



# Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

## *Audit Report*

# The Social Security Administration's Determinations of Supplemental Security Income Recipients' Real Properties

022328 | *September 2023*



# Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

## MEMORANDUM

**Date:** September 1, 2023

**Refer to:** 022328

**To:** Kilolo Kijakazi  
Acting Commissioner

**From:** Gail S. Ennis *Gail S. Ennis*  
Inspector General

**Subject:** The Social Security Administration's Determinations of Supplemental Security Income Recipients' Real Properties

The attached final report presents the results of the Office of Audit's review. The objective was to determine the accuracy of the Social Security Administration's eligibility and payment determinations for Supplemental Security Income applicants and/or recipients who own real property.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Michelle L. Anderson, Assistant Inspector General for Audit.

Attachment

# The Social Security Administration's Determinations of Supplemental Security Income Recipients' Real Properties

## 022328



September 2023

Office of Audit Report Summary

### Objective

To determine the accuracy of the Social Security Administration's (SSA) eligibility and payment determinations for Supplemental Security Income (SSI) applicants and/or recipients who own real property.

### Background

The SSI program provides monthly payments to people who have limited income and resources and are aged, blind, or disabled. For SSI purposes, resources are items individuals own that can be converted to cash. To be eligible for SSI, applicants and recipients may not have countable resources over \$2,000, and couples may not have countable resources over \$3,000.

Homes that SSI applicants and recipients own and reside in do not count toward SSI resource limits. The current market values of any properties other than their owned primary residences, referred to as non-home real properties (NHRP), are generally considered countable resources for SSI eligibility purposes.

In 2017, SSA introduced an electronic search application that employees are required to use in most cases to identify applicants' and recipients' real-property information. We reviewed 400 applicants/recipients who had real properties identified through the search application. Of these, properties were a determining factor for SSI eligibility and payments in 122 cases.

### Results

SSA employees did not accurately determine property ownership and/or values for 17 (14 percent) of 122 SSI applicants/recipients. As a result, applicants were possibly denied SSI when they should not have been, and recipients received SSI payments for which they were not eligible. Of the 17 applicants/recipients:

- 4 applicants may have been incorrectly denied SSI. SSA needs to further develop these cases to verify the applicants' SSI eligibility, and
- 13 recipients received over \$180,000 in SSI payments for which they were not eligible.

We determined employees did not correctly determine the applicants'/recipients' countable resources, including reviewing for prior ownership. In addition, SSA employees did not add required documentation in SSA's records to support their real-property determinations for these 17, and 43 other, cases.

We project 1,204 applicants may have been improperly denied SSI eligibility, and 35,885 recipients were improperly paid because SSA employees made inaccurate real-property determinations.

Finally, the electronic search application did not match some properties to SSI applicants/recipients because of name variations in the property database and SSA records. As a result, SSA employees could not evaluate possible NHRPs when they determined applicants'/recipients' countable resource values.

### Recommendations

We made six recommendations, including that SSA add system controls to ensure employees review for NHRPs that may have been owned or sold but still affect SSI eligibility and payment decisions; add system controls to ensure employees add required documentation that supports real property determinations; and review system processing of names to reduce inaccurate name mismatches. SSA agreed with five of our recommendations and disagreed with one.

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## **ABBREVIATIONS**

C.F.R.	Code of Federal Regulations
CMV	Current Market Value
OIG	Office of the Inspector General
NHRP	Non-Home Real Property
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code

## OBJECTIVE

Our objective was to determine the accuracy of the Social Security Administration's (SSA) eligibility and payment determinations for Supplemental Security Income (SSI) applicants and/or recipients who own real property.

## BACKGROUND

SSA administers the SSI program to provide monthly payments to people who have limited income and resources and are aged, blind, or disabled.<sup>1</sup> Because SSI is a needs-based program, SSA reviews the value of a recipients'<sup>2</sup> countable resources when it determines whether they are eligible for SSI payments. For SSI, resources are cash or other liquid assets or any property individuals own that they can convert to cash to be used for their support and maintenance.<sup>3</sup> To be eligible for SSI, countable resources are capped at \$2,000 for individuals and \$3,000 for couples.<sup>4</sup>

### Non-home Real Property

Not all resources count toward SSI resource limits.<sup>5</sup> For example, homes recipients own and reside in do not count toward SSI resource limits.<sup>6</sup> However, the current market values (CMV)<sup>7</sup> of any properties other than their owned primary residences, referred to as non-home real properties (NHRP),<sup>8</sup> are generally considered resources for SSI eligibility purposes.<sup>9</sup>

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<sup>1</sup> *Social Security Act*, 42 U.S.C. §§ 1381 and 1382(a).

