



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Auxiliary Beneficiaries Who Do Not Have Their Own, or Have an Incorrect, Social Security Numbers

012312 October 2023



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: October 13, 2023

Refer to: 012312

To: Kilolo Kijakazi
Acting Commissioner

From: Gail S. Ennis *Gail S. Ennis*
Inspector General

Subject: Auxiliary Beneficiaries Who Do Not Have Their Own, or Have an Incorrect, Social Security Numbers

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration decreased the number of auxiliary beneficiaries with missing or incorrect Social Security numbers on the Master Beneficiary Record.

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 Michelle L. Anderson, Assistant Inspector General for Audit.

If you wish to discuss the final report, please contact Michelle L. Anderson, Assistant Inspector General for Audit.

Attachment

Auxiliary Beneficiaries Who Do Not Have Their Own, or Have an Incorrect, Social Security Numbers 012312



October 2023

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) decreased the number of auxiliary beneficiaries with missing or incorrect Social Security numbers (SSN) on the Master Beneficiary Record (MBR).

Background

Auxiliary beneficiaries are children, widows, spouses, and parents who receive Old-Age, Survivors and Disability Insurance (OASDI) benefits based on another wage earner's Social Security record. As such, SSA uses the primary wage earner's—not the auxiliary beneficiary's—SSN to track the auxiliary's benefit payments on the MBR. SSA commonly refers to the auxiliary beneficiary's SSN as the Beneficiary's Own Account Number (BOAN).

The *Social Security Act* requires that individuals first entitled to benefits as of June 1, 1989 or later have, or have applied for, an SSN to receive OASDI benefits. To comply with this, SSA's BOAN verification system monitors the MBR. If an SSN is not verified for an auxiliary beneficiary initially entitled on or after June 1, 1989, the BOAN verification system generates an exception report to the appropriate SSA office for correction.

As of March 2022, we had identified 5,885 auxiliary beneficiaries: 4,932 who had missing SSNs and 953 who had possibly incorrect SSNs.

Results

Since 2002, SSA has decreased the number of auxiliary beneficiaries with missing or incorrect SSNs by 98 percent. Of the more than 10 million auxiliary beneficiaries in current pay status, 5,885 (less than one-tenth of 1 percent) did not have a valid SSN.

When an auxiliary beneficiary applies for benefits, SSA enters the information in its Modernized Claims System (MCS). However, MCS cannot completely process certain claims because of processing limitations, such as a non-U.S. address, that need manual action. Of the 5,885 auxiliary beneficiaries, 3,177 (54 percent) lived outside the United States. These cases require manual processing, which is more error-prone. Additionally:

- SSA did not add the correct SSNs for auxiliary beneficiaries who were entitled to benefits before June 1, 1989 because, by law, these beneficiaries were not required to have an SSN. This occurred for 3,716 (63 percent) of the 5,885 auxiliary beneficiaries we identified in March 2022.
- SSA employees can clear alerts that are generated for beneficiaries entitled on or after June 1, 1989 without ensuring the SSN is valid. Human error, such as transposition errors or failure to address an alert, can prevent validation. This occurred for 2,169 (37 percent) of the 5,885 auxiliary beneficiaries we identified in March 2022.

Because the SSNs were missing or incorrect, SSA improperly paid 133 auxiliary beneficiaries \$2.6 million; most improper payments were due to death. SSA's Medicare Non-Utilization Project identifies aged beneficiaries who may have died so SSA may identify them even if the SSN is missing or incorrect.

As of July 2023, SSA had corrected 969 (16 percent) of the 5,885 records. Therefore, there were 3,643 auxiliary beneficiaries entitled before June 1, 1989, and 1,273 entitled on or after June 1, 1989 without a valid SSN.

Recommendation

SSA agreed with the recommendation to add the correct SSNs to the 1,273 MBRs for auxiliary beneficiaries entitled on or after June 1, 1989 that are still missing or incorrect.

