

Congressional Response Report

The Social Security Administration's
Response to Telephone
Imposter Scams



May 27, 2020

The Honorable John B Larson
Chair

The Honorable Tom Reed
Ranking Member

Subcommittee on Social Security
Committee on Ways and Means
House of Representatives
Washington, DC 20515

Dear Committee Chair Larson and Mr. Reed:

In a December 10, 2019 letter, you asked that we review issues related to the Social Security Administration's (SSA) efforts to address ongoing Social Security-related telephone scams and their effect on the Agency's limited resources. Our report also answers similar questions posed in a November 25, 2019 letter from the Senate's Special Committee on Aging.

My office is committed to combating fraud, waste, and abuse in SSA's operations and programs. Thank you for bringing your concerns to my attention. The report provides information to address the issues raised in your letter. To ensure SSA is aware of the information provided to your office, we are forwarding a copy of this report to the Agency.

If you have any questions concerning this matter, please call me or have your staff contact Walter Bayer, Congressional and Intragovernmental Liaison, at (202) 358-6319.

Sincerely,

A handwritten signature in black ink that reads "Gail S. Ennis".

Gail S. Ennis
Inspector General

Enclosure

cc:
Commissioner of Social Security

The Social Security Administration's Response to Telephone Imposter Scams

A-02-20-50904



May 2020

Office of Audit Report Summary

Objective

To answer congressional questions about the Social Security Administration's (SSA) response to telephone imposter scams.

Background

The Federal Trade Commission reported that Government imposter scams have been the most prevalent type of fraud since 2014, and SSA-related imposter scams were the top Government imposter scam in 2019. The scams generally involve fraudsters calling individuals and pretending to be Government employees claiming there is identity theft or another problem with their Social Security number, account, or benefits.

Scammers may threaten arrest or legal action. They may also offer to increase benefits, protect assets, or resolve identity theft. They often demand payments from the individuals via retail gift cards, wire transfers, pre-paid debit cards, Internet currency, or cash. Although these scams generally do not involve the loss of Social Security benefits, they could decrease the public's trust in SSA and hinder the Agency's ability to communicate with its customers.

On December 10, 2019, the House Ways and Means Committee, Subcommittee on Social Security, requested we answer questions on SSA's response to telephone imposter scams. This report responds to those questions.

Results of Review

Reports of SSA-related imposter scams began increasing in late 2018 and continued increasing in 2019. SSA took some initial steps to inform its staff and the public about the scams in 2017 and started working with the Office of the Inspector General (OIG) to stop fraudsters from spoofing SSA telephone numbers in July 2019. In October 2019, SSA formed an Agency-wide, executive-level workgroup to better address its response to the scams. At that time, SSA's Commissioner asked the Deputy Commissioner to lead the Agency's response, and the Agency began coordinating more closely with the OIG on scam-related activities.

The rise in SSA-related imposter scams primarily affected its field office and national 800-Number teleservice center staff. In Fiscal Year (FY) 2019, SSA estimated its 800-Number staff handled about 854,000 scam-related calls. Also, in FY 2019, the OIG received about 65,000 scam-related allegations from SSA staff—an over 1,000-percent increase over the number of similar allegations SSA staff sent in FY 2018.

Time spent responding to scam-related inquiries and making fraud referrals deflected staff from completing their normal workloads. SSA estimated it spent over 100 workyears in FY 2019 on these and other scam-related activities at a cost of \$8.4 million. Per SSA, it takes 100 workyears to process 6,000 initial disability claims, 43,000 retirement claims, or 270,000 Social Security number card requests.

SSA has taken steps to alleviate scam-related traffic in its field offices and 800-Number. Specifically, SSA

- worked with the OIG to create a dedicated imposter scam online reporting form, helping free its staff from fielding reports of imposter scams;
- added messaging to its Website and 800- and field office numbers' scripts on how to report imposter scams online; and
- released public service announcements, completed press interviews, and worked with third parties to increase the public's awareness of the scams and how to report them online.

TABLE OF CONTENTS

| | |
|--|-----|
| Objective | 1 |
| Background | 1 |
| Results of Review | 2 |
| Question 1: How have the telephone imposter scams affected SSA's day-to-day operations? ... | 2 |
| Question 1a: Which agency components have been affected the most? | 4 |
| Question 1b: What metrics is SSA using to measure the effect on the agency? | 5 |
| Question 1c: What is known about the impact on 1-800-Number call volumes and wait times, as well as field office traffic and call volumes? | 6 |
| Question 2: What specific activities has SSA initiated in-house and in conjunction with other parties to address the telephone imposter scams? | 10 |
| Question 2a: What level of personnel and other resources has the Agency directed at these scam-related activities? | 13 |
| Question 2b: What steps has SSA taken to maintain the effectiveness of service delivery in the areas facing diverted resources?..... | 15 |
| Question 3: What other initiatives or approaches should SSA consider to address the telephone scams, better protect Americans, and reduce its disruption to Agency customer service and workloads? | 15 |
| Agency Comments..... | 17 |
| Appendix A – Letter from the U.S. House of Representatives, Committee on Ways and Means, Subcommittee on Social Security | A-1 |
| Appendix B – Letter from the Senate’s Special Committee on Aging | B-1 |
| Appendix C – 800-Number and Field Office Calls Received and Answered..... | C-1 |
| Appendix D – The Social Security Administration’s Actions to Address Telephone Imposter Scams | D-1 |
| Appendix E – Scope and Methodology | E-1 |
| Appendix F – Agency Comments..... | F-1 |

ABBREVIATIONS

| | |
|------|---------------------------------|
| FO | Field Office |
| FY | Fiscal Year |
| OIG | Office of the Inspector General |
| SSA | Social Security Administration |
| TSC | Teleservice Center |
| U.S. | United States |

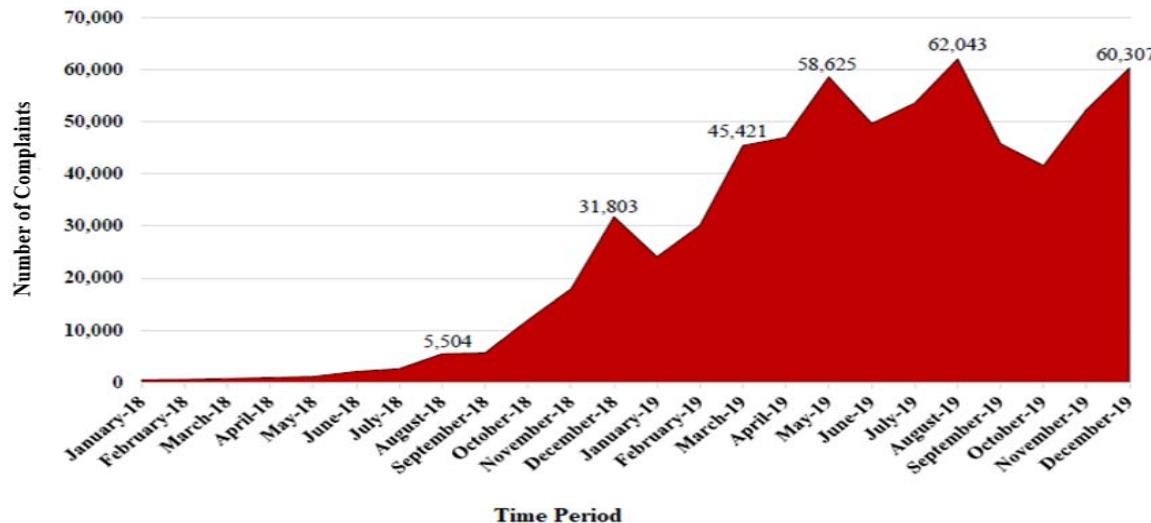
OBJECTIVE

Our objective was to answer congressional questions about the Social Security Administration's (SSA) response to telephone imposter scams.

BACKGROUND

The Federal Trade Commission has reported that Government imposter scams have been the most prevalent type of fraud since 2014, and SSA-related imposter scams were the top Government imposter scam in 2019.¹ The scams generally involve fraudsters calling² individuals and pretending to be Government employees claiming there is identity theft or another problem with the potential victim's Social Security number, account, or benefits. Scammers may spoof³ telephone numbers so it appears SSA is calling, which leads potential victims to believe the calls are legitimate. Scammers may threaten arrest or other legal action or may offer to increase benefits, protect assets, or resolve identity theft. They often demand payment from the individuals via retail gift card, wire transfer, pre-paid debit card, Internet currency, or cash. The Office of the Inspector General (OIG) received increased reports of SSA-related imposter scams beginning in late 2018, and such reports grew significantly in 2019 (Figure 1).

Figure 1: Imposter Scam Allegations OIG Received



*Data Source – OIG's National Investigative Case Management System.

¹ The Federal Trade Commission's Consumer Sentinel Network, *Explore Government Imposter Scams*, ftc.gov (last visited April 8, 2020).

² Scammers may also send text messages to individuals' cellular telephones.

³ Spoofing occurs when a caller disguises his/her identity by falsifying the information transmitted to the victim's caller identification display. Scammers may spoof known company or agency telephone numbers or local numbers.

Per the Federal Trade Commission, SSA-related imposter scams led to \$38 million in reported losses to Americans in 2019. Although these scams generally did not involve the loss of Social Security benefits, they could decrease the public's trust in SSA and hinder the Agency's ability to communicate with its customers.

On December 10, 2019, we received a congressional inquiry from the House of Representatives, Committee on Ways and Means, Subcommittee on Social Security (see Appendix A). The Senate's Special Committee on Aging asked similar questions in a November 25, 2019 letter (see Appendix B). When responding to the House Subcommittee's questions in this report, we also addressed the information requested in the Senate Committee's letter.

RESULTS OF REVIEW

The Subcommittee's questions and our responses are below.

