



THE SOCIAL SECURITY ADMINISTRATION'S MAJOR MANAGEMENT AND PERFORMANCE CHALLENGES DURING FISCAL YEAR 2022



Office of the Inspector General SOCIAL SECURITY ADMINISTRATION

November 4, 2022

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 *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 2022, we initially identified the following challenges:

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

Through audit work and discussions with SSA's senior staff, we identified an additional challenge:

- Manage Human Capital

In the enclosed 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, improved human capital resource management and further modernization of SSA's information technology would both affect service delivery.



In Fiscal Year 2023, the Office of Audit will continue focusing on these issues 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.

Gail S. Ennis
Inspector General

Enclosure



*The Social Security Administration's
Major Management and Performance Challenges
During Fiscal Year 2022*



November 2022



MANAGE HUMAN CAPITAL

The Social Security Administration (SSA) must adequately plan to ensure it has the staff it needs to meet its mission now and in the future as it finds hiring staff harder in a more competitive job market and when over 40 percent of its workforce will be eligible to retire within 5 years.

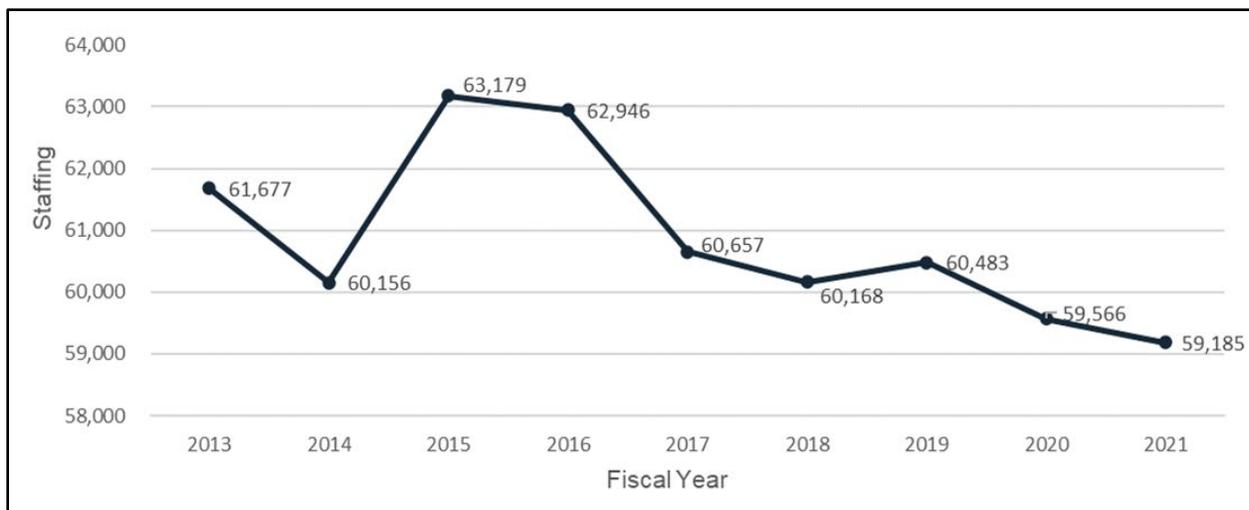
WHY THIS IS A CHALLENGE

At a recent congressional hearing, SSA [reported](#) its growing workload backlogs, including delays in disability claims processing, were largely due to hiring challenges and higher than expected staff attrition. As SSA faces staffing challenges, its planning documents lack descriptions of the hiring and recruitment plans needed to address them.

HIRING AND RETENTION

SSA has approximately 59,000 full-time equivalent staff, which is about 4,000 less staff than it had 6 years ago (see Figure 1).

Figure 1: SSA's Staffing



Note: SSA's end-of-year Fiscal Year (FY) 2022 staffing data were not available before we released this report.

Senior SSA officials, including the Acting Commissioner, [reported](#) numerous challenges in ensuring SSA has the necessary staffing, including insufficient funding over multiple years to hire the level of staff needed and higher than average attrition rates Agencywide. Per the Acting Commissioner, as a result of insufficient funding, SSA was "...unable to hire the level of staffing needed." She further stated, "...we will need sufficient funds in the coming year to ensure we can process all our workloads efficiently."

The timing of when SSA receives a budget with the funding to hire, which is often after the beginning of each FY, can limit SSA from strategically hiring staff during advantageous times of the year, such as recruiting before students graduate from college and when college campuses typically hold recruitment and job fairs. Not being able to strategically time when to hire staff places SSA at risk of not hiring the most qualified candidates as they may have accepted offers from other employers and are no longer seeking employment opportunities when SSA receives funding.



Beyond budgeting, senior staff has also noted that fewer candidates are applying for open positions, including entry-level and managerial positions. For entry-level positions, senior staff noted possible disadvantages, including less competitive pay when compared to private-sector employers and fewer workplace flexibilities, like wide-scale remote work options. For managerial positions, senior staff reported staff is less interested in taking on the responsibility that comes with managerial positions, particularly after they saw the extra responsibilities managers shouldered during the pandemic.

SSA recognizes the loss of technical and institutional knowledge through staff attrition is one of its greatest challenges and may impair succession management and knowledge transfer. Approximately 25,000 SSA employees will be eligible to retire in the next 5 years, including 15,000 eligible for retirement and 10,000 eligible for early retirement. Also, SSA spends considerable time training new employees on its complex programs. When new employees separate, SSA loses the investment it has made in them.

HUMAN CAPITAL PLANNING

SSA included workforce management as one of its key risks in its *Fiscal Year 2022 Enterprise Risk Management Risk Profile*. Federal regulation (5 C.F.R. § 250.203) requires that Federal agencies ensure their human capital management strategies, plans, and practices are integrated with their strategic plans, performance plans, and goals in those plans. SSA's *Agency Strategic Plan (ASP)*, *Annual Performance Plans*, and *Human Capital Operating Plan (HCOP)* covering FYs 2018 – 2022 include limited discussions of the human-capital strategies needed to ensure it successfully meets its strategic goals and initiatives.

