



SOCIAL SECURITY

MEMORANDUM

Date: August 11, 2008

Refer To:

To: The Commissioner

From: Inspector General

Subject: Quick Response Evaluation: The Social Security Administration's Electronic Government Services (A-14-08-28113)

The attached final quick response evaluation presents the results of our review. Our objective was to determine the Social Security Administration's current electronic services available to the public and how future initiatives can be expanded. We focused our review on the Internet retirement application portion of Social Security Administration's Internet Social Security Benefit Application.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

A handwritten signature in black ink, appearing to read "Patrick P. O'Carroll, Jr." with a stylized flourish at the end.

Patrick P. O'Carroll, Jr.

Attachment

QUICK RESPONSE EVALUATION

The Social Security Administration's Electronic Government Services

A-14-08-28113



August 2008

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.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- 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:

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

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.

OBJECTIVE

The objective of our evaluation was to determine the Social Security Administration's (SSA) current electronic services (eServices) available to the public and how future initiatives can be expanded. We focused our review on the Internet retirement application portion of SSA's Internet Social Security Benefit Application (ISBA).

BACKGROUND

SSA is responsible for administering the Old-Age, Survivors and Disability Insurance (OASDI) program. The OASDI program provides retirement benefits to insured individuals who have reached the minimum retirement age, survivors' benefits to dependents of insured wage earners in the event the family wage earner dies, and disability benefits to disabled wage earners and their families.¹ Additionally, SSA is responsible for administering the Supplemental Security Income program.²

SSA's administration of its services has been primarily through face-to-face contact with the public at one of its field offices (FO) or by telephone contact.³ ISBA⁴ was introduced in November 2000 (see Appendix C) as the Agency's first step in transitioning to web-based services for both retirement and disability claims. Over the last 8 years, SSA has automated more of its workload and is attempting to conduct more of its business with the public over the Internet.

SSA is developing a wide range of eServices to improve its services to the public because the Agency is facing what is often referred to as a "silver tsunami"⁵ of baby boomer claims. Due to the aging of the baby boomers, SSA is facing an avalanche of retirement and disability claims at the same time that it must address large backlogs due to years of increasing workloads and limited resources.⁶ The first of approximately

¹ The *Social Security Act* §§ 202(a) - (k) & 223, 42 U.S.C. §§ 402 (a) - (k) & 423.

² The Supplemental Security Income program provides a minimal level of income to individuals who are aged, blind, or disabled. (*Social Security Act* §1601, et seq., 42 U.S.C. §1381, et. seq.).

³ SSA has approximately 1,300 offices that include FOs, regional offices, teleservice centers, program service centers, hearing offices and State disability determination services.

⁴ ISBA was originally called the Internet Retirement Insurance Benefit (IRIB). IRIB allowed the public to complete the retirement application online, transmit the data to SSA, and then print and sign the application. IRIB was expanded to include aged spouses and disability applications.

⁵ SSA News Release; "Nation's First Baby Boomer Files for Social Security Retirement Benefits – Online!" October 15, 2007.

⁶ SSA Commissioner Testimony before the House Committee on Appropriations, Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, February 28, 2008.

80 million baby boomers has already applied for retirement benefits. Baby boomers are also applying for disability benefits in greater numbers than previous generations. Over the next 10 years, SSA's traditional workloads will increase substantially—retirement claims by over 40 percent and initial disability claims by nearly 10 percent.⁷

With millions of Americans becoming eligible for Social Security retirement benefits at the rate of 10,000 per day for the next 2 decades, SSA is developing a wide range of online and automated services and is seeking to transform its service model. The Agency believes maximizing the use of modern technology and improving the service delivery model will enable SSA to continue to provide critical services to all future beneficiaries.⁸

SSA has begun initiatives to convince the public to take greater advantage of its online and automated telephone services. According to Commissioner Astrue, "Doing so is one of the only ways we can survive the coming demographic surge."⁹

In addition to the SSA Commissioner, representatives of SSA's FO management published their views on SSA's eServices. An organization representing SSA FO management published an article in its April 2008 newsletter¹⁰ describing SSA's eServices, the need for improvement, the progress the Agency has made and the challenges it still faces. The article stated while a community-based office approach (that is face-to-face customer service) is desirable, given the current budget situation; it is not a realistic way to serve all of its customers in the future.¹¹

To emphasize the importance of eServices in meeting SSA's mission and utilize the creativity and operational awareness of field components in shaping enhancements to the Agency's eServices, the Deputy Commissioner for Operations requested the Dallas Regional Commissioner and the Associate Commissioner for the Office of Electronic Services to form an eServices Advisory Council.¹²

⁷ Ibid.

⁸ Ibid.

⁹ SSA Commissioner Astrue, Broadcast to SSA employees, October 2, 2007.

¹⁰ National Council of Social Security Management Associations, Inc., *Frontline*, April 2008 issue, pages 1-3. The council represents over 3,500 members of SSA's management team.

¹¹ National Council of Social Security Management Associations, Inc., *Frontline*, April 2008 issue, page 2.

¹² National eServices Advisory Council (NeAC).

Results of Review

As of the end of Fiscal Year (FY) 2007, SSA was offering 17 eServices to the public.¹³ One of these services, the Internet retirement application, has been available for about 8 years but as of March 28, 2008, only 13.6 percent of SSA's FY 2008 retirement applications were filed online. Studies have shown that the public wants to conduct more business via the Internet and the *E-Government Act of 2002* requires that Federal agencies provide more Internet services when practicable.¹⁴ SSA has plans to increase the use of its Internet retirement application and expand its online services. However, SSA must overcome several challenges to meet its Internet services goals including increasing its use, implementing planned enhancements, and addressing critical issues.

