

FY 2020 OMB Supplemental Data Call

SSA

DRAA

SSI

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Effective FY 2012, as required by IPERA, we hold managers, program officials, and senior executives accountable for reducing improper payments. For these employees, their annual performance plans reflect their responsibility to support efforts to maintain sufficient internal controls to prevent, detect, and recover improper payments and meet targets to reduce improper payments.

SSA is committed to being good stewards of taxpayer dollars to ensure the public has confidence that we manage their tax dollars wisely. We take the stewardship of our programs seriously and continue to demonstrate a commitment to sound management practices. To ensure stewardship and the efficient administration of our programs, we have established a number of performance measures in our Annual Performance Report (FY 2018 - 2020) to track our progress. Under Strategic Objective 3.1 – Improve Program Integrity, there are 4 performance measures directly related to reduction of improper payments:

3.1a – Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments (Note: This is an Agency Priority Goal, reflecting the priorities of our executive leadership)

3.1b - Maintain a high payment accuracy rate by reducing overpayments, in the Old-Age, Survivors, and Disability Insurance program

3.1c - Ensure the quality of our decisions by achieving the State disability determination services decisional accuracy rate for initial disability decisions

3.1d - Modernize our Debt Management System

Senior Executive performance plans must clearly align with organizational goals and objectives under the Results Driven Critical Element, and the performance levels in the performance requirements must reflect agency targets.

To further our focus on reducing improper payments, in fiscal year 2019, we established an Improper Payments Prevention team in the Office of Analytics, Review, and Oversight (OARO). The team works with key agency stakeholders to develop Improper Payment Alignment Strategies (IPAS) that outline innovative and effective strategies to mitigate the root causes of improper payments. We also reestablished the Deputy-Commissioner level Improper Payments Oversight Board (IPOB), who is responsible for reviewing, approving, and implementing all improper payment initiatives. The Deputy Commissioner of OARO serves as the executive chair for the IPOB.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

| Indicate root cause | Indicate mitigation strategy/corrective action(s) taken | Provide any additional detail (optional free text) | Select the actual completion date for action(s) taken |
|--|--|--|--|
| 2. Inability to Authenticate Eligibility: Inability to Access Data | 5-Cross Enterprise Sharing | Corrective actions related to financial accounts. | Other |
| 2. Inability to Authenticate Eligibility: Inability to Access Data | 5-Cross Enterprise Sharing | Corrective actions related to wage discrepancies. | Other |
| 2. Inability to Authenticate Eligibility: Inability to Access Data | 5-Cross Enterprise Sharing | Corrective actions related to residency (living outside of the country). | Other |
| 2. Inability to Authenticate Eligibility: Inability | 5-Cross Enterprise Sharing | Corrective actions related to real property ownership. | Other |

| Indicate root cause | Indicate mitigation strategy/corrective action(s) taken | Provide any additional detail (optional free text) | Select the actual completion date for action(s) taken |
|--|--|---|--|
| to Access Data | | | |
| 3. Inability to Authenticate Eligibility: Data Needed Does Not Exist | 4-Change Process (instructions, checklist, policy) | Corrective actions related to receiving in-kind support and maintenance (ISM) | Other |
| 4. Failure to Verify: Death Data | 1-Automation | Corrective actions related to death. | Other |
| 5. Failure to Verify: Financial Data | 5-Cross Enterprise Sharing | Corrective actions related to financial accounts | Other |
| 5. Failure to Verify: Financial Data | 5-Cross Enterprise Sharing | Corrective actions related to real property ownership | Other |
| 8. Failure to Verify: Other Eligibility Data (explain) | 4-Change Process (instructions, checklist, policy) | Corrective actions related to negotiating State reporting agreements with correctional institutions | Other |
| 8. Failure to Verify: Other Eligibility Data (explain) | 4-Change Process (instructions, checklist, policy) | Corrective actions related to receiving in-kind support and maintenance (ISM) | Other |
| 9. Administrative or Process Errors Made by: Federal Agency | 4-Change Process (instructions, checklist, policy) | Corrective actions related to receiving in-kind support and maintenance (ISM) | Other |

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Steps the agency has taken to detect improper payments:

Our employees follow an internal review process to determine SSI payment accuracy. We perform stewardship reviews, which measure the accuracy of payments to our recipients. Each month, specialists with extensive expertise in our benefit programs and business processes conduct our stewardship reviews, which measure the accuracy of payments to recipients. These employees review a sample of SSI cases to determine payment accuracy rates. For each sample case, we interview the recipient or representative payee, contact third parties as needed, and redevelop all non-medical factors of eligibility and payment amount for the review period. We use these data to identify payment accuracy, as well as our strengths and weaknesses, which allows us to target our resources to take corrective actions yielding the highest return on investment.

In our field offices, employees conduct ongoing periodic reviews of non-medical factors of eligibility such as income and resources known as SSI redeterminations. Our statistical predictive models help us prioritize the redeterminations we work annually. We first complete those redeterminations that will likely result in a termination of benefits or with the highest likelihood of an overpayment, respectively.

SSI redeterminations are our most effective payment recapture program integrity activities because they identify cases where we should discontinue benefit payments. We receive dedicated funding to conduct redeterminations.

Regarding the steps the agency has taken to recover improper payments, please see our response to Question No. 3 below.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Steps the agency has taken to recover improper payments identified in recovery audits:

We have a comprehensive debt collection program. We collected \$3.809 billion in OASDI and SSI benefit overpayments in FY 2020 at an administrative cost of \$0.06 on average per dollar collected. We collected \$18.994 billion over a 5-year period (FYs 2016–2020). To recover overpayments, we use internal debt collection techniques (i.e., payment withholding, billing, and follow-up), as well as some external collection techniques authorized by the *Debt Collection Improvement Act of 1996* for OASDI debts and the *Foster Care Independence Act of 1999* for SSI debts. From 1992–2020, our external collection techniques have yielded \$63.4 billion in benefit overpayment recovery. For additional information about our external collection techniques, please refer to the Debt Collection and Management section of this FY 2020 *Agency Financial Report*.

