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Comptroller General  
of the United States

## Accessible Version

April 17, 2020

Andrew Saul  
Commissioner  
U.S. Social Security Administration  
6401 Security Boulevard  
Windsor Park Building  
Baltimore, MD 21235

## Priority Open Recommendations: Social Security Administration

Dear Mr. Saul:

The purpose of this letter is to provide you with an update on the overall status of the Social Security Administration's (SSA) implementation of GAO's recommendations and to call your personal attention to areas where open recommendations should be given high priority.<sup>1</sup> In November 2019, we reported that, on a government-wide basis, 77 percent of our recommendations made 4 years ago were implemented.<sup>2</sup> SSA's recommendation implementation rate was 71 percent. As of March 2020, SSA had 75 open recommendations. Fully implementing these open recommendations could significantly improve SSA's operations.

We ask for your continued attention to the four unimplemented priority recommendations we identified in our 2019 letter. We are adding three new recommendations related to monitoring organizational representative payees who manage Social Security benefits for vulnerable individuals, and improving cybersecurity as a priority this year, bringing the total number of priority recommendations to seven. (See the enclosure for the list of recommendations.)

The seven priority recommendations fall into the three areas listed below.

### Ensuring program integrity.

It is vital to prevent and recover Disability Insurance (DI) overpayments to beneficiaries, which totaled about \$20 billion during fiscal years 2005 through 2014. We have four priority recommendations in this area. Two were made in July 2015, when we recommended that SSA (1) evaluate alternatives to the agency's current approach for reducing DI overpayments stemming from the concurrent receipt of federal workers' compensation payments and (2) strengthen its internal controls over these DI overpayments by implementing an alternative

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<sup>1</sup> Priority recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operations, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or fragmentation, overlap, or duplication issue.

<sup>2</sup> GAO, *Performance and Accountability Report: Fiscal Year 2019*, [GAO-20-1SP](#) (Washington, D.C.: Nov. 19, 2019).

approach to self-reporting that yields the greatest net benefits. SSA agreed with both of these recommendations, but as of January 2020, SSA had not fully implemented its plans to use Federal Employees' Compensation Act (FECA) data to reduce DI benefits in accordance with federal law or implemented an alternative approach that provides greater net benefits. Taking these actions would help improve the financial status of the DI program and ensure that SSA does not continue overpaying beneficiaries who may have difficulty repaying debt incurred by SSA's overpayments.

In October 2015, we recommended that SSA develop a timetable for implementing updates to its Debt Management System to (1) align system controls with SSA policy, so that waivers over \$1,000 cannot be administratively waived, and (2) ensure that evidence supporting waiver decisions is sufficiently maintained to allow for subsequent monitoring and oversight. Although SSA implemented the second part of the recommendation, continuing limitations in SSA's Debt Management System could allow staff to administratively approve waivers greater than \$1,000 without review or detection by managers in violation of SSA policy. As of January 2020, SSA reported that it is building a new debt management system, which will include controls to prevent administrative waivers over \$1,000. SSA anticipates these controls, which are tied to broader changes to SSA's debt management system, will be in place in fiscal year 2022. In the interim, SSA should consider alternative approaches for preventing inappropriate waivers, such as conducting regular, targeted reviews of administrative waivers over \$1,000 dollars to ensure that they are being processed correctly.

In April 2016, we recommended that SSA adjust the minimum amount it recoups from overpaid DI beneficiaries from \$10 to 10 percent withholding from their monthly DI benefit amount. This change would increase scheduled collections and reduce the time it will take to fully recover overpayments, while minimizing the effect on beneficiaries receiving the lowest monthly benefits, resulting in tens of millions of dollars in overpayment debt recovered over a 5-year period. It would also promote equity in how SSA deals with overpayments across its programs. SSA agreed with this recommendation, and stated that it has submitted legislative proposals in the President's budgets for fiscal years 2017 through 2021 to establish a minimum withholding for overpayments of 10 percent of a beneficiary's monthly benefit, but these proposals have not yet been enacted. SSA reported that it is also pursuing this change through regulation, however, this effort also remained incomplete as of January 2020.

### Protecting vulnerable beneficiaries.

It is important to protect vulnerable beneficiaries from fraud or abuse. In this area, we made two recommendations in September 2019 to SSA related to the oversight of organizational representative payees that help vulnerable individuals manage their Social Security benefits. We recommended improvements to the model used to target organizational representative payees for onsite reviews used to monitor whether payees are managing beneficiary funds appropriately. Specifically, SSA should review the model's design, consider including additional data sources to enhance the effectiveness of the model, and sufficiently document design decisions so that others can readily understand and replicate them. In addition, we recommended that SSA's risk assessment plan reflect periodic consideration of findings from onsite reviews and audits.

