

Evaluation Report

Social Security Administration
Correspondence Containing Full
Social Security Numbers

A-04-15-50070 / April 2016

OIG

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: April 27, 2016 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: Social Security Administration Correspondence Containing Full Social Security Numbers (A-04-15-50070)

The attached final report presents the results of the Office of Audit's review. The objective was to assess the Social Security Administration's use of Social Security numbers on external correspondence and the potential risks associated with such use.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



Patrick P. O'Carroll, Jr.

Attachment

Social Security Administration Correspondence Containing Full Social Security Numbers

A-04-15-50070



April 2016

Office of Audit Report Summary

Objective

To assess the Social Security Administration's (SSA) use of Social Security numbers (SSN) on external correspondence and the potential risks associated with such use.

Background

The SSN was created in 1936 to allow employers to identify, and accurately report, an individual's earnings covered under the Social Security program so SSA could efficiently administer benefits. However, the SSN has since become one of the keys to identifying records used by Federal agencies, State and local governments, and private organizations.

In 2007, the Office of Management and Budget issued a memorandum requesting that Federal agencies review the unnecessary collection and use of SSNs. Specifically, the memorandum states that agencies should protect personally identifiable information in the Government's possession and avoid its breach.

Identity theft is one of the fastest growing crimes in America. Someone illegally using another's SSN and assuming a false identity can cause many problems. SSA acknowledges that one of the ways a thief may get SSNs is by stealing mail.

Findings

According to SSA, about 233 (66 percent) of the 352 million notices it sent in 2015 included individuals' full SSNs. While it is unknown how many of the intended addressees received these notices, our audit work has shown that the addresses in SSA's records can be inaccurate. In addition, our audit and investigative work have shown that the more SSNs are unnecessarily used, the higher the probability they may be used inappropriately.

SSA has removed SSNs from some of its notices. However, SSA told us that including the SSN on notices is central to its business processes because it supports the Agency's current operational and systems infrastructure.

Many other government and non-government agencies that frequently use the SSN have implemented measures to eliminate or significantly reduce the use of SSNs on correspondence. In 2015, an SSA cross-component workgroup considered options for removing full SSNs from correspondence and recommended that SSA delay the removal of SSNs from all notices at one time. However, SSA stated it will explore leveraging existing information technology projects to replace the SSN with the Beneficiary Notice Control Number on notices on a case-by-case basis as resources are available. The Acting Commissioner approved this recommendation. While we are encouraged by the new position, we believe SSA should adopt a timeframe for implementation.

Although SSA cannot control other entities' collection and use of SSNs, we believe it is important to address any known risk, especially if that risk is under the Agency's control. We believe SSA, as a Federal agency and public servant, has a duty to reduce opportunities for individuals who may have malicious intent to improperly obtain and use another's SSN.

Recommendations

We recommend that SSA (1) make removal of SSNs from SSA correspondence a priority as resources permit and (2) re-evaluate and document the assumptions used to develop SSA's cost estimates to remove SSNs from its correspondence.

SSA agreed with our recommendations.

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ABBREVIATIONS

BNC	Beneficiary Notice Control Number
C.F.R.	Code of Federal Regulations
CMS	Centers for Medicare and Medicaid Services
FISMA	<i>Federal Information Security Management Act</i>
FY	Fiscal Year
IRS	Internal Revenue Service
OIG	Office of the Inspector General
OMB	Office of Management and Budget
PII	Personally Identifiable Information
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSN	Social Security Number
Stat.	Statutes at Large
U.S.C.	United States Code
VA	Department of Veterans Affairs

OBJECTIVE

Our objective was to assess the Social Security Administration's (SSA) use of Social Security numbers (SSN) on external correspondence and the potential risks associated with such use.

BACKGROUND

The SSN was created in 1936 to allow employers to identify, and accurately report, an individual's earnings covered under the Social Security program so SSA could efficiently administer benefits. However, since the SSN's creation, its value has increased, and the SSN has become one of the keys to identifying records used by Federal agencies, State and local governments, and private organizations. Government agencies frequently ask individuals for their SSNs because, in limited instances, the law requires that they do so or SSNs provide a convenient means of tracking and exchanging information. Although no single Federal law regulates Federal agencies' overall use and disclosure of SSNs, the *Freedom of Information Act*,¹ *Privacy Act of 1974*,² and *Social Security Act Amendments of 1990*³ generally govern disclosure and use of SSNs.

