## Audit Report

Denied Child's Insurance Benefit Claims



#### **MEMORANDUM**

From:

Date: September 29, 2025 Refer to: 032317

To: Frank Bisignano Commissioner

Michelle L. Anderson Wichell Landson

**Acting Inspector General** 

Subject: Denied Child's Insurance Benefit Claims

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether Social Security Administration employees appropriately denied claims for child's insurance benefits for reasons unrelated to disability.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Jeffrey Brown, Deputy Assistant Inspector General for Audit.

Attachment

# Denied Child's Insurance Benefit Claims 032317



September 2025

Office of Audit Report Summary

## Objective

To determine whether Social Security Administration (SSA) employees appropriately denied claims for child's insurance benefits for reasons unrelated to disability.

The Old-Age, Survivors, and Disability

## Background

Insurance program provides monthly benefits to retired and disabled workers and their dependents as well as the survivors of deceased workers. In general, to be entitled to benefits, a child of a retired, disabled, or deceased worker must: 1) be unmarried; 2) be under age 18, a full-time elementary or secondary school student under age 19, or have become disabled before age 22; and 3) meet certain relationship and dependency requirements. Generally, an SSA employee may appropriately deny a claim when the employee properly completes all necessary actions and determines the applicant has not established the claimant meets the requirements to be entitled to child's insurance benefits.

We reviewed a random sample of 100 claims from a population of 21,533 claims filed from January 2019 through July 2023 that SSA employees approved for benefits in July 2023 or earlier and a random sample of 100 claims from a population of 75,424 claims filed from January 2019 through July 2023 SSA employees did not approve for benefits as of July 2023.

#### Results

Of the 96,957 claims in our review, we estimate SSA employees correctly denied 37,712 (39 percent) and incorrectly denied 24,555 (25 percent). As a result of employee errors, SSA did not pay these beneficiaries approximately \$92.2 million in benefits and delayed paying these beneficiaries approximately \$87.7 million in benefits to which they were entitled.

We could not conclude whether employees correctly denied the remaining 34,690 claims (36 percent). This includes an estimated 28,661 claims SSA employees denied before they appropriately completed all required actions; therefore, there was not enough information in SSA's records to determine whether Agency employees appropriately denied the claims.

The Agency needs to improve its controls to ensure employees appropriately deny child's insurance benefits for reasons unrelated to disability. For example, Development Worksheets could include reminders for employees to request applicants provide the evidence needed to establish claimants' entitlement to benefits, and letters to applicants should list all the required evidence and explain the types of evidence applicants could provide. Without improvements, employees will continue incorrectly denying claims, and the Agency will not pay thousands of child beneficiaries the benefits to which they are entitled.

#### Recommendations

We recommend that SSA:

- 1. Review and correct the claims we identified, as appropriate, including development in accordance with SSA's policies.
- 2. To prevent future errors, establish controls to ensure employees request all relevant evidence and document all required actions in its systems before denying a claim for child's insurance benefits, when required.

SSA agreed to implement our recommendations.

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## **ABBREVIATIONS**

MCS Modernized Claims System

OIG Office of the Inspector General

POMS Program Operations Manual System

SSA Social Security Administration

U.S.C. United States Code

**FORMS** 

SSA-783 Statement Regarding Contributions

SSA-2519 Child Relationship Statement

### **OBJECTIVE**

Our objective was to determine whether Social Security Administration (SSA) employees appropriately denied claims for child's insurance benefits for reasons unrelated to disability.