In April 2020, SSA officials reported that the agency is finalizing a plan to revise the existing model and would pursue other data sources to develop additional screening tools and models to identify potentially high-risk organizational payees. SSA officials also reported starting its Representative Payee Fraud Risk Assessment. To implement these recommendations, SSA needs to ensure that: its plan for revising the existing model or development of alternative

models allow for more timely updates and documentation of related design decisions; and its risk assessment plan reflects periodic consideration of findings from onsite reviews and audits.

### Improving cybersecurity.

To protect against cyber threats to their systems and data, federal laws and policies emphasize that agencies—including SSA—take a risk-based approach to cybersecurity. In July 2019, we recommended that SSA fully establish and document a process for coordination between cybersecurity risk management and enterprise risk management functions. SSA reported that it has recently approved an Enterprise Risk Management (ERM) Framework Document that formally establishes an overall governance structure for remediating risks and will allow for better coordination between cybersecurity risk management and ERM functions. SSA added that it had initiated a formal process for coordination between its cybersecurity risk management and ERM teams and that this process should be fully established by the third quarter of fiscal year 2020. This recommendation will be considered implemented when SSA completes this task.

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As you know, in March 2019, we issued our biennial update to our high-risk program, which identifies government operations that are particularly vulnerable to fraud, waste, abuse, and mismanagement or that are in need of transformation to address challenges of economy, efficiency, or effectiveness.<sup>3</sup> Our high-risk program has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical service to the public.

One of our high-risk areas, [improving and modernizing federal disability programs](#) shines a light on workload challenges and outdated criteria associated with SSA's disability programs. Several other government-wide high-risk areas also have direct implications for SSA and its operations. These include: (1) ensuring the cybersecurity of the nation, (2) improving the management of IT acquisitions and operations, (3) addressing strategic human capital management, (4) managing federal real property, and (5) improving the government-wide security clearance process.<sup>4</sup> We urge your attention to these government-wide high-risk issues as they relate to SSA. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress, Office of Management and Budget (OMB), and the leadership and staff in agencies, including SSA.

Copies of this report are being sent to the Director of the Office of Management and Budget and appropriate congressional committees including the Committees on Appropriations, Budget, and Homeland Security and Governmental Affairs, United States Senate; and the Committees on Appropriations, Budget, and Oversight and Reform, House of Representatives. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

I appreciate SSA's continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Barbara Bovbjerg, Managing Director, Education, Workforce, and Income Security at [bovbjergb@gao.gov](mailto:bovbjergb@gao.gov) or 202-512-7215. Our teams will continue to coordinate with your staff on

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<sup>3</sup> GAO, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, [GAO-19-157SP](#) (Washington, D.C.: Mar. 6, 2019).

<sup>4</sup> [GAO-19-157SP](#). See pages 259-266 for Improving and Modernizing Federal Disability Programs, pages 178-184 for Ensuring the Cybersecurity of the Nation, pages 123-127 for Improving the Management of IT Acquisitions and Operations, pages 75-77 for Strategic Human Capital Management, pages 78-85 for Managing Federal Real Property, and pages 170-177 for Government-wide Personnel Security Clearance Process.

all 75 open recommendations, as well as those additional recommendations in the high-risk areas for which SSA has a leading role. Thank you for your attention to these matters.

Sincerely yours,

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is written in a cursive style with a large, prominent initial "D".

Gene L. Dodaro  
Comptroller General  
of the United States

Enclosure

cc: The Honorable Russ Vought, Acting Director, OMB

## Enclosure Priority Open Recommendations to SSA

### **Ensuring Program Integrity**

*Disability Insurance: Actions Needed to Help Prevent Potential Overpayments to Individuals Receiving Concurrent Federal Workers' Compensation. GAO-15-531. Washington, D.C.: July 8, 2015.*

**Recommendation:** To improve SSA's ability to detect, prevent, and recover potential DI benefit overpayments due to the concurrent receipt of Federal Employees' Compensation Act (FECA) benefits, the Commissioner of Social Security should, in accordance with OMB guidance, compare the costs and benefits of alternatives to SSA's current approach for reducing the potential for overpayments that result from the concurrent receipt of FECA benefits, which relies on beneficiaries to self-report any FECA benefits they receive. These alternatives could include, among others, routinely matching Department of Labor's (DOL) FECA program data with DI program data to detect potential DI overpayments.

**Recommendation:** To improve SSA's ability to detect, prevent, and recover potential DI benefit overpayments due to the concurrent receipt of FECA benefits, the Commissioner of Social Security should strengthen internal controls designed to prevent DI overpayments due to the concurrent receipt of FECA benefits by implementing the alternative that provides the greatest net benefits.

