



# Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

## *Audit Report Summary*

### Direct Deposit Changes by Social Security Administration 800- number Staff



# Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

## MEMORANDUM

**Date:** September 8, 2025

**Refer To:** 012401

**To:** Frank Bisignano  
Commissioner

**From:** Michelle L. Anderson *Michelle L. Anderson*  
Acting Inspector General

**Subject:** Direct Deposit Changes by Social Security Administration 800-number Staff

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether direct deposit changes initiated by 800-number staff were authorized by Social Security beneficiaries.

Our audit report (012401L) results contain information that, if not protected, could adversely affect the Agency's information systems, programs, or operations. In accordance with government auditing standards, we have separately transmitted to SSA management our audit's detailed findings and recommendations and excluded from this summary certain sensitive information because of the potential damage if the information is misused. We determined the omitted information neither distorts the audit results described in this report nor conceals improper or illegal practices.

If you wish to discuss the final report, please contact Jeffrey Brown, Deputy Assistant Inspector General for Audit.

Attachment

# Direct Deposit Changes by Social Security Administration 800-number Staff 012401



September 2025

Office of Audit Report Summary

## Objective

To determine whether direct deposit changes initiated by 800-number staff were authorized by Social Security beneficiaries.

## Background

The Social Security Administration (SSA) has a national 800-number that handles calls from the public. Before April 14, 2025, staff could change an individual's direct deposit over the telephone by asking the caller to confirm certain personally identifiable information.

We identified 3,109 beneficiaries who had direct deposit changes by 800-number staff from October through December 2023, followed by a non-receipt of benefits, followed by another direct deposit change. We randomly selected 200 beneficiaries and quantified the amount of benefits misdirected because of unauthorized direct deposit changes.

We also identified 74,916 beneficiaries who had direct deposit changes initiated by 800-number staff from October 1 to 30, 2024. We randomly selected 225 beneficiaries and listened to recorded calls to determine whether SSA employees appropriately verified caller identities before changing beneficiaries' direct deposit information.

## Results

Social Security beneficiaries did not always authorize direct deposit changes initiated by 800-number staff. We estimated \$2.2 million for approximately 1,197 beneficiaries had been misdirected because of unauthorized direct deposit changes from October through December 2023. As of April 2025, we estimated SSA had not recovered approximately \$2 million of the \$2.2 million.

For the sample cases with direct deposit changes between October and December 2023, we could not confirm whether SSA followed policy regarding the verification of callers' identities for these misdirected benefit payments because SSA no longer had the recorded calls related to these direct deposit changes. Additionally, we found 19 beneficiaries—including 2 who were deceased—had not received replacement payments as of April 2025.

For the sample cases with direct deposit changes in October 2024, we found SSA staff did not always appropriately verify the identities of callers to the 800-number. We estimated SSA did not appropriately verify the identities of 25,638 callers who contacted the Agency in October 2024 before changing the beneficiaries' direct deposit information. Although SSA had announced plans to revise its policy, we issued an early alert memorandum to SSA in March 2025 to inform the Agency that 800-number staff did not always follow policy to verify a caller's identity before making a direct deposit change.

In April 2025, SSA revised its policy for direct deposit changes over the telephone. We believe this new policy will help reduce the risk of 800-number employees inappropriately verifying the identities of callers before making direct deposit changes because it limits how changes can be made over the telephone. In addition, it requires stronger identity proofing and authentication for direct deposit changes.

SSA plans to continue to develop its new process to ensure staff adhere to access and disclosure concerns as well as policy and procedure guidelines.

## TABLE OF CONTENTS

Objective .....	1
Background .....	1
Methodology .....	1
Results .....	2
Misdirected Benefit Payments.....	2
Verifying Callers' Identities.....	3
Conclusion .....	4
Agency Comments.....	4
Appendix A – Sampling Methodology and Results Related to Misdirected Benefits .....	A-1
Appendix B – Scope and Methodology.....	B-1
Appendix C – Sampling Methodology and Results Related to Recorded Calls .....	C-1
Appendix D – Agency Comments .....	D-1

## **ABBREVIATIONS**

OASDI	Old-Age, Survivors, and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration

## OBJECTIVE

To determine whether direct deposit changes initiated by 800-number staff were authorized by Social Security beneficiaries.

## BACKGROUND

The Social Security Administration (SSA) has a national 800-number that handles calls from the public.<sup>1</sup> Before April 14, 2025, SSA staff could change a beneficiary's direct deposit information over the telephone by asking the caller to confirm personally identifiable information that SSA retains in its records to ensure they were authorized to request the change.

