THE SOCIAL SECURITY ADMINISTRATION'S MAJOR MANAGEMENT AND PERFORMANCE CHALLENGES DURING FISCAL YEAR 2026

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: November 6, 2026 **Refer to:** 042638

To: Frank Bisignano
Commissioner

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

Subject: The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2026

The *Reports Consolidation Act of 2000* (Pub. L. No. 106-531) requires that Federal Inspectors General assess and summarize 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*.

We take a risk-based approach when we determine the areas of the Agency's programs, systems, and operations to focus our audit resources. The cumulative results of our oversight work inform our conclusions regarding the management and performance challenges facing the Agency.

Management and Performance Challenges

In our report on *The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2025*, we identified the following challenges.

- Improve Service Delivery
- Protect the Confidentiality, Integrity, and Availability of Information Systems and Data
- Modernize Information Technology and Strengthen Investment Management

- Improve the Administration of Disability Programs
- Improve the Prevention, Detection, and Recovery of Improper Payments

We have carried these challenges into our Fiscal Year 2026 report. In the attached report, 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 interrelated, progress made in one area could lead to progress in another. For example, further modernization of SSA's information technology would likely affect both service delivery and prevention of improper payments.

In response to a draft of this report, SSA management provided technical and informal comments, which we incorporated into the final report as we deemed appropriate.

In Fiscal Year 2027, we 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.

Attachment

The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2026

November 2026

Introduction

The *Reports Consolidation Act of 2000* (Pub. L. No. 106-531) requires that Federal Inspectors General assess and summarize the most serious management and performance challenges facing Federal agencies and the agencies' progress in addressing them.

The Social Security Administration's (SSA) programs, systems, and operations are vast. Given its limited resources, the Office of the Inspector General (OIG) selects audits that address aspects of the Agency's programs, systems, and operations that, in OIG's judgment, are at higher risk. Based on the findings we identified in the audits we conducted, we identified the following major challenges facing SSA.

- Improve Service Delivery
- Protect the Confidentiality, Integrity, and Availability of SSA's Information Systems and Data
- Modernize Information Technology and Strengthen Investment Management
- Improve the Administration of Disability Programs
- Improve the Prevention, Detection, and Recovery of Improper Payments

Report Overview

In this report, we include the following sections in the discussion of each challenge.

- **Why This is a Challenge.** This section defines the Challenge and provides background information.
- **What the Office of the Inspector General Found.** This section summarizes OIG's significant findings and the recommendations OIG made in recent engagements.
- **Progress the Agency Made This Fiscal Year.** SSA took action to implement several recommendations we made in reports issued in this, and prior, fiscal years (FY). This section summarizes the most significant recommendations that OIG confirmed SSA implemented this year.
- **What the Agency Still Needs to Do.** This section summarizes our most significant recommendations that SSA has not yet implemented.

Agency Comments

SSA provided technical and informal comments in response to our draft report. We incorporated SSA's technical comments into this final report as appropriate.

Improve Service Delivery

SSA can build on its telephone service gains by measuring the full caller experience and managing its telephone services for best value and performance. As it awaits the anticipated impact of technology improvements, SSA must ensure its frontline offices have adequate tools and resources to improve the customer experience and deliver accurate, timely service.

Why This is a Challenge

SSA is working to continue improving telephone service metrics and balance 800-number support with other customer service delivery goals. SSA also needs to manage the flow of field office traffic, address challenges in employees' accurate and timely processing of field office and processing center workloads, and ensure employees have adequate tools to deliver quality service to its customers.

What the Office of the Inspector General Found

Telephone Services

Millions of customers contact SSA through its national 800-number. SSA's FY 2027 Annual Performance Plan contains a framework the Agency outlined to meet its strategic goals, which includes strategies to support its telephone services. One of SSA's performance goals is to improve the customer's experience by reducing the average speed of answer, which, according to the Agency, is the average amount of time a caller waits on hold before they speak with an SSA employee. SSA considers callers who accept an initial callback offering as not waiting on hold and counts the call as having zero wait time, which reduces the average.

In a December 2025 audit of *The Social Security Administration's Telephone Metrics* (032517), we found SSA's publicly reported national 800-number telephone metrics were accurate, and its overall telephone service performance improved in FY 2025. The Agency improved performance because it used a new platform and realigned staff to support the 800-number. In July 2025, the Agency began assigning field office employees to answer national 800-number calls. This made approximately 1,000 field office employees available to support the national 800-number each day. We did not audit field office workloads or services and therefore did not determine whether field office staff assisting the national 800-number impacted field office workloads and services.

We also found, in FY 2025, about 25 million calls ended without the callers receiving service either because the callers did not complete the call or the telephone platform could not connect the callers to an employee. SSA refers to these calls as abandoned in queue or busy messages. The average wait time metrics do not include the wait times associated with abandoned calls or calls that receive a busy message. We did not make any recommendations for SSA.

In a September 2026 audit of *The Social Security Administration's Use of Amazon Web Service Connect for Telephone Services* (042512), we found SSA complied with Federal regulations when it selected the new contractor for its blanket purchase agreement for telephone services. However, SSA did not always administer or oversee the blanket purchase agreement in

accordance with Federal regulations. SSA included limited quality standards and performance incentives in its blanket purchase agreement. Although SSA generally experienced improved telephone service platform performance, we identified other areas where SSA could have identified solutions and addressed its needs more promptly if the Agency had stronger performance measures and methods to monitor performance. We made five recommendations for SSA to improve its administration and oversight of the blanket purchase agreement for telephone services. SSA agreed to implement the recommendations.

Frontline Office Services

Field office employees are largely responsible for processing Supplemental Security Income (SSI) workloads. Because SSI is a means-tested program, individuals must have income and resources below specified levels to be eligible for payments. Our audit work identified challenges in employees' accurate and timely processing of SSI workloads, which can create overpayments that recipients must repay or result in financial hardship for recipients.

In a September 2026 audit of *Supplemental Security Income Earnings Alerts* (022310), we found employees did not resolve 80 percent of sampled earnings alerts. To maintain accurate earnings information, SSA uses the earnings alert system to identify discrepancies between a recipient's reported and actual wages. Based on our sample results, we estimate SSA paid approximately 333,800 recipients about $1 billion that they would not have been eligible to receive had the Agency properly considered and fully developed their unreported earnings when it determined their SSI eligibility and associated payment amounts. We made three recommendations for SSA to review and take corrective action on errors our audit identified, identify the factors contributing to employees not diligently pursuing earnings alerts or not accurately resolving them, and implement appropriate corrective action. SSA agreed to implement the recommendations. However, SSA commented that a redetermination was not yet due when some of the alerts were generated and staff had taken corrective action on a portion of the cases.

In an August 2026 audit of *Supplemental Security Income Underpayments* (062407), we estimated that, of the 2.5 million underpayments pending as of September 2024, SSA employees did not take required actions to pay 1.1 million underpayments, totaling about $291 million, that were owed to SSI recipients. We made three recommendations to identify and resolve underpayment errors, prevent employee errors, and ensure required pre-payment reviews are documented. SSA agreed to implement the recommendations.

