



Accessible Version

May 9, 2023

Dr. Kilolo Kijakazi
Acting Commissioner
Social Security Administration
6401 Security Boulevard
Windsor Park Building
Baltimore, MD 21235

Priority Open Recommendations: Social Security Administration

Dear Dr. Kijakazi:

The purpose of this letter is to provide you with an update on the overall status of the Social Security Administration's (SSA) implementation of GAO's recommendations and to call your continued attention to areas where open recommendations should be given high priority.¹ In November 2022, we reported that, on a government-wide basis, 77 percent of our recommendations made 4 years ago were implemented.² SSA's recommendation implementation rate was 85 percent. As of March 2023, SSA had 42 open recommendations. Fully implementing these open recommendations could significantly improve SSA's operations.

Since our June 2022 letter, SSA has implemented four of six priority recommendations:

- SSA implemented our April 2020 recommendation to establish a process to measure the effectiveness of corrective actions for improper payments for Supplemental Security Income and Old-Age, Survivors and Disability Insurance. The new process includes establishing measurements and benchmarks and analyzing data to better evaluate the effectiveness of corrective actions. Measuring the effectiveness of corrective actions increases the certainty they are indeed reducing improper payments.³
- SSA took steps to improve its oversight of organizational payees who manage Social Security benefits for vulnerable beneficiaries, including the model used to identify potentially high-risk organizational payees, as we recommended in September 2019. SSA established a plan and time frame to periodically review the model's design and considered potential additional data sources. The agency also documented changes in

¹Priority recommendations are those that we believe warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operations, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or fragmentation, overlap, or duplication issue.

²GAO, *Performance and Accountability Report: Fiscal Year 2022*, [GAO-23-900398](#) (Washington, D.C.: Nov. 15, 2022).

³GAO, *Payment Integrity: Selected Agencies Should Improve Efforts to Evaluate Effectiveness of Corrective Actions to Reduce Improper Payments*, [GAO-20-336](#) (Washington, D.C.: Apr. 1, 2020).

the model's design, and its plans to update the model in the future. These efforts will help SSA better target payees for review to ensure they are appropriately managing beneficiary funds.⁴

- To address two of our May 2020 recommendations, SSA collaborated with state and federal agencies and updated its cybersecurity requirements for state agencies to be more consistent with guidance from the National Institute of Standards and Technology. SSA also revised its assessment procedures to incorporate steps for coordinating with federal agencies when assessing state agencies' cybersecurity. These efforts can help reduce the time and resources required by state officials to respond to varying requirements from multiple federal agencies.⁵

We ask for your attention to the two unimplemented priority recommendations we identified in our 2022 letter. We are adding two new recommendations related to delivering services online and protecting privacy information, bringing the total number of priority recommendations to four. (See the enclosure for the list of recommendations and actions needed to address them.)

The four priority recommendations fall into the following areas.

Ensuring program integrity.

Preventing and recovering Disability Insurance (DI) overpayments to beneficiaries and reducing improper payments in Old-Age, Survivors, and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs is vital. Our two priority recommendations in this area focus on pursuing additional recovery options for overpayments and preventing potential overpayments to individuals receiving concurrent federal workers' compensation benefits. Implementing these recommendations could better position SSA to strengthen internal controls to prevent potential overpayments and more effectively reduce the potential for other improper payments.

Serving vulnerable populations.

As SSA has expanded remote service delivery, it has launched new initiatives to reach certain vulnerable populations. However, it is not yet possible for most claimants to apply online: only SSI applicants who also are filing concurrently for DI are able to file for SSI online. Implementing our one priority recommendation in this area for SSA to develop a plan to expand the availability of the online application could help the underserved access benefits and services.

Protecting sensitive information.

Federal agencies collect large amounts of personally identifiable information (PII) for various government programs. One priority recommendation in this area focuses on fully defining the role of the senior agency official for privacy or other designated privacy official to be involved in protecting this sensitive information, which could result in more consistent implementation of the agency's privacy program.

⁴GAO, *Social Security Benefits: SSA Needs to Improve Oversight of Organizations that Manage Money for Vulnerable Beneficiaries*, [GAO-19-688](#) (Washington, D.C.: Sept. 26, 2019).