INCREASING THE USE OF SSA'S INTERNET RETIREMENT APPLICATION

Although SSA's Internet retirement application is one of the highest rated Internet applications¹⁵ in the Government, it is not widely used by individuals applying for retirement benefits but there are indications of increased use. As shown in Table 1 below, only 223,283 retirement benefit claims were filed through the Internet in FY 2007 (9.50 percent use). However, in the first 6 months of FY 2008, 182,568 retirement claims had been filed via the Internet (13.63 percent). This is a 43 percent increase since SSA publicized that the first baby boomer to file for retirement used the Internet to file her claim.

¹³ See Appendix D for a list of the services included in SSA's eServices performance indicator.

¹⁴ According to the March 18, 2008, American Customer Satisfaction Index (ACSI)/E-Government Satisfaction Index, the public wants to conduct business through the Internet. Additionally, the *E-Government Act of 2002* (Section 202(a)(3) of Public Law 107-347) requires that Federal agencies develop, maintain, and promote an integrated Internet-based system of delivering Federal Government information and services to the public when practicable.

¹⁵ Based on the ACSI E-Government Satisfaction Index dated March 18, 2008, SSA's Internet retirement application had the highest E-Government score (87 of 100). The ACSI E-Government Satisfaction Index is a quarterly report that provides scores for over 100 Federal Websites based on data gathered from voluntary online surveys of randomly selected site visitors.

Fiscal Year	Total Retirement Applications	Internet Retirement Applications	Percentage of Internet Claims
2008**	1,339,155	182,568	13.63
2007	2,349,145	223,283	9.50
2006	2,247,400	201,156	8.95
2005	2,217,800	164,159	7.40

** First 6 months of FY 2008 as of March 28, 2008.

SSA has been studying why its Internet retirement application continues to receive the highest rating from the public, yet does not have the usage rate desired.¹⁷ The Office of Electronic Services (OES) is responsible for meeting the Commissioner's initiative to improve the usage rate. In an effort to identify the most common misconceptions about SSA's online services and, most importantly, furnish participants with answers and strategies for overcoming them, OES addressed the perception that online claims are more time-consuming than traditional claims by providing statistics that show the reality that Internet retirement claims take 13 minutes¹⁸ less to process than traditional claims.

In June 2006, SSA's Office of Quality Performance released the results of a survey¹⁹ that found that 67 percent of traditional filers who identified themselves as Internet users were aware of the Agency's Internet retirement application. However, only 29 percent of those aware of that Internet application considered using it. The main reason for not using the online application was a preference for dealing with a person. Other reasons given for not using the Internet retirement application were

- convenience of traditional filing methods (in-person and telephone);
- lack of experience with Internet; and
- online application seemed intimidating or tried it but encountered a problem.

As a result of using a wide-range of marketing techniques to publicize the availability of the Internet retirement application and persuade more people to use it, usage has steadily increased over the last 4 FYs. However, SSA Commissioner Astrue testified²⁰ that "In order to keep field offices from being totally overwhelmed, we are going to need to drive that online filing figure up from about 13% to 50% over the next 5 years."

¹⁶ FY 2005-2008 data from OES eService Performance, Fiscal Year Comparison as of March 28, 2008.

¹⁷ In FY 2007, SSA's goal was to process 238,200 Internet retirement claims. The 223,283 Internet claims processed were 93.7 percent of that goal or 9.5 percent of the retirement claims were processed in FY 2007 instead of 10.1 percent.

¹⁸ SSA, OES, *eServices: Perception vs. Reality*, May 2008.

¹⁹ Survey of Retirement Benefit Applicants, Office of Quality Performance, June 28, 2006.

²⁰ Commissioner Testimony before the House Committee on Ways and Means, April 23, 2008.

Assuming the FY 2008 Internet usage rate remains at 13.63 percent, SSA will need to achieve a 30-percent annual increase in Internet retirement applications during the next 5 years to obtain a 50-percent usage rate by the end of FY 2013.

The FY 2006 study found that just under half of the traditional filers surveyed described themselves as Internet users. Half of these Internet users did not use the Internet because they preferred filing in-person or by telephone. However, this study was based on those who filed for benefits in FY 2005. More current information on why many traditional filers are unaware of the Internet option and why those who are aware of the Internet option do not use it, would allow SSA to better tailor its marketing approach and to make the Internet application more streamlined and user-friendly. According to SSA, a study²¹ was conducted in FY 2008 that may provide information on why the Internet options have not been used more. However, these results were not available during this review.

We summarized some of the issues that were hindering increased use of SSA's Internet retirement application as well as employee comments and concerns. Additionally, we researched other agencies' online application systems to determine their usage rates and the techniques they used to achieve those rates.

Challenges to Internet Retirement Application Use and Workload Issues

There are a number of other factors that could result in the low use of the Internet retirement application despite the application being one of the highest rated Internet applications. For example, the public expressed concerns about

- difficulties navigating the application;
- not having streamlined text to reduce the user's reading burden;
- use of instructional pages instead of user-requested help screens;
- screens with non-applicable questions for a claim; and
- having to mail original documents (such as birth certificate) to SSA (leading some individuals to visit an SSA office rather than risk the loss of documents).²²

²¹ Report on the Survey of Retirement and Survivors Insurance (RSI) Benefit Applicants Traditional Retirement Applicant Segment, Office of Quality Performance, July 2008.

