
INSPECTOR GENERAL STATEMENT ON THE SOCIAL SECURITY ADMINISTRATION'S MAJOR MANAGEMENT AND PERFORMANCE CHALLENGES



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

November 10, 2021

Kilolo Kijakazi
Acting Commissioner

Dear Ms. Kijakazi:

The *Reports Consolidation Act of 2000* (Pub. L. No. 106-531) requires that Federal 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

For Fiscal Year 2021, we identified the following challenges:

- SSA's Response to the 2019 Novel Coronavirus Pandemic
- Improve Administration of the Disability Programs
- 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, SSA's response to the 2019 Novel Coronavirus Pandemic and further modernization of SSA's information technology would both affect service delivery.

The Office of Audit will continue focusing on these issues in Fiscal Year 2022 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,



Gail S. Ennis
Inspector General

Enclosure

*Fiscal Year 2021
Inspector General's Statement
on the
Social Security Administration's
Major Management and Performance Challenges*



November 2021

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

SSA continues to provide its customers with limited service in its field offices as most employees telework, a major 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 way it serves its customers. To mitigate the impact COVID-19 had on the public, Congress and the Office of Management and Budget passed several regulations, including mandates for SSA. In addition, SSA maximized telework and limited in-person services to ensure the health and safety of employees and visitors entering its facilities.

OPERATIONS

SSA limited its in-person field office operations to appointments for certain critical-need situations and began serving most of its customers through its online services and national 800-number. SSA had to ensure the vast majority of its approximately 28,000 field office employees had the resources needed to telework and respond to the increased use of non-in-person services.

With the increase in electronic services, SSA has primarily relied on its customers to submit supporting paperwork by mail. In Fiscal Year (FY) 2021, our [audit work](#) noted exponential increases in the amounts of incoming and outgoing mail to field offices as well as concerns with the oversight and internal controls over mail processing. We determined SSA had no performance metrics or management information on the volume of incoming, outgoing, or pending mail. Consequently, the Agency did not have sufficient information to enable it to adjust staffing levels to ensure mail was processed timely. SSA also lacks comprehensive policies and procedures to track and return original documents—including driver's licenses, birth certificates, passports, and naturalization documents—that customers provide as proof of eligibility for benefits or a Social Security number (SSN) card.

Regarding disability work, 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 DDS staffs were not equipped with laptops. While SSA assisted the DDSs in mobilizing their staffs to work remotely, not all DDS employees were able to telework. The reduced staffing meant DDSs were processing fewer cases than they would have had they been staffed at pre-pandemic levels. Accordingly, SSA had over 160,000 more initial disability claims pending at the end of FY 2020 than it did at the beginning of the FY. As of the end of FY 2021, there were 739,745 initial disability claims pending.

COVID-19-RELATED MANDATES

On December 27, 2020, the President signed the *Consolidated Appropriations Act of 2021* (Pub. L. No. 116-260), which provided SSA \$38 million to assist in carrying out the second round of economic recovery rebates. On January 20, 2021, the President signed Executive Order 13991, *Protecting the Federal Workforce and Requiring Mask-Wearing*. This Order required that Federal agencies immediately take action to comply with the Centers for Disease Control and Prevention guidelines with respect to wearing masks, maintaining physical distance, and other health measures for all persons in Federal buildings.

To provide guidance to Federal agencies on implementing Executive Order requirements, the Office of Management and Budget released the *COVID-19 Safe Federal Workplace: Agency Model Safety Principles*, which required that agencies submit plans for compliance with the requirements by January 29, 2021.

On June 10, 2021, the Office of Management and Budget released Memorandum M-21-25, *Integrating Planning for A Safe Increased Return of Federal Employees and Contractors to Physical Workplaces with Post-Reentry Personnel Policies and Work Environment*. This memorandum required that agencies develop approaches to post-reentry personnel policies and work environments by July 19, 2021.

WHAT PROGRESS HAS THE SOCIAL SECURITY ADMINISTRATION MADE?

OPERATIONS

During the COVID-19 pandemic, SSA equipped employees with necessary technology to answer the increasing number of calls while teleworking. SSA also shared previously unavailable field office general telephone numbers with the public so it could contact local employees during business hours. In an April 2021 [report](#), we noted SSA's field offices and national 800-number received 30 percent more calls in June 2020 than June 2019, with field offices receiving most of the additional calls.

