

Evaluation Report

Overpayment Waiver Requests
Processed by Field Offices in Fiscal
Years 2012 and 2013

OIG

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: July 30, 2015 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: Overpayment Waiver Requests Processed by Field Offices in Fiscal Years 2012 and 2013 (A-07-15-35031)

The attached final report presents the results of our review. Our objective was to identify field offices that waived overpayments outside the typical range of field office waiver rates.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



Patrick P. O'Carroll, Jr.

Attachment

Overpayment Waiver Requests Processed by Field Offices in Fiscal Years 2012 and 2013

A-07-15-35031



July 2015

Office of Audit Report Summary

Objective
To identify field offices that waived overpayments outside the typical range of field office waiver rates.
Background
The Social Security Administration (SSA) may waive recovery of an overpayment if the person is without fault, and recovery would either defeat the purpose of the <i>Social Security Act</i> or be against equity and good conscience. A waiver is a permanent write-off of the overpayment, and SSA cannot subsequently collect the waived amount by any means. Generally, the overpaid person must request a waiver. SSA waives overpayments of \$1,000 or less without development unless there is some indication the debtor may be at fault. SSA refers to these as administrative waivers. However, the overpaid person must request the waiver.

Findings

In December 2012, the Government Accountability Office recommended SSA explore ways to strengthen oversight of the overpayment waiver process by analyzing data to identify waiver trends, but SSA stated it did not have the resources to perform such analysis. However, in this report, we illustrated the type of analysis SSA could perform to identify offices that waived overpayments outside the typical range of field office waiver approval rates. We focused our analysis on field offices we determined were well outside the typical range. Specifically, these offices were the

- 14 field offices with Title II waiver approval rates of 96 percent or more,
- 7 field offices with Title II waiver approval rates of 30 percent or less,
- 40 field offices with Title XVI waiver approval rates of 96 percent or more, and
- 7 field offices with Title XVI waiver approval rates of 30 percent or less.

We found the field offices with waiver approval rates of at least 96 percent were likely to have administrative waiver rates of 50 percent or more. We also reviewed samples of waivers from the three field offices with the highest Title II waiver approval rates and the three field offices with the highest Title XVI waiver approval rates. Based on our review, we found 63 percent of Title II waivers and 69 percent of Title XVI waivers did not contain all of the required documentation to support the individual's request for waiver and SSA's decision.

Recommendations

We recommend that SSA:

1. Regularly analyze waiver approval rates and review field offices that appear to be outliers to determine compliance with its policies on overpayment waivers.
2. Remind field office employees to document waiver requests and decisions in accordance with policy.

SSA agreed with our recommendations.

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ABBREVIATIONS

Act	<i>Social Security Act</i>
AIMS	Administrative Instructions Manual System
C.F.R.	Code of Federal Regulations
FY	Fiscal Year
GAM	General Administration Manual
GAO	Government Accountability Office
MSSICS	Modernized Supplemental Security Income Claims System
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
U.S.C.	United States Code

OBJECTIVE

The objective of this review was to identify field offices that waived overpayments outside the typical range of field office waiver rates.

BACKGROUND

The Social Security Administration (SSA) may waive recovery of an overpayment if the person is without fault, and recovery would either defeat the purpose of the *Social Security Act* (Act) or be against equity and good conscience.¹ A waiver is a permanent write-off of the overpayment, and SSA cannot subsequently collect the waived amount by any means.² Generally, the overpaid person must request a waiver.³ The request may be formal or implied.⁴ An SSA employee must obtain sufficient information to clarify the issues of fault, ability to repay, and equity.⁵

SSA waives overpayments of \$1,000 or less without development unless there is some indication the debtor may be at fault. SSA calls these administrative waivers. However, the overpaid person must request the waiver, either formally or implicitly. SSA employees are prohibited from soliciting a waiver request from the overpaid person solely because the overpayment was \$1,000 or less.

During Fiscal Years (FY) 2009 through 2013, SSA waived more than \$2.4 billion in overpayments (see Table 1). While the amount of outstanding debt increased each year from FYs 2009 through 2013, the amount and percent of debt waived each year did not increase accordingly. In those same years, the number of Title II and XVI beneficiaries increased each year—from 56 to 62 million.⁶

¹ *Social Security Act* § 204(b); 42 U.S.C. § 404(b); *see* 20 C.F.R. § 404.506(a); *see also* SSA, POMS, GN 02250.001 (October 4, 2005). Without fault means the person was blameless in the creation of the overpayment. *See* 20 C.F.R. §§ 404.507 and 416.552; SSA, POMS, GN 02250.005 A.2 (October 7, 2014) and SI 02260.010 A (October 9, 2014). An overpayment waiver can also be granted for a Title XVI overpayment if recovery would impede effective or efficient administration of Title XVI of the Act. *See Social Security Act* § 1631(b)(1)(B)(i); 42 U.S.C. § 1383(b)(1)(B)(i); *see* 20 C.F.R. § 416.550; *see also* SSA, POMS, SI 02260.001 A.1 (September 4, 2014).

² SSA, POMS, GN 02215.235 B.4 (July 2, 2015).

³ SSA, POMS, GN 02250.002 A (September 21, 2011).

⁴ An implied waiver request occurs when an overpaid person indicates an inability to repay an overpayment or that an overpayment is not his/her fault. *See* SSA, POMS, GN 02201.025 B.4 (March 14, 2014).

⁵ SSA, POMS, GN 02250.002 B.3 (September 21, 2011).

⁶ We obtained the number of Title II beneficiaries from SSA's *Annual Statistical Supplement*, available at <http://www.socialsecurity.gov/policy/docs/statcomps/supplement/index.html>, and the number of Title XVI recipients from SSA's *Supplemental Security Income (SSI) Annual Statistical Reports*, available at http://www.socialsecurity.gov/policy/docs/statcomps/ssi_asr/index.html. The number represents the sum of beneficiaries receiving benefits from either or both programs as of December in each FY.