²² To streamline the process, SSA changed its proof of age policy effective March 2008 in its Program Operations Manual System (POMS). See SSA, POMS, GN 00302.030. Under the new policy and certain conditions, individuals do not have to provide a proof of age document. Even with the policy change, SSA had not changed the Internet application screen that still requires applicants to provide original proof of age documents as of May 2008. According to SSA, the Internet Ready Retirement Application release in September 2008 should reflect the policy change (http://eis.ba.ssa.gov/appages/ISBA_Jan08/msg131.html).

From an internal perspective, frontline employees generally support the Internet retirement application. However, the Internet retirement application, in its current form, poses some unique challenges to frontline workers fully embracing this service delivery vehicle.

- All Internet retirement applications still require a degree of manual intervention. Employees must pull the applicant's data into the Agency's Modernized Claims System (MCS)²³ and review the information screen by screen.²⁴
- Manual intervention is required for partial Internet retirement applications. The Internet retirement application allows the claimant to stop entering data before the entire claim is completed. If the claimant decides to file in-person or by telephone, the data already entered via the Internet cannot be transferred into MCS. These applications cannot be downloaded into MCS. The retirement claim must be started at the beginning.
- For more complicated cases, employees still need to discuss more complicated aspects of the claim with applicants to ensure accuracy and validity of the information submitted. One example is selecting the most advantageous month to receive benefits.²⁵ Frequently, the choice is between maximizing current income (delaying payment to receive a higher monthly amount) versus long-term total benefits (starting payment sooner but getting a lower monthly amount). Although the Internet application pre-selects the earliest payment month as the most advantageous, this month may not actually be the best for the claimant's personal situation. Other examples of issues that result in additional efforts by employees are (1) earning record discrepancies; (2) windfall elimination provisions; (3) potential disability; and (4) government pension offset. The accuracy of these additional details can greatly impact the amount of retirement benefits received. On July 21, 2008, SSA launched a new Retirement Estimator²⁶ to make it easier for users to see how their benefit will differ whether taking benefits early or delaying their benefit until later.
- FO management believes the FOs do not always get credit for Internet retirement application-related workloads. Either the FO or the Immediate Claims Taking Unit (ICTU) receives credit for an adjudicated application that originated through the Internet retirement application. During the application process, a claimant has the option of having their application processed at the local FO or ICTU to which the claimant is to mail required documents. Even in instances where the claimant has

²³ MCS is a system comprised of menus, submenus and data-entry input screens.

²⁴ SSA, POMS, GN 00204.050 – C.1.

²⁵ SSA, POMS, GN 00204.050 – F.9.

²⁶ An online application that provides a quick and reliable retirement benefit estimate.

elected to have his/her application processed by the ICTU, some claimants decide to bring their documentation to their local FO. This leads to a FO staff perception that this results in more work for local FOs who do not get credit for processing this workload when the ICTU has jurisdiction over the claim.

- The FOs also do not receive work credit for the additional marketing efforts to increase the use of online services. The Agency encourages FO employees to promote online services to the public. For example, these employees give presentations on SSA's Internet services at local retirement homes and libraries.

Current Employee Comments

We interviewed operations supervisors in 54 FOs (see Appendix B for FO selection details) on their experiences with processing the Internet retirement applications. In general, their responses confirmed that front-line employees supported the Internet retirement applications despite some of the challenges identified above. Specifically, we found the following

- Over 96 percent of the FO employees interviewed said it was easy or very easy to pull the Internet retirement application into MCS.
- Those interviewed said 72 percent of their employees were familiar or very familiar with completing the Internet retirement application; however, 28 percent said their employees were not familiar with the online application.
- Almost two-thirds said it was very easy to provide assistance with the Internet retirement application to the public when asked questions.

While not specifically asked their opinion about taking time to process applications that are credited to the ICTU, some of those interviewed voluntarily expressed dissatisfaction with the process and the way in which workload credits were assigned in these situations.

These interviews also revealed FO employee concerns that are not unique to SSA. These concerns relate to ensuring that the person who applied is who they say they are and providing information in multiple languages. These are challenges that affect the Government as a whole as it attempts to authenticate the individuals with whom it interacts and provide services to an increasingly diverse client population that may not be proficient in the English language.

After interviewing the FO employees, we spoke with the NeAC on the reaction the online retirement application has had in the FOs. NeAC responses echoed the concerns of FO staff regarding workload impact and credit. They also suggested SSA's Internet retirement application should provide an applicant the opportunity to select a

FO to process his application rather than relying on the automatically generated FO the system selects based on zip code since it may be more convenient for the applicant to use a specific office in another area.

Comparisons with Other Agencies

We compared SSA's Internet retirement application to other agencies' online application systems to determine their usage rates and the techniques they used to achieve those rates. We noted that two Federal agencies, the Internal Revenue Service (IRS) and the Department of Education (Education), provided online services for the public that have a usage rate greater than 50 percent. The IRS offers its customers e-file.²⁷ During the 2007 tax filing season, 125 million total tax returns were filed, of which 76 million (61 percent) were filed electronically.²⁸ During January 2007, the IRS stated if taxpayers used e-file and direct deposit, they could receive their refund in half the time.

