

Supplemental Security Income Recipients Who Under-report Financial Account Balances

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration's (SSA) financial account validation process led to accurate Supplemental Security Income (SSI) determinations for applicants and recipients who alleged having less than \$400 in financial accounts.

Background

The SSI program provides cash assistance to people who are aged, blind, or disabled with limited income and resources. SSI applicants and recipients are required to report their income and resources to SSA to ensure they meet income and resource eligibility requirements.

SSA uses the Access to Financial Institutions (AFI) application to verify applicants' and recipients' alleged financial account information, verify financial account balances, and identify undisclosed accounts. SSA verifies applicants' and recipients' liquid resources, including financial accounts, if applicants/recipients allege resource values that total \$400 or more and there is at least 1 month of potential SSI eligibility or there is a resource-related event. SSA does not verify liquid resource values alleged to be under \$400.

We reviewed a stratified random sample of 140 recipients who had an initial claim, pre-effectuation review contact, or a redetermination in Fiscal Year 2022 and alleged having financial account balances totaling less than \$400.

Results

SSA's SSI financial account validation process for applicants and recipients who alleged having less than \$400 in financial accounts did not always lead to accurate SSI determinations. SSA's process led it to make inaccurate SSI resource determinations for 27 of the 140 recipients reviewed. Based on these determinations, SSA paid the recipients \$130,430 in SSI payments they were not eligible to receive. Based on these sample results, we estimate SSA incorrectly made SSI resource determinations that led to 198,960 recipients receiving \$718 million in SSI payments for which they were not eligible because applicants/recipients under-reported their financial account balances by \$100 or more.

SSA's policy did not require that it validate the recipients' financial account balances because they alleged they had less than \$400 in liquid resources. The AFI reports we requested identified 102 of 140 applicants/recipients under-reported their financial account balances by \$100 or more. Additionally, the AFI reports showed 28 of the applicants/recipients owned financial accounts of which SSA was unaware. Based on these sample results, we estimate 800,140 applicants/recipients under-reported their financial account balances by \$100 or more, with 219,640 failing to report all the financial accounts they owned to SSA.

Recommendation

We recommended SSA lower its \$400 resource-level tolerance for AFI application use to \$0 to help ensure more accurate SSI resource determinations when processing initial claims, pre-effectuation review contacts, and redeterminations.

SSA disagreed with our recommendation.