

# Follow-up: Underpayments on Prior Supplemental Security Income Records

## A-07-18-50676



June 2019

Office of Audit Report Summary

### Objective

To determine whether the Social Security Administration (SSA) identified and properly resolved underpayments on prior Supplemental Security Income (SSI) records.

### Background

When an applicant files for SSI, SSA creates a Supplemental Security Record (SSR). SSA may terminate an SSR for a variety of reasons. For example, SSA terminates a record if the recipient is in a nonpayment status longer than 1 year. SSA establishes a new SSR if the recipient becomes eligible for payments again. If there is an underpayment on a terminated SSR, SSA's field office staff must take manual actions to ensure the underpayment is resolved. In an August 2007 audit, we found SSA's reliance on field office staff to manually identify and resolve SSI underpayments on prior SSRs was not adequate. In September 2014, SSA released software that was expected to identify underpayments on some prior records. The software uses diaries to alert staff that further action must be taken on a case by the field office or its system.

From 1 segment of the SSR, we identified 3,936 prior records terminated between May 2011 and March 2018 with underpayments outstanding as of April 2018. From this population, we reviewed 114 records.

### Findings

SSA did not identify and properly resolve underpayments on prior SSI records for 103 (90 percent) of the 114 SSRs we reviewed. Specifically, we identified underpayments on prior SSI records, totaling about \$503,000, that SSA should have paid recipients, offset against outstanding overpayments, or removed from the prior records. Accordingly, we project there were almost 70,000 prior SSRs terminated between May 2011 and April 2018 with unresolved underpayments totaling about \$173 million.

Of the 103 records with unresolved underpayments, 43 met SSA's criteria that required diaries, but 4 did not have them. The other 39 records had diaries, as required, but they remained unprocessed for 9 months to more than 4 years at the time of our review. Further, 60 records did not require diaries, which left the underpayments at risk of not being identified and resolved. We also reviewed 83 records with unresolved underpayments from our previous audit and found SSA had not resolved 18, totaling about \$208,000.

### Recommendations

We made four recommendations for SSA to take appropriate actions to address identifying and resolving underpayments on prior SSI records. SSA agreed with three of the four recommendations.

### Agency Actions Resulting from the Audit

In October 2018, we provided SSA the 18 records we identified with unresolved underpayments from our previous audit. In March 2019, SSA informed us it had taken corrective actions to pay the recipients, offset underpayments against outstanding overpayments, or remove the underpayments from the prior records. We reviewed the 18 records and determined SSA had taken the appropriate actions. Therefore, we are not recommending further actions for these 18 records.