

GAO Highlights

Highlights of [GAO-17-228](#), a report to the Chairman, Subcommittee on Social Security, Committee on Ways and Means, House of Representatives

Why GAO Did This Study

SSA's Disability Insurance (DI) and Supplemental Security Income (SSI) programs provide cash benefits to millions of Americans with disabilities who are unable to work. Collectively, payments from DI and SSI were about \$200 billion in fiscal year 2015. Although the extent of fraud in these programs is unknown, recent high-profile cases have highlighted instances in which individuals fraudulently obtained millions of dollars in benefits. GAO was asked to review SSA's fraud risk management.

This report examines SSA's actions to manage fraud risks and the extent to which these actions align with leading practices for (1) establishing an organizational culture and structure conducive to fraud risk management, (2) identifying, assessing, and addressing fraud risks, and (3) monitoring and evaluating its antifraud activities. GAO reviewed SSA documents, such as training materials and operational guidance; and interviewed SSA officials at the agency's headquarters, its three fraud examination units, and selected state disability determination offices chosen for their proximity to antifraud initiatives. GAO assessed those actions against leading practices identified in its Fraud Risk Framework.

What GAO Recommends

GAO recommends SSA (1) conduct a comprehensive fraud risk assessment for its disability programs, (2) develop a corresponding antifraud strategy, (3) develop outcome-oriented metrics for antifraud activities, and (4) review progress and change activities as necessary. SSA agreed with GAO's recommendations.

View [GAO-17-228](#). For more information, contact Seto Bagdoyan at (202) 512-6722 or bagdoyans@gao.gov, or Cindy Brown Barnes at (202) 512-7215 or brownbarnesc@gao.gov.

April 2017

SSA DISABILITY BENEFITS

Comprehensive Strategic Approach Needed to Enhance Antifraud Activities

What GAO Found

The Social Security Administration (SSA) has taken steps to establish an organizational culture and structure conducive to fraud risk management in its disability programs, but its new antifraud office is still evolving. In recent years, SSA instituted mandatory antifraud training, established a centralized antifraud office to coordinate and oversee the agency's fraud risk management activities, and communicated the importance of antifraud efforts. These actions are generally consistent with GAO's Fraud Risk Framework, a set of leading practices that can serve as a guide for program managers to use when developing antifraud efforts in a strategic way. However, SSA's new antifraud office, the Office of Anti-Fraud Programs (OAFP), faced challenges establishing itself as the coordinating body for the agency's antifraud initiatives. For example, the OAFP has had multiple acting leaders, but SSA recently appointed a permanent leader of OAFP to provide accountability for the agency's antifraud activities.

SSA has taken steps to identify and address fraud risks in its disability programs, but it has not yet comprehensively assessed these fraud risks or developed a strategic approach to help ensure its antifraud activities effectively mitigate those risks. Over the last year, SSA gathered information about fraud risks, but these efforts generally have not been systematic and did not assess the likelihood, impact, or significance of all risks that were identified. SSA also has several prevention and detection activities in place to address known fraud risks in its disability programs such as fraud examination units, which review disability claims to help detect fraud perpetrated by third parties. However, SSA has not developed and documented an overall antifraud strategy that aligns its antifraud activities to its fraud risks. Leading practices call for federal program managers to conduct a fraud risk assessment and develop a strategy to address identified fraud risks. Without conducting a fraud risk assessment that aligns with leading practices and developing an antifraud strategy, SSA's disability programs may remain vulnerable to new fraud schemes, and SSA will not be able to effectively prioritize its antifraud activities.

SSA monitors its antifraud activities through the OAFP and its National Anti-Fraud Committee (NAFC), which serves as an advisory board to the OAFP, but the agency does not have effective performance metrics to evaluate the effect of such activities. The OAFP has responsibility for monitoring SSA's antifraud activities and establishing performance and outcome-oriented goals for them. It collects metrics to inform reports about its antifraud initiatives, and the NAFC receives regular updates about antifraud initiatives. However, the quality of the metrics varies across initiatives and some initiatives do not have metrics. Of the 17 initiatives listed in SSA's 2015 report on antifraud initiatives, 10 had metrics that did not focus on outcomes, and 4 did not have any metrics. For example, SSA lacks a metric to help monitor the effectiveness of its fraud examination units. Leading practices in fraud risk management call for managers to monitor and evaluate antifraud initiatives with a focus on measuring outcomes. Without outcome-oriented performance metrics, SSA may not be able to evaluate its antifraud activities, review progress, and determine whether changes are necessary.