

Manually Reduced Cross-program Recovery Overpayments

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) improperly reduced Supplemental Security Income (SSI) overpayments being collected from concurrent beneficiaries' Old-Age, Survivors and Disability Insurance (OASDI) benefits.

Background

The OASDI program provides benefits to retired and disabled workers as well as their dependents and survivors. The SSI program provides payments to financially needy individuals who are aged, blind, or disabled.

When individuals who incurred SSI overpayments receive OASDI benefits, SSA can collect the overpayments from their OASDI benefits using cross-program recovery. SSA records the overpayments on the Recovery of Overpayments, Accounting and Reporting (ROAR) system, which SSA uses to manage OASDI overpayment collections.

SSA uses the Manual Adjustment, Credit, and Award Data Entry system (MACADE) to update overpayment information on ROAR. Some MACADE inputs reduce overpayment balances on ROAR even when SSA does not actually collect funds from the debtor. These inputs can cause erroneous reductions to overpayment balances on the SSI record.

Findings

Use of MACADE to adjust cross-program recovery overpayments erroneously reduced SSI overpayments that SSA was collecting from concurrent beneficiaries' OASDI benefits. Although SSA generally prohibits personnel from using MACADE to process these types of transactions, SSA did not implement system controls to prevent employees from inputting the transactions. Further, SSA issued contradictory guidance to employees that did not make it clear whether it was appropriate to use MACADE to process the inputs.

Based on our sample results, we estimate that, from January 2005 through March 2015, SSA erroneously reduced approximately \$58.1 million in SSI overpayments it was collecting from concurrent beneficiaries. Absent corrective action, we estimate these processing errors will erroneously reduce SSI overpayments by an additional \$7 million over the next 12 months.

Recommendations

We recommend SSA:

1. Consider the cost-effectiveness of implementing controls to prevent systems from erroneously reducing SSI overpayments.
2. Update policy and training materials to be clear and consistent on the use of MACADE to input cross-program recovery adjustments.
3. Consider the cost-effectiveness of identifying and re-establishing SSI overpayments erroneously reduced by MACADE adjustments.

SSA agreed with our recommendations.