

*Management Challenge Report*

Fiscal Year 2020 Inspector General's  
Statement on the Social Security  
Administration's Major Management  
and Performance Challenges

November 6, 2020

The Honorable Andrew Saul  
Commissioner

Dear Mr. Saul:

The *Reports Consolidation Act of 2000* (Pub. L. No. 106-531) requires that Inspectors General summarize and assess the most serious management and performance challenges facing Federal agencies and the agencies' progress in addressing them. The results of this review are enclosed. The *Reports Consolidation Act* also requires that the Social Security Administration (SSA) place the final version of this Statement in its annual *Agency Financial Report*.

## MANAGEMENT AND PERFORMANCE CHALLENGES

At the outset of Fiscal Year 2020, we identified the following challenges.

- Improve Administration of the Disability Program
- Minimize Payment Errors and Improve Management of Payment Workloads
- Improve the Prevention, Detection, and Recovery of Improper Payments
- Improve Service Delivery
- Secure Information Systems and Protect Sensitive Data
- Modernize Information Technology

As Fiscal Year 2020 progressed, SSA was presented with new challenges, including the onset of the COVID-19 pandemic. To address these challenges, we re-focused our list. We plan to address the following challenges in this report.

- SSA's Response to the 2019 Novel Coronavirus Pandemic
- Improve Administration of the Disability Program
- Improve the Prevention, Detection, and Recovery of Improper Payments
- Improve Service Delivery
- Protect the Confidentiality, Integrity, and Availability of SSA's Information Systems and Data
- Modernize Information Technology

In the attached document, we define each challenge, outline steps SSA has taken to address each challenge, and detail the actions SSA needs to take to fully mitigate each challenge. As some of the challenges are inter-related, progress made in one area could lead to progress in another. For example, further modernization of SSA's information technology would likely affect service delivery, and increased availability of certain data would likely affect management of payment workloads.

The Office of Audit will continue focusing on these issues in Fiscal Year 2021 and assessing the environment in which SSA operates. I look forward to working with you to continue improving SSA's ability to address these challenges and meet its mission efficiently and effectively.

Sincerely,

A handwritten signature in cursive script that reads "Gail S. Ennis".

Gail S. Ennis  
Inspector General

Enclosure

# Fiscal Year 2020 Inspector General's Statement on the Social Security Administration's Major Management and Performance Challenges

## A-02-19-50825



November 2020

Report Summary

### Objective

To summarize and assess the most serious management and performance challenges facing the Social Security Administration (SSA).

### Background

The *Reports Consolidation Act of 2000* requires that Inspectors General summarize and assess the most serious management and performance challenges facing agencies and the agencies' progress in addressing those challenges. The attached report provides our assessment.

### Challenges

In Fiscal Year 2020, we focused on the following management and performance challenges.

- *SSA's Response to the Novel Coronavirus (COVID-19) Pandemic* - SSA must continue to serve its customers with limited service in its field offices and most employees teleworking. [Read more.](#)
- *Improve Administration of the Disability Program* - SSA continues to face challenges with pending disability hearings and related processing times. Additionally, the COVID-19 pandemic renewed challenges with pending disability claims and continuing disability reviews. [Read more.](#)
- *Improve the Prevention, Detection, and Recovery of Improper Payments* - SSA must be a responsible steward of the funds entrusted to its care by minimizing the risk of making improper payments and effectively recovering overpayments when they occur. [Read more.](#)
- *Improve Service Delivery* - SSA must address growing workloads as experienced employees are expected to retire. [Read more.](#)
- *Protect the Confidentiality, Integrity, and Availability of SSA's Information Systems and Data* - SSA must ensure its information systems are secure and sensitive data are protected. [Read more.](#)
- *Modernize Information Technology* - SSA must modernize its information technology to accomplish its mission despite budget and resource constraints. [Read more.](#)

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## ABBREVIATIONS

CARES	<i>Compassionate And REsponsive Service</i>
CDR	Continuing Disability Review
COVID-19	2019 Novel Coronavirus
DDS	Disability Determination Services
FY	Fiscal Year
IT	Information Technology
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number

# THE SOCIAL SECURITY ADMINISTRATION'S RESPONSE TO THE 2019 NOVEL CORONAVIRUS PANDEMIC

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On March 13, 2020, the President declared the COVID-19 outbreak a national emergency. The Office of Management and Budget encouraged all Federal agencies to maximize telework to ensure employees' safety while serving the public and conducting mission-critical functions. This was a daunting challenge for an agency that, before the pandemic, served over 40 million customers a year in its field offices.

## WHY IS THIS A CHALLENGE?

The 2019 Novel Coronavirus (COVID-19) changed the Social Security Administration's (SSA) operations and the manner in which it serves its customers. Also, Congress passed legislation to mitigate the impact of COVID-19 on the American public, which included additional mandates for SSA.

## Operations

While SSA has served more customers online and through its national 800-number, over 40 million of its customers annually visited field offices for service before the national emergency was declared. In response to the declaration, and to ensure the safety of its customers and employees, SSA limited its field office operations to in-person service by appointment only for certain dire need situations and maximized telework. SSA had to ensure the vast majority of its approximately 62,000 employees had the resources needed to telework so it could help manage the increased customer traffic to its online services and 800-number.

Similarly, SSA assisted State disability determination services (DDS) in shifting their staffs to telework so they could continue making disability determinations. Before the pandemic, the majority of DDSs were not equipped with laptops. While SSA assisted the DDSs in obtaining the necessary resources, not all DDS employees were able to telework. The reduced staffing meant DDSs were processing fewer cases than they would had they been staffed at pre-pandemic levels, and SSA had over 160,000 more initial disability claims pending at the end of Fiscal Year (FY) 2020 than it did at the beginning of the FY.