The number of callers who received busy messages during business hours declined in the months following June 2020. However, in June 2020, the Agency reduced the hours during which callers to the national 800-number could speak to SSA employees. SSA expanded its 800-number service in September 2020, currently operating from 8:00 a.m. to 7:00 p.m., which is 1 hour less than its pre-pandemic service hours.

SSA has reported that, because of system limitations, it lost the ability to offer 800-number callers post-call surveys in April 2020. In March 2021, SSA's Office of Quality Review, Office of Analytics, Review, and Oversight began conducting telephone interviews of 300 800-number callers per week and will continue to do so through January 2022. SSA has drafted interim reports based on the survey results, and it plans to publish a final report when the survey period is completed.

On March 18, 2021, SSA expanded the drop-box program, where the public can deliver original evidence to secure boxes in field offices. On April 14, 2021, SSA began allowing individuals to fax applications, a practice not previously allowed. On May 28, 2021, SSA began using express interviews in all field offices and SSN card centers. Agency staff pre-screens customers over the telephone to verify the need for face-to-face visits. In February 2021, SSA developed a new mobile check-in process, which allows visitors to use their mobile telephones to notify SSA of their arrival for their scheduled field office appointments. (More information about SSA's service options during the pandemic is available [here](#).)

SSA released a mail processing action plan in August 2021. It outlines the short- and long-term actions SSA plans to take to (1) ensure the timely handling and return of primary evidence documents, (2) strengthen controls and business processes needed to ensure all mail is accounted for and tracked, and (3) protect against the loss of personally identified information. While the plan highlights the policies and business processes SSA plans to update, it generally does not include actual changes to those policies or processes. However, SSA did create time-based performance metrics for mail processing.

COVID-19-RELATED MANDATES

In March 2021, the Commissioner publicly released SSA's *COVID-19 Workplace Safety Plan*. The Plan included guidance on the following: telework, COVID-19 coordination teams, face masks, testing, contact tracing, symptom monitoring, quarantine, confidentiality, occupancy, distancing, cleaning, hygiene, ventilation, visitors, staggered work times, elevators, and shared spaces. SSA reported a limited number of authorized employees, mostly managers, enter field offices to perform mission-critical work that cannot be done remotely, such as opening mail,

scanning documents for remote workers, and facilitating the return of documents to the public. Employees must report to field offices to address administrative tasks that cannot be handled remotely, including renewing employee credentials and resolving information technology issues.

SSA has not yet released the post-reentry personnel policies that was called for in the Office of Management and Budget's Memorandum M-21-25, *Integrating Planning for A Safe Increased Return of Federal Employees and Contractors to Physical Workplaces with Post-Reentry Personnel Policies and Work Environment*, by July 19, 2021. SSA reported that additional guidance, including guidance on mandatory vaccinations, necessitated substantive changes, and that it is finalizing its plan.

According to SSA, its Medical Office staff follows the latest Centers for Disease Control and Prevention criteria when an employee may have been exposed to COVID-19. The Medical Office staff provides managers standard language for notifying employees and individuals about potential exposure. SSA also reported that, when indicated, Medical Office staff shares information with local health departments.

SSA's contact-tracing capabilities are limited because SSA does not centrally maintain the names of employees or contractors who enter its facilities. In addition, SSA does not maintain contact information for all its visitors. SSA maintains only daily counts (without contact information) of certain visitors to its field offices and SSN card centers. For example, if a beneficiary visits a field office with his/her representative payee, SSA tracks the beneficiary but not the representative payee in its daily totals. This lack of information impairs SSA's ability to support local health departments with their contact tracing efforts.

While SSA has brought a limited number of staff into its field offices to process non-portable work and to staff express interviews, it has not offered the public its planned timeline for a wider reopening of its field office operations.

WHAT THE SOCIAL SECURITY ADMINISTRATION NEEDS TO DO

Keep the public and its employees aware of the status of the *COVID-19 Workplace Safety Plan* and how it plans to provide customer service safely throughout the pandemic.

Update the policies and business processes needed to ensure the security of original documents customers mail to SSA as proof of eligibility for benefits or a SSN card.

KEY RELATED LINKS

SSA, OIG Website - [Reports related to the COVID-19 pandemic](#)

SSA, OIG Website - [The Social Security Administration's Telephone Services During June 2020](#)

SSA, OIG Website - [The Social Security Administration's Processing of Mail and Enumeration Services During the COVID-19 Pandemic](#)

SSA, OIG Website - [Safety of Social Security Administration Employees and Visitors Since March 2020](#)

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

SSA Website - [COVID-19 Workplace Safety Plan](#)

IMPROVE ADMINISTRATION OF THE DISABILITY PROGRAMS

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 continuing disability reviews. 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 disability 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 continuing disability reviews (CDR), reduce hearings processing times, and develop better strategies to help disabled beneficiaries return to work.

