
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**THE SOCIAL SECURITY ADMINISTRATION'S
SERVICE DELIVERY TO INDIVIDUALS
AND BENEFICIARIES AFFECTED BY
HURRICANES KATRINA AND RITA**

September 2006

A-06-06-26072

**EVALUATION
REPORT**



Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

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

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

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

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

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.



SOCIAL SECURITY

MEMORANDUM

Date: September 11, 2006 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: The Social Security Administration's Service Delivery to Individuals and Beneficiaries Affected by Hurricanes Katrina and Rita (A-06-06-26072)

OBJECTIVE

Our objective was to report on the status of the Social Security Administration's (SSA) service delivery to individuals affected by Hurricanes Katrina and Rita and assess the Agency's plans to ensure payments made under emergency procedures were appropriate and properly safeguarded.

BACKGROUND

Hurricanes Katrina and Rita struck the coastal regions of Alabama, Louisiana, Mississippi, and Texas in August and September 2005 leaving a trail of chaos and destruction. As a result, the President declared these States major disaster areas. Approximately 1 million beneficiaries and recipients receiving approximately \$700 million in monthly benefit payments were affected. Over 1,200 SSA employees were displaced, and numerous SSA facilities were damaged and left inoperable.

To achieve our objectives, we reviewed SSA's (1) emergency procedures and preparedness; (2) location of employees and recovery of operations; (3) service delivery and impact on SSA's beneficiaries and recipients; and (4) stewardship of resources and funds (see Appendix B for additional information on the Scope and Methodology).



Figure 1: SSA sign at the New Orleans East District Office

RESULTS OF REVIEW

SSA took proactive steps to ensure individuals affected by the hurricanes received continued service. SSA's policies contain general emergency procedures that address the Agency's authority and flexibility to take specific emergency actions that may be dictated by the situation. SSA took adequate actions to (1) implement emergency procedures, (2) locate employees and begin recovery of operations for facilities damaged by the storms, (3) continue its service delivery to beneficiaries and recipients, and (4) expend funds as needed to address emergency requirements.

However, SSA could (1) emphasize the importance and use of its emergency contact procedures and National Emergency Toll-Free Number; (2) ensure staff follows procedures for issuing Social Security Number (SSN) Verification printouts; and (3) implement the use of a centralized common accounting number to track costs when disasters occur.

EMERGENCY PROCEDURES AND PREPAREDNESS

SSA has procedures for disaster/emergency situations that provide the Regional Commissioner or his/her delegate the authority to invoke disaster or emergency procedures. Once invoked, the procedures are in effect for all related claims taken nationwide.¹ SSA has 10 regional offices and 1,332 field offices nationwide. SSA offices have experienced numerous disasters, such as earthquakes, hurricanes, and the terrorist attacks of September 11, 2001.

On August 28, 2005, the National Weather Service issued an alert that a major hurricane was expected to impact the gulf coast region of the United States. The Regional Commissioner for Region IV² issued emergency message reminders and began notifying all employees of emergency procedures. SSA's employees were advised of local management contact numbers and SSA's National Emergency Toll-Free number, which employees used to obtain information on office status and report their safety and location. The number also provided information on the use of alternate work locations if offices remained closed for an extended period of time.

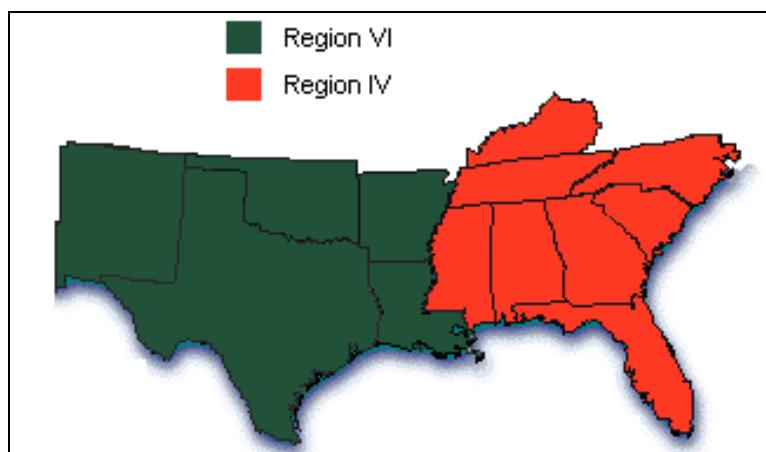


Figure 2: SSA Regions VI and IV

In anticipation of the hurricanes' landfalls, the Regional Commissioner in Region VI convened a hurricane response task force composed of senior Regional Office managers, Area Directors, and key staff from facilities, systems, and program policy components, to serve as an information clearinghouse and decisionmaking body.

