



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Overpayments to Children

052502 September 2026



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 30, 2026

Refer to: 052502

To: Frank Bisignano
Commissioner

From: Michelle L. Anderson *Michelle L. Anderson*
Assistant Inspector General for Audit as First Assistant

Subject: Overpayments to Children

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration resolved overpayments in accordance with policy to individuals who received child benefits.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Jeffrey T. Brown, Deputy Assistant Inspector General for Audit.

Attachment

Overpayments to Children 052502



September 2026

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) resolved overpayments in accordance with policy to individuals who received child benefits.

Background

SSA defines an overpayment as a payment made that is more than the amount it should have paid. When the overpaid individual is not due a benefit and efforts to collect the overpayment are unsuccessful, SSA may recover the overpayment from benefits payable to another individual on the same Social Security record, including individuals who receive child benefits. This is known as contingent liability. When SSA's collection efforts are unsuccessful, SSA may recover an overpayment through external collection efforts, such as tax refund offsets. A tax refund offset reduces or withholds an individual's Federal income tax refund to repay an overpayment.

We identified two populations. Population 1 comprised 349 individuals who had a contingently liable overpayment and whose benefits were suspended or terminated between March 2018 and September 2025. We reviewed a random sample of 10 individuals from Population 1. Population 2 comprised 249,227 individuals who were selected for a tax refund offset as of September 2025. We reviewed a random sample of 175 individuals from Population 2.

Results

SSA employees did not resolve overpayments in accordance with policy for the 349 individuals in Population 1 who no longer met the requirements for contingent liability after their benefits stopped. This occurred because SSA did not have a process in place to make employees aware of all records that required action. As a result, these individuals were responsible for approximately \$1.9 million in overpayments that remained on their records when they no longer met the requirements for contingent liability. Based on our results, we estimate SSA employees did not resolve approximately \$38.5 million in overpayments, in accordance with policy, for at least 6,980 individuals.

SSA resolved overpayments in accordance with policy for 121 (69 percent) of the 175 individuals in Population 2. However, SSA employees did not resolve \$227,012 in overpayments in accordance with policy for the remaining 54 (31 percent) individuals in Population 2. This occurred, in part, because SSA did not have a process in place to make employees aware of all records that required action.

We could not determine why employees did not take required actions when they received alerts. Based on our sample, we estimate SSA employees did not resolve approximately \$242.6 million in overpayments in accordance with policy for 76,904 individuals.

Conclusion

SSA can improve how it resolves overpayments by ensuring it establishes processes that enable employees to follow established policy. In doing so, SSA can ensure it removes overpayments from the records of contingently liable individuals after their benefits stopped and maximize benefit withholdings to recover overpayments. Without improvements, individuals can incur financial burdens to repay overpayments that improperly remained on their benefit records. Furthermore, SSA can miss opportunities to potentially recover overpayments.

Recommendations

We made five recommendations to SSA to resolve overpayments for the individuals we identified, implement controls to ensure employees resolve overpayments, and implement actions to address employees not properly updating benefit records. SSA agreed with our recommendations.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
ECO	External Collection Operation
OASDI	Old-Age, Survivors, and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
TOP	Treasury Offset Program
U.S.C.	United States Code

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) resolved overpayments in accordance with policy to individuals who received child benefits.

BACKGROUND

SSA administers the Old-Age, Survivors, and Disability Insurance (OASDI) program to provide benefits to wage earners and eligible family members in the event a wage earner retires, becomes disabled, or dies.¹ Child benefits under OASDI include benefits for minor children, students, and disabled adult children. To be eligible for benefits, a child must have a parent who (1) is retired or has a disability and is entitled to Social Security benefits or (2) died after having worked in a job where they paid Social Security taxes.² In addition, the child must be

- younger than age 18; or
- ages 18 or 19 and a full-time student at an elementary or secondary school (grade 12 or below); or
- age 18 or older with a disability that began before age 22.³

