

A black and white photograph of the U.S. Capitol dome, viewed from the side. The dome is highly detailed, showing the oculus and numerous windows. A statue stands atop the dome. The image is set against a background of dark grey diagonal stripes.

# Semiannual Report to Congress

October 1, 2019 - March 31, 2020



# OIG BY THE NUMBERS

October 1, 2019 to March 31, 2020

**2,139**

cases opened



**2,148**

cases closed



**\$138+ Million**

investigative monetary accomplishments  
*(includes SSA recoveries, restitution, fines, settlements, judgments, and estimated savings)*

**23**

audit reports issued



**\$8+**  
**Million**  
funds put to  
better use

**455**  
convictions



**\$1.7+**  
**Billion**  
questioned costs

**467,946**

allegations  
received



**31**

civil monetary penalty actions against those who  
made false statements, representations, or omissions  
to obtain, retain, or convert Social Security benefits



**\$1.9 Million**  
civil monetary penalties  
and assessments

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# A MESSAGE FROM THE INSPECTOR GENERAL

Twenty-five years ago on March 31, 1995, the Social Security Administration (SSA) separated from the U.S. Department of Health and Human Services to become an independent agency. Since that day, SSA's Office of the Inspector General (OIG) has provided independent oversight of the Agency to root out waste, fraud, and abuse in the programs and operations of SSA and to promote economy and efficiency in its operations. With this Spring 2020 edition of our *Semiannual Report to Congress* for the period October 1, 2019 through March 31, 2020, we commemorate a quarter century of excellence in this mission.

Throughout my first year as Inspector General (IG), I directed significant resources to OIG's efforts to address Social Security-related telephone scams. During this reporting period, we

- worked with SSA to launch a dedicated online scam reporting form, which has helped us gather targeted data to inform stakeholders and develop investigative leads;
- partnered with the Department of Justice (DOJ) to investigate, and subsequently seek civil injunctions against, "gateway carriers" who are alleged to have facilitated scams by allowing overseas calls into the U.S. telephone network;
- began a Congressional Response Report assessing SSA's efforts to mitigate the effects of Social Security-related telephone scams on its operations;
- led a national campaign to educate Americans about how to identify and report scams, partnering with SSA, other agencies, and retail and nonprofit entities, on efforts to protect consumers; and
- designated March 5, 2020 as National "Slam the Scam" Day, joining forces with other Federal agencies and the private sector to raise public awareness of scams through multi-media outreach.

Over the last few weeks of this semiannual reporting period, our nation and the world entered a challenging period navigating the effects of the COVID-19 pandemic. Social distancing and closures of government buildings have given rise to full-time telework in an effort to slow the spread of the illness. Within SSA OIG, we continue our service to the American public while protecting the health and safety of our employees. Our auditors continue to ensure the efficiency and effectiveness of SSA's programs and operations, and our special agents continue to pursue those trying to defraud SSA programs and beneficiaries. Our legal and support personnel continue to assist in these efforts and keep the organization running smoothly from our homes.

I can assure the Congress and the American people that our rigorous oversight of Social Security will not waver as we adapt to challenging circumstances. We will support SSA's efforts to serve its customers during this time by identifying areas for improvement, and ensuring that benefits only go to those who are eligible for them. We will continue to inspire confidence in Social Security's vital programs as the nation may lean more heavily on them. I look forward to our continued partnership in this critical endeavor and welcome your feedback on our report.



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

Gail S. Ennis  
Inspector General



# HIGH-IMPACT INITIATIVES

## SOCIAL SECURITY SCAM PREVENTION AND AWARENESS

Over the last 2 years, widespread Social Security-related telephone scams have caused untold harm to unsuspecting American consumers, with a total reported fraud loss of over \$50 million.<sup>1</sup> They have also affected SSA's and OIG's operations, as we have been deluged with questions and complaints about the calls. The OIG has undertaken a multidisciplinary approach to combat the scams and educate the public, using investigative and legal efforts, public outreach, and engaging with congressional stakeholders. During this reporting period, the OIG continued to dedicate significant resources to this effort.

In November 2019, with assistance from SSA, we launched a dedicated online scam reporting form, followed in December 2019 by a Spanish-language version. We also made corresponding changes to our fraud hotline messaging in December 2019, directing people to the new form. We have seen immediate benefits from the online reporting form, including expedited receipt of complaint data, and easier tracking and monitoring of scam data and trends to better inform stakeholders and develop investigative leads.

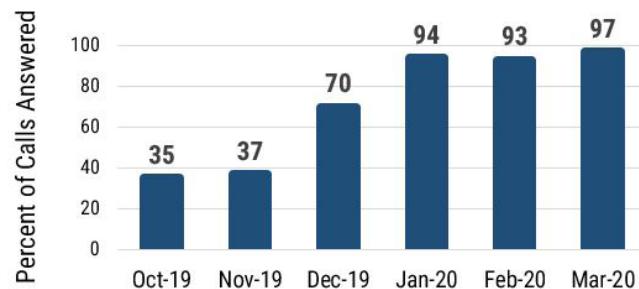
In addition, we were the lead investigative agency in a coordinated effort by DOJ to hold "gateway carriers" accountable for allowing scam calls into the U.S. telephone network. In January 2020, DOJ announced it filed landmark civil actions against five companies and their owners in the Eastern District of New York, seeking injunctions to prevent them from continuing to pass scam calls to consumers. In March 2020, DOJ announced the Court had ordered the injunctions. In *United States v. Jon Kahan, et al.*, the Court entered consent decrees that permanently bar an individual and three entities from operating as Voice over Internet Protocol (VoIP) carriers. In *United States v. Nicholas Palumbo, et al.*, the Court entered a preliminary injunction that bars two entities and their owners from operating as VoIP carriers temporarily as the matter is adjudicated. These are significant accomplishments that lay the groundwork for continuing and coordinating future interagency efforts that will hold "gateway carriers" accountable and reduce phone scammers' ability to reach consumers.

We coupled these investigative achievements with a sustained and expanded national public outreach campaign, working with SSA, Congressional committees, other agencies, and retail and nonprofit companies to educate consumers about scams and reduce fraud losses associated with these calls. Most notably, IG Ennis designated March 5, 2020 as National "Slam the Scam" Day, using the collective power of Federal agencies and others as a force multiplier to reach more people across the country. We generated significant media coverage before and on March 5 that helped us spread our key educational messages, and we participated in an AARP webinar as well as social media events with SSA, USAgov, and the Federal Trade Commission (FTC). We also partnered with retail organizations such as Wal-Mart, CVS, and Amazon to put our scam awareness message in their stores or online.

During the reporting period we coordinated closely with Congressional committees and staff, informing them about what we did to combat scams and what we learned from scam complaints we have received. We also began a Congressional Response Report assessing SSA's actions to combat the scams, with an anticipated release date in May 2020. In January 2020, IG Ennis and Commissioner of Social Security Andrew Saul testified before the Senate Special Committee on Aging at a hearing entitled, "[That's Not the Government Calling: Protecting Seniors from the Social Security Impersonation Scam.](#)"

We are seeing significant results from our scam prevention and awareness efforts. As a result of our online form, hotline messaging changes, and accompanying publicity, our hotline volume has returned to normal levels. This means our personnel are again able to answer nearly all calls. The chart below shows the percentage of calls answered by hotline representatives over the 6-month reporting period.

In March, the telecom industry reported to us a sharp decrease in the call volume of Social Security-related scam calls and spoofing of SSA telephone numbers, and we have seen a parallel decrease in the number of scam complaints we are receiving. In addition, the FTC reported a significant drop in consumer fraud loss in the first quarter of Calendar Year 2020 due to [Social Security-related government imposter fraud](#).



1. Source: Federal Trade Commission Consumer Sentinel Network.



# HIGH-IMPACT INITIATIVES

## COOPERATIVE DISABILITY INVESTIGATIONS

The Cooperative Disability Investigations (CDI) Program continues to be one of our most successful anti-fraud initiatives, contributing to the integrity of the Agency's disability programs. CDI, established in 1997, combines resources and expertise from SSA, the OIG, State Disability Determination Services (DDS), and State or local law enforcement, to investigate and deter Social Security disability fraud. CDI now has 46 units covering 40 states, the District of Columbia, and the Commonwealth of Puerto Rico. It also covers the U.S. territories of Guam, American Samoa, the Northern Mariana Islands, and the U.S. Virgin Islands.

CDI units investigate pre-effectuation and post-entitlement disability claims suspected of fraud. The OIG provides investigative oversight, assigning a CDI team leader to each CDI unit. SSA funds the CDI program and assigns a program specialist, who provides technical support and expertise on issues pertaining to SSA claims. The State DDS agencies assign an examiner who initially assesses claims flagged as potential fraud. Finally, State or local law enforcement agencies provide investigative support. CDI investigations serve as a resource for SSA and DDS in making timely and accurate disability determinations, and may lead to prosecution.

For the reporting period, CDI investigations provided evidence that led to

- 1,042 disability claims being denied or ceased;
- \$62,442,733 in projected savings for SSA programs; and
- \$67,610,032 in projected savings for non-SSA programs.

SSA and the OIG will continue to work with its State and local partners to expand CDI coverage for all 50 states by 2022, in accordance with the *Bipartisan Budget Act of 2015*. Following are examples of cases we closed during this reporting period.

### ARIZONA MAN'S FUNCTIONING APPEARS INCONSISTENT WITH SSI CLAIM

The Phoenix CDI Unit investigated a 45-year-old man who applied for Supplemental Security Income (SSI) alleging several medical conditions that limited the use of his hands and legs, as well as his hearing and vision. He reported being unable to concentrate and had trouble understanding and completing tasks. The Arizona DDS referred the claim due to inconsistent statements and conflicting information. Our investigation revealed the claimant had a valid driver's license, and our investigators observed him exiting a vehicle with no help, then walking easily and maneuvering around obstacles without any problems. Investigators also observed him engaged in normal activity near his apartment, bending over at the waist, sweeping, and not displaying any limitations. The DDS denied the man's SSI claim, resulting in a projected savings of \$40,484 in SSA benefits and \$86,475 in non-SSA benefits.

### WEST VIRGINIA MAN'S ABILITIES CONTRADICT CLAIM STATEMENTS

The Charleston, West Virginia CDI Unit investigated a 46-year-old man who applied for SSI alleging memory problems, comprehension deficiency, learning disability, and back and foot impairments. The West Virginia DDS referred the claim due to discrepancies among the claim, medical records, and presented information. CDI investigators observed the man entering and exiting vehicles without any physical limitations or using any assistive devices. Investigators also observed him walking quickly, and twisting and bending without showing any pain or discomfort. The DDS denied the claim, resulting in a projected SSA savings of \$40,484 and non-SSA savings of \$67,295.

### PUERTO RICO MAN CONCEALS BUSINESSES TO RECEIVE BENEFITS

The San Juan CDI Unit investigated a 39-year-old Disability Insurance (DI) beneficiary. The investigation revealed that the man had been the owner of a cafeteria in 2012 when he applied for SSA Title II disability benefits, and the owner and operator of a bar since 2016, all while misrepresenting his physical limitations in order to receive benefits. The investigation also determined that the man falsely represented his income and primary residence to the Federal Emergency Management Agency (FEMA) in 2016, in order to receive disaster and emergency benefits after Hurricane Maria in 2017. The man pleaded guilty to theft of government funds and fraud in connection with major disaster or emergency benefits and, on March 12, 2020, he was sentenced to 10 months of incarceration and 3 months of supervised release. He was also ordered to repay \$92,101 to SSA and \$26,699 to FEMA.

### LOUISIANA MAN USES MULTIPLE SOCIAL SECURITY NUMBERS TO RECEIVE BENEFITS

Based on information received from our fraud hotline, our Baton Rouge CDI Unit investigated a 57-year-old DI beneficiary. Our investigation revealed that from January 2007 until January 2019, the man used his family members' Social Security numbers (SSN) to conceal his earnings from his construction and cleaning companies. The man pleaded guilty to theft of government funds. On March 4, 2020, a judge sentenced him to 60 months of probation. He was also ordered to repay \$242,308 to SSA.



# SSA MANAGEMENT CHALLENGES

The OIG annually identifies the most significant management and performance challenges facing SSA based on legislative mandates and our audit and investigative work. Listed below is a summary of each challenge.<sup>1</sup>

## IMPROVE ADMINISTRATION OF THE DISABILITY PROGRAM

The Agency continues to face challenges with pending initial disability claims and pending hearings, as well as hearings processing times. While pending levels and hearings timeliness have improved in recent years, SSA has not achieved its average hearings processing time goal of 270 days. Average processing time for hearings increased 65 percent from 360 days in Fiscal Year (FY) 2011 to 595 days in FY 2018, but it improved to 506 days in FY 2019 and 408 days in FY 2020 through March 2020. Also, the number of beneficiaries who used their Tickets for vocational or employment services was relatively low, when compared to the total population of Ticket-eligible beneficiaries. To improve administration of the disability program, we believe SSA needs to 1) continue to implement and monitor the specific Compassionate and REsponsive Service initiatives designed to improve timeliness and reduce the hearings backlog; and 2) focus resources on capacity issues to better balance processing times and hearing office workloads. In addition, SSA should continue to create new opportunities for returning beneficiaries to work and ensure measurement of costs, savings, and effectiveness are part of the design of such initiatives. As of March 31, 2020, we completed one audit in this area and have eight reviews ongoing.

