



Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

Audit Report

The Social Security
Administration's Controls over
Modernized Development
Worksheets

A-02-22-51157 September 2023



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 18, 2023

Refer to: A-02-22-51157

To: Kilolo Kijakazi
Acting Commissioner

From: Gail S. Ennis *Gail S. Ennis*
Inspector General

Subject: The Social Security Administration's Controls over Modernized Development Worksheets

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration's employees timely and accurately completed actions requested in Modernized Development Worksheets.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Michelle L. Anderson, Assistant Inspector General for Audit.

Attachment

The Social Security Administration's Controls over Modernized Development Worksheets

A-02-22-51157



September 2023

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration's (SSA) employees timely and accurately completed actions requested in Modernized Development Worksheets (MDW).

Background

To respond to a customer's request, an employee in one SSA component such as a field office, teleservice center (TSC), or processing center (PC), may need to contact an employee in another component. For example, a TSC employee may need to ask a PC employee to address an 800-number caller's request.

One method SSA employees use to describe the needed actions is through MDWs where they designate whether requests are routine or high-priority. Employees then manually input MDW requests in SSA's systems. SSA employees should provide an initial follow-up to resolve routine MDW requests within 60 days and high-priority MDW requests within 20 days. Per SSA, these follow-up timeframes are not requirements as some MDW requests require additional time for development.

We sampled 239 beneficiaries who had closed or pending MDWs in their benefit records. As beneficiaries may have more than 1 MDW request on their benefit record, we reviewed all MDWs on the 239 beneficiaries' records.

Results

SSA employees did not always complete MDW requests timely or accurately.

- Employees did not complete the actions requested within SSA's timeframes for MDWs associated with 70 (29 percent) of the 239 beneficiaries, including requests for 29 beneficiaries that were designated as high-priority.
- Employees inaccurately closed requests before they took any or all actions needed to resolve the MDWs associated with 18 (8 percent) of the 239 beneficiaries.

Based on these results, we project the MDWs associated with over 227,000 beneficiaries were processed untimely or inaccurately. While SSA managers have access to a list of pending MDWs and other tools to track MDW processing, SSA's systems do not automatically alert management when MDW timeframes are approaching or have been exceeded. Also, the processes and tools SSA has in place do not ensure employees take all actions needed to resolve MDWs before they close them.

MDWs that were delayed or inaccurately processed prompted some beneficiaries to contact SSA multiple times to request assistance on the same issues, thus duplicating efforts by SSA employees who could have used that time to perform other work. The delayed and incomplete processing also led SSA to pay some beneficiaries the wrong amounts or delay payments owed them. We project SSA improperly paid more than 15,000 beneficiaries over \$81 million and delayed over \$759 million in benefit payments to nearly 43,000 beneficiaries because of untimely or inaccurate MDW processing.

Recommendations

SSA should (1) update policy to require that employees process MDW requests within set timeframes; (2) implement controls to ensure employees take all actions requested before they close MDWs; and (3) create system alerts to notify employees when multiple MDW requests are created for the same issue for the same beneficiary. SSA disagreed with Recommendations 1 and 2 and agreed with Recommendation 3.

TABLE OF CONTENTS

Objective.....	1
Background.....	1
Methodology	2
Results of Review	2
Modernized Development Worksheet Processing Timeliness	2
Modernized Development Worksheet Processing Accuracy.....	4
Conclusions	5
Recommendations	5
Agency Comments and Office of the Inspector General Response	5
Appendix A – Scope and Methodology	A-1
Appendix B – Sampling Methodology and Results.....	B-1
Appendix C – Agency Comments.....	C-1

ABBREVIATIONS

FO	Field Office
MDW	Modernized Development Worksheet
OIG	Office of the Inspector General
PC	Processing Centers
POMS	Program Operation Manual System
SSA	Social Security Administration
TSC	Teleservice Centers

OBJECTIVE

To determine whether the Social Security Administration's (SSA) employees timely and accurately completed actions requested in Modernized Development Worksheets (MDW).

BACKGROUND

Employees in one SSA component must often request assistance from employees in other components to process a recipient's benefits or payments or respond to beneficiary or public requests.¹ Employees in SSA's field offices (FO), teleservice centers (TSC), and processing centers (PC) may use an MDW to request assistance from employees in other components.²

SSA employees manually input MDW requests with the numberholder's Social Security number, a routine or high-priority designation,³ and messages describing the actions needed. Beneficiaries may have more than one MDW request on their records.