**Table 1: Percentage of Waived Debt to Outstanding Debt
FYs 2009 Through 2013⁷**

Fiscal Year	Outstanding Debt (in millions)	Waived Debt (in millions)	Percentage of Waived Debt to Outstanding Debt
2009	\$15,000	\$475	3.2
2010	\$15,212	\$497	3.3
2011	\$15,854	\$546	3.4
2012	\$16,588	\$502	3.0
2013	\$17,046	\$421	2.5
5-Year Total		\$2,441	

In December 2012, the Government Accountability Office (GAO) recommended SSA explore ways to strengthen oversight of the overpayment waiver process by analyzing data to identify waiver trends, such as approval rates, amounts, and patterns specific to SSA offices, regions, or individual staff that SSA may wish to track more closely.⁸ SSA disagreed with the recommendation, stating, “. . . we do not currently have the resources available to create and analyze data at the level of detail specified in the recommendation.”⁹ SSA noted that, for FYs 2007 through 2011, it compiled national and regional information for all Title XVI waiver transactions.

RESULTS OF REVIEW

Our review of Title II and XVI overpayment waiver requests processed—approved or denied—during FYs 2012 and 2013 identified the field offices that appeared to be outliers with respect to waiver approval rates.¹⁰ We identified field offices with waiver approval rates of 91 percent or more and 50 percent or less as being outliers. We focused our analysis on field offices we determined were well outside the typical range. Specifically, these offices were the

⁷ We obtained the outstanding debt at FY end and waived debt from SSA’s *FY 2013 Agency Financial Report*, available at http://www.socialsecurity.gov/finance/fy13_AFR.html.

⁸ GAO, *Supplemental Security Income: SSA Has Taken Steps to Prevent and Detect Overpayments, but Additional Actions Could Be Taken to Improve Oversight* (GAO-13-109), p. 5, December 2012.

⁹ *Id.* at p. 47.

¹⁰ See Appendix A for the scope and methodology of our review. To ensure the field offices we reviewed had an adequate number of overpayment waiver requests processed for us to draw conclusions, we limited our review to field offices that processed at least 100 Title II or XVI overpayment waiver requests during FYs 2012 and 2013. We included resident stations in our analysis of field offices. A resident station is a small, permanent facility that has no on-site management, but reports to a parent field office and serves a specific geographical segment of the District’s service area. See SSA, AIMS, GAM, 12.05.04 (January 15, 2014). Other SSA offices, such as processing centers, can also process overpayment waiver requests.

- 14 field offices with Title II waiver approval rates of 96 percent or more,
- 7 field offices with Title II waiver approval rates of 30 percent or less,
- 40 field offices with Title XVI waiver approval rates of 96 percent or more, and
- 7 field offices with Title XVI waiver approval rates of 30 percent or less.

We found the field offices with waiver approval rates of at least 96 percent were likely to have administrative waiver rates of 50 percent or more. We also reviewed samples of waivers from the three field offices with the highest Title II waiver approval rates and the three field offices with the highest Title XVI waiver approval rates. Based on our review, we found 63 percent of Title II waivers and 69 percent of Title XVI waivers did not contain all of the required documentation to support the individual's request for waiver and SSA's decision.

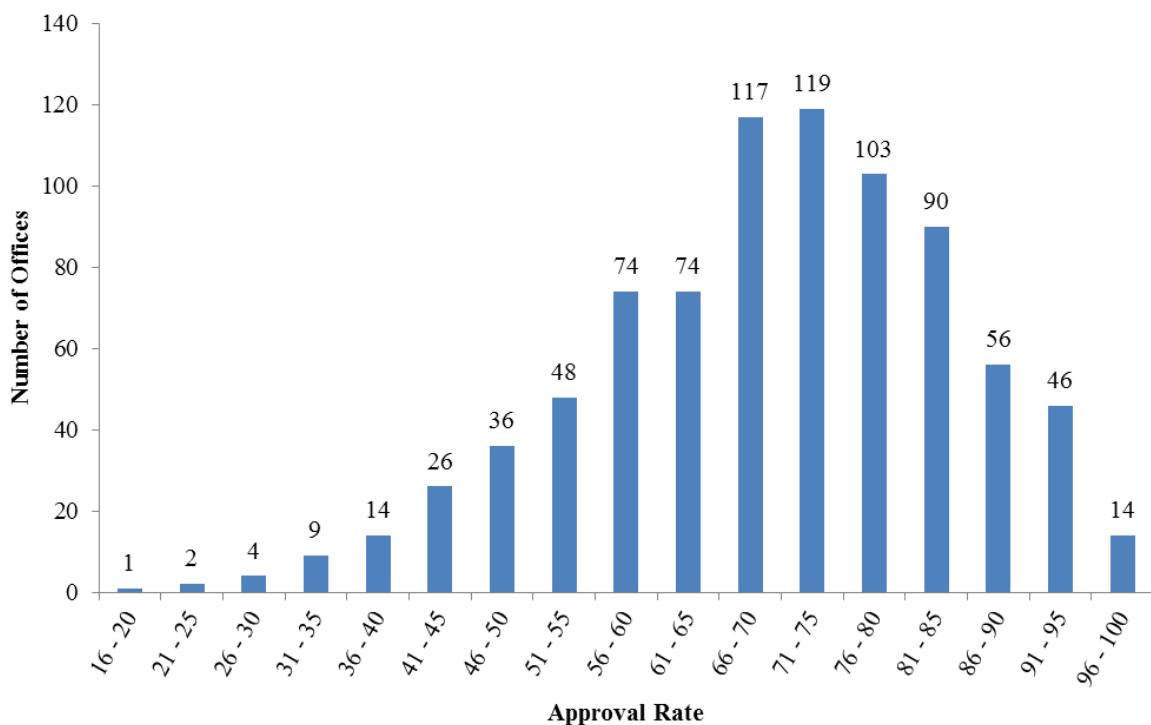
Title II Overpayment Waivers

There were 833 field offices that processed approximately 176,000 Title II overpayment waiver requests during FYs 2012 and 2013. These offices approved approximately 121,000 waiver requests (69 percent), totaling approximately \$382 million, and had Title II waiver approval rates between 19 and 100 percent.¹¹ To identify the field offices that appeared to be outliers based on their approval rates, we mapped the offices on a frequency chart (see Figure 1). We found 82 percent of field offices had Title II waiver approval rates between 51 and 90 percent. Further, 60 offices had waiver approval rates of 91 percent or more, and 92 field offices had waiver approval rates of 50 percent or less during FYs 2012 and 2013.¹²

¹¹ During FYs 2012 and 2013, SSA processed approximately 325,000 Title II overpayment waiver requests. In addition to the 176,000 waiver requests processed by the field offices in our review, other SSA offices, such as processing centers and teleservice centers, processed approximately 123,000 Title II overpayment waiver requests. The remaining 26,000 waiver requests were processed in the 436 field offices with less than 100 Title II overpayment waiver requests each.

