



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

The Social Security Administration's Challenges and Successes in Obtaining Data to Determine Eligibility and Payment Amounts

CONTAINS REDACTED INFORMATION

A-01-21-51029 | September 2022



Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 23, 2022

Refer To: A-01-21-51029

To: Kilolo Kijakazi
Acting Commissioner

From: Gail S. Ennis, *Gail S. Ennis*
Inspector General

Subject: The Social Security Administration's Challenges and Successes in Obtaining Data to Determine Eligibility and Payment Amounts

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The attached final report presents the results of the Office of Audit's review. The objective was to review the Social Security Administration's efforts to implement new incoming data exchanges to reduce its reliance on beneficiaries' self-reporting information that could affect their eligibility and payment amounts.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please contact Michelle L. Anderson, Assistant Inspector General for Audit.

Attachment

The Social Security Administration's Challenges and Successes in Obtaining Data to Determine Eligibility and Payment Amounts

A-01-21-51029



September 2022

Office of Audit Report Summary

Objective

To review the Social Security Administration's (SSA) efforts to implement new incoming data exchanges to reduce its reliance on beneficiaries' self-reporting information that could affect their eligibility and payment amounts.

Background

SSA must obtain beneficiaries' data on such factors as income, resources, and living arrangements, to determine eligibility and payment amounts. As beneficiaries do not always fully comply with the requirement to report to SSA any change in circumstances, obtaining data from external sources, such as other Federal and State agencies and financial institutions, is critical to preventing and detecting improper payments.

SSA has more than 3,000 data-exchange agreements. Its Office of Data Exchange and International Agreements provides coordination, oversight, strategic decision-making, policy, and procedures on data-exchange activities.

We reviewed SSA's policies, procedures, and processes for entering into incoming data exchanges. We also reviewed information the Agency provided concerning data exchanges it attempted to enter into from 2019 through August 2021, including approved, pending, abandoned, and denied requests.

Results

While SSA has made progress implementing data exchanges to reduce its reliance on beneficiaries self-reporting information, it still has work to do. SSA encountered various challenges when entering into data exchanges, such as:

- legal authority to obtain data or require that others provide data to SSA,
- not having a centralized system for administering data exchanges,
- the need for an SSA component sponsor,
- budget limitations, and
- technical issues.

The Agency successfully:

- developed policies and procedures for entering into data exchanges, and the Agency regularly reviews and updates the policies and procedures to improve the process and
- participated in activities to learn about best practices in obtaining data from other agencies.

Recommendations

We recommend SSA:

1. Implement a centralized, interactive, and user-friendly system for administering data exchanges.
2. Submit legislative proposals in Fiscal Year 2024 for data the Agency does not have the authority to obtain.

SSA agreed with Recommendation 1 but disagreed with Recommendation 2. SSA disagreed because, in most cases, the decision to pursue data-exchange-related legislation is driven by factors other than a need for legal authority. However, SSA should continue seeking legislative changes to obtain data it cannot obtain through other means. For example, the Agency should seek legislative changes to obtain information it requested from the Federal Bureau of Investigation.

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ABBREVIATIONS

| | |
|-------------|--|
| ABLE | <i>Achieving a Better Life Experience Act</i> |
| C.F.R. | Code of Federal Regulations |
| IRS | Internal Revenue Service |
| OASDI | Old-Age, Survivors and Disability Insurance |
| ODEPPIN | Office of Data Exchange, Policy Publications, and International Negotiations |
| ODXIA | Office of Data Exchange and International Agreements |
| OIG | Office of the Inspector General |
| POMS | Program Operations Manual System |
| Pub. L. No. | Public Law Number |
| SSA | Social Security Administration |
| SSI | Supplemental Security Income |
| U.S.C. | United States Code |

OBJECTIVE

Our objective was to review the Social Security Administration's (SSA) efforts to implement new incoming data exchanges to reduce its reliance on beneficiaries'¹ self-reporting information that could affect their eligibility and payment amounts.

BACKGROUND

The Old-Age, Survivors and Disability Insurance (OASDI) program provides monthly benefits to retired and disabled workers and their dependents as well as the survivors of deceased workers.² The Supplemental Security Income (SSI) program provides a minimum level of income security to financially needy individuals who are aged, blind, or disabled.³ SSA must obtain data on a number of factors to determine eligibility and payment amounts, such as income, resources, and living arrangements.⁴ SSA obtains these data from beneficiaries and third parties. The Agency must collect information to the greatest extent practicable directly from the individual when the information may result in a reduction of benefits.⁵ Further, the Agency must independently verify the information obtained through data exchanges unless they are for benefits paid by a Federal benefit program and there is a high degree of confidence the information provided are accurate.⁶

While beneficiaries are required to report to SSA any change in circumstances that may affect their benefits; they do not always fully comply with this requirement. Obtaining data from external sources, such as other Federal and state agencies and financial institutions, is critical to preventing and detecting improper payments.

