



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

*Audit Report*

Old-Age, Survivors and Disability  
Insurance Benefits to Individuals  
Removed from the United States

*A-13-17-34105 | December 2017*

**MEMORANDUM**

**Date:** December 29, 2017

**Refer To:**

**To:** The Commissioner

**From:** Acting Inspector General

**Subject:** Old-Age, Survivors and Disability Insurance Benefits to Individuals Removed from the United States (A-13-17-34105)

The attached final report presents the results of the Office of Audit's review. The objectives were to determine whether the Social Security Administration (SSA) (1) took timely and appropriate actions in response to Department of Homeland Security (DHS) deportation alerts; (2) paid Old-Age, Survivors and Disability Insurance (OASDI) benefits to individuals DHS reported as deported from the United States and were not lawfully admitted for permanent residence in the country; and (3) paid OASDI benefits to individuals DHS reported to SSA as deported from the United States after July 31, 2010 and did not meet criteria for continued benefit eligibility.

If you wish to discuss the final report, please call me or have your staff contact Rona Lawson, Assistant Inspector General for Audit, 410-965-9700.



Gale Stallworth Stone

Attachment

# Old-Age, Survivors and Disability Insurance Benefits to Individuals Removed from the United States

## A-13-17-34105



December 2017

Office of Audit Report Summary

### Objectives

Our objectives were to determine whether the Social Security Administration (SSA) (1) took timely and appropriate actions in response to Department of Homeland Security (DHS) deportation alerts; (2) paid Old-Age, Survivors and Disability Insurance (OASDI) benefits to individuals DHS reported as deported from the United States and were not lawfully admitted for permanent residence in the country; and (3) paid OASDI benefits to individuals DHS reported to SSA as deported from the United States after July 31, 2010 and who did not meet criteria for continued benefit eligibility.

### Background

DHS deports certain noncitizens from the United States in accordance with the provisions of the *Immigration and Nationality Act*. The removal of a deportable noncitizen or, in certain limited situations, an inadmissible noncitizen, may result in nonpayment of benefits under Title II of the *Social Security Act* (Act). The Act prohibits the numberholder on a Social Security record from receiving his/her retirement and/or disability benefits when SSA receives notice from DHS that it removed the numberholder from the United States.

### Findings

SSA improperly paid some beneficiaries DHS removed from the United States. Further, the Agency did not always timely suspend benefits to removed individuals, resulting in overpayments.

Each month, DHS provides SSA an electronic list of individuals it deported from the United States. SSA matches these data against its records and generates systems alerts for staff to review specific records. Using data SSA maintains on individuals DHS reported to SSA as deported, we identified beneficiaries who were listed as deported but continued receiving OASDI benefits. We selected 247 records for review in 3 sampling frames based on our 3 objectives.

- Of 24 beneficiaries in our first sampling frame, we determined SSA overpaid \$180,930 in OASDI benefits to 14.
- Of the 68 beneficiaries in our second sampling frame, SSA potentially overpaid one beneficiary \$43,460 and overpaid four beneficiaries \$188,850 in OASDI benefits who were not lawfully admitted for permanent residence in the United States according to SSA's payment records.
- Of the 155 beneficiaries in our third sampling frame, we determined SSA overpaid six beneficiaries \$247,397 in OASDI benefits in OASDI benefits who were deported after July 31, 2010 and did not meet criteria for continued eligibility.

### Recommendations

We made two recommendations. We recommended that SSA consider case development for 1,746 beneficiaries who are still receiving benefits and remind staff to comply with SSA policies when developing deportation cases.

SSA agreed with our recommendations.

