



## SOCIAL SECURITY

Inspector General

November 6, 2003

The Honorable Jo Anne B. Barnhart  
Commissioner

Dear Ms. Barnhart:

In November 2000, the President signed the Reports Consolidation Act of 2000 (Public Law No. 106-531), which requires Inspectors General to provide a summary and assessment of the most serious management and performance challenges facing Federal agencies and the agencies' progress in addressing them. This document responds to the requirement to include this statement in the Fiscal Year (FY) 2003 *Social Security Administration's Performance and Accountability Report*.

In February 2003, we identified 10 significant management issues facing the Social Security Administration for FY 2003. Since that time, we have recategorized some issue areas. Our assessment will focus on the following six challenges.

- **Social Security Number Integrity and Protection**
- **Management of the Disability Process**
- **Improper Payments**
- **Budget and Performance Integration**
- **Critical Infrastructure Protection and Systems Security**
- **Service Delivery**

The areas formerly entitled Homeland Security, Social Security Number Integrity and Misuse and Integrity of the Earnings Reporting Process have been combined under Social Security Number Integrity and Protection. The Human Capital, E-Government, and Representative Payee issue areas are now combined under the Service Delivery issue area. The Fraud Risk issue area has been removed, and we have noted that each challenge contains elements of fraud risk.

I congratulate you on the progress you have made during FY 2003 in addressing these challenges. I look forward to working with you in continuing to improve the Agency's ability to meet its mission in an efficient and effective manner. Our assessment of the status of these six management challenges is enclosed.

Sincerely,



James G. Huse, Jr.

Enclosure

# **Inspector General Statement on the Social Security Administration's Major Management Challenges**

**A-02-04-14034**



**NOVEMBER 2003**

## **Mission**

**We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.**

## **Authority**

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

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

**To ensure objectivity, the IG Act empowers the IG with:**

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

## **Vision**

**By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.**

## **Social Security Number Integrity and Protection**

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In Fiscal Year (FY) 2003, the Social Security Administration (SSA) issued over 17 million original and replacement Social Security number (SSN) cards. In FY 2003 SSA received over \$533 billion in employment taxes. Protecting the SSN and properly posting the wages are critical to ensuring eligible individuals receive the full retirement, survivors and/or disability benefits due them.

The SSN is the single most widely used identifier for Federal and State governments and the private sector. It has become the de facto national identifier. Given its importance, the possession of an SSN may allow criminals to steal identities and commit other criminal acts. In fact, the lack of protection of the SSN has often led to identity theft and SSN misuse. Being the immediate victim of SSN misuse and/or identity theft may cause an individual years of difficulty and cost financial and commercial institutions a great deal of money. SSN misuse may disguise a dangerous felon or a terrorist as a law-abiding citizen. The possession of an SSN provides a criminal the identification and seeming legitimacy he or she needs to go about nefarious business, perhaps putting dozens, hundreds, or even thousands of lives in jeopardy.

The risks associated with SSN misuse and identity theft have led the Office of the Inspector General (OIG) to develop plans for a SSN Integrity Protection Team (Team). The Team, which will be created pending funding, combines the skills of auditors, investigators, computer specialists, analysts and attorneys. In addition to supporting homeland security initiatives, the Team will focus its efforts on identifying patterns of SSN misuse; locating systemic weaknesses that contribute to SSN misuse; recommending legislative or other corrective actions to ensure the SSN's integrity; and pursuing criminal and civil enforcement provisions for individuals misusing SSNs.

We believe that SSA can take some steps to better protect the integrity of the SSN. Outstanding audit recommendations include the need to establish a reasonable threshold for the number of replacement SSN cards an individual may obtain during a year and over a lifetime and expedite systems controls that would interrupt SSN assignment when SSA mails multiple cards to common addresses or when parents claim an improbable large number of children. Additionally, SSA needs to continue to address identified weaknesses within its information security environment to better safeguard SSNs and educate SSA staff about counterfeit documents.

Another important part of ensuring the integrity of the SSN is the proper posting of earnings reported under SSNs. If earnings information is reported incorrectly or not reported at all, SSA cannot ensure all eligible individuals are receiving the correct payment amounts. In addition, the Disability Insurance (DI) and Supplemental Security Income (SSI) programs depend on this earnings information to determine (1) whether an individual is eligible for benefits and (2) the amount of the disability payment. SSA spends scarce resources trying to correct earnings data when incorrect information is reported.