¹ See SSA Program Operations Manual System (POMS), GN 00207.001—*Disaster/Emergency Procedure*.

² SSA's Region IV is comprised of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee.

Additionally, since several hurricanes had previously disrupted operations in Florida, Region IV had long-standing emergency weather procedures. For example, in a May 2004 memorandum on Emergency Weather Procedures to all components in Region IV, the Regional Commissioner stated:

Advance planning and communications are the keys to minimizing damage from a disaster and recovering as soon as possible. Assessing the potential danger, preparing the office for different emergency scenarios, and following up with quick action following the event are all crucial aspects of disaster management.³

LOCATION OF EMPLOYEES AND RECOVERY OF OPERATIONS

Displaced Employees

On July 21, 2005, SSA implemented a National Emergency Toll-Free Number that is to be used as an alternate means of communicating with SSA employees and their families if an emergency affects SSA offices and/or employees. Each region has designated representatives to update the message with information about any local or regional emergencies.

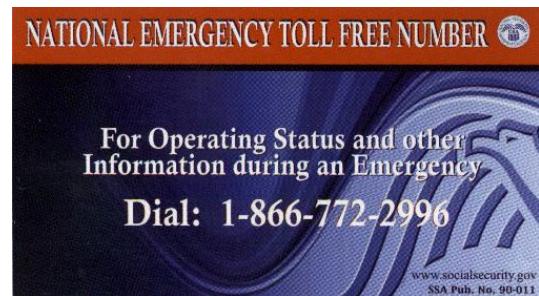


Figure 3: Emergency Card

Over 1,200 employees were directly impacted by the hurricanes. While all employees were accounted for, it took SSA several days to reach some of its employees because they were no longer at their home addresses or their cellular telephones were not working. SSA implemented its toll-free number on July 21, 2005, but wallet-sized cards with the number imprinted on them had not yet been produced and distributed to all employees. Ultimately, this number was useful in locating employees who were displaced from their homes and relocated in several other States.

Because of the widespread impact of the hurricanes, the importance of having alternate telephone numbers to communicate with staff was magnified. SSA has since printed the number on a wallet-sized card.

³ Memorandum from Regional Commissioner Paul D. Barnes to all field office components (May 2004).

Recovery of Operations

SSA contacted Federal and State agencies across the region following the hurricanes and took steps to restart operations to alternate sites and reestablish service to the public. For example, SSA:

- Issued public information items that referred evacuees and displaced families to mobile buildings and disaster center sites for SSA services.
- Established an SSA service delivery presence at major evacuation shelters and disaster recovery centers.
- Established portable offices in strategic locations in southern Louisiana and Mississippi.



Figure 4: Temporary Workplace in Gulfport, Mississippi

- Established Field Office Support Units (FOSU) in Dallas and Houston and transferred the workload of offices impacted by the hurricanes.

- Issued emergency messages to staff⁴ and modified some procedures to expedite service delivery to beneficiaries and recipients with an immediate or emergency need.
- Provided an emergency 800-number to employees as well as beneficiaries and recipients that informed them of its temporary procedures and where to obtain services.



Figure 5: Damage to the roof, Gulfport, Mississippi, District Office

Facilities and Records

SSA assessed damage caused by the hurricanes and obtained damage reports from the Federal Emergency Management Agency (FEMA), General Services Administration (GSA) command centers, and SSA field managers. The reports indicated that reentry to SSA facilities might take weeks if not months since a number of buildings were destroyed, along with the furniture, equipment, and records used or stored in those facilities. According to SSA policy, when damage occurs to claims or related records, recovery actions are given top priority with the goal of quickly bringing operations back to normal with a minimum of inconvenience to both the public and employees.⁵

⁴ SSA POMS, AO 03001.001—SSA Program Instructions’ Dissemination on Policy Net.

⁵ SSA POMS, GN 00207.100, *Disasters/Emergencies Resulting in Damage to Claims or Related Records*.



Figure 6: Inside the Kenner, Louisiana, District Office

In Region VI, four offices in New Orleans sustained major damage to both the structure and contents of the buildings, one office in Port Arthur, Texas, sustained moderate damage to contents, and three offices in the New Orleans area sustained minimal damage. As of January 24, 2006, three of the New Orleans offices had been declared untenable and would not be placed back in service.

The floodwaters significantly damaged files in the New Orleans area. About 30,000 files at 3 locations in the New Orleans area were damaged beyond recovery. Similarly, in Region IV, SSA's field offices in Moss Point and Gulfport, Mississippi, reported that facilities, records, equipment, furniture and personal effects were totally damaged or contaminated and had to be destroyed.