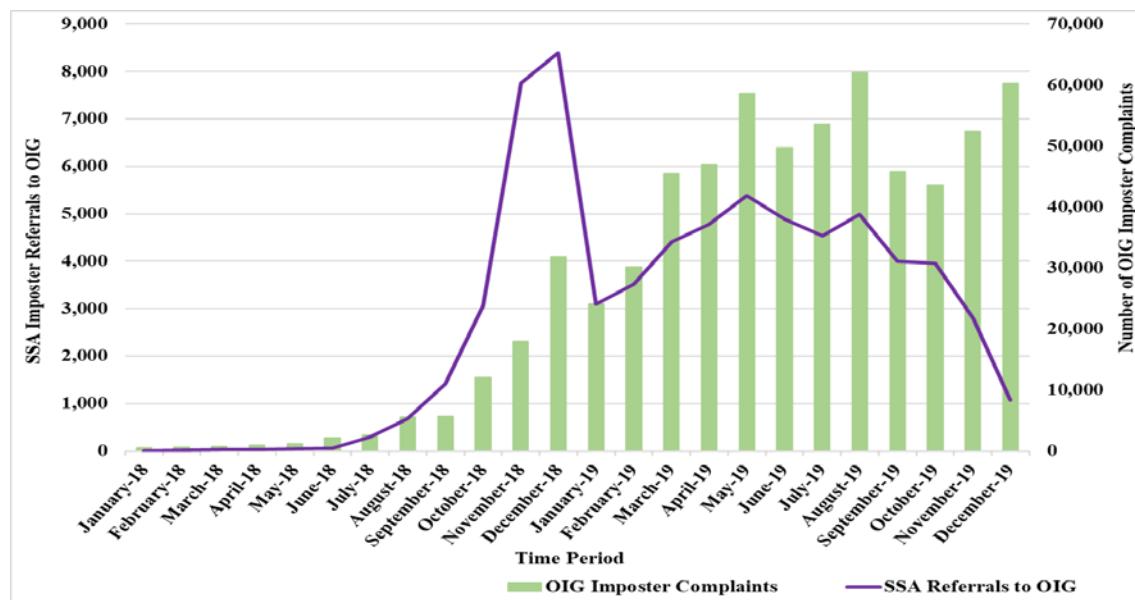
Question 1: How have the telephone imposter scams affected SSA's day-to-day operations?

Imposter scams primarily affected SSA frontline operations, which consist of field offices (FO) and national 800-Number teleservice center (TSC)⁴ staff. As the number of imposter scams increased, SSA frontline staff spent more time responding to public inquiries about them. The time spent responding to scam-related inquiries and making related fraud referrals to the OIG diverted frontline staff from completing their normal workloads, which include scheduling appointments, taking and adjudicating Social Security benefit claims and Supplemental Security Income applications, and handling post-entitlement issues.

⁴ TSCs serve as SSA's primary 800-Number telephone answering point for general inquiries and reports from SSA beneficiaries or recipients and the public.

SSA staff began referring an increasing number of imposter scam complaints to the OIG in fall 2018 (see Figure 2).

Figure 2: SSA Frontline Staff Imposter Scam Referrals to OIG by Month⁵



*Data Source – OIG’s National Investigative Case Management System.

In our January 2020 interviews,⁶ SSA FO staff reported greater numbers of callers and visitors expressing concern because they were likely contacted by fraudsters and/or disclosed personal information to fraudsters who called impersonating SSA employees. For example, staff in 1 FO reported a 10-fold increase in calls in 1 day because fraudsters had spoofed the office’s telephone number, and some of those contacted by the fraudsters called the spoofed telephone number back to ask if the calls were legitimate. Staff also reported the public was more likely to question authentic telephone calls from Agency staff and preferred in-office interviews because they did not trust speaking with someone over the telephone.

⁵ SSA’s referrals to OIG are a subset of the overall number of imposter complaints the OIG received. The OIG also received complaints through the OIG Fraud Hotline and online fraud reporting form. In December 2018, SSA released an Operational Bulletin that instructed staff to direct the public to report imposter scams directly to the OIG. After the Bulletin’s release, SSA’s staff referrals declined significantly and the number of complaints the OIG received directly from the public increased. For example, in December 2018, OIG received approximately 11,000 online fraud reporting forms; it received approximately 22,000 in January 2019. In November 2019, SSA and the OIG implemented a dedicated online imposter scam reporting form.

⁶ We interviewed 36 staff from 20 FOs in January 2020 as part of the audit of *The Social Security Administration’s Field Office Customer Service* (A-08-20-50898).

In October 2019, the National Council of Social Security Management Association, an organization of over 3,100 SSA managers and supervisors, conducted a survey on the scams' effect on SSA's FOs and TSCs nationwide. Of the over 500 SSA managers and supervisors who responded, 97 percent reported their offices had received reports from the public on imposter scams. The president of the Association noted in recent testimony⁷ that a factor that exacerbated the problem was fraudsters spoofing FOs' general inquiry telephone numbers to trick citizens into thinking they were receiving legitimate calls from SSA. The spoofed calls led to customers calling FOs to verify the authenticity of the fraudsters' calls, with some FOs seeing call volume increases of 1,000 percent.⁸ He also reported that, in addition to the higher call volumes, the imposter scams have led to a new stream of individuals visiting FOs to report fraud schemes.⁹

In 2019, the OIG and SSA worked to stop fraudsters from spoofing SSA's telephone numbers and release a new online imposter scam reporting form. This form assists the OIG in collecting the data needed to identify and investigate scammers and help reduce time SSA staff spends on imposter scam-related referrals. We discuss spoofing and the online reporting form in our response to Question 2.

Question 1a: Which agency components have been affected the most?

Imposter scams have primarily affected SSA's FOs and TSCs, which are under the direction of SSA's Office of Operations. As frontline staff handled scam-related inquiries, they still had to address their normal workloads, which continued at their usual pace. For example, applicants continued to submit retirement and survivors' insurance claims at historical levels, submitting 5.86 million claims in Fiscal Year (FY) 2018 and 5.95 million claims in FY 2019.¹⁰ Similarly, SSA received 2.35 million disability claims in both FYs 2018 and 2019.¹¹ Time spent responding to scam-related inquiries and making related fraud referrals to the OIG deflected staff from processing these claims and other workloads.¹²

⁷ *That's Not the Government Calling: Protecting Seniors from the Social Security Impersonation Scam: Hearing Before the Senate Special Committee on Aging*, 116th Congress (2020) (testimony of Justin Groshon, New England Social Security Management Association President).

⁸ See Footnote 7.

⁹ See Footnote 7.

¹⁰ SSA, *Social Security Administration (SSA) Monthly Data for Retirement & Survivor Insurance (RSI) Applications Filed via the Internet (includes Medicare)*, ssa.gov (last visited March 27, 2020).

¹¹ SSA, *Annual Performance Report Fiscal Years 2019–2021*, p. 44 (2020).

¹² SSA estimates that each staff-submitted referral took approximately 10 minutes to complete.

To a lesser degree, the imposter scams have affected other components. For example, SSA's Office of Communications has worked to increase the public's awareness of the scams.

Additionally, SSA's Office of Systems has worked with the OIG to prevent spoofing of SSA telephone numbers and create an online imposter scam reporting form in an effort to shift the public's reporting of the fraud from SSA's FOs and TSCs to online. We provide more information on these Offices' activities in our response to Question 2.

Question 1b: What metrics is SSA using to measure the effect on the agency?

The Agency highlighted two metrics it used to measure the scams' effect—the number of OIG scam-related fraud referrals its frontline employees completed and the volume of calls to its 800-Number. The OIG received approximately 65,000¹³ scam-related fraud referrals from SSA staff in FY 2019, a greater than 1,000-percent increase from the approximately 5,400 referrals received from SSA staff in FY 2018.

While SSA did not specifically track scam-related calls, SSA estimated it received over 854,000 scam-related calls¹⁴ to its 800-Number in FY 2019. To derive its estimate, SSA used a speech analytics tool to identify key words used during calls to its 800-Number. SSA records all its 800-Number calls and converts a random selection of about 10 percent of the recorded calls into searchable text. SSA's search of key words and numbers related to spoofing inquiries determined 3 percent of the calls included one or more of the key words. SSA applied this percentage to the overall number of 800-Number calls its TSC staff handled in FY 2019 to calculate its estimate of scam-related calls in that year.¹⁵

For FY 2020, SSA established a new Agency Priority Goal to *Improve the National 800-Number Service*. SSA reported that, in support of the priority goal, it drafted a comprehensive action plan with strategies and milestones focused on improving overall 800-Number services. It further reported that the action plan includes a strategy and milestone that address the telephone imposter scams. The plan also reportedly includes several performance indicators, milestone measures, strategies, risks, and mitigations to help SSA achieve established 800-Number average speed of answer targets. Per SSA, the Office of Management and Budget is reviewing the Agency's draft plan and plans to publish it on Performance.gov.¹⁶

¹³ SSA 800-Number staff initiated approximately 48,000 of the 65,000 scam-related fraud referrals in FY 2019. FO staff initiated the remaining 17,000.

¹⁴ SSA 800-Number staff or automated options handled over 33 million 800-Number calls in FY 2019.

¹⁵ SSA's 800-Number Network received over 86,000,000 calls in FY 2019; TSC staff handled over 28,000,000 of the calls received.