## COVID-19-Related Mandates

SSA was a part of a broader Federal response to the pandemic. On March 27, 2020, the President signed the *Coronavirus Aid, Relief, and Economic Security Act* (Pub. L. No. 116-136) to ease the effect of the economic downturn set in motion by the COVID-19 pandemic. Under this Act, SSA received \$38 million to assist the Department of the Treasury with a public

awareness campaign about recovery rebate payments, which the Act mandated the Department of the Treasury provide to qualified individuals. The Act also mandated that SSA share data with the Department of the Treasury to help facilitate the payments.

SSA also received \$300 million for activities taken in response to the pandemic, including

- funding telework, including setting up telephone and communication services;
- paying for supplies; and
- providing resources necessary to process disability and retirement workloads and backlogs.

On May 19, 2020, the President signed Executive Order 13924, *Regulatory Relief to Support Economic Recovery*. The Executive Order mandated that, to promote economic recovery from COVID-19, Federal agencies (including SSA) should work to rescind, modify, waive, or provide exemptions to regulations that might impede economic recovery.

## WHAT PROGRESS HAS THE SOCIAL SECURITY ADMINISTRATION MADE?

### Operations

On August 20, 2020, the Commissioner of Social Security announced the release of the *COVID-19 Reposturing Plan*, which he described as a framework that would guide SSA through the pandemic. The Plan is based on the three-gate approach outlined in the President's *Opening Up American Again* guidance as well as relevant Centers for Disease Control, Office of Management and Budget, and Occupational Safety and Health Administration guidance. The Plan describes a three-phased approach that would shift staffing from a status of maximum telework, which was implemented in response to the pandemic, to resuming unrestricted staffing of worksites, with some continued precautions, as local conditions allow. The Commissioner shared the Plan with SSA employees and made it publicly available on SSA's Website.

### COVID-19-Related Mandates

As required by the *Coronavirus Aid, Relief, and Economic Security Act*, SSA initiated a public awareness campaign about recovery rebate payments. It released numerous press releases and social media posts providing information about the payments. It also added information on its Website about the payments.

Before the release of Executive Order 13924, *Regulatory Relief to Support Economic Recovery*, SSA took actions that aligned with the intent of the Order. For example, SSA suspended processing and collecting overpayments. SSA also suspended processing medical continuing disability reviews (CDR) that could result in benefit cessation as part of its response to COVID-19. SSA uses CDRs to determine whether disabled beneficiaries continue to have a disabling condition. If SSA determines a beneficiary is no longer disabled, it will stop paying the individual's disability benefits. The suspension of the CDR workload could allow for beneficiaries who are no longer disabled to continue receiving benefits.

Effective August 31, 2020, SSA resumed processing most workloads it had suspended in its initial response to the pandemic, including CDR cessations, redeterminations and other actions that may result in a reduction, suspension, or termination of benefits. SSA will also implement a streamlined overpayment waiver process for cases where SSA's deferral of certain actions contributed to overpayments between March 1 and September 30, 2020.

### **WHAT THE SOCIAL SECURITY ADMINISTRATION NEEDS TO DO**

**Keep the public and its employees aware** of the status of the *Reposturing Plan* and how it plans to provide customer service safely throughout the pandemic.

### **KEY RELATED LINKS**

SSA, OIG Website – We have a number of audits planned to review SSA's response to the 2019 COVID-19 pandemic. To see more information about our planned work, see the [FY 2021 Audit Work Plan](#).

SSA Website – [Coronavirus \(COVID-19\) Updates](#)

SSA Website – [Reposturing Plan](#)

## IMPROVE ADMINISTRATION OF THE DISABILITY PROGRAMS

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SSA continues to face challenges with pending disability hearings and related processing times, and the COVID-19 pandemic renewed challenges with pending disability claims and CDRs. Continued focus is necessary to simplify work incentive regulations and create new opportunities for returning beneficiaries to work.

### WHY IS THIS A CHALLENGE?

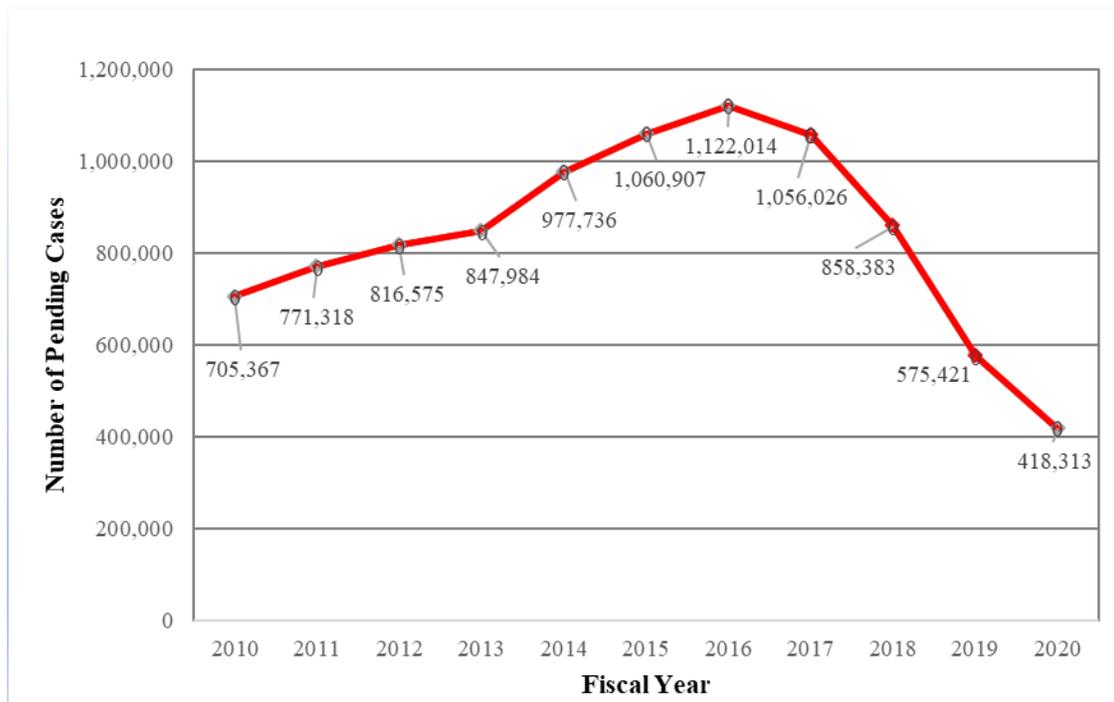
Disabled individuals rely on SSA to quickly process disability applications, make determinations, complete disability-related hearings, and provide assistance with returning to work. To better serve its customers, SSA needs to address increasing pending initial disability claims and CDRs, reduce pending hearings, and develop better strategies to help disabled beneficiaries return to work.