Further, Education offers an electronic Free Application for Federal Student Aid (FAFSA) for students to complete each academic year. Colleges use FAFSA to determine financial aid eligibility for campus-based funds, state aid and scholarships. Education promotes the online FAFSA stating ". . . it is easier than ever, especially if you fill it out online." As of July 2, 2006, 94 percent of the 2006/2007 academic filers had submitted the FAFSA online. In October 2007, Education stopped distributing paper FAFSA forms.

We recognize that the IRS and Education have different types of applications and targeted audiences; however, these agencies are similar to SSA in that members of the public provide information to the agency and based on that information, monetary transactions occur. We believe these agencies' initiatives to provide services via the Internet demonstrate that it is possible to successfully promote and achieve public use of Internet-based services. To that end, SSA may want to contact these agencies to gather information on their best practices for achieving their high usage rates.

FUTURE DIRECTION OF SSA'S INTERNET RETIREMENT APPLICATION

The Internet retirement application has demonstrated itself as a viable option for service delivery. Despite some perceived hesitancy on the part of employees, there are clear indications that the Agency is heading in a positive direction with this aspect of its e-Government initiatives. For example, 13.63 percent of all retirement claims were

²⁷ E-file is the accepted term for electronic filing, or sending your income tax return from a tax software package through the Internet to the IRS.

²⁸ 2007 Filing Season Statistics – Cumulative through the weeks ending April 21, 2006 for 2006 and April 20, 2007 for 2007.

initiated online during the first 6 months of FY 2008, up from 9.5 percent in FY 2007. During this same time period, Internet retirement claims saved adjudicators an average of 13 minutes up from 9 minutes in 2006.²⁹

Where does the Agency go from here? Given the potential of the Internet retirement application, how does the Agency plan to build upon this success to not only expand this service; but to use it as a springboard for other Internet-based services? Below we outline the Agency's plans to enhance the Internet retirement application; potential solutions to Internet retirement application challenges; and critical issues that should be addressed as the Agency may seek to expand this and other Internet-based services.

IMPLEMENTING PLANNED ENHANCEMENTS FOR THE INTERNET RETIREMENT APPLICATION

SSA plans to implement a redesigned Internet retirement application in September 2008. With the redesigned application, individuals filing for benefits will only be asked questions that are pertinent to their personal situation based on information already housed in SSA's electronic records. It will also allow users to navigate easily among the different screens. Additionally, the application will have simple on-screen help.

In developing the redesigned application, SSA obtained limited user input through one-on-one usability testing and moderated focus group discussions in January 2008. However, because of the *Paperwork Reduction Act*,³⁰ SSA could not collect information to obtain feedback from additional individuals without first getting approval from the OMB.³¹

In May 2008, SSA released a marketing campaign to promote its online services. This marketing campaign capitalized on the nationwide publicity gained when the first baby boomer in the country filed online for retirement benefits on October 15, 2007. The public service announcements (PSA) were distributed to 1,100 television stations in almost every television market in the country, and related radio PSAs described how easy it was for the first baby boomer to file online.

In conjunction with the PSAs, FO staffs and Public Affairs Specialists have been conducting outreach initiatives to spread the word to "avoid the line, file online." SSA also has posters to distribute to organizations and to display in offices, as well as, products such as nail files, pens and magnets that display the slogan and SSA's web site address.

²⁹ SSA, Office of Electronic Services, *eServices: Perception vs. Reality*, May 2008.

³⁰ *Paperwork Reduction Act of 1995*, 44 U.S.C. Sections 3502(3) & 3504(c)(1).

³¹ Approval from OMB takes at least 100 days. Without this approval, SSA was limited to obtaining feedback from only nine individuals.

All but one region had a hyperlink to tips, lessons learned or best practices. Most of the regions had hyperlinks to the other region's eServices web page. The Dallas Region, in collaboration with OES, publishes a monthly newsletter; *eMerging News* that contains features such as current project summaries, eSuccess stories and eServices Questions and Answers.

After the September 2008 enhancements, SSA plans to incrementally implement a broader Ready Retirement initiative over the next few years. This initiative will include public education, simplified enrollment and automated adjudication.³² New features will include universal direct deposit,³³ enhanced print features, retirement planner option, foreign claims capabilities, access to partial claims, display of benefit information, and enhanced authentication processes.

In addition, SSA has plans to

- automatically import completed Internet retirement applications into MCS which will eliminate the time employees must take to manually “pull” the data stored on an Internet file into MCS;
- allow for claims representatives to import partially completed Internet retirement applications into MCS;
- implement a tool to determine what fields the online claimants have had difficulty completing, which will allow it to develop management information that will identify where in the process online users abandoned the application; and
- administer changes to the back-end of MCS that will remove limitations on screen data fields such as name.

³² Automated adjudication refers to the ability of a claims processing application to process a claim from beginning to end without manual intervention regardless of the mode of filing. This will require a higher level of authentication for Internet filers than currently exists for SSA and changes to all claims and processing systems.

³³ The Department of the Treasury has a proposal to encourage all newly eligible Federal benefit recipients to receive their payments by direct deposit if they have a bank account. Any current SSA beneficiary or recipient without a bank account will be encouraged to open a bank account or enroll in the Department of the Treasury's prepaid debit card program.