On May 22, 2007, the Office of Management and Budget (OMB) issued a memorandum requesting that Federal agencies review the unnecessary collection and use of SSNs.⁴ Specifically, the memorandum states that agencies should protect personally identifiable information (PII) in the Government's possession and avoid its breach. Individuals can use PII, such as a person's name, SSN, date and place of birth, and mother's maiden name, to distinguish or trace the person's identity.⁵

The *Federal Information Security Management Act of 2002* (FISMA)⁶ requires that each Federal agency have procedures in place to identify, report, and respond to security incidents, including mitigating risks, before substantial damage occurs. In a July 25, 2007 memorandum, OMB required that agencies include in their 2007 FISMA reports their plans to eliminate the unnecessary collection and use of SSNs.⁷ In its Fiscal Year (FY) 2013 and 2014 FISMA reports,

¹ *Freedom of Information Act*, 5 U.S.C. § 552.

² *Privacy Act of 1974*, 5 U.S.C. § 552a.

³ *Social Security Act* § 205(c)(2)(C)(viii), 42 U.S.C. § 405(c)(2)(C)(viii), and § 208(a)(8), 42 U.S.C. § 408(a)(8).

⁴ OMB, *Safeguarding Against and Responding to the Breach of Personally Identifiable Information* (M-07-16), p. 7, May 2007.

⁵ PII also includes information that, when combined with other personal or identifying information, is linked or linkable to a specific individual, such as medical, educational, financial, and employment information.

⁶ Pub. L. No. 107-347 § 301, *et seq.*, 116 Stat. 2899, 2946 – 2961, codified at 44 U.S.C. § 3541, *et seq.*

⁷ OMB, *FY 2007 Reporting Instructions for the Federal Information Security Management Act and Agency Privacy Management* (M-07-19), July 2007.

SSA only stated it limited the further disclosure of SSNs by removing them from certain notices sent to the public. The reports did not specify which or how many notices.

For more than a decade, we, and other Federal agencies, have recommended removing the SSN from Federal documents to reduce the unwanted disclosure of PII. For example, the Government Accountability Office first recommended removing SSNs from Federal documents in 2002. Also, in 2006, we recommended that SSA encourage the Centers for Medicare and Medicaid Services (CMS) to remove SSNs from Medicare cards and assist in developing an alternative identifier that met both agencies' needs.⁸ In 2008, we reported that, despite the increasing threat of identity theft, CMS continued issuing cards that displayed SSNs and unnecessarily placed millions of individuals at risk for identity theft.⁹ Consequently, we recommended SSA work with OMB and Congress to expedite the removal of SSNs from Medicare cards.

On April 16, 2015, the President signed a bill that will end the use of SSNs on Medicare cards.¹⁰ The bill gives Medicare officials up to 4 years to start issuing cards with a randomly generated Medicare beneficiary identifier to new beneficiaries and an additional 4 years to reissue cards to current enrollees. Congress provided \$320 million over 4 years to pay for this change.

RESULTS OF REVIEW

According to SSA, about 233 (66 percent) of the 352 million notices it sent in 2015 included individuals' full SSNs. While it is unknown how many of the intended addressees received these notices, our audit and investigative work have shown that the more SSNs are unnecessarily used, the higher the probability they may be used to commit crimes. However, we are not aware of any SSN misuse attributable to the SSN displayed on SSA notices.

SSA had removed SSNs from some of its notices. However, SSA told us that including the SSN on notices was central to its business processes because it supported the Agency's operational and systems infrastructure.

