

# Report Summary

Social Security Administration Office of the Inspector General

July 2012



## Objective

To determine whether the Social Security Administration's (SSA) administrative finality policy met the intent of recent legislative changes to reduce improper payments in Federal programs.

## Background

Administrative finality is the principle that SSA's initial Old-Age, Survivors and Disability Insurance and Supplemental Security Income determinations of eligibility for payments and payment amounts become final and binding on both parties, unless they are timely appealed or later reopened and revised for certain reasons within certain time periods. Consequently, if conditions to reopen a determination do not exist or time limits have expired, SSA generally will not revise the benefits and continues to pay the erroneous payment (over- or underpayment) throughout the beneficiary or recipient's lifetime. SSA does not pursue recovery of any resulting overpayments.

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-08-11-21107>.

## *Significance of Administrative Finality in the Social Security Administration's Programs* (A-08-11-21107)

### Our Findings

As determined in our prior and current reviews, SSA did not correct beneficiary and recipients' payment amounts when it invoked administrative finality. For example, we identified a beneficiary receiving a full retirement benefit under her own Social Security number and another full benefit under her deceased spouse's Social Security number that resulted in an \$870 monthly overpayment. The overpayments started in July 1982 and created a total overpayment of approximately \$215,000. Since our 2007 recommendation to revise its administrative finality rules—which SSA disagreed with—the Agency has paid this beneficiary approximately an additional \$40,000. Because of SSA's administrative finality rules, it will not reopen this case and this overpayment will continue increasing throughout the beneficiary's lifetime.

Given the recent Government initiative to reduce improper spending and waste of Federal funds and the current economic environment, we do not believe SSA's administrative finality rules comply with the initiative. SSA should revise its administrative finality rules and allow for revisions to payments to ensure the beneficiary or recipient receives the amount they are due. We believe it is the appropriate business process to ensure the integrity of program funds as these payments affect the trust funds.

### Our Recommendation

We recommended SSA evaluate its administrative finality policies and regulations and consider revising the rules to allow for the collection of more debt.

SSA agreed with our recommendation.