

Accuracy of Supplemental Security Income Recipients' Reports of Separation

A-02-14-31417



July 2020

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) could more effectively determine the accuracy of Supplemental Security Income (SSI) recipients' reports of separation from individuals whose income could affect their eligibility for payments.

Background

SSI recipients may live with individuals, such as a spouse or parent, who themselves are not eligible for SSI payments. SSA refers to these individuals as ineligible deemors, and their income can affect the recipients' SSI eligibility and payment amounts. Past investigations have shown that some recipients have falsely reported separations from deemors when their income could adversely affect the recipients' SSI payments. Given that recipients self-report their living arrangements, it is difficult to differentiate false from legitimate reports of separations.

From 1 segment of the Supplemental Security Record, we identified 691 recipients who reported they had separated from ineligible deemors. However, their addresses still matched the deemors' addresses at least 1 year after the reported separation, and the deemors had at least a \$2,000 increase in wages in at least 1 year before or after the year of the reported separation. We reviewed a random sample of 100 of the 691 recipients.

Findings

SSA may be able to more effectively use information in its records to determine the accuracy of SSI recipients' reports of separation from ineligible deemors. For example, SSA staff has access to deemors' Forms W-2, *Wage and Tax Statement*, which are stored in SSA's Online Retrieval System. These Forms may be able to help establish whether deemors' addresses changed after reported separations. While information in SSA's records will not allow SSA staff to definitively prove the legitimacy of reported separations, it may alert staff to situations where additional questions and development are needed to accurately process recipients' living arrangements. Also, the information should help staff provide the Office of Investigations more informed referrals should it conclude recipients have likely falsely reported separations from ineligible deemors whose income could affect the recipients' SSI eligibility or payment amounts.

For 39 of the 100 recipients we reviewed, the deemors' income would have affected the recipients' SSI payment amounts had the recipients and deemors continued or resumed living together after their reported separations. For 20 of the 39 cases, SSA found information in its systems to support, or our Office of the Investigations concluded, the recipients and deemors continued or resumed living together. SSA paid the 20 recipients approximately \$496,000 in SSI payments after their reported separations. Estimating our results to the population, approximately 2,800 recipients may have falsely reported their separations from the deemors, and SSA paid them approximately \$69 million after their reported separations.

Recommendations

We made five recommendations, including that SSA create an alert to prompt staff to verify living arrangements and question the accuracy of reported separations when evidence in SSA's records suggest recipients and deemors had the same address after separating. We also recommended that SSA change its policy to require that recipients provide evidence to support their separations whenever such evidence can reasonably be expected to be available. SSA agreed with two of our recommendations and disagreed with three. The report includes the full text of the Agency's comments as well as our response.