

# Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2022

## A-15-22-51183



May 2023

Office of Audit Report Summary

### Objective

To determine whether the Social Security Administration (SSA) met all requirements of the *Payment Integrity Information Act of 2019* (PIIA) in the Fiscal Year (FY) 2022 Agency Financial Report and accompanying materials.

### Background

On March 2, 2020, the President signed PIIA into law to improve efforts to identify and reduce Government-wide improper payments.

PIIA repealed and replaced the *Improper Payments Elimination and Recovery Improvement Act of 2012*, *Improper Payments Elimination and Recovery Act of 2010*, and *Improper Payments Information Act of 2002*.

The Office of Management and Budget (OMB) issued updated Government-wide guidance on the implementation of PIIA. PIIA and OMB guidance require that agencies report specific improper payment information in their Annual Financial Reports (AFR) and accompanying materials. Further, the law and guidance require that Inspectors General review the improper payment information their respective agencies report in their AFRs and accompanying materials.

### Results

For its FY 2022 Payment Integrity reporting, SSA fully complied with PIIA reporting requirements for the Supplemental Security Income (SSI) and Old-Age, Survivors and Disability Insurance (OASDI) programs.

A leading cause of overpayments in the SSI program is financial accounts. To address this, SSA implemented the Access to Financial Institutions (AFI) program in June 2011. AFI verifies alleged bank account balances with financial institutions and searches for undisclosed accounts at geographically relevant locations based on the individual's address. SSA uses AFI when it processes initial SSI applications and periodic eligibility redeterminations. Between FYs 2011 and 2021, overpayments related to financial accounts averaged approximately \$1.2 billion. In FY 2023, SSA plans to explore reducing the AFI tolerance of countable liquid resources from \$400 to \$0.

In addition, wage discrepancies and substantial gainful activity were a leading cause of SSI and OASDI improper payments, respectively. In FY 2019, SSA awarded a contract to build an information exchange to obtain monthly earnings data from third-party payroll data providers. In FY 2023, SSA plans to continue working toward implementing the payroll exchange. SSA is several years from determining whether the commercial payroll exchange effectively reduces improper payments that are caused by wage and substantial gainful activity reporting deficiencies.

While SSA has made progress implementing corrective actions to address improper payments, it still has work to do. As in prior years, we maintain that SSA needs to implement or expand existing corrective actions to address improper payments.

### Recommendation

We recommend SSA conduct a study to expand AFI searches between the initial SSI application and subsequent eligibility redeterminations. SSA agreed with our recommendation.