<sup>2</sup> We use the term recipients throughout the report for both SSI applicants and recipients, and, at times, their deemors, which can include individuals' spouses, parents, parents' spouses, or sponsors' spouses (when referring to SSI resource ownership). According to SSA, *POMS*, SI 01310.001 (November 17, 2010), in certain situations, SSA counts a portion of the resources of applicants' or recipients' deemors as their resources.

<sup>3</sup> 20 C.F.R. § 416.1201(a).

<sup>4</sup> 20 C.F.R. § 416.1205(c) and SSA, *POMS*, SI 01110.003 (December 8, 2010). If the value of the countable resources exceeds the allowable limit at the beginning of the month, recipients cannot receive SSI payments for that month. See also, SSA, *POMS*, SI 01110.001 (July 1, 1990).

<sup>5</sup> SSA, *POMS*, SI 01110.210 (December 15, 2008), provides a list of excluded resources, including the home serving as the principal place of residence.

<sup>6</sup> SSA, *POMS*, SI 01130.100 (July 22, 2022) defines a home as property in which the individual has an ownership interest and that serves as their principal place of residence. It can include the shelter, the land on which the shelter is located, and related buildings on the land.

<sup>7</sup> SSA, *POMS*, SI 00835.020 (October 27, 2005). The CMV is the price for which a resource can reasonably be expected to sell on the open market in the particular geographic area.

<sup>8</sup> SSA, *POMS*, SI 01140.100 (August 3, 2022). NHRP is defined as land and buildings or immoveable objects (including some mobile homes) that are permanently attached to the land and do not meet the definition of a home.

<sup>9</sup> SSA, *POMS*, SI 01140.100 B (August 3, 2022). SSA uses the equity value, which is the CMV of resources minus any encumbrances (loans or liens that would have to be repaid) when it determines the value of resources. SSA, *POMS*, SI 01140.042 (March 1, 1999) and SSA, *POMS*, SI 01140.100 B (August 3, 2022). Also, because real properties can have multiple owners, individuals' shares of properties can be attributed toward their SSI resource levels. SSA, *POMS*, SI 01110.510 (April 18, 2016).

## Real-property Search Application

On September 30, 2017, SSA integrated an electronic search application into its SSI claims system. The application provides SSA recipients' real-property information from a third-party vendor database.<sup>10</sup> SSA employees use real-property information (for example, potential real-property ownership and property values) as leads to determine whether identified real properties should be counted toward recipients' SSI resource levels.<sup>11</sup> When SSA employees process full initial SSI claims, certain redeterminations,<sup>12</sup> fully or partially favorable initial claims appeal reversals, and denied claim re-openings, they are required to use the search application to identify potential NHRP ownerships and values.<sup>13</sup> SSA employees can also use the search application when they suspect NHRP issues.<sup>14</sup>

In 2022, SSA updated its NHRP policy on actions employees should take when recipients agree or disagree with the NHRP ownership information identified through the real-property search application.<sup>15</sup> The policy added instructions on independently verifying properties and documenting verification efforts and findings.

## Audit Populations

We identified 746,120 recipients whom SSA's real-property search application identified as having property between October 2017 and November 2021. Of these, we reviewed:

- 100 records of 95,401 recipients who were denied SSI payments because SSA determined their resources exceeded SSI limits and
- 100 records of the remaining 650,719 recipients who were not denied SSI payments because of SSI resource limits.

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<sup>10</sup> Before the electronic property search application was implemented, recipients' property ownerships generally were based on information they provided.

<sup>11</sup> SSA, *POMS*, SI 01140.100 C1 (August 3, 2022). If an individual denies they own the real property the search application identified or the individual agrees they own the property, but the resource value is not high enough to affect SSI eligibility, SSA must independently verify the property information identified by the search application. However, if the individual agrees they own the property the search application identified and alleges a CMV that would make the individual ineligible for SSI, SSA will accept the allegation with no further verification required.

<sup>12</sup> Redeterminations are reviews of recipients'/couples' non-medical eligibility factors (that is, income, resources, and living arrangements) to determine whether they remain eligible for SSI and are receiving the correct SSI payment. The system selects scheduled redeterminations based on profiling. The concept behind the profile method of selection is that SSI cases can contain characteristics likely to cause payment changes when they are present. Employees are required to perform real-property searches for redetermination cases with a code C reflecting a high-error profile case.

<sup>13</sup> SSA, *POMS*, SI 01140.100 C2 (August 3, 2022).

<sup>14</sup> SSA, *POMS*, SI 01140.100 C2 (August 3, 2022). Claims completed outside the SSI claims system are not subject to the search-process rules. However, the procedures for documenting NHRP ownerships and determining CMV/equity values still apply to such claims.

<sup>15</sup> SSA, *POMS*, SI 01140.100 (August 3, 2022).