Processing centers face challenges in reducing workload backlogs, which were approximately 3.9 million as of September 2026, and accurately processing the complex workloads assigned, which affect service delivery. For example, in a September 2026 *Follow-up on Disabled Beneficiaries Who Are Eligible for Higher Retirement Insurance Benefits* (012320), we noted SSA has the opportunity to enhance the customer service its employees provide to disabled beneficiaries by ensuring it fully informs them of their filing options and, once elected, accurately pays the higher benefits. In doing so, SSA could help beneficiaries secure stronger financial positions in retirement. Based on our review of a random sample of disabled beneficiaries whose benefits were offset by worker's compensation or public disability benefits, we estimated SSA did not notify 8,726 beneficiaries of their option to file applications for higher retirement benefits and notified 3,659 beneficiaries but did not appropriately document their decisions not to file or reasons they did not file. We estimated these beneficiaries could have

been entitled to about $84 million in additional benefits; however, policy restrictions prevented SSA employees from taking actions to issue the payments. SSA may be able to pay about $41 million to an additional 4,785 beneficiaries because they had already filed for retirement benefits. We made four recommendations for SSA to correct records, implement a process to identify those who elected higher retirement benefits but received lower disability payments, improve controls, and clarify policies. SSA agreed to implement the recommendations.

Progress the Agency Made This Fiscal Year

Telephone Services

Increased 800-number call capacity. In our December 2025 audit of *The Social Security Administration's Telephone Metrics* (032517), we found the Agency improved telephone service performance when it began using a new telecommunications platform and realigned staff. The new platform increased call volume capacity and expanded self-service and automated options. SSA also used the new platform's capabilities to identify in real-time ways to better serve callers, target training, and improve frequently asked questions. According to SSA, in FY 2026, the Agency realigned nearly 2,600 employees from field offices, Central Processing, and headquarters to help meet callers demands on the national 800-number.

Reduced telephone service disruptions. In our September 2026 audit *The Social Security Administration's Use of Amazon Web Service Connect for Telephone Services* (042512), we reported SSA's technical expert indicated the Agency's telephone services experienced fewer outages under the new telephone service platform than the two platforms that preceded it. As of June 2026, the new platform had experienced two outages. In contrast, a prior audit reported 13 800-number telephone service disruptions under a prior platform between November 2023 and May 2024 and 10 full outages (where the entire 800-number system was down and SSA received no incoming calls) and 11 partial outages (where SSA received sporadic incoming calls) between December 2021 and October 2022.

Frontline Office Services

Improved tools and training for field-office managers. In response to our September 2025 audit *Workload Management for Field Offices* (042316), SSA released the National Workload Management (NWLM) system in February 2026, which aims to consolidate all workload management processes throughout the Agency. According to SSA, NWLM unifies and modernizes workload management across the Agency by automatically prioritizing and assigning initial claims telephone appointments to the next available employee based on enterprise-wide capacity and employee skill set. It provides management real-time visibility into total workload counts, distribution, and progress. According to SSA, the Appointment Scheduling Calendar, a web-based appointment system that customers and employees can use to schedule, modify, and cancel initial claim telephone appointments, aims to also improve performance and reduce the volume of unscheduled leads. In April 2026, SSA provided nation-wide training on the Appointment Scheduling Calendar.

Strengthened physical-security oversight at SSA offices. In response to our July 2025 audit *Physical Security at Offices* (042318), SSA updated its policy in May 2026 to reflect its Security and Resiliency staff are responsible for reviewing assessments, documenting decisions about risk acceptance, and tracking corrective actions. According to SSA, it uses its active facility list and the Modified Infrastructure Survey Tool to track assessment due dates, thus ensuring SSA inspects offices within an appropriate timeframe.

Updated policies and systems to increase the accuracy of critical payments. In response to our March 2026 *Accuracy of Critical Payments* (042403) audit, in May 2026, SSA released an administrative message with guidance on procedures to accurately process critical payments and nonreceipt. Additionally, the message outlines the requirement for two-technician authorization and review. In July 2026, SSA released screen edits and alerts to improve employees' keying accuracy. To prevent future errors, SSA informed us in October 2026 it is in the process of establishing a control, as we recommended, to ensure employees consider any overpayments on a beneficiary's Recovery of Overpayments, Accounting and Reporting record when they issue critical payments.

Added systems prompts to improve claims accuracy. In response to our January 2026 *Follow-up on Claims Denied Because Claimants Were Not Insured for Benefits* (052303) audit, SSA integrated earnings and insured status screens into the actual claims path, rather than appearing only when an employee is processing the claim. This change ensures employees review insured status during the claim process and determine whether the claimant has earned wages in the previous or current year. According to SSA, the claims system prompts employees to develop lag earnings during the interview and then transition to the insured status path, allowing employees to review any necessary documentation to determine insured status. To prevent future errors, SSA informed us in October 2026 it is in the process of establishing controls to ensure employees review prior retirement claims for claimants who may be entitled to additional benefits.

Improved controls over representative payee selection. In response to our September 2024 review of *Disabled Beneficiaries Receiving Direct Payments Who Previously Had Representative Payees* (052403), SSA updated the application process in March 2026 to require that employees specify and describe the evidence—legal, lay, or medical—used to re-evaluate a beneficiary's capability. SSA also introduced a new screen for self-payee applications to document why the beneficiary believes they are capable of handling their own benefits and supporting evidence.

Took steps to address Processing Center backlogs. In response to our June 2024 audit on *Reducing Processing Centers' Pending Actions* (022313), SSA issued annual national processing center workplans that established timeframe targets for high-priority workloads and began implementing strategies to reduce receipts through automation and business process enhancements. The FY 2026 Processing Center Work Plan established a goal to reduce pending to 4 million by the close of FY 2026. Processing centers exceeded this goal by reducing pending from over 5 million at the start of FY 2026 to approximately 3.9 million at the end of FY 2026. Additionally, SSA is in the second year of its Processing Center Process Improvement project, in which it is identifying workloads it can automate to reduce new pending workload items.

What the Agency Still Needs to Do

- Continue to implement and assess strategies in its Annual Performance Plan to ensure it can adequately support its vital telephone services for the public.
- Engage in strategic staffing and continue to improve telephone technology and self-service capabilities.
- Continue identifying and addressing the factors that contribute to backlogs and errors in field offices and processing centers, including automating workflows, establishing controls, clarifying policies, and modifying business procedures and systems.
- Ensure its frontline offices have adequate tools and resources to provide accurate and timely service.

Protect the Confidentiality, Integrity, and Availability of Information Systems and Data

SSA can advance its information security program by ensuring its information security controls are appropriately designed and operating effectively and by managing related risks in compliance with Federal requirements. These steps will help SSA protect the sensitive information it holds and keep the systems that deliver benefits secure and available.

Why This is a Challenge

Information technology (IT) supports every aspect of SSA's mission, whether it is serving the public in person or online, routing millions of telephone calls to its national 800-number, or posting millions of wage reports to individuals' records. In FY 2026, SSA demonstrated a commitment to addressing longstanding challenges to its information security program, which resulted in notable improvements. However, cyber-threats evolve rapidly. Disruptions to the integrity or availability of SSA's information systems could impact its ability to serve the public and meet its mission. To improve customer service and ensure the confidentiality and integrity of personal and Agency data, SSA must have a robust information security program.

SSA's systems contain personally identifiable information, such as Social Security numbers (SSN). The SSN was created to identify and accurately track numberholders' earnings over their lifetimes to administer benefits under SSA programs. However, the SSN is also valuable as an illegal commodity. SSA stores personally identifiable information (such as name, SSN, date and place of birth, and mother's maiden name) on every numberholder. This information is desirable to would-be hackers and identity thieves who can use it to distinguish or trace a numberholder's identity. If this information is not protected, identity thieves could misuse it. Federal laws and regulations require that SSA protect this information and report when it is stored, how it is protected, and when it is breached. Accurately assigning and protecting SSNs and properly posting the earnings reported under them are critical to ensuring SSN integrity and eligible individuals receive the full benefits due them.