A significant management challenge the Agency faces is to improve the prevention, detection, and recovery of improper payments. Preventing improper payments is more advantageous than recovering them since the Agency must expend additional resources to recover overpayments or process additional payments to rectify underpayments. The Agency needs to use available data to better identify changes that affect beneficiaries' benefit payments and expand efforts to collect data from reliable third-party sources that would aid SSA in mitigating discrepancies that can occur when they rely on beneficiaries to self-report information.

¹ We use the term "beneficiary" generically for both OASDI beneficiaries and SSI recipients.

² *Social Security Act*, 42 U.S.C. §§ 402(a-h) and 423(a) (1-2).

³ *Social Security Act*, 42 U.S.C. § 1381(a).

⁴ See Appendix A for a list of factors that OASDI and SSI beneficiaries must report to SSA.

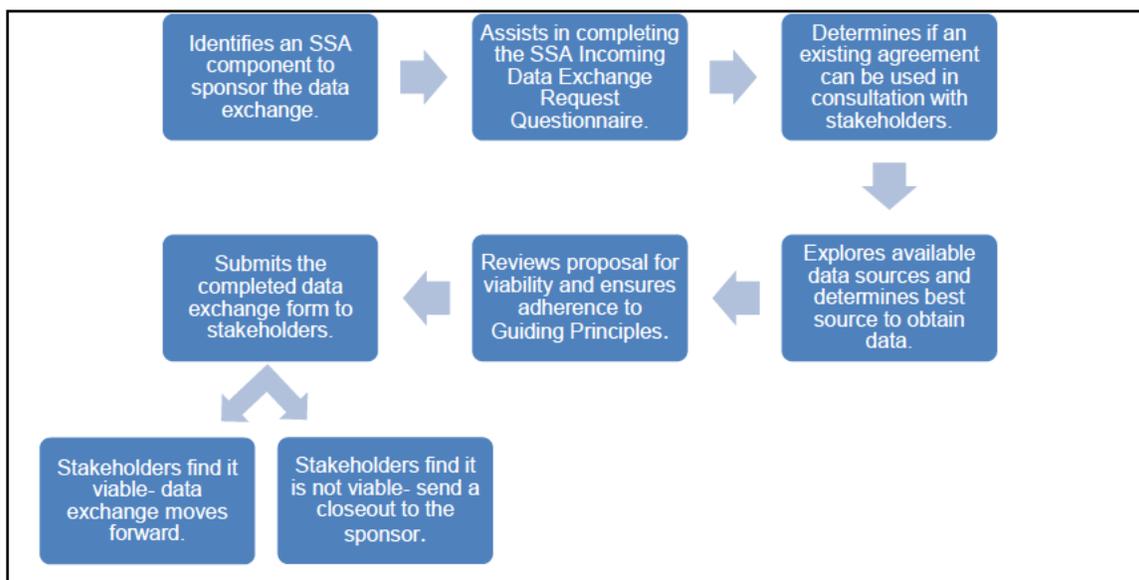
⁵ 5 U.S.C. § 552a(e)(2).

⁶ 5 U.S.C. § 552a(p).

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SSA's Office of Data Exchange, Policy Publications, and International Negotiations (ODEPPIN) provides enterprise-wide oversight of more than 3,000 data-exchange agreements. The Office of Data Exchange and International Agreements (ODXIA), under ODEPPIN, provides coordination, oversight, strategic decision making, policy, and procedures on data exchange activities. See Figure 1 for the steps ODXIA takes when an SSA component requests to establish a new incoming data exchange.

Figure 1: ODXIA Steps in Establishing a New Incoming Data Exchange



Each incoming data exchange must be sponsored by an SSA component. The sponsor enables the data exchange to progress through the business steps and ensure its success. The sponsor generally originates from the SSA component that requested the data exchange or the component that governs the program and will use the data. ODXIA submits completed SSA *Incoming Data Exchange Request Questionnaires*⁷ to the stakeholder components as follows:

- Office of Program Integrity to determine whether it is interested in using the data for anti-fraud data analytics.
- Office of the Deputy Commissioner for Systems' planning staff assesses the technical feasibility and availability of resources.
- Office of General Law assesses the legal permissibility and determines the data exchange administrative agreement type, that is, Computer Matching Agreement, Information Exchange Agreement, or Memorandum of Understanding.
- Office of Privacy and Disclosure to assess disclosure permissibility.
- Office of Legislation and Congressional Affairs to assess congressional interest.
- Various ODXIA staff for informational purposes.

⁷ The Questionnaire asks for information about the proposed data exchange, such as the purpose of the data, data elements needed, potential costs, and legal authority to obtain the data.

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Additionally, ODXIA evaluates and processes requests to establish data exchanges using a standardized framework—referred to as the Guiding Principles—see Figure 2.