## MINIMIZE PAYMENT ERRORS AND IMPROVE MANAGEMENT OF PAYMENT WORKLOADS

SSA issues monthly payments to over 70 million people and must be a responsible steward of the funds entrusted to its care by minimizing the risk of making improper payments, and effectively managing payment workloads. In FY 2018, SSA estimated Old-Age, Survivors and Disability Insurance (OASDI) over- and underpayments of \$942 million due to computation errors, and overpayments of \$978 million due to failure to verify data relating to substantial gainful activity. Improper payments can also result from inadequate management and processing of payment workloads. SSA has taken steps to minimize payment errors and improve management of payment workloads, but we believe the Agency needs to 1) do more to address the root causes of improper payments; 2) enhance accountability through program and automation improvements; 3) ensure staff have adequate training and technology; and 4) periodically review manual processes to determine whether they can be automated to reduce computation errors. As of March 31, 2020, we completed 6 audits in this area and we have 16 reviews ongoing.

## IMPROVE THE PREVENTION, DETECTION, AND RECOVERY OF IMPROPER PAYMENTS

SSA is responsible for issuing over \$1 trillion in benefit payments, annually. Given the amounts involved, even the slightest error in the overall payment process can result in millions of dollars in over- or underpayments. Preventing, detecting, and recovering improper payments continues to be a challenge. In its FY 2019 Agency Financial Report, SSA estimated it had made approximately \$8.2 billion in improper payments in FY 2018. The Agency continues collaborating with external partners to address the root causes of improper payments to prevent their recurrence, and modernize its debt management and collection processes. We believe SSA needs to 1) prevent improper payments through automation and data analytics, identifying changes that affect benefit payments; 2) expand efforts to collect data from reliable third-party sources that would aid SSA in mitigating discrepancies that can occur when beneficiaries and recipients self-report information; and 3) develop new initiatives to address improper payments. As of March 31, 2020, we completed three reviews in this area and have eight reviews ongoing.

## IMPROVE SERVICE DELIVERY

SSA faces several challenges as it pursues its mission to deliver quality service to the public. SSA estimates, in FY 2020, it will pay over \$1 trillion in OASDI benefits to 65 million beneficiaries and nearly \$60 billion in SSI payments to 8 million recipients. The Agency expects to process, among other workloads, 8.7 million initial OASDI and SSI claims, and 100 million post-entitlement actions. SSA faces growing workloads, but expects that more than 10,000 of its almost 61,000 employees will retire within the next 5 years. SSA continues expanding its suite of automated and online service options, but we continue to have concerns about identity authentication for online transactions. Finally, the Agency must focus on strengthening its representative payment program, to ensure the protection of its most vulnerable customers, and the Agency must continue to implement the provisions of the *Strengthening Protections for Social Security Beneficiaries Act of 2018*. As of March 31, 2020, we completed one audit related to this management challenge, and have five reviews ongoing.

## SECURE INFORMATION SYSTEMS AND PROTECT SENSITIVE DATA

Information breaches at several Federal agencies have underscored the importance of securing Federal systems and protecting sensitive information. SSA houses sensitive information about every individual who has been issued an SSN. It is imperative that SSA have a robust information security program, yet auditors have identified weaknesses that, when aggregated, created a significant deficiency in SSA's overall information systems security program. In the most recent report for SSA's compliance with the *Federal Information*

1. The next edition of this report will include our oversight plans and responsibilities with respect to SSA's response to the COVID-19 pandemic and its role in carrying out provisions of the *Coronavirus Aid, Relief, and Economic Security Act*.



# SSA MANAGEMENT CHALLENGES

Security Modernization Act of 2014, Grant Thornton LLP identified a number of deficiencies that may limit SSA's ability to protect the confidentiality, integrity, and availability of SSA's information systems and data. To address this significant challenge, SSA must 1) address the deficiencies identified by the independent auditor; 2) ensure its electronic services are secure and comply with Federal security requirements; 3) continue to be vigilant in protecting SSNs and ensure any electronic applications related to SSN card issuance include effective authentication; and 4) improve wage reporting by informing employers about potential SSN misuse cases, identifying and resolving employer reporting problems, re-examining the validity and integrity checks used to prevent suspicious W-2s from being posted, and encouraging greater use of SSA's employee verification programs. As of March 31, 2020, we completed four audits in this area and have six reviews ongoing.

## MODERNIZE INFORMATION TECHNOLOGY

SSA must modernize its information technology (IT) infrastructure to accomplish its mission despite budget and resource constraints. SSA's aging infrastructure is increasingly difficult and expensive to maintain; the Agency continues relying on outdated applications and technologies to process its core workloads. In addition, the Agency requires modern software engineering tools and skills that could make its operations more efficient. SSA reports that budget constraints have forced it to use much of its IT funding to operate and maintain existing systems. Still, to ensure the Agency can keep pace with increasing workloads, it must maintain its legacy systems while developing their modern replacements. For several years, SSA has worked incrementally to modernize its IT infrastructure. The Agency's Chief Information Officer has acknowledged the Agency must undertake a larger, multi-year effort. However, SSA faces challenges in executing and implementing major IT projects and delivering expected functions on-schedule and within budget. For example, SSA estimated its costs for its Disability Case Processing System through FY 2022 would be approximately \$191 million, and the Agency still needs to develop functionality and implement the system in 10 DDS. To address its modernization challenges, SSA needs to 1) prioritize modernization activities to ensure available resources lead to improvements with the greatest impact on SSA's operations and the service it provides the public; and 2) ensure its IT planning and investment control processes are effective. As of March 31, 2020, we completed one audit in this area and have two reviews ongoing.



# AUDIT – Highlights



**23**  
Reports Issued



**\$1,727,442,211**  
Questioned Costs



**\$8,258,050**  
Funds Put to  
Better Use

We conduct comprehensive audits and evaluations of SSA's programs and operations in order to identify opportunities for savings, better use of funds, and improvements in program management and results. During this reporting period, we issued 23 reports. Of those, we include summaries below of reviews revealing significant challenges in SSA's administration of its programs and operations. Click on the hyperlink in each report summary to read the full text of our recommendations for corrective action.

## FOLLOW-UP: BENEFICIARIES WHO HAD NOT CASHED THEIR CHECKS WITHIN 1 YEAR

**OBJECTIVE:** Determine if SSA took appropriate action when OASDI beneficiaries and SSI recipients had not cashed their checks within 1 year. In two prior audits, we estimated approximately \$164.4 million in uncashed checks was payable to 184,000 beneficiaries and recipients. **RESULTS:** We continue to find that SSA needs to reissue payments to eligible OASDI beneficiaries and SSI recipients who have not cashed their checks. We estimated approximately \$81.5 million in uncashed checks was payable to 77,185 OASDI beneficiaries; and SSA did not resolve and reissue approximately \$15.8 million in uncashed checks payable to 27,502 SSI recipients. When SSA resolves cases of uncashed checks, it needs to determine if 1) beneficiaries and recipients may be deceased, 2) their age or disability could indicate they are incapable of managing their benefits, and/or 3) representative payees are meeting the beneficiaries' needs. [We made four recommendations](#) for SSA to take action to reissue payments to eligible OASDI beneficiaries and SSI recipients who have not cashed their checks. SSA agreed with our recommendations.

## MANUAL ACTIONS ON OASDI POST-ENTITLEMENT ALERTS

**OBJECTIVE:** Determine whether SSA's processing center employees correctly processed OASDI post-entitlement alerts produced by the Title II Redesign system. **RESULTS:** We determined that SSA incorrectly processed nearly half (41 percent) of a random sample of alerts we reviewed. Of those incorrectly processed, almost 58 percent resulted in improper payments. Total improper payments of the sample we reviewed were \$329,767. Therefore, we estimate employees incorrectly processed approximately 555,000 alerts, resulting in approximately \$1.3 billion in improper payments. [SSA agreed with our seven recommendations](#) to correct errors, improve its controls over employees' actions on alerts, and increase alert processing accuracy.

## ACCURACY OF MANUAL ACTIONS FOR OLD-AGE, SURVIVORS AND DISABILITY INSURANCE UNDERPAYMENTS OVER \$6,000

**OBJECTIVE:** Determine if SSA processed OASDI underpayments accurately via the Manual Adjustment, Credit, and Award Data Entry system. **RESULTS:** We estimate 31,380 Claim Account Numbers with underpayments over \$6,000 had payment errors totaling approximately \$80.8 million. These errors were caused by incorrect benefit computations, failure to consider beneficiaries' multiple entitlements, duplicate payments, rounding, or failure to apply the appropriate offsets. Almost half of the underpayments we reviewed had at least one processing error because technicians failed to follow policy. [We made four recommendations](#), including that SSA review additional underpayments, take appropriate corrective action, evaluate the use of automated tools, and establish a process to ensure employees follow policy in conducting reviews of large underpayments. SSA agreed with our recommendations.

## MATCH OF DELAWARE DEATH INFORMATION AGAINST SSA RECORDS, MATCH OF PENNSYLVANIA DEATH INFORMATION AGAINST SSA RECORDS

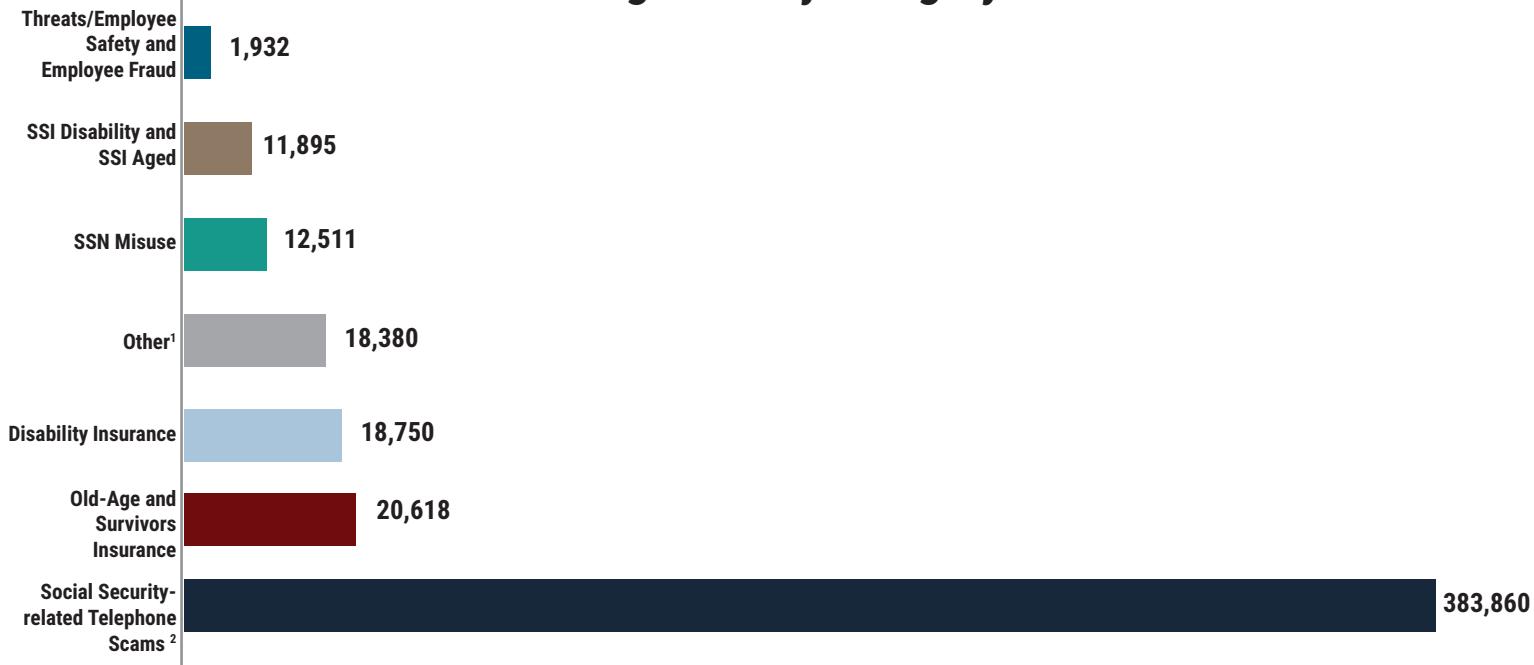
**OBJECTIVE:** Determine whether SSA made payments to beneficiaries and representative payees who were deceased according to the Office of Vital Statistics and identify non-beneficiaries who were deceased according to State and Commonwealth files but whose death information did not appear in SSA's records. **RESULTS:** In these audits, we estimated SSA issued approximately \$2 million in payments after death to 31 beneficiaries and 2 representative payees whom the [State of Delaware](#) recorded as deceased from January 1992 through December 2017. We identified 2,851 non-beneficiaries who were deceased according to the Delaware Office of Vital Statistics but whose death information was not in SSA's Numident. In addition, we identified \$19.2 million in payments after death to 369 beneficiaries and 31 representative payees whom the [Commonwealth of Pennsylvania](#) recorded as deceased from January 1979 through December 2017. We identified 93,560 non-beneficiaries who were deceased according to the Pennsylvania Department of Health but whose death information was not in SSA's Numident. We recommended, and SSA agreed, to take action on the deceased beneficiaries and representative payees, and to take action on the non-beneficiaries by adding their deaths to the Numident, as appropriate.



