



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Discontinued Information Technology Investments

142402 September 2026



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 29, 2026

Refer to: 142402

To: Frank Bisignano
Commissioner

From: Michelle L. Anderson *Michelle L. Anderson*
Assistant Inspector General for Audit as First Assistant

Subject: Discontinued Information Technology Investments

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether (1) the Social Security Administration's (SSA) policies, procedures, and processes for discontinuing information technology investments complied with Federal requirements and guidance and (2) SSA complied with Federal requirements and guidance when it discontinued four information technology investments.

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 Jeffrey T. Brown, Deputy Assistant Inspector General for Audit.

Attachment

Discontinued Information Technology Investments 142402



September 2026

Office of Audit Report Summary

Objective

To determine whether (1) the Social Security Administration's (SSA) policies, procedures, and processes for discontinuing information technology (IT) investments complied with Federal requirements and guidance and (2) SSA complied with Federal requirements and guidance when it discontinued four IT investments.

Background

The *Information Technology Management Reform Act of 1996* requires that the heads of Federal agencies design and implement a capital planning and investment control (CPIC) process to maximize the value of, and assess and manage the risks of, IT acquisitions.

The Office of Management and Budget states that risk management should be central to the IT investment process. Agencies must implement necessary acquisition strategies, including establishing thresholds for cancellation, that reduce the risks of cost escalation and failure to achieve schedule and performance goals.

SSA established its CPIC process to address requirements for investment management. CPIC comprises four phases: Plan, Select, Control, and Evaluate. SSA stated it determines whether to fund or discontinue investments during the Select phase and monitors and identifies poor-performing investments during the Control phase.

Results

SSA's policies, procedures, and processes did not fully comply with Federal requirements for discontinuing IT investments. While SSA met some Federal IT investment management requirements by establishing the CPIC process and associated monitoring activities, it had not integrated monitoring controls to establish a formal process for discontinuing IT investments.

Additionally, SSA did not comply with Federal and Agency requirements and guidance when it discontinued the four IT investments we reviewed. Specifically, the Agency did not

1. consistently perform IT investment planning activities and return on investment analyses;
2. properly measure schedule, cost, and performance goals in accordance with Federal guidance;
3. have effective controls to identify troubled IT investments;
4. perform required investment reviews on high-risk major IT investments;
5. establish a formal process for terminating IT investments; and
6. perform required reviews for all canceled and implemented investments.

Conclusion

SSA must ensure its process for managing IT investments complies with Federal requirements and aligns with Agency policy. The Agency can improve its policies, processes, and controls to better identify and address the root causes of underperforming investments and enhance the timeliness and quality of its decision-making, enabling it to improve performance or discontinue investments timely, when appropriate. This would help SSA more effectively manage its limited IT resources and minimize potential loss to the Agency.

Recommendations

We made nine recommendations to improve SSA's investment management and discontinuation processes and help the Agency more effectively manage its limited IT resources. SSA agreed with our recommendations.

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ABBREVIATIONS

CIO	Chief Information Officer
CPIC	Capital Planning and Investment Control
DMP	Debt Management Product
EVMS	Earned Value Management System
FY	Fiscal Year
IRB	Investment Review Board
IT	Information Technology
OIG	Office of the Inspector General
OMB	Office of Management and Budget
PIR	Post-Implementation Review
Pub. L. No.	Public Law Number
rCIRP	Re-engineered Comprehensive Integrity Review Process
ROI	Return on Investment
SSA	Social Security Administration

OBJECTIVE

Our objective was to determine whether (1) the Social Security Administration's (SSA) policies, procedures, and processes for discontinuing information technology (IT) investments complied with Federal requirements and guidance and (2) SSA complied with Federal requirements and guidance when it discontinued four IT investments.

BACKGROUND

The *Information Technology Management Reform Act of 1996* requires that the heads of Federal agencies design and implement a capital planning and investment control (CPIC) process to maximize the value of, and assess and manage the risks of, IT acquisitions. It also requires that agencies' Chief Information Officers (CIO) “. . . monitor the performance of [IT] programs of the agency, evaluate the performance of those programs on the basis of the applicable performance measurements, and advise the head of the agency regarding whether to continue, modify, or terminate a program or project.”^{1,2}

The Office of Management and Budget (OMB) requires that CIOs define agency-wide policies and procedures for conducting IT investment reviews, operational analyses, or other applicable performance reviews to evaluate IT resources, including projects in development and ongoing activities.³ In addition, OMB requires that CIOs lead investment reviews of high-risk major IT investments. The CIO may recommend that the agency modify, pause, or terminate any acquisition, investment, or activity that includes a significant IT component.⁴

OMB states that risk management should be central to the IT investment process. Agencies must implement necessary acquisition strategies, including establishing thresholds for cancellation, that reduce the risks of cost escalation and failure to achieve schedule and performance goals.⁵ If an agency cannot implement corrective actions to maintain the expected return on investment (ROI), it can terminate a project with limited loss and begin planning for another solution.⁶ Finally, agencies should perform a post-implementation review immediately following investment termination to improve investment decision-making processes.⁷

¹ Some sources referenced in this report differentiate between IT “investments” and “projects.” In this report, we use the terms interchangeably. Where appropriate, we used the wording from the referenced source.

² *Information Technology Management Reform Act of 1996*, Pub. L. No. 104-106, § 5125(c)(2), 110 Stat. 186, p. 685.

³ OMB, *Managing Information as a Strategic Resource*, Circular No. A-130, sec. 5.b.2) d), p. 9 (2016).

⁴ OMB, *Managing Information as a Strategic Resource*, Circular No. A-130, sec. 5.b.5), p. 9 (2016).

