

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

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Office of Audit Report Summary

### Objective

To review the Social Security Administration's (SSA) efforts to recover Old-Age, Survivors and Disability Insurance overpayments from debtors who were not current on an installment agreement.

### Background

SSA attempts to fully and immediately recover an overpayment. If a full refund is not possible, SSA may withhold part or all of the individual's monthly benefit, or create an installment plan when the individual is no longer receiving benefits.

Under an installment plan, the individual agrees to refund the overpayment through monthly payments. SSA negotiates the repayment agreement and establishes the payment's due date.

We identified 12,269 individuals where the Recovery of Overpayments, Accounting and Reporting system indicated SSA was attempting to recover the overpayment through an installment agreement. However, for all these overpayments, the most recent installment-related action was before June 2016. At the time of our audit, these individuals owed SSA almost \$88.3 million in overpaid benefits.

### Findings

SSA could improve its efforts to recover overpayments from debtors or their representative payees who have delinquent installment payments. Installment payments are acceptable if the debtor is financially unable, or unwilling, to make a full refund in a single payment and benefit withholding is not available. For the 12,269 debtors we reviewed, the overpayment record showed the last installment-related action occurred 11 months to 32 years before June 2016. At the time of our audit, these individuals owed SSA almost \$88.3 million in overpaid benefits.

Based on a sample of 100 of these debts, we determined SSA missed opportunities to recover 32 overpayments through (1) a benefit adjustment or (2) external collection tools. Also, for 4 of the 32 debtors, SSA could have used both overpayment recovery methods. For our sampled debtors, SSA's systems contained documentation of its follow-up efforts. However, installment plans rely on the individual submitting monthly payments. As steward of taxpayer funds, when an individual has an outstanding overpayment, SSA should use every option to recover the debt.

### Recommendation

We recommend SSA review the 12,269 delinquent debtor records and take action, where appropriate, to begin benefit adjustment or recovery using its external collection tools.

SSA agreed with our recommendation.