In March 2025, we issued an early alert memorandum to SSA to inform the Agency that 800-number staff did not always follow policy to verify a caller's identity before making a direct deposit change. Although SSA had announced plans to revise its policy related to direct deposit changes over the telephone, we shared this information with SSA to ensure controls would be considered for future use.

## METHODOLOGY

Initially, our audit objective was to determine whether SSA appropriately verified identities of callers to the 800-number before making a direct deposit change. We identified 3,109 Old-Age, Survivors, and Disability Insurance (OASDI) beneficiaries who had direct deposit changes initiated by SSA's 800-number staff from October through December 2023, followed by a report of a non-receipt of a benefit payment, followed by another direct deposit change.<sup>2</sup> We randomly sampled 200 beneficiaries from this population for review. See Appendix A for our sampling methodology related to misdirected benefits.

We could not listen to the recorded calls to the 800-number related to these 200 direct deposit changes because SSA no longer had the calls. At that time, SSA only kept calls for 60 days. So, the recorded calls were no longer available for us to listen to them and SSA does not maintain evidence in its systems as to whether employees followed policy. As a result, we could not determine whether SSA's 800-number staff followed policy when they verified callers' identities before they made the direct deposit change and could only quantify the amount of Social Security benefits misdirected because of unauthorized direct deposit changes through April 2025.<sup>3</sup>

Since we could not listen to the recorded calls for the 200 sampled beneficiaries, we identified an additional 74,916 OASDI beneficiaries who had direct deposit changes initiated by 800-number staff from October 1 to 30, 2024.<sup>4</sup> From this population, we randomly selected

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<sup>1</sup> In Fiscal Year 2024, SSA's teleservice centers served over 30 million callers by either a representative or its automated phone system.

<sup>2</sup> The OASDI program provides benefits to wage earners and eligible family members in the event the wage earner becomes disabled or dies. *Social Security Act*, §§ 202, 223, 42 U.S.C. §§ 402, 423.

<sup>3</sup> An unauthorized direct deposit change is when an individual other than the beneficiary or his/her representative redirects the benefit payment away from the beneficiary's bank account and may involve fraud.

<sup>4</sup> SSA transitioned to a new telephone platform in August 2024 which typically retains telephone calls for 6 months.

225 beneficiaries, listened to their recorded calls, and observed the computer screens the 800-number staff reviewed during the call to determine whether 800-number staff appropriately verified the identities of the callers before changing beneficiaries' direct deposit information. See Appendix B for more details on our scope and methodology and Appendix C for our sampling methodology related to recorded calls.

## RESULTS

Social Security beneficiaries did not always authorize direct deposit changes initiated by 800-number staff. We estimated \$2.2 million in benefit payments for approximately 1,197 beneficiaries were misdirected because 800-number staff initiated unauthorized direct deposit changes from October through December 2023. As of April 2025, SSA had not recovered approximately \$2 million of the \$2.2 million.

Additionally, for beneficiaries who had direct deposit changes in October 2024, SSA staff did not always appropriately verify the identities of callers to the 800-number, which put beneficiaries at risk for unauthorized direct deposit changes. We estimated SSA did not appropriately verify the identities of 25,638 callers who contacted the Agency from October 1 to 30, 2024 before changing the beneficiaries' direct deposit information.

### Misdirected Benefit Payments

We found that 82 of our 200 sampled beneficiaries who had a direct deposit change from October through December 2023, followed by a non-receipt of benefits, followed by another direct deposit change had \$173,021 in benefit payments misdirected because of unauthorized direct deposit changes. As of April 2025, SSA had not recovered \$153,633 of the \$173,021 in misdirected benefit payments. Additionally, of the 82 beneficiaries, we found 19—including 2 who were deceased—had not received replacement payments as of April 2025.<sup>5</sup>

Examples follow.