We developed a system to use the Treasury Offset Program, credit bureau reporting, and Administrative Wage Garnishment collection mechanisms. Because the system includes more

than TOP and is the basis for any future collection interfaces with agencies or entities outside our agency, we call it the External Collection Operation system.

We continue to make improvement in other aspects of our debt collection program. In FY 2018, we began modernization efforts to build a new Debt Management System. This information technology (IT) investment is a multi-year effort that will build a new comprehensive overpayment system enabling us to record, track, collect, and report our overpayments more efficiently.

The Federal Government uses the reclamation process to recover benefit payments paid via direct deposit to the financial account of a beneficiary who died and is not entitled to the payment, became legally incapacitated, or who died before the date of the payment(s). To recover OASDI and SSI payments from U.S. financial institutions, we must send reclamation requests within 120 days of the date we learn of a beneficiary's death. A financial institution may protest a recovery of funds if we did not initiate the reclamation timely.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

Since we do not exclude any programs from review under our payment recapture audit program, this question is Not Applicable (N/A).

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- Identifying risk and vulnerabilities to fraud, and*
- Establishing strategies, procedures, and other steps to curb fraud.*

| Implementation of OMB Circular A-123 | Implementation of GAO Green Book | Identifying Risk and Vulnerabilities | Establishing Strategies, Procedures and Other steps |
|---|---|---|--|
| 2 – Established | 3 – Fully Operational | 2 – Established | 2 – Established |

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

We have a strong internal control environment that has always included controls over our benefit payment and debt management processes. We directly leverage our existing internal control environment and assurance processes to provide reasonable assurance that our internal controls over improper payments are in place and operating effectively.

As part of our internal control environment, we have a well-established, agency-wide management control program as required by the *Federal Managers' Financial Integrity Act* (FMFIA).

We established the Improper Payments Oversight Board (IPOB), consisting of senior executive membership, to ensure that we are focusing on improper payment prevention, formulating clear and innovative strategies, and driving timely results agency-wide.

The effective internal controls we incorporate into our business processes and financial management systems, as well as the program integrity efforts, support our Commissioner's annual assurance statement to the President and Congress.

In April 2019, we established the Enterprise Fraud Risk Management (EFRM) program to systematically assess fraud risk across SSA's major programmatic and administrative areas. Through our EFRM program we have conducted multiple fraud risk assessments on key areas such as Disability, Electronic Services (eServices), Administrative Services, and the Representative Payee program. After each fraud risk assessment, our senior executives review each fraud risk and determine whether our controls are effective or whether we need to develop additional controls to further reduce the risk. For each risk designated as "reduce" by our executives, we develop additional mitigation strategies to further prevent or detect the fraud. The risk response and the designated mitigation strategies form the basis of the fraud risk profile for each fraud area.

We are currently conducting two additional fraud risk assessments and plan to conduct three additional assessments by the end of FY 2022. Beginning in FY 2023, we will be conducting reassessments of each fraud area, consistent with the GAO guidance.

Our fraud risk assessments have identified risks & vulnerabilities in accordance with the Payment Integrity Information Act. We address fraud risks related to payroll, grants, contracts, and purchase/travel cards in our Administrative Services Fraud Risk Assessment. We are assessing fraud risks related to beneficiary payments in multiple fraud risk assessments, to include Disability, Representative Payee Program, OASDI and SSI. We assessed fraud risks related to information technology in our eServices Fraud Risk Assessment. We develop additional mitigation strategies for any risks our senior executives determine need further reduction.

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Since we do not have any programs not listed in this collection which were recently assessed to determine susceptibility of improper payments, we are responding as follows: Not Applicable (N/A)

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

| Cost Prohibitive (Yes/No) | Indicate Root Cause if known | Indicate which corrective action |
|----------------------------------|--|--|
| NO | 2. Inability to Authenticate Eligibility: Inability to Access Data | 5-Cross Enterprise Sharing |
| NO | 3. Inability to Authenticate Eligibility: Data Needed Does Not Exist | 4-Change Process (instructions, checklist, policy) |
| NO | 4. Failure to Verify: Death Data | 1-Automation |
| NO | 5. Failure to Verify: Financial Data | 5-Cross Enterprise Sharing |
| NO | 8. Failure to Verify: Other Eligibility Data (explain) | 4-Change Process (instructions, checklist, policy) |
| NO | 9. Administrative or Process Errors Made by: Federal Agency | 4-Change Process (instructions, checklist, policy) |

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

We do not believe that applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved; however, at this time, we have not completed a formal evaluation to make an assessment in this area.

We strive to reduce improper payments within the constraints of statutory and regulatory requirements and available resources. We also work with Congress and our stakeholders to identify ways to simplify our statutory and regulatory requirements. In addition, in this report, we discuss the major causes of our SSI error rates and our corrective action plans to reduce them. While we strive to improve our efforts to reduce improper payments, outcomes must be significant to affect our error rate. To have an effect on improper payments, **for FY 2019, each tenth of a percentage point in payment accuracy represents about \$56.5 million in program outlays for the SSI program.**

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

| |
|---------------------------|
| Indicate Yes or No |
| NO |

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Our IG found that our Supplemental Security Income (SSI) program was not compliant with the improper payment requirements, because we failed to meet our annual reduction target for fiscal year (FY) 2018 (i.e., projected error rate, as reported in our FY 2019 AFR).