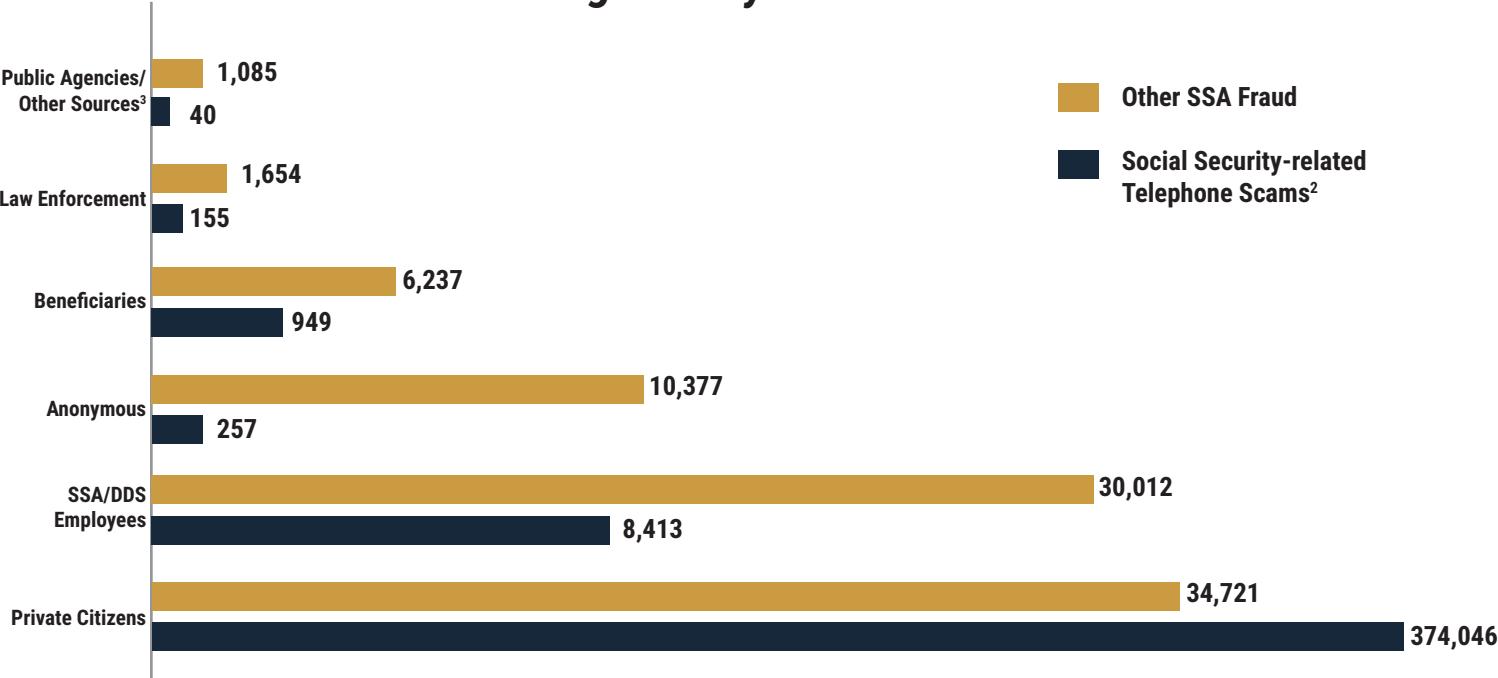
# INVESTIGATIONS - Highlights

**Total Allegations Received- 467,946**

## *Allegations by Category*



## *Allegation By Source*



1. Most of these allegations were determined to be unrelated to fraud, waste, or abuse in SSA programs or operations.

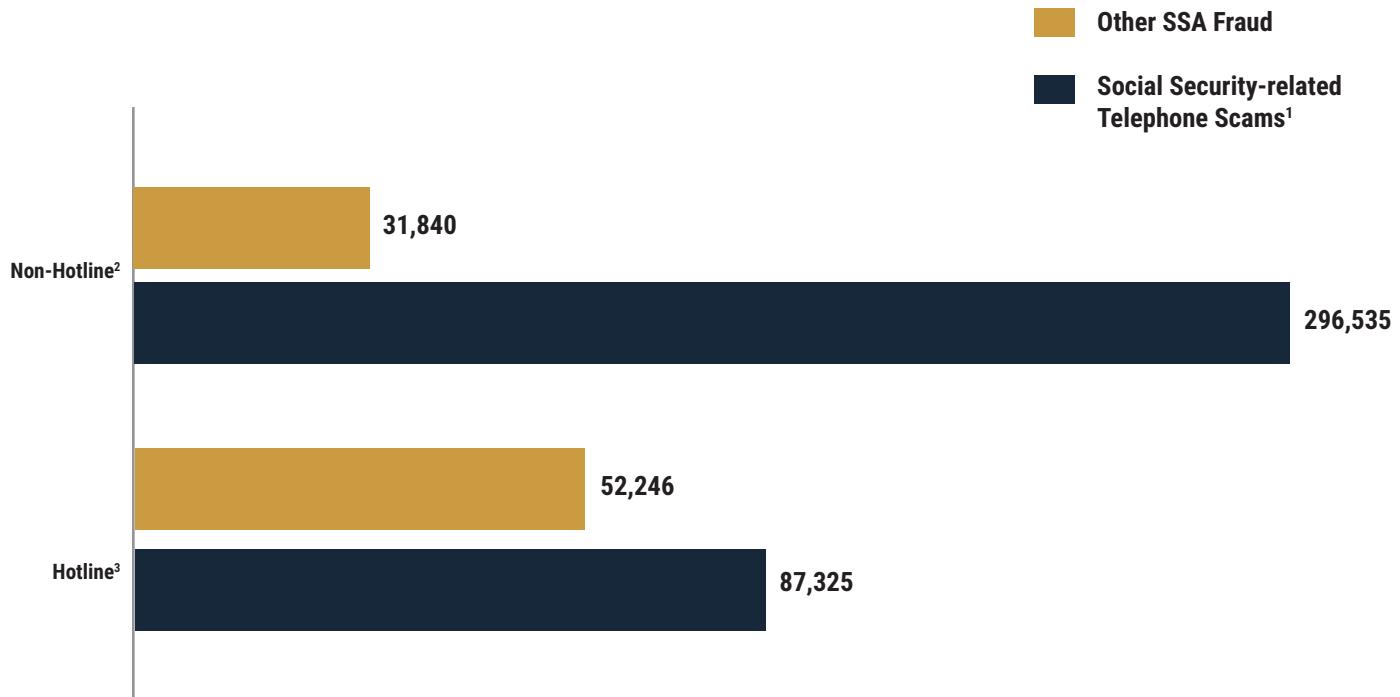
2. Social Security-related telephone scams refer to those who misuse SSA's name to commit fraud. This also includes a small number of scams reported to have been communicated via email, text, or U.S. Mail.

3. This includes, but is not limited to, Congress, Financial Institutions, Contractors/Grantees, Employee of Contractor, and Employee of Subject.



# Total Allegations Received- 467,946

## *Allegations By Method*



1. Social Security-related telephone scams refer to those who misuse SSA's name to commit fraud. This also includes a small number of scams reported to have been communicated via email, text, or U.S. Mail.

2. Non-hotline allegations include scam form allegations, those submitted through the SSA electronic fraud referral form, and those entered directly into SSA OIG's National Investigative Case Management System by the Office of Investigations, received from sources including, but not limited to, Congressional representatives and staff and other Federal, State, or local agencies.

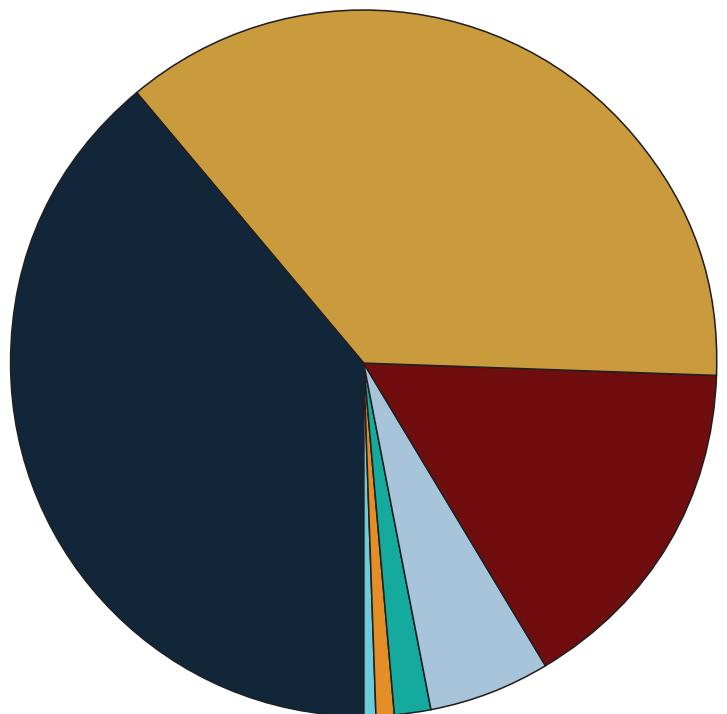
3. Hotline allegations include those submitted through mail, phone, fax, and our [website](#); as well as any other allegations processed by 1) the National Center for Disaster Fraud pursuant to the SSA OIG cooperative agreement or 2) SSA OIG's Allegation Management and Fugitive Enforcement Division.



## Total Cases Opened - 2,139

### By Program Category

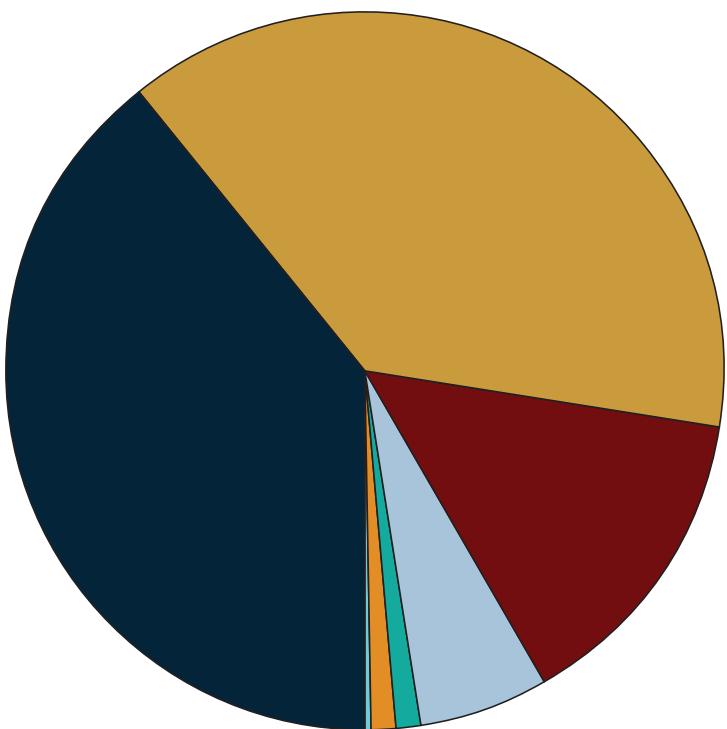
- Disability Insurance - 832
- Supplemental Security Income - 788
- Old-Age and Survivors Insurance - 339
- Social Security Number Misuse - 117
- Other<sup>1</sup> - 35
- Employee Safety - 18
- Employee Fraud - 10



## Total Cases Closed - 2,148

### By Program Category

- Disability Insurance - 846
- Supplemental Security Income - 821
- Old-Age and Survivors Insurance - 303
- Social Security Number Misuse - 128
- Other<sup>1</sup> - 23
- Employee Safety - 23
- Employee Fraud - 4



1. Category includes investigations representing less than 2% of total; for example, false personation and other issues unrelated to SSA's programs or operations.



# INVESTIGATIONS – Highlights

The OIG's Office of Investigations is responsible for evaluating and taking appropriate investigative action on allegations of fraud and misconduct in SSA's benefit programs and agency operations, in coordination with DOJ and other prosecuting agencies. Our investigations may result in criminal or civil prosecution at the Federal, State, or local level; civil monetary penalties (CMP); or Agency administrative actions. Following are major categories of OIG investigations and program highlights that inspire public confidence in, and help ensure the integrity of, the Social Security system.

## **DISABILITY INSURANCE FRAUD**

This type of fraud historically comprises a significant part of our investigative workload. DI fraud covers a range of situations including concealing work activity or medical improvement while receiving disability benefits, representative payee misuse, and deceased payee fraud. Following are significant DI fraud case highlights from the past 6 months.

### **MOTHER COLLECTS DECEASED SON'S DISABILITY BENEFITS**

SSA's Office of Business Improvement referred an allegation to our Detroit, Michigan office concerning a 69-year-old mother and representative payee of a DI beneficiary. Our investigation revealed that the mother concealed her son's 1994 death from SSA, and continued to receive and convert for her own use the DI benefits disbursed for her son. She pleaded guilty to mail fraud, theft of government funds, and Social Security fraud. In January 2020, she was sentenced to 6 months of incarceration and 3 years of supervised release. She was also ordered to repay \$292,588 to SSA.

### **BENEFICIARY HIDES BUSINESS TO RECEIVE DISABILITY BENEFITS**

A 53-year-old DI beneficiary concealed his work activity as the owner of a company that manufactured wooden pallets. Our Kansas City, Missouri office investigated the man after receiving a referral from the Union, Missouri SSA office, and found evidence that he worked from January 2011 through May 2018 while receiving DI benefits. The man pleaded guilty to wire fraud, Social Security fraud, and theft of government funds. In November 2019, he was sentenced to 12 months of incarceration and 3 years of supervised release. He was also ordered to repay \$113,046 to SSA.