PENDING INITIAL DISABILITY CLAIMS, CONTINUING DISABILITY REVIEWS, AND HEARINGS

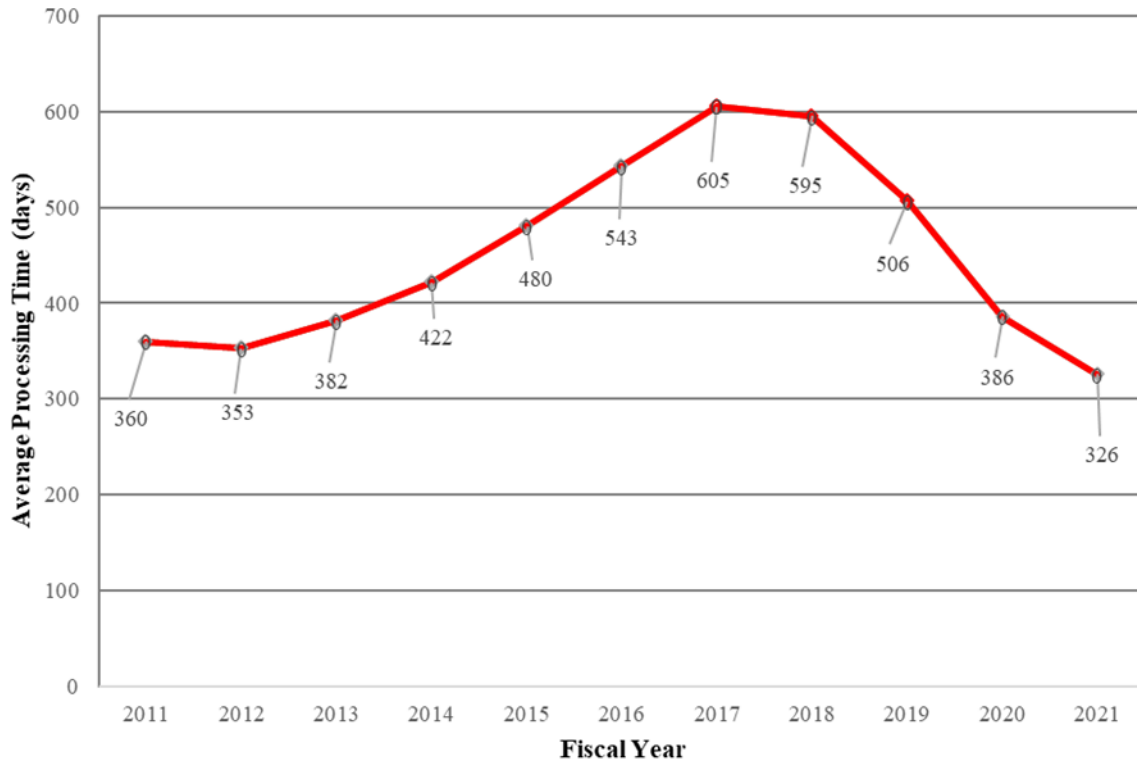
Before the COVID-19 pandemic began, SSA had reduced pending initial disability claims from almost 708,000 at the end of FY 2012 to almost 594,000 at the end of FY 2019. However, SSA's response to the COVID-19 pandemic, including closing DDSs and delaying consultative examinations, impacted initial disability claims processing. By the end of FY 2021, pending claims levels increased 25 percent to nearly 740,000.

While overall pending initial disability claims increased, SSA reported a significant decrease in Supplemental Security Income (SSI) disability applications during the COVID pandemic. In FY 2019, SSA received approximately 900,000 SSI disability applications. In FY 2021, SSA received approximately 708,000 such claims, a 21-percent decrease from the FY 2019 total.

In FY 2018, SSA eliminated the backlog of full medical CDRs. However, from mid-March through August 2020, SSA suspended processing medical CDRs that could result in benefit cessation. The number of full medical CDRs SSA processed decreased from over 713,000 in FY 2019 to approximately 510,000 in FY 2021, resulting in a backlog of nearly 153,000 full medical CDRs at the end of FY 2021. In addition, SSA did not always cease paying benefits it could have based on the CDR process. In October 2020, we [reported](#) SSA had not terminated approximately \$337 million in benefits for almost 6,000 beneficiaries who did not cooperate with CDRs or requested SSA terminate their benefits because they were no longer disabled.

