



## SOCIAL SECURITY

### MEMORANDUM

Date: March 12, 2010

Refer To:

To: The Commissioner

From: Inspector General

Subject: Prisoners' Access to Social Security Numbers (A-08-10-11042)

The attached final report presents the results of our review. Our objectives were to determine the status of corrective actions the Social Security Administration had taken to address recommendations in our August 2006 report, *Prisoners' Access to Social Security Numbers* (A-08-06-16082), and assess the extent to which prisoners had access to Social Security numbers.

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***

## ***Prisoners' Access to Social Security Numbers***

**A-08-10-11042**



March 2010

## **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

Our objectives were to determine the status of corrective actions the Social Security Administration (SSA) had taken to address recommendations in our August 2006 report, *Prisoners' Access to Social Security Numbers* (A-08-06-16082), and assess the extent to which prisoners had access to Social Security numbers (SSN).

## BACKGROUND

Some prisons allow inmates to work while incarcerated. While performing some of these duties, inmates may have access to other individuals' SSNs. For example, some inmates perform such duties as data entry and digital imaging, which allow them to view SSNs on student transcripts and employee wage statements for Federal, State, and/or local governments. Based on our previous audit and investigative findings, we know that unnecessary access to, and disclosure of, SSNs increases the potential for dishonest individuals to obtain and misuse these numbers, thus creating SSN integrity issues. Pending Federal legislation, if enacted, would prohibit executive, legislative, and judicial agencies, among others, from employing or entering into a contract for the use or employment of prisoners in any capacity that would allow them access to SSNs of other individuals.<sup>1</sup>

Our August 2006 audit determined that prisons in 13 States allowed inmates access to SSNs through various work programs. We concluded that, given the potential threats to SSN integrity, SSA should take steps to safeguard SSNs. Accordingly, we recommended that SSA (1) coordinate with Department of Corrections and correctional industry work programs to educate them about the potential risks associated with allowing prisoners access to SSNs; (2) encourage prisons to limit prisoners' access to SSNs; and (3) promote the best practices of prisons that are taking steps to limit prisoners' access to SSNs. SSA agreed with our recommendations.

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<sup>1</sup> *Social Security Number Privacy and Identity Theft Prevention Act of 2009*, H.R. 3306, 111<sup>th</sup> Cong. § 5, introduced July 23, 2009.

To determine the status of corrective actions SSA had taken since our August 2006 report, we interviewed officials from SSA's Office of the Deputy Commissioner for Operations. To assess the extent to which prisoners have access to SSNs, we contacted the Departments of Corrections and correctional industry work programs in the 13 States identified in our 2006 report. The entity reviewed was SSA's Office of the Deputy Commissioner for Operations. Our review of internal controls was limited to information provided by the State Departments of Corrections and/or State correctional industries' work programs. We conducted our evaluation in November and December 2009 in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.<sup>2</sup>

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<sup>2</sup> In January 2009, the President's Council on Integrity and Efficiency was superseded by the Council of the Inspectors General on Integrity and Efficiency. *The Inspector General Reform Act of 2008*, Public Law Number 110-409 § 7, 5 U.S.C. App. 3 § 11.

# Results of Review

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Although SSA had taken some steps to educate the correctional institutions about the potential risks associated with allowing prisoners access to SSNs, we determined that 8 (62 percent) of the 13 States identified in our August 2006 report continued this practice. While prisons generally had some controls in place to safeguard SSNs, vulnerabilities still existed. Because of identity theft concerns and the recognition that SSNs are linked to vast amounts of personal information, some States no longer allowed prisoners access to SSNs.

## **STEPS TAKEN TO REDUCE PRISONER ACCESS TO SSNs**

In response to our August 2006 report, the Commissioner wrote a letter to the National Correctional Industries Association, National Sheriff's Association, American Correctional Association, and American Jail Association. The Commissioner stated that allowing prisoners access to private citizens' SSNs represented a serious risk of identity theft and asked these organizations to encourage their members to take actions to limit inmate access to SSNs. In addition, SSA responded, ". . . the Agency continues to disseminate information on this subject by coordinating educational outreach programs and public information programs with correctional officials on a local, regional, and national basis, and by having SSA public information specialists conduct workshops and seminars with prison officials regarding the potential risks." However, as of December 2009, SSA Regional Offices could not document any specific outreach activities they had performed.

## **PRISONS IN SOME STATES CONTINUED TO ALLOW INMATES ACCESS TO SSNs**

We determined that 8 (62 percent) of the 13 States we identified in our August 2006 report continued to allow prisoners access to SSNs through prison work programs (see Table 1). Most prisoners had access to SSNs while performing work for Federal, State, and/or local governments. Specifically, prisoners performed such duties as data entry, encoding, digital imaging, and records conversion. The types of documents prisoners viewed included student transcripts, criminal background checks, crime reports, health records, employee wage statements, Internal Revenue Service forms, and Department of Labor forms, all of which generally contained personally identifiable information (PII) (including SSNs).

Although we recognize there may be benefits in allowing prisoners to work while incarcerated, we question whether prisoners have a need to know other individuals' SSNs. We continue to believe allowing prisoners access to SSNs increases the risk that individuals may improperly obtain and misuse SSNs. We believe government entities can reduce such risk by employing prisoners in jobs that do not involve SSN access.