We strive to reduce improper payments within the constraints of statutory and regulatory requirements and available resources. We also work with Congress and our stakeholders to identify ways to simplify our statutory and regulatory requirements. In addition, in this report, we discuss the major causes of our SSI error rates and our corrective action plans to reduce them. While we strive to improve our efforts to reduce improper payments, outcomes must be significant to affect our error rate. To have an effect on improper payments, **for FY 2019, each tenth of a percentage point in payment accuracy represents about \$56.5 million in program outlays for the SSI program.**

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

| Indicate 'yes' or 'no' | Indicate program needs |
|------------------------|------------------------|
| YES | 1. Internal Controls |
| YES | 2. Human Capital |
| YES | 3. Information Systems |

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Internal Controls: We have a strong internal control environment that has always included controls over our benefit payment and debt management processes. As a result, we directly leverage our existing internal control environment and assurance processes to provide reasonable assurance that our internal controls over improper payments are in place and operating effectively.

As part of our internal control environment, we have a well-established, agency-wide management control program as required by the *Federal Managers' Financial Integrity Act* (FMFIA).

We established the Improper Payments Oversight Board (IPOB), consisting of senior executive membership, to ensure that we are focusing on improper payment prevention, formulating clear and innovative strategies, and driving timely results agency-wide.

Human Capital: Our program integrity work is labor-intensive and dependent on having the necessary trained staff to do the work. The same employees who handle our program integrity work also handle applications for benefits and other mission-critical work.

Information Systems: Our staff rely on our IT infrastructure to serve the public and safeguard our programs. Our IT infrastructure has grown increasingly complex, inefficient to meet customer demands, and costlier to maintain and secure.

We initiated our *IT Modernization Plan* in FY 2018 to improve our service to the public. We will advance our IT infrastructure with 21st century technology and implement the technical

flexibility necessary to adapt to future demands. To achieve our modernization goals, we will invest \$691 million over 5 years, including the \$325 million that the Congress provided in dedicated IT modernization funding in FYs 2018 and 2019.

Other Infrastructure: The agency continues to emphasize the importance of information security through continual operational refinement and the maturation of security components that exceed the standards set forth by government regulations. In FY 2021, we will continue to align our agency cybersecurity priorities with agency strategic objectives and the National Institute of Standards and Technology Cybersecurity Framework (CSF) to identify, detect, and stop potential fraudulent transactions before they occur. Continued alignment with the CSF will infuse practices from Federal initiatives including the President’s Cybersecurity National Action Plan, Department of Homeland Security’s (DHS) High Value Asset program, and DHS’s Continuous Diagnostics and Mitigation program. We will continue to streamline and modernize the existing Comprehensive Integrity Review Program business process. The revised process will use innovative technologies such as big data and predictive analytic tools to identify, detect, and stop potentially fraudulent programmatic transactions before they occur.

Question 10: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

| Indicate identified root cause | Indicate corrective action(s) taken | Select the actual completion date for action(s) taken | If other completion date, please indicate |
|--|--|---|---|
| 2. Inability to Authenticate Eligibility: Inability to Access Data | 5-Cross Enterprise Sharing | Other | |
| 2. Inability to Authenticate Eligibility: Inability to Access Data | 5-Cross Enterprise Sharing | FY2020 Q2 | |
| 2. Inability to Authenticate Eligibility: Inability to Access Data | 5-Cross Enterprise Sharing | Other | 09/30/2020 |
| 3. Inability to Authenticate Eligibility: Data Needed Does Not Exist | 4-Change Process (instructions, checklist, policy) | Other | |
| 4. Failure to Verify: Death Data | 1-Automation | Other | 09/30/2020 |
| 5. Failure to Verify: Financial Data | 5-Cross Enterprise Sharing | Other | |
| 5. Failure to Verify: Financial Data | 5-Cross Enterprise Sharing | Other | 09/30/2020 |

| Indicate identified root cause | Indicate corrective action(s) taken | Select the actual completion date for action(s) taken | If other completion date, please indicate |
|---|--|---|---|
| 8. Failure to Verify: Other Eligibility Data (explain) | 4-Change Process (instructions, checklist, policy) | Other | |
| 9. Administrative or Process Errors Made by: Federal Agency | 4-Change Process (instructions, checklist, policy) | Other | |

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

We developed the AFI program to address overpayment (OP) errors related to resources in financial accounts (FA). We use AFI to verify FA during the SSI application process and periodic redeterminations of continued eligibility to detect excess resources and deter improper payment (IP) reoccurrence. The AFI initiative is also critical in detecting undisclosed FA.

SSI recipients are ineligible for payments if they are out of the country 30 or more consecutive days or for an entire calendar month. We developed the Foreign Travel Data (FTD) application within the SSI Claims System to interface with DHS's ADIS to obtain foreign travel information on non-citizen SSI recipients. The implementation of FTD & integration of ADIS data is a multi-year project. In 2/2020, DHS made prospective data on foreign travel for U.S. citizens available & is working to include historical data.

SSI ineligibility may result if a recipient owns real property (generally land and the building,) other than his or her principal place of residence referred to as non-home real property(NHRP), and the current equity value exceeds the resource limit. Undisclosed NHRP is a leading cause of improper OPs in the SSI program. We rely on the applicant or recipient to report ownership of NHRP non home real property. Our corrective actions require our technicians to identify undisclosed property owned by the claimant, recipient, or deemor.

We are required to count any ISM received when determining eligibility for SSI and the amount of monthly benefits. ISM can be in the form of food, shelter, or both from family, friends, or other third-party sources. We frequently review our ISM related operating instructions and related statutes and regulations to try to simplify our processes.

The Electronic Death Registration process is a State-sponsored initiative that automates the death registration process.

Through our IT Modernization efforts to date, we improved the accuracy and consistency of death information by adding over 10.6 million deaths to the Death Master File.

