



Office *of the* Inspector General
SOCIAL SECURITY ADMINISTRATION

Congressional Response Report

The Social Security Administration's
Implementation of iPaySSA

A-14-19-50893 | July 2020

OIG Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

July 30, 2020

The Honorable John B. Larson
Chair

The Honorable Tom Reed
Ranking Member

Subcommittee on Social Security
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Subcommittee Chair Larson and Mr. Reed:

In a February 3, 2020 letter, you asked that we review the Social Security Administration's plans to implement *iPaySSA*. Thank you for bringing your concerns to my attention. We share your interest in ensuring that all Agency programs properly assess fraud risk, protect personally identifiable information, and monitor results to meet the stated objectives.

This report contains our responses to the questions included in your letter. To ensure the Agency is aware of the information provided to your office, we are forwarding a copy of this report to the Agency. If you have any questions concerning this matter, please call me or have your staff contact Walter Bayer, Congressional and Intragovernmental Liaison, at (202) 358-6319.

Sincerely,



Gail S. Ennis
Inspector General

Enclosure

cc:
Commissioner of Social Security

The Social Security Administration's Implementation of iPaySSA

A-14-19-50893



July 2020

Office of Audit Report Summary

Objective

To answer questions on the Social Security Administration's (SSA) implementation of *iPaySSA*.

Background

iPaySSA was designed as a new, online repayment option for Social Security beneficiaries and Supplemental Security Income recipients with one debt owed to SSA.

On February 3, 2020, John B. Larson, Chair, and Tom Reed, Ranking Member, Committee on Ways and Means, Subcommittee on Social Security requested that the Office of the Inspector General (OIG) address the following: (1) SSA's plans for implementing *iPaySSA*; (2) the security risks and vulnerabilities with *iPaySSA*, and what SSA is doing to address them; (3) how those who make a payment through *iPaySSA* will receive confirmation that a payment was processed; and (4) what group(s) of Social Security beneficiaries and Supplemental Security Income recipients SSA is targeting for the initial release of *iPaySSA*.

Conclusion

On July 17, 2020, SSA informed the OIG that it no longer intends to implement the *iPaySSA* project. Instead, the Agency is directing its efforts to providing the public with modern electronic service options, including the ability to securely repay overpayments online through the development of its modern Debt Management Product.

The goal of *iPaySSA* was to reduce the burden and cost of SSA's manual remittance process and provide the public with a more convenient and timely method of payment. SSA planned to offer the application to approximately 260,000 individuals who

- have only 1 overpayment;
- receive monthly installment billing notices; and
- remit payments (a) in field offices via cash, credit card, or check; (b) to a processing center by mail; or (c) by telephone via credit card.

iPaySSA would have offered individuals the option to print, save, or email a confirmation receipt. The Agency did not plan to provide individuals with overpayment balances through *iPaySSA*.

Individuals can obtain this information through [my Social Security](#) or by calling SSA's national 800-number.

On March 13, 2020, SSA hired a contractor to conduct a security assessment of *iPaySSA* and its infrastructure. The contractor assessed the security, fraud, and privacy controls of the *iPaySSA* application before the Agency makes it available to the public. SSA provided OIG a copy of the contractor's report on May 21, 2020. We agreed with the contractor's assessment and determined that the contractor identified many of the same concerns we shared with the Agency in February 2020.

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ABBREVIATIONS

NIST	National Institute of Standards and Technology
OIG	Office of the Inspector General
PII	Personally Identifiable Information
SSA	Social Security Administration
SSN	Social Security Number

OBJECTIVE

Our objective was to answer questions on the Social Security Administration's (SSA) implementation of *iPaySSA*.

BACKGROUND

iPaySSA was designed to be a new, online repayment option to reduce the burden and cost of SSA's manual remittances process. It was part of SSA's multi-year Debt Management modernization effort.¹ *iPaySSA* would allow Social Security beneficiaries and Supplemental Security Income recipients with one debt to access a payment portal on SSA.gov and make payments via the Department of the Treasury's Pay.gov Website.² Individuals would be able to repay benefit overpayments by credit/debit card or checking/savings account. On SSA.gov, *iPaySSA* would ask the individual to enter a Social Security number (SSN) and the dollar amount to repay. SSA would use its system of records to validate the SSN and the overpayment associated with the SSN before it proceeds with the transaction. If the information was correct and the individual was eligible to use the service, *iPaySSA* would transfer the user to Pay.gov to enter credit card or bank information and complete the transaction. When the payment was successful, Pay.gov would return the individual to *iPaySSA* with a receipt of payment to print, save, or email.