Many other government and non-government agencies that frequently use the SSN have implemented measures to eliminate or significantly reduce the use of SSNs on correspondence. In 2015, SSA formed a cross-component workgroup to re-examine all systems and notices to determine whether there was an efficient way of reducing the use of SSNs on notices. The workgroup recommended that SSA's Acting Commissioner delay the removal of SSNs from all notices at one time. However, SSA stated it would explore leveraging existing information technology projects to replace the SSN with the Beneficiary Notice Control Number (BNC) on notices on a case-by-case basis as resources are available. The Acting Commissioner approved this recommendation in February 2016. While we are encouraged by the new position, we

⁸ SSA OIG, *Hospitals' Use and Protection of Social Security Numbers* (A-08-06-16056), p. 5, January 2006.

⁹ SSA OIG, *Removing Social Security Numbers from Medicare Cards* (A-08-08-18026), p. 3, May 2008.

¹⁰ *Medicare Access and CHIP Reauthorization Act of 2015*, Pub. L. No. 114-10, § 501, 129 Stat. 87, 163 – 164.

believe SSA should adopt a timeframe for implementation. This decision is not in line with SSA's longstanding duty to protect the privacy of personal records. SSA considered privacy protection of such great importance that it issued Regulation Number 1 in June 1937. Although it has been revised many times over the years, Regulation Number 1 continues to detail SSA's privacy policy and the permissible disclosures of personal information for various purposes.¹¹

While SSA cannot control other entities' collection and use of SSNs, we believe it is important to address any known risk, especially if that risk is under the Agency's control. We believe SSA, as a Federal agency and public servant, has a duty to safeguard the integrity of SSNs and should reduce opportunities for individuals who may have malicious intent to improperly obtain and use another's SSN.

SSA's Use of SSNs on Correspondence

SSA told us it included the full SSN on about 233 (66 percent) of the 352 million notices it mailed in 2015. In 2001, SSA began removing the SSN from such annual notices as its Social Security Statement and Title II cost-of-living adjustment notices—two high-volume notices that SSA mails each year. For example, as of the date of this review, these notices—which do not contain a full SSN—represented approximately 106 million (30 percent) of the notices SSA mailed each year. Additionally, SSA removed the full SSN from approximately 13 million (4 percent) Title XVI notices of no payment rate increase, Medicare Part D initial applications for extra help, and Medicare Part D annual redetermination notices.

In response to OMB's guidance, in 2007, SSA considered removing SSNs from additional notices. It concluded that displaying the SSN on notices permitted instantaneous identification of a beneficiary and the location of his/her records in SSA's computer systems. Additionally, removing the SSN would impede teleservice representatives' ability to authenticate a caller.

SSA confirmed this conclusion in its *Implementation Plan to Eliminate the Unnecessary Use of SSNs*, which was included as an appendix to its 2007 FISMA report. In the FISMA report, SSA stated that including the SSN in notices assured the recipients the information in the notice applied to them, and it allowed SSA staff to efficiently associate documentation with the correct numberholder. SSA concluded that, unless it adopted an alternative method of distinguishing individuals, the display of SSNs on notices would remain necessary.

In 2008, SSA's Commissioner formed an inter-component workgroup to evaluate removing the SSN from its notices. SSA concluded it would continue including the SSN on its notices because it had an operational need for this information when it dealt with the public. SSA concluded that because the SSN is its identification number, the Agency would continue including it on notices.

¹¹ 20 C.F.R. § 401, *et seq.*

In 2009, the Agency re-examined the use of SSNs on notices. It focused on the Target Notice Architecture, which, at that time, generated approximately 80 million notices, annually. The workgroup discussed alternatives to using SSNs, such as using a truncated SSN or the BNC, which is another unique identifier SSA uses on its Social Security Statement and cost-of-living adjustment notices. The 2009 workgroup concluded that the use of the BNC was the preferred alternative. However, SSA had concerns with its use, including the following.

- The BNC is a 13-character alpha-numeric code that requires additional time to enter because of the additional keystrokes (the SSN is only 9 numeric characters).
- The BNC is not an alternative identifier. Notices going to the same individual from different notice systems or in different years would display a different BNC.
- Based on SSA's policy, staff cannot communicate personal information to callers who cannot provide an SSN.¹² According to SSA, callers cannot use the BNC as a substitute for the SSN for this purpose. If a notice recipient did not know his/her SSN, they would have to either call back with the number or visit a field office where an employee would need to conduct a search to obtain the SSN. This would increase the number of (1) calls made to the 800-number and (2) individuals visiting their local field office.
- There is no direct way to use the BNC to query SSA's Online Retrieval System, which is where SSA stores many of the electronic copies of the notices it mails. A cross-reference between the BNC and the SSN would be necessary. This would add a step to many inquiries.
- SSA's work related to use of the BNC increases after it sends the cost-of-living adjustment notices each year. For example, mail clerks in SSA's processing centers verify the names and SSNs associated with returned correspondence that includes a BNC but not an SSN.