Figure 2: SSA’s Guiding Principles for Data Exchanges

| | |
|---|---|
| Is it legal? | <ul style="list-style-type: none">• The Office of the General Counsel will determine whether the request is consistent with Federal law and regulations.• Determine if Federal law requires or allows the data exchange or places restrictions or requirements on the data exchange. |
| What are the benefits or negative consequences? | <ul style="list-style-type: none">• In most cases, a program benefit to the data exchange must exist (that is, enhanced accuracy, processing time, conserve resources, or improve programmatic outcomes). |
| What are the resource considerations? | <ul style="list-style-type: none">• Determine the financial costs/benefits of the data exchange, considering both costs required to develop and maintain the data exchange (if it is recurring).• Consider costs related to support the network or systems. |
| Does Systems have the ability to support the request? | <ul style="list-style-type: none">• Consult with SSA Office of Systems to determine if they can support the data exchange. |
| Will it improve service delivery? | <ul style="list-style-type: none">• There should be no preferred alternatives to the data exchange.• Determine how the data exchange will affect SSA. |
| Is it secure? | <ul style="list-style-type: none">• Evaluate the sensitivity of the data requested.• Evaluate the security of the data transfer. |

The time frame to establish a data exchange with another entity can vary significantly depending on the nature of the request and both entities’ priorities. However, it typically takes approximately 12 to 18 months to establish a data-exchange agreement after SSA approves a request for data. Depending on system prioritization and resources, testing, validation, and production can take an additional 6 to 18 months.

SSA also obtains data through contracts⁸ to reduce its reliance on beneficiaries to self-report information. The purchase of data with a contract is governed by the Federal Acquisition Regulation and is handled by SSA’s Office of Acquisition and Grants. SSA’s ODEPPIN does not have oversight of SSA’s contracts under which it obtains data. As such, contracts are not categorized as data-exchange agreements and do not follow the processes described in Figures 1 and 2.

⁸ For example, between 2019 and 2021, SSA entered into contracts to obtain marriage data, wage and employment information, and real home property data.

Methodology

We reviewed SSA's policies, procedures, and processes for entering into incoming data exchanges. Additionally, we reviewed information the Agency provided concerning data exchanges it attempted to enter into from 2019 through August 2021, including approved, pending, abandoned, and denied requests. We also interviewed SSA subject-matter experts. See Appendix B for more information.

RESULTS OF REVIEW

While SSA has made progress implementing data exchanges to reduce its reliance on beneficiaries self-reporting information, it still has work to do. While some of the challenges the Agency encounters when entering into data exchanges are beyond its control, the Agency could improve its process by implementing a centralized system for administering data exchanges and consider pursuing legislative changes to obtain the data it needs.

Challenges Entering into Data Exchanges

SSA encounters various challenges when it enters into data exchanges. These challenges include determining and/or obtaining legal authority, not having a centralized system for administering data exchanges, the need for an SSA sponsor, and budget limitations.

Legal Authority

SSA's Office of the General Counsel determines whether SSA has legal authority to obtain data. In some instances, the agency from which SSA requests data will determine there is no legal authority for that agency to provide the data. If there is not, SSA may seek to change the law. SSA's Office of Legislation and Congressional Affairs coordinates the development of legislative proposals designed to improve Agency programs.

The first step in the legislative process introducing a bill to Congress. It is then considered in a subcommittee, where it may be accepted, amended, or rejected. If the members of the subcommittee agree to move a bill forward, it is reported to the full committee, where it may be accepted, amended, or rejected. The committees and subcommittees may call hearings to investigate the bill. If the full committee approves the bill, it is reported to the House or Senate, and the majority party leadership decides when to place the bill on the calendar for consideration. To pass legislation and send it to the President for signature, both the House and Senate must pass the same bill with a majority vote. There is no guarantee a proposed bill will be passed.

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Examples of legislative authority that hinders the Agency's ability to obtain data include:

- SSA requested pension data from the Internal Revenue Service (IRS) to use in applying the Government Pension Offset and Windfall Elimination Provision of the *Social Security Act*.⁹ According to the IRS, this information was not available for disclosure under the Internal Revenue Code. SSA did not include in the Fiscal Year 2022 President's budget and Fiscal Year 2023 proposed budget a legislative proposal to obtain this information from the IRS.¹⁰ However, the President's budget in Fiscal Years 2012 through 2017 and 2019 through 2021 included legislative proposals that would encourage states and localities to provide this information to SSA directly, but none of these proposals became law.
- In March 2019, SSA adopted a new regulation to conduct background checks to prohibit persons convicted of certain crimes from serving as representative payees.¹¹ SSA requested data from the Federal Bureau of Investigation's National Crime Information Center database to conduct criminal background checks on SSA representative payee applicants. The Agency wanted to store these data in its electronic Representative Payee System and use them for suitability determinations during the representative payee application and the ongoing criminal background checks on certain payees. The Bureau denied this request, stating there is no authority that allows SSA to use the information, and a legislative change would be required that authorizes a fingerprint-based, non-criminal-justice background check for access to criminal information for non-criminal-justice purposes. The Fiscal Year 2022 President's budget and Fiscal Year 2023 proposed budget did not include a legislative proposal that would help SSA obtain these data, but SSA reported it was seeking clarification from the Federal Bureau of Investigation on how SSA might obtain the data.
- SSA does not have legal authority to access child support data that would prevent improper payments. In July 2013, we found SSA could save approximately \$151 million, annually, if the number of individuals receiving and/or reporting child support increases by 100,000.¹² We recommended SSA consider legislative changes that would authorize the Department of Health and Human Services to match state child support data with SSI records to identify unreported or underreported child support payments which may impact SSI payments. ■

