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**OFFICE OF  
THE INSPECTOR GENERAL**

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**SOCIAL SECURITY ADMINISTRATION**

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**THE SOCIAL SECURITY ADMINISTRATION'S  
WAGE RECONCILIATION PROCESS WITH  
THE INTERNAL REVENUE SERVICE**

**June 2009                  A-03-08-18069**

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**AUDIT REPORT**

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## 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:** June 16, 2009

**Refer To:**

**To:** The Commissioner

**From:** Inspector General

**Subject:** The Social Security Administration's Wage Reconciliation Process with the Internal Revenue Service (A-03-08-18069)

### **OBJECTIVE**

Our objective was to assess the effectiveness of the Social Security Administration (SSA) and Internal Revenue Service's (IRS) reconciliation process in correcting SSA's earnings records.

### **BACKGROUND**

SSA seeks to ensure *Federal Insurance Contributions Act*<sup>1</sup> (FICA) reports of Social Security and Medicare wages are received timely and are accurately recorded on the Master Earnings File (MEF).<sup>2</sup> To help accomplish this, SSA and IRS records are compared annually in a process known as the Annual Wage Reporting (AWR) reconciliation.<sup>3</sup> Each quarter, employers are required to report to the IRS the total wages paid using the *Employer's Quarterly Federal Tax Return* (Form 941). Employers are also required to report wages annually to SSA via *Wage and Tax Statements* (Form W-2) and the *Transmittal of Income Tax Statements* (Form W-3). SSA's Earnings Modernization (EM) 1.5, receives the quarterly Form 941 data from the IRS, totals the data by tax year (TY), and compares that total to the total of Forms W-2 processed by SSA for that employer for the TY.<sup>4</sup> The system identifies those employers whose (1) totals match, (2) IRS totals exceed SSA totals, and (3) SSA totals exceed IRS totals. If the FICA and Medicare wages reported to both agencies agree, no action is necessary. If the wages differ, both agencies must resolve the differences.

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<sup>1</sup> 26 U.S.C. § 3101 *et seq.*

<sup>2</sup> The MEF contains all earnings data reported by employers and self-employed individuals. The data are used to determine eligibility for, and the amount of, Social Security benefits.

<sup>3</sup> SSA, Program Operations Manual System (POMS), RM 02070.001 SSA/IRS Reconciliation Process.

<sup>4</sup> The EM 1.5 system is used to track and process the reconciliation of cases.

## **SSA Reconciliation Process**

When more wages are reported to the IRS than to SSA, employees' wages may not be credited correctly to SSA's records. SSA examines these cases and attempts to resolve the difference without contacting the employer.<sup>5</sup> When an effort to resolve the discrepancy is unsuccessful or a resolution is not possible without employer assistance, the reconciliation system generates notices and questionnaires that are mailed to employers requesting additional information that could help resolve the discrepancies.<sup>6</sup> In November of the year following a given TY, SSA begins mailing notices to employers whose reports for the given TY are discrepant or missing. A discrepant case is when SSA-processed wages are lower than IRS wage amounts, and the difference is greater than the value of a Social Security credit, also known as a quarter of coverage (QC).<sup>7</sup> A missing case is when IRS-processed wages are greater than a QC, and SSA has no record of an employer report for the given TY. If SSA does not receive a response from employers after 120 days<sup>8</sup> or the discrepancy remains, SSA sends employers a second notice.<sup>9</sup>

SSA considers a case to be resolved when it receives additional information from the employer that raises the SSA wage report amount to an amount equal to or greater than the IRS wage reports, regardless of whether the identifying information enables posting the corrected wage amounts to an individual earnings record. When no response is received after the two notices or the discrepancy is not resolved, SSA will refer cases to the IRS for resolution. The Internal Revenue Code allows the IRS to penalize an employer if it fails to file a complete and accurate wage report form.<sup>10</sup>

## **IRS Reconciliation Process**

When more wages are reported to SSA than to the IRS, the IRS will investigate the discrepancy to determine whether the employer underpaid the Social Security tax. If so, the IRS will assess the additional tax due.

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<sup>5</sup> Examples of cases worked in-house include omitted decimal points or reporting of non-FICA wages as FICA wages.

<sup>6</sup> See Appendices C and D for examples of a notice and questionnaires.

<sup>7</sup> POMS, RS 00301.210 *Crediting Quarters of Coverage*. A QC is given (maximum of 4) for each increment of total earnings credited to the year. The total earnings credited may consist of nonagricultural wages (including deemed military wages), railroad compensation, agricultural wages, and self-employment income, to the maximum creditable for the year. For TY 2005, the QC was \$920.

<sup>8</sup> The initial reconciliation notice allows 45 days for the employer to respond; however, SSA's EM 1.5 system allows 120 days before a second notice is mailed to the employer.

<sup>9</sup> See Appendix D for an example of the follow-up notice sent to employers.

<sup>10</sup> 26 U.S.C. § 6721.