**Action Needed:** SSA agreed with these recommendations. To implement these recommendations, SSA needs to fully implement its plans to use FECA data to reduce DI benefits in accordance with federal law, or implement an alternative approach that provides greater net benefits.

**Director:** Seto Bagdoyan, Forensic Audits and Investigative Service

**Contact information:** [BagdoyanS@gao.gov](mailto:BagdoyanS@gao.gov) or (202) 512-6722

*Disability Insurance: SSA Could Do More to Prevent Overpayments or Incorrect Waivers to Beneficiaries. GAO-16-34. Washington, D.C.: October 29, 2015.*

**Recommendation:** To improve compliance with waiver policies, SSA should develop a timetable for implementing updates to its Debt Management System to: (a) align system controls with SSA policy, so that waivers over \$1,000 cannot be administratively waived; and (b) ensure that evidence supporting waiver decisions is sufficiently maintained to allow for subsequent monitoring and oversight.

**Action Needed:** SSA agreed with this recommendation. In January 2020, SSA reported that it expects to put debt management system controls in place in fiscal year 2022. This is part of a multi-year project that will include functionality to ensure technicians cannot administratively waive overpayments over \$1,000. To address this recommendation, SSA should finalize changes to its debt management system to align with policy to ensure that staff will appropriately process waivers greater than \$1,000.

**Director:** Elizabeth Curda, Education, Workforce, and Income Security

**Contact information:** [CurdaE@gao.gov](mailto:CurdaE@gao.gov) or (202) 512-4040

*Disability Insurance: SSA Needs to Better Track Efforts and Evaluate Options to Recover Debt and Deter Potential Fraud. GAO-16-331. Washington, D.C.: April 13, 2016.*

**Recommendation:** To ensure effective and appropriate recovery of DI overpayments and administration of penalties and sanctions, the Acting Commissioner of the Social Security

Administration should adjust the minimum withholding rate to 10 percent of monthly DI benefits to allow quicker recovery of debt.

**Action Needed:** SSA agreed with this recommendation. The agency stated that it submitted legislative proposals in the President's budgets for fiscal years 2017 through 2021 to establish a minimum withholding for overpayments of 10 percent of a beneficiary's monthly benefit, but these proposals have not been enacted. SSA reported that it is also pursuing this change through regulation: this effort is incomplete as of January 2020. To fully implement this recommendation, SSA needs to increase the amount of DI overpayments it recovers by adjusting its minimum benefit withholding rate from \$10 per month to 10 percent of monthly benefits.

**Director:** Elizabeth Curda, Education, Workforce, and Income Security

**Contact information:** [CurdaE@gao.gov](mailto:CurdaE@gao.gov) or (202) 512-4040

### **Protecting Vulnerable Beneficiaries**

*Social Security Benefits: SSA Needs to Improve Oversight of Organizations that Manage Money for Vulnerable Beneficiaries. GAO-19-688. Washington, D.C.: September 26, 2019.*

**Recommendation:** The Commissioner of the Social Security Administration should (a) establish a plan and time frame for periodically reviewing the predictive model's design; (b) consider additional data sources that would allow for additional screening or modeling of potentially high-risk organizational payees; and (c) ensure that subsequent design decisions are documented in sufficient detail so the development process can be more fully understood and replicated, either by SSA or a knowledgeable third party, with minimal further explanation.

**Action Needed:** SSA agreed with this recommendation. The agency stated that it would pursue other data sources to develop additional screening tools and models to identify potentially high-risk organizational payees. To fully implement this recommendation, as it considers additional screening tools, SSA should develop a plan to revise the existing model that allows for more timely updates and documentation of related design decisions.

**Recommendation:** The Commissioner of the Social Security Administration should, as it carries through with its plan to develop a fraud risk assessment for the organizational payee program, ensure that the plan reflects periodic consideration of findings from onsite reviews and audits.

**Action Needed:** SSA agreed with this recommendation. To fully implement this recommendation, the agency's assessments plan should show that it considered findings from onsite reviews and audits.

**Director:** Elizabeth Curda, Education, Workforce, and Income Security

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### **Improving Cybersecurity**

*Cybersecurity: Agencies Need to Fully Establish Risk Management Programs and Address Challenges. GAO-19-384. Washington, D.C.: July 25, 2019.*

**Recommendation:** The Commissioner of the Social Security Administration should fully establish and document a process for coordination between cybersecurity risk management and enterprise risk management functions.

**Action Needed:** SSA agreed with this recommendation. The agency is working to fully integrate its Enterprise Risk Management (ERM) Framework Document and its Cybersecurity Risk

Management Strategy, which will facilitate coordination between cybersecurity risk management and ERM functions. To fully address this recommendation, SSA should complete this effort.

**Director:** Nick Marinos, Information Technology & Cybersecurity

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