Per SSA policy, employees should only send MDWs when they are requesting other components to take actions; employees should not use MDWs to provide other components with information. Employees in other components who receive MDWs should take the requested action and record the action's completion date in the MDW system. MDW requests remain pending until employees close them in the MDW system.

SSA employees should initially follow up to resolve routine MDW requests within 60 days and high-priority MDW requests within 20 days.⁴ Per SSA, these follow-up timeframes are not requirements because some MDW requests require additional time for development.⁵ SSA's National Processing Center Roadmap focuses on reducing the volume and age of workloads and improving customer service and overall quality of service delivered to the public through its PCs.⁶ The Roadmap states no more than 10 percent of MDWs sent to PCs should be pending for longer than 180 days.⁷

¹ SSA, *POMS*, GN 01070.228 A (September 24, 2019). An office can request assistance from another office using the following methods: District Office Telephone Procedure, Processing Center Action Control System, MDW, Electronic 562, and Manager-to-Manager Web application. This audit report focused on MDW.

² FO and TSC employees serve the public either in-person or via telephone. PC employees handle complex benefit issues and support FO and TSC employees.

³ SSA, *POMS*, GN 01070.420 A and B (October 14, 2011). High-priority MDW requests should be limited to situations that involve awards and disallowance of claims; start- and stop-payment actions; appeals; congressional inquiries; and public-relations issues.

⁴ SSA, *POMS*, GN 01070.440 C and D (August 26, 2021). The first follow-up for routine MDW requests should occur within 60 days after the initial request, with subsequent follow-ups at 30-day intervals. The first follow-up for high-priority MDW requests should occur within 20 days, with a subsequent follow-up within 10 days, and any further follow-ups at 15-day intervals.

⁵ SSA, OIG, *The Social Security Administration's Controls over High-priority Modernized Development Worksheets*, A-07-18-50363, p. 1 (September 2021).

⁶ SSA, *National Processing Center Roadmap*, p. 5 (August 20, 2021).

⁷ SSA, *Fiscal Year 2022 National Processing Center Work Plan*, p. 5 (November 12, 2021).

METHODOLOGY

We reviewed sampled cases of beneficiaries who had closed and pending MDWs on their records. We reviewed 239 beneficiaries: 139 of the 426,760 beneficiaries with MDW requests closed within 120 days of the date we extracted our data (October 2022) and 100 of the 278,776 beneficiaries with MDW requests pending at that time. See Appendix A for more information on our scope and methodology.

RESULTS OF REVIEW

We project, for MDWs associated with over 227,000 beneficiaries, SSA employees did not meet SSA's timeframes or inaccurately closed MDWs without taking any or all actions needed to resolve them. While SSA managers have access to a list of pending MDWs and other tools to track MDW processing, SSA's systems do not automatically alert management when MDW follow-up timeframes are approaching or have been exceeded. Also, the processes and tools SSA has in place do not ensure employees take all actions needed to resolve MDWs before they close them.

Delayed and inaccurate processing of MDWs prompted some beneficiaries to contact SSA multiple times to request assistance on the same issues. The delays and incomplete processing also led SSA to pay some beneficiaries the wrong amounts or delay payments owed them. We project SSA improperly paid more than 15,000 beneficiaries over \$81 million and delayed over \$759 million in benefit payments to nearly 43,000 beneficiaries because of untimely or inaccurate MDW processing.⁸

Modernized Development Worksheet Processing Timeliness

Employees did not complete the actions requested within SSA's timeframes for MDWs associated with 70 (29 percent) of the 239 beneficiaries, including requests for 29 beneficiaries that were designated as high-priority.

- The MDW requests for 14 of the 70 beneficiaries were still pending as of the date of our review; they had been pending from 110 to 330 days.
- The MDW requests for the remaining 56 benefit records were closed outside of the MDW follow-up timeframes; employees resolved them from 2 to 354 days past SSA's follow-up timeframes.⁹

⁸ Improper and delayed payment projections are based on our closed MDW sample review results. We are not including projections of delayed and improper payments based on our pending MDW sample results because we were unable to project them with significant statistical accuracy. See Appendix B for our sample results and projections.

⁹ In 2 of the 56 benefit records, the MDW requests were pending when we obtained the data. The MDW requests had been deleted from the system when we reviewed the case because SSA does not retain MDW requests beyond 120 days after they are closed. Therefore, we could not determine the date employees closed the MDW requests on these two benefit records.

Also, as of June 2023, 113,000 (59 percent) of the 193,000 pending MDWs issued to FOs had been pending for 60 days or longer, and 49,000 (44 percent) of the 112,000 pending MDWs issued to PCs had been pending for 60 days or longer.