### Pending Initial Disability Claims, Continuing Disability Reviews, and Hearings

Before the COVID-19 pandemic began, SSA had reduced both pending initial disability claims and CDRs. SSA reduced the number of initial disability claims pending from almost 708,000 at the end of FY 2012 to almost 594,000 at the end of FY 2019, and eliminated the backlog of full medical CDRs in FY 2018. COVID-19 pandemic responses, such as DDS closures and delayed consultative examinations, posed challenges to the initial disability claims process. From February to September 2020, claims pending levels increased 21 percent to over 763,000. In March 2020, SSA suspended processing medical CDRs that could result in benefit cessation. The number of full medical CDRs SSA processed monthly decreased from over 57,000 in February 2020 to under 19,000 in July 2020, before rising to nearly 41,000 in September 2020.

While SSA has continued to reduce hearings pending levels (see Figure 1), it still has a backlog of pending cases. SSA considers any pending level that keeps the average processing time for hearings above 270 days as a “backlog.” As of the end of September 2020, the average processing time for hearings was 355 days.

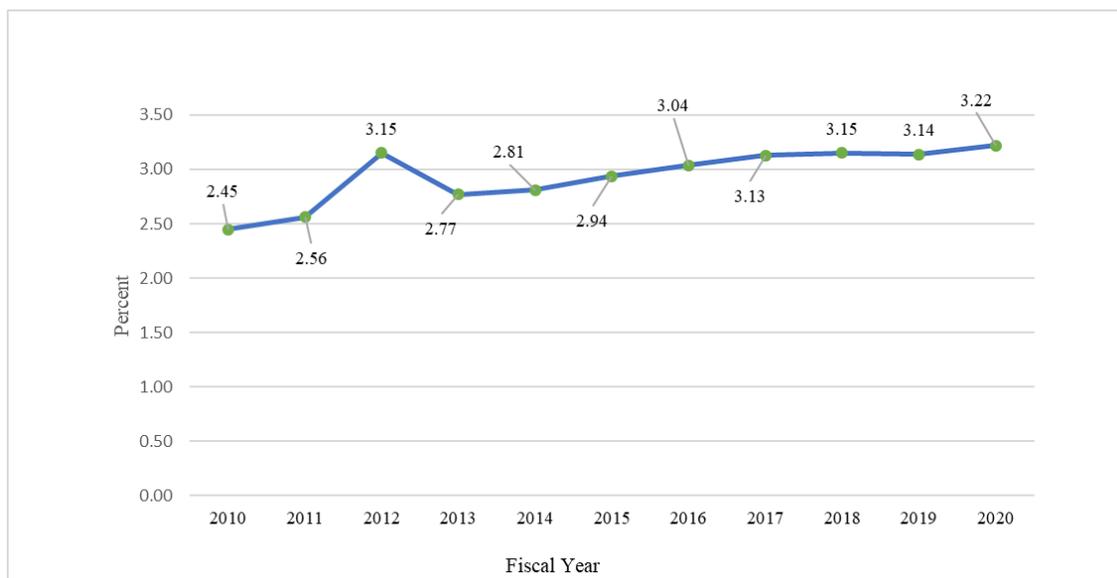
**Figure 1: Pending Hearings  
(FY 2010 Through FY 2020)**



## Returning Disabled Beneficiaries to Work

Congress directed SSA to implement employment support programs to help disabled individuals return to work. To date, these programs have helped only a small percentage of disabled individuals return to work. For example, the *Ticket to Work and Work Incentives Improvement Act of 1999* (Pub. L. No. 106-170) established the Ticket to Work and Self-Sufficiency Program to assist disabled beneficiaries in returning to work. Under the Program, SSA provides disabled beneficiaries a Ticket they can assign to qualified organizations to obtain vocational rehabilitation or employment services. However, while SSA has set goals to increase the number of participating beneficiaries, few eligible beneficiaries used their Tickets for vocational or employment services. Specifically, approximately 3 percent of Ticket-eligible beneficiaries assigned their Tickets or placed them in-use in FY 2020, similar to the percent of individuals who assigned their Tickets in recent years (see Figure 2).

**Figure 2: Percent of Ticket-eligible Beneficiaries with Tickets Assigned or In-use**



When we reviewed another employment support program, the Plan to Achieve Self-Support, SSA could not provide costs incurred, savings, or return-to-work participant outcomes even though SSA implemented the program in 1972.

## WHAT PROGRESS HAS THE SOCIAL SECURITY ADMINISTRATION MADE?

### Pending Claims, Continuing Disability Reviews, and Hearings

Under modified operations during the COVID-19 pandemic, SSA continued processing and prioritizing initial disability claims as well as CDRs that did not result in cessation of benefits. Effective August 31, 2020, SSA resumed CDRs that could result in benefit cessation.

In January 2016, SSA issued the *Compassionate And REsponsive Service (CARES)* plan to provide a framework of drivers and initiatives designed to address the growing number of pending hearings and increased wait times. In April 2019, SSA released the 2018-2019 CARES plan, which noted that SSA expected to reach the 270-day average processing time goal in 2021. In September 2020, we reported that quality initiatives included in the CARES plan were part of SSA's response to fraud in the hearings process and helped ensure decisional quality, legal sufficiency, and policy compliance.