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

| Indicate identified root cause | Indicate planned corrective action(s) | Select the planned completion date for action(s) program will take | Other planned completion date |
|--|--|--|-------------------------------|
| 2. Inability to Authenticate Eligibility: Inability to Access Data | 5-Cross Enterprise Sharing | FY2023 | |
| 2. Inability to Authenticate Eligibility: Inability to Access Data | 5-Cross Enterprise Sharing | FY2021 | |
| 3. Inability to Authenticate Eligibility: Data Needed Does Not Exist | 4-Change Process (instructions, checklist, policy) | FY2021 | |
| 4. Failure to Verify: Death Data | 1-Automation | FY2021 | |
| 5. Failure to Verify: Financial Data | 5-Cross Enterprise Sharing | FY2023 | |
| 8. Failure to Verify: Other Eligibility Data (explain) | 4-Change Process (instructions, checklist, policy) | FY2026 | |
| 9. Administrative or Process Errors Made by: Federal Agency | 4-Change Process (instructions, checklist, policy) | FY2026 | |

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Effective March 17, 2020, we took steps to protect the public and our employees from COVID-19. At this time, we are still assessing how the COVID-19 pandemic will impact our workload

performance. Additionally, other factors such as funding could impact the anticipated completion dates.

AFI

In a future release of our Debt Management System modernization, we plan to implement two AFI systems enhancements that will improve our current process for initiating AFI and reducing improper payments.

SSI WAGES

To address the risk of unreported wages, we will implement an information exchange with payroll providers. Specifically, Section 824 of the Bipartisan Budget Act of 2015 (BBA 824) authorizes the agency to establish information exchanges with payroll data providers to obtain wage data to administer the SSI program and prevent improper payments. In accordance, we have entered into data-exchange agreements to give us access to real-time payroll information for our recipients.

RESIDENCY

We have since re-prioritized some of our FY 2020 initiatives for FY 2021. As resources become available, we plan to complete the following initiatives:

In FY 2021, we will continue to pursue new data exchange partners from government and private sectors.

In-Kind Support and Maintenance

We are required to count any ISM received when determining eligibility for SSI and the amount of monthly benefits. ISM can be in the form of food, shelter, or both from family, friends, or other third-party sources. We frequently review our ISM related operating instructions and related statutes and regulations to try to simplify our processes.

The FY 2021 President's Budget includes a proposal that would replace ISM with a flat-rate benefit reduction for adults living with other adults. This proposal would make two additional changes to simplify the program and reduce the burden on recipients and representative payees.

Death

Forty-six States, the District of Columbia and the City of New York currently participate in EDR. We continue to work diligently to achieve full nationwide participation.

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

| Indicate compliant or non-compliant | Compliance criteria |
|-------------------------------------|--|
| Compliant | 1. Publish an AFR or PAR |
| Compliant | 2. Conduct Program-Specific Risk Assessment |
| Compliant | 3. Publish Improper Payment Estimates |
| Compliant | 4. Publish Programmatic Corrective Action Plans |
| Non-Compliant | 5. Publish and Meet Annual Reduction Targets |
| Compliant | 6. Report a gross Improper Payment Rate of Less than 10% |

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Our Inspector General found that our Supplemental Security Income program was not compliant with the improper payment requirements, because we failed to meet our annual reduction target for fiscal year (FY) 20182 (i.e., projected error rate, as reported in our FY 2019 Agency Financial Report).

Question 13: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate how many consecutive years this program was deemed non-compliant as of the most recent IG compliance review (regardless of which of the six (6) criteria were determined non-compliant).

Indicate consecutive years

7

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Our IG found that our Supplemental Security Income (SSI) program was not compliant with the improper payment requirements, because we failed to meet our annual reduction target for fiscal year (FY) 2018 (i.e., projected error rate, as reported in our FY 2019 AFR).

Question 14: Bringing the program into compliance (PIIA Section: 3353(b) (5))

If deemed to be non-compliant in the most recent fiscal year, please briefly describe the plan the executive agency will take to bring the program into compliance.

| Indicate root cause | Indicate planned corrective actions |
|--|--|
| 2. Inability to Authenticate Eligibility: Inability to Access Data | 5-Cross Enterprise Sharing |
| 3. Inability to Authenticate Eligibility: Data Needed Does Not Exist | 4-Change Process (instructions, checklist, policy) |
| 4. Failure to Verify: Death Data | 1-Automation |
| 5. Failure to Verify: Financial Data | 5-Cross Enterprise Sharing |
| 8. Failure to Verify: Other Eligibility Data (explain) | 4-Change Process (instructions, checklist, policy) |
| 9. Administrative or Process Errors Made by: Federal Agency | 4-Change Process (instructions, checklist, policy) |

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Our greatest payment accuracy challenges occur within the SSI program. SSI is a means-tested program for individuals with limited income and resources who are blind, disabled, or aged. Administering the SSI program is complicated by the statutory requirement for us to determine SSI eligibility and calculate SSI payments on a monthly basis. We remain committed to simplifying the SSI program, and we are exploring ways to do this in an equitable manner.

AFI

In a future release of our Debt Management System modernization, we plan to implement two AFI systems enhancements that will improve our current process for initiating AFI and reducing improper payments.

Wages

To address the risk of unreported wages, we will implement an information exchange with payroll providers. Specifically, Section 824 of the Bipartisan Budget Act of 2015 authorizes the agency to establish information exchanges with payroll data providers to obtain wage data to administer the SSI program and prevent improper payments. In accordance, we have entered into data-exchange agreements to give us access to real-time payroll information for our recipients.

Residency

We have since re-prioritized some of our FY 2020 initiatives for FY 2021. As resources become available, we plan to complete the following initiatives:

In FY 2021, we will continue to pursue new data exchange partners from government and private sectors.

ISM

The FY 2021 President's Budget includes a proposal that would replace ISM with a flat-rate benefit reduction for adults living with other adults. This proposal would make two additional changes to simplify the program and reduce the burden on recipients and representative payees.

Death

Forty-six States, the District of Columbia and the City of New York currently participate in EDR. We continue to work diligently to achieve full nationwide participation.