⁹ *Social Security Act*, 42 U.S.C. §§ 415(a)(7)(B) and 402(k)(5); 20 C.F.R. §§ 404.213 and 404.408a.

¹⁰ As of September 2022, we were working on an audit to determine the effectiveness of SSA's controls to prevent or detect improper payments related to the Windfall Elimination Provision and Government Pension Offset and determine the reasons or obstacles that have prevented SSA from obtaining pension data directly from state and Local governments.

¹¹ *Strengthening Protections for Social Security Beneficiaries Act of 2018*, Pub. L. No. 115-165, 132 Stat. 1267 sec. 202.

¹² SSA, OIG, *Child Support and the Supplemental Security Income Program*, A-01-12-11219 (July 2013).

In some instances, while SSA has the authority to obtain data, it does not have the authority to require that other agencies provide data. For example, as of November 2021, SSA had not obtained signed data exchange agreements for foster care data with 14 states. Of the 36 states with which SSA had agreements, 16 were not providing data. The law did not give SSA the legal authority to require that the state foster care agencies participate in a data exchange.¹⁴ The Agency has reached out to the states through the Regional Data Exchange Coordinators to encourage the states to enter into agreements to establish foster care data exchanges.¹⁵

In another example, SSA has legal authority to collect workers' compensation information as necessary to administer SSA's programs; however, a state may determine it lacks legal authority to provide SSA information based on state law. In a July 2010 audit,¹⁶ we found SSA had not obtained workers' compensation information to prevent improper payments. We estimated SSA had overpaid beneficiaries between \$44 and \$58 million because of unreported workers' compensation payments since our June 2003 audit.¹⁷ We recommended SSA work with the Office of Management and Budget to develop legislation that would require that state and local governments and other entities provide the Agency this information. The Agency agreed with the recommendation in principle but stated it would pursue the initiative as resources allow, as it must balance this workload against other Agency priorities.¹⁸ The President's budget from Fiscal Years 2012 through 2017 and 2019 through 2021 included legislative proposals related to obtaining workers' compensation information but none of these proposals became law. The Fiscal Year 2022 President's budget and Fiscal Year 2023 proposed budget does not include a legislative proposal that would help SSA obtain these data.

No Centralized System for Administering Data Exchanges

Another challenge the Agency faces is the lack of a centralized system for administering data exchanges. In a 2015 report,¹⁹ we found the Data Exchange Inventory, the database SSA was using to inventory and track data exchanges, was not an effective tool to locate information about data exchanges and maintain the data. The Data Exchange Inventory also contained inaccurate and incomplete information because it relied on individuals entering the data exchange information without any independent validation. The report also noted that multiple

¹³ SSA stated that its legislative proposal process beyond what is published in the President's Budget is pre-decisional and deliberative. Although SSA provided this information to OIG, SSA asserts that it remains subject to the deliberative process privilege and should not be disseminated outside the agency/executive branch.

¹⁴ *Strengthening Protections for Social Security Beneficiaries Act of 2018*, Pub. L. No. 115-165, 132 Stat. 1261 sec. 103.

¹⁵ SSA uses foster care data to ensure it appoints a representative payee who will serve in the best interest of the child entering and exiting foster care.

¹⁶ SSA, OIG, *Follow-up of Pending Workers' Compensation, A-08-09-19167* (July 2010).

¹⁷ SSA, OIG, *Pending Workers' Compensation: The Social Security Administration Can Prevent Millions in Title II Disability Overpayments, A-08-02-12064* (June 2003).

¹⁸ As of September 2022, we were conducting an audit to determine the effectiveness of SSA's controls to identify Disability Insurance beneficiaries and SSI recipients who are also receiving state workers' compensation benefits.

¹⁹ SSA, OIG, *Reimbursement for Data Exchanges with Third Parties, A-03-14-24027* (May 2015).

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SSA components maintained 20 different databases and paper repositories of data exchanges making it difficult for the Agency to obtain complete information for the Agency's data exchange activities such as volumes, counts, lists of partners, and copies of agreements.

The Agency determined it needed to develop a better workflow, management information tool, and repository for its data exchanges and proposed the Integrated Data Exchange Application. SSA expected this Application to standardize the data-exchange business process, streamline the data-exchange documentation, and automate data-exchange management information.