## **SUPPLEMENTAL SECURITY INCOME FRAUD**

Eligibility for SSI depends on self-reporting many factors including earnings, assets, resources, marital status, residency, and living arrangements, among others. We investigate allegations of many types of SSI fraud, including when someone conceals a marriage, real estate, or their true country of residence from SSA while receiving SSI payments. SSI is a needs-based program, and we work to ensure that only those who are truly eligible for these critical benefits can receive them. Following are significant SSI fraud case highlights from the past 6 months.

### **WOMAN CONCEALS MARRIAGE TO DEFRAUD SSA**

Acting on information received from the Owings Mills, Maryland SSA office, our Baltimore office investigated a 45-year-old SSI recipient. The investigation showed that the woman concealed her marriage and living arrangements from March 1999 through January 2018 to continue her SSI payments. The woman pleaded guilty to theft of government funds. In February 2020, a judge sentenced her to 3 years of probation. She was also ordered to repay \$145,044 to SSA.

### **MAN USES TWO SSNS TO RECEIVE SSI**

Our Office of Audit provided information to our Baltimore, Maryland office leading to an investigation of a 69-year-old SSI recipient with a second SSN. For about 10 years, the man received SSI payments under his true SSN and the second SSN. The man pleaded guilty to theft, and in February 2020, a judge sentenced him to 5 years of probation. He was also ordered to repay \$80,498 to SSA.

## **OLD-AGE AND SURVIVORS INSURANCE FRAUD**

These investigations pertain primarily to Retirement and Survivors Insurance (RSI) benefits, including deceased payee fraud, representative payee misuse, false statements about marital or parental status in applying for survivors benefits, and other related types of fraud. Following are significant case highlights in this category from the past 6 months.

### **WOMAN STEALS DECEASED MOTHER-IN-LAW'S BENEFITS**

After her mother-in-law's death in July 1985, a woman continued to receive and convert to her own use the RSI benefits disbursed for her mother-in-law. Our Pittsburgh, Pennsylvania office investigated the 73-year-old, who later pleaded guilty to theft of government funds. In February 2020, the woman was sentenced to 1 day of incarceration and 3 years of supervised release. She was also ordered to repay \$251,000 to SSA.

# INVESTIGATIONS – Highlights

## REPRESENTATIVE PAYEE USES DECEASED FATHER'S BENEFITS

Based on a referral from the Decatur, Georgia SSA office, our Atlanta office investigated the 59-year-old daughter of an RSI beneficiary. The daughter, a representative payee for her father, continued to receive the RSI benefits disbursed for her father after he died in 2009. The woman pleaded guilty to theft of government funds, and was sentenced to 4 months of incarceration and 3 years of supervised release. She was also ordered to repay \$178,516 to SSA.

## SOCIAL SECURITY NUMBER MISUSE

The OIG works to ensure the integrity of SSNs, as SSA depends on them to post earnings to individuals' records accurately and calculate earned benefits. SSNs are used not only by SSA but other agencies and entities, so we have a role in investigating their misuse, often jointly with other agencies. We are authorized to investigate any situation in which a person misuses an SSN, whether it be for unauthorized work, obtaining a loan, applying for a government benefit, or any other purpose. Following is an SSN misuse case highlight for the past 6 months.

## DOMINICAN NATIONAL STEALS IDENTITY AND GETS DRIVER'S LICENSE

A Homeland Security Investigations-led document and benefit fraud task force provided information to our Boston, Massachusetts office that led to a joint investigation of a 53-year-old Dominican Republic citizen. The investigation found evidence the man misused the personally identifiable information of a U.S. citizen to obtain a Massachusetts driver's license. The man pleaded guilty to misuse of an SSN and aggravated identity theft. The man was sentenced to 24 months and 1 day of incarceration.

## EMPLOYEE SAFETY

Employee safety is of paramount concern to SSA and its OIG. We share responsibility for investigating reports of threats or use of force against SSA employees with the Department of Homeland Security's Federal Protective Service, and with local law enforcement if the activity occurs off Federally owned or leased property. Following is a significant employee safety case highlight from the past 6 months.

## EXPLOSIVE DEVICES MAILED TO PRESIDENT, ACTING SSA COMMISSIONER, AND TEXAS GOVERNOR

Based on information provided by the U.S. Secret Service, our Houston, Texas office, along with the U.S. Secret Service, the Federal Bureau of Investigation, the U.S. Postal Inspection Service, and the Department of Agriculture OIG, investigated a 48-year-old woman. The woman built improvised explosive devices and mailed them to the Acting Commissioner of Social Security, the Governor of Texas, and the President of the United States. Security screeners intercepted some of the packages before opening and the other packages failed to detonate upon opening. In addition, the woman fraudulently received Supplemental Nutrition Assistance Program benefits. The woman pleaded guilty to transportation of explosives with the intent to kill, injure, and intimidate. In November 2019, a judge sentenced her to 120 months of incarceration and 3 years of supervised release. She was also ordered to repay \$9,700 to the Department of Agriculture.

## EMPLOYEE FRAUD

Public integrity investigations are critical to ensuring we maintain the public trust in the Social Security system. We must take swift action concerning allegations against employees who may have misused their position for personal gain or violated other laws or regulations in the performance of their official duties. Following is a significant employee fraud case highlight from the past 6 months.

## EMPLOYEE STEALS BENEFITS OF ADULT CARE FACILITY RESIDENTS

Based on information provided by a financial institution, our Santa Ana, California office investigated an SSA lead customer service representative. The woman transferred to her own bank account SSA benefit payments intended for residents of an adult residential care facility, from April 2017 through August 2019. The woman pleaded guilty to wire fraud. In January 2020, and was sentenced to 15 months of incarceration and 2 years of supervised release. She was also ordered to repay \$176,015 to SSA.



# INVESTIGATIONS – Highlights

## INVESTIGATIVE PROGRAM HIGHLIGHTS

### ELECTRONIC SERVICES FRAUD

The OIG uses state-of-the-art criminal intelligence tools and techniques to analyze allegations of fraud and develop them for criminal investigations. Many of these allegations involve fraud against SSA's electronic services, such as fraudulent benefit applications, or changes to existing benefits, made via SSA's website. We analyze data to find patterns and connections among these allegations, use criminal intelligence techniques to identify the subjects involved, and refer these issues to OIG special agents for investigation.

In one example from the reporting period, our Orlando, Florida office jointly investigated a Florida couple, working with the Internal Revenue Service (IRS) Criminal Investigation and the U.S. Department of the Treasury OIG. The investigation found evidence the man and the woman conspired to use stolen personally identifiable information to redirect Social Security payments to accounts under their control, using SSA's online services. The couple also filed fraudulent tax returns and directed tax refunds into accounts under their control. As a result of the investigation, the man pleaded guilty to conspiracy and aggravated identity theft. In March 2020, he was sentenced to 24 months of incarceration followed by 2 years of supervised release. The woman pleaded guilty to conspiracy and aggravated identity theft and, in March 2020, she was sentenced to 12 months and 1 day of incarceration followed by 2 years of supervised release. The man and the woman were each ordered jointly and severally to pay \$24,597 to SSA and \$69,088 to the IRS.

### DIGITAL FORENSICS

Our digital forensic analysts provide support for OIG special agents in their criminal investigations across the country, and this workload continues to increase as more fraud cases involve the use of digital media. In the first 6 months of FY 2020, our personnel have analyzed nearly 13,000 gigabytes of data; in all of FY 2019, they analyzed approximately 16,800 gigabytes. We have seen a notable shift toward cases involving communications spread across computers and mobile device applications; therefore, we are moving to technical examination platforms that encompass emerging communications technologies.

The OIG's digital forensic analysts also work with SSA's Office of Information Security (OIS) to evaluate and investigate allegations of computer misuse by employees and external actors. During the reporting period, we launched initiatives to provide technical information garnered from insider threat inquiries and other investigations to the Agency's Insider Threat Program and OIS. These initiatives enhance SSA's security awareness training and information security controls.

### FUGITIVE FELON PROGRAM

OIG receives outstanding warrant information from law enforcement agencies around the country, and matches that information against SSA records. We then provide locator information to law enforcement agencies to assist in their efforts to locate fugitives and protect the public. In certain cases involving persons who flee or escape custody, we also provide information to SSA so the agency can suspend benefits to those individuals. During this reporting period, OIG identified 75,639 SSA beneficiaries or recipients who had outstanding felony warrants, which led to 382 arrests. Since the Fugitive Felon program began, our efforts have led to 99,535 arrests.

Often, we not only provide locator information, but we actively assist law enforcement agencies in apprehending fugitive felons. In February 2020, our Ashland, Virginia office, working with members of the U.S. Marshals Service Capital Area Regional Fugitive Task Force, arrested an SSI recipient. He was identified as a fugitive wanted by the city of Richmond, Virginia based on an outstanding arrest warrant for murder and use of a firearm in the commission of a felony.



# Investigative Achievements



**1,891**  
Investigative Reports  
Issued<sup>1</sup>



**597**  
Persons Referred to DOJ  
for Criminal Prosecution<sup>2</sup>



**73**  
Persons Referred to State and  
Local Prosecuting Authorities  
for Criminal Prosecution<sup>3</sup>



**455**  
Convictions



**332**  
Indictments and Criminal  
Informations<sup>4</sup>



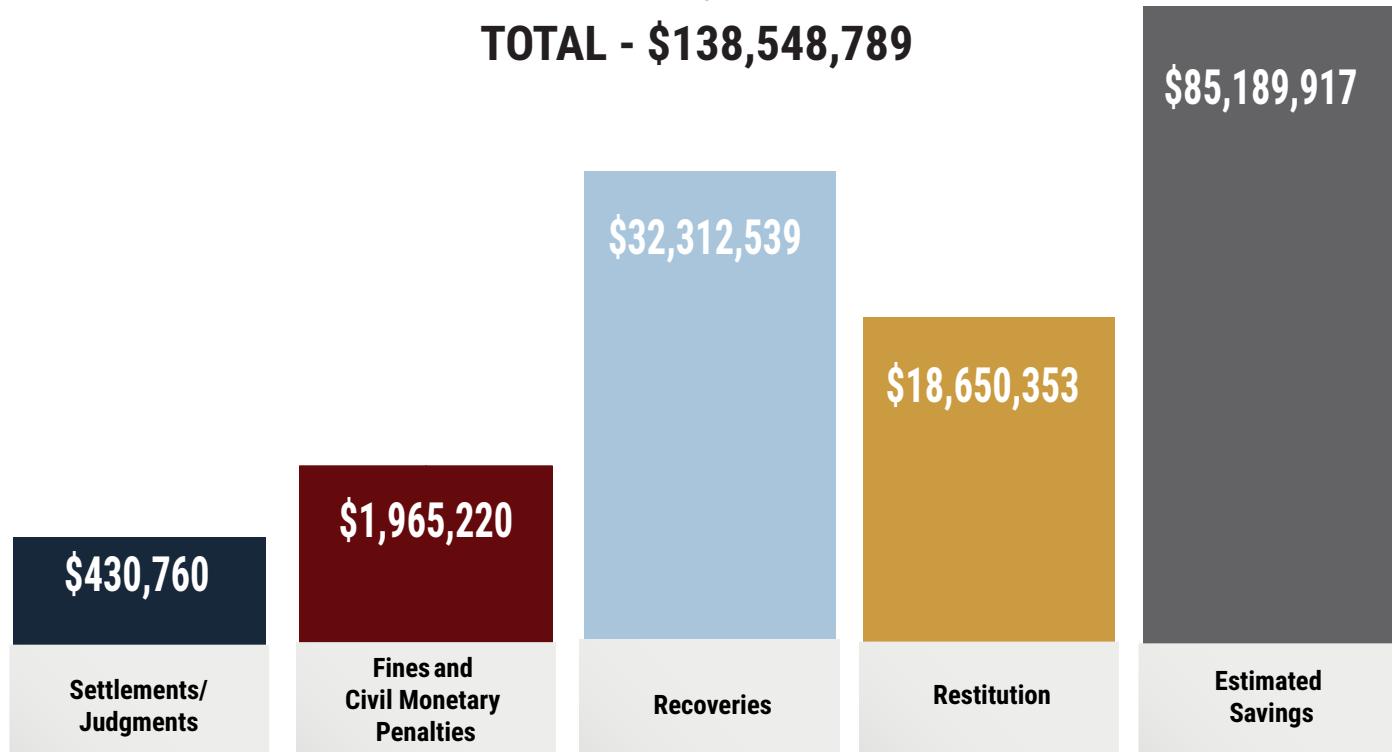
**1,748**  
Total Number of  
Administrative Actions<sup>5</sup>



**1,567**  
Total Number of Subjects  
with an Administrative Action

## Investigative Monetary Accomplishments

**TOTAL - \$138,548,789**



1. Total number of summary reports of investigative findings issued externally by the Office of Investigations, including prosecution referrals, reports of employee investigation, reports of special investigation, and reports of findings by a CDI unit.

2. Total number of individual subjects or entities referred to the DOJ where the investigative findings were not subject to pre-established prosecution declination guidelines.

3. Total number of individual subjects or entities referred to State and local prosecuting authorities where the investigative findings were not subject to pre-established prosecution declination guidelines. These persons may also have been referred to DOJ.

4. Total number of initial indictment or criminal information filings per subject. Subsequent or superseding indictments or criminal informations related to the same subject are not included.

5. Administrative actions includes benefits terminated, claims denied, administrative recovery, reduction in SSA benefits, removal of representative payee, and benefits suspended.