Question 15: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

For any program or activity deemed to be non-compliant in the most recent fiscal year please briefly describe and identify the following:

- The measurable milestones to be accomplished*
- The senior executive agency official responsible*
- Establishment of an accountability mechanism*
- Incentives*
- Consequences*

| Measurable milestones | Target Date | If other date, please specify | Senior Executive Agency Official | Accountability Mechanism | Incentives | Consequences |
|------------------------------|--------------------|--------------------------------------|---|---|---|---|
| Financial Accounts (AFI) | FY2026 | | Marianna LaCanfora | We established an accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. | We established an accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. | We established an accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. |
| Wage discrepancies | FY2026 | | Marianna LaCanfora | We established an accountability mechanism (e.g., performance agreement), | We established an accountability mechanism (e.g., performance agreement), | We established an accountability mechanism (e.g., performance agreement), |

| Measurable milestones | Target Date | If other date, please specify | Senior Executive Agency Official | Accountability Mechanism | Incentives | Consequences |
|--|--------------------|--------------------------------------|---|---|---|---|
| | | | | with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. | with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. | with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. |
| Residency (living outside the country) | FY2026 | | Marianna LaCanfora | We established an accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. | We established an accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. | We established an accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. |
| Real Property | FY2022 | | Marianna LaCanfora | We established an | We established an | We established an |

| Measurable milestones | Target Date | If other date, please specify | Senior Executive Agency Official | Accountability Mechanism | Incentives | Consequences |
|---|--------------------|--------------------------------------|---|---|---|---|
| Ownership | | | | accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. | accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. | accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. |
| Receiving in-kind support and maintenance | FY2026 | | Marianna LaCanfora | We established an accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program | We established an accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each | We established an accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program |

| Measurable milestones | Target Date | If other date, please specify | Senior Executive Agency Official | Accountability Mechanism | Incentives | Consequences |
|-----------------------|-------------|-------------------------------|----------------------------------|---|---|---|
| | | | | and activity. | program and activity. | and activity. |
| Death | FY2026 | | Marianna LaCanfora | We established an accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. | We established an accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. | We established an accountability mechanism (e.g., performance agreement), with appropriate incentives and consequences tied to the success of the senior agency official in leading agency efforts to achieve compliance for each program and activity. |

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

NHRP was implemented in 9/2017. Each year, we report improper payment findings, both OPs & UPs, from our stewardship reviews of the non-medical aspects of the OASI, DI & SSI programs. The annual sample is not large enough to provide statistically reliable information about individual improper payments in a given year. Over a 5yr period, the size of our stewardship sample provides statistically reliable data on the overall payment accuracy. Therefore after the implementation of our corrective actions, in order to provide statistically reliable data, we must consider the data over a 5yr period.

AFI

In a future release we plan to implement two AFI systems enhancements that will improve our current process.

SSI WAGES

To address the risk of unreported wages, we will implement an information exchange with payroll providers. Section 824 of BBA authorizes the agency to establish information exchanges with payroll data providers to obtain wage data to administer the SSI program & prevent IPs. We have entered into data-exchange agreements to give us access to real-time payroll information for our recipients.

RESIDENCY

As resources become available, we plan to complete the following initiatives:

In FY 2021, we will continue to pursue new data exchange partners from government & private sectors.

ISM

We are required to count any ISM received when determining eligibility for SSI and the amount of monthly benefits. We frequently review our ISM related operating instructions & related statutes & regulations to simplify our processes.

The FY 2021 President's Budget includes a proposal that would replace ISM with a flat-rate benefit reduction for adults living with other adults. This proposal would make two additional changes to simplify the program & reduce the burden on recipients & representative payees. These requirements confuse representative payees, who are often parents of recipients, & restrict their ability to decide which expenditures are in the best interests of their disabled children.

Death

46 States, DC & NYC currently participate in EDR. We continue to work diligently to achieve full nationwide participation.

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Since we do not participate in the Do Not Pay initiative, this is not applicable.

OASDI

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Effective FY 2012, as required by IPERA, we hold managers, program officials, and senior executives accountable for reducing improper payments. For these employees, their annual performance plans reflect their responsibility to support efforts to maintain sufficient internal controls to prevent, detect, and recover improper payments and meet targets to reduce improper payments.

SSA is committed to being good stewards of taxpayer dollars to ensure the public has confidence that we manage their tax dollars wisely. We take the stewardship of our programs seriously and continue to demonstrate a commitment to sound management practices. To ensure stewardship and the efficient administration of our programs, we have established a number of performance measures in our Annual Performance Report (FY 2018 - 2020) to track our progress. Under Strategic Objective 3.1 – Improve Program Integrity, there are 4 performance measures directly related to reduction of improper payments:

3.1a – Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments (Note: This is an Agency Priority Goal, reflecting the priorities of our executive leadership)

3.1b - Maintain a high payment accuracy rate by reducing overpayments, in the Old-Age, Survivors, and Disability Insurance program

3.1c - Ensure the quality of our decisions by achieving the State disability determination services decisional accuracy rate for initial disability decisions

3.1d - Modernize our Debt Management System

Senior Executive performance plans must clearly align with organizational goals and objectives under the Results Driven Critical Element, and the performance levels in the performance requirements must reflect agency targets.

