

Fiscal Year 2021

AUDIT WORK PLAN

October 2020

I am pleased to present the Office of Audit's Fiscal Year 2021 Annual Work Plan. The reviews described in the Plan are designed to address those areas that are most vulnerable to fraud, waste, and abuse. Since 1997, we have provided our perspective on the top challenges facing SSA management to the Congress, the Agency, and other key decisionmakers. For Fiscal Year 2021, the Office of the Inspector General has identified the following management challenges.

- The Social Security Administration's Response to the Novel Coronavirus Pandemic
- Improve Service Delivery
- Modernize Information Technology
- Protect the Confidentiality, Integrity, and Availability of the Social Security Administration's Information Systems and Data
- Improve the Prevention, Detection, and Recovery of Improper Payments
- Improve Administration of the Disability Programs

The Plan describes reviews we plan to begin in Fiscal Year 2021. In developing these reviews, we worked with Agency management to ensure we provided a coordinated effort.

Our Plan is dynamic, so we encourage continuous feedback and additional study suggestions. This flexibility enables us to meet emerging and critical issues evolving during the upcoming year.



Michelle Anderson
Assistant Inspector General for Audit
October 1, 2020

Executive Summary

The Office of the Inspector General improves Social Security Administration (SSA) programs and operations and protects them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to administration officials, the Congress, and the public. The Office of Audit conducts financial and performance audits of SSA's programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently.

Financial audits assess the reliability of financial data SSA reports in its annual financial statements and any number of managerial information reports. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. The Office of Audit also conducts short-term management and program evaluations and projects on issues of concern to SSA, the Congress, and the general public. In Fiscal Year 2020, we issued 46 reports with over \$3 billion in monetary findings.

Annual Work Plan

Our Plan outlines our perspective on the major management and performance challenges facing SSA and serves as a tool for communicating our priorities to SSA, the Congress, the Office of Management and Budget, and other interested parties. Our work is prioritized to focus our resources on those areas that are most vulnerable to fraud, waste, and abuse. To ensure we provide a coordinated effort, we work with the Offices of Investigations, Counsel to the Inspector General, Resource Management, and Counsel for Investigations and Enforcement.

For more information on reviews included in this Plan, please contact the Division of Communications at (410) 965-2671.

Table of Contents

Executive Summary	3
Annual Work Plan.....	3
Abbreviations	5
The Social Security Administration’s Response to the Novel Coronavirus Pandemic	6
Improve Service Delivery	8
Modernize Information Technology	11
Protect the Confidentiality, Integrity, and Availability of the Social Security Administration’s Information Systems and Data.....	12
Improve the Prevention, Detection, and Recovery of Improper Payments	15
Improve Administration of the Disability Programs	29
Mandatory Reviews	33

Abbreviations

ALJ	Administrative Law Judge
CARES	Compassionate And REsponsive Service
CDR	Continuing Disability Review
DCPS	Disability Case Processing System
DDS	Disability Determination Services
DHS	Department of Homeland Security
DI	Disability Insurance
eRPS	Electronic Representative Payee System
ESF	Earnings Suspense File
FISMA	<i>Federal Information Security Management Act</i>
Form W-2	<i>Wages and Tax Statement</i>
FY	Fiscal Year
IT	Information Technology
MEF	Master Earnings File
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
OMB	Office of Management and Budget
Pub. L. No.	Public Law Number
ROAR	Recovery of Overpayments, Accounting and Reporting
SEI	Self-employment Income
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
WC	Worker's Compensation

The Social Security Administration's Response to the Novel Coronavirus Pandemic

On March 13, 2020, the President declared the COVID-19 pandemic a national emergency. The Office of Management and Budget (OMB) encouraged all Federal agencies to maximize telework to ensure employees' safety. In response, the Agency limited field office visits for appointments; continued providing services online and via telephone; and handled critical needs face to face, as appropriate. While continuing to support service delivery, real-time communications, and modernization efforts, the Commissioner of the Social Security Administration (SSA) took several actions to respond to the national emergency.

Organizational Resilience - To ensure the safety of SSA employees as well as the individuals they serve, the Commissioner expanded telework on an unprecedented scale. On March 27, 2020, the President signed *the Coronavirus Aid, Relief, and Economic Security Act* (Pub. L. No. 116-136) to ease the effect of the economic downturn set in motion by the COVID-19 pandemic. Under this Act, SSA was appropriated \$38 million to assist in a public awareness campaign with the Department of the Treasury and other Federal agencies to provide information regarding the availability of Federal rebates to qualified individuals including those who may not have filed a tax return in 2018 or 2019. In addition, SSA received \$300 million to prevent, prepare for, and respond to, the coronavirus domestically or internationally. This included

- paying the salaries and benefits of all employees affected by changes in availability of field offices;
- funding telework, including setting up telephone and communication services;
- paying for overtime costs and supplies; and
- providing resources necessary to process disability and retirement workloads and backlogs.

Continued Performance - On May 19, 2020, the President signed Executive Order 13924, *Regulatory Relief to Support Economic Recovery*. Among its provisions, the Executive Order mandates that, to promote economic recovery from COVID-19, Federal agencies (including SSA) should work to rescind, modify, waive, or provide exemptions to regulations that might impede economic recovery. Before the Executive Order was signed, SSA

- temporarily suspended some of its internal processes;
- suspended in-person representative payee reviews, in-person non-disability workloads, and most in-person enumeration services; and
- suspended processing and collection of overpayments.

The suspension of certain SSA workloads and adverse actions could result in an increase in the number of improper payments and a decrease in the effectiveness of internal controls. Although SSA has adjusted its operations during the COVID-19 pandemic, SSA has ensured transparency with the public through updates on the Website and provided alternatives for most in-person activities.

COVID-19 Audit Workloads - For Fiscal Year (FY) 2021, we plan to continue audit activities focused on the Agency's actions and responses arising from the COVID-19 pandemic that may have affected the Agency's internal and external stakeholders. This work would include assessing SSA's operational preparedness for emergencies, the impact of suspended workloads, and disability determination services' (DDS) preparedness and response capabilities. The Office of the Inspector General (OIG) also plans to conduct new and ongoing reviews of SSA's operational response to the COVID-19 pandemic and assess its future preparedness, including issues pertaining to SSA's emergency response readiness, continuity of operations and service, safety and security of the public and employees, and information technology (IT) security and privacy concerns related to remote operations. OIG will also leverage data on SSA's COVID-19 action and response to assist SSA in improving future service delivery and reducing future operation disruptions and costs.

Improve Service Delivery

SSA faces several challenges as it pursues its mission to deliver quality service to the public. SSA estimates, in FY 2021, it will pay over \$1.2 trillion in benefit payments to an average of over 70 million beneficiaries. The Agency expects to process, among other workloads, 8.7 million initial Old-Age, Survivors and Disability Insurance (OASDI) and Supplemental Security Income (SSI) claims and 100 million post-entitlement actions. SSA faces growing workloads but expects that more than 10,000 of its almost 61,000 employees will retire within the next 5 years. SSA continues expanding its suite of automated and online service options, but we continue to have concerns about identity authentication for online transactions. The Agency must also focus on strengthening its representative payment program, to ensure the protection of its most vulnerable customers, and the Agency must continue implementing the provisions of the *Strengthening Protections for Social Security Beneficiaries Act of 2018*. These challenges have been amplified in light of the COVID-19 pandemic.

Delayed Processing Center Resolution of High-priority Modernized Development Worksheets

[**A-07-18-50363**](#)

SSA employees frequently contact other offices to request assistance in processing cases. Field office and processing center employees use modernized development worksheets to send and track these requests. Employees can designate modernized development worksheets as routine or high priority. High-priority worksheets are limited to initial claims awards or denials, start or stop payment actions, appeals, congressional inquiries, or public relations issues. Per SSA policy, high-priority worksheets should be addressed within 20 calendar days of their receipt; however, SSA does not have controls to ensure it meets the timeliness target. As of January 2020, processing centers had over 135,000 high-priority modernized development worksheet requests pending, with 90,000 (66 percent) pending 60 days or longer. We will determine whether processing center employees processed high-priority modernized development worksheets accurately and evaluated the effects of delayed processing.

