



# Semiannual Report to Congress

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**APRIL 1, 2023 – SEPTEMBER 30, 2023**

Social Security Administration  
Office of the Inspector General





It is my privilege to present this Semiannual Report to Congress, which summarizes the most significant activities and accomplishments of the Social Security Administration (SSA or Agency) Office of the Inspector General (OIG) from April 1, 2023, through September 30, 2023. During this reporting period, in addition to the many achievements discussed throughout the report, I am pleased to highlight our efforts to better understand and leverage Artificial Intelligence (AI), share recent technology upgrades, and mention several successful investments in our workforce.

In July 2023, a member of our Office of Investigations (OI) briefed members of the United States (U.S.) House Committee on Ways and Means, Subcommittee on Social Security, on our response to AI-assisted threats. We stated during the briefing that AI is becoming a primary driver of emerging technologies and impacting society in ways that we are all just beginning to understand. We discussed our goal to be at the forefront of AI-related issues by learning to leverage AI and using advanced algorithms to spot abnormalities and outliers that are indications of fraud. Over the summer, I wrote a **letter** to SSA's Acting Commissioner about the importance of collaboration as the Agency examines AI in the context of their operations. I also established an internal Task Force to study AI and related technologies to determine the tools, processes, and staffing needed to investigate and deter AI-related fraud and to leverage AI in these efforts. Finally, AI was a key agenda item during this year's National Anti-Fraud Committee (NAFC) Summit where we engaged with SSA over shared concerns about emerging AI risks.

Our Office of Information Technology (OIT) took innovative steps to improve our processes and systems. OIT modernized OIG's human resources and budget applications and implemented a new property management system for enhanced management of OIG property, including firearms, ammunition, and information technology (IT) equipment.

Our Human Resources Division (HRD) continued investing in our workforce through its recruitment and hiring efforts. During this fiscal year (FY), HRD helped us onboard 62 employees across all of our components. Several of these new employees had the opportunity to meet OIG colleagues at our recent *OIG Manager's Training*, which brought together managers and team leads from across OIG for two days of in-person training on a range of topics, including a human resources presentation on the Federal hiring process, competitive and non-competitive hiring authorities, and overviews of prohibited personnel practices and merit principles.



We also took steps to improve employee morale and engagement. We developed an enhanced new employee orientation program and improved information-sharing to the OIG workforce about external training and diversity, equity, inclusion, and accessibility engagement opportunities supported by OIG. We also implemented a Virtual Speed Networking Program to foster stronger bonds between colleagues within SSA OIG and reinforce a culture of informal mentoring and continuous development.

I look forward to continuing to work with SSA and the U.S. Congress on our shared goals of improving Social Security programs and operations for the millions of people who count on SSA.

A handwritten signature in black ink, reading "Gail S. Ennis". The signature is fluid and cursive, with the first name "Gail" being the most prominent.

**Gail S. Ennis**  
*Inspector General*

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<b>AFR</b>	Annual Financial Report
<b>AI</b>	Artificial Intelligence
<b>APT</b>	average processing time
<b>bots</b>	robotic applications
<b>CARES</b>	Compassionate and REsponsive Service
<b>CDI</b>	Cooperative Disability Investigations
<b>CDL</b>	commercial driver's license
<b>CDR</b>	continuing disability review
<b>CE</b>	Consultative Examination
<b>CMP</b>	civil monetary penalty
<b>COVID-19</b>	novel coronavirus SARS-CoV2
<b>CSR</b>	customer service representative
<b>DC</b>	Deputy Commissioner
<b>DDS</b>	Disability Determination Services
<b>DFAS</b>	Department of Defense Finance Accounting Service
<b>DI</b>	Disability Insurance
<b>DoJ</b>	U.S. Department of Justice
<b>EIDL</b>	Economic Injury Disaster Loans
<b>ESD</b>	Employment Security Department
<b>FBI</b>	Federal Bureau of Investigation
<b>FY</b>	fiscal year
<b>HCOP</b>	Human Capital Operating Plan
<b>HRD</b>	Human Resources Division
<b>IG</b>	Inspector General
<b>IG Act</b>	<i>Inspector General Act of 1978, as amended</i>
<b>IRS</b>	Internal Revenue Service
<b>IRS-CI</b>	Internal Revenue Service-Criminal Investigation
<b>IT</b>	information technology
<b>MBR</b>	Master Beneficiary Record
<b>NAFC</b>	National Anti-Fraud Committee
<b>NGTP</b>	Next Generation Telephony Project
<b>OARO</b>	Office of Analytics, Review, and Oversight
<b>OA</b>	Office of Audit
<b>OCREO</b>	Office of Civil Rights and Equal Opportunity
<b>OI</b>	Office of Investigations
<b>OIG</b>	Office of the Inspector General or Office of Inspector General
<b>OIT</b>	Office of Information Technology

<b>PDB</b>	Public Disability Benefits
<b>PPP</b>	Paycheck Protection Program
<b>PII</b>	personally identifiable information
<b>ROAR</b>	Recovery of Overpayments, Accounting and Reporting
<b>RSI</b>	Retirement and Survivors Insurance
<b>SBA</b>	U.S. Small Business Administration
<b>SSA or Agency</b>	U.S. Social Security Administration
<b>SSI</b>	Supplemental Security Income
<b>SSN</b>	Social Security number
<b>U.S.</b>	United States
<b>WC</b>	Workers' Compensation
<b>WPC</b>	Whistleblower Protection Coordinator





## \$102,163,501

### Monetary Accomplishments

This number includes court-ordered restitution, recoveries, settlements, judgments, fines, and estimated savings resulting from our investigations.



## \$1,884,757,560

### Questioned Costs

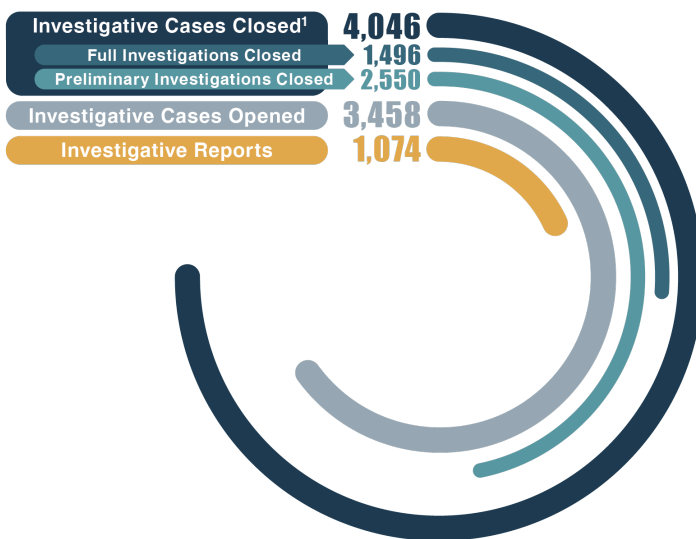
Questioned costs include costs that we determined, based on our audits: (1) violated a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) were not supported by adequate documentation; or (3) were unnecessary or unreasonable.



## \$564,644,771

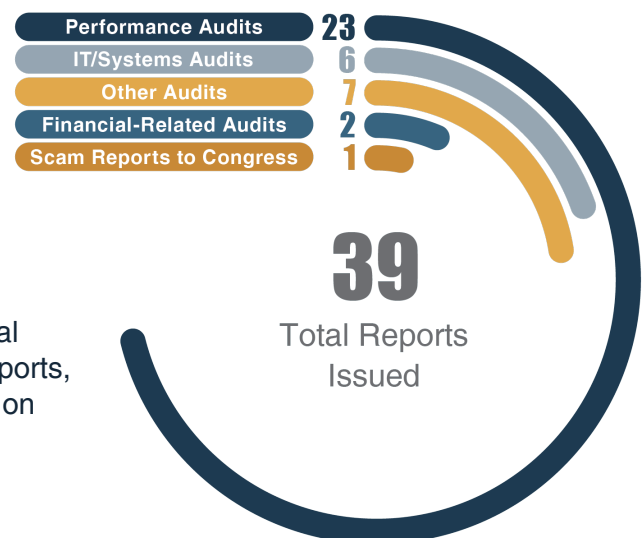
### Funds Put to Better Use

Funds put to better use are funds that SSA could use more efficiently if it took action to implement our recommendations.



The number of investigative reports includes summary reports of investigative findings issued externally by OI, including prosecution referrals, reports of employee investigations, reports of special investigations, and reports of findings by a Cooperative Disability Investigations (CDI) unit.

This includes Audit Reports, Audit Memorandum Reports, Informational Reports, Management Advisory Reports, and Congressional Status Updates on Social Security-related Scams.



1. OIG conducts preliminary investigations to further develop allegations of activity that may threaten the integrity of SSA's programs and operations or involve the misuse of a Social Security number. A preliminary investigation may result in a full investigation being opened, when there is an articulable factual basis that reasonably indicates the alleged activity has occurred; however, some preliminary investigations never result in a full investigation. This statistic reports the level of investigation at the time of case closure.

**530****Persons Referred to the U.S. Department of Justice for Criminal Prosecution**

This number includes individual subjects or entities referred to the U.S. Department of Justice (DoJ) where the investigative findings were not subject to pre-established prosecution declination guidelines.

**99****Persons Referred to State and Local Prosecutors for Criminal Prosecution**

This number reflects the total number of individual subjects or entities referred to state and local prosecuting authorities where the investigative findings were not subject to pre-established prosecution declination guidelines. These persons may also have been referred to DoJ.

**228****Indictments/ Criminal Informations**

This number includes indictment or criminal information filings per subject. It does not include subsequent or superseding indictments, and/or criminal informations for the same subject.

**143,816****Total Allegations Received****44,463****Imposter-Scam Allegations Received**

This figure represents the number of imposter-scam allegations OIG received. The allegations may include scammers impersonating government employees or alleging Social Security-related problems to steal money or personal information. OIG receives imposter-scam allegations via multiple sources, including a dedicated, online, scam-reporting **form** that requests detailed characteristics about the reported scams.

**287****Prosecutions and Convictions**

This number reflects **271** sentencings and **16** pretrial diversions.

**167****Task Forces/Working Groups**

During the reporting period, we were members of **167** task forces/working groups. This includes **25** related to COVID-19 fraud.

**1,052****Total Subpoenas Issued**

This number is the total number of OIG subpoenas issued during this reporting period.



**384**

## Safety and Threats

OIG received **384** allegations related to employee safety issues, of which **161** involved alleged assault or harassment, **189** were associated with threats against SSA employees or buildings, and **34** involved other safety threats. During the reporting period, these allegations provided sufficient information to warrant opening **63** investigations and closing **68** investigations related to employee safety.

**141**

## Unimplemented Recommendations

To provide SSA adequate time to implement our recommendations, we only report unimplemented recommendations 6 months after the end of the semi-annual period in which we provided them to the Agency.



**\$5,057,134,562**

## Potential Cost Savings from Unimplemented Recommendations

This figure reflects the dollar value of aggregate potential cost savings for all reports issued prior to the commencement of this reporting period (which was April 1, 2023) with unimplemented monetary recommendations.



**1,018**

## Administrative Actions

Administrative actions include benefits terminated, claims denied, administrative recoveries, reduction in benefits, removal of representative payee, benefits suspended, and personnel actions.



**908**

## Subjects with Administrative Actions





# Investigations Overview

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- Allegations Received by Category
- Cooperative Disability Investigations
- Disability Insurance Fraud
- Supplemental Security Income Fraud
- Retirement and Survivors Insurance Fraud
- Social Security Number Misuse
- COVID-19 Relief Fraud
- Employee Fraud and Employee Safety
- Whistleblower Retaliation

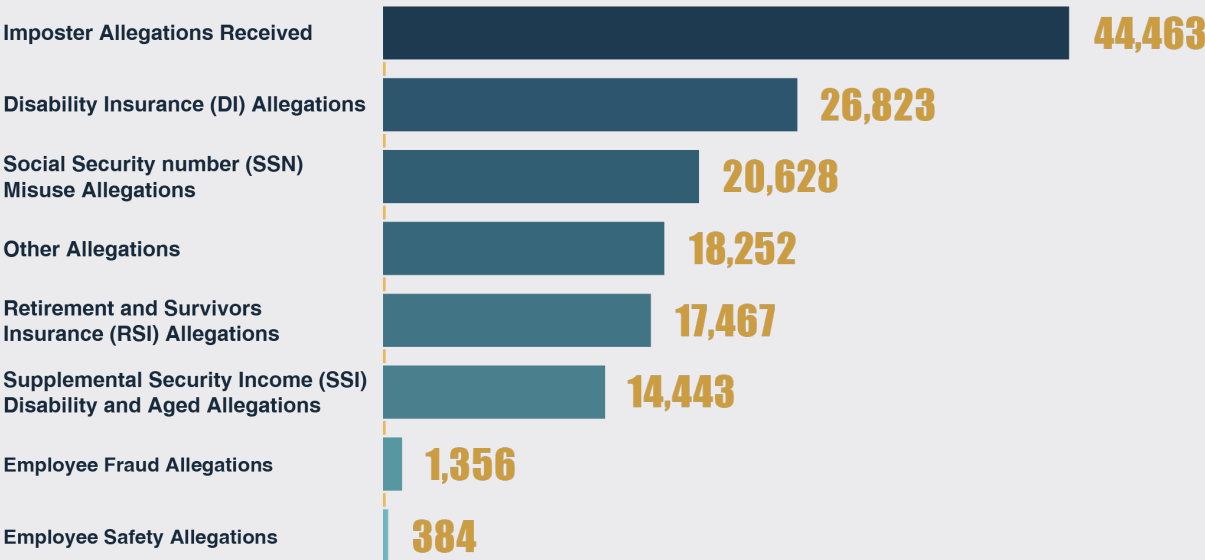


The Office of Investigations (OI) receives and evaluates allegations of fraud, waste, abuse, and mismanagement in SSA’s programs and operations, and takes appropriate action in coordination with federal, state, and local prosecutors. OI also investigates allegations of retaliation against whistleblowers who have made protected disclosures. Our investigations may result in criminal or civil prosecutions, civil monetary penalties (CMPs), or Agency administrative actions. We received 143,816 allegations during this reporting period, shown by category in the chart below.

