

# The Social Security Administration's Compliance with the Improper Payments Elimination and Recovery Improvement Act of 2012 in the Fiscal Year 2015 Agency Financial Report

## A-15-16-50133



May 2016

Office of Audit Report Summary

### Objectives

To review the Improper Payments Information section in the Fiscal Year (FY) 2015 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 the *Improper Payments Elimination and Recovery Act of 2010* (IPERA). Both were created to prevent the loss of billions in 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

We found that the Agency did not comply with all IPIA reporting requirements. Specifically, the Agency did not meet the OMB-established reduction targets for the Supplemental Security Income (SSI) and Old-Age, Survivors and Disability Insurance (OASDI) overpayments. The remaining five criteria as it relates to compliance were met. The Agency reported most improper payment information accurately and produced a substantially complete report. We noted a few immaterial instances where the supporting documentation did not agree with statements made in the FY 2015 AFR or the Agency was not able to provide documentation.

As part of evaluating the Agency's performance in reducing and recapturing improper payments, we analyzed the average and actual deficiency dollars reported for major causes where SSA had implemented corrective actions. We noted that, for wages, actual deficiency dollars increased despite the implementation of SSI Telephone and Mobile Wage Reporting. In addition, we noted that the OASDI overpayment dollars and rate had increased from the prior year. Over the past several years, the rates for this program have remained consistent. The Agency should continue researching initiatives that will help the Agency meet the established reduction targets in improper payments for the OASDI and SSI programs.

### Recommendations

Based on our review, we recommend SSA:

1. Ensure its FY 2016 AFR includes all requirements of applicable improper payment reporting guidance.
2. 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.

SSA agreed with our recommendations.