The human capital management strategies in SSA's HCOP align with some ASP strategic objectives but not others. For example, the HCOP describes key initiatives that align with the ASP's strategic objective of *Improving Workforce Performance*. However, HCOP does not include human capital management strategies for the remaining ASP strategic objectives, including SSA's initiatives to improve service delivery and accelerate information technology (IT) modernization. While the HCOP states SSA's ". . . highest priority and commitment is to improve service delivery to the public, which includes improving 800-number, hearings, and field office wait times and modernizing our [IT] as well as our disability policies," the HCOP does not describe the human capital management strategies needed to support these priorities.

Federal regulations also require that agencies implement proven strategies and practices to develop and retain talent. SSA's ASP, *Annual Performance Plans*, and HCOP do not describe a strategic recruitment plan to attract and hire talent as more of its workforce becomes eligible for retirement and it is experiencing higher than average attrition.

PROGRESS THE SOCIAL SECURITY ADMINISTRATION HAS MADE

HIRING AND RETENTION

SSA's FY 2023 budget requests funding for staffing and overtime to help mitigate the growth in pandemic-related backlogs by adding more than 4,000 staff in frontline operations and at disability determination services (DDS). SSA plans to take a number of steps to expand its recruitment efforts, including the following:

- exploring sessions for potential applicants to advise them on the hiring process;
- training managers, administrative staff, and human-resource specialists on recruitment strategies, merit promotion, hiring authorities, and flexibilities supporting employees' tenure (for example, from hire to exit); and
- partnering with companies and universities to build a more diverse pipeline into public service.

In FY 2021, SSA established an executive-level Succession Planning Governance Board and staff-level Integration Team. In FY 2022, SSA expanded the responsibilities of the Integration Team to include researching, developing, and proposing solutions to succession and strategic workforce planning issues. The Governance Board identified FY 2022 strategic workforce planning priorities related to key workforce challenges, including strengthening



employee engagement, helping staff effectively navigate the hybrid work environment, and enhancing workforce flexibility programs. SSA leveraged the Integration Team to benchmark best practices and develop proposed strategies to mitigate the key workforce challenges.

HUMAN CAPITAL PLANNING

SSA has begun enhancing its human capital planning, including taking steps to build a strategic workforce planning business process and framework for Agency-wide implementation. In response to a FY 2021 Office of Personnel Management review, SSA reported it would align its upcoming (and not yet released) HCOP with the FYs 2022-2026 ASP and describe its human capital strategies to address Agency-specific skill and competency gaps.

WHAT THE SOCIAL SECURITY ADMINISTRATION NEEDS TO DO

- Develop and implement human capital strategies that specifically describe its plans to attract and hire talent, including the steps SSA will take to address known hiring and retention challenges.
- Develop and implement human capital strategies that specifically describe how SSA will acquire the future workforce needed to successfully fulfil its mission, including plans to address its upcoming retirement wave.

KEY RELATED LINKS

- SSA, OIG Website – [The Social Security Administration’s Human Capital Planning \(A-02-19-50866\)](#), September 2022
- SSA Website – [Agency Strategic Plan FYs 2022-2026](#)
- SSA Website – [Annual Performance Report FYs 2021-2023](#)
- SSA Website – [Justification of Estimates for Appropriations Committees FY 2023](#)
- U.S. Congress, Ways and Means Committee Website – [Statement for the Record by Deputy Commissioner Grace Kim, May 2022](#)



IMPROVE SERVICE DELIVERY

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

WHY THIS IS A CHALLENGE

In response to the Coronavirus Disease 2019 (COVID-19) pandemic, SSA shifted the way it served its customers by significantly decreasing in-person field office services from March 2020 to April 2022. While SSA reopened its field offices to walk-in, in-person service in April 2022, the number of visitors to its offices has not reached pre-pandemic levels. SSA will need to continue increasing, improving, and ensuring the continuity of its other service methods to meet its customers' demand for them, including its national 800-number and online services.

Online services that lessen the need for staff are particularly important as SSA faces staffing challenges, and many of its employees are reaching retirement age.

TELEPHONE SERVICE

At the start of the pandemic, SSA had separate telephone systems for its national 800-number, field offices, and Headquarters operations. To accommodate remote operations in response to the COVID-19 pandemic, SSA augmented its legacy telephone systems that modified functionality and capacity. In May 2021, SSA began implementing a unified telephone system to replace the three legacy systems via its Next Generation Telephony Project. When fully implemented, the Project is expected to improve telephone customer service by merging the three legacy systems into a single platform that will be more efficient, stable, and functional. SSA has revised the date it expects to implement the Project multiple times; it now expects the Project to be implemented by December 2023.

Until the Project is implemented, SSA is relying on its augmented legacy telephone systems, which has resulted in reduced stability and functionality throughout the pandemic. Heavy call volumes overwhelmed the platform on numerous occasions and caused service disruptions, including dropped call queues, dead air calls, misdirected calls, and disconnections.

ONLINE SERVICE

SSA acknowledges 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 2022, SSA registered over 10 million users for [my Social Security](#) accounts. To date, SSA has registered over 72 million users on [my Social Security](#).

While SSA provides the public additional digital services, such as online, remote, and self-service options, it must do so in a way that maintains a strong commitment to protect its customers from current and emerging threats including identity theft and scams to steal money or personal information. SSA must continue strengthening the identity-verification process for new [my Social Security](#) account registrations to protect the public's personal information and improve customers' experiences.

SSA needs to ensure its online services help reduce the need for staff processing. While SSA created an electronic Supplemental Security Income (SSI) protective filing tool in March 2022 to allow individuals to submit a request for an appointment to file for benefits and record a protective filing date, individuals cannot apply for SSI online. SSA senior staff noted that the SSI online tool did not effectively screen out individuals who were likely not eligible for the SSI program and that some individuals used the tool to create multiple appointments. As such, it created more work for field office staff who needed to screen out the duplicate appointments. Also, the duplicate appointments decreased available appointment slots, which made other people who needed appointments to have to wait longer for them.