¹² See Appendix B for the 60 field offices with Title II waiver approval rates of 91 percent or more during FYs 2012 and 2013 and Appendix C for the 92 field offices with Title II waiver approval rates of 50 percent or less.

**Figure 1: Title II Overpayment Waiver Approval Rates by Field Office
FYs 2012 and 2013**



Of the 60 field offices with Title II waiver approval rates of 91 percent or more, 14 had waiver approval rates of at least 96 percent (see Table 2). These 14 offices processed more than 2,200 Title II overpayment waiver requests and waived more than \$6 million. Further, we found that 7 of the 14 field offices were in the New York Region, 1 of which approved 100 percent of all waiver requests. More than half of the Title II waiver requests processed at this field office were administratively waived. However, the field office employees determined the beneficiaries with the remaining waiver requests were without fault in causing the overpayment and recovery would either defeat the purpose of the Act or be against equity and good conscience.

Table 2: Field Offices with Title II Overpayment Waiver Approval Rates of 96 Percent or More, FYs 2012 and 2013

	Region	Number of Waiver Requests	Waiver Approval Rate	Administrative Waiver Rate ¹³	Total Dollars Waived (in thousands)
1	New York	204	100.0	53.9	\$344
2	New York	128	99.2	49.2	\$451
3	Chicago	106	99.1	61.3	\$260
4	San Francisco	105	99.0	15.2	\$360
5	New York	172	98.8	39.0	\$369
6	New York	209	98.6	28.7	\$291
7	Kansas City	123	98.4	13.8	\$249
8	New York	104	98.1	56.7	\$272
9	Chicago	119	96.6	37.8	\$289
10	New York	174	96.6	54.6	\$368
11	Philadelphia	324	96.3	23.1	\$1,302
12	Seattle	177	96.0	69.5	\$530
13	Dallas	126	96.0	29.4	\$287
14	New York	149	96.0	18.1	\$716
Total		2,220			\$6,088

Of the 92 field offices with Title II waiver approval rates of 50 percent or less in FYs 2012 and 2013, 7 had waiver approval rates of 30 percent or less (see Table 3). We found these offices processed approximately 1,100 overpayment waiver requests and waived \$972,000. We also found that four of the seven field offices were in the San Francisco Region.

¹³ We calculated the administrative waiver rate by dividing the number of approved administrative waivers from the number of overpayment waiver requests.

Table 3: Field Offices with Title II Overpayment Waiver Approval Rates of 30 Percent or Less, FYs 2012 and 2013

	Region	Number of Waiver Requests	Waiver Approval Rate	Administrative Waiver Rate ¹⁴	Total Dollars Waived (in thousands)
1	San Francisco	145	19.3	2.8	\$97
2	San Francisco	144	23.6	7.6	\$90
3	Philadelphia	201	25.4	2.5	\$165
4	San Francisco	107	26.2	10.3	\$40
5	San Francisco	168	28.0	8.9	\$104
6	Philadelphia	162	29.6	5.6	\$275
7	New York	141	30.4	5.7	\$201
Total		1,068			\$ 972

Title XVI Overpayment Waivers

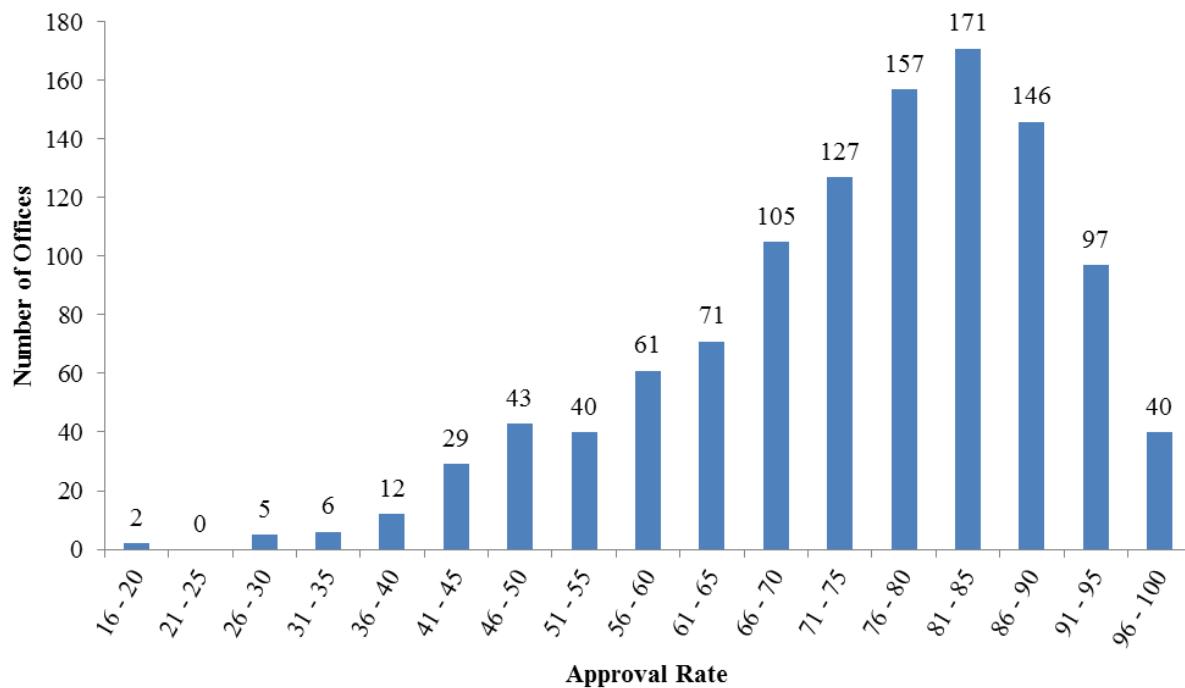
There were 1,112 field offices that processed almost 439,000 Title XVI overpayment waiver requests during FYs 2012 and 2013. These offices approved more than 328,000 waiver requests (75 percent) totaling approximately \$293 million and had Title XVI waiver approval rates between 17 and 100 percent.¹⁵ To identify the field offices that appeared to be outliers based on their approval rates, we mapped the offices on a frequency chart (see Figure 2). We found 79 percent of field offices had Title XVI waiver approval rates between 51 and 90 percent. Further, there were 137 offices with waiver approval rates of 91 percent or more and 97 field offices with waiver approval rates of 50 percent or less during FYs 2012 and 2013.¹⁶

¹⁴ Id.