While SSA has limited control over factors causing the volume of erroneous wage reports submitted each year, there are still areas where SSA can improve its processes. Prior

accomplishments may be enhanced by continuing to educate employers on reporting criteria, identify and correct employer reporting problems, and encourage greater use of the Agency's SSN verification programs. SSA also needs to improve coordination with other Federal agencies with separate, yet related, mandates. For example, SSA's ability to improve wage reporting is related to the Internal Revenue Service's sanctioning of employers for submitting invalid wage data and the Bureau of Citizenship and Immigration Services' procedures used by employers to verify eligible employees.

Another issue of concern is SSA's Earnings Suspense File (ESF). The ESF is the Agency's record of annual wage reports that include wage earners' names and SSNs that fail to match SSA's records. Between 1937 and 2000, the ESF grew to represent about \$374 billion in wages, which included about 236 million wage items with an invalid name and SSN combination. As of July 2002, SSA had posted 9.6 million wage items to the ESF for Tax Year (TY) 2000, representing about \$49 billion in wages. We requested updated information on the number and dollar amount of wage items posted to the ESF, but the Agency has not provided them.

### ***SSA Has Taken Steps to Address this Challenge***

In our Management Advisory Report entitled *Social Security Number Integrity: An Important Link in Homeland Security*, we concluded that it was critical for SSA to independently verify the authenticity of documents presented by SSN applicants. SSA has taken steps to address this issue, including the establishment of a task force to address the integrity and protection of the SSN. One result of the task force's efforts includes SSA's decision to stop assigning SSNs to non-citizens without first verifying the authenticity of their documents. We are currently assessing the Agency's compliance with these new procedures. SSA also has tightened evidentiary requirements for SSN applicants. SSA requires mandatory interviews for all applicants over the age of 12 for original SSNs and requires evidence of identity for all children, regardless of age. SSA also established a pilot center in Brooklyn, New York that focuses exclusively on enumeration of citizens and non-citizens.

SSA has taken steps over the past year to reduce the size and growth of the ESF. SSA has expanded its Employee Verification Service to include an on-line service called the Social Security Number Verification Service, which allows an employer to verify the name and SSN of employees prior to reporting their wages to SSA. The Agency has also modified its systems to help identify the number holder related to suspended items. Whereas previous internal edits used only the name and SSN related to the suspended wage, SSA stated that the new processes would use information stored on the earnings and benefits records. Furthermore, SSA has established a performance goal to remove 30 million items from the ESF by 2005.

SSA also increased the number of "no-match" letters—or educational correspondence—sent to employers who submitted W-2s containing name and/or SSN information that did not agree with SSA's records. While we found this to be an encouraging step, SSA announced a new policy change effective for TY 2002 wage reporting that reduced the number of "no-match" letters sent to employers. As a result of this change, SSA estimates that it will send 129,000 letters to employers for TY 2002, or about 820,000 fewer letters than were sent for TY 2001.

## **Management of the Disability Process**

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SSA needs to improve critical parts of the disability process—determining disabilities, the accuracy of disability payments, and the integrity of the disability programs. In January 2003, the General Accounting Office (GAO) added the modernizing of Federal disability programs including SSA's to its 2003 high-risk list.

Fraud is an inherent risk in SSA's disability programs. Some unscrupulous people view SSA's disability benefits as money waiting to be taken. A key risk factor in the disability program is individuals who feign or exaggerate symptoms of illness to become eligible for disability benefit payments. Another key risk factor in SSA's disability programs is the monitoring of medical improvements for disabled beneficiaries to ensure that individuals who are no longer disabled are removed from the disability program.

Over the last several years, SSA has tested several improvements to the disability determination process as a result of concerns about the timeliness and quality of its service. The disability improvements combine initiatives that have been tested and piloted over the last few years and include all levels of eligibility determination—beginning with State Disability Determination Services (DDS) and going through the hearings and appeals processes. To date, SSA's initiatives have shown some progress in making improvements to the disability determination process. In FY 2003, average processing time was 97.1 days for initial disability claims, 344 days for hearings, and 294 days for decisions on appeals of hearings. In FY 2000, average processing time was 102 days for initial disability claims, 297 days for hearings, and 505 days for decisions on appeals of hearings.