## **BACKGROUND**

The Old-Age, Survivors, and Disability Insurance program provides monthly benefits to retired and disabled workers and their dependents as well as the survivors of deceased workers. In general, to be entitled to benefits, a child of a retired, disabled, or deceased worker must

- be unmarried;
- be under age 18, be a full-time elementary or secondary school student under age 19, or have become disabled before age 22; and
- meet certain relationship and dependency requirements.1

SSA employees must fully develop and review claims to ensure claimants meet all eligibility factors and establish claimants' entitlement to benefits.<sup>2</sup> SSA employees must determine when applicants need assistance obtaining evidence and tell applicants what evidence the Agency requires, why the Agency requires it, and from where the applicants should obtain it.<sup>3</sup> For example, before denying a claim for failure to meet the relationship requirement, an SSA employee may need to request Form SSA-2519, *Child Relationship Statement*.<sup>4</sup> The Form prompts for possible sources of information that may help SSA determine a claimant is the child of a worker.

Generally, an SSA employee may appropriately deny a claim when the employee properly completes all necessary actions and determines the applicant has not established the claimant meets the requirements to be entitled to child's insurance benefits. For example, a denial may be appropriate when the applicant has not established the child's relationship to or dependence on the worker, or they have not provided proof of the worker's death or the child's school attendance.

SSA's Modernized Claims System (MCS) controls a claim from intake through the point a decision is made. Employees use MCS' Development Worksheet to document all actions taken on a claim and all actions that still need to be taken. The Development Worksheet includes a system reminder to alert employees that certain actions or items are needed. MCS generates certain reminders, while employees manually add others. For example, an employee could create a reminder regarding a required Form SSA-2519.

<sup>&</sup>lt;sup>1</sup> Social Security Act § 202(d), 42 U.S.C. § 402(d).

<sup>&</sup>lt;sup>2</sup> See Appendix A for more information on relationship and dependency requirements. Throughout the report, we refer to applicants and claimants. The applicant is the person filing the application for benefits. The claimant is the person on whose behalf an application is made.

<sup>&</sup>lt;sup>3</sup> SSA, *POMS*, GN 00301.180, A (August 2, 2023).

<sup>&</sup>lt;sup>4</sup> SSA, *POMS*, GN 00306.100, G (June 21, 2019).

## SCOPE AND METHODOLOGY

We identified 96,957 initial claims for child's insurance benefits filed between January 2019 and July 2023 that SSA employees denied.<sup>5</sup> We separated these claims into two populations.

- Population 1: 21,533 claims SSA employees approved for benefits in July 2023 or earlier.
   We randomly selected 100 claims to determine whether SSA employees subsequently reversed the denials on appeal or approved new claims—indicating SSA employees' prior decisions to deny the claims may have been incorrect.
- Population 2: 75,424 claims SSA employees did not approve for benefits as of July 2023.
   We randomly selected 100 claims to determine whether SSA employees appropriately denied the claims.<sup>6</sup>

## **RESULTS OF REVIEW**

Of the 96,957 claims in our review, we estimate SSA employees correctly denied 37,712 (39 percent) and incorrectly denied 24,555 (25 percent). As a result of employee errors, SSA did not pay these beneficiaries approximately \$92.2 million in benefits and delayed paying these beneficiaries approximately \$87.7 million in benefits to which they were entitled.

We could not conclude whether employees correctly denied the remaining 34,690 claims (36 percent). This includes an estimated 28,661 claims in Population 2 which SSA employees denied before they appropriately completed all required actions; therefore, there was not enough information in SSA's records to determine whether Agency employees appropriately denied the claims.<sup>7</sup>

<sup>&</sup>lt;sup>5</sup> We excluded from our review claims that SSA employees denied because they determined the children were not disabled.

<sup>&</sup>lt;sup>6</sup> See Appendix B for more information on our scope and methodology.

<sup>&</sup>lt;sup>7</sup> The remaining estimated 6,029 in the population (1) did not successfully appeal or file new, similar claims or (2) were approved for benefits based on an unrelated claim or appeal. We did not evaluate these claims further and therefore do not assert, and the reader should not infer, that employees appropriately denied their original claims. See Appendix C for more information on our sampling methodology and results.

