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**OFFICE OF  
THE INSPECTOR GENERAL**

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**SOCIAL SECURITY ADMINISTRATION**

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**FOLLOW-UP: THE SOCIAL SECURITY  
ADMINISTRATION'S PROGRAM  
FOR ISSUING REPLACEMENT  
SOCIAL SECURITY CARDS  
TO PRISONERS**

November 2011

A-08-10-10141

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**AUDIT REPORT**

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## **Mission**

**By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect 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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- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

**To ensure objectivity, the IG Act empowers the IG with:**

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- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

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## SOCIAL SECURITY

### MEMORANDUM

Date: November 23, 2011

Refer To:

To: The Commissioner

From: Inspector General

Subject: Follow-up: The Social Security Administration's Program for Issuing Replacement Social Security Cards to Prisoners (A-08-10-10141)

### OBJECTIVE

Our objectives were to determine the status of corrective actions the Social Security Administration (SSA) had taken to address recommendations in our July 2006 report, *The Social Security Administration's Program for Issuing Replacement Social Security Cards to Prisoners* (A-08-06-16025); and assess the effectiveness of the Agency's controls for issuing replacement Social Security cards to prisoners under prison agreements.

### BACKGROUND

Inmates at Federal, State, or local prisons may need a Social Security card for school or work programs or as proof of employment eligibility upon release from prison. However, prisoners may not always have access to their original Social Security cards. To assist prisons in obtaining replacement Social Security cards on behalf of inmates, SSA allows field offices to enter into written agreements or Memorandums of Understanding (MoU) with prisons. These agreements outline specific policies and procedures for processing prisoners' replacement card applications and ensuring Social Security number (SSN) integrity and security.<sup>1</sup> Only formal, written MoUs signed by a Regional Commissioner and authorized correctional facility officials are valid.<sup>2</sup>

Our July 2006 report identified vulnerabilities that may have allowed prisoners to obtain replacement Social Security cards improperly. For example, we determined that some field offices processed prisoner replacement card applications without required written agreements or MoUs. We also determined that some field offices and prisons processed replacement card applications without sufficient evidence of the prisoner's

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<sup>1</sup> SSA, POMS, RM 10225.125 (effective March 3, 2011).

<sup>2</sup> Because the prisoner replacement card MoU with the Federal Bureau of Prisons covers Federal prison facilities nationwide, an Associate Commissioner signed the agreement.

identity. Further, field offices did not always perform on-site inspections of prison procedures for submitting replacement card applications and required evidence. We concluded that SSA would benefit from taking additional steps to strengthen SSN integrity and reduce its risk of exposure to SSN misuse. SSA agreed with our recommendations.

To accomplish the objectives of our current audit, we reviewed SSA policies and procedures for processing prisoner replacement card applications, and interviewed a representative from SSA's Office of Income Security Programs. To evaluate compliance with SSA policies and procedures, we visited six field offices in two SSA regions. At each field office, we met with personnel responsible for processing prisoner replacement card applications. We also visited eight prisons serviced by these field offices, interviewed officials responsible for submitting replacement card applications, and observed how officials secured Social Security cards. Additionally, we called other SSA field offices to determine whether they were processing prisoner replacement card applications, and if so, whether they were doing so under an approved MoU. We also reviewed replacement card applications submitted by these prisons and processed by the servicing field offices from January through April 2011. Appendix B includes a detailed description of our scope and methodology.

## **RESULTS OF REVIEW**

Although SSA had taken steps to enhance controls for issuing replacement Social Security cards to prisoners, we determined that vulnerabilities still existed, and the Agency needs to address those vulnerabilities to improve SSN integrity and security. For example, our review disclosed that some SSA field offices continued to process prisoner replacement card applications without required MoUs. We also determined that some field offices improperly accepted prisoner identification (ID) cards as evidence of identity. Further, we determined that prisons routinely submitted incorrect or incomplete replacement card applications to field offices. We believe SSA can enhance SSN integrity and security by working with prison personnel to ensure they fully understand the prisoner enumeration process, and by instructing field offices to review prisons when they do not comply with the terms of the MoU.