SSA also needs to improve the accuracy of its benefit payments. During FY 2003, we informed SSA that a significant number of disabled DI beneficiaries continued to receive benefits despite having earnings that should have resulted in benefit suspension or termination. As a result of this weakness, we estimated that SSA did not assess overpayments totaling approximately \$791 million for 45,620 disabled beneficiaries.

### ***SSA Has Taken Steps to Address this Challenge***

SSA continues to focus on improving the disability process. The Commissioner announced short-term decisions regarding the disability process which included: pursuing the expansion of the Single-Decision Maker authority nationwide, ending the requirements for the claimant conference in sites testing the prototype disability process, evaluating the elimination of the reconsideration level of the claims process nationwide, making additional improvements to the hearings process, and implementing an Electronic Disability System by 2004. According to SSA, the Electronic Disability System is expected to improve processing times, reduce costs, improve productivity, lower backlogs, and improve the Agency's capacity to better handle growing workloads. In September 2003, the Commissioner announced long-term initiatives to address the Agency's disability related challenges, which she stated are predicated on the successful implementation of the Electronic Disability System.

According to GAO, SSA's cost-benefit analysis of the Electronic Disability System may have underestimated the costs, while overstating the corresponding benefits. Specifically, GAO

reported that the cost-benefit analysis did not fully consider the costs associated with certain critical information technology infrastructure such as scanning, imaging, telecommunications, disaster recovery, and on-site retention and destruction of source documents.

Another area in which SSA has taken an active role is addressing the integrity of its disability programs through the Cooperative Disability Investigations (CDI) units. The focus of the CDI process is to obtain evidence that may prevent fraud in SSA's disability programs. SSA's Office of Operations, Office of Disability Programs, and Office of Disability Determinations, along with the OIG, manage the CDI process. There are currently 18 CDI units operating in 17 States. In FY 2003, CDI units saved SSA approximately \$100 million by identifying fraud or similar fault in initial and continuing claims in SSA's disability programs.

## **Improper Payments**

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Improper payments are defined as payments that should not have been made or were made for incorrect amounts. Examples of improper payments include inadvertent errors, payments for unsupported or inadequately supported claims, payments for services not rendered, or payments to ineligible beneficiaries. The risk of improper payments increases in programs with (1) a significant volume of transactions, (2) complex criteria for computing payments, and/or (3) an overemphasis on expediting payments. Since SSA is responsible for issuing over \$400 billion in benefit payments per year under the Old-Age, Survivors and Disability Insurance (OASDI) and SSI programs to over 50 million individuals, SSA is at-risk of making significant improper payments. Considering the volume and amount of payments SSA makes each month, even the slightest error in the overall process can result in millions of dollars in over- or underpayments.

The President and Congress have expressed interest in measuring the universe of improper payments within the Government. Specifically, in August 2001, the Office of Management and Budget (OMB) published the FY 2002 President's Management Agenda, which included a Government-wide initiative for improving financial performance. In November 2002, the *Improper Payments Information Act of 2002* (Public Law No. 107-300) was enacted.

SSA and the OIG have had on-going discussions on improper payments—on such issues as detected versus undetected improper payments and avoidable overpayments versus unavoidable overpayments which are outside the Agency's control and a “cost of doing business.” In August 2003, OMB issued specific guidance to SSA to only include avoidable overpayments in the Agency's improper payments estimate because these payments could be reduced through changes in administrative actions. Unavoidable overpayments that result from legal or policy requirements are not to be included in SSA's improper payment estimate. In accordance with the Improper Payments Information Act and OMB's specific guidance, SSA is required to estimate its annual amount of improper payments and report this information in its Performance and Accountability Report for FYs ending on or after September 30, 2004. OMB will use this information while working with SSA to establish goals for reducing improper payments for each program.

One of the ways SSA measures payment accuracy is through its stewardship report. The stewardship review measures payment accuracy based on non-medical eligibility factors. SSA's stewardship report showed the OASDI accuracy rate was 99.87 percent for FY 2002. This accuracy rate translates to an expected \$588.6 million in OASDI overpayments. However, SSA reported actual OASDI overpayments that were newly discovered in FY 2002 to be \$1.6 billion, which included overpayments for benefits paid in FY 2002 as well as benefits paid before FY 2002 but that were discovered as overpayments in FY 2002. Further, over each of the last 5 years, SSA has identified and reported in its financial statements over \$700 million more in overpayments than what the Agency's payment accuracy rate would reflect.