## **SCOPE AND METHODOLOGY**

To perform our review, we obtained the TY 2005 AWR reconciliation file as of March 2008. Our review of the file showed that SSA had reconciled FICA and Medicare wages for approximately 6.9 million employers who submitted approximately 245 million Forms W-2.<sup>11</sup> Furthermore, the file showed SSA had processed Forms W-2 that included approximately \$4.5 trillion in FICA wages and tips and \$5.4 trillion in Medicare wages, while the IRS had processed Forms 941 that included approximately \$4.5 trillion in FICA wages and tips and \$5.5 trillion in Medicare Wages.

Our review focused on those employers who reported less FICA and Medicare wages to SSA, since these cases represent SSA's reconciliation workload. Whereas this review focused on wage reporting at the employer level, we have several planned audits that will focus on the wage reporting process at the employee level, to determine the accuracy of the information posted to SSA's records. For example, we have a review planned that will examine fraudulent, overstated, and/or missing wages posted to SSA's MEF.

## **RESULTS OF REVIEW**

The effectiveness of SSA's reconciliation process could be improved. We determined that for TY 2005, SSA could not resolve the reconciliation difference for about 248,000 (49 percent) of the 508,000 employers who reported less FICA and Medicare wages to SSA. This occurred because

- 140,281 employers did not respond to SSA's reconciliation notices;
- 40,921 employers were not provided a reconciliation notice;
- 33,695 employers did not receive the reconciliation notices; and
- 32,791 employers responded to the reconciliation notices; however, they provided wage information that did not resolve the discrepancy.

The 248,000 employers underreported to SSA approximately \$31 billion in FICA wages and tips and \$38 billion in Medicare wages. Among the 248,000 employers, we determined that:

- 155,000 employers did not report any wages to SSA but had reported about \$8.4 billion in FICA wages and tips and \$9 billion in Medicare wages to the IRS. We estimate that the underreported wages could potentially relate to about 464,000 employees who did not receive credit for their wages, and
- 2,081 employers underreported \$18.4 billion (59 percent) of the \$31 billion in FICA wages. We estimate that the underreported wages could potentially relate to about 951,000 employees who did not receive credit for their wages.

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<sup>11</sup> See Appendix B for more details about the Scope and Methodology.

If these employees do not receive proper credit for their wages in SSA's records, their rights to future Social Security benefits or their benefit amount may be affected.

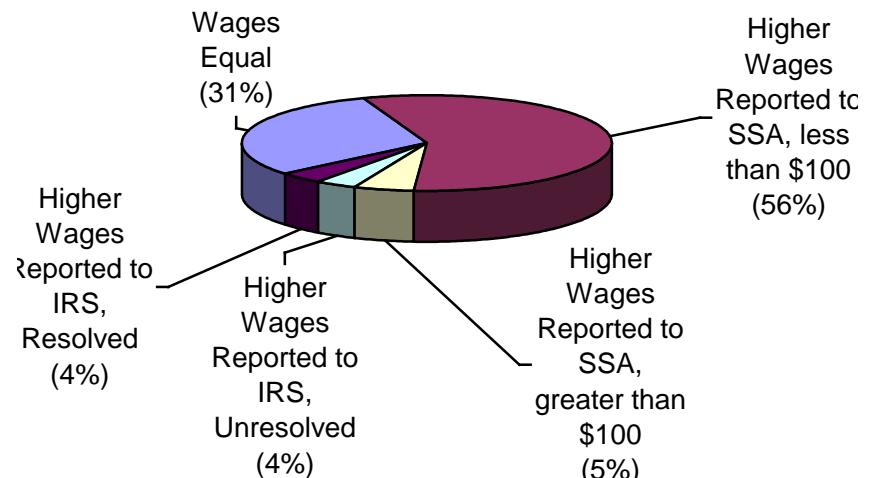
Additionally, we determined SSA had added, deleted, or changed FICA wage amounts on Forms W-2 for approximately 32,000 employers. These changes contributed to the 32,000 employers underreporting about \$28 billion in FICA wages to both SSA and the IRS. Given that SSA did not inform employers about the internal adjustments made to their wages, there is an increased risk these employers would not be able to resolve the reconciliation discrepancies.

## IRS RECONCILIATION CASES

Our review of the TY 2005 AWR reconciliation found that only 2.1 million (31 percent) of the 6.9 million employers reported the same amount of FICA and Medicare wages to both SSA and the IRS (see Figure 1). These employers reported about \$171 billion in FICA wages and tips and \$207 billion in Medicare wages to both agencies. Additionally, we found that 4.3 million employers reported more FICA and Medicare wages to SSA than to the IRS. Specifically, we found the following.

- About 3.9 million employers (56 percent) reported more FICA and/or Medicare wages to SSA, but the difference for each employer was less than \$100. Overall, they underreported to the IRS approximately \$7.9 million in FICA wages and tips and \$7.7 million in Medicare wages. Because the difference was not substantial for these employers, it is less likely the IRS would investigate these cases.
- About 363,000 employers (5 percent) reported more FICA and/or Medicare wages to SSA, and the difference for each employer exceeded \$100. These employers reported about \$33.6 billion more in FICA wages and tips and \$41 billion more in Medicare wages. On average, the difference was about \$92,000 in FICA wages, \$800 in FICA tips, and \$113,000 in Medicare wages for the employers. Among the 363,000 employers were 17,275 employers who reported \$100,000 to \$5 billion more in FICA wages to SSA. The IRS routinely investigates these cases because

**Figure 1: Summary of TY 2005 AWR Reconciliation Cases**



they could represent instances where employers underpaid employment taxes. However, we did not review the status or outcome of the IRS's efforts.

