

COMPUTER MATCHING AGREEMENT

BETWEEN

SOCIAL SECURITY ADMINISTRATION

AND

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES ADMINISTRATION FOR CHILDREN AND FAMILIES OFFICE OF CHILD SUPPORT ENFORCEMENT

“SSI-OCSE Quarterly Match Agreement” and
“Online Query for SSI, Disability Insurance & Ticket-to-Work Agreement”
SSA Match #1074/HHS Match #1704

I. PURPOSE

This computer matching agreement, hereinafter “agreement,” governs a matching program between the Office of Child Support Enforcement (OCSE) and the Social Security Administration (SSA). The agreement covers the following information exchange operations between OCSE and SSA from the National Directory of New Hires (NDNH): online query access for Supplemental Security Income (SSI), Disability Insurance (DI), and Ticket-to-Work and Self-Sufficiency (Ticket) programs; and SSI Quarterly Wage batch match. This agreement also governs the use, treatment, and safeguarding of the information exchanged. OCSE is the “source agency” and SSA is the “recipient agency,” as defined by the Privacy Act. 5 U.S.C. §§552a(a)(9) and (11).

This agreement assists SSA (1) in establishing or verifying eligibility or payment amounts, or both under the SSI program; (2) in establishing or verifying eligibility or continuing entitlement under the DI program; (3) in administering the Ticket programs. These activities include overpayment avoidance and recovery for all three programs. SSA evaluates the cost-benefits, including programmatic and operational impact, which NDNH information has on SSA programs and operations.

The Privacy Act, as amended by the Computer Matching and Privacy Protection Act of 1988, provides that no record contained in a system of records (SOR) may be disclosed for use in a computer matching program except pursuant to a written agreement containing specified provisions. 5 U.S.C. §552a(o). SSA and OCSE are executing this agreement to comply with the Privacy Act of 1974, as amended, and the regulations and guidance promulgated thereunder. OCSE and SSA have been parties to matching agreements and recertification for these purposes since 2001. Appendix A provides background information about these prior agreements.

The SSA component responsible for this agreement and its contents is the Office of Privacy and Disclosure. The responsible component for OCSE is the Division of Federal Systems. This agreement is applicable to personnel, facilities, and information systems of SSA and OCSE involved in the processing and storage of NDNH information. Personnel are defined as employees, and contractors/agents of OCSE and SSA.

This agreement includes a security addendum and four appendices.

II. RESPONSIBILITIES OF THE PARTIES

A. OCSE Responsibilities

1. On a quarterly basis, OCSE will compare the SSA finder file against the quarterly wage and unemployment insurance files in the NDNH for the purposes set forth in this agreement.
2. OCSE will send a response file to SSA containing the results of the comparison. See section V.B. for a description of the OCSE response file.
3. On a daily basis, OCSE will provide SSA with online access through its web service so SSA authorized personnel may query the NDNH's new hire, quarterly wage, and unemployment insurance files, as needed, for the purposes set forth in this agreement.

B. SSA Responsibilities

1. On a quarterly basis, SSA will submit a finder file of DI and SSI beneficiaries for comparison by OCSE against the quarterly wage and unemployment files in the NDNH. See section V.B. for a description of the SSA finder file.
2. SSA will use the information provided by the comparison to administer the DI, SSI, and Ticket programs efficiently, as set forth in this agreement.
3. SSA will use the NDNH information stored in SSA electronic folders, paper folders, and obtained through online query of the NDNH to administer the DI, SSI, and Ticket programs efficiently, as set forth in this agreement. SSA will make these online requests through its existing query which can be made through either SSA's Electronic Viewer (eView) or via SSA's PCOM Master File Query Menu (MFQM) programs. This query will submit the request through OCSE's web service. SSA's use of eView and MFQM to access the OCSE web service is understood by OCSE and SSA to apply throughout the agreement.
4. SSA will publish the *Federal Register* (FR) notice, as well as the letters to the Office of Management and Budget (OMB) and Congress, for this agreement.

III. LEGAL AUTHORITY

The legal authorities for disclosures under this agreement are the Social Security Act (Act) and the Privacy Act of 1974, as amended. Section 453(j)(4) of the Act provides that OCSE shall provide the Commissioner of Social Security with all information in the NDNH. 42 U.S.C. §653(j)(4). SSA has authority to use data to determine entitlement and eligibility for programs it administers pursuant to sections 453(j)(4), 1631(e)(1)(B) and (f), and 1148(d)(1) of the Act. 42 U.S.C. §§653(j)(4), 1320b-19(d)(1), and 1383(e)(1)(B) and (f). Disclosures under this agreement shall be made in accordance with 5 U.S.C. §552a(b)(3), and in compliance with the matching procedures in 5 U.S.C. §552a(o), (p), and (r).

The Commissioner of Social Security is required to verify eligibility of a recipient or applicant for SSI using independent or collateral sources. SSI benefits may not be determined solely based on declarations by the applicant concerning eligibility factors or other relevant facts. Information is also obtained, as necessary, in order to assure that SSI benefits are only provided to eligible individuals (or eligible spouses) and that the amounts of such benefits are correct. Section 1631(e)(1)(B) of the Act (42 U.S.C. §1383(e)(1)(B)).

Subsection 1631(f) of the Act (42 U.S.C. §1383(f)) provides that “the head of any federal agency shall provide such information as the Commissioner of Social Security needs for purposes of determining eligibility for or amount of benefits, or verifying information with respect thereto.”

Section 1148(d)(1) of the Act (42 U.S.C. §1320b-19(d)(1)) requires SSA to verify earnings of beneficiaries/recipients to ensure accurate payments to employer network providers under the Ticket-to-Work program.

IV. JUSTIFICATION FOR THE MATCHING PROGRAM AND ITS ANTICIPATED RESULTS

The Privacy Act requires that each matching agreement specify the justification for the program and anticipated results, including a specific estimate of any savings. 5 U.S.C. §552a(o)(1)(B).

A. The Justification for the Matching Program

The NDNH is the only nationally centralized directory of new hire, quarterly wage, and unemployment insurance information and, as such, provides an effective, efficient, and comprehensive method of collecting and comparing this information. SSA’s use of NDNH information supports program accuracy and program administration and reduces overpayments. There is no other administrative activity that can accomplish the same purpose and provide the same security safeguards with the same degree of efficiency.

B. Anticipated Results of the Matching Program

The benefit to the United States Treasury of these combined matching programs includes the correction of those cases where there is a decrease in the monthly payment amount, the recovery of detected overpayments, and the Continuing Disability Review work cost avoidance, which project to over \$932 million (approximately \$16 million for the quarterly wage batch match and about \$916 million for the online query access). The total costs are projected to be approximately \$175 million (nearly \$3.8 million for the quarterly wage batch match and over \$171.2 million for the online query access). The actual savings to the United States Treasury make this matching program cost effective with a benefit to cost ratio of 5.33 to 1 (4.16 to 1 for the quarterly batch match and 5.34 to 1 for online query access).

V. DESCRIPTION OF THE RECORDS MATCHED

The Privacy Act requires that each matching agreement specify a description of the records that will be matched, including each data element that will be used, the approximate number of records that will be matched, and the projected starting and completion dates of the matching program. 5 U.S.C. §552a(o)(1)(C).

A. OCSE and SSA Systems of Records (SOR)

OCSE and SSA published notice of the relevant SORs in the FR. SSA's SORs are the Supplemental Security Income Record and Special Veterans Benefits (SSR/SVB), SSA/OASSIS, 60-0103 published January 11, 2006 at 71 FR 1830, and amended at 72 FR 69723 (December 10, 2007); and the Completed Determination Record-Continuing Disability Determination file (CDR-CDD), SSA/OD, 60-0050, published January 11, 2006 at 71 FR 1813, and amended at 72 FR 69723 (December 10, 2007).

OCSE will match SSA information in the SSR and CDR-CDD against the new hire, quarterly wage, and unemployment insurance information furnished by state and federal agencies maintained in its SOR "OCSE National Directory of New Hires" (NDNH), No. 09-80-0381, established by publication in the FR on April 2, 2015 at 80 FR 17906. The disclosure of NDNH information by OCSE to SSA constitutes a "routine use," as defined by the Privacy Act. 5 U.S.C. §552a(b)(3). Routine use (9) of the SOR authorizes disclosure of NDNH information to SSA, 80 FR 17906, 17907 (April 2, 2015).

SSA will access the OCSE web service when making online queries for new hire, quarterly wage, and unemployment insurance information in the NDNH. To comply with limitations on disclosure and to prohibit browsing, SSA access is restricted by anti-browsing technology (permission modules) to only those Social Security numbers (SSN) that have a direct business relationship with SSI, DI, or Ticket programs (that is, the record must have a valid SSI, DI, or Ticket payment or application issue). If no business relationship exists with SSA, OCSE denies access to NDNH and the user is unable to proceed. If a business relationship exists with SSA, SSA can access the NDNH

via the OCSE web service to display SSN-specific new hire, quarterly wage, or unemployment insurance information in the NDNH. The MFQM or eView extracts information from SSA's SSR (for SSI recipients) or CDR-CDD (for ticket holders and disability beneficiaries) to facilitate query access.

B. Data Elements Used in the Matching Program

1. Quarterly Batch Match (SSI). SSA's finder file is matched against the quarterly wage and unemployment insurance information in OCSE's NDNH.
 - a. SSA will provide electronically to OCSE the following data elements in the finder file:
 - Individual's Social Security number (SSN)
 - Name
 - b. OCSE will provide electronically to SSA the following data elements from the NDNH in the quarterly wage file:
 - Quarterly wage record identifier
 - For employees:
 - (1) Name (first, middle, last)
 - (2) SSN
 - (3) Verification request code
 - (4) Processed date
 - (5) Non-verifiable indicator
 - (6) Wage amount
 - (7) Reporting period
 - For employers of individuals in the quarterly wage file of the NDNH:
 - (1) Name
 - (2) Employer identification number
 - (3) Address(es)
 - Transmitter agency code
 - Transmitter state code
 - State or agency name
 - c. OCSE will provide electronically to SSA the following data elements from the NDNH in the unemployment insurance file:
 - Unemployment insurance record identifier
 - Processed date
 - SSN
 - Verification request code
 - Name (first, middle, last)
 - Address
 - Unemployment insurance benefit amount

- Reporting period
 - Transmitter agency code
 - Transmitter state code
 - State or agency name
2. Online Query Access (SSI, DI, and Ticket programs). SSA will access OCSE's web service when making online requests for NDNH records:
- a. Data element to initiate a query in SSA's Permission Module:
 - Individual's SSN
 - b. Data elements on quarterly wage screen:
 - Quarterly wage record identifier
 - Date report processed
 - Name/SSN verified
 - For Employees:
 - (1) SSN
 - (2) Name (first, middle, last)
 - (3) Wage amount
 - (4) Reporting period
 - For Employers:
 - (1) Name
 - (2) Employer identification number
 - (3) Employer FIPS code (if present)
 - (4) Address(es)
 - c. Data elements on the new hire screen:
 - New hire record identifier
 - Name/SSN verified
 - Date report processed
 - For Employees:
 - (1) SSN
 - (2) Name (first, middle, last)
 - (3) Date of hire
 - For Employers:
 - (1) Name
 - (2) Employer identification number
 - (3) Employer FIPS code (if present)
 - (4) Address(es)
 - d. Data elements on the unemployment insurance screen:
 - Unemployment insurance record identifier
 - Name/SSN verified

- SSN
- Name (first, middle, last)
- Address
- Unemployment insurance benefit amount
- Reporting period
- Payer state
- Date report processed

C. Number of Records to Be Matched

The SSA finder file for the SSI quarterly match will contain approximately 8.6 million records of individuals. For online queries, SSA will only query one record at a time and queries of individual records should not exceed 14 million in a given year.

