

# Preventing, Detecting, and Recovering Improper Payments

## 072401



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Office of Audit Report Summary

### Purpose

This report summarizes the Office of the Inspector General's (OIG) audit work related to the Social Security Administration's (SSA) efforts to prevent, detect, and recover improper payments, which we have identified as a major management challenge for SSA since Fiscal Year (FY) 2002.

### Background

Improper payments can be overpayments (when SSA pays someone more than they are due) or underpayments (when SSA pays someone less than they are due).

SSA issues over \$1 trillion in benefit payments annually. Even the slightest error in the overall payment process can result in billions of dollars in improper payments. For example, from FYs 2015 through 2022, SSA paid almost \$8.6 trillion in benefits and made approximately \$71.8 billion (0.84 percent) in improper payments, most of which were overpayments.

We conduct audits and other reviews of the Agency's programs and operations. In numerous audits, we identified issues related to improper payments and made recommendations for SSA to improve its ability to prevent improper payments before they occur and detect and recover existing improper payments.

### Summary

SSA must be a responsible steward of the funds entrusted to its care by minimizing the risk of making improper payments and recovering overpayments when they occur. According to SSA, improper payments occur because of beneficiaries' failure to report necessary information or SSA's failure to update records timely. Preventing improper payments is more advantageous than recovering them after they are made because SSA does not have to expend additional resources to recover the overpayments or process additional payments to rectify underpayments.

These actions create a burden on beneficiaries, additional work for SSA employees, and administrative costs that strain the Trust Funds.

SSA has taken steps to improve the prevention, detection, and recovery of improper payments. While we applaud SSA's efforts, there is more SSA can do. SSA has not implemented many of our recommendations, and other actions have not fully addressed our findings.

Improper payments have been a longstanding challenge for SSA. While SSA has taken actions to address this challenge, there is more it needs to do, and our recommendations can guide the Agency as it determines corrective actions. It is crucial that SSA find ways to prevent improper payments before they occur so it can reduce the administrative and productivity cost it incurs to correct improper payments and devote more resources to other priority workloads. SSA also must identify and prevent improper payments through automation and data analytics, expand efforts to collect data from reliable third-party sources, and address the root causes of improper payments to prevent their occurrence. Without better access to data, increased automation, systems modernization, and policy or legislative changes, improper payments will continue to be an issue into the future.