PROGRESS THE SOCIAL SECURITY ADMINISTRATION HAS MADE

TELEPHONE SERVICE

In FY 2022, SSA recognized unstable telephone services as one of its enterprise risks. In response, SSA has worked to reinforce the Next Generation Telephony Project platform's ability to absorb the pandemic-related call volumes. SSA plans to complete the transition to the new telephone platform in FY 2023. When it does, SSA expects to restore features previously available that it lost – Callback Assistance, Estimated Wait Time, comprehensive management information – when it augmented its legacy systems in response to the COVID-19 pandemic. It also plans to increase the concurrent call maximum to 18,000 sessions to minimize or eliminate bottlenecks and increase the maximum queue limit to provide the ability to handle the higher call demand periods and spikes. The average wait time as of the end of FY 2022 was 33 minutes compared to the average wait time of 14 minutes in FY 2021. SSA's goal was to have a 19-minute wait time by the end of FY 2022.

ONLINE SERVICE

SSA stated, in FY 2022, it would enhance the user experience, streamline the online claims process for its customers, and reduce the amount of contact customers have with a claims representative when completing an application. SSA also planned to improve the claims status tracker and online portal design. SSA is expanding online service options for replacing Social Security number (SSN) cards so the public does not need to visit an office. For example, adult U.S. citizens who meet certain criteria may apply for a replacement card using the internet Social Security Number Replacement Card (iSSNRC) online application through their [my Social Security](#) account. In FY 2022, SSA planned to expand iSSNRC to non-participating states and continue incorporating the name change due to marriage initiative in iSSNRC, allowing eligible customers to request a replacement SSN card. In FY 2023, SSA plans to expand the marriage data exchange; integrate the Electronic Verification of Vital Events data exchange into iSSNRC to verify birth information; and explore more avenues to increase access and enhance security.

Additionally, SSA is improving the iAppeals online application process for people who appeal an Agency decision for such non-medical issues as overpayments or Medicare premium rates. The enhancements will integrate the Medical and Non-Medical iAppeals via an authenticated claimant and appointed representative portal.

SSA is exploring ways to improve the experience for claimants, their representatives, and its technicians by developing the Appeals and Appointed Representative Processing Services (AARPS). AARPS will be an online portal with self-service options for customers and appointed representatives to electronically accept appointments as well as complete fee agreements, appeals, registration, and other related workloads. In 2023, the Agency plans to develop and implement AARPS, incorporating stakeholder input.

SSA updated the electronic SSI protective filing tool on October 1, 2022 to prevent ineligible individuals from making appointments to apply for SSI. If the tool determines individuals are ineligible, they receive the following message: "We cannot process your request at this time. Please try again later, or if you need immediate help to schedule an appointment, please contact us." While the update prevents ineligible individuals from making appointments, the message the tool provides them could lead to increased customer traffic to SSA's 800-number or field offices.

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 a successful transition to a stable telephone service that meets its customers' needs.
- Ensure any electronic applications offered through [my Social Security](#) accounts include an effective authentication process.



KEY RELATED LINKS

- SSA, OIG Website - [Reports related to improving service delivery](#)
- SSA Website - [Agency Strategic Plan FYs 2022-2026](#)
- SSA Website - [Annual Performance Report for FYs 2021-2023](#)
- SSA Website – [SSA's FY 2023 President's Budget](#)



PROTECT THE CONFIDENTIALITY, INTEGRITY, AND AVAILABILITY OF INFORMATION SYSTEMS AND DATA

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

WHY THIS IS A CHALLENGE

SSA's 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 to its 800-number, or posting millions of earner wage reports annually. Disruptions to the integrity or availability of SSA's information systems would dramatically affect its 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. 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 SSA had established an Agency-wide information security program. Although the maturity of SSA's information security program improved in some areas, Grant Thornton identified several deficiencies that could limit SSA's ability to protect the confidentiality, integrity, and availability of its information systems and data.

Because of weaknesses identified, Grant Thornton concluded SSA's overall security program was "Not Effective." Grant Thornton 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 individuals' earnings over their lifetimes. As such, it is critical that the Agency ensure numberholder information is complete in its systems as well as SSNs are properly assigned only to those individuals authorized to obtain them, SSN information be protected once SSA assigns the number, and earnings are accurately posted and reported under SSNs.

A specific challenge to ensuring accurate earnings postings is employers reporting 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. As of October 2022, the Earnings Suspense File had accumulated \$2.01 trillion in wages and over 396 million wage items for Tax Years 1937 through 2021.



PROGRESS THE SOCIAL SECURITY ADMINISTRATION HAS MADE

INFORMATION SECURITY

SSA acknowledges it must be mindful of cyber-threats and remain committed to protecting privacy and security. SSA's *Cybersecurity Strategic Plan 2022-2024* focuses on how it will safeguard and protect against IT and cyber-security threats by continuing to mature its cyber-security program. The *Plan* defines strategic goals and priorities and includes strategies and initiatives to address IT and cyber-security challenges.

In FY 2022, SSA executed a risk-based approach to strengthen controls over its systems and address weaknesses. In addition, SSA continued implementing several plans, strategies, and initiatives to address security gaps.

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 online SSN Verification Service before they report wages to SSA. In FY 2022, employers verified over 226 million SSNs using the SSN Verification Service.

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 fourth quarter of FY 2021, which is the latest data available, the Department of Homeland Security reported it processed 42.5 million E-Verify cases. Approximately 592,000 (1.39 percent) of these received a "not authorized to work" response.

WHAT THE SOCIAL SECURITY ADMINISTRATION NEEDS TO DO

- Address the deficiencies Grant Thornton identified to improve SSA's ability to protect the confidentiality, integrity, and availability of its information systems and data.
- 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 wages 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 - [Summary of the Audit of the Social Security Administration's Information Security Program and Practices for Fiscal Year 2022](#)
- National Institute of Standards and Technology Website - [Special Publication 800-63-3, Digital Identity Guidelines](#)



MODERNIZE INFORMATION TECHNOLOGY

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

WHY THIS IS A CHALLENGE

SSA relies on its IT to serve the public and safeguard SSA programs. Rapid, continuous technology advancements and the recent national shift to increased virtual services and communications reinforce the pressing need to modernize SSA. The Agency must fundamentally rethink how it delivers services, the processes and infrastructure that support that delivery, and the policies that enable delivery. 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. Without complete and timely modernization of its legacy systems, the Agency runs the risk of increased maintenance costs, lack of available support, and decreased capacity to support business and processing needs.