Figure 7: Inside the New Orleans, Louisiana Downtown District Office

To prevent further damage, SSA moved an estimated 35,000 records to temporary space. In the Moss Point area, SSA reported that approximately 10,000 files were totally damaged or contaminated and had to be destroyed. In the Gulfport area, the damage to the active records was minimal because SSA had implemented electronic claims processing.

SSA contracted with GSA to destroy and dispose of damaged property, ensuring the integrity of confidential information was not compromised by taking the following measures.

- A contractor picked up computers in the presence of SSA supervisors. Hard drives were removed, “wiped,” and crushed.
- A contracted vendor destroyed and/or recycled furniture and office equipment.

- A contractor destroyed documents. Background checks were conducted on all contractor personnel involved in the process. Before the documents were destroyed, SSA obtained approval to destroy the records, and the contractor provided Certificates of Destruction upon completion.

Additionally, SSA Office of the Inspector General Special Agents from Regions IV and VI provided assistance during SSA's recovery and response efforts by providing security, assisting in damage assessment, and helping locate and contact missing employees.

SERVICE DELIVERY AND IMPACT TO SSA's BENEFICIARIES AND RECIPIENTS



Figure 8: Inside the Baton Rouge, Louisiana,
District Office

A major population shift occurred in New Orleans and other areas impacted by the hurricanes; beneficiaries and recipients moved to other Louisiana cities and adjacent states. For example, according to news reports, the population in Baton Rouge nearly doubled from about 228,000 to at least 450,000. Consequently, SSA field offices experienced a large number of individuals seeking assistance. In response, SSA detailed 171 employees from around the country to help with service demands and implemented emergency procedures to ensure the approximately 1 million beneficiaries and recipients in the affected areas continued to receive approximately \$700 million in monthly benefit payments (Appendix C).⁶ SSA worked with FEMA, the Federal Deposit Insurance Corporation and the U.S. Postal Service (USPS) to ensure receipt of benefit payments. Together, the agencies set up locations for disaster victims to claim their mail including benefit payments.

⁶ The affected area was defined by the ZIP codes of the beneficiaries and recipients.

Transfer of Impacted Workload

SSA transferred the workload of offices impacted by the hurricanes to FOSUs and annotated claims information to identify claims related to the hurricanes. SSA's Region VI created its first FOSU in the Albuquerque, New Mexico, Teleservice Center in 1994, and a second was established in New Orleans, Louisiana. These units were created based on the Region's prior experience in dealing with service disruption, such as the aftermath of the Oklahoma City bombing, and to handle backlogs in SSA. Primarily, FOSUs act as "safety valves" when SSA experiences backlogs in workload or when other critical situations warrant temporary reassignment of workloads. In the wake of Hurricane Katrina, the New Orleans FOSU was closed because of damage. To ensure continued service, the Dallas Region established temporary FOSUs in Dallas and Houston, Texas, to identify claims related to the hurricanes and transferred the workload of offices impacted by the hurricanes to these FOSUs.

Transfer of Initial Claims

SSA reported that, as of January 20, 2006, it had received 4,884 initial claims nationwide as a result of the hurricanes. SSA staff was instructed to annotate the records of each claimant to ensure these applications were processed immediately. Additionally, at the onset of Hurricane Katrina on August 29, 2005, there were 5,000 cases in the New Orleans Disability Determination Services. Of these records, 1,500 were already stored in SSA's electronic disability claims file system. These records were transferred to other offices to be processed. The remaining 3,500 folders were boxed and removed from the building.

Distribution of Benefit Checks

Because of the mass evacuation and relocation of residents from the affected areas, many beneficiaries and recipients could not receive their checks in a timely manner. Accordingly, SSA arranged for beneficiaries to pick up their benefit payments at SSA field offices. SSA also worked cooperatively with Treasury to accelerate the production and release of checks going to the Katrina-related ZIP codes, and with the USPS to establish temporary, alternate mail delivery stations at USPS facilities for pick-up of the original, re-routed checks.

Individuals using temporary, alternate mail locations may have been asked to provide photo identification to claim their mail. If the individual attempting to pick up a check did not have photo identification, USPS employees were instructed, according to SSA policy, to open the envelope and ask the individual to provide the information that is on the check, that is, name, address, and amount of check, before releasing it.

Those beneficiaries and recipients who did not receive their benefit checks, either by mail or electronic fund transfers (EFT), could go to any open SSA office to receive an

emergency or immediate payment to replace the full amount of their benefit payment. Individuals were required to complete a form acknowledging receipt of the immediate payment.⁷

Immediate Payments

While Treasury assured SSA that EFTs to financial institutions in the affected areas were complete, SSA anticipated some individuals would be unable to access their funds because of their relocation and/or financial institution closure or because their mail was not deliverable. Therefore, in accordance with SSA's emergency messages, employees were encouraged to be flexible in issuing immediate payments.