Direct Express Debit Cards as an Option for Receiving Social Security Benefits

[**A-04-18-50637**](#)

The Department of the Treasury contracted with Comerica Bank to establish the Direct Express debit card program, which allows beneficiaries, recipients, and individual representative payees who do not have bank accounts to have their Federal payments direct deposited into a debit card account. Over 4 million individuals currently receive Social Security benefits via a Direct Express card. OIG has identified various concerns specific to the cards, such as non-receipt of benefits, reclamations of benefits issued after death, and fraudulent use or enrollment of the debit card. This audit will seek to determine whether SSA has established and applied selected internal controls to effectively administer the Direct Express program in accordance with applicable regulations and policies.

Social Security Administration Staff Contacting Beneficiaries by Telephone

A-02-19-50807

OIG has released fraud advisories warning of imposter scams that involve callers trying to acquire personally identifiable information from unsuspecting victims. The scams involve spoofed SSA telephone numbers that make it appear the calls are originating from an SSA office. Because of the scams, SSA staff who call applicants and beneficiaries may have a more difficult time collecting the information they need, which includes asking for personally identifiable information. We will review records to determine whether additional processing time has accrued as staff needed to mail requests for information after unsuccessful attempts to collect the information over the telephone. Finally, we will ask SSA what steps it takes to ensure it completes workloads timely that rely on calling beneficiaries if they have become less willing to work with SSA staff over the telephone.

The Office of Hearings Operations' Use of Video Hearings

A-05-18-50615

According to SSA, it has been refreshing or replacing video equipment across the Office of Hearings Operations since 2016. By expanding the number of video hearing units in hearing offices, SSA expects to improve service delivery capability by maximizing its ability to balance workloads nationally and provide more timely service to claimants in offices with the longest wait times. We will review claims data and decisional outcomes related to the Office's use of video hearings.

The Social Security Administration's Electronic Representative Payee System

A-09-19-50797

SSA employees use information in the electronic Representative Payee System (eRPS) to assist in making representative payee determinations as well as to take and process representative payee applications. When SSA selects a representative payee, it must record this information in eRPS. The eRPS also contains information related to allegations of misuse. SSA must immediately investigate all allegations or information that raise a suspicion of misuse. Our review will determine whether SSA

- properly recorded representative payee information on the Master Beneficiary Record, Supplemental Security Record, and eRPS;
- timely resolved representative payee applications pending in eRPS;
- paid the correct person when a representative payee application was pending in eRPS;
- improperly paid beneficiaries directly who had an active representative payee in eRPS;
- improperly paid representative payees it had terminated or not selected; and
- reviewed and timely resolved representative payee misuse allegations.

The Social Security Administration's Review of Representative Payees

A-13-17-50195

The *Social Security Protection Act of 2004* mandates that SSA review all fee-for-service payees, individuals who serve as payee for 15 or more individuals, and organizations serving as payee for 50 or more individuals. The *Strengthening Protections for Social Security Beneficiaries Act of 2018* allows State Protection and Advocacy groups to conduct payee reviews. Further, the law expands periodic on-site reviews to include individual payees (including payees related to the beneficiary and who primarily reside in the same household), and organizational payees based on risk of potential misuse or unsuitability. We will determine whether the SSA is effectively administering its representative payee review activities in order to strengthen the monitoring of representative payees in accordance with the *Strengthening Protections for Social Security Beneficiaries Act of 2018*, Federal regulations, and Agency policies.

The Social Security Administration's Workforce Analysis

A-02-19-50866

According to SSA, the Office of Budget works with the Office of the Commissioner and SSA's Deputy Commissioners to develop staffing allocations based on available funding. We will determine whether SSA is effectively determining staffing levels within its divisions and offices. We will determine what methods the Office of Budget uses to assess staffing needs and whether it has considered changes in technology/mission when it determines staffing-level changes.

Undeliverable Mail at the Social Security Administration's Headquarters

A-15-18-50730

Each week, the Security West Mail Center receives on average 10,000 pieces of undeliverable mail and change of address actions. The Mail Center uses an application to locate a new address for undeliverable material. If the application does not locate a new address in SSA's systems, it prints and mails a notice to the bank and Post Office requesting updated address information. If the Mail Center does not receive a response from the bank and/or Post Office within a designated number of days, it provides the notice to a benefit authorizer for development and/or action. We will review a sample of notices to determine why they were undeliverable and review the controls around the processing of undeliverable mail.

Modernize Information Technology

SSA must modernize its IT infrastructure to accomplish its mission despite budget and resource constraints. SSA's aging infrastructure is increasingly difficult and expensive to maintain; the Agency continues relying on outdated applications and technologies to process its core workloads. In addition, the Agency requires modern software engineering tools and skills that could make its operations more efficient. SSA reports that budget constraints have forced it to use much of its IT funding to operate and maintain existing systems. Still, to ensure the Agency can keep pace with increasing workloads, it must maintain its legacy systems while developing their modern replacements. For several years, SSA has worked incrementally to modernize its IT infrastructure. The Agency's Chief Information Officer has acknowledged the Agency must undertake a larger, multi-year effort. However, SSA faces challenges in executing and implementing major IT projects and delivering expected functions on-schedule and within budget. As of August 2020, SSA had deployed Disability Case Processing System (DCPS) 2 to 43 of the 52 DDSs and was finalizing plans for deployment to the remaining 9 DDSs. To address its modernization challenges, SSA needs to (1) prioritize modernization activities to ensure available resources lead to improvements with the greatest impact on SSA's operations and the service it provides the public and (2) ensure its IT planning and investment control processes are effective.

Agile Software Development at the Social Security Administration

A-14-20-50947

SSA began using Agile software development in 2015 to develop its DCPS. Agile software development comprises various approaches to software development under which requirements and solutions evolve through the collaborative effort of self-organizing and cross-functional teams and their end users. It advocates adaptive planning, evolutionary development, early delivery, continual improvement, and rapid and flexible response to change. We will review areas that would indicate effective use of Agile development, specifically staffing, Agile process, technology, scope, strategy, schedule and metrics, and risks and lessons learned.

The Social Security Administration's Manual Workload Processes

A-07-19-50882

When SSA's systems cannot fully automate actions to establish or update earnings, benefit, or payment records, employees must manually process the actions. In prior audits, we found manually processed workloads were error-prone and resource-intensive. In response to these findings, SSA stated its IT modernization efforts will increase automation and improve processing accuracy. We will determine whether SSA's IT modernization efforts will address and minimize the Agency's use of manual processes.

Protect the Confidentiality, Integrity, and Availability of the Social Security Administration's Information Systems and Data

Information breaches at several Federal agencies have underscored the importance of securing Federal systems and protecting sensitive information. SSA houses sensitive information about every individual who has been issued a Social Security number (SSN). It is imperative that SSA have a robust information security program, yet auditors have identified weaknesses that, when aggregated, created a significant deficiency in SSA's overall information systems security program. In the most recent report for SSA's compliance with the *Federal Information Security Modernization Act of 2014*, Grant Thornton LLP identified a number of deficiencies that may limit SSA's ability to protect the confidentiality, integrity, and availability of SSA's information systems and data. To address this significant challenge, SSA must

1. address the deficiencies identified by the independent auditor;
2. ensure its electronic services are secure and comply with Federal security requirements;
3. continue to be vigilant in protecting SSNs and ensure any electronic applications related to SSN card issuance include effective authentication; and
4. improve wage reporting by informing employers about potential SSN misuse cases, identifying and resolving employer reporting problems, re-examining the validity and integrity checks used to prevent suspicious Forms W-2, *Wages and Tax Statement* from being posted, and encouraging greater use of SSA's employee verification programs.