# TABLE OF CONTENTS

|  |     |
|--|-----|
| Objectives .....   | 1   |
| Background.....  | 1   |
| Results of Review .....  | 3   |
| Sampling Frame 1: Beneficiaries with Active PCACS Alerts.....                                      | 3   |
| Lack of Timely Case Development .....  | 4   |
| Lack of Timely Case Development and Noncompliance with SSA Policy.....                             | 4   |
| Noncompliance with Agency Policy .....   | 5   |
| Sampling Frame 2: Beneficiaries Not Lawfully Admitted for Permanent Residence.....                 | 5   |
| Payments to Beneficiaries Not Lawfully Admitted for Permanent Residence in the United States ..... | 5   |
| MBR Coding Issues .....  | 6   |
| Sampling Frame 3: Remaining Beneficiaries DHS Reported as Deported .....                           | 6   |
| Overpayments to Beneficiaries Reported as Deported from the United States .....                    | 6   |
| Non-error Cases .....  | 7   |
| Conclusions.....   | 7   |
| Recommendations.....   | 7   |
| Agency Comments.....   | 8   |
| Appendix A – Scope and Methodology .....   | A-1 |
| Appendix B – Sampling Methodology and Results .....  | B-1 |
| Appendix C – Agency Comments.....  | C-1 |

## ABBREVIATIONS

|       |   |
|-------|---|
| Act   | <i>Social Security Act</i>                        |
| DHS   | Department of Homeland Security                   |
| DRAMS | Disability, Railroad, Alien, and Military Service |
| MBR   | Master Beneficiary Record                         |
| OASDI | Old-Age, Survivors and Disability Insurance       |
| OIG   | Office of the Inspector General                   |
| PCACS | Processing Center Action Control System           |
| SSA   | Social Security Administration                    |

## OBJECTIVES

Our objectives were to determine whether the Social Security Administration (SSA) (1) took timely and appropriate actions in response to Department of Homeland Security (DHS) deportation alerts; (2) paid Old-Age, Survivors and Disability Insurance (OASDI) benefits to individuals DHS reported as deported from the United States and were not lawfully admitted for permanent residence in the country; and (3) paid OASDI benefits to individuals DHS reported to SSA as deported from the United States after July 31, 2010 and did not meet criteria for continued benefit eligibility.

## BACKGROUND

SSA administers the OASDI program under Title II of the *Social Security Act (Act)*.<sup>1</sup> The program provides monthly benefits to retired or disabled workers, including their dependents and survivors.

DHS deports<sup>2</sup> certain noncitizens from the United States in accordance with the provisions of the *Immigration and Nationality Act*,<sup>3</sup> effective September 1954. Generally, noncitizens are removed for immigration offenses (for example, failure to comply with visa requirements or remaining in the United States past the time allotted), the commission of crimes worthy of imprisonment, or engaging in terrorist activities.<sup>4</sup>

The removal of a deportable noncitizen or, in certain limited situations, an inadmissible noncitizen,<sup>5</sup> may result in nonpayment of benefits under Title II of the Act. The Act prohibits the numberholder on a Social Security record from receiving his/her OASDI benefits when SSA receives notice from DHS that it removed the numberholder from the United States.<sup>6</sup>

---

<sup>1</sup> *The Social Security Act*, 42 U.S.C. §§ 401-433 (1935).

<sup>2</sup> The terms “deportation” or “removal” refer to a formal process where an order of deportation or removal is issued and a hearing is held before an Immigration Judge. Generally, deportation or removal occurs when the order is carried out and the noncitizen is physically expelled from the United States, except under final order of deportation or removal on grounds of participating in Nazi persecution or committing crimes of genocide. SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 026, subch. RS 02635.001, sec. C. (April 29, 2015).

<sup>3</sup> *Immigration and Nationality Act*, 8 U.S.C. ch. 12 (1952).

<sup>4</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 026, subch. RS 02635.001, sec. A. (April 29, 2015).

<sup>5</sup> An inadmissible noncitizen is an individual who was not lawfully admitted entry into the United States.

<sup>6</sup> Some numberholders are exempt from suspension of their OASDI benefits if their removals were ordered on the basis of certain grounds. Grounds for removal are included in coded format on removal reports from DHS. A beneficiary can continue to receive his/her OASDI benefits if certain codes appear on his/her removal report. SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 026, subch. RS 02635.001, sec. D.1. (April 29, 2015).

