



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

*Audit Report*

Overpayments Pending Collection for  
Miscellaneous Reasons

*A-04-18-50546 | September 2019*

**OIG** Office of the Inspector General  
SOCIAL SECURITY ADMINISTRATION

**MEMORANDUM**

**Date:** September 24, 2019

**Refer To:**

**To:** The Commissioner

**From:** Inspector General

**Subject:** Overpayments Pending Collection for Miscellaneous Reasons (A-04-18-50546)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration should have resolved Old-Age, Survivors and Disability Insurance overpayments that were pending collection for miscellaneous reasons.

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 Rona Lawson, Assistant Inspector General for Audit, 410-965-9700.



Gail S. Ennis

Attachment

# Overpayments Pending Collection for Miscellaneous Reasons

## A-04-18-50546



September 2019

Office of Audit Report Summary

### Objective

Our objective was to determine whether the Social Security Administration (SSA) should have resolved Old-Age, Survivors and Disability Insurance overpayments that were pending collection for miscellaneous reasons.

### Background

If a debtor or his/her representative payee disagrees with, and protests, an overpayment, SSA policy instructs employees to record the protest in the Debt Management System. According to SSA, it uses the miscellaneous due process code for overpayment issues that do not fall into its defined categories. This input prevents SSA from collecting the overpayment and places it in a due process status. Due process is the time between the initial protest and SSA's determination on the protest plus a 60-day appeal period. The overpayment remains in a miscellaneous due process status until an SSA employee resolves the protest by affirming, waiving, reducing, or removing the overpayment.

From 1 segment of SSA's Master Beneficiary Record, we identified 130 debtors with overpayments totaling approximately \$1.8 million that were pending collection longer than 1 year because of a miscellaneous due process status.

### Findings

Our review of the 130 debtors with overpayments totaling approximately \$1.8 million confirmed that SSA had not resolved the overpayments or initiated/resumed their collection for longer than 1 year. We estimate there are approximately 2,600 debtors with overpayments totaling approximately \$35.4 million on the Master Beneficiary Record that SSA has not resolved or initiated/resumed collection for longer than 1 year.

SSA does not have sufficient controls in place to ensure it resolves these overpayments timely. For example, when alerts are created, SSA employees can clear them without taking proper action, providing notes or documentation, or recording the action taken to clear the alert. Additionally, SSA has no timeliness standard for resolving and removing overpayments in due process status. The longer these overpayments remain in miscellaneous due process, the less likely it is SSA will recover them.

### Recommendations

We recommend SSA:

1. Resolve the miscellaneous due process status for the 130 debtors identified by this audit.
2. Identify and resolve all debtors with a miscellaneous due process status for longer than 1 year.
3. Establish timeliness standards for resolving overpayments in a due process status.
4. Regularly monitor the debt management database, and build controls into the modernized debt system, to ensure employees take appropriate action for overpayments in a due process status.

SSA agreed with three of our four recommendations. SSA disagreed with Recommendation 3.

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## ABBREVIATIONS

DMS	Debt Management System
MBR	Master Beneficiary Record
OASDI	Old-Age, Survivors and Disability Insurance
OI	Office of Investigations
OIG	Office of the Inspector General
POMS	Program Operations Manual System
ROAR	Recovery of Overpayments, Accounting and Reporting
SSA	Social Security Administration
U.S.C.	United States Code

## OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) should have resolved Old-Age, Survivors and Disability Insurance (OASDI) overpayments that were pending collection for miscellaneous reasons.