Employees did not have to meet SSA's MDW follow-up timeframes because SSA policy did not require that they do so. Also, while SSA managers can obtain lists of pending MDWs, SSA systems do not alert management and/or employees when the follow-up timeframes are approaching or have been exceeded. The delay in completing the MDWs led to delayed service, payments, and resolution of improper payments. For example:

- A PC employee requested an FO obtain an auxiliary application for the child of a beneficiary who became entitled to disability benefits in September 2022. As of May 2023, the MDW remained pending, likely delaying the child's benefits. In June 2023, SSA sent a notice requesting the child's parents contact SSA to file for benefits for the child.¹⁰
- SSA delayed issuing \$23,352 in retroactive benefits to a beneficiary 8 months after a component created an MDW request in response to the beneficiary's inquiry. Employees took 2 months to determine whether the beneficiary could manage their own benefits and an additional 6 months to calculate how much of the retroactive payment was owed to the beneficiary's attorney so that amount could be withheld before the retroactive benefits were released.
- SSA improperly paid a beneficiary and their children over \$11,000 because the FO took longer than 60 days to resolve an MDW request on work activity the beneficiary reported.¹¹

In addition, not timely resolving MDW requests created duplicate work. As beneficiaries' requests were not addressed timely, some contacted SSA again for the same concerns. Of the 70 beneficiaries whose MDWs were not processed timely, 20 contacted SSA again for the same issues. In these cases, employees took time to create additional MDWs requesting the same actions that were unaddressed in the previous MDWs. The time they took to make duplicate requests that should have already been addressed could have used to address other workloads.

SSA reported it had several ways of identifying multiple MDW requests for the same beneficiary, including through the Get Folder feature in its Paperless system and information in its Processing Center Action Control System On the Web and other management-information reports. While these systems and reports contain information on MDW requests, including multiple requests for the same beneficiary, they do not notify employees when multiple MDW requests are created for the same issue for the same beneficiary.

¹⁰ We reviewed SSA's actions on our sampled MDWs through May 2023. In commenting on the results of our review, SSA noted it sent a notice to the child's parents requesting that they contact SSA to file for benefits for the child in June 2023. We confirmed SSA took the noted action.

¹¹ The beneficiary repaid the \$11,000 overpayment to SSA.

Modernized Development Worksheet Processing Accuracy

SSA employees closed MDW requests on the benefit records of 18 (8 percent) of the 239 beneficiaries without taking all requested actions.¹² Closing the MDWs in this manner led to delayed service and payments. For example, SSA approved an applicant's disability claim in September 2022 and withheld \$43,512 while it developed three separate items before it released the funds. Specifically:

1. In September 2022, a PC employee sent three MDW requests to an FO asking it to verify the applicant's proof of U.S. citizenship and prison release date as well as establish a representative payee to manage the applicant's benefits.
2. In October 2022, an FO employee closed all three MDW requests indicating they had completed a request for all the needed information, but SSA's records showed only a request for the applicant's prison-release document was submitted, and there was no action on verifying proof of citizenship or establishing a representative payee.
3. In October 2022, a PC employee created another MDW request asking the FO to collect the outstanding previously requested information. An FO employee closed the MDW by replying the PC could use existing information on SSA records as proof of U.S. citizenship and referred the PC employee to a prison-release document in SSA systems. The employee also stated they sent a notice requesting the beneficiary find a representative payee; however, that letter was not sent until November 2022.

While all the MDW requests were quickly closed, employees closed them without taking all requested actions. The beneficiary still did not have a representative payee, and, as of May 2023, SSA had not released the benefits due. Premature MDW closings also created duplicative work. Of the 18 beneficiaries whose requests noted on the MDWs were not accurately addressed, 7 subsequently contacted SSA again, which led employees to create additional MDW requests for the same concerns.

SSA reported it had multiple processes in place to monitor MDW processing, including Get Folder in its Paperless system and information in its Processing Center Action Control System On the Web and other management-information reports. SSA also reported its managers could use Manager-to-Manager requests to follow up on MDWs sent to other components that had not been addressed. Additionally, SSA conducts quality reviews of its workloads, which select cases for random review to monitor erroneous trends and identify where corrective action is needed. While SSA has these processes, our work demonstrates they did not prevent employees from closing MDWs without taking the actions requested in them, which led to delayed service and payments for its customers.

¹² Of the 18 beneficiaries, 11 were part of the 70 beneficiaries whose MDWs were processed beyond SSA's timeliness goals.