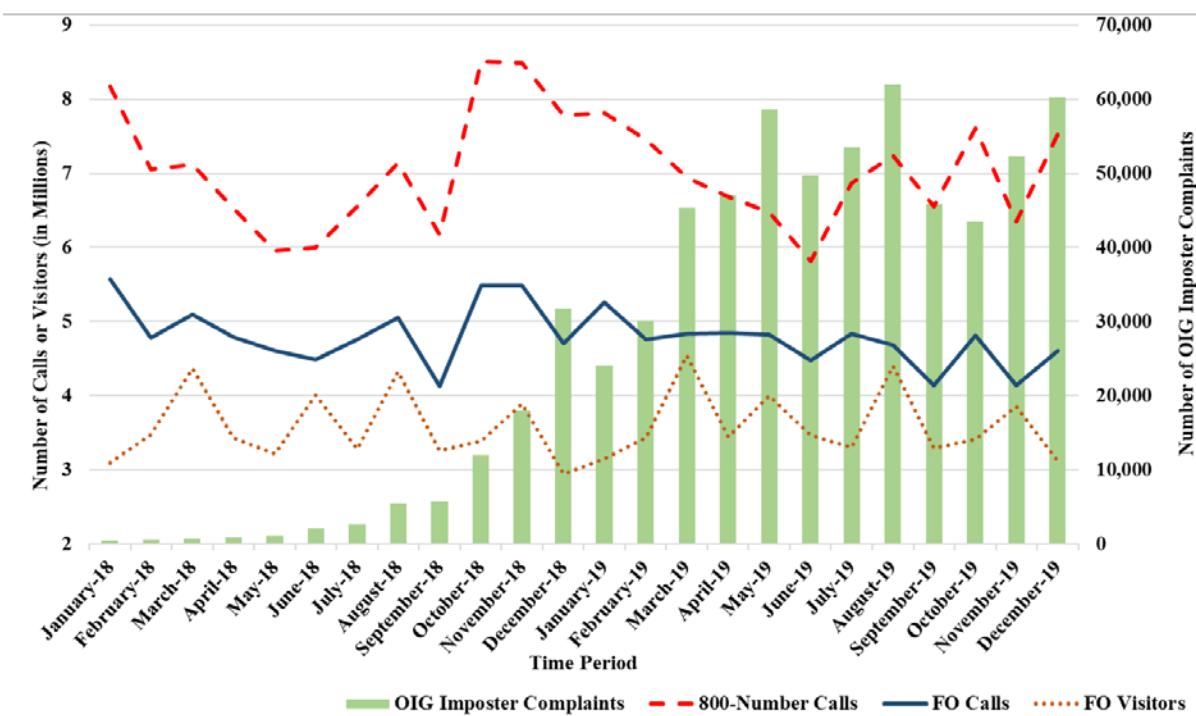
¹⁶ SSA initially projected April 2020 as the publication date. However, it later reported that the publication was delayed. The publication date is pending.

We also asked the Agency how it was “. . . leveraging the information in its systems to better measure and/or understand the overarching scam and identify solutions to it.” It responded, “We worked with OIG to create a dedicated online scam form to allow OIG to collect the data it needs to investigate, identify and stop scammers.”

Question 1c: What is known about the impact on 1-800-Number call volumes and wait times, as well as field office traffic and call volumes?

SSA did not track the number of imposter scam-related transactions it had with the public, so the OIG could not definitively conclude whether the scams caused monthly call or visitor volume changes (see Figure 3).

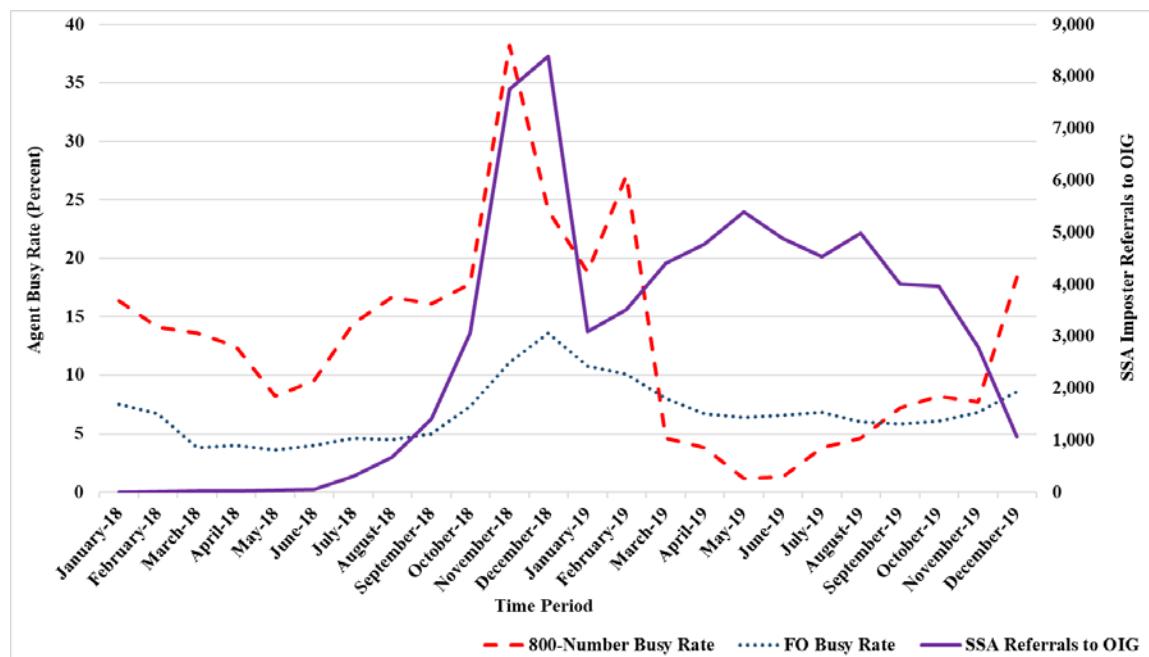
Figure 3: 800-Number and FO Traffic by Month



*Data Sources – OIG’s National Investigative Case Management System, SSA’s Telephone Services Operational Data Store and Avaya.

SSA has historically answered only a portion of the 800-Number and FO calls it receives (see Appendix C for more information on calls received and answered). At peak calling times, some callers receive a busy message when SSA's telephone queues are filled to capacity. SSA had higher telephone busy rates around the same time SSA staff referred more scam-related complaints to the OIG (see Figure 4).

Figure 4: 800-Number and FO Busy Rate¹⁷ by Month

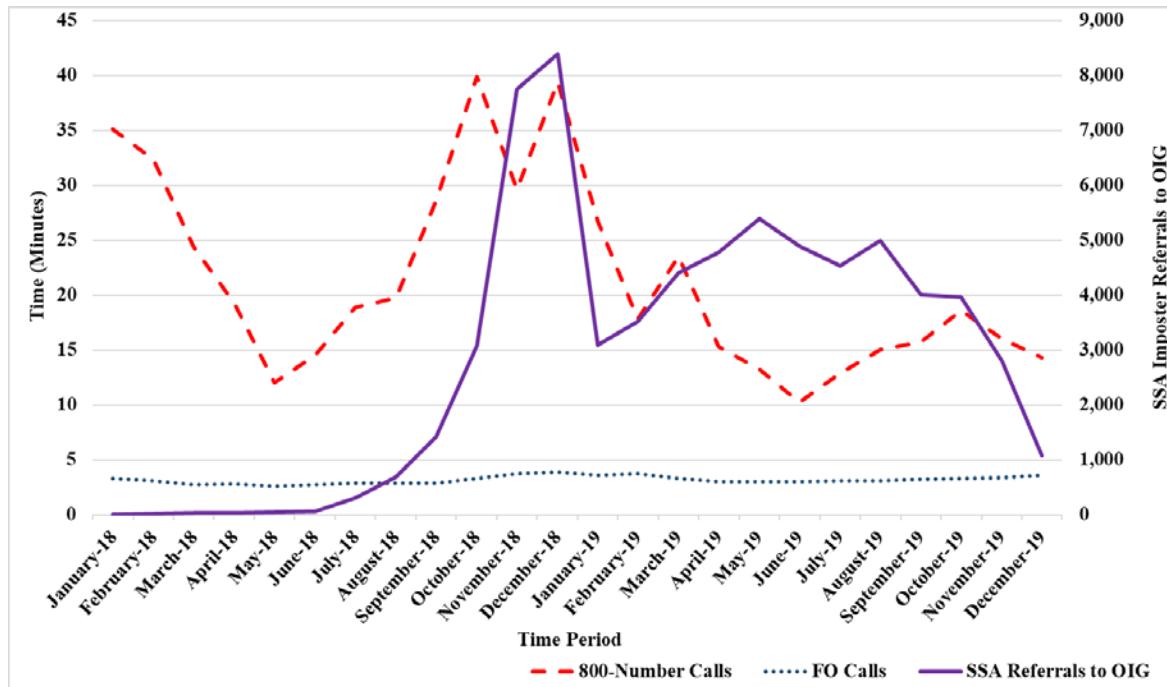


*Data Sources – OIG's National Investigative Case Management System, SSA's Telephone Services Operational Data Store and Avaya.

¹⁷ The busy rate is the ratio of busy messages to number of calls that request to speak with SSA staff. If the call queues are filled to capacity and there are no available staff to handle the incoming call, the caller receives a busy message that informs the caller the system is filled and asks them to call back later.

When callers contact SSA by telephone,¹⁸ an SSA agent does not always immediately answer their call. Callers may have to wait on hold to speak with an agent. The average time it took SSA staff to answer 800-Number calls increased around the same months staff increased the number of scam-related referrals to the OIG (see Figure 5).

Figure 5: 800-Number and FO Average Speed of Answer by Month

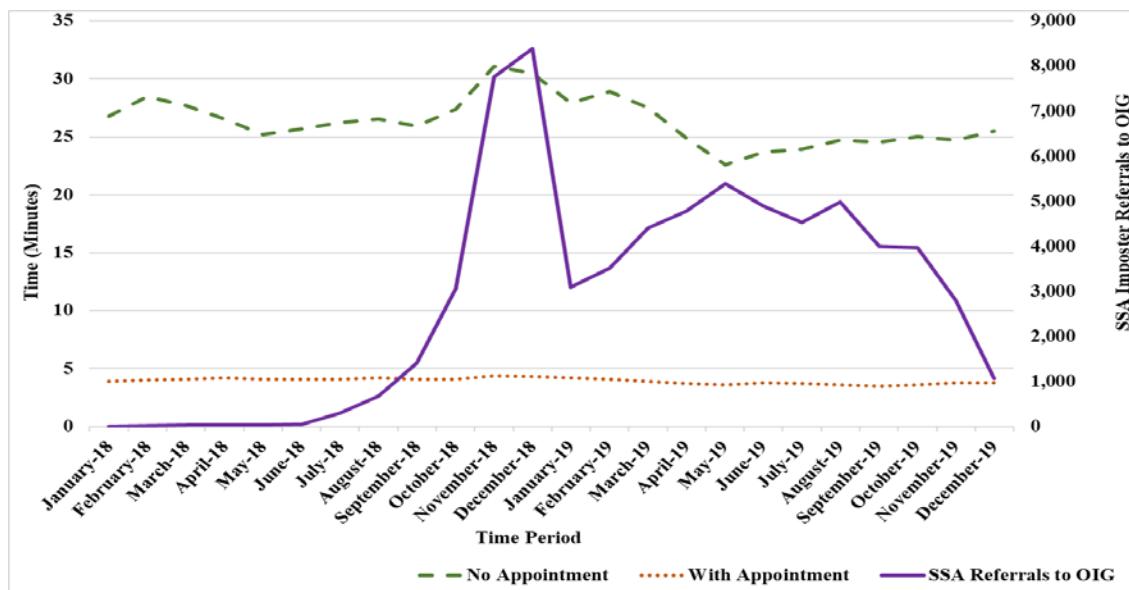


*Data Sources – OIG’s National Investigative Case Management System, SSA’s Telephone Services Operational Data Store and Avaya.