The NDNH contains approximately 1.4 billion new hire, quarterly wage, and unemployment insurance records, which represents the most recent 24 months of information. In accordance with section 453(j)(4) of the Act, NDNH information provided to SSA by OCSE will contain all the available data elements from the new hire, quarterly wage, and unemployment insurance information, if any, pertaining to the individuals whose records are contained in the SSA finder file or online query. 42 U.S.C. §653(j)(4).

D. Period of the Matching Program

The starting and completion dates of the matching program are consistent with the effective and expiration dates of this agreement. The matching program will continue in effect until it expires unless terminated, as stated in this agreement. SSA will conduct batch matches for SSI applicants or recipients with the NDNH database no more frequently than quarterly; online access queries will be conducted only as needed according to the purposes stated in this agreement.

VI. NOTICE PROCEDURES

The Privacy Act requires that the agreement specify procedures for providing individualized notice at the time of application, and periodically thereafter as directed by the Data Integrity Board (DIB), to applicants and recipients of financial assistance or payments under federal benefit programs, that the information they provide may be verified through matching programs. 5 U.S.C. §552a(o)(1)(D).

This requirement is best accomplished by notice provided to the individual on the form in the agency's request for information or on a separate form pursuant to the Privacy Act. 5 U.S.C. §552a(e)(3). SSA and OCSE provide the following notices, respectively, to persons whose records are disclosed from the SORs involved in the matching program established under this agreement.

A. Notice to the General Public

SSA will publish a notice describing SSA's matching activities in the FR informing the general public of this specific matching program. Both SSA and OCSE have published notice of the relevant SOR in the FR.

B. Notice to Applicants

SSA will notify individuals at the time of application for SSI payments or DI benefits regarding the comparison of their records against those of other agencies to verify their eligibility or payment amounts. SSA's notice consists of appropriate language printed on its application forms or on a separate handout when necessary.

C. Notice to Recipients

SSA will notify SSI recipients and DI beneficiaries at least once during the life of the agreement and of any extension to the agreement of the comparison of records against those of other agencies to verify their eligibility or payment amounts. SSA's notice to SSI recipients and DI beneficiaries is included in mailings pertaining to redetermination actions and to the annual cost-of-living adjustment notice to all recipients. SSA will also notify Ticket beneficiaries via the Privacy Act statement on Form SSA-1365 and SSA-1370 that SSA may compare their records against those of other agencies in SSA's administration of its programs.

VII. VERIFICATION AND OPPORTUNITY TO CONTEST

The Privacy Act requires that each matching agreement specify procedures for verifying information produced in the matching program and an opportunity to contest findings. 5 U.S.C. §552a(o)(1)(E) and (p).

SSA recognizes that the occurrence of a comparison between its files and the NDNH is not conclusive evidence of the address, employer, or wages of an identified individual, but is an indication that warrants further verification.

A. Verification of Information Produced in the Matching Program

SSA verifies the name/SSN combinations in its SORs. SSA will compare the identity information in its records for the matched individual with the NDNH information and then determine whether the information in the NDNH is consistent with the information in SSA's files. If the information is not consistent, SSA will contact the individual to confirm the information provided by the NDNH.

If the individual is unable to confirm the information, SSA will contact the employer(s) shown by the NDNH new hire file (online query only) or quarterly wage file to confirm the information shown by the comparison results, and the appropriate source agency to confirm the unemployment insurance payment information. SSA will independently

verify the NDNH information, investigate, and confirm information that is used as a basis for an adverse action against an individual, as described in 5 U.S.C. §552a(p)(1) and (2).

B. Opportunity to Contest Findings

SSA will not take action to reduce, suspend, or terminate SSI or DI benefits based on information obtained from this matching program until:

1. SSA provides notice to the affected individual that informs that individual of the results of SSA's verification of the information and his or her opportunity to contest the findings;
2. Under applicable SSA regulations and procedures, the affected individual is given 10 days to respond to the notice before SSA takes any adverse action as a result of the comparison information (20 C.F.R. §§404.1595(c), 416.995, 416.996, and 416.1336); and
3. The notice clearly states that, unless the individual responds to the notice in the required time, SSA will conclude that the comparison results provided by OCSE are correct and will make the necessary adjustment to the individual's payment.
4. SSA will not take any action against a Ticket beneficiary solely because of the findings from this matching program.

VIII. ACCURACY ASSESSMENT

The Privacy Act requires that each matching agreement specify information on assessments that have been made on the accuracy of the records that will be used in the matching program. 5 U.S.C. §552a(o)(1)(J).

The information contained in the NDNH is reported to the source agency by state and federal agencies and instrumentalities. OCSE verifies the accuracy of name and SSN combinations maintained by OCSE against SSA's NUMIDENT file, in accordance with section 453(j)(1) of the Act. 42 U.S.C. §653(j)(1). A record reported to the NDNH is considered "verified" if the name and SSN combination has a corresponding name and SSN within SSA's NUMIDENT.

One hundred percent of the employee name and SSN combinations contained in the new hire and the unemployment insurance files against which finder files are compared have been verified against SSA's NUMIDENT. For quarterly wage, only 77 percent of the incoming data has a verified name and SSN combination, since some states and employers do not capture enough name information in their records to complete this process. However, information comparisons may be conducted and reliable results obtained.

Based on internal consistency checks and SSN/name verification process before the creation of a payment record, SSA estimates that at least 99 percent of the name and SSN information on the SSR is accurate.

IX. LIMITATIONS ON ACCESS AND USE

The Privacy Act requires that each matching agreement specify prohibitions on duplication and redisclosure of records provided by the source agency within or outside the recipient agency or the non-federal agency, except where provided by law or essential to the conduct of the matching program. 5 U.S.C. §552a(o)(1)(H).

The Privacy Act also requires that each matching agreement specify procedures governing the use by a recipient agency or non-federal agency of records provided in a matching program by a source agency, including procedures governing return of the records to the source agency or destruction of records used in such program. 5 U.S.C. §552(o)(1)(I).

A. Limitations on OCSE's Use of Information

OCSE will adhere to the following limitations on the use of the information contained in SSA's finder files and the information SSA discloses to OCSE through online query under the provisions of this agreement:

1. OCSE will not duplicate or disseminate SSA finder files, the information contained therein, and the information submitted with online queries within or outside OCSE without the written approval of SSA, except as necessary within OCSE for backup to ongoing operations of the matching program. SSA will not grant such authority unless the disclosure is required by law or is essential to the matching program. The SSA finder files remain the property of SSA. OCSE will handle the files as provided in sections X and XI, once the matching activity authorized under this agreement is completed.
2. OCSE will use and access the SSA finder files and information provided by SSA only for the purposes specified in this agreement.
3. OCSE will not use SSA finder files or information provided by SSA to extract information concerning the individuals therein for any purpose not specified in the agreement.

B. Limitations on SSA's Use, Duplication, and Redisclosure of Information

SSA will adhere to the following limitations on the use of the information OCSE provides to SSA:

1. SSA will only use NDNH information for the purposes specified in this agreement.
2. SSA will not use or redisclose the NDNH information to extract information concerning the individuals therein for any purpose not specified in this agreement.
3. SSA will not duplicate or disseminate NDNH information within or outside SSA

without the written permission of OCSE, except as necessary within SSA for backup to ongoing operations of the matching program, disaster recovery, and for online queries by authorized SSA field office personnel using SSA's eView application or MFQM. Permitted paper folder and electronic NDNH duplication or dissemination must be in accord with sections X and XI.C. OCSE will not grant such authority unless the disclosure is required by law or is essential to the matching program.

4. Information provided by OCSE remains the property of OCSE. SSA will handle the files as provided in sections X and XI, once matching activity under this agreement is completed.

C. Penalties

Subsection 453(l)(1) of the Act requires that NDNH information and the results of comparisons using NDNH information shall not be used or disclosed except as expressly provided in section 453, subject to section 6103 of the Internal Revenue Code of 1986. 42 U.S.C. §653(l)(1). Subsection 453(l)(2) provides that an administrative penalty (up to and including dismissal from employment), and a fine of \$1,000 shall be imposed for each act of unauthorized access to, disclosure of, or use of, information in the NDNH by any officer or employee of the United States or any other person who knowingly and willfully violates the requirement. 42 U.S.C. §653(l)(2).

X. PROCEDURES FOR RETENTION AND TIMELY DESTRUCTION OF RECORDS

The Privacy Act requires that each matching agreement specify procedures for the retention and timely destruction of identifiable records created by a recipient agency in such matching program. 5 U.S.C. §552a(o)(1)(F).

This section specifies the retention periods for the records contained in the SSA finder files and the NDNH records provided to SSA. After the retention periods, OCSE and SSA shall destroy the records in accordance with the security addendum herein, including the erasure of all electronic records.

OCSE may retain the records contained in the SSA finder files only for the period required for processing related to the matching program, and no later than 60 days after the transmission of the file to OCSE.

SSA will adhere to the following procedures for the retention and destruction of identifiable records:

1. SSA will store and retain the electronic and paper comparison files of the batch match only for the period of time required to support the matching program and will then destroy the records. NDNH information will not be duplicated or disseminated within or outside SSA without the written permission of OCSE, except as necessary within SSA for ongoing operations of the matching program or for the purpose of disaster recovery. OCSE will not grant such authority unless the disclosure is

required by law or is essential to the matching program.

2. SSA will store, view, and use the information obtained by an online query only for the period of time required for any processing related to the case and will then delete the electronic and/or paper record.
3. SSA will retain the response files identifiable records generated based upon matching NDNH information only for the period required for any processing related to the matching program and will then destroy the response files and records. SSA will destroy all information obtained from OCSE under this agreement in accordance with the applicable Federal Records Retention Schedule. 44 U.S.C. Chapter 33.
4. SSA field office personnel will dispose of the case file printouts of the comparison results of specific individuals in accordance with the applicable Federal Records Retention Schedule. 44 U.S.C. Chapter 33.

Neither SSA nor OCSE will create a separate file or SOR concerning individuals in the matching program, other than SSA records needed for integrity and audit purposes. Both SSA and OCSE will keep an accurate accounting of disclosures from an individual's records, as required by subsection (c) of the Privacy Act.

XI. PROCEDURES FOR SECURITY

The Privacy Act requires that each matching agreement specify procedures for ensuring the administrative, technical, and physical security of the records matched and the results of such programs. 5 U.S.C. §552a(o)(1)(G).