⁵GAO, *Cybersecurity: Selected Federal Agencies Need to Coordinate on Requirements and Assessments of States*, [GAO-20-123](#) (Washington, D.C.: May 27, 2020).

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In April 2023, we issued our biennial update to our [High-Risk List](#), which identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.⁶

One of our high-risk areas, [improving and modernizing federal disability programs](#), highlights workload challenges and outdated criteria associated with SSA's disability programs. Resolving this high-risk area will require leadership commitment and action by SSA.

Several other government-wide high-risk areas also have direct implications for SSA and its operations. These include: (1) [improving the management of IT acquisitions and operations](#), (2) [improving strategic human capital management](#), (3) [managing federal real property](#), (4) [ensuring the cybersecurity of the nation](#),⁷ and (5) [establishing a government-wide personnel security clearance process](#). For example, employing strategic human capital management could help SSA identify strategies to address declines in the number of staff responsible for processing initial disability claims and appeals.

We urge your attention to the high-risk issue that involves SSA and the government-wide high-risk issues as they relate to SSA. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress, Office of Management and Budget (OMB), and the leadership and staff in agencies, including SSA. In March 2022, we issued a report on key practices to successfully address high-risk areas, which can be a helpful resource as your agency continues to make progress to address high-risk issues.⁸

In addition to your continued attention to these issues, Congress plays a key role in providing oversight and maintaining focus on our recommendations to ensure they are implemented and produce their desired results. Legislation enacted in December 2022 includes a provision for GAO to identify any additional congressional oversight actions that can help agencies implement priority recommendations and address any underlying issues relating to such implementation.⁹

Congress can use various strategies to address our recommendations, such as incorporating them into legislation. Congress can also use its budget, appropriations, and oversight processes to incentivize executive branch agencies to act on our recommendations and monitor their progress. For example, Congress can hold hearings focused on SSA's progress in implementing GAO's priority recommendations, withhold funds when appropriate, or take other actions to provide incentives for agencies to act. Moreover, Congress could follow up during the

⁶GAO, *High-Risk Series* GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas*, [GAO-23-106674](#) (Washington, D.C.: Apr. 20, 2023).

⁷With regard to cybersecurity, we also urge you to use foundational information and communications technology supply chain risk management practices set forth in our December 2020 report: GAO, *Information Technology: Federal Agencies Need to Take Urgent Action to Manage Supply Chain Risks*, [GAO-21-171](#) (Washington, D.C.: Dec. 15, 2020).

⁸GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

⁹James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 7211(a)(2), 136 Stat. 2395, 3668 (2022); H.R. Rep. No. 117-389 (2022) (accompanying Legislative Branch Appropriations Act, H.R. 8237, 117th Cong. (2022)).

appropriations process and request periodic updates. Congress also plays a key role in addressing any underlying issues related to the implementation of these recommendations. For example, Congress could pass legislation providing an agency explicit authority to implement a recommendation or requiring an agency to take certain actions to implement a recommendation.

Copies of this report are being sent to the Director of OMB and the appropriate congressional committees. In addition, the report will be available on the GAO website at <http://www.gao.gov>.

I appreciate SSA's continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Cindy Brown Barnes, Managing Director, Education, Workforce, and Income Security at brownbarnesc@gao.gov or 202-512-7215. Our teams will continue to coordinate with your staff on all 42 open recommendations, as well as those additional recommendations in the high-risk areas for which SSA has a leading role. Thank you for your attention to these matters.

Sincerely yours,

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Gene L. Dodaro

Comptroller General

of the United States

Enclosure

cc: The Honorable Shalanda Young, Director, Office of Management and Budget

Enclosure Priority Open Recommendations to SSA

Ensuring Program Integrity

Disability Insurance: Actions Needed to Help Prevent Potential Overpayments to Individuals Receiving Concurrent Federal Workers' Compensation. [GAO-15-531](#). Washington, D.C.: July 8, 2015.

Year Recommendation Made: 2015

Recommendation: To improve SSA's ability to detect, prevent, and recover potential DI benefit overpayments due to the concurrent receipt of Federal Employees' Compensation Act (FECA) benefits, the Commissioner of Social Security should strengthen internal controls designed to prevent DI overpayments due to the concurrent receipt of FECA benefits by implementing the alternative that provides the greatest net benefits.

