
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**DISABILITY DETERMINATION
SERVICES' BUDGET EXECUTION
AND REPORTING OF LIMITATION
ON ADMINISTRATIVE EXPENSES
FUNDS**

November 2001

A-15-99-52001

AUDIT REPORT



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SOCIAL SECURITY

Office of the Inspector General

MEMORANDUM

Date: NOV 26 2001

Refer To:

To: Jo Anne B. Barnhart
Commissioner of Social Security

Inspector General

Subject: Disability Determination Services' Budget Execution and Reporting of Limitation on Administrative Expenses Funds (A-15-99-52001)

OBJECTIVE

Our objective was to evaluate the Social Security Administration's (SSA) policies and procedures for State disability determination services' (DDS) budget execution and reporting of obligations.¹

BACKGROUND

SSA is primarily responsible for implementing the general policies needed to process Disability Insurance (DI) and Supplemental Security Income (SSI) disability claims. Disability determinations under both DI and SSI are performed by an agency in each State according to SSA regulations. These State agencies are referred to as DDSs. SSA reimburses the DDSs for 100 percent of their allowable administrative costs.

Each year, SSA determines the amount of the DDS funding authorization. The DDS funding authorizations are allocated from SSA's Limitation on Administrative Expenses (LAE) appropriations for DDSs to perform disability determinations. The LAE appropriations restrict the availability of LAE funds for obligation by SSA to that Federal fiscal year (FY). SSA's funding levels for each DDS are reported on the "State Agency Obligational Authorization for Disability Programs" (Form 872). For SSA's purpose, the Form 872 creates an obligation in SSA's accounting records. After each Federal FY quarter, DDSs submit a "State Agency Report of Obligations for SSA Disability Programs," (Form 4513), reporting the obligations it incurred. Guidance for the DDSs' financial management is contained in SSA's *Program Operations Manual System* (POMS) Section DI 39506.

¹ POMS section DI 39506.803 defines obligations as "payments for goods or services received and commitments to pay for goods or services ordered. Obligations result from...ordering services; e.g., consultative examinations; contractual services; and similar transactions, which require the present or future disbursement of money (emphasis added)."

Previously, SSA requested the Office of Audit to audit the administrative costs claimed by the Ohio Bureau of Disability Determinations (OH-BDD) for FYs 1995 through 1997.² During that audit, we determined that purchase orders for electronic data processing (EDP) and other equipment, amounting to \$4.3 million, were issued by OH-BDD after the close of the respective Federal FYs.

SCOPE AND METHODOLOGY

We met with SSA Headquarters staff in Baltimore, Maryland, as well as, Chicago's Regional staff and OH-BDD officials in Columbus, Ohio. We analyzed correspondence between SSA and OH-BDD. We reviewed a legal opinion issued by SSA's Office of General Counsel (OGC). We also reviewed:

- Applicable SSA POMS;
- Rehabilitation Services Commission (RSC) financial management guidance;
- Funding documentation, Forms 872, maintained by the Office of Disability (OD) for all DDSs for the period FY 1995 through 1999; and
- Data collected during our audit of administrative costs claimed by OH-BDD.

We conducted our field work during October 1998 through April 2000. Our audit was conducted in accordance with generally accepted government auditing standards.

Our methodology included reviewing applicable Federal laws, regulations, and instructions pertaining to the LAE appropriation and administrative costs incurred by DDSs. Our audit of internal controls was limited to the SSA POMS, Section DI 39506, pertaining to DDS financial management and flow of documents relating to fund authorizations.

RESULTS OF AUDIT

SSA's budget execution and reporting regulations and policies need clarification. SSA's budget practices did not provide sufficient time for the DDSs to complete the procurement process before the Federal fiscal yearend. As a result, DDSs were incorrectly obligating SSA LAE funds after the Federal fiscal yearend. Further, OH-BDD did not accurately report the status of obligations on its Forms 4513.

BUDGET EXECUTION POLICIES FOR DDS OBLIGATIONS

OH-BDD did not have the authority to create new obligations using SSA LAE funds after the end of the Federal FY. While conducting the administrative cost audit for OH-BDD, we found that Federal funds were used to create new obligations after the end of the Federal FY. Specifically, \$4.3 million in LAE funds were obligated by

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²*Audit of Administrative Costs Claimed by the Ohio Rehabilitation Services Commission for Its Bureau of Disability Determinations, (A-13-98-51007) dated September 1999.* RSC is the parent agency for the OH-BDD.