# LEGAL – Highlights



**31**

Section 1129  
Cases Resolved



**\$1,918,458**  
Section 1129  
Penalties and  
Assessments  
Imposed



**8**  
Section 1140  
Cases Resolved



**52**  
Section 1140  
Prevention/Early  
Intervention Efforts<sup>1</sup>

OIG attorneys perform a wide range of legal work that supports the OIG's oversight efforts. For example, they provide independent legal advice and counsel to the IG on issues involving statutes, regulations, legislation, and policy directives, and the legal implications of audit and investigative activities. They also facilitate our whistleblower protection coordinator efforts, and administer SSA's CMP program, as described below.

## CIVIL MONETARY PENALTY PROGRAM

SSA's CMP program, delegated to the OIG, allows the IG to impose CMPs for certain violations of the *Social Security Act*. The CMP program permits the OIG to maximize our enforcement impact by creating an effective administrative enforcement alternative when criminal or civil prosecution is not appropriate or feasible.

**Section 1129** of the *Social Security Act*, as amended, authorizes a CMP against anyone who: makes false statements to SSA, or knowingly withholds material facts from SSA, to obtain or retain benefits or payments under Titles II, VIII, or XVI of the *Social Security Act*; or wrongfully converts a beneficiary's payments while acting as a representative payee.

We are authorized to impose penalties of up to \$8,606 for each false statement, representation, omission, or conversion. Violators may also be subject to an assessment, in lieu of damages, of up to twice the amount of any resulting overpayment or conversion.

During this reporting period, we resolved 31 Section 1129 CMP cases, imposing more than \$1.9 million in penalties and assessments. In one case, the subject wrongfully attempted to obtain Social Security benefits and SSI payments by misrepresenting earnings and work activity. As a result of a CDI investigation, the subject's applications were denied. Although the subject's behavior did not result in the receipt of SSA benefits and/or payments, the OIG initiated a CMP action against the subject for the wrongful behavior which was resolved by a settlement agreement whereby the subject agreed to pay a \$3,000 CMP.

In another case, the OIG imposed a CMP against a subject for failing to report resources to SSA and wrongfully receiving \$86,658 of SSI payments. The OIG proposed a total CMP against the subject of \$194,802 consisting of a \$100,000 penalty and an assessment of \$94,802. The OIG's proposed CMP was upheld on an appeal by the subject to the U.S. Department of Health and Human Services' Departmental Appeals Board.

**Section 1140** of the *Social Security Act*, as amended, prohibits people and companies from misleading consumers by giving a false impression of an official association with, or endorsement by SSA, when communicating with the public. We are authorized to impose CMPs of up to \$10,705 for each misleading communication. When the violation is in the form of a broadcast, the CMP amount imposed may be up to \$53,524 per broadcast. The focus of our Section 1140 CMP program is prevention and early intervention.

During the reporting period, we initiated a legal community outreach effort by contacting 52 Bar associations nationwide. We provided the associations Section 1140 information to share with their memberships and encouraged the associations to contact us for more information. We also held discussions with major search engine companies and retailers to continue our efforts of exploring opportunities to work together with the private sector to prevent fraudsters from using SSA as bait to scam the American public.

During this reporting period, we also imposed a CMP against a financial planning services company. The OIG asserted that company's use of the protected words "Social Security" on the return envelopes of business reply mailers was misleading and in violation of Section 1140. The company cooperated with the OIG and without admitting that it violated the law, agreed to modifications of its business practices and to pay a \$98,000 CMP.

1. Prevention/Early Intervention Efforts refers to our outreach program, which includes prospectively identifying, contacting, and educating individuals, businesses, and other entities about Section 1140. We also work with other government agencies and the private sector to develop innovative approaches to detect and combat violations.

# APPENDICES

# REPORTING REQUIREMENTS

This report meets the requirements of the *Inspector General Act of 1978*, as amended, and includes information mandated by Congress.

Section	Requirement	Page(s)
Section 4(a)(2)	Review of legislation and regulations	Appendix J p. 41
Section 5(a)(1)	Significant problems, abuses, and deficiencies	p. 9, p. 10
Section 5(a)(2)	Recommendations concerning significant problems, abuses, and deficiencies	p. 9
Section 5(a)(3)	Recommendations described in previous Semiannual Reports on which corrective actions are incomplete	Appendix D & E p. 27, p. 30
Section 5(a)(4)	Matters referred to prosecutive authorities and the prosecutions and convictions that have resulted	p. 16
Section 5(a)(5) & Section 6(b)(2)	Summary of instances where information was refused	Appendix C p. 26
Section 5(a)(6)	List of audits	Appendix B p. 23
Section 5(a)(7)	Summary of significant reports	p. 9
Section 5(a)(8)	Table showing the total number of audit reports and total dollar value of questioned costs	Appendix A & B p. 21, p. 23
Section 5(a)(9)	Table showing the total number of audit reports and total dollar value of funds put to better use	Appendix A & B p. 21, p. 23
Section 5(a)(10)	Summary of unresolved reports	Appendix F p. 32
Section 5(a)(11)	Significant management decisions that were revised during the reporting period	Appendix C p. 26
Section 5(a)(12)	Significant management decisions with which the Inspector General disagrees	Appendix C p. 26
Section 5(a)(13)	Information described under section 804(b) of the <i>Federal Financial Management Improvement Act of 1996</i>	Appendix H p. 39
Section 5(a)(14)	The results of any peer review conducted by another Office of Inspector General during the reporting period	Appendix I p. 40
Section 5(a)(15)	List of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete	Appendix I p. 40



<b>Section</b>	<b>Requirement</b>	<b>Page(s)</b>
Section 5(a)(16)	List of any peer reviews conducted by the Inspector General of another Office of the Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review (including any peer review conducted before the reporting period) that remain outstanding or have not been fully implemented	Appendix I p. 40
Section 5(a)(17) and (18)	Table showing total number of investigative reports issued	p. 16
Section 5(a)(19)	Detailed report on each investigation involving a senior Government employee where allegations of misconduct were substantiated	Appendix K p. 42
Section 5(a)(20)	Detailed description of any instances of whistleblower retaliation	Appendix M p. 44
Section 5(a)(21)	Description of any attempt by the establishment to interfere with the independence of the Office of the Inspector General	Appendix L p. 43
Section 5(a)(22)	Description of any audits or investigations that were not disclosed to the public	Appendix G p. 38



## APPENDIX A: RESOLVING AUDIT RECOMMENDATIONS

Questioned costs include Social Security Administration (SSA) expenditures that we determined, based on our audits: violated a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; were not supported by adequate documentation; or were unnecessary or unreasonable. Disallowed costs are those questioned costs that SSA management has sustained or agreed should not be charged to the Government.

Section 5(a)(8) of the *Inspector General Act of 1978*, as amended, requires that we provide statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs), for reports—

- (A) for which no management decision had been made by the commencement of the reporting period;
- (B) which were issued during the reporting period;
- (C) for which a management decision was made during the reporting period, including—
  - (i) the dollar value of disallowed costs; and
  - (ii) the dollar value of costs not disallowed; and
- (D) for which no management decision had been made by the end of the reporting period.

### Reports with Questioned Costs for the Reporting Period October 1, 2019 - March 31, 2020

Number	Dollar Value Supported	Dollar Value Unsupported
A. For which no management decision had been made by the commencement of the reporting period.	\$2,325,383,276	\$886,837
B. Which were issued during the reporting period. <sup>1</sup>	\$1,727,442,211	\$0
<b>Subtotal (A + B)</b>	<b>\$4,052,825,487</b>	<b>\$886,837</b>
Less:		
C. For which a management decision was made during the reporting period.		
i. Dollar value of disallowed costs. <sup>2</sup>	\$350,325,655	\$0
ii. Dollar value of costs not disallowed. <sup>2</sup>	\$1,509,558	\$886,837
<b>Subtotal (i + ii)</b>	<b>\$351,835,213</b>	<b>\$886,837</b>
D. For which no management decision had been made by the end of the reporting period. <sup>2</sup>	\$3,700,990,274	\$0

1. See Reports with Questioned Costs in Appendix B of this report.

2. Some reports have multiple monetary recommendations and are accounted for as follows. Two reports have one recommendation split between sections Ci and Cii. One report has one recommendation split between sections Ci and Cii and the other is recorded in section D. Two reports have one recommendation recorded in section Ci and the other is recorded in section D. One report has two recommendations recorded in section Ci and the other one is recorded in section D. Two reports have one recommendation split between sections Ci and Cii and the other one is recorded in section Ci.



When SSA avoids costs by implementing our recommendations, those funds may be put to better use. Section 5(a)(9) of the *Inspector General Act of 1978*, as amended, requires that we provide statistical tables showing the total number of audit reports, inspection reports, and evaluation reports, and the dollar value of recommendations that funds be put to better use by management, for reports—

- (A) for which no management decision had been made by the commencement of the reporting period;
- (B) which were issued during the reporting period;
- (C) for which a management decision was made during the reporting period, including—
  - (i) the dollar value of costs agreed to by management; and
  - (ii) the dollar value of costs not agreed to by management; and
- (D) for which no management decision has been made by the end of the reporting period.

## Reports with Funds Put to Better Use October 1, 2019 - March 31, 2020

	<b>Number of Reports</b>	<b>Dollar Value</b>
<b>A. For which no management decision had been made by the commencement of the reporting period.</b>	22	\$5,610,037,313
<b>B. Which were issued during the reporting period.<sup>1</sup></b>	3	\$8,258,050
<b>Subtotal (A + B)</b>	25	\$5,618,295,363
<b>Less:</b>		
<b>C. For which a management decision was made during the reporting period.</b>		
<i>i. Dollar value of costs agreed to by management.<sup>2</sup></i>	10	\$3,799,387,795
<i>ii. Dollar value of costs not agreed to by management.<sup>2</sup></i>	2	\$120,138
<b>Subtotal (i + ii)</b>	12	\$3,799,507,933
<b>D. For which no management decision had been made by the end of the reporting period.<sup>2</sup></b>	14	\$1,818,787,430

1. See Reports with Funds Put to Better Use in Appendix B of this report.

2. One report has multiple monetary recommendations and is accounted for as follows: one recommendation split between sections Ci and Cii and the other one is recorded in section Ci.



## APPENDIX B: REPORTS ISSUED

### Reports with Non-Monetary Findings October 1, 2019 - March 31, 2020

Report Title	Report Number	Issue Date
The Social Security Administration's Vulnerability Management Program	A-14-18-50585	10/24/2019
The Social Security Administration's Information Security Program and Practices for Fiscal Year 2019	A-14-18-50717	10/31/2019
The Social Security Administration's Compliance with the Digital Accountability and Transparency Act as of 2019	A-15-18-50614	11/5/2019
Fiscal Year 2019 Inspector General's Statement on the Social Security Administration's Major Management and Performance Challenges	A-02-18-50705	11/12/2019
The Social Security Administration's Financial Report for Fiscal Year 2019	A-15-18-50677	11/12/2019
The Social Security Administration's Cost and Schedule Estimates for the Disability Case Processing System (Congressional Response Report)	A-14-18-50742	12/2/2019
The Social Security Administration's Controls over Malicious Software and Data Exfiltration	A-14-18-50709	12/4/2019
The Social Security Administration's Controls over Malware Introduced by Email Phishing	A-14-18-50710	12/4/2019
The Social Security Administration's Reporting of High-dollar Overpayments in Fiscal Year 2019 Under Executive Order 13520	A-15-18-50681	12/6/2019
Multiple Social Security Numbers Assigned to Non-citizens Using the Enumeration Beyond Entry Program	A-08-18-50472	12/17/2019
The Social Security Administration's Electronic Remittance System for Beneficiary-related Debts	A-04-19-50780	1/23/2020
Follow-up on Supplemental Security Income Recipients Eligible for Veterans Benefits	A-01-17-50236	2/13/2020
Single Audit of the Commonwealth of Puerto Rico Department of the Family for the Fiscal Year Ended June 30, 2018	A-77-20-00001	3/17/2020
Single Audit of the Commonwealth of Virginia for the Fiscal Year Ended June 30, 2019	A-77-20-00002	3/30/2020



**Reports with Questioned Costs**  
**October 1, 2019 - March 31, 2020**

Report Title	Report Number	Issue Date	Dollar Value
Appropriateness of Actions Taken on Pending Workers' Compensation Cases	A-05-18-50627	10/7/2019	\$151,026,616
Match of Delaware Death Information Against Social Security Administration Records	A-15-18-50662	11/27/2019	\$2,038,100
Accuracy of Manual Actions for Old-Age, Survivors and Disability Insurance Underpayments over \$6,000	A-03-18-50703	12/2/2019	\$80,792,460
Follow-up on Prisoner Incentive Payments	A-01-19-50851	12/20/2019	\$25,024,506
Follow-up: Beneficiaries Who Had Not Cashed Their Checks Within 1 Year	A-09-18-50562	12/23/2019	\$97,311,977
Personnel and Indirect Costs Claimed by the Michigan Disability Determination Services for Fiscal Year 2014	A-07-19-50763	1/22/2020	\$3,557,519
Beneficiaries with Representative Payees and Earnings	A-02-17-50143	3/5/2020	\$8,069,560
Manual Actions on Old-Age, Survivors and Disability Insurance Post-entitlement Alerts	A-07-18-50621	3/9/2020	\$1,340,389,275
Match of Pennsylvania Death Information Against Social Security Administration Records	A-15-18-50679	3/23/2020	\$19,232,198
<b>Total</b>			<b>\$1,727,442,211</b>



**Reports with Funds Put to Better Use**  
**October 1, 2019 - March 31, 2020**

Report Title	Report Number	Issue Date	Dollar Value
Match of Delaware Death Information Against Social Security Administration Records	A-15-18-50662	11/27/2019	\$438,550
Beneficiaries with Representative Payees and Earnings	A-02-17-50143	3/5/2020	\$2,784,080
Match of Pennsylvania Death Information Against Social Security Administration Records	A-15-18-50679	3/23/2020	\$5,035,420
<b>Total</b>	<b>\$8,258,050</b>		



## **APPENDIX C: SIGNIFICANT MANAGEMENT DECISIONS WITH WHICH THE INSPECTOR GENERAL DISAGREES**

Nothing to report.