¹⁸ Calls can also be transferred from OIG’s Fraud Hotline to SSA’s 800-Number. In FY 2019, the number of calls transferred more than doubled when compared to the number of calls transferred in FY 2018.

There appears to be less of a correlation between FO wait times for visitors with and without appointments and the number of imposter scam complaints staff referred to OIG (see Figure 6).

Figure 6: Field Office Wait times (with and Without Appointments) by Month



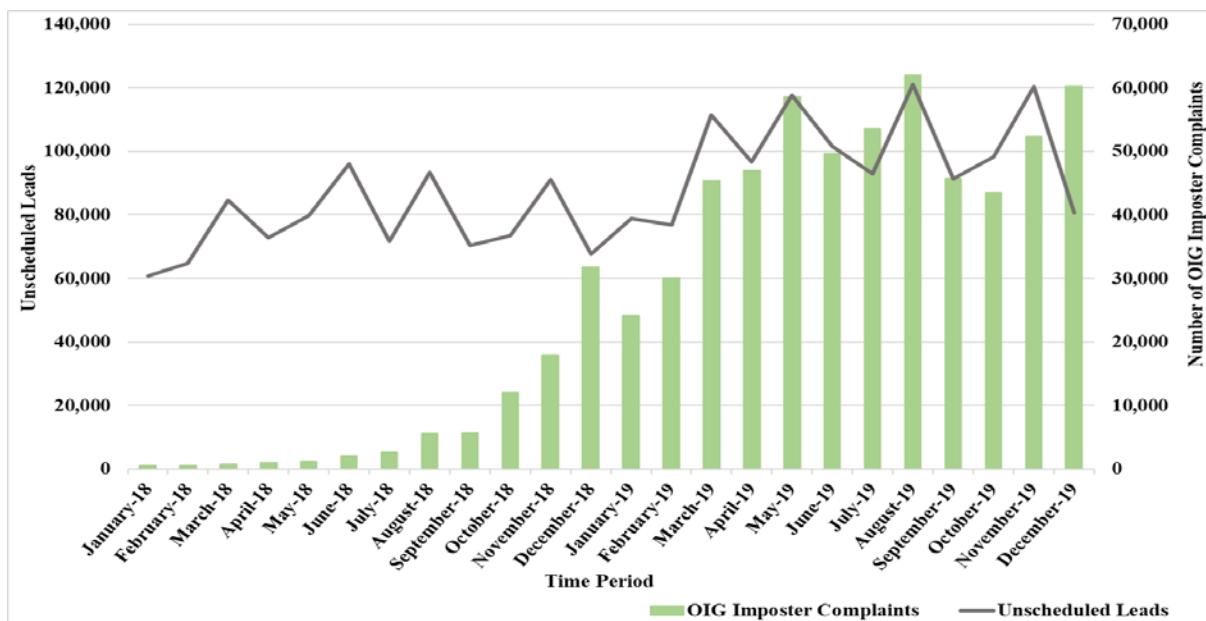
*Data Sources – OIG’s National Investigative Case Management System and SSA’s Social Security Unified Measure System

SSA does not measure how many people request FO appointments beyond the number of available appointment slots. However, its 800-Number leads system counts the number of “unscheduled leads,” which is the number of callers with an inquiry about a Social Security claim or post-entitlement issue who are not assigned an appointment.¹⁹ While this could mean an appointment was not available, it could also mean the specific day or time for which a caller wanted to schedule an appointment was not available, while other times were. The number of

¹⁹ SSA staff follows general rules for referrals and appointments, including documenting unscheduled leads. Unscheduled leads help establish protective filing dates, the dates callers initially contacted the Agency about an intent to file for benefits.

unscheduled leads appears to have some correlation to the number of imposter scam complaints (see Figure 7).

Figure 7: Unscheduled Leads by Month



*Data Source – OIG’s National Investigative Case Management System and SSA’s Appointment Scheduling Management Information

Question 2: What specific activities has SSA initiated in-house and in conjunction with other parties to address the telephone imposter scams?

In 2018, the Agency used its blog and social media channels to inform the public about possible SSA-related scams. It continued similar activities into 2019. SSA added a telephone scam warning to its Website in January 2019 and updated the messaging in October and December.

In October and November 2018, telecommunication providers recognized fraudsters were spoofing SSA’s 800-Number and contacted the OIG to discuss how the Agency could prevent it. The OIG shared this information with SSA and, in January 2019, SSA requested USTelecom place a Do Not Originate block on its 800-Number, which limited the fraudsters’ ability to complete spoofed calls.²⁰ Fraudsters then started spoofing other SSA telephone numbers, which greatly affected its FOs’ telephone numbers. The OIG and SSA then worked together to disrupt spoofing, initially requesting Do Not Originate blocks on four commonly spoofed SSA telephone numbers. Realizing the need for a more coordinated effort, in July 2019, the OIG provided

²⁰ While fraudsters can still spoof telephone numbers on the Do Not Originate listing, telecommunication providers can block these calls before they reach the intended victims.

telecommunication providers all known SSA telephone numbers regardless of whether they had already been spoofed. The telecommunication providers worked to block calls that spoofed the telephone numbers provided. The OIG and SSA have continued working with the telecommunication providers and have successfully blocked spoofing incidents involving SSA's numbers (see Table D-1 in Appendix D for more information on the effectiveness of the call blocking).

In October 2019, the Commissioner asked the Deputy Commissioner to lead the Agency's imposter scam response, and the Agency began coordinating more closely with the OIG on other scam-related activities. On October 18, 2019, SSA and OIG executives and subject matter experts met to discuss the collaborative steps needed to address the scams, improve SSA's customer service, and help the OIG investigate the fraudsters. At that time, SSA and OIG formed a workgroup to meet weekly to continue a coordinated response to the scams.²¹ Representatives from the OIG and the Agency's Offices of the Commissioner; Systems; Operations; Communications; Analytics, Review and Oversight; Legislation and Congressional Affairs; Budget, Finance, and Management; and General Counsel participate on the workgroup.

The workgroup initially outlined the following major steps to address the scams' impact on SSA's operations and improve the OIG's ability to investigate the fraudsters.

- Create a dedicated on-line scam form to allow OIG to collect the data it needed to investigate, identify, and stop scammers.
- Improve SSA's 800-Number and OIG's Fraud Hotline messaging to provide callers information about the scams and how to report them online.²²
- Increase public outreach and education about the imposter scams.

Online Reporting Form

The OIG coordinated with the Treasury Inspector General for Tax Administration to discuss how it addressed Internal Revenue Service-related imposter scams. It advised the OIG that a dedicated online reporting form was key to collecting the information needed to investigate imposter schemes. The executive-level workgroup formed to combat the scams greatly improved cooperation between the Agency and the OIG, and a dedicated online SSA imposter scam form was completed in November 2019.²³

The dedicated online form allows the OIG to extract information to develop critical investigative leads, such as the date of the incident, whether the individual suffered a financial loss, details on payments made to fraudsters, and known contact information or caller identification of the

²¹ On April 22, 2020, the workgroup decided to meet biweekly and hold ad hoc meetings as necessary.

²² SSA also worked to improve its FO telephone messaging about the imposter scams.

²³ SSA also created a link to the online form on Self-Help Personal Computers in its FOs and Social Security Card Centers. More recently, SSA coordinated with the OIG to create a paper version of the form, which is available in offices that do not have Self-Help Personal Computers.

fraudster and reporter. A recent update to the form asks whether the reporter is also receiving monthly payments from SSA. By referring the public to the online form, SSA staff spends less time fielding scam-related inquiries, which gives more time to focus on normal workloads.

SSA Telephone Messaging

SSA coordinated with the OIG to improve the messaging the public heard when it called SSA's 800- and FO telephone numbers. SSA updated the messaging with information about the scams on November 19, 2019 and, on December 6, 2019, about the online imposter scam reporting form. After the changes, all English- and Spanish-speaking callers heard the following message, "We have received reports about fraudulent phone calls from individuals impersonating SSA employees. If you suspect you have received a scam call, you should report the details of the call to [SSA's] Office of the Inspector General online at oig.ssa.gov." Similarly, SSA and OIG coordinated to update the messaging on OIG's Fraud Hotline.

Public Outreach

SSA has taken steps to educate the public about imposter scams. For example, it issued national press releases about the online scam reporting form on November 19, 2019. In December 2019, it also distributed television and radio public service announcements to warn the public about the scams. Further, it distributed new public service announcements in January 2020 that included information about the online scam reporting form. In February 2020, SSA coordinated social media events, such as Twitter chats and Facebook Live sessions, to educate the public about the scams and the March 5, 2020 National "Slam the Scam" Day as designated by the Inspector General.²⁴ Additionally, SSA emailed all *my Social Security*²⁵ account users in January and February 2020 to inform them about the imposter scams and the steps they should take if fraudsters contact them.

SSA worked with its contractors to add scam awareness language to the back of envelopes used to mail correspondence to SSA's customers. As of April 22, 2020, SSA had released approximately 9.4 million pieces of mail with the new envelopes and will continue using them for future mailings. According to SSA, the one-time cost to add the scam message to the envelopes was less than \$2,000.

²⁴ The Inspector General initiated the National "Slam the Scam" Day as part of National Consumer Protection Week. The OIG joined Federal agencies and private-sector organizations to inform the public about Government imposter scams.