What the Office of the Inspector General Found

Information and Cyber-security

In our September 2026 audit of *The Social Security Administration's Information Security Program and Practices for Fiscal Year 2026* (142603), the contract auditor assessed SSA's Information Security program as "not effective" based on the FY 2026 metric results for the *Federal Information Security Modernization Act of 2014 (FISMA)* (Pub. L. No. 113-283), also known as FISMA.

The Inspector General FISMA Reporting Metrics are grouped into 10 domains that align to 6 cyber-security functions (1) Govern, (2) Identify, (3) Protect, (4) Detect, (5) Respond, and (6) Recover. Although SSA made significant progress in closing many prior-year findings and reduced security findings by 40 percent for FY 2026, the contractor reported deficiencies related to the Identify, Detect, and Recover functions that prevented the Agency's information

security program from being evaluated as effective in FY 2026. Further, although the contractor assessed SSA's Protect function as effective, it found SSA needed to improve aspects of its configuration, vulnerability, and access management programs and had not completed privacy impact assessments for two systems. Finally, although SSA had defined a cybersecurity supply chain risk management program, it had not consistently implemented related processes and controls. The contractor made five recommendations including SSA continue refining its enterprise architecture system inventory, software, hardware, data, and metadata inventories; implementing its cyber-security risk management strategy; and improving its process for integrating and formalizing risk-based decisions into cyber-security program monitoring activities.

Additionally, our September 2026 audit found SSA's *Insider Threat Program* (142302) did not fully comply with Federal and Agency requirements. Insider threat is the risk an employee or contractor could use their authorized access to Agency resources (facilities, equipment, information, systems, and computer networks) to harm national security. *Executive Order 13587* and the Office of the Director of National Intelligence's National Insider Threat Task Force standards require that agencies create a program with comprehensive policy, procedures for documenting reported threats and their resolution, and training. SSA's responsibility for safeguarding sensitive information underscores the critical need for a robust insider threat program. Given the substantial risks posed by personnel with legitimate access to SSA systems, it is essential that SSA implement comprehensive controls to monitor, detect, and prevent insider threats of all types. We made six recommendations for SSA to improve its Insider Threat Program. The Agency agreed to implement the recommendations.

Social Security Number Protection and Earnings Accuracy

Generally, SSA assigns an individual one SSN during their lifetime, but, under certain circumstances, an individual may legitimately acquire more than one SSN. When SSA assigns an individual more than one SSN, SSA should cross-refer the records. In our July 2024 audit of *Cross-referred Social Security Numbers* (062308), we found SSA issued improper payments under cross-referred SSNs and did not ensure death information input on a deceased individual's record was also input on the individual's cross-referred records. We also found SSA issued improper payments to beneficiaries whose records were erroneously cross-referred to other individual's records. SSA computed each beneficiary's payments based on the combined earnings of two different individuals and paid them more than they were entitled to receive. We recommended SSA maximize technology (for example, develop automated program that compares name, date of birth, sex designation, place of birth, parents' names) to identify all instances where two different individuals' records are cross-referred and un-cross-refer the records. Though SSA has taken actions to address other recommendations associated with this review, as of September 2026, it had not implemented this recommendation.

SSA maintains suspended earnings (earnings that do not match a numberholder's information) in the Earnings Suspense File because missing earnings can affect an individual's eligibility for, and/or the amount of, retirement, disability, or survivor's benefits. Retaining suspended earnings allows numberholders whose legitimate earnings are missing from their earnings record to obtain proper credit when they provide SSA additional information that substantiates their earnings. SSA also employs software routines that match earnings to the correct individuals' records. As

of FY 2025, the Earnings Suspense File had accumulated over $2.4 trillion in wages and over 424 million wage items for Tax Years 1937 through 2024. We have ongoing work related to growth of the Earnings Suspense File we plan to issue in FY 2027.

Progress the Agency Made This Fiscal Year

Information Security and Cyber-security

Strengthened information security and risk management. In *The Social Security Administration's Information Security Program and Practices for Fiscal Year 2026* (142603), our FISMA contract auditor noted that, under direction from the Commissioner and senior leadership, SSA made progress and strengthened its security posture. Specifically, our contract auditor for the FISMA audit noted SSA (1) created an executive position with cyber-function as a direct report to the Commissioner; (2) closed 43 of 51 prior-year findings, with 13 superseded by FY 2026 new findings; (3) improved maturity levels for 1 function and 3 domains; (4) achieved "effective" conclusions for both the Govern and Protect functions; and (5) improved in score for 5 metrics—20 percent of assessed metrics. SSA also continued transitioning to a new risk management tool.

Improved the administration of Agency firewalls. In our August 2025 audit of SSA's *Firewall Administration* (142315), we reported SSA did not administer its firewalls in accordance with Federal standards and guidelines. In FY 2026, SSA implemented 11 of our 13 recommendations to improve its firewall administration and secure its networks and resources.

Social Security Number Protection and Earnings Accuracy

Improved its SSN verification service. In response to the *Economic Growth, Regulatory Relief, and Consumer Protection Act* (Pub. L. No. 115-174 sec. 215), SSA developed a fee-based electronic SSN verification service known as Consent Based SSN Verification Service. The Service seeks to reduce synthetic identity fraud, which combines fictitious and real information to fabricate an identity. The Service allows permitted entities to verify an individual's SSN, name, and date of birth combination matches Social Security records. Typical electronic Consent Based SSN Verification Service users are companies that provide banking and mortgage services, process credit checks, provide background checks, or satisfy licensing requirements. SSA requires that the numberholder provide written consent with a wet or electronic signature to disclose the SSN verification. In response to related recommendations in an August 2024 audit, SSA improved the Service. In FY 2026, the electronic Consent Based SSN Verification Service processed approximately 104.4 million verifications.

Updated policies to improve its protection of SSN information. In November 2025, SSA updated its *Breach Response Plan* to clarify that SSA must report losses of Federal tax information to the Internal Revenue Service within 24 hours of SSA identifying a possible breach. SSA also made several enhancements and clarifications to its *Information Security Policy* in FY 2026. For example, in July 2026, SSA modified its data loss protection policy to better clarify restrictions on uploading sensitive information and expanded the policy to include Super Intelligence (SI) tools. These changes addressed a recommendation in our

September 2025 audit of *Personally Identifiable Information Loss Reporting* (042401) and should help prevent future employee errors related to reporting losses of personally identifiable information.

Implemented new processes to improve earnings accuracy and SSN assignments. As part of ongoing work in this area, SSA shared that it had implemented a new process in December 2025 to enhance fraud detection and prevention as well as improve the accuracy of the Master Earnings File by flagging suspicious wage reports for further review before they are processed. According to SSA, as of September 30, 2026, the new process prevented approximately $9.4 billion in wages from being posted to the Master Earnings File or Earnings Suspense File. The Agency allows employers to use its SSN Verification Service to verify their employees' names and SSNs before they report wages to SSA. In FY 2026, employers used the SSN Verification Service to verify SSNs over 242 million times.

Took steps to improve accuracy in assigning SSNs. SSA took the following steps to improve its accuracy in assigning SSNs.

- In response to our September 2022 review of *The Social Security Administration's Enumeration Services During the COVID-19 Pandemic* (A-15-21-51015) audit, SSA agreed to create and implement automated tools to assist employees in navigating through enumeration evidentiary document requirements. SSA's SSN Application Process is an automated enumeration tool that enforces policy evidence prioritization but relies on the employee's thorough review of evidence. SSA remains committed to evaluating technology and process improvements when the SSN Application Process undergoes the re-write process, with continued focus on ensuring strict adherence to evidentiary document requirements and supporting the integrity of its review process.
- In response to our September 2023 audit of *Processing Non-citizens' Original Social Security Numbers Electronically Through Enumeration Programs* (A-08-22-51136), SSA created a decision tree and training to ensure employees follow policy. SSA was unable to implement a quality review program as the Department of Homeland Security is the custodian of the information, but the agencies met to ensure SSA receives complete data.
- In response to our July 2024 audit of *Cross-referred Social Security Numbers* (062308) audit, SSA updated its processes so that employees can now flag SSNs as retired. This enhancement notifies benefit systems that a retired SSN should not be eligible for payment, which reduced the risk of improper payments.