⁵ OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets*, Appendix 6, sec. D, p. 66 (2024).

⁶ OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning Budgeting, and Acquisition of Capital Assets*, sec. II.8), p. 39 (2024).

⁷ OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning Budgeting, and Acquisition of Capital Assets*, sec. III.3.3.2.), pp. 48 and 49 (2024).

SSA established its CPIC process to address requirements for investment management. CPIC comprises four phases: Plan, Select, Control, and Evaluate. SSA stated it determines whether to fund or discontinue investments during the Select phase and monitors and identifies poor-performing investments during the Control phase.

In Fiscal Years (FY) 2023 through 2025, SSA's Programmatic Area Leads annually prioritized the IT investments in each programmatic area.⁸ SSA's IT Investment Review Board (IRB) then voted on which investments to fund. The IT IRB governs the Agency's IT investment and management process and comprises the CIO, the Chief Financial Officer, and representatives from each of SSA's top-level components. Before the IRB voted, IT investment staff provided IRB voting members briefing materials, including an overview, planned outcomes, and funding requests and justification, for the prioritized investments in each programmatic area.

SSA subject-matter experts stated the rationale for the funding decisions included whether the investments

- were required by regulation or legislation;⁹
- addressed Agency Strategic Plan objectives;¹⁰ or
- addressed the Commissioner's current priorities.¹¹

Members consider all factors presented, with a focus on the Commissioner's priorities. Investments the IT IRB votes not to fund may be put on hold. For investments on hold, project sponsors may decide not to put forward funding requests in subsequent years and formally cancel the investments. From 2017 through March 7, 2025, SSA

- canceled 25 investments that had incurred \$81 million in costs and
- put 31 investments on hold that had incurred \$141 million in costs.¹²

⁸ SSA's programmatic areas organize individual investments into feasible lines of business.

⁹ The regulations and legislation SSA referenced during our audit period included the *Bipartisan Budget Act of 2015*, Pub. L. No. 114-74, 129 Stat. 584; the *Inflation Reduction Act of 2022*, Pub. L. No. 117-169, 136 Stat. 1818; the *Postal Service Reform Act of 2021*, Pub. L. No. 117-108, 136 Stat. 1127; the *Strengthening Protections for Social Security Beneficiaries Act of 2018*, Pub. L. No. 115-165, 132 Stat. 1257; Executive Order 13,985, 86 Fed. Reg. 7,009 (January 25, 2021); and *Creating Advanced Streamlined Electronic Services for Constituents Act of 2019*, Pub. L. No. 116-50, 133 Stat. 1073.

¹⁰ The Agency Strategic Plan documents SSA's Strategic Goals and Objectives for 5 years.

¹¹ The Commissioner may change their priorities annually and may present new Agency priorities when SSA has a new Commissioner.

¹² SSA subsequently placed another investment on hold that incurred \$71.8 million in costs.

SCOPE AND METHODOLOGY

To achieve objective 1, we evaluated SSA's policies, procedures, and processes for discontinuing IT investments against Federal requirements and guidance. To achieve objective 2, we examined SSA's inventory of discontinued IT investments and judgmentally selected a sample for testing.

When we selected our sample, we considered several factors, including SSA's reported costs incurred and the investments' criticality to SSA's mission. We ensured we selected both major and non-major investments and investments SSA had canceled and put on hold. For each sampled investment, we reviewed SSA's IT investment planning documentation and documents related to the Agency's decision to discontinue them, including the rationale, relevant IT IRB decision meeting records, and the results of monitoring controls.¹³ See Table 1 for the investments selected.

Table 1: Investments Sampled for Review

Investment	Status as of March 2025	Investment Period (FY)	Actual Costs as of September 30, 2025 ¹⁴
Business Intelligence Tool Migration	Canceled	2015 - 2021	\$37.6 Million
eServices Commissioner priority - Enterprise Application Programming Interface Development	Canceled	2021	\$7.9 Million
Debt Management Product (DMP)	On Hold ¹⁵	2016 - 2026	\$71.8 Million ¹⁶
Re-engineered Comprehensive Integrity Review Process (rCIRP) Operational Case Workload	On Hold	2015 - 2022	\$34.4 Million

¹³ See Appendix A for additional information about our scope and methodology.

¹⁴ We obtained this information from SSA's investment management tool. We did not evaluate the accuracy of the figures presented.

¹⁵ DMP was active when we selected our sample, but SSA placed on hold in FY 2026.

¹⁶ Financial data for DMP is as of December 18, 2025.

RESULTS OF REVIEW

SSA's policies, procedures, and processes did not fully comply with Federal requirements for discontinuing IT investments. While SSA met some Federal IT investment management requirements by establishing the CPIC process and associated monitoring activities, it had not integrated monitoring controls to establish a formal process for discontinuing IT investments.

Additionally, SSA did not comply with Federal and Agency requirements when it discontinued the four IT investments we reviewed. Specifically, the Agency did not

1. consistently perform IT investment planning activities and ROI analyses;
2. properly measure schedule, cost, and performance goals in accordance with Federal guidance;
3. have effective controls to identify troubled IT investments;
4. perform required investment reviews on high-risk major IT investments;
5. establish a formal process for terminating IT investments; and
6. perform required reviews for all canceled and implemented investments.