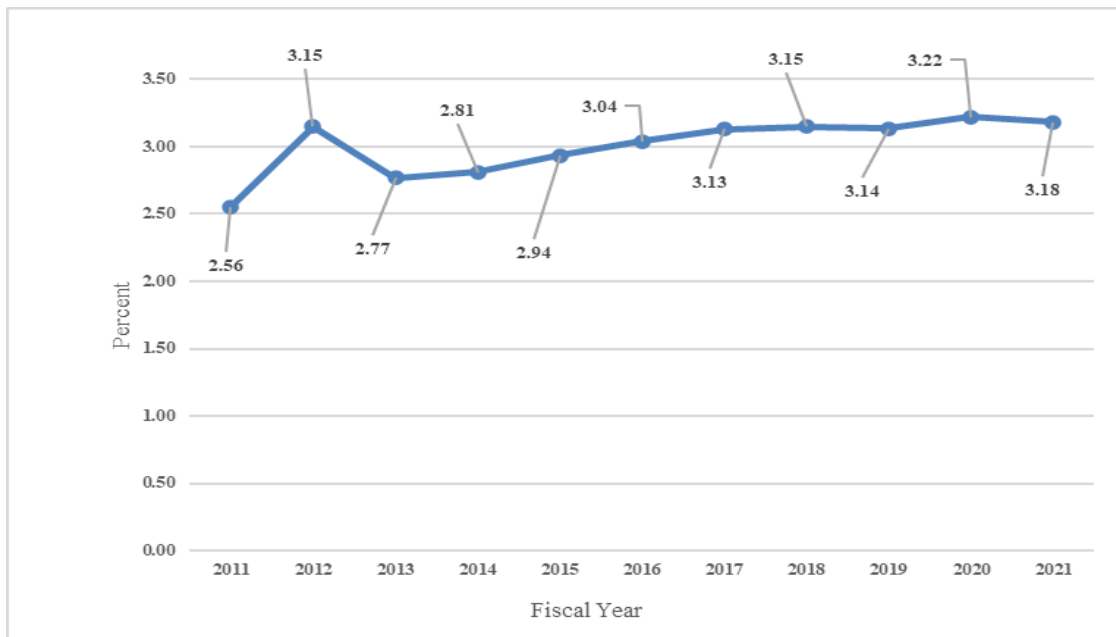
While SSA has continued reducing processing times and hearings pending levels (see Figure 1), it still has not achieved its processing time goal of 270 days. For FY 2021, the average processing time for hearings was 326 days, and the hearings pending level was 350,137.

Figure 1: Average Hearings Processing Time



RETURNING DISABLED BENEFICIARIES TO WORK

Congress directed SSA to implement programs to help disabled individuals return to work. To date, these programs have helped only a small percentage of disabled individuals. 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. 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 2021, 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

SSA's demonstration projects have tested simplified work rules; offered incentives, including family support; and, in some situations, tested changes to benefit calculations. While the tested changes have enticed only a small percentage of demonstration participants to use the incentives offered and return to work, SSA has used the results to influence the development of legislative proposals in its FY 2021 Congressional Justification.

As of February 2021, SSA had spent approximately \$313 million to conduct and evaluate six demonstration projects from FY 2010 into FY 2021, and could expend up to an additional \$19.7 million to complete the projects. To date, none of the demonstration projects has identified any potential savings. In FY 2021, SSA was conducting three demonstration projects. In addition, in June 2021, SSA conducted a project for lessons learned from prior demonstrations and how to improve future projects. (Read our audit on SSA's demonstration projects [here](#).)

WHAT PROGRESS HAS THE SOCIAL SECURITY ADMINISTRATION MADE?

PENDING CLAIMS, CONTINUING DISABILITY REVIEWS, AND HEARINGS

During the COVID-19 pandemic, SSA continued processing and prioritizing initial disability claims, though in-person services were limited to appointment-only for certain critical-need situations. In March 2021, SSA began a national public outreach campaign to raise awareness of its disability programs and improve access to people facing barriers, such as language, medical conditions, or inadequate access to the Internet. While SSA increased outreach, it still saw a significant decrease in the number of SSI applications it received.