What the Agency Still Needs to Do

- Address the deficiencies the contractor identified and ensure SSA is adhering to Federal guidelines to improve SSA's ability to protect the confidentiality, integrity, and availability of SSA's information systems and data.
- Take additional steps to strengthen its firewalls and network security.
- Continue efforts to maximize technology to strengthen SSN integrity and earnings accuracy.

Modernize Information Technology and Strengthen Investment Management

SSA can get more value from its IT spending by measuring the cost, schedule, and performance of its investments, identifying troubled projects early, ending or redirecting them through a formal process, and evaluating completed systems. Stronger investment management will help SSA direct limited resources to the modernization efforts that best support its mission.

Why This is a Challenge

SSA relies on its IT to serve the public and safeguard SSA programs. Rapid, continuous technology advancements and the continuing shift to virtual services and communications reinforce the pressing need to modernize SSA's programs and service delivery. SSA must fundamentally rethink how it delivers services, the processes and infrastructure that support that delivery, and the policies that enable delivery. If SSA does not complete and timely modernize its legacy systems, it runs the risk of increased maintenance costs and decreased capacity to support business and processing needs.

SSA continues relying on outdated applications and technologies to process its core workloads, including retirement and disability claims, and knowledge of its dated applications and legacy infrastructure will diminish as developers retire. The Agency's 2025 workforce optimization resulted in a smaller workforce, and SSA faces the challenges of using new technology, such as SI tools, to bridge the gap to creating customer experience improvements.

What the Office of the Inspector General Found

Information Technology Modernization

IT modernization is a multi-faceted and ongoing challenge. SSA must maintain its legacy systems while developing modern systems to keep pace with increasing workloads and increased demand for additional service delivery options, such as online appointments and self-service.

For example, in our September 2024 audit of *Legacy Systems Modernization and Movement to Cloud Services* (142312), our contract auditor found SSA did not have a comprehensive plan to modernize its legacy systems. It neither assessed the risk imposed by these legacy systems nor maintained sufficient inventory and cost information for its legacy systems. Federal laws and guidance require that agencies properly manage IT Investments and facilitate the rapid adoption of changing technologies in a way that enhances the security, privacy, and management of information resources. The contract auditor also found SSA did not maintain an *Information Resources Management Strategic Plan* and review that Plan annually with the *Agency Performance Plan* as required. In addition, the Agency did not maintain cost documents for modernization projects and lacked critical management information for its legacy systems for making strategic and investment decisions. Finally, SSA did not review its investments according to its policy to confirm delivery of planned benefits in estimated costs and provide valuable feedback to continuously improve its capital planning and investment control process.

The contract auditor made eight recommendations that, if implemented, could reduce the risks to the confidentiality, integrity, and availability of the Agency systems and data as well as improve its IT investment management. As of September 2026, SSA had not implemented any of the recommendations.

Investment Management

Our September 2026 audit of *Discontinued Information Technology Investments* (142402) identified several IT investment management issues. Specifically, SSA did not (1) consistently perform IT investments planning activities and return on investment analyses; (2) properly measure schedule, cost, and performance goals in accordance with Federal guidance; (3) have effective controls to identify troubled IT investments; (4) perform required investment reviews of high-risk major IT investments; (5) establish a formal process for terminating IT investments, and (6) perform required reviews for all canceled and implemented investments. Our review found that, as of March 2025, SSA had canceled 25 IT investments that incurred $81 million in costs. Of the 25 canceled IT investments, 14 incurred more than $1 million in costs. In addition, SSA put 31 IT investments on hold that incurred $141 million in costs. Of the 31 investments, 22 incurred more than $1 million in costs. We made nine recommendations to improve SSA's investment management and discontinuation processes and help SSA more effectively manage its limited IT resources. SSA agreed to implement our recommendations.

Further, in our September 2026 audit of *Post-implementation Reviews of Information Technology Investments* (142404), we found SSA conducted 45 post-implementation reviews (objective evaluations of implemented or terminated IT projects) from FYs 2021 through 2025, but it did not conduct any reviews after November 2024 even though it completed IT projects that were eligible for review. Further, SSA did not comply with Federal and SSA requirements for the reviews it conducted. All staff responsible for conducting the reviews retired or were reassigned in FY 2025 and did not have time to transfer their knowledge or expertise to new staff. SSA stopped conducting reviews because it did not have a process in place to ensure the process continued after a major personnel disruption. In January 2026, subject-matter experts informed us they were developing a new review program. Without a robust post-implementation review process, SSA risks diminished transparency and missed opportunities for operational efficiency. We made four recommendations to address the findings with which SSA agreed.

Additionally, in our June 2026 audit of *The Social Security Administration's Use of Microsoft 365 Licenses* (062417), we found SSA generally procured the software licenses reviewed in accordance with its operational needs. However, SSA left approximately 13 percent of the licenses unused in March 2025 because of significant and unanticipated staffing attrition. In April 2025, we met with SSA's Office of the Chief Information Officer (CIO) and other SSA personnel to inform them the Agency maintained licenses above its operational needs and allow it to take corrective action before it exercised the final year (FY 2026) of its license agreement. As a result, SSA contacted the vendor and reduced its FY 2026 license purchase to align with its operational needs. SSA personnel stated SSA's next license agreement, beginning in FY 2027, will include the same provision to allow it to reduce licenses if staffing levels decline by more than 10 percent because of reorganization or consolidation. Based on the planned action, we did not make a recommendation.

Progress the Agency Made This Fiscal Year

Information Technology Modernization

Rolled out new and enhanced technologies. In response to recommendations related to modernization made in the September 2024 audit of *Legacy Systems Modernization and Movement to Cloud Services* (142312), SSA outlined the transformative technology investments it had underway.

- SSA was developing a claims intake and processing application with a new user interface, modernized processing logic, and updated databases. In FY 2026, SSA released enhancements to modernize its SSI claims system and improve technician accuracy. For example, SSA added functionality to its SSI claims system to allow employees to document their actions to develop for information from recipients, which helps ensure policy compliance. SSA also added a link to the Policy Assistant Tool (a generative SI-powered chatbot that provides policy-compliant information to SSA employees in plain language) in its SSI claims system.
- The Agency rolled out its Universal Benefits Application, which enables users to apply for additional types of benefits online. SSA also enhanced its customer-centric technician application to improve staff's ability to serve the public and built a Straight Through Processing tool that can adjudicate certain claims and route other claims to staff for further development.

Developed a framework to align IT with Agency goals. Additionally, SSA has developed an approved Target Enterprise Architecture. It is the framework for planning, resourcing, organizing, and prioritizing activities aimed at aligning business objectives with IT. The target architecture serves as a blueprint for enterprise architects, solution architects, and business leaders to follow to achieve long term business goals.

Investment Management

Released new tools to improve monitoring of IT investments. To address recommendations in our September 2026 audit of *Discontinued Information Technology Investments* (142402), SSA leadership implemented a real-time dashboard to manage its IT investments and efficiently monitor progress of strategic projects. According to SSA, the dashboard provides insights on the progress, risk, cost, and value of the agency's IT projects. The dashboard consolidates key performance indicators, risks, milestones, and financial metrics into a single platform. SSA intends for the new tool to improve the Agency's oversight and management of IT spending.