POTENTIAL SOLUTIONS TO INTERNET RETIREMENT APPLICATION CHALLENGES

Based on discussions with Agency staff, we identified the following as potential solutions as SSA moves toward enhancing its Internet retirement application. As the Agency moves forward in developing other Internet-based services and to the extent that similar challenges exist in those initiatives, the Agency can consider these items as a part of their development

- Determine why individuals filed for retirement benefits in-person or over the telephone instead of online and what would be required to make online filing more attractive to this group.
- Use the Agency's generic OMB clearance³⁴ to obtain larger customer focus groups to test, review and comment on proposed online screens. By acquiring additional individuals, SSA will be able to obtain better input from a broader range of potential users for the eServices as they continue to evolve and expand. The public input should be sought before new Internet applications are fully developed or redesigned. This will ensure the Agency resources, both human and capital, are invested in initiatives that are in alignment with the public's needs and expectations.
- Use the information from the bullets above to improve the online retirement process and promote the online process as the preferred mode for filing for retirement. This is the same approach SSA used with success to encourage direct deposit instead of payments by check. Aggressive promotion of the online retirement application will be required to achieve the 5-year usage target of 50 percent.
- Continue its testing of kiosk terminals and computers with online services capability in the FO reception areas for the public's use. To the extent that an applicant is already in the FO, this would assist in the transition from the face-to-face contact to the online channel of services.
- Provide applicants the ability to select the FO to process their application. Currently, SSA's online retirement application automatically designates a FO based on the applicant's zip code.
- Obtain artificial intelligence software to support the auto adjudication of the retirement application that would completely automate the retirement process (once level 3 authentication is achieved). The Agency has not identified a solution to automate this process. Artificial intelligence software³⁵ can automate decisions and route

³⁴ OMB performs a full review of the generic clearance which includes approach and general methodology at least once every 3 years. An expedited review of the individual collections that fall into the generic clearance can be performed.

³⁵ Artificial intelligence is the study and design of intelligent agents, where an intelligent agent is a system that perceives its environment and takes actions which maximize its chances of success.

applications for payment or to a claims representative for further review. The intelligence software makes decisions on the information supplied by the applicant and completes the processing of the claim based on existing SSA information. SSA could benefit from the use of intelligence software in fully automating³⁶ the retirement application process as well as other processes such as enumeration and disability.

- Expand electronic data sharing with other agencies while still taking steps to ensure the accuracy and protection of the data. The Agency is using existing SSA databases to match information entered into the Internet screens. A complementary approach would be to match the data entered with drivers' license information. Currently, State Departments of Motor Vehicles match and verify information with SSA. Whatever the source, when acquiring data from external sources, SSA needs to obtain a level of assurance that the data are reliable.
- Continue to work with the General Services Administration (GSA) to acquire more Credential Service Providers.³⁷ GSA is responsible for identifying Credential Service Providers for SSA, but it has not found a sufficient number. GSA plans to submit proposals for new Credential Service Providers early this summer.

CRITICAL ISSUES RELATED TO EXPANDED AND INCREASED USE OF ESERVICES

To build on the success of the Internet retirement application, expand the number of eServices, and increase the use of eServices, it is imperative that the Agency address the following issues:

- authentication expansion; and
- systems infrastructure.

Based on our interviews and research, we summarized some potential solutions to these issues.

Authentication Expansion

Given the future enhancements and the nature and sensitivity of information maintained in SSA's systems, it is imperative that Agency employees know with whom they are doing business regardless of contact method (in-person, on the telephone, or online). This is increasingly important in an online environment because authentication plays a key role in any expansion of eServices.

³⁶ Fully automating the process would require no human intervention from the point SSA receives an application through the issuance of the payment in the case of retirement and disability, or official document in the case of enumeration.

³⁷ Credential Service Providers authenticate users on SSA's behalf.

Successful expansion of electronic authentication is essential for the Agency to completely automate processes, such as enumeration, disability, and Supplemental Security Income claims. Some new SSA Internet applications may require an increased level of identity proofing and authentication that is equivalent to an OMB level 3 assurance.³⁸ Level 3 authentication requires a minimum of two pieces of information provided remotely through a network, such as the Internet, that will uniquely identify a person before access to the application is granted. Before releasing information, such as earnings history from SSA's electronic files, SSA must ensure that applicants are authenticated. SSA recently issued three requests for information on identity proofing,³⁹ authentication level 3 solution providers, and authentication consultants. SSA is seeking qualified vendors to develop and implement level 3 authentication solutions for individuals who wish to use online services.

Systems Infrastructure

Use of SSA's eServices has been negatively impacted in the past by unexpected system outages.⁴⁰ After an outage, it is difficult for an organization to regain the confidence of its users, resulting in lower usage and negative publicity. SSA should ensure that all systems related to eServices as well as those that could impact them (other process that can consume computer resources or network capacity) are tested to ensure that they do not abnormally terminate and prove they can handle additional workload as more of the public begins to use the new eServices provided. All systems should be closely monitored after implementation to identify and correct any anomalies as soon as possible so that system outages do not occur.

³⁸ To determine the appropriate level of assurance in the user's identity, agencies must assess the potential risks, and identify measures to minimize their impact. OMB M-04-04 "E-Authentication Guidance for Federal Agencies" helps agencies map risks to one of four assurance levels for e-Government transactions. These require a user to present identifying material remotely through a network, such as the Internet, that will uniquely identify them before access to the application is granted. Risk management may help reduce the need for higher levels of authentication. For example, a process rated for level 3 assurance may lower its profile to accept level 2 credentials by increasing system controls. The National Institute of Standards and Technology Special Publication 800-63, "Electronic Authentication Guideline" provides guidance for implementing electronic authentication and defines technical requirements for each of the four levels of assurance.

³⁹ Identity proofing is the method to sufficiently validate information to uniquely identify users of Internet applications.

