

# Reimbursement for Data Exchanges with Third Parties

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Office of Audit Report Summary

### Objective

To determine whether third parties properly reimbursed the Social Security Administration (SSA) for data exchange agreements.

### Background

SSA has significantly increased its data exchange workload. The Agency verifies information with other Federal, State, and local government agencies, and with many private organizations that are program and non-program related. SSA uses various systems for these data exchanges. As the number, type, and complexity of these exchanges and supporting agreements has increased, the workload of SSA components responsible for these various programs has increased.

In FY 2013, SSA created the Office of Data Exchange and Policy Publications to provide oversight and coordination of the Agency's data exchanges.

Several statutes and regulations allow SSA to be reimbursed for providing data and services to third parties. For example, the *Social Security Act* permits SSA to require reimbursement for the full cost of providing information for any purpose not directly related to administering the programs under the *Social Security Act*.

### Findings

Although SSA was reimbursed for its costs for providing electronic data to third parties, the Agency's process for developing its cost estimates for reimbursable work could be improved. Of the 15 reimbursable agreements we reviewed, SSA did not request about \$289,000 for personnel costs for field office (FO) staff workloads for 2 agreements. Yet, the Agency received about \$4.3 million for FO workload for two other reimbursable agreements. To ensure consistency, the Agency needs to establish written policy to determine when it should seek reimbursement for FO workload costs for its data exchanges. Of the 20 non-reimbursable data exchanges we reviewed, SSA continued providing or receiving data for 5 data exchange agreements, although the agreements had lapsed or did not include expiration dates. During our review, SSA took steps to renew four of the five agreements.

Finally, SSA was developing an integrated system to inventory and track the Agency's data exchange activities. The Agency had determined that multiple SSA components maintained about 20 different databases and paper repositories of data exchange information, making it difficult for SSA to obtain complete information on the Agency's data exchange activities, such as volumes, counts, lists of partners, and copies of agreements. In FY 2014, SSA took steps to develop the Integrated Data Exchange Application (IDEA) that is expected to house all data exchanges and related agreement documentation in one comprehensive, searchable repository and serve as an accurate inventory of data exchanges. IDEA is in the planning phase, and the Agency expects it to be operational by 2017.

### Recommendations

We made three recommendations for SSA to improve its data exchange agreement and inventory processes. SSA agreed with our recommendations.