OASDI benefits are not payable to the numberholder beginning with the month after the month DHS notifies SSA of the numberholder's removal.<sup>7</sup> Once a numberholder is subject to nonpayment of benefits because of his/her removal from the United States, SSA will not reinstate payments unless he/she obtains lawful admission for permanent residence in the United States.<sup>8</sup>

Each month, DHS provides SSA an electronic list of individuals DHS deported from the United States (removal reports) during the previous month.<sup>9</sup> SSA matches these data against its records to locate or verify a Social Security number. When the match produces or verifies a possible Social Security number, the removal data are input into the Disability, Railroad, Alien, and Military Service (DRAMS) file, and an Alien Deportation Information record is created.

Additionally, SSA matches removal reports from DHS against its Master Beneficiary Record (MBR).<sup>10</sup> If the Agency determines a recently deported individual is receiving OASDI benefits, its systems generate an alert to an SSA program service center for investigation and possible suspension of benefits. The Processing Center Action Control System (PCACS) controls alerts for OASDI beneficiaries.

As of August 5, 2016, the DRAMS file contained 518,006 Alien Deportation Information records. To focus our audit on individuals that SSA may have improperly paid OASDI benefits, we matched the Alien Deportation Information Records against the MBR and identified 14,518 beneficiaries in current pay status as of September 1, 2016.

To address our three objectives, we identified three mutually exclusive sampling frames, each addressing a specific audit objective. We reviewed 100 percent of the cases in each sampling frame—247 beneficiaries in total. The first sampling frame consisted of 24 beneficiaries for whom SSA had active PCACS alerts as of September 1, 2016. After we removed these records from our audit population, we identified a second sampling frame of 68 beneficiaries who, according to the MBR as of September 1, 2016, were not lawfully admitted for permanent residence in the United States. To identify the third sampling frame, we removed from our audit population 14,271 individuals who were most likely eligible for continued benefits and whose deportation DHS reported to SSA longer than 6 years before September 1, 2016.<sup>11</sup> The

---

<sup>7</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 026, subch. RS 02635.020, sec. B.3. (March 1, 2012).

<sup>8</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 026, subch. RS 02635.001, sec. D.3. (April 29, 2015).

<sup>9</sup> This is referred to as the DHS/SSA I-57 Computer Match. SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 026, subch. RS 02635.005, sec. A. (November 18, 2013).

<sup>10</sup> The MBR is SSA's file of every OASDI beneficiary. Records are established when SSA receives an initial claims action.

<sup>11</sup> According to SSA, it is not required to retain case development documentation beyond 6 years. Relevant documentation for the 14,271 cases may not have been available for review. Therefore, we removed these individuals from our population. Further, we removed beneficiaries for whom we did not have a date their deportation was reported to SSA.

remaining 155 beneficiaries constituted the third sampling frame of beneficiaries. See Appendix B for more information.

## RESULTS OF REVIEW

SSA did not take timely and appropriate actions for all the cases in our review in which PCACS deportation alerts were issued. The Agency did not always suspend benefits to removed individuals in a timely fashion, resulting in overpayments. For 14 of the 24 beneficiaries in the first sampling frame, we found SSA did not (a) complete case development timely, (b) comply with Agency policy during case development, and/or (c) begin overpayment collection after it suspended beneficiaries. All 14 had OASDI overpayments.

Further, SSA paid improper OASDI benefits to some individuals DHS reported as deported from the United States and who were not lawfully admitted for permanent residence. Of the 68 beneficiaries in the second sampling frame, we determined SSA potentially overpaid 1<sup>12</sup> and overpaid 4 OASDI benefits (see Table 1).

Finally, SSA improperly paid OASDI benefits to certain individuals DHS reported to SSA as deported from the United States after July 31, 2010 and who did not meet criteria for continued benefit eligibility. Of the 155 beneficiaries in Sampling Frame 3, we referred 12 to SSA for review. We determined SSA overpaid six beneficiaries \$247,397 (see Table 1). The Agency determined the remaining six were not overpaid.