## BACKGROUND

SSA administers the OASDI program to provide monthly benefits to retired or disabled workers and their families as well as to survivors of deceased workers.<sup>1</sup> A beneficiary's monthly benefit amount is based on specific eligibility and entitlement factors.<sup>2</sup> An overpayment is the amount a beneficiary is paid in excess of what should have been paid based on these factors.<sup>3</sup> When SSA adjusts a beneficiary's record to reflect the difference, it establishes the overpayment,<sup>4</sup> notifies the beneficiary of the overpayment,<sup>5</sup> gives the beneficiary an opportunity to contest the overpayment or ask that it be waived,<sup>6</sup> and initiates or resumes collection of any remaining overpayment.<sup>7</sup>

If a debtor or his/her representative payee disagrees with, and protests, an overpayment, SSA policy instructs employees to record the protest in the Debt Management System (DMS).<sup>8</sup> According to SSA, it uses the miscellaneous due process code for overpayment issues that do not fall into its defined categories.<sup>9</sup> This input prevents SSA from collecting the overpayment and places it in a due process status. Due process is the time between the initial protest and SSA's determination on the protest, plus a 60-day appeal period. The overpayment remains in a miscellaneous due process status until an SSA employee resolves the protest by affirming, waiving, reducing, or removing the overpayment.<sup>10</sup>

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<sup>1</sup> *Social Security Act*, 42 U.S.C. § 401 (govinfo.gov 2017).

<sup>2</sup> *Social Security Act*, 42 U.S.C. §§ 402, 423 (govinfo.gov 2017).

<sup>3</sup> SSA, *POMS*, GN 02201.003, A (October 18, 2017).

<sup>4</sup> SSA, *POMS*, GN 02201.003, G (October 18, 2017).

<sup>5</sup> SSA, *POMS*, GN 02201.009, A (July 25, 2018).

<sup>6</sup> SSA, *POMS*, GN 02201.011, A (April 11, 2014).

<sup>7</sup> SSA, *POMS*, GN 02201.011, C (April 11, 2014).

<sup>8</sup> SSA, *POMS*, GN 02201.011, C (April 11, 2014). DMS is part of SSA's data processing system, which consolidates its OASDI debt management data entry activities. SSA employees use DMS to establish, resolve, and collect debts.

<sup>9</sup> SSA has predefined reasons for the debt protests, such as initial waiver, reconsideration, or hearing.

<sup>10</sup> SSA employees also resolve the miscellaneous due process status by updating the due process reason to one that is specified, such as a waiver or hearing request, recording a compromise decision on the balance owed, establishing an installment agreement to repay the overpayment, or establishing offset of benefits payable to the debtor.

SSA uses its Recovery of Overpayments, Accounting and Reporting (ROAR) system to track overpayments.<sup>11</sup> ROAR generates diary alerts on overpayments in a due process status when there has been no collection action in 90 days. After 180 days with no collection action, DMS automatically sets additional alerts every 6 months.<sup>12</sup> DMS continues generating these alerts until an employee takes action to resolve and remove the due process status. Also, SSA stores all OASDI overpayments in due process in a centralized debt management database. SSA management should use this database to determine how long an overpayment has been in due process, why it is pending, whether to assign it to an SSA employee to resolve, and to ensure timely action is taken. When SSA resolves these overpayments and initiates or resumes collection, it collects the remaining overpayment balance by requesting a full refund, benefit withholding, establishing installment payments for debtors who are not receiving benefits, or through external collection methods.<sup>13</sup>

From 1 segment of SSA's Master Beneficiary Record (MBR),<sup>14</sup> we identified 130 debtors<sup>15</sup> with overpayments totaling approximately \$1.8 million<sup>16</sup> that were pending collection longer than 1 year because of a miscellaneous due process status.<sup>17</sup> We reviewed the ROAR for each of the 130 debtors to determine whether SSA employees were taking proper action to resolve the protest and, if appropriate, initiating or resuming collection of the overpayments. We also randomly sampled 50 of the 130 debtors to determine whether SSA had established alerts for employees to resolve the miscellaneous due process status. See Appendix A for details on the scope and methodology of our review.

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<sup>11</sup> ROAR controls the collection of OASDI overpayments. It contains the overpayment's cause, amount, and collection status. It contains any actions against the overpayment record, contains waiver or reconsideration information, and generates exceptions and alerts, accordingly.