¹⁵ During FYs 2012 and 2013, SSA processed over 469,000 Title XVI overpayment waiver requests. In addition to the 439,000 waiver requests processed by the field offices in our review, other SSA offices, such as processing and teleservice centers, processed more than 22,000 Title XVI overpayment waiver requests. The remaining 8,000 waiver requests were processed in the 145 field offices with less than 100 Title XVI overpayment waiver requests each.

¹⁶ See Appendix D for the 137 field offices with Title XVI waiver approval rates of 91 percent or more during FYs 2012 and 2013 and Appendix E for the 97 field offices with Title XVI waiver approval rates of 50 percent or less.

Figure 2: Title XVI Overpayment Waiver Approval Rates by Field Office FYs 2012 and 2013



Of the 137 offices with waiver approval rates of 91 percent or more, 40 had waiver approval rates of at least 96 percent (see Table 4). These 40 offices processed approximately 14,400 Title XVI overpayment waiver requests and waived more than \$11 million. Three offices had waiver approval rates of 100 percent. More than half of the Title XVI waiver requests processed at these three field offices were administratively waived. However, employees determined the recipients with the remaining waiver requests were without fault, and recovery of these overpayments would defeat the purpose of the Act, be against equity and good conscience, or impede the effective or efficient administration of Title XVI of the Act.

Table 4: Field Offices with Title XVI Overpayment Waiver Approval Rates of 96 Percent or More, FYs 2012 and 2013

	Region	Number of Waiver Requests	Waiver Approval Rate	Administrative Waiver Rate ¹⁷	Total Dollars Waived (in thousands)
1	Dallas	108	100.0	73.1	\$107
2	Chicago	151	100.0	52.3	\$79
3	Denver	145	100.0	69.7	\$108
4	Philadelphia	303	99.7	46.2	\$250
5	New York	1,076	99.6	94.2	\$558
6	Chicago	300	99.3	84.0	\$178
7	Philadelphia	323	99.1	12.4	\$328
8	Philadelphia	259	98.8	24.3	\$209
9	San Francisco	566	98.8	66.6	\$555
10	Chicago	593	98.1	40.0	\$337
11	Philadelphia	348	98.0	73.6	\$433
12	New York	493	98.0	84.8	\$234
13	San Francisco	563	97.9	64.3	\$227
14	New York	135	97.8	14.8	\$49
15	New York	1,348	97.7	47.3	\$1,524
16	Atlanta	427	97.7	76.1	\$375
17	Philadelphia	168	97.6	14.3	\$123
18	Chicago	123	97.6	84.6	\$74
19	San Francisco	1,480	97.4	53.8	\$1,341
20	Dallas	218	97.2	9.2	\$158
21	Dallas	176	97.2	43.2	\$111
22	Seattle	103	97.1	85.4	\$43
23	Chicago	132	97.0	62.9	\$169
24	Chicago	160	96.9	48.8	\$82
25	Chicago	252	96.8	72.2	\$158
26	New York	215	96.7	71.6	\$118
27	Chicago	490	96.7	63.3	\$264
28	New York	356	96.6	58.4	\$577
29	Philadelphia	172	96.5	43.0	\$101
30	Chicago	339	96.5	77.6	\$281
31	Denver	133	96.2	80.5	\$110
32	Seattle	435	96.1	27.1	\$267

¹⁷ *Supra* note 13.

	Region	Number of Waiver Requests	Waiver Approval Rate	Administrative Waiver Rate ¹⁷	Total Dollars Waived (in thousands)
33	Seattle	278	96.0	68.7	\$244
34	Philadelphia	326	96.0	60.7	\$164
35	Boston	444	95.9	82.2	\$212
36	Atlanta	242	95.9	87.6	\$108
37	Chicago	164	95.7	80.5	\$118
38	Philadelphia	429	95.6	44.5	\$415
39	Chicago	180	95.6	68.9	\$150
40	Chicago	202	95.5	7.4	\$127
Total		14,355			\$11,066

Of the 97 field offices with Title XVI waiver approval rates of 50 percent or less in FYs 2012 and 2013, 7 had waiver approval rates of 30 percent or less (see Table 5). We found these offices processed approximately 2,400 overpayment waiver requests and waived \$519,000. In addition, three of the seven field offices were in the Atlanta Region.

Table 5: Field Offices with Title XVI Overpayment Waiver Approval Rates of 30 Percent or Less, FYs 2012 and 2013

	Region	Number of Waiver Requests	Waiver Approval Rate	Administrative Waiver Rate ¹⁸	Total Dollars Waived (in thousands)
1	Atlanta	865	16.8	11.4	\$113
2	San Francisco	374	20.3	13.1	\$81
3	Seattle	184	25.5	12.0	\$40
4	Philadelphia	270	25.9	14.8	\$42
5	Atlanta	292	28.1	14.0	\$51
6	Atlanta	104	29.8	15.4	\$52
7	Chicago	263	30.0	8.4	\$140
Total		2,352			\$ 519

Administrative Waivers

We found a high percentage of administrative waivers to be a reason some of the field offices in our analysis had high waiver approval rates. Specifically, we found some field offices we analyzed with Title II and XVI waiver approval rates of 96 percent or more had administrative waiver rates of 50 percent or more (see Table 6). Therefore, according to SSA policy, over half of the waiver requests these offices processed were for overpayments of \$1,000 or less, and there

¹⁸ *Supra* note 13.

was no indication the debtors were at fault.¹⁹ As a result, the field offices could waive these overpayments without development. For example, of the 1,076 Title XVI waiver requests processed by 1 office in the New York Region, 1,014 (94.2 percent) were administratively waived (see Table 4).

Table 6: Field Offices with Waiver Approval Rates of 96 Percent or More and Administrative Waiver Rates of 50 Percent or More

Program	Number of Field Offices Analyzed	Number of Field Offices with Administrative Waiver Rates of 50 Percent or More
Title II (see Table 2)	14	5
Title XVI (see Table 4)	40	26

Documentation of Waiver Decisions

We reviewed a sample of 75 Title II overpayment waivers to determine whether SSA had documented the waiver request and decision in accordance with SSA policy.²⁰ The sample consisted of 25 Title II overpayment waivers from each of the 3 field offices we identified in this review with the highest Title II overpayment waiver approval rates.²¹ We found 47 (63 percent) of the 75 Title II overpayment waivers did not contain all of the required documentation to support the individual's request for waiver and SSA's decision, as required by SSA policy (see Table 7).