We recommended the Agency (1) continue developing and implementing a comprehensive data-exchange inventory, workload process, and management information system with available resources and (2) establish milestones that help ensure the system's implementation by 2017. The Agency did not move forward with the project because it was not funded.

In 2019, the Agency began working on a Data Exchange Product, which would provide a centralized, interactive, and user-friendly experience for administering data exchanges. This Product was also meant to contain an inventory of all data exchanges. SSA's Office of Retirement and Disability Policy initially received multiple year funding for this project, but the funding was then moved for other priorities; and, as of February 2022, SSA did not have funding for this initiative. Without an inventory of all data exchanges, SSA does not have overall information on data exchange activities.

Need for Sponsor and Budget Limitations

Each incoming data exchange request must have an SSA component sponsor it. Without a sponsor, the Agency will not pursue a data exchange. The sponsor (a) provides the budget needed for the data exchange, (b) determines the use of the data and justification, (c) completes necessary processes and forms, and (d) ensures work conforms to policy and is completed. SSA component sponsors must also request and obtain SSA information technology resources to support the incoming data exchange, which is done through SSA's Information Technology Investment Process. ODXIA acts as the liaison between the sponsoring component and the agency providing the data.

Congress decides funding for SSA's administrative budget, which provides resources to the Agency's programs. It includes funding for information technology costs. Each year, SSA must submit budget requests to Congress that justify its funding needs for the following year. Once SSA receives its budget for the year, it allocates certain amounts to its components (for example, ODXIA, Office of Operations, Office of Systems). The SSA component that sponsors the data exchange needs to obtain approval to use its budgeted funds for the data exchange, which are not always approved.

Other Challenges

SSA encounters other challenges that are out of its control when it tries to enter into data exchanges. For example, the Agency encountered technical issues when it tested state foster care data exchanges. This included States sending files that included missing or duplicate data or data that were not properly updated. Staff noted these issues sometimes occurred even after testing was completed and a state was regularly exchanging data.

In another example, the Agency noted that entering into a state foster care data exchange agreement does not guarantee a project start date. State foster care production timelines

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depend on their capabilities. Some States are not ready to develop or test because of such internal challenges as lack of funding, shortage of staff or technical resources, data collection issues, state privacy laws, other priority projects, and delays caused by COVID-19.

Best Practices for Entering into Data Exchanges

SSA has policies and procedures for entering into data exchanges and regularly reviews and updates them to improve the process. For example, SSA followed its policies and procedures to have relevant stakeholders evaluate the data exchanges we reviewed.

In another example, the Agency developed a standard set of Guiding Principles (as shown in Figure 2) SSA applies to all data-exchange requests to standardize decision making and analysis. SSA adhered to the Guiding Principles when it entered into data exchanges. For instance, when entering into the state foster care data exchange, SSA:

- Analyzed, developed, and finalized a model information exchange agreement to legally support the data exchange.
- Determined state foster care agencies are not legally mandated to participate in the data exchange.
- Considered SSA resources, even though the Agency was legally required to implement the data exchange.
- Conducted a standard technical feasibility analysis and determined SSA could develop a data exchange that would process data files sent from willing state foster care agencies.
- Determined the data exchange would help ensure representative payees are managing benefit payments in the best interest of the beneficiaries or recipients they are serving in the state foster care agencies.²⁰
- Determined the files would be transferred through secure existing software connections.

SSA also participated in activities to learn about best practices in obtaining data from other benefit-paying agencies. In 2013, SSA established a Data Exchange Community of Practice, which has over 50 members from various Federal agencies, to strengthen the Agency's relationships, find collective solutions, and create data opportunities. During the bi-monthly meetings, the Community gathers best practices for data sharing among the partners to increase administrative efficiencies and reduce improper payments.

The Agency also participated in the State Data Exchange Community of Excellence. This open forum allowed all interested stakeholders to share their unique insights on electronic data needs with SSA and collaborate directly with SSA and other Federal officials. This group gave stakeholders the opportunity to share information and learn best practices. This inclusive and collaborative approach helped the forum develop responsive, effective, and efficient electronic data exchanges to streamline State health and human service business processes and

²⁰ A representative payee is an individual or organization that receives and manages a beneficiary's payments when SSA determines the beneficiary is incapable of managing or directing the management of his/her own benefits, or when direct payment is prohibited.

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minimize public burden. These meetings ended after the *Affordable Care Act*²¹ was implemented. SSA tried to revitalize the group, but there was no sustained interest.

Successful Data Exchanges

The Agency has successfully entered into data exchanges with Federal and state partners. See Appendix C for the data exchanges the Agency reported it attempted to enter into from 2019 through August 2021.²² SSA entered into two data exchanges with states to comply with applicable laws.