OI works closely with federal, state, and local law enforcement partners and participates on task forces and working groups, including those related to COVID-19 pandemic fraud. Subject matter experts provide support in areas such as digital forensics, policy, training, and analytics. OI also oversees the CDI program and manages OIG’s fraud hotline.

## Allegations Received by Category

April 1, 2023 – September 30, 2023



## Cooperative Disability Investigations

Although OIG broadly investigates fraud across all SSA programs, we have a dedicated **CDI** program that focuses on both pre-effectuation and post-entitlement cases. CDI units routinely investigate allegations of fraud before benefits are paid and support continuing disability reviews by providing evidence for determinations. Since 1997, CDI units have improved program integrity by resolving questions of fraud in Social Security claims.

A CDI unit consists of an OIG special agent who leads the unit and personnel from SSA, state agencies called Disability Determination Services (DDS), and state or local law enforcement partners. Stopping an improper payment before it occurs, or as soon as it is suspected, is in the interests of SSA, OIG, and the taxpayers. By combining federal and state resources and expertise, CDI units benefit not only Social Security programs, but also other federal and state programs, such as food and nutrition assistance, housing assistance, Medicare, and Medicaid.

CDI units have contributed to a projected savings to taxpayers of more than \$8.0 billion since inception of the CDI program. During this reporting period, the work of CDI units led to 574 disability claims being denied or ceased, \$38,980,457 in projected savings and \$5,733,592 in recoveries for SSA programs, and \$49,656,093 in projected savings for non-SSA programs. SSA and OIG worked with state and local partners to successfully expand CDI coverage by the end of FY 2022, in accordance with the *Bipartisan Budget Act of 2015*. Fifty CDI units now cover fifty states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, the U.S. Virgin Islands, and American Samoa.

**Below, we highlight three CDI cases.<sup>2</sup>**

### Investigation Led to Approximately \$669,000 in Restitution, Savings, and Overpayments

Based upon a referral from the Arkansas DDS, our Little Rock, Arkansas CDI unit, along with the Federal Bureau of Investigation (FBI), investigated an Arkansas DI beneficiary who defrauded 176 individuals in a Ponzi-fraud scheme. The man alleged he had multiple disabilities and had difficulties seeing, hearing, speaking, remembering, concentrating, and understanding. Investigators also found he made false statements regarding his employment and disabling conditions to receive DI benefits. In March 2022, the man pleaded guilty to mail fraud. In June 2023, he was sentenced to 30 months of imprisonment,

followed by 3 years of supervised release, and was ordered to pay \$361,451 to the individual victims and \$23,818 to SSA. In addition, based on the evidence obtained by the investigation, SSA ceased his DI benefits, resulting in a savings of \$53,469 to SSA and an overpayment of \$230,489.

### Investigation Led to Approximately \$75,000 in Savings Due to the Denial of DI Benefits for Woman Pretending to Be Disabled

In a pre-effectuation case during this reporting period, our Tampa, Florida CDI unit's investigation of a 43-year-old woman resulted in her DI claim being denied. The woman alleged her disability was due to

2. All case summaries in this report describe investigative activities that occurred on or before September 30, 2023. We may report on additional investigative activities that occurred after September 30, 2023, in a future Semiannual Report to Congress.



anxiety, depression, rheumatoid arthritis, psoriatic arthritis, Ehlers-Danlos syndrome, hypertension, reflux disease, lymphoma, and adenoma. She claimed she could not go out of the house alone and required the use of a walker, wheelchair, or leg braces. Our investigators observed her as she arrived at a Consultative Examination (CE). In the waiting room, she used a wheeled walker and appeared to have difficulty walking. Following the CE, investigators observed her drive a vehicle to a sports store and watched her walk through the store without the walker and without apparent difficulty. Investigators obtained a video recording of her in another store approximately two weeks later that again showed her walking without a walker and without apparent difficulty. Based on the evidence obtained during the investigation, the Florida DDS denied her DI benefit claim resulting in projected savings of nearly \$75,000 to the SSA.

- Investigation Led to Approximately \$75,000 in Savings Due to the Denial of DI Benefits for Man Who Concealed Ownership and Operation of a Freight Broker Business**

In a second pre-effectuation case, our Birmingham, Alabama CDI unit's investigation resulted in a 62-year-old man's application for DI benefits being denied. The Alabama DDS referred the allegation which stated the applicant's disability was due to mycosis fungoides, lymphatic blood disease, t-cell lymphoma, and skin lesions. The man claimed he stopped working in November 2021 as a truck driver due to fatigue and an inability to concentrate. Our investigation found evidence he concealed from SSA he owned and operated a freight broker business from his home. Further, the investigation found he maintained a commercial driver's license (CDL) with endorsements to operate double and triple trailers, as well as tank trailers. He renewed his CDL in May 2023 and certified to the Alabama Division of Motor Vehicles he was able to perform the tasks required to be a commercial truck driver. Based on the

evidence obtained during the investigation, the Alabama DDS denied his DI benefit claim, resulting in projected savings of nearly \$75,000 to the SSA.

## Disability Insurance Fraud

DI fraud comprises a significant part of our investigative workload. DI fraud includes, among other activities, concealing work activity or medical improvement while receiving disability benefits, representative payee misuse, and deceased payee fraud.

**Below we highlight one DI case.**

- Chiropractor and Co-Conspirators Sentenced for \$4.3 Million Health Care, Disability Fraud Scheme**

During this reporting period, a chiropractor and three of his co-conspirators based in Missouri, were found guilty or sentenced for their roles in a multi-million-dollar facilitator fraud scheme. Following our extensive investigation, 18 persons were charged in federal court with participation in the fraud scheme, including the chiropractor, his wife, and two of their employees. However, we are only highlighting these four individuals.

According to court records, several defendants were members of the chiropractor's business that provided fraudulent services. Other co-conspirators were employees of a local company who knowingly used the chiropractor's services to obtain disability payments from SSA and private insurance plans offered through their employer. To ensure he could perpetuate this scheme, the chiropractor misrepresented himself as having a medical license, when he did not have one.

In total, the chiropractor facilitated \$4.3 million in fraudulent disability payments from 2011 to 2019. Of that amount, \$3.6 million were SSA DI payments; the rest were payments from

the employer-sponsored private insurance plans. The scheme involved charging patients between \$2,000 and \$8,600 to prepare disability forms and coaching them on how to lie to SSA and insurers about their ability to perform basic daily tasks such as lifting, standing, walking, sitting, remembering, and taking care of their personal needs. The chiropractor and his wife, also a chiropractor and co-conspirator, aided and abetted the submission of fraudulent medical reports, false and fraudulent reimbursement claims to health care benefit programs for non-rendered or upcoded services, medically unnecessary services, and services provided by unqualified persons. The husband also used a fictitious medical license number to bolster his claims to SSA and private insurance companies to further support the claims for disability.

The chiropractor pleaded guilty to conspiracy to commit offenses against the U.S. due to his involvement in health care fraud, making false statements, theft of Government funds, and Social Security fraud. He was sentenced to 48 months of imprisonment, followed by 3 years of supervised release. He was also ordered to pay restitution of \$4,312,660, of which \$2,819,996 was to be paid to SSA and the rest to private insurance companies. Additionally, one co-conspirator, a medical assistant and phlebotomist in the chiropractor's clinic, was found guilty of theft of Government property and conspiracy to defraud the U.S., due to her role in helping with fraudulent applications for disability benefits. She received a sentence of 5 years of probation and was ordered to pay restitution of \$286,186 to SSA. Another co-conspirator, the chiropractor's office manager, was found guilty of conspiracy to commit offenses against the U.S., due to her role in enrolling patients in the chiropractor's care and providing prospective patients with the chiropractor's illegal fee schedule. She received a sentence of 14 months of imprisonment, followed by 3 years of supervised release, and was ordered to pay restitution of \$543,315, of which \$339,408 was to be paid to SSA. Another co-conspirator, the

chiropractor's wife, was found guilty. We investigated this case with the FBI.

## Supplemental Security Income Fraud

SSI is a means-tested benefit program, and we work to ensure only those who are eligible for these critical benefits receive them. Eligibility for SSI primarily relies on self-reporting many factors including earnings, assets, resources, marital status, residency, and living arrangements, among others. We investigate allegations of many types of SSI fraud, including when someone falsifies a disability to become SSI-eligible, or conceals a marriage, real estate or other assets, or their true country of residence from SSA while receiving SSI payments.

**Below, we highlight two SSI cases.**

### Woman Sentenced to 8 Months of Imprisonment for Stealing \$65,000 in Government Benefits

During this reporting period, a Louisiana woman was sentenced for theft of government funds, including stealing her deceased brother's SSI payments. In September 2013, when her brother died, SSA was not notified. As a result, SSA continued to deposit the deceased recipient's payments into a bank account that was solely owned by the deceased through November 2020. When SSA learned of the death and attempted to recover \$64,059 in erroneous payments, the funds were unavailable. Investigators learned the woman had accessed her deceased brother's bank account and depleted the funds. Additionally, the Internal Revenue Service (IRS) deposited an Economic Impact Relief Payment of \$1,200 into the same account, which she also spent. In February 2023, the

woman pleaded guilty to theft of government funds. In July 2023, she was sentenced to 8 months of imprisonment, followed by 3 years of supervised release, and ordered to pay restitution of \$65,259, which includes \$64,059 to SSA and \$1,200 to the IRS.

- **Woman Sentenced to 22 Months of Imprisonment for Social Security Fraud**

During this reporting period, a Michigan woman was sentenced for her role in a fraudulent scheme involving SSI payments. The woman held two SSNs, one in her legal name and one in her former married name. The woman used the SSN in her former married name to earn income between March 2014 and November 2021, but did not report the income to SSA. Our investigators observed a vehicle associated with the woman in an employee parking lot at a large meat processing company and obtained evidence she was working there under her former married name. Additionally, the woman remarried in March 2021, but did not report that fact nor any information about her spouse's income to SSA, which resulted in her receiving SSI payments to which she was not entitled. In December 2022, she pleaded guilty to concealment of fact affecting entitlement to SSI benefits. In May 2023, a judge sentenced her to 22 months of imprisonment, followed by 2 years of supervised release, and ordered her to pay \$31,584 in restitution to SSA.

## Retirement and Survivors Insurance Fraud

These investigations involve RSI benefits, including deceased payee fraud, representative payee misuse, false statements about marital or parental status in applying for survivors' benefits, and other related types of fraud.

**Below, we highlight two RSI fraud cases.**

- **Woman Sentenced for Stealing Approximately \$490,000 from SSA**

During this reporting period, a Connecticut woman was sentenced for her role in a conspiracy, lasting from October 2016 to June 2021, involving Social Security benefits and stolen personally identifiable information (PII). The woman and her co-conspirators contacted SSA customer service representatives (CSRs) and used stolen PII to try to convince the CSRs they were true SSA beneficiaries. They then requested the CSRs change their direct deposit account numbers to new numbers connected to drop accounts under their control and mail the debit cards connected to these drop accounts to the woman and her co-conspirators. The co-conspirators were successful in fraudulently changing direct deposit account numbers for at least 120 real Social Security beneficiaries.

In May 2022, the woman pleaded guilty to conspiracy to commit offenses against the U.S. In May 2023, she was sentenced to 1 year and 1 day of imprisonment, followed by 2 years of supervised release, and ordered to pay restitution of \$489,075 to SSA. We investigated this case with the U.S. Postal Inspection Service.



■ **Man Pleaded Guilty to Hiding Mother's Death and Stealing More Than \$800,000 in Her Government Benefits**

During this reporting period, a California man pleaded guilty to Social Security fraud and money laundering for his role in a decades-long fraud scheme. The man fraudulently collected widow's insurance benefits intended for his deceased mother. According to court documents, his mother, the SSA beneficiary, died in 1990, while living abroad. Although the man reported her death in the foreign country and had her remains transferred to the U.S., he concealed her death from SSA so he could continue to receive her benefits. He continued to receive her Social Security benefits until October 2020 and an annuity from the Department of Defense Finance Accounting Service (DFAS) via direct deposit until September 2022. During that time, he never informed SSA or DFAS his mother had died. Rather, he impersonated his mother by signing her name and using her SSN to mail a "Certificate of Eligibility" to DFAS. When one of our investigators contacted him, he told the investigator his mother was in a foreign country. He also filed false federal tax returns over several years and received fraudulent tax refunds and stimulus payments from the IRS meant for his mother. In total, he received at least \$830,000 in Government benefits from SSA, DFAS, and IRS. In June 2023, he pleaded guilty to Social Security fraud and laundering of monetary instruments. The SSA fraud loss was \$253,714. We conducted this investigation with the Department of Defense OIG.

## Social Security Number Misuse

We work to ensure the integrity of SSNs, as SSA depends on them to accurately post earnings to individuals' records and calculate earned benefits. SSNs are used by not only SSA but also other agencies and entities, so we often pursue joint investigations into SSN misuse. We may investigate any situation in which a person misuses an SSN, whether for unauthorized work, obtaining a loan, applying for a government benefit, or any other purpose.