<sup>12</sup> SSA does not have a published processing time goal for resolving overpayment due-process requests. However, SSA uses the Delinquent Debt Trigger File operation to identify cases where it has not taken collection action for an extended period. SSA performs this operation semiannually (March and September). The Delinquent Debt Trigger File operation generates alerts on those cases for which the date of the last collection activity for an OASDI overpayment was at least 180 days earlier. We used the standard of 180 days plus an additional 6 months when we analyzed the debts pending in miscellaneous due process for longer than 1 year.

<sup>13</sup> *Social Security Act*, 42 U.S.C. § 404 (govinfo.gov 2017). External collection methods include the Treasury Offset Program, Credit Bureau reporting, administrative wage garnishment, and Federal salary offset.

<sup>14</sup> The MBR is a file of all current and previously entitled OASDI beneficiaries. SSA establishes the record when it receives an initial claims action. The MBR is divided into 20 equal segments.

<sup>15</sup> Of the 130 debtors, 13 had multiple debts in a miscellaneous due process status.

<sup>16</sup> According to SSA, in Fiscal Year 2017, the average cost to collect an Old-Age and Survivors Insurance overpayment was \$203 and a Disability Insurance overpayment was \$254. Therefore, we excluded all debtors with overpayments less than \$255 from our review as the cost to recover the debt would exceed the overpayment balance.

<sup>17</sup> These debtors' overpayments did not have any collection during the 12 months preceding August 1, 2018.

## RESULTS OF REVIEW

Our review of the 130 debtors with overpayments totaling approximately \$1.8 million confirmed SSA had not resolved the overpayments or initiated/resumed their collection for longer than 1 year. We estimate there are approximately 2,600 debtors with overpayments totaling approximately \$35.4 million on the MBR that SSA has not resolved or initiated/resumed collection for longer than 1 year.<sup>18</sup>

SSA does not have sufficient controls in place to ensure it resolves these overpayments timely. For example, when alerts are created, SSA employees can clear them without taking proper action, providing notes or documentation, or recording the action taken to clear the alert. Additionally, SSA has no timeliness standard for resolving and removing overpayments in due process status. The longer these overpayments remain in miscellaneous due process, the less likely it is SSA will recover them.<sup>19</sup>

### Overpayments Pending Timeframes

SSA did not always take proper action to initiate or resume collection of overpayments in a miscellaneous due process status. We determined the 130 debtors' overpayments had been pending collection from 1 to 21 years. Based on our results, we estimate there are approximately 2,600 debtors with overpayments totaling approximately \$35.4 million that SSA has not resolved or initiated/resumed collection for longer than 1 year. Table 1 shows the pending timeframes for the 130 debtors whose overpayments SSA has not resolved.

**Table 1: Time Overpayments Had Been in Pending Status as of August 1, 2018**

Pending Time	Number of Debtors	Overpayment Amount
10 Years or Longer	16	\$49,492
5 Years or Longer but Less than 10 Years	26	212,870
3 Years or Longer but Less than 5 Years	31	299,041
Longer than 1 Year but Less than 3 Years	57	1,210,898
<b>Total</b>	<b>130</b>	<b>\$1,772,301</b>

<sup>18</sup> See Appendix B for our sample methodology and results and details on our straight-line estimation.

<sup>19</sup> SSA, OIG, *Overpayments Not Collected Through Benefit Withholding*, A-07-18-50278, p. 4 (July 2018).

SSA systems generally create alerts for debts with no collection at 90 days, followed by alerts at 180 days, then every 6 months. However, SSA does not have sufficient controls to ensure the alerts are properly resolved. For example, the ROAR and DMS do not always generate alerts on debts with no collection at SSA's scheduled intervals. Additionally, when alerts are generated, employees can clear them without taking action or explaining the action taken.