SSA defines an overpayment as a payment that is made for more than the amount it should have paid.⁴ When an individual is overpaid, SSA requests they, or their representative payee who received benefits on the beneficiary's behalf, make a full and immediate repayment.⁵ However, if the overpaid individual is receiving a benefit, SSA will withhold part of the monthly benefit to repay the overpayment.⁶

When the overpaid individual is not due a benefit and efforts to collect the overpayment from the individual are unsuccessful, SSA may recover the overpayment from benefits payable to another individual on the same Social Security record, including individuals who receive child benefits. This is known as contingent liability. The contingently liable individual must be receiving benefits and can live in the same, or a separate, household from the overpaid individual.⁷ To apply contingent liability, SSA employees must manually remove the overpayment from the overpaid individual and establish the overpayment on the contingently liable individual's record.

¹ *Social Security Act* §§ 201(a)-(b), 202; 42 U.S.C. §§ 401(a)-(b), 402.

² SSA, *POMS*, RS 00203.001, A.1.b (September 5, 2023).

³ *Social Security Act* § 202(d)(1); 42 U.S.C. § 402(d)(1); SSA, *POMS*, RS 00203.001, A.1.e (September 5, 2023).

⁴ *Social Security Act* § 204 (a)(1)(A); 42 U.S.C. § 404 (a)(1)(A); 20 C.F.R. §§ 404.501-404.502; SSA, *POMS*, GN 02201.001, A (June 7, 2024).

⁵ SSA, *POMS*, GN 02210.150, A (January 27, 2022).

⁶ SSA, *POMS*, GN 02210.001 (June 25, 2024).

⁷ SSA, *POMS*, GN 02205.005, A (December 20, 2012).

SSA employees should stop withholding a contingently liable individual's benefits when the overpaid individual becomes re-entitled to OASDI benefits or begins receiving Supplemental Security Income (SSI) payments. SSA employees must manually remove the overpayment balance from the contingently liable individual and transfer the overpayment to the overpaid individual's record and withhold benefits.⁸

When SSA's collection efforts are unsuccessful, and the overpayment becomes delinquent, SSA may recover the overpayment through external collection efforts, such as tax refund offsets using the Department of the Treasury's Treasury Offset Program (TOP). A tax refund offset reduces or withholds an individual's Federal income tax refund to repay an overpayment.⁹

SSA's External Collection Operation (ECO) system selects individuals who have a qualifying overpayment and meet the criteria for a tax refund offset. After ECO selects the overpaid individual, it sends the individual a notice of planned actions. If the overpaid individual does not respond to the pre-offset notice within 60 days of the notice's date and still meets all requirements, the ECO system refers the overpaid individual to the Department of the Treasury for a tax refund offset.¹⁰ However, the ECO system does not refer the individual to the Department of the Treasury if the notice was returned undeliverable.¹¹ The ECO system will resend the pre-offset notice when it obtains a valid address.¹² However, SSA will not refer the overpayment to the Department of the Treasury for a tax refund offset until this occurs.

SCOPE AND METHODOLOGY

SSA's Master Beneficiary Record is a file of all current and previously entitled OASDI beneficiaries. It is divided into 20 equal segments based on the last 2 digits of the Social Security number. One segment of the Master Beneficiary Record represents 5 percent of the total population of OASDI beneficiaries. Because each segment contains similar characteristics, the characteristics of 1 segment represent all 20 segments.

From 1 segment of the Master Beneficiary Record, we identified 349 individuals whose (1) child's insurance benefits were suspended or terminated between March 2018 and September 2025 and (2) records reflected overpayments for which they were contingently liable and the balances were equal to or greater than \$243.¹³ Across all 20 segments, we estimate at least 6,980 child beneficiaries met these criteria. From the population of 349 individuals, we selected a random sample of 10 for review.

⁸ SSA, *POMS*, GN 02210.007 B (February 5, 2025).