SSA and OCSE will comply with the requirements of the Federal Information Security Management Act (FISMA), 44 U.S.C. §§3541-3549 as amended by the Federal Information Security Modernization Act of 2014 (Pub. L. 113-283); related OMB circulars and memoranda, such as Circular A-130, *Managing Information as a Strategic Resource* (July 28, 2016), and M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information* (January 3, 2017); National Institute of Standards and Technology (NIST) series of Special Publications (SP); Federal Information Processing Standards (FIPS) Publications; and the Federal Acquisition Regulations (FAR). These laws, directives, and regulations include requirements for safeguarding federal information systems and personally identifiable information (PII) used in federal agency business processes, as well as related reporting requirements. The laws, regulations, NIST standards, and OMB directives, relating to the subject of this agreement and published subsequent to the effective date, must be implemented by both agencies.

FISMA requirements apply to all federal contractors, organizations, or entities that possess or use federal information, or that operate, use, or have access to federal information systems on behalf of an agency. Both agencies are responsible for oversight and compliance of their contractors and agents.

The security addendum to this agreement specifies these security procedures, and shall be taken and considered as part of this agreement as if the provisions contained in the addendum were fully set out here.

A. Loss Reporting

If either SSA or OCSE experiences an incident involving the loss or breach of PII provided by SSA or OCSE under the terms of this agreement, they will follow the incident reporting guidelines issued by OMB and the incident requirements present in the security addendum. In the event of a reportable incident under OMB guidance and security addendum involving PII, including the loss or potential loss of PII, the agency experiencing the event is responsible for following its established procedures, including notification to proper organizations (e.g., United States Computer Emergency Readiness Team, the agency's security office). In addition, the agency experiencing the incident (e.g., electronic or paper) will notify the other agency's security contact named in the security addendum to this agreement. SSA or OCSE, as appropriate, will also call SSA's National Network Service Center toll free at 1-877-697-4889.

B. Breach Notification

SSA and OCSE will follow PII breach notification policies and related procedures as issued by OMB and the incident requirements present in the security addendum. If SSA or OCSE determines that the risk of harm requires notification to affected individuals or other remedies, the agency responsible for the breach will carry out these remedies.

C. Application of Policy and Procedures

SSA and OCSE will adopt policies and procedures to ensure that their respective agencies use the information contained in their respective records or obtained from each other solely as provided in this agreement. SSA and OCSE will comply with these guidelines and any subsequent revisions.

XII. EFFECTIVE DATE, DURATION, MODIFICATION, AND TERMINATION OF AGREEMENT

A. Effective Date of the Agreement

The Privacy Act, as amended, provides that a copy of each matching agreement shall be transmitted to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives and be available upon request to the public, in order to permit an evaluation of the probable or potential effect of such proposal on the privacy or other rights of individuals. 5 U.S.C. §552a(r) and (o)(2)(A). OMB Circular No. A-108, *Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act* requires agencies to report to OMB and Congress any proposal to re-establish a matching program and continue a program past the expiration of the current

matching agreement, at least 60 days prior to the expiration of the existing matching agreement.

OMB has 30 days to review the proposal to re-establish the matching program and provide any comments to SSA. This 30-day period is separate from – and may not run concurrently with – the publication period in the FR. OMB has discretion to extend the 30-day review period.

The Privacy Act also provides that no agreement shall be effective until 30 days after the date on which a copy of the agreement is transmitted to such congressional committees. 5 U.S.C. §552a(o)(2)(B). See also notice and reporting requirements in 5 U.S.C. §552a(e)(12); 5 U.S.C. §552a(r); and OMB Circular No. A-108, *Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act*.

This agreement shall be effective, and the comparison and disclosure of information under this agreement may commence, when the agencies comply with the Privacy Act notice and reporting requirements. Where applicable, agencies may agree upon a later effective date, such as one to coincide with the expiration of a renewal of a previous matching program between the agencies. SSA and OCSE intend that the effective date of this agreement shall be June 12, 2017, the day after the expiration date of the recertification agreement, HHS No. 1404.

Therefore, the intent is for this agreement to be effective no sooner than the later of the following dates:

- June 12, 2017 (the day after the expiration date of the recertification agreement) (SSA Match #1074/HHS #1404),
- 30 days after the date that SSA publishes the notice of matching program in the FR, or
- 60 days after the date SSA reports the proposal to OMB and Congress.

B. Duration of the Agreement

The Privacy Act requires that an agreement shall remain in effect only for such period, not to exceed 18 months, as the DIB of the agency determines is appropriate in light of the purposes, and length of time necessary for the conduct, of the matching program. 5 U.S.C. §552a(o)(2)(C). This agreement shall remain in effect for a period of 18 months, subject to renewal by the DIBs of both agencies for a period of up to one year. The renewal may occur if OCSE and SSA can certify in writing to their DIBs that: 1) the matching program will be conducted without change, and 2) OCSE and SSA have conducted the matching program in compliance with the original agreement.

Both SSA and OCSE will sign a Form SSA-429, *Agreement Covering Reimbursable Services* and an OCSE reimbursement agreement, prior to the initiation of any services of this agreement and for each fiscal year in which this agreement is in effect.

C. Modification of the Agreement

This agreement may be modified at any time by a written modification, which is signed by both parties and is approved by the U.S. Department of Health and Human Services (HHS) DIB and SSA DIB.

D. Termination of the Agreement

Prior to the agreement's end in accord with section XII.B, the agreement may be terminated in three ways. First, it may be terminated immediately with the consent of both agencies. Second, either agency may unilaterally terminate it by written notice to the other agency. Unilateral termination is effective 90 days after the date of the notice or on a later date, as specified in the notice. Third, either agency may immediately and unilaterally terminate the agreement and any further disclosures if it determines that:

- SSA does not meet its requirement to reimburse OCSE under section 453(k) of the Act, as agreed upon in section XV of this agreement and the fiscal agreements of both SSA and OCSE;
- OCSE has reason to believe that the verification and opportunity to contest requirements of subsection (p), or any matching agreement entered into pursuant to subsection (o), or both, are not being met pursuant to 5 U.S.C. §552a(q)(1);
- Any authorized entity to which NDNH information is redisclosed in accordance with section IX is not complying with any of the terms and provisions in this agreement; or
- The privacy or security of NDNH information is at risk.

Each agency will submit to its DIB a copy of any notification of termination.

XIII. PERIODIC REPORTING OF RESULTS OF THE MATCHING PROGRAM

OMB requires OCSE to periodically report measures of the performance of the Federal Parent Locator Service (FPLS), including the NDNH, through various federal management devices, such as the OMB IT Dashboard, the Annual Report to Congress, and the Major IT Business Case. OCSE is required to provide performance measures demonstrating how the FPLS supports OCSE's strategic mission, goals, and objectives and cross-agency collaboration. OCSE also requests such performance reporting to ensure matching partners use NDNH information for the authorized purpose.

To assist OCSE in its compliance with federal reporting requirements, and to provide assurance that SSA uses NDNH information for the authorized purpose, SSA must provide to OCSE a written report on the performance outputs and outcomes attributable to its use of NDNH information for the purposes set forth in this agreement.

SSA must provide such reports, in a format determined by SSA and approved by OCSE, to OCSE on an annual basis, no later than two months after the end of each fiscal year of the matching program.

The performance reports may also assist SSA in the development of a cost-benefit analysis of the matching program required for any subsequent matching agreements in accordance with 5 U.S.C. §552a(o)(1)(B).

XIV. COMPTROLLER GENERAL ACCESS TO RECORDS

The Privacy Act requires that each matching agreement specify that the Comptroller General of the United States may have access to all records of a recipient agency or a non-federal agency that the Comptroller General deems necessary in order to monitor or verify compliance with this agreement. 5 U.S.C. § 552a(o)(1)(K). OCSE and SSA agree that the Comptroller General may have access to such records for the authorized purpose of monitoring or verifying compliance with this agreement.

XV. REIMBURSEMENT

Pursuant to section 453(k)(3) of the Act, a state or federal agency that receives information from OCSE must reimburse OCSE for costs incurred in furnishing the information, at rates which OCSE determines to be reasonable. 42 U.S.C. §653(k)(3). SSA will reimburse OCSE for use of NDNH information on an annual fiscal year (FY) basis. SSA will reimburse OCSE via a reimbursement agreement prepared by OCSE and the Form SSA-429 (including addendum) prepared by SSA and signed by both OCSE and SSA. A reimbursement agreement and Form SSA-429 will be entered into each fiscal year and will address costs and reimbursement terms. The Office of Data Exchange and Policy Publications at SSA is responsible for processing the reimbursement agreement and Form SSA-429. SSA may incur obligations only on a fiscal year basis. SSA's ability to perform work for fiscal years beyond FY2017 is subject to the availability of funds.

OCSE will collect funds from SSA through the Intra-Governmental Payment and Collection system. OCSE will bill SSA twice during the fiscal year, in accordance with the amounts and terms outlined in the reimbursement agreement and Form SSA-429. SSA will remit payments no later than 15 days following the receipt of each bill. Additionally, at least quarterly, the parties will reconcile balances related to revenue and expenses for work performed under the agreement.

XVI. DISPUTE RESOLUTION

Disputes related to this agreement shall be resolved in accordance with instructions provided in the Treasury Financial Manual (TFM), Volume I, Part 2, Chapter 4700, Appendix 10, available on the TFM website at <http://tfm.fiscal.treasury.gov/v1.html>, or a superseding directive.

XVII. PERSONS TO CONTACT FOR FURTHER INFORMATION

A. SSA Contacts:

Program Policy Issues

Yvette Woodson, Team Lead
Office of Supplemental Security Income and Program Integrity Policy
Office of Income Security Programs
Office of Retirement and Disability Policy
224 (2-Q-19) Robert M. Ball Building
6401 Security Boulevard
Baltimore, MD 21235-6401
Phone: 410-965-8624
E-mail: Yvette.Woodson@ssa.gov

Computer Systems Issues

Michelle Anderson, Branch Chief
DBIAE/Data Exchange and Verification Branch
Office of IT Programmatic Business Support
Office of Systems
3108 (3-D-1) Robert M. Ball Building
6401 Security Boulevard
Baltimore, MD 21235-6401
Phone: 410-965-5943
Fax: 410-966-3147
E-mail: Michelle.J.Anderson@ssa.gov

Computer Systems Issues

Alan Elkin, Branch Chief
Disability Control Branch
Division of Title II Control & Queries
Office of Systems
4-A-6 Robert M. Ball Building
6401 Security Boulevard
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Phone: 410-965-8050
Fax: 410-966-5272
E-mail: Alan.Elkin@ssa.gov

Matching Agreement Issues

Linda Frye, Government Information Specialist
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Office of the General Counsel
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Baltimore, MD 21235-6401
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Fax: 410-966-4304
E-mail: Linda.Frye@ssa.gov

Data Exchange Issues

Stephanie Brock, HHS Data Exchange Liaison
Office of Data Exchange and Policy Publications
Office of Retirement and Disability Policy
4-B-7-C Annex Building
6401 Security Boulevard
Baltimore, MD 21235-6401
Phone: 410-965-7827
E-mail: Stephanie.Brock@ssa.gov

Systems Security Issues

Sean Hagan, Acting Director
Division of Compliance and Assessments
Office of Information Security
Office of Systems
3829 Annex Building
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B. OCSE Contacts:

Linda Boyer
Director
Division of Federal Systems
Office of Child Support Enforcement
Administration for Children and Families
Mary E. Switzer Building
330 C Street, 5th Floor
Washington, DC 20201
Phone: 202-401-5410
Fax: 202-401-5558
E-mail: Linda.Boyer@acf.hhs.gov

Maureen Henriksen, OCSE Liaison with SSA for Data Exchange
Division of Federal Systems
Office of Child Support Enforcement
Administration for Children and Families
Mary E. Switzer Building

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Phone: 202-205-3848
Fax: 202-401-5558
E-mail: Maureen.Henriksen@acf.hhs.gov

XVIII. INTEGRATION CLAUSE

This agreement, the appendices, the accompanying Form SSA-429, and the OCSE reimbursement agreement prepared and authorized at the start of each fiscal year throughout the life of this agreement constitute the entire agreement of the parties with respect to its subject matter and supersede all other data exchange agreements between the parties for the purposes described herein. The parties have made no representations, warranties, or promises outside of this agreement. This agreement takes precedence over any other documents potentially in conflict with it, however; it does not supersede federal law or HHS and OMB directives.

