duplicate Retirement or Disability Payment," and "Other Invalid Entitlement."

<sup>17</sup> For a summary of these 68 beneficiaries by responsible SSA office, see Table 9 in Appendix B.

## **CONCLUSIONS AND RECOMMENDATIONS**

Generally, individuals who received multiple auxiliary/survivor benefits were not entitled to the benefits paid to them. Although the 1,514 beneficiaries in our audit population represent less than 1 percent of all auxiliary/survivor beneficiaries, we estimate that about \$3.5 million was improperly paid to these individuals and could have been avoided. To assist the Agency in achieving its strategic objective of preventing improper payments and improving debt management, we recommend that SSA:

1. Remind employees to take the necessary action to stop any benefits being paid when beneficiaries become entitled to other, higher benefits.
2. Review MAFDUP procedures (and modify if necessary) to ensure all beneficiaries who appear to have incorrectly received multiple benefits are identified and alerted.
3. Run MAFDUP more frequently to minimize the amount of overpayments that accumulate.
4. Review the records in which the auxiliary/survivor beneficiaries continued to receive benefits as of December 2004 and take action to: (a) stop any recurring incorrect payments and recover any overpayments, or (b) correct the SSNs for those beneficiaries whose SSNs were incorrectly recorded.
5. Remind employees of the proper procedures for manually calculating and recording overpayments resulting from multiple benefits.
6. Review the overpayments to those beneficiaries who incorrectly received multiple benefits to ensure they were calculated and recorded correctly.

## **AGENCY COMMENTS**

The Agency agreed with five of our six recommendations. Specifically, the Agency plans to (a) issue reminder instructions to employees in March 2005, and (b) review the records and overpayments for the cases specified in our audit to ensure they were processed correctly.<sup>18</sup> SSA also indicated that several improvements were recently made to MAFDUP that should help the Agency better identify multiple payment situations; and the Agency is considering additional systems enhancements. However, SSA acknowledged that such enhancements must first be reviewed and prioritized against other systems improvements before they can be developed and implemented.

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<sup>18</sup> On February 23, 2005, we provided SSA with a list of the cases we identified related to recommendations 4 and 6.

In response to recommendation 3, SSA did not agree to run MAFDUP more frequently because the Agency believes that, if further systems modifications are approved and funded, there would be no need for additional MAFDUP runs.

### OIG RESPONSE

We are encouraged by the Agency's plans to enhance its computer systems to better identify and prevent multiple benefits to auxiliary/survivor beneficiaries. We agree that SSA's planned improvements to MAFDUP should decrease the improper payments described in our report. However, the additional systems enhancements the Agency has planned will take time to implement. Until these systems enhancements are in place, we encourage SSA to run MAFDUP more frequently so that multiple benefit cases may be identified sooner and overpayments may be avoided.



Patrick P. O'Carroll, Jr.

# **Appendices**

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[\*\*APPENDIX A\*\*](#) – Acronyms

[\*\*APPENDIX B\*\*](#) – Scope, Methodology and Sample Results

[\*\*APPENDIX C\*\*](#) – Agency Comments

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

## ***Appendix A***

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### **Acronyms**

MAFDUP	Master File Duplicate Detection Operation
OIG	Office of the Inspector General
SSA	Social Security Administration
SSN	Social Security Number
U.S.C.	United States Code

# **Scope, Methodology and Sample Results**

In October 2003, we identified a population of 160 individuals who appeared to have incorrectly received multiple childhood disability benefits (i.e., the same Social Security numbers appeared on multiple benefit records).<sup>1</sup> During the course of this audit, we obtained a file from the Social Security Administration (SSA) of all Title II beneficiaries who were receiving benefits as of February 2004. From this file, we identified a separate population of 1,514 individuals who appeared to be receiving multiple auxiliary/survivor benefits inappropriately.<sup>2</sup> Therefore, we initiated this review to determine whether payments to these 1,514 beneficiaries were appropriate.

To accomplish our objective, we researched the Social Security Act and SSA's regulations, policies and procedures related to multiple auxiliary/survivor benefits. We referred the 1,514 cases to SSA's Office of Operations for review and corrective action. We randomly selected 200 of the 1,514 cases and analyzed beneficiary information available on SSA's electronic systems—including the Master Beneficiary Record and the Payment History Update System—and projected our results to the population. In addition, we selected 68 of the 1,514 cases and confirmed with SSA whether the overpayments resulting from multiple benefits were calculated and recorded correctly.

For records that were corrected by SSA as a result of our audit, we estimated the benefits the Agency avoided paying by stopping the incorrect payments. Specifically, we found that the median overpayment period—resulting from incorrect payments that SSA detected through its existing procedures—was 15 months.<sup>3</sup> Therefore, for cases in which the Agency stopped the incorrect payments sooner than 15 months based on our audit, we assumed that SSA avoided paying some monthly benefits.<sup>4</sup>

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<sup>1</sup> SSA OIG, *Individuals Receiving Multiple Childhood Disability Benefits* (A-01-04-24078), September 2004.