Accuracy of Alien Registration Numbers Collected During the Enumeration Process

A-08-19-50771

When SSA assigns a noncitizen an SSN, it also updates the Numident with the unique Alien Registration Number the individual received from the Department of Homeland Security (DHS). There are approximately 35,000 Alien Registration Numbers recorded on more than 1 Numident record. We will assess SSA's process for verifying and recording Alien Registration Numbers in its enumeration process, review enumeration information for sampled SSNs, and look for trends in the use of the Alien Registration Numbers on multiple Numident records.

Accuracy of E-Verify Responses

A-03-20-50933

SSA supports DHS in administering the E-Verify program, which assists participating employers in determining whether immigration law authorizes new employees to work in the United States. E-Verify allows employers to compare certain employee information to SSA's Numident file, which includes all SSNs ever issued. If the data input by the employer do not match the Numident, SSA sends a response to E-Verify that generates a message for the employer indicating there is a discrepancy with SSA's records. We plan to assess the accuracy of SSA's feedback responses for E-Verify.

Follow-up on Numberholders Age 112 or Older Who Did Not Have a Death Entry on the Numident

A-06-19-50756

In a 2015 audit, we identified approximately 6.5 million numberholders age 112 or older who did not have death information on the Numident. While SSA was not issuing benefit payments to these individuals, they were likely deceased, but were not included in the death data SSA shares with other agencies. Since individuals can commit various types of fraud against the Government by reporting earnings under deceased individuals' SSNs, we matched the SSNs against SSA's earnings data and identified thousands of instances of potential SSN misuse. In total, SSA received reports that individuals using 66,920 of the 6.5 million SSNs had approximately \$3.1 billion in wages, tips, and Self-employment income (SEI) in Tax Years 2006 through 2011. We made four recommendations for corrective action. We will determine whether SSA took corrective action on the findings and recommendations in our 2015 report.

Manual Adjustments to the Master Earnings File

A-03-19-50868

The Master Earnings File (MEF) is SSA's main electronic earnings record for each worker. The MEF stores the earnings history for each numberholder by SSN and is used to determine whether individuals are eligible for Social Security benefits. Most earnings items are posted to the MEF by submission from employers for wages or the Internal Revenue Service for SEI. However, from time to time, an individual will inform SSA about earnings that are missing from his/her earnings history. SSA employees can manually add earnings to the MEF through several processes, such as Item Correction. As part of this review, we will evaluate the Agency's controls for manually posting earnings to the MEF and determine whether the manually added earnings could relate to missing, overstated, or fraudulent wages.

Profile of Individuals with Wages Removed from the Earnings Suspense File

A-03-18-50542

The *Social Security Act* requires that SSA maintain records of wage amounts employers pay individuals. Employers report their employees' wages to SSA at the end of each tax year and no later than Internal Revenue Service deadline of January 31. As part of the Annual Wage Reporting process, SSA validates the earnings by matching the reported names and SSNs on the *Wage and Tax Statement* (Form W-2) against its records. Forms W-2 that contain names and SSNs that do not match are posted to the Earnings Suspense File (ESF)—an electronic database that stores earnings data in which the reported name and SSN do not match. To ensure correct posting of wage items, SSA uses a variety of operations and systems enhancements to reinstate wages from the ESF to individuals' earnings records. We will profile the individuals who had wages reinstated from the ESF to determine (1) why wage items are removed from the ESF and (2) whether the wages were reinstated to correct numberholder's earnings records.

Security of the Social Security Administration's Data Exchanges

A-14-19-50820

SSA exchanges data with all States, prisons (Federal, State, and local), foreign governments, and private sector entities. Data exchange is primarily the one- or two-way electronic sharing of individual or aggregated personally identifiable information with a government or private entity. An outgoing agreement covers data that flow from SSA while an incoming agreement covers data that flow into SSA. An exchange differs from an agreement in that an exchange represents the data being shared and an agreement documents the terms and conditions under which an exchange will occur. SSA is a high-volume Government user in data exchanges with numerous computer matches and real-time exchanges. We will determine whether SSA secures sensitive information when exchanging data with external entities.

The Social Security Administration's Strategy for Ransomware Protection and Prevention

A-14-18-50554

Ransomware is a type of malware that infects computer systems and restricts users' access to the infected systems. Ransomware is often spread through phishing emails that contain malicious attachments or drive-by downloading. Drive-by downloading occurs when a user unknowingly visits an infected Website, and malware is downloaded and installed without the user's knowledge. We will assess SSA's strategy for protecting its systems from ransomware.

Wage Anomalies in the Master Earning File

A-03-19-50787

Title II of the *Social Security Act* requires that SSA maintain records of wage amounts employers pay individuals. As the primary repository of earnings data, the MEF contains a summary of all *Federal Insurance Contributions Act* earnings an individual receives and detail of all *Contributions Act* earnings processed after 1977. SSA uses *Contributions Act* earnings to determine an individual's eligibility for, and amount of, a benefit. We will determine whether suspicious/questionable earnings, such as earnings posted before the numberholder's birth year or earnings posted for elderly individuals who may not be employed, are being posted to the MEF.

Improve the Prevention, Detection, and Recovery of Improper Payments

SSA is responsible for issuing over \$1.2 trillion in benefit payments to over 70 million people, annually. Preventing, detecting, and recovering improper payments continues to be a challenge. In its FY 2019 Agency Financial Report, SSA estimated it had made approximately \$8.2 billion in improper payments in FY 2018. Given the amounts involved, even the slightest error in the overall payment process can result in millions of dollars in over- or underpayments. In FY 2018, SSA estimated OASDI over- and underpayments of \$942 million due to computation errors, and overpayments of \$978 million due to failure to verify data relating to substantial gainful activity. Once SSA determines an individual has been overpaid, it attempts to recover the overpayment. According to SSA, in FY 2019, it recovered approximately \$4 billion in overpayments at an administrative cost of \$0.06 for every dollar collected and ended the FY with a \$25 billion uncollected overpayment balance. We believe the Agency needs to (1) prevent improper payments through automation and data analytics, identifying changes that affect benefit payments; (2) expand efforts to collect data from reliable third-party sources; (3) do more to address the root causes of improper payments; (4) ensure staff has adequate training and technology; and (5) periodically review manual processes to determine whether they can be automated to reduce computation errors.

Accuracy of Old-Age, Survivors and Disability Insurance Overpayments

A-07-19-50783

OASDI overpayments occur when SSA pays beneficiaries more than they are due for a given period. SSA records OASDI overpayments in the Recovery of Overpayments, Accounting and Reporting (ROAR). When SSA's systems cannot establish overpayments in ROAR, employees must manually establish the overpayments. We will determine whether SSA's manually established OASDI overpayments are accurate.

Analysis of Old-Age, Survivors and Disability Insurance Fraudulent Payments Identified by the Social Security Administration

A-09-18-50698

When SSA suspects fraud, benefits must be stopped. SSA reports the potential fraud to the OIG and establishes any fraudulent payments in ROAR, which controls the recovery and collection activity of misused funds, conserved funds, civil monetary penalty cases, and overpayments. ROAR contains information about the overpayment, actions against the overpayment record, causes of the overpayment, overpayment amount, collection status, waiver and reconsideration information, and information about the individual who is liable for the debt, if known. We will determine the number and amount of fraudulent payments identified by SSA.

Auxiliary and Survivor Beneficiaries Who Provided the Social Security Administration Evidence of Marriage

A-05-19-50779

A child or spouse who meets certain requirements may receive OASDI benefits under a wage earner's SSN. If the auxiliary or survivor beneficiary gets married, he/she may not be eligible to receive benefits under the wage earner's SSN. When SSA receives evidence of the auxiliary or survivor's marriage, it stops benefits the month of marriage for beneficiaries receiving payments and does not grant benefits for new applicants. When an individual changes his/her name because of marriage, he/she must provide SSA evidence of marriage. SSA updates the individual's Numident record. SSA policy requires that staff ask every applicant requesting a name-change replacement SSN card if he/ she is an SSA beneficiary or representative payee. We will determine whether SSA improperly pays benefits to auxiliary and survivor beneficiaries after it receives evidence of marriage.