Action Needed: SSA agreed with this recommendation. As of February 2023, the agency stated that the Department of Labor agreed to move forward with SSA's request for FECA data. SSA is working to complete and execute the related Computer Matching Agreement in fiscal year 2023. SSA also stated that because system funding is not available in fiscal year 2024, it will re-evaluate funding for fiscal year 2025. SSA plans to use FECA benefit data to improve efficiencies in its ability to offset or reduce DI benefits when an individual is concurrently receiving FECA benefits. To fully implement this recommendation, SSA needs to complete these plans, which could help improve the financial status of the DI program and ensure that SSA does not continue overpaying beneficiaries who may have difficulty repaying debt incurred by overpayments. An estimate of these potential financial benefits is not available.

Director: Seto Bagdoyan, Forensic Audits and Investigative Service

Contact Information: BagdoyanS@gao.gov or (202) 512-6722

Disability Insurance: SSA Needs to Better Track Efforts and Evaluate Options to Recover Debt and Deter Potential Fraud. [GAO-16-331](#). Washington, D.C.: Apr. 13, 2016.

Year Recommendation Made: 2016

Recommendation: To ensure effective and appropriate recovery of DI overpayments and administration of penalties and sanctions, the Acting Commissioner of the Social Security Administration should adjust the minimum withholding rate to 10 percent of monthly DI benefits to allow quicker recovery of debt.

Action Needed: SSA agreed with this recommendation. The agency stated that it submitted legislative proposals in the President's budgets for fiscal years 2017 through 2021 to establish a minimum withholding for overpayments of 10 percent of a beneficiary's monthly benefit. As of February 2023, SSA stated that it previously pursued this change through regulation, but stopped to address other regulatory priorities related to the COVID-19 pandemic.

To fully implement this recommendation, SSA needs to increase the amount of DI overpayments it recovers by adjusting its minimum benefit withholding rate from \$10 per month to 10 percent of monthly benefits. This change would increase scheduled collections and reduce

the time it will take to fully recover overpayments, result in tens of millions of dollars in overpayment debt recovered over a 5-year period, and promote equity in how SSA deals with overpayments across its programs.

Potential Financial Benefits: Tens of Millions over a 5-year period

Director: Elizabeth Curda, Education, Workforce, and Income Security

Contact Information: CurdaE@gao.gov or (202) 512-4040

Serving Vulnerable Populations

Social Security Administration: Remote Service Delivery Increased during COVID-19, but More Could be Done to Assist Vulnerable Populations. [GAO-23-104650](#). Washington, D.C.: November 17, 2022.

Year Recommendation Made: 2023

Recommendation: The Commissioner of SSA should develop a plan—with clear steps, goals, metrics, and timelines—for enabling claimants to apply for Supplemental Security Income (SSI) benefits online.

Action Needed: SSA agreed with this recommendation. We await the agency's plans to implement this recommendation, which are due in May 2023. Without additional online services, many individuals who would be capable of using SSA's online services may not be able to do so, and the agency may devote scarce staff resources to assist individuals who otherwise might apply independently online.

Director: Elizabeth Curda, Education, Workforce, and Income Security

Contact Information: CurdaE@gao.gov or (202) 512-4040

Protecting Sensitive Information

Privacy: Dedicated Leadership Can Improve Programs and Address Challenges. [GAO-22-105065](#). Washington, D.C.: September 22, 2022.

Year Recommendation Made: 2022

Recommendation: The Commissioner of SSA should establish a time frame for fully defining the role of the senior agency official for privacy or other designated privacy official in reviewing and approving system categorizations, overseeing privacy control assessments, and reviewing authorization packages, and document these roles.

Action Needed: SSA agreed with this recommendation. Agency officials noted that the agency is planning to revise its guidance to clarify the role of privacy officials in the risk management process by fiscal year 2024. To fully implement this recommendation, the agency needs to provide time frames for fully defining the role of the senior official or other privacy officials in those processes. Addressing this key privacy program practice could provide the leadership needed to ensure that privacy protections are adequately incorporated into systems with PII.

Director: Jennifer Franks, Information Technology and Cybersecurity

Contact Information: FranksJ@gao.gov or (404) 679-1831