Undeliverable Social Security Number Cards
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SOCIAL SECURITY
ADMINISTRATION
OIG

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Objectives

To determine (1) whether changes to the Social Security number (SSN) card application process have decreased the number of returned SSN cards and (2) why SSN cards were returned to the Agency as undeliverable. We also evaluated the controls in place for handling and destroying undeliverable cards.

Background

In Fiscal Year 2017, the Social Security Administration (SSA) issued approximately 16.5 million new and replacement cards. SSN card applications can be filed (1) in the hospital through Enumeration at Birth, (2) at the Department of State through Enumeration at Entry, (3) online through the Internet Social Security Number Replacement Cards feature, or (4) in the field office (FO) through the Social Security Number Application Process.

We estimate the U.S. Postal Service (USPS) returns approximately 360,000 cards as undeliverable each year. SSA has designated a P.O. Box to receive undeliverable SSN cards. The cards are delivered in locked mailbags to the mailroom in Baltimore, Maryland, where they are stored in locked cages until they are shredded.

Findings

We identified areas in the SSN application process where SSA could improve its performance and further reduce the number of undeliverable SSN cards. Although the number of undeliverable SSN cards had decreased since our prior audit, we estimated approximately 360,000 SSN cards were returned to the Agency as undeliverable each year. Of those cards, nearly 150,000 could have been delivered to the intended address had there been a process in place to validate the address. Specifically, we found addresses were missing critical elements, such as the street name, P.O. Box number, and apartment number. We estimate the Agency incurred approximately $4.1 million in costs for processing these 150,000 SSN applications, as well as printing and mailing the SSN cards. Yet, the cards never reached the intended individuals. Also, we estimate the Agency spent approximately $3.2 million more to process replacement cards after the applicants' non-receipt of the first card. Mailing SSN cards with invalid addresses poses both financial and non-financial risks to the Agency. Further, if the personal information does not reach the correct person, that information is at risk for identity theft and SSN misuse.

We also identified several vulnerabilities in the internal controls over the security of the undeliverable SSN cards. We determined that procedures over the SSN card handling and destruction process did not adequately protect the security of the SSN cards.

Recommendations

We made six recommendations to improve the process, including implementing a process for validating address information before the SSN card is printed and mailed and improving controls around the handling of the undeliverable SSN cards.

SSA agreed with five of our six recommendations. For the sixth recommendation, SSA disagreed; however, the Agency stated that information technology modernization efforts would help to develop tracking mechanisms in the future.