The Social Security Administration's Compliance with the Improper Payments Elimination and Recovery Improvement Act of 2012 in the Fiscal Year 2017 Agency Financial Report A-15-18-50566

May 2018 **Office of Audit Report Summary**

Objectives

To review the Payment Integrity section in the Fiscal Year (FY) 2017 Agency Financial Report (AFR) and determine whether the Social Security Administration (SSA) met all requirements of the *Improper Payments Elimination and Recovery Improvement Act of 2012* (IPERIA). In addition, we evaluated the Agency's (1) accuracy and completeness of reporting and (2) performance in reducing and recapturing improper payments.

Background

On January 10, 2013, the President signed IPERIA into law. IPERIA amended the *Improper Payments Information Act of 2002* (IPIA) and *Improper Payments Elimination and Recovery Act of 2010* (IPERA). Both were created to prevent the loss of taxpayer dollars. In October 2014, the Office of Management and Budget (OMB) issued Government-wide guidance on the implementation of IPIA, as amended by IPERA and IPERIA.

Findings

In its FY 2017 AFR, SSA did not comply with all IPIA reporting requirements. Although the Agency met five IPIA criteria, it did not meet the reduction target for Supplemental Security Income (SSI) overpayments. The Agency reported most improper payment information; however, we noted instances where the supporting documentation did not agree with statements made in the FY 2017 AFR or the Agency could not provide documentation.

While evaluating SSA's performance in reducing and recapturing improper payments, we analyzed the 5-year average and actual deficiency dollars reported for major causes where SSA had implemented corrective actions. We noted that, for financial accounts and wage reporting, actual SSI deficiency dollars did not significantly improve despite the implementation of Access to Financial Institutions (AFI) and SSI Telephone Wage Reporting/SSI Mobile Wage Reporting, respectively. SSA could not provide data that measured the success of these implemented corrective actions because of significant data challenges. While SSA had improved AFI since it was implemented in FY 2011, the Agency had not developed new corrective actions to address financial accounts.

SSA is several years from determining whether proposed corrective actions will help reduce improper payments in wage reporting deficiencies, as it has not fully implemented recent corrective actions. Our past reviews have recommended that SSA develop systems to capture data that measure the effectiveness of existing corrective actions. We have also recommended that SSA, in accordance with OMB guidance, annually review its existing corrective actions to determine whether any action can be intensified or expanded, resulting in a high-impact, high return on investment in terms of reduced or prevented improper payments. These recommendations remain open, as SSA continues addressing them.

Recommendation

We recommend SSA develop new initiatives to address improper payments. SSA agreed with our recommendation.