Executive staff from SSA's Offices of Operations, Systems, General Counsel, and Policy discussed the 2009 workgroup analysis and decided SSA would not remove SSNs from additional Agency notices.

Other Agencies' Actions to Move Away from, or Limit the Use of, SSNs on Correspondence

Incidences of identity theft and the recognition that SSNs are linked to vast amounts of personal information have led some Federal agencies to remove SSNs from their health insurance or identification cards. For example, in September 2007, the Department of Veterans Affairs (VA) issued a report on its efforts to eliminate the unnecessary collection and use of SSNs.¹³ In its report, VA stated that new veteran identification cards no longer display SSNs. Additionally,

¹² SSA, POMS, GN 03360.005 A.1.b (December 20, 2010).

¹³ VA, *Eliminating the Unnecessary Collection and Use of Social Security Numbers at the Department of Veterans Affairs*, September 2007.

VA removed SSNs from cards issued for its specialized health programs, letters, correspondence, prescription bottles, mailing labels, and billing statements. In September 2014, VA updated this report,¹⁴ which discusses VA's development and use of unique identifying numbers instead of the SSN.

In June 2011, the Department of Defense completed efforts to replace almost 10 million military identification cards that included the SSN with cards that stored the numbers in bar codes. None of the new Department of Defense-issued cards displays SSNs.

CMS administers and manages the Medicare and Medicaid programs. Medicare sends about 325 million notices, annually. Of those, about 10.1 million General and Initial Enrollment Packages in 2015 contained the beneficiary's full SSN. CMS plans to remove the SSN from these documents in 2018. The majority of CMS' external correspondence does not contain SSNs; however, some of its letters include the last four digits of the SSN. CMS is planning to remove SSNs from Health Insurance Claim Numbers, the primary identifier for Medicare beneficiaries, by early 2019.

The Internal Revenue Service (IRS) mails approximately 200 million pieces of correspondence, annually. While the IRS could not provide us with information on how many of those letters/notices contained the full SSN, it had already masked or removed the SSNs from over 50 million annual notices, primarily non-payment notices. It also plans to mask the SSN on payment notices when funding is available to replace the existing payment processing systems. Further, the IRS is working to remove or mask the SSN on IRS forms and letters, where practical. Many IRS correspondence documents, however, are required by law to use the full SSN.

The Department of the Navy has implemented three phases of its SSN Reduction Plan. In Phase 1, after reviewing over 26,000 forms, it eliminated the collection of SSNs by 44 percent. In Phase 2, the Department of the Navy identified 45 information technology systems from which it could either eliminate the SSN or substitute it with another unique identifier. Both phases resulted in significant reductions in SSN collection, use, display, and maintenance. The Department of the Navy continues reviewing forms and information technology systems whenever it makes major changes or creates a new form or system. Phase 3 restricted the use of SSNs on memorandums, letters, faxes, spreadsheets, and hard copy lists.

The Office of Personnel Management directed all health insurance carriers affiliated with the Federal Employees Health Benefit Program to eliminate SSNs from insurance cards as soon as financially practical. In making this policy change, the Office of Personnel Management acknowledged that SSNs could serve as a critical link in identity theft cases, identity creation, and other crimes. As a result, health insurance carriers have removed SSNs from their health insurance cards. For example, Blue Cross and Blue Shield of Texas removed SSNs from

¹⁴ VA, *Eliminating the Unnecessary Collection and Use of Social Security Numbers at the Department of Veterans Affairs*, p. 7-11, Revised September 2014.

insurance cards for Federal and non-Federal subscribers and developed a unique identifier for insurance cards and correspondence. In fact, all Blue Cross and Blue Shield plans stopped using SSNs on their cards many years ago. In addition, MassMutual Financial Group told us that unless it is required by law to include the SSN—such as tax reporting forms or death claims—it does not list SSNs on any forms. Instead, it uses a policy or retirement claim number to identify the individual.