⁹ SSA, *POMS*, GN 02201.029, A (May 8, 2025).

¹⁰ SSA, *POMS*, GN 02201.029, C (May 8, 2025).

¹¹ SSA, *POMS*, GN 02201.030, F (May 8, 2025).

¹² SSA, *POMS*, GN 02201.030, A.3 (May 8, 2025).

¹³ We established a dollar threshold equal to or greater than \$243 based on SSA's average cost to collect an OASDI overpayment.

From all 20 segments of the Master Beneficiary Record, we separately identified 249,227 individuals who received child's insurance benefits and were selected for a tax refund offset through TOP with overpayment balances equal to or greater than \$243 as of September 2025. (Although these individuals were selected, they were not automatically referred for a tax refund offset.) Of these 249,227 individuals, we selected a random sample of 175 for review.

See Appendix A for more information on our scope and methodology and Appendix B for our sampling methodology and results.

RESULTS OF REVIEW

SSA employees did not resolve overpayments in accordance with policy for the 349 individuals in Population 1 who no longer met the requirements for contingent liability after their benefits stopped. This occurred because SSA did not have a process in place to make employees aware of all records that required action. As a result, these individuals were responsible for approximately \$1.9 million in overpayments that remained on their records when they no longer met the requirements for contingent liability. Based on our results, we estimate SSA employees did not resolve approximately \$38.5 million in overpayments in accordance with policy for at least 6,980 individuals.

SSA resolved overpayments in accordance with policy for 121 (69 percent) of the 175 individuals in Population 2 who received child benefits and were selected for a tax refund offset through TOP.¹⁴

However, SSA employees did not resolve \$227,012 in overpayments in accordance with policy for the remaining 54 (31 percent) individuals in Population 2. This occurred, in part, because SSA did not have a process in place to make employees aware of all records that required action. We could not determine why employees did not take required actions to resolve an overpayment when they were alerted about the overpaid individual or another contingently liable individual receiving benefits. Based on our sample, we estimate SSA employees did not resolve approximately \$242.6 million in overpayments in accordance with policy for 76,904 individuals.

Contingently Liable Individuals

When a contingently liable individual stops receiving benefits, an SSA employee must manually remove the overpayment balance from their record because they no longer meet the requirements for contingent liability.¹⁵ If another contingently liable individual is receiving benefits on the overpaid record, an SSA employee must manually transfer the overpayment to that individual's record and withhold benefits.¹⁶ When SSA cannot apply benefit withholdings

¹⁴ As of June 2026, SSA received \$53,651 in tax refund offsets that either partially or fully recovered the overpayments for 34 of the 175 sampled individuals.

¹⁵ SSA, *POMS*, GN 02210.007, B (February 5, 2025).

¹⁶ SSA, *POMS*, GN 02210.007, A (February 5, 2025) and GN 02210.015, A.2 (February 13, 2012).

because there are no individuals receiving benefits, an SSA employee must manually transfer the overpayment back to the overpaid individual and request a full refund.¹⁷

SSA employees did not remove overpayments from the records of 349 individuals whose child's insurance benefits SSA suspended or terminated but who remained contingently liable for overpayments. Employees did not remove these overpayments because SSA did not have a process in place to notify them that action is needed. SSA did not have a process in place to inform employees when

- a contingently liable individual's benefits stop and neither the overpaid nor another individual on the overpaid record receives benefits that could be withheld to recover the overpayment;
- an overpaid person receives SSI payments that should be adjusted to recover overpayments; or
- an individual who is living in a household separate from the overpaid individual receives benefits on the overpaid record that should be adjusted to recover overpayments.

As a result, the 349 individuals were responsible for a total \$1.9 million in overpayments that remained on their records when they no longer met the requirements for contingent liability.

By not taking action on these overpayments, SSA missed opportunities to potentially recover the overpayments from the overpaid individuals or other contingently liable individuals receiving benefits on the overpaid records. This occurred because SSA employees were only made aware that action was needed in certain situations.