To further our focus on reducing improper payments, in fiscal year 2019, we established an Improper Payments Prevention team in the Office of Analytics, Review, and Oversight

(OARO). The team works with key agency stakeholders to develop Improper Payment Alignment Strategies (IPAS) that outline innovative and effective strategies to mitigate the root causes of improper payments. We also reestablished the Deputy-Commissioner level Improper Payments Oversight Board (IPOB), who is responsible for reviewing, approving, and implementing all improper payment initiatives. The Deputy Commissioner of OARO serves as the executive chair for the IPOB.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

| Indicate root cause | Indicate mitigation strategy/corrective action(s) taken | Provide any additional detail (optional free text) | Select the actual completion date for action(s) taken |
|--|---|--|---|
| 2. Inability to Authenticate Eligibility: Inability to Access Data | 5-Cross Enterprise Sharing | Corrective actions for Relationship errors primarily due to the beneficiaries' failure to report a change in marital status. | Other |
| 7. Failure to Verify: Prisoner Data | 5-Cross Enterprise Sharing | Corrective actions related to negotiating State reporting agreements with correctional institutions | Other |
| 8. Failure to Verify: Other Eligibility Data (explain) | 5-Cross Enterprise Sharing | Corrective actions related to Substantial Gainful Activity (SGA). | Other |
| 8. Failure to Verify: Other Eligibility Data (explain) | 1-Automation | Corrective actions related to Windfall Elimination Provision (WEP) and Government Pension Offset (GPO). | Other |
| 9. Administrative or Process Errors Made by: Federal Agency | 4-Change Process (instructions, checklist, policy) | Corrective actions related to increasing Post-Entitlement Accuracy and Potential Entitlements. | Other |

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Steps the agency has taken to detect improper payments:

Our employees follow an internal review process to determine OASDI payment accuracy. We perform stewardship reviews, which measure the accuracy of payments to beneficiaries and recipients. Each month, specialists with extensive expertise in our benefit programs and business processes conduct our stewardship reviews, which measure the accuracy of payments to beneficiaries and recipients. These employees review a sample of OASDI cases to determine payment accuracy rates. For each sample case, we interview the beneficiary or representative payee, contact third parties as needed, and redevelop all non-medical factors of eligibility and payment amount for the review period. We use these data to identify payment accuracy, as well as our strengths and weaknesses, which allows us to target our resources to take corrective actions yielding the highest return on investment.

In our field offices, PCs, and State DDSs, employees conduct reviews for ongoing eligibility. Medical CDRs are periodic reevaluations to determine if beneficiaries still meet our definition of disability. In August 2018, we became current with our medical CDRs with the release of all available medical CDRs for FY 2018. Our statistical predictive models help us prioritize the medical CDRs we work annually. We first complete those medical CDRs and that will likely result in a termination of benefits or the recovered amount of an overpayment, respectively. CDRs are our most effective payment integrity activity because they identify cases where we should discontinue benefit payments. We receive dedicated funding to conduct CDRs.

Regarding the steps the agency has taken to recover improper payments, please see our response to Question No. 3 below.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

Steps the agency has taken to recover improper payments identified in recovery audits:

We have a comprehensive debt collection program. We collected \$3.809 billion in OASDI and SSI benefit overpayments in FY 2020 at an administrative cost of \$0.06 on average per dollar collected. We collected \$18.994 billion over a 5-year period (FYs 2016–2020). To recover overpayments, we use internal debt collection techniques (i.e., payment withholding, billing, and follow-up), as well as some external collection techniques authorized by the *Debt Collection Improvement Act of 1996* for OASDI debts and the *Foster Care Independence Act of 1999* for SSI debts. From 1992–2020, our external collection techniques have yielded \$63.4 billion in

benefit overpayment recovery. For additional information about our external collection techniques, please refer to the Debt Collection and Management section of this FY 2020 *Agency Financial Report*.

We developed a system to use the Treasury Offset Program, credit bureau reporting, and Administrative Wage Garnishment collection mechanisms. Because the system includes more than TOP and is the basis for any future collection interfaces with agencies or entities outside our agency, we call it the External Collection Operation system.

We continue to make improvement in other aspects of our debt collection program. In FY 2018, we began modernization efforts to build a new Debt Management System. This information technology (IT) investment is a multi-year effort that will build a new comprehensive overpayment system enabling us to record, track, collect, and report our overpayments more efficiently.

The Federal Government uses the reclamation process to recover benefit payments paid via direct deposit to the financial account of a beneficiary who died and is not entitled to the payment, became legally incapacitated, or who died before the date of the payment(s). To recover OASDI and SSI payments from U.S. financial institutions, we must send reclamation requests within 120 days of the date we learn of a beneficiary's death. A financial institution may protest a recovery of funds if we did not initiate the reclamation timely.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

Since we do not exclude any programs from review under our payment recapture audit program, this question is Not Applicable (N/A).

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

| Implementation of OMB Circular A-123 | Implementation of GAO Green Book | Identifying Risk and Vulnerabilities | Establishing Strategies, Procedures and Other steps |
|--------------------------------------|----------------------------------|--------------------------------------|---|
| 2 – Established | 3 – Fully Operational | 2 – Established | 2 – Established |

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

We have a strong internal control environment that has always included controls over our benefit payment and debt management processes. We directly leverage our existing internal control environment and assurance processes to provide reasonable assurance that our internal controls over improper payments are in place and operating effectively.

As part of our internal control environment, we have a well-established, agency-wide management control program as required by the *Federal Managers' Financial Integrity Act* (FMFIA).

We established the Improper Payments Oversight Board (IPOB), consisting of senior executive membership, to ensure that we are focusing on improper payment prevention, formulating clear and innovative strategies, and driving timely results agency-wide.

The effective internal controls we incorporate into our business processes and financial management systems, as well as the program integrity efforts, support our Commissioner's annual assurance statement to the President and Congress.

In April 2019, we established the Enterprise Fraud Risk Management (EFRM) program to systematically assess fraud risk across SSA's major programmatic and administrative areas. Through our EFRM program we have conducted multiple fraud risk assessments on key areas such as Disability, Electronic Services (eServices), Administrative Services, and the Representative Payee program. After each fraud risk assessment, our senior executives review each fraud risk and determine whether our controls are effective or whether we need to develop additional controls to further reduce the risk. For each risk designated as "reduce" by our executives, we develop additional mitigation strategies to further prevent or detect the fraud. The risk response and the designated mitigation strategies form the basis of the fraud risk profile for each fraud area.

We are currently conducting two additional fraud risk assessments and plan to conduct three additional assessments by the end of FY 2022. Beginning in FY 2023, we will be conducting reassessments of each fraud area, consistent with the GAO guidance.