## **Results of Sample from Population 1**

For 72 of 100 sampled claims, SSA subsequently (1) reversed the denials after claimants successfully appealed the Agency's decisions or (2) awarded the claimants benefits after they filed new, similar claims, which we believe indicates employees incorrectly denied their original claims. These 72 claimants waited—on average—9 months to receive approximately \$495,000 in benefits to which they were entitled.

For example, an SSA employee denied a claim using a miscellaneous denial reason and did not document why they denied the claim in SSA's system as required. After 14 months, the employee informed the applicant SSA denied the prior claim in error. The applicant filed a new claim, which the SSA employee approved. Because the employee did not approve the original claim when they should have, the child waited 14 months to receive approximately \$33,000 in benefits to which they were entitled.

Based on our sample results, we estimate that, for 15,504 claims, the claimants successfully appealed SSA's denials or filed new claims that the Agency approved. SSA delayed paying these beneficiaries approximately \$87.7 million to which they were entitled because Agency employees incorrectly denied the original claims.

## **Results of Sample from Population 2**

Of 100 sampled claims, SSA employees appropriately denied 50 (50 percent).<sup>11</sup> However, employees

- incorrectly denied 12 (12 percent) they should have approved and
- denied 38 (38 percent) that we could not determine were appropriate because employees did not accurately complete all actions required by policy.

<sup>&</sup>lt;sup>8</sup> Some subsequent claims had significant differences from the original, denied claims. For example, an SSA employee denied one child's claim because the worker died during the disability waiting period, and children cannot receive benefits on a living worker's record unless the worker is entitled to benefits. The applicant subsequently filed a survivor's claim for the child, which SSA approved. We did not include claims with significant differences in our finding because the claims were unrelated to the original, denied claims.

<sup>&</sup>lt;sup>9</sup> We did not determine whether SSA employees correctly approved the 72 claims. The remaining 28 claimants in our sample (1) did not successfully appeal or file new, similar claims or (2) were approved for benefits based on an unrelated claim or appeal. We did not evaluate these claims further and therefore do not assert, and the reader should not infer, that employees appropriately denied their original claims.

<sup>&</sup>lt;sup>10</sup> The durations ranged between 2 and 37 months from the filing month through the month before SSA issued the first payment. We used the amount of the first payment as the underpayment amount. We did not further evaluate these claims to determine why employees incorrectly denied the original claims.

<sup>&</sup>lt;sup>11</sup> SSA employees did not accurately complete all actions required by policy before denying 15 of these 50 claims; however, subsequent or other information in SSA's records affirmed the claimants were not entitled to benefits.

#### **Incorrect Denials**

SSA employees denied 12 claims they should have approved, as follows.

- SSA employees incorrectly denied six claims, which resulted in SSA underpaying the claimants a total of \$120,966.<sup>12</sup>
- SSA employees incorrectly denied six claims; however, the Agency did not underpay the claimants.<sup>13</sup> This occurred when, for example, SSA paid the maximum benefits the Agency could pay to the workers' families.

Although SSA's systems contained enough evidence to support the claimants' entitlement to benefits, the employees denied the claims without

- considering other qualifying parent-child relationships or state-specific laws;
- requesting required evidence or forms, such as the SSA-2519; or
- specifying for the claimants what proof of relationship they could provide.

We could not determine why employees did not develop and adjudicate these claims as policy required.

For example, an applicant filed a claim for child's insurance benefits for an 8-year-old child on the child's deceased mother's earnings record in August 2021. The employee denied the child's claim for failure to establish other requirements for entitlement; specifically, allegations the child murdered the mother. However, the child was age 6 when the mother died. According to SSA policy, absent evidence to the contrary, employees should assume a claimant younger than age 11 at the time of the death was not involved in a homicide. He child sinvolvement, the employee should have allowed the child's benefits. As a result, SSA will have underpaid the child approximately \$94,000 from August 2021 through July 2031—the month before the child will reach age 18.