Additionally, in January 2019, SSA began reinstating the reconsideration appeal level that had been eliminated from the claims process in 10 States. According to SSA, reinstating the reconsideration level would aid in alleviating the hearings backlog. In June 2020, we reported that reinstating the reconsideration level would result in fewer appeals to the hearings level, but claimants who appealed to the hearings level would wait longer for a decision.

## Returning Disabled Beneficiaries to Work

To increase understanding of work incentives, SSA leads online *Work Incentive Seminar Event* webinars for disabled beneficiaries who are age 18 through 64. The events provide information on the Ticket to Work and Self-Sufficiency Program and other available work incentives.

### WHAT THE SOCIAL SECURITY ADMINISTRATION NEEDS TO DO

**Renew its focus on reducing and eliminating the initial disability claims and CDR backlogs.**

**Implement and monitor the CARES initiatives** designed to improve timeliness and reduce the hearings backlog.

**Focus resources on capacity issues** to better balance processing times and hearing office workloads.

**Continue creating new opportunities for returning beneficiaries to work** and ensure measurement of costs, savings, and effectiveness are part of the design of such initiatives.

## KEY RELATED LINKS

SSA, OIG Website - [Reports related to improving the administration of the disability programs](#)

SSA Website – [SSA’s CARES plan](#)

SSA Website – [SSA’s CARES plan, 2018-2019 update](#)

SSA Website – [SSA’s The Work Site](#)

## IMPROVE THE PREVENTION, DETECTION, AND RECOVERY OF IMPROPER PAYMENTS

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SSA is responsible for issuing approximately \$1 trillion in benefit payments annually. Given the amounts involved, even the slightest error in the overall payment process can result in millions of dollars in over- or underpayments.

### WHY IS THIS A CHALLENGE?

SSA considers payments to be improper if they result from its mistake in computing the payment, its failure to obtain or act on available information, a beneficiary's failure to report an event, or a beneficiary's incorrect report. Improper payments can be overpayments, when SSA pays someone more than they were due, or underpayments, when SSA pays someone less than they were due. In its FY 2020 *Agency Financial Report*, SSA estimated it made approximately \$7.9 billion in improper payments in FY 2019. Of those, \$6.6 billion were overpayments and \$1.3 billion were underpayments.

### Management of Payment Workloads

While SSA has less control over what beneficiaries report or fail to report, it can control how it computes beneficiaries' payments and its overall management of payment workloads. In recent work, we reported that, through a combination of employee and system errors, the following occurred.

- SSA incorrectly calculated Old-Age, Survivors and Disability Insurance (OASDI) underpayments from September 2016 through July 2018, which resulted in approximately \$81 million in payment errors.
- SSA employees incorrectly processed approximately 555,000 OASDI post-entitlement alerts from January 24 through February 6, 2019, which resulted in approximately \$1.3 billion in improper payments. Our analysis showed that, in some cases, SSA employees did not follow instructions when they processed alerts. In other cases, employees may have incorrectly processed alerts because of vague and generic alert language and corresponding written instructions.
- SSA systems' rejection of approximately 14,000 Electronic Death Registration system reports received from November 2017 through October 2018 resulted in an estimated \$36 million in payments to deceased beneficiaries and representative payees. These errors occurred because decedent information in State death reports did not exactly match beneficiary information in SSA records. Identification and correction of the errors prevented, or will prevent, \$23 million in additional improper payments over a 12-month period.

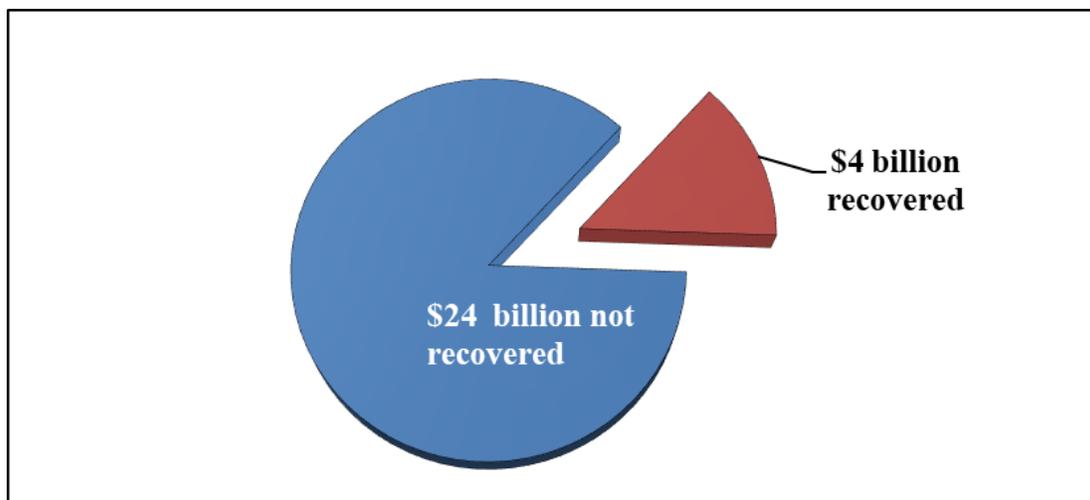
## External Data

Preventing improper payments is more advantageous than detecting them after they are made since additional resources are not spent recovering the overpayments or processing additional payments to rectify underpayments. Wages and income, resources, and living arrangements are a few of the factors that affect OASDI and Supplemental Security Income (SSI) eligibility and payment amounts. Beneficiaries and recipients are required to report to SSA any change in circumstances that may affect their benefits; however, they do not always comply. Therefore, obtaining data from external sources, such as other Federal agencies, State agencies, and financial institutions, is critical to prevent and detect improper payments. For example, over the last few years, we have reviewed death data from several State and Federal agencies and identified approximately \$188 million in payments SSA issued after individuals' deaths.

## Recovery

When SSA determines it underpaid a beneficiary, it will pay the beneficiary the amount owed. Once SSA determines it has overpaid an individual, it attempts to recover the overpayment. In FY 2020, it recovered nearly \$4 billion in overpayments at an administrative cost of \$0.06 for every dollar collected. Still, at the end of the FY, SSA had a \$24-billion uncollected overpayment balance (see Figure 3).