INFORMATION TECHNOLOGY 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 FY 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 expected to spend \$863 million on IT modernization through FY 2022, while using much of its IT funding—nearly \$1.9 billion in FY 2022—to operate and maintain existing systems. Despite the significant resources devoted to modernization, efforts and investments remained incomplete in FY 2022.

To support its IT modernization, SSA used Agile development, which takes an iterative approach to incrementally deliver software. While the Agency implemented some appropriate controls and practices to manage its Agile projects, SSA's Agile guidance was incomplete, and projects did not always follow Agile best practices or enforce key controls. In addition, the Agency did not ensure data from its Agile project management tool were reliable. Finally, SSA needed to improve Agile training and decision making. Improvements in these areas could provide SSA and taxpayers greater benefits from the Agile development method, including higher quality software developed faster and at a lower cost.

INFORMATION TECHNOLOGY INVESTMENT PROCESS

In 2016, SSA established the Information Technology Investment Process (ITIP) to provide guidance on selecting, tracking, and managing IT investments. The goal was to optimize IT investments and ensure those investments were delivered on time and on budget. ITIP organizes the Office of Systems' IT investment decision-making process into four phases: Plan, Select, Control, and Evaluate. However, our [audit](#) noted several issues with ITIP that could prevent it from supporting strategic decision making and allowing the Agency to plan for, manage, and implement IT investments as projected. There are investment decisions not included in the ITIP process. In addition, 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 those reports covered.



PROGRESS THE SOCIAL SECURITY ADMINISTRATION HAS MADE

INFORMATION TECHNOLOGY MODERNIZATION

SSA developed its *Digital Modernization Strategy* to build on previous modernization efforts and guide the Agency from FYs 2023 through 2026. Objectives include eliminating investments in outdated and legacy technology as well as eliminating silos in the technology used to support core Agency functions by building end-to-end processing systems.

In addition, SSA is adopting an Agile scaling framework that defines roles and establishes recommended practices. The Agency also planned to provide additional training; develop, document, and enforce standards for its Agile project management tool; and leverage more of the tool's capabilities.

INFORMATION TECHNOLOGY INVESTMENT PROCESS

In FY 2021, SSA continued the Information Technology Investment Governance Refresh. 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.

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



IMPROVE ADMINISTRATION OF THE DISABILITY PROGRAMS

To better serve its customers, SSA needs to address increasing pending initial disability claims, reconsiderations, and continuing disability reviews (CDR); reduce barriers to the disability program; reduce hearings processing times; and develop better strategies to help disabled beneficiaries return to work.

WHY THIS IS A CHALLENGE

Disabled claimants rely on SSA to quickly process disability applications and reconsideration requests, make disability determinations, and complete disability-related hearings. Processing times and the pending workload levels have increased, resulting in disability claimants waiting longer for decisions on their claims. Also, while SSA has programs to help disabled beneficiaries return to work, few have done so.

PENDING DISABILITY WORKLOADS

In December 2021, we [reported](#) that although receipts for initial disability claims, reconsiderations, and CDRs decreased, processing times and the number of pending cases for these workloads increased. This indicates claimants were waiting longer for DDSs to make medical determinations, and the DDSs could not keep pace with the workloads received.

Before the COVID-19 pandemic began, SSA had reduced pending initial disability claims from almost 708,000 at the end of FY 2012 to approximately 594,000 at the end of FY 2019 and pending reconsiderations from approximately 198,000 to almost 134,000. However, DDSs closures in initial response to the pandemic and delayed consultative examinations during the pandemic, along with DDS examiner attrition of about 25 percent in FY 2022, affected initial disability claims and reconsideration processing. SSA implemented a temporary hiring freeze in FY 2022 because of funding constraints, further exacerbating DDS staffing shortages. As of the end of FY 2022, pending initial disability claims had increased to approximately 941,000, and pending reconsiderations had increased to almost 234,000, which were 58- and 75-percent increases, respectively, since the end of FY 2019.

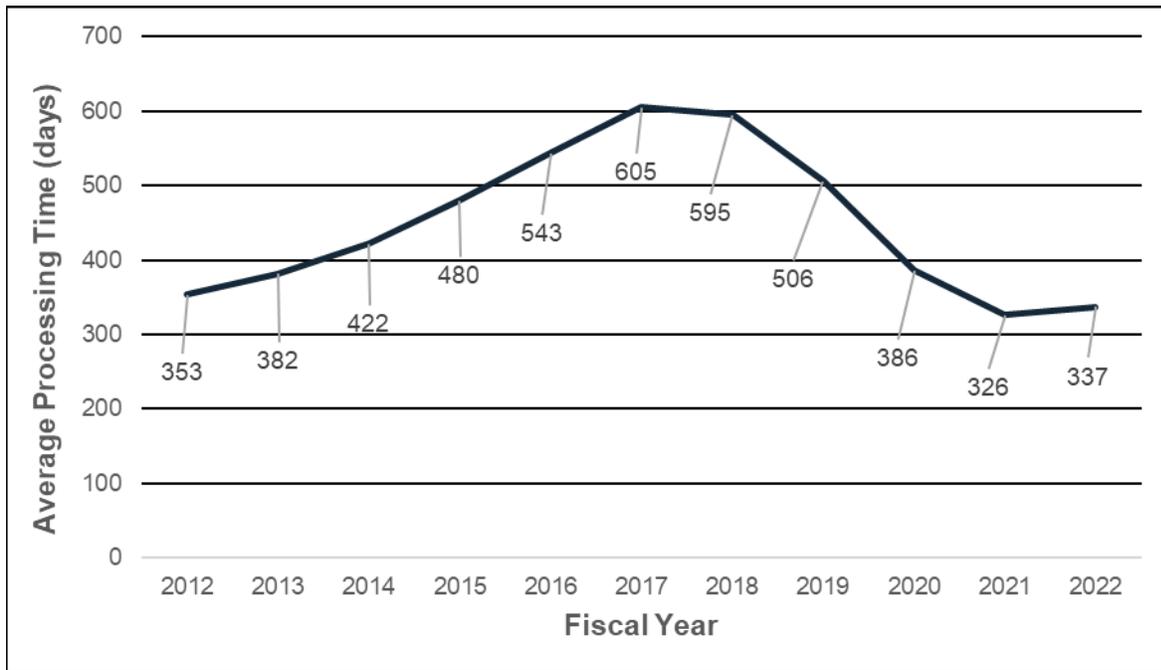
In FY 2018, SSA eliminated the backlog of full medical CDRs. However, in response to the COVID-19 pandemic, from mid-March through August 2020, SSA suspended processing medical CDRs that could result in benefit cessation. The number of full medical CDRs SSA processed decreased from over 713,000 in FY 2019 to approximately 511,000 in FY 2021. Although SSA increased the number of full medical CDRs it had processed in FY 2022 to over 590,000, a backlog of over 203,000 full medical CDRs remained.