In September and October 2005, SSA issued over 84,750 immediate payments, totaling \$45.5 million, in the affected regions. By comparison, SSA issued 22,894 immediate payments, totaling \$13.5 million nationwide in September and October 2004. SSA worked with Treasury to establish procedures whereby financial institutions could contact SSA's national 800-number to verify identification. Further, SSA and Treasury provided the beneficiaries and recipients with a form letter to take to their financial institutions, stating the check being presented was valid.

SSA indicated it had controls in place to detect whether an EFT payment had been made for those individuals requesting an immediate payment. Additionally, SSA stated it could verify with Treasury that an EFT had been made to the beneficiary's financial institution (for Old-Age, Survivors and Disability Insurance payments only). However, because of business closings and infrastructure damage, Treasury was unable to contact some of the local financial institutions to confirm EFTs. Therefore, SSA decided to bypass Treasury's verification process, issue the immediate payments and proceed with the overpayment process.

For payments requested because of undeliverable mail, SSA stated it implemented controls to identify duplicate payments made during the recovery period and issued an alert to those beneficiaries who negotiated more than one payment in a month. SSA identified 8,100 Old-Age, Survivors and Disability Insurance beneficiaries who received their benefits via EFT and received an immediate payment in September and October 2005. SSA began sending notices on January 30, 2006, advising those beneficiaries they were being charged with an overpayment.

SSA reported that it cross-referenced records to ensure that all immediate payments were recorded properly on the Third Party Payment System as well as SSA's beneficiary and recipient databases. Additionally, SSA annotated its records to identify all individuals impacted in the Katrina disaster area.

⁷ Form SSA-795 Statement of Claimant or Other Person – (See Appendix D).

SSN Verification

Some individuals impacted by the hurricanes needed an original or replacement SSN card but did not have identification. Since an address was needed to process a request for an original or duplicate card, and mail delivery might not have been feasible, SSA issued emergency messages offering an alternative. The message stated that field office employees should clearly articulate that the SSN Verification printout is as good as an SSN card and explain the advantages of the SSN Verification printout.⁸

The emergency messages further emphasized that the evidence requirements for issuing first-time or replacement SSN cards were not changed. Individuals were asked to answer certain questions to establish their identity. If the answers matched SSA's information, staff was to record this information on *Statement of Claimant or Other Person*, Form SSA-795 (Appendix D), and obtain the person's signature along with a statement certifying that they are the person to whom the records pertain. It should be noted that, if the numberholder could not correctly answer the identifying questions, the SSN Verification printout should not be provided. However, during our field visits, we learned that not all staff and individuals were completing and retaining the Form SSA-795. As such, there was no record of the issuance of a verification printout. Therefore, the verification printouts could have been obtained and used for illicit purposes.

STEWARDSHIP OF RESOURCES AND FUNDS

SSA reported that, in response to the hurricanes, it made approximately \$2 million in purchases from contracts and \$224,000 in credit card purchases through February 2006. Most of the contract purchases were made under existing contracts and blanket purchase agreements and were used to replace damaged computers, telephone systems, office furniture and equipment, and provide security services (see Appendix E for more information). We conducted a limited review of the contracts and all credit card purchases made after Hurricane Katrina and nothing came to our attention to indicate that purchases made were improper or unallowable; however, SSA did not have a centralized system to account for disaster-related costs, and it may have failed to capture some of the costs that resulted from Hurricane Katrina.

At the onset of the hurricane relief efforts, credit card purchases were not coded to track specific expenditures and therefore it was difficult to identify costs associated with the disaster relief efforts. To improve the tracking and review of these expenditures, SSA issued instructions to all purchase card holders to include the words "Hurricane Katrina" in the description of their purchases. Still, costs were not accounted for using a special

⁸ See Emergency Message (EM) 05047 SEN - *Disaster Procedure—SSNs for Individuals Affected by Hurricane Katrina*.

centralized common accounting number to track the costs. To identify hurricane-related costs, SSA requested that employees in each region annotate purchase documentation as hurricane-related, summarize the purchases, and send the list of purchases to SSA's Office of Acquisition and Grants.

In the weeks after the hurricanes, Regions IV and VI established several special common accounting numbers. Additionally, other components within SSA established separate common accounting numbers to track costs. However, not all regions tracked the costs associated with assisting in the hurricane efforts nor did each SSA component. Therefore, it was difficult to readily identify all costs incurred with respect to SSA's hurricane response efforts.