In FY 2021, DDSs were allocated additional employees to help address staff attrition and the disability claims backlog, onboarding 545 employees above attrition. SSA is also working to restore program integrity workloads, including medical CDRs, to pre-pandemic levels. As a result, SSA anticipates it will eliminate the CDR backlog in FY 2023.

In January 2016, SSA issued the *Compassionate And REsponsive Service* (CARES) plan 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 expects to reach the 270-day average processing time goal in 2021. To address hearing office closures in response to the COVID-19 pandemic, SSA offered claimants telephone and online video hearings and established a public-facing [Website](#) to educate claimants and representatives on the hearing options available during the pandemic. Since the start of the pandemic, SSA has held over 647,000 telephone and 16,000 online video hearings.

To help unrepresented claimants prepare for hearings, SSA established an enhanced outreach process, which includes the option for claimants to receive their claim folders through encrypted email or their *my Social Security* account. SSA postponed hearings for claimants who declined telephone or online video hearings until it can resume in-person hearings. As a result, SSA will not achieve its FY 2021 processing time goal. However, SSA reduced the average hearing wait time and pending hearings to their lowest levels in over a decade and plans to reach its processing time goal by the end of December 2022.

RETURNING DISABLED BENEFICIARIES TO WORK

To increase understanding of work incentives, SSA's Ticket to Work and Self-Sufficiency Program manager contractor led 12 online *Work Incentive Seminar Event* webinars. The webinars provide information on the Ticket to Work and Self-Sufficiency Program and other 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

SSA must be a responsible steward of the funds entrusted to its care by minimizing the risk of making improper payments and recovering overpayments when they occur.

WHY IS THIS A CHALLENGE?

SSA is responsible for issuing approximately \$1 trillion in benefit payments annually; even the slightest error in the overall payment process can result in millions of dollars in improper payments. Improper payments may occur when SSA makes mistakes in computing payments or fails to obtain or act on available information, or when beneficiaries' fail to report events or provide incorrect reports.

MANAGEMENT OF PAYMENT WORKLOADS

Improper payments can be overpayments, when SSA pays someone more than they are due, or underpayments, when SSA pays someone less than they are due. SSA estimates it made approximately \$8.3 billion in improper payments in FY 2020: \$6.8 billion in overpayments and \$1.5 billion in underpayments.

While SSA has no control over what beneficiaries report or fail to report, it can control how it computes beneficiaries' payments and its overall management of payment workloads. Our 22 FY 2021 [audit reports](#) focused on improper payments identified over \$2.1 billion in potential cost savings.

EXTERNAL DATA

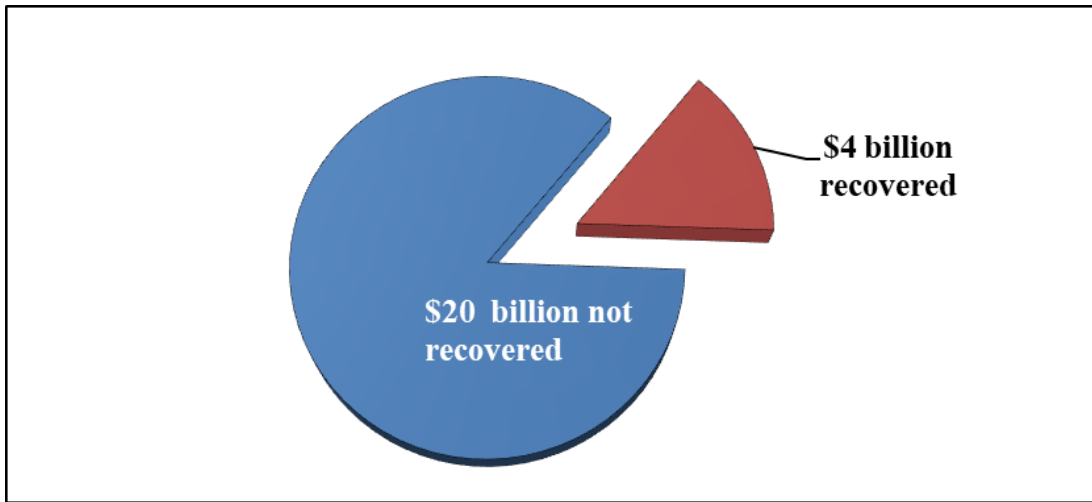
Preventing improper payments is more advantageous than recovering them after they are made since the Agency has to expend additional resources in recovering the overpayments or processing additional payments to rectify underpayments. Wages and income, resources, and living arrangements are a few of the factors that affect Old-Age, Survivors and Disability Insurance (OASDI) and 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. Obtaining data from external sources, such as other Federal agencies, State agencies, and financial institutions, is critical to preventing and detecting improper payments.