**Table 1: Review Results as of November 2017**

| Sampling Frame | OASDI Overpayments |                  | Potential OASDI Overpayments |                 |
|----------------|--------------------|------------------|------------------------------|-----------------|
|                | Number             | Dollars          | Number                       | Dollars         |
| Frame 1        | 14                 | \$180,930        | 0                            | \$0             |
| Frame 2        | 4                  | \$188,850        | 1                            | \$43,460        |
| Frame 3        | 6                  | \$247,397        | 0                            | \$0             |
| <b>Total</b>   | <b>24</b>          | <b>\$617,177</b> | <b>1</b>                     | <b>\$43,460</b> |

### Sampling Frame 1: Beneficiaries with Active PCACS Alerts

If the Agency determines a deported individual is receiving OASDI benefits, SSA's systems generate a PCACS alert to request case development for deportation. As of September 1, 2016, SSA had active PCACS alerts for 24 beneficiaries.

---

<sup>12</sup> SSA suspended OASDI benefits for one of the five beneficiaries; however, as of November 2, 2017, the Agency had not assessed an overpayment. Thus, we referred to this overpayment as a potential overpayment.

Of the 24 beneficiaries, SSA properly developed or was properly developing 10. We determined errors occurred during case development for the remaining 14 beneficiaries. We found SSA did not complete case development timely, comply with Agency policy during case development, and/or begin overpayment collection after it suspended benefits. The 14 beneficiaries we identified had a total of \$180,930 in OASDI overpayments.

In June 2017, 11 beneficiaries had overpayments on their records, and we referred the remaining 4 beneficiaries to SSA for review. As of November 2017, three of the four beneficiaries' overpayments were posted to their records, and SSA determined the remaining beneficiary's MBR was associated with an inaccurate deportation record.

### *Lack of Timely Case Development*

In 3 of the 14 error cases we identified, SSA did not develop cases and suspend OASDI benefits payments for deportation in a timely manner. For the three cases, the number of days from the date DHS notified SSA it deported the beneficiary to the date OASDI benefits payments were suspended was 383, 406, and 559 days, respectively. In two of the three cases, SSA's first case development actions after DHS notified the Agency of the deportations were not taken for at least 323 days. In the third case, SSA began case development 61 days after the deportation notification; however, there was a 1-year period during case development when SSA took no actions to complete the suspension process. As a result, SSA overpaid these three beneficiaries \$43,052 in OASDI benefits that would have been prevented if the Agency acted timely.

### *Lack of Timely Case Development and Noncompliance with SSA Policy*

Overpayments occurred in 7 of the 14 cases because SSA did not develop the deportation alerts timely or comply with its policy while completing case development. The time from the date DHS notified SSA it deported the beneficiary to the date SSA suspended OASDI benefit payments ranged from 262 to 736 days. On average, the Agency took 431 days to complete case development and suspend benefit payments. We determined SSA overpaid these seven beneficiaries \$114,889 after DHS deported them from the United States. According to SSA policy,<sup>13</sup> if the beneficiary fails to respond within 45 days to the due process notice communicating that SSA plans to suspend his/her benefits for deportation with acceptable evidence that he/she is lawfully admitted for permanent residence in the United States, SSA must suspend benefits.

---

<sup>13</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 026, subch. RS 02635.020, sec. B.3. (March 1, 2012).

## *Noncompliance with Agency Policy*

SSA developed 4 of the 14 cases timely but did not comply with its policy regarding actions for the deportation cases. The Agency overpaid these four beneficiaries \$22,989. In three of the four cases, SSA did not suspend benefits 45 days after it sent the beneficiaries due-process notices, as required. In the final case, SSA did not send the due-process notice, as required by Agency policy.<sup>14</sup>

## **Sampling Frame 2: Beneficiaries Not Lawfully Admitted for Permanent Residence**

SSA's MBR indicated whether the Agency had verified that beneficiaries were lawfully admitted for permanent residence in the United States. We identified 68 beneficiaries who were not lawfully admitted for permanent residence in the United States according to the MBR as of September 1, 2016.

Of the 68 beneficiaries reviewed, we found no issues in 61 cases.<sup>15</sup> However, we identified seven cases in which beneficiaries had potential overpayments or beneficiaries' records may have required updates. On June 29, 2017, we referred the seven beneficiaries to SSA for review.

