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Comptroller General
of the United States

Accessible Version

May 28, 2024

Martin O'Malley
Commissioner
Social Security Administration
6401 Security Boulevard
Baltimore, MD 21235

Priority Open Recommendations: Social Security Administration

Dear Commissioner O'Malley:

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.¹ In November 2023, we reported that, on a government-wide basis, 75 percent of our recommendations made 4 years ago were implemented.² SSA's recommendation implementation rate was 82 percent. As of April 2024, SSA had 29 open recommendations. Fully implementing these open recommendations could significantly improve SSA's operations.

Since our May 2023 letter, we closed one of the remaining four priority recommendations and are adding one new recommendation on assessing software licenses.³ This brings the total number of open priority recommendations to four. (See the Enclosure for the list of recommendations.)

The four priority recommendations fall into the following four areas.

¹Priority recommendations are those that we believe 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 duplication issue.

²GAO, *Performance and Accountability Report: Fiscal Year 2023*, [GAO-24-900483](#) (Washington, D.C.: Nov. 15, 2023).

³We closed a 2016 recommendation for SSA to adjust the minimum withholding rate from \$10 to 10 percent of monthly Disability Insurance (DI) benefits to allow quicker recovery of overpayments as no longer relevant. In March 2024, SSA announced a change to make the default withholding rate generally the maximum of two amounts—10 percent of monthly benefits or \$10 per month. SSA made this change to prevent economic hardship for individuals with large overpayment debts, not to increase the amounts it collects, which was the intent of our recommendation. Given this change, we no longer believe SSA needs to take action on this recommendation. GAO, *Disability Insurance: SSA Needs to Better Track Efforts and Evaluate Options to Recover Debt and Deter Potential Fraud*, [GAO-16-331](#) (Washington, D.C.: Apr. 13, 2016).

Ensuring program integrity. The Disability Insurance (DI) program is the nation’s largest cash assistance program for individuals with disabilities. In October 2023, we testified that SSA faces ongoing challenges preventing, detecting, and recovering DI benefit overpayments, which can impose burdens on beneficiaries and taxpayers.⁴ We identified one priority recommendation in this area. Specifically, we recommended that SSA implement a cost-effective alternative to its current method of identifying DI beneficiaries who receive Federal Employees’ Compensation Act (FECA) benefits, which relies on them to self-report their FECA benefits. SSA determined that establishing a data exchange with the Department of Labor for FECA program data would be a cost-effective approach to identifying DI beneficiaries who also receive FECA benefits.

Implementing this data exchange could provide the data needed to better offset or reduce DI benefits when an individual is concurrently receiving FECA benefits. This would better position SSA to strengthen internal controls to prevent potential overpayments.

Serving vulnerable populations. SSA paid over \$57 billion in Supplemental Security Income (SSI) benefits to more than 7.4 million individuals in 2022. As SSA has expanded remote service delivery, it has launched new initiatives to reach certain vulnerable populations. However, it is not yet possible for most claimants to apply online. Only SSI applicants who also are filing concurrently for DI are able to file for SSI online.

We identified one priority recommendation in this area, which if implemented would improve access to benefits and services for underserved populations. Specifically, we recommended that SSA develop a plan—with clear steps, goals, metrics, and timelines—to help claimants apply for SSI benefits online. Establishing such a plan would help SSA enable more individuals to apply online so that SSA would not have to devote limited staff resources to help individuals who otherwise might apply independently online.

Protecting sensitive information. SSA collects personally identifiable information (PII) for various programs and is required to establish a privacy program to protect that information. Considering the many information security incidents involving PII, protecting privacy is a challenge. Our priority recommendation in this area calls for SSA to establish a time frame for fully defining the role of the senior agency official for privacy in reviewing and approving system categorizations, overseeing privacy control assessments, and reviewing authorization packages, and to document these roles. Doing so would better position SSA to provide the leadership needed to help the agency more consistently implement its privacy program.