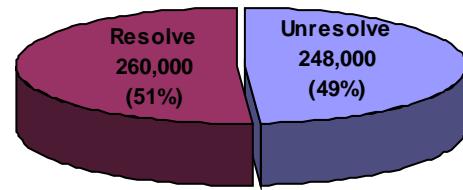
## SSA RECONCILIATION CASES

We determined that for TY 2005, SSA could not resolve the reconciliation difference for 248,000 (49 percent) of the 508,000 employers who reported less FICA and Medicare wages to SSA than to the IRS (see Figure 2). This occurred mainly because either SSA's reconciliation notices did not reach the intended employers or employers did not respond to the notices. The 248,000 employers underreported to SSA approximately \$31 billion in FICA wages and tips and \$38 billion in Medicare wages, which in some cases could affect their employees' rights to future Social Security benefits or the benefit amount.

### Resolved SSA Reconciliation Cases

SSA's reconciliation system identified about 508,000 cases where employers had reported less FICA and/or Medicare wages to SSA than to the IRS and the wages were greater than the TY 2005 QC, which was \$920.<sup>12</sup> These employers reported to SSA approximately \$80.6 billion less in FICA wages and tips and \$95 billion less in Medicare wages. SSA investigated most of the cases to determine whether employers had failed to submit Forms W-2 for their employees. In some instances, SSA's in-house examination of the cases did not determine whether the discrepancies resulted from common reporting errors, such as omitting a decimal point, or reporting non-FICA wages as FICA wages. Therefore, SSA sent notices to employers requesting their assistance to resolve the discrepancies.<sup>13</sup> As a result of the Agency's efforts, it resolved the reconciliation difference for about 260,000 (51 percent) of the 508,000 employers. However, 248,000 cases remained unresolved.

**Figure 2: Summary of SSA Reconciliation Cases (TY 2005)**



<sup>12</sup> About 189,000 employers reported more FICA and/or Medicare wages to the IRS, but the difference was less than the TY 2005 QC. Overall, the difference was \$42 million in FICA wages and tips and \$38 million in Medicare wages. SSA does not investigate these cases nor does it refer them to the IRS because the amount is not substantial and would not affect an individual's entitlement for Social Security benefits or their benefit amount.

<sup>13</sup> See Appendices C and D for examples of SSA's reconciliation notices.

## **Unresolved SSA Reconciliation Cases**

SSA was not able to resolve the reconciliation difference for about 248,000 (49 percent) of the 508,000 employers who reported approximately \$31 billion less in FICA wages and tips and \$38 billion less in Medicare wages to the Agency. About 155,000 of the 248,000 employers did not report any wages to SSA but had reported about \$8.4 billion in FICA wages and tips and \$9 billion in Medicare wages to the IRS. On average, each employer had reported about \$54,000 in FICA wages and \$57,000 in Medicare wages. Although the amount of FICA wages reported by each employer was not significant, given that they did not report these wages to SSA, none of their employees received credit for the FICA wages. We estimate that about 464,000 employees could potentially be impacted by the missing wages.

The remaining 93,000 employers had reported FICA and Medicare wages to both agencies but had reported about \$22.5 billion less in FICA wages and tips and \$29 billion less in Medicare wages to SSA. We determined that 2,081 of these employers had underreported \$18.4 billion (59 percent) of the \$31 billion in FICA wages. On average, the 2,081 employers underreported \$8.8 million in FICA wages to SSA. Although the underreported FICA wages could have resulted from incorrect processing of earnings reports by SSA and/or incorrect processing of tax payments by IRS, it also could have resulted from employers failing to submit a Form W-2 to SSA for their employees. While the actual number of missing Forms W-2 is unknown for the 2,081 employers, we estimate that the \$18.4 billion in underreported FICA wages could potentially relate to about 951,000 employees who did not earn 4 QCs for TY 2005,<sup>14</sup> which could affect their entitlement to Social Security benefits.

## **Cases Too Late for Reconciliation Development**

Among the 248,000 unresolved cases were about 41,000 cases the Agency identified as being too late for development. SSA's reconciliation system identified these cases as being too late because the employers reported wages to SSA or SSA made internal wage adjustments after June 2007, which was the cut-off date for the mass mailing of reconciliation notices for TY 2005. Therefore, SSA did not perform any reconciliation development for these cases, such as mailing notices to the employers to help resolve the \$4 billion in FICA wages and tips and \$4.6 billion in Medicare wages that were underreported. Furthermore, since these cases were deemed too late for development, they were not referred to the IRS for further investigation.<sup>15</sup>

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<sup>14</sup> A QC is the basic unit for determining whether a worker is insured under the Social Security program. No matter how high the earnings may be, an individual cannot earn more than 4 QCs in 1 year.