- On October 19, 2023, someone changed a beneficiary's direct deposit information over the telephone without his permission. As a result, the \$1,343 retirement benefit he was supposed to receive on November 3, 2023 was misdirected. The beneficiary contacted his local field office, and on November 14, 2023 SSA issued a replacement payment. In November 2023, the Agency also placed a message on the beneficiary's record related to the unauthorized direct deposit change, referred the case to our Office of Investigations and put a direct deposit fraud block on the beneficiary's record for alleged fraud—which generates an alert on SSA's systems that subsequent direct deposit changes should be

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<sup>5</sup> We initially notified SSA of 20 beneficiaries who had not received a replacement payment as of April 2025. SSA informed us 1 beneficiary received a replacement payment in May 2025. For the remaining 19 beneficiaries, SSA issued replacement payments to 13 and was still working on the remaining 6 for further development as of September 2, 2025 (when a beneficiary reports they have not received a benefit payment and the payment has been sent to the incorrect bank, SSA issues a replacement payment to the beneficiary). SSA, POMS, RS 02801.001, A (August 25, 2023).

made in a Social Security field office.<sup>6</sup> Despite the alerts and messages on SSA's systems, on May 20, 2024, the beneficiary's direct deposit was changed again without his permission. As a result, the \$1,386 retirement benefit due on June 3, 2024 was misdirected. On June 17, 2024, SSA issued a replacement payment. As of April 2025, SSA had not recovered the misdirected funds.

- On October 4, 2023, someone changed a beneficiary's direct deposit and address information over the telephone without her permission. The beneficiary's address was changed from a Nebraska address to an address in North Carolina. SSA mailed a notice of the direct deposit change to the North Carolina address. Therefore, the beneficiary was not notified that her direct deposit information had changed, and her \$1,084 retirement benefit due on October 11, 2023 was misdirected. On October 18, 2023, the beneficiary updated her direct deposit information and corrected her address back to the Nebraska address she had prior to the unauthorized change. Additionally, on October 18, 2023 SSA issued the beneficiary a replacement payment; however, as of April 2025, SSA had not recovered the misdirected benefit.

We could not listen to the recorded calls to the 800-number related to these direct deposit changes because SSA no longer had the calls. In addition, the Agency did not maintain any record of whether employees correctly verified the identifies in its systems. As a result, we could not determine whether SSA's 800-number staff followed policy when they verified the callers' identities before they made the direct deposit changes.

## Verifying Callers' Identities

We reviewed an additional 225 sampled beneficiaries and listened to recorded calls to SSA's 800-number in October 2024 to determine whether SSA employees followed policy when they verified the identities of the callers before they made the direct deposit change. SSA's 800-number staff did not appropriately verify the identities of 77 (34 percent) of the 225 sampled callers before they changed their direct deposit information in October 2024.<sup>7</sup>

Despite not following policy to verify the identities for 77 of the 225 individuals who called SSA in October 2024 to change direct deposit information, as of April 2025, we did not identify any misdirected direct deposit changes for these individuals and nothing in SSA's records indicated that the direct deposit changes were unauthorized. However, 800-number staff's failure to

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<sup>6</sup> In November 2012, SSA introduced the direct deposit fraud block. The direct deposit fraud block prevents direct deposit changes online via [my Social Security](#) or through a financial institution via auto-enrollment. Beneficiaries or their representative payees may request a block because of alleged fraud or as a preventive measure.

<sup>7</sup> On March 7, 2025, SSA informed us it agreed with our conclusions on the 77 cases. For the remaining 148 cases, 800-number staff followed policy for 145 cases, and 3 cases were incorrectly coded as direct deposit changes in SSA's systems, but the beneficiary's direct deposit was not changed. This included two cases where the beneficiary called to change his/her address and one case where the beneficiary called to request a Medicare replacement card.



follow policy in validating a person's identity puts beneficiaries at risk for unauthorized direct deposit changes.<sup>8</sup>

## CONCLUSION

In April 2025, SSA revised its policy for direct deposit changes. We believe this new policy will help reduce the risk of 800-number employees inappropriately verifying the identities of callers before making direct deposit changes because it limits how changes can be made over the telephone. In addition, it requires stronger identity proofing and authentication for direct deposit changes.

## AGENCY COMMENTS

SSA plans to continue to develop its new process to ensure staff adhere to access and disclosure concerns as well as policy and procedure guidelines. See Appendix D for Agency comments.

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<sup>8</sup> In March 2019, the Government Accountability Office issued a report on *Data Breaches, Range of Consumer Risks Highlights Limitations of Identity Theft Services*, GAO-19-230. The report discussed the increased risk of identity theft that affected hundreds of millions of individuals due to large-scale data breaches that compromised sensitive information such as Social Security numbers. Government Accountability Office, *Data Breaches: Range of Consumer Risks Highlights Limitations of Identity Theft Services*, GAO-19-230, p. 1 (March 27, 2019). In 2019, the Federal Trade Commission also published a complaint related to a single data breach that affected nearly 150 million individuals. This included approximately 145.5 million Social Security numbers. Complaint for Permanent Injunction & Other Relief, *Federal Trade Commission v. Equifax, Inc.*, No. 1:19-cv-03297-TWT, p. 8 (Northern District of Georgia 2019). In October 2024, SSA issued a publication to educate individuals on how to prevent identity theft, which it described as “. . . one of the fastest growing crimes in America” and provided guidance on actions to take if individuals become victims of scams. SSA, *Identity Theft and Your Social Security Number*, Publication No. 05-10064 (October 2024).