### **Steps Taken to Enhance Controls for Issuing Replacement Social Security Cards to Prisoners**

In response to our July 2006 report, SSA formed a workgroup to address our recommendations and other issues dealing with prisoner enumeration. For example, SSA terminated all existing MoUs and developed a model MoU. SSA's Office of General Counsel must approve any deviation from the model before the Agency can enter into a prison agreement.<sup>3</sup> SSA also developed a guide for regional and field offices when negotiating an MoU with a prison to ensure consistency in the negotiation process and reliability on the facility's ability to confirm each inmate's identity. SSA

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<sup>3</sup> SSA, *Prisoner Enumeration: Guidelines for Negotiating MoUs with Non-Federal Prison Facilities to Issue Replacement SSN Cards to Prisoners* (August 2008).

performs an on-site review at each prison during the negotiation process and verifies that investigating each inmate's identity is a routine practice. When an MoU covers multiple facilities, SSA visits one location that represents all facilities. In addition, SSA published instructions for auditing facilities and handling situations when the facility does not comply with the terms of the MoU.

### **Some Field Offices Processed Replacement Social Security Card Applications Without Required Written Agreements**

SSA policies require that field offices have formal, written MoUs with prisons to ensure the integrity of its program allowing prisons to obtain replacement Social Security cards for prisoners.<sup>4</sup> However, we determined that some field offices processed applications for correctional facilities/prisoners without such agreements. For example, personnel at one field office told us they visited a local county jail each month to process replacement card applications for prisoners, despite not having an approved formal MoU. The field office manager told us a former district manager established general guidelines for issuing replacement cards to prisoners in 2002, and staff use the same procedures today. The manager stated that field office staff used information the jail had on file to establish prisoner identity. According to the field office, SSA mails Social Security cards to prisoners' home addresses.

The manager at another field office told us his staff periodically visited a local juvenile facility to process replacement cards for prisoners, despite not having an approved MoU. According to the manager, Department of Corrections personnel were escorting prisoners to the field office in groups until SSA regional office officials advised the field office to discontinue this practice. The field office manager told us his staff usually accepted a birth certificate and prisoner ID card as proof as identity.

Because we limited our review to four States, we do not know the extent to which field offices in other States processed replacement card applications without an approved MoU. To protect the integrity and security of the prisoner enumeration process, we believe SSA should identify field offices nationwide that process prisoner replacement card applications on behalf of correctional facilities/prisoners, and ensure they are doing so under an approved written MoU. A representative from SSA's Office of Income Security Programs acknowledged that SSA policy requires that field offices have written MoUs before accepting a certification statement in lieu of identity documents when processing replacement card applications on behalf of correctional facilities/prisoners.<sup>5</sup>

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<sup>4</sup> SSA, POMS, RM 10225.125 A (effective March 3, 2011).

<sup>5</sup> Ibid.

## **Some Field Offices Improperly Accepted Prisoner ID Cards as Evidence of Identity**

According to SSA policy and procedures, prisoner ID cards are not acceptable evidence of identity.<sup>6</sup> However, we determined that some field offices improperly accepted prisoner ID cards as evidence of identity when they processed replacement card applications. For example, an operations supervisor at one field office told us his office processed a large volume of replacement card applications from recently released prisoners, and staff routinely accepted prisoner ID cards as evidence of identity. The supervisor stated that staff accepted prisoner IDs because it may be the only readily available evidence of identity the prisoner has, and the Social Security Number Application Process (SSNAP)<sup>7</sup> allows staff to select “Prisoner ID under formal MoU” (third-level evidence) as acceptable evidence of identity. The operations supervisor acknowledged that service representatives in his office did not understand the meaning of “under formal MoU” and checked this box in SSNAP because they believed it was the only option available to them.

The assistant manager at another field office told us that recently released prisoners routinely visited her office to apply for replacement cards and many times only had prisoner ID cards as evidence of identity. She stated that while staff accepted prisoner IDs as evidence of identity, they also accepted better evidence (for example, a driver’s license), if available. The manager at another field office acknowledged that his office routinely accepted prisoner ID cards as evidence of identity, and staff checked the box “Prisoner ID under formal MoU” in SSNAP. After our initial discussion, the manager told us he contacted his regional office, and they advised him to stop issuing replacement cards to prisoners who provide prisoner ID cards as evidence of identity.

Because we limited our review to four States, we do not know the extent to which field offices in other States accepted prisoner ID cards as evidence of identity. To protect the integrity of the enumeration process, we believe SSA should reemphasize to field office personnel that prisoner ID cards are not acceptable evidence of identity, and ensure they end this practice. We also believe SSA should remind field offices that personnel should not check the box “Prisoner ID under formal MoU” in SSNAP when processing replacement card applications for recently released prisoners who visit field offices. In addition, to help reduce confusion at field offices, we believe SSA should consider deleting “Prisoner ID” in SSNAP and replacing it with less confusing language. A representative from SSA’s Office of Income Security Programs acknowledged that prisoner ID cards are not acceptable evidence of identity, and that revising SSNAP language may help reduce confusion at field offices.

