Press Release

The Social Security Administration Makes Progress on Improper Payments, But Still Has Work to Do
The Inspector General Estimates the Agency Could Have Prevented Approximately $2 Billion in Overpayments if it Expanded the Use of a Key Tool

In Fiscal Year 2024, the Social Security Administration (SSA) paid over $1.5 trillion in benefits in the Old-Age, Survivors, and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs. SSA must be a responsible steward of the taxpayers' funds by minimizing the risk of making improper payments and recovering overpayments. Even the slightest payment process error can result in millions of dollars in improper payments—both overpayments and underpayments—to beneficiaries and recipients. Preventing improper payments is more advantageous than recovering them since the Agency must expend additional resources to recover overpayments or process additional actions to rectify underpayments.

Improper payments are a long-standing and significant problem in the federal government. On March 2, 2020, President Donald J. Trump signed the *Payment Integrity Information Act (PIIA) (P.L. 116-117)* to improve efforts to identify and reduce government-wide improper payments. Agencies are required to report specific improper payment information in their annual financial reports and actions it has taken, or plans to take, to recover and prevent future improper payments. Further, the law requires Inspectors General to review their agencies' improper payment information and issue an annual report on compliance with applicable PIIA criteria.

The SSA Office of the Inspector General's (OIG) annual audit report, *The Social Security Administration's Compliance with the Payment Integrity Information (PIIA) Act in Fiscal Year 2024*, found the Agency complied with eight PIIA reporting requirements but did not comply with two in the SSI program. SSI provides monthly payments to people with disabilities and older adults who have little or no income or resources.

While SSA has made progress implementing corrective actions for both the OASDI and SSI programs, the Agency did not demonstrate improvements to payment integrity or achieve its tolerable improper payment rate for the SSI program. The SSI improper payment rate increased from 9.41 percent (approximately $5.3 billion) in Fiscal Year (FY) 2019 to 10.62 percent (approximately $6.5 billion) in FY 2023.

According to SSA, the Agency's reliance on self-reporting by beneficiaries, recipients, and their representative payees—who are required to notify SSA when a change occurs affecting their SSI eligibility or payment amounts—leads to many improper payments. Failure to report these changes continues to be a primary cause of overpayments.

One of the leading causes of overpayments to SSI recipients is recipients' unreported resources in financial accounts that exceed allowable amounts. SSA has tools, such as the Access to Financial Institutions (AFI) program, to help identify excess resources. Using AFI, SSA verifies alleged bank account balances with financial institutions and searches for undisclosed accounts at geographically relevant locations. SSA uses AFI when it processes initial SSI applications and periodic eligibility redeterminations.

However, according to SSA, in FY 2023, 89 percent of overpayments resulting from excess resources in financial accounts occurred because of recipients' changes after SSA approved their initial SSI applications or completed eligibility redeterminations.

OIG estimates SSA could have prevented approximately $2 billion in overpayments in FY 2023 had it performed AFI searches between approving recipients' initial applications and completing redeterminations.

OIG previously recommended SSA conduct a study to expand the use of AFI. SSA has not implemented this recommendation.

Read the full report here.

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