While overall pending initial disability claims increased, SSA continued reporting significant decreases in SSI disability applications. In FY 2019, SSA received approximately 1.6 million SSI disability applications. By the end of 2022, SSA had received approximately 1.3 million such applications, a 19.7-percent decrease from the FY 2019 total. SSA identified concerns that pandemic operating procedures, such as field office closures for most walk-in services, may have contributed to reduced applications for individuals who needed help with their claims.

While SSA has continued reducing hearings processing times (see Figure 2) and the number of pending hearings, it has not achieved its processing time goal of 270 days. As of FY 2022, the average processing time for hearings was 337 days, and the hearings pending level was almost 344,000 hearings.



Figure 2: Average Hearings Processing Time



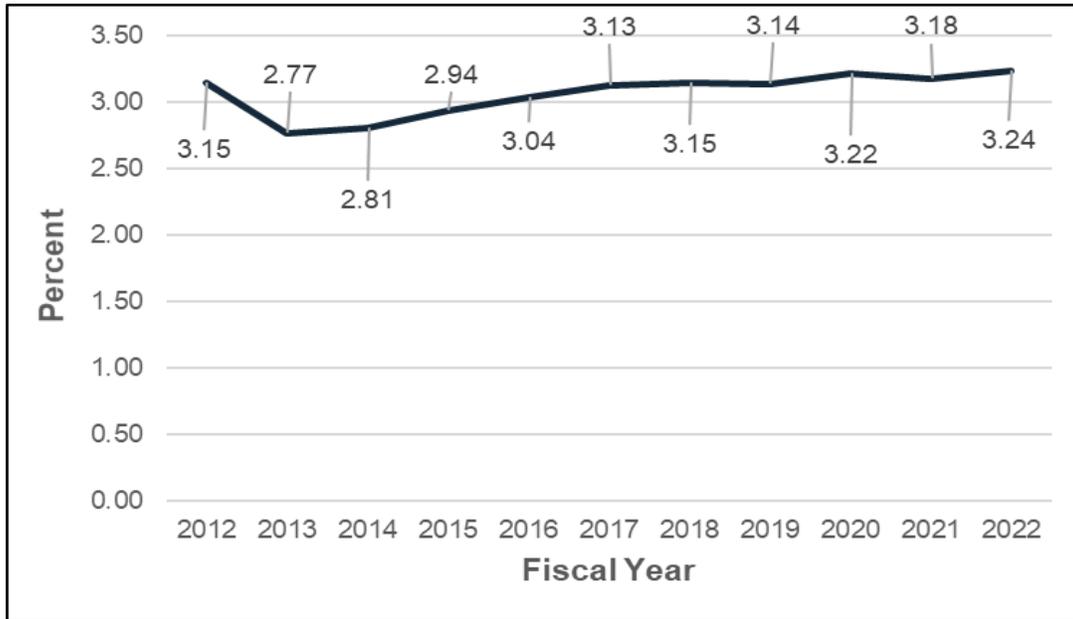
RETURNING DISABLED BENEFICIARIES TO WORK

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.

While SSA has set goals to increase the number of participating beneficiaries, few eligible beneficiaries have 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 2022, similar to the percent of individuals who assigned their Tickets in recent years (see Figure 3). Further, in October 2021, we [reported](#) that 62 percent of the beneficiaries we reviewed had unsuccessful work outcomes after they received vocational rehabilitation. These beneficiaries did not find the services helpful. Some indicated they did not receive sufficient help from the vocational rehabilitation agencies or counselors.



Figure 3: Percent of Ticket-eligible Beneficiaries with Tickets Assigned or In-use



For disabled individuals who return to work, SSA offers work incentives that make it possible for them to work and still receive benefits. SSA identifies and applies work incentives during work CDRs. In September 2022, we [reported](#) SSA made errors on work CDRs that involved incentives for an estimated 31,000 beneficiaries, which resulted in over \$553 million in questionable benefit payments.

PROGRESS THE SOCIAL SECURITY ADMINISTRATION HAS MADE

PENDING DISABILITY WORKLOADS

In response to the COVID-19 pandemic, SSA limited in-person services to appointment-only for certain critical-need situations though it continued processing and prioritizing initial disability claims. In April 2022, SSA resumed in-person services, including serving visitors who did not have appointments. SSA indicated it is taking steps to improve its disability processes, such as making additional disability forms available online; increasing consultative examination availability, including virtually; and recruiting additional providers.

SSA is also working to restore program-integrity workloads, including medical CDRs, to pre-pandemic levels. In part, SSA is working with the DDSs to understand the underlying reasons for attrition, as the loss of experienced employees significantly affected the Agency's ability to complete program-integrity workloads. To address hiring challenges, SSA developed a national workgroup, which made recommendations to improve hiring practices, including using different platforms, such as social media. SSA anticipates it will eliminate the CDR backlog in FY 2023 by increasing processing capacity to handle more reviews, with SSA planning to process approximately 700,000 CDRs in FY 2023.

In March 2021, SSA began a national public outreach campaign to raise awareness of its disability programs and improve access for people facing barriers, such as language, medical conditions, or inadequate Internet access. Outreach efforts included enlisting third parties to work with people facing barriers and promote SSA programs on paid social media, television, and radio advertising. SSA also established a new Agency Priority Goal to address the decline in disability applications received during the pandemic and improve equity in the SSI program through increased outreach and improved benefit delivery. In March 2022, SSA implemented an online option that enables individuals and third parties to express their intent to file for SSI. While SSA increased outreach, the number of SSI applications continued to decline.