²⁵ SSA had over 45.7 million registered *my Social Security* users at the end of FY 2019.

SSA has worked with other public and private organizations²⁶ to inform the public about the imposter scams. SSA has asked the organizations to inform their customers about the scams and educate the customers on how to avoid them. Examples follow.

- Collaborated with the Consumer Financial Protection Bureau to help educate consumers on how to avoid SSA imposter scams.
- Worked on a joint public service announcement with AARP, which agreed to promote SSA's scam prevention messaging on its social media channels.
- Shared articles and guidance on scam prevention with the National Association of States United for Aging and Disabilities, now known as ADVancing States, and the Senior Corps.

A full list of the actions SSA took to address imposter scams is included in Appendix D. SSA led all its public relations efforts and did not rely on the use of any existing or new contractors.

Question 2a: What level of personnel and other resources has the Agency directed at these scam-related activities?

SSA reported its response to imposter scams cost approximately \$8.4 million,²⁷ using the equivalent of over 100 workyears,²⁸ with each workyear equaling 2,080 hours. Per SSA, the resources needed to process approximately 6,000 initial disability claims, almost 43,000 retirement claims, or almost 270,000 SSN card requests equated to 100 workyears. The OIG reviewed SSA's cost-estimation methodology and concluded it was reasonable.

SSA reported it had not transferred staff or resources from or to any component to address the telephone scams. To inform its staff about imposter scams, in March 2017, SSA released an Operational Bulletin that described steps staff should take in response to individuals contacting the Agency about them. In February 2019, it added information for employees about fraud awareness to its Intranet. It added additional fraud awareness messages for its employees on its Intranet in December 2019 and January 2020. In September 2019, SSA held a call with its Office of Operations' managers about Agency actions to prevent spoofing and remind offices to report spoofing events timely. SSA held another all-managers call in November 2019 to update Office of Operations' managers about the new online telephone scam reporting form. In November 2019, SSA published an Emergency Message and Operational Bulletin that communicated telephone scam guidance, instructed all SSA employees on handling public inquiries about the scams, and informed staff about the online scam reporting form. In December 2019, SSA trained its frontline staff on handling calls about the telephone scams.

²⁶ These organizations included the Federal Trade Commission, the Consumer Financial Protection Bureau, the U.S. Postal Service, AARP, representative payee organizations, motor vehicle administrations, and private retailers.

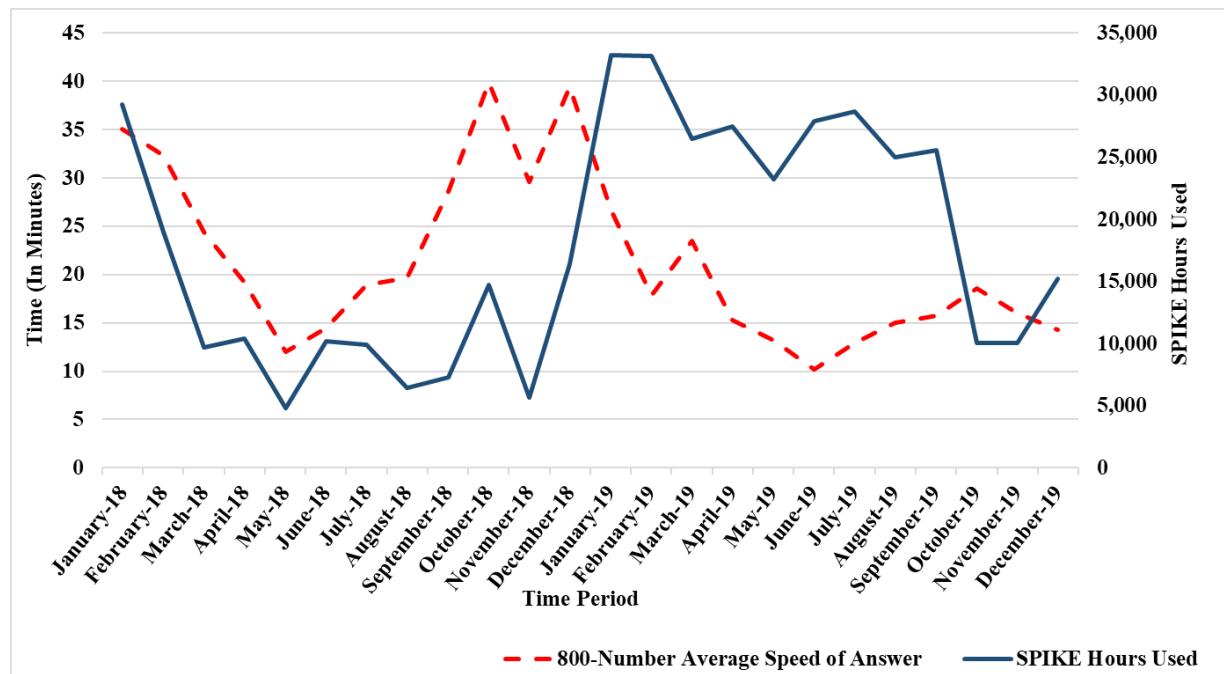
²⁷ SSA received a budget of nearly \$12.9 billion in administrative funding to operate in FY 2019.

²⁸ SSA, POMS, DI 39506.231, C.6 (March 12, 2002). Hours per workyear may vary depending on the number of paid days in a particular FY. Workyears include time spent in full and part-time employment and overtime.

During the training, the Agency highlighted the Emergency Message and Operational Bulletin released in November 2019.

SSA routinely uses technical staff in its processing centers, known as SPIKES, to assist answering 800-Number calls on peak calling days.²⁹ While SPIKES normally support the processing centers' workloads, they shift to answer 800-Number calls when directed to do so. SSA did not initially increase SPIKE hours on its 800-Number in the latter part of 2018—the time it appeared to be most impacted by imposter-scam related calls (see Figure 8).

Figure 8: 800-Number Average Speed of Answer and SPIKE Hours Used



*Data Source - SSA's Telephone Services Operational Data Store.

Other SSA staff played an increasing role in SSA's response to the scams. SSA created its executive-level team led by the Deputy Commissioner to direct the Agency's scam response in October 2019. The Office of Systems staff worked with the OIG to create the online scam reporting form, released in November 2019, and update messaging on SSA's 800-Number and the OIG's Fraud Hotline regarding scams and how to report them. The Agency's Office of Communications staff increased its messaging to the public about the scams, released a number of public service announcements, and worked with several outside organizations to share this information with their constituents. Appendix D lists the actions SSA took in response to the scams.

²⁹ Processing centers are responsible for paying Old-Age, Survivors and Disability Insurance benefits and handling a variety of other functions essential to maintaining beneficiary records.

SSA had limited contract-related expenses as part of its response to the scams. It worked with its existing telecommunication contractors to change the messaging on its telephone lines. These changes cost the Agency approximately \$171,250.

Question 2b: What steps has SSA taken to maintain the effectiveness of service delivery in the areas facing diverted resources?

The increased scam-related inquiries from the public diverted SSA's frontline staff from addressing its normal workloads, which include scheduling appointments, taking and adjudicating Social Security benefit claims and Supplemental Security Income applications, and handling post-entitlement issues. SSA did not shift personnel or resources to specifically address the imposter scam's effect on its service delivery. It focused on reducing the number of incoming scam-related calls and visits, including the steps outlined below.

- The OIG and SSA worked with USTelecom to implement the Do Not Originate process to prevent fraudsters from completing calls that spoofed the Agency's 800-Number.
- SSA provided the OIG nearly 1,600 published FO telephone numbers. The OIG then collaborated with the telecommunication providers to implement blocking procedures that helped prevent fraudsters from successfully completing spoofed calls using those numbers.
- The OIG released its online imposter scam reporting form on November 18, 2019. After the online form was released, SSA added links to its Website, updated the messaging on its 800-Number and FO telephone scripts, assisted the OIG in updating messaging on its Fraud Hotline, issued press releases and public service announcements, posted to social media, and worked with other public and private organizations to inform the public about the form.

Since SSA and the OIG released the online form, the number of scam reports completed by frontline staff has decreased dramatically, freeing staff to process their normal workloads. As of March 25, 2020, the public had used the online form to make more than 286,000 imposter scam reports.

Question 3: What other initiatives or approaches should SSA consider to address the telephone scams, better protect Americans, and reduce its disruption to Agency customer service and workloads?

SSA should continue leading its response to telephone imposter scams through the executive-level workgroup in coordination with the OIG. The workgroup's leadership allowed for a more effective response to the imposter scams, which has lowered the scams' disruption of SSA's customer service and workloads.

SSA should continue making its customers and the public aware of the scams and what they should do when fraudsters impersonating SSA employees contact them. SSA has made progress working with public and private organizations to widen the audience that receives its messages about the scams, and it should continue these efforts, especially since fraudsters continue adjusting their techniques and methods over time.

SSA should determine how it could leverage its data to better understand the scams, measure their impact, and identify solutions.³⁰ For example, SSA should determine whether scam-related calls and FO visits occur in different parts of the country at different times so it can target its resources and public information campaign in locations experiencing increased scam activity.

SSA should continue assisting beneficiaries whose benefits may be affected by the scams. Beneficiaries may appear to have higher annual earnings when they withdraw funds from certain types of financial accounts to pay fraudsters, which could lower their Social Security benefit payment amounts.³¹ SSA needs to develop strategies and policies, including considering naming an Ombudsman, to ensure it protects beneficiaries whose benefit payments were lowered because of financial transactions they undertook to pay fraudsters.

SSA also needs to include addressing imposter scams in its planning processes. The scams are likely to continue, and the Agency needs to be ready as fraudsters adjust to the steps SSA and others have taken to combat them. While the *Agency Strategic Plan for Fiscal Years 2018 – 2022* includes a strategic objective to enhance fraud prevention and detection activities under its strategic goal of ensuring stewardship, it does not mention or detail a strategy to address ongoing telephone imposter scams. Similarly, SSA’s Office of Operations released its *Operating Plan for FY 2020* in February 2020. Under its initiatives to help ensure stewardship, it states that it will work with the OIG to detect, reduce, and refer program fraud, but it does not discuss its strategy to address imposter scams, even though it is the component most impacted by them.