XIX. SIGNATURES

By their signatures below, the authorized officials approve this agreement.

OFFICE OF CHILD SUPPORT ENFORCEMENT (OCSE)

Donna J. Bonar Acting Commissioner	Date
Christine Major Chairperson HHS Data Integrity Board	Date

SOCIAL SECURITY ADMINISTRATION (SSA)

Monica Chyn Acting Deputy Executive Director Office of Privacy and Disclosure Office of the General Counsel	Date
Mary Ann Zimmerman Acting Chair SSA Data Integrity Board Social Security Administration	Date

SECURITY ADDENDUM

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES ADMINISTRATION FOR CHILDREN AND FAMILIES OFFICE OF CHILD SUPPORT ENFORCEMENT

AND

SOCIAL SECURITY ADMINISTRATION

**“SSI-OCSE Quarterly Match Agreement” and
“Online Query for SSI, Disability Insurance & Ticket-to-Work Agreement”
SSA Match #1074/HHS Match #1704**

I. PURPOSE AND EFFECT OF THIS SECURITY ADDENDUM

The purpose of this security addendum is to specify the administrative, technical, and physical security controls that the Office of Child Support Enforcement (OCSE) and the Social Security Administration (SSA) shall have in place to ensure the security of the records compared against records in the National Directory of New Hires (NDNH) and the results of the information comparison.

By signing this security addendum, OCSE and SSA agree to comply with the provisions of the Social Security Act, the Privacy Act of 1974, the Federal Information Security Modernization Act of 2014 (FISMA), Office of Management and Budget (OMB) directives, and the National Institute of Standards and Technology (NIST) series of Special Publications (SP). Further, each agency has implemented the minimum security controls required for a system categorized as “moderate” in accordance with the Federal Information Processing Standards (FIPS) Publication 199, *Standards for Security Categorization of Federal Information and Information Systems*. OCSE and SSA agree to use the information (that is, finder and response files) received from each agency for authorized purposes in accordance with the terms of the agreement.

As federal requirements change or new requirements are established, OCSE and SSA shall comply with such requirements.

II. APPLICABILITY OF THIS SECURITY ADDENDUM

This security addendum is applicable to the agency, personnel, facilities, documentation, information, electronic and physical records and other machine-readable information, and the information systems of OCSE and SSA and SSA specified entities (that is, contractors, agents, and other permitted persons), which are hereinafter referred to as “OCSE” and “SSA.”

III. SECURITY AND PRIVACY SAFEGUARDING REQUIREMENTS

OCSE developed these safeguarding requirements based on the federal laws and requirements governing the protection of information referenced in Section I of this security addendum, as well as the *Office of Child Support Enforcement Division of Federal Systems Security Requirements for Federal Agencies Receiving Federal Parent Locator Service Data*. SSA was provided a copy of the *Office of Child Support Enforcement Division of Federal Systems Security Requirements for Federal Agencies Receiving Federal Parent Locator Service Data*, on July 14, 2015.

This section presents the safeguarding requirements with which OCSE and SSA shall comply and continuously monitor. SSA shall also comply with three additional requirements: Breach Reporting and Notification Responsibility; Security Authorization; and Audit Requirements.

The safeguarding requirements for receiving NDNH information, as well as the safeguards in place at OCSE for protecting the agency finder files, are as follows:

1. SSA shall restrict access to, and disclosure of, the NDNH information to authorized personnel who need the NDNH information to perform their official duties in connection with the authorized purposes specified in this agreement.

OCSE restricts access to and disclosure of the agency finder files to authorized personnel who need it to perform their official duties, as authorized in this agreement.

Policy/Requirements Traceability: 5 U.S.C. §552a(b)(1); NIST SP 800-53 Rev 4, AC-6 *Least Privilege*

2. SSA shall establish and maintain ongoing management oversight and quality assurance program to ensure that only authorized personnel have access to NDNH information.

OCSE management oversees the use of the agency finder files to ensure that only authorized personnel have access.

Policy/Requirements Traceability: 5 U.S.C. §552a; NIST SP 800-53 Rev 4, *Security and Privacy Controls for Federal Information Systems and Organizations*, PL-4(1), PS-6, PS-8

3. SSA shall advise all authorized personnel who will access NDNH information of the confidentiality of the NDNH information, the safeguards required to protect the NDNH information, and the civil and criminal sanctions for non-compliance contained in the applicable federal laws.

OCSE advises all personnel who will access the agency finder files of the

confidentiality of the information, the safeguards required to protect the information, and the civil and criminal sanctions for non-compliance contained in the applicable federal laws.

Policy/Requirements Traceability: 5 U.S.C. §552a; NIST SP 800-53 Rev 4, PL-4(1), PS-6, PS-8

4. SSA shall deliver security and privacy awareness training to personnel with authorized access to NDNH information and the system that houses, processes, or transmits NDNH information. The training shall describe each user's responsibility for proper use and protection of NDNH information, how to recognize and report potential indicators of insider threat, and the possible sanctions for misuse. All personnel must receive security and privacy awareness training prior to accessing NDNH information and at least annually thereafter. The training shall cover the other federal laws governing use and misuse of protected information.

OCSE delivers security and privacy awareness training to personnel. The training describes each user's responsibility for proper use and protection of other agencies' finder files, how to recognize and report potential indicators of insider threat, and the possible sanctions for misuse. All personnel receive security and privacy awareness training prior to accessing agency finder files and at least annually thereafter. The training covers the other federal laws governing use and misuse of protected information.

Policy/Requirements Traceability: 5 U.S.C. §552a; 44 U.S.C. §3551 et seq.; OMB Circular A-130, *Managing Information as a Strategic Resource*; OMB Memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information*; NIST SP 800-53 Rev 4, AT-2(2), AT-3

5. SSA personnel with authorized access to the NDNH information shall sign non-disclosure agreements, rules of behavior, or equivalent documents prior to system access, annually, and if changes in assignment occur. The non-disclosure agreement, rules of behavior, or equivalent documents shall outline the authorized purposes for which SSA may use the NDNH information and the civil and criminal penalties for unauthorized use. SSA may use "wet" and/or electronic signatures to acknowledge non-disclosure agreements, rules of behavior, or equivalent documents.

OCSE personnel with authorized access to the agency finder files sign non-disclosure agreements and rules of behavior.

Policy/Requirements Traceability: OMB Circular A-108, *Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act*; OMB Memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information*; NIST SP 800-53 Rev 4, PS-6

6. SSA shall maintain records of authorized personnel with access to the NDNH information. The records shall contain a copy of each individual's signed

non-disclosure agreement, rules of behavior, or equivalent document, and proof of participation in security and privacy awareness training.

OCSE maintains a record of personnel with access to the agency finder files. The records will contain a copy of each individual's signed non-disclosure agreement, rules of behavior, or equivalent document, and proof of individual's participation in security and privacy awareness training.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, AT-4

7. SSA shall have appropriate procedures in place to report security or privacy incidents, or suspected incidents involving NDNH information. Immediately upon discovery, but in no case later than one hour after discovery of the incident, SSA shall report confirmed and suspected incidents, in either electronic or physical form to OCSE, as designated on this security addendum. The requirement for SSA to report confirmed or suspected incidents involving NDNH information to OCSE exists in addition to, not in lieu of, any SSA requirements to report to the United States Computer Emergency Readiness Team (US-CERT) or other reporting agencies.

OCSE has appropriate procedures in place to report security or privacy incidents, or suspected incidents involving the agency finder files. Immediately upon discovery but in no case later than one hour after discovery of the incident, OCSE will report confirmed and suspected incidents to the SSA security contact designated on this security addendum. The requirement for OCSE to report confirmed or suspected incidents to SSA exists in addition to, not in lieu of, requirements to report to US-CERT or other reporting agencies.

Policy/Requirements Traceability: OMB Circular A-130, *Managing Information as a Strategic Resource*; OMB Memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information*; NIST SP 800-53 Rev 4, IR-6

8. SSA shall prohibit the use of non-SSA furnished equipment to access NDNH information without specific written authorization for the equipment from the appropriate SSA representative.

OCSE does not permit personnel to access the agency finder files remotely using non-agency furnished equipment.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, AC-20(1)(2)

9. SSA shall require that personnel accessing NDNH information remotely (for example, telecommuting) adhere to all the security and privacy safeguarding requirements provided in this security addendum. SSA and non-SSA equipment shall have appropriate software with the latest updates to protect against attacks, including, at a minimum, current antivirus software and up-to-date system patches and other software patches. Prior to electronic connection to SSA resources, SSA shall scan the

SSA and non-SSA furnished equipment to ensure compliance with SSA standards. All connections shall be through a Network Access Control, and all data in transit between the remote location and SSA shall be encrypted using FIPS 140-2 encryption standards. Personally owned devices shall not be authorized. See number 8 and number 19 of this section for additional information.

OCSE does not permit personnel to access the agency finder files remotely using non-agency furnished equipment.

Policy/Requirements Traceability: OMB Circular A-130, *Managing Information as a Strategic Resource*; OMB Memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information*; NIST SP 800-53 Rev 4, AC-17, AC-20

10. SSA shall implement an effective continuous monitoring strategy program that shall ensure the continued effectiveness of security controls by maintaining ongoing awareness of information security, vulnerabilities, and threats to the information system housing NDNH information. The continuous monitoring program shall include configuration management, patch management, vulnerability management, risk assessments before making changes to the system and environment, ongoing security control assessments, and reports to SSA officials, as required.

OCSE has implemented a continuous monitoring program that ensures the continued effectiveness of security controls by maintaining ongoing awareness of information security, vulnerabilities, and threats to the information system housing the agency finder files. The continuous monitoring program includes configuration management, patch management, vulnerability management, risk assessments before making changes to the system and environment, ongoing security control assessments, and reports to HHS officials, as required.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, CA-7(1); NIST SP 800-137, *Information Security Continuous Monitoring for Federal Information Systems and Organizations*

11. SSA shall maintain an asset inventory of all software and hardware components within the boundary of the information system housing the NDNH information. The inventory shall be at a level of granularity deemed necessary by SSA for internal tracking and reporting.