**Below, we highlight two cases involving SSN misuse.**

■ **Man Sentenced for \$1.2 Million Fraud Scheme Involving the Creation of Fictitious Employees and Misuse of Social Security Numbers**

During this reporting period, a Puerto Rico man was sentenced for conspiracy to commit wire fraud in a scheme lasting from January 2012 to July 2017 involving SSN misuse. The man was an employee of a private company where he used real names and SSNs to create two fictitious employee profiles in the company's accounting system. He then artificially increased the hours worked by real employees and submitted the fraudulent payroll information. Next, he diverted the funds for those fictitious additional hours to the bank accounts he created and controlled for the two fictitious employees.

Following our investigation, he pleaded guilty to conspiracy to commit wire fraud in January 2023. In May 2023, he was sentenced to 27 months of imprisonment, followed by 3 years of supervised release, and ordered to pay \$1,396,008 in restitution to the company he defrauded. A co-conspirator was also sentenced to five years of probation

for unlawful disclosure of his SSN. We investigated this case with Department of Homeland Security Investigations.

■ **Man Sentenced to 111 Months of Imprisonment for Bank Fraud and Identity Theft, Totaling \$266,467**

During this reporting period, a Missouri man was sentenced for bank fraud and aggravated identity theft for his role in an SSN misuse and identity theft scheme that began in 2018. The man used PII, including SSNs, to obtain loans or lines of credit from financial institutions to purchase three vehicles. He also instructed at least four individuals to make fraudulent vehicle purchases using SSNs and false identification documents of other victims. Additionally, he accessed multiple bank and credit union accounts belonging to other individuals and changed information in the accounts to access the money. Finally, in 2020 and 2021, the man applied for Paycheck Protection Program (PPP) and Economic Injury Disaster Loan program (EIDL) pandemic relief program funding by reporting to be the sole proprietor of a general freight trucking company and by using fraudulent documentation.

In March 2023, the man pleaded guilty to bank fraud and aggravated identity theft. In August 2023, he was sentenced to 111 months of imprisonment, followed by 5 years of supervised release, and ordered payment of \$266,467 in restitution to his victims. We investigated this case with the U.S. Postal Inspection Service.

## COVID-19 Relief Fraud

OIG plays an important role in addressing COVID-19 pandemic-related fraud throughout the Federal Government. SSN misuse, including identity theft, is a common thread running through a substantial number of pandemic investigative cases. During this reporting period, we participated in 25 COVID-19 fraud-related task forces and working groups and collaborated with other federal law enforcement entities on joint investigations related to COVID-19 pandemic relief, including Unemployment Insurance fraud and PPP fraud. We participated in the National COVID-19 Fraud Enforcement Taskforce, led by the Deputy Attorney General of the U.S. We also worked with other federal, state, and local agencies to pursue SSN misuse and other crimes committed in relation to PPP fraud.

**Below, we highlight two COVID-19 relief cases.**

■ **Restaurateur Receives 57 Months of Imprisonment After Falsely Obtaining \$1.5 Million in Pandemic Loans**

During this reporting period, a New York City man was sentenced for his role in fraudulently obtaining COVID-19 relief funds and for making interstate threats. The man submitted applications for PPP and EIDL loans to multiple banks on behalf of restaurants he or a relative of his owned. The applications included restaurants that were no longer operating or that had far less revenue and far fewer employees than were listed on the loan applications. We initiated our investigation based on a referral and request for assistance from the FBI due to the potential misuse of SSNs and submission of counterfeit/altered tax forms to SSA. The investigation revealed the man and his co-conspirators applied for

dozens of loans, totaling over \$6 million, and they received at least \$1.5 million in loans. The man also violated the terms of his bail by conspiring to commit bank fraud. He was also found to have transmitted an interstate communication containing a threat to injure someone else. The man was sentenced to 57 months of imprisonment, followed by 3 years of supervised release, and ordered to pay \$1.5 million in restitution. We jointly investigated this case with the FBI, the Small Business Administration (SBA) OIG, and the New York State Liquor Authority.

■ **Man Who Defrauded Pandemic Relief Programs of More Than \$1 Million Sentenced to More Than 8 Years of Imprisonment**

During this reporting period, a Washington man was sentenced for his role in a pandemic fraud scheme. The man and his co-conspirator used stolen PII from at least 50 Washington residents to apply for pandemic-related assistance. They filed fraudulent EIDL applications to the SBA and unemployment claims to the Washington Employment Security Department (ESD) seeking more than \$1.98 million in federal funds. From those applications, they received over \$1 million from SBA and ESD into bank accounts they established with the stolen PII. They also made withdrawals from the bank accounts with debit cards they obtained using stolen PII.

In January 2023, the man pleaded guilty to aggravated identity theft and wire fraud, and in May 2023, a judge sentenced him to 100 months of imprisonment, followed by 5 years of supervised release. The judge also ordered him to pay restitution of \$1,041,661 of which \$521,900 was to be paid to SBA and \$519,761 to ESD. We led this joint investigation with the U.S. Postal Inspection Service with partners, Colusa County Sheriff's Office in California; Washington State ESD; SBA OIG; Amtrak Police Department; FBI Cyber Task Force; Washington State Department of Licensing, Driver, and Vehicle Investigations; and the Department of Labor OIG.

## Employee Fraud and Employee Safety

Public integrity investigations are critical to ensuring we maintain the public trust in SSA's programs and operations. We must take swift action concerning allegations against employees who may have misused their position for personal gain or violated other laws or regulations in the performance of their official duties. We also must act when the safety of SSA employees is threatened. However, we did not have any employee safety cases during this period.

**Below, we highlight two employee fraud cases.**

■ **Former SSA Employee Sentenced for Social Security Fraud, Wire Fraud, and Money Laundering Exceeding \$300,000**

During this reporting period, a former SSA Claims Specialist in the Littleton, Colorado Social Security office, was sentenced for Social Security fraud, wire fraud, and money laundering. From August 2019 through September 2021, he perpetrated a scheme that involved establishing SSNs for 10 fictitious children. He used these SSNs to apply for survivors benefits on the records of real deceased individuals and assigned a representative payee for the fictitious children's benefits. The benefits were deposited into bank accounts the man could access with debit cards issued for each child. Eight of the fictitious children were also issued economic stimulus payments to those same accounts. Using the debit cards, he made withdrawals and purchases, including money orders payable to himself or his mother and a diamond engagement ring, totaling \$324,201.



In March 2023, the man pleaded guilty to Social Security fraud, wire fraud, and laundering of money instruments. In July 2023, a judge sentenced him to 6 months of imprisonment, followed by 3 years of supervised release, and ordered him to pay restitution of \$324,201 of which \$310,601 was to SSA and \$13,600 to IRS for the stimulus payments sent to the fictitious children during the pandemic. We investigated this case with Internal Revenue Service-Criminal Investigation (IRS-CI).

■ **Former SSA Employee Indicted for Theft of Government Property and Aggravated Identity Theft**

During this reporting period, a former SSA Claims Specialist in the Harlingen, Texas Social Security office was indicted after creating fictitious profiles to steal government funds. The man allegedly created fictitious profiles for two children who did not exist and then linked them to a recently deceased man and a woman living in Mexico. He then processed survivors benefits applications for the two fictitious children and used debit cards issued to the children to withdraw funds. The two fictitious children also each received a \$1,400 economic stimulus payment. On June 27, 2023, the man was indicted for theft of government property and aggravated identity theft. We investigated this case with IRS-CI and Treasury Inspector General for Tax Administration.

## Whistleblower Retaliation

Section 5(a)(20) of the *Inspector General Act of 1978*, as amended (*IG Act*), requires OIG to provide a detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation and what, if any, consequences the establishment imposed to hold that official accountable. There are no known instances of retaliation to report for this reporting period.

# Audit Overview

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- Improper Payments
- Potential Cost Savings from Unimplemented Recommendations
- Significant Problems, Abuses, and Deficiencies



Our audit work helps SSA serve the American people by identifying opportunities for savings, better use of funds, and improvements in SSA's program management and results. We continue to deploy audit resources to address **SSA's top management and performance challenges**.

During this reporting period, these challenges included: (1) managing human capital; (2) improving service delivery; (3) protecting the confidentiality, integrity, and availability of SSA's information systems and data; (4) modernizing information technology; (5) improving administration of the disability programs; and (6) improving the prevention, detection, and recovery of improper payments. We also conduct reviews at the request of Congress.

This reporting period, we issued 38 audit reports.<sup>3</sup> This includes 13 audit reports that identified over \$2.4 billion in potential cost savings and 25 reports with non-monetary recommendations (these include 9 reports with no recommendations). See **Appendix B** and **Appendix C** for statistical tables showing potential cost savings, including those for which no management decision had been made by the commencement of the reporting period, and **Appendix D** for the full list of reports issued during this reporting period.

## Improper Payments

According to a **Social Security Fact Sheet**, SSA estimated in 2023 an average of 67 million Americans per month would receive a Social Security benefit, totaling over \$1 trillion in benefits paid during the calendar year. Given the magnitude of SSA payments, even the slightest error in the payment process can result in millions of dollars in over or underpayments. SSA's Office of Analytics, Review, and Oversight (OARO) estimated that, in FY 2022, SSA made approximately \$13.6 billion in improper payments. Of those, \$11.1 billion were overpayments and \$2.5 billion were underpayments.<sup>4</sup>

During this period, we issued 16 audit reports related to the management challenge, "Improve the Prevention, Detection, and Recovery of Improper Payments." Our work related to this management challenge identified over \$1.3 billion in questioned costs and over \$564 million in funds put to better use and included 59 recommendations.

We continuously engage SSA to ensure timely resolution of all recommendations. As shown in detail in **Appendix E**, SSA had not implemented 22 significant monetary recommendations from FYs 2017 through 2022, offering potential cost savings of about \$3.2 billion. As shown on the following chart, potential cost savings from all unimplemented recommendations decreased from \$5.2 billion to about \$5.1 billion from FY 2022 through FY 2023. The number of unimplemented recommendations increased from 112 to 141 over the same period.<sup>5</sup>

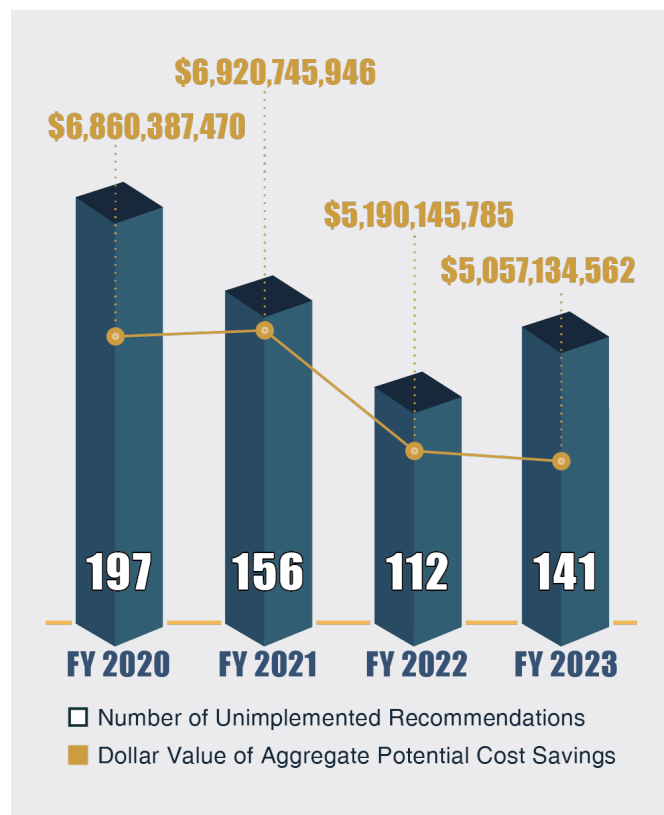
3. This includes 30 Audit Reports, 3 Audit Memorandum Reports, 3 Informational Reports, and 2 Management Advisory Reports.

4. SSA's OARO, Title II and Title XVI Payment Accuracy Reports for FY 2022.

5. To provide SSA adequate time to implement our recommendations, we only report unimplemented recommendations 6 months after the close of the semi-annual period in which we provided them to the Agency. The FY 2023 figure includes audits issued through March 31, 2023. Numbers are comparative to prior years' Fall Semiannual Reports. We will report end of year figures for FY 2023 (September 30, 2023) in the Spring 2024 Semiannual Report.



## Potential Cost Savings from Unimplemented Recommendations



## Significant Problems, Abuses, and Deficiencies

### ■ The COVID-19 Pandemic's Effect on Disability Determination Services' Processing of Disability Claims

SSA makes payments, including DI and SSI payments to eligible individuals. Once an individual files a claim for disability payments under either program, SSA field offices determine whether the claimant meets certain non-disability eligibility criteria, such as age and work-credit requirements. SSA field offices generally forward disability claims to state DDSs to make disability determinations. DDSs are in each of the 50 states, the District of Columbia, and Puerto Rico.

In March 2020, due to the COVID-19 pandemic, SSA closed its offices to the public and suspended or cancelled all non-virtual CEs, which are physical or mental examinations provided in support of a disability determination or decision. State DDSs also experienced closures related to the pandemic with SSA authorizing DDSs to allow their employees to work remotely to process disability claims. We conducted this review to determine how the pandemic-related closures affected DDS's processing of disability claims.

