



Office of the Inspector General SOCIAL SECURITY ADMINISTRATION

Press Release

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SSA Abandoned \$160 Million+ Next Generation Telephony Project

*SSA's Project Resulted in Increased Wait Times, Disconnected Calls,
Unanswered Calls, and Customer Dissatisfaction*

Key findings from a Social Security Administration (SSA) Office of the Inspector General (OIG) Audit Report (02234) revealed SSA's contract for an updated telephone system with Verizon Business Network Services, Inc. (Verizon) lacked sufficient performance-based quality standards and associated incentives. These deficiencies prevented the Agency from holding Verizon accountable for resolving issues identified during the contract's design and implementation phases.

In February 2020, SSA signed an Indefinite Delivery Quality contract with Verizon to support the Next Generation Telephone Project (NGTP) to replace and modernize the legacy telephone system. NGTP was to be a unified communication enterprise solution to increase communication capabilities and productivity, meet growing customer demands, and reduce costs. Verizon's responsibilities were to design, implement, test, transition, train, operate, and maintain the NGTP solution. Verizon was to acquire all necessary hardware, software, and services. In November 2023, SSA completed transitioning the National 800-Number Network to the NGTP platform.

SSA's telephone services are an essential way for individuals to get assistance with benefits and other vital services. As the public is becoming more familiar with modern information technology, SSA determined there was an emerging requirement to develop a more technological/innovative option to communicating with the Agency.

While SSA received some of the agreed-upon contract deliverables from Verizon, they had concerns with NGTP meeting all SSA requirements/needs throughout the design phase. SSA struggled to hold Verizon accountable for resolving system- issues before agreeing to transition to NGTP because the contract lacked robust quality performance standards for NGTP's design, build, and implementation.

The NGTP contract lacked a true performance-based work statement and payment schedule as detailed in the Federal Acquisition Regulation and SSA's Acquisition Handbook. Without adequate requirements tied to incentives and disincentives, SSA lacked the ability to enforce contract requirements and hold Verizon accountable for performance deficiencies. According to SSA, the unmet system requirements hindered its ability to serve the public, resulting in increased call wait times and disconnected or unanswered calls.

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On August 22, 2024, after only ten months and because of continued issues, SSA transitioned the National 800-Number Network from NGTP to a different platform. As of March 2025, SSA had paid over \$160 million to Verizon for NGTP platform deliverables, operations and maintenance, help desk, and other costs. The final contract option year concluded on March 8, 2025, and SSA did not exercise additional option years.

The audit found if SSA included more robust quality standards within the contract, it could have better enforced compliance. SSA risks having to pay the full cost for a product it determined did not meet its needs and that it is no longer using.

The *National Defense Authorization Act for Fiscal Year 2023 (NDAA)*, Pub. L. 117-263, section 5274, amended the Inspector General Act of 1978 to establish a requirement when an OIG specifically identifies non-governmental organizations (NGOs) or business entities (BEs) in an audit, evaluation, inspection, or other non-investigative reports, the NGOs or BEs must be notified of the report and given 30 days after publication to review the subject report and provide written, clarifying information. SSA OIG will post Verizon's response once provided.

SSA OIG made two recommendations to improve SSA's contract procedures in the future. See the full report [here](#).

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