Based on our sample, we estimate SSA employees inappropriately denied 9,051 claims that they should have approved. As a result, we estimate SSA underpaid 4,525 of these claimants about \$92.2 million.

Denied Child's Insurance Benefit Claims (032317)

<sup>&</sup>lt;sup>12</sup> We calculated the underpayments from the claim filing month through the month before the claimants attain age 18.

<sup>&</sup>lt;sup>13</sup> The Agency accurately approved two of these claims after July 2023. Therefore, the two claims do not require corrective action.

<sup>&</sup>lt;sup>14</sup> SSA, *POMS*, GN 00304.075, A (August 4, 2023).

## Insufficient Development

We could not determine whether 38 claims were appropriately denied because SSA employees did not properly request all required evidence and complete required actions to determine whether the claimants were entitled to benefits. If these claimants were actually entitled to benefits and employees denied their claims in error, the Agency likely underpaid 31 of these claimants \$2,324,401.<sup>15</sup> Until SSA completes these actions, we cannot determine whether it improperly paid the claimants.

For example, in July 2021, an applicant filed a claim for child's insurance benefits for his 13-year-old stepchild. An SSA employee denied the claim, stating the applicant did not provide evidence of his relationship to the child. Further, the employee's remarks in SSA's system questioned whether the child was dependent on the applicant. However, the employee did not follow policy and request evidence of relationship or complete required actions to determine dependence, including requesting a Form SSA-783, *Statement Regarding Contributions* and calculating household income. If an employee were to complete additional development and determine the child is eligible for child's insurance benefits, SSA will have underpaid the child approximately \$62,000 from the date of application—July 2021—through the month before attaining age 18—November 2025.

Based on our sample, we estimate SSA employees did not appropriately complete all required actions before they denied 28,661 claims. There is not enough information in SSA's records for us to determine whether Agency employees appropriately denied the claims. However, given the similarities between Populations 1 and 2,16 we believe it is reasonable to conclude a significant number of claimants in Population 2, whose original claims SSA denied, would be approved for benefits had they appealed SSA's decisions or filed new claims.

### **CONCLUSION**

The Agency needs to improve its controls to ensure employees appropriately deny child's insurance benefits for reasons unrelated to disability. For example, Development Worksheets could include reminders to employees to request applicants provide the evidence needed to establish claimants' entitlement to benefits, and letters to applicants should list all the required evidence and explain the types of evidence applicants could provide. Without improvements, employees will continue incorrectly denying claims, and the Agency will not pay thousands of child beneficiaries the benefits to which they are entitled.

<sup>&</sup>lt;sup>15</sup> We calculated the underpayments from the claim filing month through the month before the claimants attain age 18. Although we could not determine whether the employees appropriately denied the remaining seven claims, the Agency nonetheless did not underpay the claimants even if employees should have approved their claims. This occurred, for example, when SSA already paid other beneficiaries the maximum benefits that could be paid to the workers' families.

<sup>&</sup>lt;sup>16</sup> Both populations comprised child's insurance benefits claims that were filed January 2019 through July 2023 and denied for reasons unrelated to disability. We separated the claims into two distinct populations because of differences required in computing potential underpayments.

## RECOMMENDATIONS

We recommend SSA:

- 1. Review and correct the 48 claims we identified from Population 2, as appropriate, including development in accordance with SSA's policies.
- 2. To prevent future errors, establish controls to ensure employees request all relevant evidence and document all required actions in its systems before denying a claim for child's insurance benefits, when required.

## **AGENCY COMMENTS**

SSA agreed to implement our recommendations; see Appendix D.