**Figure 3: Overpayment Recovery  
(FY 2020)**



## WHAT PROGRESS HAS THE SOCIAL SECURITY ADMINISTRATION MADE?

### Management of Payment Workloads

SSA data exchanges improve organizational effectiveness and reduce costs by providing reliable data to determine benefits and improve administrative processes, which, in turn, saves costs and reduces improper payments. To reduce payment errors, SSA obtains birth, death, prisoner, and benefit payment information, as permitted under law, from Federal, State, and private partners to ensure payment accuracy. For example, in FY 2019, SSA implemented the Foreign Travel Data application to facilitate access to the Department of Homeland Security's Arrival and Departure Information System data. SSA technicians use the application to view foreign travel information for non-citizen SSI recipients to determine their SSI eligibility during the redetermination process. SSA will continue pursuing new data exchange partners from government and private sectors.

SSA uses a number of sources to verify wage amounts, including pay stubs submitted by recipients, annual earnings data from the Internal Revenue Service, and payroll information. However, verifying wages is a manual process, and SSA continues relying on beneficiaries' ability to self-report wages. In FY 2017, SSA implemented myWageReport, which allows Disability Insurance beneficiaries to report earnings on computers, mobile devices, and smartphones through *my Social Security*. In FY 2018, SSA expanded myWageReport to allow SSI recipients, their representative payees, or their deems to report earnings electronically

### External Data

SSA has worked to obtain data from other agencies and third parties to help identify and prevent improper payments. For example, SSA is updating its death reporting system to ensure it is collecting accurate data from national, State, and local agencies. To combat recipients' unreported absences from the United States, SSA uses Department of Homeland Security foreign travel data during SSI redeterminations. Additionally, each quarter, SSA obtains wage data from the Department of Health and Human Services' Office of Child Support Enforcement, which allows it identify beneficiaries who may be working above certain dollar thresholds to prevent large overpayments. SSA also continues developing plans to obtain wage data from payroll providers.

According to SSA, SSI non-medical redeterminations, which are periodic reviews of such non-medical eligibility factors as income and resources, are another important program integrity tool. SSA estimated that, over 10 years, non-medical redeterminations conducted in FY 2020 will yield, on average, a return on investment of about \$3 of net Federal program savings per \$1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects. However, according to SSA, budgetary constraints determine how many redeterminations it conducts each year.

Through completed CDRs, SSA periodically verifies whether individuals are still disabled and eligible for disability payments. SSA estimated that, over the next 10 years, CDRs conducted in FY 2020 would yield, on average, net Federal program savings of roughly \$8 per \$1 budgeted for dedicated program integrity funding, including OASDI, SSI, Medicare, and Medicaid effects.

## Recovery

To collect debt related to overpayments, SSA uses internal debt collection techniques, such as payment withholding and billing/follow-up, as well as external collection techniques authorized by the *Debt Collection Improvement Act of 1996* (Pub. L. No. 104-134) for OASDI debts and the *Foster Care Independence Act of 1999* (Pub. L. No. 106-169) for SSI debts. Some of these techniques include the Treasury Offset Program and administrative wage garnishment.

### **WHAT THE SOCIAL SECURITY ADMINISTRATION NEEDS TO DO**

**Identify and prevent improper payments through automation and data analytics.**  
SSA needs to use available data to better identify changes that affect beneficiaries' and recipients' benefit payments.

**Expand efforts to collect data from reliable third-party sources that would aid SSA in mitigating discrepancies that can occur when beneficiaries or recipients self-report information.**

**Address the root causes of improper payments to prevent their occurrence.**

## KEY RELATED LINKS

SSA, OIG Website - [Reports related to improving the prevention, detection, and recovery of improper payments](#)

Federal Payment Accuracy Website - [Payment Accuracy – An Official Website of the United States Government](#)

## IMPROVE SERVICE DELIVERY

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SSA faces growing workloads as experienced employees are expected to retire while it pursues its mission to deliver quality service to the public.

### WHY IS THIS A CHALLENGE?

SSA services millions of customers annually through multiple methods, including face-to-face service at its field offices, calls to its national 800-number and online applications. The COVID-19 pandemic greatly curtailed field office service, placing greater stress on other service methods. SSA also faces a challenge to its ability to provide service because of an expected retirement of experienced staff.

### Managing Its Customer-related Workloads

In FY 2020, SSA's field offices served approximately 20 million visitors, less than half the 43 million it served in FY 2019. In a July 2020 audit, we noted that wait times at 9 of SSA's 10 regions increased between FYs 2010 and 2019. The average wait time per visitor in all field offices in the same period increased from 19.4 to 24.8 minutes. Moreover, the number of field office visitors who waited for longer than 1 hour for service increased from 2.3 to 4.2 million.

In FY 2020, SSA's 800-number handled over 34 million calls. In a May 2020 audit, we concluded that, between FYs 2010 and 2019, calls to the national 800-number resulted in more busy messages and hang-ups without the caller receiving service, the number of calls employees answered decreased, and callers waited longer for service. Additionally, effective March 31, 2020, SSA temporarily changed its telephone services, including decreased hours for its 800-number, in response to the COVID-19 outbreak. The services hours changed from 7 am to 7 pm to 8 am to 5:30 pm.

SSA's processing centers help support the 800-number, while also processing complex Social Security claims. In FY 2019, SSA's goal was to reduce the number of pending actions in its processing centers to 2.9 million pending actions by the end of the FY. However, as of September 2020, there were approximately 3.75 million pending workload items.

### Online Services

SSA continues to explore ways to improve the customer service experience by providing convenient and secure online self-service options, many of which are accessed through beneficiaries' **my Social Security** accounts. Approximately 7 million people create a new **my Social Security** account each year; SSA had nearly 53 million registered users at the end of September 2020. Our audit work found SSA's controls for the **my Social Security** portal had not prevented some individuals from fraudulently establishing accounts or submitting direct deposit transactions. Also, SSA's use of those same controls for Internet claims may similarly allow individuals to fraudulently submit Internet claims applications.