After SSA updated its NHRP policy in 2022,<sup>16</sup> we identified 55,008 additional recipients whom the property search application found had real properties between June and November 2022. Of these, we reviewed:

- 100 records of 8,345 recipients who were denied SSI payments because SSA determined their resources exceeded SSI limits and
- 100 records of the remaining 46,663 recipients who were not denied SSI payments because of SSI resources limits.

We reviewed a total of 400 recipients' records. We determined SSA employees' determinations on properties were a determining factor for SSI eligibility and payments in 122 cases.<sup>17</sup>

## **RESULTS OF REVIEW**

For 17 (14 percent) of 122 SSI recipients, SSA employees did not accurately determine property ownership and/or NHRP values where real properties were a determining factor in their SSI eligibility. This resulted in recipients being denied SSI when they possibly should not have been, or receiving SSI payments for which they were not eligible. SSA employees did not add required documentation to SSA's records to support their real-property determinations for these 17 cases (as well as 43 other cases). We reviewed the real-property information to determine whether employees correctly determined the recipients' countable resources, including whether they reviewed for prior property ownership.<sup>18</sup> We project 1,204 applicants may have been improperly denied SSI eligibility, and 35,885 recipients were improperly paid because of SSA employees' inaccurate real-property determinations.

We also found the electronic search application did not match some properties to SSI applicants/recipients because of name variations in the property database and SSA records. As a result, SSA employees could not evaluate possible NHRPs when they determined applicants'/recipients' countable resource values.

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<sup>16</sup> SSA, *POMS*, SI 01140.100 (August 3, 2022). While this policy was last updated in August 2022, when we planned our audit work, the most current version of the policy was dated June 2022. The June 2022 update added requirements on independently verifying properties and documenting verification efforts and findings. We determined whether employees took these actions. The August update did not alter these requirements in any way.

<sup>17</sup> With respect to the remaining 278 recipients, we concluded SSA's employees determinations on properties were not a determining factor in their SSI eligibility for the following reasons: (a) employees were not required to develop the properties because they were the recipients' homes, (b) the recipients were denied for excess resources not related to real properties, (c) the recipients would have been denied for other reasons unrelated to excess resources, or (d) the recipients were deceased at the time of the review. Also, SSA's systems filtered out some of the properties, the properties were not valid, or the property searches were not necessary for deemors because they were no longer deemors to the applicants/recipients. Some additional issues that led to employees not needing to document the records include there were missing resident co-owner statements, the property was in a trust in which the trust documents would need to be reviewed to determine whether the property is a resource, or the cases were still pending determinations at the time of our review (see Appendix B).

<sup>18</sup> We independently verified the real properties by reviewing property records in a third-party vendor's database; searching Websites of the jurisdictional properties including governmental websites; obtaining property records, such as deeds; and/or calling local government sources. In these 17 cases, the evidence we collected conflicted with SSA's real-property determinations.



## Real-property Determinations

SSA employees made incorrect property determinations for 17 cases. Four applicants may have been incorrectly denied SSI. SSA will need to further develop these four cases to verify the applicants' SSI eligibility. The remaining 13 recipients received \$184,392 in SSI payments for which they were not eligible. When SSA reviewed these 13 recipients' resources they did not consider the CMV of NHRPs 7 recipients owned, and there was no documentation indicating these resources had been developed. Employees did not consider the values of the remaining six recipients' previously owned NHRPs, including whether they were subject to SSI resource-transfer rules. These rules address resources recipients sell or give away for less than CMV during a 3-year look-back period.<sup>19</sup> SSA systems did not have controls to ensure employees review prior property ownerships and determine whether SSI resource-transfer rules apply.

## Documenting Real-property Determinations

When SSA's search application provides real-property information, employees determine whether the property should be added or rejected as a resource in the recipient's record.<sup>20</sup> SSA employees should use property information from the search application as a lead for further action; employees must review the search results with recipients before they make their determinations.<sup>21</sup> SSA employees should document recipients' allegations of property ownership and their independent verifications when individuals disagree with the property-ownership information.<sup>22</sup> When employees determine recipients own NHRPs, they should document and/or add evidence in SSA's systems to establish the properties' CMVs and any encumbrances on those properties. If employees determine recipients do not own identified NHRPs, they should document how they reached that conclusion.