Beneficiaries with Confinement and Release Dates that Match on Prisoner Update Processing System Records

A-06-18-50732

Prior audits have identified instances where it appeared SSA staff failed to suspend payments to incarcerated beneficiaries and recipients because confinement dates on the beneficiaries' current Prisoner Update Processing System records were the same as the release dates on a prior record. SSA staff did not treat this as a transfer. Instead, the beneficiaries were returned to pay status. We will determine whether SSA issued improper payments to incarcerated beneficiaries who had a confinement date on their current record that matched a release date on the previous record.

Collection of Old-Age, Survivors and Disability Insurance Overpayments from Representative Payees for Deceased Beneficiaries

A-13-20-50943

When a beneficiary is deceased, the representative payee (or payee's estate) who received payments on a beneficiary's behalf is responsible for repayment of overpayments. SSA uses various collection methods, including benefit adjustment, to recover overpayments. We plan to assess SSA's collection efforts for overpayments made to representative payees for deceased beneficiaries.

Data the Social Security Administration Uses to Determine Eligibility and Payment Amounts

A-01-18-50297

To determine OASDI and SSI eligibility and payment amounts, SSA evaluates a number of factors (such as income, living arrangement, prison status, marriage, and resources). For these factors, SSA uses its own data or obtains data from applicants/beneficiaries or third parties (such as Federal and State agencies). We will gather information on the data SSA uses to determine eligibility and payment amounts under the OASDI and SSI programs—as well as data SSA does not obtain but that may be useful.

Death Alert Tracking System Death Alert Processing

A-06-20-50975

SSA's Death Information Processing System compares death data on decedents' Numident with payment records on the Master Beneficiary and Supplemental Security Records. When the System identifies discrepancies, SSA systems generate Death Alert Tracking System alerts and transmits them to field offices for resolution. However, during previous audits, we identified instances in which SSA employees cleared death alerts without actually resolving the discrepancies. These actions resulted in SSA issuing improper payments to deceased beneficiaries/recipients. For this review, we will determine whether death alerts are generated for deceased beneficiary cases identified during OIG audits and review SSA's actions taken in response to the alerts.

Deceased Beneficiaries with an Outstanding Overpayment

A-04-18-50749

A beneficiary is overpaid when funds he/she receives for any period exceed the amount that should have been paid for that period. The overpaid beneficiary is primarily responsible for repaying the overpayment. Any other beneficiary who is receiving benefits on the same earnings record as the overpaid beneficiary can be held liable for repaying the overpayment. This is known as contingent liability. When SSA cannot collect an overpayment from the overpaid beneficiary, it should attempt to collect the overpayment from contingently liable beneficiaries. SSA may recover a deceased beneficiary's outstanding overpayment from his/her representative payee, estate of the deceased beneficiary, or a contingently liable individual receiving benefits on the overpaid record. This review will determine whether SSA could collect overpaid benefits not fully recovered before the OASDI beneficiary's death.

Disability Beneficiaries with “Blank” Medical Diary Reason Codes in the Disability Control File

A-06-20-50913

During our review of *Beneficiaries Eligible for Total and Permanent Disability Federal Student Loan Discharge*, we identified approximately 30,000 disability beneficiaries with total and permanent disabilities and unpaid Federal student loans whose medical condition SSA did not report to the Department of Education. This occurred primarily because the Medical Diary Reason code on these beneficiaries' Disability Control File records erroneously appeared "blank." As part of the data match with Education, SSA uses information in the Medical Diary Reason field to identify borrowers with total and permanent disabilities. We will identify all current pay disability beneficiaries (not just those with unpaid Federal student loans) with "blank" Medical Diary Reason codes and determine the affect missing Medical Diary Reason codes have on SSA's continuing disability review (CDR) process.

Effectiveness of Educational Correspondence Letters to Employers

A-03-20-50931

As part of the Annual Wage Reporting process, SSA attempts to match the names and SSNs on employer-submitted Forms W-2 against SSA's Numident file—the repository for all issued SSNs. A Form W-2 that contains a name and SSN combination that matches the Numident file is posted to the MEF. Name and SSN mismatches are posted to the ESF. To resolve a name and SSN mismatch, SSA sends employers Educational Correspondence letters stating either a name or SSN they reported, or multiple names or SSNs reported, do not match SSA's records and they must submit corrected information. We will assess the effectiveness of the Educational Correspondence letters in communicating wage reporting problems to employers.

Follow-up on Accumulated Funds Payable to Beneficiaries or Their Representative Payees

A-09-20-50959

According to SSA policy, accumulated funds are benefits that (1) accrued before an initial award, (2) were withheld pending the selection of a representative payee, or (3) were conserved and returned to SSA by a former representative payee. If a beneficiary has no representative payee, SSA is required to pay all accumulated funds directly to the beneficiary unless the selection of a representative payee is pending, a capability determination is pending, or a beneficiary requested installment payments. In a 2012 audit, we estimated (1) 4,174 beneficiaries had accumulated funds totaling approximately \$29.9 million that SSA had not paid to the beneficiaries or their representative payees (2) 909 beneficiaries had approximately \$18.6 million in accumulated funds that were correctly paid but not timely; and (3) 248 representative payees were paid accumulated funds totaling approximately \$4 million, but SSA had not evaluated their ability to manage the funds, as required. We will follow up on our 2012 review to determine whether SSA improved controls over the payment of accumulated funds to beneficiaries or their representative payees.

Follow-up on Auxiliary Beneficiaries Who Do Not Have Their Own Social Security Number

A-01-20-50939

Auxiliary beneficiaries are children, widows, spouses, and parents who receive OASDI benefits based on another wage earner's Social Security record. SSA uses the primary wage earner's—not the auxiliary beneficiary's—SSN to track the auxiliary's benefit payments on the Master Beneficiary Record. SSA uses SSNs to organize information about individuals and their entitlement to benefits. A missing SSN can prevent SSA's systems from identifying auxiliary beneficiaries and timely terminating benefit payments. The *Social Security Act* requires that individuals first entitled to benefits as of June 1, 1989 or later, must have, or have applied for, an SSN to receive OASDI benefits. In 2008, we conducted a review that identified 63,134 OASDI auxiliary beneficiaries in current payment status who did not have their own SSN on the Master Beneficiary Record. In our 2014 review, we identified 12,370 auxiliary beneficiaries in current pay status without an SSN. Our follow-up review will identify auxiliary beneficiaries who do not have their own SSN.

Follow-up on Self-employment Earnings Removed from the Master Earnings File

A-06-18-50365

In a 2015 report, we found SSA had removed from the MEF approximately \$742 million in SEI originally reported on approximately 50,000 numberholders' Federal income tax returns for Tax Years 2008 through 2011. Most transactions likely involved an improper Earned Income Tax Credit or SSA payments. During the period reviewed, SSA deleted \$343 million in SEI and notified the Internal Revenue Service when it deleted the earnings. However, during the same period, SSA transferred \$399 million in SEI to the ESF instead of deleting it. SSA did not report these transactions to the Internal Revenue Service. Individuals are required to report SEI to the Internal Revenue Service, but SSA can remove SEI from its earnings records at the individual's request as long as the individual provides a signed statement disclaiming the earnings. This resulted in situations where individuals claimed SEI on their tax returns to obtain the Earned Income Tax Credit but later requested SSA remove the earnings to prevent reductions in their SSA payments. When SSA deletes SEI, it reports the transactions to the Internal Revenue Service. However, when SSA moves SEI to the ESF, it does not report the transactions to the Internal Revenue Service. We will determine whether SSA took corrective action to address the findings and recommendations in our prior report.