# ***APPENDICES***

## Appendix A – SAMPLING METHODOLOGY AND RESULTS RELATED TO MISDIRECTED BENEFITS

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To conduct the sample to estimate misdirected Social Security benefits, we used a simple random sample statistical approach. We selected a random sample of 200 Old-Age, Survivors, and Disability Insurance (OASDI) beneficiaries for review.<sup>1</sup> These OASDI beneficiaries had a direct deposit change initiated by Social Security Administration 800-number staff between October and December 2023, followed by a report of a non-receipt of a benefit payment, followed by another direct deposit change. Some beneficiaries had multiple direct deposit changes and/or non-receipts in the scope period.

Each sample item had an equal chance of being selected throughout the sampling process, and the selection of one item had no impact on the selection of other items. Therefore, we were guaranteed to choose a sample that represented the sampling frame, absent human biases, and ensured statistically valid conclusions of, and projections to, the entire sampling frame under review. Our sampling approach for this sample ensured our reported projections are statistically sound and defensible. Results of our sample are in the tables below.

**Table A–1: Population and Sample Size**

Population Description	Population Size	Sample Size
OASDI beneficiary with a direct deposit change 800-number staff initiated from October through December 2023, followed by a report of a non-receipt of a benefit payment, followed by another direct deposit change.	3,109	200

**Table A–2: Sample Results and Projections**

Description	Beneficiaries
OASDI beneficiaries with benefit payments misdirected due to unauthorized direct deposit changes 800-number staff initiated from October through December 2023	82
OASDI beneficiaries with no benefit payments misdirected by 800-number staff from October through December 2023	111
Unable to Determine	7
<b>Total</b>	<b>200</b>

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<sup>1</sup> The OASDI program provides benefits to wage earners and eligible family members in the event the wage earner becomes disabled or dies. *Social Security Act* §§ 202, 223, 42 U.S.C. §§ 402, 423.

**Table A–3: OASDI Beneficiaries with Benefit Payments Misdirected Due to Unauthorized Direct Deposit Changes Initiated by 800-Number Staff**

Description	Beneficiaries	Dollars
Sample Results	82	\$173,021 <sup>2</sup>
Point Estimate	1,197	\$2,218,828
Projection Lower Limit	1,024	\$1,836,256
Projection Upper Limit	1,377	\$2,601,400

Note 1: All projections are at the 90-percent confidence level. Originally, there were 82 errors, but we flagged and removed 5 as outliers. Therefore, the point estimate and upper and lower limit for the dollar projections are based on 77 errors (\$139,167).

Note 2: Misdirected benefit payments not returned were proportionally allocated based on the amount of dollars misdirected, which represents 89 percent of the \$2,218,828 (or \$1,974,757).

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<sup>2</sup> Of the 82 beneficiaries, 13 had their direct deposit misrouted more than once. The additional direct deposit changes may have been done over the telephone, in an SSA office or online.

## Appendix B – SCOPE AND METHODOLOGY

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To accomplish our objective, we:

- Reviewed the Social Security Administration's (SSA) policies and procedures to verify the identities of callers to its 800-number. This includes policies and procedures in SSA's Program Operations Manual System, Teleservice Center Operating Guide, Emergency Messages, and other instructions given to 800-number staff.
- Reviewed prior reports related to verifying the callers' identity and direct deposit changes.
- Obtained information from subject matter experts related to (1) SSA's new telephone platform, (2) steps SSA had taken to improve controls, and (3) special studies SSA had done related to fraudulent telephone direct deposit changes.
- Obtained a data extract from SSA's Audit Trail System and identified a population of 3,109 Old-Age, Survivors, and Disability Insurance (OASDI) beneficiaries with direct deposit changes initiated by 800-number staff from October 2023 through December 2023 that were followed by a report of a non-receipt of a direct deposit payment, followed by another direct deposit change.
  - Randomly selected 200 beneficiaries from this population and reviewed SSA's records to determine whether the benefit payments were potentially fraudulently misdirected because of unauthorized changes initiated by 800-number staff.
  - Quantified the misdirected benefit payments, whether SSA recovered the funds, and whether SSA sent the beneficiary a replacement benefit payment.
  - Determined whether additional benefits were misdirected through April 2025.
- Obtained a data extract from SSA's Audit Trail System to identify a population of OASDI beneficiaries with direct deposit changes initiated by 800-number staff for the 30-day period October 1 through October 30, 2024.
  - Identified 74,916 OASDI beneficiaries with direct deposit changes initiated by 800-number staff for the 30-day period October 1 through October 30, 2024.
  - Randomly selected 225 beneficiaries from this population and listened to recorded calls to determine whether 800-number staff appropriately verified the identities of the callers before changing beneficiaries' direct deposit information.
  - Reviewed SSA's records as of April 2025 for the 225 sample cases to determine whether any of the benefit payments issued to the beneficiaries after the deposit changes in October 2024 were misdirected.

