



Office of the Inspector General  
SOCIAL SECURITY ADMINISTRATION

*Audit Report*

Court-ordered Restitutions for  
Individuals Convicted of Social  
Security Fraud

042302 May 2026



# Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

## MEMORANDUM

**Date:** May 26, 2026

**Refer to:** 042302

**To:** Frank Bisignano  
Commissioner

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

**Subject:** Court-ordered Restitutions for Individuals Convicted of Social Security Fraud

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether Social Security Administration employees properly recorded and monitored the collection of court-ordered restitutions for individuals convicted of Social Security fraud.

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

# Court-ordered Restitutions for Individuals Convicted of Social Security Fraud

## 042302



May 2026

Office of Audit Report Summary

### Objective

To determine whether Social Security Administration (SSA) employees properly recorded and monitored the collection of court-ordered restitutions for individuals convicted of Social Security fraud.

### Background

Courts may order individuals convicted of Social Security fraud to repay SSA for illegally obtained funds, known as court-ordered restitution. SSA employees must monitor and control the collection of restitutions until the full overpayment has been refunded or otherwise resolved.

In our 2019 audit of *The Social Security Administration's Accounting for, and Monitoring of, Court-ordered Restitutions (A-04-18-50633)*, we found SSA did not have adequate controls to ensure it recorded and monitored the collection of restitutions. We recommended SSA develop a tracking system to record and monitor restitutions. In response, SSA implemented a tracking tool for restitutions and documented existing restitutions in the tool.

We reviewed (1) 66 restitutions from a population of 1,506 restitutions ordered in Fiscal Years 2018 through 2023 and established in SSA's restitution tracking tool and (2) 10 of the 25 erroneously processed restitutions from our 2019 review to determine whether SSA employees properly recorded and monitored the collection of the restitutions.

### Results

Of the 66 restitutions we reviewed, SSA employees properly recorded and monitored the collection of 43 (65 percent) and collected approximately \$2.1 million. However, employees did not properly record, or may not have monitored the collection of, 23 (35 percent) restitutions. As of January 2025, SSA had not collected outstanding balances totaling approximately \$1.1 million for these restitutions. Based on our results, we estimate SSA employees did not properly record and/or monitor the collection of approximately \$18.6 million in restitutions. We were unable to determine why employees did not take the required steps to record and monitor the collection of these restitutions because there was not enough documentation in SSA's systems.

For these 66 restitutions, we also determined SSA employees did not send appropriate overpayment notices to 18 individuals who were ordered to make restitutions.

Finally, of the 10 restitutions we reviewed from our prior audit, SSA employees did not properly record, or may not have monitored the collection of, 4 with outstanding balances totaling approximately \$126,000. We were unable to determine why employees did not follow policy to properly monitor the collection of these restitutions.

### Conclusion

It is crucial that SSA employees record restitutions on the Master Beneficiary Record and/or Supplemental Security Record and perform all required monitoring activities to maximize the likelihood of recovering overpaid funds. If SSA does not ensure its employees record all restitutions in its systems as required, employees may be unaware of these restitutions. Further, when SSA employees do not properly monitor the restitutions, the Agency may never collect the overpaid funds. If SSA does not improve its efforts to monitor the collection of restitutions, the Agency is at risk of potentially not recovering millions of dollars in restitution ordered by the court as a result of fraud.

### Recommendations

We made three recommendations to SSA to help ensure employees properly record and monitor the collection of court-ordered restitutions. SSA agreed to implement our recommendations.

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## **ABBREVIATIONS**

OI	Office of Investigations
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
U.S.C.	United States Code

## **FORM**

OI-68	<i>Report of Court Ordered Restitution/Judgment</i>
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## OBJECTIVE

Our objective was to determine whether Social Security Administration (SSA) employees properly recorded and monitored the collection of court-ordered restitutions for individuals convicted of Social Security fraud.

## BACKGROUND

Courts may order individuals convicted of Social Security fraud to serve a period of incarceration or probation and/or repay SSA for illegally obtained funds. Such orders for repayment are known as court-ordered restitution.<sup>1</sup> Courts may order restitution for both legally defined overpayments (amounts SSA paid to individuals that was more than the amounts it should have paid them—for example, if SSA incorrectly calculates and pays a higher monthly benefit amount than an individual is due) and incorrect payments (payments SSA made to individuals who were not entitled to receive them—for example, if an individual fraudulently negotiated a benefit belonging to someone else). The Department of Justice's Financial Litigation Unit collects repayment of Federal debts, including restitution, and litigates and enforces debt collection for Federal agencies.