OH-BDD after the Federal FY for which the funds were authorized. We examined 27 vouchers for EDP and other equipment purchases over \$10,000. Nineteen of the 27 vouchers, totaling \$4.3 million, related to obligations/purchase orders issued after the close of the Federal FY. In some instances, the funds were not obligated until as much as 3 years after the close of the Federal FY.

Comparison of OH-BDD Obligations to LAE Year Charged					
Year Purchase Order Issued	Obligation Amount	LAE Year Charged by OH-BDD			
		1994	1995	1996	1997
FY 1996	\$3,231,056	\$380,714	\$2,850,342	0	0
FY 1997	1,027,293	17,280	889,516	\$120,497	0
FY 1998	44,883	0	0	10,350	\$34,533
Total³	\$4,303,232	\$397,994	\$3,739,858	\$130,847	\$34,533

OH-BDD believed it had authority to continue obligating SSA funds after the Federal FY closed. The OH-BDD managers stated that the funding for the purchase of EDP equipment was not received in sufficient time to go through the procurement process before the Federal FY ends. They also stated EDP equipment funding is not usually received until the last week of the Federal FY. OH-BDD managers believed the SSA POMS gave them the flexibility to follow the State's rules for incurring and reporting obligations.

Funding of DDS EDP Purchases

We analyzed the FY 1995 through FY 1999 funding patterns for the SSA authorizations of DDS purchases of EDP hardware and software (see Appendix B). SSA frequently authorized funding for EDP and other equipment too late in the FY. In fact, 52 of the 54 DDSs received some funding at least once on September 15th or later during the period FY 1995 through FY 1999. The total late funding for all DDSs' purchases of EDP and other equipment was \$30,568,346 during this period. We believe this practice makes it unlikely that DDSs can enter into valid obligations before the Federal fiscal yearend. SSA's funding pattern supported OH-BDD's position that the funds were obtained too late to reasonably expect DDSs to complete the procurement process and issue obligating documents (purchase orders). However, we did not believe that late funding provides authority for the DDSs to create new obligations after the Federal fiscal yearend.

POMS Procedures

OH-BDD managers cited POMS as giving it the authority to issue new obligations after the Federal fiscal yearend. Specifically, OH-BDD cited POMS section DI 39506.806 A., which states:

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³ Figures are rounded.

“It is the desire and intent of SSA that State agencies operate within the framework of rules, regulations, and procedures promulgated by the State for establishing and charging obligations to appropriate accounting periods.

The information presented in this section should be followed by the State agency if not in conflict with the fiscal directives of the State. Where a conflict exists, the DDS should inform the regional office and attach copies of pertinent directives.”

We disagree with OH-BDD's interpretation of the POMS. Our interpretation is that the POMS instructs DDSs to bring conflicts between the POMS and State rules to the attention of SSA so that SSA can address the issue. It does not give the DDSs the authority to issue new obligations after the Federal fiscal yearend. Also, other POMS sections clearly address the availability of funding authority. For example, POMS section DI 39506.803 A.2. clearly states that: “Amounts available for obligation in one year, to the extent they exceed actual obligations, may not be added to the new obligation limit for the ensuing fiscal year.”

To resolve the issue of the validity of creating new obligations after the Federal fiscal yearend, we pursued further authoritative guidance.

Management Directive

We identified a memorandum, dated December 12, 1995, written by the SSA Deputy Commissioner for Finance, Assessment, and Management to an SSA regional commissioner which, in reference to a DDS's use of SSA LAE funds, stated:

“...after that FY expires, you cannot legally approve the State using those FY 1994 funds for a new purpose (EDP workstations)...Like SSA components, the States must spend their funds (i.e., incur obligations) by the end of the FY, otherwise, the unobligated portion of their approved spending plan can never be spent...Your proposal to obligate the FY 1994 LAE after its period of availability for obligation expired cannot be approved....

A comparable issue recently surfaced when the first continuing resolution for FY 1996 expired at midnight of November 13, 1995. Legal counsel for the Office of Management and Budget confirmed that DDSs could not use unspent funds to continue operations on November 14th, since funds provided to the DDSs at the beginning of FY 1996 were no longer available for obligation.”