- SSA's annual Re-entitled Overpayment Alert notifies employees when overpaid individuals are receiving OASDI benefits on separate benefit records and those benefits should be adjusted to recover overpayments.
- SSA's annual Contingently Liable Overpayment Alert notifies employees when individuals, who are living in the same households as the overpaid individuals, are receiving benefits on the overpaid record that should be adjusted to recover overpayments.

Example. In June 2013 and June 2016, SSA determined it overpaid an individual \$2,300 and \$6,154, respectively. SSA recovered \$2,126 from the overpaid individual until their benefits ended in June 2019. In September 2020, SSA transferred the \$6,328 balance to a contingently liable individual who was receiving child benefits. SSA recovered an additional \$476 before the individual's benefits ended in July 2021. SSA employees were unaware the individual's benefits stopped because the systems did not provide an alert regarding this change. Therefore, SSA employees did not remove the overpayment from the formerly contingently liable individual and transfer the balance to the overpaid individual to pursue recovery in accordance with policy. As of February 2026, a \$5,582 overpayment remained on the record of an individual who no longer met the requirements for contingent liability.

¹⁷ SSA, *POMS*, GN 02210.007, B (February 5, 2025) and GN 02210.150, A.1 (January 27, 2022).

Individuals Selected for Tax Refund Offset

If an overpaid or a contingently liable individual living in the same household starts receiving benefits, SSA should stop overpayment recovery through TOP's tax refund offset and apply benefit withholding to recover overpayments. If a contingently liable individual in a different household starts receiving benefits, SSA must monitor records to determine whether benefit withholding applies.¹⁸ If a contingently liable individual in a different household begins receiving benefits and the overpayment is under \$20,000, an SSA employee must establish 3-year reminders to determine whether the overpayment should be transferred to the contingently liable individual. SSA policy instructs employees to continue setting 3-year reminders as long as the overpaid individual remains eligible for external collections. If the overpayment is greater than \$20,000, SSA employees must begin withholding benefits from the contingently liable individual in a different household.¹⁹ SSA employees did not properly resolve 54 individuals' overpayments totaling \$227,012.

Benefit Withholding

For 48 of the 54 individuals, SSA did not attempt to recover \$216,373 in overpaid benefits through benefit withholding.

- For 25 individuals, SSA employees did not begin withholding benefits from either the overpaid individuals or contingently liable individuals who were living in the same households. For 7 of the 25 individuals, we identified alerts dated between August 2024 and September 2025 notifying SSA employees of individuals receiving benefits that could be withheld to recover the overpayments. As of June 2026, employees had not taken action on the pending alerts.
- For 23 individuals, SSA employees did not monitor the individuals' records to determine whether benefits should be withheld from contingently liable individuals who were living in separate households.

This occurred because SSA did not have a process in place to notify employees when

- an overpaid person received SSI payments that should have been adjusted to recover overpayments or
- an individual who was living in a household separate from the overpaid individual received benefits on the overpaid record that should have been adjusted to recover overpayments.

Although SSA alerts employees when an overpaid individual receives OASDI benefits on a separate benefit record or other individuals living in the same household receive benefits on the overpaid record, employees did not always take action on the alerts. We could not determine why employees did not take required actions to resolve an overpayment when they were alerted about the overpaid individual or another contingently liable individual receiving benefits.

¹⁸ SSA, *POMS*, GN 02215.235, B.1 (November 2, 2021) and GN 02210.217, D, E (March 16, 2022).

¹⁹ SSA, *POMS*, GN 02210.217, D (March 16, 2022).