Planning Investments and Analyzing Return on Investment

OMB requires that Federal agencies establish a decision-making process that covers the life of each information system and includes criteria for analyzing the projected and actual costs, benefits, and risks.¹⁷ OMB also requires that agencies produce planning documents for all IT investments.¹⁸ OMB's IT investment planning principles focus on ensuring capital assets support the agency's core/priority missions and have demonstrated a projected ROI that is clearly equal to, or better than, alternative uses.¹⁹ In addition, agencies should establish decision thresholds "for cost, schedule, and performance expectations of development projects beyond which the [ROI] becomes so low that the project should be canceled."²⁰

SSA policy requires that Agency components provide a comprehensive narrative with each funding request that includes a statement of the issue to be addressed by the investment, proposed strategy, costs, alternatives considered, ROI, funding impact and dependencies, and supporting documentation.²¹ However, SSA did not complete an ROI analysis for any of the four IT investments we reviewed. For the DMP investment, SSA provided an ROI file that did not contain any data or analysis. Additionally, SSA did not complete other required investment planning activities for two sampled investments:

¹⁷ OMB, *Managing Information as a Strategic Resource*, Circular No. A-130, sec. 5.d. 3, p. 12 (2016).

¹⁸ OMB, *Managing Information as a Strategic Resource*, Circular No. A-130, sec. 5.d. 3 (a), p. 12 (2016).

¹⁹ OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets*, Appendix 6, p. 62 (2024).

²⁰ OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets*, sec. I.5.1), p. 11 (2024).

²¹ SSA, *IT Guide to CPIC | Capital Planning Investment Control*, Version 8, sec. 8.2.2, p. 18 (May 2024).

- For the eServices investment, SSA did not provide us with any planning documents. SSA subject-matter experts stated the investment was a Commissioner's priority and did not follow the normal investment planning process.²² SSA did not have a documented process for funding this type of investment.
- For the rCIRP investment, SSA provided us with some planning documents but did not provide evidence of an alternatives analysis, projected benefits, or cost-benefit analysis. In addition, the documents SSA provided did not address the tasks required or document the original cost, delivery schedule, or performance goals. SSA later performed an alternatives analysis after the investment was deemed to be unsustainable and needed corrective action. However, this analysis was not supported by assumptions, calculations, or data.

We could not determine why SSA did not follow OMB requirements and its policy for these investments. Without including the investment scope and performance expectations or ROI analysis in planning documents, the Agency cannot properly monitor and evaluate the progress of its IT investments or make timely and informed decisions. This increases the risk SSA may invest significant resources in unsuccessful investments.

For example, SSA partially implemented rCIRP and started running it parallel to the legacy process in 2021. However, SSA did not deliver all the investment's planned functionalities. The IT IRB voted to defund the investment, except for contractor support in FY 2022. SSA later determined it could not sustain contractor costs and decided to revert to the legacy process, which required that SSA managers review integrity alerts, rather than contractors, as originally planned. As a result, SSA had to purchase thousands of licenses for its managers. This decision cost SSA an additional \$5 million for license costs and expenses to move to a cloud environment.

This investment demonstrated the effect of SSA's failure to enforce investment controls. Before beginning the project, SSA did not make an informed decision that the new process was worth the investment before it committed millions of dollars to it. Additionally, because the Agency did not complete required planning activities, it could not monitor the cost, schedule, and performance goals or ROI.

Measuring Schedule, Cost, and Performance Goals

OMB requires that agencies use an Earned Value Management System (EVMS) to measure and evaluate performance goals and variances for IT investments, including in-house projects.^{23, 24} Earned value management is a systematic approach to integrating and measuring cost, schedule, and technical accomplishments on a project. It provides the ability to examine detailed schedule information, critical program and technical milestones, and cost data. When investments appear at risk of not meeting expectations, agencies should evaluate the investment and consider adjusting or terminating them.

²² SSA funded the eServices investment for FY 2021. See Table 1.

²³ OMB, *Managing Information as a Strategic Resource*, Circular No. A-130, sec. 5.b. 2 (c), p. 8 (2016).

²⁴ OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets*, sec. II, p. 25 (2024).

SSA's CPIC policy requires that the Agency establish performance measures and management processes that monitor and compare actual performance to planned results as part of its IT Capital Planning Process.²⁵ Additionally, SSA's CPIC guide states that SSA reviews all major IT investments for cost and schedule variances and performance goals and that SSA has defined passing scores for each performance area.²⁶ Finally, the IT IRB Charter requires that the IRB consider cost, schedule, performance baselines, and changes to approved baselines for IT investments.²⁷

For all four investments we sampled, SSA did not use EVMS or an equivalent system to measure and monitor cost, schedule, and performance goals. The Agency did not establish integrated cost, schedule, and technical requirements baselines for each investment. Instead, it monitored planned and actual costs and performance goals separately. Further, SSA did not monitor a life-cycle schedule for each of the investments we tested. SSA did not track the extent to which the project team completed the planned functionalities and whether the project remained on schedule.

SSA's process did not provide critical insights into IT investments to enable it to detect and actively manage investment risks which would allow it to identify troubled investments and take timely action, including discontinuing them, if necessary. For example, a project team may complete a project within budget but not within the scheduled time. By tracking only planned and actual costs, SSA could not detect schedule and progress delays.

In addition, SSA did not consistently develop and track performance measures. It did not develop any performance measures for three of the four investments we reviewed. For the DMP investment, SSA developed performance measures; however, it tracked one set of performance measures but reported different performance measures to OMB.

Although OMB guidance explicitly requires that agencies use EVMS,²⁸ SSA stated EVMS was not required for major in-house IT investments. Further, SSA removed requirements to use EVMS or an equivalent system from Agency policy when it updated its IT CPIC guide in May 2023. Without EVMS, SSA may not correctly establish and monitor cost and schedule variances to effectively manage its IT investments, which could prevent it from identifying troubled investments timely.