While SSA received fewer initial claims during the pandemic, it took DDSs longer to process them than the year before the pandemic began. Previously, DDSs' average processing time (APT) for an initial claim was 95.5 days. APT increased to 139.4 days and 135.5 days, during the first and second year of the pandemic, respectively. Factors contributing to this increase included the decrease in the number of CEs performed during the pandemic; DDSs replacing about 4,000 DDS employees who resigned or retired; the telephones provided to remote-working DDS employees not having caller ID identifying the call as coming from a state agency, so claimants were wary of answering the phone or providing needed information when contacted; and SSA's updated pandemic policies and procedures not differentiating between field office and DDS operations, so some DDS employees were confused as to which policies and procedures applied specifically to DDS processes.

In response to our observations made in this informational report, DDS informed us they would continue with best practices, including scheduling telehealth CEs, when possible, and continuing to use software to hold video meetings SSA deployed during the pandemic. SSA also stated it worked closely with DDSs during the pandemic to respond to rapidly evolving conditions, ensure the safety of the public and employees, and modify operations to continue serving the public. SSA also commented that it encourages DDSs to share

and implement best practices identified during the pandemic to improve disability operations nationwide.

## ■ States Workers' Compensation and Public Disability Benefits' Reverse Offset Plans' Impact on the Disability Insurance Trust Fund

The *Social Security Act* requires SSA reduce, or offset, DI benefits when the beneficiaries also receive Workers' Compensation (WC) and/or Public Disability Benefits (PDB). Generally, SSA reduces the DI benefit in these instances. However, 16 states and Puerto Rico have reverse offsets that reduce WC/PDB payments instead of offsetting SSA DI. We conducted this review to determine the impact of state WC/PDB reverse offsets on SSA's DI trust fund.

We found SSA paid over 22,000 beneficiaries an estimated \$138 million more from the DI trust fund in Calendar Year 2019 than it would have had it been able to impose offsets to DI payments. Further, SSA may have improperly paid over 13,000 DI beneficiaries because SSA lacked or did not maximize data it had regarding WC/PDB payments. SSA agreed with two and disagreed with one of our recommendations. SSA agreed to establish system controls to identify cases likely to have incorrect WC/PDB offsets and/or reverse offset determinations. SSA also agreed to determine whether inaccurate WC/PDB offset determinations resulted in improper payments to 13,033 beneficiaries, due to this inaccurate information in their records. It disagreed, however, with our recommendation to negotiate with states to establish data matches to obtain WC/PDB information to help ensure SSA correctly applies WC/PDB offsets.

SSA provided that, while it has legal authority to collect WC/PDB information, there is no legislative requirement for states or other entities to share the information with SSA. SSA explained that when considering whether to enter into a data exchange, it may be prevented from doing so because it

must consider factors including data quality, technology, and logistical challenges; anticipated program savings; and estimated costs. While we identified some data limitations in the state data we received, we were still able to use the data to identify 13,033 beneficiaries with inaccurate WC/PDB information in SSA records, which placed them at risk for improper payments. As such, we continue to believe SSA's rationale is short-sighted and should be revisited, as the state data could lead to more accurate payments.

## ■ Controls over the Social Security Administration's National 800-number Service During the COVID-19 Pandemic

From March 2020 through April 2022, in response to the COVID-19 pandemic, SSA limited in-person field office services and redirected customers to use SSA's online and telephone services. SSA's national 800-number allows callers to speak directly with Social Security representatives or use automated service options. We conducted this review to determine whether SSA used controls over the service its 800-number employees provided callers during the COVID-19 pandemic.

We found SSA did not effectively employ two of its three controls. SSA did not use its service observation control of management reviewing recorded calls or live observations, to help improve the quality of service its employees provide through the 800-number. SSA also did not timely intervene after employees identified through speech analytics were considered to be providing problematic service to callers. We further found SSA did not timely and accurately resolve 800-number callers' requests through its Modernized Development Worksheets, which employees use to transfer requests for needed actions between its components. While these controls were in place before and continued through the pandemic, SSA stated the service changes made in response to the pandemic initially limited some control efforts,

including completing a monthly targeted number of service observations of three per employee.

SSA disagreed with both of our recommendations in the report. SSA disagreed with our recommendation to create a performance standard requiring employees who conduct service observations to conduct a minimum of three service observations, as required by SSA's own policy. SSA stated, "...As our telephone system stabilized, we steadily increased the number of service observations for each employee. To ensure we continue to increase the number of service observations, we recently began distributing a monthly service observation compliance report to managers in each National 800-number site. We expect the new compliance report will promote visibility of the issue with regional leadership and support a process centered around accountability." Notwithstanding SSA's response, we continue to believe a performance standard is needed to improve the quality of service SSA employees provide through the 800-number.

SSA also disagreed with our recommendation that SSA create policy to ensure all problematic calls identified through speech analytics are referred for regional management and regional management intervene within defined timeframes. SSA stated its managers handle referrals on a case-by-case basis and the timeline for each action depends on the circumstances of the referral, the amount of evidence needed, the availability of the employee, and other factors. However, we found many employees had additional problematic calls identified through speech analytics after their first referral to regional management but before management's initial intervention. Once regional management intervened, employees generally had fewer additional referrals, demonstrating the importance of the timeliness of interventions. We continue to believe SSA needs to establish defined timeframes for when management interventions should occur.

## - The Social Security Administration's Hearings Backlog and Average Processing Times**

In January 2016, SSA issued the Compassionate and REsponsive Service (CARES) Plan, when more than 1 million people were waiting for SSA hearing decisions. SSA planned to reduce its pending hearings backlog from an APT at 543 days down to an APT of 270 days. SSA updated the CARES Plan in 2017 and 2019 and, in total, created 45 total initiatives from these three Plans. We conducted this review to determine whether the CARES Plan reduced the hearing backlog and APT.

While the hearings backlog and APT generally decreased between FYs 2016 and 2022, we could not determine whether the CARES Plan initiatives reduced the hearings backlog and APT. Since SSA did not establish sufficient metrics to support their correlation to reducing the hearings backlog or APT for 42 of the 45 CARES Plan initiatives, we could not determine the effect the initiatives had on them. According to the U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government*, management should define objectives in measurable terms so performance toward achieving those objectives can be assessed. Measurable objectives should also be stated in a quantitative or qualitative form that permits reasonable, consistent measurement. SSA agreed with our one recommendation that, for future CARES Plan initiatives, SSA should establish and document metrics to measure a direct impact on the hearings backlog and APT.

## - The Social Security Administration's Telephone Service Disruptions**

SSA has, for many years, operated three telephone systems for its national 800 number, field offices, and Headquarters. SSA plans to replace these systems with a modern, unified telephone system through a contract with a telephone service contractor. This contract is

referred to as the Next Generation Telephony Project (NGTP) and is expected to improve telephone customer service and be more efficient, stable, and functional.

The onset of the COVID-19 pandemic delayed SSA's NGTP upgrade. In March 2020, when SSA limited in person field office service, the telephone became the primary option for the public to interact with SSA employees. SSA experienced service disruptions while operating under temporary measures the Agency took to accommodate for remote operations. SSA experienced additional service disruptions in May 2021 when it began implementing its new unification telephone platform under NGTP. We conducted this review to determine the extent of the disruptions to SSA's telephone services and their impact on the public.

From May 2021 through December 2022, 40 telephone service disruptions occurred on the national 800-number and field office systems. The majority of these disruptions occurred from October through December 2022 and involved the 800-number. These disruptions resulted in dropped calls, increased wait times and, in some instances, unavailable automated services. Wait times increased as SSA employees could not take calls during several of the outages. Further, such functionalities as the "estimated wait time" and the "call back assist" features, which callers used to avoid waiting on the telephone to speak with an SSA employee, were no longer available to callers. The rate of unanswered calls for those who opted to speak with an employee during each of the service disruptions ranged from 32 to 80 percent.

As we noted in this report, as of May 2023, SSA still had not implemented the NGTP but strengthened its temporary platform to help increase stability until NGTP can be implemented. However, SSA still needs to set a goal for completion of the final stages of the NGTP, including adding the field office and Headquarters telephone systems to

operate under a single platform. However, in Agency comments, SSA stated that since it implemented temporary measures to its telephone systems, it has worked steadily to improve the stability of the temporary solution. SSA also stated it reduced service disruptions since December 2022 and plans to implement the NGTP platform for the 800-number by the end of FY 2023. When we followed up with SSA at the end of FY 2023 about the status, SSA stated that due to User Acceptance Testing and vendor defect remediations taking longer than expected, NGTP implementation was scheduled to take place between October 19, 2023, and November 20, 2023. However, as we concluded in our audit report, SSA did not have a time frame for completing the NGTP, and although SSA had withheld payments from the vendor when deliverables and services did not meet acceptance standards, SSA had not asked for contract modifications and did not have plans to implement a Service Level Agreement to ensure continuity of service. As such, disruptions could continue and impact SSA's ability to serve the public by causing additional dropped calls and unavailable automated services.

## Manual Processes for Resource-intensive Workloads

SSA's 2017 *IT Modernization Plan* included plans to retire old technology, improve IT development processes, and update legacy systems to reduce manual workloads so it can better serve the public. In 2020, SSA updated the plan to include additional investments focused on enhancing service delivery, modernizing IT, and automating manual workloads to improve timeliness and eliminate and prevent backlogs. According to SSA, the *IT Modernization Plan* is a 5-year, \$863 million investment. We conducted this review to determine whether the SSA's automation enhancements (1) reduced manual processing for resource-intensive workloads and (2) were cost-effective.



Our audit showed SSA's automation enhancements reduced the need for manual processing for some workloads, but they were not always immediately cost-effective. Additionally, SSA could not identify cost or savings estimates for some enhancements; thus, we could not determine whether they were cost-effective. While SSA introduced robotic applications (bots) to assist processing center employees with manual workloads, it could increase its return on investment for the robotics initiative by increasing the use of existing bots and by developing new bots to assist with additional workloads. For example, SSA could focus on SSI workloads that are resource-intensive and error prone. However, a lack of data prevents SSA from identifying the most critical processes and workloads on which it could focus its efforts to be most cost-effective.

SSA agreed with all six of our recommendations that SSA implement measures to assess cost savings and effectiveness of its automation enhancements; determine whether existing bots are cost beneficial and whether it is cost beneficial to develop bots to assist with field office workloads; issue unused licenses for bot-related software; re-evaluate its licensing needs and, if appropriate, modify its licensing agreement; and establish processes to monitor nationwide pending levels for manual SSI workloads.

# Legal Overview

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- Civil Monetary Penalty Program
- Review of Legislation and Regulations
- Whistleblower Protection Coordinator Education



## Civil Monetary Penalty Program

**Section 1140** authorizes Civil Monetary Penalties (CMPs) to protect the public from advertisements, solicitations, and other communications (including Internet websites and scam telephone calls) that may convey the false impression SSA approved, endorsed, or authorized the communication. It also prohibits the reproduction and sale of SSA publications and forms without authorization and places restrictions on the charging for services SSA provides to the public without charge. SSA's CMP program to enforce Section 1140 has been delegated to the Inspector General (IG) and has been an effective administrative enforcement alternative when criminal or civil prosecution is declined or not feasible.

During the reporting period, we resolved 13 Section 1140 cases and imposed \$64,000 in penalties resulting from Section 1140 violations.

We continued efforts to protect consumers from Social Security-related scam calls by seeking penalties against U.S. telecommunications companies, acting as gateway carriers, who profit by accepting these scam calls into the U.S. telecommunications system and passing them to unsuspecting consumers. To date, OIG has initiated 36 cases against gateway telecommunications companies. During the reporting period, we imposed penalties against 5 gateway carriers. As a result, many of these companies have begun to take more proactive steps to prevent scam calls from entering the U.S. or have decided to discontinue operations and/or the gateway carrier segment of their operations.

Our Section 1140 enforcement efforts during this period also included 8 take-downs of SSA-related imposter social media accounts across X (formerly known as Twitter), Facebook, Pinterest, and LinkedIn. Removal of these accounts prevents unsuspecting consumers from falling victim to phishing and other scams and protects the Agency's ability to effectively communicate with the public.

Further, we successfully defended an action before the Departmental Appeals Board challenging an imposed penalty of \$15,006 against an insurance entity for misleading solicitations distributed through U.S. Mail.

Our outreach efforts during this reporting period included the Chief Counsel to the IG's presentation to global telecommunications leaders at the International Telecommunications Week Conference regarding OIG's Section 1140 enforcement and outreach activities.

## Review of Legislation and Regulations

Section 4(a)(2), codified at 5 U.S.C. § 404(a)(2), of the *IG Act*, requires OIG to review existing and proposed legislation and regulations, and make recommendations concerning the impact of such legislation or regulations on the economy and efficiency of, or the prevention and detection of fraud in SSA programs and operations. In addition to communicating directly with congressional staff as needed to discuss legislative issues, below are examples of the way we accomplished this statutory requirement during this reporting period.

### Reviewed proposed legislation and regulations, including the following:

- A proposal to allow Inspectors General to continue operating during a lapse in appropriations to perform oversight of programs that continue operations.
- A proposal relating to the cybersecurity of federal information.
- A proposal to require reporting on certain agency communications with interactive computer services.
- A proposal to make several amendments to the *Program Fraud Civil Remedies Act of 1986* (31 U.S.C. §§ 3801-3821).
- A proposal relating to immigration that includes audit requirements for SSA OIG.



- A proposal to repeal the requirement Inspectors General review agency implementation of Enhanced Personnel Security Programs under the current 5 U.S.C. § 11001(d)(1)(a).