OCSE maintains an inventory of all software and hardware components within the boundary of the information system housing the agency finder files.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, CM-2(1)(3)(7), CM-7(1)(2)(4), CM-8(1)(3)(5), CM-11, IA-3, SA-4(1)(2)(9)(10), SC-17, SC-18, SI-4(2)(4)(5), PM-5

12. SSA shall maintain a system security plan describing the security requirements for the system housing NDNH information and the security controls in place or planned for meeting those requirements. The system security plan shall describe the responsibilities and expected behavior of all individuals who access the system.

OCSE maintains a system security plan that describes the security requirements for the information system housing the agency finder files and the security controls in place or planned for meeting those requirements. The system security plan includes responsibilities and expected behavior of all individuals who access the system.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, PL-2(3); NIST SP 800-18 Rev 1, *Guide for Developing Security Plans for Federal Information Systems*

13. SSA shall maintain a plan of action and milestones for the information system housing NDNH information to document plans to correct weaknesses identified during security control assessments and to reduce or eliminate known vulnerabilities in the system. SSA shall update the plan of action and milestones as necessary based on the findings from security control assessments, security impact analyses, and continuous monitoring activities.

OCSE maintains a plan of action and milestones for the information system housing the agency finder files to document plans to correct weaknesses identified during security control assessments and to reduce or eliminate known vulnerabilities in the system. OCSE updates the plan of action and milestones as necessary based on the findings from security control assessments, security impact analyses, and continuous monitoring activities.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, CA-5; NIST SP 800-18 Rev 1

14. SSA shall maintain a baseline configuration of the system housing NDNH information. The baseline configuration shall include information on system components (for example, standard software packages installed on workstations, notebook computers, servers, network components, or mobile devices; current version numbers and patch information on operating systems and applications; and configuration settings/parameters), network topology, and the logical placement of those components within the system architecture.

OCSE maintains a baseline configuration of the information system housing the agency finder files.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, CA-7, CA-9, CM-2(1)(3)(7), CM-3(2), CM-5, CM-6, CM-7(1)(2)(4), CM-8(1)(3)(5), CM-11, SI-4(2)(4)(5)

15. SSA shall limit and control logical and physical access to NDNH information to only those personnel authorized for such access based on their official duties, and identified in the records maintained by SSA pursuant to number 6 and number 27 of this section. SSA shall prevent personnel from browsing case files not assigned to them by using technical controls or other compensating controls.

OCSE limits and controls logical and physical access to the agency finder files to only those personnel authorized for such access based on their official duties. OCSE prevents browsing using technical controls that limit and monitor access to the agency finder files.

Policy/Requirements Traceability: 5 U.S.C. §552a; NIST SP 800-53 Rev 4, AC-2, AC-3

16. SSA shall transmit and store all NDNH information provided pursuant to the agreement in a manner that safeguards the information and prohibits unauthorized access.

SSA and OCSE exchange data via a mutually approved and secured data transfer method, which utilizes a FIPS 140-2 compliant product.

Policy/Requirements Traceability: OMB Circular A-130, *Managing Information as a Strategic Resource*; OMB Memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information*; FIPS 140-2, *Security Requirements for Cryptographic Modules*; NIST SP 800-53 Rev 4.

17. SSA shall transfer and store NDNH information only on SSA owned portable digital media and mobile computing and communications devices that are encrypted at the disk or device level, using a FIPS 140-2 compliant product. See number 8 and number 18 of this section for additional information.

OCSE does not copy the agency input file to mobile media.

Policy/Requirements Traceability: OMB Circular A-130, *Managing Information as a Strategic Resource*; OMB Memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information*; FIPS 140-2

18. SSA shall prohibit the use of computing resources resident in commercial or public facilities (for example, hotels, convention centers, airports) from accessing, transmitting, or storing NDNH information.

OCSE prohibits the use of computing resources resident in commercial or public facilities (for example, hotels, convention centers, airports) from accessing, transmitting, or storing the agency finder files.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, AC-19(5), CM-8(3)

19. SSA shall prohibit remote access to NDNH information, except via a secure and encrypted (FIPS 140-2 compliant) transmission link and using two-factor authentication, as required by OMB M-06-16. SSA shall control remote access through a limited number of managed access control points.

OCSE prohibits remote access to the agency finder files, except via a secure and encrypted (FIPS 140-2 compliant) transmission link and using two-factor authentication, as required by OMB M-06-16.

Policy/Requirements Traceability: OMB Circular A-130, *Managing Information as a Strategic Resource*; OMB Memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information*; FIPS 140-2; NIST SP 800-53 Rev 4, AC-17, IA-2(11)(12), SC-8

20. SSA shall maintain a fully automated audit trail system with audit records that, at a minimum, collect data associated with each query transaction to its initiator, capture date and time of system events, and type of events. The audit trail system shall protect data and the audit tool from addition, modification, and deletion and should be regularly reviewed/analyzed for indications of inappropriate or unusual activity.

OCSE maintains a fully automated audit trail system with audit records that, at a minimum, collect data associated with each query transaction with its initiator, capture date and time of system events, and type of events. The audit trail system shall protect data and the audit tool from addition, modification, and deletion and should be regularly reviewed and analyzed for indications of inappropriate or unusual activity.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, AU-2, AU-3, AU-6(1)(3), AU-8, AU-9(4), AU-11

21. SSA shall log each computer-readable data extract from any databases holding NDNH information and verify each extract has been erased within 90 days after completing required use. If SSA requires the extract for longer than 90 days to accomplish a purpose authorized pursuant to this agreement, SSA shall request permission, in writing, to keep the extract for a defined period of time, subject to OCSE written approval. SSA shall comply with the retention and disposition requirements in the agreement.

OCSE does not extract information from the agency finder files.

Policy/Requirements Traceability: OMB Circular A-130, *Managing Information as a Strategic Resource* ; OMB Memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information*

22. SSA shall utilize a time-out function for remote access and mobile devices that

require a user to re-authenticate after no more than 30 minutes of inactivity. See sections 8, 9, and 18 of this section for additional information.

OCSE utilizes a time-out function for remote access and mobile devices that requires a user to re-authenticate after no more than 30 minutes of inactivity.

Policy/Requirements Traceability: OMB Circular A-130, *Managing Information as a Strategic Resource*; OMB Memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information*

23. SSA shall erase electronic records after completing authorized use in accordance with the retention and disposition requirements in the agreement.

OCSE erases the electronic records after completing authorized use in accordance with the retention and disposition requirements in the agreement.

Policy/Requirements Traceability: 5 U.S.C. §552a

24. SSA shall implement a Network Access Control (also known as Network Admission Control (NAC)) solution in conjunction with a Virtual Private Network (VPN) option to enforce security policy compliance on all SSA and non-SSA remote devices that attempt to gain access to, or use, NDNH information. SSA shall use a NAC solution to authenticate, authorize, evaluate, and remediate remote wired and wireless users before they can access the network. The implemented NAC solution shall evaluate whether remote machines are compliant with security policies through host(s)' integrity tests against predefined templates, such as patch level, service packs, antivirus, and personal firewall status, as well as custom-created checks tailored for the SSA enterprise environment. SSA shall disable functionality that allows automatic execution of code execution. The solution shall enforce security policies by blocking, isolating, or quarantining non-compliant devices from accessing the SSA network and resources while maintaining an audit record on users' access and presence on the SSA network. See numbers 8 and 18 of this section for additional information.

OCSE ensures that personnel do not access the agency finder files remotely using non-agency furnished equipment.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, AC-17, AC-20, IA-2(11)(12), IA-3

25. SSA shall ensure that the organization responsible for the data processing facility storing, transmitting, or processing the NDNH information complies with the security requirements established in this security addendum. The "data processing facility" includes the personnel, facilities, documentation, data, electronic and physical records and other machine-readable information, and the information systems of SSA including, but not limited to, employees and contractors working with the data

processing facility, contractor data centers, and any other individual or entity collecting, storing, transmitting, or processing NDNH information.

OCSE ensures that the data processing facility complies with the security requirements established in this security addendum.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, SA-9(2)

26. SSA shall store all NDNH information provided pursuant to this agreement in an area that is physically safe from access by unauthorized persons during duty hours, as well as non-duty hours, or when not in use.

OCSE stores the agency finder files provided pursuant to this agreement in an area that is physically safe from access by unauthorized persons during duty hours, as well as non-duty hours, or when not in use.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, PE-2, PE-3

27. SSA shall maintain a list of personnel authorized to access facilities and systems processing sensitive data, including NDNH information. SSA shall control access to facilities and systems wherever NDNH information is processed. Designated officials shall review and approve the access list and authorization credentials initially and periodically thereafter, but no less often than annually.

OCSE maintains lists of personnel authorized to access facilities and systems processing the agency finder files. OCSE controls access to facilities and systems wherever the agency finder files are processed. Designated officials review and approve the access list and authorization credentials initially and periodically thereafter, but no less often than annually.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, AC-2, PE-2

28. SSA shall label printed reports containing NDNH information that denote the level of sensitivity of the information and limitations on distribution. SSA shall maintain printed reports in a locked container when not in use and shall not transport NDNH information off SSA premises. When no longer needed, in accordance with the retention and disposition requirements in the agreement, SSA shall destroy these printed reports by burning or shredding.

OCSE does not generate printed reports containing the agency finder files information.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, MP-3, MP-4, MP-5, MP-6

29. SSA shall use locks and other protective measures at all physical access points (including designated entry and exit points) to prevent unauthorized access to

computer and support areas containing NDNH information.

OCSE uses locks and other protective measures at all physical access points (including designated entry and exit points) to prevent unauthorized access to computer and support areas.

Policy/Requirements Traceability: NIST SP 800-53 Rev 4, PE-3

IV. BREACH REPORTING AND NOTIFICATION RESPONSIBILITY

Upon disclosure of NDNH information from OCSE to SSA, SSA is the responsible party in the event of a breach or suspected breach of the information. Whether NDNH information is in the custody of SSA or an authorized entity, immediately upon discovery but in no case later than one hour after discovery of the incident, SSA will report the breach or suspected breach to OCSE security officials and will comply with any and all OMB reporting and notification requirements and conduct all activities pertaining to such reporting and notification. These activities include, but are not limited to: investigating the incident; communicating with US-CERT; notifying individuals whose information is breached; notifying any third parties including the media; notifying any other public and private sector agencies involved; responding to inquiries about the breach; responding to Congressional inquiries; resolving all issues surrounding the information breach; performing any follow-up activities; correcting the vulnerability that allowed the breach; and any other activity as required by OMB M-07-16, *Safeguarding Against and Responding to the Breach of Personally Identifiable Information*, and other federal law and guidance.

Policy/Requirements Traceability: OMB Circular A130, *Managing Information as a Strategic Resource*; A-108, *Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act*; OMB Memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information*; NIST SP 800-53 Rev 4, IR-6

V. SECURITY AUTHORIZATION

OCSE requires systems that process, transmit, or store NDNH information to be granted authorization to operate following the guidelines in NIST 800-37 Revision 1.

A. SSA Security Posture

OCSE requires SSA to demonstrate its security posture before receiving NDNH information and periodically thereafter, by providing a copy of the Authorization to Operate (ATO) for the SSA environment that will house the NDNH information on SSA premises.

The SSA ATO was signed on 08/08/2015. OCSE considers the evidence that the SSA environment is in compliance with the security requirements in this security addendum.