Our fraud risk assessments have identified risks & vulnerabilities in accordance with the Payment Integrity Information Act. We address fraud risks related to payroll, grants, contracts, and purchase/travel cards in our Administrative Services Fraud Risk Assessment. We are assessing fraud risks related to beneficiary payments in multiple fraud risk assessments, to include Disability, Representative Payee Program, OASDI and SSI. We assessed fraud risks related to information technology in our eServices Fraud Risk Assessment. We develop additional mitigation strategies for any risks our senior executives determine need further reduction.

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Since we do not have any programs not listed in this collection which were recently assessed to determine susceptibility of improper payments, we are responding as follows: Not Applicable (N/A)

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

| Cost Prohibitive (Yes/No) | Indicate Root Cause if known | Indicate which corrective action |
|----------------------------------|---|---|
| NO | 2. Inability to Authenticate Eligibility: Inability to Access Data | 5-Cross Enterprise Sharing |
| NO | 7. Failure to Verify: Prisoner Data | 5-Cross Enterprise Sharing |
| NO | 8. Failure to Verify: Other Eligibility Data (explain) | 5-Cross Enterprise Sharing |
| NO | 8. Failure to Verify: Other Eligibility Data (explain) | 1-Automation |
| NO | 9. Administrative or Process Errors | 4-Change Process (instructions, |

| Cost Prohibitive (Yes/No) | Indicate Root Cause if known | Indicate which corrective action |
|---------------------------|------------------------------|----------------------------------|
| | Made by: Federal Agency | checklist, policy) |

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d)(2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

We do not believe that applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved; however, at this time, we have not completed a formal evaluation to make an assessment in this area.

We strive to reduce improper payments within the constraints of statutory and regulatory requirements and available resources. We also work with Congress and our stakeholders to identify ways to simplify our statutory and regulatory requirements. In addition, in this report, we discuss the major causes of our OASDI error rates and our corrective action plans to reduce them. While we strive to improve our efforts to reduce improper payments, outcomes must be significant to affect our error rate. To have an effect on improper payments, **for FY 2019 each tenth of a percentage point in payment accuracy represents about \$1,009 million in program outlays for the OASDI program.**

Our OASDI improper payment target rate of 0.40 percent is a combination of 0.20 percent for OASDI overpayments and 0.20 percent for OASDI underpayments. In FY 2020, we reported an actual FY 2019 OASDI overpayment rate of 0.20 percent (compared to a 0.20 percent target - a variance of 0.00 percent) and an actual FY 2019 OASDI underpayment rate of 0.05 percent (compared to a 0.20 percent target - a variance of 0.15 percent). We use a fixed, aggressive OASDI improper payment target rate of 0.40 percent to better monitor and account for historical fluctuations above and below 0.40 percent because of normal variability when performing statistical analysis to determine the yearly rate. Overall, our OASDI program has very high payment accuracy. The OASDI overpayment and underpayment accuracy rates, both separately and combined, have exceeded 99 percent for a number of years.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

| |
|--------------------|
| Indicate Yes or No |
|--------------------|

| |
|-----|
| YES |
|-----|

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

We strive to reduce improper payments within the constraints of statutory and regulatory requirements and available resources. We also work with Congress and our stakeholders to identify ways to simplify our statutory and regulatory requirements. In addition, in this report, we discuss the major causes of our OASDI error rates and our corrective action plans to reduce them. While we strive to improve our efforts to reduce improper payments, outcomes must be significant to affect our error rate. To have an effect on improper payments, **for FY 2019 each tenth of a percentage point in payment accuracy represents about \$1,009 million in program outlays for the OASDI program.**

Our OASDI improper payment target rate of 0.40 percent is a combination of 0.20 percent for OASDI overpayments and 0.20 percent for OASDI underpayments. In FY 2020, we reported an actual FY 2019 OASDI overpayment rate of 0.20 percent (compared to a 0.20 percent target - a variance of 0.00 percent) and an actual FY 2019 OASDI underpayment rate of 0.05 percent (compared to a 0.20 percent target - a variance of 0.15 percent). We use a fixed, aggressive OASDI improper payment target rate of 0.40 percent to better monitor and account for historical fluctuations above and below 0.40 percent because of normal variability when performing statistical analysis to determine the yearly rate. Overall, our OASDI program has very high payment accuracy. The OASDI overpayment and underpayment accuracy rates, both separately and combined, have exceeded 99 percent for a number of years.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

| Indicate 'yes' or 'no' | Indicate program needs |
|------------------------|------------------------|
| YES | 1. Internal Controls |
| YES | 2. Human Capital |

| Indicate 'yes' or 'no' | Indicate program needs |
|------------------------|------------------------|
| YES | 3. Information Systems |

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Internal Controls: We have a strong internal control environment that has always included controls over our benefit payment and debt management processes. We directly leverage our existing internal control environment and assurance processes to provide reasonable assurance that our internal controls over improper payments are in place and operating effectively.

As part of our internal control environment, we have a well-established, agency-wide management control program as required by the Federal Managers' Financial Integrity Act (FMFIA).

We established the Improper Payments Oversight Board (IPOB), consisting of senior executive membership, to ensure that we are focusing on improper payment prevention, formulating clear and innovative strategies, and driving timely results agency-wide.

Human Capital: Our program integrity work is labor-intensive and dependent on having the necessary trained staff to do the work. The same employees who handle our program integrity work also handle applications for benefits and other mission-critical work.

Information Systems: Our staff rely on our IT infrastructure to serve the public and safeguard our programs. Our IT infrastructure has grown increasingly complex, inefficient to meet customer demands, and costlier to maintain and secure.