<sup>15</sup> We have planned separate reviews that will look at the internal wage adjustments that SSA performs when they add, delete, or change wages to an employee's record.

### Non-Responses and Undeliverable Notices

The remaining 207,000 cases were not resolved because, in most instances, the employers did not respond to, or did not receive, the reconciliation notices SSA mailed to them. SSA sends employers a notice along with a questionnaire requesting that they provide the necessary wage information to resolve the reconciliation discrepancy. As shown in Table 1, about 68 percent of the employers did not respond to the notices, and 15 percent did not receive the notices because the notices were returned as undeliverable for invalid addresses. Although 16 percent of the employers responded to SSA's notices, they provided wage information that did not resolve the discrepancy. In addition, less than 1 percent could not respond to the notices because they were deceased.

**Table 1: Summary of Unresolved Reconciliation Cases**

Reason for Unresolved Reconciliation Cases	Number of Employers	Percent
No Response from Employer	140,281	68
Received Response from Employer but the Discrepancy Remained	32,791	16
Undeliverable – No Address Provided	30,119	15
Undeliverable with New Address Provided <sup>1</sup>	3,576	2
Undeliverable Due to Death of Employer	9	0
<b>Total</b>	<b>206,776</b>	<b>100<sup>2</sup></b>

Notes:

1. A third party, to include the U.S. Postal Service, provided the new address. SSA sent the second reconciliation notice to the new address, but the cases remained unresolved.
2. Totals do not equal due to rounding.

SSA uses the address information provided by the IRS when mailing reconciliation notices to employers. The address information is recorded in SSA's Employer Identification File (EIF), and the EIF serves as the main source for obtaining address information for employers. During our review, we found that employers' current addresses were not always included in the EIF, and this may explain why SSA did not receive responses from the 30,119 employers whose notices were returned as undeliverable. In addition, it may explain why many of the 140,281 employers did not respond to the reconciliation notices. Moreover, according to SSA staff, when there is no response from employers within 120 days of the initial notice,<sup>16</sup> the reconciliation system generates a second notice and sends it to the same address that appeared on the EIF although the initial notices were returned because of invalid addresses. Consequently, SSA unnecessarily spent resources mailing some of the second notices.

SSA staff stated they were aware the EIF did not always contain current addresses for employers. Since 2005, they have had discussions with the IRS to obtain the most

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<sup>16</sup> The initial reconciliation notice allows 45 days for the employer to respond; however, SSA's EM 1.5 system allows 120 days before a second notice is mailed to the employer.

current address information for employers. We asked SSA staff if they had considered using the address that appears on the Form W-3 to contact the employer as it might contain a more current address. SSA staff stated that they do not compare the Form W-3 address for the employer to the address that appears in the EIF as part of the reconciliation process. Furthermore, they stated the address is only captured on the Form W-3 for those employers who submit their wages electronically to SSA. The employer's address is not captured in SSA's system for those employers who submit their wages via paper. Since the Form W-3 may contain a more current address for the employer, we believe SSA should compare the Form W-3 address to the address that appears in the EIF, and if they are not the same, use the Form W-3 address to mail the second notices to employers with the most egregious wage reporting discrepancies. Additionally, the Agency should determine whether it would be feasible for it to notify employers electronically about their reconciliation discrepancies. For example, the Agency could send notices via emails through a secure web access. In addition, the Agency could upload an electronic version of the reconciliation notices on its Business Services Online (BSO) for those employers who submit their wage reports electronically.<sup>17</sup> We believe these additional steps could help reduce the number of notices that are returned as well as the number of non-responses, which should help increase the percentage of reconciliation cases that are resolved.

## THE IMPACT OF WAGE ADJUSTMENTS ON THE RECONCILIATION PROCESS

We determined SSA did not always inform employers about internal adjustments it made to employers' wages, which led to the imbalance of FICA and Medicare wages reported to both SSA and the IRS. We found that SSA had added, deleted, or changed the FICA wage amounts on Forms W-2 for about 32,000 employers, which contributed to about 17,000 employers reporting \$12.6 billion less in FICA wages to SSA—averaging about \$759,000 per employer—and about 15,000 employers reporting about \$15.3 billion less in FICA wages to the IRS—averaging about \$998,000 per employer (see Table 2).

**Table 2: Summary of Employers with FICA Wage Adjustments**

Agency Impacted	FICA Wages	Number of Employers	FICA Amount (billion)	Average Per Employer
IRS	\$100 or more	15,296	\$15.3	\$998,000
SSA	\$920 or more	16,637	\$12.6	\$759,000
<b>Total</b>		<b>31,933</b>	<b>\$27.9</b>	<b>\$1,757,000</b>

Usually, these internal wage adjustments occur when an individual reports overstated or missing wages on their record. SSA staff reviews the supporting Form W-2 and makes a determination on the specified wages. If SSA agrees with the claim, the wages are

<sup>17</sup> BSO is a suite of Internet services for businesses and employers to exchange information with SSA. The main function of BSO is to allow employers to report Forms W-2 to the Agency electronically.