## *Payments to Beneficiaries Not Lawfully Admitted for Permanent Residence in the United States*

SSA continued to pay OASDI benefits to five of the seven beneficiaries after DHS reported it had deported them from the United States.<sup>16</sup> Additionally, according to SSA's records, these beneficiaries were not lawfully admitted for permanent residence in the United States. However, SSA took action in response to our case referrals. As of November 2, 2017, SSA had suspended all five beneficiaries' OASDI payments. As of November 2017, SSA overpaid four beneficiaries \$188,850 and potentially overpaid one beneficiary \$43,460.<sup>17</sup>

---

<sup>14</sup> SSA, *POMS, RS-Retirement and Survivors Insurance*, ch. RS 026, subch. RS 02635.020, sec. B.2. (May 3, 2017).

<sup>15</sup> We determined (1) SSA fully developed the cases, (2) the beneficiaries were lawfully admitted for permanent residence in the United States, (3) the beneficiaries were eligible for continued payments as auxiliary beneficiaries, or (4) the DRAMS records were incorrectly matched to the MBR.

<sup>16</sup> We referred these beneficiaries to SSA because they (1) were not born in the United States or U.S. citizens, according to SSA's records; (2) were reported deported from the United States; (3) were not lawfully admitted for permanent residence in the United States according to the MBR; (4) did not have a case for deportation fully developed by SSA; and (5) were in current pay status as of June 2017.

<sup>17</sup> SSA suspended OASDI benefits for one of the five beneficiaries; however, as of November 2, 2017, the Agency had not assessed an overpayment. Thus, we referred to this overpayment as a potential overpayment.

## *MBR Coding Issues*

We identified two beneficiaries who, according to their MBRs, were both U.S. citizens and not lawfully admitted for permanent residence. Additionally, DHS reported both beneficiaries as deported. After our referral, SSA took action to delete an erroneous DRAMS record and update the MBR to reflect the individual was a U.S. citizen. As of September 2017, there were no longer deportation issues related to these cases.

### **Sampling Frame 3: Remaining Beneficiaries DHS Reported as Deported**

Our third sampling frame included 155 beneficiaries DHS reported as deported from the United States and who

- were in current pay status as of September 1, 2016,
- did not appear in the first 2 sampling frames, and
- did not meet the exclusion criteria described in Appendix B.

Of the 155 beneficiaries we reviewed, 143 were non-error cases.<sup>18</sup> We referred 12 cases to SSA for review. Of the 12 beneficiaries, 6 were overpaid a total of \$247,397. The Agency determined the remaining six cases were not overpaid.

While identifying our third sampling frame, we excluded 1,832 beneficiaries whose deportations were reported to SSA longer than 6 years before the month in which we obtained DRAMS data and records with no deportation report date. Based on discussions with the Agency, we determined we may not have been able to review all relevant case development documentation because of SSA's document retention policies. However, all other characteristics of this group of beneficiaries and our third sampling frame were the same. As of November 8, 2017, 1,746 of these beneficiaries remained in current pay status. Therefore, we used a straight-line ratio to estimate the results of our sample to these 1,746 beneficiaries. We estimate that SSA overpaid about \$2.8 million to 68 beneficiaries after DHS reported their deportations to SSA.<sup>19</sup>

### *Overpayments to Beneficiaries Reported as Deported from the United States*

After our referral of the 12 cases, SSA determined it overpaid six beneficiaries approximately \$247,000 after DHS reported the deportations to the Agency. For example, DHS notified SSA of a beneficiary's deportation from the United States on October 1, 2013. During our review of SSA's systems, we identified a suspension notice SSA sent the beneficiary on January 17, 2014; however, we did not identify any other evidence of case development. Additionally, as of

---

<sup>18</sup> We determined (1) SSA fully developed the cases, (2) the beneficiaries were lawfully admitted for permanent residence in the United States, (3) the beneficiaries were eligible for continued payments as auxiliary beneficiaries, or (4) the DRAMS records were incorrectly matched to the MBR.

<sup>19</sup> See Appendix B for our sampling methodology and results.