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<sup>6</sup> SSA, POMS, RM 10225.125 (effective March 3, 2011).

<sup>7</sup> SSNAP is the Agency’s Web-based Intranet application for taking original and replacement card applications at field offices.

## **Prisons Routinely Submitted Incorrect or Incomplete Replacement Social Security Card Applications**

SSA personnel at all six field offices we visited told us they routinely received incorrect or incomplete replacement Social Security card applications from prisons. For example, an administrative specialist at 1 field office told us she received about 100 replacement card applications each month (total from 5 different facilities) and typically returned about 50 (50 percent) because of incorrect or missing information. Although she told us that she considers this a “waste of time and highly unproductive,” she acknowledged the field office had never visited or attempted to contact any of the facilities to discuss this long-standing problem. Personnel at other field offices told us they generally returned between 10 and 20 percent of the replacement card applications they received from prisons because of incorrect or missing information.

Field office personnel told us they returned replacement card applications for various reasons. For example, personnel at one field office told us they routinely returned applications to one prison because they were from noncitizens. During our visit to the prison, counselors confirmed that they routinely submitted replacement card applications for noncitizens because they were unaware that SSA policy prohibits such activity under a formal MoU.<sup>8</sup> Counselors acknowledged they had never received training regarding replacement cards for prisoners. Personnel at other field offices told us they returned replacement card applications because of unsigned applications, name changes, missing prisoner numbers, and conflicting data.

While we understand that field office personnel may occasionally need to return replacement card applications to prisons, we are concerned that some prisons routinely submit incorrect or incomplete information. Without compliance with those SSA policies and MoU provisions that help ensure prisoner identity, SSA could issue a replacement card to the wrong individual or perhaps even a fictitious individual. We believe this is especially important because prisoners may have a stronger motive than the general population to assume a new identity, and once released, hide their criminal record.

## **Opportunity for SSA to Enhance SSN Integrity and Security**

We believe SSA has an opportunity to enhance SSN integrity and security by working with prison personnel to ensure they fully understand the prisoner enumeration process. We believe field offices should work with prison personnel before they begin processing replacement card applications from prisons. This would also allow field office personnel to ensure they have a current list of positions, names, and signatures of prison officials authorized to certify prisoner identity and submit replacement card applications. In fact, we determined that five of the six field offices we visited did not maintain a current and complete signature list of prison officials, as required by SSA policies and procedures.<sup>9</sup> As such, SSA did not have assurance that prisoner replacement card applications were

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<sup>8</sup> SSA, POMS, RM 10225.145 A and B.4.d. (effective March 3, 2011).

<sup>9</sup> SSA, POMS, RM 10225.135 C (effective October 27, 2009).

from authorized prison personnel. While we acknowledge that field offices have limited resources, we believe investing resources up front to ensure prisons fully understand the terms of the MoU may prevent extra work caused by incorrect or incomplete replacement card applications.

Officials at several prisons we visited told us they had never met field office personnel to discuss the prisoner enumeration process, and believed enhanced contact would be beneficial to both parties. In fact, officials at two prisons thanked us for introducing them to local field office personnel, and for discussing prisoner enumeration policies and procedures with them.

SSA policies and procedures instruct field offices to conduct a review when a correctional facility does not comply with the terms of an MoU (for example, prisons that routinely submit incorrect or incomplete replacement card applications). However, none of the field offices we visited had reviewed correctional facilities in their service areas, despite routine receipt of incorrect or incomplete replacement card applications. Although we believe the decision to perform a review should be at each field office manager's discretion, we believe SSA has a stewardship responsibility to ensure compliance with all policies and procedures. Furthermore, when field offices routinely return replacement card applications to prisons because of incorrect or incomplete information, it raises concerns about SSN integrity and creates unnecessary work.

## **CONCLUSION AND RECOMMENDATIONS**

We commend SSA for working with prisons to help inmates integrate back into society, and acknowledge the Agency has taken steps to improve the prisoner enumeration process. However, when field office and prison personnel do not fully comply with policies and procedures, the Agency is at risk of improper SSN assignment. As such, we believe SSA would benefit by taking additional steps to strengthen its controls for issuing replacement Social Security cards to prisoners.