added to, or deleted from, the individual's record using the Item Correction system, which enables appropriate SSA staff to correct an individual's MEF record.<sup>18</sup>

Affected employers may not be aware of these adjustments and their impact on their reconciliation balance because SSA rarely informs them about the internal wage adjustments. We have reported that SSA staff seldom sends letters to employers informing them of certain internal adjustments (wages removed from a numberholder's earnings record because they were disclaimed) made using Item Correction.<sup>19</sup> As a result, affected employers may not be able to resolve the reconciliation imbalance because SSA did not make them aware of the internal adjustments. For example, among the 17,000 employers who did not resolve their reconciliation discrepancies with SSA were about 13,000 employers who either did not respond to SSA's reconciliation notices or did respond, but provided wage information that did not resolve the discrepancy. We believe SSA needs to inform employers about internal wage adjustments that will affect employers' reconciliation balances. Making employers aware of these adjustments will be beneficial to both SSA and the employers.

## FUTURE ENHANCEMENTS TO THE RECONCILIATION PROCESS

The Agency plans to make future enhancements to the AWR reconciliation process to help eliminate some of the manual processes, which can be error-prone and time-consuming. The Unified Earnings Corrections (UEC) process will be a newly developed application that will consolidate many of SSA's legacy earnings corrections and related systems to include the SSA/IRS reconciliation system.<sup>20</sup> As it relates to the SSA/IRS reconciliation process, SSA expects that the development of the UEC will eliminate much of the manual intervention required to perform earnings corrections and increase the process of earnings data reconciliation. As part of the UEC, SSA plans to make the following changes to the SSA/IRS reconciliation process.

- Redirect paper reconciliation responses from Metro West to the Wilkes-Barre Data Operations Center (WBDOC). Currently, reconciliation responses are returned to Metro West for manual processing. With the development of the UEC application, SSA will send the paper responses directly to WBDOC for processing to allow forms to be scanned in a more timely fashion, using the current procedures and tools for processing submissions.

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<sup>18</sup> EM 010.001 Introduction to Item Correction – Overview.

<sup>19</sup> *Social Security Number Misuse for Work and the Impact on the Social Security Administration's Master Earnings File* (A-03-07-27152), September 2008.

<sup>20</sup> The following SSA systems will be included in the UEC processes: (1) Item Correction 2.8, (2) Modernized OEO System/Online Tracking System, (3) Report Correction, (4) Self-employment Adjustment System, (5) SSA/IRS Reconciliation System, (6) Suspense Query and Reinstate Request, (7) Revised Earnings Adjustment Process, (8) Special Wage Payment and (9) Earnings Modernization Itemized Statement Earnings Request and Output Service User Requested Earnings, excluding financial management functionality.

- Scan and store paper reconciliation responses. The reconciliation notice responses and related materials (that is, Forms W-2, Forms W-3, completed reconciliation questionnaires, and Forms 941) will be scanned and stored so they can be queried and retrieved by other applications and SSA staff who process the reconciliation cases. Furthermore, it is expected that when fully implemented, this process will eliminate the need for a clerk to read the data from a form and manually enter the data, thus reducing errors in keying and speeding up corrections that require human intervention and analysis to close a reconciliation case.

SSA staff informed us that any new UEC application software enhancements related to the SSA/IRS reconciliation process is at least 3 or 4 years away from implementation.

## **CONCLUSION AND RECOMMENDATIONS**

Our audit found that about 49 percent (248,000) of SSA reconciliation cases for TY 2005 remained unresolved because the employers (1) did not respond to SSA's reconciliation notices; (2) were not provided a reconciliation notice; (3) did not receive the reconciliation notices; or (4) responded to the reconciliation notices; however, they provided wage information that did not resolve the discrepancy. As a result, billions of dollars in FICA and Medicare wages were underreported to SSA. Among the 248,000 employers, were 155,000 employers who failed to report about \$8.4 billion in FICA wages to SSA and 2,081 employers who underreported about \$18.4 billion in FICA wages to SSA. To ensure that SSA uses its resources efficiently, we believe the Agency should implement our recommendations for those employers with the most egregious wage reporting discrepancies, such as missing wages or significant discrepant wages. Lastly, we believe SSA needs to take steps to inform employers about the Agency's internal wage adjustments because the adjustments may affect employers' reconciliation balances.

Accordingly, we recommend SSA:

1. Continue to work with the IRS to obtain current address information for employers.
2. Consider capturing the addresses of employers who submit paper wage reports on the Form W-3. This will allow SSA to have an updated address for the employer if there is a need to correspond with the employer.
3. Compare the employer address that appears on the Form W-3 to the address that appears on the EIF for the employer and if they are not the same, use the Form W-3 address to mail the second notice to employers.
4. Evaluate the feasibility of notifying employers electronically about reconciliation discrepancies to help minimize the number of reconciliation notices that are returned as undeliverable and the number of non-responses.
5. Establish a process to inform employers about internal wage adjustments that will affect an employer's reconciliation balance.

## **AGENCY COMMENTS**

SSA agreed with our recommendations. The full text of the Agency's comments is included in Appendix E.