Assessing software licenses. Each year, the federal government spends more than \$100 billion on information technology and cyber-related investments, including the purchase of software licenses. Federal agencies buy thousands of software licenses annually. However, they do not know whether they have the right number of licenses for their needs. We identified one priority recommendation in this area for SSA to compare the inventories of software licenses that are currently in use with information on purchased licenses. This includes

⁴GAO, *Disability Insurance: SSA Faces Ongoing Challenges with Overpayments*, [GAO-24-107113](#) (Washington, D.C.: Oct. 18, 2023).

developing and implementing procedures for comparing the inventories of licenses to purchase records.

Implementing this recommendation would better position SSA to regularly identify opportunities to reduce costs and make more informed investment decisions about its widely used licenses.

In April 2023, we issued our biennial update to our [High-Risk List](#). This list identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement. It also identifies the need for transformation to address economy, efficiency, or effectiveness challenges.⁵

One of our high-risk areas, [improving and modernizing federal disability programs](#), highlights workload challenges and outdated criteria associated with SSA's disability programs. Resolving this high-risk area will require leadership commitment and action by SSA.

Several other government-wide high-risk areas also have direct implications for SSA and its operations. These include: (1) [improving the management of IT acquisitions and operations](#), (2) [improving strategic human capital management](#), (3) [managing federal real property](#), (4) [ensuring the cybersecurity of the nation](#), and (5) [establishing a government-wide personnel security clearance process](#). For example, employing strategic human capital management could help SSA identify strategies to address declines in the number of staff responsible for processing initial disability claims and appeals. Further, in light of SSA's ranking in this year's Best Places to Work in the Federal Government survey, I want to bring to your attention that GAO has a large body of work on best practices in bolstering employee engagement and improving morale. We would be happy to share this information with you if you would like.

In addition to SSA's high-risk area, we urge your continued attention to the other 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 within SSA. In March 2022, we issued a report on key practices to successfully address high-risk areas, which can be a helpful resource as your agency continues to make progress to address high-risk issues.⁶

We also recognize the key role Congress plays in providing oversight and maintaining focus on our recommendations to ensure they are implemented and produce their desired results. Legislation enacted in December 2022 includes a provision for GAO to identify any additional congressional oversight actions that can help agencies implement priority recommendations and address any underlying issues relating to such implementation.⁷

⁵GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas*, [GAO-23-106203](#) (Washington, D.C.: Apr. 20, 2023).

⁶GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

⁷James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 7211(a)(2), 136 Stat. 2395, 3668 (2022); H.R. Rep. No. 117-389 (2022) (accompanying Legislative Branch Appropriations Act, H.R. 8237, 117th Cong. (2022)).

Congress can use various strategies to address our recommendations, such as incorporating them into legislation. Congress can also use its budget, appropriations, and oversight processes to incentivize executive branch agencies to act on our recommendations and monitor their progress. For example, Congress can hold hearings focused on SSA's progress in implementing GAO's priority recommendations, withhold funds when appropriate, or take other actions to provide incentives for agencies to act. Moreover, Congress could follow up during the appropriations process and request periodic updates.

Congress also plays a key role in addressing any underlying issues related to the implementation of these recommendations. For example, Congress could pass legislation providing an agency explicit authority to implement a recommendation or requiring an agency to take certain actions to implement a recommendation.

Copies of this report are being sent to the Director of OMB and the appropriate congressional committees. In addition, the report will be available on the GAO website at [Priority Open Recommendation Letters | U.S. GAO](#).

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 Cindy Brown Barnes, Managing Director, Education, Workforce, and Income Security, at brownbarnesc@gao.gov or 202-512-7215. Our teams will continue to coordinate with your staff on all 29 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,

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is fluid and cursive, with a long horizontal stroke extending to the right from the end of the name.

Gene L. Dodaro
Comptroller General
of the United States

Enclosure

cc: The Honorable Shalanda Young, Director, Office of Management and Budget

Enclosure

Priority Open Recommendations to the Social Security Administration

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.