The *Intelligence Reform and Terrorism Prevention Act of 2004*¹⁵ prohibits Federal, State, and local governments from displaying SSNs, or any derivative thereof, on drivers' licenses, motor vehicle registrations, or other identification documents issued by State departments of motor vehicles.

SSA's Justification for Not Removing SSNs from Correspondence

SSA told us that including the SSN on notices is central to its business processes because the number supports the Agency's current operational and systems infrastructure. In the past, SSA stated that it did not believe the effort to remove SSNs from many of its notices was time- or cost-effective. Further, SSA stated that several SSA policies require that the SSN be included on most notices.

Moreover, SSA stated that including the SSN on many notices is necessary to avoid confusion. For example, SSA indicated that beneficiaries use award and denial notices as official documents of eligibility or ineligibility. Individuals often submit denial notices to attorneys to appeal the denial. SSA believes that removing the SSN could cause confusion in some situations, particularly when there is an issue of eligibility on multiple Social Security records, such as disabled widows and disability applicants. In another example, SSA stated that notices sent to third parties who are representing individuals with the same name could be complicated because the third party may have difficulty determining the correct individual he/she represents. Finally, SSA stated that the SSN is the main source of identification for employer pay records and for wage reporting. According to SSA, the SSN was developed solely to allow employers to uniquely identify and accurately report an individual's earnings covered under the Social Security program. Therefore, SSA maintains that an alternative number is not needed nor would it help the employer identify an employee and could make the employer less likely to complete SSA's requests for information required to administer Agency programs.

Additionally, SSA stated that all earnings-related notices should include SSNs. SSA sends earnings notices to employers and workers when they need to adjust, correct, or reconcile reported earnings. It is important for the employers and workers to know with which SSN the questioned earnings are associated to ensure they make the right adjustments, corrections, or reconciliations.

¹⁵ Pub. L. No. 108-458, § 7214, 118 Stat. 3638, 3832.

In FY 2012, SSA estimated it would incur 13 to 18 work years and pay \$2.3 to \$3.3 million to remove the SSNs from the 123 million notices formatted by Target Notice Architecture. SSA did not provide documentation detailing how it developed the estimated work years or related costs. Additionally, SSA estimated it would incur over \$35 million in operational costs, annually, because staff would need additional time to look up the SSNs of beneficiaries who contacted SSA to discuss a notice they received and did not know their SSNs. SSA used the average length of a call to its national 800-number network as an estimate of how much additional time staff would need to look up SSNs. It did not complete a study to determine the time needed for these specific types of calls.

SSA formed a new workgroup to determine the cost of further removing SSNs from its notices. The first meeting was in June 2015—after we initiated this review. The workgroup developed an administrative cost estimate to remove SSNs from notices and replace them with the previously developed BNC, which is SSA's preferred option. The total estimated cost is 107 work years, or approximately \$14 million. However, SSA did not provide us documentation to support the assumptions used to develop the cost estimate.

The workgroup concluded that pursuing the change to replace the full SSN on all notices in FY 2016 would require postponing other critical projects that directly support SSA's strategic information technology plan. Therefore, the workgroup recommended delaying the removal of the SSN from all notices until sufficient resources are available to dedicate to this effort. In the interim, SSA stated it would explore opportunities to use existing approved information technology projects to replace the SSN with the BNC on notices, on a case-by-case basis and as resources permit. The Acting Commissioner approved this recommendation in February 2016. While we are encouraged by the new position, we believe SSA should adopt a timeframe for implementation. This decision is not in line with SSA's longstanding duty to protect the privacy of personal records. SSA considered privacy protection of such great importance that it issued Regulation Number 1 in June 1937. Regulation Number 1 details SSA's privacy policy and the permissible disclosures of personal information for various purposes.¹⁶

SSA's Office of Operations also recommended that SSA retain SSNs on notices. In a 2009 workgroup report, and again in responses to our questions during this audit, the Agency stated that including SSNs on notices facilitated quicker service. For example, when individuals do not recall their SSNs, SSA staff must take additional steps, which takes more time, to confirm the individuals' SSNs before addressing why they contacted SSA. In addition, SSA stated that removing SSNs from notices would result in increased calls and visits to field offices and therefore an increased administrative burden on the Agency.