A handwritten signature in black ink, appearing to read "Patrick P. O'Carroll, Jr."

Patrick P. O'Carroll, Jr.

# **Appendices**

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**APPENDIX A** – Acronyms

**APPENDIX B** – Scope and Methodology

**APPENDIX C** – First Reconciliation Notice Sent to Employers

**APPENDIX D** – Second Reconciliation Notice Sent to Employers

**APPENDIX E** – Agency Comments

**APPENDIX F** – OIG Contacts and Staff Acknowledgments

## ***Appendix A***

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### **Acronyms**

AWR	Annual Wage Reporting
BSO	Business Services Online
EIF	Employer Identification File
EIN	Employer Identification Number
EM	Earnings Modernization
FICA	<i>Federal Insurance Contributions Act</i>
IRS	Internal Revenue Service
MEF	Master Earnings File
POMS	Program Operations Manual System
QC	Quarter of Coverage
SSA	Social Security Administration
TY	Tax Year
UEC	Unified Earnings Corrections
U.S.C.	United States Code
WBDOC	Wilkes-Barre Data Operations Center

### **Forms**

Form 941	Employer's Quarterly Federal Tax Return
Form W-2	Wage and Tax Statement
Form W-3	Transmittal of Wage and Tax Statements

# **Scope and Methodology**

To accomplish our objective, we:

- Reviewed applicable Federal law, Social Security Administration (SSA) policy and procedures, and prior Treasury Inspector General for Tax Administration audits related to the SSA/Internal Revenue Service (IRS) reconciliation process. In addition, we reviewed an Office of Quality Assurance and Performance Assessment evaluation study of the reconciliation process.
- Reviewed the agreement between SSA and the IRS that sets forth the manner by which SSA and the IRS will ensure the Combined Annual Wage Reporting is effectively and efficiently maintained.
- Met with staff from the Division of Earnings Corrections and Use to determine the composition of the SSA/IRS reconciliation file for Tax Year (TY) 2005. Obtained from SSA, the SSA/IRS reconciliation file for TY 2005 and determined there were approximately 6.9 million employer records in the file.
- Obtained and reviewed a data extract that included reconciliation notice information for TY 2005.
- Obtained and reviewed a data file that contained about 207,000 reconciliation cases that were referred to the IRS for TY 2005.
- Obtained and reviewed a data extract from the Master Earnings File of earnings records where wages were manually adjusted by SSA staff through the Item Correction system.
- Met with staff from the Division of Employer Services to obtain a walk-through of the reconciliation process and gain an understanding of how the individual reconciliation cases are tracked within the Earnings Modernization 1.5 system.
- Analyzed data relating to 508,000 SSA reconciliation cases to determine whether (1) the reconciliation process was effective in correcting the earnings records and (2) SSA mailed reconciliation notices to employers to resolve the imbalance.

We found data used for this audit were sufficiently reliable to meet our audit objectives. The entity responsible for the maintenance of the SSA/IRS reconciliation file is the Office of Earnings, Enumeration and Administrative Systems under the Deputy Commissioner for Systems. On the operations side, the Office of Central Operation's Division of Employer Services is responsible for resolving wage reporting discrepancies between the IRS and SSA resulting in more accurate accounting. Our work was

conducted at the Philadelphia Audit Division, Philadelphia, Pennsylvania, between June 2008 and February 2009. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## ***Appendix C***

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### **First Reconciliation Notice Sent to Employers**

Social Security Administration  
**Retirement, Survivors and Disability Insurance**  
Important Information, Immediate Reply Required

Date: MM/DD/YY  
EIN: 99-9999999

**COMPANY NAME**  
**ADDRESS 1**  
**ADDRESS 2**  
**CITY, ST 99999-9999**

We recently found that our wage reports for your employees may not be correct. We need your help to correct them.

Each year we check our processed wage totals for the Forms W-2 you sent us against totals for the Forms 941, 943, 944 or Form 1040 Schedule H employment tax returns you filed with the Internal Revenue Service (IRS).

**What We Found**

The wage totals did not match for the year shown on the enclosed questionnaire. As explained in the enclosed pamphlet, there may be several reasons why these totals do not match. Most often, it is because we have not received all the Forms W-2 that are due or smaller W-2 wage amounts were reported to us than were reported to IRS on your Forms 941, 943, 944 or Schedule H.

**What You Should Do**

Please check your records to make sure you have correctly reported your employees' wages or to see if there is any other reason for the different wage totals. Then, fill out the enclosed questionnaire and return it with the requested information within 45 days.

Enclosure(s):  
Pub 16-002  
Return Envelope

See Next Page

SSA-L-93-SM (11-07)

999999999-04-MMDDYY  
FORM APPROVED OMB NO. 0960-0432

**About the Questionnaire**

Page 2 of 5

We've enclosed a pamphlet that includes information to help you complete the questionnaire.

If the questionnaire shows only IRS wage totals, it means we do not have copies of any Form W-2 wage reports for your employees for that year. Otherwise, it shows that the Form W-2 wage totals we have in our records are less than those on the Forms 941, 943, 944 or Schedule H returns you filed with IRS.