SSA's policy for monitoring the collection of restitutions only includes legally defined overpayments. The Agency does not have policy instructions for restitutions for incorrect payments. Employees must use their judgment when monitoring the collection of these types of restitutions.

After a court convicts an individual for Social Security fraud, the Office of the Inspector General's Office of Investigations (OI) electronically submits a Form OI-68, *Report of Court Ordered Restitution/Judgment*, to SSA for the individual. OI transmits restitution data to SSA each week, and SSA employees establish the restitutions as overpayments in the Recovery of Overpayments, Accounting and Reporting system, which displays on the Master Beneficiary Record, or on the Supplemental Security Record. SSA employees must monitor the collection of restitutions until the full overpayments have been repaid or otherwise resolved.<sup>2</sup>

For example, if the convicted individual is not receiving benefits and fails to make payments toward the overpayment, SSA employees must contact the Financial Litigation Unit and/or Probation Office. If any benefit payments become due after a fraud conviction, Agency policy requires SSA employees withhold the full monthly benefit payment to recover restitutions involving legally defined overpayments.<sup>3</sup> However, policy does not include the same requirements for restitutions involving incorrect payments.

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<sup>1</sup> Throughout the report, we refer to court-ordered restitution as restitution.

<sup>2</sup> SSA, *POMS*, GN 02201.055 (December 24, 2014) and SI 02220.036 (October 25, 2021).

<sup>3</sup> SSA, *POMS*, GN 02201.055 C.6 (December 24, 2014).

In a 2019 audit, we found SSA did not have adequate controls to ensure it recorded and monitored the collection of restitutions.<sup>4</sup> Therefore, we recommended that SSA develop a restitution tracking tool to record and monitor the collection of restitutions. In response to our recommendation, in September 2021, SSA implemented a restitution tracking tool and recorded existing restitutions in it. However, the Agency did not design the tool to monitor the status and collection of the restitutions or interface with other SSA systems. Because of these limitations, the restitution tracking tool does not allow employees to accurately record and monitor the collection of restitutions—which was the intent of our original recommendation. Additionally, SSA stated it was updating its restitution policy; however, as of December 2025, SSA had neither updated its policy nor included instructions to employees on recording and monitoring the collection of restitutions that were not legally defined overpayments.

## **SCOPE AND METHODOLOGY**

From a population of 1,506 restitutions ordered in Fiscal Years 2018 through 2023 and established in SSA's restitution tracking tool, we randomly sampled 66 restitutions to determine whether SSA employees properly recorded restitutions in the Agency's system and monitored the collection of the restitutions, including notifying the overpaid individuals about the overpayments, contacting the Department of Justice or Probation Office, and collecting the overpayments from benefits payable. In addition, from a population of 25 erroneously processed restitutions from our 2019 review, we randomly sampled 10 to determine whether SSA employees properly recorded the restitutions in the Agency's system and began monitoring the collection of the restitutions in response to our recommendations to record all restitutions and contact the Department of Justice as required by policy. See Appendix A for more information on our scope and methodology and Appendix C for our sampling methodology and results.

## **RESULTS OF REVIEW**

Of the 66 restitutions we reviewed, SSA employees properly recorded and monitored the collection of 43 (65 percent) and collected approximately \$2.1 million. However, employees did not properly record, or may not have monitored the collection of, 23 (35 percent) restitutions. As of January 2025, SSA had not collected outstanding balances totaling approximately \$1.1 million for these restitutions. Based on our results, we estimate SSA employees did not properly record and/or monitor the collection of approximately \$18.6 million in restitutions.

For these 66 restitutions, we also determined SSA employees did not send appropriate overpayment notices to 18 individuals who were ordered to make restitutions. Finally, of the 10 restitutions we reviewed from our prior audit, SSA employees did not properly record, or may not have monitored the collection of, 4 with outstanding balances totaling approximately \$126,000.

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<sup>4</sup> SSA OIG, *The Social Security Administration's Accounting for, and Monitoring of, Court-ordered Restitutions*, A-04-18-50633, (September 2019).

