



# Press Release

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## **Audit Finds Errors in Administrative Sanctions and Benefit Withholding Process A Sampled Review from June 2017 through May 2022 Revealed SSA Employees and Systems Made Errors on 75 Percent of Administrative Sanctions**

The Social Security Administration's (SSA) Office of the Inspector General (OIG) issued an audit report finding SSA made errors in processing administrative sanctions and recovering related overpayments tied to fraud and other sanctionable conduct.

Administrative sanctions are designed to deter fraud and abuse by temporarily withholding benefits from individuals who make false statements or fail to report information affecting eligibility or payment amounts.

The audit, *Administrative Sanctions and Benefit Withholding* (042303), reviewed SSA's handling of sanctions cases referred between June 2017 and May 2022.

SSAOIG found SSA employees and systems made errors in 75 percent of the sampled cases reviewed. Based on projections from the sample, auditors estimate SSA improperly processed sanctions for approximately 454 individuals, resulting in an estimated \$49.6 million in improper payments.

Among the issues identified, SSA:

- Withheld benefits for the wrong months, for an inappropriate duration, or before appeal rights expired.
- Should have suspended benefits to impose sanctions for individuals who were receiving benefits but did not.
- Did not adequately document sanctions' development, determinations, and approvals or add required language to SSA records about imposed or deferred sanctions.
- Did not send correct and/or complete initial sanction determination notices or benefit suspension notices.
- Did not recover overpayments in accordance with policy for individuals whom SSA overpaid because of a sanctionable event, such as failing to report a marriage or income.

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The audit found many of the errors stemmed from complex manual processes, inconsistent documentation practices, and limitations in SSA's systems used to process sanctions and overpayment recoveries.

“Administrative sanctions are an important tool for protecting the integrity of Social Security programs and deterring fraud,” said Michelle L. Anderson, Assistant Inspector General for Audit performing the duties of the Inspector General. “SSA can strengthen these efforts by improving oversight, modernizing systems controls, and ensuring employees consistently follow policies related to sanctions and overpayment recovery.”

The report noted SSA began implementing improvements to its system in 2025, including enhanced tracking and additional processing reminders. However, auditors found further action is needed to improve automation, documentation, notice accuracy, and recovery of overpayments tied to fraud or similar fault.

The OIG made seven recommendations to SSA, including updating policies, strengthening system controls, improving employee documentation requirements, enhancing notice review procedures, and ensuring full recovery of overpayments when appropriate.

SSA agreed with the recommendations and stated it plans to take corrective action.

Read the full report [here](#).

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