RECOVERY

When SSA determines it has 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. According to SSA, in FY 2021, it recovered over \$4 billion in overpayments at an administrative cost of \$0.07 on average for every dollar collected. Still, at the end of the FY, SSA had a \$20 billion uncollected overpayment balance (see Figure 3).

Figure 3: FY 2021 Overpayment Recovery



WHAT PROGRESS HAS THE SOCIAL SECURITY ADMINISTRATION MADE?

MANAGEMENT OF PAYMENT WORKLOADS

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 2021 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 2021 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.

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 deemsors 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. Additionally, each quarter, SSA obtains wage data from the Department of Health and Human Services' Office of Child Support Enforcement, which allows it to identify beneficiaries who may be earning above certain dollar thresholds to prevent large overpayments. SSA also continues developing plans to obtain wage data from payroll providers and is pursuing new data exchange partners from government and private sectors.

To combat SSI recipients' unreported absences from the United States, SSA uses Department of Homeland Security Arrival and Departure Information System data of U.S. entries and exits during SSI redeterminations. 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.

RECOVERY

To collect 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.

In January 2021, SSA partnered with the Department of the Treasury's Pay.gov team to implement SSA's first online repayment option for OASDI beneficiaries and SSI recipients. This option allows beneficiaries and recipients to repay overpayments via credit or debit cards or automated clearing house transactions (that is, directly from a checking or savings account). Additionally, in July 2021, SSA implemented a second option to allow beneficiaries and recipients to use their banks' online bill pay features, which allows debtors to make a one-time or recurring automated clearing house draft from a bank account using a personal computer or mobile phone.

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 - [PaymentAccuracy.gov](#)

SSA Website - [Pay an Overpayment](#)

IMPROVE SERVICE DELIVERY

SSA faces growing workloads and the expected retirement of experienced employees as it pursues its mission to deliver quality service to the public.

WHY IS THIS A CHALLENGE?

SSA has serviced millions of customers annually through face-to-face service at its field offices, calls to its national 800-number, and its online applications. The COVID-19 pandemic greatly curtailed in-person field office service, placing greater stress on other service methods. Also, SSA faces a challenge in its ability to provide service because of expected retirements of experienced employees. Finally, impersonation scams, where fraudsters impersonate SSA employees to trick people into providing personal information or money, have eroded the public's trust, and made it harder for SSA to serve its customers.

MANAGING CUSTOMER-RELATED WORKLOADS

SSA has experienced a significant reduction in the number of visitors who enter its field offices during the pandemic. In FY 2021, SSA's field offices served approximately 1.2 million visitors, much less than the 20.6 million it served in FY 2020 and the 43 million it served in FY 2019. In a June 2021 [report](#), we noted that SSA serviced an average 1,645 visitors per day from March 2020 through April 2021. To continue providing service to the public during the COVID-19 pandemic, SSA equipped field office and teleservice center employees with technology to answer calls remotely. (On page 2 of this report, we discussed the challenges SSA had answering the increased number of telephone calls it received.)

SSA suffered major service disruptions to its 800-number service in May 2021 when it unsuccessfully attempted to transition to a unified phone system. In response, SSA took steps to return to the prior operational status to reverse the service disruptions.

ONLINE SERVICES

SSA acknowledges that advancements in technology provide opportunities to do business differently and often more efficiently and conveniently. SSA continues exploring ways to enhance the customer service experience by providing online self-service options, many of which beneficiaries access through their [my Social Security](#) accounts. In FY 2021, SSA registered over 9.5 million users for [my Social Security](#) accounts. Since SSA implemented [my Social Security](#), it has registered over 62 million users.

Our audit work found SSA's controls for the [my Social Security](#) Web 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. Strengthening the identity verification process for new [my Social Security](#) account registrations will protect the public's personal information and improve customers' experience.

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 59,000 employees (36 percent) will retire by the end of FY 2022. Also, the number of retirements and staff attrition could increase as staff who have been fully teleworking throughout the pandemic are asked to return to SSA's offices. These retirements, along with regular attrition, will cause a loss of institutional knowledge and potentially impair succession management and knowledge transfer.