We've also enclosed a self-addressed envelope. If you cannot use the envelope, please mail the completed questionnaire and requested information only to:

**Social Security Administration**  
Metro West  
P.O. Box 33021  
Baltimore, Maryland 21290-3021

We cannot correct your employees' wage records unless you give us the information that we requested. This information is important because it could affect your employees' rights to future Social Security benefits and the amount of those benefits. Please make sure that the information you give us will resolve the problem. You should keep your wage records for the tax year in question for the next four years.

**If We Do Not Receive This Information**

If you do not send the information we need to correct your employees' wage records, we will refer this matter to the IRS. If the IRS finds that you made a reporting error, IRS may charge penalties of up to \$100 per missing Form W-2 or 10 percent of the amount of income reported, whichever is greater.

**If You Have Any Questions**

If you have any questions about this letter, please refer to the enclosed pamphlet. If you still have questions, please write to us at the above address or call us at 1-800-772-6270 between 7:00 A.M. and 7:00 P.M., Eastern time, Monday through Friday.

Carolyn L. Simmons  
Associate Commissioner for  
Central Operations

SSA-L-93-SM (11-07)

999999999-04-MMDDYY  
FORM APPROVED OMB NO. 0960-0432

**PRIVACY/PAPERWORK ACT NOTICE**

We are allowed to collect facts about your employees under section 205(c)(2)(A) of the Social Security Act (42 U.S.C.) (405)(C)(2)(A). Your help will allow us to properly credit the earnings records for your employees. You do not have to give us these facts, but, if you do not, we will refer your case to IRS.

We may also use the information you give us when we match records by computer. Matching programs compare our records with those of other Federal, State, or local government agencies. Many agencies may use matching programs to find or prove that a person qualifies for benefits paid by the Federal government. The law allows us to do this even if you do not agree to it.

Explanations about these and other reasons why information you provide us may be used or given out are available in Social Security offices. If you want to learn more about this, contact any Social Security office.

**Paperwork Reduction Act Statement** - This information collection meets the requirements of 44 U.S.C. § 3507, as amended by section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget control number. We estimate that it will take about 30 minutes to read the instructions, gather the facts, and answer the questions. *You may send comments on our time estimate above to: SSA, 6401 Security Blvd, Baltimore, MD 21235-6401.*

*Send only comments relating to our time estimate to this address, not the completed form.*

SSA-L-93-SM (11-07)

999999999-04-MMDYY  
FORM APPROVED OMB NO. 0960-0432

**EMPLOYER QUESTIONNAIRE  
SSA HAS NO RECORD OF EMPLOYER REPORT**

IRS records show that you paid taxes on the wages that appear below. However, SSA does not have a record of processing your Forms W-2 and W-3 for these wages. IRS requires you to send Forms W-2 to SSA.

---

IRS Data (Forms, 941, 943, 944 or Schedule H) for Tax Year: YYYY  
EIN: 99-9999999

Employer Name: Employer Name

Employee Soc. Security Wage Totals:	\$999,999.00
Employee Soc. Security Tip Totals:	\$999,999.00
Employee Medicare Wage/Tip Totals:	\$999,999.00

---

**CHECK AND COMPLETE**

Check and complete any items that apply to your wage report for the tax year shown above. If you send a wage report that shows a different total from the amount shown above, please explain why in number 6.

1.  I did not file Forms W-2 with SSA. I am now taking the following action (check one):
  - Enclosing the original Copy A of Forms W-2 and W-3, or
  - Sending SSA an electronic file.
2.  I filed Forms W-2 under the EIN shown above. I am now taking the following action for the wages I previously reported (check one):
  - Enclosing legible copies of Forms W-2 and W-3, or
  - Sending SSA an electronic file.
3.  I filed Forms W-2 under EIN \_\_\_\_\_, rather than the EIN shown above. (Attach legible copies of Forms W-2 and W-3.)
4.  I filed but cannot locate my copies of Forms W-2 and W-3. (Attach an explanation of why you cannot locate the records and a list of all names, total wage amounts and Social Security numbers for your employees for the year shown above.)

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999999999-04-MMDDYY

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5. ( ) I was not required to file Forms W-2 with SSA, as I was self-employed. (Attach a legible copy of Form 1099 or 1040 with a Schedule SE or Schedule C that shows SE tax.)

6. ( ) Other \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Your Name and Title \_\_\_\_\_ ( ) \_\_\_\_\_  
Daytime Phone, with area code \_\_\_\_\_

#### INFORMATION ABOUT THE DATA YOU SEND SSA

The name, Social Security number and wage amounts on the Forms W-2 must be readable and complete. If we cannot read all information on the documents you submit, or if any of these items are missing, we cannot add the wages to the employee's wage record. If you need blank copies of the Forms W-2 or W-3, call IRS at 1-800-829-3676. If your copies of the Forms W-2 are illegible, please prepare duplicates on blank copies of the Forms W-2. Make sure the Forms W-2 show the year for which the wages are being reported.