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 expected to reach the 270-day average processing time goal in FY 2021, which it did not do. 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. As we [reported](#) in July 2022, from the start of the pandemic through March 2022, SSA held almost 808,000 hearings, most of which were via telephone, and over 40,000 online video hearings.

SSA postponed hearings for claimants who declined telephone or online video hearings until it could resume in-person hearings. In November 2020, the Government Accountability Office [reported](#) that, early in the pandemic, “. . . about 1 in 4 claimants were declining phone hearings. In October 2020, about 1 in 10 claimants were declining phone hearings...” (from page 239 of the Government Accountability Office report). Though SSA offered claimants telephone and video hearings, it resumed in-person hearings in March 2022, focusing on individuals who have been waiting for a hearing because they declined telephone and online video hearings or were experiencing certain circumstances like homelessness. Despite pandemic-related challenges, SSA further 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 FY 2023.

RETURNING DISABLED BENEFICIARIES TO WORK

SSA has a number of resources to assist disabled beneficiaries in returning to work, including having Work Incentive Liaisons in each field office to provide advice and information about work-incentive provisions and employee-support programs to individuals with disabilities and outside organizations that serve those with disabilities. SSA also has Area Work Incentives Coordinators who conduct public outreach on work incentives in their local areas, train SSA field office staff on employment support programs, and monitor disability work-issue workloads in their areas. SSA provides grants to community-based organizations to provide disabled beneficiaries free access to work incentives planning and assistance. This assistance includes access to Community Work Incentives Coordinators who work with disabled beneficiaries to help them understand their benefits and the effect work has on those benefits, what they need to report to SSA, and provide ongoing support as disabled beneficiaries' transition back to work.

WHAT THE SOCIAL SECURITY ADMINISTRATION NEEDS TO DO

- Renew its focus on reducing and eliminating the initial disability claims, reconsideration, and CDR backlogs.
- Continue partnering with DDSs to address staffing shortages caused by attrition and hiring challenges.
- Continue recruiting additional consultative examination providers and increase consultative examination availability, including virtual examinations.
- Improve access to the disability program and monitor the impact of outreach to individuals facing barriers to SSA's programs.
- Implement and monitor the CARES initiatives designed to improve timeliness and reduce the hearings backlog.
- 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

- Government Accountability Office Website – [COVID-19: Urgent Actions Needed to Better Ensure an Effective Federal Response \(GAO-21-191\)](#), November 2020
- SSA, OIG Website - [Reports related to improving the administration of the disability programs](#)
- SSA Website – [SSA's Information for People Helping Others](#)



- SSA Website – [SSA's CARES plan](#)
- SSA Website – [SSA's CARES plan, 2018-2019 update](#)
- SSA Website – [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 THIS IS A CHALLENGE

SSA is responsible for issuing over \$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 can be overpayments, when SSA pays someone more than they are due, or underpayments, when SSA pays someone less than they are due. Per its most recent estimates available, SSA estimates it made approximately \$7.4 billion in improper payments in FY 2021: \$6 billion in overpayments and \$1.4 billion in underpayments.

MANAGEMENT OF PAYMENT WORKLOADS

Improper payments may occur when SSA makes mistakes in computing payments or fails to obtain or act on available information. For example, in FY 2022, we:

- [Concluded](#) SSA employees incorrectly input student information on beneficiaries' records, which resulted in SSA underpaying an estimated 14,470 beneficiaries approximately \$59.5 million.
- [Estimated](#) SSA could have avoided approximately 73,000 overpayments totaling more than \$368 million if it had effective controls over benefit-computation accuracy. SSA's automated systems could not compute benefit payments due in certain situations, and the Agency did not provide employees with a comprehensive tool to use when they had to manually calculate them. Without adequate automation tools, employees can make errors.

EXTERNAL DATA

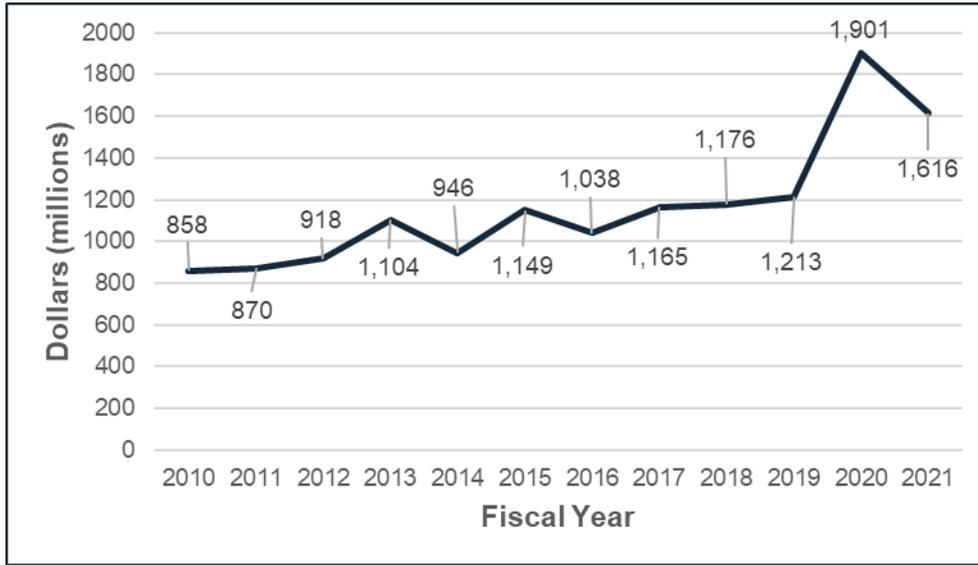
Preventing improper payments is more advantageous than recovering them since the Agency has to expend additional resources to recover the overpayments or process additional payments to rectify underpayments. Wages and income, resources, and living arrangements are a few of the factors that affect Old-Age,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

While SSA has made progress implementing data exchanges to reduce its reliance on beneficiaries self-reporting information; it still has work to do. While some of the challenges the Agency encounters when it enters into data exchanges are beyond its control, the Agency could improve its process by implementing a centralized system for administering data exchanges and considering pursuing legislative changes allowing for it to obtain the data it needs.