# **APPENDICES**

# Appendix A — RELATIONSHIP AND DEPENDENCY REQUIREMENTS

To be entitled to child's insurance benefits, a claimant must

- through a proper applicant, file an application for child's insurance benefits;
- be unmarried;
- be under age 18, be a full-time elementary or secondary school student under age 19, or have become disabled before age 22; and
- meet the relationship requirement by being dependent on the worker and being one of the following.<sup>1</sup>
  - O Able to inherit as the worker's child under state intestacy law.<sup>2</sup>
  - The worker's biological child born during an invalid ceremonial marriage.<sup>3</sup>
  - The worker's biological child who meets the criteria in section 216(h)(3) of the Social Security Act.
  - The worker's legally adopted child, child adopted by the worker's surviving spouse, equitably adopted child, or child adopted by estoppel.<sup>4</sup>
  - The worker's stepchild.
  - The worker's grandchild or step-grandchild, or the worker's grandchild or step-grandchild adopted by the worker's surviving spouse.

<sup>&</sup>lt;sup>1</sup> SSA, *POMS*, GN 00306.002, B (September 13, 2019).

<sup>&</sup>lt;sup>2</sup> SSA, *POMS*, GN 00306.002, F (September 13, 2019). For claims taken before November 2, 2019, children under state intestacy law were established in SSA's system using relationship types "Natural Legitimate [Child]," "Legitimated Child," or "Inheritance Rights."

<sup>&</sup>lt;sup>3</sup> SSA, *POMS*, GN 00306.090 (June 21, 2019). An invalid ceremonial marriage exists when the child's parents went through a ceremonial marriage that would have been valid except that a prior marriage had not ended or in limited circumstances where there was a legal impediment in connection with the intended marriage.

<sup>&</sup>lt;sup>4</sup> Where adoption proceedings were defective and invalid under state law, some states grant inheritance rights to the child under a theory of estoppel. SSA, *POMS*, GN 00306.215, A. (November 30, 2023). For example, a couple filed a petition for adoption asserting they were the child's grandparents. The state issued a final decree for adoption, which it later declared null and void because the couple was actually the child's great-grandparents. The state could still grant the child inheritance rights under a theory of estoppel if certain criteria were met.

Certain parent-child relationships are deemed dependent and do not have additional evidentiary requirements to establish dependency.<sup>5</sup>

- State Intestacy Law
- Other 216(h)(3)6
- Adopted Child<sup>7</sup>
- Legitimate Child
- Natural Legitimate Child
- Inheritance Rights

<sup>5</sup> Effective November 2, 2019, SSA staff could no longer establish new relationships in SSA's systems using relationship types Natural Legitimate Child, Legitimated Child, or Inheritance Rights and were to establish these relationships under state intestacy law. However, since our audit period is from January 2019 through July 2023, we included them in the list.

<sup>&</sup>lt;sup>6</sup> SSA, *POMS*, GN 00306.100, A (June 21, 2019). A worker's biological child may meet the relationship requirement under Section 216(h)(3) of the *Social Security Act* when the parent-child relationship cannot be established under state law.

<sup>&</sup>lt;sup>7</sup> SSA, *POMS*, GN 00306.002, F (September 13, 2019). The need for a dependency determination depends on the date of the adoption. For example, a child legally adopted by the worker before the worker's death is deemed dependent on the worker at the time of death.

## **Appendix B** – **S**COPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed applicable sections of the Social Security Act and Social Security Administration's (SSA) Program Operations Manual System.
- Interviewed SSA subject-matter experts to gain an understanding of SSA's controls to ensure accurate eligibility determinations for child's insurance benefits and clarify aspects of SSA's policies related to child's insurance benefits.
- Obtained information from SSA to clarify aspects of SSA's policies related to child's insurance benefits.
- Obtained from all 20 segments of SSA's Master Beneficiary Record denied child's insurance benefit claims filed from January 2019 through July 2023.
- Identified 96,957 children's claims filed from January 2019 through July 2023 with a
  disallowance or denial code unrelated to disability for the child on the Master Beneficiary
  Record, regardless of current payment status. We identified two distinct populations.
  - Population 1: 21,533 claims SSA employees approved for any benefits by July 26, 2023 or earlier.
    - Reviewed a statistically valid sample of 100 claims from Population 1 to determine whether SSA reversed the denial determination on appeal or approved the claimant because of a subsequent, similar claim.
      - Reviewed information in SSA's Modernized Claims System (MCS), Payment History Update System, and Evidence Portal to identify if the claims were reversed on appeal or SSA approved the claimant because of a subsequent, similar claim.
      - Identified the underpayment due the claimant when SSA approved the claim.²
      - Determined the average number of months benefits were delayed because of the initial denial.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> SSA policy instructs employees to code certain other types of determinations using a disallowance code in the denial field (for example, withdrawals). We included all disallowance codes unrelated to disability in our populations.

