

The Social Security Administration's Actions to Resolve Potentially Fraudulent Internet Claims

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) had adequate controls over resolving potentially fraudulent Internet Claims (iClaim) identified by SSA's Office of Anti-Fraud Programs (OAFP).

Background

Individuals and third parties may complete and electronically submit iClaim applications for retirement, spousal, Medicare, and Disability Insurance benefits. When an iClaim application is submitted, OAFP analyzes the claim to determine whether it is potentially fraudulent. If OAFP determines an iClaim is potentially fraudulent, SSA employees must determine whether the application is valid.

SSA employees must also report likely or known fraudulent iClaim applications to the Office of the Inspector General's, Office of Investigations (OI) by completing an *Electronic Form SSA-8551* (e8551).

OAFP provided us a file of potentially fraudulent iClaim applications it identified from May 9, 2014 through February 28, 2018.

Findings

SSA needed to improve controls over resolving potentially fraudulent iClaims because it did not always require, nor could it provide, evidence to support the validity of potentially fraudulent iClaims OAFP identified. However, from May 2014 through August 2018, SSA took several actions to improve controls to ensure its employees properly resolved potentially fraudulent iClaims OAFP identified.

Based on our review of a random sample of 200 potentially fraudulent iClaims, we estimate SSA determined some iClaims were valid. However, there was no evidence to support the validity of these claims. In addition, we estimate the following.

- SSA employees improperly approved some iClaims that they subsequently determined were likely or known fraudulent.
- SSA employees did not submit an e8551 for some likely or known fraudulent iClaims to OI.
- OAFP's file was not updated to indicate that some iClaims were likely or known fraudulent applications.

Recommendations

We made two recommendations for SSA to take corrective action on the potentially fraudulent iClaims OAFP identified. SSA disagreed with our recommendations.