What the Agency Still Needs to Do

- Expand digital modernization to eliminate outdated technology and provide electronic and automated customer service options to reduce the burden on customers and optimize internal business processes for employees based on user needs.

- Improve IT investment management and discontinuation processes to meet Federal requirements and help the Agency more effectively manage its limited IT resources.
- Strengthen its post-implementation review process, including mitigating the loss of institutional knowledge due to staffing changes.

Improve the Administration of Disability Programs

SSA can improve the timeliness and accuracy of its processing of disability-related workloads and build on efforts to strengthen collaboration and workload partnerships with state disability determination services (DDS). By advancing these areas, SSA can improve program integrity and better serve the public.

Why This is a Challenge

Disability claimants rely on SSA to process initial disability claims and appeals quickly and accurately because favorable disability decisions may provide claimants with vital income support and access to essential healthcare. SSA is working to reduce processing times for disability determinations. Meanwhile, disability claimants continue waiting significant periods of time for determinations and decisions. Also, state DDSs continue facing challenges for hiring and retaining staff, which contributes to long processing times for claimants' disability claims.

What the Office of the Inspector General Found

Disability Claims Processing

In two September 2026 audits, we found SSA could improve the accuracy of initial disability claims processing for children. In our review of *Child's Insurance Benefit Claims Denied for Disability* (052505), we found SSA did not correctly deny, pay, and/or document decisions for 51 of 100 sampled claims. Based on our sample, we estimate SSA incorrectly denied about 600 claims; SSA employees did not document whether they completed all required actions when they requested required forms or evidence from the claimants for about 450 claims; and, after SSA approved the claims, we estimate employees did not correctly pay about 1,100 claimants, resulting in underpayments of approximately $1.2 million. Without improvements, SSA will likely continue incorrectly denying claims and incorrectly determining benefit payments if the SSA subsequently approves the claim and, consequently, under- or overpays them. We made two recommendations to correct payments for affected claimants and improve the accuracy of initial denials and subsequent benefit determinations. SSA agreed to implement the recommendations.

In our review of *Childhood Disability Benefits* (052610), we reported SSA could improve its accuracy in establishing entitlement dates for beneficiaries entitled to childhood disability benefits. Based on our sample review, we estimated SSA incorrectly established entitlement dates for 50,194 beneficiaries. Of these, we estimate SSA underpaid 22,942 beneficiaries approximately $165 million. When SSA employees do not accurately establish entitlement dates for beneficiaries entitled to childhood disability benefits, SSA may cause beneficiaries financial hardship by not paying benefits to which they are entitled and possibly delaying their entitlement to Medicare benefits. We recommended that SSA correct identified errors, identify factors contributing to employees' failure to follow policies and procedures, and implement system enhancements to improve case processing. SSA agreed to implement the recommendations.

Disability Determination Services' Operations

State DDSs play a significant role in SSA's disability claim process. Once an SSA field office employee determines a claimant meets the non-disability criteria for benefits, they typically forward the claim to the DDS with jurisdiction. DDS employees develop medical evidence and determine whether a claimant is disabled or blind under the law. There are DDSs in each of the 50 states, the District of Columbia, and Puerto Rico.

In our July 2025 review of *Staffing, Productivity, and Processing Times at State Disability Determination Services* (072309), we identified inconsistent hiring authority that resulted in DDS' inability to replace staff who separated. We also noted SSA attributed the loss of key technical staff to (1) outdated classification for disability examiners and (2) increased job complexity. Despite SSA and DDS management's efforts, DDSs struggled with achieving staffing levels needed to prevent reduced productivity and increased processing times, which ultimately delayed claimants' disability determinations and any benefits to which they were entitled. According to SSA, in FY 2026 (as of September 2026), it lost 8.5 percent of its DDS employees, including 10.4 percent of disability examiners. Specifically, the Agency reported it lost 609 disability examiners and only added 331. For example, the prior Chicago Region (now part of the larger Midwest-West Region) lost 98 examiners but only replaced 16 in FY 2026. We made five recommendations related to improving staffing, productivity, and processing times at state DDSs. SSA agreed to implement our recommendations.

Progress the Agency Made This Fiscal Year

Disability Claims Processing

Increased efforts to access medical records faster. In March 2025, SSA announced a renewed emphasis on expanding opportunities for organizations to join SSA's Health Information Technology (Health IT) program. Health IT allows SSA to obtain medical records directly from the provider, which results in faster disability determinations. Since SSA obtains up-to-date information directly from a person's sources of care, Health IT can reduce the need for costly consultative examinations. SSA has used Health IT to obtain medical records for decades, but the portion of information obtained through the process has stalled over the years. The renewed campaign included partnering with the Department of Health and Human Services, expanding marketing and outreach to healthcare organizations, and leveraging automation to improve the onboarding process, and supporting participation in the Trusted Exchange Framework and Common Agreement, which creates a nationwide "network of networks" that enables the secure exchange of electronic health information across healthcare organizations and networks. By expanding access to electronic health records, SSA aims to obtain medical evidence more quickly and efficiently, helping to reduce disability claim processing times and improve service to the public. These efforts align with a recommendation in our January 2022 report on *The Social Security Administration's Expansion of Health Information Technology to Obtain and Analyze Medical Records for Disability Claims* (A-01-18-50342) for SSA to intensify efforts to increase its number of Health IT partners.

Disability Determination Services' Operations

Increased collaboration to support DDS staffing and recruitment. In 2022, SSA formed a recruitment and retention workgroup that comprised DDS employees from each region and SSA subject-matter experts. The workgroup collaborated with state DDS administrators nationwide to implement recruitment and retention strategies, including increasing competitiveness of DDS pay, streamlining training, and reducing the time it took to onboard new hires. In response to our July 2025 review of *Staffing, Productivity, and Processing Times at State Disability Determination Services* (072309), SSA did the following.

- Resumed the workgroup and held its first planning discussion in January 2026. The workgroup plans to review state attrition data, consult DDS administrators to understand key recruitment and retention factors, and identify strategies to reduce attrition.
- Shifted from a siloed model to collect DDS staffing information to a national network approach to DDS staffing that maximizes return on investment by investing human capital resources in productive DDSs with low attrition rates and maximizing state to state production assistance to promote balanced processing times nationally.
- Reported it established procedures with DDSs to track all staff losses and identify the most critical hiring replacement needs throughout the year based on a variety of factors, including budget, position type lost, attrition levels, staff size, state claims volume, and state-specific processes. As of February 2026, DDSs were providing SSA weekly updates on expected staff losses and hires. In addition, SSA submitted critical hire requests prioritized based on such data metrics as average processing time, staffing levels, and attrition rates.

Deployed SI tools to assist in disability determinations. To address a recommendation from *Staffing, Productivity, and Processing Times at State Disability Determination Services* (072309), SSA is using such SI tools as the Vocational Assessment Assistant Tool and Intelligent Medical Language Analysis Generation. The Vocational Assessment Assistant Tool assists DDS examiners by streamlining vocational analysis. SSA designed the Tool to improve efficiency in vocational development while supporting compliance with Agency medical-vocational guidelines. *Intelligent Medical Language Analysis Generation* is an enhanced document viewer and analysis application that converts evidence in real time into machine-readable text and enables advanced search capabilities and intelligent analysis of medical records. According to SSA, this enables a broad set of features designed to improve the efficiency and accuracy of the disability determination process, including evidence-based alerts, identification of medical impairments and relevant supporting passages, detecting of listing-level evidence, and enhanced search capabilities.