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<sup>19</sup> SSA, *POMS*, SI 01150.001 (July 15, 2016). If resources are sold for their fair market value, the 36-month ineligibility period does not apply, but the money received from the sale can be counted toward SSI resource limits. For initial claims, SSA must ask whether applicants transferred resources in the look-back period. In post-eligibility reviews, SSA must ask whether the recipients/deemors have transferred resources since the last review. If undeveloped transfers that occurred before the last review were reported or found, developments of the transfers are not limited to the date of the last review, and ineligibility periods are limited to the administrative finality rules unless there is a determination of fraud or similar fault. *POMS*, SI 01150.003 (August 24, 2000) summarizes procedures for processing resource transfers. SSA determines whether the transfers were valid, individuals received fair market value, and transfer or undue-hardship exceptions applied. If exceptions do not apply, there may be periods of ineligibility.

<sup>20</sup> Employees can also make the property determinations at a later time or update existing properties already in SSA's records.

<sup>21</sup> SSA, *POMS*, SI 01140.100 C1 (August 3, 2022).

<sup>22</sup> According to the *POMS*, SI 01140.100, June 13, 2022, which was the policy in place for our audit review period, independent verification may consist of using the jurisdictional property tax office Websites using property identifiers, such as addresses or parcel identifications. If the individual continues to disagree with the information or the Website indicates someone else owns the property, SSA employees should call local government sources to obtain property information. Property tax Websites are also to be treated as third-party reports that require additional verification. If the identity information from the local government sources matches the individual's, this is sufficient evidence to prove the individual owns the property.

SSA employees should have added documentation that supported their real-property ownership determinations in the records of the 122 recipients who owned properties that were a determining factor for SSI eligibility and payments. Employees did not include all required documentation for 60 of the 122 recipients (which includes the 17 cases with inaccurate property determinations). For example, an employee only added the comment, “does not own property” with no further information when they should have independently verified and documented their efforts to support their determination.

While SSA’s policy requires that employees collect and document evidence that supports their independent property-ownership verifications and CMVs of NHRPs, SSA’s systems do not require that employees complete documentation fields; the fields are optional.<sup>23</sup>

Without documentation, we could not determine whether employees completed required independent verifications and/or whether their property ownership and related resource determinations were supported by evidence. Similarly, without this documentation, SSA management does not have the information it needs to determine whether employees took all required steps when they made property determinations and/or made accurate property determinations when they determined whether recipients were within SSI resource limitations.

### ***Resident Co-owner Statements***

Of the 400 recipients we reviewed, SSA granted 5 undue-hardship exclusions, so their NHRP values were excluded as resources, but SSA’s records did not include documentation that supported those exclusions. NHRPs’ CMVs may be excluded from recipients’ SSI resource limits if a co-owner resides on the property, and selling the property would cause them undue hardship due to loss of housing. While policy requires that SSA employees obtain signed statements or document a resident co-owner’s undue hardship claims on a report of contact,<sup>24</sup> SSA systems do not require that the supporting statements be added before SSA grants the exclusions.<sup>25</sup> Without the documentation, we could not determine whether the exclusions were supported or appropriate, and SSA management did not have the information it needed to determine whether the exclusions were appropriate.

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<sup>23</sup> SSA, *POMS*, MS 08113.036 K, Q (January 18, 2018, Sensitive). If employees choose to reject a property, they select one of four reject reasons: duplicate address, current primary residence, they do not own the property, or other. Employees can add remarks to support rejecting the properties. Because this is not a mandatory field, employees can move to the next claim screen without documenting how they determined the individuals do not own the properties or why they selected “other” as the reject reason. If employees choose to accept the properties, they can input the properties’ values to establish the CMVs and develop the equity values. While there is a field that employees can write documentation notes to support adding the properties to the claim, it is not mandatory.

<sup>24</sup> A report of contact can be documented in SSA’s systems or on SSA, Form SSA-5002, *Report of Contact* (July 2020).

<sup>25</sup> SSA, *POMS*, SI 01130.130 (December 21, 2012). A statement to support undue hardship from the resident co-owner should include whether they used the properties as their principal places of residence, would have to move if the properties were sold, and have other living quarters readily available.

## ***Developing Home Ownership During Redeterminations***

During redeterminations, SSA employees should update and develop a recipient's home ownership when the recipient's allegation of no home ownership conflicts with other information.<sup>26</sup> Because home ownership can create questions as to how the recipient meets their living expenses, which can affect SSI eligibility and payments, employees should ask about unstated income and review and update all changes to the recipients' living arrangements.<sup>27</sup> SSA employees identified home-ownership information through real-property searches for 17 of the 400 reviewed cases that conflicted with the recipient's prior allegations of no home ownership. However, the employees did not document changes to the recipient's living arrangements in SSA's claims system. SSA's claims system does not require that employees update a recipient's living arrangements when information from property searches conflicts with prior information. Without updated living arrangements and possible unstated income, recipients are at risk of being improperly paid.<sup>28</sup>

## **Property Search Application's Processing of Names**

The electronic property search application provides SSA employees recipients' real-property information. This information includes the property owners' names and addresses as well as the properties' assessed values and sale dates. The application determines which properties to display for SSA employees to develop based on rules that filter out properties when the system cannot match the properties' owners' or sellers' names with names in SSA's records associated with the Social Security numbers, otherwise referred to as name mismatches.<sup>29</sup> We found the property-search application does not always account for all possible name variations when it matches names from the search application to those in SSA's database.

