Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Recovery Efforts for Deceased Beneficiaries' Overpayments

032406 August 2026

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: August 5, 2026 **Refer to:** 032406

To: Frank Bisignano
Commissioner

From: Michelle L. Anderson Michelle L Anderson
Assistant Inspector General for Audit as First Assistant

Subject: Recovery Efforts for Deceased Beneficiaries' Overpayments

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether Social Security Administration employees followed policy for recovering overpayments made to Old-Age, Survivors, and Disability Insurance beneficiaries who subsequently died with outstanding overpayment balances.

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

Recovery Efforts for Deceased Beneficiaries' Overpayments
032406

August 2026 **Office of Audit Report Summary**

Objective

To determine whether Social Security Administration (SSA) employees followed policy for recovering overpayments made to Old-Age, Survivors, and Disability Insurance beneficiaries who subsequently died with outstanding overpayment balances.

Background

When a beneficiary dies with an outstanding overpayment, SSA policy requires that employees pursue recovery using a specific priority adjustment, including the following.

- Withholding any underpayments due the deceased beneficiary.
- Withholding any lump-sum death payment payable on the same earnings record.
- Proposing benefit adjustments against contingently liable beneficiaries.
- Recovering from the deceased beneficiary's estate.

We identified 17,979 adult beneficiaries who died between December 2022 and December 2024 with approximately $240 million in outstanding overpayments. We reviewed a random sample of 125 deceased beneficiaries.

Results

Of the 125 beneficiaries we reviewed, SSA employees followed policy for recovering overpayments for 66 (53 percent). However, employees did not follow SSA's policies for recovering overpayments made to 59 (47 percent) beneficiaries who subsequently died. Specifically, SSA did not

- attempt recovery from 40 deceased beneficiaries' estates;
- process pending actions to attempt recovery from contingently liable individuals for 15 deceased beneficiaries' overpayments; or
- withhold lump-sum death payments from eligible survivors to offset 4 deceased beneficiaries' overpayments.

Based on our sample results, we estimate SSA could attempt recovery of outstanding overpayments totaling approximately $106 million that 8,486 deceased beneficiaries owed by applying its priority of overpayment adjustments.

Recommendations

We recommend SSA

1. Pursue recovery of the 10 deceased beneficiaries' overpayments from the contingently liable individuals identified in our review, as required by SSA policy and
2. Implement controls to ensure employees follow policy to attempt recovery of deceased beneficiaries' overpayments from estates, contingently liable beneficiaries, and lump-sum death payments.

SSA agreed to implement our recommendations.

TABLE OF CONTENTS

ABBREVIATIONS

OASDI	Old-Age, Survivors, and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
ROAR	Recovery of Overpayments, Accounting and Reporting System
SSA	Social Security Administration
U.S.C.	United States Code

Objective

Our objective was to determine whether Social Security Administration (SSA) employees followed policy for recovering overpayments made to Old-Age, Survivors, and Disability Insurance (OASDI) beneficiaries who subsequently died with outstanding overpayment balances.

Background

SSA administers the OASDI program under Title II of the *Social Security Act.*[1] OASDI provides benefits to wage earners and eligible family members in the event the wage earner retires, becomes disabled, or dies.[2] When SSA pays a beneficiary more than they are due for a given period, it considers the excess amount an overpayment.[3]

When a beneficiary subsequently dies with an outstanding overpayment, SSA policy requires that employees pursue recovery using a specific priority adjustment. These priority adjustments include the following.

- Withholding any underpayments due the deceased beneficiary.[4]
- Withholding any lump-sum death payment to beneficiaries who are entitled based on the deceased beneficiary's earnings record.[5]
- Proposing adjustments against benefits paid to contingently liable beneficiaries who are entitled based on the same earnings record and lived in the same household as the overpaid beneficiary when the overpayment was made or helped cause the overpayment.[6]
- Recovering outstanding overpayment balances of $3,000 or more from the deceased beneficiary's estate (or estate administrator, legal representative, distributee, or legatee) by initiating estate development no earlier than 60 days—and no later than 2 years—after the overpaid beneficiary dies.[7]
- Proposing adjustments against benefits paid to contingently liable beneficiaries who are entitled based on the same earnings record but lived in a separate household from the overpaid beneficiary at the time of the overpayment.[8]

[1] *Social Security Act §§ 202, 223*, 42 U.S.C. §§ 402, 423.