## **SIGNIFICANT MANAGEMENT DECISIONS THAT WERE REVISED DURING THE REPORTING PERIOD**

Nothing to report.

## **SUMMARY OF INSTANCES WHERE INFORMATION WAS REFUSED**

Nothing to report.



# APPENDIX D: SIGNIFICANT MONETARY RECOMMENDATIONS FROM PRIOR FISCAL YEARS FOR WHICH CORRECTIVE ACTIONS HAVE NOT BEEN COMPLETED



25

*Total Unimplemented Significant Monetary Recommendations*

**\$3,904,672,722**

*Fiscal Years (FY) 2016 - 2019*

## Report Title, Report Number, Issue Date, Dollar Value(s)

## Unimplemented Recommendation

### FY 2019

[The Social Security Administration's Application of Due-process Provisions for Old-Age, Survivors and Disability Insurance Overpayments](#)

A-07-18-50622, 3/29/19

**\$144,322,321 Questioned Costs**

**\$259,024,702 Funds Put to Better Use**

**Recommendation 2:** Improve its alert and quality review processes for overpayments requiring manual notices to ensure notices are complete, accurate, and sent timely.

**Recommendation 3:** Revise systems programming to ensure automated overpayment notices contain all required due-process language.

[Processing of Deferred Old-Age, Survivors and Disability Insurance Cases with a High Risk of Benefit Payment Error](#)

A-05-18-50620, 3/15/19

**\$39,514,050 Questioned Costs**

**Recommendation 3:** Review the population of deferred Old-Age, Survivors and Disability Insurance (OASDI) cases we identified to assess whether additional cases need correction.

[Accuracy of Disability Entitlement Dates for Primary Beneficiaries Who Previously Filed Disability Claims](#)

A-07-18-50257, 12/21/18

**\$376,918,787 Questioned Costs**

**\$279,264,694 Funds Put to Better Use**

**Recommendation 4:** Determine whether the Social Security Administration (SSA) needs to review additional beneficiaries who had prior Disability Insurance Benefits filings and may have incorrect entitlement dates.

### FY 2018

[Accuracy of the Determination of Workers' Compensation Offset During Disability Insurance Claims Processing](#)

A-02-14-34090, 9/25/18

**\$33,820,756 Questioned Costs**

**Recommendation 2:** Determine whether SSA should review additional cases in the population of Disability Insurance (DI) beneficiaries who filed or intended to file for Workers' Compensation/Public Disability Benefit offset.

[Interim Benefits Paid After a Disability Claim is Denied](#)

A-02-18-50543, 9/13/18

**\$2,142,834 Questioned Costs**

**Recommendation 1:** Review and take appropriate actions to correct the cases we determined were not accurately processed.



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[\*\*Representative Payee Criminal Bar Policy\*\*](#)

A-13-18-50154, 8/31/18

**\$13,730,931 Funds Put To Better Use****Recommendation 1:** Determine if it should review the 4,856 payees we identified in its efforts to comply with the *Strengthening Protections for Social Security Beneficiaries Act of 2018*.[\*\*Supplemental Security Income Recipients Who Have Not Had a Redetermination in Longer Than 10 Years\*\*](#)

A-01-17-50219, 8/24/18

**\$351,743,880 Questioned Costs****Recommendation 1:** Incorporate the findings of this audit, as well as the planned Office of Quality Review study, to enhance the business process used to select Supplemental Security Income (SSI) cases for a redetermination.[\*\*Follow-Up: Dually Entitled Beneficiaries Who Are Subject to the Windfall Elimination Provision and Government Pension Offset\*\*](#)

A-09-17-50252, 8/1/18

**\$280,911,512 Questioned Costs****\$46,380,172 Funds Put To Better Use****Recommendation 3:** Decide whether to revise its rules on administrative finality to allow for the correction of Windfall Elimination Provision and Government Pension Offset overpayments for the populations of dually entitled beneficiaries identified by our audits.[\*\*The Social Security Administration's Use of Administrative Tolerance Waivers\*\*](#)

A-04-16-50145, 8/1/18

**\$12,568,202 Questioned Costs****Recommendation 1:** Establish controls in the new Debt Management Product, as part of its Debt Management modernization initiative, that ensure technicians can only use the administrative tolerance waiver for overpayments allowable under the provision.[\*\*Accuracy of Month of Entitlement Determinations for Supplemental Security Income Recipients Awarded Old-Age, Survivors and Disability Insurance Benefits\*\*](#)

A-08-18-50582, 7/27/18

**\$135,712,356 Questioned Costs****\$463,395,260 Funds Put To Better Use****Recommendation 1:** Evaluate, as part of information technology modernization efforts, the feasibility of new systems controls to help ensure that SSA establishes the earliest OASDI Month of Entitlement for SSI recipients.[\*\*Old-Age, Survivors and Disability Insurance Debtors Who Were Not Current on an Installment Agreement\*\*](#)

A-04-18-50265, 5/25/18

**\$88,295,888 Questioned Costs****Recommendation 1:** Review the 12,269 delinquent debtor records and take action, where appropriate, to begin benefit adjustment or recovery using its external collection tools.[\*\*Manual Adjustments to Old-Age, Survivors and Disability Insurance Overpayments\*\*](#)

A-07-18-50294, 4/9/18

**\$72,729,487 Questioned Costs****\$275,994,019 Funds Put To Better Use****Recommendation 2:** Determine the cost-effectiveness of reviewing additional manually adjusted overpayments that may need correction, focusing on overpayments adjusted by greater than \$20,000 to target larger dollar errors.[\*\*Higher Benefits for Dually Entitled Widow\(er\)s Had They Delayed Applying for Retirement Benefits\*\*](#)

A-09-18-50559, 2/14/18

**\$131,817,936 Questioned Costs****\$9,847,464 Funds Put To Better Use****Recommendation 1:** Take action, as appropriate, for the 41 beneficiaries identified by our audit.**Recommendation 2:** Evaluate the results for the 41 beneficiaries in our sample and determine whether SSA should review the remaining population of 13,514 beneficiaries.[\*\*Old-Age, Survivors and Disability Insurance Benefits to Individuals Removed from the United States\*\*](#)

A-13-17-34105, 12/29/17

**\$2,803,833 Questioned Costs****Recommendation 2:** Take action, if appropriate, on the remaining 1,746 beneficiaries we identified who were still receiving benefits.[\*\*The Cost-Effectiveness of Vocational Rehabilitation Services\*\*](#)

A-02-17-14048, 10/20/17

**\$94,883,352 Questioned Costs****Recommendation 1:** Determine whether the Agency should revise how it determines whether vocational rehabilitation services led to Social Security DI trust and/or the SSI general revenue fund savings before reimbursing vocational rehabilitation costs.

## FY 2017

[Widow\(er\)s Eligible for an Earlier Initial Month of Entitlement](#)  
A-09-17-50187, 8/7/17  
**\$285,191,557 Questioned Costs**

**Recommendation 2:** Determine the feasibility of reviewing the remaining population of widow(er)s who may be eligible for additional months of benefits before their application filing date and could have chosen an earlier initial month of entitlement.

[Cross-Referred Social Security Numbers](#)  
A-06-13-23091, 7/17/17  
**\$170,621,570 Questioned Costs**  
**\$21,179,350 Funds Put To Better Use**

**Recommendation 1:** Review all cases where numberholders (NH) simultaneously receive benefit payments under cross-referred Social Security numbers (SSN).

**Recommendation 4:** Review all cases where NHs received payments under SSNs that are cross-referred to SSNs that contain the NH's death information.

[Manually Reduced Cross-Program Recovery Overpayments](#)  
A-06-17-50225, 7/5/17  
**\$7,029,192 Funds Put To Better Use**  
**\$58,159,028 Questioned Costs**

**Recommendation 1:** Consider the cost-effectiveness of implementing controls to prevent systems from erroneously deleting SSI overpayments.

**Recommendation 3:** Consider the cost-effectiveness of identifying and re-establishing SSI overpayments erroneously deleted by Manual Adjustment Credit and Award Data Entry adjustments.

[Statutory Benefit Continuation During the Appeals Process For Medical Cessations](#)  
A-07-17-50127, 5/11/17  
**\$60,252,538 Questioned Costs**

**Recommendation 3:** Evaluate the results of its actions for the individuals we identified, and determine the feasibility of identifying the remaining individuals in our populations who should have additional overpayments posted.

## FY 2016

[Concurrently Entitled Beneficiaries Receiving Representative Payee And Direct Payments](#)  
A-09-16-50093, 5/5/16  
**\$114,820,087 Funds Put To Better Use**

**Recommendation 2:** Conduct timely Master Beneficiary Record and Supplemental Security Record matches to identify and correct discrepant payment information.

[Old-Age, Survivors and Disability Insurance Benefits Withheld Pending a Windfall Offset Determination](#)  
A-09-15-15041, 3/21/16  
**\$71,596,964 Questioned Costs**

**Recommendation 2:** Evaluate the results of its actions for the 58 beneficiaries and take appropriate action to address the remaining population of 61,734 beneficiaries identified during the current audit.



# APPENDIX E: SIGNIFICANT NON-MONETARY RECOMMENDATIONS FROM PRIOR FISCAL YEARS FOR WHICH CORRECTIVE ACTIONS HAVE NOT BEEN COMPLETED



**Total Unimplemented Significant Non-Monetary Recommendations from Fiscal Years (FY) 2014 - 2019**

Report Title, Report Number, Issue Date, Dollar Value(s)	Unimplemented Recommendation
FY 2019	
<a href="#">Beneficiaries Whose Payments Have Been Suspended and Have Death Information on the Numident</a> A-09-15-15039, 12/21/18	<b>Recommendation 2:</b> Develop controls for suspended beneficiaries with death information on the Numident to ensure they are resolved in a timely manner.
FY 2018	
<a href="#">Accuracy of the Determination of Workers' Compensation Offset During Disability Insurance Claims Processing</a> A-02-14-34090, 9/25/18	<b>Recommendation 3:</b> Take appropriate actions to improve the accuracy of Workers' Compensation/Public Disability Benefit (WC/PDB) offset determinations during Disability Insurance claims processing. For example, determine whether the Social Security Administration (SSA) should clarify policy, improve access to online resources, improve systems controls, and/or initiate data matches with WC/PDB payers.
<a href="#">Match of Treasury Death Information Against Social Security Administration Records</a> A-06-18-50568, 8/27/18	<b>Recommendation 2:</b> Determine the feasibility and cost effectiveness of obtaining death reports from the U.S. Department of the Treasury (Treasury) when Treasury receives confirmed death information for other federal benefit-paying agencies' beneficiaries.
<a href="#">Underpayments Paid on Supplemental Security Income Records with Outstanding Overpayments</a> A-07-17-50182, 7/23/18	<b>Recommendation 1:</b> Determine whether, as part of its information technology systems modernization, it could limit the number of manual actions required to ensure it withholds Supplemental Security Income (SSI) prior month underpayments from SSI recipients to recover outstanding overpayments.
<a href="#">Overpayments Not Collected Through Benefit Withholding</a> A-07-18-50278, 7/16/18	<b>Recommendation 2:</b> Determine whether, as part of its Debt Management modernization initiative, it could automate the manual actions currently required to ensure it initiates benefit withholding at the appropriate time.
<a href="#">Master Beneficiary Record Death Information that Did Not Appear on the Numident</a> A-06-17-50190, 5/3/18	<b>Recommendation 2:</b> Develop system enhancements that ensure death information input on payment records is also recorded on the Numident.
<a href="#">Using Nursing Home Data to Determine Suitability of Representative Payees</a> A-03-16-50056, 3/21/18	<b>Recommendation 1:</b> Review and analyze the Department of Health and Human Services' Centers for Medicare and Medicaid Services nursing home data to determine whether it can be a tool to assess the suitability of organizational payees that are nursing homes to ensure they are serving beneficiaries' best interests, especially those organizational payees that might not meet SSA's monitoring criteria.



[Higher Benefits for Dually Entitled Widow\(er\)s Had They Delayed Applying for Retirement Benefits](#)  
A-09-18-50559, 2/14/18

**Recommendation 4:** Determine whether it should develop additional controls to ensure it informs widow(er) beneficiaries of their option to delay their application for retirement benefits.

## FY 2017

[Cross-Referred Social Security Numbers](#)  
A-06-13-23091, 7/17/17

**Recommendation 2:** Resolve any cases where SSA identifies an individual who receives benefit payments under more than one of his or her own properly assigned Social Security numbers (SSN).

**Recommendation 3:** Implement system controls to prevent simultaneous issuance of payments under cross-referred SSNs.

**Recommendation 6:** Add death information to the Numident records of non-beneficiary numberholders (NH) whose SSNs are cross-referred to SSNs that contain the NHs' death information.

[The Social Security Administration's Telework Program and its Effect on Customer Service \(Congressional Response Report\)](#)  
A-04-17-50267, 7/12/17

**Recommendation 1:** Determine whether additional customer service or production metrics would assist in measuring how telework affects field offices' (FO) ability to provide customer service and employee productivity.

**Recommendation 3:** Determine the effect telework has on customer wait times when an FO experiences an unusually high number of visitors.