Example. In April 2024, SSA determined it overpaid an individual \$59,232 when it determined it should have terminated their child benefits in March 2015. The individual did not repay the \$57,676 balance or enter into a repayment agreement. Therefore, SSA's ECO system selected the individual for a tax refund offset and mailed them a pre-offset notice. The individual did not respond to the pre-offset notice and was referred for a tax refund offset. However, the Agency did not have a process in place to notify employees the individual was receiving SSI payments. Therefore, SSA employees did not initiate benefit withholding from the SSI payments, as required.

Example. In February 2019, SSA determined it should have terminated an individual's child benefits in September 2017. SSA overpaid the individual \$15,156. The individual did not repay the overpayment or enter into a repayment agreement. Therefore, SSA's ECO system selected the individual for a tax refund offset and mailed them a pre-offset notice. The individual did not respond to the pre-offset notice and was referred for a tax refund offset. However, an individual living in a different household was receiving benefits on the overpaid record. Because SSA did not have a process in place to notify employees of the individual in the different household, employees did not establish the 3-year reminder to monitor whether the Agency could withhold the contingently liable individual's benefits when the overpaid individual no longer met the criteria for external collections, as required.

Updating Benefit Records

Of the 54 individuals, SSA employees did not update benefit records for 6 to remove incorrect overpayments or correct coding necessary for the ECO system to make proper tax refund offset referrals. As a result, SSA did not properly resolve \$10,639 in overpaid benefits. Had SSA employees done so, the individuals would not have been responsible for repaying incorrect overpayments, or SSA's ECO system would have properly referred individuals for tax refund offsets.

- Four individuals' overpayments were incorrect. However, because SSA employees did not properly update their benefit records, the individuals remained liable for the overpayments.
 - SSA determined an individual was overpaid because of a duplicate benefit payment. SSA subsequently determined the individual received the correct benefit amount and was not overpaid. However, an SSA employee did not update the benefit record to remove the incorrect overpayment.
 - SSA recovered an individual's overpayment through a tax refund offset. However, SSA reposted the overpayment because the benefit record incorrectly showed Treasury returned the withheld tax refund to the individual. In fact, Treasury had not returned the withheld tax refund to the individual. Because SSA had recovered the overpayment, an SSA employee should have updated the benefit record to remove the overpayment, but did not do so.
 - SSA employees did not update two individuals' benefit records to show SSA already recovered their OASDI overpayments from their SSI payments.

- SSA employees did not properly update two individuals' benefit records, which caused SSA's ECO system to improperly refer one individual's overpayment for a tax refund offset and not refer another individual's overpayment, as required.
 - An SSA employee incorrectly established an overpayment on one individual's record as a result of an incorrect computation instead of a contingent liability. Contingently liable individuals do not meet the selection criteria for a tax refund offset. Since SSA incorrectly established the overpayment as an incorrect computation, the ECO system improperly referred the individual's overpayment for a tax refund offset.
 - An SSA employee did not update the second individual's benefit record to show SSA's decision to uphold the overpayment determination following an appeal. Consequently, the ECO system did not refer the individual for a tax refund offset.

We could not determine why SSA employees did not update benefit records when necessary.

CONCLUSION

SSA can improve how it resolves overpayments by ensuring it establishes processes that enable employees to follow established policy. In doing so, SSA can ensure it removes overpayments from the records of contingently liable individuals after their benefits stopped and maximize benefit withholdings to recover overpayments. Without improvements, individuals can incur financial burdens to repay overpayments that improperly remained on their benefit records. Furthermore, SSA can miss opportunities to potentially recover overpayments.

RECOMMENDATIONS

We recommend SSA:

1. Resolve the overpayments for the 403 individuals we identified.
2. Review the estimated 6,600 individuals who received child's insurance benefits and no longer met the requirements for contingent liability and take corrective actions when appropriate.
3. Implement controls to ensure employees are notified to remove overpayments from contingently liable individuals' records when they no longer receive benefits and transfer the overpayments to the appropriate record.
4. Implement controls, such as alerts, to initiate benefit withholding from SSI payments and OASDI benefits, including from contingently liable individuals, for individuals selected for TOP.
5. Identify the factors contributing to employees not properly updating benefit records and implement the appropriate actions.