[2] 42 U.S.C. § 402.

[3] 42 U.S.C. § 404.

[4] SSA, *POMS,* GN 02210.016, B.1 (June 25, 2024).

[5] SSA, *POMS,* GN 02210.016, B.1 (June 25, 2024).

[6] SSA, *POMS,* GN 02210.016, B.1 (June 25, 2024).

[7] SSA, *POMS,* GN 02210.016, B.1 (June 25, 2024) and GN 02215.050, B (December 21, 2018).

[8] SSA, *POMS*, GN 02210.016, B.1 (June 25, 2024).

SSA records OASDI overpayments and tracks recovery efforts in the Recovery of Overpayments, Accounting and Reporting system (ROAR). The ROAR contains the cause and amount of the overpayment, person liable for the debt, actions taken on the overpayment record, and status of the overpayment. SSA employees receive ROAR alerts to identify beneficiaries whose overpayments require collection.

SCOPE AND METHODOLOGY

From the ROAR, we identified 17,979 beneficiaries who died between December 2022 and 2024 with a total of approximately $240 million in outstanding overpayments. From this population, we limited our review to beneficiaries who (1) had at least $2,000 in outstanding overpayments as of December 2024 and (2) were the wage earner or the spouse or widow(er) of the wage earner. We excluded all other deceased beneficiaries, including children and young wives and husbands with child(ren) in care.

We reviewed a random sample of 125 deceased beneficiaries. We proportionally divided the population into two groups based on the length of time since the beneficiaries' deaths.

- **Group 1:** We reviewed 108 of 15,400 beneficiaries who, as of March 2025, had been deceased approximately 2 months to 2 years. These deceased beneficiaries' overpayments remained potentially subject to all collection actions.

- **Group 2:** We reviewed 17 of 2,579 beneficiaries who died between December 2022 and December 2024. As of March 2025, these beneficiaries had been deceased longer than 2 years and, consequently, their overpayments may not be subject to recovery from estates.

See Appendix A for additional information about our scope and methodology.

RESULTS OF REVIEW

Of the 125 overpaid deceased beneficiaries we reviewed, SSA employees followed policy for recovering overpayments the Agency made to 66 (53 percent). However, employees did not follow SSA's policies for recovering overpayments made to 59 (47 percent) beneficiaries who subsequently died. Specifically, SSA did not

- attempt recovery from 40 deceased beneficiaries' estates;

- process pending actions to attempt recovery from contingently liable individuals for 15 deceased beneficiaries' overpayments; or

- withhold lump-sum death payments from eligible survivors to offset 4 deceased beneficiaries' overpayments.

As a result, SSA could have missed an opportunity to attempt recovery, or reduce approximately $1 million, of the outstanding overpayment balances. Based on our sample results, we estimate SSA may be able to pursue recovery of approximately $106 million that 8,486 deceased beneficiaries owed by applying its priority of overpayment adjustments. See Appendix B for additional information about our sampling methodology and results.

Estate Recovery

SSA did not attempt to recover $751,395 from the estates of 40 deceased beneficiaries. ROAR alerted employees to review the outstanding overpayments for potential recovery; however, employees added the ROAR's pending actions to a workload backlog where they remained unresolved. We previously reported backlogs occurred because of staff reductions, increased workloads, and less than expected overtime funding.[9]

We referred 40 deceased beneficiaries' overpayments to SSA subject-matter experts for review. As of May 2026, SSA employees had

- set alerts to initiate estate development or initiated development, but actions were pending for 23 deceased beneficiaries;
- contacted the local probate courts and determined estates did not exist from which the Agency could pursue recovery for 15 deceased beneficiaries' overpayments; and
- made other corrections that removed the need for estate development for 2 deceased beneficiaries.