We also reviewed a sample of 75 Title XVI overpayment waivers to determine whether SSA had documented the waiver request and decision in accordance with SSA policy.²² The sample consisted of 25 Title XVI overpayment waivers from each of the 3 field offices we identified in this review with the highest Title XVI overpayment waiver approval rates.²³ We found

¹⁹ The \$1,000 threshold for administrative waivers was set by SSA. We did not determine whether the \$1,000 threshold was appropriate.

²⁰ SSA employees should document Title II administrative waivers in the Remarks screen in the Debt Management System. For all other Title II waivers, the field office must receive a Form SSA-632-BK (*Request for Waiver of Overpayment Recovery or Change in Repayment Rate*) or any signed, written document that includes the necessary information and an SSA employee must complete a Form SSA-635 (*Waiver Determination*). See SSA, POMS, GN 02250.002 B.2 (September 21, 2011) and GN 02250.315 A (October 1, 2014).

²¹ This included two field offices from the New York Region and one office from the Chicago Region (see Table 2).

²² For a Title XVI administrative waiver, an SSA employee should document the request in the Report of Contact screen in the Modernized Supplemental Security Income Claims System (MSSICS) or on a Form SSA-5002 (*Report of Contact*) for non-MSSICS cases. See SSA, POMS, SI 02260.030 C.6 (March 26, 2014). For all other Title XVI waivers, the field office must receive a signed, written request. See SSA, POMS, SI 02260.001 B.1 (September 4, 2014). SSA employees should document all Title XVI waiver decisions in the Report of Contact screen in MSSICS. See SSA, POMS, SI 02220.005 C (April 11, 2013).

²³ This included one field office each from the Dallas, Chicago, and Denver Regions (see Table 4).

52 (69 percent) of the 75 Title XVI overpayment waivers did not contain all of the required documentation to support the individual's request for waiver and SSA's decision as required by SSA policy (see Table 7).

Table 7: Waivers Processed by Three Field Offices with Highest Waiver Approval Rates in Each of Titles II and XVI, FYs 2012 and 2013

	Number of Title II Waivers Reviewed	Percent of Title II Waivers Reviewed	Number of Title XVI Waivers Reviewed	Percent of Title XVI Waivers Reviewed
No Documented Waiver Request or Decision	38	51	42	56
Documented Waiver Request but No Documented Decision	6	8	7	9
No Documented Waiver Request but a Documented Decision	3	4	3	4
Total Waivers Without Required Documentation	47	63	52	69
Documented Waiver Request and Decision	28	37	23	31
Total Waivers Reviewed	75	100	75	100

SSA also reported concerns with overpayment waivers. Specifically, from March through September 2014, SSA conducted internal quality reviews of overpayment waivers and found 43 percent of Title II waivers and 50 percent of Title XVI waiver approvals under \$2,000 required corrective action.²⁴ The findings from this review resulted in recommendations for updating policy, providing additional training, and enhancing SSA systems to address concerns with overpayment waivers.²⁵

²⁴ SSA, *Continuous Quality Area Director Review, Data Analysis Report*, p. 5, January 2015. Waivers needing corrective action had a combination of one or more decisional or documentation errors. SSA reviewed 2,849 Title II waivers and 5,484 Title XVI waiver approvals under \$2,000. We did not audit SSA's methodology or results.

²⁵ *Id.* at pp. 10-32. The Office of the Inspector General has also recommended SSA ensure employees were properly documenting waiver decisions. See SSA OIG, *Follow-up: The Social Security Administration's Controls over the Old-Age, Survivors and Disability Insurance Overpayment Waiver Approval Process* (A-13-09-19040), p. 6, July 2010 and SSA OIG, *Follow-up: The Social Security Administration's Controls over the Title XVI Overpayment Waiver Process* (A-06-08-18078), p. 6, September 2009.

CONCLUSION

GAO previously recommended that SSA explore ways to strengthen oversight of the overpayment waiver process by analyzing data to identify waiver trends, but SSA stated it did not have the resources to perform such analysis. However, in this report, we illustrated the type of analysis SSA could perform to identify offices that waived overpayments outside the typical range of field office waiver approval rates.

RECOMMENDATIONS

We recommend that SSA:

1. Regularly analyze waiver approval rates and review field offices that appear to be outliers to determine compliance with its policies on overpayment waivers.
2. Remind field office employees to document waiver requests and decisions in accordance with policy.

AGENCY COMMENTS

SSA agreed with our recommendations. The Agency's comments are included in Appendix F.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective we:

- Reviewed applicable Federal laws and regulations and sections of the Program Operations Manual System related to the processing of overpayment waivers.
- Reviewed prior Office of the Inspector General, Government Accountability Office, and Social Security Administration (SSA) reports related to overpayment waivers.
- Obtained data extracts of 324,758 Title II overpayment waiver requests processed during Fiscal Years (FY) 2012 and 2013 from the Recovery of Overpayments, Accounting and Reporting system and 469,042 Title XVI overpayment waiver requests processed during FYs 2012 and 2013 from the Supplemental Security Record system.
- Analyzed 175,993 Title II and 438,877 Title XVI overpayment waiver requests processed in field offices that processed at least 100 requests from each program during FYs 2012 and 2013.¹ Specifically, for each field office and each program, we
 - identified the numbers of approved and denied overpayment waiver requests processed and
 - calculated the waiver approval rate by dividing approved waiver requests by total waiver requests.
- Analyzed aspects of the Title II and XVI waivers processed by field offices with overpayment waiver approval rates of 91 percent or more and field offices with waiver approval rates of 50 percent or less during FYs 2012 and 2013. Specifically, for each field office, we
 - identified the number of administrative waivers,
 - calculated the administrative waiver rate by dividing administrative waivers by total waiver requests, and
 - identified the total dollars waived.

¹ Other SSA offices, such as processing and teleservice centers, processed 122,508 Title II and 22,478 Title XVI overpayment waiver requests. The remaining 26,257 Title II and 7,687 Title XVI overpayment waiver requests were processed in field offices with less than 100 Title II or XVI overpayments waiver requests each during FYs 2012 and 2013.