Our review of 50 records found no evidence of ROAR or DMS alerts for 13 debtors' records. While the other 37 had alerts, employees did not always explain their action or lack thereof. According to SSA, it uses the miscellaneous due process code for overpayment issues that do not fall within its defined categories. Without a defined category, and because they are not a high priority, these pending debts can take longer to review and resolve.

SSA has no timeliness standard for resolving and removing overpayments from a due process pending status.<sup>20</sup> Based on how long these debts have been in a pending status, SSA needs to regularly monitor the debt management database to ensure employees resolve debts that remain in a miscellaneous due process status.

In Fiscal Year 2017, SSA began work on a 6-year Debt Management modernization initiative that includes a redesign of the debt management databases and applications. The redesign will allow for improved debt collection capabilities and staff to better track debt collections. SSA is scheduled to begin implementing its improvements in 2021. While SSA is developing this project, it should establish controls in the debt management database to prevent these debts from aging unnecessarily and to increase overpayment collection.

## Overpayments Pending Collection for Miscellaneous Reasons

For all 130 debtors we reviewed, SSA employees should have resolved the overpayment and changed the due process pending status. These overpayments had been in a pending status, on average, 5 years at the time of our review.<sup>21</sup> Table 2 summarizes these overpayments and the average time they had been pending.

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<sup>20</sup> SSA, OIG, *Overpayments Not Collected Through Benefit Withholding*, A-07-18-50278, p. 6 (July 2018).

<sup>21</sup> The overpayments ranged from 1 to 21 years. The mean was approximately 5 years. The median was approximately 3 years and 3 months.

**Table 2: Overpayments Pending Collection**

Overpayments Pending Collection	Number of Debtors	Overpayment Amount	Average Time in Pending Status
Office of Investigations Completed its Fraud Investigation or Review	14	\$243,537	4.9 years
SSA Resolved the Overpayment Protest but did not Remove the Miscellaneous Due Process Status	23	177,649	6.6 years
<i>Subtotal: SSA Resolved Cause</i>	37	\$421,186	6 years
SSA has No Documented Justification, Determination, or Resolution	93	1,351,115	4.6 years
<b>Total</b>	<b>130</b>	<b>\$1,772,301</b>	<b>5 years</b>

SSA resolved the underlying cause for the miscellaneous due process status for 37 (28 percent) of the 130 debtors' overpayments. Examples of this include, but are not limited to, fraud determinations, overpayment waiver denials, or unfavorable hearing decisions. However, SSA did not take proper action in DMS to remove the debt from due process status for these 37 overpayments. As a result, the overpayments remain in a pending status with no collection. For the remaining 93 (72 percent) debtors, SSA needs to resolve the due process status so it may initiate or resume collection on any remaining overpayment balance.

We provided all 130 records to SSA to take proper action to resolve and remove the miscellaneous due process status. SSA's Office of Operations reported it plans to review and take action, by September 2019, on all overpayments pending longer than 120 days that are in miscellaneous due process status, which will include those records we identified in this audit. The following sections provide details on the 130 records in miscellaneous due process and actions SSA needs to take to initiate or resume collection of the overpayments.

### *Overpayments with Suspected Fraud*

For 14 debtors with overpayments totaling approximately \$244,000, SSA employees suspected fraud and referred the cases to SSA OIG's Office of Investigations (OI). The average pending time for these overpayments is approximately 5 years.<sup>22</sup> However, OI completed its investigations or did not pursue<sup>23</sup> the cases, so SSA employees should have resolved the overpayments and initiated or resumed collections.

<sup>22</sup> The mean was approximately 5 years. The median was approximately 4 years and 6 months.

<sup>23</sup> OI may decline to pursue a criminal investigation of a case. OI's decision not to pursue a criminal investigation does not mean fraud did not occur.