Legal Opinion

We reviewed an OGC legal opinion regarding whether DDSs had the authority to create new obligations after the close of the Federal FY. In that opinion, OGC stated that the POMS amply reflects the fact that a State DDS' obligational authorization is available on an annual basis, coincides with the Federal FY, and thus, expires at the conclusion of the Federal FY.

After evaluating the applicable POMS, Deputy Commissioner's memorandum, and the OGC legal opinion, we have concluded that the DDSs may not use LAE funds to create new obligations after the end of the Federal FY for which they were appropriated.

However, we are not recommending recovery of the funds because: 1) the DDS used the funds for an appropriate purchase to the betterment of SSA's programs and 2) because we believe the State acted, although in violation of POMS, in accordance with informal guidance from SSA officials. Also, the State provided written evidence that SSA not only knew the purchases were made after the Federal FY (the violation) but even offered advice to the State as to possible vendors and equipment (see Reporting of Obligations below).

SSA's budgetary practices for funding all DDSs need to be improved to avoid leading the DDSs into inappropriate use of LAE funds. SSA needs to review and revise its POMS governing the financial management of the DDSs, specifically, clarifying the budgetary requirements relating to obligating Federal funds.

OH-BDD practice of obligating funds goes against the accounting concept of reliability. To be reliable, accounting data must be verifiable, have representative faithfulness, and have neutrality.⁴ We found no independent basis for OH-BDD's charging accounting periods other than funds were available for the period charged. We even found instances of individual purchase orders being split and charged to multiple years. We believe the selection of the Federal FY charged was arbitrary in nature.

REPORTING OF OBLIGATIONS

OH-BDD did not accurately report the status of its obligations on the Form 4513. For example, OH-BDD reported planned obligations as actual obligations on its Forms 4513. This practice causes misleading and inaccurate financial reporting of DDS operations to SSA. Such inaccurate reporting inhibits SSA's ability to properly fund the DDSs' needs in a given Federal FY. As a result, the DDSs may be overfunded in 1 year and underfunded in another. OH-BDD, as stated above, reported that at least \$4.3 million was already obligated when in fact, no purchase order or other commitment-to-pay was issued. Additionally, **SSA had not reconciled known, unobligated funding to the amounts reported on the Form 4513.**

Reporting Unrealized Obligations

OH-BDD reported on its Form 4513 that all its funds had been obligated by the close of the Federal FY. OH-BDD budget staff told us they included **planned purchases** as obligations as a justification for amounts reported as obligated. Such inaccurate reporting inhibits SSA's oversight of DDS financial management when, for example, determining if funds can be reallocated to cover immediate needs in other areas.

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⁴ Based on the Statements of Financial Accounting Concepts No. 2 Qualitative Characteristics of Accounting Information issued by the Financial Accounting Standards Board, May 1980.

The reporting of planned obligations as actual obligations on the Form 4513 is also not in keeping with the U.S. General Accounting Office (GAO) *Standards for Internal Controls in the Federal Government* (GAO/AIMD-00-21.3.1, pages 4 and 5). GAO standards state:

“Internal control should provide reasonable assurance that the objectives of the agency are being achieved in the following categories: ...Reliability of financial reporting, including reports on budget execution, financial statements, and other reports for internal and external use.”

SSA Oversight Lapse

OD had documentation indicating that OH-BDD had not actually obligated the funds for the purchase of EDP and other equipment as reported on the Forms 4513. SSA provided funding of \$3.3 million to OH-BDD for the purchase of EDP equipment on **September 25, 1995**. OH-BDD reported on its Form 4513, dated **October 20, 1995**, that it had obligated the EDP equipment funding by **September 30, 1995**. OH-BDD wrote to SSA, on **February 28, 1996**, to discuss **planned purchases** of \$4.3 million for EDP and other equipment. Per the OH-BDD correspondence, the \$4.3 million consisted of (i) \$3.3 million funding authorized on September 25, 1995 (for FY1995); (ii) \$700,000 left from a previously funded **pilot** of a local area network; and (iii) \$263,000 of funds **taken from OH-BDD** but promised to be restored when needed. SSA subsequently denied OH-BDD those specific planned purchases because the proposed equipment exceeded the funding guidelines already provided and consisted of equipment different than proposed at the time the funding was provided. Eventually, these funds were used to make purchases of EDP equipment that, presumably, met SSA's approval.