We initiated our *IT Modernization Plan* in FY 2018 to improve our service to the public. We will advance our IT infrastructure with 21st century technology and implement the technical flexibility necessary to adapt to future demands. To achieve our modernization goals, we will invest \$691 million over 5 years, including the \$325 million that the Congress provided in dedicated IT modernization funding in FYs 2018 and 2019.

Other Infrastructure: The agency continues to emphasize the importance of information security through continual operational refinement and the maturation of security components that exceed the standards set forth by government regulations. In FY 2021, we will continue to align our agency cybersecurity priorities with agency strategic objectives and the National Institute of Standards and Technology Cybersecurity Framework (CSF) to identify, detect, and stop potential fraudulent transactions before they occur. Continued alignment with the CSF will infuse

practices from Federal initiatives including the President’s Cybersecurity National Action Plan, DHS’s High Value Asset program, and DHS’s Continuous Diagnostics and Mitigation program. We will continue to streamline and modernize the existing Comprehensive Integrity Review Program business process. The revised process will use innovative technologies such as big data and predictive analytic tools to identify, detect, and stop potentially fraudulent programmatic transactions before they occur.

Question 10: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

| Indicate identified root cause | Indicate corrective action(s) taken | Select the actual completion date for action(s) taken | If other completion date, please indicate |
|--|--|---|---|
| 2. Inability to Authenticate Eligibility: Inability to Access Data | 5-Cross Enterprise Sharing | Other | |
| 7. Failure to Verify: Prisoner Data | 5-Cross Enterprise Sharing | FY2020 Q3 | |
| 8. Failure to Verify: Other Eligibility Data (explain) | 5-Cross Enterprise Sharing | FY2020 Q2 | |
| 8. Failure to Verify: Other Eligibility Data (explain) | 1-Automation | Other | 12/31/2020 |
| 9. Administrative or Process Errors Made by: Federal Agency | 4-Change Process (instructions, checklist, policy) | Other | 09/30/2020 |

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Currently, we rely on OASDI beneficiaries to self-report marriages and divorces because these events can be material to their entitlement to benefits. When beneficiaries fail to report a marriage or divorce timely, improper payments can occur. We completed two of our three initiatives to reduce improper payments in the prisoner suspension area. First, because of our efforts in FY 2019 to reemphasize the prisoner program suspension and reinstatement requirements to our technicians, we suspended monthly benefits to over 32,500 OASDI beneficiaries and more than 79,600 SSI recipients. Second, our monitoring process tracks and controls the return of incorrectly paid incentive payments from overpaid correctional institutions. When we identify incorrectly paid incentive payments, we recoup the payment and return it to our combined OASDI Trust Funds and General Fund of the Treasury. To address the risk of unreported wages, we will implement an information exchange with payroll

providers. Specifically, Section 824 of the Bipartisan Budget Act of 2015 (BBA 824) authorizes the agency to establish information exchanges with payroll data providers to obtain wage data to administer the OASDI program and prevent improper payments. In accordance, we have entered into data-exchange agreements to give us access to real-time payroll information for beneficiaries and recipients. In September 2019, we awarded a contract to Equifax for a payroll information exchange. We began development of the required technology in February 2020. In February 2020, we began studying the effectiveness of our initiatives to reduce improper payments in WEP and GPO dual entitlement cases. We anticipate completing this analysis by November 2020. In order to increase our post-entitlement accuracy, we implemented two automation enhancements to reduce manual PC actions in FY 2020.

Our studies also show that we sometimes overlook potential entitlements (i.e., entitlement to benefits other than the one an individual is applying for or receiving). In FY 2013, we established a dedicated workgroup and process for evaluating and addressing potential entitlement workloads. In FY 2020 we have:

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

| Indicate identified root cause | Indicate planned corrective action(s) | Select the planned completion date for action(s) program will take | Other planned completion date |
|--|--|---|--------------------------------------|
| 2. Inability to Authenticate Eligibility: Inability to Access Data | 5-Cross Enterprise Sharing | FY2026 | |
| 7. Failure to Verify: Prisoner Data | 5-Cross Enterprise Sharing | FY2021 | |
| 8. Failure to Verify: Other Eligibility Data (explain) | 5-Cross Enterprise Sharing | FY2021 | |
| 8. Failure to Verify: Other Eligibility Data (explain) | 1-Automation | FY2021 | |
| 9. Administrative or Process Errors Made by: | 4-Change Process (instructions, | FY2021 | |

| Indicate identified root cause | Indicate planned corrective action(s) | Select the planned completion date for action(s) program will take | Other planned completion date |
|--------------------------------|---------------------------------------|--|-------------------------------|
| Federal Agency | checklist, policy) | | |

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Effective March 17, 2020, we took steps to protect the public and our employees from COVID-19. At this time, we are still assessing how the COVID-19 pandemic will impact our workload performance. Additionally, other factors such as funding could impact the anticipated completion dates.

In order to increase post-entitlement accuracy, in FY 2021, we will increase the number of PC technicians and institute workflow enhancements and quality initiatives to improve overall performance. We will continue to look for new opportunities to address simple tasks more quickly and implement PC automation initiatives that will eliminate duplicate work.

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

| Indicate compliant or non-compliant | Compliance criteria |
|-------------------------------------|--|
| Compliant | 1. Publish an AFR or PAR |
| Compliant | 2. Conduct Program-Specific Risk Assessment |
| Compliant | 3. Publish Improper Payment Estimates |
| Compliant | 4. Publish Programmatic Corrective Action Plans |
| Compliant | 5. Publish and Meet Annual Reduction Targets |
| Compliant | 6. Report a gross Improper Payment Rate of Less than |

| Indicate compliant or non-compliant | Compliance criteria |
|-------------------------------------|---------------------|
| | 10% |

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Since the IG deemed us compliant, this is not applicable.

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Since the IG deemed us compliant, this is not applicable.

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Since the IG deemed us compliant, this is not applicable.

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Since the IG deemed us compliant, this is not applicable.

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Since we do not participate in the Do Not Pay initiative, this is not applicable.