## Recording and Monitoring the Collection of Restitutions

SSA employees did not properly record, or may not have properly monitored the collection of, 23 restitutions with outstanding balances totaling approximately \$1.1 million.

- SSA employees did not record two restitutions on the Agency's Master Beneficiary Record and/or Supplemental Security Record.
- We could not determine whether SSA employees took the required actions to monitor the collection of 16 restitutions, such as contacting the Department of Justice or Probation Office, because the employees did not document all actions taken, as required. (After our review, SSA began monitoring the collection of 8 of the 16 restitutions).
- We could not determine whether SSA employees contacted the Department of Justice or Probation Office for three Supplemental Security Income-only restitutions as required because SSA does not require that employees document their contact attempts for Supplemental Security Income-only restitutions. (After our review, SSA documented its attempted contact for one restitution and resumed collecting another.)
- SSA did not properly withhold benefits for 2 restitutions. (After our review, SSA began withholding benefits to collect the two restitutions.)

**Example 1.** In March 2022, the court ordered an individual to pay restitution of about \$69,000. In July 2022, an SSA employee withheld part of the individual's benefit payments to recover the overpayment, instead of fully withholding all benefits payable to the individual, as required. The Agency began fully withholding the individual's benefits in September 2025 as a result of our review.

As of February 2026, SSA had taken corrective action on 12 of the 23 restitutions.

We were unable to determine why employees did not take the required steps to monitor the collection of these restitutions because there was not enough documentation in SSA's systems. However, we identified several factors that may have contributed to employee errors.

Nine of the 23 restitutions were not legally defined overpayments. As of December 2025, SSA had not included instructions to employees on monitoring the collection of restitutions that were not legally defined overpayments in its restitution policy. Without adequate policy and procedures, employees may not know what is expected of them.

Additionally, while SSA implemented the restitution tracking tool in September 2021, the tool did not allow employees to accurately record and monitor the collection of restitutions. If the tool interfaced with SSA systems, enabled the monitoring of restitution collections, and allowed SSA employees to document their monitoring actions, it would assist employees in properly monitoring the collection of restitutions. Without this functionality, the restitution tracking tool may not assist employees in properly monitoring the collection of restitutions.

If SSA employees do not properly monitor the collection of restitutions, the Agency may never collect overpaid funds from individuals who were convicted of Social Security fraud.

## Overpayment Notices for Restitutions

SSA employees must send a notice to an individual ordered to make restitution to the Agency. That notice should reflect the full amount of the overpayment but exclude language regarding the individual's rights to request a waiver since these types of overpayments are not eligible for a waiver.<sup>5</sup>

Of the 66 restitutions we reviewed, SSA employees did not send appropriate overpayment notices to 18 individuals (this includes 7 of the 23 restitutions that were not properly monitored). SSA employees

- did not send overpayment notices to 10 individuals, and
- inappropriately included waiver rights in the notices to 8 individuals.

We could not determine why employees either did not send overpayment notices or sent notices but inappropriately included waiver rights in them.

Although individuals' court orders contain the amounts of their restitutions, without overpayment notices, individuals may be unaware of how to repay their overpayments, which may result in the restitutions being unpaid or lead to delays in collection. The inclusion of waiver rights in overpayment notices may result in individuals requesting waivers even though they are ineligible for them, resulting in SSA using resources to address unnecessary waiver requests and potentially leading to delays in collection.

**Example 2.** In September 2020, the court ordered an individual to pay restitution of about \$28,300. SSA employees did not send an overpayment notice to the individual. The individual repaid \$75 in May 2022 and \$174 in March 2024. As of March 2025, the individual owed the Agency a remaining balance of about \$28,000.

## Status of Restitutions from Prior Audit

We sampled 10 of the 25 erroneously processed restitutions we identified in our 2019 review to determine whether SSA employees properly recorded them in the Agency's system and began monitoring their collection.

Of the 10 sampled restitutions, SSA employees properly recorded and monitored the collection of six. However, SSA employees did not properly record, or may not have monitored the collection of, 4 restitutions with approximately \$126,000 in outstanding balances. An SSA employee did not record one restitution in SSA's system. For the remaining three, there was no evidence SSA employees took required actions to monitor the collection of the restitutions, such as contacting the Department of Justice and/or Probation Office. The elapsed time since the last collection for the four restitutions ranged from 1.5 to 8 years.