As more staff retire, SSA has found it harder to hire staff in a more competitive job market, especially for entry-level positions. Hiring can also be hampered because of delays in the federal budget process, which often leaves SSA uncertain of how much funding it has to hire staff until later in the FY. Delayed funding can lead to vacancies going unfilled for longer periods of time and needing to hire more staff in shorter periods of time once funding is confirmed. Also, fewer current SSA staff are competing for management positions when they are available, possibly because managers have been asked to report to SSA's field offices to address non-portable work throughout the pandemic.

IMPERSONATION SCAMS

In FY 2021, the Office of the Inspector General (OIG) has received tens of thousands of impersonation scam-related reports from the public. As imposter scams increase, SSA frontline staff spends more time responding to public inquiries. The time spent responding to scam-related inquiries and making related fraud referrals to the OIG divert frontline staff from completing their normal workloads, which include scheduling appointments, taking and adjudicating OASDI benefit claims and SSI applications, and handling post-entitlement issues. SSA staff also reported that, because of the scams, the public is more likely to question authentic telephone calls from SSA because they do not trust speaking with someone over the telephone.

WHAT PROGRESS HAS THE SOCIAL SECURITY ADMINISTRATION MADE?

MANAGING CUSTOMER-RELATED WORKLOADS

In response to the COVID-19 outbreak, in March 2020, SSA provided limited in-person field office service, by appointment only, for certain critical-need situations and moved teleservice center employees to a virtual environment. SSA shared previously unavailable field office general inquiry telephone numbers so the public could contact employees at the local level during business hours. SSA hired 1,000 new teleservice center employees in FY 2020 and continued replacing all staffing losses throughout FY 2021.

According to SSA, it did not alter staffing allocations because of the COVID-19 pandemic. Between March and April 2020, SSA equipped field office and teleservice center employees with technology to answer calls remotely so they could maintain communications with the public. The Agency deployed over 30,000 softphones to employees during this time and dispatched additional softphones through June 2020. SSA assigned teleservice center employees with Internet access to complete refresher training while waiting for the equipment to answer calls remotely on the national 800-number.

In response to its unsuccessful attempt to unify its 800-number telephone system, SSA planned a more phased approach to the unification process, which it began in September 2021. During its September 2021 effort, SSA had technical challenges when it began migrating teleservice representatives to the unified platform. As a result, SSA stopped the process after about half of its teleservice representatives were migrated. As SSA addresses the technical challenges identified, half of SSA's teleservice representatives answer calls to its 800-number while operating on the unified platform while the other half answer calls operating on the older platform.

ONLINE SERVICES

In May 2021, SSA launched the redesigned Social Security Statement in a controlled rollout to 500,000 random *my Social Security* users who were not receiving benefits. SSA is using this initial rollout to evaluate the feedback from usability and cognitive testing as well as feedback received through this soft rollout. SSA expects to fully release the Statement in fall 2021, which will include additional updates based on the feedback it receives during the initial rollout. SSA added other service options in *my Social Security*, including a tracking service that allows account holders to track the status of their initial claims or appeals and an application that allows representative payees to request Medicare replacement cards.

Additionally, beginning in June 2020, SSA began allowing individuals to sign into *my Social Security* with a username and password from ID.me. In May 2021, SSA partnered with Login.gov, a service offered by the General Services Administration, to accept its credentials for the *my Social Security* Web portal. In September 2021, SSA began requiring all new *my Social Security* account users to register using only ID.me or Login.gov.

EXPERIENCED EMPLOYEES AND INSTITUTIONAL EXPERTISE

SSA's goal is to continue increasing the proficiency of its leadership cadre and "pipeline" to enhance the Agency's readiness to fill potential gaps in leadership and critical positions. In FY 2021, SSA selected participants for the third track of its National Leadership Development Program and provided competency-based leadership training for each track of the Program. All the Program participants completed developmental assignments in new areas of work with a focus on leadership development.

IMPERSONATION SCAMS

Both SSA and OIG have continued public awareness campaigns to protect taxpayers from Social Security-related telephone scams. Both organizations have provided public outreach materials including multiple Inspector General fraud advisories explaining how to identify telephone scams and how to report scam activity. In addition, the OIG has used reports of scam activity to identify trends and investigate and disrupt the scams, securing multiple successful prosecutions of scam organizers and facilitators.

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 and ensure SSA retains institutional knowledge.

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

Continue aggressively informing its customers on how to prevent becoming victims of fraud.