CONCLUSIONS

SSA's untimely and inaccurate MDW processing negatively impacts its ability to meet its commitment to issuing accurate payments to eligible individuals at the right time.¹³ Delayed service, payments, and resolution of improper payments will continue to occur if employees do not resolve MDWs timely and accurately. SSA needs to ensure its processing infrastructure fully supports its ability to meet its commitments to its customers, especially those dependent on the timely delivery of all benefit payments for which they are eligible and due.

RECOMMENDATIONS

We recommend SSA:

1. Update policy to require that employees process MDW requests within set timeframes.
2. Implement controls to ensure employees take all actions requested before they close MDWs.
3. Create system alerts to notify employees when multiple MDW requests are created for the same issue for the same beneficiary.

AGENCY COMMENTS AND OFFICE OF THE INSPECTOR GENERAL RESPONSE

SSA agreed with Recommendation 3. SSA disagreed with Recommendation 1, stating "it is not productive to establish additional fixed goals" as SSA already has a number of goals in processing MDWs as well as an escalation process in place. However, our review showed that despite its tracking and processing mechanisms in place for this workload, SSA employees did not complete the actions requested within SSA's timeframes for MDWs associated with 29 percent of the beneficiaries in our sample. Employees did not have to meet SSA's MDW follow-up timeframes because SSA policy did not require that they do so. We continue to believe MDWs should be processed within set timeframes.

In response to Recommendation 2, SSA stated its components already conduct "quality review of randomly selected case to ensure work is completed appropriately." While SSA has several processes in place to monitor MDW processing, including their program center and quality review experts' quality review, our work demonstrates that their quality reviews, feedback to technicians, and tracking of error trends did not effectively prevent employees from closing MDWs without taking the actions requested, which led to delayed service and payments for its customers. See Appendix C for the full text of the Agency's comments.



Michelle L. Anderson
Assistant Inspector General for Audit

¹³ SSA, *Agency Strategic Plan Fiscal Years 2022-2026*, p. 18 (March 28, 2022).

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed pertinent sections of the *Social Security Act*, the Social Security Administration’s (SSA) policies and procedures, applicable laws, regulations, and prior Office of the Inspector General reports.
- Interviewed SSA subject-matter experts on the Modernized Development Worksheets (MDW).
- We obtained data from the MDW system and identified 426,760 benefit records with MDWs that SSA employees closed within 120 days of the date we obtained the data;¹ 278,776 benefit records with MDWs that remained pending when we obtained our data; and 446,078 benefit records with MDWs that employees closed by suspending development.

An MDW can have multiple requests. If an MDW has no pending requests and one or more closed requests, we consider it a closed MDW. If an MDW has at least one open request, we consider it a pending MDW. If all requests on an MDW were suspended, we consider it an MDW with suspended development.

We randomly sampled and reviewed:

- 139 of the 426,760 benefit records with MDWs employees closed;
 - 100 of the 278,776 benefit records with MDWs that remained pending when we obtained our data; and
 - 50 of the 5,415 benefit records with MDWs created in 2022 that staff closed by suspending development. We did not identify significant errors in this population so we did not report findings based on it.
- Reviewed records, employee remarks, and notices from the following SSA systems and queries:
 - Master Beneficiary Record
 - Payment History Update System
 - Online Retrieval System
 - Paperless Read Only Query System
 - Supplemental Security Record

¹ MDWs are not retained in the MDW system when all issues listed were closed and the most recent close date is more than 120 days in the past.

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

- Component 1: Control Environment
 - Principle 2: Exercise Oversight Responsibility
 - Principle 5: Enforce Accountability
- Component 3: Control Activities
 - Principle 10: Design Control Activities
 - Principle 12: Implement Control Activities
- Components 4: Information and Communication
 - Principle 14: Communicate Internally
- Component 5: Monitoring
 - Principle 16: Perform Monitoring Activities

We conducted our review between December 2022 and May 2023. We assessed the reliability of the data by (1) reviewing existing information about the data and the system that produced them and (2) tracing a statistically random sample of data to source documents. We found the data used for this audit to be sufficiently reliable to meet our audit objective. Further, any data limitations were minor in the context of this assignment, and the use of the data should not lead to an incorrect or unintentional conclusion. The principal entity audited was the Office of Operations under the Office of the Deputy Commissioner for Operations.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and conduct 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 B – SAMPLING METHODOLOGY AND RESULTS

Processing Error Projection

We reviewed 139 of the 426,760 beneficiaries with Modernized Development Worksheet (MDW) requests closed within 120 days of the date we extracted our data (October 2022) and 100 of the 278,776 beneficiaries with MDW requests pending at that time, for a total of 239 beneficiaries (see Table B-1).