June 27, 2017, SSA continued to pay the beneficiary \$1,785 in monthly OASDI benefits. Thus, we referred the case to SSA for review. On November 1, 2017, the Agency notified us that it had suspended the beneficiary's payments effective November 2013. Further, SSA reported that it overpaid the beneficiary \$83,294 after DHS notified the Agency of the beneficiary's deportation in October 2013.

### *Non-error Cases*

SSA determined, in 4 of the 12 cases, that the beneficiaries' MBRs were associated with inaccurate deportation records. Additionally, according to SSA, 1 of the 12 beneficiaries was lawfully present in the United States. SSA suspended the remaining beneficiary for deportation; however, the Agency determined no overpayment occurred since it was not paying benefits to the beneficiary at the time of the deportation.

## CONCLUSIONS

SSA needs to improve its handling of cases for which DHS has reported beneficiaries as deported from the United States. We found that SSA did not always take timely and appropriate actions for all the cases in our review in which PCACS deportation alerts were issued. SSA paid improper OASDI benefits to some individuals DHS reported as deported from the United States who were not lawfully admitted for permanent residence. Further, we found SSA improperly paid OASDI benefits to certain individuals DHS reported as deported from the United States who did not meet criteria for continued benefit eligibility.

Based on the results of our review, we estimate that SSA overpaid about \$2.8 million to 68 beneficiaries after DHS reported it deported them from the United States. Therefore, we believe the Agency should review the 1,746 beneficiaries we did not review to determine whether improper payments occurred based on deportation.

## RECOMMENDATIONS

We recommend SSA:

1. Remind staff to comply with SSA policies when developing deportation cases and complete their eligibility determinations timely to avoid overpayments.
2. Take action, if appropriate, on the remaining 1,746 beneficiaries we identified who were still receiving benefits.

## AGENCY COMMENTS

SSA agreed with our recommendations. For the full text of the Agency comments, see Appendix C.

A handwritten signature in black ink that reads "Rona Lawson". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Rona Lawson  
Assistant Inspector General for Audit

# *APPENDICES*

## Appendix A – SCOPE AND METHODOLOGY

---

To accomplish our objective, we:

- Obtained and reviewed applicable Federal laws and regulations and the Social Security Administration's (SSA) policies and procedures.
- Reviewed a prior Office of the Inspector General report pertaining to SSA's use of deportation data.
- Met with personnel from SSA's Offices of Systems, Operations, and Retirement and Disability Policy.
- Attended a walkthrough of SSA's procedures for matching Department of Homeland Security (DHS) deportation data against SSA systems; inputting records into the Disability, Railroad, Alien, and Military Service (DRAMS) file; completing case development for deportation cases; and retaining documents in deportation cases.
- Obtained and analyzed a data extract from SSA's DRAMS and Master Beneficiary Record (MBR). See Appendix B for detailed information.
- Completed data mining and refinement to identify three sampling frames for review. The sampling frames included beneficiaries with active Processing Center Action Control System alerts as of September 1, 2016, with a not lawfully admitted for permanent residence status on their MBR as of September 1, 2016, and who did not meet our sampling frame exclusion criteria. The sampling frames were exclusive and included 24, 68, and 155 beneficiaries, respectively. See Appendix B for detailed information.
- For sample cases, we examined information from DHS' Systematic Alien Verification for Entitlements system as well as SSA's Claims Folder Records Management System and Paperless system. Additionally, we reviewed queries from SSA's MBR, Supplemental Security Record, Prisoner Update Processing System, Numident, Modernized Development Worksheet, and DRAMS. We reviewed this information to determine whether SSA developed cases in compliance with its policies and procedures and whether SSA paid beneficiaries deported from the United States. Additionally, we applied the following criteria to determine whether a deported beneficiary
  - was not born in the United States,
  - was not a U.S. citizen,
  - did not have a lawfully admitted for permanent residence start date after the reported deportation date,
  - did not have a case fully developed by SSA staff for deportation,
  - did not file for benefits after the reported deportation date, and
  - was in current pay status as of July 2017.

- Calculated overpayments for beneficiaries who were paid after DHS reported them deported.
- Used straight-line estimation ratio to estimate the amount of benefits SSA potentially overpaid to beneficiaries after DHS reported their deportations to SSA.