The above sequence of events led us to conclude that OH-BDD had not entered into valid obligations as reported on the Forms 4513. OD was aware that the OH-BDD had not accurately reported the status of its funds/obligations for the purchase of EDP and other equipment as reported on the Forms 4513. In fact, we believe that OH-BDD could construe its violation of the POMS as being allowed and ratified by SSA since SSA had not objected to its plans to use the LAE funds to create new obligations after the FY ended.

We believe that OD and the regional offices need to better enforce SSA's formal, written policies and procedures as outlined in POMS for DDS financial management. OH-BDD could not have obligated **all** of its funding if funding remained **for future purchases** of EDP and other equipment, as described in correspondence between OH-BDD and SSA. Based on correspondence from OH-BDD, the amounts reported as obligated could not have been accurate. In fact, OD should have been concerned when the DDS reported that \$3.3 million had been obligated only 5 days after the funding was provided.

CONCLUSIONS AND RECOMMENDATIONS

SSA needs to review its regulations and POMS governing the financial management of the DDSs and clarify the financial requirements relating to the obligation of SSA funds. SSA needs to scrutinize the amounts of obligations being reported by the State DDSs to ensure the reasonableness of the reported amounts.

We recommend SSA:

1. Revise its budget practices for authorizing DDS purchases of EDP hardware and software so as to allow DDSs sufficient time to establish valid obligations (contracts) before the Federal fiscal yearend.
2. Revise its regulations and/or POMS, as needed, to clearly define the budgetary financial management requirements and limitations imposed on DDSs' use of Federal funds.
3. Determine if the Chicago Regional Commissioner should direct OH-BDD to reclassify the EDP and other equipment purchases to the Federal FY in which the purchase orders were issued, as noted in our audit. Based on the results of that determination, direct all regional commissioners to review DDS EDP and other equipment purchases to assure consistent and appropriate recording.
4. More closely review the Forms 4513 submitted by the DDSs, as part of SSA's fiscal oversight, to see if the reported financial data correspond with other known information and call into question any discrepancies.

AGENCY COMMENTS

SSA agreed with three of our four recommendations (i.e. recommendations 1, 2 and 4). Regarding recommendations 1 and 2, SSA states in its response that it is in the process of revising POMS to address our concerns regarding revisions to certain budgetary practices. Regarding recommendation 4, SSA states it is also in the process of revising SSA Form-4513 to provide more detail of DDS expenditures to address DDS fiscal oversight concerns. SSA disagreed with our recommendation 3. (See Appendix C for the full text of SSA's comments to our draft report)

THE OFFICE OF THE INSPECTOR GENERAL'S RESPONSE

We believe the Agency's response that it disagrees with our recommendation 3 is the result of SSA misinterpretation. Recommendation 3 asks SSA to make a determination regarding the FY reclassification of certain equipment purchases. SSA's determination not to reclassify those expenditures is not inconsistent with the recommendation.

Jane E. Veneris
for James G. Huse, Jr.

Appendices

Appendix A – Acronyms

Appendix B - SSA's Yearend Funding of Disability Determination Services
Electronic Data Processing Purchases

Appendix C - SSA Comments

Appendix D - OIG Contacts and Staff Acknowledgements

APPENDIX A

Acronyms

DDS	Disability Determination Services
DI	Disability Insurance
EDP	Electronic Data Processing
Form 872	State Agency Obligational Authorization for Disability Programs
Form 4513	State Agency Report of Obligations on SSA Disability Programs
FY	Fiscal Year
GAO	General Accounting Office
LAE	Limitation on Administrative Expenses
OD	Office of Disability
OGC	Office of General Counsel
OH-BDD	Ohio – Bureau of Disability Determination
POMS	Program Operations Manual System
RSC	Rehabilitation Services Commission
SSA	Social Security Administration
SSI	Supplemental Security Income

Social Security Administration Yearend Funding of Disability Determination Services Electronic Data Processing Purchases