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ABBREVIATIONS

BOAN	Beneficiary's Own Account Number
C.F.R.	Code of Federal Regulations
MBR	Master Beneficiary Record
MCS	Modernized Claims System
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
OMB	Office of Management and Budget
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
U.S.C.	United States Code

OBJECTIVE

To determine whether the Social Security Administration (SSA) decreased the number of auxiliary beneficiaries with missing or incorrect Social Security numbers (SSN) on the Master Beneficiary Record (MBR).¹

BACKGROUND

The Old-Age, Survivors and Disability Insurance (OASDI) program provides benefits to wage earners and eligible family members in the event the wage earner retires, becomes disabled, or dies.² In February 2022, SSA paid benefits to over 65 million OASDI beneficiaries—over 10 million of these were auxiliary beneficiaries. Auxiliary beneficiaries are children, widows, spouses, and parents who receive OASDI benefits based on another wage earner's Social Security record. As such, SSA uses the primary wage earner's—not the auxiliary beneficiary's—SSN to track the auxiliary's benefit payments on the MBR. SSA commonly refers to the auxiliary beneficiary's SSN as the Beneficiary's Own Account Number (BOAN).

Why the Auxiliary Beneficiary's Social Security Number is Important

The *Social Security Act*³ requires that individuals first entitled to benefits on June 1, 1989 or later must have, or have applied for, an SSN to receive OASDI benefits. To comply with this, SSA's BOAN verification system monitors the MBR to ensure all auxiliary beneficiaries—first entitled in June 1989 or later—have a valid SSN on the record. If the Agency cannot verify an SSN, the BOAN verification system generates an exception report to the appropriate SSA office to correct the SSN.⁴ When the SSA office receives the exception report, an employee checks other information in SSA systems to identify the auxiliary beneficiary's verified SSN and add it to the MBR. If the beneficiary does not have an SSN, the employee asks the auxiliary beneficiary to apply for an SSN. If the beneficiary does not have an SSN and refuses to apply for an SSN, the SSA employee is supposed to suspend benefit payments.

Many of SSA's systems use SSNs to control information about the beneficiaries. For example, death reports, Supplemental Security Income (SSI) records, earnings records, and prisoner information are associated with individuals' SSNs. Because this information can affect entitlements to benefits, SSA routinely compares this information to its payment files to ensure payment accuracy.

¹ The MBR contains information about each claimant who has applied for OASDI benefits.

² 42 U.S.C. §§ 401-402.

³ 42 U.S.C. § 405(c)(2)(F) and Pub. L. No. 100-647, Title VIII, subtitle A, § 8009, 102 Stat. 3342, 3787.

⁴ SSA retains the file of exceptions for 6 months.

Death: Auxiliary beneficiaries' entitlement to benefits ends when they die.⁵ To identify deceased beneficiaries and prevent erroneous payments after death, SSA uses its Death Information Processing System, which compares deceased individuals' and OASDI beneficiaries' SSNs.⁶ When auxiliary beneficiaries' SSNs are not present on the MBR, the Death Information Processing System will not detect the deceased individuals are beneficiaries whose payments should be terminated.

Concurrent Beneficiaries: Concurrent beneficiaries are entitled to receive benefit payments under both the OASDI and SSI programs. SSI is a needs-based program, and eligibility, in part, depends on the amount of income available to the aged, blind, or disabled recipient. Under the SSI program, concurrent beneficiaries' OASDI benefits are considered income and recorded on the recipients' Supplemental Security Record. If an SSI recipient's SSN does not appear on the MBR for their OASDI benefit, the Supplemental Security Record may not update with the correct benefit amount, resulting in an improper payment.

Earnings: Social Security benefits are intended to replace some of the earnings lost because of a worker's retirement, disability, or death. For this reason, there are limits on the amount of income beneficiaries are allowed to earn before their benefits are reduced. When auxiliary beneficiaries work, their benefits—and benefits payable to other beneficiaries on the same record—may be too high or too low. SSA's Earnings Enforcement Operation matches the earnings data, recorded on the MBR, against the actual earnings recorded on SSA's Master Earnings File under the individual's SSN. When auxiliary beneficiaries have reported earnings under their SSNs—but those SSNs do not appear on the MBR—the Earnings Enforcement Operation will not detect that working individuals are beneficiaries. As a result, SSA may not know when benefit payments should be adjusted.