- Analyzed random samples of 150 overpayment waiver requests processed during FYs 2012 and 2013. We reviewed 25 Title II waivers from each of the 3 field offices with the highest Title II overpayment waiver approval rates and 25 Title XVI waivers from the 3 field offices with Title XVI overpayment waiver approval rates of 100 percent.² For each sampled waiver, we determined whether the individual's request for waiver and SSA's decision were documented in accordance with SSA policy. To do so, we reviewed the Claims File Record Management System, Electronic Folder, Debt Management System, and Modernized Supplemental Security Income Claims System.

The entity reviewed was the Office of Operations. Our work was conducted at the Office of Audit in Kansas City, Missouri, from December 2014 through March 2015. We determined that the data used in this report were sufficiently reliable given the purpose of the review and its intended use. We conducted our review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

² See Appendix B for the field offices we analyzed with high Title II overpayment waiver approval rates and Appendix D for the field offices we analyzed with high Title XVI overpayment waiver approval rates.

Appendix B – FIELD OFFICES WITH HIGH TITLE II OVERPAYMENT WAIVER APPROVAL RATES

From the 833 field offices that processed at least 100 Title II overpayment waiver requests during Fiscal Years (FY) 2012 and 2013, we identified the 60 field offices with waiver approval rates of 91 percent or more.¹ We found these offices processed more than 11,000 overpayment waiver requests (see Table B–1). These requests accounted for 6 percent of the 176,000 Title II requests processed during FYs 2012 and 2013.

Table B–1: Field Offices with Title II Overpayment Waiver Approval Rates of 91 Percent or More in FYs 2012 and 2013

	Region	Number of Waiver Requests	Waiver Approval Rate
1	New York	204	100.0
2	New York	128	99.2
3	Chicago	106	99.1
4	San Francisco	105	99.0
5	New York	172	98.8
6	New York	209	98.6
7	Kansas City	123	98.4
8	New York	104	98.1
9	Chicago	119	96.6
10	New York	174	96.6
11	Philadelphia	324	96.3
12	Seattle	177	96.0
13	Dallas	126	96.0
14	New York	149	96.0
15	New York	307	95.4
16	Philadelphia	286	95.1
17	Atlanta	217	94.9
18	Atlanta	156	94.9
19	Chicago	173	94.8
20	Boston	188	94.7
21	San Francisco	462	94.6
22	Atlanta	197	94.4
23	Philadelphia	140	94.3
24	Philadelphia	122	94.3
25	Chicago	209	94.3

¹ On March 20, 2015, we provided the Social Security Administration with the locations of these 60 field offices.

	Region	Number of Waiver Requests	Waiver Approval Rate
26	New York	173	94.2
27	Atlanta	221	94.1
28	Atlanta	236	94.1
29	Denver	353	94.1
30	Atlanta	151	94.0
31	Boston	147	93.9
32	Atlanta	277	93.9
33	Denver	178	93.8
34	Chicago	177	93.8
35	Philadelphia	245	93.5
36	Atlanta	151	93.4
37	Dallas	177	93.2
38	Atlanta	102	93.1
39	Atlanta	434	93.1
40	Philadelphia	236	92.8
41	Denver	137	92.7
42	Atlanta	117	92.3
43	Boston	233	92.3
44	Chicago	102	92.2
45	Chicago	198	91.9
46	Philadelphia	156	91.7
47	Dallas	128	91.4
48	Atlanta	226	91.2
49	Kansas City	158	91.1
50	San Francisco	101	91.1
51	Atlanta	471	91.1
52	Chicago	255	91.0
53	Chicago	144	91.0
54	Philadelphia	131	90.8
55	Dallas	108	90.7
56	New York	140	90.7
57	San Francisco	129	90.7
58	Atlanta	129	90.7
59	Chicago	276	90.6
60	New York	137	90.5
Total		11,411	

Appendix C – FIELD OFFICES WITH LOW TITLE II OVERPAYMENT WAIVER APPROVAL RATES

From the 833 field offices that processed at least 100 Title II overpayment waiver requests during Fiscal Years (FY) 2012 and 2013, we identified 92 field offices with waiver approval rates of 50 percent or less.¹ We found these offices processed more than 23,000 overpayment waiver requests (see Table C–1). These requests accounted for 13 percent of the 176,000 Title II requests processed during FYs 2012 and 2013.

Table C–1: Field Offices with Title II Overpayment Waiver Approval Rates of 50 Percent or Less in FYs 2012 and 2013

	Region	Number of Waiver Requests	Waiver Approval Rate
1	San Francisco	145	19.3
2	San Francisco	144	23.6
3	Philadelphia	201	25.4
4	San Francisco	107	26.2
5	San Francisco	168	28.0
6	Philadelphia	162	29.6
7	New York	141	30.4
8	Dallas	253	31.6
9	San Francisco	269	32.0
10	Denver	251	32.7
11	San Francisco	653	32.9
12	Boston	133	33.8
13	San Francisco	109	33.9
14	Philadelphia	173	34.1
15	Philadelphia	213	34.3
16	Atlanta	302	34.8
17	Atlanta	284	35.9
18	San Francisco	114	36.0
19	Seattle	122	36.1
20	San Francisco	116	37.1
21	Atlanta	541	37.2
22	Atlanta	588	37.6
23	Dallas	210	39.0
24	Atlanta	421	39.2
25	San Francisco	150	39.3

¹ On March 20, 2015, we provided the Social Security Administration with the locations of these 92 field offices.

	Region	Number of Waiver Requests	Waiver Approval Rate
26	Atlanta	137	39.4
27	Denver	421	39.4
28	Philadelphia	126	39.7
29	Philadelphia	120	40.0
30	San Francisco	444	40.1
31	Dallas	436	41.1
32	San Francisco	149	41.6
33	Atlanta	372	41.9
34	Philadelphia	178	42.1
35	Chicago	105	42.9
36	Chicago	161	42.9
37	San Francisco	121	43.0
38	San Francisco	146	43.2
39	Dallas	571	43.3
40	Dallas	240	43.3
41	San Francisco	154	43.5
42	San Francisco	241	43.6
43	Seattle	252	43.7
44	New York	335	43.9
45	Philadelphia	178	44.4
46	Dallas	302	44.7
47	Atlanta	161	44.7
48	Dallas	399	44.9
49	San Francisco	151	45.0
50	San Francisco	173	45.1
51	San Francisco	184	45.1
52	New York	301	45.2
53	Chicago	294	45.2
54	Atlanta	709	45.3
55	San Francisco	477	45.3
56	San Francisco	637	45.4
57	Atlanta	123	45.5
58	Philadelphia	122	45.9
59	San Francisco	100	46.0
60	Philadelphia	188	46.3
61	San Francisco	203	46.3
62	Philadelphia	146	46.6
63	Kansas City	154	46.8
64	Atlanta	154	46.8
65	San Francisco	280	46.8
66	New York	255	47.1