To address SSI improper payments related to resources, SSA implemented the Access to Financial Institutions (AFI) program in June 2011. AFI verifies alleged bank account balances with financial institutions and searches for undisclosed accounts at geographically relevant locations based on the claimant's address. SSA uses AFI when it processes initial SSI applications and periodic eligibility redeterminations. As shown in Figure 4, overpayments related to financial accounts increased from FYs 2010 to 2021.



**Figure 4: SSI Financial Account Overpayment Deficiency Dollars
FYs 2010 Through 2021**



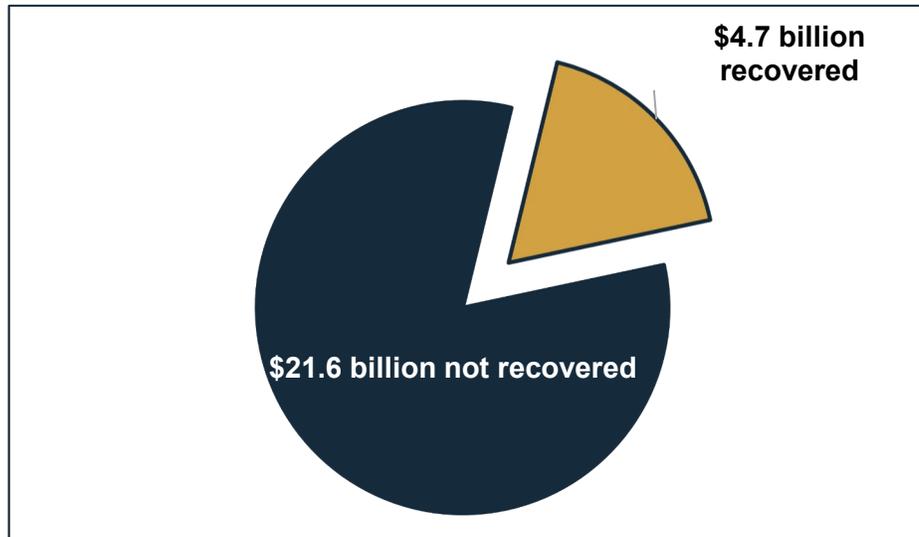
In FY 2021, SSA determined the expanded use of AFI was not feasible because of a broad range of legal, technical, operational, and contractual barriers, but it plans to re-visit this issue in FY 2023. Deficiency dollars have generally increased since the implementation of the AFI program. Although AFI works as designed, the ability to check accounts retrospectively does not completely prevent or reduce improper payments. Tools such as AFI identify errors, but the SSI program continues to rely heavily on recipients reporting changes timely to prevent errors.

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. However, because of a systems-design limitation, SSA does not capture and track OASDI overpayments that are scheduled for collection beyond FY 2049. If SSA does not resolve this limitation by the end of 2029, we [estimate](#) more than 203,000 beneficiaries will have nearly \$2.5 billion in untracked overpayments.

According to SSA, in FY 2022, it recovered over \$4.7 billion in overpayments at an administrative cost of \$0.06 on average for every dollar collected. Still, at the end of the FY, SSA had a \$21.6-billion uncollected overpayment balance (see Figure 5).

Figure 5: FY 2021 Overpayment Recovery



PROGRESS THE SOCIAL SECURITY ADMINISTRATION HAS MADE

In FY 2019, SSA established the Improper Payment Prevention Team to address improper payments; it has developed strategies to determine the underlying causes of payment errors, develop corrective action plans, and determine cost-effective actions. In FY 2022, SSA continued monitoring the progress of mitigation strategies and corrective actions.

MANAGEMENT OF PAYMENT WORKLOADS

SSI non-medical redeterminations, which are periodic reviews of such non-medical eligibility factors as income and resources, are an important program-integrity tool. SSA estimated that, over 10 years, the non-medical redeterminations it conducted in FY 2022 would 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 has estimated that, over the next 10 years, the CDRs it conducted in FY 2022 will yield, on average, net Federal program savings of roughly \$9 per \$1 budgeted for dedicated program integrity funding, including OASDI, SSI, Medicare, and Medicaid effects.

According to SSA, changes in a person's wages are a leading cause of improper payments in the Disability Insurance and SSI programs. SSA uses a number of sources to verify wage amounts, such as pay stubs submitted by beneficiaries, recipients, or representative payees and annual earnings data from the Internal Revenue Service. Individuals can also report wage information electronically to SSA through its online, mobile, or telephone wage reporting applications or [my Social Security](#) account. However, verifying wages is generally a manual process, and SSA employees continue relying heavily on individuals to accurately report wages. SSA is working toward an automated information exchange with payroll data providers that would automatically match against SSA records to verify wages timely without additional manual verification.



EXTERNAL DATA

SSA has successfully entered into data exchanges with Federal and state partners to help identify and prevent improper payments. For example, SSA created an information exchange agreement that allows states to disclose to the Agency account statements related to distributions and account balances of all *Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014* (Pub. L. No. 113-295) accounts. The *Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014* aimed to ease financial strains individuals with disabilities face by making tax-free savings accounts available to cover qualified disability expenses. As of FY 2022, SSA had secured agreements and received data from most states.

RECOVERY

To collect overpayments, SSA uses internal debt-collection techniques, such as payment withholding and billing, 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. 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 on-line repayment option for overpaid individuals. This option allows individuals to repay overpayments via credit or debit cards or automated clearing house transactions (that is, directly from checking or savings accounts). Additionally, in July 2021, SSA implemented a second option to allow overpaid individuals to use their bank's online bill pay features to make a one-time or recurring automated clearing house draft from a bank account using a personal computer or mobile telephone.

WHAT THE SOCIAL SECURITY ADMINISTRATION NEEDS TO DO

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

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](#)



RESPOND TO THE CORONAVIRUS DISEASE 2019 PANDEMIC

SSA must continue adjusting to changing health conditions and COVID-19 pandemic-related guidance as it provides more in-person service after the re-entry to its field offices.