## Experienced Employees and Institutional Expertise

SSA acknowledges that one of its greatest challenges is the expected loss of its most experienced employees. SSA expects that more than 21,000 of its 62,000 employees will retire within the next 5 years. These retirements, along with regular attrition, will cause a loss of institutional knowledge and potentially impair succession management and knowledge transfer.

## WHAT PROGRESS HAS THE SOCIAL SECURITY ADMINISTRATION MADE?

### Managing Its Customer-related Workloads

In response to the COVID-19 outbreak, SSA moved to provide limited in-person service by appointment only for certain dire need situations that it could not accomplish online or by phone. While SSA offices are not providing service to walk-in visitors, SSA continues to provide services through online options and calls to its 800-number. After initially decreasing the 800-number operational hours in response to COVID-19, it has since increased the time when callers can speak with live 800-number agents to 8 am to 7 pm. The 800-number's automated services are available 24 hours a day.

To improve callers' experience and satisfaction, SSA plans to combine all its telephone service offerings into one platform to route calls to the best source quickly. SSA is implementing other improvements to its call center processes, including expanding management information, enhancing speech analytics and implementing post-call surveys for customers who used automated services. SSA also reported it hired and trained approximately 1,340 new employees in FY 2020 to support the 800-number operations and will continue efforts to replace staffing losses and hire additional employees. SSA prioritized hiring and overtime in the processing centers and continues focusing on automation, workflow enhancements, and quality initiatives to improve processing center performance.

### Online Services

SSA stated that, in FY 2020, it would expand **my Social Security** services and strengthen and modernize its methods to authenticate customers' identities and authorize their use of electronic services. For example, in May 2020, SSA released to a limited audience a new version of the online registration process that allows applicants to enter their State-issued identity information and validate a physical or electronic address. In June 2020, SSA began accepting federated authentication from ID.me, an accredited provider of federated credentials. In August 2020, SSA began offering all residents of 38 States and the District of Columbia the option of registering with their State-issued identity information.

## Experienced Employees and Institutional Expertise

SSA's goal is to continue increasing the proficiency of its leadership cadre and pipeline to enhance their readiness to fill potential gaps in leadership and critical positions. In 2019, SSA launched a redesigned national leadership development program that replaced previous programs to ensure a continuity of trained leaders ready to fill critical positions. SSA also plans to expand developmental opportunities beyond component-based programs and strengthen core foundational competencies that support leadership. In FY 2020, SSA completed program selections, hosted a virtual orientation, and matched selectees with mentors. SSA is currently determining competency baselines for those selected for the national leadership development program. In FY 2021, SSA's goal is to reduce leadership competency gaps among at least 90 percent of leadership development program participants.

### **WHAT THE SOCIAL SECURITY ADMINISTRATION NEEDS TO DO**

**Continue developing and implementing strategies that will provide quality services to the public now and in the future.**

**Ensure any electronic applications offered through *my* Social Security include an effective authentication process.**

## KEY RELATED LINKS

SSA, OIG Website - [Reports related to improving service delivery](#)

SSA Strategic Plan - [Agency Strategic Plan Fiscal Years 2018-2022](#)

SSA Annual Performance Plan - [Annual Performance Plan for Fiscal Year 2021, Revised Performance Plan for Fiscal Year 2020, and Annual Performance Report for Fiscal Year 2019](#)

SSA Budget Overview - [FY 2021 Budget Overview](#)

# PROTECT THE CONFIDENTIALITY, INTEGRITY, AND AVAILABILITY OF THE SOCIAL SECURITY ADMINISTRATION'S INFORMATION SYSTEMS AND DATA

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SSA must ensure its information systems are secure and sensitive data are protected.

## WHY IS THIS A CHALLENGE?

SSA's information technology (IT) supports every aspect of SSA's mission, whether it is serving the public during in-person interviews or online, routing millions of telephone calls on its 800-number, or posting millions of earner wage reports annually; IT is the enabler that allows SSA to service its many customers. Disruptions to the integrity or availability of its information systems would dramatically affect SSA's ability to serve the public and meet its mission. Also, SSA's systems contain personally identifiable information, such as the Social Security number (SSN), which if not protected, could be misused by identity thieves.

## Information Security

SSA continues expanding its online services to improve customer service and develop systems in the cloud, and it is imperative that SSA have a robust information security program. In its most recent report for the *Federal Information Security Modernization Act of 2014* (Pub. L. No. 113-283), Grant Thornton LLP determined that SSA had established an Agency-wide information security program. However, Grant Thornton identified a number of deficiencies in SSA's information security program, potentially limiting its ability to protect the confidentiality, integrity, and availability of SSA's information systems and data.

Furthermore, for systems that promote public access, such as SSA's *my Social Security*, agencies must ensure that identity proofing, registration, and authentication processes provide assurance of identity consistent with security and privacy requirements, in accordance with Federal standards and guidelines. However, SSA relies on companies that have had breaches, such as Equifax, and there have been several breaches of personal data across the globe and continuous misuse of SSNs across industries. Although SSA determined there was no impact to the integrity and security of its network from these breaches, it continues to monitor its systems for irregularities and potential malicious activity. Still, SSA must take action to improve its digital identity system and make online transactions secure to prevent such breaches.

## Social Security Number Protection and Earnings Accuracy

The SSN is relied upon as an identifier and is valuable as an illegal commodity. Accordingly, the information SSA houses on every numberholder is desirable to would-be hackers and potential identity thieves. Protecting the SSN and properly posting the wages reported under it are critical to ensuring SSN integrity and eligible individuals receive the full benefits due them.