In September 2003, the OIG prepared an issue paper on improper payments—where we analyzed overpayments from SSA, other Federal agencies, and private sector disability

insurers. To continue our work in this area, we will initiate a comprehensive and statistically valid review in FY 2004 to quantify the amount of undetected overpayments in SSA's disability programs. Additionally, preliminary results from one of our audits at the end of FY 2003 show significant overpayments related to earnings by disabled beneficiaries went undetected by SSA.

### ***SSA Has Taken Steps to Address this Challenge***

SSA has been working to improve its ability to prevent over- and underpayments by obtaining beneficiary information from independent sources sooner and/or using technology more effectively. In this regard, SSA has initiated new computer matching agreements, obtained on-line access to wage and income data, and implemented improvements in its debt recovery program. Additionally, working with SSA, we have helped the Agency reduce improper payments to prisoners and fugitive felons. These efforts continue.

## **Budget and Performance Integration**

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This area encompasses SSA's efforts to provide timely, useful, and reliable data to assist internal and external decisionmakers in effectively managing Agency programs, as well as both evaluating performance and ensuring the validity and reliability of performance, budgeting, and financial data.

To effectively meet its mission, manage its programs, and report on its performance, SSA needs sound performance and financial data. Congress, the general public, and other interested parties also need sound and credible data to monitor and evaluate SSA's performance. The President's Management Agenda has placed great emphasis on the management and performance integration of Federal agencies. SSA has demonstrated a strong commitment to the *Government Performance and Results Act of 1993* (Public Law No. 103-62) by developing strategic plans, annual performance plans and annual performance reports. However, we believe SSA can further strengthen its use of performance information by fully documenting the methods and data used to measure performance and by improving its data sources.

Our audits of 18 performance measures in FY 2003 found the data for 13 of the measures reviewed were reliable. We concluded that the data for five of the measures was found not reliable. Although the majority of performance measures were determined to be reliable, our audits found that SSA had inadequate documentation for 5 of its 18 performance measures regarding the methods used to measure its performance. Considering the critical role of the underlying data in all of SSA's performance, financial, and data-sharing activities, it is crucial that the Agency have clear processes in place to ensure the reliability and integrity of its data.

We have previously noted that SSA needs to better link costs with performance. In its FY 2003 Annual Performance Plan (APP), SSA acknowledged that costs are specifically aligned with outcome measures for only a few activities. SSA needs to further develop a cost accounting system to better link costs with performance. Since most goals are not aligned by budget account, the resource, human capital, and technology necessary to achieve many performance goals are not adequately described.

### ***SSA Has Taken Steps to Address this Challenge***

Our audits and reviews of SSA's financial statements, annual performance plans and reports, and individual performance measures disclosed that SSA has demonstrated commitment to the production and use of reliable performance and financial management data. For example, SSA has begun development of its new cost accounting system, Managerial Cost Accountability System, and expects development to be completed in FY 2005. SSA is the only Federal agency to receive the *Certificate of Excellence in Accountability Reporting* for its *Performance and Accountability Report* every year since the award program began for FY 1998. Additionally, OMB updated the President's Management Agenda scorecard in FY 2003, changing SSA's status in Financial Management from yellow to green—the highest rating.

SSA has continually refined its annual performance plans to develop performance measures that more accurately reflect performance and are more outcome-based. In FY 2002, SSA revamped its Tracking Report used by Agency executives to manage key workloads at the national level and made it available to all employees on-line. The revised report tracks key performance measures and provides alerts as to whether performance is significantly different from the goals established. In FY 2003, SSA released its FY 2004 APP and Revised Final FY 2003 APP to Congress. The plans reflect Commissioner Barnhart's priorities and describe performance levels the Agency is committed to reaching, along with strategies for achieving them. This includes an alignment of strategic goals, performance measures, and budget with major functional responsibilities.