The *Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act*, passed on December 30, 2019, established monetary penalties for robocalls and requires that the Federal Communications Commission mandate that telecommunications providers implement call authentication and trace-back technology, which should help reduce scam-related robocalls.³² The Act also calls for the creation of an interagency work group to improve

³⁰ SSA hosts the OIG online scam reporting form. It encrypts and transmits the data it collects to the OIG daily. SSA does not maintain the data after it transmits them to the OIG. OIG has shared the data with SSA in aggregate form.

³¹ The withdrawals could make it appear as if the beneficiaries had higher annual earnings subject to the Income-Related Monthly Adjustment Amount, an additional amount beneficiaries would pay for their monthly Medicare Part B and Part D, which is deducted from their monthly Social Security benefits.

³² *Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act*, Pub. L. No. 116-105, § 13, 133 Stat. 3274, pp. 3287 and 3288 (codified at 47 U.S.C. § 609 note) (govinfo.gov 2019).

coordination among Federal agencies and States on addressing scam-related violations.³³ While the law does not name SSA³⁴ as a potential member of the workgroup,³⁵ it allows the Attorney General to determine which organizations should participate. SSA should work with the Attorney General to be included.

AGENCY COMMENTS

The Agency's comments are included in Appendix F.



Rona Lawson
Assistant Inspector General for Audit

³³ *Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act*, Pub. L. No. 116-105, § 5, 133 Stat. 3274, pp. 3280 and 3281 (codified at 47 U.S.C. § 609 note) (govinfo.gov 2019).

³⁴ OIG's Office of Investigations participates in this workgroup.

³⁵ See Footnote 32. The *Act* calls for the creation of an interagency working group to be composed of Federal department and agencies as the Attorney General considers appropriate, such as the Departments of Commerce, State, Homeland Security, the Federal Trade Commission, and the Bureau of Consumer Financial Protection.

APPENDICES

Appendix A – LETTER FROM THE U.S. HOUSE OF REPRESENTATIVES, COMMITTEE ON WAYS AND MEANS, SUBCOMMITTEE ON SOCIAL SECURITY

JOHN B. LARSON
CONNECTICUT,
CHAIRMAN

BILL PASCRELL, JR., NEW JERSEY
LINDA T. SANCHEZ, CALIFORNIA
DAN KILDEE, MICHIGAN
BRIENNAU, PENNSYLVANIA
BRAD SCHNEIDER, ILLINOIS
BRIAN HIGGINS, NEW YORK

KATHRYN OLSON,
STAFF DIRECTOR

TOM REED
NEW YORK,
RANKING MEMBER

JODEY ARRINGTON, TEXAS
DREW FERGUSON, GEORGIA
RON ESTES, KANSAS

AMY SHUART,
STAFF DIRECTOR

Congress of the United States

U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON SOCIAL SECURITY

1102 LONGWORTH HOUSE OFFICE BUILDING
(202) 225-3625

Washington, DC 20515-0348

<http://waysandmeans.house.gov>

December 10, 2019

Gail S. Ennis
Inspector General
Social Security Administration
6401 Security Boulevard
Baltimore, MD 21235

Dear Inspector General Ennis:

We write to request that the Office of the Inspector General (OIG) review the Social Security Administration's (SSA's) efforts to address ongoing Social Security-related telephone scams. Over the past year, SSA has been handling an increasing volume of telephone calls from the public regarding calls threatening arrest or other legal action due to Social Security number or account problems. Using the good name of Social Security, these scammers have defrauded the American public of millions of their hard-earned dollars. SSA provides critical benefits to seniors, individuals with disabilities, and their families, so any interruption in service, confusion about the agency's communication with the public, or changes to public confidence when interacting with SSA is of great concern. We are also concerned about the impact of the telephone scams on the agency's limited resources.

Given the critical importance of ensuring strong service to the American people, we are requesting an OIG report that answers the following questions surrounding the telephone scam:

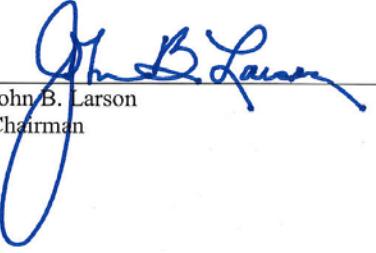
1. How have the telephone imposter scams affected SSA's day-to-day operations?
 - a. Which agency components have been affected the most?
 - b. What metrics is SSA using to measure the effect on the agency?
 - c. What is known about the impact on 1-800 number call volume and wait times, as well as field office traffic and call volumes?
2. What specific activities has SSA initiated in-house and in conjunction with other parties to address the telephone imposter scams?
 - a. What level of personnel and other resources has the agency directed at these scam-related activities?
 - b. What steps has SSA taken to maintain the effectiveness of service delivery in the areas facing diverted resources?
3. What other initiatives or approaches should SSA consider to address the telephone scams, better protect Americans, and reduce its disruption to agency customer service and workloads?

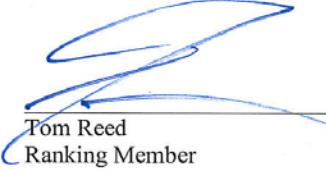
Separately, we would also appreciate information on the size, scope, and severity of the telephone imposter scams, and any notable trends or characteristics among the scam allegations, including the following:

1. Are the scams reported to the OIG increasing or decreasing? What changes has the OIG seen since November 19, 2019 when the OIG and SSA implemented the new process for the public to report telephone scams?
2. Over the past year, have the scams reported to the OIG changed in their characteristics, scope, or severity?
3. Have the scams reported to the OIG affected particular demographic groups, or geographic areas, more than others? Has that changed over time, and if so, how?
4. What portion of the calls involved the loss of funds, and what have you learned about these victims?

Thank you for your prompt attention to this request. Should you or your staff have any questions, please contact Kathryn Olson, the Social Security Subcommittee Majority Staff Director, at (202) 225-9263 and Amy Shuart, the Social Security Subcommittee Minority Staff Director, at (202) 225-4021.

Sincerely,


John B. Larson
Chairman


Tom Reed
Ranking Member

Appendix B – LETTER FROM THE SENATE’S SPECIAL COMMITTEE ON AGING

SUSAN M. COLLINS, MAINE, CHAIRMAN
TIM SCOTT, SOUTH CAROLINA
RICHARD BLUMER, SOUTH CAROLINA
MARSHA MCSEYLL, ARIZONA
MARCO RUBIO, FLORIDA
JOSH HAWLEY, MISSOURI
MIKE BRAUN, INDIANA
RICK SCOTT, FLORIDA

ROBERT P. CASEY, JR., PENNSYLVANIA, RANKING MEMBER
KIRSTEN E. GILLIBRAND, NEW YORK
RICHARD BLUMENTHAL, CONNECTICUT
ELIZABETH WARREN, MASSACHUSETTS
DOUG JONES, ALABAMA
KYRSTEN SINEMA, ARIZONA
JACKY ROSEN, NEVADA



November 25, 2019

The Honorable Gail S. Ennis
Inspector General
3-ME-5 Meadows East Building
6401 Security Blvd.
Baltimore, MD 21235

Dear Inspector General Ennis:

We write to express our concern about the Social Security scam affecting older Americans in Maine and Pennsylvania, and across the country. We are also concerned that this scam affects the Social Security Administration’s (SSA) ability to serve the public. For these reasons, we request your office review the SSA’s efforts to address the Social Security scam, including steps taken to limit the scam’s effect on customer service, and share information about the Office of Inspector General’s (OIG) own work to address this scam.

Despite efforts to raise public awareness and limit scammers’ ability to spoof the SSA’s phone numbers, the Social Security scam perpetrators continue their relentless attempts to defraud the public, including seniors, and steal their personal information. In July 2019, the Federal Trade Commission (FTC) announced that the Social Security scam tops the list of most reported scams. The Aging Committee’s own Fraud Hotline has also been receiving reports of this scam on a daily basis.

As the Chairman and Ranking Member of the Senate Special Committee on Aging, we are committed to stopping scammers who steal from older Americans and their families. We expect the SSA to share this commitment and take all available steps to protect seniors from this pernicious scam. To better understand the SSA’s and OIG’s efforts to prevent others from being targeted by this scam, please provide the Committee with answers to the following questions no later than December 16.

1. When did the SSA and the OIG begin efforts to address this scam? What were the initial steps taken?
2. What level of resources, including financial and human capital resources, have the SSA and the OIG committed to addressing and stopping the spread of this scam?
 - a. What is the estimated total cost of the resources committed by both the agency and the OIG to this effort?
 - b. Has the scam had an effect on other workloads? If so, what has been the effect to-date?

Web Site: <http://aging.senate.gov>

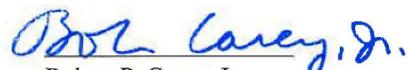
3. What investigative actions has the OIG taken to-date to identify perpetrators of this scam and stem the tide of these scam calls?
4. What other initiatives or approaches has the OIG considered or implemented to address the scam?
5. What other initiatives or approaches do you recommend the SSA consider to address this scam's effects on public trust and on the agency's ability to serve the public?
6. Has the OIG encountered any barriers in its efforts to raise public awareness and disrupt this scam? If so, what, if any, additional legislative authority is needed to address these barriers?

If you have any questions about this request, please do not hesitate to contact us or have your staff contact Lara Rosner on Senator Collins' staff at 202-224-5364 and Rashage Green on Senator Casey's staff at 202-224-0185. Thank you for your attention to this matter. We look forward to working together to immediately put an end to this ruthless scam.