Follow-up on Supplemental Security Income Recipients with Unreported Real Property

A-02-18-50373

SSA considers an applicant's resources, including real property ownership, when it determines SSI program eligibility. Real property consists of land and buildings or immovable objects attached permanently to the land. In a June 2011 report, we estimated that over 540,000 SSI recipients incorrectly reported real property ownership, and over 320,000 were improperly paid over \$2.2 billion. Based on our recommendation, SSA began using third-party data to determine the accuracy of recipients' allegations of real property ownership. The Agency requires that staff verify the real property for all claimants, recipients, and deemors during initial claims and certain redeterminations. SSA created an electronic process to provide real-property information on claimants, recipients, and deemors using a third-party database. We will determine whether the changes have led to more accurate determinations of SSI recipients' real property ownership.

Follow-up on Use of Department of Homeland Security Travel Data to Identify Supplemental Security Income Recipients Outside the United States

A-01-18-50583

Generally, SSI recipients are ineligible for payments once they are absent from the United States for 30 consecutive days. DHS' Customs and Border Protection collects travel data on individuals who enter and leave the United States. These data include name, country visited, dates of travel, and passport number. In a FY 2013 report, we estimated SSA improperly paid \$152 million because the recipients were living outside the United States. We recommended SSA enter into a matching agreement with DHS to routinely match travel data to identify individuals outside the country. In June 2019, SSA released the first iteration of its Foreign Travel Data application, using DHS travel data for field office use on SSI redeterminations. We will follow up on our prior recommendation and evaluate SSA's new Foreign Travel Data application.

Improper Payments Resulting from the Annual Earnings Test

A-09-20-50972

In some cases, retired beneficiaries may continue working while they receive Social Security benefits. In those instances, SSA uses an Annual Earnings Test to measure the extent of beneficiaries' retirement and determine the amount, if any, to deduct from their monthly benefits. The Annual Earnings Test begins at a beneficiary's initial month of entitlement and ceases when a beneficiary attains full retirement age. Beneficiaries who are younger than full retirement age and earn wages, SEI, or both over the Annual Earnings test exempt amount receive reduced benefits. For years before a beneficiary attains full retirement age, SSA is required to deduct \$1 of his/her benefits for every \$2 earned over the exempt amount; for the year he/she attains full retirement age, SSA is required to deduct \$1 for every \$3 earned over the exempt amount. We will determine whether SSA properly identified and adjusted benefits to beneficiaries who were subject to the Annual Earnings Test.

Internal Unauthorized Direct Deposit Redirection

A-15-20-50971

In March 2013, Federal regulations began requiring that most beneficiaries receive their payments through direct deposit rather than paper checks. We have conducted several audits specific to unauthorized direct deposit transactions. However, the objectives of those audits have focused on external threats of direct deposit fraud. SSA's Security and Integrity Team is responsible for monitoring the Comprehensive Integrity Review Program, which tests employee transactions to prevent and detect fraudulent activity, including direct deposit manipulation. Although the Agency has controls in place, the Office of Investigations has investigated at least five cases of SSA employees who had successfully evaded timely discovery through the Comprehensive Integrity Review Program. In 1 case, the subject engaged in fraudulent direct deposit activity for approximately 4 years on over 220 SSA beneficiaries. We will (1) identify direct deposit transactional activity and system use behaviors indicative of employee fraud and (2) evaluate internal controls in preventing employee fraud specific to unauthorized direct deposit transactions.

Lawfully Admitted Permanent Resident Supplemental Security Income Recipients Entitled to Federal Means-tested Benefits

A-02-19-50758

Lawfully Admitted Permanent Residents who entered the United States on or after August 22, 1996 must be credited with 40 qualifying quarters to be eligible for SSI payments. Beginning December 31, 1996, Lawfully Admitted Permanent Residents also could not be credited for qualifying quarters for periods during which they also received Federal means-tested public benefits, such as SSI and Medicaid. SSA staff is not required to verify that such applicants received public benefits when they determine applicants' qualifying quarters. Staff can accept the applicant's self-reporting they received such benefits. We estimate there are over 185,000 recipients with Lawfully Admitted Permanent Residents status who were determined to be eligible for SSI payments after December 31, 1996. We will determine the accuracy of the recipients' allegations regarding their receipt of Federal means-tested benefits and any effect on SSI eligibility.

Match of Illinois Workers' Compensation Data Against Social Security Administration Records

A-05-19-50778

Individuals who qualify for Disability Insurance benefits may also be eligible for State workers' compensation (WC) benefits. When an injured worker qualifies for both Disability Insurance and State WC, by law, SSA may be required to reduce Disability Insurance benefits. SSA reduces the Disability Insurance benefits based on an offset calculation set forth in its policies and procedures. We plan to determine whether SSA properly paid Disability Insurance beneficiaries who also received Illinois WC benefits during Calendar Years 1981 through 2019.

Match of Texas Workers' Compensation Data Against Social Security Administration Records

A-06-20-50922

Between 2000 and 2003, SSA and Texas WC Commission entered into a matching agreement where Texas provided WC data to match against SSA records. SSA's match of Texas WC data from Calendar Year 2000 identified approximately \$16 million in overpayments. Former SSA employees raised concerns that field office personnel had little or no time available to review the cases and these overpayments would not actually be identified. OIG is working with the State of Texas to obtain 3 to 7 years of WC payments issued to Texas workers. We will determine the accuracy of disability benefits paid to individuals simultaneously receiving WC benefit payments from the State of Texas.

Old-Age, Survivors and Disability Insurance Beneficiaries Who Did Not Receive Supplemental Security Income Payments During Windfall Offset Suspension

A-05-19-50853

If an individual is entitled to both OASDI and SSI, SSA counts OASDI benefits as income when it determines SSI eligibility and reduces payment amounts accordingly. Individuals may be eligible to receive SSI payments while waiting for SSA to process their OASDI claims. Those individuals can receive retroactive OASDI benefits for the period between the date they were eligible and the date SSA processes the claim. SSA will reduce the retroactive OASDI benefits taking into account the amount of the SSI payments that were paid during the retroactive OASDI claim period. This is referred to as the “windfall offset provision.” We will determine whether SSA is improperly withholding OASDI benefits for beneficiaries who did not receive SSI payments during the windfall offset suspension.

Old-Age, Survivors and Disability Insurance Overpayments Caused by Changes in Benefit Payment Amounts

A-07-18-50674

Incorrect benefit computations are one of the major causes of OASDI over- and underpayments. SSA calculates benefit amounts based on several factors, including a beneficiary’s age, earnings, and benefit type. SSA makes incorrect benefit computations when employees miscalculate or incorrectly input benefit amounts or beneficiaries provide inaccurate information. We will review overpayments that resulted from changes in benefit payment amounts and identify the reasons for the changes and whether SSA could have prevented errors by processing benefit computations more accurately or timely.

Old-Age, Survivors and Disability Insurance Underpayments

A-15-19-50770

In a 2019 audit, we identified SSA employees who fraudulently issued SSI underpayments to themselves or bank accounts to which they had access. For this review, we will analyze OASDI underpayments in a similar manner to determine whether SSA employees are creating and/or paying fraudulent underpayments.

Payment Center Remittance Exception Processing

A-07-18-50738

SSA receives direct payments, or remittances, from beneficiaries. Most remittances are overpayment refunds. SSA generally processes remittances through its Debt Management System Remittance Batch Process. When the System cannot automatically process a remittance, it creates an exception, which employees must process manually. For remittances that are manually processed, the Debt Management System records information on the ROAR to control for the exceptions. ROAR generates an alert every 60 days until SSA clears the remittance exception. We will determine whether employees processed remittance exceptions timely and accurately.

Prisoner Update Processing System Clearance for Supplemental Security Income Recipients

A-08-18-50616

The *Social Security Act* generally prohibits SSI payments to individuals confined to a jail, prison, or certain other public institution for committing a crime. SSA obtains prisoner data from Federal, State, and local facilities and uses the data to verify the prisoners' SSNs. If the SSNs are verified, SSA electronically matches the prisoner data against its payment rolls. If the data match, the system creates a record in SSA's Prisoner Update Processing System and sends an alert to SSA staff. When SSA staff receives a prisoner alert, he/she must verify the individual's identity and any other prisoner data, if necessary. If the payments should be stopped, the staff inputs the suspension. We will evaluate SSA's policies and systems for suspending SSI payments based on a prisoner alert.