Dual Entitlement: Dual entitlement exists when a beneficiary is entitled to multiple benefits at the same time. For example, a beneficiary may be entitled to retirement benefits on their own earnings record and spouse's benefits on another person's record. Although a beneficiary may be simultaneously entitled to more than one benefit, the total benefit may not be greater than the highest single benefit amount to which they are entitled. Generally, SSA calculates the amounts due and combines the benefits into one monthly payment.⁷

According to the Office of Management and Budget (OMB), agencies should prioritize efforts toward preventing improper payments from occurring so those agencies can avoid operating in a "pay-and-chase" environment. The prevention of improper payments resulting in a monetary loss should be the highest priority.⁸

⁵ 20 C.F.R. §§ 404.316, 404.332, 404.337, 404.341, 404.352 and 404.371.

⁶ SSA, *POMS*, GN 02602.051 (May 5, 2023).

⁷ SSA, *POMS*, GN 02401.025 (March 28, 2011). Generally, benefits are combined into one monthly payment unless they are derived from different trust funds.

⁸ OMB, *Requirements for Payment Integrity Improvement*, Appendix C to OMB Circular A-123, pp. 7 and 9 (March 5, 2021).

Prior Reports

Between 2002 and 2014, we issued three reports on auxiliary beneficiaries who did not have their own SSN on the MBR and one report on auxiliary beneficiaries who had incorrect SSNs.⁹ Each report recommended SSA update the MBR with correct SSNs for the beneficiaries we identified. SSA agreed with most of these recommendations. Our 2002 and 2003 reports also recommended SSA improve its controls to ensure beneficiaries had SSNs on their records and the SSNs were correct. SSA agreed with these recommendations as they pertained to beneficiaries with incorrect SSNs and beneficiaries without an SSN first entitled to benefits in June 1989 or later.

Methodology

As of March 2022, we had identified 5,885 auxiliary beneficiaries: 4,932 who had missing SSNs and 953 with possibly incorrect SSNs. We ran the beneficiaries' names, dates of birth, and genders through SSA's Enumeration Verification System and identified potential correct SSNs for 2,550 (43 percent). We then analyzed other SSA records for the 2,550 potentially correct SSNs to validate whether the SSN was correct and determine whether SSA improperly paid the auxiliary beneficiary because the correct SSN was not on the MBR. For the remaining 3,335 auxiliary beneficiaries, SSA's system either (a) did not identify a potentially correct SSN or (b) identified multiple SSNs that had similar names and dates of birth; therefore, we could not determine a correct SSN for the beneficiary. See Appendix A for information on our scope and methodology.

⁹ SSA, OIG, *Impact on the Social Security Administration's Programs When Auxiliary Beneficiaries Do Not Have Their Own Social Security Numbers*, A-01-02-22006 (September 2002); *Impact on the Social Security Administration's Programs When Auxiliary Beneficiaries Have Incorrect Social Security Numbers*, A-01-03-33020 (November 2003); *Follow-up On the Impact on the Social Security Administration's Programs When Auxiliary Beneficiaries Do Not Have Their Own Social Security Numbers*, A-01-07-17038 (March 2008); and *Auxiliary Beneficiaries Who Do Not Have Their Own Social Security Number*, A-01-14-14036 (September 2014).

RESULTS

Since we issued our September 2002 and November 2003 reports, SSA has reduced the number of MBRs with a missing or incorrect SSN by 98 percent (see Table 1).¹⁰ The 5,885 auxiliary beneficiaries we identified is a small fraction of the more than 10 million in current pay status.