KEY RELATED LINKS

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

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

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

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

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

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. 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 SSNs, which, if not protected, could be misused by identity thieves.

INFORMATION SECURITY

SSA continues expanding its online services to improve customer service and developing systems, 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 LLP identified a number of deficiencies in SSA's information security program that could limit its ability to protect the confidentiality, integrity, and availability of SSA's information systems and data.

Because of weaknesses identified, Grant Thornton LLP concluded SSA's overall security program was "Not Effective." To address the weaknesses, Grant Thornton LLP recommended that SSA strengthen its information security risk management framework; enhance IT oversight and governance to address these weaknesses; and adhere to its information security policies, procedures, and controls.

SOCIAL SECURITY NUMBER PROTECTION AND EARNINGS ACCURACY

The SSN is relied on 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 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 that information to verify employment eligibility, ensure wage reports are processed, 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 earnings reported under SSNs are critical.

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 \$1.9 trillion in wages and over 388 million wage items for Tax Years 1937 through 2020.

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. The Agency's recent accomplishments and initiatives strengthened its identity verification processes. The accomplishments include:

- decommissioning its legacy remote registration process in December 2020. SSA now requires physical or electronic address verification for all remotely issued credentials;
- implementation of bot detection software in May 2021, which prevents scalable attacks on the registration process; and
- a partnership with Login.gov, a service offered by the General Services Administration, to accept their credentials for the *my Social Security* portal which began in May 2021.

In FY 2021, SSA established the Information Systems Security Officer program to provide oversight of IT security compliance. As part of the program, SSA hired and trained 24 information systems security officers, assigning one security officer to each regional and Deputy Commissioner-level office.

SOCIAL SECURITY NUMBER PROTECTION AND EARNINGS ACCURACY

SSA has taken steps to reduce the Earnings Suspense File's size and growth. The Agency allows employers to verify the names and SSNs of their employees using the Agency's SSN Verification Service, an online verification program, before reporting wages to SSA. In FY 2021, employers verified over 170 million SSNs using the SSN Verification Service over 170 million times.

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 2021, the Department of Homeland Security reported it processed 18.6 million E-Verify cases, of which approximately 273,000 (1.45 percent) received a "not authorized to work" response.

WHAT THE SOCIAL SECURITY ADMINISTRATION NEEDS TO DO

Address the deficiencies Grant Thornton LLP identified 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](#)

SSA, OIG Website - [The Social Security Administration's Information Technology Security Program and Practices for Fiscal Year 2021](#)

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

MODERNIZE INFORMATION TECHNOLOGY

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

WHY IS THIS A CHALLENGE?

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, and it is harder to integrate new technologies and security tools with some legacy systems. 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 modern replacements to keep pace with increasing workloads. The Agency had taken an incremental approach to IT modernization by replacing systems' components rather than whole systems. However, in its 2017 *IT Modernization Plan*, SSA acknowledged that this approach had not worked and committed to invest \$691 million through FY 2022 in transformational initiatives and infrastructure.

In 2020, SSA updated its *IT Modernization Plan* by expanding the scope to include additional investments in direct service delivery. Under the revised scope, the Agency expects to spend \$863 million on IT modernization through FY 2022, while using much of its IT funding—nearly \$2 billion in FY 2021—to operate and maintain existing systems. Finally, although SSA has a multi-year modernization plan that focuses on improving customer services, it does not have comprehensive plans to address updating, replacing, or retiring all its legacy systems. Specifically, modernization targets indicated that many legacy systems will not be modernized by FY 2022.

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 verified and compared 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.

WHAT PROGRESS HAS THE SOCIAL SECURITY ADMINISTRATION MADE?

INFORMATION TECHNOLOGY INFRASTRUCTURE MODERNIZATION

In July 2020, SSA updated its *IT Modernization 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. SSA's Chief Information Officer acknowledged SSA must undertake a larger, multi-year effort.

INFORMATION TECHNOLOGY INVESTMENT PROCESS

In FY 2020, SSA began the Information Technology Investment Governance Refresh, which is an effort to refresh enterprise-wide investment management processes and improve SSA's ability to measure and realize value.

Objectives of the Refresh include improving the Agency's ability to manage its IT investments, ensuring the Agency's IT investments support its priorities, and monitoring and reporting regularly on the realization of investment value and other measures of investment progress and performance. SSA reported that it completed the Refresh as scheduled in FY 2021.

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](#)