⁴⁰ A major systems outage between November 20 and 25, 2006 resulted in approximately 25,000 fewer transactions completed through SSA's Internet applications.

Matters for Consideration

The information we identified in this review supports the decision SSA made to promote electronic services for its growing customer base. While SSA has had a long standing history of providing face-to-face service, given budget constraints and the opportunities provided by technology, it is realistic and desirable that SSA expand its provision of electronic services to meet the well-documented increased demand for services. To that end, we support the Agency in its efforts to take advantage of technology to make work processes more efficient and provide the responsive service the public expects. It appears that the front-line employees embrace the online services; but there is also some uncertainty and/or questions about how this workload impacts the accounting for FO productivity. To that end, Agency management must be cognizant of these concerns and ensure there is accurate accounting of the workloads. As the Agency implements its planned expansion of eServices, it also needs to develop appropriate authentication measures tailored to each electronic application to identify individuals and maintain the security of SSA's most sensitive information. Furthermore, the Agency should consider the items we listed in the above sections of this report.

In response to our draft report, the Agency provided detailed comments on current Internet usage statistics as well as technical comments. SSA generally agreed with the report's content and findings; and, where appropriate, we incorporated SSA's technical comments. According to SSA, the Agency is very encouraged with the FY 2008 data regarding online retirement applications and the increased filing rate achieved in the first 3 quarters of this FY compared to all of FY 2007. SSA plans to rollout the streamlined retirement application in September 2008. The Agency believes that the improved application and implementation of ongoing initiatives, combined with proper marketing efforts, will position them to achieve an online retirement application filing rate of 50 percent by 2012. To further support online applications, SSA has taken great strides to train employees regarding online applications and efforts will continue to ensure all employees are familiar with the electronic service option SSA provides to the public.

We appreciate SSA's comments and efforts to expand eServices so the Agency is better prepared to manage the future workloads.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – Internet Retirement Application Process Flow

APPENDIX D – List of Electronic Services

APPENDIX E – OIG Contacts and Staff Acknowledgments

Acronyms

ACSI	American Customer Satisfaction Index
CR	Claims Representative
Education	Department of Education
eServices	Electronic Services
FAFSA	Free Application for Federal Student Aid
FO	Field Office
FY	Fiscal Year
GSA	General Services Administration
ICTU	Immediate Claims Taking Unit
IRIB	Internet Retirement Insurance Benefit
IRS	Internal Revenue Service
ISBA	Internet Social Security Benefit Application
MCS	Modernized Claims System
NeAC	National eServices Advisory Council
NIST	National Institute of Standards and Technology
OASDI	Old-Age, Survivors and Disability Insurance
OES	Office of Electronic Services
OMB	Office of Management and Budget
POMS	Program Operating Manual System
PSA	Public Service Announcements
RSI	Retirement and Survivors Insurance
SSA	Social Security Administration
U.S.C.	United States Code

Scope and Methodology

The objective of our evaluation was to assess the Social Security Administration's (SSA) electronic services (eServices) available to the public and how future initiatives can be expanded—with special emphasis on the retirement application portion of SSA's Internet Social Security Benefit Application.

To accomplish our objective, we:

- Reviewed such applicable laws, regulations, and guidance as the *E-Government Act of 2002*,¹ Office of Management and Budget (OMB) Memorandum M-04-04,² and the National Institute of Standards and Technology (NIST) Special Publication 800-63.³
- Reviewed eServices documents and reports on SSA's Intranet.
- Interviewed General Services Administration employees to receive the status of the eAuthentication Federation and its ability to provide SSA with more than one certificate service provider.
- Interviewed SSA employees in the Offices of Operations; Systems; Communications; and Budget, Finance and Management.
- Visited two field offices (FO) to understand the retirement application and the enumeration process.

In addition, we interviewed operations supervisors⁴ in 54 FOs to gather information on their experiences with processing Internet retirement applications. Specifically, we collected information on staff knowledge/confidence, ease of processing, and the protocol for the Internet retirement applications. We questioned employees about their experiences and knowledge of the online applications. We reported our actual findings from these 54 interviews in this report.

¹ Public Law 107-347 Section 202 (a)(3).

² OMB Memorandum M-04-04, *E-Authentication Guidance for Federal Agencies*, December 16, 2003.

³ NIST Special Publication 800-63, *Electronic Authentication Guideline*, issued April 2006, Draft NIST Special Publication 800-63-1 issued February 26, 2008.

⁴ We requested the operations supervisor; when unavailable we spoke to the individual acting in that position at the time.

In each region, we selected for interview the FO that had the most retirement claims, the median number of retirement claims, and the least number of retirement claims. In a similar fashion, we also selected for interview the FO with the most, median and least Internet retirement claims in each region. A total of 54 FOs were surveyed (rather than 60) because 6 FOs met multiple criteria. Specifically, three FOs had both the maximum total retirement applications processed and maximum Internet retirement applications processed; one FO had both the median retirement applications processed and the median Internet retirement applications processed; and two FOs had both the minimum retirement applications processed and the minimum internet retirement applications processed.

Below is the list of the 54 FOs interviewed.