Identifying Troubled Investments

OMB requires that Federal Agencies design "...agency-wide policies and procedures for conducting IT investment reviews, operational analyses, or other applicable performance reviews to evaluate IT resources, including projects in development and ongoing activities."²⁹

²⁵ SSA *Policy 8100.01, Information Technology Capital Planning and Investment Control*, Version 3, sec. 3, a(8), p. 2 (January 2023).

²⁶ SSA, *IT Guide to CPIC | Capital Planning Investment Control*, Version 8, sec. 10.2, p. 21 (May 2024).

²⁷ SSA, *Information Technology Investment Review Board Charter*, ch. V., p.5 (May 2017).

²⁸ See Footnotes 23 and 24.

²⁹ OMB, *Managing Information as a Strategic Resource*, Circular No. A-130, sec. 5.b.2) d), p. 9 (2016).

SSA's controls to monitor IT investments include risk management, inflight investment review, value realization, quarterly health review, CIO and program manager engagement, and CIO evaluation.³⁰ For the four investments we reviewed, SSA's controls did not help it identify troubled IT investments because of weaknesses we identified in the control activities.³¹ Examples follow.

- SSA did not identify all known significant risks. In addition, when SSA did identify risks, it did not always document the critical information needed to manage or remediate the risks. Finally, SSA's actions to address risks were not always effective.
- SSA did not establish proper performance measures for one investment and did not track most of the measures it identified. Also, SSA's internally tracked performance measures were not consistent with those documented in the business case reported to OMB.
- Some data and results were not accurate or consistent with the investments' posture.
- SSA did not record conclusions or action items for investment reviews.

Additionally, SSA's controls did not adequately measure performance and none of its reviews or controls included performance baselines that integrated cost, schedule, and performance goals.

These controls were largely reliant on self-reporting and did not incorporate management review and oversight to ensure the business sponsors and project managers reported complete, accurate, and reliable information. In addition, SSA did not establish guidance on how to perform a control activity. Without effective IT investment monitoring controls, SSA may not effectively and timely identify IT investments that it should consider discontinuing.

Reviewing High-risk Major Investments

Defining Investments and Designating Them as Major

OMB defines an IT investment as “. . . an expenditure of [IT] resources to address mission delivery and management support. This may include a project or projects of a single [IT] asset or group of IT assets with related functionality. These investments shall have a defined life cycle with start and end dates.”³² According to OMB, agencies designate which of their IT investments are major.³³

SSA considered each programmatic area—that contains multiple projects with different timelines—as an IT investment. Because SSA's programmatic areas comprise IT assets that do not necessarily have related functionality, nor a defined life-cycle with start and end dates, they do not meet OMB's definition of investments.

³⁰ See Appendix B for details on these controls and how SSA applies them. SSA, *IT Guide to CPIC | Capital Planning Investment Control*, Version 8, sec 10.2, p. 21; Appendix A, p. 26 (May 2024).

³¹ See Appendix C for additional details.

³² OMB, *Managing Information as a Strategic Resource*, Circular No. A-130, sec. 10.46, p. 31 (2016).

³³ OMB, *Preparation, Submission, and Execution of the Budget*, Circular No. A-11, sec. 55.3 (a), p. 3 (2024).

When agencies decide whether a given investment qualifies as major, they should consider any relevant factors, including whether the investment

- requires special management attention because of its importance to an agency's mission or its implications for agency programs or policies,
- was previously designated as a major IT investment,
- has a high annual or projected life-cycle cost,
- was designated high risk by the agency CIO,
- involves a Tier I High Value Asset, and/or
- has a high-visibility profile with agency executives, congressional leadership, or the public.³⁴

SSA did not use some factors OMB detailed to identify major IT investments, including whether the investment was previously designated as a major investment, involved a high-value asset, or had a high-visibility profile. As a result, SSA did not categorize investments as major even when they met multiple factors OMB identified. For example, DMP had high costs, high risk, and a high visibility profile.³⁵ SSA designated the investment as a major IT investment before FY 2023 but downgraded it to non-major when it placed the investment on hold.

Rating Investment Risks

OMB requires that the agency CIO evaluate all major IT investments to reflect the current level of risk and rate investments from high to low risk. When agencies rate IT investment risks, they should consider risk and requirements management, contractor oversight, historical performance, and human capital. The agency's CIO should also consider other factors they deem important.³⁶

Though SSA established policy for ranking investments' risks in compliance with OMB guidance, it did not follow that policy. As of March 2025, SSA had not identified a high-risk investment since 2017, despite having investments that met OMB's criteria. For example, DMP had a history of unresolved critical risks, scope changes, budget under-use, significant delays, insufficient human capital resources, and project management issues. However, according to SSA's CIO evaluation reporting, SSA ranked it low risk until it was discontinued, when SSA ranked it moderate risk.

³⁴ OMB, *Preparation, Submission, and Execution of the Budget, Circular No. A-11*, sec. 55.3 (a), p. 3 (2024).

³⁵ The project was discussed as a solution for some significant audit findings, and, during a congressional hearing in October 2023, the acting Commissioner referred to this project as the solution for many issues.

³⁶ OMB, *Preparation, Submission, and Execution of the Budget, Circular No. A-11*, sec. 55.3 (f), pp. 5 and 6 (2024). See Appendix D for the factors and supporting examples CIOs should use for their evaluation.

