

The Social Security Administration's Response to Telephone Imposter Scams

A-02-20-50904



May 2020

Office of Audit Report Summary

Objective

To answer congressional questions about the Social Security Administration's (SSA) response to telephone imposter scams.

Background

The Federal Trade Commission reported that Government imposter scams have been the most prevalent type of fraud since 2014, and SSA-related imposter scams were the top Government imposter scam in 2019. The scams generally involve fraudsters calling individuals and pretending to be Government employees claiming there is identity theft or another problem with their Social Security number, account, or benefits. Scammers may threaten arrest or legal action. They may also offer to increase benefits, protect assets, or resolve identity theft. They often demand payments from the individuals via retail gift cards, wire transfers, pre-paid debit cards, Internet currency, or cash. Although these scams generally do not involve the loss of Social Security benefits, they could decrease the public's trust in SSA and hinder the Agency's ability to communicate with its customers.

On December 10, 2019, the House Ways and Means Committee, Subcommittee on Social Security, requested we answer questions on SSA's response to telephone imposter scams. This report responds to those questions.

Results of Review

Reports of SSA-related imposter scams began increasing in late 2018 and continued increasing in 2019. SSA took some initial steps to inform its staff and the public about the scams in 2017 and started working with the Office of the Inspector General (OIG) to stop fraudsters from spoofing SSA telephone numbers in July 2019. In October 2019, SSA formed an Agency-wide, executive-level workgroup to better address its response to the scams. At that time, SSA's Commissioner asked the Deputy Commissioner to lead the Agency's response, and the Agency began coordinating more closely with the OIG on scam-related activities.

The rise in SSA-related imposter scams primarily affected its field office and national 800-Number teleservice center staff. In Fiscal Year (FY) 2019, SSA estimated its 800-Number staff handled about 854,000 scam-related calls. Also, in FY 2019, the OIG received about 65,000 scam-related allegations from SSA staff—an over 1,000-percent increase over the number of similar allegations SSA staff sent in FY 2018.

Time spent responding to scam-related inquiries and making fraud referrals deflected staff from completing their normal workloads. SSA estimated it spent over 100 workyears in FY 2019 on these and other scam-related activities at a cost of \$8.4 million. Per SSA, it takes 100 workyears to process 6,000 initial disability claims, 43,000 retirement claims, or 270,000 Social Security number card requests.

SSA has taken steps to alleviate scam-related traffic in its field offices and 800-Number. Specifically, SSA

- worked with the OIG to create a dedicated imposter scam online reporting form, helping free its staff from fielding reports of imposter scams;
- added messaging to its Website and 800- and field office numbers' scripts on how to report imposter scams online; and
- released public service announcements, completed press interviews, and worked with third parties to increase the public's awareness of the scams and how to report them online.