Quality Reviews of the Office of Operations' Old-Age, Survivors and Disability Insurance Workloads

A-05-19-50873

SSA's Office of Quality Review conducts quality reviews, studies, and statistical analysis of program service center workloads. It assesses the accuracy of program payments and transactions, and recommends corrective changes in programs, policies, procedures, or legislation. The Office of Quality Review uses a variety of study methodologies and technologies. The Agency uses the Office's data and findings to promote effective resource use and process efficiencies. The Office conducts core or routine reviews and ad-hoc reviews. We will examine the Office's ad hoc reviews of the Office of Operations' OASDI workloads.

Recent Audits Identifying Improper Payments to Incarcerated Beneficiaries

A-06-19-50877

SSA receives reports of incarceration from Federal, State, and local correctional institutions and matches this information to determine whether a prisoner is receiving benefits. For three recent audits, we obtained incarceration information from State Departments of Correction and matched it to SSA payment records. Our reviews identified 342 inmates who received approximately \$10 million in improper payments while confined in prison. We are working with additional States and the Federal Bureau of Prisons. SSA deletes prisoner information for non-beneficiaries, so those data are no longer available if prisoners later file for benefits using the iClaim application. Also, SSA shares prisoner data with other Federal benefit-paying agencies, so deleting those data could affect other Agencies. This report would summarize our work in this area and follow up on prior unimplemented recommendations.

Recipients with Limited Funds in Bank Accounts When Applying for Supplemental Security Income Payments

A-02-18-50670

An individual must have limited resources to be eligible for SSI payments. To determine whether individuals meet resource limits, SSA determines the value of all liquid resources that total a set threshold or more. Field office staff has reported that SSI applicants and recipients are aware of this threshold and report they have less than that amount to avoid having their resources verified. SSA uses the Access to Financial Institutions process to verify applicants' and recipients' bank balances when they report they have liquid resources over the threshold. We will determine whether the current threshold amount is warranted.

Social Security Payments Made to Individuals Who Were Ordered Removed from the United States

A-13-18-50581

Each month, DHS sends SSA lists of individuals who were deported or removed from the United States during the previous month. However, SSA does not receive information pertaining to individuals identified in DHS records as subjects of final orders of removal from the United States but who remain in the United States. We will determine whether individuals ordered removed from the United States are improperly paid benefits.

Supplemental Security Income Recipients Who Were Previously Entitled to Old-Age, Survivors and Disability Insurance

A-13-18-50713

Under certain conditions, individuals receiving SSI payments may also be eligible for benefits as disabled adult children under the OASDI program. In a prior audit, we identified SSI recipients who appeared to be eligible for, but not receiving, childhood disability benefits under the OASDI program. We plan to determine whether SSA has adequate internal controls for the termination of disabled children's OASDI benefits.

Supplemental Security Income Recipients with Trusts

A-02-14-34118

Over 60,000 recipients have trust accounts with a cumulative value of over \$7 billion. SSA has revised how it reviews SSI recipients' trust-related withdrawals, which impact SSI eligibility or payment amounts. SSI recipients are required to report trust withdrawals to SSA. Once reported, SSA field office staff evaluates the withdrawals' affect and submits their determinations to regional trust review teams. These withdrawals are counted as income, a resource conversion, or nothing at all, depending on the type of withdrawal and the trust's status as a countable or excluded resource. We will determine SSA's effectiveness in verifying trusts owned by SSI recipients.

The Social Security Administration's Controls over Employee Overtime

A-15-20-50957

SSA's Personnel Policy Manual requires advance approval of overtime. In addition, it provides guidelines on the maximum amount of overtime allowed and the compensation rate of overtime worked based on the employee's position. We identified the highest number of hours and the highest amount of overtime paid per employee. In addition, we identified the locations with the highest number of overtime hours. We will (1) evaluate internal controls over overtime hours worked and (2) verify employees received the proper overtime amount.

The Social Security Administration's Controls to Ensure it Takes Appropriate Actions for Beneficiaries in a Suspended Payment Status Who May Be Deceased

A-08-19-50800

SSA may suspend benefits when it receives a third-party report that a beneficiary is missing, when checks are returned because they are undeliverable, or for other miscellaneous reasons. However, the Agency does not take action to recover improper payments issued after death but prior to the suspension date until SSA posts death information and terminates the payment record. We will analyze SSA's internal controls for identifying individuals in suspended payment status who may be deceased. We will also review various data sources to identify deceased beneficiaries in suspended payment status and refer them to SSA if they received improper payments after death.

The Social Security Administration's Manual Award Process for Initial Disability Insurance Claims

A-08-18-50488

SSA employees use the automated Modernized Claims System earnings computation process to award the majority of OASDI claims. However, when a systems limitation prevents employees from processing a claim through MCS, they must use the Manual Adjustment Credit and Award Process. In a 2017 report, we found that OASDI awards processed through the Manual Process were error-prone and resource-intensive. For this review, we will determine the payment accuracy of manually processed DI claims. We will also assess the impact that systems updates to eliminate Modernized Claims System processing limitations would have on the DI trust fund and SSA's administrative costs.

The Social Security Administration's Process to Ensure Recovery of Overpayment Balances Remaining After 2049

A-07-19-50776

When a beneficiary is overpaid, SSA attempts to recover the overpayment by withholding some or all of the monthly benefits. For some overpayments, this recovery process will extend beyond 2049. However, because of limitations in SSA's system, employees must manually establish a control to ensure SSA takes action necessary to recover the balance it will not collect by December 2049. This manual process is SSA's only means of recording and controlling for

complete recovery of these overpayments. We will determine whether SSA established the required manual controls to track overpayment balances it will not recover by December 2049.

The Social Security Administration's Processing of New Requests for Waiver on Debts Where a Previous Request Resulted in a Denial

A-08-19-50841

When SSA denies a request for reconsideration or waiver of a debt balance and the debtor does not file the appropriate appeal within the 60-day appeal period, the denial decision becomes final unless (1) the debtor establishes good cause for missing the 60-day deadline for filing an appeal on the determination; (2) new and material evidence is presented to overturn the decision; or (3) there has since been a change in law or regulation that affects the previous decision. If none of these apply, any new request concerning the debt balance should be denied. We will review instances where SSA extended the due-process period or granted a new due-process period when the criteria above were not met. We will also determine how often this occurs, the total dollar value of any waivers occurring as a result, and what SSA systems improvements could be made to reduce such instances.

The Social Security Administration's Recovery of Incorrect Payments

A-04-18-50507

The *Social Security Act* defines an overpayment as an amount paid in excess of what should have been paid to an entitled individual. Current law does not allow SSA to withhold incorrect payments from OASDI or SSI benefits unless the debtor voluntarily agrees to the withholding. If the Act were amended to classify these incorrect payments as overpayments, SSA could withhold them from the individual's benefits and collect them much faster. We will determine the impact on the trust fund given the law was expanded to allow SSA to withhold benefits and use all collection methods to recover incorrect payments.

The Social Security Administration's Use of Uncollectible Overpayment Decisions

A-07-18-50659

In certain circumstances, SSA determines an overpayment is uncollectible and permanently writes off the debt. SSA makes this determination only when a court, administrative law judge (ALJ), or Administrative Appeals Judge declares the overpayment uncollectible or the recipient is deceased and all proper efforts to collect the overpayment have proven unsuccessful. SSA policy requires that all uncollectible overpayment decisions be justified, documented, and, in some circumstances, approved by a supervisor. We will determine whether SSA accurately classified overpayments as uncollectible.

