

Individuals Who Have Multiple Overpayments Caused by Failure to Report Earnings

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Office of Audit Report Summary

Objective

To determine whether individuals had been repeatedly overpaid because they knowingly withheld, misrepresented, or concealed earnings information.

Background

The Social Security Administration (SSA) generally relies on individuals self-reporting changes in their personal circumstances to ensure payments are correct.

Beneficiaries and recipients are expected to exercise a high degree of care to prevent overpayments and to communicate with SSA in good faith regarding circumstances that could affect entitlement or payment amount.

A person may be found at fault if SSA determines the individual caused or contributed to an overpayment by withholding or concealing information. If so, waiver of the overpayment is precluded, and the finding of fault could indicate that SSA should consider punitive actions including withholding the full monthly payment, administrative sanctions, or penalties.

Findings

We found 70 (61 percent) of the Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries and 59 (53 percent) of the Supplemental Security Income (SSI) recipients in our sample were repeatedly overpaid because of their earnings. We believe SSA could have found these 129 individuals at fault for causing or contributing to the overpayments because of their repeated failure to comply with Agency earnings reporting requirements. SSA also could have further developed these cases to determine whether punitive actions could have been used as a deterrent against future overpayments. However, we found the Agency did not apply these actions to any of the individuals in our sample.

Based on our sample, we project SSA overpaid

- 49,420 OASDI beneficiaries almost \$966 million and
- 94,480 SSI recipients almost \$924 million.

As of February 2016, we estimate SSA had not collected almost \$178 million of these OASDI overpayments and more than \$447 million of these SSI overpayments.

Recommendations

We made two recommendations including that SSA use punitive actions to deter future overpayments for individuals with a repeated pattern of noncompliance with earnings reporting requirements.

SSA agreed with our recommendations.