WHY THIS IS A CHALLENGE

In response to the COVID-19 pandemic, SSA changed the way it served its customers and evolved its service methods as related guidance on the response to the pandemic changed. SSA has reopened its field offices to walk-in, in-person service, which requires that SSA shift staff who had been teleworking back to the offices to provide increased in-person service. SSA must effectively manage its shift to more in-person service, ensuring it continues meeting changing pandemic-related guidance and ensuring the safety of its staff and customers.

CHANGING OPERATIONS

From mid-March 2020 to April 6, 2022, SSA limited its in-person field office service to appointments for certain critical-need situations and served most of its customers through its online and telephone services. Our [audit work](#) found that SSA had challenges during this period. We concluded SSA could not accurately account for all employees and the public who entered its offices during the period of limited in-person service and some managers expressed concerns about their increased work in the office and their ability to perform that work in addition to their normal managerial duties. Some office managers believed SSA leadership prioritized the health and safety of bargaining employees over management/non-bargaining-unit employees.

With the increased use of electronic services, SSA primarily relied on its customers to submit supporting paperwork by mail. In July 2021, we issued an [interim report](#) to alert SSA of the exponential increases in the amounts of incoming and outgoing mail to field offices and our 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 lacked 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 an SSN card.

Each year, SSA receives and processes millions of benefit claims and requests for post-entitlement and post-eligibility reviews. These workloads, which are addressed by SSA's nation-wide network of field offices, teleservice centers, and processing centers, were significantly affected by the pandemic. In April 2021, SSA's Commissioner reported that bottlenecks and service deterioration occurred because of the abrupt changes in SSA's operations. Other [audit work](#) concluded that SSA received and processed fewer OASDI and SSI claims during the COVID-19 period of April 2020 to March 2021 compared to the prior-year period (April 2019 to March 2020). While SSA received fewer of these claims, the pending levels for these workloads increased.

FIELD OFFICE RE-ENTRY

On April 7, 2022, SSA resumed walk-in, in-person services in its field offices. To handle this, SSA reduced the amount of telework provided to staff, most of whom had moved to full telework in March 2020 in response to the pandemic. SSA continued allowing employees to telework 2 days a week to ensure a sufficient capacity in offices. At the same time, SSA saw an increase in the number of employees who requested reasonable accommodations to delay their re-entry to the field offices.

Because of health and safety protocols related to COVID-19, such as limited lobby space to maintain social distancing and prescribed office capacity, SSA offices may not have been able to accommodate all customers in its office lobbies. The media reported long customer wait times and lines outside of some SSA office buildings where



customers were exposed to harsh weather conditions, such as extreme heat. The media further reported that SSA advised people to make appointments for field office visits over the telephone or online, but some customers claimed their attempts to contact SSA to make an appointment were unsuccessful.

PROGRESS THE SOCIAL SECURITY ADMINISTRATION HAS MADE

CHANGING OPERATIONS

In response to concerns about its mail processing, SSA released an action plan in August 2021 and a *Business Process Document* for handling mail in September 2021. SSA's plan: (1) outlined timeliness metrics for processing mail received and returning primary evidence documents; (2) required that offices account for all mail and track certain major workloads; and (3) required that regional offices monitor the status of mail handling in their region and implement remediation plans for offices not meeting the metrics.

To address declining claim submissions, in March 2022, SSA implemented a new electronic option that enables individuals and third parties to express their intent to file for SSI and other benefits. This tool protects the earliest date SSA may use to pay benefits if applicants are eligible for SSI or Social Security benefits. Additionally, SSA is working to streamline its SSI application so it can be accessible online.

To address the decline in SSI claim receipts during the pandemic, SSA established a new priority goal to improve equity in its SSI program through increased outreach and improved benefit delivery. To that end, SSA used targeted outreach and media campaigns to raise awareness about its benefit programs to eligible groups, including homeless individuals, seniors, children, and adults with disabilities.

FIELD OFFICE RE-ENTRY

In August 2022, the Chairman and Ranking Member of the House Committee on Ways and Means requested a response from SSA on the long lines outside the Agency's field offices and how the Agency was responding to long customer wait times and exposure to the weather. SSA responded that, for those offices with visitors who needed to wait outside, it provided access to its bathrooms and water fountains and, when possible, added outdoor canopies and fans. SSA further noted it reconfigured its waiting areas to allow more people to enter its air-conditioned offices. SSA also expanded the use of mobile check-in for customers with appointments and notified them on their mobile telephones when it was ready to serve them, allowing the customers to wait in their vehicles or nearby facilities.

SSA updates its *Workplace Safety Plan* to incorporate the latest guidance from the Centers for Disease Control and Prevention and the Occupational Safety and Health Administration on protecting workers. For example, in September 2022, SSA updated the Plan to note that members of the public seeking service or benefits who are fully vaccinated will not be required to social distance while awaiting service, and those not fully vaccinated will be advised to distance from others while waiting. However, the Plan further noted that SSA will not ask individuals seeking a public service or benefit about their vaccination status.

SSA's Website provides information to the public on what it can expect when it visits a field office. Per the Website, everyone must wear a face mask, and the public may be asked to wait outside because space in the offices may be limited. The Website further advises that individuals who do not have an appointment should expect long lines, especially during the busiest times, such as Mondays and the first week of the month.

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 2.2* and how it plans to provide customer service safely during the re-entry process.
- Continue addressing the decline in OASDI and SSI claims.
- Pursue automation and other options to improve mail intake and processing.



- Expand capabilities for employees and the public to securely correspond electronically.
- Update the policies and business processes needed to ensure the security of, and reduce reliance on, original documents customers mail to SSA as proof of eligibility for benefits or an SSN card.
- Continue to address the long wait times for customers waiting outside of SSA offices due to health and safety protocols for COVID-19, including addressing customers' reported inability to successfully schedule appointments over the telephone or online.

KEY RELATED LINKS

- SSA, OIG Website – [Reports related to the COVID-19 pandemic](#)
- SSA Website – [Coronavirus \(COVID-19\) Updates](#)
- SSA Website – [COVID-19 Workplace Safety Plan 2.2](#)