High-risk Major Investment Review

The *Federal Information Technology Acquisition Reform Act* requires that, for each major IT investment rated high risk, the agency CIO perform a root cause analysis, determine the extent to which causes can be addressed, and determine the probability of the investment's success.³⁷

OMB guidance requires that agencies conduct TechStat reviews for high-risk major investments to address critical issues and turn around, halt, or terminate underperforming investments.³⁸ TechStat reviews are face-to-face, evidence-based accountability reviews of IT programs with agency leadership. OMB requires that agencies create corrective action plans with a timeline to address performance issues after conducting a TechStat.³⁹ According to SSA policy, the CIO is responsible for governing the TechStat process and leading the sessions.⁴⁰

SSA subject-matter experts stated SSA had not performed a TechStat review since 2017 because it did not have any high-risk major investments. In addition, in May 2024, SSA removed the TechStat requirement from its *IT Guide to CPIC*. Had SSA categorized and risk-ranked IT investments in accordance with OMB guidance, it would have determined some investments were major and high-risk thereby requiring TechStat reviews.

We could not determine why SSA did not follow Federal guidance for categorizing major IT investments and assigning a risk rating to these investments, or why it removed the TechStat requirement from its policy. Without policy and procedures to properly identify and analyze high-risk IT investments, SSA may not address root causes of critical issues to turn around underperforming IT investments or terminate investments timely. Consequently, SSA may incur additional costs that it could reallocate to address other business needs.

Terminating Investments

Federal law requires that the CIO of each Federal agency monitor and evaluate IT investment performance to advise the agency head whether to continue, modify, or terminate them.⁴¹ OMB requires that agencies establish “. . . thresholds for cost, schedule, and performance goals. . . , including [ROI], which if not met, may result in cancellation of the acquisition.”⁴²

In addition, OMB requires a formal review process to determine whether an investment should continue or be terminated.⁴³ Specifically, OMB requires that this process include establishing thresholds for deviation from performance goals. If the investment will not achieve its goals,

³⁷Carl Levin and Howard P. “Buck” McKeon *National Defense Authorization Act for Fiscal Year 2015*, Pub. L. No. 113-291, § 832, 128 Stat. 3292, p. 3442 (2014).

³⁸OMB, *Managing Information as a Strategic Resource*, Circular No. A-130, sec. 10, 89, p. 37 (2016).

³⁹OMB, *Management and Oversight of Federal Information Technology*, M-15-14, sec. C.2, p. 7 (June 2015).

⁴⁰SSA, *Directive 8000.01 Chief Information Officer Responsibilities*, sec. 3.c.(1)xi9., p. 4 (January 2023).

⁴¹*Information Technology Management Reform Act of 1996*, Pub. L. No. 104-106, § 5125(c)(2), 110 Stat. 186, p. 685.

⁴²OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets*, Appendix 6, sec. D, p. 66 (2024).

⁴³OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets*, Appendix 6, p. 62 (2024).

the Integrated Project Team, composed of key stakeholders, “. . . should prepare an analysis of the estimated changes in cost, schedule, and performance goals and whether the acquisition would remain cost beneficial.”⁴⁴ The Executive Review Committee should evaluate the Integrated Project Team’s analysis and recommendations to determine whether to continue, restructure, or terminate the investment.⁴⁵

SSA did not have a formal process for terminating under-performing IT investments, as required by OMB, and did not

- establish performance thresholds that trigger executive-level review;
- define the role of an Integrated Project Team to perform the required analyses for under-performing investments; or
- assign its Executive Review Committee (the IT IRB) the responsibility to review such analyses and determine whether to terminate an IT investment.

According to SSA, IT project sponsors can decide whether to cancel their investment. Each year, SSA’s IT IRB votes to determine which IT investments receive funding for the next year. If an investment is not funded, it is put on hold. If an investment remains unfunded for multiple years, the project sponsor may cancel the investment. We reviewed four discontinued IT investments and found the following.

- For the two on-hold investments—DMP and rCIRP—the related IT IRB decision meeting materials and records did not include performance information for costs, schedule, performance goals, expected benefits, and ROI. SSA documented IT IRB voting results but not discussions during the voting process or the rationale for the decisions.
- For the two canceled investments—Business Intelligence Tool and eServices—SSA did not provide analyses for investment termination. There was no documentation that SSA had conducted a formal review or that SSA’s CIO or IT IRB had been involved in the decision, as required by OMB.

We could not determine why SSA did not comply with requirements for establishing a formal process for IT investment termination. Without a formal process for making these decisions, SSA may incur additional costs for investments that it should terminate or discontinue mission-critical IT investments that it could improve with mitigation plans. This could result in the Agency delaying or foregoing expected benefits, including achieving strategic goals, after years of development and millions of dollars spent. Finally, investments that lose funding may incur additional costs if SSA resumes development later.

⁴⁴ OMB’s Capital Programming Guide states, “. . . each project requires an Integrated Project Team(s) (IPT) composed of a qualified program manager and necessary personnel from the user community, budget, accounting, procurement, value management, and other functions to be formed, as appropriate.” OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets*, p. 2 (2024).

⁴⁵ OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets*, sec. II.9.1), pp. 40 and 41 (2024).

DMP demonstrated these consequences. SSA started DMP in FY 2016, but, as of December 2025, it had spent over \$71.8 million on the investment, yet the system remained unfinished, and SSA had not made it available to users. Throughout the life of the investment, SSA identified and documented many issues. However, it did not conduct a formal and comprehensive analysis of the root causes or develop a mitigation plan to address them.