For example, an individual improperly collected benefits for himself and three children by using a deceased individual's Social Security number. As a result, SSA overpaid this individual \$5,981 from May 2009 through August 2013. In April 2014, OI completed its investigation, which resulted in a fraud conviction. Since SSA has not changed the miscellaneous due process status, it has not initiated collection of the overpayment. SSA should immediately remove the due process status and initiate collection.

Of these 14 debtors, 4 were receiving OASDI benefits. SSA should resolve the due process status and recover any overpayments from these four beneficiaries by withholding from their monthly benefits.<sup>24</sup> For the remaining 10 individuals, SSA should initiate or resume collecting any remaining overpayments through refund,<sup>25</sup> monthly installment payments,<sup>26</sup> or external collections.<sup>27</sup>

### *SSA Resolved the Overpayment Protest*

SSA had resolved overpayment protests for 23 debtors with overpayments totaling approximately \$178,000. However, SSA has not taken action to change the due process status and initiate or resume collection of the remaining overpayments. The average pending time for these overpayments is approximately 7 years.<sup>28</sup>

For example, SSA overpaid a disabled beneficiary \$43,043 because his work and earnings exceeded the allowable limit. The beneficiary requested a waiver of the overpayment, which SSA denied in November 2011. In April 2012, the beneficiary requested a hearing and agreed to repay \$10 per month until SSA decided on his waiver request. In January 2014, the hearing decision affirmed the waiver denial. However, the overpayment remained in miscellaneous due process with no collection. SSA should remove the due process status and initiate collection of the overpayment.

Although SSA employees resolved the protests for the 23 debtors, they did not change or remove the overpayment from a miscellaneous due process status, which prevented SSA from initiating or resuming collection on any remaining overpayment balances. Of the 23 debtors, 6 are currently receiving OASDI benefits and SSA should initiate or resume withholding of any remaining overpayments from their monthly benefits. For the remaining 17, SSA should initiate or resume collection of any remaining overpayments through refund, monthly installment payments, or external collections.

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<sup>24</sup> SSA, *POMS*, GN 02210.001, B (October 12, 2018).

<sup>25</sup> SSA, *POMS*, GN 02210.150, A (June 20, 2019). Debtors can repay or refund the entire overpayment balance by making a one-time payment to SSA.

<sup>26</sup> SSA, *POMS*, GN 02210.180, A (July 1, 2016).

<sup>27</sup> SSA, *POMS*, GN 02210.217 (April 18, 2019).

<sup>28</sup> The mean was approximately 6 years and 8 months. The median was approximately 5 years and 3 months.

## *No Evidence SSA Resolved the Overpayment Protest*

For 93 debtors with overpayments totaling approximately \$1.4 million, there was no evidence in SSA records to explain why they remain in a miscellaneous due process status. As a result, we could not determine why these overpayments were in a miscellaneous due process status or why SSA has not resolved them. The average pending time for these overpayments is approximately 5 years.<sup>29</sup>

For example, SSA overpaid a beneficiary \$61,952 because he did not timely report his workers' compensation benefits. SSA denied his waiver request in June 2016, and a meeting to examine all evidence relating to the request for waiver was scheduled in July 2016. However, there is no documentation in SSA records concerning the waiver denial after the July 2016 scheduled meeting. Instead, and without explanation or documentation, in September 2016, SSA recorded a miscellaneous due process status. SSA should have documented the appeal decision, removed the miscellaneous due process status, and initiated recovery.

Of the 93 debtors, 34 are receiving OASDI benefits. SSA should address the protest and initiate or resume collecting any remaining overpayments by withholding from their monthly benefits. For the remaining 59 debtors, SSA should resolve the protest and initiate or resume collection of any remaining overpayments through refund, monthly installment payments, or external collections.

