

Report Summary

Social Security Administration Office of the Inspector General

September 2010



Objective

To determine whether the Social Security Administration (SSA) properly issued economic recovery payments (ERP) to eligible beneficiaries as authorized under the *American Recovery and Reinvestment Act of 2009* (ARRA).

Background

ARRA provided for a one-time ERP of \$250 to adult Social Security and Supplemental Security Income beneficiaries. Individuals eligible for benefits for any of the 3 months before the month of enactment (that is, November 2008, December 2008, and January 2009) could receive the one-time payment. In April 2009, SSA identified all beneficiaries who met the eligibility criteria from its payment records. In May 2009, about 52 million beneficiaries received their \$250 payments, totaling about \$13 billion.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-09-10-11017.pdf>

Economic Recovery Payments for Social Security and Supplemental Security Income Beneficiaries (A-09-10-11017)

Our Findings

The vast majority of ERPs SSA certified in May 2009 was properly issued to eligible beneficiaries under ARRA. However, SSA could have prevented the issuance of ERPs to some ineligible beneficiaries. In addition, SSA did not always recover erroneous ERPs from deceased beneficiaries and issued ERPs to beneficiaries who were incarcerated at the time of payment. We estimate about:

- 71,688 beneficiaries were deceased before the payment certification date and received \$18 million in ERPs. This included 8,207 "Prouty" beneficiaries who received \$2.1 million in ERPs.
- 17,348 beneficiaries were incarcerated and received \$4.3 million in ERPs. ARRA did not prohibit ERPs for incarcerated beneficiaries who were otherwise eligible to receive them.

Our Recommendations

Should another ERP be enacted into law, we recommend SSA:

1. Review the Numident to identify deceased and incarcerated beneficiaries before certifying their eligibility to receive an ERP.
2. Work with the Department of the Treasury to obtain the authority to reclaim ERPs issued to deceased beneficiaries.
3. Ensure ERPs are not issued to beneficiaries who are incarcerated at the time of payment.

In addition, we recommend SSA:

4. Take appropriate action to terminate the records for "Prouty" beneficiaries to prevent further erroneous payments from being issued to these individuals

SSA generally agreed with all of our recommendations.