

The Social Security Administration’s Controls for Identifying Potentially Fraudulent Internet Claims
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Office of Audit Report Summary

Objective

To determine the effectiveness of the Social Security Administration’s (SSA) controls for identifying potentially fraudulent Internet Claims (iClaim).

Background

Individuals and third parties may complete and electronically submit iClaim applications for retirement, spousal, Medicare, and disability insurance benefits.

SSA’s Office of Anti-Fraud Programs (OAFP) was established in November 2014 to (1) centralize its anti-fraud data analytics, (2) monitor and support Agency anti-fraud initiatives, (3) develop consistent anti-fraud policies and processes, (4) align Agency anti-fraud efforts with industry standards, and (5) support the Office of the Inspector General’s (OIG) efforts to investigate fraud. OAFP uses data analytics, business rules, and a predictive model to identify potentially fraudulent iClaim applications. For any potentially fraudulent iClaim applications identified, SSA employees must contact and interview the individual under whose SSN the claim was filed to determine the claim’s validity.

OAFP provided us a file of 70,173 potentially fraudulent iClaims it identified from May 9, 2014 through February 19, 2018.

Findings

SSA’s controls that identified potentially fraudulent iClaims were generally effective. However, the number of undetected fraudulent iClaims is unknown. Of the 70,173 potentially fraudulent iClaims OAFP identified, SSA determined 3,807 were fraudulent, 48,062 were likely fraudulent, 4,825 were not fraudulent, 11,289 were inconclusive, and 2,190 were pending.

We also found that OAFP could improve its ability to prevent and detect fraudulent iClaims and payments by (a) making changes to its business rules or model, (b) ensuring the accuracy of the pending status of potentially fraudulent iClaims so its model can use the information to detect potentially fraudulent claims, (c) identifying beneficiary records with the same information as likely or known fraudulent iClaim applications, and (d) using additional information in SSA’s systems to identify potentially fraudulent iClaims.

Recommendations

We made seven recommendations for SSA to improve the effectiveness of its controls for identifying potentially fraudulent iClaims.

SSA agreed with our recommendations.