## **Critical Infrastructure Protection and Systems Security**

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The information that SSA needs to conduct its mission is one of its most valuable assets. The Agency is depending on technology to meet the challenges of increasing workloads with fewer resources. A physically and technologically secure Agency information infrastructure is a fundamental requirement. Growth in computer interconnectivity brings a heightened risk of disrupting or sabotaging critical operations, reading or copying sensitive data, and tampering with critical processes. Those who wish to disrupt or sabotage critical operations have more tools and opportunities than ever.

SSA has been given responsibility to protect sensitive information for virtually every American. This information includes earnings data the Agency uses to post earnings for 266 million wage items and medical information for millions of claimants filing for disability benefits. Strong systems security and controls are essential to protecting SSA's critical information infrastructure. Although no significant event has occurred to date, the level of risk is so great that should something occur, it could have national security implications.

Since 1997, SSA has had an internal controls reportable condition concerning its protection of information. The reportable condition came about because of weaknesses in the following areas:

- Technical Security Configuration Standards
- Security Monitoring Enforcement
- Access Control
- Physical Security and Security Policy for DDS Sites
- Suitability
- Continuity of Operations

The most important of the issues listed above is access control. As long as access control to SSA's systems is not fully resolved, the reportable condition will remain. The resolution of this reportable condition remains a priority for the Agency. To remedy this issue, SSA needs to perform periodic reviews of everyone who has access to production data and assign data ownership or responsibility.

### ***SSA Has Taken Steps to Address this Challenge***

SSA addresses critical information infrastructure and systems security in a variety of ways. The Critical Infrastructure Protection work group, created in FY 2000, continually works toward compliance with Presidential Decision Directive 63. Presidential Decision Directive 63 and other significant legislation, requires Federal agencies to identify and effectively protect their critical systems and the information they hold. SSA has several other components throughout the organization that handle systems security including the newly created Office of Information Technology Security Policy within the Office of the Chief Information Officer. SSA also routinely releases security advisories to its employees and has hired outside contractors to provide expertise in this area.

SSA has taken some specific steps to address the information protection issues raised in prior years. Specifically SSA has:

- Issued final risk models to standardize platform security configuration settings for the Windows NT, Windows 2000, AS400, and Unix platforms;
- Established and implemented ongoing monitoring tools and procedures to ensure the consistency of platform security configuration standards for Windows NT, Windows 2000, AS400, and Unix platforms;
- Established procedures for shifting and handling Agency workloads;
- Improved the security policy and procedures for DDS sites;
- Continued progress on the Standard Security Profile Project—a full scale comparison of Information Technology user access assignments to job responsibilities;
- Continued progress on the Dataset Naming Standards project including setting naming conventions and determining tools for compliance and enforcement;
- Strengthened physical security controls over SSA offices; and
- Established and implemented procedures for enhanced review of security violations on SSA's mainframe computers.

SSA needs to take additional steps to address its access control weaknesses to remove the reportable condition. Data ownership and individual responsibility must be assigned for the different systems that control and monitor production data. Management must perform periodic reviews of those who have access to sensitive data and ensure that individuals only have access to the data necessary to complete their jobs. SSA is taking steps to address the access control weaknesses, but there is not a specific schedule or timeframe for when the weakness will be resolved.

## **Service Delivery**

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The Agency's goal of "service" encompasses traditional and electronic services provided to applicants for benefits, beneficiaries and the general public. It includes services to and from States, other agencies, third parties, employers, and other organizations including financial institutions and medical providers. SSA's service related goal supports the delivery of "citizen-centered" services through the use of "E-Government," and therefore affords SSA opportunities to advance the level of its service. Given the complexity of the Agency's programs, the billions of dollars in payments at stake, and the millions of citizens who rely on SSA, the Agency is challenged to provide quality, timely, and appropriate services consistently to its clients and the public-at-large. E-Government, Human Capital, and the representative payee process pose significant challenges that impact service delivery.

By 2012, workloads are anticipated to increase to unprecedented volumes. Specifically, DI beneficiaries are expected to increase by 35 percent. Additionally, it is estimated that Old-Age and Survivors Insurance beneficiaries and SSI recipients will increase by 18 and 12 percent, respectively. Along with the workload increase, technological change will have a profound impact on the public's expectations, as well as SSA's ability to meet those expectations.

The President's Management Agenda calls for improved service delivery through the use of E-Government in creating more cost-effective and efficient ways to provide service to citizens. The increased use of E-Government will be vital as the Agency addresses rising workloads associated with the aging of the baby-boom generation.

