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SOCIAL SECURITY ADMINISTRATION

Press Release

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IG Reports: Nearly \$72 Billion Improperly Paid; Recommended Improvements Go Unimplemented

\$23 billion remains unrecovered

Through several audits, Social Security Administration's Office of the Inspector General made dozens of recommendations for the Agency to prevent improper payments before they occur as well as to detect and correct existing improper payments. However, to date, many of those recommendations remain unimplemented, leading to continued improper payments.

The report [Preventing, Detecting, and Recovering Improper Payments](#) summarizes OIG's audit work regarding improper payments, which OIG identified as a major management challenge since Fiscal Year (FY) 2002. 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).

From FYs 2015 through 2022, SSA estimates it made nearly \$72 billion in improper payments, most of which were overpayments. While this is less than 1 percent of the total benefits paid during that period, at the end of FY 2023, SSA had an uncollected overpayment balance of \$23 billion.

Most of the unimplemented recommendations addressed two reasons for improper payments in SSA's programs: beneficiary self-reporting information and insufficient controls in SSA's automated and manual processes. OIG's audits confirmed SSA's reliance on beneficiaries to self-report changes in their circumstances resulted in improper payments. Obtaining data that assist with making eligibility and payment determinations from external sources, such as other Federal and state agencies and financial institutions, is critical to preventing and detecting improper payments.

SSA also has not implemented a number of recommendations related to its processes to recover overpayments and issue underpayments. OIG's audits found the Agency's actions to process over- and underpayments were not always effective or consistent. SSA anticipated a new debt-management product would address many of the recommendations. However, the Agency stopped implementation efforts in FY 2024 because the new product was not funded.

“Improper payments have been a longstanding challenge for SSA. While the Agency has taken actions to address this challenge, it needs to do more, and OIG’s recommendations can guide the Agency as it determines those corrective actions,” said Michelle L. Anderson, Assistant Inspector General for Audit and Acting Inspector General. “Without better access to data, increased automation, systems modernization, and policy or legislative changes, improper payments will continue to be a major challenge for SSA into the future.”

SSA has taken some steps to improve the prevention, detection, and recovery of improper payments. For example, in October 2023, SSA initiated a comprehensive review of overpayment procedures, policies, systems, and communications to determine where it could make improvements. SSA is also developing an information exchange to obtain monthly earnings data from third-party payroll data providers, which may reduce the occurrence of improper payments for beneficiaries who work while receiving benefits. See the [full report here](#).

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