Table 1: Prior and Current Audit Populations of Auxiliary Beneficiaries with Missing or Possible Incorrect SSNs

Report Date ¹¹	Auxiliary Beneficiaries with a Missing SSN on the MBR	Auxiliary Beneficiaries with a Possible Incorrect SSN on the MBR
September 2002	126,471	
November 2003		246,558
March 2008	63,134	
September 2014	12,370	
Current Review	4,932	953
Decrease from September 2002/November 2003 Reports	96.1%	99.6%

When an auxiliary beneficiary applies for benefits, SSA enters the information in its Modernized Claims System (MCS). MCS was updated under SSA's Title II Redesign Project which improved automation. However, certain claims cannot completely process through MCS because of processing limitations, such as an auxiliary beneficiary living outside of the United States. Exception cases require manual action. Of the 5,885 auxiliary beneficiaries, 54 percent had an address outside of the United States.¹² This is a decrease from our September 2014 report, where 83 percent of the auxiliary beneficiaries had an address outside the United States. Cases that are completely processed through MCS have higher levels of accuracy compared to exception cases that require manual processing. For the 5,885 beneficiaries with a missing or incorrect SSN on the MBR:

- SSA had not taken steps to add the correct SSNs for the 3,716 auxiliary beneficiaries who were entitled to benefits before June 1989 (63 percent of the population) because, by law, these beneficiaries are not required to have an SSN.
- SSA employees can clear BOAN alerts that were generated for the 2,169 beneficiaries entitled on or after June 1989 (37 percent of the population) without ensuring the auxiliary beneficiary's SSN was valid. Human error, such as transposition and typographical errors can prevent validation. In some cases, an SSA employee might not have worked the alert.

¹⁰ To calculate, we combined the September 2002 missing SSN report with the November 2003 incorrect SSN report and compared it to the current review: $5,885 / (126,471 + 246,558) = 98$ percent.

¹¹ See Footnote 9 for the titles of each report listed in Table 1.

¹² Of the 5,885 auxiliary beneficiaries, 3,001 were living outside the United States and were initially entitled to benefits before June 1, 1989, and 176 had an address outside the United States and were initially entitled to benefits on or after June 1, 1989.

Because the SSNs were missing or incorrect, SSA overpaid \$2.4 million and underpaid \$192,705 to at least 133 of the auxiliary beneficiaries.¹³ Since we only identified possible SSNs for 43 percent of the 5,885 auxiliary beneficiaries with missing or incorrect SSNs, there may be more improper payments. See Appendix B for a diagram of our results.

Auxiliary Beneficiaries Not Required to Have a Social Security Number

Of the 5,885 auxiliary beneficiaries with a missing or incorrect SSN on the MBR, 3,716 (63 percent) were first entitled to benefits before June 1, 1989. By law, they were not required to have an SSN.¹⁴ In our prior reviews, SSA did not agree to add the SSNs where it was not required to do so, citing other protections—such as the Medicare Non-Utilization Project (described below)—that should catch updates on a beneficiary’s record. Even though the SSN is not required by law, we believe it is a best practice to have the auxiliary beneficiary’s SSN on the MBR because it helps prevent improper payment. For example:

- SSA issued over \$121,000 in OASDI benefits after an auxiliary beneficiary from Michigan died at 90 in March 2016. The beneficiary was initially entitled in August 1987. SSA posted the death information to its Numident in June 2016; however, because the auxiliary’s SSN was not on the MBR, the payments continued. After we notified SSA, it added the auxiliary beneficiary’s SSN to the MBR, and, as of June 2023, SSA was terminating the benefits.
- SSA issued over \$50,450 in overpayments to an auxiliary beneficiary from Alabama who had an incorrect SSN on the MBR. The seventh digit was incorrect. The beneficiary died in January 2021 at 96, but benefit payments continued. However, because the auxiliary beneficiary’s initial entitlement was before June 1989, the record was not included in the BOAN verification process. A valid SSN was not required to be on the record.¹⁵

¹³ We identified \$8.9 million in improper payments in the September 2002 report and \$1.1 million in improper payments in the November 2003 report for a total \$10 million. Therefore, the \$2.6 million in our current review is a 74-percent reduction in improper payments identified.

¹⁴ 42 U.S.C. § 405(c)(2)(F) and Pub. L. No. 100-647, Title VIII, subtitle A, § 8009, 102 Stat. 3342, 3787.

¹⁵ 42 U.S.C. § 405(c)(2)(F) and Pub. L. No. 100-647, Title VIII, subtitle A, § 8009, 102 Stat. 3342, 3787.

Table 2 shows the age of the auxiliary beneficiaries and Table 3 shows that most of the improper payments we identified were made because the auxiliary beneficiary died.