We also determined SSA employees attempted to recover $559,539 from an additional 39 deceased beneficiaries' estates, as required by law.[10] However, the Agency was not successful in recovering these overpayments.

Recovery from Contingently Liable Beneficiaries

SSA had not attempted to recover from contingently liable individuals $320,624 in outstanding overpayments to 15 deceased beneficiaries. However, SSA employees placed the pending actions in a backlog and the alerts remained unresolved. We previously reported backlogs occurred because of staff reductions, increased workloads, and less than expected overtime funding.[11]

We referred the 15 beneficiaries' overpayments to SSA, and, as of May 2026, SSA employees had transferred $163,305 to contingently liable individuals for 5 overpayments. SSA employees did not complete corrective actions for the remaining 10 overpayments, although employees agreed they should be transferred.

Recovery from Lump-sum Death Payments

SSA paid $1,020 in lump-sum death payments to eligible survivors of four deceased beneficiaries when it should have withheld the payments to offset the outstanding overpayments. We could not determine why employees did not withhold lump-sum death payments as required, and SSA subject-matter experts did not provide explanations.

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[9] SSA, OIG, *Reducing Processing Centers' Pending Actions* (022313), June 2024.

[10] *Social Security Act* § 204(a)(1)(A), 42 U.S.C. § 404(a)(1)(A). SSA, *POMS,* GN 02210.016, B.1 (June 25, 2024), and GN 02215.050, B (December 21, 2018).

[11] SSA, OIG, *Reducing Processing Centers' Pending Actions* (022313), June 2024.

CONCLUSION

SSA has opportunities to potentially increase overpayment recoveries by pursuing available recovery options, including those involving contingently liable individuals and lump-sum death payments. In addition, although not always successful, SSA must attempt to recover outstanding overpayments from deceased beneficiaries' estates. Taking advantage of these overpayment recovery options may increase recovery outcomes by returning funds to the Agency's trust funds.

RECOMMENDATIONS

We recommend SSA

1. Pursue recovery of the 10 deceased beneficiaries' overpayments from the contingently liable individuals identified in our review, as required by SSA policy.

2. Implement controls to ensure employees follow policy to attempt recovery of deceased beneficiaries' overpayments from estates, contingently liable beneficiaries, and lump sum death payments.

AGENCY COMMENTS

SSA agreed to implement our recommendations (see Appendix C). SSA also provided technical comments in response to our draft report, which we incorporated into this final report as appropriate.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed applicable sections of the *Social Security Act*, Code of Federal Regulations, and Social Security Administration (SSA) policies and procedures.

- Obtained information from subject-matter experts from SSA's Offices of Field Operations, Chief Information Officer, and Central Processing to (1) obtain an understanding of SSA's outstanding overpayment recovery process for deceased beneficiaries and (2) determine what alerts or other oversight tools SSA used to assist in the recovery process.

- Reviewed relevant prior Office of the Inspector General audit work and any resulting completed actions and ongoing initiatives.

- Identified, from all segments of the Master Beneficiary Record and Recovery of Overpayments, Accounting and Reporting system (ROAR), 17,979 beneficiaries who died between December 2022 and December 2024 with approximately $240 million in outstanding overpayments. From this population, we limited our review to beneficiaries who (1) had at least $2,000 in outstanding overpayments as of December 2024 and (2) were the wage earner or the spouse or widow(er) of the wage earner. We excluded all other deceased beneficiaries, including children and young wives and husbands with child(ren) in care.

- Reviewed a random sample of 125 deceased beneficiaries. We proportionally divided the population into two groups based on the length of time since the beneficiary's date of death.

