

The Social Security Administration's Oversight of Beneficiaries Who Receive Benefits Under the Direct Express® Debit Card Program

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Office of Audit Report Summary

Objectives

To determine whether the Social Security Administration (SSA) has established internal controls to (1) initiate enrollment, upon request, in the Direct Express® Debit Card program (Program) and (2) resolve benefits returned to the Agency because of an unfinished enrollment.

Background

The Program provides an option for Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries, Supplemental Security Income (SSI) recipients, and their representative payees to meet the Department of the Treasury's (Treasury) electronic payment requirement. SSA (1) initiates beneficiaries' and representative payees' enrollment in the Program upon their request and (2) resolves benefits Comerica Bank returns because the beneficiary or representative payee did not activate the Direct Express® debit card within 24 months of issuance, referred to as an unfinished enrollment.

Between 2017 and 2021, Comerica Bank returned to SSA approximately \$114 million for 49,649 beneficiaries with an unfinished enrollment, referred to as a backlog. In addition, between April 2021 and July 2022, Comerica Bank returned to SSA quarterly deposits totaling approximately \$18 million for 5,816 beneficiaries, referred to as ongoing unfinished enrollments.

Results

SSA had established internal controls to initiate enrollment in the Program and updated policy to remind staff that the beneficiary or representative payee must verbally consent to having benefits deposited onto a Direct Express® debit card. Also, SSA had established procedures to resolve benefits returned because of an unfinished enrollment.

As of May 2023, SSA had returned, where appropriate, or initiated action on, approximately \$73 million in OASDI benefits and \$26 million in SSI payments of the unfinished enrollment backlog. SSA needs to take action on approximately \$4 million in OASDI benefits and \$8 million in SSI payments.

We recognize that Treasury established the Program and the Direct Express® Financial Agency Agreement is between Treasury and Comerica Bank. However, SSA could improve its communication with beneficiaries and representative payees regarding enrollment in the Direct Express® Debit Card program. SSA could also work with Treasury and Comerica Bank to ensure benefits are delivered promptly.

Recommendations

We made five recommendations including developing a standardized statement to confirm enrollment in the Program and establishing a target completion date to resolve the backlog of unfinished enrollments. We also recommended SSA work with Treasury and Comerica Bank to provide additional instruction on activating the debit card, shorten the timeframe a Direct Express® account is deemed an unfinished enrollment, and explore the reason for undeliverable debit cards.

SSA agreed with our recommendations.