On February 3, 2020, John B. Larson, Chair, and Tom Reed, Ranking Member, Committee on Ways and Means, Subcommittee on Social Security, requested that the Office of the Inspector General (OIG) answer specific questions about SSA's implementation of *iPaySSA* (see Appendix A).

For this audit, we reviewed relevant documentation and interviewed personnel from SSA's Offices of Budget, Finance and Management and Systems to gain an understanding of the Agency's plans for implementation and the controls for *iPaySSA*. We contacted digital identity experts from the National Institute of Standards and Technology on the technical requirements for Federal agencies implementing digital identity services. See Appendix B for additional information about our scope and methodology.

¹ According to SSA, its modernization plan began in 2014 with the implementation of the Social Security Electronic Remittance System in its field offices. In Fiscal Year 2019, the Agency collected nearly 200,000 remittances totaling \$122 million via the Social Security Electronic Remittance System.

² Pay.gov is the Department of the Treasury's Government-wide collection portal that enables agencies to collect payments from their customers and manage agency collection activities.

RESULTS OF REVIEW

Question 1: What are SSA's plans for implementing *iPaySSA*? What are SSA's goals and objectives for the system, and how will the Agency determine whether they have been met?

The Agency planned to implement *iPaySSA* before the end of Fiscal Year 2019 but, in September 2019, decided to delay implementation until spring 2020 to add more functionality. On July 17, 2020, SSA informed the OIG that it no longer intends to implement the *iPaySSA* project. Instead, the Agency is directing its efforts to providing the public with modern electronic service options, including the ability to securely repay overpayments online, through the development of a modern Debt Management Product (see Appendix C).³

SSA's goal for *iPaySSA* was to reduce the burden and cost of the Agency's manual remittance process and provide the public with a more convenient method of payment. SSA planned to target the initial release of *iPaySSA* to a smaller population of approximately 55,000 to 70,000 users (of the 260,000 individuals identified) who are making monthly payments in field offices. SSA's initial goal was for about 550 to 700 individuals to use *iPaySSA*.

In March 2020, SSA reported the actual cost of *iPaySSA* was approximately \$2.18 million (73 percent above its original \$1.26 million estimate). According to SSA, the cost overages occurred because the Agency added functionality to *iPaySSA* that it did not include in the original plan. As of March 25, 2020, SSA did not have a goal for the cost savings it planned to achieve with *iPaySSA*.

³ SSA is targeting September 2021 for the minimum viable product of the Debt Management Product.

Question 2: What are the security risks and vulnerabilities with *iPaySSA*, and what is SSA doing to address them? What additional steps should the Agency take to ensure *iPaySSA* is both secure and able to gain the confidence of potential users? Could the security of *iPaySSA* be improved by utilizing the **my Social Security** portal?

Federal standards require that an agency verify a user's identity if the agency needs to have assurance the user is who he/she claims to be.⁴ Federal agencies must perform risk assessments to determine the extent to which risk must be mitigated by identity proofing and authentication processes.⁵

SSA contacted a consultant, who informed the Agency on April 1, 2019 that the *iPaySSA* application, as designed, would disclose personally identifiable information (PII)—specifically, the existence of an SSN and the amount of the debt owed by the number holder. However, the Agency did not address this disclosure in its authentication risk assessment for *iPaySSA*, which it completed on April 4, 2019. SSA determined it would not need to verify the identities of *iPaySSA* users because, similar to the current remittance process, the individuals making payments need not be the debtors themselves (for example, representative payees could make payments on the debtors' behalf). However, if *iPaySSA* confirms to users the validity of the SSNs and the existence of debts, SSA would need to verify users' identities to ensure it does not disclose PII to unauthorized individuals. SSA ultimately decided not to implement *iPaySSA* and will instead pursue the business goals as part of a broader debt management product.

In February 2020, OIG shared with SSA its concerns about the security of *iPaySSA*. The Agency updated its authentication risk assessment on March 12, 2020⁶ but did not address all of OIG's concerns. The Agency needed to fully consider all the risks for *iPaySSA* and implement identity verification to address all risks associated with the online application.