We conducted our review from November 2016 through November 2017 at SSA's Headquarters in Baltimore, Maryland. The principal entity audited was the Office of the Deputy Commissioner for Operations.

We determined the computer-processed data used for this audit were sufficiently reliable to meet our audit objectives. Further, any data limitations were minor in the context of this assignment, and the use of the data should not lead to an incorrect or unintentional conclusion.

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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Appendix B – SAMPLING METHODOLOGY AND RESULTS

---

We obtained a data extract of information from the Alien Deportation Information section of the Social Security Administration's (SSA) Disability, Railroad, Alien, and Military Service (DRAMS) file as of August 5, 2016 that contained 518,006 records. We compared these records against the Master Beneficiary Record (MBR) to identify 14,518 beneficiaries in current pay status receiving Old-Age, Survivors and Disability Insurance (OASDI) benefit payments as of September 1, 2016. We identified three sampling frames from this data extract.

The first sampling frame included 24 beneficiaries with active Processing Center Action Control System (PCACS) alerts as of September 1, 2016. Each month, the Department of Homeland Security (DHS) provides SSA an electronic list of individuals DHS deported from the United States during the previous month. If SSA determines a recently deported individual is receiving retirement or disability benefits, SSA's systems generate a PCACS alert to request investigation and possible suspension of benefits that it sends to its program service centers. We determined SSA overpaid 14 of the 24 beneficiaries \$180,930 in OASDI benefits after DHS deported them from the United States.

We identified the second sampling frame after we removed beneficiaries with an active PCACS alert from our audit population. The second sampling frame included 68 beneficiaries who were not lawfully admitted for permanent residence in the United States according to MBR data as of September 1, 2016. A not lawfully admitted for permanent residence status on the lawful presence data line of the MBR indicates an individual was not lawfully admitted for permanent residence in the United States. Our review of DHS information indicated SSA potentially overpaid 1 of the 68 beneficiaries \$43,460 and overpaid 4 beneficiaries \$188,850 in OASDI benefits after DHS reported them as deported.

After removing beneficiaries with a not lawfully admitted for permanent residence status from our audit population, we applied various exclusion criteria to further refine our audit population and identify our third sampling frame. See Table B-1 for a breakdown of the criteria. After refinement, we identified 155 beneficiaries DHS reported as removed from the United States no longer than 6 years before we extracted data from DRAMS. Additionally, these beneficiaries appeared less likely to maintain eligibility for OASDI benefit payments since they did not meet any of the exclusion criteria. For example, we removed 7,553 beneficiaries who were proven or presumed U.S. citizens based on their MBR data and 3,620 beneficiaries whose status was changed to lawfully admitted for permanent residence after their reported deportation dates.

**Table B–1: Exclusion Criteria to Identify Third Sampling Frame**

| Classification of Cases   | Number of Beneficiaries |
|---|-------------------------|
| Proven or presumed United States citizens   | 7,553                   |
| Benefits reinstated   | 8                       |
| DRAMS noncitizen charge code exemption  | 254                     |
| Noncitizen nonpayment exemption   | 640                     |
| Lawfully admitted for permanent residence start date after report of removal to SSA date                  | 3,620                   |
| Lawfully admitted for permanent residence start date after date of removal                                | 360                     |
| Lawfully admitted for permanent residence start date, but no removal reported to SSA date or removal date | 4                       |
| Deportation was reported to SSA before July 31, 2010 or no date available                                 | 1,832                   |
| <b>Total Cases Removed</b>  | <b>14,271</b>           |

Our review of the third sampling frame determined SSA overpaid six beneficiaries \$247,397 in OASDI benefits after DHS reported it deported them from the United States. We have no reason to believe these results would not hold true for the 1,832 beneficiaries excluded from our review. As of November 8, 2017, 1,746 of the 1,832 beneficiaries remained in current pay status. We did not include these beneficiaries in our sampling frame due to document retention practices that prevented our ability to review all case development information. Based on the results of our review, we used a straight-line ratio estimation methodology to estimate that SSA overpaid about \$2.8 million to 68 beneficiaries after DHS reported them as deported to SSA.