Usefulness of State Data Exchange Agreements for Detecting Child Support Income for Supplemental Security Income Recipients

A-03-20-50934

The SSI program requires that recipients and their representative payees report income and resource amounts for initial and continued eligibility. To confirm these data, SSA has established data exchange agreements with various agencies to obtain income information that

may affect eligibility. SSA Access to Specified State Records Online agreements provide SSA employees online access to such State records as WC, Human Services, and Vital Statistics. For this audit, we will review these agreements with Department of Health and Human Services agencies and their potential to provide child support information for children receiving SSI.

Using Medicare Claim Data to Identify Deceased Beneficiaries Age 80 to 89 Who Are Deceased and SSI Recipients Who Are Deceased or Living Outside the Country

A-08-18-50442

SSA's Medicare Non-utilization Project identifies OASDI beneficiaries age 90 or older who are in current payment status, have a domestic address, and have not used Medicare Part A or B for 3 years or longer. While this Project has identified deceased beneficiaries age 90 or older, we believe the Agency could identify more deceased beneficiaries if it lowers the age to 80, given that approximately 82 percent of retired workers are age 80 to 89. We will review a population of beneficiaries age 80 to 89 with no Medicare use for 3 years to determine whether SSA can cost-effectively identify sooner deceased beneficiaries and SSI recipients who are deceased or living outside the country.

Windfall Elimination Provision and Government Pension Offset Efforts Support the Need for Pension Data

A-13-20-50970

The Windfall Elimination Provision and Government Pension Offset reduce monthly Social Security benefits when the wage earner becomes entitled to both a pension based on non-covered employment and Social Security benefits. The summary report will provide the results of several audits to demonstrate the need for pension payment information to reduce improper payments made in the administration of the Windfall Elimination Provision and Government Pension Offset. In addition, we will assess SSA's administration of the payment reductions.

Windfall Offset Determinations Involving Representative Fees

A-09-18-50697

When an individual is due retroactive OASDI benefits for months in which he/she has already received SSI, SSA's windfall offset provision prevents an individual from receiving more benefits than he/she would have received had the OASDI benefits been paid when regularly due. When beneficiaries are concurrently entitled to OASDI and SSI for the same months, SSA must reduce any retroactive OASDI benefits that may have been payable by any SSI payments that would not have been paid if the OASDI benefits had been paid when due. When a representative's fee is involved, SSA must deduct the fee from the OASDI benefit and use the adjusted amount in the offset computation. We will determine whether SSA properly accounted for representative fees in its windfall offset calculations.

Improve Administration of the Disability Programs

The Agency continues to face challenges with pending initial disability claims and hearings processing times. While pending levels and hearings timeliness have improved in recent years, SSA has not achieved its average hearings processing time goal of 270 days. In response to the COVID-19 pandemic, SSA began encouraging online and telephone services, limiting in-person services, and suspending certain actions that would result in the suspension or termination of benefits. SSA continues to process initial disability claims; however, pandemic responses, such as DDS closures and delayed consultative examinations scheduling, pose challenges to the process. For example, from February to June 2020, pending initial claims increased 22 percent to over 770,000. To improve administration of the disability program from the initial to the hearings level, we believe SSA needs to (1) continue implementing and monitor the specific Compassionate And REsponsive Service (CARES) initiatives designed to improve timeliness and reduce the hearings backlog; (2) focus resources on capacity issues to better balance processing times and hearing office workloads; and (3) continue creating new opportunities for returning beneficiaries to work and ensure measurement of costs, savings, and effectiveness are part of the design of such initiatives.

Delayed Consultative Examinations Due to Budget Limitations

A-01-19-50878

When a DDS needs to get more information about a claimant's impairment(s) and/or level of functioning, the disability examiner generally orders a consultative examination. The DDS purchases this physical or mental examination or test from a medical source, at SSA's request and expense, to provide evidence for a claimant's disability or blindness claim. A qualified consultative examination source (a) is licensed (or certified in the case of a psychologist, or otherwise qualified in the case of a speech-language pathologist) in the State in which he/she performs the consultative examination; (b) has the training and experience to perform the type of examination or test requested; and (c) is not barred from participating in Medicare or Medicaid programs or any other Federal or federally assisted programs. At the national and State levels, SSA allocates a specific amount of funding for consultative examinations. We will determine whether budget issues led to delays in ordering consultative examinations toward the end of the FY.

Disability Claims Filed by Active Duty Military Members

A-06-18-50629

The Wounded Warrior program allows members of the military to receive concurrent military pay and DI benefits while they recover from combat injuries. If they are discharged from the military, their disability benefits continue. We will identify active-duty military service members who filed disability claims and summarize the claims' status as well as Wounded Warrior geographic and demographic information. We will also identify the number of Wounded Warriors whose DI benefits had ceased and/or who had earnings-related overpayments.

Exclusion of Certain Medical Sources of Evidence Based on the Bipartisan Budget Act of 2015

A-01-18-50367

Section 812 of the *Bipartisan Budget Act of 2015* requires that, when SSA makes a disability determination, it may not consider (except for good cause) any medical evidence from an individual or entity (a) who has been convicted of a felony under sections 208 or 1632; (b) who has been excluded from participating in any Federal health care program under section 1128; or (c) with respect to whom a civil monetary penalty or assessment has been imposed under section 1129 for the submission of false evidence. We will evaluate SSA's implementation of this provision of the law.

Follow-up on Request for Review Workloads at the Appeals Council

A-12-20-50986

SSA's Appeals Council is the final level of administrative adjudicatory review for claimants appealing hearing-level decisions for the OASDI and SSI programs. When the Appeals Council grants a claimant's request for review, it issues a decision, issues an order of dismissal, or remands the case back to an ALJ for further proceedings. The Appeals Council also reviews a sample of hearing-level decisions that were not appealed to determine whether they are factually and legally supported. SSA uses this and other quality review data for feedback to adjudicators, to improve training, and to clarify policies and procedures. We will follow up on the five recommendations we made in our 2014 report to improve the Appeals Council's ability to measure and monitor key workloads.

Follow-up on the Compassionate And REsponsive Service Plan

A-12-18-50377

Reducing the hearing backlog and preventing its recurrence remains a significant challenge for SSA. As of the end of FY 2019, approximately 575,000 hearings were pending, and the average processing time was 506 days. In January 2016, SSA issued the CARES plan, which outlines initiatives to address the growing number of pending hearings and increasing wait times. SSA updated the CARES plan in 2017 and again in 2019. We will review SSA's efforts to implement or modify the CARES plan and determine whether the actions taken to date have resulted in reducing the hearing backlog and processing time.

Impact of Workers' Compensation and Public Disability Benefit Reverse Offset Plans on the Disability Insurance Program

A-02-19-50867

Some States have plans that reduce WC or public disability benefits when the disabled worker is also receiving DI benefits. This is known as reverse offset or reverse jurisdiction. If SSA recognizes the reverse jurisdiction plan, the DI benefits are not offset or reduced. We will examine why some States have these plans while others do not and the affect they have on the DI program.

Manual Work Continuing Disability Review Determinations

A-07-18-50390

When a disabled beneficiary works, SSA must conduct a CDR to determine whether the work involves significant physical or mental activities with earnings that exceed SSA's established threshold. SSA uses the Electronic Work application to process work CDRs. However, certain cases cannot be completely processed in Electronic Work and require manual processing to update the beneficiary's record, correct payment information, and issue the necessary notices. SSA does not have a formal timeliness goal for employees to complete these actions. However, SSA's instructions suggest the process should be completed within 30 days. We will determine whether SSA processed manual work CDR determinations in a timely manner and evaluate the effect of delayed processing.

Medical Review Status for Current Pay Disability Beneficiaries and Recipients with “No Open Claim” in the Disability Control File

A-06-20-50960

The Disability Control File is a centralized, electronic database that stores, supports, and controls post-entitlement, disability-related actions and determinations. A feature of the File is to select cases for medical review via an automated process. As part of this process, the File contains a multi-step programming logic to “screen out” cases that do not need a medical review. This review will determine the medical review status of current pay disability beneficiaries and recipients whose Disability Control File records were erroneously coded as “No Open Claim” and quantify the effect of these errors.