Reviewing Canceled and Implemented Investments

OMB guidance states agencies must review and actively manage their investments after the acquisition stage.⁴⁶ According to the guidance, a post-implementation review (PIR) is a diagnostic tool to evaluate the overall effectiveness of an agency's capital planning and acquisition process.^{47, 48} PIRs usually occur after a system has been in operation for about 6 months or immediately after the agency terminates the investment.⁴⁹ At a minimum, a PIR should evaluate stakeholder and user satisfaction, mission or program impact, and technical capability, and the PIR team should provide decision makers with lessons learned.⁵⁰ The primary objectives are to

- identify how accurately a capital investment project meets the objectives, expected benefits, and strategic goals of the agency;
- ensure continual improvement of an agency's capital programming process based on lessons learned; and
- minimize the risk of repeating past mistakes by providing quality services to business partners and customers.⁵¹

To address the OMB requirements, SSA implemented the PIR process. SSA selects completed or terminated investments that meet one or more of the following criteria: completion timeframe of 12 to 24 months, duration over 2 years, funding amount over \$1 million, accessibility of data and documents, potential for lessons learned, and variety of investment types selected.⁵² SSA's PIRs assess mission impact, business assumptions, costs, ROI, schedule, enterprise architecture, functional requirements, and risk management.⁵³

⁴⁶ OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets*, sec. III, p. 43 (2024).

⁴⁷ OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets*, sec. III.3.3), p. 47 (2024).

⁴⁸ We are conducting a separate audit of the PIR process and expect to complete our work by the end of 2026.

⁴⁹ OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets*, sec. III.3.3.2), p. 48 (2024).

⁵⁰ OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets*, sec. III.3.3.2), p. 49 (2024).

⁵¹ OMB, *Capital Programming Guide*, V. 3.1, *Supplement to OMB Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets*, sec. III.3.3), p. 47 (2024).

⁵² SSA, *IT Investment Process (ITIP) Post Implementation Review (PIR) Policies and Procedures*, p. 4 (July 2024).

⁵³ SSA, *IT Investment Process (ITIP) Post Implementation Review (PIR) Policies and Procedures*, p. 3 (July 2024).

The Agency Did Not Always Conduct Post-implementation Reviews

Although OMB guidance requires that agencies review investments after completion or termination, SSA did not conduct a PIR for all investments it canceled or put on hold. Of the four investments we sampled, SSA conducted a PIR for only one, the Business Intelligence Tool, even though all four incurred costs well over \$1 million and encountered numerous issues. As of March 7, 2025, SSA had conducted a PIR for only

- 2 of the 25 canceled IT investments that incurred costs. Of the 14 with actual costs above \$1 million, SSA performed a PIR on 1. The remaining 13 canceled investments incurred total costs of \$39 million.
- 1 of 31 on-hold IT investments that incurred costs. Of the 22 with actual costs above \$1 million, SSA performed a PIR on 1. The remaining 21 on-hold investments incurred total costs of \$128 million.

SSA did not conduct PIRs for the majority of its discontinued investments because its policy did not require a PIR for all implemented and canceled investments and its process did not address investments placed on hold.

When SSA places investments on hold for extended periods before formally canceling them, it cannot complete PIRs timely because the cancellation occurs long after work on the investment ceases. If it does not conduct PIRs on canceled investments, SSA may miss the opportunity to identify lessons learned and improve its IT Investment process.

Post-implementation Reviews Did Not Adhere to Policy or Requirements

Even when SSA did conduct PIRs, it did not always complete them in accordance with OMB requirements or its policy. For example, in the PIR for the Business Intelligence Tool, we noted the following deficiencies.

- The PIR did not clearly document why SSA canceled the investment after it spent \$37.6 million.
- The PIR identified significant issues but did not explain why the investment team did not comply with SSA's policies and procedures. In addition, the PIR did not identify lessons learned to improve investment decision-making processes, as required by OMB guidance and SSA policy.
- Finally, the PIR did not address the overall effectiveness of the Agency's capital planning and acquisition process as required by OMB guidance. For example, the PIR identified that the investment overlapped with two other investments as early as 2016. However, it did not identify that SSA should have conducted a required review to address the overlap.⁵⁴

⁵⁴ Chief Operating Officers are required to lead an annual PortfolioStat session, which is a portfolio-based review designed to reduce wasteful and duplicative investments. OMB, *Implementing PortfolioStat*, M-12-10, p. 2 (2012).

These deficiencies occurred because SSA's PIR policy does not include requirements to identify and resolve root causes of failed investments, nor does it require that PIRs provide feedback for improving SSA's CPIC process. If SSA does not identify and address the reasons previous investments failed or improve its processes based on lessons learned, it may repeat its mistakes, which could contribute to the failure of future investments.

CONCLUSION

SSA must ensure its process for managing IT investments complies with Federal requirements and aligns with Agency policy. The Agency can improve its policies, processes, and controls to better identify and address the root causes of underperforming investments and enhance the timeliness and quality of its decision-making, enabling it to improve performance or discontinue investments timely, when appropriate. This would help SSA more effectively manage its limited IT resources and minimize potential loss to the Agency.

Because we judgmentally selected our sample of 4 of 56 discontinued investments rather than randomly, the results cannot be generalized to the full population. We do not imply or assert—and the reader should not infer—that the observations from the 4 items are indicative of all 56. However, the findings from our analysis illustrate deficiencies in SSA's investment management controls, and we recommend SSA take action to address these findings and improve its investment management processes.

RECOMMENDATIONS

To align SSA's policies and procedures with Federal requirements, we recommend SSA:

1. Implement EVMS or an equivalent to measure cost, schedule, and performance goals, and develop policy and controls to establish variance thresholds for considering IT investment termination, as required by OMB.
2. Integrate cost, schedule, and performance baselines into its investment monitoring process and controls to ensure it accurately and effectively measures performance and identifies underperforming investments.
3. Update policy and controls to ensure it categorizes and ranks risk for IT investments according to Federal definitions.
4. Reestablish TechStat reviews into its CPIC process and conduct reviews according to Federal requirements.
5. Establish a formal process for terminating IT projects according to Federal requirements to include establishing performance thresholds to trigger IT IRB review and requiring project teams to prepare required analyses.
6. Revise the PIR selection process to include all canceled and on-hold projects that exceed an Agency-established cost threshold.
7. Update PIR policy to ensure review teams address the root causes of issues and the overall effectiveness of the Agency's capital planning and acquisition process and provide feedback to improve the CPIC process.