Table 2: Age of Auxiliary Beneficiaries Not Required to Have SSNs Because Date of Initial Entitlement Was Before June 1989

Age Range	Auxiliary Beneficiaries with Missing SSNs	Auxiliary Beneficiaries with Incorrect SSNs	Total
90 and Older	1,529	127	1,656
80-89	520	79	599
77-79	135	9	144
Over 76 Subtotal¹⁶	2,184	215	2,399
76 and Under	1,242	75	1,317
TOTAL	3,426	290	3,716

Of the 3,716 beneficiaries who were entitled to benefits before June 1, 1989, we identified a possible SSN for 706.¹⁷ SSA improperly paid 66 of these 706 beneficiaries \$1.75 million; see Table 3. As of June 2023, SSA had recovered \$109,239 of the \$1.75 million.

Table 3: Improper Payments to Beneficiaries Entitled Before June 1989

Improper Payment Cause	Overpayments and Beneficiaries with Missing SSNs		Overpayments and Beneficiaries with Incorrect SSNs		Total Improper Payments and Auxiliary Beneficiaries	
	\$		\$		\$	
Death	\$541,762	21	\$761,298	31	\$1,303,060	52
Dually Entitled	\$0	0	\$312,079	1	\$312,079	1
Concurrent	\$29,988	1	\$107,646	12	\$137,634	13
Total	\$571,750	22	\$1,181,023	44	\$1,752,773	66

Although the BOAN verification system is not monitoring the records of the auxiliary beneficiaries in Table 2, SSA uses other protections that are designed to ensure payment accuracy. For example, the Medicare Non-utilization Project monitors Medicare enrollees who have not used their Part A or B benefits for 3 or more years and who are also 90-years-old or older and in current pay status. SSA employees will verify the beneficiary is alive and their benefit payments are accurate.¹⁸

¹⁶ According to the Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics (December 22, 2022), the average life expectancy is 76.4-years-old.

¹⁷ Of the 706 possible SSNs, 437 were missing and 269 were incorrect.

¹⁸ We are planning a review of the Medicare Non-utilization Project.

As of July 2023 (over 1 year since we identified the beneficiaries with missing or incorrect SSNs), SSA had added the correct SSN to the MBRs for 73 (2 percent) of the 3,716 auxiliary beneficiaries who were initially entitled to benefits before June 1, 1989. Therefore, 3,643 auxiliary beneficiaries still had a missing or incorrect SSN on the MBR.

Agency Alerts Not Always Completely Worked for Auxiliary Beneficiaries Entitled on or After June 1, 1989

SSA must have a correct SSN for 2,169 (37 percent) of the 5,885 auxiliary beneficiaries because they were entitled to benefits on or after June 1, 1989. When SSA's BOAN verification system identifies a beneficiary whose date of initial entitlement was on or after June 1, 1989 and whose SSN is missing or incorrect, it generates an alert at the SSA office for staff to resolve the issue. Human error, such as transposition and typographical errors, and failure to completely address an alert prevented validation of the SSN on the MBR. For example:

- A beneficiary from Tennessee was first entitled to OASDI benefits in September 2010. However, an SSA employee transposed the seventh and eighth digits of the beneficiary's SSN. SSA overpaid the beneficiary \$18,438 from January 2020 to December 2022 because the incorrect SSN prevented her earnings from being detected by routine data matches.¹⁹ In April 2023, SSA informed us “. . . the [employee] failed to confirm the [SSN] (i.e., disregarded the 'alert')” and therefore an incorrect SSN was posted to her MBR.
- A beneficiary from South Carolina started receiving survivor benefits under his ex-wife's SSN in June 2007; however, his SSN was incorrectly recorded in the BOAN field on the MBR. The SSN's last digit was incorrect. In January 2021, he became entitled to retirement benefits on an MBR that was created under his own SSN. Because the BOAN was incorrect on his ex-wife's MBR, SSA's systems did not recognize the beneficiary was dually entitled and receiving benefits on his own and his ex-wife's MBR. According to the Agency, it sent an alert to the SSA office, but an employee did not correct the SSN on the ex-wife's MBR. Because the SSN was wrong, and the alert was ignored, this beneficiary was overpaid \$23,488.
- A beneficiary from Florida became entitled to survivor benefits in February 2018 when her husband died. An SSA employee processed her application through SSA's A-101 system (because it met an MCS exception); however her SSN was not recorded on the MBR. SSA's systems generated a missing BOAN alert for this record, but as of August 2023 the SSN had not been entered in the BOAN field on the MBR. Because the SSN was not on the MBR, SSA did not recognize the earnings she had under her own SSN. As a result, SSA overpaid the beneficiary \$24,695.