SSA is only authorized to process, transmit, and store NDNH information in the SSA

environment and premises.

VI. AUDIT REQUIREMENTS

The Social Security Act, section 453(m)(2), requires that the Secretary of Health and Human Services establish and implement safeguards with respect to the entities established under section 453 designed to restrict access to confidential information to authorized persons, and restrict use of such information to authorized purposes. 42 U.S.C. §653(m)(2). OMB's guidance provides that since information security remains the responsibility of the originating agency, procedures should be agreed to in advance that provide for the monitoring over time of the effectiveness of the security controls of the recipient organization. OMB M-01-05, *Guidance on Inter-Agency Sharing of Personal Data - Protecting Personal Privacy*, December 20, 2000. Also see section 453(l)(2) of the Social Security Act. (42 U.S.C. §653(l)(2)) and 5 U.S.C. §552a(e)(10)).

VII. PERSONS TO CONTACT

The HHS/ACF/OCSE security contact is:

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VIII. APPROVALS

By their signatures below, the authorized officials approve this security addendum.

A. Office of Child Support Enforcement

Linda Boyer Director	Date
Donna J. Bonar Acting Commissioner	Date

B. Social Security Administration

Sean Hagen Acting Director Division of Compliance and Assessments Office of Information Security Office of Systems	Date
Monica Chyn Acting Deputy Executive Director Office of Privacy and Disclosure Office of the General Counsel	Date

APPENDIX A

Background: Prior Agreements Between OCSE and SSA for Online Query Access and Quarterly Batch Match

The data exchange operations governed by this agreement combines components of previous matching programs between the Federal Office of Child Support Enforcement (OCSE) and the Social Security Administration (SSA). OCSE is required to provide SSA with information from the National Directory of New Hires (NDNH). Information exchanges have been ongoing for a number of years using two separate technologies; computer match and query interrogation. While the purposes of the disclosure are the same, to support SSA in the administration of programs under the Social Security Act (Act), the technologies that support the operations are different. Consequently, there was an agreement for each technology. This agreement is technology neutral and replaces the current agreements.

All authorized purposes for which the NDNH information is disclosed to SSA and all authorized persons and entities to be disclosed NDNH information are combined herein.

Prior Computer Matching Agreements (CMA) between the parties related to the Quarterly Batch Match are:

- CMA between SSA and OCSE, Administration for Children and Families (ACF), Department of Health and Human Services (HHS) (SSA Match #1074/HHS #1404 “SSI-OCSE Quarterly Match Agreement” and “Online Query for SSI, Disability Insurance & Ticket-to-Work Agreement”), effective December 12, 2014 through June 11, 2016; Recertification of CMA effective June 12, 2016 through June 11, 2017
- CMA between SSA and OCSE, ACF, HHS (SSA Match #1074/HHS #1201 “SSI-OCSE Quarterly Match Agreement” and “Online Query for SSI, Disability Insurance & Ticket-to-Work Agreement”), effective June 12, 2012 through December 11, 2013; Recertification of CMA effective December 12, 2013 through December 11, 2014.
- CMA between SSA and OCSE, ACF, HHS (SSA Match #1074/HHS #0902 “SSI-OCSE Quarterly Match Agreement” and “Online Query for SSI, Disability Insurance & Ticket-to-Work Agreement”), effective October 20, 2009 through April 19, 2011; Recertification of CMA effective April 20, 2011 through April 19, 2012.
- CMA between SSA and OCSE, ACF, HHS (SSA Match #1074/HHS #0804 “SSI-OCSE Quarterly Match Agreement”), effective February 16, 2009 through August 15, 2010;
- CMA between SSA (#1074) and OCSE, ACF, HHS (SSA Match #1074/HHS #0605 “SSI-OCSE Quarterly Match Agreement”), effective September 13, 2006 through March 12, 2008; Recertification of CMA effective March 13, 2008 through March 12, 2009.
- CMA between SSA (#1074) and OCSE, ACF, HHS (SSA Match #1074/HHS #0306 “Quarterly Match Agreement”), effective December 18, 2003 through June 18, 2005; Recertification of CMA effective June 18, 2005 through June 17, 2006.
- CMA between SSA (#1074) and OCSE, ACF, HHS (SSA Match #1074/HHS #2000-02), effective April 16, 2001 through October 17, 2002; Recertification of CMA effective December 2, 2002 through December 3, 2003.

- CMA between SSA (#1074) and OCSE, ACF, HHS (SSA Match #1074/HHS #98-02), effective September 28, 1998 through March 27, 2000; Recertification of CMA effective April 16, 2000 through April 15, 2001.

Prior agreements between the parties related to Online Query are:

- CMA between SSA and OCSE, ACF, HHS (SSA Match #1074/HHS #1404 “SSI-OCSE Quarterly Match Agreement” and “Online Query for SSI, Disability Insurance & Ticket-to-Work Agreement”), effective December 12, 2014 through June 11, 2016; Recertification of CMA effective June 12, 2016 through June 11, 2017
- CMA between SSA and OCSE, ACF, HHS (SSA Match #1074/HHS #1201 “SSI-OCSE Quarterly Match Agreement” and “Online Query for SSI, Disability Insurance & Ticket-to-Work Agreement”), effective June 12, 2012 through December 11, 2013; Recertification of CMA effective December 12, 2013 through December 11, 2014.
- CMA between SSA and OCSE, ACF, HHS (SSA Match #1074/HHS #0902 “SSI-OCSE Quarterly Match Agreement” and “Online Query for SSI, Disability Insurance & Ticket-to-Work Agreement”), effective October 20, 2009 through April 19, 2011; Recertification of CMA effective April 20, 2011 through April 19, 2012.
- Information Exchange Agreement (IEA) between SSA and OCSE, ACF, HHS (Match 316), effective February 26, 2004 through February 25, 2009.
- IEA between SSA and OCSE, ACF, HHS (Match 316), effective May 6, 2002 through May 5, 2005.

APPENDIX B
DEFINITIONS
FOR
THE COMBINED COMPUTER MATCHING AGREEMENT
BETWEEN
OCSE AND SSA

The SSI-OCSE Quarterly Match and the Online Query for SSI, DI, and Ticket Programs

The Privacy Act, 5 U.S.C. §552a(a), defines the terms contained in this agreement.

Additional terms defined as follows:

“CDR-CDD” means Completed Determination Record-Continuing Disability Determination File. This SSA system of records (SOR) is SSA’s post-entitlement master record for Social Security Disability Insurance (SSDI) and Supplementary Security Income (SSI) beneficiaries receiving a disability-related benefit including Ticket program beneficiaries.

“Deemor” means an individual whose income and resources are subject to deeming; i.e., an individual’s income and resources are considered available for meeting an SSI claimant’s (or recipient’s) basic needs of food and shelter. A deemor includes ineligible parents, spouses of aliens, ineligible spouses, and essential persons.

“Disclose” and **“disclosure”** mean the release of information or data by either SSA or OCSE, with or without the consent of the individual or individuals to which the information pertains.

“MFQM” means SSA’s Master File Query Menu. The MFQM is a sub-menu used to request Master File query responses or to select other request screens and submenus.

“FIPS” means Federal Information Processing Standards, a numeric code, issued by the National Bureau of Standards, which identifies every State and local child support agency to facilitate interstate processing.

“S2 Diaries” relate to alerts that result from a comparison between the National Directory of New Hires (NDNH) quarterly wage file and the Supplemental Security Income Record (SSR). An alert gets generated each time a wage record is detected for an SSI recipient, deemor, or essential person and when the amount of the wages on the NDNH record for a particular quarter exceeds the total wage amount on the SSR for those three months by at least \$250 for the recipient and \$500 for the deemor. Diaries posted to SSR are for field

offices to resolve discrepancies, update the SSR, determine past and continuing SSI eligibility, and pursue overpayment recovery.

“S7 Diaries” relate to alerts that identify records where the SSR master file shows overreported wages when compared to the NDNH quarterly file. The tolerances shown for the S2 Diaries above (at least \$250 for the recipient and \$500 for the deemor) also apply to S7 Diaries.

“Special Veterans Benefits” (SVB) or “Title VIII” means the Federal benefit program effective December 14, 1999, under Title VIII of the Act, 42 U.S.C. §§1001, et.seq.

“State” means any of the 50 States, the District of Columbia, the territories, the possessions, and the Commonwealth of Puerto Rico and the Commonwealth of the Northern Mariana Islands.

“U5 Diaries” relate to alerts that identify records where the SSR master file and the NDNH quarterly file show a discrepancy in the unemployment insurance benefits reported.

APPENDIX C

**COST-BENEFIT ANALYSIS FOR
Computer Matching Agreement (CMA)
between
The Social Security Administration (SSA)
and
The Department Of Health And Human Services (DHS),
Administration for Children and Families (ACF),
Office of Child Support Enforcement (OCSE)
(Supplemental Security Income (SSI) - OCSE Quarterly Matching Agreement and
Online Query for SSI, Disability Insurance (DI) and Ticket-to-Work (Ticket) Agreement)
SSA Match #1074 / HHS #1704**

BACKGROUND

A. Quarterly Batch Matching Operation

Since September 1998, SSA has performed a quarterly automated data matching operation between the Quarterly Wage file and Unemployment Compensation (UC) file in OCSE's National Directory of New Hires (NDNH) and the Supplemental Security Record (SSR). The purpose of this matching operation is to identify unreported, under reported or over reported wage income and unemployment compensation for SSI recipients and deemors.

SSA Systems forwards "S2" (NDNH under reported wages/overpayments), "S7" (NDNH over reported wages/underpayments), and "U5" (unreported unemployment compensation payments) alerts to the servicing SSA field offices (FO) for additional development.

The match generates an "S2" alert when the system detects a State wage/OCSE record for a recipient, deemor, or essential person and the wages on the State record exceeds the amount of wages on the SSR for a quarter by more than a certain tolerance.

The match generates an "S7" alert when the system detects a State wage/OCSE record for a recipient, deemor, or essential person and the wages on the State record are less than the amount of wages on the SSR for a quarter by more than a certain tolerance.

The match also generates a "U5" alert when the system detects a UC record for a recipient, deemor, or essential person, and the UC benefit amount on the State record exceeds the UC amount on the SSR by at least 15%.

B. Query Access to OCSE's NDNH Online Database

In 2001, SSA and OCSE entered into a formal agreement that allows authorized SSA employees query-only access to OCSE's NDNH database. The NDNH contains quarterly wage data, information on newly hired individuals, and unemployment compensation data.

Initially, SSA's use of the online query access was limited to the processing of Title XVI SSI pre-effectuation review claims, Title XVI initial claims with large underpayments, and any Title XVI case at the claims representative's discretion.

In April 2004, SSA and OCSE expanded the interagency agreement to permit authorized SSA employees to use the NDNH online query to develop work activity when processing Title II DI Continuing Disability Reviews (CDRs), Ticket-to-Work initiative cases, and to resolve earnings discrepancies.

The 2015 CMA combined the data exchange matching components of previous matching programs between OCSE and SSA. Since OCSE is required to provide SSA with information from the NDNH, information exchanges have been ongoing for a number of years using two separate technologies; computer match and query interrogation. While the purposes of the disclosure are the same, to support SSA in the administration of programs under the Social Security Act, the technologies that support the operations are different. Consequently, there was an agreement for each technology.