<sup>&</sup>lt;sup>2</sup> We used the amount of the first payment as the underpayment amount.

<sup>&</sup>lt;sup>3</sup> We counted the number of months from the month the claim was filed, including the filing month, through the month before SSA issued the first payment.

- Population 2: 75,424 claims SSA employees did not approve for any benefits as of July 26, 2023.
  - Reviewed a statistically valid sample of 100 claims from Population 2 to determine whether SSA appropriately denied the claims for reasons unrelated to disability.
    - Reviewed information in SSA's systems (such as the Master Beneficiary Record, Numident, MCS, Shared Processes, Evidence Portal, and other SSA records as necessary) to determine whether SSA accurately applied the policy requirements before denying each claimant's claim for child's insurance benefits.
    - Determined how many potential underpayments that resulted from inappropriate denials, which were calculated from the claim filing date through the month before the claimant attained age 18. We did not include potential retroactive benefits due before the month of filing because potential retroactivity differs based on factors outside the scope of this audit, such as the type of claim or date the worker's disability began.
- Provided the potential error cases to SSA for its review and updated our analysis based on its feedback.

We assessed the reliability of data obtained for our analysis by (1) performing electronic testing, (2) tracing a random sample of data to source documents, and (3) reviewing existing information about the data. We determined the computer-processed data were sufficiently reliable to meet our objective.

The principal entity audited entity was the Office of Operations. We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components: control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objective. We identified the following components and principles as significant to the audit objective.

- Component 2: Risk Assessment
  - Principle 7: Identify, analyze, and respond to risk
- Component 3: Control Activities
  - o Principle 10: Design control activities
  - Principle 12: Implement control activities

We conducted our review between May and August 2024. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

# Appendix C - Sampling Methodology and Statistical Estimates

We established our populations as detailed in Appendix B. We used a simple random sample statistical approach to review each of the populations. This is a methodological approach ideal for selecting a sample from a population completely at random. As a result, each sample item had an equal chance of being selected throughout the sampling process, and the selection of one item had no impact on the selection of other items. Employing such a strategy increased our likelihood of selecting a representative sample that was free of human bias, statistically sound, and would produce defensible projections with the highest scientific rigor.

## Population 1

We randomly selected 100 claims to determine whether the Social Security Administration (SSA) subsequently (1) reversed the denials after claimants successfully appealed the Agency's decisions or (2) awarded the claimants benefits after they filed new claims, see Table C-1.

Table C- 1: Population and Sample Size

| Description | Number of Claims |  |
|-------------|------------------|--|
| Population  | 21,533           |  |
| Sample Size | 100              |  |

For 72 of the 100 sampled claims we sampled, SSA subsequently (1) reversed the denials after claimants successfully appealed the Agency's decisions or (2) awarded the claimants benefits after they filed new claims. These claimants waited an average of 9 months to receive approximately \$495,000 in benefits to which they were entitled. As a result, we estimate SSA delayed paying 15,504 claimants approximately \$87.7 million in benefits to which they were entitled, see Table C-2.