## **CONCLUSIONS**

We identified overpayments in miscellaneous due process status from 1 to 21 years. Although SSA systems generally create alerts for debts with no collection activity at 90 days, 180 days, and then every 6 months thereafter, the Agency does not have sufficient controls to ensure the alerts are created or resolved timely. We determined SSA employees are either not taking action on the alerts when created or recording them as resolved without removing the miscellaneous due process status. SSA does not require that management regularly access the debt management database to identify and address the aging debts. Additionally, SSA has no timeliness standard for overpayments in due process.

Systems improvements could control the aging of debts in miscellaneous due process and increase the amount of debt collection. While developing its Debt Management modernization initiative, SSA should establish controls in the debt management database to prevent these debts from aging unnecessarily and to increase overpayment collection. Additionally, SSA should establish timeliness standards to resolve and remove overpayment due process status.

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<sup>29</sup> The mean was approximately 4 years and 6 months. The median was approximately 3 years.

## RECOMMENDATIONS

We recommend SSA:

1. Resolve the miscellaneous due process status for the 130 debtors identified by this audit.
2. Identify and resolve all debtors with a miscellaneous due process status for longer than 1 year.
3. Establish timeliness standards for resolving overpayments in a due process status.
4. Regularly monitor the debt management database, and build controls into the modernized debt system, to ensure employees take appropriate action for overpayments in a due process status.

## AGENCY COMMENTS

SSA agreed with Recommendations 1, 2, and 4, but disagreed with Recommendation 3. SSA stated its priority is to ensure budgeted workloads and agency priority goals are met. SSA also stated it is not feasible to establish additional fixed goals when considering how they would affect its other work and its ability to achieve priority targets. Finally, SSA stated future automation improvements will provide additional opportunities to improve the timely resolution of overpayments in a due process status.

## OIG RESPONSE

We agree with the need to prioritize workloads. However, we continue to believe SSA should establish timeliness standards to resolve overpayments in a due process status. SSA stated that in preparation for its new system, it initiated a clean-up of overpayment cases pending for more than 120 days and expects to complete this clean-up by the end of Calendar Year 2019. If SSA were to perform similar clean-ups on a regular basis, we believe it would meet the intent of our recommendation.

The full text of SSA's comments is included in Appendix C.



Rona Lawson  
Assistant Inspector General for Audit

# *APPENDICES*

## Appendix A – SCOPE AND METHODOLOGY

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To accomplish our objective, we:

- Reviewed pertinent sections of the *Social Security Act* and the Social Security Administration's (SSA) Program Operations Manual System.
- Reviewed prior Office of the Inspector General reports related to overpayment recovery.
- Identified 130 debtors with debts pending in miscellaneous due process for longer than 1 year from 1 segment of the Master Beneficiary Record. These debtors' overpayments did not have any collection during the 12 months preceding August 1, 2018 and were more than \$254.<sup>1</sup> We reviewed each of these debtors' overpayments to determine whether SSA should have resolved and removed the miscellaneous pending status.
- To conduct our analysis, we reviewed the following SSA systems and databases.
  - Master Beneficiary Record
  - Recovery of Overpayments, Accounting and Reporting System
  - Debt Management System
  - Non-Disability Repository Application
  - SSA Hearings and Appeals queries
- Reviewed the Paperless Read Only Query System for 50 randomly selected debtors to determine whether alerts were created for the overpayments and if SSA employees recorded any action taken on the alert.

We conducted our audit work in Atlanta, Georgia, and Birmingham, Alabama, from December 2018 to June 2019. The entities audited were the Offices of the Deputy Commissioners for Operations and Systems. We determined the data used in this report were sufficiently reliable given the review objective and its intended use.

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 our 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.

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<sup>1</sup> According to SSA, in Fiscal Year 2017, the average cost to collect an Old-Age and Survivors Insurance overpayment was \$203 and a Disability Insurance overpayment was \$254. Therefore, we excluded all debtors with overpayments less than \$255 from our review as the cost to recover the debt would exceed the overpayment balance.