Of our 400 sampled cases, 31 had properties filtered out for name mismatches. Of those 31 cases, 16 properties were likely owned by the individuals, but the names from the property searches were inverted, in a different order, had only a middle initial without the full middle name, or had a slight misspelling of a name compared to the names in SSA's database. For example, the property owned by John Public Doe would be filtered out if SSA's database listed the individual as John P. Doe. Because the system-filtering rules did not account for all name-variation issues, employees were not made aware of non-excludable NHRPs that should have been counted toward SSI resource limits.

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<sup>26</sup> SSA, *POMS*, SI 02305.091 (June 9, 2020).

<sup>27</sup> Updates to living arrangements ensure the Federal Living Arrangement determinations and In-Kind Support and Maintenance computations update. According to *POMS*, SI 00835.020 (October 27, 2005), in-kind support and maintenance is unearned income in the form of food, shelter, or any combination of these that individuals receive and is paid for by someone else. It can be received from someone in- or outside the home and can affect SSI payments.

<sup>28</sup> We are unable to determine whether these recipients were ineligible for SSI or had improper payments. To make such determinations, SSA interviews the recipients during redeterminations per *POMS*, SI 02305.001 (September 5, 2019) to further develop all factors of non-medical eligibility, including living arrangements, income, and update in-kind support and maintenance computations.

<sup>29</sup> Other reasons properties are not displayed to SSA employees for development include home ownership, matches to existing properties, sold before look-back periods, missing lines of addresses, and having P.O. Boxes as addresses. When the system filters properties for name mismatches it accounts for all names associated with the Social Security number in SSA's database that may include maiden and married names.

## CONCLUSION

While SSA's real-property search application improved its ability to identify real properties recipients may own, its systems do not ensure employees adhere to its policies when they evaluate properties' impact. We project this led to SSA paying over 35,000 recipients more in SSI payments than it should have and possibly denying over 1,200 applicants SSI eligibility.

## RECOMMENDATIONS

We recommend SSA:

1. Take corrective actions on the 17 cases we identified as having inaccurate property determinations.
2. Add system controls to ensure employees review for possible prior NHRP ownership for properties that may have been owned or sold within the look-back period and whether the sales are subject to transfers of resource rules.
3. Add system controls to ensure employees add required documentation supporting property determinations and independent property verifications.
4. Add system controls to ensure employees add required documentation to support allegations of an undue hardship exclusion.
5. Add system controls to ensure living arrangements are reviewed and updated for changes during redeterminations if information from property searches conflict with other information in SSA records.
6. Review system processing of names to reduce inaccurate name mismatches.

## AGENCY COMMENTS AND OFFICE OF THE INSPECTOR GENERAL RESPONSE

SSA agreed with Recommendations 1 through 5 and disagreed with Recommendation 6 stating it had completed extensive analysis and consultation with stakeholders to ensure the screening threshold appropriately reduced inaccurate name mismatches and exclusions. SSA further reported to us that it made its decision on the screening threshold in Calendar Year 2017. Given that half the name mismatches we reviewed were excluded when the names appeared to match, and that SSA completed its last review of the name-matching process over 5 years ago, we continue to recommend that SSA review system processing of names to attempt to reduce inaccurate name mismatches. See the full text of the Agency's comments in Appendix D.



Michelle L. Anderson  
Assistant Inspector General for Audit

# ***APPENDICES***

## Appendix A – SCOPE AND METHODOLOGY

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To accomplish our objective, we:

- Reviewed applicable sections of the *Social Security Act* and Social Security Administration’s (SSA) Program Operations Manual System (POMS).
- Identified 746,120 SSI applicants and recipients who filed Supplemental Security Income (SSI) claims or for whom SSA initiated redeterminations and had real properties identified by the property search application between October 1, 2017 and November 26, 2021. We divided this population and selected 2 samples:
  - We selected Sample 1 from the 95,401 applicants/recipients who were denied SSI payments because they had non-excludable resources that exceeded SSI limits. From these, we reviewed 100 records.
  - We selected Sample 2 from the remaining 650,719 applicants/recipients who were not denied SSI payments because of non-excludable resources limitations during this timeframe. From these, we reviewed 100 records.
- Identified 55,008 SSI applicants/recipients who filed an SSI claim or for whom SSA initiated a redetermination and who had real properties identified by the property-search application between June 13 and November 1, 2022. We divided this population and selected 2 samples:
  - We selected Sample 3 from the 8,345 applicants/recipients who were denied SSI payments because they had non-excludable resources that exceeded SSI limits. From these, we reviewed 100 records.
  - We selected Sample 4 from the remaining 46,663 applicants/recipients who were not denied SSI payments because of non-excludable resource limitations during this timeframe. From these, we reviewed 100 records.<sup>1</sup>
- When reviewing the samples, we:
  - Reviewed data from the SSI claims system to identify properties the property-search application found.
  - Determined whether SSA employees documented applicants’/recipients’ allegations and independently verified properties.
  - Determined whether SSA employees developed property-search information as leads for further action and provided documentation to support their determinations.
  - Verified properties by conducting our own searches in a third-party vendor’s database and contacting local governments by telephone or checking their Websites for property information, when necessary.

