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United States General Accounting Office  
Washington, DC 20548

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July 19, 2002

The Honorable Stephen Horn  
Chairman, Subcommittee on Government Efficiency,  
Financial Management and Intergovernmental Relations  
Committee on Government Reform  
House of Representatives

Dear Mr. Chairman:

This letter responds to the question you raised during your May 9, 2002, hearing on “Oversight of the Management of the Office of Workers’ Compensation Programs: Are the Complaints Justified?” You asked whether GAO thought it would be a good idea for the Congress to provide the Department of Labor with legislative authority to access the Social Security Administration’s (SSA) wage data, which Labor could then cross-match with Federal Employee Compensation Act (FECA) benefits.

Our work has shown that such cross-matching or data sharing can be a valuable management and oversight practice. OWCP already has the right to access SSA data. However, such access is subject to SSA’s approval—the Code of Federal Regulations (20 C.F.R. 10.527) provides that “OWCP may verify the earnings reported by the employee through a variety of means, including but not limited to computer matches with the Office of Personnel Management and inquiries to SSA”.

If the Congress believes that OWCP should have direct access to SSA’s database—without being subject to approval by SSA—the Congress can provide for such access in legislation. Prior GAO work has demonstrated the importance of and potential savings from checking applicants’ and beneficiaries’ initial and continuing eligibility for federal benefits by verifying the economic information they provide with independent, third-party sources. For example, in our report entitled *Benefit and Loan Programs: Improved Data Sharing Could Enhance Program Integrity* (GAO/HEHS-00-119, Sept. 13, 2000) we estimated that direct on-line connections between SSA’s computers and databases maintained by state agencies containing information on wages, welfare benefits, and workers’ compensation benefits could have prevented or more quickly detected \$131 million in Supplemental Security Income (SSI) overpayments in one 12-month period. The report included a matter for consideration by the Congress that it consider legislative amendments to improve the ability of federally funded benefit and loan programs to obtain and share the information they need to make accurate eligibility determinations while protecting

personal privacy. In addition, our 1998 report entitled *Supplemental Security Income: Action Needed on Long-Standing Problems Affecting Program Integrity* (GAO/HEHS-98-158) cited prior work that determined recipients not always reporting required information was resulting in overpayments of supplemental income by SSA. The report recommended that the Social Security Commissioner enhance SSA's ability to verify applicant- and recipient-reported eligibility information and deter overpayments by accelerating efforts to identify more timely and complete sources for verifying financial eligibility information. Such sources could include other federal agencies or third parties.

We remain available to discuss these issues further with you or members of your staff. My phone number is (202) 512-9490.

Sincerely yours,

A handwritten signature in black ink that reads "George H. Stalcup". The signature is written in a cursive style with a large initial "G".

George H. Stalcup  
Director  
Strategic Issues