

# Supplemental Security Income Ineligibility Determinations and Payment Suspensions Based on Failure to Provide Information

## A-02-22-51135



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Office of Audit Report Summary

### Objective

To determine whether the Social Security Administration (SSA) acted in accordance with its policies and procedures when it processed Supplemental Security Income (SSI) ineligibility determinations and suspensions based on applicants', recipients', or representative payees' failure to provide information.

### Background

When SSA is determining an individual's SSI eligibility or payment amount, it may request information from individuals. Should the individual fail to provide the information, SSA can determine they are ineligible for SSI and/or stop their SSI payments until it receives the information. SSA uses a number of non-payment status codes to stop payments when individuals fail to provide information. Generally, before stopping payments, SSA employees must exhaust efforts to contact individuals to obtain the requested information.

To determine whether employees followed all required steps before denying or suspending SSI payments, we reviewed a sample of 274 cases from a population of 1.5 million recipients SSA placed in non-payment status codes from March 2020 through May 2022 after determining the recipients failed to provide requested information or take requested actions. Additionally, we identified 61,176 recipients who were placed into 7 non-payment status codes during periods SSA had prohibited their use.

### Results

SSA did not act in accordance with its policy and procedures when it processed SSI ineligibility determinations and suspensions based on applicants', recipients', or representative payees' failure to provide information. SSA's employees did not complete all required steps for 156 (57 percent) of the 274 sampled cases placed in non-payment status, which led to 96 of the 156 recipients not receiving \$203,133 in SSI payments they should have received. Projecting these results to our population, we estimate SSA did not follow its policy before it denied or suspended SSI payments for 871,330 recipients. Of these recipients, we estimate 536,203 did not receive \$647 million in SSI payments they should have received.

SSA did not have adequate system controls in place to prevent its employees from using non-payment status codes before they completed all required steps and/or documentation. This includes making required attempts to locate recipients who had not provided requested information or obtaining the management approval needed before they suspended payments. Also, SSA's instructions detailing the steps employees must take to obtain information before they suspended or denied SSI payments varied between different non-payment status codes. This created an inconsistent approach for the steps employees are required to take before suspending or denying recipients, even though the non-payment status codes all relate to individuals failing to provide some type of information to SSA.

SSA also placed 61,176 recipients in 7 non-payment status codes when their use was prohibited. SSA instructed its employees not to use certain non-payment codes during specific periods; however, SSA did not add controls to its systems to prevent their use, which allowed SSA employees to continue using them during prohibited periods. In addition, the Agency did not update all of its policies when it made a non-payment status code obsolete.

### Recommendations

We made two recommendations related to SSA having procedures to prevent the use of prohibited non-payment status codes and updating policy to ensure consistency with employee actions before using any non-payment status code related to individuals failing to provide some type of information to SSA. SSA agreed with our recommendations.