	Region	Number of Waiver Requests	Waiver Approval Rate
67	New York	588	47.1
68	Boston	787	47.1
69	San Francisco	108	47.2
70	Denver	256	47.3
71	Chicago	439	47.4
72	Kansas City	105	47.6
73	Dallas	128	47.7
74	Boston	211	47.9
75	Dallas	535	48.0
76	New York	129	48.1
77	Chicago	189	48.1
78	San Francisco	488	48.2
79	San Francisco	271	48.3
80	San Francisco	275	48.4
81	San Francisco	228	48.7
82	Boston	302	49.0
83	Atlanta	281	49.1
84	Atlanta	187	49.2
85	Philadelphia	130	49.2
86	San Francisco	279	49.5
87	San Francisco	297	49.5
88	San Francisco	107	49.5
89	Denver	122	50.0
90	Kansas City	242	50.0
91	Denver	251	50.2
92	New York	119	50.4
Total		23,424	

Appendix D– FIELD OFFICES WITH HIGH TITLE XVI OVERPAYMENT WAIVER APPROVAL RATES

From the 1,112 field offices that processed at least 100 Title XVI overpayment waiver requests during Fiscal Years (FY) 2012 and 2013, we identified the 137 field offices with waiver approval rates of 91 percent or more.¹ We found these offices processed more than 50,000 overpayment waiver requests (see Table D–1). These requests accounted for 11 percent of the 439,000 Title XVI requests processed during FYs 2012 and 2013.

Table D–1: Field Offices with Title XVI Overpayment Waiver Approval Rates of 91 Percent or More in FYs 2012 and 2013

	Region	Number of Waiver Requests	Waiver Approval Rate
1	Dallas	108	100.0
2	Chicago	151	100.0
3	Denver	145	100.0
4	Philadelphia	303	99.7
5	New York	1,076	99.6
6	Chicago	300	99.3
7	Philadelphia	323	99.1
8	Philadelphia	259	98.8
9	San Francisco	566	98.8
10	Chicago	593	98.1
11	Philadelphia	348	98.0
12	New York	493	98.0
13	San Francisco	563	97.9
14	New York	135	97.8
15	New York	1,348	97.7
16	Atlanta	427	97.7
17	Philadelphia	168	97.6
18	Chicago	123	97.6
19	San Francisco	1,480	97.4
20	Dallas	218	97.2
21	Dallas	176	97.2
22	Seattle	103	97.1
23	Chicago	132	97.0
24	Chicago	160	96.9
25	Chicago	252	96.8

¹ On March 20, 2015, we provided the Social Security Administration with the locations of these 137 field offices.

	Region	Number of Waiver Requests	Waiver Approval Rate
26	New York	215	96.7
27	Chicago	490	96.7
28	New York	356	96.6
29	Philadelphia	172	96.5
30	Chicago	339	96.5
31	Denver	133	96.2
32	Seattle	435	96.1
33	Seattle	278	96.0
34	Philadelphia	326	96.0
35	Boston	444	95.9
36	Atlanta	242	95.9
37	Chicago	164	95.7
38	Philadelphia	429	95.6
39	Chicago	180	95.6
40	Chicago	202	95.5
41	Dallas	111	95.5
42	Philadelphia	286	95.5
43	Dallas	109	95.4
44	New York	129	95.3
45	Philadelphia	246	95.1
46	New York	1,422	95.0
47	Dallas	198	94.9
48	Philadelphia	275	94.9
49	Atlanta	192	94.8
50	Philadelphia	511	94.7
51	Dallas	263	94.7
52	Kansas City	131	94.7
53	Kansas City	180	94.4
54	Chicago	125	94.4
55	Chicago	300	94.3
56	Kansas City	156	94.2
57	Dallas	376	94.1
58	Atlanta	153	94.1
59	Chicago	102	94.1
60	Atlanta	442	94.1
61	Dallas	660	94.1
62	Chicago	152	94.1
63	Chicago	251	94.0
64	Chicago	396	93.9
65	Philadelphia	343	93.9
66	Dallas	261	93.9

	Region	Number of Waiver Requests	Waiver Approval Rate
67	Chicago	307	93.8
68	Chicago	207	93.7
69	Boston	191	93.7
70	Boston	283	93.6
71	Boston	251	93.6
72	Atlanta	638	93.6
73	Boston	140	93.6
74	Chicago	243	93.4
75	San Francisco	106	93.4
76	San Francisco	106	93.4
77	Chicago	193	93.3
78	Chicago	160	93.1
79	Seattle	329	93.0
80	Boston	297	92.9
81	Chicago	236	92.8
82	Seattle	927	92.8
83	Chicago	447	92.6
84	Seattle	229	92.6
85	Chicago	175	92.6
86	Chicago	121	92.6
87	New York	567	92.4
88	Philadelphia	592	92.4
89	Philadelphia	301	92.4
90	Seattle	129	92.2
91	Philadelphia	103	92.2
92	Chicago	527	92.2
93	Philadelphia	167	92.2
94	San Francisco	1,412	92.2
95	New York	538	92.2
96	Philadelphia	1,791	91.9
97	Denver	135	91.9
98	Philadelphia	428	91.8
99	Boston	920	91.7
100	San Francisco	240	91.7
101	San Francisco	1,800	91.7
102	Chicago	132	91.7
103	Chicago	108	91.7
104	San Francisco	454	91.6
105	Atlanta	191	91.6
106	Kansas City	202	91.6
107	San Francisco	166	91.6

	Region	Number of Waiver Requests	Waiver Approval Rate
108	New York	301	91.4
109	Philadelphia	474	91.4
110	New York	183	91.3
111	Seattle	148	91.2
112	Philadelphia	465	91.2
113	Chicago	440	91.1
114	Dallas	327	91.1
115	San Francisco	699	91.1
116	Seattle	372	91.1
117	Chicago	135	91.1
118	San Francisco	179	91.1
119	Chicago	380	91.1
120	Denver	201	91.0
121	San Francisco	491	91.0
122	Chicago	918	91.0
123	New York	933	90.9
124	Atlanta	1,107	90.9
125	New York	555	90.8
126	Boston	293	90.8
127	New York	141	90.8
128	Dallas	248	90.7
129	New York	365	90.7
130	New York	118	90.7
131	Dallas	310	90.6
132	Atlanta	244	90.6
133	Philadelphia	307	90.6
134	Seattle	127	90.6
135	Kansas City	201	90.5
136	Seattle	370	90.5
137	Denver	422	90.5
Total		50,068	