AGENCY COMMENTS

SSA agreed to implement our recommendations (see Appendix C). SSA also provided technical comments in response to our draft report, which we incorporated into this final report as appropriate.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed applicable sections of the *Social Security Act*, United States Code, Code of Federal Regulations, and Social Security Administration's (SSA) *Program Operations Manual System*.
- Reviewed prior Office of the Inspector General reports on contingent liability and the Treasury Offset Program (TOP).
- Interviewed, and obtained information from, SSA subject-matter experts on the contingent liability and TOP processes.
- Obtained and reviewed SSA's detailed functional requirements for its Contingently Liable and Re-entitled Overpayment Alerts and SSA's External Collection Operation System.
- Obtained data extracts and used them to identify our populations, as follows:
 - **Population 1:** From 1 of the 20 segments of SSA's Master Beneficiary Record, we identified 349 individuals who received child benefits under SSA's Old-Age, Survivors, and Disability Insurance (OASDI) program with a contingently liable overpayment balance equal to, or greater than, \$243 and their benefits were suspended or terminated between March 2018 and September 2025. We established a dollar threshold of equal to, or greater than, \$243 based on SSA's average cost to collect an OASDI overpayment. We did not confirm the accuracy of the established overpayment.
 - **Population 2:** We identified 249,227 individuals who received child benefits under SSA's OASDI program and were selected for a tax refund offset through TOP with an overpayment balance equal to or greater than \$243, as of September 2025. We did not confirm the accuracy of the established overpayment.
- Reviewed a random sample of 10 individuals from Population 1 to determine why SSA employees had not removed the contingently liable overpayment from their record when their benefits stopped, as required. We conducted a limited review to determine the cause of the errors as Population 1 comprised all error cases.
- Reviewed a random sample of 175 individuals from Population 2 to determine whether SSA's External Collection Operation system properly selected and referred the individuals for a tax refund offset through TOP and SSA employees properly resolved the overpayments when additional action was needed.
- To complete our review of Population 1, we
 - Reviewed queries from the Master Beneficiary Record; Recovery of Overpayments, Accounting, and Reporting system; Payment History Update System; Supplemental Security Record; and Evidence Portal, as needed.
 - Traced the contingently liable overpayment to the overpaid individual and determined whether the overpaid individual was receiving OASDI benefits or Supplemental Security Income (SSI) payments.

- Determined whether another individual, on the overpaid record, was receiving benefits.
- Provided our determinations to SSA subject-matter experts for review and feedback on the cause of the errors.
- To complete our sample review of Population 2, we
 - Reviewed queries from the Master Beneficiary Record; Recovery of Overpayments, Accounting, and Reporting System; Collection Query; Payment History Update System; Supplemental Security Record; and Evidence Portal, as needed.
 - Identified the overpayment event(s) associated with the overpayment selected for a tax refund offset through TOP and determined whether the individual who received child benefits met SSA's criteria for a tax refund offset.
 - Determined whether SSA's External Collection Operation system properly selected and referred the individuals for a tax refund offset.
 - Determined whether the sampled individual was receiving OASDI benefits or SSI payments.
 - Determined whether another individual, on the overpaid record, was receiving benefits.
 - Provided our findings to SSA subject matter experts for review and feedback.

We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components, including control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objective. We identified the following components and principles as significant to the audit objective.

- Component 3: Control Activities
 - Principle 10: Design control activities
 - Principle 12: Implement control activities
- Component 5: Monitoring
 - Principle 16: Perform monitoring activities

We assessed the reliability of the data provided by conducting electronic testing, tracing random samples of data to the systems that produced them, and comparing our data to SSA Management Information. We determined the data were sufficiently reliable for the purposes of this report.