On March 13, 2020, the Agency hired a contractor to conduct a security assessment of *iPaySSA* and its infrastructure. The contractor assessed the security, fraud, and privacy controls of the *iPaySSA* application before SSA made it available to the public.⁷ The Agency provided OIG a copy of the contractor's report on May 21, 2020. We agreed with the contractor's assessment

⁴ Identity verification includes collecting the most appropriate identity evidence (such as a passport or driver's license) from the applicant and determining its authenticity, validity, and accuracy. Identity verification comprises three steps: collecting the appropriate identity evidence; confirming the evidence is genuine and authentic; and confirming the data contained on the identity evidence is valid, current, and related to a real-life subject. NIST, *Digital Identity Guidelines, SP 800-63A*, pp. 15 through 19 (June 2017).

⁵ NIST, *Digital Identity Guidelines, SP 800-63 Revision 3*, p. 17 (June 2017).

⁶ SSA, *Authentication Risk Assessment for the iPaySSA Online Application*, System Boundary: Debt Management System, Final Version 2.0 (Updated March 12, 2020).

⁷ Order No. 28321320P00050080, award amount \$91,200.

and determined that the contractor identified many of the same concerns we shared with the Agency in February 2020.

All SSA Websites, including *iPaySSA*, must protect beneficiaries' and recipients' PII. Alternatives that would assist in preventing unauthorized release of PII, securing *iPaySSA*, and gaining the confidence of potential users include the following.

- **Put payment portal behind *my Social Security*.** While this would permit only number holders to pay their own debts (not third parties who want to make payments online on another's behalf), it would provide a level of assurance that users are who they claim to be.
- **Develop a unique identifier and send users directly to Pay.gov to submit payments.** SSA plans to develop a unique debt identifier after implementation of its new debt management product. Although this could create additional workloads if someone mistyped the identifier, it would eliminate the risk that PII is improperly disclosed.

Question 3: For those who make a payment through *iPaySSA*, how will they receive confirmation that a payment has been processed? Will the individual receive a receipt and/or update regarding the balance of his/her overpayment?

SSA planned for *iPaySSA* to offer individuals the option to print, save, or email a payment confirmation. After payment was confirmed, *iPaySSA* would give an electronic receipt. An individual would have the option of providing his/her email address to receive an email confirmation. SSA did not plan to save the email address in its system.

As of March 25, 2020, the Agency did not plan to provide individuals with overpayment balances through *iPaySSA*. Individuals who are receiving benefits can obtain their overpayment balances through the *Check Your Benefits* application within *my Social Security*, which will reflect payments made through *iPaySSA*. Additionally, all debtors can obtain information about their overpayment balance and transaction history by calling SSA's national 800-number.⁸

⁸ SSA advises customers they may experience longer wait times than usual because of the Coronavirus Disease 2019 pandemic and encourages them to try SSA's online services or call their local field office first.

Question 4: What group(s) of Social Security beneficiaries and Supplemental Security Income recipients is SSA targeting for the initial release of *iPaySSA*? How many individuals are in these categories, and how are these individuals currently repaying their benefit overpayments? What is SSA’s plan for expanding *iPaySSA* to other potential users?

SSA planned to offer the application to approximately 260,000 individuals who

1. have only 1 overpayment;
2. receive monthly installment billing notices; and
3. remit payments (a) in field offices via cash, credit card, or check; (b) to the processing centers by mail; or (c) by telephone via credit card.

The Agency planned to target the initial release of *iPaySSA* to approximately 55,000 to 70,000 users who are making monthly payments in field offices. SSA planned to pursue this population through limited communication about *iPaySSA* with notices in field office waiting rooms and printed on the bottom of receipts given to individuals making payments in field offices. SSA’s initial goal was that 1 percent of the targeted group—approximately 550 to 700 individuals—would use *iPaySSA*.