SAMPLE ITEM	REGION	LOCATION
1	Atlanta	596 Aiken SC
2	Atlanta	619 Marietta GA
3	Atlanta	642 Hattiesburg MS
4	Atlanta	A99 Cleveland MS
5	Atlanta	C28 Harlan KY
6	Boston	032 Cambridge Somerville MA
7	Boston	036 Worcester MA
8	Boston	C64 Middletown CT
9	Boston	C67 North Adams MA
10	Boston	C70 Rumford ME
11	Chicago	419 Lancaster OH
12	Chicago	475 Valparaiso IN
13	Chicago	677 ST Paul MN
14	Chicago	703 Chicago Lawndale IL
15	Chicago	A62 Hamtramck MI
16	Dallas	756 Fort Smith AR
17	Dallas	813 Austin TX
18	Dallas	858 Albuquerque NM
19	Dallas	E44 San Marcos TX
20	Dallas	I35 Tuba City AZ
21	Denver	093 Lakewood CO
22	Denver	883 Pueblo CO
23	Denver	C58 Watertown SD
24	Denver	D29 Canon City CO
25	Denver	I43 Havre MT
26	Kansas City	098 Kansas City (gateway)
27	Kansas City	699 Burlington IA
28	Kansas City	725 Omaha NE
29	Kansas City	752 Kennett MO
30	Kansas City	769 Wichita KS
31	Kansas City	C52 Lebanon MO
32	New York	130 Troy NY

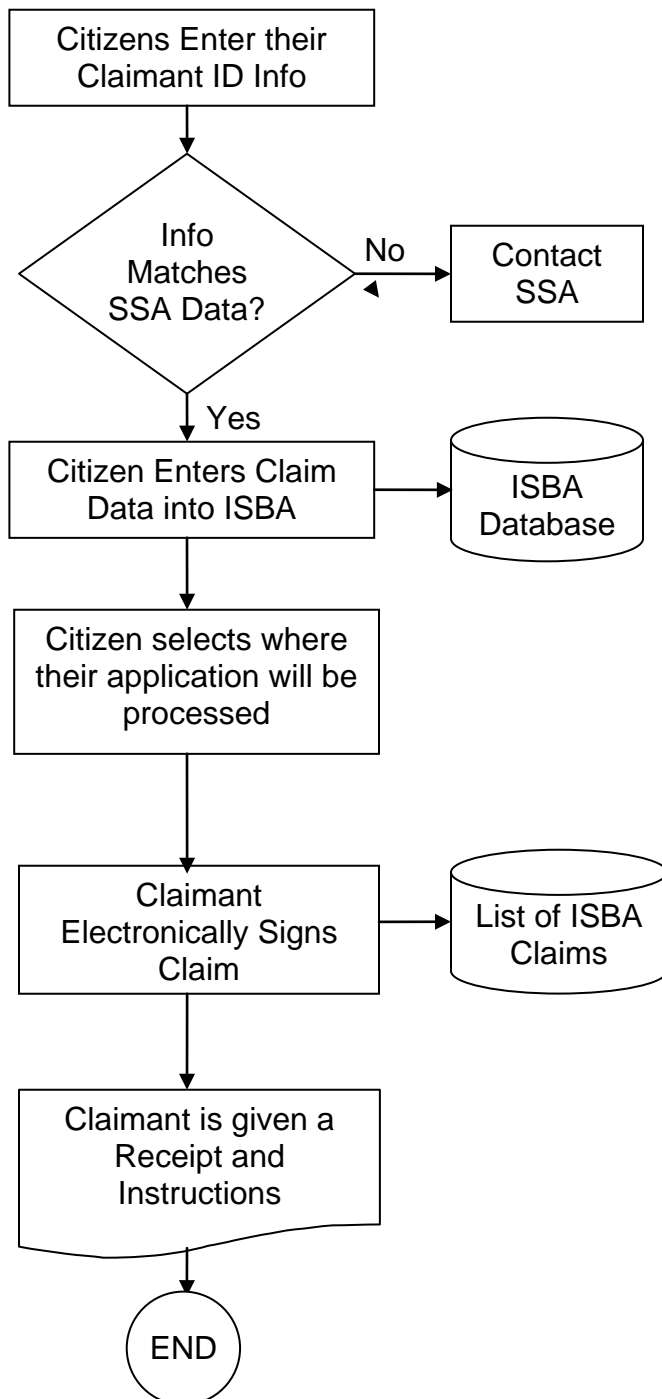
SAMPLE ITEM	REGION	LOCATION
33	New York	136 Patchogue NY
34	New York	138 Mineola NY
35	New York	159 Chinatown NY
36	New York	C79 Newton NJ
37	New York	E23 Bronx Hub NY
38	Philadelphia	215 Williamsport PA
39	Philadelphia	274 Salisbury MD
40	Philadelphia	294 Alexandria VA
41	Philadelphia	318 Fairfax VA
42	Philadelphia	D89 Williamson WV
43	San Francisco	386 West Fresno CA
44	San Francisco	907 Phoenix North AZ
45	San Francisco	A17 Crescent City CA
46	San Francisco	B58 Mission Viejo CA
47	San Francisco	B61 Redlands CA
48	San Francisco	B70 Corona CA
49	Seattle	190 Bellevue WA
50	Seattle	915 Spokane WA
51	Seattle	920 Bellingham WA
52	Seattle	925 Walla Walla WA
53	Seattle	996 Juneau AK
54	Seattle	D53 Bend OR

We also interviewed the National eServices Advisory Council regarding FO employees' experiences with processing Internet retirement applications.

The organizational components reviewed were SSA's Offices of Communications, Operations and Systems. We performed our review at SSA Headquarters between March and June 2008 in accordance with the Quality Standards for Inspections dated January 2005.

