SUPPLEMENTAL SECURITY INCOME

Wages Reported for Recipients Show Indications of Possible SSN Misuse

Why GAO Did This Study

In fiscal year 2012, SSA estimated it paid over $53.4 billion to SSI recipients, of which 8.1 percent, or $4.3 billion, SSA estimated to have been improper payments. The SSI program pays benefits to the aged, blind or disabled adults and children with limited income and resources.

GAO was asked to analyze potentially improper SSA disability payments. This report identifies potential SSI overpayments and indicators of possible SSN misuse. SSA provided GAO with a onetime file extract of SSI recipients as of December 2010 and the matching income from both the quarterly wage and unemployment insurance components of the NDNH database that included fiscal year 2010. GAO compared the SSI benefit and NDNH income data to identify potential overpayments. GAO randomly selected five individuals for case-file review. These cases cannot be projected to the overpayment population but provide illustrative examples of possible SSN misuse.

What GAO Found

GAO’s analysis of wages reported in the National Directory of New Hires (NDNH) initially showed that the Social Security Administration (SSA) made $19 million in potential overpayments to 10,187 recipients through its Supplemental Security Income (SSI) program in fiscal year 2010. Using a different methodology that includes additional causes of overpayments not considered in GAO’s analysis, SSA estimated it made $3.3 billion in SSI overpayments in fiscal year 2010. The majority (70 percent) of the estimated overpayment amount GAO identified showed indications of possible Social Security number (SSN) misuse, such as employers reporting wages for recipients in multiple locations during the same quarter. For example, GAO determined that wages for 2,399 SSI recipients were reported solely by employers outside the recipient’s state of residence. As the figure below shows, one individual in California had wages reported from 11 different employers in seven other states during the same quarter of calendar year 2010. This suggests that multiple individuals may be using the SSI recipient’s SSN and name for work. The exact number of individuals who received overpayments and the exact amount of overpayments made to those individuals cannot be determined without detailed case investigations by SSA.

What GAO Recommends

GAO recommends that the Acting Commissioner of Social Security work with the Secretary of Homeland Security to identify the data useful to DHS’s work-site enforcement strategy and seek legislative authority to obtain such information, as appropriate. DHS agreed with GAO’s recommendation and SSA agreed to the intent of the recommendation, but did not agree to seek legislative authority. GAO still believes this recommendation is valid as discussed in the report to help the federal government better utilize the complementary sources of data available at SSA.

View GAO-14-597. For more information, contact Seto J. Bagdoyan at (202) 512-6722 or BagdoyanS@gao.gov.