

Report Summary

Social Security Administration Office of the Inspector General

August 2011



Objective

To assess the Social Security Administration's (SSA) effectiveness in collecting civil monetary penalties (CMP).

Background

CMPs are imposed against individuals or entities that violate the Social Security Act. Violations include knowingly misleading SSA to gain benefits, or using words, letters, or symbols in a manner that falsely conveys SSA's approval, authorization, or endorsement.

From September 1997 through December 2009, 1,371 CMPs totaling approximately \$27 million were imposed and forwarded to SSA for collection.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-06-11-11136.pdf>

Collection of Civil Monetary Penalties (A-06-11-11136)

Our Findings

SSA's CMP collection efforts needed improvement. SSA did not implement sufficient controls to monitor or report collection activities periodically or ensure Office of Operations staff initiated CMP collection.

We estimate that SSA collected only about \$4.5 million of the \$27 million in penalties assessed from September 1997 through December 2009. SSA recovers CMPs primarily by withholding some or all of an individual's benefit payments. Our audit results indicated the low collection rate was primarily attributable to the fact that SSA did not collect many CMPs assessed against individuals who were not in current payment status.

We also determined SSA did not always collect CMP amounts due from individuals receiving payments. We estimate SSA had not taken action to collect approximately \$3.2 million in CMPs assessed against individuals who received SSA payments at the time of our audit. In addition, SSA withheld smaller amounts from individuals' monthly payments than authorized, or did not complete recovery because individuals who received payments died before making full restitution.

Implementation of effective controls could help ensure the recovery of uncollected CMPs.

Our Recommendations

We recommended that SSA take action to address collection errors associated with our sampled cases, improve CMP tracking and monitoring controls, and provide periodic reports to SSA management on the status of collection activities.

SSA agreed with our recommendations.