

Supplemental Security Income Underpayments  
A-15-18-50612



December 2018

Office of Audit Report Summary

**Objective**

To identify trends and anomalies in Supplemental Security Income (SSI) underpayments.

**Background**

An underpayment is any monthly benefit amount (or portion of a monthly benefit amount) due a person that the Social Security Administration (SSA) has not paid.

Our Office of Investigations (OI) has received several allegations concerning SSA employees who issued fraudulent SSI underpayments. As of May 2014, OI had investigated 10 allegations, which led to the conviction of 9 former employees for wrongdoing and resulted in incarceration and/or restitution to SSA.

Using SSI underpayment data from October 1, 2013 to September 30, 2016, we reviewed transactions that had a large number and/or high dollar amount of underpayment transactions occurred to identify anomalous attributes.

**Findings**

Using targeted data analysis, we identified several SSA employees who may have inappropriately processed large numbers and/or high dollar amounts of SSI underpayments. We sent two cases to OI for further analysis. As of the date of this review, OI was investigating both cases. We sent the remaining outlier transactions, including 35 Social Security and 57 employee personal identification numbers, to SSA for further analysis. SSA could not locate documentation and notices to support underpayments and stated employees did not always follow SSI underpayment policies and procedures. SSA representatives stated the Agency would take a number of actions to address these employee errors, including providing employees additional training.

We believe SSA could incorporate data analysis, like the steps performed in this review, into the function of its Office of Anti-Fraud Programs. Doing so would enable the Agency to detect fraudulent underpayments continually. We also believe SSA could expand the use of the Comprehensive Integrity Review Process to identify fraudulent underpayment transactions.

We also noted several internal control deficiencies during our review. We believe it is critical that SSA take steps to improve internal controls to reduce improper and fraudulent payments.

**Recommendations**

We recommend that SSA:

1. Implement systems controls to ensure compliance with current policy, including the two-person identification number review process.
2. Implement data analytics and review processes to identify underpayment transactions that require further analysis.

SSA agreed with our recommendations.