CONCLUSION AND RECOMMENDATIONS

SSA took steps to ensure continued service delivery to individuals affected by the hurricanes. We noted that SSA (1) began preparations in anticipation of the hurricanes to ensure service delivery was not interrupted; (2) contacted employees and assessed the damage and began recovery operations and establishing alternate worksites; (3) modified some of its procedures to expedite the processing of claims, emergency and immediate payments, and issuance of SSN Verification printouts; and (4) implemented controls and measures designed to detect duplicate payments, track costs associated with the hurricanes, and identify possible instances of fraud, waste and abuse.

While SSA took these steps in responding to the hurricanes, there were several lessons learned and areas for improvement. Accordingly, we recommend that SSA:

1. Emphasize the importance and use of its emergency contact procedures and National Emergency Toll-Free Number annually and prior to emergencies.
2. Ensure that staff follows procedures for issuing SSN Verification printouts.
3. Establish procedures to ensure that all costs associated with a particular disaster can be readily tracked and reported.

AGENCY COMMENTS

SSA agreed with our recommendations. See Appendix F for the full text of the Agency's comments.

OTHER MATTER

To follow up on possible issues resulting from the emergency response procedures, we plan to review the process for identifying and collecting overpayments resulting from duplicate payments issued during the storm recovery efforts and to determine whether SSA adequately accounted for and safeguarded equipment and records disposed of after the storms.



Patrick P. O'Carroll, Jr.

Appendices

[**APPENDIX A**](#) – Acronyms

[**APPENDIX B**](#) – Scope and Methodology

[**APPENDIX C**](#) – Charts

[**APPENDIX D**](#) – SSA Form 795 – Statement of Claimant or Other Person

[**APPENDIX E**](#) – Chart of Contracts

[**APPENDIX F**](#) – Agency Comments

[**APPENDIX G**](#) – OIG Contacts and Staff Acknowledgments

Appendix A

Acronyms

EFT	Electronic Funds Transfer
FEMA	Federal Emergency Management Agency
FOSU	Field Office Support Unit
GSA	General Services Administration
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
SSN	Social Security Number
USPS	U.S. Postal Service

Scope and Methodology

Our objective was to report on the status of the Social Security Administration's (SSA) service delivery to individuals affected by Hurricanes Katrina and Rita and assess the Agency's plans to ensure payments made under emergency procedures were appropriate and properly safeguarded.

To accomplish our objectives, we reviewed SSA's (1) emergency procedures and preparedness; (2) location of employees and recovery of operations; (3) service delivery and impact to SSA's beneficiaries and recipients; and (4) stewardship of resources and funds. In conducting our evaluation, we:

- Reviewed SSA's policies and procedures and emergency messages concerning SSA's hurricane efforts and identified the number of immediate payments issued. We did not test SSA's control procedures or identify duplicate payments issued during the course of our review; however, we did discuss control procedures with SSA and made observations during our site visits to Baltimore, Maryland; Baton Rouge and New Orleans, Louisiana; and Gulfport, Mississippi.
- Obtained data concerning all SSA contracts and all credit card purchases related to Hurricane Katrina through February 2006. Our review of the contract listing and discussions with Regional staff disclosed that contract purchases were made under existing contracts and blanket purchase agreements and were used to replace damaged computers, telephone systems, office furniture and equipment, and provide security services. We also reviewed the credit card purchases transaction listing for questionable retail providers or excessively large transaction amounts.
- Reviewed SSA's Emergency and Recovery Procedures.
- Identified the number of beneficiaries and recipients impacted.
- Examined SSA's policies and procedures temporarily amended to effectively and efficiently respond to the disaster.
- Reviewed SSA's procedures for obtaining Social Security Number Verification printouts.
- Observed the condition of the facilities impacted and temporary facilities established.
- Interviewed Headquarters, Regional, field office and Louisiana Disability Determination Services Personnel.

- Made site visits to Baltimore, Maryland; Baton Rouge and New Orleans, Louisiana and surrounding areas; Gulfport, Mississippi, and Beaumont, Dallas and Houston, Texas.

Our review of SSA was conducted from October 2005 to March 2006 in accordance with *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

Appendix C

Charts

Beneficiaries and Recipients Impacted

Total Population Impacted and Dollar Amount (Dollars are in thousands)						
Hurricane	Title II Beneficiaries	Title XVI Recipients	Combined Total	Title II Benefits	Title XVI Payments	Combined Total
Katrina	652,945	134,222	787,167	\$531,259	\$39,334	\$570,593
Rita	150,405	24,735	175,140	\$127,649	\$10,316	\$137,965
Totals	803,350	158,957	962,307	\$658,908	\$49,650	\$708,558

Note: These numbers are based on SSA's service areas (by ZIP code).