We were unable to determine why employees did not follow policy to record the restitution in the Agency's systems or properly monitor the collection of the restitutions identified in our prior

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<sup>5</sup> SSA, *POMS*, GN 02201.055.C.1 (December 24, 2014) and SI 02220.036 C.3 (October 25, 2021).

audit. As of January 2026, the Agency had taken corrective action on one of the restitutions but had not corrected the remaining three.

**Example 3.** In our prior review, we determined the court ordered one individual to pay restitution of approximately \$36,000 in May 2017. However, SSA did not record the restitution in its systems. During our current review, we determined SSA employees still had not recorded this restitution in the Recovery of Overpayments, Accounting and Reporting system, over 8 years after the court ordered the individual to pay restitution to SSA. Between October 2021 and June 2025, the individual made restitution payments totaling \$1,075; however, because SSA employees did not record the overpayment, employees incorrectly refunded \$425 of the restitution payments back to the individual instead of applying them against the individual's overpayment. In August 2025, as a result of our review, the Agency recorded the restitution in its systems and made corrections to prevent future restitution payments from being refunded to the individual.

## CONCLUSION

It is crucial that SSA employees record restitutions on the Master Beneficiary Record and/or Supplemental Security Record and perform all required monitoring activities to maximize the likelihood of recovering overpaid funds. If SSA does not ensure its employees record all restitutions in its systems as required, employees who monitor the collection of restitutions may be unaware the courts ordered these restitutions. Additionally, Agency employees may be unaware they need to withhold benefits currently payable or those that may become payable to the convicted individual. Further, when SSA employees do not properly monitor the restitutions, the Agency may never collect the overpaid funds. If SSA does not improve its efforts to monitor the collection of restitutions, the Agency is at risk of potentially not recovering millions of dollars in restitution ordered by the court as a result of fraud.

## RECOMMENDATIONS

We recommend that SSA:

1. Take appropriate actions to monitor the collection of the remaining 11 restitutions identified in our audit and the 3 restitutions from our prior audit, as appropriate.
2. Review the remaining 1,440 restitutions in the restitution tracking tool and the remaining 15 restitutions reported as errors in our prior audit to determine whether the Agency is monitoring the collection of the restitution as required and take corrective actions when appropriate.
3. Identify the factors contributing to employees not properly recording and monitoring the collection of restitutions and implement appropriate corrective actions.

## 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

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To accomplish our objective, we:

- Reviewed applicable laws, regulations, and Social Security Administration's (SSA) policies and procedures related to court-ordered restitution.
- Interviewed and obtained a walkthrough of SSA's Court-ordered Restitution Tracking Tool from SSA subject-matter experts to gain an understanding of the application and how SSA uses it to track and monitor the collection of restitutions.
- Created a narrative of the restitution collection process to understand and evaluate SSA's actions to monitor and collect restitutions.
- Obtained data from SSA's Court-ordered Restitution Tracking Tool data and identified a population of 1,506 restitutions ordered for Fiscal Years 2018 through 2023.
- Reviewed a random sample of 66 restitutions from our population. For each sample case, we:
  - Obtained evidence from SSA's Evidence Portal, including whether SSA sent the required overpayment notice and obtained Form OI-68, *Report of Court Ordered Restitution/Judgment* and other supporting documentation from the Office of the Inspector General's Office of Investigations.
  - Reviewed SSA records to determine whether SSA employees
    - accurately established the restitution on the Recovery of Overpayments, Accounting and Reporting system and/or Supplemental Security Record and
    - established an alert on the Recovery of Overpayments, Accounting and Reporting system to monitor collection activities.
  - Identified the most recent collection activity on the record as of January through May 2025 and conducted the following analysis.
    - For records with collection activity where the individual was in current pay status at the time of our review, determined whether SSA was recovering the overpayment at the appropriate rate.
    - For records where SSA was previously collecting the restitution but was no longer collecting the restitution at the time of our review, determined the reasons for the delay in collection.
    - For records with no evidence of collection activity, determined whether SSA followed up with the Department of Justice and assigned probation officers and documented those contact attempts.
- Determined the outstanding balance of the restitutions we determined SSA did not monitor correctly.