<sup>2</sup> We excluded from our review individuals who were simultaneously receiving both remarried widow(er)'s and spouse's benefits because these benefits may be permissible under the Social Security Act.

<sup>3</sup> The average overpayment period for these cases was 21 months.

<sup>4</sup> For example, SSA stopped benefit payments based on our audit to one beneficiary in June 2004 and assessed an overpayment of \$2,145 for the 4-month period ending June 2004. Since SSA stopped payments within a 4-month period—instead of the median of 15 months—we estimate the Agency avoided paying benefits for an additional 11 months and saved approximately \$7,865.

We conducted our review between May and December 2004 in Boston, Massachusetts. We determined that the data used for this audit was sufficiently reliable to meet our audit objective. The principal entities audited were SSA's Field Offices and Program Service Centers under the Deputy Commissioner for Operations. We conducted our audit in accordance with generally accepted government auditing standards.

## POPULATION AND SAMPLE INFORMATION

Table 1: Population and Sample Size	
Population Size	1,514
Sample Size	200

Table 2: Audit Population By Responsible SSA Office			
Responsible Office <sup>5</sup>	Total Cases	Cases Resolved <sup>6</sup>	Cases Unresolved as of December 2004 <sup>7</sup>
Northeastern Program Service Center	45	34	11
Mid-Atlantic Program Service Center	108	96	12
Southeastern Program Service Center	166	142	24
Great Lakes Program Service Center	110	92	18
Western Program Service Center	122	94	28
Mid-America Program Service Center	122	99	23
Office of Disability Operations	821	639	182
Office of International Operations	20	8	12
<b>Total</b>	<b>1,514</b>	<b>1,204</b>	<b>310</b>

<sup>5</sup> SSA's program service centers are assigned workloads based on a range of Social Security numbers. For some individuals who received benefits under multiple records, the two records may not be the responsibility of the same office. To be consistent with SSA's Master File Duplicate Detection Operation software procedures, we included cases in a responsible office's total based on the benefit record which had the highest chronological Social Security number.

<sup>6</sup> For purposes of this table, we included in the "Cases Resolved" category beneficiaries, whose Social Security numbers were not recorded correctly and, therefore, did not appear to be receiving multiple benefits.

<sup>7</sup> We obtained payment status information for the 1,514 beneficiaries in our population as of December 2004. These 310 beneficiaries appeared to continue to receive multiple benefits incorrectly through December 2004.

<b>Table 3: Auxiliary/Survivor Beneficiaries Incorrectly Paid Multiple Benefits</b>	<b>Number of Beneficiaries</b>	<b>Dollars</b>
Identified in Sample	114	\$462,713
Point Estimate	863	\$3,502,741
Projection Lower Limit	778	\$2,595,342
Projection Upper Limit	946	\$4,410,140

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

<b>Table 4: Of the Auxiliary/Survivor Beneficiaries in Table 3, Those Whose Overpayments Were Not Identified Until Our Audit</b>	<b>Number of Beneficiaries</b>	<b>Dollars</b>
Identified in Sample	75	\$264,639
Point Estimate	568	\$2,003,320
Projection Lower Limit	487	\$1,541,053
Projection Upper Limit	652	\$2,465,587

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

<b>Table 5: Of the Auxiliary/Survivor Beneficiaries in Table 3, Those Whose Overpayments Were Identified by SSA Prior to Our Audit</b>	<b>Number of Beneficiaries</b>	<b>Dollars</b>
Identified in Sample	39	\$198,074
Point Estimate	295	\$1,499,421
Projection Lower Limit	232	\$674,051
Projection Upper Limit	368	\$2,324,791

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

<b>Table 6: Overpayment Periods for Sample Cases</b>	
<b>Overpayment Period Range</b>	<b>Number of Beneficiaries</b>
1 to 3 Months	5
4 to 6 Months	5
7 to 12 Months	6
13 to 18 Months	9
19 to 24 Months	6
25 to 36 Months	5
More than 36 Months	3
<b>Total</b>	<b>39</b>
<b>Average Period</b>	<b>21 Months</b>
<b>Median Period</b>	<b>15 Months</b>

<b>Table 7: Auxiliary/Survivor Beneficiaries With Incorrect Social Security Numbers Recorded in SSA's Systems</b>		<b>Number of Beneficiaries</b>
Identified in Sample		11
Point Estimate		83
Projection Lower Limit		50
Projection Upper Limit		131

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

<b>Table 8: Benefits SSA Avoided Paying By Stopping Payments Sooner Than Expected Due to Audit</b>		<b>Dollars</b>
Identified in Sample		\$81,154
Point Estimate		\$614,336
Projection Lower Limit		\$373,376
Projection Upper Limit		\$855,295