Year Recommendation Made: 2015

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 this recommendation. As of March 2024, SSA is working to complete and execute the related Computer Matching Agreement with the Department of Labor. However, SSA stated that funding for this project has been deferred beyond fiscal year 2024 and therefore anticipates completing this work in fiscal year 2025. SSA plans to use FECA benefit data to improve efficiencies in its ability to offset or reduce DI benefits when an individual is concurrently receiving FECA benefits.

To fully implement this recommendation, SSA needs to complete these plans, which could 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 overpayments. An estimate of these potential financial benefits is not available.

Director: Seto Bagdoyan, Forensic Audits and Investigative Service

Contact Information: BagdoyanS@gao.gov or (202) 512-6722

Serving Vulnerable Populations

Social Security Administration: Remote Service Delivery Increased during COVID-19, but More Could Be Done to Assist Vulnerable Populations. [GAO-23-104650](#). Washington, D.C.: November 17, 2022.

Year Recommendation Made: 2023

Recommendation: The Commissioner of SSA should develop a plan—with clear steps, goals, metrics, and timelines—for enabling claimants to apply for SSI benefits online.

Action Needed: SSA agreed with this recommendation. In March 2024, SSA reported that its multi-year SSI Simplification Initiative, which includes the SSI Online project, aims to simplify and reduce delays in the SSI application process. Agency officials expect the initiative to improve online service for claimants and employees, and produce a simple, secure on-line gateway to capture data; verify and determine eligibility; and notify claimants as their applications are being processed.

To fully implement this recommendation, SSA should develop a plan for the SSI Online Project—under the broader multi-year Initiative—that includes key details such as interim steps and timelines. Establishing a detailed plan to complete the SSI Online project would enable more individuals to apply online so that the agency would not have to devote scarce staff resources to assist individuals who otherwise might apply independently online.

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

Contact Information: CurdaE@gao.gov or (202) 512-4040

Protecting Sensitive Information

Privacy: Dedicated Leadership Can Improve Programs and Address Challenges. [GAO-22-105065](#). Washington, D.C.: September 22, 2022.

Year Recommendation Made: 2022

Recommendation: The Commissioner of SSA should establish a timeframe for fully defining the role of the senior agency official for privacy or other designated privacy official in reviewing and approving system categorizations, overseeing privacy control assessments, and reviewing authorization packages, and document these roles.

Action Needed: SSA agreed with this recommendation. In March 2024, officials noted that the agency is integrating privacy requirements into existing processes to clarify the role of the senior agency official for privacy and plans to complete this effort during fiscal year 2024. To fully implement this recommendation, SSA needs to provide timeframes for fully defining the role of the senior official or other privacy officials in those processes. Addressing this key privacy program practice could provide the leadership needed to ensure that privacy protections are adequately incorporated into systems with personally identifiable information.

High-Risk area: [Ensuring the Cybersecurity of the Nation](#)

Director: Jennifer Franks, Information Technology and Cybersecurity

Contact Information: FranksJ@gao.gov or (404) 679-1831

Assessing software licenses

Federal Software Licenses: Agencies Need to Take Action to Achieve Additional Savings. [GAO-24-105717](#). Washington, D.C.: January 29, 2024.

Year Recommendation Made: 2024

Recommendation: The Commissioner of SSA should ensure that the agency consistently compares the inventories of software licenses that are currently in use with information on purchased licenses to identify opportunities to reduce costs and better inform investment decision making for its widely used licenses on a regular basis. At a minimum, it should develop and implement procedures for comparing the inventories of licenses in use to purchase records.

Action Needed: SSA agreed with this recommendation. As of March 2024, the agency did not have an update on the implementation status of this recommendation. To fully implement this recommendation, SSA needs to consistently tracks its software licenses that are currently in use

and compare their inventories of software licenses with known purchases. Establishing these procedures can help the agency identify opportunities to reduce costs on duplicative or unnecessary licenses.

Director: Carol Harris, Information Technology and Cybersecurity

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