C- 2: Sample Results – Population 1

| Description   | Allowed After Appeals or<br>Subsequent Claims | Underpayments          |
|---|---|------------------------|
| Sample Results  | 72  | \$394,406 <sup>1</sup> |
| Point Estimate  | 15,504  | \$87,554,010           |
| Projection – Lower Limit  | 13,717  | \$70,596,878           |
| Projection – Upper Limit  | 17,074  | \$100,511,143          |
| Total Projected Error Amount (Point Estimate plus Outlier Actual Amount of \$100,357) |   | \$87,654,367           |

Note: All projections are at the 90-percent confidence level.

<sup>&</sup>lt;sup>1</sup> We excluded \$100,357 in delayed benefits for three claims from the variable projections for improper payments but included the amount in the attribute projections because the underpayment was considered an error.

### Population 2

We randomly selected 100 claims to determine whether SSA's decisions to deny the claims were appropriate by obtaining and reviewing supporting documentation in SSA's systems, see Table C-3.

C-3: Population and Sample Size

| Description | Number of Claims |
|-------------|------------------|
| Population  | 75,424           |
| Sample Size | 100              |

SSA employees inappropriately denied 12 claims they should have approved. As a result, the Agency underpaid six claimants approximately \$121,000.<sup>2</sup> We estimate SSA employees denied 9,051 claims they should have approved, resulting in potential underpayments of approximately \$92.2 million related to 4,525 claims, see Table C-4.

Table C- 4: Claims SSA Employees Denied but Should Have Approved

| Description              | Decisional<br>Errors | Payment<br>Errors | Payment Error<br>Amounts |
|--------------------------|----------------------|-------------------|--------------------------|
| Sample Results           | 12 <sup>3</sup>      | 6                 | \$120,966                |
| Point Estimate           | 9,051                | 4,525             | \$92,158,986             |
| Projection – Lower Limit | 7,488                | 3,744             | \$60,049,942             |
| Projection – Upper Limit | 10,613               | 5,307             | \$124,268,029            |

Note: All projections are at the 90-percent confidence level.

We could not determine whether SSA employees appropriately denied 38 claims because the employees did not fully develop the claims as required by policy. As a result, the Agency potentially underpaid 31 claimants approximately \$2.3 million,<sup>4</sup> see Table C-5.

Table C- 5: Sample Results – Unable to Determine

| Description    | Decisional | Denied   | Denied Payment |
|----------------|------------|----------|----------------|
|                | Errors     | Payments | Amount         |
| Sample Results | 38⁵        | 31       | \$2,324,401    |

<sup>&</sup>lt;sup>2</sup> Although SSA employees inappropriately denied the remaining 6 claims, the Agency did not underpay the claimants because the Agency was already paying other family members the maximum benefits that could be paid, or SSA approved subsequent claims after we obtained our data.

<sup>&</sup>lt;sup>3</sup> Of the 12 claims with decisional errors, SSA should review and correct 10, as appropriate. The Agency accurately approved 2 of the 12 claims after July 2023. Therefore, the two claims do not require corrective action.

<sup>&</sup>lt;sup>4</sup> For the remaining 7 claims, although we could not determine whether the employees appropriately denied them, the Agency nonetheless did not underpay the claimants. This occurred, for example, when SSA already paid other beneficiaries the maximum benefits that could be paid to the workers' families.

<sup>&</sup>lt;sup>5</sup> SSA should review and correct the 38 claims with decisional errors, as appropriate.

## **Appendix D - AGENCY COMMENTS**



#### **MEMORANDUM**

Date: September 19, 2025 Refer To: TQA-1

To: Michelle L. Anderson Acting Inspector General

From: Chad Poist Chief of Staff

Subject: Office of the Inspector General Draft Report, "Denied Child's Insurance Benefit Claims"

(032317) -INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations.

Please let me know if I can be of further assistance. You may direct staff inquiries to Amy Gao, Director of the Audit Laision Staff, at (410) 966-1711.



Mission: The Social Security Office of the Inspector General (OIG) serves the

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