

Supplemental Security Income Overpayments Pending a Collection Determination by the Social Security Administration

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September 2015

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) had taken actions since December 31, 2013 to collect outstanding Supplemental Security Income (SSI) overpayments.

Background

Because SSI is a needs-based program, SSA must evaluate recipients' income and resources each month to determine payment eligibility and amounts. Recipients' failure to report changes in financial circumstances timely can result in incorrect payments.

SSA's overpayment collection process depends on the individual's eligibility status. If the individual continues receiving SSI payments, SSA should begin recovery by withholding from ongoing payments. If the individual is no longer receiving SSI payments, SSA should attempt collection through withholding from ongoing payments to a liable representative payee, direct written or telephone contact, billing, negotiated installment agreements, cross-program recovery, referral for external collection, or reporting the individual to credit bureaus.

We identified 3,006 overpayments to individuals who were no longer receiving SSI payments and 2,760 overpayments to individuals who were receiving SSI payments at the time of our review. These overpayments were established during Fiscal Years 2011 through 2013.

Findings

From a sample of 100 overpayments for individuals who were not receiving SSI payments, we found SSA had partially collected 8, was unable to collect 7 because of legal or policy restrictions, and had taken some actions to collect 58 (it appeared SSA could have taken additional actions for 7 of these 58). SSA had not taken any collection actions on the remaining 27 overpayments since December 31, 2013. Accordingly, we project SSA had not taken recent actions to collect 16,240 overpayments, totaling more than \$128 million.

From a sample of 50 overpayments for individuals who were receiving SSI payments, we found SSA had partially collected 2, was unable to collect 4 because of legal or policy restrictions, and had taken some actions to collect 3. Further, SSA had not taken appropriate action since December 31, 2013 for one overpayment. SSA combined the remaining 40 overpayments with the recipients' prior and subsequent overpayments and was withholding all or a portion of the recipients' SSI payments to recover the total debt.

Recommendations

We made four recommendations for SSA to take appropriate actions to address overpayments to individuals who are no longer receiving SSI payments.

SSA agreed with all four of our recommendations.