State	Fiscal Year (FY) Funded (Date Social Security Administration (SSA) provided Disability Determination Services (DDS) funding)							
	FY1995	FY1996	FY1997	FY1998	FY1999			
Connecticut	9/29/95	\$ 80,794	9/25/96	\$ 15,178	9/30/97	\$ 27,662	9/30/98	\$ 7,617
Maine	9/29/95	31,720	9/25/96	\$ 15,178	9/30/97	53,100		
Massachusetts	9/29/95	48,716	9/25/96	4,900	9/30/97	340,826		
New Hampshire	9/29/95	11,150	9/20/96	1,404	9/30/97	13,370	9/30/98	
Rhode Island	9/29/95	20,487	9/20/96		9/30/97	18,120	9/30/98	
Vermont	9/29/95	26,500				55,070	10/1/98	
New Jersey	9/29/95	796,651	9/30/96	105,791	9/30/97	116,220	10/1/98	
New York	9/29/95	177,000	9/30/96	657,390	9/30/97	37,755	10/1/98	
Puerto Rico	9/21/95	218,801	9/30/96	59,520	9/30/97			
Delaware	9/29/95	51,018	9/30/96	4,520				
District of Columbia					9/30/97	35,870		
Maryland					19,440			
Pennsylvania	9/29/95	202,990	9/30/96	79,300	9/30/97	65,600	9/30/98	
Virginia	9/29/95	195,411	9/30/96	224,200	9/30/97	37,465		
West Virginia	9/26/95	101,121	9/30/96	25,108	9/30/97	26,213	9/30/98	
Alabama					67,944	9/30/97		
Florida					332,446	132,160	9/30/98	
Georgia	9/26/95	495,707	9/30/96	105,736	9/30/97	149,532	9/29/98	
Kentucky	9/29/95	8,465	9/30/96	814,251	9/30/97	48,950	9/30/98	
Mississippi	9/29/95	60,000	9/30/96	40,936	9/30/97	74,070	9/30/98	
North Carolina	9/29/95	457,060	9/30/96	46,066	9/30/97	26,620	9/30/98	
South Carolina				13,200	9/30/97	50,222	9/30/98	
Tennessee					43,795	17,500	9/30/98	
Illinois	9/28/95	692,307	9/30/96	47,333	9/30/97	102,285	9/30/98	
Indiana					95,386	350,345	9/30/98	
Michigan	9/29/95	28,064	9/30/96	197,758	9/30/97	160,008	9/30/98	
Minnesota	9/28/95	85,906	9/30/96	829,778	9/30/97	93,442	9/30/98	

FY Funded (Date SSA provided DDS funding)

State	FY1995	FY1996	FY1997	FY1998	FY1999
Ohio	9/25/95	3,371,712	9/30/96	108,950	9/30/97
Wisconsin	9/29/95	9,500	9/30/96	95,401	9/30/97
Arkansas	9/29/95	30,000	9/30/96	94,670	9/30/98
Louisiana	9/29/95	99,839	9/30/96	429,152	9/30/97
New Mexico	9/29/95	8,485	9/27/96	53,890	9/30/97
Oklahoma	9/29/95	110,883	9/30/96	194,300	9/30/97
Texas	Iowa	440,178	9/30/96	692,126	9/30/97
Kansas	9/29/95	77,566	9/30/96	194,057	9/30/97
Missouri	9/29/95	27,900	9/30/96	26,489	9/30/97
Nebraska	9/29/95	604,798	9/30/96	744,786	9/30/98
Colorado	9/28/95	41,003	9/30/96	38,060	9/30/97
Montana				116,961	9/30/97
North Dakota				54,447	9/30/97
South Dakota				6,120	
Utah					9/30/99
Wyoming	9/27/95	89,334	9/30/96	62,531	9/30/97
Arizona	9/29/95	3,414,000	9/30/96	11,200	9/30/97
California					32,400
Guam					250
Hawaii	9/25/95	11,205	9/30/96	215,561	9/30/97
Nevada	9/29/95	48,431	9/30/96	41,985	9/30/97
Alaska					38,703
Idaho					9/29/98
Oregon	9/26/95	8,926	9/30/96	9,300	9/30/97
Washington	9/15/95	248,926	9/30/96	17,800	9/30/97
Total		\$12,432,554		\$7,969,745	\$4,373,272
Total all years					\$3,810,020
		\$30,547,446			

NOTE: Blanks indicate that either no allotments were made for Electronic Data Processing purchases or that all allotments were made before September 15th.