1. The *Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014 (ABLE)*²³ aims to ease financial strains faced by individuals with disabilities by making tax-free saving accounts available to cover qualified disability expenses. While following its policies and procedures, including the Guiding Principles, SSA created an information exchange agreement to allow States to disclose account statements on distributions and account balances of all ABLE accounts to the Agency. As of June 2022, SSA had secured agreements and was receiving data from 47 states.²⁴
2. Section 103(a) of the *Strengthening Protections for Social Security Beneficiaries Act of 2018*²⁵ requires that SSA enter into a data exchange with State foster care agencies to obtain monthly information about “represented minor beneficiaries”²⁶ that have entered, exited, or changed placement in foster care. While following its policies and procedures, including the Guiding Principles, SSA created an inter-agency agreement to obtain foster care data. As of June 2022, SSA had obtained signed data exchange agreements with 36 states and was receiving data from 20 of these states.

Additionally, in August 2020, the Agency entered into a data exchange with the Department of Health and Human Services to obtain the List of Excluded Individuals and Entities. This data exchange allows greater accuracy in identifying excluded medical sources to ensure compliance

²¹ *Patient Protection and Affordable Care Act*, Pub. L. No. 111-148, 124 Stat. 119 (2010), as amended by the *Health Care and Education Reconciliation Act*, Pub. L. No. 111-152, 124 Stat. 1029 (2010), collectively referred to as the *Affordable Care Act*.

²² We could not verify this was a complete list because the Agency does not have a comprehensive system to track data exchanges.

²³ Pub. L. No. 113-295, § 128 Stat. 4056, p. 4056 (2014).

²⁴ Less than 1 percent of the approximately 3 million SSI recipients eligible to open an ABLE account had one listed as a resource in SSA’s records. Also, the Agency did not always verify recipients’ monthly ABLE account balances, as required. SSA, OIG, *Achieving a Better Life Experience Accounts*, A-02-18-50357 (March 2021).

²⁵ *Strengthening Protections for Social Security Beneficiaries Act of 2018*, Pub. L. No. 115-165, 132 Stat. 1261 (2018).

²⁶ A represented minor beneficiary is a child entitled to Social Security funds and whose benefits are certified for payment to a representative payee.

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with the *Bipartisan Budget Act*.²⁷ SSA followed its policies and procedures, including the Guiding Principles. The Agency began receiving data in September 2020.²⁸

As a result of a recommendation in our February 2013 report,²⁹ SSA entered into a data exchange agreement with the Department of Homeland Security to access data from its Arrival and Departure Information system. We estimated 35,068 SSI recipients had approximately \$152 million in overpayments because of unreported absences from the United States. SSA began accessing the data in June 2019. However, SSA only obtains this information when it does a redetermination³⁰ for non-U.S. citizens if they answer no to being outside the United States for longer than 30 days. A 2021 SSA Office of Quality Review report recommended that SSA use these data for all SSI recipients (including U.S. citizens) when it performs redeterminations,³¹ which is the same recommendation we made in 2013.

CONCLUSIONS

Data exchanges help SSA detect or prevent improper payments and reduce the Agency's reliance on self-reporting. The Agency should continue seeking new data exchanges to better identify changes that affect beneficiaries' benefit payments and expand efforts to collect data from reliable third-party sources that would aid SSA in mitigating discrepancies that can occur when beneficiaries self-report information.

As we recommended in 2015, the Agency should continue developing and implementing a comprehensive data exchange inventory, workload process, and management information system with available resources.

Additionally, while changing a law can be a long process with no guarantee that a proposed bill will become a law, in situations where the Agency does not have legal authority to obtain data, it should consider pursuing legislative changes.

²⁷ *Bipartisan Budget Act of 2015*, Pub. L. No. 114-74 (2015).

²⁸ Disability determination services' employees query the List of Excluded Individuals and Entities in the Systems for Award Management to determine whether consultative examiners are properly licensed and credentialed. SSA, *POMS*, DI 39569.300 (October 20, 2015).

²⁹ SSA, OIG, *Usefulness of Department of Homeland Security Travel Data to Identify Supplemental Security Income Recipients Who Are Outside the United States*, A-01-11-01142 (February 2013).

³⁰ A redetermination is a review of an SSI recipient's non-medical eligibility factors, that is, income, resources, and living arrangements) to determine whether the beneficiary is still eligible for and receiving the correct SSI payment. SSA, *POMS*, SI 02305.001 (September 5, 2019).

³¹ SSA, Office of Analytics, Review, and Oversight, *Review of Title XVI Foreign Travel Data for U.S. Citizens* (August 2021).

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RECOMMENDATIONS

We recommend SSA:

1. Implement a centralized, interactive, and user-friendly system for administering data exchanges.
2. Submit legislative proposals in Fiscal Year 2024 for data the Agency does not have the authority to obtain.

AGENCY RESPONSE

SSA agreed with Recommendation 1 but disagreed with Recommendation 2. SSA disagreed because, in most cases, the decision to pursue data-exchange-related legislation is driven by factors other than a need for legal authority. These factors include, but are not limited to, data quality, technological and logistical challenges, anticipated program savings, and estimated costs to establish a data exchange. If the feasibility of a given data exchange is questionable because of other factors, there is little benefit to pursuing new legal authority. See Appendix D.