To ensure deviations from SSA policy and procedures and Federal requirements identified in our sample testing do not reoccur, we recommend SSA increase management oversight through policy changes and communication with investment teams to ensure it:

8. Conducts ROI analyses and IT investment planning activities for all investments, as required, and
9. Consistently conducts IT Investment reviews and implements controls, as required by OMB *Circular No. A-130, Section 5.b.2) d)*.

AGENCY COMMENTS

SSA agreed to implement our recommendations; see Appendix E.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish objective 1, we:

- Reviewed applicable Federal laws and guidance related to management and discontinuing Information Technology (IT) investments, including the following.
 - The *Federal Information Technology Acquisition Reform Act*, December 2014.
 - *Information Technology Management Reform Act of 1996*.
 - Office of Management and Budget (OMB), Circular No. A-130, 2016, *Managing Information as a Strategic Resource*.
 - OMB Circular No. A-11, 2024, *Preparation, Submission, and Execution of the Budget*.
 - OMB, *Capital Programming Guide, Supplement to OMB Circular No. A-11*, 2024.
- Reviewed the Social Security Administration's (SSA) policies, procedures, and documentation pertaining to discontinuing IT investments, including
 - SSA Policy 8100.01, *IT Capital Planning and Investment Control*, Version 3, January 2023.
 - SSA Directive 8000.01, *Chief Information Officer Responsibilities*, Version 5, January 2023.
 - SSA Policy 8020.01, *Selection, Management, & Evaluation of Information Technology Investments*, , Version 2, January 2020.
 - *SSA IT Guide to CPIC | Capital Planning and Investment Control*, Version 8.0, May 2024.
 - *SSA Information Technology (IT) Investment Review Board Charter*, May 2017.
 - *SSA IT Investment Process (ITIP) Post Implementation Review (PIR) Policies and Procedures*, July 2024.

To accomplish objective 2, we:

- Selected a non-statistical sample of four discontinued IT investments.
- Population items in scope consisted of investments funded through Capital Planning and Investment Control (CPIC) that lost funding prior to completion. We selected samples judgmentally based on several factors including high total costs and mission criticality. . We ensured our samples included a current or previous major investment, a non-major investment, two canceled investments, and two on-hold investments.
- Reviewed and analyzed supporting documentation for each sampled investment, including
 - discontinuation rationale,
 - relevant IT Investment Review Board decision meeting documents,
 - monitoring control evidence,

- project management data from the Investment Management Tool, and
- investment planning documentation.

In addition, we interviewed SSA subject-matter experts in charge of the CPIC process and project sponsors for each sampled investment.

We conducted our audit from January 2025 through August 2026. The principal entity reviewed was the Office of Chief Information Officer.

We assessed the reliability of SSA's discontinued IT investments inventory by reviewing the parameters SSA used to generate the file. We also used the recent IT capital plans, IT modernization documents, and Federal IT Dashboard data to verify the inventory listing's completeness and accuracy. We determined the data were sufficiently reliable for the purpose of this review.

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 associated with the audit objective. We identified the following components and principles as significant to the audit objective.

- Component 3: Control Activities
 - Principle 10 – Design control activities
 - Principle 12 – Implement control activities
- Component 4: Information and Communication
 - Principle 13 – Use Quality Information

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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B – CONTROLS IMPLEMENTED FOR MONITORING INVESTMENTS

The following table provides a summary of controls the Social Security Administration (SSA) implemented for the Control phase of its Capital Programming and Investment control process to monitor the performance of its information technology (IT) investments and identify troubled investments.

Table B-1: Summary of SSA's IT Investment Monitoring Controls

IT Investment Controls	Frequency	Applicable Investment Types
Risk Management. SSA tracks investments with its Investment Management Tool, including the identified risks, contingency plans, mitigation plans, and resolutions.	Continuous	All Investments
Inflight Investment Reviews. This review tracks high-level performance and issues, including investment-level cost, risk, and value data.	Semi-Annual	Programmatic Area
Value Realization. SSA develops and tracks value activities against targets established during investment planning.	Monthly	All Investments
Quarterly Health Review. Project sponsor or manager self-reports answers to a preset list of statements related to performance, human capital, risk management, contract management, requirements management, and incremental development.	Quarterly	All Investments
Chief Information Officer (CIO) Program Manager Engagement. CIO and Program Manager for each major IT investment meet quarterly to discuss investment status; Program Manager proposes CIO ratings for the Federal IT Dashboard. ¹	Quarterly	Major Investments
CIO Evaluation. CIO uses results from CIO Program Manager Engagement meeting and determines final rating for major IT investments, then reports them to the Federal IT Dashboard.	Quarterly	Major Investments

¹ The IT Portfolio Dashboard is a website enabling Federal agencies, the public, and other stakeholders to view details of Federal IT investments online and to track their progress over time.

Appendix C – TESTING RESULTS FOR SSA’S INVESTMENT MONITORING CONTROLS

We tested the Social Security Administration’s (SSA) monitoring controls from the control phase of its Capital Programming and Investment control process for the four sampled discontinued information technology (IT) investments. The following table summarizes our test results.

