



Highlights of [GAO-09-126](#), a report to the Chairman, Committee on Finance, U.S. Senate

## Why GAO Did This Study

Federal and state agencies, including the Social Security Administration (SSA), routinely share data through electronic exchanges to help increase the efficiency of program operations, reduce program costs, and improve public service. In light of SSA's broad responsibility for carrying out data exchanges, GAO was asked to describe SSA's critical programs that exchange data with other federal and state agencies, as well as the information systems that they rely on; and determine challenges and limitations that SSA may face in effectively using its systems to carry out data exchanges in the future. To accomplish this, GAO reviewed and analyzed relevant agency documentation, held discussions with key agency officials, and reviewed selected exchange programs.

## What GAO Recommends

GAO recommends that, as part of the agency's initiative to improve its data exchange management practices, SSA (1) establish milestones for completing the initiative's report and acting on its recommendations and (2) develop and maintain a comprehensive inventory of its data exchanges and the system resources they use. In commenting on GAO's draft report, SSA agreed with the recommendations and identified actions taken to address them.

To view the full product, including the scope and methodology, click on [GAO-09-126](#). For more information, contact Valerie C. Melvin (202) 512-6304 or [melvinv@gao.gov](mailto:melvinv@gao.gov).

## INFORMATION TECHNOLOGY

### Demand for the Social Security Administration's Electronic Data Exchanges Is Growing and Presents Future Challenges

#### What GAO Found

Through more than 3,000 data exchanges with federal and state agencies, SSA both receives incoming data to support its own programs and provides outgoing data to support programs of other federal and state agencies. Most of these exchanges involve collecting incoming electronic data from other agencies, primarily to support the administration of Social Security benefits programs. The outgoing data from SSA to other federal and state agencies typically provide Social Security number verifications or are used to implement payment offsets in support of other agencies' business operations. In this regard, the agency performs more than a billion transactions to verify Social Security numbers for federal and state agencies each year. To carry out these data exchanges, SSA relies on a network of electronic information systems and an infrastructure that communicates with a variety of external systems used by the agency's partners.

SSA faces three primary challenges to supporting its existing and future data exchanges:

- meeting increasing demand for its data exchange services;
- ensuring privacy and security of data provided to its data exchange partners; and
- establishing effective practices for implementing and managing data exchanges.

Recognizing these challenges, the agency has undertaken an initiative to better manage its data exchange environment and address current and future challenges and limitations. If effectively implemented, the initiative could address the challenges GAO has described. Members of the initiative have drafted a report that includes recommendations for improving the management of its data exchanges. However, SSA has not established milestones for completing the report and acting on its recommendations. Thus, it cannot be assured that the recommendations will be addressed and implemented in a timely manner. In addition, the agency developed a summary inventory of its data exchanges to further support this initiative. However, while the inventory lists data exchanges and partners, among other things, it does not include comprehensive information on the agency's data exchange systems, because, according to SSA officials, its purpose was only to provide summary data. Nonetheless, an inventory that provides comprehensive information on the data exchanges, such as the supporting information systems and the status of privacy and security compliance requirements, is an important tool that could help the agency make credible and timely decisions to ensure effective management of its growing data exchange environment.