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

<b>Table 9: Overpayment Confirmation Results By Responsible Office</b>			
<b>Responsible Office</b>	<b>Total Cases Reviewed</b>	<b>Overpayment was Accurately Calculated and Recorded</b>	<b>Overpayment was Not Accurately Calculated and Recorded</b>
Northeastern Program Service Center	5	5	0
Mid-Atlantic Program Service Center	2	2	0
Southeastern Program Service Center	6	6	0
Great Lakes Program Service Center	6	1	5
Western Program Service Center	0	0	0
Mid-America Program Service Center	4	2	2
Office of Disability Operations	45	20	25
Office of International Operations	0	0	0
<b>Total</b>	<b>68</b>	<b>36</b>	<b>32</b>

## **Appendix C**

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### **Agency Comments**



## SOCIAL SECURITY

MEMORANDUM

34131-24-1256

**Date:** March 14, 2005 **Refer To:** S1J-3

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

**From:** Larry W. Dye /s/  
Chief of Staff

**Subject:** Office of the Inspector General (OIG) Draft Report "Review of Individuals Receiving Multiple Auxiliary or Survivors Benefits" (A-01-05-25015)--INFORMATION

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

Please let me know if you have any questions. Staff inquiries may be directed to Candace Skurnik, Director, Audit Management and Liaison Staff, at extension 54636.

Attachment:  
SSA Response

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, “REVIEW OF INDIVIDUALS RECEIVING MULTIPLE AUXILIARY OR SURVIVORS BENEFITS” (A-01-05-25015)**

Thank you for the opportunity to review and comment on the draft report. Our responses to the specific recommendations are provided below.

**Recommendation 1**

The Social Security Administration (SSA) should remind employees to take the necessary action to stop any benefits being paid when beneficiaries become entitled to other, higher benefits.

**Response**

We agree. We will issue a reminder in March 2005.

**Recommendation 2**

SSA should review Master File Duplicate Detection Operation (MAFDUP) procedures (and modify if necessary) to ensure all beneficiaries who appear to have incorrectly received multiple benefits are identified and alerted.

**Response**

We agree. This finding was based on data from February 2004. Since then, we have made enhancements in MAFDUP to improve the identification process. As part of Title II Redesign Release 3, changes were made to clearly define some Master Beneficiary Record (MBR) data elements. MAFDUP was revised to look at the correct MBR tags when comparing Health and Medical Insurance data on both Social Security numbers. These enhancements should help improve the identification process. Also, in September 2004, MAFDUP was revised to generate a Category 1 (high priority) follow-up alert to the field when the initial alert is not worked.

As part of our ongoing efforts to enhance payment accuracy, we will consider additional enhancements that may include:

- Adding a modification to the Modernized Claims System (MCS) that would produce a processing limitation, instead of an alert, when an auxiliary beneficiary is incorrectly receiving benefits on another record, thus avoiding overpayments on the front end; and
- Adding other data criteria such as the Beneficiaries Own Account Number to improve the selection process.

However, additional systems modifications would require prioritized approval and funding from the Information Technology Advisory Board prior to implementation.

### **Recommendation 3**

SSA should run MAFDUP more frequently to minimize the amount of overpayments that accumulate.

#### **Response**

We disagree. We do not believe that running MAFDUP more frequently would assist in minimizing the amount of overpayments that accumulate. We agree that action is necessary to minimize the occurrence and amount of overpayments, and as noted in Recommendation 2, we have made enhancements in MAFDUP to improve the identification process. If the MCS modification, as outlined in the first bullet of Recommendation 2 (i.e., initiating a processing limitation as opposed to an alert), is approved and funded, there would be no need for additional MAFDUP runs.

### **Recommendation 4**

SSA should review the records in which the auxiliary/survivor beneficiaries continued to receive benefits as of December 2004 and take action to: (a) stop any recurring incorrect payments and recover any overpayments, or (b) correct the SSNs for those beneficiaries whose SSNs were incorrectly recorded.

#### **Response**

We agree. Once we receive the information from OIG, we will process the accounts that are still in current pay.

### **Recommendation 5**

SSA should remind employees of the proper procedures for manually calculating and recording overpayments resulting from multiple benefits.

#### **Response**

We agree. We will issue a reminder in March 2005.

### **Recommendation 6**

SSA should review the overpayments to those beneficiaries who incorrectly received multiple benefits to ensure they were calculated and recorded correctly.

#### **Response**

We agree. We will review the 147 cases identified in this review with beneficiaries who incorrectly received multiple benefits to ensure that the overpayments were calculated and recorded correctly. We are concerned about the accuracy of our payment-related determinations and once we receive the information from OIG, we will review the accounts for proper disposition.

## ***Appendix D***

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# **OIG Contacts and Staff Acknowledgments**

### ***OIG Contacts***

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

### ***Acknowledgments***

In addition to those named above:

Jeffrey Brown, Senior Auditor

Kevin Joyce, IT Specialist

Brennan Kraje, Statistician

Frank Salamone, Auditor

Melinda Tabicas, Auditor

For additional copies of this report, please visit our web site at  
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Social Security Advisory Board

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### **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 Executive Operations**

OEO supports OIG by providing information resource management and systems security. OEO also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OEO 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.