OIG RESPONSE

As described in the report, we recognize the decision to pursue data-exchange-related legislation may be driven by other factors besides a need for legal authority. However, SSA should continue to seek legislative changes to obtain data that it cannot obtain through other means.

While beneficiaries are required to report to SSA any change in circumstances that may affect their benefits; they do not always fully comply with this requirement. Obtaining data from external sources, such as other Federal and state agencies and financial institutions, is critical to preventing and detecting improper payments. Furthermore, preventing improper payments is more advantageous than recovering them since SSA must expend additional resources to recover overpayments or process additional payments to rectify underpayments. Therefore, if SSA determines the data exchange meets all of its guiding principles (as described in Figure 2) except for legal issues, the Agency should pursue legislative changes to obtain the data it cannot obtain through other channels to mitigate discrepancies that can occur when SSA relies on beneficiaries to self-report information.

Additionally, as described on page 5, the Agency should seek a legislative change to obtain information it requested from the Federal Bureau of Investigation so it can conduct background checks to prohibit persons convicted of certain crimes from serving as representative payees for SSA beneficiaries. When beneficiaries are not capable of managing or directing the management of their benefits, it is important that SSA appoint a representative payee who will ensure the funds are being used to meet the beneficiaries' needs, such as food, clothing, shelter, and medical care.



Michelle L. Anderson
Assistant Inspector General for Audit

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APPENDICES

Appendix A –SELF-REPORTED INFORMATION

The following factors must be reported to the Social Security Administration and may impact eligibility or payment amounts.

Retirement and Survivor beneficiaries must report if the beneficiary:¹

- has an estimated earnings change,
- moves,
- changes direct deposit accounts,
- is not able to manage his/her funds,
- receives a pension from non-covered work,
- becomes married or divorced,
- changes his/her name,
- receives benefits because he/she is caring for a child,
- adopts a child who is receiving benefits,
- becomes a parent after he/she begins to receive benefits,
- has an outstanding felony or arrest warrant,
- is convicted of a criminal offense,
- committed a crime and is confined to an institution,
- leaves the United States,
- has a citizen status change, or
- is receiving Social Security and Railroad Retirement Benefits.

¹ SSA, *What You Need to Know When You Get Retirement or Survivors Benefits*, Publication No. 05-10077, p. 4-11 (January 2021).

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In addition to the above items, disability beneficiaries must also report if the beneficiary:²

- works while receiving disability payments,
- receives other disability benefits, or
- is offered services under the Ticket to Work program.³

Supplemental Security Income recipients must report if the recipient:⁴

- moves or changes his/her address,
- changes his/her direct deposit account,
- has someone moving into or out of the recipient's household,
- starts or stops working,
- has a change in income or the income of certain family members,
- has a change in resources,
- receives help with living expenses,
- enters or leaves an institution (hospital, nursing home),
- becomes married, separated, or divorced,
- becomes a parent,
- leaves the United States,
- has an outstanding felony or arrest,
- is confined to a correctional facility,
- changes his/her name,
- is age 18 to 22 and starts or stops attending school, or
- has a change in immigration status.

² SSA, *What You Need to Know When You Get Social Security Disability Benefits*, Publication No. 05-10153, pp. 8 through 15 (April 2021).

³ Under the Ticket to Work program, SSA will issue tickets to eligible beneficiaries. Beneficiaries may use their tickets to obtain employment, vocational rehabilitation, and other support services that will assist them in obtaining, regaining, and maintaining self-supporting employment. SSA, *POMS*, DI 55002.001 (October 29, 2002).

⁴ SSA, *What You Need to Know When You Get Supplemental Security Income*, Publication No. 05-11011, p. 6 (August 2019).

Appendix B –SCOPE AND METHODOLOGY

To conduct our review, we:

- Researched and reviewed Social Security Administration’s (SSA) policies and procedures.
- Developed a flow chart of the Agency’s process for entering into new data exchanges and obtained the Agency’s buy in.
- Reviewed information the Agency provided concerning data exchanges it attempted to enter into from 2019 through August 2021 (this included approved, pending, abandoned, and denied requests for data exchanges).
- Reviewed information the Agency provided concerning the State Data Exchange Community of Excellence and Federal Data Exchange Community of Practice.
- Attended a Federal Data Exchange Community of Practice meeting.
- Interviewed SSA subject-matter experts to obtain information regarding challenges involved in entering into new data exchanges and the Data Exchange Product.
- Obtained information from SSA to determine how it implemented certain prior Office of the Inspector General recommendations related to data exchanges.

We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components, including control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objective. We identified the following component and principle as significant to the audit objective.

- Component 3: Control Activities
 - Principle 10: Design Control Activities
 - Principle 12: Implement Control Activities

We conducted our review between August 2021 and June 2022 in Boston, Massachusetts. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix C –DATA EXCHANGES

Table C–1 shows data exchanges the Social Security Administration (SSA) attempted to enter into from 2019 to 2021.

