

Report Summary

Social Security Administration Office of the Inspector General

September 2010



Objective

To assess the Social Security Administration's (SSA) risk of making payments to individuals who commit, threaten to commit, or support terrorism.

Background

In September 2001, President Bush signed Executive Order (EO) 13224, *Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism*. On December 18, 2002, the Department of the Treasury (Treasury) issued *Financial Manual*, Bulletin No. 2003-04, which states Federal agencies must not make payments or draw checks or warrants payable to an individual or organization listed on the Office of Foreign Assets Control's (OFAC) Website of persons who commit, threaten to commit, or support terrorism.

To view the full report, visit
http://www.ssa.gov/oig/ADO_BEPDF/A-08-10-20131.pdf

The Social Security Administration's Risk of Making Payments to Persons Who Commit, Threaten to Commit, or Support Terrorism (A-08-10-20131)

Our Findings

Based on interviews with SSA and Treasury officials, we believe SSA remains at risk of making payments to individuals who commit, threaten to commit, or support terrorism. To comply with new rules initiated by OFAC to safeguard international direct deposits from terrorists, SSA worked with Treasury to facilitate screening of recipients who live outside the United States and receive payment at a foreign financial institution. However, SSA does not screen other payments because it believes that neither EO 13224 nor the *Social Security Act* gives the Agency authority to withhold or stop benefit payments when a person is identified on the OFAC list as a terrorist. Additionally, the Agency believes it is taking all appropriate measures in its authority to carry out the provisions of EO 13224. Notwithstanding SSA's position that an EO does not take precedence over the *Social Security Act*, we believe all Federal agencies should take a risk-based approach to prevent issuing payments that could be used to fund terrorist activities.

Our Recommendations

We recommend that SSA work with the Department of Justice, Treasury, the Office of Management and Budget, and, if necessary, others to resolve any issues the Agency believes prevent it from screening payments to individuals identified on OFAC's list. Once resolved, SSA should develop a risk-based process to identify individuals on OFAC's list who apply for or are receiving SSA benefits and work with Treasury to determine whether payments should be blocked.

SSA agreed in principle with our recommendation.