We asked SSA if it knows how many of the annual visitors to its field offices and callers to its national 800-number do not know their SSN. SSA stated it did not maintain any statistics on the volume of claimants who request service but do not know their SSN.

¹⁶ 20 C.F.R. § 401, *et seq.*

Finally, SSA referenced several SSA policies that require that SSA include the full SSN on many of its notices. These include Awards, Disallowance, Post-entitlement, and Disability Notices. SSA also stated that its guidelines require that the SSN be included in the address section of Notices (the SSN is not visible from the outside of the envelope). However, the guidance SSA referenced for this requirement only states that notices should include the claim or case number.¹⁷ SSA could meet this requirement and improve the security of the SSN by not using the SSN as a claim or case number.

SSA Should Remove SSNs from Correspondence

According to SSA, neither the *Social Security Act* nor its implementing regulations require that the Agency place the SSN, in full or otherwise, on notices. As such, SSA could limit the display of SSNs on the majority of notices. Further, as the Federal agency responsible for the SSN, we believe SSA has a unique responsibility to protect the SSN and should be the standard-bearer for other Federal and private entities. Convenience should not come before the security of individuals' private and sensitive information.

Our audit and investigative work have shown that the more SSNs are unnecessarily used, the higher the probability they may be used to commit crimes. While SSA cannot control the collection and use of SSNs by other entities, we believe it is important to address any known risk, especially if that risk is under the Agency's control.

Our recent review of SSA's use of the Treasury Offset Program¹⁸—that includes referring 10-year and older delinquent debts of former beneficiaries to the Treasury Offset Program for collection—found that SSA, through April 2014, had mailed pre-offset notices, which included full SSNs, to 296,091 individuals. However, the U.S. Postal Service returned 152,462 (51 percent) of these notices to SSA as undeliverable.¹⁹ This shows that the addresses in SSA's records can be inaccurate and may result in SSA notices being delivered to the wrong individual. SSA stated that it recognized the addresses could be outdated for these specific pre-offset notices sent to individuals who were no longer receiving benefits and had delinquent debts over 10 years old. Consequently, in February 2015, SSA modified its business process and began to obtain current addresses from its third party vendor prior to mailing pre-offset notices. We do not know how many additional notices did not reach the intended addressee but were not returned to SSA.

We asked SSA whether it maintained any estimates on the number of mailings that were returned as undeliverable. SSA stated that it did not have any Agency-level number on undeliverable mail. SSA could not provide us an estimate of the number of notices with SSNs it mails annually that do not reach the intended recipients and are not returned to SSA. Someone other

¹⁷ SSA, POMS, NL 00610.070 C.3 (August 12, 2009).

¹⁸ SSA OIG, *SSA's Use of the Treasury Offset Program* (A-04-14-14104), July 2015.

¹⁹ *Id.* at p. 6.

than the intended recipient may intercept notices sent to incorrect addresses. Notices intercepted by unintended recipients could provide SSA beneficiaries' names, addresses, and SSNs to individuals other than the numberholders. While neither SSA nor we have any documented proof of instances of identity theft based on mail being delivered to the wrong individual, SSA has stated there is a risk of identity theft anytime it sends correspondence that contains PII.

Identity theft is one of the fastest growing crimes in America. With a stolen SSN, identity thieves can commit any number of financial crimes in the victim's name or steal money from the victim. If the victim is a senior citizen, the thief could even target their Social Security benefits. Thieves might attempt to change the victim's Social Security direct deposit information, redirecting benefits to other accounts. SSA acknowledges that identity thieves may obtain another's personal information by stealing their mail or rummaging through their trash. It is, therefore, troubling that SSA continues including the full SSN on the majority of its mailings.