Accordingly, we recommend that SSA:

1. Ensure all field offices that process replacement Social Security card applications on behalf of correctional facilities/prisoners do so under an approved MoU.
2. Reemphasize to field office personnel that prisoner ID cards are not acceptable evidence of identity, and ensure they end this practice.
3. Consider deleting "Prisoner ID" (third-level identity evidence) in SSNAP and replacing it with less confusing language.
4. Work with prison personnel to ensure they fully understand the prisoner enumeration process.
5. Instruct field offices to review correctional facilities when they do not comply with the terms of the MoU, in accordance with SSA policies and procedures.



**AGENCY COMMENTS**

SSA agreed with our recommendations. See Appendix C for the Agency's comments.

A handwritten signature in black ink, appearing to read "Pat O'Carroll Jr.", written in a cursive style.

Patrick P. O'Carroll, Jr.

# *Appendices*

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APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – Agency Comments

APPENDIX D – OIG Contacts and Staff Acknowledgments

## Acronyms

ID	Identification
MoU	Memorandum of Understanding
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
SSN	Social Security Number
SSNAP	Social Security Number Application Process

### Scope and Methodology

To achieve our objectives, we reviewed the Social Security Administration's (SSA) policies and procedures for processing prisoner replacement Social Security card applications. We interviewed representatives from SSA's Office of Income Security Programs. To evaluate compliance with SSA policies and procedures, we visited eight prisons and six field offices in two SSA regions. We also called three other field offices to determine whether they processed prisoner replacement card applications, and if so, whether they did so under an approved Memorandum of Understanding. We selected prisons based on prisoner populations and types of prisons (Federal/State/local).

At each field office, we interviewed personnel responsible for processing prisoner replacement card applications. At each prison, we interviewed officials responsible for submitting replacement card applications and required evidence, and observed how prison officials secured Social Security cards. In addition, we reviewed a limited number of replacement card applications submitted by prisons and processed by field offices, to assess compliance with SSA policies and procedures. Our tests of internal controls over this process were limited to gaining an understanding of the program and performing the audit steps identified above.

The SSA entity reviewed was the Office of the Deputy Commissioner for Retirement and Disability Policy. We conducted our work from November 2010 through May 2011 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 our 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.

## Agency Comments



## SOCIAL SECURITY

### MEMORANDUM

**Date:** October 26, 2011 **Refer To:** SIJ-3

**To:** Patrick P. O'Carroll, Jr.  
Inspector General

**From:** Dean S. Landis /s/  
Deputy Chief of Staff

**Subject:** Office of the Inspector General Draft Report, "Follow-up: The Social Security Administration's Program for Issuing Replacement Social Security Cards to Prisoners" (A-08-10-10141) --  
INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Frances Cord, at (410) 966-5787.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,  
“FOLLOW-UP: THE SOCIAL SECURITY ADMINISTRATION’S PROGRAM FOR  
ISSUING REPLACEMENT SOCIAL SECURITY CARDS TO PRISONERS”  
(A-08-10-10141)**

**Recommendation 1**

Ensure all field offices that process replacement Social Security card applications on behalf of correctional facilities/prisoners do so under an approved Memorandum of Understanding (MoU).

**Response**

We agree. We are working to add prison-specific information by State to our Social Security Number Application Process (SSNAP) system. With this SSNAP enhancement, field office staff will only be able to process replacement Social Security card applications from correctional facilities/prisons that have approved MoUs with us. We plan to implement this enhancement in fiscal year 2013, pending available resources.

**Recommendation 2**

Reemphasize to field office personnel that prisoner identification cards are not acceptable evidence of identity, and ensure they end this practice.

**Response**

We agree. We will send an Administrative Message to field office staff reemphasizing that prisoner identification cards are not acceptable evidence of identity for issuing replacement Social Security cards to prisoners.

**Recommendation 3**

Consider deleting “Prisoner ID” (third-level identity evidence) in SSNAP and replacing it with less confusing language.

**Response**

We agree.

**Recommendation 4**

Work with prison personnel to ensure they fully understand the prisoner enumeration process.

**Response**

We agree. We will instruct field office staff to ensure prison personnel understand the prisoner enumeration process.

**Recommendation 5**

Instruct field offices to review correctional facilities when they do not comply with the terms of the MoU, in accordance with SSA policies and procedures.

**Response**

We agree. We will send an Administrative Message to field offices reminding employees of the appropriate procedures to follow when prison facilities do not comply with the terms of their MoUs with us.



## OIG Contacts and Staff Acknowledgments

### *OIG Contacts*

Kimberly A. Byrd, Director

Jeff Pounds, Audit Manager

### *Acknowledgments*

In addition to those named above:

Ken Coward, IT Specialist

Jordan Sherman, Auditor

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