  - **Group 1**: We reviewed 108 of 15,400 beneficiaries who, as of March 2025, had been deceased approximately 2 months to 2 years. These deceased beneficiaries' overpayments remained potentially subject to all collection actions.

  - **Group 2**: We reviewed 17 of 2,579 deceased beneficiaries who died between December 2022 through December 2024. As of March 2025, these beneficiaries had been deceased longer than 2 years, and their overpayments may not be subject to recovery from estates.

- To complete our sample review, we did the following.

  - Reviewed case information, queries, and documentation for each sample item from the Master Beneficiary Record, ROAR, Debt Management System, Processing Center Action Control system, Evidence Portal, and Online Notice Retrieval System to (1) obtain overpayment data and explanations, (2) determine adjustments to overpayment balances, and (3) review special messages, remarks, and alerts.

  - Determined the amount of overpayments SSA did not attempt to recover or missed the opportunity to recover.

We conducted our review from April 2025 through June 2026. We assessed the reliability of the data extracts provided by conducting electronic testing, comparing them to prior audit data extracts, tracing random samples of data to source documents, and reviewing existing information. We determined the data were sufficiently reliable for the purposes of this report.

The principal entities audited were SSA's Offices of Field Operations and Central Processing. We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of five internal control components. 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 3: Control Activities
  - Principle: 10 Design Control Activities
  - Principle 11: Design Activities for the Information System
  - Principle 12: Implement Control Activities
- Component 5: Monitoring
  - Principle 16: Perform Monitoring Activities
  - Principle 17: Evaluate Issues and Remediate Deficiencies

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 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 our population as detailed in Appendix A. To conduct this review, we used a simple random statistical approach. This is a standard statistical approach used for creating a sample from a sampling frame completely at random. Each sample item had an equal chance of selection, and the selection of one item had no impact on the selection of other items. This guaranteed that we chose a sample that represented the sampling frame, absent human biases, and ensured statistically valid conclusions of, and projections to, the entire sampling frame under review. Our sampling approach for this review ensures the reported projections are statistically sound and defensible.

Table B–1: Population and Sample Size

Description	Number of Beneficiaries
Population	17,979
Sample Size	125

Sample Results and Projections

Of the 125 deceased beneficiaries, Social Security Administration (SSA) employees did not follow the Agency's required priority of overpayment adjustment to recover approximately $1 million for 59 deceased beneficiaries. Of the 59 errors, SSA employees did not

- attempt recovery from 40 deceased beneficiaries' estates,
- process pending actions to attempt recovery from contingently liable individuals for 15 deceased beneficiaries' overpayments, and
- withhold lump-sum death payments from eligible survivors to offset 4 deceased beneficiaries' overpayments.

Table B-2: Incorrectly Processed Overpayments

Description	Number of Errors	Error Amounts
Sample Results	59	$717,728[1]
Projected Quantity/Point Estimate	8,486	$105,770,712
Projection – Lower Limit	7,119	$77,871,386
Projection – Upper Limit	9,872	$133,670,038
Total Projected Error Amount (Point Estimate plus Outlier Actual Amounts $355,312)		$106,126,024

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

[1] We identified $1,073,040 in errors but determined three error amounts of $146,933, $105,241, and $103,138 to be outliers and excluded them from our projections but used the actual value of the errors.

Appendix C – AGENCY COMMENTS

SOCIAL SECURITY
Office of the Commissioner

MEMORANDUM

Date: July 31, 2026 Refer To: TQA-1

To: Michelle L. Anderson
Assistant Inspector General for Audit as First Assistant

From: Chad Poist
Chief Risk Officer

Subject: Office of the Inspector General Draft Memorandum "Recovery Efforts for Deceased Beneficiaries' Overpayments" (032406) -- INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations and have no comments.

Please let me know if I can be of further assistance. You may direct staff inquiries to Amy Gao, Director of the Audit Liaison Staff.

SOCIAL SECURITY ADMINISTRATION BALTIMORE, MD 21235-0001

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