Appendix E – FIELD OFFICES WITH LOW TITLE XVI OVERPAYMENT WAIVER APPROVAL RATES

From the 1,112 field offices that processed at least 100 Title XVI overpayment waiver requests during Fiscal Years (FY) 2012 and 2013, we identified 97 field offices with waiver approval rates of 50 percent or less.¹ We found these offices processed more than 34,000 overpayment waiver requests (see Table E–1). These requests accounted for 8 percent of the 439,000 Title XVI requests processed during FYs 2012 and 2013.

Table E–1: Field Offices with Title XVI Overpayment Waiver Approval Rates of 50 Percent or Less in FYs 2012 and 2013

	Region	Number of Waiver Requests	Waiver Approval Rate
1	Atlanta	865	16.8
2	San Francisco	374	20.3
3	Seattle	184	25.5
4	Philadelphia	270	25.9
5	Atlanta	292	28.1
6	Atlanta	104	29.8
7	Chicago	263	30.0
8	Chicago	352	31.0
9	Atlanta	223	31.4
10	Atlanta	547	31.6
11	San Francisco	507	32.5
12	Denver	258	33.7
13	New York	649	34.8
14	Atlanta	319	37.9
15	San Francisco	735	38.0
16	San Francisco	271	38.0
17	Dallas	192	38.0
18	Atlanta	146	39.0
19	Atlanta	166	39.2
20	Atlanta	145	39.3
21	Atlanta	254	39.4
22	San Francisco	167	39.5
23	San Francisco	386	39.6
24	Atlanta	103	39.8
25	San Francisco	605	40.2

¹ On March 20, 2015, we provided the Social Security Administration with the locations of these 97 field offices.

	Region	Number of Waiver Requests	Waiver Approval Rate
26	Atlanta	365	40.5
27	Seattle	300	40.7
28	Atlanta	105	41.0
29	Atlanta	222	41.4
30	Chicago	147	41.5
31	Chicago	452	41.6
32	San Francisco	120	41.7
33	San Francisco	484	41.9
34	San Francisco	319	42.0
35	Kansas City	195	42.1
36	Chicago	887	42.1
37	Chicago	363	42.4
38	Chicago	447	42.5
39	Philadelphia	167	42.5
40	Chicago	293	42.7
41	Philadelphia	249	43.0
42	Chicago	542	43.0
43	Kansas City	204	43.1
44	Chicago	138	43.5
45	San Francisco	863	43.7
46	Atlanta	185	43.8
47	Atlanta	304	44.1
48	San Francisco	347	44.1
49	New York	120	44.2
50	San Francisco	319	44.8
51	San Francisco	716	44.8
52	Denver	104	45.2
53	Chicago	223	45.3
54	San Francisco	412	45.4
55	Atlanta	145	45.5
56	San Francisco	723	45.8
57	Atlanta	384	45.8
58	Seattle	133	45.9
59	Chicago	146	45.9
60	San Francisco	414	46.1
61	Philadelphia	156	46.2
62	Dallas	275	46.2
63	Atlanta	396	46.2
64	Dallas	251	46.6
65	Atlanta	126	46.8
66	New York	315	47.0

	Region	Number of Waiver Requests	Waiver Approval Rate
67	Atlanta	883	47.0
68	San Francisco	565	47.1
69	Dallas	350	47.1
70	Chicago	458	47.2
71	Chicago	511	47.4
72	New York	461	47.5
73	Denver	574	47.7
74	Philadelphia	267	47.9
75	New York	440	48.0
76	Atlanta	552	48.0
77	Philadelphia	362	48.1
78	Atlanta	124	48.4
79	Dallas	297	48.5
80	Dallas	383	48.6
81	Chicago	232	48.7
82	Atlanta	266	48.9
83	Atlanta	255	49.0
84	Dallas	461	49.0
85	San Francisco	380	49.2
86	Chicago	468	49.4
87	Kansas City	259	49.4
88	Philadelphia	190	49.5
89	Philadelphia	281	49.8
90	Boston	293	49.8
91	Chicago	327	49.8
92	Dallas	640	50.0
93	Boston	801	50.2
94	Atlanta	177	50.3
95	Denver	296	50.3
96	San Francisco	891	50.4
97	Philadelphia	369	50.4
Total		34,246	

Appendix F – AGENCY COMMENTS



Social Security

MEMORANDUM

Date: July 1, 2015

Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Frank Cristaudo /s/
Counselor to the Commissioner

Subject: Office of the Inspector General Draft Report, “Overpayment Waiver Requests Processed by Field Offices in Fiscal Years 2012 and 2013” (A-07-15-35031)--INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,
"OVERPAYMENT WAIVER REQUESTS PROCESSED BY FIELD OFFICES IN
FISCAL YEARS 2012 AND 2013" (A-07-15-35031)**

We appreciate your acknowledgement that in 2014 the agency initiated reviews of overpayment waivers. Our agency initiated review resulted in recommendations for updating policy, providing additional training, and enhancing systems.

Recommendation 1

Regularly analyze waiver approval rates and review field offices that appear to be outliers to determine compliance with its policies on overpayment waivers.

Response

We agree. We will continue to regularly analyze our waiver case processing and apply it to all field offices, not just the offices that OIG characterized as outliers. In fact, we are already doing this through our Continuous Quality Initiative and recurring waiver quality reviews.

We will also explore the possibility of developing a program that would compile data from the Recovery of Overpayments, Accounting and Reporting System on Title II waivers and group that information by field office code. If it is feasible to group the data by office code, we could then issue periodic waiver reports.

Recommendation 2

Remind field office employees to document waiver requests and decisions in accordance with policy.

Response

We agree. We will issue an Administrative Message and develop and deliver training on documenting waiver requests and decisions by September 30, 2015.

Appendix G – MAJOR CONTRIBUTORS

Mark Bailey, Kansas City Audit Division, Audit Director

Tonya Eickman, Audit Manager

Jesse Card, Auditor

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