We assessed the reliability of SSA's Audit Trail System, Master Beneficiary Record, Numident and Payment History Update System by (1) performing electronic testing, (2) tracing a random sample of data to source documents, and (3) reviewing existing information about the data. We determined the computer-processed data were sufficiently reliable to meet our objective.

The principal entity audited was the Office of Operations. We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components, including control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objective. We identified the following components and principles as significant to the audit objective.

- Component 2: Risk Assessment
  - Principle 8: Assess Fraud Risk
- Component 3: Control Activities
  - Principle 10: Design Control Activities

We conducted our review from October 2024 through May 2025. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## Appendix C – SAMPLING METHODOLOGY AND RESULTS RELATED TO RECORDED CALLS

To conduct this sample of calls, we used a simple random sample statistical approach. We selected a random sample of 225 Old-Age, Survivors, and Disability Insurance (OASDI) beneficiaries for review.<sup>1</sup> These beneficiaries had a direct deposit change initiated by 800-number staff for the 30-day period October 1 through October 30, 2024. Our review of these sample cases involved listening to recorded calls and viewing the computer screens the SSA employee viewed during the call in the Social Security Administration's telephone platform to determine whether 800-number staff verified identities per policy before making a direct deposit change. Some beneficiaries had multiple direct deposit changes in the 30-day period. For these cases, we listened to all direct deposit changes in the 30-day period.

Each sample item had an equal chance of being selected throughout the sampling process, and the selection of one item had no impact on the selection of other items. Therefore, we were guaranteed to choose a sample that represented the sampling frame, absent human biases, and ensured statistically valid conclusions of, and projections to, the entire sampling frame under review. Our sampling approach for this sample ensured our reported projections are statistically sound and defensible. Results of our review are included below.

**Table C–1: Population and Sample Size for Calls from October 1 Through 30, 2024**

Population Description	Population	Sample Size
OASDI beneficiary with a direct deposit change initiated by 800-number staff for the 30-day period October 1 through October 30, 2024	74,916	225

**Table C–2: Calls Where SSA 800-Number Staff Did Not Follow Policy to Verify Callers During the Period October 1 Through 30, 2024**

Description	Beneficiaries
Sample Results	77
Point Estimate	25,638
Projection Lower Limit	21,714
Projection Upper Limit	29,797

Note: All projections are at the 90-percent confidence level.

<sup>1</sup> The OASDI program provides benefits to wage earners and eligible family members in the event the wage earner becomes disabled or dies. *Social Security Act* §§ 202, 223, 42 U.S.C. §§ 402, 423.

## Appendix D – AGENCY COMMENTS

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### SOCIAL SECURITY Office of the Commissioner

#### MEMORANDUM

Date: August 28, 2025

Refer To: TQA-1

To: Michelle L. Anderson  
Acting Inspector General

From: Chad Poist  
Chief of Staff

Subject: Office of the Inspector General Draft Report "Direct Deposit Changes by Social Security Administration 800-number Staff" (012401) -- INFORMATION

Thank you for the opportunity to review the draft report. We take improper payments very seriously and are committed to the stewardship of taxpayer resources through efforts such as streamlining our policies and procedures, and automating our business processes. We safeguard the integrity of our programs by proactively addressing and mitigating fraud and improper payments. We continue to develop the Technician Experience Dashboard (TED) application to ensure it has up-to-date, accurate, and helpful consolidated customer information that assists technicians in providing excellent, secure, and efficient service to the public. The streamlined approach in TED will ensure technicians adhere to not only access and disclosure concerns, but also policy and procedure guidelines.

Please let me know if I can be of further assistance. You may direct staff inquiries to Amy Gao at (410) 966-1711.





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