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<sup>1</sup> We excluded from these four populations SSI applicants’/recipients’ cases that had payment status codes that indicated the recipient’s death and other payment status codes that generally meant applicants would not qualify for SSI because of non-temporary reasons, such as being medically denied.

- Determined whether SSA's determinations of SSI eligibility and payment for applicants/recipients who owned real property were accurate.
- Identified 5,688,567 SSI applicants and recipients who filed an SSI claim or for whom SSA initiated a redetermination between October 1, 2017 and July 27, 2021 (Sample 5). We reviewed a random sample size of 50. For these cases, we:
  - Reviewed data from the SSI claims system to determine whether SSA employees completed property search requests through the application, as required by policy SI 01140.100, *Non-Home Real Property*.
  - Confirmed the property information from the third-party vendor database matched the information populated in the property search application.

We determined the computer-processed data were sufficiently reliable for our intended use. We conducted tests to determine the completeness and accuracy of the data. These tests allowed us to assess the reliability of the data and achieve our audit objective.

We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components, including control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objective. We identified the following component and principles as significant to the audit objective.

- Component 1: Control Environment
  - Principle 2: Exercise Oversight Responsibility
- Component 2: Risk Assessment
  - Principle 8: Assess Fraud Risk
- Component 3: Control Activities
  - Principle 10: Design Control Activities
  - Principle 12: Implement Control Activities
- Component 4: Information and Communication
  - Principle 13: Use Quality Information
- Component 5: Monitoring
  - Principle 16: Perform Monitoring Activities

We conducted our review between August 2021 and March 2023. 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 objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## Appendix B – SAMPLE RESULTS

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### *Real-property Determinations and Documentation*

To review the Social Security Administration's (SSA) determinations for Supplemental Security Income (SSI) applicants and/or recipients who own real property, we identified 746,120 recipients whom the property-search application found had real properties between October 2017 and November 2021. Of these, we reviewed:

- 100 records of 95,401 recipients who were denied SSI payments because SSA determined their resources exceeded SSI limits and
- 100 records of the remaining 650,719 applicants/recipients who were not denied SSI payments because of SSI resource limits.

After SSA updated its non-real home property (NHRP) policy in June 2022,<sup>1</sup> we identified 55,008 additional recipients who the property search application found had real properties between June and November 2022. Of these, we reviewed:

- 100 records of 8,345 recipients who were denied SSI payments because SSA determined their resources exceeded SSI limits and
- 100 records of the remaining 46,663 recipients who were not denied SSI payments because of SSI resource limits.

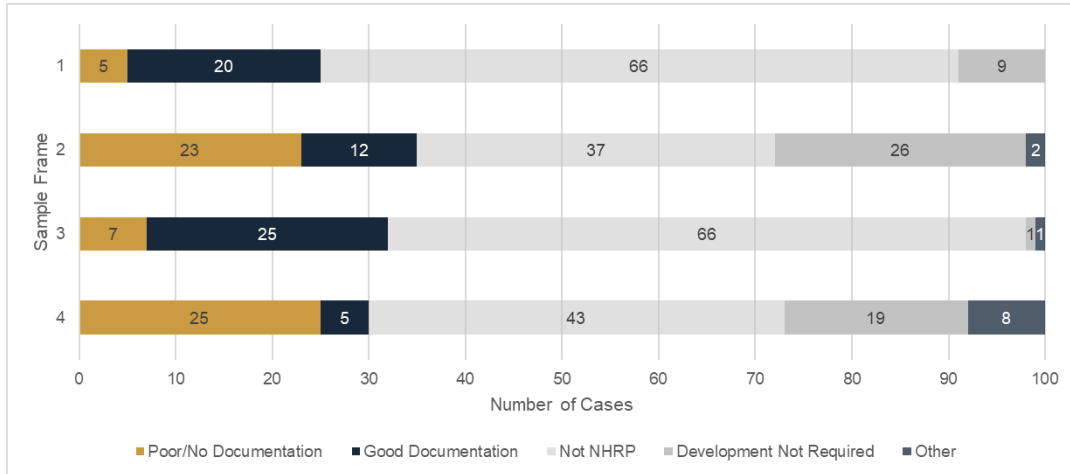
In total, we sampled and reviewed 400 recipients. The properties were not a determining factor in 278 recipients' SSI eligibility or payments for numerous reasons, including that the properties were their homes. Employees' determinations on whether the remaining 122 recipients' properties were countable resources would impact their SSI eligibility and payments: while 62 cases had sufficient documentation, employees did not add the required documentation in SSA's systems to support their real-property determinations in 60 cases. The results for each sample are detailed below (see Figure B-1).