Table C–1: SSA Data Exchanges

| Agency Data Would Come From | SSA Component Sponsor | Date/Data Request | Purpose for Data | Request Outcome |
|---|--|--|--|---|
| Department of Health and Human Service, Office of the Inspector General | Office of Disability Policy | December 2018 - List of Excluded Individuals and Entities Data | The data would allow greater accuracy in identifying excluded medial sources. | Data exchange agreement was signed in August 2020. SSA began receiving data in September 2020. |
| State Foster Care Agencies | Office of Data Exchange Policy Publications and International Negotiations | February 2018- information about represented minor beneficiaries that have a change in foster care placement to comply with Section 103(a) of the <i>Strengthening Protections for Social Security Beneficiaries Act of 2018</i> . | The data will allow SSA to appoint appropriate representative payees to children entering and exiting foster care. | As of November 2021, SSA had obtained 36 signed data exchange agreements. Of the 36 states, 20 are exchanging data. |
| States | Office of Income Security Programs | August 2015- account information to comply with the Stephen Beck, Jr., <i>Achieving a Better Life Experience Act (ABLE)</i> . | The data will allow SSA to verify ABLE account information. | SSA entered into data exchanges with states in April 2017. As of June 2022, SSA was receiving data from 43 states. |
| Treasury | Office of Program Integrity | August 2019 - Do Not Pay Data | Fraud Detection | SSA withdrew the request in September 2019 because it had submitted the request prematurely. |
| Treasury/ Bureau of Fiscal Service | Office of Income Security Programs | May 2019 - Death Data | The Office of the Inspector General and Government Accountability Office recommended SSA obtain additional death data from Treasury Payment files. | SSA withdrew the request in July 2020 because it determined the match was not feasible without a critical component of data that was not available. |
| Federal Bureau of Investigation, Criminal Justice Information Systems | Office of Income Security Programs | October 2019 - Federal criminal information to conduct criminal background checks on SSA representative payee applicants. | SSA would use these data during the representative payee application and during the ongoing criminal background checks on the non-exempt current payees. | The Federal Bureau of Investigation denied this request in March 2021 because it determined SSA does not have legal authority to obtain the data. |

REDACTED

| Agency Data Would Come From | SSA Component Sponsor | Date/Data Request | Purpose for Data | Request Outcome |
|---|--|--|--|--|
| Treasury/ Bureau of Fiscal Service | Office of Program Integrity | March 2020 - Treasury Compromised Account information | Data are needed for fraud purposes/analysis fraud trends in payment data. | The request for data was approved. SSA is drafting an agreement. |
| Centers for Medicare & Medicaid Services | Office of Program Integrity | March 2020 - Medicare non- utilization information to assist SSA with determining fraud risks associated with Social Security beneficiary transactions. | SSA will use the data as an indicator to select and prioritize cases and for review for the purposes of fraud discovery and the analysis of fraud programs operations. | Centers for Medicare & Medicaid Services and SSA determined this request is legally and technically feasible. As of August 2022, SSA was finalizing the draft agreement.. |
| Centers for Medicare & Medicaid Services | Office of Analytics and Improvements | August 2020 - Claims data for all Medicaid recipients on a supplied list for the prior 3 years. | This data will support decision of selection or deferral of full medical review for cases undergoing continuing disability review each year. | The Centers for Medicare & Medicaid Services determined the request is feasible. Cost estimate was provided to SSA component sponsor. Legal agreement is expected to be completed in June 2022. |
| States | Office of Data Exchange Policy Publications and International Negotiations | Fiscal Year 2021- Supplemental Security Income (SSI Kids) Data Exchange Leads | SSA is seeking to enter into a data exchange to identify children who may be eligible for SSI and not receiving the benefit. | As of November 2021, SSA is seeking information from the Pennsylvania Department of Human Services. |

REDACTED

Appendix D – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: September 2, 2022

Refer To: TQA-1

To: Gail S. Ennis
Inspector General

A handwritten signature in blue ink, appearing to read "Scott Frey".

From: Scott Frey
Chief of Staff

Subject: Office of the Inspector General Draft Report “The Social Security Administration’s Challenges and Successes in Obtaining Data to Determine Eligibility and Payment Amounts” (A-01-21-51029) — INFORMATION

Thank you for the opportunity to review the draft report. We agree with recommendation 1; however, we disagree with recommendation 2.

In most cases, the decision to pursue data exchange-related legislation is driven by factors other than a need for legal authority. These factors include, but are not limited to, data quality, technological and logistical challenges, anticipated program savings, and estimated costs to establish a data exchange. If the feasibility of a given data exchange is questionable due to other factors, there is little benefit to pursuing new legal authority.

Please let me know if I can be of further assistance. You may direct staff inquiries to Trac Sommer at (410) 965-9102.



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