

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

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Office of Audit Report Summary

Objective

To determine the effectiveness of the Social Security Administration's (SSA) controls to account for and monitor court-ordered restitutions.

Background

Courts may order individuals convicted of Social Security fraud to serve a period of probation and/or pay SSA restitution for illegally obtained funds in addition to any fees assessed. Such orders for repayment are known as court-ordered restitution. The Department of Justice collects payment of Federal debts, including court-ordered restitution.

Once SSA receives court-ordered restitution documentation from the SSA Office of the Inspector General's Office of Investigations, its employees are to account for and monitor collection of the restitutions. If an individual begins receiving benefits after he/she is convicted of fraud and ordered to pay restitution, SSA must withhold the full monthly benefit payment until the court-ordered restitution is recovered.

In a 2007 audit, we determined SSA did not always monitor or account for the collection of court-ordered restitutions after a fraud conviction. For this audit, we identified 394 individuals whom the courts ordered in Fiscal Year 2017 to pay SSA restitutions of \$10,000 or more, totaling approximately \$52.7 million. We selected 65 records for review.

Findings

Of the 394 individuals the courts ordered in Fiscal Year 2017 to pay SSA \$52.7 million in restitution, we estimate SSA did not properly account for, and monitor the collection of, approximately \$9.4 million:

- \$1.6 million from 4 individuals with restitutions of \$300,000 or more and
- \$7.8 million from an estimated 136 individuals with restitutions between \$10,000 and \$299,999.

Our review of the 65 court-ordered restitutions found that SSA did not record in its systems the restitutions for 5 individuals. We also found no evidence that SSA took required follow-up actions to collect restitutions from 20 individuals.

This occurred because SSA does not have adequate controls to ensure it records and monitors the collection of court-ordered restitutions. For example, SSA does not reconcile its records with the Office of Investigations' monthly reports to ensure it records all restitutions.

Recommendations

We made four recommendations for SSA to take appropriate actions to improve its accounting for, and monitoring of, court-ordered restitutions.

SSA agreed with our recommendations.