**Table 1: States That Continue to Allow Prisoners Access to Social Security Numbers**

	State	Number of Facilities Allowing Access	Type of Work
1	Alabama	1	Data Entry
2	Arkansas	1	Digital Imaging
3	Kansas*	5	Work release, data entry, microfilm and digital imaging
4	Nebraska	1	Data entry
5	Oklahoma	2	Data entry and optical imaging
6	South Dakota	1	Data entry and scanning
7	Tennessee*	4	Test distribution center, call center and work release
8	West Virginia*	Unknown	Type of service depends on the work release program

\*Kansas, Tennessee, and West Virginia stated that some inmates have access to SSNs through employment in work release programs.

**PRISONS PLACED CONTROLS OVER PRISONER ACCESS TO SSNs, BUT VULNERABILITIES REMAINED**

Prisons had some controls in place to safeguard SSNs. For example, some prisons (1) prevented inmates from viewing names associated with SSNs, (2) prohibited writing material and copy instruments in the work area, (3) checked inmates for contraband before entering and exiting the worksite, and (4) required that inmates sign a confidentiality agreement stating they would not improperly discuss or disclose PII to another person. In addition, some prisons prohibited inmates who were convicted of specific crimes or had disciplinary problems from working in jobs with SSN access. According to one prison official, the illicit use of PII (including SSNs) is severely restricted because of the pace of work, direct supervision, and short time period that forms are available. In addition, prison officials told us they monitored job training programs to ensure that disclosure risks were minimal and were no greater than those in the private sector.

Although prisons have some controls to safeguard SSNs, individuals intent on criminal activity may attempt to circumvent these controls. For example, prisoners could memorize an SSN obtained through their job duties and use it to create a false identity. In addition, we question whether requiring that prisoners sign a confidentiality agreement is an effective control to prevent SSN misuse and ensure SSN integrity. The following examples illustrate how prisoners can gain access to PII when prisons do not have adequate controls in place.

- In May 2009, an inmate at a Kansas prison gained access to PII, including names, birth dates, and SSNs while performing microfilm and document imaging services. Prison officials discovered the personal information during a routine strip search and mail search. According to a Kansas Correctional Industries official, prison officials removed the inmate from the program and took disciplinary action.

- In December 2006, an inmate at a correctional facility in Connecticut smuggled a file containing PII back to her cell. Prison officials discovered the file was missing during a routine audit. Because each file identifies the inmate who scanned the data, prison officials searched the inmate's cell and found the missing file. According to a Connecticut Department of Correction official, prison officials removed the inmate from the work program.

### **SOME STATES NO LONGER ALLOW PRISONERS ACCESS TO SSNs**

We determined that 5 of the 13 States identified in our August 2006 report no longer allowed prisoners access to SSNs through prison work programs. Correctional officials in three of the five States (Montana, North Carolina, and Utah) told us they stopped allowing prisoners to access SSNs through work programs because of the potential for inmates to share PII, which could result in identity theft. Connecticut correctional officials told us they changed Department of Correction policy to prohibit prisoners' access to SSNs<sup>3</sup> after an inmate attempted to smuggle PII back to her cell. New Mexico correctional officials told us they no longer allowed prisoners access to SSNs because they discontinued jobs that allowed such access.

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<sup>3</sup> Correctional Enterprises of Connecticut, Administrative Directive 10.20.



## *Matters for Consideration*

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Despite the risks associated with prisoners' access to SSNs, some prisons continue this practice. While we recognize SSA cannot prohibit prisons from allowing prisoners access to SSNs, we continue to believe it can help reduce potential threats to SSN integrity by encouraging States to limit SSN access. As such, we encourage SSA to contact correctional officials in the eight States that continue to allow prisoners access to SSNs. We also encourage SSA to support legislation that would prohibit executive, legislative, and judicial agencies from employing prisoners in any capacity that would allow prisoners access to SSNs of other individuals.

In response to our draft report, SSA stated it will consider possible options, such as sending letters or contacting the correctional officials in the eight states that continue to allow prisoners' access to SSNs. In addition, SSA stated it will develop a legislative proposal that would prohibit Federal, State, or local governments, and private contractors from employing prisoners in any capacity that would allow access to full or partial SSNs. Once developed, the Agency will submit the proposal through the SSA and Office of Management and Budget clearance process.

# Appendix

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## APPENDIX A – OIG Contacts and Staff Acknowledgments

## **OIG Contacts and Staff Acknowledgments**

### ***OIG Contacts***

Kimberly Byrd, Director, Atlanta Audit Division

Jeff Pounds, Audit Manager, Birmingham Office of Audit

### ***Acknowledgments***

In addition to those named above:

Kozette Todd, Senior Auditor

For additional copies of this report, please visit our web site at [www.socialsecurity.gov/oig](http://www.socialsecurity.gov/oig) or contact the Office of the Inspector General's Public Affairs Staff Assistant at (410) 965-4518. Refer to Common Identification Number A-08-10-11042

## ***DISTRIBUTION SCHEDULE***

Commissioner of Social Security

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Majority and Minority Staff Director, Subcommittee on Social Security

Chairman and Ranking Minority Member, Committee on the Budget, House of Representatives

Chairman and Ranking Minority Member, Committee on Oversight and Government Reform

Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives

Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives

Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate

Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate

Chairman and Ranking Minority Member, Committee on Finance

Chairman and Ranking Minority Member, Subcommittee on Social Security Pensions and Family Policy

Chairman and Ranking Minority Member, Senate Special Committee on Aging  
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## **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.