

Unauthorized my Social Security Direct Deposit Changes in Calendar Years 2014 Through 2016

A-01-17-50210



August 2017

Office of Audit Report Summary

Objective

To determine the amount of Social Security benefits misdirected because of unauthorized direct deposit changes through *my Social Security* in Calendar Years (CY) 2014 through 2016.

Background

In May 2012, the Social Security Administration (SSA) introduced *my Social Security*—an Internet services portal that allows individuals to create a personal online account to access their own information. In January 2013, the Agency enhanced *my Social Security* to allow individuals to change their direct deposit bank information. Shortly after SSA made this change, the Agency and the Office of the Inspector General began receiving fraud allegations related to unauthorized direct deposit changes.

In a September 2015 report, we estimated that, in CY 2013, about \$20 million in benefit payments for approximately 12,200 beneficiaries was misdirected. Of this, about \$11 million had not been returned to SSA as of August 2015. Also, we estimated that SSA prevented about \$6 million from being misrouted from about 5,300 beneficiaries whose direct deposit bank account was changed without their authorization.

In September 2016, we issued a report on SSA's verification of the identities of *my Social Security* users.

Results of Review

Based on our random samples, we estimated that \$10.9 million in benefit payments for about 7,200 beneficiaries was misdirected in CYs 2014 through 2016.

CY	Beneficiaries with Misdirected Benefits	Misdirected Benefits	Misdirected Benefits Recovered	Misdirected Benefits Not Recovered
2014	4,474	\$6.8 million	\$3.8 million	\$3 million
2015	2,172	\$3.4 million	\$0.9 million	\$2.5 million
2016	553	\$0.7 million	\$747	\$0.7 million
Total	7,199	\$10.9 million	\$4.7 million	\$6.2 million

We also estimated SSA prevented about \$14.1 million in benefits from being misrouted from about 11,900 beneficiaries whose direct deposit bank account was changed without their authorization.

Comparing our analysis of the CY 2014 through 2016 data the Agency provided to our prior review of CY 2013 data showed that the amount of benefits misdirected through *my Social Security* decreased. Also, we made recommendations to SSA related to verifying the identities of *my Social Security* users in our September 2016 report. As a result, we are not making any additional recommendations for corrective action at this time.

Agency Comments

SSA noted that, generally, financial institutions only return misdirected funds to the Department of the Treasury when the funds are still in the bank account. Financial institutions cannot return misdirected funds that are no longer in a bank account.