Table B-1: Population and Sample Size

Description	Population Size	Sample Size
Beneficiaries with closed MDW requests	426,760	139
Beneficiaries with pending MDW requests	278,776	100
Total	705,536	239

Social Security Administration (SSA) employees did not complete requests timely or accurately for MDWs associated with 77 of the 239 beneficiaries. Based on these results, we project SSA did not timely or accurately resolve MDWs requests on 227,307 beneficiaries' records (see Table B-2).

Table B-2: MDW Requests Not Resolved Timely or Accurately

Description	Number of Beneficiaries
Sample Results	77
Projected Quantity/Point Estimate	227,307
Projection Lower Limit	192,070
Projection Upper Limit	264,893

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

Delayed and Improper Payment Projection

Our projections are based on the errors we identified in the closed MDW sample.¹ We reviewed a random sample of 139 of the 426,760 beneficiaries with MDWs SSA employees closed within 120 days of the date we obtained the data (October 2022) (see Table B-3).

Table B-3: Closed MDW Requests - Population and Sample Size

Description	Number of Beneficiaries
Population Size	426,760
Sample Size	139

¹ We are not including projections of delayed and improper payments based on our pending MDW sample results because we were unable to project them with significant statistical accuracy.

Of the 139 beneficiaries with closed MDWs, employees did not complete requests timely or accurately for MDWs associated with 44. As a result, SSA delayed \$247,493 in payments due 14 of the 44 beneficiaries. Based on these results, we project SSA did not timely or accurately resolve MDWs requests on 42,983 beneficiaries' records, resulting in delayed payments totaling over \$759 million (see Table B-4).

Table B-4: Closed MDW Requests - Delayed Payments Projection

Description	Number of Beneficiaries	Delayed Payments
Sample Results	14	\$247,493
Projected Quantity/Point Estimate	42,983	\$759,856,035
Projection Lower Limit	26,430	\$324,246,155
Projection Upper Limit	65,277	\$1,195,465,916

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

Additionally, SSA improperly paid 5 of the 44 beneficiaries \$26,563. Based on these results, we project SSA did not timely or accurately resolve MDW requests on 15,351 beneficiaries' records, resulting in improper payments over \$81 million (see Table B-5).

Table B-5: Closed MDW Requests – Improper Payment Projection

Description	Number of Beneficiaries	Improper Payments
Sample Results	5	\$26,563
Projected Quantity/Point Estimate	15,351	\$81,553,222
Projection Lower Limit	6,095	\$6,126,323
Projection Upper Limit	31,637	\$156,980,121

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

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: September 5, 2023

Refer To: TQA-1

To: Gail S. Ennis
Inspector General

From: Scott Frey 
Chief of Staff

Subject: Office of the Inspector General Draft Report “
” (A-02-22-51157)—INFORMATION

Thank you for the opportunity to review the draft report. Please see our detailed comments in the attached document.

Please let me know if I can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.

**SSA COMMENTS ON THE OFFICE OF INSPECTOR GENERAL DRAFT REPORT
“THE SOCIAL SECURITY ADMINISTRATION’S CONTROLS OVER MODERNIZED
DEVELOPMENT WORKSHEETS” (A-02-22-51157)**

Recommendation 1

Update policy to require that employees process Modernized Development Worksheet (MDW) requests within set timeframes.

Response

We disagree. We already have a number of goals, and it is not productive to establish additional fixed goals without considering how they affect our other work and our ability to achieve priority targets. Managers already use daily and weekly reports to track pending MDWs at the component level. In addition, we have an escalation process in place.

Recommendation 2

Implement controls to ensure employees take all actions requested before they close MDWs.

Response

We disagree. Program center and Office of Quality Review experts already conduct regular quality reviews of randomly selected cases to ensure work is completed appropriately. Reviewers share direct feedback with technicians and track error trends at the local level to help managers identify necessary intervention and training needs.

Recommendation 3

Create system alerts to notify employees when multiple MDW requests are created for the same issue for the same beneficiary.

Response

We agree.



Mission:

The Social Security Office of the Inspector General (OIG) serves the public through independent oversight of SSA's programs and operations.

Report:

Social Security-related scams and Social Security fraud, waste, abuse, and mismanagement, at oig.ssa.gov/report.

Connect:

[OIG.SSA.GOV](https://oig.ssa.gov)

Visit our website to read about our audits, investigations, fraud alerts, news releases, whistleblower protection information, and more.

Follow us on social media via these external links:



Twitter: @TheSSAOIG



Facebook: OIGSSA



YouTube: TheSSAOIG



Subscribe to email updates on our website.