Sincerely,



Susan M. Collins
Chairman
Senate Special Committee on Aging

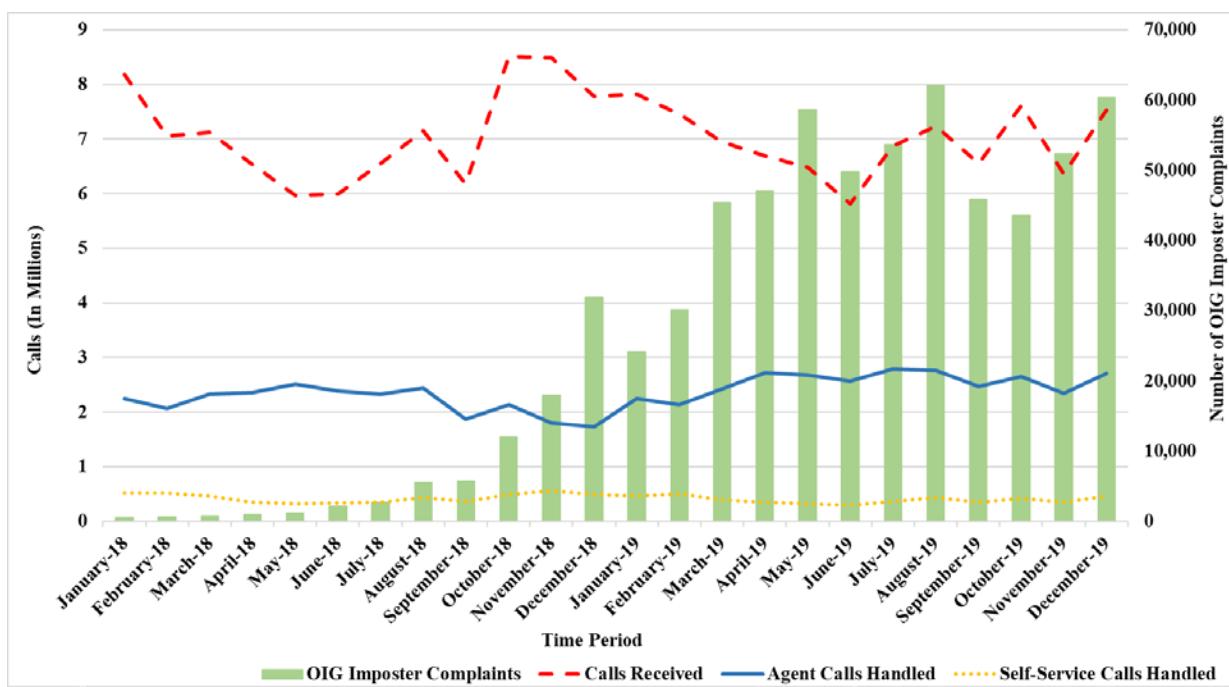


Robert P. Casey, Jr.
Ranking Member
Senate Special Committee on Aging

Appendix C – 800-NUMBER AND FIELD OFFICE CALLS RECEIVED AND ANSWERED

SSA staff and self-service options handled only a portion of the calls to the 800-Number.

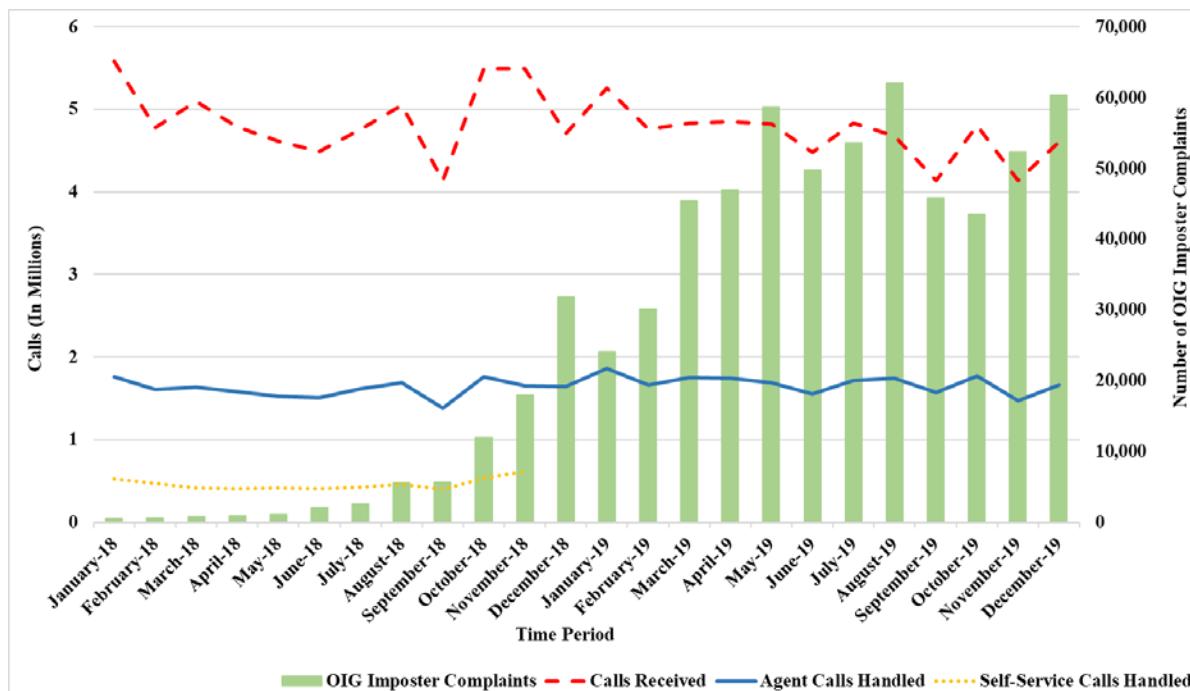
Figure C-1: 800-Number Calls Received and Handled by Month



*Data Source - OIG's National Investigative Case Management System and SSA's Telephone Services Operational Data Store.

FO staff and self-service options handled only a portion of the calls to FOs.

Figure C–2: FO Calls Received and Handled¹ by Month



*Data Source - OIG's National Investigative Case Management System and Avaya.

¹ SSA's Field Offices Automated Project ended in November 29, 2018.

Appendix D– THE SOCIAL SECURITY ADMINISTRATION’S ACTIONS TO ADDRESS TELEPHONE IMPOSTER SCAMS

The Social Security Administration (SSA) took the following actions.

- Shared Office of the Inspector General (OIG) fraud advisories.
- Worked with the OIG and major telecommunication carriers since November 2018 to implement the Do Not Originate process for SSA toll-free public numbers. The Do Not Originate listing permits telephone companies to terminate spoofing calls across their networks. As of December 2019, SSA had provided data showing that one telecommunications carrier blocked 99.9 percent of attempts to spoof SSA published toll-free numbers. The carrier continued to block a similar percentage of spoofing attempts in the weeks that followed as SSA submitted additional telephone numbers.

Table D–1: Call Blocking Effectiveness¹

| Week Of | Quantity of SSA Telephone Numbers on Blocking List | Quantity of SSA Telephone Numbers Spoofed | Quantity of Spoofing Attempts | Quantity of Spoofing Attempts Blocked | Call Blocking Effectiveness Percentage |
|----------------|---|--|--------------------------------------|--|---|
| 12/08/19 | 1,120 | 48 | 4,240 | 4,234 | 99.86% |
| 12/15/19 | 1,120 | 72 | 4,289 | 4,286 | 99.93% |
| 12/22/19 | 1,120 | 22 | 884 | 884 | 100.00% |
| 12/29/19 | 1,120 | 21 | 15,324 | 15,324 | 100.00% |
| 01/05/20 | 1,120 | 49 | 15,409 | 15,394 | 99.90% |
| 01/12/20 | 1,120 | 32 | 9,552 | 9,530 | 99.77% |
| 01/19/20 | 1,599 | 65 | 15,321 | 15,241 | 99.48% |
| 01/26/20 | 1,599 | 92 | 1,828 | 1,828 | 100.00% |
| 02/02/20 | 1,599 | 45 | 68,583 | 68,490 | 99.86% |
| 02/09/20 | 1,599 | 26 | 2,175 | 2,170 | 99.77% |
| 02/16/20 | 1,599 | 28 | 453 | 452 | 99.78% |
| 02/23/20 | 1,599 | 25 | 318 | 318 | 100.00% |
| 03/01/20 | 1,599 | 38 | 146 | 144 | 98.63% |
| 03/08/20 | 1,599 | 19 | 24 | 22 | 91.67% |

¹ SSA, OIG, Major Case Unit Staff, *Phase I Spoofing Disruption Timeline & Statistics*.

- Created and distributed television and radio public service announcements nationwide; issued a national press release; and posted to social media, such as Facebook, Twitter, and YouTube, to warn the public. Additionally, SSA conducted in-person community outreach.
- Offered a voice verification option to people who call the 800-Number that allows the caller to record his/her first and last name. When they receive a scheduled callback, callers hear their own voice, so they know the return call they requested from SSA.
- Established a workgroup with OIG in October 2019. The workgroup comprised executives and subject matter experts.
- Implemented a dedicated online scam reporting form in November 2019 that allows individuals to report scams to the OIG quickly and easily. The scam form is available in English and Spanish.
- Coordinated with the OIG to improve the OIG Fraud Hotline and 800-Number messaging to provide information to callers about the scams and how to report them online.
- Improved its Website to include a banner titled “What should I do if I get a call claiming there's a problem with my Social Security number or account?”
- Increased employee education.
- Created a fact sheet to educate the public that it should hang up on scammers, not provide the caller with money, and report the call to OIG.
- Updated electronic screens in field office reception rooms nationwide to play information about the scams.
- Emailed registered *my Social Security* accounts scam information and provided links to report scams.²
- Added fraud warnings to the envelopes it uses for outgoing mail.

Outreach Work with Other Federal, State, and Local Agencies and Officials

- Participated in an October 2018 quarterly meeting of Maine’s Financial Abuse Specialist Team, comprised of State Department of Health and Human Services Adult Protective Services investigators, law enforcement, and prosecutors working together to reduce financial exploitation of elders.

² SSA had over 45.7 million registered *my Social Security* users at the end of Fiscal Year 2019.