Michelle L. Anderson
Assistant Inspector General for Audit

APPENDICES

Appendix A – LETTER FROM CONGRESS

JOHN B. LARSON
CONNECTICUT,
CHAIRMAN

BILL PASCRELL JR., NEW JERSEY
LINDA T. SANCHEZ, CALIFORNIA
DAN KILDEE, MICHIGAN
BRENDAN BOYLE, PENNSYLVANIA
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KATHRYN OLSON,
STAFF DIRECTOR

Congress of the United States

U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON SOCIAL SECURITY

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AMY SHUART,
STAFF DIRECTOR

February 3, 2020

The Honorable Gail S. Ennis
Inspector General
Office of the Inspector General
Social Security Administration
6401 Security Boulevard
Baltimore, MD 21235

Dear Inspector General Ennis:

We write to request that the Office of the Inspector General review the Social Security Administration's (SSA's) plans to implement *iPaySSA*, the online repayment option for benefit overpayments.

At a time of increasing robocalls and scams involving SSA imposters, we are concerned that *iPaySSA* could be a potential target for phishing, spoofing, or other fraud scams. We are also concerned about the security of the *iPaySSA* application and the risk that the public will have to enter their Social Security number (SSN) to use the service.

With that in mind, please respond to the following:

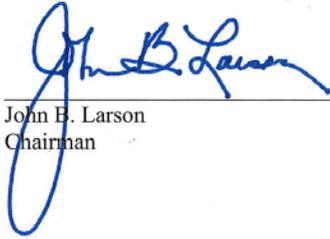
1. What are SSA's plans for implementing *iPaySSA*? What are SSA's goals and objectives for the system, and how will the agency determine whether they have been met?
2. What are the security risks and vulnerabilities with *iPaySSA*, and what is SSA doing to address them? What additional steps should the agency take to ensure *iPaySSA* is both secure and able to gain the confidence of potential users? Could the security of *iPaySSA* be improved by utilizing the *mySocialSecurity* portal?
3. For those who make a payment through *iPaySSA*, how will they receive confirmation that a payment has been processed? Will the individual receive a receipt and/or update regarding the balance of their overpayment?
4. What group(s) of Social Security beneficiaries and SSI recipients is SSA targeting for the initial release of *iPaySSA*? How many individuals are in these categories, and how are these individuals currently repaying their benefit overpayments? What is SSA's plan for expanding *iPaySSA* to other potential users?

Letter to Inspector General Ennis
February 3, 2020
Page 2

We also invite you to share any additional recommendations or concerns related to *iPaySSA*.

Thank you for your prompt attention with this request. Should you or your staff have any questions, please contact Kathryn Olson with the Committee's majority staff, at (202) 225-9263 and Amy Shuart with the Committee's minority staff, at (202) 225-4021.

Sincerely,



John B. Larson
Chairman



Tom Reed
Ranking Member

Appendix B – SCOPE AND METHODOLOGY

To answer the congressional questions, we:

- Reviewed National Institute of Standards and Technology (NIST) Special Publication 800-63, *Digital Identity Guidelines*, document suite.
- Interviewed digital identity experts from NIST on the technical requirements in NIST Special Publication 800-63 for Federal agencies implementing digital identity services.
- Reviewed Government Accountability Office, Office of Management and Budget, and other relevant resources on managing the risks of Federal information technology projects.
- Reviewed prior Office of the Inspector General reports.
- Reviewed the System Security Plan, Security Assessment Report, and the Authentication Risk Assessment for *iPaySSA* as well as other supporting security documents.
- Interviewed personnel from SSA’s Offices of Budget, Finance and Management, and Systems to gain an understanding of the Agency’s plans for implementation and the controls for *iPaySSA*.

We conducted our review in Baltimore, Maryland, between February and May 2020. The principal entities reviewed were SSA’s Offices of Budget, Finance and Management and Systems. 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 objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

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 two components and two principles as significant to the audit objective.

- Component 2: Risk Assessment
 - Principle 7: Identify, analyze, and respond to risks
- Component 3: Control Activities
 - Principle 10: Design control activities

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: July 17, 2020

Refer To:

To: Gail S. Ennis
Inspector General

A handwritten signature in blue ink that reads "Stephanie Hall".

From: Stephanie Hall
Chief of Staff

Subject: Office of the Inspector General Draft Congressional Response Report, "Social Security Administration's Implementation of iPaySSA" (A-14-19-50893) -- INFORMATION

Thank you for the opportunity to review the draft report. We no longer intend to implement *iPaySSA*. We are directing our efforts to providing the public with modern electronic service options, including the ability to securely repay overpayments online, through the development of our modern Debt Management Product.

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

MISSION

By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration's (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

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FAX: 410-597-0118

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