## Whistleblower Protection Coordinator Education

Section 3(d) of the *IG Act* requires the IG to designate a Whistleblower Protection Coordinator (WPC) to carry out certain key functions, including educating SSA employees and managers about prohibitions on retaliation for protected disclosures. Additionally, the WPC is responsible for educating employees who have made or are contemplating making a protected disclosure about the rights and remedies against retaliation for protected disclosures. The IG has designated the Chief Counsel to the IG as the WPC.

During this reporting period, on September 13, 2023, the WPC team hosted the inaugural OIG Whistleblower Education Forum, “OIGs Learning Through Collaboration.” The Forum brought together experts to share best practices and educate attendees on important whistleblower topics. This successful day of learning consisted of 18 training presentations and panel sessions moderated and taught by employees from many different OIGs, the U.S. Office of Special Counsel, the Council of Inspectors General on Integrity and Efficiency, the Merit Systems Protection Board, the Office of the Whistleblower Ombuds, and several whistleblower advocacy groups. The Forum garnered such great interest that the WPC team received over 5,700 individual registrations to attend various sessions.

In addition, the WPC team continued to update educational media in preparation for the launch of our new FY 2024 educational campaign, “You’ve Got Rights!” and trained new employees on whistleblower rights and protections during several sessions of OIG’s New Employee Orientation. The WPC team also continues to collaborate with SSA’s Office of Civil Rights and Equal Opportunity (OCREO) and SSA’s Office of Personnel to further the overall education of whistleblower rights by increasing the presence of whistleblower education on SSA’s internal electronic platforms. The WPC is actively working with OCREO planning for the development of a joint educational video-on-demand using “Edutainment,” which marries education and entertainment to appeal to SSA’s diverse workforce. The working title is “Whistleblower Squares,” an avatar based interactive presentation mirroring the format of “Hollywood Squares.”



# Social Security-Related Imposter Scams

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- Public Outreach and Education
- Scam-Related Criminal Investigations and Prosecutions
- Civil Enforcement
- Status Updates on Social Security-Related Imposter Scams



In a Social Security-related imposter scam, a scammer claims to be an SSA or other government employee. Scammers may threaten arrest or other legal action unless one immediately pays a fine or fee; promise a benefit increase or other assistance in exchange for payment; or demand personal information. Scammers often require payment by retail gift card, cash, wire transfer, digital currency, or prepaid debit card. These scams primarily use the telephone, but some scams also use email, text messages, social media, or U.S. Mail. Many of the scams originate overseas.

OIG has established a multidisciplinary team of professionals that develops and implements innovative approaches to combat these scams through public outreach and education, criminal investigations and prosecution, and civil enforcement.

## Public Outreach and Education

OIG, in coordination with SSA, collaborates with all levels of government, leverages anti-fraud interests of private companies, and engages with special interest groups who focus on combatting fraud, protecting vulnerable populations, and reaching underserved communities. We regularly engage with the media to reach new audiences, including through television and podcast interviews, social media, and print media. We continue to expand our reach by fostering strategic relationships and identifying new alliances.

## Scam-Related Criminal Investigations and Prosecutions

OIG criminal investigators and investigative counsel work diligently to develop leads, prosecute criminals, and disrupt scams. Below, we highlight two Social Security-related scam cases.

### — Man Sentenced in Connection with a \$1.5 Million Social Security-Related Imposter Scam

During this reporting period, an Indiana man was sentenced for perpetuating a Social Security-related government imposter scam where he stole approximately \$1.5 million from individuals, including from elderly victims. The man's co-conspirators utilized call centers in India to contact victims in the U.S. and pretend to be government officials and law enforcement agents. They told victims their SSNs had been found in connection with criminal activity, often narcotics trafficking, and stated the victims would be arrested if they did not immediately withdraw large sums of cash and mail it to a fictitious individual via U.S. Mail, FedEx, or another commercial private carrier in Indiana. From April 2017 through April 1, 2021, the man tracked the packages of money sent by fraud victims to the fictitious recipients and picked them up at multiple FedEx locations. In each instance, he used a false identification document in the name of the listed package recipient. In total, he possessed at least 53 false identification documents, each with his picture but containing different identifying information. He used these false identification documents to pick up at least 122 packages containing \$901,124 in cash. He retained \$60,000 for his own use and forwarded the remainder of the cash to his associates.



Through the investigation, law enforcement agents confirmed 28 victims, identified numerous other suspected victims, and identified approximately \$1.5 million in losses to the victims.

In January 2023, the man pleaded guilty to charges of possession of false identification documents and operation of an unlicensed money transfer business. In August 2023, a judge sentenced him to 46 months of prison, followed by 3 years of supervised release and ordered him to pay restitution to victims totaling \$901,124. He additionally was ordered to forfeit property to the government including 70 false Illinois and Ohio state identification documents, a cell phone, and currency totaling almost \$70,000. We investigated this case with the FBI, Naval Criminal Investigative Service, and the U.S. Postal Inspection Service.

#### ■ Indian National Sentenced to 10 Years in Federal Prison for Money Laundering Conspiracy

During this reporting period, an Indian National residing in Colorado, pleaded guilty and was sentenced for conspiring to commit money laundering. In January 2020, he began his involvement in a Social Security-related government imposter scam where victims were contacted by persons impersonating government officials from various federal agencies, including SSA. The imposters threatened victims with arrest or deportation unless they paid the government and also told victims their payments would be held in trust. Typically, the imposters told victims to immediately withdraw cash from their bank accounts and remain on the phone during the entire bank transaction. The imposters told the victims to mail packages of cash via FedEx locations, typically inside Walgreen's stores, or United Parcel Service stores.

It was also found that two other runners were the Indian National's co-conspirators in the scheme. The runners used fraudulent identity documents to pick up the packages, then obtained the cash, took a portion, and

forwarded the balance to other network members. The Indian National coordinated the receipt and pickup of packages and operated in a management role overseeing his co-conspirators.

In April 2023, the Indian National pleaded guilty to conspiracy to commit money laundering. In September 2023, a judge sentenced him to 120 months of imprisonment, followed by deportation to India. The judge also ordered restitution of \$1,163,947 to the victims. The two other co-defendants were also sentenced earlier in 2023. One was sentenced to 26 months of imprisonment, followed by 3 years of supervised release for conspiracy to commit money laundering. He was ordered to pay \$763,089 to victims of the scheme. Similarly, the other runner was sentenced to 28 months of imprisonment for conspiracy to commit money laundering, 3 years of supervised release and ordered to pay \$400,858, for his role in the scheme. We investigated this case with the U.S. Postal Inspection Service, Department of Homeland Security-OIG, Homeland Security Investigations, and the Sterling, Colorado Police Department.

## Civil Enforcement

As discussed in the Legal Overview section, OIG enforces Section 1140, a consumer protection law that prohibits misleading consumers by giving a false impression of association with, or authorization or endorsement by, SSA through any type of communication.

OIG continues to notify gateway providers of their potential civil liability, encourage proactive techniques to block transmission of scam calls, and where appropriate, impose fines. Working together with federal and state law enforcement partners, the team shares knowledge, strategizes based on its analyses of industry trends, and appropriately coordinates parallel enforcement actions for maximum national consumer protection impact.

## Status Updates on Social Security-Related Imposter Scams

Since October 2019, we have provided updates on our efforts to combat Social Security-related imposter scams to the U.S. House of Representatives Committee on Ways and Means, Subcommittee on Social Security; U.S. Senate Committee on Finance; and U.S. Senate Special Committee on Aging. OIG began publicly releasing those updates in FY 2021. The **reports** share information about Social Security-related and government imposter scam allegation trends and address our ongoing efforts to raise public awareness of and disrupt them. The reports also provide a brief analysis of scam allegation data and highlight scam-related investigations and outreach.

This reporting period, we published one Quarterly Scam Update covering the second quarter of FY 2023 (January 1, 2023, to March 31, 2023).



# National Anti-Fraud Committee

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The National Anti-Fraud Committee (NAFC) is a partnership between SSA and OIG that supports strategies for combatting fraud, waste, and abuse in SSA programs and operations. The NAFC meets quarterly to share information and create concrete steps for addressing SSA fraud. In September 2023, SSA and OIG jointly held the third annual National Anti-Fraud Summit to understand and address fraud issues facing SSA. This Summit focused partially on AI and featured a speaker from the Department of Energy OIG, who spoke on the impact of AI on modern fraud schemes and how to respond. Additionally, the Summit focused on digital identity, insider threat, and OIG's efforts to combat fraud through enforcement of Section 1140.

The NAFC co-chairs are SSA's Deputy Commissioner (DC) for OARO and OIG's Chief Strategy Officer. Other SSA voting members include all of its DCs, Chief Actuary, and General Counsel. Non-voting members include SSA's Associate Commissioner for the Office of Program Integrity, Lead Regional Commissioner for Fraud, Chief Information Security Officer, and all of OIG's Assistant IGs and the Chief Counsel to the IG. The NAFC may establish subcommittees and bring in other individuals as resources to join the team for consultation, information, or staff assistance, as needed. Continued participation by subject matter experts is critical to the planning of the summit and development of any anti-fraud initiatives.



# Appendix A-N

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**Appendix A:** Reporting Requirements

**Appendix B:** Reports with Questioned Costs

**Appendix C:** Reports with Funds Put to Better Use

**Appendix D:** Office of Audit Reports Issued

**Appendix E:** Significant Monetary Recommendations from Prior Fiscal Years for Which Corrective Actions Have Not Been Completed

**Appendix F:** Significant Non-monetary Recommendations from Prior Fiscal Years for Which Corrective Actions Have Not Been Completed

**Appendix G:** Open Recommendations and Reports with Unimplemented Recommendations

**Appendix H:** Audit Reports Issued Prior to the Reporting Period for Which No Management Decision Had Been Made by the End of This Reporting Period

**Appendix I:** Management Decisions Made Regarding Reports Issued in a Previous Reporting Period

**Appendix J:** Closed Audits and Investigations Not Available to the Public

**Appendix K:** *Federal Financial Management Improvement Act of 1996* Compliance

**Appendix L:** Instances of Agency Interference or Refusal to Provide Information

**Appendix M:** Peer Reviews

**Appendix N:** Investigations Involving Senior Government Employees Where Allegations of Misconduct Were Substantiated



## Reporting Requirements

This report meets the requirements of the *Inspector General Act*, as amended, and includes information as mandated by Congress.

Section	Requirement	Page(s)
5(a)(1)	A description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the establishment and associated reports and recommendations for corrective action made by the Office	20-24
5(a)(2)	An identification of each recommendation made before the reporting period, for which corrective action has not been completed, including the potential cost savings associated with the recommendation	43-51
5(a)(3)	A summary of significant investigations closed during the reporting period	5; 10-17; 29-30
5(a)(4)	An identification of the total number of convictions during the reporting period resulting from investigations	6
5(a)(5)	Information regarding each audit, inspection, or evaluation report issued during the reporting period, including— A. a listing of each audit, inspection, or evaluation; B. if applicable, the total dollar value of questioned costs (including a separate category for the dollar value of questioned or unsupported costs) and the dollar value of recommendations that funds be put to better use, including whether a management decision had been made by the end of the reporting period	39-42
5(a)(6)	Information regarding any management decision made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period	58
5(a)(7)	The information described under section 804(b) of the <i>Federal Financial Management Improvement Act of 1996</i> (Public Law 104–208, §101(f) [title VIII], 31 U.S.C. 3512 note)	60
5(a)(8)	A. An appendix containing the results of any peer review conducted by another Office of Inspector General during the reporting period; or B. If no peer review has been conducted within that reporting period, a statement identifying the date of the last peer review conducted by another Office of Inspector General	62
5(a)(9)	A list of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete	62
5(a)(10)	A list of any peer reviews conducted by the Inspector General of another Office of the Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review (including any peer review conducted before the reporting period) that remain outstanding or have not been fully implemented	62



Section	Requirement	Page(s)
5(a)(11)	Statistical tables showing—	5-6
	A. the total number of investigative reports issued during the reporting period;	
	B. the total number of persons referred to the Department of Justice for criminal prosecution during the reporting period;	
	C. the total number of persons referred to State and local prosecuting authorities during the reporting period; and	
	D. the total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities	
5(a)(12)	A description of the metrics used for developing the data for the statistical tables under paragraph 5(a)(11)	5-6
5(a)(13)	A report on each investigation conducted by the Office where allegations of misconduct were substantiated involving a senior Government employee or senior official (as defined by the Office) if the establishment does not have senior government employees, which shall include—	63
	A. the name of the senior government employee, if already made public by the Office; and	
	B. a detailed description of—	
	i. the facts and circumstances of the investigation; and	
	ii. the status and disposition of the matter, including—	
	I. if the matter was referred to the Department of Justice, the date of the referral; and	
	II. if the Department of Justice declined the referral, the date of the declination	
5(a)(14)	A. A detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation; and	17
	B. What, if any, consequences the establishment actually imposed to hold the official described in subparagraph (A) accountable	
5(a)(15)	Information related to interference by the establishment, including—	61
	A. a detailed description of any attempt by the establishment to interfere with the independence of the Office, including—	
	i. with budget constraints designed to limit the capabilities of the Office; and	
	ii. incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action; and	
	B. a summary of each report made to the head of the establishment under section 6(c)(2) during the reporting period	
5(a)(16)	Detailed descriptions of the particular circumstances of each—	59
	A. inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public; and	
	B. investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public	

## Reports with Questioned Costs

Questioned costs include costs that we determined, based on our audits: (1) violated a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) were not supported by adequate documentation; or (3) were unnecessary or unreasonable. Disallowed costs are those questioned costs identified through our audits that the Social Security Administration management has sustained or agreed should not be charged to the government. Section 5(a)(5)(B) of the *Inspector General Act of 1978*, as amended, requires that we report the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs), including whether a management decision had been made by the end of the reporting period.