We conducted our review from December 2025 through August 2026. The principal entities audited were SSA's Chief Information Officer, Office of Central Processing, and Office of Field Operations. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix B – SAMPLING METHODOLOGY AND RESULTS

We established our populations as detailed in Appendix A. We used a simple random sample statistical approach to review each of the populations. Each sample item had an equal chance of selection, and the selection of one item had no impact on the selection of other items. This guaranteed we chose a sample that represented the population, absent human biases, and ensured statistically valid conclusions of, and projections to, the entire population under review. Our sampling approach for this review ensures our reported projections are statistically sound and defensible.

For Population 1, from 1 of the 20 segments of SSA's Master Beneficiary Record, we identified 349 individuals who received child benefits under SSA's Old-Age, Survivors, and Disability Insurance (OASDI) program with a contingently liable overpayment balance equal to or greater than \$243 and their benefits were suspended or terminated between March 2018 and September 2025. Based on our selection criteria, our population comprised all error cases. We randomly sampled 10 individuals to determine why SSA employees had not removed the contingently liable overpayment from their record when their benefits stopped, as required, see Table B- 1.

Table B- 1: Population 1 - Contingent Liability Population and Sample Size

Description	Number of Restitutions
Population	349
Sample Size	10

SSA employees did not remove overpayments for our population of 349 individuals whose benefits SSA suspended or terminated but who remained contingently liable for overpayments after their child benefits stopped. As a result, approximately \$1.9 million in overpayments remained on these individuals' records even though they no longer met the requirements for contingent liability. Projecting these results to all 20 segments of the Master Beneficiary Record, we estimate SSA employees did not properly resolve overpayments totaling approximately \$38.5 million to at least 6,980 individuals, see Table B- 2.

Table B- 2: Population 1 – Contingently Liable Overpayments Not Properly Resolved

Description	Individuals	Overpayments
Population Results	349	\$1,927,342
All 20 Segments	6,980	\$38,546,849

For Population 2, we identified 249,227 individuals who received child benefits under the OASDI program and were selected for a tax refund offset through the Treasury Offset Program (TOP) with an overpayment balance equal to or greater than \$243, as of September 2025. We reviewed a random sample of 175 individuals to determine whether SSA properly resolved the overpayments using TOP, see Table B- 3.

Table B- 3: Population 2 – TOP Population and Sample Size

Description	Number of Restitutions
Population	249,227
Sample Size	175

Of the 175 individuals, SSA employees did not withhold benefits, monitor the records, or update benefit records for 54 (31 percent) individuals in accordance with policy. We estimate employees did not properly resolve overpayments totaling approximately \$242.6 million for 76,904 individuals, see Table B- 4.

Table B- 4: Population 2 - TOP Overpayments Not Properly Resolved

Description	Number of Claims	Amount
Sample Results ¹	54	227,012
Projected Quantity/Point Estimate	76,904	242,546,929
Projection – Lower Limit	62,575	160,020,153
Projection – Upper Limit	92,462	325,073,704
Total Projected Error Amount (Point Estimate + Outlier Actual Amount \$57,676)		\$242,604,605

Note: All projections are at the 90-percent confidence level.

¹ We determined one \$57,676 error amount was an outlier in the data set and excluded it from our projection and will use the actual value of the error.

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY Office of the Commissioner

MEMORANDUM

Date: September 25, 2026

Refer To: TQA-1

To: Michelle L. Anderson
Assistant Inspector General for Audit as First Assistant

From: Chad Poist
Chief Risk Officer

Subject: Office of the Inspector General Draft Memorandum "Overpayments to Children" (052502) --
INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations.

Please let me know if I can be of further assistance. You may direct staff inquiries to
Amy Gao, Director of the Audit Liaison Staff.

SOCIAL SECURITY ADMINISTRATION BALTIMORE, MD 21235-0001



Mission:

The Social Security Office of the Inspector General (OIG) serves the public through independent oversight of SSA's programs and operations.

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