- Reviewed a random sample of 10 of the 25 error cases we identified in our 2019 audit of *The Social Security Administration’s Accounting for, and Monitoring of, Court-ordered Restitutions (A-04-18-50633)*, to determine whether SSA properly recorded and fully recovered, or was actively monitoring, the restitutions.
  - For the 5 error cases we identified that were not recorded on SSA’s Master Beneficiary Record and/or Supplemental Security Record, we identified whether SSA had since recorded the restitutions in these systems. Additionally, we determined whether SSA was monitoring the collection of the restitutions and documenting its attempts to recover the restitution.
  - For the 20 error cases we identified that SSA was not recovering, we determined whether the Agency had since begun monitoring the collection of the restitutions and documented its attempts to recover the restitutions.

We conducted our review between January 2025 and April 2026. We assessed the reliability of the Court-ordered restitution Tracking Tool data by conducting electronic testing to determine the validity of the data, tracing a random sample of data to the system that produced it and Forms OI-68, *Report of Court ordered Restitution/Judgment*, and evaluating the completeness by comparing our data figures to weekly files provided by the Office of the Inspector General to SSA. We determined the data used in this report were sufficiently reliable given the audit objective and intended use of the data.

The principal entity audited entity was the Office of the Commissioner for 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 1: Control Environment
  - Principle 2: Exercise oversight responsibility
- Component 3: Control Activities
  - Principle 10: Design control activities
  - Principle 11: Design activities for the information system
- Component 4: Information and Communication
  - Principle 14: Communicate internally
  - Principle 15: Communicate externally
- 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 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 B – SAMPLING METHODOLOGY AND RESULTS

We identified a population of 1,506 restitutions ordered for Fiscal Years 2018 through 2023 and established in the Social Security Administration’s (SSA) restitution tracking tool and randomly sampled 66 restitutions to determine whether SSA employees properly monitored the collection of the restitutions, see Table B-1.

**Table B-1: Population and Sample Size**

Description	Number of Restitutions
Sampling Frame	1,506
Sample Size	66

Of the 66 restitutions we reviewed, we determined that SSA employees did not properly record, or may not have monitored the collection of, 23 restitutions totaling \$1,097,261, see Table B-2.

**Table B-2: Restitutions Not Monitored or Collected**

Description	Number of Restitutions SSA Did Not Monitor	Amount
Sample Results <sup>1</sup>	21	777,972
Projected Quantity/Point Estimate	525	18,306,656
Projection – Lower Limit	382	10,581,214
Projection – Upper Limit	683	26,032,099
Total Projected Error Amount (Point Estimate + Outlier Actual Amount \$319,289)		\$18,625,945

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

Additionally, from the 25 errors we identified in our 2019 review, *The Social Security Administration’s Accounting for, and Monitoring of, Court-ordered Restitutions (A-04-18-50633)*, we randomly sampled 10 restitutions to determine whether SSA properly recorded and began monitoring the collection of the restitutions, see Table B-3.

**Table B-3: Population and Sample Size to Follow-up from Prior Review**

Description	Number of Restitutions
Sampling Frame	25
Sample Size	10

Of the 10 restitutions we reviewed, we determined that SSA employees did not properly record, or may not have monitored the collection of, 4 restitutions with \$126,221 in outstanding balances.

<sup>1</sup> We determined two error amounts, \$163,392 and \$155,897, totaling \$319,289, to be outliers in the data set and excluded them from our projections and will use the actual value of the errors.

To conduct this review, we used a simple random sample statistical approach. This is a standard statistical approach used for creating 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. Therefore, we were guaranteed to choose a sample that represented the population, absent human biases, and ensured statistically valid conclusions of, and projections to, the entire population under review. Our sampling approach for this review ensures that our reported projections are statistically sound and defensible.

## Appendix C – AGENCY COMMENTS

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### SOCIAL SECURITY Office of the Commissioner

#### MEMORANDUM

Date: May 18, 2026

Refer To: TQA-1

To: Michelle L. Anderson  
Acting Inspector General

From: Chad Poist  
Chief Risk Officer

Subject: Office of the Inspector General Draft Memorandum "Court-ordered Restitutions for Individuals Convicted of Social Security Fraud" (042302) -- 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 Liaison Staff.

SOCIAL SECURITY ADMINISTRATION BALTIMORE, MD 21235-0001



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