Another challenge to service delivery is human capital. In January 2001, GAO added strategic human capital management to its list of Federal programs and operations identified as high-risk. The critical loss of institutional skills and knowledge, combined with greatly increased workloads at a time when the baby-boom generation will require its services, must be addressed by succession planning, strong recruitment efforts, and the effective use of technology, as previously discussed. SSA estimates that during this decade over 28,000 of its approximately 65,000 Federal employees will retire and another 10,000 will leave the Agency for other reasons. This is approximately 58 percent of the current workforce. SSA expects that this "retirement wave" will affect its ability to deliver service to the American public.

Another specific challenge in this area is the integrity of the representative payee process. When SSA determines a beneficiary cannot manage his or her benefits, SSA selects a representative payee who manages and solely uses the payments for the beneficiary's needs. There are about 5.3 million representative payees who manage about \$44 billion in benefits for approximately 6.7 million beneficiaries. SSA has experienced problems with the selection, monitoring and accountability of representative payees. While representative payees provide a valuable service for beneficiaries, SSA must continue to ensure representative payees meet their responsibilities to the beneficiaries they serve.

Our audits of representative payees have shown that continued SSA oversight and monitoring of representative payees are needed. Our audits identified deficiencies with

representative payees' financial management and accounting for benefit receipts and disbursements; vulnerabilities in safeguarding of beneficiary payments; poor monitoring and reporting to SSA of changes in beneficiary circumstances; inappropriate handling of beneficiary-conserved funds; and improper charging of fees. In addition, SSA needs to improve its selection and monitoring of representative payees.

### ***SSA Has Taken Steps to Address this Challenge***

SSA has taken steps to address its E-Government, Human Capital, and representative payee challenges. By 2005, SSA is expected to have 60 percent of its customer-initiated services available through automated telephone services or the Internet. The Agency recently began allowing the public to file DI claims through the Internet to help achieve its service delivery goals. SSA expects to begin a nation-wide roll-out of its Electronic Disability System in 2004. By 2007, over 80 percent of wage reports will be submitted and processed electronically and employers will be able to identify and correct wage report errors online. Further, SSA has increased the percentage of W-2s filed electronically from 42.5 percent in FY 2002 to 53.4 percent in FY 2003.

The Agency has taken additional steps to meet its future workforce needs. SSA has developed plans and taken other actions to address the expected increase in its workloads and the concurrent loss of staff due to retirement. Studies have been conducted to predict staff retirements and attritions by year for major job positions. SSA has also developed a document detailing how it envisions functioning in the future. Further, SSA planning documents comply with the President's Management Agenda and achieve expected near-term results related to the strategic management of human capital.

The Agency has taken steps to address its representative payee process challenge. SSA reports it has a number of initiatives underway to improve the selection of organizational representative payees. The Agency also conducts site reviews for approximately 1,800 representative payees, which include fee-for-service representative payees, volume representative payees (serving 100 or more beneficiaries) who are subject to expanded monitoring, and individual representative payees serving 20 or more beneficiaries. These reviews are performed on a triennial cycle.

# **Appendices**

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**APPENDIX A** – Acronyms

**APPENDIX B** – Related Office of the Inspector General Reports

**APPENDIX C** – Office of the Inspector General Contacts

## ***Appendix A***

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### **Acronyms**

APP	Annual Performance Plan
CDI	Cooperative Disability Investigations
DDS	Disability Determination Services
DI	Disability Insurance
ESF	Earnings Suspense File
FY	Fiscal Year
GAO	General Accounting Office
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
OMB	Office of Management and Budget
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
TY	Tax Year