Table C-1: Summary of Monitoring Control Exceptions

Controls	Summary of Identified Weaknesses
Risk Management	- SSA did not properly identify some significant risks. - Business Intelligence Tool suffered from significant budget underuse; however, SSA did not identify it as a risk and did not have a remediation plan. - SSA did not complete a significant portion of the eServices sample; however, we did not find a related risk identified in the Investment Management Tool. - For Re-engineered Comprehensive Integrity Review Process (rCIRP), we found many issues, such as unsustainable contractor costs and retention and inaccurate cost estimates; however, the Investment Management Tool only contained one risk. - Remediation activities did not always effectively address closed risks. - Business Intelligence Tool identified lack of resources as a risk. However, the resolution only acknowledged the lack of resources. - Debt Management Product (DMP) had similar issues, such as scope changes being acknowledged but not remediated. - SSA did not complete key fields for many risks, including contingency and mitigation plans.
In Flight Investment Reviews	This was only applicable to one IT investment we tested; SSA placed the other 3 investments on hold before this activity started. For DMP: - The meeting presentation with the Chief Information Officer (CIO) included information on costs, budget over- and underuse, risks, and deliverables. However, these metrics did not provide proper measurement of performance because SSA did not integrate cost, schedule, and performance goals to help assess the status. - SSA did not record conclusions or action items.
Value Realization	This was only applicable to one IT investment we tested; SSA placed the other three investments on hold before this activity started. For DMP: - SSA provided product deliverables instead of the expected creation of value for some of the value measures. - SSA only tracked two of eight value measures. - The value measures and statuses were not consistent with the performance measures reported in the business case to the Office of Management and Budget. For example, the Value Realization website did not include a cost avoidance of 50 work years that SSA reported to the Office of Management and Budget in the business case.

Controls	Summary of Identified Weaknesses
Quarterly Health Review	These self-assessments were not consistent with the posture of the investments. For example: • SSA stated cost estimates for Business Intelligence Tool and eServices were accurate for most quarters tested, but budget underuse and overuse were an issue for the entire life of the investments, respectively. • SSA stated Business Intelligence Tool's performance was positive for all quarters tested, which contradicted the underuse and resource issues experienced. • SSA stated eService and rCIRP delivered value according to end users' expectations for all quarters for Fiscal Years (FY) 2020 through 2022. However, the investments did not document expected or realized values. • DMP struggled to deliver product incrementally and experienced delays and budget underuse. SSA reported no issues on quarterly health reviews other than the lack of funds when the Agency placed the investment on hold.
CIO Program Manager Engagement	This is only applicable to major IT investments (DMP). Results of the review were not consistent with the posture of the investment. For example: • SSA reported DMP as low risk, despite it struggled to deliver product incrementally, experiencing delays and budget underuse, and agile management issues.
CIO Evaluation History	This is only applicable to major IT investments (DMP). Results of the control were not consistent with the posture of the investment. For example: • The ratings from the CIO Program Manager Engagement control did not always agree with the ratings reported on the Federal IT Dashboard. • SSA rated DMP low risk until discontinuation, despite evidence supporting a higher risk rating.

Appendix D – CHIEF INFORMATION OFFICER EVALUATION FACTORS

The Office of Management and Budget requires that agency Chief Information Officers (CIO) evaluate their major information technology (IT) investments using the factors included in the figure below and report them to the Federal IT Dashboard.¹

Figure D-1: CIO Evaluation Factors from the Federal IT Dashboard²

CIO Evaluations

1. How are CIO Evaluations determined?

The Agency Chief Information Officer (CIO) rates each investment based on their best judgment, using a set of **pre-established criteria**. The evaluation should reflect the CIO's assessment of the risk and the investment's ability to accomplish its goals. CIOs should consult with other appropriate agency officials (e.g., Chief Acquisition Officers, program managers) when making their **evaluation**.

The following factors and supporting examples should be used to inform the evaluation:

Evaluation Factor	Supporting Examples
Risk Management	- o Risk Management Strategy Exists - o Senior leadership understands risks well - o Risk log is current and complete - o Risks are clearly prioritized - o Mitigation plans are in place to address risks
Requirements Management	- o Investment objectives are clear and scope is controlled - o Requirements are complete, clear and validated - o Appropriate stakeholders are involved in requirements definition
Contractor Oversight	- o Acquisition strategy is defined and managed via an Integrated Program Team - o Agency receives key reports, such as earned value reports, current status, and risk logs - o Agency is providing appropriate management of contractors such that the government is monitoring, controlling, and mitigating the impact of any adverse contract performance
Historical Performance	- o No significant deviations from planned cost and schedule - o Lessons learned and best practices are incorporated and adopted
Human Capital	- o Qualified management and execution team for the IT investments and/or contracts supporting the investment - o Low turnover rate
Other	o Other factors that the CIO deems important to forecasting future success

¹ OMB, *Preparation, Submission, and Execution of the Budget*, Circular No. A-11, sec. 55.3 (f), pp. 5 and 6 (2024).

² General Services Administration, FAQ | IT Dashboard, itdashboard.gov (April 9, 2026).

Appendix E – AGENCY COMMENTS



SOCIAL SECURITY Office of the Commissioner

MEMORANDUM

Date: September 25, 2026

Refer To: TQA-1

To: Michelle L. Anderson
Assistant Inspector General for Audit as First Assistant

From: Chad Poist
Chief Risk Officer

Subject: Office of the Inspector General Draft Memorandum "Discontinued Information Technology Investments" (142402) -- INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations.

Please let me know if I can be of further assistance. You may direct staff inquiries to Amy Gao, Director of the Audit Liaison Staff.

SOCIAL SECURITY ADMINISTRATION BALTIMORE, MD 21235-0001



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