



June 6, 2022

Dr. Kilolo Kijakazi  
Acting Commissioner  
Social Security Administration  
6401 Security Boulevard  
Windsor Park Building  
Baltimore, MD 21235

**Priority Open Recommendations: Social Security Administration**

Dear Dr. Kijakazi:

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 attention to areas where open recommendations should be given high priority.<sup>1</sup> In November 2021, we reported that, on a government-wide basis, 76 percent of our recommendations made 4 years ago were implemented.<sup>2</sup> SSA's recommendation implementation rate was 86 percent. As of May 2022, SSA had 40 open recommendations. Fully implementing these open recommendations could significantly improve SSA's operations.

We ask for your attention to the four unimplemented priority recommendations we identified in our 2021 letter. We are adding two new recommendations related to improving cybersecurity, bringing the total number of priority recommendations to six. (See the enclosure for the list of recommendations and actions needed to address them.)

The six priority recommendations fall into the following three areas.

- 1. Ensuring program integrity:** Preventing and recovering Disability Insurance (DI) overpayments to beneficiaries and reducing improper payments in Old Age, Survivors, and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs is vital. Implementing three priority recommendations in this area could better position SSA to strengthen internal controls to prevent potential overpayments and more effectively reduce the potential for other improper payments.
- 2. Protecting vulnerable beneficiaries:** Protecting vulnerable beneficiaries from fraud or abuse is important. Implementing our one priority recommendation in this area could better ensure that organizational representative payees are effectively targeted for onsite reviews.

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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 2021*, [GAO-22-4SP](#) (Washington, D.C.: Nov. 15, 2021).

**3. Improving cybersecurity:** The federal government exchanges personally identifiable and other sensitive information with state agencies. Two priority recommendations in this area focus on ensuring that SSA's cybersecurity requirements and assessment procedures for state agencies are consistent with other federal agencies and National Institute of Standards and Technology (NIST) guidance, and that they maximize coordination with other federal agencies. Implementing these recommendations could enhance coordination across federal and state agencies to protect sensitive information.

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In March 2021, we issued our biennial update to our [High-Risk List](#), which identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.<sup>3</sup>

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 and Congress.

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](#),<sup>4</sup> and (5) [establishing a government-wide personnel security clearance process](#). We urge your attention to the high-risk issue that involves SSA and the 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, OMB, and the leadership and staff in agencies, including 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.<sup>5</sup>

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 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 Cindy Brown Barnes, Managing Director, Education, Workforce, and Income Security at [brownbarnesc@gao.gov](mailto:brownbarnesc@gao.gov) or 202-512-7215. Our teams will continue to coordinate with your staff

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<sup>3</sup>GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, [GAO-21-119SP](#) (Washington, D.C.: Mar. 2, 2021).

<sup>4</sup>With regard to cybersecurity, we also urge you to use foundational information and communications technology supply chain risk management practices set forth in our December 2020 report: GAO, *Information Technology: Federal Agencies Need to Take Urgent Action to Manage Supply Chain Risks*, [GAO-21-171](#) (Washington, D.C.: Dec. 15, 2020).

<sup>5</sup>GAO, *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).

on all 40 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 "D" and a long horizontal flourish extending to the right.

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 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 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 February 2022, the agency stated that it continues to work with DOL to establish a FECA data exchange. 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.

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

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

*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.

**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 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. In February 2022, SSA stated that it previously pursued this change through regulation, but stopped to address more urgent pandemic-related priorities.

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. This change would increase scheduled collections and reduce the time it will take to fully recover overpayments, result in tens of millions of dollars in

overpayment debt recovered over a 5-year period, and promote equity in how SSA deals with overpayments across its programs.

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

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

*Payment Integrity: Selected Agencies Should Improve Efforts to Evaluate Effectiveness of Corrective Actions to Reduce Improper Payments.* [GAO-20-336](#). Washington, D.C.: Apr. 1, 2020.

**Recommendation:** The Commissioner of SSA should develop and implement a process, documented in policies and procedures, to measure the effectiveness of SSA's corrective actions for OASDI and SSI improper payments. This process should clearly demonstrate the effect SSA's corrective actions have on reducing improper payments.

**Action Needed:** SSA agreed with this recommendation. SSA is taking steps to determine the most cost-effective strategies to remediate the underlying causes of payment errors and monitor, measure, and revise the strategies, as needed. As of March 2022, agency officials stated that the agency continues to identify and measure the root causes of improper payments and is in the process of documenting corrective actions, which it expects to complete by the end of fiscal year 2022. The agency plans to continue seeking ways to measure the effectiveness of existing corrective actions, where feasible, but noted challenges in isolating the impact of a single corrective action. To fully address this recommendation, SSA should finish developing and implement a process that measures the effectiveness of corrective actions for OASDI and SSI improper payments, which could help reduce improper payments.

**Director:** M. Hannah Padilla, Financial Management and Assurance

**Contact information:** [PadillaH@gao.gov](mailto:PadillaH@gao.gov), 202-512-5683

## 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.: Sept. 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 representative 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. As of February 2022, the agency stated that it is taking steps to revise the model used to identify potentially high-risk organizational representative payees by converting the legacy code into modern language, documenting the revised code, and improving model performance. To implement this recommendation, SSA needs to complete these efforts, ensure that its plan documents design changes, and establish a plan and timeframe for periodically reviewing the model's design. Until these efforts are implemented, the model's efficacy cannot be fully assessed, and SSA

may not be effectively targeting payees for review to ensure they are managing beneficiary funds appropriately.

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

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

## Improving Cybersecurity

*Cybersecurity: Selected Federal Agencies Need to Coordinate on Requirements and Assessments of States.* [GAO-20-123](#). Washington, D.C.: May 27, 2020.

**Recommendation:** The Commissioner of SSA should, in collaboration with OMB, solicit input from the Centers for Medicare and Medicaid Services, Federal Bureau of Investigation, Internal Revenue Service, and state agency stakeholders on revisions to its security policy to ensure that cybersecurity requirements for state agencies are consistent with other federal agencies and National Institute of Standards and Technology (NIST) guidance to the greatest extent possible and document the SSA's rationale for maintaining any requirements variances.

**Action Needed:** SSA agreed with and has partially implemented this recommendation. SSA has begun updating its policies and procedures, such as the cybersecurity requirements and assessment procedures, to be more consistent with NIST guidance. However, as of February 2022, the agency did not have an update on its efforts to collaborate with federal agencies when making revisions to its security requirements and assessment procedures. To fully address this recommendation, SSA needs to demonstrate its collaboration with federal agencies to make cybersecurity requirements more consistent. States' compliance with multiple federal agencies' cybersecurity requirements has resulted in increased costs. Coordinating to address these multiple cybersecurity requirements could help to significantly reduce these costs.

**Recommendation:** The Commissioner of SSA should revise its assessment policies to maximize coordination with other federal agencies to the greatest extent practicable.

**Action Needed:** SSA agreed with and has partially implemented this recommendation. The agency began reviewing its compliance assessment policies to identify where it could incorporate coordination best practices. As of February 2022, SSA had not incorporated this information into its assessment procedures. To fully implement this recommendation, SSA needs to finalize its review and update its assessment procedures to incorporate steps for coordinating with other federal agencies. Greater collaboration could ensure that security policy effectively protects sensitive information.

**Acting Director:** David Hinchman, Information Technology and Cybersecurity

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