## **Appendix B**

### **Related Office of the Inspector General Reports**

<b>Management Challenge Area, Report Title and Common Identification Number</b>	<b>Report Issued</b>
<b>Social Security Number Integrity and Protection</b>	
Congressional Response Report: Use and Misuse of the Social Security Number (A-03-03-24048)	August 22, 2003
Congressional Response Report: Review of the Social Security Number Feedback Pilot Project (A-03-03-13017)	April 28, 2003
Congressional Response Report: Social Security Administration Benefits Related to Unauthorized Work (A-03-03-23053)	March 18, 2003
The Social Security Administration's Processing of Internal Revenue Service Overstated Wage Referrals (A-03-02-22068)	March 18, 2003
Federal Agencies' Control Over the Access, Disclosure and Use of Social Security Numbers by External Entities (A-08-03-13050)	March 11, 2003
Referring Potentially Fraudulent Enumeration Applications to the Office of Inspector General (A-14-03-23052)	March 3, 2003
Review of the Social Security Administration Controls over the Access, Disclosure, and Use of Social Security Numbers by External Entities (A-08-02-22071)	December 30, 2002
Congressional Response Report: Status of the Social Security Administration's Earnings Suspense File (A-03-03-23038)	November 18, 2002
<b>Management of the Disability Process</b>	
Use of Mental Consultative Examinations by the Wisconsin Disability Determination Bureau (A-01-03-23090)	August 22, 2003
Congressional Response Report: Office of Hearings and Appeals Administrative Law Judges' Work Assignments in Greensboro and Raleigh, North Carolina (Limited Distribution) (A-13-03-33089)	August 11, 2003
Evaluation of the Accelerated eDib System-Fourth Assessment (A-14-03-23069)	July 10, 2003
Disability Determination Services' Use of Volume Consultative Examination Providers (A-07-02-12049)	March 10, 2003

Management Challenge Area, Report Title and Common Identification Number	Report Issued
<b>Improper Payments</b>	
Issue Paper: Detecting, Preventing, and Eliminating Unidentified Overpayments in the Social Security Administration's Disability Program (Limited Distribution) (A-09-02-22067)	September 3, 2003
Follow-up on Prior Office of the Inspector General Prisoner Audits (A-01-02-12018)	July 24, 2003
Management Advisory Report: Title II Disability Insurance Benefits With Workers' Compensation Underpayment Errors Exceeding \$70,000 (A-04-02-21054)	July 23, 2003
Data Matching with Foreign Countries (A-13-03-23015)	June 17, 2003
Follow-up Review of Old-Age, Survivors and Disability Insurance Benefits Paid to Deceased Auxiliary Beneficiaries (A-01-03-13037)	June 13, 2003
Pending Workers' Compensation: The Social Security Administration Can Prevent Millions in Title II Disability Overpayments (A-08-02-12064)	June 6, 2003
Use of State Bureaus of Vital Statistics Records to Detect Unreported Marriages and Divorces (A-09-00-30059)	June 2, 2003
Management Advisory Report: The Social Security Administration's Workers' Compensation Data Match with the State of Texas (A-06-03-13022)	April 15, 2002
Analysis of Multiple, Unrelated Title II Payments to the Same Bank Account (A-15-01-11033)	March 3, 2003
Congressional Response Report: The Social Security Administration's Efforts to Process Death Reports and Improve its Death Master File (A-09-03-23067)	January 24, 2003
Old-Age, Survivors and Disability Insurance and Supplemental Security Income Payments to Deceased Beneficiaries and Recipients (A-06-02-12012)	October 30, 2002
Congressional Response Report: Status of Corrective Actions Taken in Response to Recommendations in Fiscal Years 1997 Through 2000 Payment Accuracy Task Force Reports (A-13-01-21046)	October 9, 2002
<b>Budget and Performance Integration</b>	
Summary of the Office of the Inspector General's Reviews of the Social Security Administration's Performance Data (A-02-03-13033)	September 3, 2003
Assessment of the Social Security Administration's Performance Measures (A-02-02-12050)	April 30, 2003
Performance Indicator Audit: Enumeration (A-02-02-11088)	April 30, 2003
Performance Indicator Audit: Paperless Electronic Access (A-15-02-11084)	March 18, 2003

