

Report Summary

Social Security Administration Office of the Inspector General

April 2011



Objective

To identify the potential financial impact if the Social Security Administration (SSA) performed additional debt collection activities for Supplemental Security Income (SSI) overpayments.

Background

When an individual receives a payment of more than the amount due for any period, the individual is considered overpaid. When an SSI recipient is initially determined to be overpaid, the overpayment must be resolved by recovery, waiver, a determination that the debt either did not exist or was uncollectible, or any combination thereof. SSA uses nine debt collection activities to recover SSI overpayments. Most overpayments are recovered through benefit withholding, which, along with installment plans, are considered collection arrangements.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-07-10-20139.pdf>

Debt Collection Activities in the Supplemental Security Income Program (A-07-10-20139)

Our Findings

Our review focused on SSA's debt collection arrangements in the SSI program. Since Fiscal Year (FY) 2002, the percent of outstanding SSI debt in a collection arrangement has decreased. Specifically, between FYs 2002 and 2009, SSI debt in a collection arrangement decreased by more than 5 percent. SSA stated resource constraints in the SSI program have caused the Agency to shift focus from debt collection activities and other program integrity workloads to maintain front-line services.

We estimated, based on historical SSI collection rates, that during FYs 2008 through 2011, that SSA could have recovered an additional \$200 million of SSI debt. This could have been accomplished had SSA placed an additional \$441 million of outstanding SSI debt into collection arrangements at the FY 2002 level during FYs 2008 through 2010.

Our Recommendation

We recommended SSA identify a reasonable goal for the level of SSI debt that should be in a collection arrangement each year and dedicate the necessary resources to processing the debt collection workload to achieve the goal.

SSA disagreed with our recommendation. SSA stated it is directing its resources to more cost-effective program integrity work. In addition, SSA believes SSI payment accuracy will continue to improve, thereby reducing the amount of SSI debt needing to be recouped. With less debt to recoup and the increased use of more efficient methods for preventing, detecting, and recouping SSI overpayments, SSA stated it will not establish a goal for SSI debt collection arrangements.

We applaud SSA for implementing new methods to prevent, detect, and recoup SSI overpayments. We also understand that SSA must balance its resources between service delivery and program integrity. Without a goal for the level of debt in a collection arrangement, Congress and other stakeholders lack necessary information to assess whether sufficient resources are allocated to debt collection activities. Therefore, we remain committed to our recommendation.