¹⁹ SSA identifies working beneficiaries during the claims process, explain the Social Security Earnings Test, and codes the MBR with work and earnings information. SSA uses the earnings posted to its Master Earnings File along with other pertinent information in SSA records to adjust benefits under the earnings test and ensure proper payment of benefits. SSA, *POMS*, RS 02510.001 (May 23, 2007) and RS 02510.026 (May 20, 2013).

- Three New Jersey siblings became entitled on their father’s record in 2008. In April 2017, two of these siblings also became entitled on their mother’s record. However, the record was put into pay without the two siblings’ SSNs. This resulted in SSA improperly paying all three siblings about \$164,000. Specifically, SSA underpaid the two siblings with missing BOANs \$83,500 on their mother’s record and overpaid them about \$80,000 on their father’s record. The overpayments on the father’s record also caused SSA to underpay the third sibling about \$600 as the father’s record had incorrectly reached the family maximum.²⁰ SSA reviewed the case and agreed with our conclusion.

Of the 2,169 missing and incorrect beneficiaries who were entitled to benefits on or after June 1, 1989, we identified a possible correct SSN for 1,844 auxiliary beneficiaries. Of the 1,844 auxiliary beneficiaries, SSA improperly paid 67 beneficiaries \$866,771; see Table 4.

Table 4: Improper Payments to Beneficiaries Entitled on or After June 1, 1989

Improper Payment Cause	Overpayments	Underpayments	Total Improper Payment	Total Beneficiaries
Missing SSN				
Death	\$5,480	\$0	\$5,480	1
Dually Entitled	\$146,746	\$110,642	\$257,388	12
Concurrent	\$216,811	\$0	\$216,811	21
Earnings	\$153,614	\$44,247	\$197,861	16
Sub-total	\$522,651	\$154,889	\$677,540	50
Incorrect SSN				
Death	\$56,238	\$0	\$56,238	4
Dually Entitled	\$25,327	\$0	\$25,327	2
Concurrent	\$13,841	\$0	\$13,841	8
Earnings	\$56,009	\$37,816	\$93,825	3
Sub-total	\$151,415	\$37,816	\$189,231	17
Grand Total	\$674,066	\$192,705	\$866,771	67

SSA has recovered \$53,138 of the overpayments. Also, as of July 2023, SSA had added the correct SSN to the MBR of 896 (41 percent) of the 2,169 auxiliary beneficiaries who were initially entitled to benefits on or after June 1989. Of the more than 10 million auxiliary beneficiaries in current pay, 1,273 (0.013 percent) still had a missing or incorrect SSN on the MBR.

²⁰ SSA, POMS, RS 00615.730, (September 16, 2002). *Social Security Act* § 203(a), 42 U.S.C. § 403(a), limits the amount of benefits payable to child and spousal beneficiaries. Generally, no more than one established maximum amount can be paid to a family, regardless of the number of beneficiaries entitled on that record. If the total monthly benefits of all child and spousal beneficiaries exceeds the maximum, SSA must reduce their payments to keep the total benefits within the family maximum provisions.

CONCLUSION

Over the last 20 years, SSA has reduced the number of auxiliary beneficiaries with missing or incorrect SSNs by 98 percent; and the improper payments we identified decreased by 74 percent. However, SSA still has 1,273 auxiliary beneficiaries who are required by law (entitled to benefits on or after June 1, 1989) to have a valid SSN but do not. It is important for SSA to fix these missing and incorrect SSNs because it may lead to improper payments because SSA's systems rely on the auxiliary beneficiary's SSN for matching purposes.