[Cross-Program Recovery to Collect Overpayments](#)  
A-13-15-15029, 4/28/17

**Recommendation 2:** Consider establishing automated alerts to notify staff to review certain overpayments when cross-program recovery should be used to collect overpayments.

## FY 2016

[Underpayments Payable to Widow\(er\)s Eligible for a Higher Monthly Benefit Amount](#)  
A-09-14-34103, 4/11/16

**Recommendation 4:** Determine whether it should develop a systems alert to detect when a widow(er)'s indexing primary insurance amount should apply.

[Old-Age, Survivors and Disability Insurance Benefits Withheld Pending a Windfall Offset Determination](#)  
A-09-15-15041, 3/21/16

**Recommendation 3:** Take appropriate action to address the population of 26,558 beneficiaries identified during our 2011 audit.

**Recommendation 4:** Periodically identify and select for review beneficiaries whose Old Age, Survivors and Disability Insurance benefits are being withheld pending a windfall offset determination.

## FY 2015

[Supplemental Security Income Overpayments Pending a Collection Determination by the Social Security Administration](#)  
A-07-15-15030, 9/22/15

**Recommendation 3:** Establish a plan, as resources allow, to review remaining overpayments where no recent actions had been taken to collect overpayments from individuals no longer receiving SSI payments, focusing on the highest dollar overpayments first.

[Follow-Up: Collection of Civil Monetary Penalties](#)  
A-06-14-14047, 3/10/15

**Recommendation 2:** Pursue alternative methods to collect section 1129 civil monetary penalty balances due from individuals who do not receive SSA payments or voluntarily remit restitution.

## FY 2014

[Supplemental Security Income Telephone Wage Reporting](#)  
A-15-12-11233, 2/6/14

**Recommendation 1:** Adopt a process to identify and report unique Supplemental Security Income Telephone Wage Reporting classifications (for example, wage reports, wage reporters, wage earners, users, usage, etc.) for a specified period.



## APPENDIX F: OPEN RECOMMENDATIONS AND REPORTS WITH UNIMPLEMENTED RECOMMENDATIONS

The Social Security Administration Office of the Inspector General has open recommendations dating from Fiscal Year (FY) 2012. All recommendations from years prior to FY 2012 are closed. The chart below identifies the number of reports with unimplemented recommendations by year and the aggregate potential cost savings of those recommendations.

Year	Number of Reports with Unimplemented Recommendations	Number of Unimplemented Recommendations	Dollar Value of Aggregate Potential Cost Savings
2019	31	85	\$2,854,226,604
2018	29	46	\$2,043,705,893
2017	14	26	\$1,115,189,669
2016	11	22	\$223,516,275
2015	6	7	\$345,877
2014	6	10	\$136,153
2013	3	3	N/A
2012	3	3	\$196,258,314
<b>TOTAL</b>	<b>103</b>	<b>202</b>	<b>\$6,433,378,785</b>



Below is additional detail for each report included in the Number of Reports column above containing an outstanding unimplemented recommendation. These report summaries are also on our website, <https://oig.ssa.gov>.

\* Denotes significant unimplemented recommendation as reported in Appendix D or Appendix E.

Report Title	Report Number	Issue Date	Dollar Value
Match of Maine and Rhode Island Death Data Against Social Security Administration Records	A-01-18-50314	9/26/2019	N/A
Old-Age, Survivors and Disability Insurance Beneficiaries with Overpayments on Suspended and Terminated Records	A-07-18-50317	9/25/2019	\$25,318,560
The Social Security Administration's Accounting for, and Monitoring of, Court-ordered Restitutions	A-04-18-50633	9/24/2019	\$9,541,711
Overpayments Pending Collection for Miscellaneous Reasons	A-04-18-50546	9/24/2019	\$35,446,020
Dedicated Account Underpayments Payable to Children Receiving Supplemental Security Income	A-04-18-50607	9/17/2019	\$65,527,495
The Social Security Administration's Controls for Identifying Potentially Fraudulent Internet Claims	A-09-18-50655	9/13/2019	N/A
The Social Security Administration's Processing of Returned Old-Age, Survivors and Disability Insurance Payments	A-07-18-50570	9/12/2019	\$18,964,672
Supplemental Security Income Underpayments Due Deceased Recipients	A-06-18-50608	9/10/2019	\$467,994,323
Benefit Payments to Non-citizen Beneficiaries Living Outside the United States Who Have Not Met the 5-year Residency Requirement	A-07-18-50344	9/9/2019	\$28,413,168
Match of New Mexico Death Information Against Social Security Administration Records	A-06-18-50759	9/5/2019	\$4,563,173
Security of the Social Security Administration's Cloud Environment	A-14-18-50498	8/29/2019	N/A
Match of Puerto Rico Death Information Against Social Security Administration Records	A-08-14-14013	8/26/2019	N/A
Match of Florida Death Information Against Social Security Administration Records	A-08-18-50565	8/13/2019	N/A
Windfall Elimination Provision Exemptions	A-13-17-34132	8/8/2019	\$1,835,472
Follow-up: Aged Beneficiaries Whose Benefits Have Been Suspended for Address, Whereabouts Unknown, or Foreign Enforcement	A-09-16-50077	8/6/2019	\$497,883,609
Administrative Costs Claimed by the District of Columbia Disability Determination Division	A-15-18-50628	8/5/2019	\$1,683,754
U.S. Veteran Disability Claims Processing Time	A-15-17-50227	7/12/2019	N/A
Follow-up on Deceased Representative Payees	A-01-18-50350	7/10/2019	\$10,650,935
The Social Security Administration's Use of Averaging When It Determined Substantial Gainful Activity for Disabled Beneficiaries	A-07-18-50394	6/26/2019	\$419,140,743
Volume Representative Payee for the Social Security Administration in Connecticut	A-15-18-50443	6/24/2019	N/A
Follow-up: Minor Children Receiving Social Security Benefits Without A Representative Payee	A-13-17-50169	6/6/2019	\$22,499,184
Follow-up: Underpayments on Prior Supplemental Security Income Records	A-07-18-50676	6/6/2019	\$127,431,265
Medical Improvement Review Standard Exceptions Other Than Failure to Cooperate	A-01-18-50347	6/6/2019	N/A



\* Denotes significant unimplemented recommendation as reported in Appendix D or Appendix E.

Report Title	Report Number	Issue Date	Dollar Value
The Social Security Administration's Compliance with the Improper Payments Elimination and Recovery Improvement Act of 2012 in the Fiscal Year 2018 Agency Financial Report	A-15-18-50678	5/20/2019	N/A
Recovery of Old-Age, Survivors and Disability Insurance Overpayments When a Contingently Liable Beneficiary Stops Receiving Benefits	A-04-18-50651	5/15/2019	\$17,770,777
The Social Security Administration's Application of Due-process Provisions for Old-Age, Survivors and Disability Insurance Overpayments*	A-07-18-50622	3/29/2019	\$403,347,023
Processing of Deferred Old-Age, Survivors and Disability Insurance Cases with a High Risk of Benefit Payment Error*	A-05-18-50620	3/15/2019	\$39,721,952
Supplemental Security Income Underpayments	A-15-18-50612	12/28/2018	N/A
Accuracy of Disability Entitlement Dates for Primary Beneficiaries Who Previously Filed Disability Claims*	A-07-18-50257	12/21/2018	\$656,658,460
Beneficiaries Whose Payments Have Been Suspended and Have Death Information on the Numident*	A-09-15-15039	12/21/2018	N/A
The Social Security Administration's Programs and Projects that Assist Beneficiaries in Returning to Work	A-04-18-50600	11/5/2018	N/A
Accuracy of the Determination of Workers' Compensation Offset During Disability Insurance Claims Processing*	A-02-14-34090	9/25/2018	\$33,820,756
Employers Reporting Wages with Nonwork Social Security Numbers	A-03-18-50537	9/25/2018	N/A
The Cost of Administering Claimant Representative Fees	A-04-17-50238	9/19/2018	N/A
Effectiveness of the Social Security Administration's Medicare Non-utilization Project	A-08-17-50261	9/19/2018	\$17,583,591
Interim Benefits Paid After a Disability Claim is Denied*	A-02-18-50543	9/13/2018	\$2,142,834
The Social Security Administration's Comprehensive Integrity Review Process	A-14-17-50097	9/10/2018	N/A
Representative Payee Criminal Bar Policy*	A-13-18-50154	8/31/2018	\$13,730,931
Accuracy of Supplemental Security Income Payments to Recipients with Manually Deemed Income	A-07-18-50295	8/30/2018	N/A
Match of Treasury Death Information Against Social Security Administration Records*	A-06-18-50568	8/27/2018	N/A
Supplemental Security Income Recipients Who Have Not Had a Redetermination in Longer than 10 Years*	A-01-17-50219	8/24/2018	\$351,743,880
Institutionalized Beneficiaries Who Have Earnings	A-02-17-50140	8/20/2018	N/A
The Social Security Administration's Use of Administrative Tolerance Waivers*	A-04-16-50145	8/1/2018	\$12,568,202
Follow-up: Dually Entitled Beneficiaries Who Are Subject to the Windfall Elimination Provision and Government Pension Offset*	A-09-17-50252	8/1/2018	\$327,291,684
Accuracy of Month of Entitlement Determinations for Supplemental Security Income Recipients Awarded Old-Age, Survivors and Disability Insurance Benefits*	A-08-18-50582	7/27/2018	\$599,107,616
Envoy, a Representative Payee for the Social Security Administration	A-13-18-50292	7/27/2018	N/A
Underpayments Paid on Supplemental Security Income Records with Outstanding Overpayments*	A-07-17-50182	7/23/2018	N/A
Overpayments Not Collected Through Benefit Withholding*	A-07-18-50278	7/16/2018	\$9,344,420



\* Denotes significant unimplemented recommendation as reported in Appendix D or Appendix E.

Report Title	Report Number	Issue Date	Dollar Value
Beneficiaries in Suspended Payment Status Pending the Selection of a Representative Payee	A-09-17-50202	6/1/2018	N/A
Controls over Supplemental Security Income Applicants/Recipients' Transferring Ownership of Resources	A-02-16-50066	5/29/2018	N/A
Old-Age, Survivors and Disability Insurance Debtors Who Were Not Current on an Installment Agreement*	A-04-18-50265	5/25/2018	\$88,295,888
Incorrect Payments to Disabled Beneficiaries Who Return to Work	A-07-17-50131	5/15/2018	N/A
Master Beneficiary Record Death Information that Did Not Appear on the Numident*	A-06-17-50190	5/3/2018	N/A
The Social Security Administration's Compliance with the Improper Payments Elimination and Recovery Improvement Act of 2012 in the Fiscal Year 2017 Agency Financial Report	A-15-18-50566	5/1/2018	N/A
Manual Adjustments to Old-Age, Survivors and Disability Insurance Overpayments*	A-07-18-50294	4/9/2018	\$348,723,506
Undeliverable Social Security Number Cards	A-15-17-50279	4/2/2018	N/A
Using Nursing Home Data to Determine Suitability of Representative Payees*	A-03-16-50056	3/21/2018	N/A
Higher Benefits for Dually Entitled Widow(er)s Had They Delayed Applying for Retirement Benefits*	A-09-18-50559	2/14/2018	\$141,665,400
Old-Age, Survivors and Disability Insurance Benefits to Individuals Removed from the United States*	A-13-17-34105	12/29/2017	\$2,803,833
The Cost-effectiveness of Vocational Rehabilitation Services*	A-02-17-14048	10/20/2017	\$94,883,352
Social Security Administration Employees Who Received Salary Increases While Working Under an Opportunity to Perform Successfully Plan	A-04-17-50208	9/14/2017	N/A
The Social Security Administration's Manual Award Process for Initial Retirement and Survivors Insurance Claims	A-08-16-50053	9/5/2017	\$44,655,050
Widow(er)s Eligible for an Earlier Initial Month of Entitlement*	A-09-17-50187	8/7/2017	\$285,453,378
Cross-referred Social Security Numbers*	A-06-13-23091	7/17/2017	\$191,800,920
The Social Security Administration's Telework Program and Its Effect on Customer Service*	A-04-17-50267	7/12/2017	N/A
Manually Reduced Cross-program Recovery Overpayments*	A-06-17-50225	7/5/2017	\$65,188,220
Controls over Death Underpayments Paid to Non-beneficiaries	A-09-16-50114	6/29/2017	N/A
Supplemental Security Income Overpayments Resulting from the Goldberg-Kelly Procedures	A-01-14-34091	6/12/2017	\$9,168,980
The Social Security Administration's Information Technology Costs of the National Support Center	A-04-16-50138	5/16/2017	N/A
Statutory Benefit Continuation During the Appeals Process for Medical Cessations*	A-07-17-50127	5/11/2017	\$60,252,538
Cross-program Recovery to Collect Overpayments*	A-13-15-15029	4/28/2017	\$86,708,264
Beneficiaries Whose Payments Have Been Suspended for No Child in Care and Who Are Serving as Representative Payees for Children	A-09-17-50200	2/24/2017	N/A
Individual Representative Payees Who Do Not Have a Social Security Number in the Social Security Administration's Payment Records	A-09-16-50159	2/17/2017	\$371,962,319
Pre-effectuation Reviews of Favorable Hearing Decisions	A-12-15-50015	2/7/2017	N/A



\* Denotes significant unimplemented recommendation as reported in Appendix D or Appendix E.