Reports with Questioned Costs for April 1, 2023, through September 30, 2023			
	Number of Reports	Dollar Value Supported	Dollar Value Unsupported
A. For which no management decision had been made by the commencement of the reporting period.	20	\$2,273,136,899	\$98,541,401
B. Which were issued during the reporting period.	11	\$1,042,950,659	\$841,806,901
<b>Subtotal (A + B)</b>	<b>31</b>	<b>\$3,316,087,558</b>	<b>\$940,348,302</b>
<b>Less:</b>			
C. For which a management decision was made during the reporting period.			
i. Dollar value of disallowed costs. <sup>1</sup>	7	\$657,351,544	\$0
ii. Dollar value of costs not disallowed.	1	\$0	\$841,409,257
<b>Subtotal (i + ii)</b>	<b>8</b>	<b>\$657,351,544</b>	<b>\$841,409,257</b>
D. For which no management decision had been made by the end of the reporting period. <sup>1</sup>	25	\$2,658,736,014	\$98,939,045

1. Some reports have multiple monetary recommendations with different decisions on the dollar values and are accounted for as follows: (1) one report has one recommendation recorded in C.i. and one recommendation is recorded in D. and (2) one report has two recommendations recorded in C.i. and one recommendation is recorded in D.

## Reports with Funds Put to Better Use

Funds put to better use are funds that the Social Security Administration could use more efficiently if it took action to implement our recommendations. Section 5(a)(5)(B) of the *Inspector General Act of 1978*, as amended, also requires that we report the dollar value of recommendations that funds be put to better use, including whether a management decision had been made by the end of the reporting period.

Reports with Funds Put to Better Use for April 1, 2023, through September 30, 2023		
	Number of Reports	Dollar Value
A. For which no management decision had been made by the commencement of the reporting period.	16	\$2,032,239,608
B. Which were issued during the reporting period.	4	\$564,644,771
<b>Subtotal (A + B)</b>	<b>20</b>	<b>\$2,596,884,379</b>
<b>Less:</b>		
C. For which a management decision was made during the reporting period.		
i. Dollar value of costs agreed to by management. <sup>1</sup>	6	\$402,414,989
ii. Dollar value of costs not agreed to by management. <sup>1</sup>	2	\$196,255,499
<b>Subtotal (i + ii)</b>	<b>8</b>	<b>\$598,670,488</b>
D. For which no management decision had been made by the end of the reporting period. <sup>1</sup>	16	\$1,998,213,891

1. Some reports have multiple monetary recommendations with different decisions on the dollar values and are accounted for as follows: (1) one report has two recommendations recorded in C.i. and one recommendation is recorded in C.ii.; (2) two reports have one recommendation recorded in C.i. and one recommendation is recorded in D.; (3) one report has one recommendation recorded in C.i. and two recommendations are recorded in D.

## Office of Audit Reports Issued

We issued 38 reports during this reporting period. The *Inspector General Act of 1978*, as amended, requires that we identify reports with non-monetary findings, questioned costs, and funds put to better use. We issued 11 reports with questioned costs and 4 reports with funds put to better use during this period. All reports or summaries are available on our website at [this link](#) (see [Appendix J](#) for more information on non-public reports for which we issued audit summaries). Unless otherwise noted, the Social Security Administration made management decisions by the end of the reporting period for each issued report.

April 1, 2023, through September 30, 2023

### Reports with Non-Monetary Findings

Report Title	Report Number	Issue Date	Management Challenge(s) <sup>1</sup>
Compliance with the <i>Payment Integrity Information Act of 2019</i> in Fiscal Year 2022	A-15-22-51183	5/5/2023	Mandatory <sup>2</sup>
Single Audit of the State of New Jersey for the Fiscal Year Ended June 30, 2022	772301	6/6/2023	Disability Programs
Edit Routines Used to Reinstate Wage Items from the Earnings Suspense File	A-03-21-51013	6/12/2023	Information Security
The Social Security Administration's Telephone Service Disruptions	A-05-22-51149	6/15/2023	Service Delivery
The COVID-19 Pandemic's Effect on Disability Determination Services' Processing of Disability Claims	A-01-20-50963	6/22/2023	COVID, Disability Programs
The Social Security Administration's Oversight of Beneficiaries Who Receive Benefits Under the Direct Express® Debit Card Program	A-04-20-50977	6/22/2023	Service Delivery
Summary of Direct Payments to Claimant Representatives	062318	7/18/2023	Disability Programs
Beneficiaries with Medical Improvement Not Expected Who Died During the 5-month Disability Insurance Waiting Period	062322	7/19/2023	Disability Programs
Manual Processes for Resource-intensive Workloads	A-07-19-50882	7/21/2023	Improper Payments, Modernize IT, Service Delivery

1. This column identifies the management challenge(s) for each issued audit report. For a list of the six management challenges, see the Audit Overview section of this report. These challenges apply to the audit reports in all tables in this appendix.
2. The *Payment Integrity Information Act of 2019* requires agencies to report specific improper payment information in their Annual Financial Reports (AFR). The law also requires Inspectors General to review the improper payment information their respective agencies report in their AFRs.



April 1, 2023, through September 30, 2023

## Reports with Non-Monetary Findings

Report Title	Report Number	Issue Date	Management Challenge(s) <sup>1</sup>
Numberholders Age 100 or Older Who Did Not Have Death Information on the Numident	A-06-21-51022	7/31/2023	Information Security
Match of Alaska Death Information Against Social Security Administration Records (Memorandum)	062314	8/9/2023	Improper Payments
Administrative Law Judge Trends	012319	8/11/2023	Disability Programs
Funds Dedicated to Address Program Integrity and Hearings Backlog Workloads	A-15-19-50885	8/14/2023	Service Delivery
Controls over the Social Security Administration's National 800-number Service During the COVID-19 Pandemic	A-02-21-51079	8/29/2023	COVID, Service Delivery
The Social Security Administration's Hearings Backlog and Average Processing Time	A-05-22-51159	9/7/2023	Disability Programs, Service Delivery
Benefits Paid to Spouses Who Do Not Have a Child-in-Care (Memorandum)	032313	9/8/2023	Improper Payments
Processing Non-citizens' Original Social Security Numbers Electronically Through Enumeration Programs	A-08-22-51136	9/20/2023	Information Security, Service Delivery
Summary of the Audit of the Social Security Administration's Information Security Program and Practices for Fiscal Year 2023	142306	9/25/2023	Information Security
Ransomware Prevention and Response	142309	9/25/2023	Information Security, Modernize IT
Security of the Earnings Record Maintenance System - Cloud	142310	9/25/2023	Information Security, Modernize IT
Digital Identity in my Social Security	A-14-18-50486	9/26/2023	Information Security
Security of the Web Identification, Authentication, and Access Control Systems	142311	9/26/2023	Information Security, Modernize IT
Whistleblower Protection for Contractors	152306	9/27/2023	Service Delivery
Government Pension Data for the Windfall Elimination Provision and Government Pension Offset Determinations	A-13-20-50970	9/28/2023	Improper Payments
Mobile Phone Security	A-14-19-50811	9/28/2023	Information Security

April 1, 2023, through September 30, 2023

## Reports with Questioned Costs

Report Title	Report Number	Issue Date	Management Challenge(s)	Dollar Value
Processing New Waiver Requests After a Previous Request Was Denied	A-08-21-51100	5/24/2023	Improper Payments	\$25,945,010
Match of Oregon Death Information Against Social Security Administration Records	062307	8/22/2023	Improper Payments	\$12,131,600
The Social Security Administration's Determinations of Supplemental Security Income Recipients' Real Properties	022328	9/1/2023	Improper Payments	\$184,392
State Workers' Compensation and Public Disability Benefits' Reverse Offset Plans' Impact on the Disability Insurance Trust Fund	A-02-19-50867	9/18/2023	Disability Programs, Improper Payments	\$408,147
The Social Security Administration's Controls over Modernized Development Worksheets	A-02-22-51157	9/18/2023	Improper Payments, Service Delivery	\$841,409,257
Dedicated Accounts for Supplemental Security Income Recipients	A-04-21-51031	9/20/2023	Improper Payments, Service Delivery	\$27,252,572
Workers' Compensation Lump-sum Settlements	012308	9/21/2023	Disability Programs, Improper Payments	\$360,199,387
The Social Security Administration's Determinations of Supplemental Security Income Recipients' Trusts	A-02-21-51026	9/22/2023	Improper Payments	\$213,252
Statutory Benefit Continuation for Disability Beneficiaries	A-07-21-51105	9/25/2023	Disability Programs	\$563,584,926
Manually Processed Old-Age, Survivors and Disability Insurance Benefit Termination Actions	A-07-21-51043	9/27/2023	Improper Payments	\$53,410,120
Windfall Offset Determinations	A-09-18-50697	9/27/2023	Improper Payments	\$18,897
Total				\$1,884,757,560

April 1, 2023, through September 30, 2023

## Reports with Funds Put to Better Use

Report Title	Report Number	Issue Date	Management Challenge(s)	Dollar Value
Match of Oregon Death Information Against Social Security Administration Records	062307	8/22/2023	Improper Payments	<b>\$2,902,777</b>
Dedicated Accounts for Supplemental Security Income Recipients	A-04-21-51031	9/20/2023	Improper Payments, Service Delivery	<b>\$308,189,786</b>
Follow-up Review of Self-employment Earnings Removed from the Master Earnings File	A-06-21-51020	9/26/2023	Improper Payments	<b>\$67,137,261</b>
Allegations of Representative Payees' Misuse of Benefits	A-09-19-50797	9/29/2023	Improper Payments	<b>\$186,414,947</b>
<b>Total</b>				<b>\$564,644,771</b>

# Significant Monetary Recommendations from Prior Fiscal Years for Which Corrective Actions Have Not Been Completed



Unimplemented Significant  
Monetary Recommendations  
Fiscal Years 2017 – 2022 (through September 30)

**TOTALING \$3,230,275,842**

Report Title, Report Number, Issue Date  
Unimplemented Recommendation(s), Dollar Value(s)

## ■ Fiscal Year 2022

### Numident Death Alerts

(A-06-21-51086 – issued 9/30/22)

**\$13,108,743 Questioned Costs**  
**\$5,628,182 Funds Put to Better Use**

**Recommendation 1:** Resolve all pending Numident death alerts generated from June 2013 through August 2022, terminate benefits, and recover improper payments, as appropriate.

### Work Review Determinations for Disabled Beneficiaries

(A-07-21-51012 – issued 9/29/22)

**\$456,252,223 Questioned Costs**

**Recommendation 2:** In the system that will replace eWork, incorporate controls to increase the accurate processing of work continuing disability reviews (CDR) and functionality to expand automation of work CDR processing and effectuation, including those involving multiple entitlements, reducing the need for manual actions.

### Spouses and Widow(er)s Who Have Unverified Pensions

(A-13-17-50161 – issued 8/24/22)

**\$9,956 Questioned Costs**  
**\$118,378 Funds Put to Better Use**

**Recommendation 3:** Implement an internal control that prevents a future pension entitlement date on the Master Beneficiary Record (MBR) of more than 1 year in the future.

**\$19,383,880 Questioned Costs**  
**\$9,779,480 Funds Put to Better Use**

**Recommendation 4:** Identify and correct the future pension entitlement dates on the MBR for the estimated 5,434 beneficiaries who have entitlement dates that do not comply with policy or are not recorded on the MBR.



### **Incorrect Old-Age, Survivors and Disability Insurance Benefit Payment Computations that Resulted in Overpayments**

(A-07-18-50674 – issued 5/26/22)

**\$368,326,080 Questioned Costs**

**Recommendation 1:** Improve Agency systems to automate benefit computations and reduce the need for manual processing.

### **Students Whose Benefits Were Erroneously Terminated When They Reached Age 18**

(A-09-19-50823 – issued 4/22/22)

**\$59,163,318 Questioned Costs**

**Recommendation 2:** Based on the results of its corrective actions for the 87 beneficiaries, take corrective action for the remaining population of 16,632 beneficiaries.

### **Deceased Beneficiaries in Suspended Payment Status**

(A-08-19-50800 – issued 11/22/21)

**\$48,423,411 Questioned Costs**  
**\$7,983,516 Funds Put to Better Use**

**Recommendation 3:** Verify and post death information, where appropriate, for the remaining beneficiaries in the State Death population.

**\$14,130,460 Questioned Costs**  
**\$7,993,948 Funds Put to Better Use**

**Recommendation 4:** Instruct technicians to take appropriate actions on the remaining beneficiaries in the Death Suspense population.

**\$149,718,615 Questioned Costs**  
**\$16,709,589 Funds Put to Better Use**

**Recommendation 5:** Establish systems criteria to identify Old-Age, Survivors and Disability Insurance beneficiaries in Address Suspense who are likely deceased, such as identifying beneficiaries suspended for prolonged periods who do not have activity on any Social Security Administration (SSA) records since their suspension. Once established, SSA should update policy to instruct technicians to search for death information.

## **Fiscal Year 2021**

### **Overpayments with Recovery Agreements that Will Extend Beyond 2049**

(A-07-19-50775 – issued 9/28/21)

**\$1,240,312,343 Funds Put to Better Use**

**Recommendation:** Establish consistent criteria to ensure it identifies existing overpayments for which the Recovery of Overpayments, Accounting and Reporting (ROAR) system deleted a portion of the overpayment balance as part of a plan to address the untracked debt amount when it implements a solution to the ROAR system limitation.