CONCLUSIONS

According to SSA, in 2015, it mailed about 233 million notices that included individuals' full SSN. We recognize SSA's efforts can never eliminate the potential that dishonest individuals may inappropriately acquire and misuse SSNs. However, our audit and investigative work have shown that the more SSNs are unnecessarily used, the higher the probability that they could be used inappropriately. The security of beneficiaries' PII should be foremost, and as a Federal agency and public servant, we believe SSA should be in the forefront of establishing policy and practice by limiting SSN use and disclosure.

RECOMMENDATIONS

We recommend that SSA:

1. Make removal of SSNs from SSA correspondence a priority as resources permit.
2. Re-evaluate and document the assumptions used to develop SSA's cost estimates to remove SSNs from its correspondence.

AGENCY COMMENTS

SSA agreed with our recommendations. The Agency's comments are included in Appendix B.



Steven L. Schaeffer, JD, CPA, CGFM, CGMA
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed applicable Federal laws and sections of the *Social Security Act*.
- Reviewed applicable Social Security Administration (SSA) policies, procedures, and operating instructions.
- Reviewed Office of the Inspector General and Government Accountability Office reports and other relevant documents.
- Determined the number of notices that SSA sends annually and how many of those contain a full Social Security number.
- Contacted other Government and private agencies to determine the measures they had taken to reduce or eliminate the use of Social Security numbers on correspondence.
- Conducted meetings with applicable SSA staff.

The entities evaluated were the Office of Systems under the Office of the Deputy Commissioner for Systems and the Office of Operations under the Office of the Deputy Commissioner for Operations. We conducted our review at the Office of Audit in Atlanta, Georgia, from June 2015 through February 2016. We conducted our review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: March 30, 2016 Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Frank Cristaudo /s/
Counselor to the Commissioner

Subject: Office of the Inspector General Draft Report, "Social Security Administration Correspondence Containing Full Social Security Numbers" (A-04-15-50070)--INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

Attachment

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "SOCIAL SECURITY ADMINISTRATION CORRESPONDENCE CONTAINING FULL SOCIAL SECURITY NUMBERS" (A-04-15-50070)

We remain committed to protecting the integrity of the Social Security number (SSN). We take very seriously our responsibilities to issue an SSN to only those entitled to receive one and to protect the Personally Identifiable Information in our care. We are encouraged that OIG did not find any SSN misuse attributable to the display of SSNs on notices during its review. We will work to remove the SSN's where we can; however, the SSN on notices is central to our business processes because the number supports our current operational and systems infrastructure. In addition, there are a multitude of complexities that may affect our ability to quickly change our notice structure and format.

However, we are always looking for opportunities to increase the protection of the SSN. As mentioned in the report, we convened an intra-agency workgroup during the summer of 2015 to consider options for removing the SSN from notices. Based on the workgroup's results, we will leverage approved Information Technology (IT) projects that are already modifying notices to identify additional opportunities to replace the SSN with the Beneficiary Notice Control Number (BNC)-the identifier we now use on the Title II COLA notice. This will allow us to remove the SSN from notices on a flow basis and as resources permit.

Recommendation 1

Make removal of SSNs from SSA correspondence a priority as resources permit.

Response

We agree. Based on the workgroup's efforts mentioned above, we have informed the staff responsible for notices to replace the SSN with the BNC as resources and existing IT projects permit.

Recommendation 2

Re-evaluate and document the assumptions used to develop SSA's cost estimates to remove SSNs from its correspondence.

Response

We agree. We will provide the OIG the documentation for our recent cost estimates on the removal of SSNs from notices.

Appendix C – ACKNOWLEDGMENTS

Theresa Roberts, Director, Atlanta Audit Division

Hollie Calhoun, Audit Manager, Atlanta Audit Division

Mike Leibrecht, Senior Auditor, Atlanta Audit Division

Kimberly Beauchamp, Writer-Editor

MISSION

By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration's (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

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Website: <https://oig.ssa.gov/report-fraud-waste-or-abuse>

Mail: Social Security Fraud Hotline
P.O. Box 17785
Baltimore, Maryland 21235

FAX: 410-597-0118

Telephone: 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. Eastern Standard Time

TTY: 1-866-501-2101 for the deaf or hard of hearing