Although we believe it is a best practice to have a valid SSN on all auxiliary beneficiary records regardless of date of initial entitlement, we are not making a recommendation regarding auxiliary beneficiaries with dates of initial entitlement before June 1, 1989, because SSA is not required by law to have the SSN for these individuals.

RECOMMENDATION

We recommend SSA add the correct SSNs to the 1,273 MBRs for auxiliary beneficiaries entitled on or after June 1, 1989 that are still missing or incorrect.

AGENCY COMMENTS

SSA agreed with the recommendation; see Appendix C.



Michelle L. Anderson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To conduct our review, we:

- Researched and reviewed Social Security Administration’s (SSA) policies and procedures.
- Reviewed prior reports related to missing or incorrect auxiliary beneficiary Social Security numbers (SSN).
 - SSA OIG, *Auxiliary Beneficiaries Who Do Not Have Their Own Social Security Number, A-01-14-14036* (September 2014).
 - SSA, Office of Budget, Finance, Quality, and Management, *Entitled Aged Spouses or Widows Without Their Own Social Security Numbers Recorded on the Master Beneficiary Record* (June 2014).
 - SSA, OIG, *Follow-up on the Impact on the Social Security Administration's Programs When Auxiliary Beneficiaries Do Not Have Their Own Social Security Numbers, A-01-07-17038* (March 2008).
 - SSA, OIG, *Impact on the Social Security Administration's Programs When Auxiliary Beneficiaries Have Incorrect Social Security Numbers, A-01-03-33020* (November 2003).
 - SSA, OIG, *Impact on the Social Security Administration's Programs When Auxiliary Beneficiaries Do Not Have Their Own Social Security Numbers, A-01-02-22006* (September 2002).
- Analyzed Master Beneficiary Records (MBR) in current pay status as of March 2022 and identified 5,885 auxiliary beneficiaries: 4,932 with missing SSNs and 953 with incorrect SSNs. We tested the data to ensure they were reliable to meet our objective by reviewing the MBR, Numident, and Supplemental Security Record. We also provided SSA the records we identified with potential improper payments so it could confirm the SSN was missing or incorrect.
- Identified potential SSNs based on the auxiliary beneficiaries’ names, dates of birth, and gender using SSA’s Enumeration Verification System. We analyzed SSA’s records to determine whether the SSN identified was the beneficiary’s; and performed the following matches to determine whether the beneficiaries may have been improperly paid. For items 1 through 5, we quantified improper payments made because the auxiliary’s beneficiary’s SSN was incorrect or missing on the MBR. We sent cases to SSA to confirm the information.
 1. Death Master File - to identify deceased beneficiaries.
 2. MBR - to identify dually entitled beneficiaries who received improper OASDI benefits on other records.
 3. Supplemental Security Record - to identify beneficiaries who received improper Supplemental Security Income payments because the OASDI benefits were not recorded properly as unearned income on the MBR.