The 2017 CMA is technology neutral and replaces the existing agreements.

C. Methodology

Quarterly Batch Matching Operation

The Office of Data Exchange (ODX) staff selected and analyzed a random sample of 400 records for each type of alert to determine the amount of change in the recurring monthly payment and the amount of retroactive overpayment or underpayment attributable to the detection of unreported, underreported, or over reported wages and unemployment compensation benefits. The findings from this analysis reflect the results from ODX's review of the FO developed wages and UC alerts projected to the entire universe of S2, S7, and U5 alerts released in FY 2015.

Query Access to OCSE's NDNH Online Database

According to a file obtained from the Office of Systems, there were over 9.1 million NDNH online queries generated in FY 2015. We estimate that approximately 6.8 million were for SSI and approximately 2.3 million were for DI.

- SSI Query:

We conducted a CBA evaluating the use of the online query for processing Title XVI cases in 2000. This is an update of that CBA, based on a projection of the findings from the 2000 CBA to the more current volume of FY 2015 Title XVI online queries, Title XVI program benefit

savings modified by subsequent cost of living adjustments (COLA), and the use of FY 2015 cost data.

In order to estimate the SSI online query costs, we used Systems costs from the Office of Systems. We prorated the total Interagency Agreement costs based on the volume of the Quarterly Batch Matching Operation and the volumes of the three types of Online Queries. We used a unit time of 2-minutes for no-match found and 24-minutes for match found SSI online query.

- **DI Query:**

We used a conservative estimate of 40% (788,880/1,972,200) to determine the volume of CDRs avoided based on the 2009 percentage of avoided CDRs, which was 48.8% (803,914/1,647,364). Therefore, the benefit from the DI OCSE online query was the cost of not having to conduct a work CDR on these cases.

In order to estimate the DI online query costs, we used Systems costs from the Office of Systems. We prorated the total Interagency Agreement costs based on the volume of DI online queries. We used a unit time of 2-minutes to request the DI online query.

COSTS

Key Element 1: Personnel Costs

For Agencies

- Source Agency: OCSE – To be completed, as necessary, by OCSE
- Recipient Agency: SSA

Quarterly Batch Matching Operation

Personnel Costs for Field Office Alert Development

The average time to develop an S2, S7, or U5 alert based on the match conducted in FY 2015 was 107.22 minutes. Using 107.22 minutes per alert and a development cost per alert of \$158.53 the total estimated development cost for the 13,568 S2 alerts released in FY 2015 was \$2,150,874. Using 107.22 minutes per alert and a development cost per alert of \$158.53, the total estimated development cost for the 3,851 S7 alerts released in FY 2015 was \$610,470. Using 107.22 minutes per alert and a development cost per alert of \$158.97, the total estimated development cost for the 999 U5 alerts released in FY 2015 was \$158,814.

The FY 2015 FO development cost for all three alerts totaled \$2,920,158.

Personnel Costs for Overpayment Development and Recovery Processing

In addition, the FO incurs costs for overpayment development and recovery processing for cases identified with an overpayment. Based on our sample results, we projected 9,180 cases with overpayments in FY 2015. The cost per case, established by the Division of Cost Analysis in the Office of Financial Policy and Operations, is \$68.45. Using \$68.45 for each

overpaid record, the total additional FY 2015 personnel cost for development and recovery was **\$628,371.**

The total personnel cost incurred for the quarterly batch matching operation is \$3,548,529.

Query Access to OCSE's NDNH Online Database

Personnel Costs for Query Access to OCSE's NDNH Online Database

SSI Query:

Based on the 2000 CBA, the average time to obtain an online query, when SSA does not find a match, is 2 minutes. Using a 2-minute unit time for each of the estimated 2.7 million Title XVI queries with no match, we project that the total costs are **\$7,944,372.** The estimated time to obtain a query and develop a case when we find a match is 24 minutes. Using a 24-minute unit time for each of the estimated 4.1 million Title XVI queries with a match, we project that the total costs are **\$144,761,256.**

We estimate that the average time to develop an overpayment is 22 minutes. The 281,026 Title XVI cases estimated to have an overpayment would cost **\$9,095,544.**

DI Query:

Also based on the FY 2000 CBA, we estimate that the average time to obtain a DI online query is 2 minutes. Using the FY 2015 overhead factor of 2.01 and a 2-minute unit time for each of the 2.3 million DI queries, the total costs to do queries is **\$6,767,496.**

The total costs incurred for the query access to OCSE's NDNH online database is \$168,568,668.

- Justice Agencies: N/A

For Clients: N/A

For Third Parties: N/A

For the General Public: N/A

Key Element 2: Agencies' Computer Costs

For Agencies

- Source Agency: OCSE – To be completed, as necessary, by OCSE
- Recipient Agency: SSA

Quarterly Batch Matching Operation

The FY 2015 Systems costs for the SSA and OCSE matching operation totaled **\$238,537** for direct services.

Query Access to OCSE's NDNH Online Database

For this data exchange, based on data from the Office of Systems budget staff we estimate the combined systems cost for FY 2015 is **\$57,300** (\$36,230 for SSI and \$21,070 for DI).

The total computer costs to SSA for FY 2015 is \$ 295,837.

- Justice Agencies: N/A

For Clients: N/A
For Third Parties: N/A
For the General Public: N/A

FY 2015 Interagency Agency Agreement Costs

Quarterly Batch Matching Operation

The FY 2015 interagency agreement cost of services for this matching operation is \$7,385.

Query Access to OCSE's NDNH Online Database

The FY 2015 interagency agreement cost of services for this online matching operation is \$2,722,510.

The total interagency agreement cost for this matching operation is \$2,729,895.

BENEFITS

The benefits realized in the development of the alerts from this matching operation include the detection and recovery of retroactive overpayments and the avoidance of future overpayments due to changes in the recurring benefit amount, as well as the detection and correction of those records with increases in the recurring monthly payment amounts.

Key Element 3: Avoidance of Future Improper Payments

To Agencies

- Source Agency: OCSE – To be completed, as necessary, by OCSE
- Recipient Agency: SSA

Quarterly Batch Matching Operation

Between October 2014 and September 2015, SSA performed approximately 7.2 million NDNH transactions and sent 168,500 S2, 40,728 S7, and 999 U5 alerted cases to the FOs for additional development. The FOs worked 13,568 S2, 3,851 S7, and 999 U5 S2 cases.

Development of the match alerts resulted in a decrease in the recurring monthly payment in 58 percent of the S2 cases. The average monthly decrease was \$299 and the total decrease in monthly payments for all 7,870 cases was \$2,353,130. If the match had not occurred, we assume that this incorrect payment would have continued for three additional months. Therefore, the estimated savings due to the prevention of erroneous future monthly payments would be about **\$7,059,390** when we project the results to the universe of alerts released in FY 2015.

Reviewing the S7 alert, we found retroactive underpayments in approximately 30 percent of the cases analyzed. The average underpayment per underpaid case is \$647. Projecting these results to the universe of S7 alerts released in FY 2015, we estimate that 1,155 cases have retroactive underpayments detected from the match, which total approximately **\$747,285**.

Approximately 30 percent (1,155) of the S7 cases analyzed had an increase in the monthly payment amount. The average monthly payment adjustment was about \$214 for a total underpayment of \$247,170. Based on the assumption that this incorrect payment would have continued for three additional months, we estimate the potential underpayment is **\$741,510**, when we project the results to the universe of alerts released in FY 2015.

We determined that the FO reduced the recurring monthly payments in 31% of the U5 cases. The average monthly decrease was \$325 and the total decrease in monthly payments for all 310 cases was \$100,750. If the match had not occurred, we assume that this incorrect payment would have continued for three additional months. Therefore, the estimated savings due to the prevention of erroneous future monthly payments would be about **\$302,250** when we project the results to the universe of alerts released in FY 2015.

The total benefit for avoidance of future improper payment is \$ 8,103,150

Query Access to OCSE's NDNH Online Database

a. SSI Query:

The Title XVI program benefits realized from the use of the NDNH online query are the preventions and estimated recoveries of retroactive overpayments because of having immediate online access to NDNH data. For the purpose of this CBA, the Title XVI program benefits were determined by updating the estimated average program savings of \$58.20 per query transaction reported in FY 2015. When applied to the estimated 6.8 million Title XVI online queries in FY 2015, the total estimated Title XVI program savings for FY 2015 are approximately **\$396 million**.

b. DI Query:

We use online queries of quarterly wages in identifying and developing cases where SGA could be involved. Although we cannot use the queries as evidence of earnings in making an SGA determination, we use them to identify and develop cases where work activity is an issue. We also use them to identify cases where we can curtail wage development because the earnings are not high enough to be a trial work period or SGA months. This process produces savings by avoiding the costs of extensive development. Using the conservative estimate of 40%, based on the FY 2009 percentage of cases with overpayments due to work activity, we approximate that we avoided 788,880 work CDRs in FY 2015 by accessing the 2.3 million DI queries. Using the FY 2015 program savings of \$659.28 per query, the total benefits of the work CDR cost avoidance is approximately **\$520 million**.

The combined program benefits realized from the use of the NDNH online query are approximately \$916 million.

- Justice Agencies: N/A

To Clients: N/A

To Third Parties: N/A
To the General Public: N/A

Key Element 4: Recovery of Improper Payments and Debts

To Agencies

- Source Agency: OCSE – To be completed, as necessary, by OCSE
- Recipient Agency: SSA

Between October 2014 and September 2015, SSA performed approximately 7.2 million NDNH transactions, and sent 168,500 S2 and 5,679 U5 alerted cases to the FOs for additional development. The FOs worked 13,568 S2 cases and 999 U5 cases.

We found retroactive overpayments in 58 percent of the S2 cases. The average retroactive overpayment is approximately \$1,295. Projecting these results to the universe of S2 alerts released to the FO in FY 2015, we estimate that 7,870 cases have retroactive overpayments, with a total estimated overpayment detected from the match of approximately \$10,191,650. Using the average historical recovery rate for Title XVI, we would expect to recover 65 percent of the overpaid dollars for a total benefit of approximately **\$6,624,572**.

We found retroactive overpayments in 31 percent of the U5 cases. The average retroactive overpayment is approximately \$1230. Projecting these results to the universe of U5 alerts released to the FO in FY 2015, we estimate that 310 cases have retroactive overpayments, with a total estimated overpayment detected from the match of approximately \$381,300. Using the average historical recovery rate for Title XVI, we would expect to recover 65 percent of the overpaid dollars for a total benefit of approximately **\$247,845**.

The total benefit for recovery of improper payments and debt is \$ 6,872,417.

- Justice Agencies: N/A

To Clients: N/A
To Third Parties: N/A
To the General Public: N/A

CONCLUSION

These matching operations result in an overall savings of about **\$922,872,417** (approximately \$14,975,567 for the quarterly wage batch match and about \$916 million for the online query access). The total costs are approximately **\$175,142,929** (\$3,548,529 for the quarterly wage batch match and t \$168,568,668 for the online query access). These actual savings to the United States Treasury make this matching operation cost effective with a benefit to cost ratio of **5.32:1**; therefore, this match is cost effective. Accordingly, we recommend the continuance of this match.

