

Old-Age, Survivors and Disability Insurance Overpayments Pending Collection

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September 2015

Office of Audit Report Summary

Objective

To assess the Social Security Administration's (SSA) efforts to recover Old-Age, Survivors and Disability Insurance (OASDI) overpayments that had been outstanding for 12 months or longer.

Background

An overpayment is the total amount an individual received for any period that exceeded the total amount the individual should have been paid for that period. With a few exceptions, overpaid individuals are responsible for repaying the overpayments. SSA uses different methods to recover overpayments, such as benefit adjustment, the Treasury Offset Program (TOP), and Administrative Wage Garnishment (AWG).

We identified 4,869 overpayments with combined overpayments of more than \$50.3 million that SSA established in Fiscal Years 2008 through 2012 and, as of November 2013, had not recovered. Each individual overpayment balance was \$1,000 or more. We reviewed 150 of the overpayments.

Findings

While SSA had made some progress in recovering the long-term pending overpayments we reviewed, it could improve the effectiveness of its recovery efforts. In some cases, SSA did not recover any part of the overpayments due. In other cases, the Agency recovered part of the overpayments but did not continue recovering the remaining balances. The longer these overpayments remain unresolved, the less likely the Agency will be able to recover them.

Unresolved protests of the overpayments we reviewed were often the reason the Agency had not recovered the debts owed. An overpayment with a pending protest or waiver request suspends further collection activity until it is resolved. While SSA's system generates alerts of the pending protest workload, the Agency does not have controls in place to ensure they are addressed timely, which allows protests to remain unresolved and overpayments unrecovered.

Based on our samples, we estimated that SSA has not resolved over \$172 million in overpayments.

Recommendations

1. Take appropriate action to resolve the 46 overpayments identified in this review.
2. Evaluate the results of its resolution of the 46 overpayments and determine whether it should review the remaining overpayment balances that had been outstanding for 12 months or longer.
3. Establish controls to ensure overpayment protests are resolved more timely. The controls should ensure staff and management finalize protests that are not resolved after multiple alerts that the workload is pending.

SSA agreed with our recommendations.