## Appendix B – SAMPLE METHODOLOGY AND RESULTS

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From 1 segment of the Social Security Administration’s (SSA) Master Beneficiary Record (MBR), we identified a population of 130 debtors with overpayments pending in miscellaneous due process longer than 1 year. These debtors’ overpayments did not have any collection during the 12 months preceding August 1, 2018 and were more than \$254.<sup>1</sup> We reviewed each of these debtors’ overpayments to determine whether SSA should have resolved and removed the miscellaneous pending status.

Our review of these 130 debtors’ records identified overpayments totaling \$1,772,301. We used a straight-line ratio methodology to estimate that SSA overpaid approximately 2,600<sup>2</sup> individuals approximately \$35,446,020,<sup>3</sup> as shown in Table B–1.

**Table B–1: Straight-line Estimations**

Description	Population from One Segment of the MBR	Estimation for Total MBR
Individuals with Debts in Miscellaneous Due Process Pending Longer than 1 Year	130	2,600
Debt Pending Amount	\$1,772,301	\$35,446,020

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<sup>1</sup> According to SSA, in Fiscal Year 2017, the average cost to collect an Old-Age and Survivors Insurance overpayment was \$203 and a Disability Insurance overpayment was \$254. Therefore, we excluded all debtors with overpayments less than \$255 from our review as the cost to recover the debt would exceed the overpayment balance.

<sup>2</sup> To calculate the estimated number of individuals with debts pending in miscellaneous due process pending longer than 1 year, we multiplied the number of individuals from 1 segment of the MBR by 20, which is the total number of segments in the MBR (130 x 20 = 2,600).

<sup>3</sup> To calculate the estimated amount of debts pending in miscellaneous due process, we multiplied the amount pending from 1 segment of the MBR by 20, which is the total number of segments in the MBR (\$1,772,301 x 20 = \$35,446,020).

## Appendix C – AGENCY COMMENTS

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## SOCIAL SECURITY

### MEMORANDUM

Date: September 13, 2019

Refer To: S1J-3

To: Gail S. Ennis  
Inspector General

*Stephanie Hall*

From: Stephanie Hall  
Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report "Overpayments Pending Collection for Miscellaneous Reasons" (A-04-18-50546) -- INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.

Attachment

**SSA COMMENTS ON THE OFFICE OF INSPECTOR GENERAL DRAFT REPORT  
“OVERPAYMENTS PENDING COLLECTION FOR MISCELLANEOUS REASONS”  
(A-04-18-50546)**

We are working on a multi-year project to create a new comprehensive debt management system that will enable us to collect, store, monitor, and report Title II and Title XVI debt activity with confidence, accuracy, and timeliness. In preparation for the new system, we initiated a clean-up of overpayment cases pending for more than 120 days. We expect to complete the clean-up by the end of the calendar year.

Below are our responses to the recommendations.

**Recommendation 1**

Resolve the miscellaneous due process status for the 130 debtors identified by this audit and initiate collection on these overpayments.

Response

We agree.

**Recommendation 2**

Identify and resolve all debtors with a miscellaneous due process status for longer than 1 year and initiate collection on these overpayments.

Response

We agree.

**Recommendation 3**

Establish timeliness standards for resolving overpayments in a due process status.

Response

We disagree. We prioritize our workloads to ensure we meet our budgeted workloads and agency priority goals. While these and many of our other workloads too are important, it is not feasible to establish additional fixed goals when considering how they would affect our other work and our ability to achieve our priority targets. Future automation improvements, however, will provide additional opportunities to improve the timely resolution of overpayments in a due process status.

**Recommendation 4**

Regularly monitor the debt management database, and build controls into the modernized debt system, to ensure employees take appropriate action for overpayments in a due process status.

Response

We agree.

## MISSION

By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration's (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

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Baltimore, Maryland 21235

**FAX:** 410-597-0118

**Telephone:** 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. Eastern Standard Time

**TTY:** 1-866-501-2101 for the deaf or hard of hearing