Ensuring Individuals' Continued Eligibility for Benefits

Continued work on new disability review application. In alignment with our recommendations from a September 2022 audit of *Work Review Determinations for Disabled Beneficiaries* (A-07-21-51012), SSA is developing the Electronic Work Continuing Disability Review application to replace and modernize the system technicians currently use to process continuing disability reviews (CDR) based on work activity. According to SSA, the application

will enforce policy and best practices to eliminate existing system limitations that lead to significant improper payments because of delays and processing errors. According to SSA, in FY 2026, it developed application capabilities that would allow technicians to receive beneficiaries' reports of work, document and evaluate pay stubs, and mail forms and notices. The Agency expects to release the automation to technicians in FY 2027.

What the Agency Still Needs to Do

- Identify additional process improvements that will decrease processing times for initial disability claims.
- Decrease the number of pending reconsiderations and hearings.
- Work with DDSs to address staffing challenges related to attrition, hiring, and onboarding.
- Evaluate its use of automation to ensure it is improving DDS operations as intended.

Improve the Prevention, Detection, and Recovery of Improper Payments

SSA can expand timely and automated access to information that affects eligibility and payment amounts; address the root causes of improper payments, including reducing reliance on manual processing; and more effectively recover overpayments and rectify underpayments when they occur. By advancing these efforts, SSA can strengthen program integrity and enhance its service to the public.

Why This is a Challenge

SSA issued approximately $1.7 trillion in benefit payments in FY 2026. Even the slightest error in the overall payment process can result in millions of dollars in improper payments. Improper payments are overpayments, when SSA pays someone more than they are due, or underpayments, when SSA pays someone less than they are due. SSA estimates, as of FY 2025, it made almost $16 billion in improper payments in FY 2025—approximately $11.5 billion in overpayments and $4.5 billion in underpayments.

What the Office of the Inspector General Found

Causes of Improper Payments

Depending on the type of benefit received, Old-Age, Survivors, and Disability Insurance (OASDI) beneficiaries must report such events as return to work, earnings over the exempt amount, entitlement or changes to workers compensation benefits, marriage, and the end of full-time school attendance. SSI recipients are required to report to SSA (within 10 calendar days after the end of the month in which the event or change occurred) such events as changes in work status, medical condition, income, resources and living arrangements, or marital status. Failure to report this information can affect beneficiaries' and recipients' eligibility or payment amount and may also include a penalty deduction.

In its *Fiscal Year 2026 Enterprise Risk Management Risk Profile,* SSA noted its reliance on individuals' self-reporting of changes affecting benefits as a challenge to payment integrity, and planned, in part, to use data more effectively to reduce reliance on self-reporting. For example, SSA uses data exchanges with external parties as an alternative to self-reporting. SSA's Numident verification systems electronically compare information the Agency receives via data exchanges with SSA records. SSA uses some of the verified information to prevent such improper payments as payments to deceased or incarcerated beneficiaries. However, our August 2026 report on *Numident Verification Systems* (042405) found enhanced criteria in SSA's Numident verification systems could have verified matches for all 30 judgmentally selected reports. If SSA increased matches by even 1 percent of the transactions it reported its systems could not verify during our audit time frame, it would see millions of additional matches each year. These additional matches could prevent improper payments, inaccurate records, and additional manual work for SSA employees. We recommended SSA establish processes for components to collaborate on matching criteria and enhance criteria to increase verified matches where appropriate. SSA agreed to implement our recommendations.

Additionally, although SSA's systems automatically process many transactions, there are still workloads that require employees' manual actions. These workloads could contain errors that could lead to improper payments. Examples follow.

Our March 2026 review of the *Accuracy of Critical Payments* (042403) found SSA employees improperly paid beneficiaries approximately $78,000 because they incorrectly processed 20 (11 percent) of the 175 critical payments in our sample (funds issued to OASDI beneficiaries when SSA did not pay regular monthly benefits, owed additional benefits, or a beneficiary reported they did not receive a monthly payment). We could not determine why employees made these errors. However, based on our discussions with SSA subject-matter experts and review of related policies and procedures, we believe SSA's policy and procedures did not contain clear guidance to help employees ensure they considered all required actions when they processed critical payments. These errors could be minimized if SSA improves controls over employees' manual entries in the Critical Payment System. Based on our sample results, we estimate SSA improperly paid about 8,100 beneficiaries approximately $12 million. We made seven recommendations for SSA to take appropriate actions on errors our audit identified and establish controls and update policy and procedures to prevent future errors. SSA agreed to implement our recommendations.

Our June 2026 review of *Retroactive Benefits Paid to Child Beneficiaries* (052406) found SSA employees properly paid retroactive benefits to 104 (69 percent) of the 150 beneficiaries in our sample and improperly paid retroactive benefits to the remaining 46 (31 percent). SSA improperly under- or overpaid about 195,260 beneficiaries a total of approximately $760 million because its employees improperly determined beneficiaries' retroactive benefit amount or benefit periods. In addition, improper determinations may have caused delays in the child beneficiaries' entitlements to Medicare benefits, which may have resulted in their families incurring medical expenses that should have been covered by the child's Medicare benefits. We recommended SSA pay any retroactive benefits to the beneficiaries as appropriate and identify the factors that contribute to employee errors and implement appropriate corrective actions. SSA agreed to implement our recommendations.

Our September 2026 report on *Supplemental Security Income Earnings Alerts* (022310) found SSA employees did not resolve earnings alerts for 80 of 100 recipients who had at least 1 earnings alert pending as of September 2024. Based on our sample results, we estimate SSA paid about 333,800 recipients approximately $1 billion they would not have been eligible to receive had the employees properly considered and fully developed their unreported earnings. Agency employees did not complete, or incorrectly completed, earnings reviews and eligibility determinations, which led SSA to issue these payments. We made three recommendations for SSA to review and take corrective action on errors our audit identified, identify the factors contributing to employees not diligently pursuing earnings alerts or not accurately resolving them, and implement appropriate corrective action. SSA agreed to implement our recommendations.

Our September 2026 review of *Payments to Student Beneficiaries* (022515) found SSA correctly paid benefits to 71 of 100 student beneficiaries in accordance with policy. However, SSA did not correctly pay benefits to 17 beneficiaries and did not retain documentation to support benefit payments to 12 beneficiaries. Based on our sample results, we estimate SSA improperly paid approximately $211 million student benefits to about 89,000 beneficiaries. In some instances, errors occurred because beneficiaries and school officials did not provide SSA accurate or current school attendance information that affected eligibility for student benefits, and SSA was unaware the information contained errors. In other instances, SSA employees did not correctly use available school attendance and graduation information to determine the duration of student benefit eligibility. In addition, we estimate SSA made approximately $342 million in unsupported payments to about 63,000 student beneficiaries. For these beneficiaries, SSA employees did not retain completed forms as required. Without evidence, we could not determine whether the individuals were entitled to the student benefits SSA paid them. We made three recommendations for SSA to address errors identified during our audit.
These recommendations focus on improving how SSA handles changes in students' school attendance or graduation dates, ensures student benefits end at the appropriate time, and maintains completed student benefit forms in its records. SSA agreed to implement our recommendations.

Recovering Overpayments and Rectifying Underpayments

Preventing improper payments is advantageous to the Agency since SSA must expend additional resources to recover the overpayments or process additional actions to rectify underpayments. Moreover, when beneficiaries are over or underpaid, the Agency may not be able to fully recover the funds or release the underpayment to the appropriate party. SSA has the authority to terminate or suspend collection actions when it cannot collect any substantial amount or the cost of collection is likely to be more than the amount it will recover.