**Table B–2: Straight-line Estimations**

| Description                     | Sampling Frame Three | 1,746 Beneficiaries      |
|---------------------------------|----------------------|--------------------------|
| Sample Size                     | 155                  | 1,746                    |
| Overpaid Deported Beneficiaries | 6                    | 68 <sup>1</sup>          |
| Overpayments                    | \$247,397            | \$2,803,833 <sup>2</sup> |

<sup>1</sup> To calculate the estimated number of overpaid deported beneficiaries, we determined the percentage of overpaid deported beneficiaries in our third sampling frame ( $6 / 155 = 3.87$  percent). We then multiplied this percentage by the number of beneficiaries who remained in current pay status as of November 8, 2017 ( $3.87$  percent  $\times$   $1,746 = 67.57$ ).

<sup>2</sup> To calculate the estimated amount of overpayments, we determined the average overpayment per beneficiary in our third sampling frame ( $\$247,397 / 6 = \$41,232.83$ ). We then multiplied the average overpayment per beneficiary by the estimated number of overpaid deported beneficiaries ( $\$41,232.83 \times 68 = \$2,803,82.66$ ).

## Appendix C – AGENCY COMMENTS

---



## SOCIAL SECURITY

### MEMORANDUM

Date: December 26, 2017 Refer To: SIJ-3

To: Gale S. Stone  
Acting Inspector General

From: Stephanie Hall *Stephanie Hall*  
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Old-Age, Survivors and Disability Insurance Benefits to Individuals Removed from the United States” (A-13-17-34105)--INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, “OLD-AGE, SURVIVORS AND DISABILITY INSURANCE BENEFITS TO INDIVIDUALS REMOVED FROM THE UNITED STATES” (A-13-17-34105)**

**General Comment**

We are committed to protecting the integrity of our programs and avoiding improper payments. We use deportation data from the Department of Homeland Security (DHS) to help determine if an individual is ineligible to receive benefits. The way we maintain an individual’s information in our records differs from how DHS collects and stores its information and at times, this results in mismatches of information between our records. Therefore, we must manually review the DHS information and our records, which can be a time consuming and complex process that may also require contact with the beneficiary. Thank you for your findings and recommendations, which will assist with our ongoing efforts to ensure we issue accurate payments.

Below are our responses to the recommendations. We also provided technical comments at the staff level.

**Recommendation 1**

Remind staff to comply with SSA policies when developing deportation cases and complete their eligibility determinations timely to avoid overpayments.

Response

We agree.

**Recommendation 2**

Take action, if appropriate, on the remaining 1,746 beneficiaries we identified who were still receiving benefits.

Response

We agree.

## MISSION

By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration's (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

## CONNECT WITH US

The OIG Website (<https://oig.ssa.gov/>) gives you access to a wealth of information about OIG. On our Website, you can report fraud as well as find the following.

- OIG news
- audit reports
- investigative summaries
- Semiannual Reports to Congress
- fraud advisories
- press releases
- congressional testimony
- an interactive blog, “[Beyond The Numbers](#)” where we welcome your comments

In addition, we provide these avenues of communication through our social media channels.



[Watch us on YouTube](#)



[Like us on Facebook](#)



[Follow us on Twitter](#)



[Subscribe to our RSS feeds or email updates](#)

## OBTAIN COPIES OF AUDIT REPORTS

To obtain copies of our reports, visit our Website at <https://oig.ssa.gov/audits-and-investigations/audit-reports/all>. For notification of newly released reports, sign up for e-updates at <https://oig.ssa.gov/e-updates>.

## REPORT FRAUD, WASTE, AND ABUSE

To report fraud, waste, and abuse, contact the Office of the Inspector General via

**Website:** <https://oig.ssa.gov/report-fraud-waste-or-abuse>

**Mail:** Social Security Fraud Hotline  
P.O. Box 17785  
Baltimore, Maryland 21235

**FAX:** 410-597-0118

**Telephone:** 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. Eastern Standard Time

**TTY:** 1-866-501-2101 for the deaf or hard of hearing