Immediate Payments

Immediate Payments (IP) Made (9/1/05 – 10/24/05)						
Region	Title II Beneficiaries	Title XVI Recipients	Combined Total	Title II Benefits	Title XVI Payments	Combined Total
Region IV	14,336	8,074	22,410	\$8,795,382	\$3,698,409	\$12,493,791
Region VI	36,498	25,842	62,340	\$21,070,653	\$11,932,419	\$33,003,072
Totals	50,834	33,916	84,750	\$29,866,035	\$15,630,828	\$45,496,863
Prior Year (All Regions)	11,659	11,235	22,894	\$7,229,171	\$6,250,363	\$13,479,534

SSA Form 795 - Statement of Claimant or Other Person

SOCIAL SECURITY ADMINISTRATION

STATEMENT OF CLAIMANT OR OTHER PERSON

NAME OF WAGE EARNER, SELF EMPLOYED PERSON, OR SSI CLAIMANT	SOCIAL SECURITY NUMBER
NAME OF PERSON MAKING THIS STATEMENT (If other than above wage earner, self employed person, or SSI claimant)	RELATIONSHIP TO WAGE EARNER, SELF EMPLOYED PERSON, OR SSI CLAIMANT

Understanding that this statement is for the use of the Social Security Administration, I hereby certify that -

I, _____, claim number _____, have requested from the Social Security Administration and received this date, an immediate payment in the amount of \$ _____. I had to evacuate my residence in _____ due to Hurricane Katrina.

City _____ State _____ Zip Code _____

I understand this payment is an advance against benefits due under Title II and/or TXVI payments. I also understand this payment may be an overpayment, that I may have to repay.

I am currently staying at: _____, and the phone number I can be reached at is _____.

I know that anyone who makes or causes to be made a false statement or representation of material fact in an application or for use in determining a right to payment under the Social Security Act commits a crime punishable under Federal law and/or State law. I affirm that all information I have given in this document is true.

SIGNATURE OF PERSON MAKING STATEMENT

Signature (First name, middle initial, last name) (Write in ink)	Date (Month, day, year)
Telephone Number (Include Area Code)	

SIGN HERE X

Mailing Address (Number and street, Apt. No., P.O. Box, Rural Route)	
City and State	ZIP Code
Witnesses are required ONLY if this statement has been signed by mark (X) above. If signed by mark (X), two witnesses to the signing who know the individual must sign below, giving their full addresses.	
1. Signature of Witness	2. Signature of Witness
Address (Number and street, City, State, and ZIP Code)	Address (Number and street, City, State, and ZIP Code)

Chart of Contracts

Contractor	Value	Award Date	Business Location	Description
Dell Marketing LP	\$49,165.56	9/3/05	Round Rock, TX	Purchase of Computer Equipments - Servers and associated equipment
Dell Marketing LP	\$92,212.20	9/3/05	Round Rock, TX	Purchase of Computer Equipments - Servers and associated equipment
Dell Marketing LP	\$600,149.00	9/3/05	Round Rock, TX	Purchase of workstations
Dell Marketing LP	\$19,735.80	9/3/05	Round Rock, TX	Purchase of Computer Equipments - Printers and associated equipment
Contractor Total	\$761,262.56			
FaxPlus, Inc.	\$7,626.00	9/8/05	Arlington, VA	Panafax fax machines for Louisiana temp office.
Faxplus, Inc.	\$5,604.00	1/3/06	Arlington, VA	Replacement fax machines for OHA sites affected by Hurricane Katrina.
Contractor Total	\$13,230.00			
Government Telecommunications, Inc.	\$40,000.00	9/13/05	Chantilly, VA	Moves, adds and changes for numerous SSA Field Offices/OHA Sites affected by Hurricane Katrina
Government Telecommunications, Inc.	\$0.00	10/25/05	Chantilly, VA	Emergency Purchase of 8 New Replacement Phone Systems (IVX) as a result of Hurricane Katrina
Government Telecommunications, Inc.	\$0.00	10/26/05	Chantilly, VA	Emergency Purchase of 8 New Replacement Phone Systems (IVX) as a result of Hurricane Katrina
Government Telecommunications, Inc.	\$120,057.57	10/12/05	Chantilly, VA	Emergency purchase of new replacement phone systems as a result of Hurricane Katrina
Government Telecommunications, Inc.	(\$855.00)	10/12/05	Chantilly, VA	Emergency Purchase of 8 New Replacement Phone Systems (IVX) as a result of Hurricane Katrina
Government Telecommunications, Inc.	\$128,237.35	9/28/05	Chantilly, VA	Emergency purchase of new replacement phone systems as a result of Hurricane Katrina
Government Telecommunications, Inc.	\$1,421.00	9/2/05	Chantilly, VA	Installation of cables and jacks and connection to demarc per connections quote # CNX0500992
Government Telecommunications, Inc.	\$120,912.57	9/14/05	Chantilly, VA	Emergency Purchase of 8 New Replacement Phone Systems (IVX) as a result of Hurricane Katrina
Government Telecommunications, Inc.	\$186,284.21	9/9/05	Chantilly, VA	Emergency purchase of 8 new replacement phone systems (IVX) as a result of Hurricane Katrina
Contractor Total	\$596,057.70			
Herman Miller, Inc.	\$10,480.00	1/9/06	Zeeland, MI	Requisition 40 workstations. Cost is at Area 4 prices.
Herman Miller, Inc.	\$189,514.56	2/3/06	Zeeland, MI	40 workstations. Installation, travel costs.