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<sup>1</sup> SSA, *POMS*, SI 01140.100 (June 13, 2022). While the policy was last updated in August 2022, we tested the updates to the policy made in June 2022, which included instructions on independently verifying properties and documenting verification efforts and findings.



**Figure B-1: Sample Results**



### Sample 1 Results

Of the 100 cases reviewed:

- 5 lacked documentation in SSA’s records to support their determinations that the properties counted toward and exceed SSI resource limits.
- 20 had good documentation supporting the determinations of excess resources related to real property.
- SSA denied 66 for excess resources not related to real property.
- 9 did not require real-property development: 7 were deceased individuals at the time of review, and 2 would have been denied for other reasons had they not been denied for excess resources.

### Sample 2 Results

Of 100 records reviewed:

- 23 lacked documentation to support their determinations the NHRPs would not be counted as SSI resources.
- 12 had SSA documentation to support the determinations of no NHRP ownerships or that property values did not exceed SSI resource limits.
- 37 were the individuals’ homes.
- 28 did not require real-property development or had other circumstances: 26 cases would not require that employees develop the properties because the property information was filtered out or not valid, the case would have been denied for other reasons, or the property search was not necessary for deemors because they were no longer deemors to the individuals; and 2 cases were missing the resident co-owner statements from SSA records.

### Sample 3 Results

Of 100 records reviewed:

- 7 lacked documentation in SSA’s records to support their determinations the properties counted toward, and exceeded, SSI resource limits.
- 25 had good documentation supporting the determinations of excess resources related to real property.
- 66 were denied for excess resources not related to real property.
- 2 did not require real-property development or had other circumstances: 1 would have been denied for other reasons if it was not denied for excess resources, and 1 had the property in a trust in which the trust documents would need to be reviewed to determine whether the property is a resource.

### Sample 4 Results

Of 100 records reviewed:

- 25 lacked documentation in SSA’s records to support their determinations that the NHRPs would not be counted as SSI resources.
- 5 did not have SSA documentation to support the determinations of no NHRP ownerships or that property values did not exceed SSI resource limits.
- 43 were the individuals’ homes.
- 27 did not require real-property development or had other circumstances: 19 cases did not require real-property development because the system filtered out the property information and the employee was not prompted to develop the property, or the case would have been denied for other reasons; 3 cases were missing the resident co-owner statements; and 5 cases were still pending determinations at the time of our review.

### *Property Search Application’s Processing of Names*

In our review, 31 of the 400 reviewed cases had properties filtered out for name mismatches. For 16 of the 31 cases, the individuals likely owned the properties, but the names from the property searches were inverted, in a different order, had only a middle initial without the full middle name, or had a slight misspelling of a name compared to the names in SSA’s database (see Table B–1 for sample results).

**Table B–1: Cases Filtered Out for Name Mismatch**

<b>Sample</b>	<b>Cases Filtered Out for Name Mismatches</b>	<b>Cases Filtered Out but Names Matched</b>
1	10	5
2	14	4
3	5	5
4	2	2
<b>Total</b>	<b>31</b>	<b>16</b>

### ***Employees Use of the Property Search Application***

To determine whether SSA employees used the property-search application per policy, we identified 5,688,567 recipients who had filed SSI claims or for whom SSA had initiated redeterminations between October 1, 2017 and July 27, 2021. Of these, we reviewed 50 records and found SSA employees completed real-property searches using the electronic search application as required.

## Appendix C – SAMPLING METHODOLOGY AND RESULTS

### *Sampling Methodology*

We selected five samples, which are detailed in Table C–1. To conduct this review, we used a simple random sample statistical approach. This is a standard statistical approach used to create a sample from a population completely at random.

From each of our samples, we selected random samples of applicants/recipients for review—100 random items for Samples 1 through 4 and 50 random items from Sample 5. Each sample item had an equal chance of being selected throughout the sampling process, and the selection of one item had no impact on the selection of other items. Therefore, we were guaranteed to choose a sample that represented the population, absent human biases, and ensured statistically valid conclusions of, and projections to, the entire population under review. Our sampling approach for this review ensures our reported projections are statistically sound and defensible.