Accuracy in recording numberholder information is critical because SSA and other agencies rely on information to verify employment eligibility, ensure successful processing of wage reports, and terminate payments to deceased beneficiaries. Accuracy in recording workers' earnings is critical because SSA calculates benefit payments based on an individual's earnings over his/her lifetime. As such, properly assigning SSNs only to those individuals authorized to obtain them, protecting SSN information once SSA assigns the numbers, ensuring numberholder information is complete in its systems, and accurately posting the earnings reported under SSNs are critical responsibilities.

A specific challenge to ensuring accurate earnings postings is employers that report earnings information incorrectly so SSA cannot match the reported earnings to individuals in its records. The Earnings Suspense File is the record of wage reports on which wage earners' names and SSNs fail to match SSA's records. The Earnings Suspense File has accumulated \$1.8 trillion in wages and nearly 392 million wage items for Tax Years 1937 through 2019.

## WHAT PROGRESS HAS THE SOCIAL SECURITY ADMINISTRATION MADE?

### Information Security

SSA acknowledges it must be mindful of potential cyber-threats and remain committed to protecting privacy and security. SSA's *Cybersecurity Strategic Plan 2019–2022* focuses on how it will safeguard and protect against IT and cyber-security threats by continuing to mature its cyber-security program. The *Plan* defines strategic goals and priorities and includes strategies and initiatives to address IT and cyber-security challenges.

In FY 2020, SSA implemented several identification verification enhancements to its **my Social Security** portal to ensure online services are secure. These enhancements, if selected when the user creates an account, should improve both security and usability. Per SSA, they will become mandatory for all users in FY 2021 and will require that customers prove they possess a secure code that SSA provided to a verified postal or electronic address before they can access **my Social Security**. SSA expects these changes to help ensure it complies with National Institute of Standards and Technology Special Publication 800-63-3, *Digital Identity Guidelines*.

## Social Security Number Protection and Earnings Accuracy

To reduce the Earnings Suspense File's size and growth, in FY 2019, SSA resumed sending revised Educational Correspondence letters to employers whenever at least one name or SSN submitted on their employee's Form W-2, *Wage and Tax Statement*, did not match SSA records. The letter includes instructions for correcting discrepancies. SSA also allows employers to verify their employees' names and SSNs using its online Social Security Number Verification Service before reporting wages to SSA. In FY 2020, the Social Security Number Verification Service processed over 180 million verification transactions.

SSA supports the Department of Homeland Security's E-Verify program, which assists employers in verifying the employment eligibility of newly hired employees. Through the second quarter of FY 2020, the Department of Homeland Security reported it processed 26 million E-Verify cases, of which approximately 416,000 (1.6 percent) received a "not authorized to work" response.

### WHAT THE SOCIAL SECURITY ADMINISTRATION NEEDS TO DO

**Address the deficiencies identified by the independent auditor** to improve SSA's ability to protect the confidentiality, integrity, and availability of SSA's information systems and data.

**Ensure the electronic services SSA provides are secure and comply with Federal security requirements.**

**Continue to be vigilant in protecting SSNs.**

**Improve wage reporting** by informing employers about potential SSN misuse cases, identifying and resolving employer reporting problems, re-examining the validity and integrity checks used to prevent suspicious W-2s from being posted, and encouraging greater use of SSA's employee verification programs.

### KEY RELATED LINKS

SSA OIG Website - [Reports related to protecting the confidentiality, integrity, and availability of SSA's information systems and data](#)

National Institute of Standards and Technology - [Special Publication 800-63-3, Digital Identity Guidelines.](#)

## MODERNIZE INFORMATION TECHNOLOGY

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**SSA must modernize its IT to accomplish its mission despite budget and resource constraints.**

### WHY IS THIS A CHALLENGE?

Few Federal agencies touch as many people as SSA, and IT plays a critical role in SSA's daily operations. SSA relies on its IT infrastructure to serve the public and safeguard SSA programs. However, its significantly aging IT infrastructure is increasingly difficult and expensive to maintain. SSA continues relying on outdated applications and technologies to process its core workloads (for example, retirement, and disability claims), and knowledge of its dated applications and legacy infrastructure will diminish as developers retire.

### Information Technology Infrastructure Modernization

SSA must maintain its legacy systems while, in parallel, developing its modern replacements to keep pace with increasing workloads. While SSA has taken an incremental approach to IT modernization by replacing systems' components rather than whole systems, this approach is no longer viable. Technology is advancing faster than SSA can incrementally modernize.

### Information Technology Investment Process

SSA prioritizes and selects IT investments to support its strategic plans and goals through its IT Investment Process, which establishes procedures for new IT investment selections; implementation of the investments and maintenance; and operations of current and future investments. Although SSA was able to verify and compare costs, functionality impact, and other areas in its post-implementation review reports, it could not quantify the benefits or calculate the return on investment for all the projects covered by those reports. While SSA has developed a roadmap to spend \$691 million through FY 2022 to modernize some of its systems, budget constraints have forced it to use much of its IT funding—\$2 billion in FY 2020—to operate and maintain existing systems.

### WHAT PROGRESS HAS THE SOCIAL SECURITY ADMINISTRATION MADE?

### Information Technology Infrastructure Modernization

SSA's Chief Information Officer has acknowledged SSA must undertake a larger, multi-year effort. In October 2017, SSA published and began implementing its *IT Modernization Plan*. In July 2020, SSA updated the Plan to focus more on customer service issues. This multi-year modernization effort is fundamental to the overall ability to improve service to the public.

## Information Technology Investment Process

SSA developed a new IT Investment Process that it expects will improve how it manages and invests in IT. The IT Investment Process will focus on up-front project planning with outcomes tied to specific goals. An enterprise-wide executive IT investment board meets throughout the year to make funding decisions on projects that provide the greatest benefit to SSA. As a result, SSA believes it will be better able to deliver the right project on time and within budget.

### **WHAT THE SOCIAL SECURITY ADMINISTRATION NEEDS TO DO**

**Prioritize IT modernization activities** to ensure available resources lead to improvements with the greatest impact on SSA's operations and the service it provides the public.