Contractor	Value	Award Date	Business Location	Description
Herman Miller, Inc.	\$66,221.00	12/2/2005	Zeeland, MI	De-installation, installer hours, storage, tractor and trailer rental, containers and estimated travel for Pembroke Pines (Hollywood), FL #D260
Herman Miller, Inc.	\$9,802.00	11/7/05	Zeeland, MI	Metairie, LA OR62 Process A - Initial Design Services for this office which will be receiving HMI furniture for the first time. Cost is at Geographic Area 8 Prices.
<i>Contractor Total</i>	\$276,017.56			
Jarvis Construction Cos.	\$3,500.00	9/15/05	Mosspoint, MS	Shred and Dispose of documents. Shred, bag and dump at the landfill
<i>Contractor Total</i>	\$3,500.00			
JPMorgan Chase Bank	\$36,800.00	9/22/05	New York, NY	Additional Contract Line Items for Third Party Payment System
<i>Contractor Total</i>	\$36,800.00			
Kentuckiana Foam, Inc	\$6,132.70	9/8/05	Louisville, KY	Chairs for Hurricane Katrina operations
<i>Contractor Total</i>	\$6,132.70			
Lexmark International	\$142,642.50	9/3/05	Rockville, MD	Purchase of printers and associated equipment.
Lexmark International	\$55,602.60	9/7/05	Rockville, MD	Purchase of printers and associated equipment.
<i>Contractor Total</i>	\$198,245.10			
DataTel of Louisiana, Inc.	\$4,000.00	10/3/05	Baton Rouge, LA	Install security systems in 2 temporary trailers at Baton Rouge North SSA Office
<i>Contractor Total</i>	\$4,000.00			
Paragon Systems Inc.	\$434.00	9/13/05	Birmingham, AL	Armed Guard Services (Additional Hours)
<i>Contractor Total</i>	\$434.00			
Beech Construction Co	\$6,500.00	12/23/05	Houston, TX	Rescue files and pack in boxes for pick-up and destruction.
<i>Contractor Total</i>	\$6,500.00			
Iron Mountain, Inc.	\$27,000.00	12/22/05	Boston, MA	Provide services for offsite destruction of SSA documents
<i>Contractor Total</i>	\$27,000.00			
Pitney Bowes	\$19,229.48	9/20/05	Mosspoint, MS Gulfport, MS	Replacement of existing mail equipment destroyed/damaged during hurricane Katrina
Pitney Bowes	\$67,303.18	9/28/05	Annandale, VA	Katrina replacement machines (7)
<i>Contractor Total</i>	\$86,532.66			
National Bldg. Svcs Co.	\$14,999.00	9/15/05	Gulfport, MS	
<i>Contractor Total</i>	\$14,999.00			
SafeNet	\$22,962.00	9/28/05	Baltimore, MD	300 HA (High Assurance) SmartCard readers/writers
<i>Contractor Total</i>	\$22,962.00			
Total	\$2,053,673.28			

Appendix F

Agency Comments



SOCIAL SECURITY

MEMORANDUM

0608-0009904

Date: August 24, 2006 Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Larry W. Dye /s/
Chief of Staff

Subject: Office of the Inspector General (OIG) Draft Report, "Social Security Administration's Service Delivery to Individuals and Beneficiaries Affected by Hurricanes Katrina and Rita" (A-06-06-26072) -- INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the draft report content and recommendations are attached.