Our May 2026 report *Follow-up on Cost-benefit Analysis of Processing Low-dollar Overpayments* (072403) found SSA took actions on 50 (20 percent) of the 250 low-dollar OASDI overpayments we reviewed. Since SSA could not provide its average cost to send an overpayment notice, we applied the average cost to collect overpayments as reported in the Cost Analysis System during our audit period, and we did not consider it to have been cost-beneficial to attempt to recover these 50 overpayments. We estimated SSA spent $14,492 to attempt to recover the 50 overpayments, which totaled $8,129. We estimated SSA spent $4.6 million to recover almost 16,000 low-dollar OASDI overpayments totaling approximately $2.6 million. Therefore, we estimated SSA spent about $2 million more than it would recover. We made four recommendations for SSA to ensure consistency in its methods for calculating the average costs to process overpayments, take appropriate actions for low-dollar overpayments we identified, and update policy to specify the criteria the Agency or its employees shall use to determine when the cost of collection is not cost-beneficial. SSA agreed to implement our recommendations.

Our June 2026 report on *Department of the Treasury Reclamations* (062409) found SSA used the Department of the Treasury reclamation process for 95 of the 100 deceased beneficiaries we sampled. SSA generally sends automated reclamation requests for Treasury to reclaim payments the Agency incorrectly issued after a beneficiary's death. However, SSA did not submit

reclamation requests to Treasury for the remaining five beneficiaries. As a result, the Agency did not recover the $49,922 it paid after the beneficiaries died. For three of the five beneficiaries, SSA's system generated alerts that instructed personnel to submit reclamation requests; however, for reasons we could not determine, employees closed the alerts without taking the required actions to submit those requests to Treasury. For the remaining two beneficiaries, for reasons we could not determine, SSA's system did not generate alerts that required that personnel submit reclamation requests to Treasury.

Based on our sample results, we estimate SSA used Treasury's reclamation process to recover payments it issued to about 112,493 deceased beneficiaries but did not initiate reclamations for payments it issued to 5,921 beneficiaries. Given that SSA used Treasury's reclamation process 95 percent of the time, we did not make a formal recommendation for corrective action. However, we advised SSA management to consider whether to improve its controls to ensure that, in the future, the Agency consistently reclaims funds it paid after beneficiaries' deaths.

Our August 2026 report on *Recovery Efforts for Deceased Beneficiaries' Overpayments* (032406) found SSA employees followed policy for recovering overpayments made to OASDI beneficiaries who subsequently died with outstanding overpayment balances for 66 (53 percent) of 125 sampled beneficiaries. However, employees did not follow SSA's policies for recovering overpayments made to 59 (47 percent) beneficiaries who subsequently died. Based on our sample results, we estimate SSA could attempt to recover outstanding overpayments totaling approximately $106 million that 8,486 deceased beneficiaries owed. SSA could potentially increase overpayment recoveries by pursuing available recovery options, including those involving contingently liable individuals, lump-sum death payments, and recovery from deceased beneficiaries' estates. We made two recommendations for SSA to recover overpayments for deceased beneficiaries in our review and implement controls to ensure employees follow policy to attempt to recover deceased beneficiaries' overpayments. SSA agreed to implement our recommendations.

Our August 2026 report on *Supplemental Security Income Underpayments* (062407) found SSA did not always take necessary actions to rectify SSI underpayments that may have affected the beneficiary's financial well-being. Based on our sample results, we estimate SSA employees did not take required actions to ensure the Agency (1) paid recipients 1.1 million underpayments, totaling $291 million, they were owed and (2) properly processed approximately 288,000 underpayments totaling $863 million. We could not determine why employees did not follow policies and procedures to resolve and issue the underpayments where appropriate. However, SSA subject-matter experts stated the Agency's limited system notifications make it challenging to track underpayments that fall outside the standard automated installment process. We made three recommendations to identify and resolve underpayment errors, prevent employee errors, and ensure required pre-payment reviews are documented. SSA agreed to implement the recommendations.

Progress the Agency Made This Fiscal Year

Causes of Improper Payments

Implemented changes to reduce improper payments and improve the SSI program. Our July 2026 audit of *The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2025* (152601) concluded SSA did not comply with two reporting requirements for the SSI program because it did not (1) demonstrate improvements in payment integrity or reach a tolerable improper payment and unknown payment rate and (2) report an improper payment and unknown payment estimate of less than 10 percent. SSA implemented changes in FY 2026 to reduce improper payments and improve the integrity of the SSI program. Examples follow.

- In September 2025, SSA created an SSI Improvement Team to improve SSI processing efficiency, reduce improper payments, accelerate automation, and help SSI recipients comply with program requirements. For example, the Team updated and clarified policy intended to improve efficiency and reduce burdens for both employees and recipients.
- Beginning January 2026, SSA expanded requirements for employees to use its Foreign Travel Data application when they complete SSI redeterminations for U.S. citizens in certain situations. Employees must also use the Foreign Travel Data application in SSI initial claims when they develop for SSI payments for non-citizens in all cases and for U.S. citizens in certain situations. This change is in line with an OIG recommendation noted in *The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2025* (152601) that the Agency improve its controls to prevent overpayments resulting from unreported absences from the United States by using travel data provided to SSA by the Department of Homeland Security instead of relying on SSI recipients to self-report absences from the United States.
- In May 2026, SSA expanded the requirement to use the Access to Financial Institutions tool (an automated process that verifies bank account balances and searches for undisclosed accounts) to all SSI allowances, including initial claim reopenings, and appeal reversals establishing initial eligibility. Access to Financial Institutions verification is now required for all initial SSI claims regardless of the applicant's alleged resources or financial institution ownership. This change addressed one of our September 2024 recommendations in our report on *Supplemental Security Income Recipients who Under-report Financial Account Balances* (A-02-21-51028) and should reduce SSI payment errors and improper payments related to financial account balances and undisclosed accounts.
- SSA completed the implementation of the Payroll Information Exchange (PIE) in September 2025. Therefore, FY 2026 is the first year SSA experienced PIE's effect for an entire FY. PIE automates wage and employment data collection for SSI recipients and Disability Insurance beneficiaries. According to SSA, PIE accelerated the identification of, and prevented wage-related overpayments to, SSI recipients. However, SSA had not yet evaluated the impact PIE had on OASDI payments. SSA's implementation of PIE addressed one of our recommendations in our July 2024 review of *Challenges in Recovering Supplemental Security Income Overpayments* (A-07-21-51018).

Took steps to improve the accuracy of payments to child and student beneficiaries. In response to our June 2026 review *Retroactive Benefits Paid to Child Beneficiaries* (052406), SSA updated and simplified its policies to decrease employee errors when establishing benefit periods. By reducing employee errors related to children's benefit periods, SSA could reduce improper payments made on behalf of the children and may prevent delays to the children's entitlement to Medicare benefits. In October 2026, SSA advised us that it corrected the identified errors, issued policy reminders, and highlighted the current refresher training opportunities to employees to address the recommendations in our September 2026 report on *Payments to Student Beneficiaries* (022515).

Reduced improper payments to deceased beneficiaries. In August 2026, SSA introduced enhancements to its Death Information Processing System that refined existing criteria and processes. The enhancements enable the Death Information Processing System to automatically record valid death information while preventing recording erroneous death information in SSA databases. This change addressed one of the recommendations in our March 2025 review of the *Rejection of State Death Reports* (042304) and should improve the accuracy and timeliness of SSA's death records and reduce improper payments to deceased beneficiaries.