**The Social Security Administration's Application of the Retirement Insurance Benefits Limitation and Reduced Widow(er)'s Benefit Policy**

(A-01-13-23095 – issued 6/4/21)

**\$28,651,232 Questioned Costs**  
**\$2,673,456 Funds Put to Better Use**

**Recommendation:** Review the cases in our population and take the appropriate corrective action to assess and recover the overpayments.

**Follow-up on Underpayments Payable to Terminated Old-Age, Survivors and Disability Insurance Beneficiaries**

(A-09-19-50848 – issued 12/11/20)

**\$142,298,569 Questioned Costs**  
**\$6,706,311 Funds Put to Better Use**

**Recommendation 3:** Identify and take action on the population of terminated beneficiaries with underpayments payable to eligible beneficiaries and individuals.

## ■ Fiscal Year 2020

**The Social Security Administration's Rejection of State Electronic Death Registration Reports**

(A-08-18-50499 – issued 9/21/20)<sup>1</sup>

**\$84,615 Questioned Costs**  
**\$62,943 Funds Put to Better Use**

**Recommendation 3:** Include a Numident match in the Death Information Processing System, or similar process, to assess Online Verification System discrepancies before rejecting an Electronic Death Registration report.

## ■ Fiscal Year 2019

**Old-Age, Survivors and Disability Insurance Beneficiaries with Overpayments on Suspended and Terminated Records**

(A-07-18-50317 – issued 9/25/19)

**\$17,976,178 Questioned Costs**

**Recommendation 2:** Establish a process to identify overpayments that exist on suspended or terminated Social Security numbers that the Re-entitled Beneficiaries process does not detect, so the Agency can transfer and recover them via benefit withholding.

**The Social Security Administration's Accounting for, and Monitoring of, Court-ordered Restitutions**

(A-04-18-50633 – issued 9/24/19)

**\$6,734,317 Funds Put to Better Use**

**Recommendation 2:** Use the reconciled list, mentioned in recommendation 1, to ensure the U.S. Department of Justice (DoJ) is collecting the court-ordered restitutions, and if not being collected, use all methods of recovery and/or contact DoJ, as required by policy, to determine whether civil actions should be taken.

**Dedicated Account Underpayments Payable to Children Receiving Supplemental Security Income**

(A-04-18-50607 – issued 9/17/19)

**\$65,223,112 Questioned Costs**

**Recommendation 2:** Identify and take corrective action on the remaining population of Supplemental Security Income recipients with unpaid dedicated account underpayments.

1. SSA considers this recommendation implemented; however, OIG disagrees.

### Recovery of Old-Age, Survivors and Disability Insurance Overpayments When a Contingently Liable Beneficiary Stops Receiving Benefits

(A-04-18-50651 – issued 5/15/19)<sup>2</sup>

**\$15,101,940 Questioned Costs**

**Recommendation 2:** Review and take action to remove the overpayment balance from the 4,690 terminated contingently liable beneficiaries and transfer the debt balance to the original debtor for an immediate payment of the overpayment or seek recovery through additional debt collection tools.

## ■ Fiscal Year 2018

### The Social Security Administration's Use of Administrative Tolerance Waivers

(A-04-16-50145 – issued 8/1/18)

**\$12,568,202 Questioned Costs**

**Recommendation:** Establish controls in the new Debt Management Product, as part of its Debt Management modernization initiative, that ensure technicians can only use the administrative tolerance waiver for overpayments allowable under the provision.

### Old-Age, Survivors and Disability Insurance Debtors Who Were Not Current on an Installment Agreement

(A-04-18-50265 – issued 5/25/18)<sup>3</sup>

**\$88,295,888 Questioned Costs**

**Recommendation:** Review the 12,269 delinquent debtor records and take action, where appropriate, to begin benefit adjustment or recovery using its external collection tools.

### Higher Benefits for Dually Entitled Widow(er)s Had They Delayed Applying for Retirement Benefits

(A-09-18-50559 – issued 2/14/18)<sup>4</sup>

**\$485,911 Questioned Costs  
\$36,300 Funds Put to Better Use**

**Recommendation 1:** Take action, as appropriate, for the 41 beneficiaries identified by our audit.

**\$131,332,025 Questioned Costs  
\$9,811,164 Funds Put to Better Use**

**Recommendation 2:** Evaluate the results for the 41 beneficiaries in our sample and determine whether SSA should review the remaining population of 13,514 beneficiaries.

2. SSA considers this recommendation implemented; however, OIG disagrees.

3. SSA considers this recommendation implemented; however, it has not provided sufficient information to enable our audit team to verify that it has fully implemented it.

4. SSA considers these recommendations implemented; however, OIG disagrees.



## ■ Fiscal Year 2017

### Widow(er)s Eligible for an Earlier Initial Month of Entitlement

(A-09-17-50187 – issued 8/7/17)<sup>5</sup>

**\$285,191,557 Questioned Costs**

**Recommendation 2:** Determine the feasibility of reviewing the remaining population of widow(er)s who may be eligible for additional months of benefits before their application filing date and could have chosen an earlier initial month of entitlement.

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5. SSA considers this recommendation implemented; however, OIG disagrees.

# Significant Non-monetary Recommendations from Prior Fiscal Years for Which Corrective Actions Have Not Been Completed



Unimplemented Significant  
Non-monetary Recommendations  
Fiscal Years 2017 – 2022 (through September 30)

Report Title, Report Number, Issue Date  
Unimplemented Recommendation(s), Dollar Value(s)

## ■ Fiscal Year 2022

### Numident Death Alerts

(A-06-21-50186 – issued 9/30/22)

**Recommendation 2:** Establish a timeliness goal for resolution of Numident death alerts.

**Recommendation 4:** Establish management controls to periodically ensure Numident death alerts are resolved in a timely manner.

### The Social Security Administration's Enumeration Services During the COVID-19 Pandemic

(A-15-21-51015 – issued 9/30/22)

**Recommendation 2:** Update quality control reviews to include comparison of the Social Security Number Application Process inputs to an applicant-submitted Form SS-5 and evidentiary documents, and provide feedback to the technicians who made input errors (such as race and ethnicity) or did not use the appropriate evidentiary documents.

**Recommendation 3:** Revise enumeration policy to include clear instructions for when Form SSA-5002 is required and how to properly document the form.

**Recommendation 9:** Update the National Mail Handling Business Process to include standard Agency-wide mitigation steps for misdirected mail including original documents.

### The Social Security Administration's Human Capital Planning

(A-02-19-50866 – issued 9/26/22)

**Recommendation 1:** Fully integrate the Social Security Administration's (SSA) human capital management strategies into its Agency Strategic Plan and Annual Performance Plan, especially if SSA's Human Capital Operating Plan (HCOP) remains publicly unavailable.

**Recommendation 2:** Align the HCOP with all of SSA's strategic goals and initiatives, clearly describing the number, types, and related costs of the human capital needed to effectively achieve the strategic goals and initiatives.

**Recommendation 5:** Develop human capital strategies in its HCOP that specifically describe how SSA will acquire the future workforce needed to successfully fulfill its mission, including plans to address its upcoming retirement wave.

### The Social Security Administration's Oversight of Disability Determination Services' Financial Management

(A-15-21-51117 – issued 9/20/22)

**Recommendation 1:** Revise the Code of Federal Regulations and/or the Program Operations Manual System to provide (a) detailed guidance related to financial oversight of the Disability Determination Services (DDS) and (b) specific instruction to the DDSs to uniformly carry out their financial management responsibilities. In addition, SSA should specify what actions it will take (in compliance with the *Social Security Act*) to remedy DDSs' recurring financial management findings and lack of fiscal control procedures.

### Agile Software Development at the Social Security Administration

(A-14-20-50947 – issued 8/24/22)

**Recommendation 1:** Select and adopt an Agile scaling framework that defines roles and establishes minimum and recommended practices and documentation.  
**Recommendation 4:** Strengthen its controls to more effectively enforce implementation of the updated Agile guidance among projects and teams.

### Incorrect Old-Age, Survivors and Disability Insurance Benefit Payments Computations that Resulted in Overpayments

(A-07-18-50674 – issued 5/26/22)

**Recommendation 2:** While efforts to improve automation are in process, create an integrated benefit computation resource that is centrally located and includes the functionality and automation assistance offered by existing tools and instruct employees to use it.

### The Social Security Administration's Mailing Process During the COVID-19 Pandemic

(A-08-21-51115 – issued 5/13/22)

**Recommendation 5:** Implement policy and operational changes, where appropriate, to decrease reliance on original documents.

### Follow-up on Deceased Beneficiaries and Recipients with No Death Information on the Numident

(A-09-20-50936 – issued 5/4/22)

**Recommendation 2:** Take action, as appropriate, to record death information in the Numident for the 15,714 beneficiaries identified by our current audit.

**Recommendation 3:** Take appropriate action to record death information to the Numident for the 595,514 beneficiaries identified by our prior audits.



### Students Whose Benefits Were Erroneously Terminated When They Reached Age 18

(A-09-19-50823 – issued 4/22/22)

**Recommendation 5:** Update the Title II Redesign System to ensure it generates an alert when SSA has terminated benefits to a child upon attaining age 18; however, the benefit record indicates the individual is a full-time student after they attain age 18.

### Fiscal Year 2021

#### The Social Security Administration's Administrative Finality Policy

(A-01-19-50859 – issued 5/28/21)

**Recommendation:** Finalize its decision on updating its administrative finality policy and execute an action plan with specific milestones to ensure any updates are implemented timely.

#### Old-Age, Survivors and Disability Insurance Child Beneficiaries Receiving Benefits Under Multiple Records

(A-08-19-50814 – issued 12/7/20)

**Recommendation 3:** Perform periodic reviews, until the SSA implements system improvements that prevent duplicate payments to child beneficiaries, to ensure technicians timely and appropriately take action to correct records and stop improper payments on child beneficiaries receiving benefits under multiple records.

### Fiscal Year 2020

#### Miscellaneous Benefit Suspensions for Old-Age, Survivors and Disability Insurance Beneficiaries

(A-07-19-50799 – issued 9/21/20)

**Recommendation 3:** Implement controls, such as systems alerts and management reports, to identify beneficiaries in miscellaneous suspense status and ensure employees take corrective actions timely.

#### Beneficiaries with Representative Payees and Earnings

(A-02-17-50143 – issued 3/5/20)

**Recommendation 4:** Revise notices sent to beneficiaries and their representative payees informing them of benefit increases due to additional earnings to include the employer(s) name, earnings amounts, a reminder to report errors to the SSA, and instructions on reporting errors.

### Fiscal Year 2019

#### Recovery of Old-Age, Survivors and Disability Insurance Overpayments When a Contingently Liable Beneficiary Stops Receiving Benefits

(A-04-18-50651 – issued 5/15/19)

**Recommendation 3:** Establish controls to remove the outstanding debt from terminated contingently liable beneficiaries and transfer the balance to the original debtor for an immediate payment of the overpayment or seek recovery through additional debt collection tools when available.

## ■ Fiscal Year 2018

### Higher Benefits for Dually Entitled Widow(er)s Had They Delayed Applying for Retirement Benefits

(A-09-18-50559 – issued 2/14/18)<sup>1</sup>

**Recommendation 4:** Determine whether it should develop additional controls to ensure it informs widow(er) beneficiaries of their option to delay their application for retirement benefits.

## ■ Fiscal Year 2017

### The Social Security Administration's Telework Program and Its Effect on Customer Service (Congressional Response Report)

(A-04-17-50267 – issued 7/12/17)<sup>2</sup>

**Recommendation 3:** Determine the effect telework has on customer wait times when a field office experiences an unusually high number of visitors.

1. SSA considers this recommendation implemented; however, it has not provided sufficient information to enable our audit team to verify that it has fully implemented it.
2. SSA considers this recommendation implemented; however, it has not provided sufficient information to enable our audit team to verify that it has fully implemented it.

## Open Recommendations and Reports with Unimplemented Recommendations

The Social Security Administration Office of the Inspector General has open recommendations dating from fiscal year (FY) 2012. All recommendations from FYs prior to FY 2012 are closed. The chart below identifies the number of reports with unimplemented recommendations by FY and the aggregate potential cost savings of those recommendations.

Reports Issued through March 31, 2023

Reports with Open Recommendations			
Fiscal Year	Number of Reports with Unimplemented Recommendations	Number of Unimplemented Recommendations	Dollar Value of Aggregate Potential Cost Savings
2023	0	0	0
2022	17	70	\$1,426,653,498
2021	11	15	\$1,635,202,321
2020	4	5	\$97,392,502
2019	10	19	\$818,552,511
2018	8	11	\$260,113,081
2017	3	4	\$657,415,697
2016	3	7	\$27,974,234
2015	2	2	0
2014	5	5	\$136,153
2013	1	1	0
2012	2	2	\$133,694,565
<b>TOTAL</b>	<b>66</b>	<b>141</b>	<b>\$5,057,134,562</b>

Below is additional detail for each report included in the Number of Reports column above. All audit reports are available on our website at [this link](#).