**Ensure its IT planning and investment control processes are effective.**

### KEY RELATED LINKS

SSA, OIG Website - [Reports related to modernizing IT infrastructure](#)

SSA Website – [SSA's IT Modernization Plan](#)

SSA Website – [SSA's IT Modernization Plan, 2020 Update](#)

# *APPENDIX*

## Appendix A – RELATED OFFICE OF THE INSPECTOR GENERAL REPORTS

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### THE SOCIAL SECURITY ADMINISTRATION’S RESPONSE TO THE 2019 NOVEL CORONAVIRUS PANDEMIC

We have a number of audit projects planned to review the Social Security Administration’s Response to the 2019 Novel Coronavirus pandemic. To see more information about our planned work, see the [Fiscal Year 2021 Audit Work Plan](#).

#### IMPROVE ADMINISTRATION OF THE DISABILITY PROGRAMS

Report Title and Common Identification Number	Date Issued
<i>Agency Actions After the Huntington Fraud Scheme</i> (A-12-19-50883)	September 10, 2020
<i>The Social Security Administration’s Reconsideration Level of Appeal</i> (A-01-19-50762)	June 22, 2020
<i>Personnel and Indirect Costs Claimed by the Michigan Disability Determination Services for Fiscal Year 2014</i> (A-07-19-50763)	January 22, 2020

#### IMPROVE THE PREVENTION, DETECTION, AND RECOVERY OF IMPROPER PAYMENTS

Report Title and Common Identification Number	Date Issued
<i>Miscellaneous Benefit Suspensions for Old-Age, Survivors and Disability Insurance Beneficiaries</i> (A-07-19-50799)	September 21, 2020
<i>The Social Security Administration’s Rejection of State Electronic Death Registration Reports</i> (A-08-18-50499)	September 21, 2020
<i>Match of Kentucky Death Information Against Social Security Administration Records</i> (A-04-19-50815)	September 15, 2020
<i>Accuracy of Supplemental Security Income Recipients’ Report of Separation</i> (A-02-14-31417)	July 30, 2020
<i>Match of Oklahoma Death Information Against Social Security Administration Records</i> (A-06-18-50769)	July 17, 2020
<i>Match of New Hampshire and Vermont Death Information Against Social Security Administration Records</i> (A-01-19-50865)	June 22, 2020
<i>The Social Security Administration’s Actions to Resolve Potentially Fraudulent Internet Claims</i> (A-09-18-50603)	June 11, 2020
<i>Retirement Beneficiaries Potentially Eligible for Widow(er)’s Benefits</i> (A-13-13-23109)	June 9, 2020

<b>Report Title and Common Identification Number</b>	<b>Date Issued</b>
<i>Agency Processing of Duplicate Payment Detection Alerts (A-05-19-50796)</i>	May 6, 2020
<i>Match of Pennsylvania Death Information Against Social Security Administration Records (A-15-18-50679)</i>	March 23, 2020
<i>Manual Actions on Old-Age, Survivors and Disability Insurance Post-entitlement Alerts (A-07-18-50621)</i>	March 9, 2020
<i>Beneficiaries with Representative Payees and Earnings (A-02-17-50143)</i>	March 5, 2020
<i>Follow-up on Supplemental Security Income Recipients Eligible for Veterans Benefits (A-01-17-50236)</i>	February 13, 2020
<i>Follow-up: Beneficiaries Who Had Not Cashed Their Checks Within 1 Year (A-09-18-50562)</i>	December 23, 2019
<i>Follow-up on Prisoner Incentive Payments (A-01-19-50851)</i>	December 20, 2019
<i>Accuracy of Manual Actions for Old-Age, Survivors and Disability Insurance Underpayments over \$6,000 (A-03-18-50703)</i>	December 2, 2019
<i>Match of Delaware Death Information Against Social Security Administration Records (A-15-18-50662)</i>	November 27, 2019
<i>Appropriateness of Actions Taken on Pending Workers' Compensation Cases (A-05-18-50627)</i>	October 7, 2019

## **IMPROVE SERVICE DELIVERY**

<b>Report Title and Common Identification Number</b>	<b>Date Issued</b>
<i>The Social Security Administration's Field Office Customer Service (A-08-20-50898)</i>	July 14, 2020
<i>The Social Security Administration's Response to Telephone Imposter Scams (A-02-20-50904)</i>	May 27, 2020
<i>The Social Security Administration's Telephone Services (A-05-20-50899)</i>	May 15, 2020
<i>The Social Security Administration's Electronic Remittance System for Beneficiary-related Debts (A-04-19-50780)</i>	January 23, 2020

**PROTECT THE CONFIDENTIALITY, INTEGRITY, AND AVAILABILITY OF THE SOCIAL SECURITY ADMINISTRATION'S INFORMATION SYSTEMS AND DATA**

<b>Report Title and Common Identification Number</b>	<b>Date Issued</b>
<i>Assignment of Nonwork Social Security Numbers (A-08-18-50500)</i>	August 7, 2020
<i>The Social Security Administration's Implementation of IPAYSSA (A-14-19-50893)</i>	July 30, 2020
<i>Multiple Social Security Numbers Assigned to Non-citizens Using the Enumeration Beyond Entry Program (A-08-18-50472)</i>	December 17, 2019
<i>The Social Security Administration's Controls over Malicious Software and Data Exfiltration (A-14-18-50709)</i>	December 4, 2019
<i>The Social Security Administration's Controls over Malware Introduced by Email Phishing (A-14-18-50710)</i>	December 4, 2019
<i>The Social Security Administration's Vulnerability Management Program (A-14-18-50585)</i>	October 24, 2019

**MODERNIZE INFORMATION TECHNOLOGY**

<b>Report Title and Common Identification Number</b>	<b>Date Issued</b>
<i>The Social Security Administration's Cost and Schedule Estimates for the Disability Case Processing System (A-14-18-50742)</i>	December 2, 2019



**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 <https://oig.ssa.gov/report>

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

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