Office of Hearings Operations Process for Obtaining Medical Records

A-01-18-50657

Although applicants for Social Security disability benefits must provide medical records to support their claims, SSA makes every reasonable effort to assist applicants with obtaining the records, including contacting medical providers. We will evaluate the Office of Hearings Operations' process for obtaining medical records for claims that are appealed to ALJs.

The Social Security Administration's Centralized Process for Medical and Vocational Experts

A-01-20-50974

When an ALJ needs the testimony of a medical or vocational expert at a disability hearing, the hearing offices use SSA's blanket purchase agreement to obtain those services. We will evaluate SSA's centralized process for obtaining medical and vocational experts to testify at ALJ hearings.

The Social Security Administration's Determination of Impairment-related Work Expenses When Processing Work Reviews for Disabled Beneficiaries

A-07-18-50641

SSA conducts work CDRs for beneficiaries who return to work while receiving disability benefits. The work CDR process requires that SSA evaluate work activity to make a determination about a beneficiary's continuing eligibility for benefits. If SSA determines a beneficiary is engaging in substantial gainful activity, SSA may suspend or terminate benefits. Substantial gainful activity involves significant physical or mental activities, and earnings that exceed SSA's established threshold. SSA may deduct impairment-related work expenses from a beneficiary's gross earnings if the expenses enable the beneficiary to work. We will determine whether SSA employees are correctly identifying, documenting, and deducting impairment-related work expenses when they conduct work CDRs.

The Social Security Administration's Use of Motor Vehicle Information to Determine Continued Eligibility for Disability Benefits

A-01-18-50376

Based on the definition of statutory blindness in the *Social Security Act* and visual acuity requirements to obtain a driver's license, generally, an individual SSA determines to be disabled based on blindness should not be able to obtain a State driver's license. We will match State driver's license data to SSA's disability rolls to identify individuals receiving disability benefits based on blindness and determine whether they are still eligible for benefits.

Work Activity Development at the Initial and Reconsideration Levels of the Disability Determination Process

A-07-18-50388

SSA evaluates the work activity of disability claimants as part of its disability determination process. SSA denies disability claims if it determines a claimant's work activity is substantial gainful activity because it involves significant physical or mental activities and earnings exceed SSA's established threshold. We will determine whether SSA accurately evaluated the work activity of disability claimants whom SSA awarded benefits at the initial and reconsideration levels of filing.

Mandatory Reviews

Our work plan includes mandated reviews that must be conducted periodically.

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

[A-02-20-50976](#)

The *Reports Consolidation Act of 2000* requires that Inspectors General summarize and assess the most serious management and performance challenges facing agencies and the agencies' progress in addressing those challenges.

The Social Security Administration's Compliance with the *Digital Accountability and Transparency Act as of 2021*

[A-15-20-50917](#)

The *Digital Accountability and Transparency Act of 2014* was enacted on May 9, 2014 to expand the reporting requirements pursuant to the *Federal Funding Accountability and Transparency Act of 2006*. The Act, in part, requires that SSA report financial and award data (benefit payments, procurements, and grants) in accordance with the established Government-wide financial data standards. We will assess the (1) completeness, accuracy, timeliness, and quality of FY 2021 first quarter financial and award data SSA submitted for publication on USASpending.gov and (2) Agency's implementation and use of the Government-wide financial data standards established by OMB and Department of the Treasury.

The Social Security Administration's Compliance with the *Payment Integrity Information Act of 2019* in the Fiscal Year 2020 Agency Financial Report

[A-15-20-50949](#)

Improper payment reporting requirements state an agency is compliant if it has (1) published an Annual Financial Report or Performance and Accountability Report for the most recent FY and posted that Report and any accompanying OMB-required materials on the agency's website; (2) conducted a program-specific risk assessment for each program or activity; (3) published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment; (4) published program corrective action plans in the Agency Financial or Performance and Accountability Report; (5) published, and met, annual reduction targets for each program assessed to be at risk and estimated for improper payments; and (6) reported a gross improper payment rate of less than 10 percent for each program and activity for which an improper payment estimate was obtained and published in the the Agency Financial or Performance and Accountability Report. If the agency does not meet one or more of these requirements, it is not compliant. We will determine whether SSA met all requirements of the *Payment Integrity Information Act of 2019* and applicable guidance in the Payment Integrity section of the FY 2020 Annual Financial Report. In addition, we will evaluate the Agency's (1) accuracy and completeness of reporting and (2) performance in reducing and recapturing improper payments.

The Social Security Administration's Enhanced Personnel Security Program

A-15-20-50908

According to 5 U.S.C. § 11001, agencies are required to implement an enhanced personnel security program no later than December 18, 2020 or the date on which the backlog of overdue periodic reinvestigations of covered individuals is eliminated. Additionally, agency heads are required to designate every position within an agency as either high, moderate, or low risk and requires a background reinvestigation every 5 years for employees in moderate- and high-risk positions. The regulation also requires that the Inspector General of the agency conduct a review to assess the effectiveness and fairness of the enhanced personnel security program. Hence, we will review the Agency's implementation of an enhanced personnel security program to determine whether it included appropriate guidance and completed reinvestigations, as required.

The Social Security Administration's Financial Reporting for Fiscal Year 2021

A-15-20-50950

The *Chief Financial Officers Act of 1990* requires that agencies annually prepare audited financial statements. Each agency's Inspector General is responsible for auditing these financial statements to determine whether they fairly represent the entity's financial position. This annual audit also includes an assessment of the agency's internal control structure and its compliance with laws and regulations. A contractor will perform the audit work to support this opinion of SSA's financial statements. To fulfill our responsibilities under this Act and related legislation for ensuring the quality of the audit work performed, we will monitor the contractor's audit of SSA's financial statements.

The Social Security Administration's Information Security Program and Practices for Fiscal Year 2021

A-14-20-50958

The *Federal Information Security Modernization Act of 2014* (FISMA) provides the framework for securing the Government's information and information systems. All agencies must implement FISMA's requirements and report annually to OMB and the Congress on the adequacy and effectiveness of their security programs. FISMA requires that each agency develop, document, and implement an agency-wide information security program. OMB uses information reported pursuant to FISMA to evaluate agency-specific and Government-wide security performance, develop the annual security report to Congress, and assist in improving and maintaining adequate agency security performance. FISMA directs that each agency's Inspector General or independent external auditor perform an annual, independent evaluation of the effectiveness of the agency's information security program and practices. We will oversee the contractor's audit of SSA's compliance with FISMA for FY 2021.

The Social Security Administration's Reporting of High-dollar Overpayments Under Executive Order 13520 in Fiscal Year 2021

On November 20, 2009, the President issued Executive Order 13520, *Reducing Improper Payments and Eliminating Waste in Federal Programs*, to reduce improper payments by intensifying efforts to eliminate payment error, waste, fraud, and abuse in major programs while continuing to ensure Federal programs serve and provide access to their intended beneficiaries. As part of the requirements, each agency that meets criteria established by OMB provides its Inspector General a quarterly report on high-dollar overpayments. An overpayment is considered high-dollar if it exceeds 50 percent of the correct amount of the intended payment under certain circumstances. We will review the Accountable Official's Quarterly High-dollar Overpayment Report to the OIG for the quarters ended December 2020 as well as March, June, and September 2021. We will also determine whether the (1) method used to identify high-dollar overpayments detected overpayments that met the Executive Order criteria and (2) Agency complied with all requirements of the Executive Order.

The Social Security Administration's Travel Card Program

A-13-19-50836

The *Government Charge Card Abuse Prevention Act of 2012* reinforces efforts to prevent waste, fraud, and abuse in Government-wide charge card programs. This Act addresses agencies' management of their Government purchase and travel charge card programs. We will assess SSA's travel charge card program and centrally billed account activities.