Report Title	Report Number	Issue Date	Dollar Value
Numident Death Alerts*	A-06-21-51086	9/30/22	\$18,736,925
The Social Security Administration's Enumeration Services During the COVID-19 Pandemic*	A-15-21-51015	9/30/22	N/A
Work Review Determinations for Disabled Beneficiaries*	A-07-21-51012	9/29/22	\$553,284,181
Follow-up on Controls over Special Payment Amount Overpayments for Social Security Beneficiaries	A-09-19-50794	9/29/22	\$87,251,186
The Social Security Administration's Human Capital Planning*	A-02-19-50866	9/26/22	N/A
The Social Security Administration's Challenges and Successes in Obtaining Data to Determine Eligibility and Payment Amounts	A-01-21-51029	9/23/22	N/A
Follow-up on Processing Internal Revenue Service Alerts for Supplemental Security Income Recipients	A-03-18-50277	9/20/22	\$63,095,555
The Social Security Administration's Oversight of Disability Determination Services' Financial Management*	A-15-21-51117	9/20/22	N/A
Agile Software Development at the Social Security Administration*	A-14-20-50947	8/24/22	N/A
Spouses and Widow(er)s Who Have Unverified Pensions*	A-13-17-50161	8/24/22	\$31,836,714
Incorrect Old-Age, Survivors and Disability Insurance Benefit Payment Computations that Resulted in Overpayments*	A-07-18-50674	5/26/22	\$368,326,080
The Social Security Administration's Mailing Process During the COVID-19 Pandemic*	A-08-21-51115	5/13/22	N/A
The Social Security Administration's Compliance with the <i>Payment Integrity Information Act of 2019</i> in Fiscal Year 2021	A-15-21-51121	5/11/22	N/A
Follow-up on Deceased Beneficiaries and Recipients with No Death Information on the Numident*	A-09-20-50936	5/4/22	N/A
Students Whose Benefits Were Erroneously Terminated When They Reached Age 18*	A-09-19-50823	4/22/22	\$59,163,318
Deceased Beneficiaries in Suspended Payment Status*	A-08-19-50800	11/22/21	\$244,959,539
The Social Security Administration's Compliance with the <i>Digital Accountability and Transparency Act of 2014</i>	A-15-20-50917	11/5/21	N/A
Overpayments with Recovery Agreements that Will Extend Beyond 2049*	A-07-19-50775	9/28/21	\$1,240,312,343



Report Title	Report Number	Issue Date	Dollar Value
The Social Security Administration's Processing of Misuse Allegations of Individual Representative Payees	A-13-18-50712	6/14/21	<b>\$2,145,404</b>
System Alerts for Beneficiaries Identified by the Delinquent Debt Trigger File	A-07-18-50743	6/9/21	<b>\$36,806,243</b>
The Social Security Administration's Application of the Retirement Insurance Benefits Limitation and Reduced Widow(er)'s Benefit Policy*	A-01-13-23095	6/4/21	<b>\$31,324,688</b>
Follow-up on Transferring Supplemental Security Income Overpayments from Prior Records to the Current Record for Recovery	A-01-17-50226	6/3/21	<b>\$14,845,298</b>
The Social Security Administration's Administrative Finality Policy*	A-01-19-50859	5/28/21	<b>N/A</b>
Follow-up on Underpayments Payable to Terminated Old-Age, Survivors and Disability Insurance Beneficiaries*	A-09-19-50848	12/11/20	<b>\$149,004,880</b>
Follow-up on Disabled Supplemental Security Income Recipients Potentially Eligible for Childhood Disability Benefits	A-13-18-50714	12/10/20	<b>N/A</b>
Old-Age, Survivors and Disability Insurance Child Beneficiaries Receiving Benefits Under Multiple Records*	A-08-19-50814	12/7/20	<b>N/A</b>
Supplemental Security Income Recipients Denied Old Age, Survivors and Disability Insurance Benefits Based on Lack of Technical Evidence	A-05-18-50654	11/30/20	<b>\$134,830,079</b>
Social Security Administration Beneficiaries Eligible for Total and Permanent Disability Federal Student Loan Discharge	A-06-17-50281	11/9/20	<b>\$25,933,386</b>
The Social Security Administration's Rejection of State Electronic Death Registration Reports*	A-08-18-50499	9/21/20	<b>\$147,558</b>
Miscellaneous Benefit Suspensions for Old Age, Survivors and Disability Insurance Beneficiaries*	A-07-19-50799	9/21/20	<b>N/A</b>
Beneficiaries with Representative Payees and Earnings*	A-02-17-50143	3/5/20	<b>N/A</b>
Follow-up: Beneficiaries Who Had Not Cashed Their Checks Within 1 Year	A-09-18-50562	12/23/19	<b>\$97,244,944</b>
Old-Age Survivors and Disability Insurance Beneficiaries with Overpayments on Suspended and Terminated Records*	A-07-18-50317	9/25/19	<b>\$17,976,178</b>

Report Title	Report Number	Issue Date	Dollar Value
The Social Security Administration's Accounting for, and Monitoring of, Court-ordered Restitution*	A-04-18-50633	9/24/19	\$6,734,317
Overpayments Pending Collection for Miscellaneous Reasons	A-04-18-50546	9/24/19	N/A
Dedicated Account Underpayments Payable to Children Receiving Supplemental Security Income*	A-04-18-50607	9/17/19	\$65,223,112
The Social Security Administration's Controls for Identifying Potentially Fraudulent Internet Claims	A-09-18-50655	9/13/19	N/A
Supplemental Security Income Underpayments Due Deceased Recipients	A-06-18-50608	9/10/19	\$467,994,323
Follow-up: Aged Beneficiaries Whose Benefits Have Been Suspended for Address, Whereabouts Unknown, or Foreign Enforcement	A-09-16-50077	8/6/19	\$115,422,539
Follow-up: Underpayments on Prior Supplemental Security Income Records	A-07-18-50676	6/6/19	\$127,431,265
Recovery of Old-Age, Survivors and Disability Insurance Overpayments When a Contingently Liable Beneficiary Stops Receiving Benefits*	A-04-18-50651	5/15/19	\$17,770,777
Supplemental Security Income Underpayments	A-15-18-50612	12/28/18	N/A
Effectiveness of the Social Security Administration's Medicare Non-utilization Project	A-08-17-50261	9/19/18	\$17,583,591
Institutionalized Beneficiaries Who Have Earnings	A-02-17-50140	8/20/18	N/A
The Social Security Administration's Use of Administrative Tolerance Waivers*	A-04-16-50145	8/1/18	\$12,568,202
Old-Age, Survivors and Disability Insurance Debtors Who Were Not Current on an Installment Agreement*	A-04-18-50265	5/25/18	\$88,295,888
Manual Adjustments to Old-Age, Survivors and Disability Insurance Overpayments	A-07-18-50294	4/9/18	N/A
Undeliverable Social Security Number Cards	A-15-17-50279	4/2/18	N/A
Higher Benefits for Dually Entitled Widow(er)s Had They Delayed Applying for Retirement Benefits*	A-09-18-50559	2/14/18	\$141,665,400
Customer Wait Times in the Social Security Administration's Field Offices	A-04-18-50260	2/6/18	N/A
Widow(er)s Eligible for an Earlier Initial Month of Entitlement*	A-09-17-50187	8/7/17	\$285,453,378
The Social Security Administration's Telework Program and Its Effect on Customer Service*	A-04-17-50267	7/12/17	N/A

Report Title	Report Number	Issue Date	Dollar Value
Individual Representative Payees Who Do Not Have a Social Security Number in the Social Security Administration's Payment Records	A-09-16-50159	2/17/17	<b>\$371,962,319</b>
The Social Security Administration's Plan to Achieve Self-Support Program	A-08-16-50030	9/27/16	<b>N/A</b>
Households with Multiple Children Receiving Supplemental Security Income Payments Because of Mental Impairments	A-08-14-14098	3/2/16	<b>N/A</b>
Higher Retirement Benefits Payable to Families of Disabled Beneficiaries	A-09-14-34080	2/2/16	<b>\$27,974,234</b>
Supplemental Security Income Overpayments Pending a Collection Determination by the Social Security Administration	A-07-15-15030	9/22/15	<b>N/A</b>
Fraud Risk Performance Audit of the Social Security Administration's Disability Programs	A-15-15-25002	4/29/15	<b>N/A</b>
Auxiliary Beneficiaries Who Do Not Have Their Own Social Security Number	A-01-14-14036	9/29/14	<b>\$136,153</b>
Payments to Individuals with Deaths Reported in California from 1980 to 1987	A-06-14-21416	8/14/14	<b>N/A</b>
Supplemental Security Income Recipients Who Had Not Cashed Their Checks Within 1 Year	A-09-13-23023	4/7/14	<b>N/A</b>
Improper Use of Children's Social Security Numbers	A-03-12-21269	3/31/14	<b>N/A</b>
Supplemental Security Income Telephone Wage Reporting	A-15-12-11233	2/6/14	<b>N/A</b>
Direct Deposit Changes Initiated Through Financial Institutions and the Social Security Administration's Internet and Automated 800-Number Applications	A-14-12-21271	12/20/12	<b>N/A</b>
Beneficiaries Who Had Not Cashed their Social Security Checks Within 1 Year	A-09-10-20133	7/19/12	<b>\$133,694,565</b>
Title II Deceased Beneficiaries Who Do Not Have Death Information on the Numident	A-09-11-21171	7/9/12	<b>N/A</b>

\*Denotes that report contains significant unimplemented recommendation as reported in **Appendix E** or **Appendix F**.

## Audit Reports Issued Prior to the Reporting Period for Which No Management Decision Had Been Made by the End of This Reporting Period

We do not have any audit reports with recommendations issued by March 31, 2023, for which no management decision had been made by the end of this reporting period.



## Management Decisions Made Regarding Reports Issued in a Previous Reporting Period

There were no reports issued in previous reporting periods where the Social Security Administration had not made a decision on the included recommendations. Therefore, we have nothing to report.

## Closed Audits and Investigations Not Available to the Public

### ■ Office of Audit

We had several products issued this period that were not made available to the public. These reports contain information that, if not protected, could result in adverse effects to the Social Security Administration's information systems. To maintain transparency, we issued summaries for each of the reports that discuss findings and recommendations at a high-level and are appropriate for public distribution. The list of these reports is below.

- Security of the Earnings Record Maintenance System – Cloud (142310)
- Summary of the Audit of the Social Security Administration's Information Security Program and Practices for Fiscal Year 2023 (142306)
- Ransomware Prevention and Response (142309)
- Security of the Web Identification, Authentication, and Access Central Systems (142311)
- Digital Identity in my Social Security (142307)
- Mobile Phone Security (142314)

### ■ Office of Investigations

We closed the following six cases of alleged misconduct by senior government employees that were not disclosed to the public.

1. A senior employee was alleged to have pressured staff to donate leave through the Voluntary Leave Transfer Program to a relative. The investigation did not find evidence to support the allegation.
2. A senior employee was alleged to have interfered with a claimant's benefits in retaliation because a relative of the claimant made whistleblower disclosures while an employee at another federal agency. The investigation did not find evidence to support the allegation.
3. A senior employee was alleged to have hired individuals for positions that they were not qualified for. The investigation did not find evidence to support the allegation.
4. A senior employee was alleged to have interfered with a deciding official determination regarding a proposed suspension when the deciding official had decided that there was insufficient evidence to support proposed action. The investigation did not find evidence to support the allegation.
5. A senior employee was alleged to have engaged in a conflict of interest by improperly accessing a complaint about management. The investigation did not find evidence to support the allegation.
6. Two senior employees were alleged to have improperly contracted with a company without researching other options and without reviewing the quality of the company's prior performance. The investigation did not find evidence to support the allegation.

## *Federal Financial Management Improvement Act of 1996 Compliance*

Section 804(b) of the *Federal Financial Management Improvement Act of 1996* requires the Office of the Inspector General to report whether the Social Security Administration (SSA) has met the milestones in a remediation plan. Because SSA is in compliance with the *Federal Financial Management Integrity Act of 1996*, it does not have a remediation plan. Therefore, we have no information to report.

## Instances of Social Security Administration Interference or Refusal to Provide Information

During this reporting period, we have no instances of Social Security Administration (SSA) interference with Office of the Inspector General (OIG) independence to report, and no instances to report in which SSA employees refused to provide information or assistance to the OIG.



## Peer Reviews

### ■ **Office of Audit**

*Generally Accepted Government Auditing Standards* require our Office of Audit (OA) undergo a peer review every 3 years to determine whether we suitably designed our system of quality control, and whether we are complying with that system, to provide us with reasonable assurance of conforming with applicable professional standards.

We did not complete a peer review of any other Office of the Inspector General (OIG), nor did any other OIG complete a peer review of OA, during this reporting period. There are no outstanding recommendations from prior peer reviews we completed of other OIGs, nor from prior peer reviews other OIGs completed of OA. Department of Defense OIG performed OA's last peer review and issued its peer review report in September 2021.

### ■ **Office of Investigations**

Federal OIG investigative offices must undergo a peer review every 3 years to ensure that the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Investigations and Quality Standards for Digital Forensics* are followed, and that law enforcement powers conferred by Section 6(e) of the *Inspector General Act of 1978*, as amended, or other authorities, are properly exercised. Each OIG is required to implement and maintain a system of quality control for its investigative operations to ensure compliance with required standards.

We did not complete a peer review of any other OIG, nor did any other OIG complete a peer review of our Office of Investigations (OI), during this reporting period. There are no outstanding recommendations from prior peer reviews we completed of other OIGs, nor from prior peer reviews other OIGs completed of OI. Department of Homeland Security OIG performed OI's last peer review and issued its peer review report in February 2020.

## Investigations Involving Senior Government Employees Where Allegations of Misconduct Were Substantiated

We did not have any cases involving senior Government employees where allegations of misconduct were substantiated during the reporting period.



# Semiannual Report to Congress

April 1, 2023 – September 31, 2023

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Office of the Inspector General | OIG 85-007

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