- Provided Congress a package that included a letter from the Agency and a fact sheet on scam-related efforts members could use to inform their constituents about imposter scams.
- Collaborated with the Centers for Medicare & Medicaid Services to conduct seminars with a caregiver workgroup and shared articles and guidance on imposter scams.
- Collaborated with the National Council of Aging’s Advisory Committee to conduct seminars.
- Collaborated with the U.S. Postal Inspection Service on scam fliers, which it would post at over 30,000 retail Post Office locations.
- Collaborated with the Consumer Financial Protection Bureau to help educate consumers on how to avoid Social Security scams.
- Collaborated with the Federal Trade Commission to conduct a public awareness campaign.
- Collaborated with the Council members of the Elder Justice Coordinating Council as part of SSA’s scam education and outreach efforts.
- Collaborated with the Department of Justice’s Rural and Tribal Elder Justice Summit on strategies to help reach and provide information to rural older Americans on scams.
- Collaborated with the Administration on Aging within the Department of Health and Human Services to create training videos for representative payees to recognize elder abuse and signs of financial exploitation.
- Collaborated with the Federal Executive Board to send an email blast to Federal agencies.
- Collaborated with the State of Maryland’s Departments of Human Services and Aging to post scam information on their social media channels.
- Collaborated with the Federal Bureau of Investigation to share scam infographics on social media.
- Collaborated with the U.S. Attorney’s Office to share SSA’s public service announcement on social media.
- Collaborated with the Defense Health Agency to share scam information on its social media.

Work with External Groups

- Shared articles and guidance with the National Association of States United for Aging and Disabilities, now known as AAdvancing States, and the Senior Corps.
- Worked on a joint public service announcement with the AARP. It also agreed to promote SSA’s scam prevention messaging on its social media channels.

- Collaborated with the Securities Industry and Financial Markets Association to send an email blast, including SSA's scam infographic and fact sheet, to its membership, which comprised senior investment services.
- Collaborated with Meals on Wheels to send SSA's scam fact sheet and Consumer Financial Protection Bureau placemat.
- Collaborated with the Combined Federal Campaign to send an email blast with scam information.
- Collaborated with the Corporation for National and Community Service Senior Corps to send an electronic note to its grantees.
- Collaborated with the Arc of the United States to post scam information with a link to SSA's blog.
- Collaborated with the Paralyzed Veterans of America to include scam information in its bi-monthly Washington update newsletter.
- Collaborated with the National Disability Institute to share SSA's blog in its newsletter.

Work with Retailers

- Collaborated with the OIG to coordinate with Walmart to display informational videos in 2,100 stores nationwide.
- Coordinated with the Mall of America to run a 1-day public service announcement.
- Coordinated with CVS to play scam prevention public service announcements in its stores.

Planned Work

- Continue supporting the online reporting form so the OIG can analyze scam trends and work to terminate service for scammers' originating and call-back numbers.
- Produce new television and radio public service announcements and explore radio campaigns on nationally syndicated talk shows and television appearances on highly watched morning show programs.
- Expand work with external groups and agencies—organizations representing seniors, representative payee organizations, motor vehicle administrations, the U.S. Postal Service, the Department of Veterans Affairs, and others.

Appendix E – SCOPE AND METHODOLOGY

To answer the congressional questions, we took the following steps.

- Reviewed the *Social Security Act* and applicable Social Security Administration (SSA) Program Operations Manual System citations.
- Reviewed prior Office of the Inspector General (OIG) reports.
- Requested information and data directly from SSA in our December 23, 2019 start notice.
- Reviewed available customer service-related statistics.

The entities reviewed were the Offices of the Commissioner and the Deputy Commissioners for Operations and Communications. We conducted our audit in New York, New York, between December 2019 and March 2020.

We assessed the significance of internal controls necessary to satisfy the audit objective. We determined that internal controls were not significant to the audit objective; therefore, we did not assess the design, implementation, or operating effectiveness of internal controls.

We were unable to acquire and test the underlying records that support the data used in this report because of the short timeline. The data include publicly reported and internal SSA performance data as well as data from the Agency's telecommunication providers. While we believe the data provide a reasonable assessment of the Agency's performance, we did not complete the underlying testing needed to determine whether the data were sufficiently reliable given the audit objective and intended use of the data.

We also included information from an OIG database in the background section of the report (number of imposter scam complaints referred to the OIG) and report on Office of Investigations activities. SSA and the OIG have worked cooperatively to address telephone imposter scams, particularly on the actions taken to block the spoofing of SSA's telephone numbers. We understand this may give the appearance that we were not sufficiently independent as an organization. The staff who participated in the audit did not participate in the OIG activities described in the report, which have been publicly reported and shared with Congress. Also, we focused our objective on SSA's activities, of which we were completely independent.

Accordingly, we determined we were sufficiently independent and conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix F – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: May 14, 2020

Refer To:

To: Gail S. Ennis
Inspector General

A handwritten signature in blue ink that reads "Stephanie Hall".

From: Stephanie Hall
Chief of Staff

Subject: Office of the Inspector General Draft Report Congressional Response Review "The Social Security Administration's Response to Telephone Imposter Scams" (A-02-20-50904) -- INFORMATION

Thank you for the opportunity to review the Office of the Inspector General's (OIG) report regarding the Social Security Administration's (SSA) response to telephone imposter scams. As Commissioner Saul testified in January 2020, although our programs—our core mission—are not the target of this fraud, we share responsibility to help the public. These scams hurt people, creating fear and causing financial harm. They also detract from our ability to serve individuals that rely on our programs.

In Fiscal Year (FY) 2019, we estimate our National 800-Number (our general service line) handled over 854,000 scam-related calls, and SSA employees referred 65,000 scam-related fraud reports to the OIG. The volume of FY 2019 fraud reports taken by our staff represents a ten-fold increase over the prior fiscal year and consequently redirected a significant amount of staff time and resources away from claims taking and other SSA program work. Callers also inundated the OIG Fraud Hotline, which led to an increase in the number of callers choosing to transfer from the OIG Fraud Hotline to the SSA National 800-Number to receive service. The volume of these transfers more than doubled in FY 2019.

Through our collaborative work with the OIG, we moved the vast majority of these fraud reports to a new, dedicated online form, assisting individuals to appropriately report fraud directly to the

OIG. Through the dedicated online form, the OIG receives electronic data on a daily basis to analyze, identify, investigate, and help stop scams. We will continue to support the OIG with its online scam reporting form to assist the OIG with detecting emerging trends and investigating them. We are also encouraged that the OIG is working to ensure individuals who cannot access the online form have other options, including a paper form, to report scams to the OIG.

The report highlights our collective accomplishments—increased national public education and outreach, improved service on the OIG Fraud Hotline and SSA National 800 Number, and more. We agree with the report’s conclusion that our joint SSA/OIG workgroup should continue collaborative efforts to combat scams. The joint workgroup met weekly beginning November 2019, and in April 2020 moved to bi-weekly meetings. It includes executives across SSA and the OIG, including the audit team providing this report. Moving forward, we will work with the joint workgroup to review the recommendations noted in this report. In further assistance, we offer the following comments.

- *SSA should determine how it could leverage its data to better understand the scams, measure their impact, and identify solutions*

We continually analyze data to improve service. The joint workgroup’s first priorities were implementing the online scam report (to ensure the OIG could easily collect and analyze scam-related data), and improving and streamlining the OIG Fraud Hotline and SSA National 800-Number. Since implementing these changes, the OIG has collected over 286,000 scam reports, while scam-related workloads redirected to SSA have decreased dramatically. In October 2019, over 92,000 callers transferred from the OIG Fraud Hotline to SSA’s general service line. By March 2020, the volume of transferred calls declined to 700. Likewise, the number of scam-related reports SSA employees took and referred to the OIG decreased from almost 4,000 in October 2019 to just over 400 in March 2020.

Regarding scam data and trend analysis, we appropriately rely on the OIG’s analysis of the data reported on its online form, which is far more robust than the scam referral information we track—primarily the number of fraud referrals our employees take. The OIG is responsible for providing analysis of the scam data it receives; SSA is responsible for using that analysis to communicate to the public or make appropriate adjustments in business processes, where warranted.

For example, the OIG recently reported that scams are spread across the country, more or less in proportion to the population of each jurisdiction. Accordingly, we are targeting our public outreach and communications nationally. Also, when the OIG notifies us of emerging scams, we work quickly to provide information about new and modified scams to all SSA employees through internal communications and to the public through print, electronic publications, and social media.

- *SSA needs to develop strategies and policies, including considering naming an Ombudsman, to ensure it protects beneficiaries whose benefit payments are lowered because of financial transactions they undertook to pay fraudsters.*

Specific to this recommendation, to date, we are aware of one case where a beneficiary's Medicare premium increased because her modified adjusted gross income increased after she withdrew significant funds from a tax-deferred account in response to an imposter scheme. We are working with the Internal Revenue Service to understand what, if any, tax relief may be available that would result in a decrease in her Medicare premium. We will also continue to work with the OIG to identify whether there are additional cases affecting benefits. For example, we added a question to the dedicated scam form to ask victims whether they are beneficiaries. Through the OIG's continued data analysis—and any information we receive directly—we will be able to better discern the universe of affected beneficiaries, and determine what procedures and policies may be warranted.

- *SSA also needs to include addressing imposter scams in its planning processes.*

We continually update our planning processes to improve service delivery. For example, we established a new Agency Priority Goal to improve National 800-Number service, reflecting Commissioner Saul's directive to improve service delivery across all channels and including efforts to direct scam inquiries appropriately to the OIG to improve National 800-Number performance. We plan to continue to improve National 800-Number service and will monitor the impact of imposter scams on service delivery going forward.

The joint workgroup's efforts have already led to a significant reduction in scam inquiries and referrals redirected to and handled by our employees. The goals and plans we have established will continue to address the effects of imposter scams on service delivery.

In addition, our *Annual Strategic Plan for Fiscal Years 2018-2022* includes a strategic objective to enhance fraud prevention and detection activities under our strategic goal of ensuring stewardship. Our partnership with the OIG is a foundational piece of our fraud prevention and detection activities, and we rely on the OIG to carry out its mission to protect the public against fraud, waste, and abuse. In a future update of these plans, we can more clearly articulate our reliance on the OIG in combating these fraud schemes and our role to ensure the public is informed. We will also continue to work with the OIG to include additional measures, where appropriate, to ensure that SSA and the OIG remain accountable for efforts, consistent with each's respective missions and focused on quality public service.

Please let me know if we can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.

MISSION

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