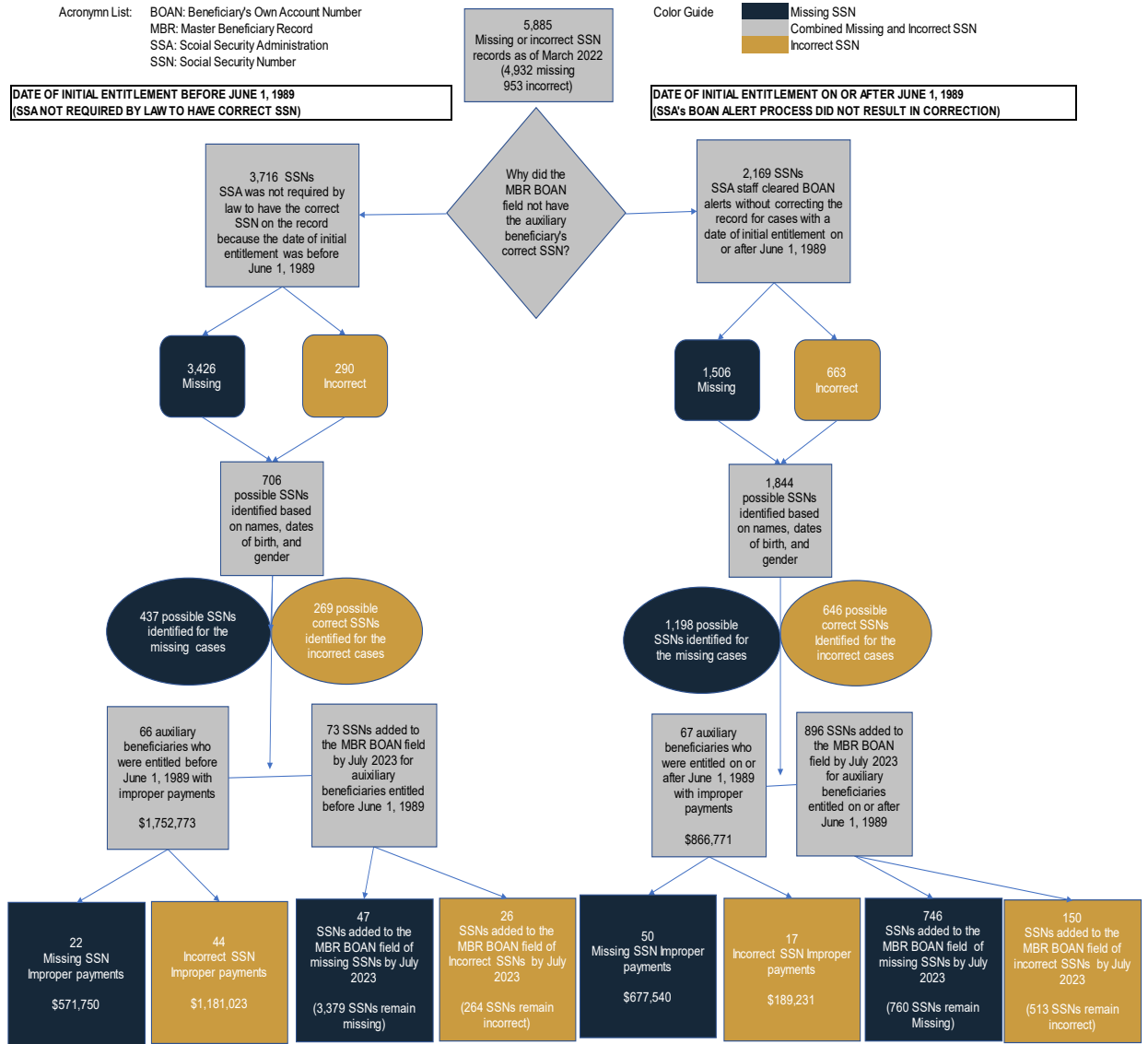
4. Prisoner Update Processing System - to identify beneficiaries who received improper OASDI benefits because of incarceration. Our analysis did not identify any improper payments to prisoners with missing or incorrect SSNs.
 5. Master Earnings File – to identify beneficiaries who received improper OASDI benefits because of work activity.
- Obtained information from SSA subject-matter experts to determine why auxiliary beneficiary SSNs were missing or incorrect.

The audited entities were SSA's Office of Operations and Systems. We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components, including 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:

- Control Activities
 - Design control activities,
 - Design activities for the information system
 - Implement Control activities
- Information and Communication
 - Use quality information

We conducted our review between November 2022 and July 2023 in Boston, Massachusetts. 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 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 – DIAGRAM OF AUXILIARY BENEFICIARIES WITH MISSING OR INCORRECT SOCIAL SECURITY NUMBERS



Appendix C – AGENCY COMMENTS



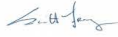
SOCIAL SECURITY

MEMORANDUM

Date: October 6, 2023

Refer To: TQA-1

To: Gail S. Ennis
Inspector General

From: Scott Frey 
Chief of Staff

Subject: Office of the Inspector General Draft Report, "Auxiliary Beneficiaries Who Do Not Have Their Own, or Have an Incorrect, Social Security Numbers" (012312) — INFORMATION

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

Please let me know if I can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.



Mission:

The Social Security Office of the Inspector General (OIG) serves the public through independent oversight of SSA's programs and operations.

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