**Table C–1: Sample Descriptions, Populations Sizes, and Sample Sizes**

Sample	Sample Descriptions	Population Size	Sample Size
1	Applicants/recipients whom the search application determined had real property and who were denied Supplemental Security Income (SSI) payments because their non-excludable resources exceeded limitations between October 1, 2017 and November 26, 2021.	95,401	100
2	Applicants/recipients whom the search application identified had real property and were not denied SSI payments because of non-excludable resources limitations between October 1, 2017 and November 26, 2021.	650,719	100
3	Applicants/recipients whom the search application identified had real property and were denied SSI payments because their non-excludable resources exceeded limitations between June 13 and November 1, 2022.	8,345	100
4	Applicants/recipients whom the search application identified had real property and were not denied SSI payments because of non-excludable resources limitations between June 13 and November 1, 2022.	46,663	100
5	Applicants/recipients for whom property searches were required.	5,688,567	50

## Sample Results and Projections

SSA lacked required documentation for 5 of the 100 sampled individuals whom the search application identified as having real property and were denied SSI payments because their non-excludable resources exceeded limitations between October 1, 2017 and November 26, 2021. SSA may have improperly denied SSI payments for one of the five individuals with insufficient documentation.

**Table C–1: Sample 1 Projections**

Description	Cases Lacking Required Documentation	Cases with Possible Incorrect Denial
Sample Results	5	1
Point Estimate	4,770	954
Projection – Lower Limit	1,901	49
Projection – Upper Limit	9,752	4,440

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

SSA lacked required documentation for 23 of the 100 sampled individuals whom the search application identified as having real property and were not denied SSI payments because non-excludable resources exceeded limitations between October 1, 2017 and November 26, 2021. SSA improperly paid 5 of the 23 recipients.

**Table C–2: Sample 2 Projections**

Description	Cases Lacking Required Documentation	Cases with Improper Payments
Sample Results	23	5
Point Estimate	149,665	32,536
Projection – Lower Limit	105,804	12,954
Projection – Upper Limit	201,610	66,535

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

SSA lacked required documentation for 7 of the 100 sampled individuals whom the search application identified as having real property and were denied SSI payments because their non-excludable resources exceeded limitations between June 13, and November 1, 2022. SSA may have been improperly denied SSI payments for three of the seven individuals and SSA improperly paid one recipient.<sup>1</sup>

<sup>1</sup> When we extracted our data, this recipient was denied SSI because of excess resources based on NHRP but was in current pay when we reviewed the records. SSA had determined the individual no longer owned the NHRP and placed the recipient back to pay status; however, SSA did not review prior ownership when the case was denied for excess resources. This case has an overpayment, and the property may be subject to the transfer of resources.

**Table C–3: Sample 3 Projections**

Description	Cases Lacking Required Documentation	Cases with Possible Incorrect Denial	Cases with Improper Payments
Sample Results	7	3	1
Point Estimate	584	250	83
Projection – Lower Limit	280	70	5
Projection – Upper Limit	1,060	629	386

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

SSA lacked required documentation for 25 of the 100 sampled individuals whom the search application identified as having real property and were not denied SSI payments because non-excludable resources exceeded limitations between June 13 and November 1, 2022. SSA improperly paid 7 of the 25 recipients.

**Table C–4: Sample 4 Projections**

Description	Cases Lacking Required Documentation	Cases with Improper Payments
Sample Results	25	7
Point Estimate	11,666	3,266
Projection – Lower Limit	8,410	1,556
Projection – Upper Limit	15,456	5,944

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

We totaled the projections from the samples and project 1,204 applicants may have been improperly denied SSI eligibility, and 35,885 recipients were improperly paid because of SSA employees' inaccurate real-property determinations.

## Appendix D – AGENCY COMMENTS

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### SOCIAL SECURITY

#### MEMORANDUM

Date: August 11, 2023

Refer To: TQA-1

To: Gail S. Ennis  
Inspector General

From: Scott Frey   
Chief of Staff

Subject: Office of the Inspector General Draft Report, “The Social Security Administration's Determinations of Supplemental Security Income Recipients' Real Properties” (022328)—  
INFORMATION

Thank you for the opportunity to review the draft report. We agree with recommendations 1 through 5; however, we disagree with recommendation 6.

OIG’s analysis found that the electronic property search software is at least 96 percent accurate. We completed extensive analysis and consultation with stakeholders to determine the screening threshold. The current threshold appropriately balances reducing inaccurate name matches and preventing erroneous exclusions. Therefore, we do not plan to review the screening threshold.

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



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