APPENDIX C

Agency Comments



SOCIAL SECURITY

MEMORANDUM

September 10, 2001

Refer To: S1J-3

To: James G. Huse, Jr.
Inspector General

Larry G. Massanari
Acting Commissioner of Social Security

Subject: Office of the Inspector General Draft Report, "Disability Determination Services' (DDS) Budget Execution and Reporting of Limitation on Administrative Expenses Funds"
(A-15-99-52001)—INFORMATION

Thank you for the opportunity to review and comment on the subject report. We appreciate OIG's efforts in conducting this review. Our comments are attached.

Staff questions may be directed to Janet Carbonara on extension 53568.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "DISABILITY DETERMINATION SERVICES' BUDGET EXECUTION AND LIMITATION ON ADMINISTRATIVE EXPENSES FUNDS" (A-15-99-52001)

We appreciate OIG's efforts in conducting this review and the opportunity to comment on the draft report. Our comments on the recommendations are provided below.

Recommendation 1

SSA revise its budget practices for authorizing DDS purchases of EDP hardware and software so as to allow DDSs sufficient time to establish valid obligations (contracts) before the Federal fiscal yearend.

Comment

We agree and are currently in the process of revising the POMS to allow the States up to six months after the close of the Federal fiscal year to obligate funds.

Recommendation 2

SSA revise its regulations and/or Program Operations Manual System (POMS), as needed, to clearly define the budgetary financial management requirements and limitations imposed on DDSs' use of Federal funds.

Comment

We agree. POMS instructions, which will clearly define the budgetary financial management requirements and limitations imposed on DDSs' use of Federal funds, are currently in the clearance process.

Recommendation 3

SSA determine if the Chicago Regional Commissioner should direct OH-BDD to reclassify the EDP and other equipment purchases to the Federal FY in which the purchase orders were issued, as noted in our audit. Based on the results of that determination, direct all Regional Commissioners to review DDS EDP and other equipment purchases to assure consistent and appropriate recording.

Comment

We disagree. While the audit report concludes that the Ohio Bureau of Disability Determinations (OH-BDD) failed to comply with the POMS provisions, it does not conclude, that SSA obligated those funds in the absence of a *bona fide* need of the BDD for the equipment in the FYs in question. The subsequent untimely obligation of those funds by the BDD outside of the confines of the respective FYs *does not* vitiate SSA's otherwise legitimate obligation of funds for this purpose (*See Matter of: Small Business Administration*, B-229873, November 29, 1988). Such action by the BDD does conceivably constitute a breach of the terms of its contractual arrangement with SSA. Since SSA's obligation of funds in the respective FYs was based on *bona fide* needs existing in those FYs, we do not believe reclassification is legally appropriate.

Recommendation 4

SSA more closely review the Forms 4513 submitted by the DDSs, as part of SSA's fiscal oversight, to see if the reported financial data correspond with other known information and call into question any discrepancies.

Comment

We agree and already routinely review the DDSs' Form 4513s and request clarification of anomalies. Additionally, we have revised the Form 4513 to provide more detail on the DDS expenditure. The revised Form 4513 is in the clearance process along with revised POMS instructions.

Appendix D

OIG Contacts and Staff Acknowledgements

OIG Contacts

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Acknowledgements

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Philip Rogofsky, Audit Manager

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Chairman, Senate Special Committee on Aging	1
Ranking Minority Member, Senate Special Committee on Aging	1
Vice Chairman, Subcommittee on Government Management Information and Technology	1
President, National Council of Social Security Management Associations, Incorporated	1
Treasurer, National Council of Social Security Management Associations, Incorporated	1
Social Security Advisory Board	1
AFGE General Committee	9
President, Federal Managers Association	1
Regional Public Affairs Officer	1

Total **97**

Overview of the Office of the Inspector General

Office of Audit

The Office of Audit (OA) conducts comprehensive financial and performance audits of the Social Security Administration's (SSA) programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress, and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency.

Office of Executive Operations

The Office of Executive Operations (OEO) supports the Office of the Inspector General (OIG) by providing information resource management; systems security; and the coordination of budget, procurement, telecommunications, facilities and equipment, and human resources. In addition, this office is the focal point for the OIG's strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act. OEO is also responsible for performing internal reviews to ensure that OIG offices nationwide hold themselves to the same rigorous standards that we expect from the Agency, as well as conducting employee investigations within OIG. Finally, OEO administers OIG's public affairs, media, and interagency activities and also communicates OIG's planned and current activities and their results to the Commissioner and Congress.

Office of Investigations

The Office of Investigations (OI) conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Counsel to the Inspector General

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation, and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.