Let me know if we can be of further assistance. Staff inquiries may be directed to Candace Skurnik, Director, Audit Management and Liaison Staff, on extension 54636.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT, "THE SOCIAL SECURITY ADMINISTRATION'S SERVICE DELIVERY TO INDIVIDUALS AND BENEFICIARIES AFFECTED BY HURRICANES KATRINA AND RITA" (A-06-06-26072)

Thank you for the opportunity to review and comment on the draft report. We appreciate your efforts to evaluate the actions we took in response to Hurricanes Katrina and Rita in August and September 2005. We are very pleased with the results of this review that showed that we took steps to ensure continued service delivery to individuals affected by the hurricanes. We appreciate the report's acknowledgement that we: 1) began preparations in anticipation of the hurricanes to ensure service delivery was not interrupted; 2) contacted employees and assessed the damage and began recovery operations and established alternate worksites; 3) modified some of our procedures to expedite the processing of claims, emergency and immediate payments, and issuance of SSN Verification printouts; and 4) implemented controls and measures designed to detect duplicate payments, track costs associated with the hurricanes, and identify possible instances of fraud, waste and abuse.

Below please find our responses to the specific recommendations. We look forward to receiving the results of the follow up review of our actions to identify and recover overpayments and the evaluation of our actions to safeguard and dispose of equipment and records.

Recommendation 1

SSA should emphasize the importance and use of its emergency contact procedures and National Emergency Toll Free Number annually and prior to emergencies.

Response

We agree. As part of our continuity of operations activities, staffs are apprised on an annual basis of their offices' emergency contact procedures. In addition, staff at the regional and field office levels were instructed on the use of the newly established National Emergency Toll-Free Number. By the end of August, we will issue a memo to all regions reminding them of the Toll-Free number and how to order the ID cards that show the number. We will work to develop a reminder to all employees of the importance of knowing their local emergency contact procedures by the second quarter of fiscal year 2007.

Recommendation 2

SSA should ensure that staff follows procedures for issuing Social Security number (SSN) Verification printouts.

Response

We agree. We provided instructions on when to release the SSN Verification printouts to the field offices through an easily accessible Katrina information link in Policynet, and will provide reminders as needed.

Recommendation 3

SSA should establish procedures to ensure that all costs associated with a particular disaster can be readily tracked and reported.

Response

We concur with the OIG recommendation. Because actions taken by SSA in response to hurricanes and other comparable disasters usually need to occur quickly and at the local level (e.g., hiring contractors to help salvage files and equipment), it is usually more effective to permit the affected component or region to initially absorb such costs in their existing allocations. Local allocations could then be augmented from available Agency resources once a comprehensive estimate of total costs has been compiled. We will establish a separate disaster-related Common Accounting Number (CAN) for each major SSA component and region to ensure costs can be captured in one place. Regarding the Hurricane Katrina and Rita disasters, special CANs were established in affected components shortly after the disaster occurred. Establishing permanent “disaster” CANs will help ensure that all costs incurred can be tracked and reported.

For procurements made via purchase cards, we disseminated information to our micro-purchase community to indicate in the award description field when allocating their purchases in the Citibank system when the purchase was related to Hurricane Katrina or Rita. In addition, the General Services Administration created a special field for “National Interest Action Items” in the Federal Procurement Data System (FPDS), which is used for reporting agency acquisitions over the micro-purchase threshold (\$2,500). Contracting Officers (CO) are required to complete an FPDS report for every contract or purchase order awarded and if the award is in response to one of the national interest action items, the CO will indicate that by using the special field in the report.

At the request of the Inspector General, we continue to provide a monthly report on the most current acquisition expenditures related to the two hurricanes, using the micro-purchase record and the FPDS reports.

Finally, we have sent 56,500 third party drafts to the regions to be kept in a secure location for use in a disaster. We included step-by-step instructions for tracking the drafts during a disaster.

Appendix G

OIG Contacts and Staff Acknowledgments

OIG Contacts

Paul Davila, Director, (214) 767-6317

Paul Wood, Audit Manager, (214) 767-0058

Warren Wasson, Senior Auditor, (214) 767-1302

Acknowledgments

In addition to those named above the OIG would like to acknowledge the following individuals for their assistance in providing information for this report.

Jeanne Archuleta, Project Manager, Division of Operations Analysis and Customer Service Branch

Dennis Bruhl, Project Manager for Restoration of Social Security Service in New Orleans

James Carter, Area Disaster Operations Officer

Robert Parent, Project Manager for the Office of the Regional Commissioner, Region VI

For additional copies of this report, please visit our web site at www.socialsecurity.gov/oig or contact the Office of the Inspector General's Public Affairs Specialist at (410) 965-3218. Refer to Common Identification Number A-06-06-26072.

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Office of Audit

OA conducts and/or supervises financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations and projects on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as OIG liaison to the Department of Justice on all matters relating to the investigations of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Chief Counsel to the Inspector General

OCCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Finally, OCCIG administers the Civil Monetary Penalty program.

Office of Resource Management

ORM supports OIG by providing information resource management and systems security. ORM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, ORM is the focal point for OIG's strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act of 1993.