Management Challenge Area, Report Title and Common Identification Number	Report Issued
Performance Indicator Audit: Postentitlement Automation Rate (A-15-02-32092)	February 26, 2003
Performance Indicator Audit: Appeals Council (Limited Distribution) (A-15-02-11085)	February 21, 2003
Performance Indicator Audit: Customer Satisfaction (A-02-02-11082)	February 4, 2003
Performance Indicator Audit: Wage Reporting (A-15-02-11087)	January 28, 2003
Performance Indicator Audit: Electronic Access (A-15-02-11083)	January 23, 2003
Review of the Social Security Administration's Fiscal Year 2003 Annual Performance Plan (A-02-02-12033)	January 7, 2003
Fiscal Year 2002 Financial Statement Audit (A-15-02-12075)	November 19, 2002
Inspector General's Statement on the Social Security Administration's Major Management Challenges (A-02-03-13034)	November 15, 2002
<b>Critical Infrastructure Protection and Systems Security</b>	
Effective Use of Encryption Technology to Protect the Social Security Administration's Information Assets (Limited Distribution) (A-14-02-12048)	August 22, 2003
Management Advisory Report: President's Council on Integrity and Efficiency Review of Critical Infrastructure Protection Program-Cyber-based Infrastructure (Limited Distribution) (A-14-03-23001)	August 15, 2003
Project Matrix Step Two: Analysis of the National Computer Center, the Telecommunications Systems, and the Integrated Client Database (Limited Distribution) (A-14-03-23008)	May 20, 2003
Management Advisory Report: Physical Security for the Social Security Administration's Laptop Computers, Cellular Telephones, and Pagers (Limited Distribution) (A-14-02-32061)	December 24, 2002
Management Advisory Report: The Social Security Administration's Oversight of the Disability Determination Services' Systems Security (Limited Distribution) (A-14-02-22026)	October 24, 2002
Audit of the Administrative Costs Claimed by the Kansas Disability Determination Services (A-07-02-22003)	October 23, 2002
<b>Service Delivery</b>	
The Connecticut Mental Health Center, Money Management Program - An Organizational Representative Payee for the Social Security Administration (A-13-03-23009)	August 14, 2003
Audit of Cottonwood, Incorporated - An Organizational Representative Payee for the Social Security Administration (Limited Distribution) (A-07-03-13024)	August 4, 2003

Management Challenge Area, Report Title and Common Identification Number	Report Issued
Congressional Response Report: The Social Security Administration's Policies and Procedures Concerning the Rural Development Act of 1972 (A-13-03-23087)	July 24, 2003
Audit of the Community Counseling Centers of Chicago – A Fee-for-Service Representative Payee for the Social Security Administration (A-13-03-13002)	July 15, 2003
Management Advisory Report: Best Practices in Federal Paper Records Management (A-04-03-13030)	June 23, 2003
Sierra Regional Center – An Organizational Representative Payee for the Social Security Administration (A-09-03-23023)	June 20, 2003
Audit of Key Point Health Services, Inc. – An Organizational Representative Payee for the Social Security Administration (A-13-02-22014)	May 29, 2003
Audit of Atlantis Rehabilitation and Nursing Center - A Representative Payee for the Social Security Administration (A-02-03-13013)	May 6, 2003
The Social Security Administration's Site Reviews of Representative Payees (A-13-01-11042)	April 30, 2003
Screening Representative Payees for Fugitive Warrants (A-01-02-12032)	March 14, 2003
Internal Control Review of the Remittance and Disbursement of Cash or Cash Equivalents at Social Security Administration Field Offices (Limited Distribution) (A-15-01-21031)	March 5, 2003
Internal Control Review of the Remittance Process at the Social Security Administration's Mid-Atlantic Program Service Center (Limited Distribution) (A-15-02-22001)	March 3, 2003
Evaluation of the Accelerated eDib System – Third Assessment (A-14-03-13047)	December 20, 2002
Financial-Related Audit of the Harris County Guardianship Program – An Organizational Representative Payee for the Social Security Administration (A-04-02-12020)	December 16, 2002
Identifying Representative Payees Who Had Their Own Benefits Suspended Under the Fugitive Provisions of Public Law 104-193 (A-01-02-12073)	October 10, 2002
Financial-Related Audit of the Washington State Department of Social and Health Services - An Organizational Representative Payee for the Social Security Administration (A-13-02-12010)	October 8, 2002

## ***Appendix C***

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### **Office of the Inspector General Contacts**

Walter Bayer, Director	Social Security Number Integrity and Protection
Mark Bailey, Director	Management of the Disability Process
Rona Rustigian, Director	Improper Payments
Fred Nordhoff, Director	Budget and Performance Integration
Kitt Winter, Director	Critical Infrastructure Protection and Systems Security
Shirley Todd, Director	Service Delivery

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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, rather than detecting problems after they occur.

### **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 SSA, as well as conducting investigations of OIG employees, when necessary. Finally, OEO administers OIG's public affairs, media, and interagency activities, coordinates responses to Congressional requests for information, 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.