Recovering Overpayments and Rectifying Underpayments

Transferred recovery of overpayments to Treasury's Centralized Receivables Service. To address, in part, challenges related to recovery of overpayments SSA began a strategic partnership with Treasury's Centralized Receivables Service in March 2026. Centralized Receivables Service is a shared service that helps Federal agency programs manage non-tax, non-delinquent debts. In FY 2026, SSA transferred approximately 2,800 delinquent debts to Centralized Receivables Service.

Updated policy to limit collection efforts when recovering overpayments is not cost-effective. In September 2026, SSA updated its policy and revised its methods for calculating the average cost to process SSI overpayments to address recommendations in our *Follow-up on Cost-benefit Analysis of Processing Low-dollar Overpayments* (072403). The updated overpayment collection policy instructs employees to terminate collection actions when the cost of further collection is likely to exceed the amount the Agency can recover. SSA established separate thresholds for termination of collection of Retirement and Survivors Insurance, Disability Insurance, and SSI overpayments. The policy also indicates the Agency will review and update the cost-effectiveness of collection actions annually based on the most recent cost assessment. In addition, SSA created a new method to count SSI overpayments which is comparable to the method SSA uses to count OASDI overpayments.

What the Agency Still 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.

- Continue expanding 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.
- Continue simplifying and clarifying policy and procedures to decrease employee and beneficiary errors.
- Continue addressing the root causes of improper payments to prevent their occurrence.

Developing Issues

Staffing

According to SSA, as of September 30, 2026 the Agency employed 48,530 full-time permanent staff. This represented a decrease of approximately 2,300 employees compared to September 30, 2025. For FY 2026, about 6.1 percent of SSA's workforce left the Agency through attrition. SSA's attrition rate for FY 2026 was approximately 4.8 percent lower than the rate for FY 2025. The attrition rate includes involuntary separations, retirements, resignations, and transfers. However, SSA's FY 2026 attrition rate excludes individuals who participated in the deferred resignation program. SSA estimated its FY 2026 attrition rate would be about 7.5 percent if it included individuals who participated in the deferred resignation program in the calculation.

In prior audits, we found attrition could affect the Agency's ability to effectively serve the public. For example, in our March 2025 audit of *The Social Security Administration's International Workloads at Processing Center 8* (012305), from FYs 2021 to 2022, pending cases in all processing centers increased because of a combination of challenges, including an increase in receipts, lower overtime in FY 2022 compared to previous years, and higher than normal attrition rates. We also noted in our June 2024 audit of *Reducing Processing Centers' Pending Actions* (022313), SSA experienced its lowest staffing levels in 25 years. According to SSA, it had over 650 fewer employees working on processing center workloads than in FY 2016, while the beneficiary count rose from roughly 64 million people to nearly 72 million (19 percent) in that same period. Further, the processing centers experienced staffing challenges with separation rates for Benefits Authorizers at 40.4 percent in FY 2022 and 29.6 percent in FY 2023.

In our September 2025 audit of *Staffing Public-facing Offices* (022327), we noted in FY 2024, SSA's formula for allocating personnel across regional offices incorporated key workload indicators, such as the volume of claims processed, number of beneficiaries and recipients served, and frequency of contacts. Although SSA has a process for allocating staff to public-facing offices, this process focuses on broad staffing distributions rather than determining the optimal number of staff at each individual location. As such, it may not account for the unique service demands of individual offices, which could result in staffing levels that do not fully reflect the specific needs of each location.

Organizational Restructuring

Since January 2025, SSA's organizational structure and staffing plans have undergone significant changes. In February 2025, SSA announced it was implementing an Agency-wide restructuring initiative to streamline operations and reduce workforce levels. Key changes included reducing the number of regional offices (which provide technical assistance to public-facing offices) from 10 to 4 and realigning office functions and reporting structures. We did not audit the restructuring initiative's impact.

In March 2026, SSA announced it would transition the medical CDR processing workload from state DDSs to its Federal processing site called Disability Case Review. To determine whether

beneficiaries continue to be eligible for benefits, SSA periodically conducts CDRs to evaluate any changes in medical condition or work activity. According to SSA, processing CDRs internally will improve service and decrease improper payments because state DDSs can focus on adjudicating initial disability claims and reconsiderations. We have not audited the impact of the transition on CDR or claims processing.

Workforce Skill Sets

In December 2025, the Agency updated its staffing plan and included a comprehensive, multi-pronged strategy to address its skill gaps. This included the following.

- Conducting targeted recruitment for high-need occupations; using direct-hire authority, where applicable; and leveraging the Pathways Program to recruit student interns and recent graduates for key positions.
- Expanding upskilling and re-skilling programs, enhancing mentorship initiatives, and offering leadership-development courses to strengthen workforce capabilities.
- Increasing opportunities for rotational assignments and cross-training to build institutional knowledge and broaden employees' skill sets.

SSA identified several critical skill gaps within the Agency, specifically in the areas of data analytics, IT/cyber-security, customer service, and leadership development. From April 2024 to May 2026, SSA experienced about a 31-percent reduction in its IT workforce. According to SSA's 2026 developer skill assessment survey, SSA identified 839 gaps (employees or contractors) for 39 skill areas. These gaps indicate the Agency's workforce challenges extend beyond replacing departing employees and ensuring it has the specialized knowledge to support its operations. For example, in our August 2026 audit of *Numident Verification Systems* (042405), subject-matter experts indicated gaps in computer programming skills have hindered the Agency's ability to implement advanced analytics programs that could improve the administration of SSA programs.

To address attrition and skill gaps, SSA received approval to externally hire 1,877 full-time permanent employees. As of September 30, 2026, SSA had onboarded 1,687 employees and planned to fill the remaining vacancies. The Agency prioritized hiring for public-facing offices, employees to conduct continuing disability and quality reviews, software engineers in its CIO, and staff to perform back-end functions that support field office operations. For the IT workforce, as of September 30, 2026, SSA's CIO noted the Agency had hired 231 full-time staff and planned to continue to balance recruitment and seek out contractors for the needed skill sets.

Although SSA anticipates its technology improvements may increase efficiency and reduce future staffing needs, the Agency does not have a plan to hire 3 to 5 years into the future. SSA expects technology advancements during that period may alter its hiring forecasts. While technology may ultimately reduce workforce demand, SSA must ensure it adequately plans and periodically reassesses workforce needs while it awaits the impact of anticipated improvements on workloads.

Super Intelligence

SI, previously known as Artificial Intelligence, is pivotal technology that can benefit nearly every Federal agency. In April 2025, the Office of Management and Budget directed agencies to prioritize the use of SI that is safe, secure, and resilient. The guidance required that SSA develop a strategy for removing barriers to the use of SI; develop a generative SI policy; implement the minimum risk management practices for high-impact uses of SI; and annually and publicly release an SI use case inventory. Since then, SSA has implemented policy and procedures for SI and expanded its SI use to improve efficiency, accuracy, and manage risk. However, using SI carries the potential for harm and must be monitored for adverse impacts. For example, staff must be aware of SI's limitations and validate SI output. In addition, individuals could use SI to exploit the Agency's vulnerabilities.

SSA has deployed many use cases to implement SI for various purposes, including increased productivity, program integrity, and security. For example, the Agency released its Agency Support Companion and Policy Assistance Tool, SI assistants designed to help employees with business-related tasks and inquiries. Further, SSA has SI tools for disability decision support and identification of high-risk claims. The Agency also plans to use SI to help the public apply for benefits, understand the Agency's programs, and answer their questions. As SSA seeks to expand its SI capabilities, it has committed to ensuring strong guardrails are in place.

We recognize emerging and evolving risks in this area and have ongoing and planned work related to SI.