<b>Report Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Dollar Value</b>
Old-Age, Survivors and Disability Insurance Benefits Affected by Federal Pensions	A-13-16-23006	9/29/2016	N/A
Access to the Social Security Administration's my Social Security Online Services	A-14-15-15010	9/29/2016	N/A
The Social Security Administration's Plan to Achieve Self-Support Program	A-08-16-50030	9/27/2016	N/A
Benefits Payable to Child Beneficiaries Whose Benefits Were Withheld Pending the Selection of a Representative Payee	A-09-16-50088	9/23/2016	\$9,124,990
Workload Oversight in the Miami Hearing Office	A-12-15-50041	6/9/2016	N/A
Concurrently Entitled Beneficiaries Receiving Representative Payee and Direct Payments*	A-09-16-50093	5/5/2016	\$114,820,087
Underpayments Payable to Widow(er)s Eligible for a Higher Monthly Benefit Amount*	A-09-14-34103	4/11/2016	N/A
Old-Age, Survivors and Disability Insurance Benefits Withheld Pending a Windfall Offset Determination*	A-09-15-15041	3/21/2016	\$71,596,964
Households With Multiple Children Receiving Supplemental Security Income Payments Because of Mental Impairments	A-08-14-14098	3/2/2016	N/A
Higher Retirement Benefits Payable to Families of Disabled Beneficiaries	A-09-14-34080	2/2/2016	\$27,974,234
Accuracy of Disability Benefits to Beneficiaries Who Also Receive Federal Employees' Compensation Act Payments	A-02-15-22114	11/13/2015	N/A
Supplemental Security Income Overpayments Pending a Collection Determination by the Social Security Administration*	A-07-15-15030	9/22/2015	N/A
Reimbursement for Data Exchanges with Third Parties	A-03-14-24027	5/8/2015	N/A
Observations and Recommendations for the Disability Case Processing System	A-14-15-50008	5/4/2015	N/A
Fraud Risk Performance Audit of the Social Security Administration's Disability Programs	A-15-15-25002	4/29/2015	N/A
Using Medicare Data to Identify Disabled Individuals Who Are Deceased	A-08-13-13038	4/7/2015	\$345,877
Follow-up: Collection of Civil Monetary Penalties*	A-06-14-14047	3/10/2015	N/A
Auxiliary Beneficiaries Who Do Not Have Their Own Social Security Number	A-01-14-14036	9/29/2014	\$136,153
Payments to Individuals with Deaths Reported in California from 1980 to 1987	A-06-14-21416	8/14/2014	N/A
Access Controls over the Business Services Online	A-03-13-13015	6/5/2014	N/A
Supplemental Security Income Recipients Who Had Not Cashed Their Checks Within 1 Year	A-09-13-23023	4/7/2014	N/A
Improper Use of Children's Social Security Numbers	A-03-12-21269	3/31/2014	N/A
Supplemental Security Income Telephone Wage Reporting*	A-15-12-11233	2/6/2014	N/A
Access Controls for the Social Security Number Verification Service	A-03-12-11204	4/18/2013	N/A
Direct Deposit Changes Initiated Through Financial Institutions and the Social Security Administration's Internet and Automated 800-Number Applications	A-14-12-21271	12/20/2012	N/A
Benefit Payments Managed by Representative Payees of Children in Pennsylvania's State Foster Care Programs	A-13-12-11245	12/4/2012	N/A



\* Denotes significant unimplemented recommendation as reported in Appendix D or Appendix E.

Report Title	Report Number	Issue Date	Dollar Value
Management Advisory Report: Supplemental Security Income Payments to Multi-recipient Households	A-06-09-29149	8/7/2012	\$62,563,749
Beneficiaries Who Had Not Cashed their Social Security Checks Within 1 Year	A-09-10-20133	7/19/2012	\$133,694,565
Title II Deceased Beneficiaries Who Do Not Have Death Information on the Numident	A-09-11-21171	7/9/2012	N/A

## **REPORTS WITH RECOMMENDATIONS ISSUED BY SEPTEMBER 30, 2019 FOR WHICH NO MANAGEMENT DECISION HAD BEEN MADE BY THE END OF THIS REPORTING PERIOD**

We do not have any reports with recommendations issued by September 30, 2019 for which no management decision had been made by the end of this reporting period.

## **REPORTS FOR WHICH NO ESTABLISHMENT COMMENT WAS RETURNED WITHIN 60 DAYS OF BEING PROVIDED THE REPORT**

During this reporting period, the Social Security Administration responded to all reports issued to it for comment within 60 days.



## APPENDIX G: CLOSED AUDITS AND INVESTIGATIONS NOT AVAILABLE TO THE PUBLIC

### OFFICE OF AUDIT

For this reporting period, we did not have any reviews not made available to the public. Of the 23 audit reports issued this period, 5 of them were issued as containing "restricted information" due to the sensitivity of the reported information and findings. Two of these reports are posted to our public website with redactions. The other three reports not available to the public are:

- The Social Security Administration's Information Security Program and Practices for Fiscal Year 2019 ([A-14-18-50717](#)) – issued October 2019
- The Social Security Administration's Controls over Malicious Software and Data Exfiltration ([A-14-18-50709](#)) – issued December 2019
- The Social Security Administration's Controls over Malware Introduced by Email Phishing ([A-14-18-50710](#)) – issued December 2019

To protect the sensitive data and yet provide the greatest transparency, we published the title, date, and a summary of these reviews on our public website.

### OFFICE OF INVESTIGATIONS

During the reporting period, we closed one investigation of alleged misconduct by a senior Social Security Administration (SSA) employee that was not disclosed to the public. The allegations were substantiated, as detailed below.

**Description of Investigation:** A Senior Government employee within SSA was alleged to have made statements via Facebook Messenger that threatened self-harm and harm to others in the SSA office where the employee was assigned.

**Status:** Closed

**Disposition:** The allegations were substantiated.

**Department of Justice (DOJ) Referral:** Yes

**DOJ Referral Date:** January 30, 2019

**DOJ Declination:** January 30, 2019



## **APPENDIX H: INFORMATION DESCRIBED UNDER SECTION 804(b) OF THE FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT OF 1996**

Section 804(b) of the *Federal Financial Management Improvement Act* (FFMIA) requires an Office of Inspector General (OIG) to report whether its agency has met the targets in a remediation plan. Because the Social Security Administration (SSA) is FFMIA-compliant, it does not have a remediation plan. Therefore, SSA OIG does not have information to report.



# APPENDIX I: PEER REVIEWS

## OFFICE OF AUDIT

Generally accepted Government auditing standards requires that our Office of Audit undergo a peer review every 3 years to determine whether we suitably designed our system of quality control, and whether we are complying with that system, to provide us with reasonable assurance of conforming with applicable professional standards. There are three possible ratings: Pass, Pass with Deficiencies, and Fail.

- The Department of Veterans Affairs (VA) Office of Inspector General (OIG) conducted our last peer review and issued its final System Review Report in August 2018. We received a rating of Pass. The VA OIG did not identify any findings or make any recommendations as a result of its review.
- On June 10, 2019, we issued our System Review Report for the peer review we conducted of the Department of Energy's OIG audit organization. We issued a rating of Pass and did not make any recommendations.
- There are no outstanding recommendations from prior peer reviews we completed of other OIGs, nor from prior peer reviews other OIGs completed of our Office of Audit.

## OFFICE OF INVESTIGATIONS

Our Office of Investigations is required to undergo a peer review every 3 years to ensure general and qualitative standards comply with the requirements of the Quality Standards for Investigations adopted by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). The peer review also ascertains whether adequate internal safeguards and management procedures exist to ensure that the law enforcement powers conferred by the 2002 amendments to the *Inspector General Act of 1978* are properly exercised pursuant to Section 6(e) of the *Inspector General Act of 1978* (as amended) and the U.S. Attorney General Guidelines for OIGs with Statutory Law Enforcement Authority.

- During the reporting period, the Department of Homeland Security (DHS) OIG, conducted a peer review of our Office of Investigations. The DHS OIG report, dated February 4, 2020, determined that the Social Security Administration OIG's system of internal safeguards and management procedures for investigative operations that were in effect for the fiscal year ended September 30, 2019, were in compliance with the quality standards established by CIGIE and the Attorney General Guidelines for OIGs with Statutory Law Enforcement Authority.



## APPENDIX J: REVIEW OF LEGISLATION & REGULATIONS

Section 4(a)(2) of the *Inspector General Act of 1978*, as amended, requires the Social Security Administration (SSA) Office of the Inspector General (OIG) to review existing and proposed legislation as well as regulations relating to SSA's programs and operations, and to make recommendations concerning impact on such programs or on the prevention of fraud, waste, and abuse. We accomplish this in several ways:

- Our audits and other reports evaluate SSA's compliance with existing laws and regulations.
- We recommend, when appropriate, issuing regulations or seeking appropriate legislative authority, and we provide a status of those recommendations in our *Semiannual Report to Congress*.
- We provide Congressional Response Reports in response to direct requests from Congress.
- We describe planned reviews in our annual Audit Work Plan that will address issues related to laws and regulations.
- We communicate directly with congressional staff as needed to discuss legislative issues relating to our work.

### CIGIE LEGISLATION COMMITTEE

SSA OIG is an active member of the Legislation Committee of Council of the Inspectors General on Integrity and Efficiency (CIGIE). In this role, we serve on a team of Inspectors General (IG), working in close coordination with CIGIE's Executive Council, to monitor, evaluate, prioritize, and develop legislative products that affect the IG community. The Committee is an essential liaison between the IGs and Congress, providing experience-based practical and technical support. To effectively identify, craft, and propose legislation to enhance the success of the IGs, the Committee maintains an open channel of informal communication with congressional staff, and provides formal comments on behalf of CIGIE.

During this period, the Committee coordinated community-wide and agency-specific concerns of CIGIE members on an array of proposed laws relating to good Government and proposed legislation directly impacting OIGs. For example, we provided comments for inclusion in the Committee's comments to Congress on:

- COVID-19 stimulus oversight legislation, including provisions to ensure that OIGs are properly funded for their expected role in overseeing stimulus response;
- new potential reporting requirements for the semiannual report to Congress including those related to whistleblowers and OIG websites, and requirements for OIGs and CIGIE;
- potential amendments to the *Integrity Committee Transparency Act of 2019*, improper payment reporting and associated authorities, testimonial subpoena authority for IGs, and referral of 5 U.S.C. § 1213 allegations against OIG personnel; and
- various other OIG-specific issues, including referrals of whistleblower reports about OIG personnel made to the Office of the Special Counsel, required information to Congress including disclosure of high-level subjects of investigation prior to findings, acting IG appointments, congressional notification when placing an IG on paid or unpaid leave, and an appropriation for CIGIE.

### OIG COMMENTS ON SSA MISSION-RELATED LEGISLATION

In addition to our frequent direct communications with congressional staff, we also provided comments, pursuant to Office of Management and Budget government-wide requests, on two bills that directly impact SSA's mission – one to enhance enforcement against elder fraud activities and another to impose new protections to prevent representative payee fraud.



## **APPENDIX K: INVESTIGATIONS INVOLVING SENIOR GOVERNMENT EMPLOYEES WHERE ALLEGATONS OF MISCONDUCT WERE SUBSTANTIATED**

During the reporting period, we closed no investigations of alleged misconduct by a senior Social Security Administration employee that were disclosed to the public.



## **APPENDIX L: SSA INTERFERENCE WITH OIG INDEPENDENCE**

For the reporting period, we have no instances to report of the Social Security Administration interfering with Office of the Inspector General independence or our ability to carry out our oversight work.



## **APPENDIX M: DESCRIPTION OF WHISTLEBLOWER ALLEGATIONS AND INSTANCES OF RETALIATION**

### **WHISTLEBLOWER ALLEGATIONS**

The *Inspector General Act of 1978* authorizes the Office of the Inspector General (OIG) to receive and investigate whistleblower allegations, or allegations from Social Security Administration (SSA) employees, contractors, and job applicants concerning alleged mismanagement, waste of funds, abuse of authority, specific danger to public health or safety, or other violations within the Agency. Federal law protects government employees, contractors, and job applicants who submit whistleblower allegations from retaliation via certain prohibited personnel practices, including, for example, a significant change in duties or a disciplinary action.

OIG's Office of Whistleblower Protection evaluates all incoming whistleblower disclosures—and allegations of retaliation—from SSA employees, contractors, and job applicants; and determines if OIG action is warranted. During this reporting period, we received 27 whistleblower allegations. We closed 21 allegations, and 19 allegations—some received in prior reporting periods—remained open while we continued to evaluate them.

### **WHISTLEBLOWER RETALIATION**

Section 5(a)(20) of the *Inspector General Act of 1978*, as amended, requires SSA OIG to provide a detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation and what, if any, consequences the establishment imposed to hold that official accountable. There are no instances of retaliation to report for this reporting period.



## GLOSSARY OF ACRONYMS

CDI	Cooperative Disability Investigations
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CMP	civil monetary penalty
DDS	disability determination services
DHS	Department of Homeland Security
DI	Disability Insurance
DOJ	Department of Justice
FEMA	Federal Emergency Management Agency
FFMIA	<i>Federal Financial Improvement Act of 1996</i>
FO	field office
FY	fiscal year
FTC	Federal Trade Commission
IG	Inspector General
IRS	Internal Revenue Service
IT	information technology
NH	numberholder
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
OIS	Office of Information Security
RSI	Retirement and Survivors Insurance
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security number
Treasury	U.S. Department of the Treasury
VoIP	Voice over Internet Protocol
WC/PDB	Workers' Compensation/Public Disability Benefit
VA	Department of Veterans Affairs
WC/PDB	Workers' Compensation/Public Disability Benefit