COSTS

Key Element 1: Personnel Costs

Quarterly Batch Matching Operation

Personnel Costs for Field Office Alert Development

Alert Development Cost	S2	S7	S5
Total number of alerts released FY 2015	13,568	3,851	999
Salary ¹ + 20% benefits	\$91,800	\$91,800	\$91,800
Development Time per Alert ²	107.22 minutes	107.22 minutes	107.22 minutes
107.22 minutes x 2.01 overhead ³	215.51 minutes per Alert	215.51 minutes per Alert	215.51 minutes per Alert
(215.51 minutes x number of alerts)/60/2080	23.43 WY	6.65 WY	1.73 WY
Total cost per alert type	\$2,150,874	\$610,470	\$158,814
Total cost			\$2,920,158
Total cost /number of alerts = cost per alert	\$158.53	\$158.52	\$158.97

Personnel Costs for Overpayment Development and Recovery Processing

Overpayment Development and Recovery Costs			
	S2	S7	Total
Cost per Alert (DCBFM/Division of Cost Analysis)	\$68.45	\$68.45	--
Number of Alerts with Improper Payments	7,870	1,310	9,180
7,870 (Wage alerts with overpayments) x \$68.45	\$538,701.50	--	--
1,310 (UC alerts with overpayments) x \$68.45		\$89,669.50	
Total			\$628,371

Query Access to OCSE's NDNH Online Database

Personnel Costs for Query Access to OCSE's NDNH Online Database

SSI Query:

Total number of Queries in FY 2015	6,800,000
SSI No Match Found	2,700,000
SSI Match Found	4,100,000
Ticket to Work Overpayments	281,026

¹ The salary is based on GS 11/9 from the FY 2015 General Schedule plus cumulative average locality pay and 20 percent benefits, as provided by the Office of Budget, Division of Cost Analysis.

² The development time of 107.22 minutes per alert is the average time to work an alert based on the match conducted in FY 2015, as provided by the Office of Public Service and Operations Support.

³ The overhead rate for FY 2015 of 2.01 for the FOs was furnished by the Office of Budget

Salary ⁴ + 20% benefits	\$91,800
Development Time per Query ⁵ :	
No Match Found	2 minutes
Match Found	24 minutes
Overpayment Development	22 minutes

Cost to obtain OCSE online query when no match found

2 minutes x 2.01 ⁶	=	4.02 minutes
4 minutes (rounded) x 2,700,000 queries = (10,800,000/60)/2080	=	86.54 WY
86.54 WY x \$91,800 (Salary)	=	\$7,944,372

Cost to develop OCSE online query when match found

24 minutes x 2.01 overhead	=	48.24 minutes
48 (rounded) minutes x 4,100,000 queries = (196,800,000/60)/2080 =		1576.92 WY
1,576.92 WY x \$91,800 (Salary)	=	\$144,761,256

Cost to Develop an Overpayment

22 minutes x 2.01 overhead	=	44 minutes
44 minutes x 281,026 queries = (12,365,144/60)/2080	=	99.08 WY
99.08 WY x \$91,800 (Salary)	=	\$9,095,544

⁴ We based the salary on GS 11/9 from the fiscal year 2015 General Schedule plus cumulative average locality pay and 20 percent benefits, as provided by the Division of Cost Analysis.

⁵ We base the time to obtain an OCSE query, time to develop query when match found and time to develop an overpayment are based on CBA conducted in 2000.

⁶ The overhead rate of 2.01 for the FOs was furnished by the Office of Budget.

DI Query:

Unit time obtain query	2 minutes
Overhead	2.01
4 (rounded) minutes x 2,300,000 queries = (9200000/60)/2080 =	73.72 WY
73.72 WY x \$91,800 (Salary)	= \$6,767,496

Key Element 2: Agencies' Computer Costs**Quarterly Batch Matching Operation**

	Total
Systems Costs	\$238,537

Query Access to OCSE's NDNH Online Database

	SSI	DI/Ticket	Total
Systems Costs	\$36,230	\$21,070	\$57,300

FY 2015 Interagency Agreement Costs**Quarterly Batch Matching Operation**

	Total
Interagency Agreement Cost (Prorated based on FY 2015)	\$7,385

Query Access to OCSE's NDNH Online Database

	SSI	DI/Ticket	Total
Interagency Agreement Cost (Prorated based on FY 2015)	<u>\$2,018,940</u>	<u>\$703,570</u>	<u>\$2,722,510</u>

BENEFITS

Key Element 3: Avoidance of Future Improper Payments **Quarterly Batch Matching Operation**

No. of Alerts Completed by FO in FY 2015	S2- 13, 568	S7 - 3,851		U5 - 999
Change in Monthly Payment Amount		Underpayment	Overpayment	
Percent of alerts with Change in Monthly Payment Amount	58%	30.0%	30%	31%
Number of Alerts with Change in Monthly Payment Amount	7,870	1,155	1,155	310
Average Change in Monthly Payment Amount	\$299	\$647	\$214	\$325
Total Change in Ongoing Monthly Payment	\$2,353,130	\$747,285	\$247,170	\$ 100,750
Projected for 3 months	\$7,059,390	N/A*	\$741,510	\$ 302,250
Total Benefit	\$ 8,103,150			

*A change in monthly payment that occurs because of an underpayment is not a monetary benefit to the Social Security Administration. Therefore, the change in monthly payment amount for S7 alerts is not applicable. The benefit change creates an increase in customer service benefit.

Quarterly Access to OCSE's NDNH Online Database

	SSI	Ticket to Work
Number of online queries in FY 2015	6,800,000	788,880
Estimated average program savings per query	\$58.20	659.28
Preventions and estimated overpayments recoveries of retroactive/Cost avoidance	\$395,760,000	\$520,092,806
Total Benefit	915,852,806	
Unit cost of work CDR ⁷	\$659.28	
Estimated ⁸ number of work CDRs avoided	788,880	
Savings from not working CDRs	\$520,092,806	
Total Benefits	\$520,092,806	
Estimated average title XVI program savings per query	\$58.20	
Total SSI online query program savings	\$395,760,000	
Total Benefits	\$395,760,000	

⁷ The unit cost per CDR was furnished by OPSOS.

⁸ Conservative estimate of 40% used to estimate volume based on 2009 percentage of avoided CDR's which was 48.8% (803,914/1,647,364).

Key Element 4: Recovery of Improper Payments and Debts
Quarterly Batch Matching Operation

No. of Alerts Completed by FO in FY 2015:	S2 -13,568	U5 -999
Benefits	S2 Wage Alert (O/P)	U5 UC Alert (O/P)
Retroactive Payments		
Percent of Records with Improper Payments	58.0%	31.0%
Number of Alerts with Improper Payments	7,870	310
Average Improper Payment Amount	\$1,295	\$1,230
Total Improper Payment (Projected)	\$10,191,650	\$381,300
Amount Expected to Recover (65%)	\$ 6,624,572	\$247,845
Total Benefits	\$ 6,872,417	

CONCLUSION

Costs				
		Quarterly Batch Query	Query Access to NDNH Online Database	Total
Key Element 1: Personnel Costs				
	Alert Development	2,920,158		2,920,158
	Overpayment Development	628,371		628,371
	SSI Query Retrieval	No Match Match Overpayment	7,944,372 144,761,256 9,095,544	\$161,801,172
	DI Query Retrieval		6,767,496	\$6,767,496
Key Element 2: Computer Costs		238,537	57,300	\$295,837
	IAA Costs	\$7,385	\$2,722,510	\$2,729,895
Total Cost				\$175,142,929
Benefits				
Key Element 3: Avoidance of Future Improper Payments				
		\$8,103,150		\$8,103,150
	SSI		\$520,000,000	\$520,000,000
	DI		\$396,000,000	\$396,000,000
Key Element 4: Recovery of Improper Payments and Debts		\$6,872,417		\$6,872,417
Total Benefit				\$930,975,567
Benefit to Cost Ratio = \$930,975,567/\$175,142,929 = 5.32:1				

Appendix D

Business Needs Assessment Chart
for the Agreement between OCSE and SSA
Covering SSI Quarterly Batch and
Online Query for SSI, Disability Insurance, & Ticket-to-Work Activities

SSA Application	Match Method	Function	Elements Provided by SSA to Conduct Match	Elements Provided by OCSE to Conduct Match	SSA User	Elements temporarily displayed if a match is found	OCSE Databases	Authority
Supplemental Security Income (SSI)	Batch	To establish and verify eligibility or payment amounts, or both under the SSI program	Individual's Social Security number (SSN) and Name	From the Quarterly Wage File: quarterly wage record identifier; for employees: name, SSN, verification request code, processed date, non-verifiable indicator, wage amount, and reporting period; for employers of individuals: name, employer identification number (EIN), and addresses; transmitter agency code, transmitter state code, state or agency name. From the Unemployment Insurance File: unemployment insurance record identifier, processed date, SSN, verification request code, name, address, unemployment insurance benefit amount, reporting period, transmitted agency code, transmitter state code, and state or agency name.	SSA claims personnel responsible for determining eligibility for SSI	Quarterly wage record identifier, name, SSN, processed date, address(es), wage amount, quarterly wage reporting period. Employers name, transmitted agency code employer address(es). Unemployment insurance record identifier, processed date, unemployment insurance benefit amount, and reporting period.	National Directory of New Hires (NDNH) - Quarterly Wage File and Unemployment Information File	42 U.S.C. § 653(j)(4), 42 U.S.C. §1320b-19(d)(1), and 1383(e)(1)(B) and (f)

SSA Application	Match Method	Function	Elements Provided by SSA to Conduct Match	Elements Provided by OCSE to Conduct Match	SSA User	Elements SSA will update in the SSR if a match is found	OCSE Databases	Authority
Supplemental Security Income (SSI), Social Security Disability Income (SSDI), Ticket-to-Work (Ticket)	Online	To establish and verify eligibility or payment amounts, or both under the SSI and SSDI programs and support the administration of the Ticket program.	Individual's SSN	From the Quarterly Wage File: quarterly wage record identifier, date report processed, name/SSN verified; for employees: SSN, name, wage amount, and reporting period; for employers of individuals: name, federal (or state, if no federal) EIN, FIPS code (if present), and address(es). From the New Hire File: new hire identifier, name/SSN verified, date report processed, for employees: SSN, name, date of hire; for employers: name, EIN, FIPS code (if present) and address(es). From the Unemployment Insurance File: unemployment insurance record identifier, name/SSN verified, SSN, name, address, unemployment insurance benefit amount, reporting period, payer state, and date report processed.	SSA claims personnel responsible for determining eligibility for SSI, DI and Ticket	Quarterly wage record identifier, date report processed, name/SSN verified; for employees: SSN, name, wage amount, and reporting period; for employers of individuals: name, federal (or state, if no federal) EIN, FIPS code (if present), address(es), new hire identifier, date report processed, date of hire, unemployment insurance record identifier, unemployment insurance benefit amount, reporting period, payer state, and date report processed.	National Directory of New Hires (NDNH) - Quarterly Wage File, New Hire File, and Unemployment Information File	42 U.S.C. § 653(j)(4), 42 U.S.C. §1320b-19(d)(1), and 1383(e)(1)(B) and (f)