Internet Retirement Application Process Flow

The flow of an Internet retirement claim through the Social Security Administration's (SSA) Internet Social Security Benefit Application (ISBA) is shown below.



Claimants enter their identity information (name, Social Security number, birthday, etc.).

ISBA matches the information against SSA's records. If a match is found, the applicants are assigned a confirmation number, otherwise they are told to contact SSA.

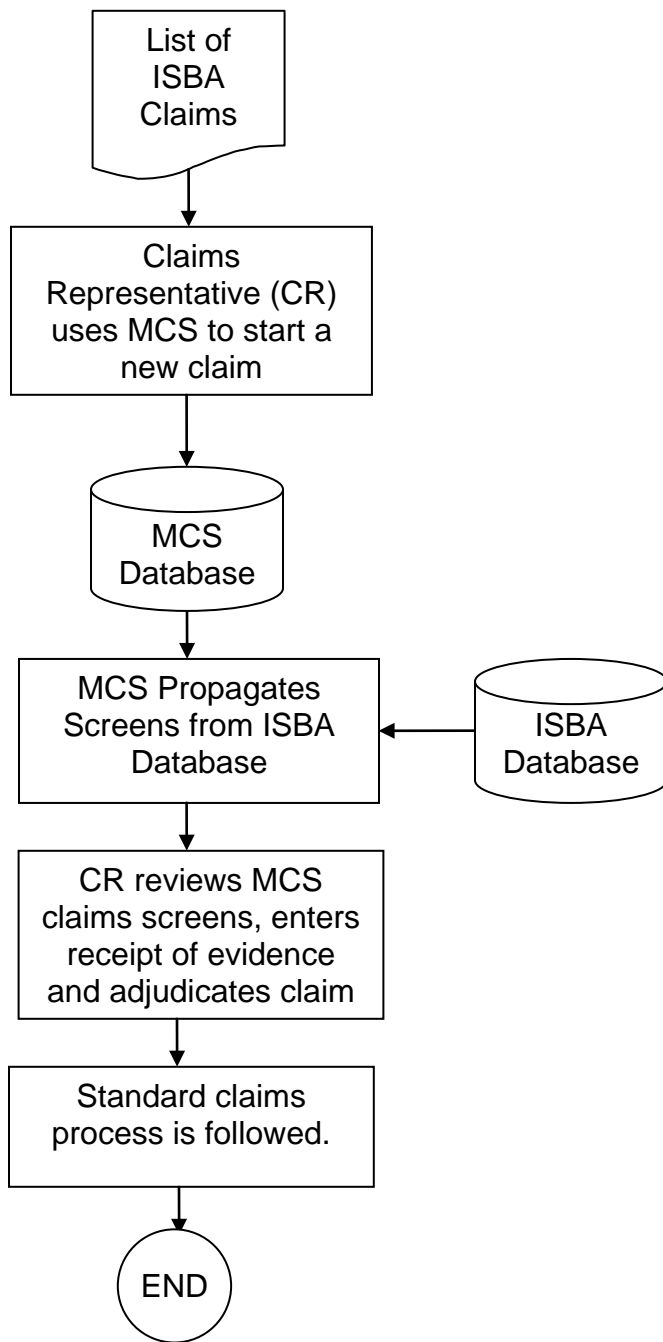
There are a series of input screens with related instructional material. Once the claimants click on the "Submit" button, the information updates the ISBA database.

The claimants are asked to choose where they want their application to be processed. It can be sent to the nearest Immediate Claims Taking Unit or the nearest field office.

The claimants are instructed to electronically "sign" the application by clicking on the "signature" button. This submits a notice to the processing center that an ISBA claim has been filed.

The claimants receive a receipt and instructions how to track the progress of their claim. The claimants are instructed to mail or deliver certain documents to the office that they selected.

End of the claimant actions.



The rest of the process takes place at either the field office or the Immediate Claims Taking Unit.

The Modernized Claim System (MCS) downloads the applicant's information from the ISBA database.

The CR reviews the information, corrects errors and determines whether any information may need corroborating documents that must be obtained from the claimant.

After the claimant has been contacted and any needed evidence is obtained and reviewed by the CR, the CR adjudicates the claim

List of Electronic Services

This appendix outlines the electronic services provided by the Social Security Administration (SSA) as identified in SSA's management information performance indicator.

	Application Name	Channel	Effective Date
1	Retirement Application (ISBA)	Internet	November 2000
2	Spouse Application (ISBA)	Internet	March 2001
3	Disability Application (ISBA)	Internet	January 2002
4	Proof of Income Letter	Internet	March 1999
5	Proof of Income Letter	800# Speech Technology	July 2004
6	Medicare Replacement Card	Internet	July 2000
7	Medicare Replacement Card	800# Speech Technology	April 2001
8	Change of Address - password	Internet	April 2001
9	Change of Address - knowledge-based	Internet	February 2004
10	Change of Address	800# Speech Technology	July 2005
11	Direct Deposit	Internet	August 2001
12	Direct Deposit	800# Speech Technology	July 2005
13	I3368 Work History & Disability Report	Internet	August 2002
14	i3368 PRO Work History & Disability Report	Internet	February 2005
15	I3441 Disability Report – All Types	Internet	February 2004
16	I3820 Disability Report - Child	Internet	November 2003
17	Replacement 1099	Internet	March 1999

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Social Security Advisory Board

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts investigations related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Counsel to the Inspector General

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Also, OCIG administers the Civil Monetary Penalty program.

Office of External Relations

OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

Office of Technology and Resource Management

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG's strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.