Note: If you send 250 or more wage items to us, you must file your wage reports electronically in accordance with Publication 42-007: Specifications for Filing Forms W-2 Electronically (EFW2). To get more information, go to our website at [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer) or call SSA's Employer Reporting Branch at 1-800-772-6270 from 7:00 A.M. to 7:00 P.M., Eastern time, Monday through Friday.

#### RETURN THIS QUESTIONNAIRE

Please send all requested information to:

Social Security Administration, Metro West  
P.O. Box 33021  
Baltimore, Maryland 21290-3021

**Do not send cash, checks or money orders to SSA. Tax payments are payable to the Internal Revenue Service.**

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999999999-04-MMDDYY

## ***Appendix D***

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### **Second Reconciliation Notice Sent to Employers**

Social Security Administration  
**Retirement, Survivors and Disability Insurance**  
Important Information, Immediate Reply Required

**SECOND REQUEST**

Date: MM/DD/YY  
EIN: 99-9999999

**COMPANY NAME**

**ADDRESS 1**

**ADDRESS 2**

**CITY, ST 99999-9999**

We informed you earlier that the wage reports we have for your employees may not be correct. We asked you for information to help us correct them, but we have not heard from you. It is important that we receive this information promptly.

**What We Found**

The Form W-2 wage totals on our records and the wage totals on your IRS Forms 941, 943, 944 or Schedule H do not match for the year shown on the enclosed questionnaire. There may be several reasons why these totals do not match. We may not have received all the Forms W-2 that are due or you may have reported smaller W-2 wage amounts to us than you reported to IRS.

**What You Should Do**

Please check your records to make sure you have correctly reported your employees' wages or to see if there is any other reason for the different wage totals. Then, fill out the enclosed questionnaire and return it with the requested information within 45 days.

Enclosure(s):

Return Envelope

See Next Page

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999999999-04-MMDDYY  
FORM APPROVED OMB NO. 0960-0432

If the questionnaire shows only IRS wage totals, it means we do not have copies of any Form W-2 wage reports for your employees for that year. Otherwise, it shows that the Form W-2 wage totals we have in our records are less than those on the Forms 941, 943, 944 or Schedule H returns you filed with IRS.

We've also enclosed a self-addressed envelope. If you cannot use the envelope, please mail the completed questionnaire and requested information only to:

**Social Security Administration  
Metro West  
P.O. Box 33021  
Baltimore, Maryland 21290-3021**

We cannot correct your employees' wage records unless you give us the information that we requested. This information is important because it could affect your employees' rights to future Social Security benefits and the amount of those benefits. Please make sure that the information you give us will resolve the problem. You should keep your wage records for the tax year in question for the next four years.

**If We Do Not Receive This Information**

If you do not send the requested information to correct your employees' wage records or contact us within 45 days, we must refer this matter to the IRS. If the IRS finds that you made a reporting error, IRS may charge penalties of up to \$100 per missing Form W-2 or 10 percent of the amount of income reported, whichever is greater.

**If You Have Any Questions**

If you have any questions, please write to us at the above address or call us at 1-800-772-6270 between 7:00 A.M. and 7:00 P.M., Eastern time, Monday through Friday.

Carolyn L. Simmons  
Associate Commissioner for  
Central Operations

SSA-L-94-SM (11-07)

99999999-04-MMDDYY  
FORM APPROVED OMB NO. 0960-0432

## PRIVACY/PAPERWORK ACT NOTICE

We are allowed to collect facts about your employees under section 205(c)(2)(A) of the Social Security Act (42 U.S.C.) (405)(C)(2)(A). Your help will allow us to properly credit the earnings records for your employees. You do not have to give us these facts, but, if you do not, we will refer your case to IRS.

We may also use the information you give us when we match records by computer. Matching programs compare our records with those of other Federal, State, or local government agencies. Many agencies may use matching programs to find or prove that a person qualifies for benefits paid by the Federal government. The law allows us to do this even if you do not agree to it.

Explanations about these and other reasons why information you provide us may be used or given out are available in Social Security offices. If you want to learn more about this, contact any Social Security office.

**Paperwork Reduction Act Statement** - This information collection meets the requirements of 44 U.S.C. § 3507, as amended by section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget control number. We estimate that it will take about 30 minutes to read the instructions, gather the facts, and answer the questions. *You may send comments on our time estimate above to: SSA, 6401 Security Blvd, Baltimore, MD 21235-6401. Send only comments relating to our time estimate to this address, not the completed form.*

SSA-L-94-SM (11-07)

999999999-04-MMDDYY  
FORM APPROVED OMB NO. 0960-0432

**SECOND REQUEST  
EMPLOYER QUESTIONNAIRE  
DISCREPANCY BETWEEN IRS AND SSA RECORDS**

IRS records show that, for the year below, you paid Social Security and/or Medicare taxes on more employee wages than SSA processed. The SSA processed wage amount is based on your Forms W-2 and W-3 reports. The total wages on your Forms W-2 and W-3 for a year should equal the sum of the amounts that you report quarterly to IRS on your Forms 941, 943, 944 or on Schedule H.

---

IRS/SSA Data for Tax Year: YYYY

EIN: 99-9999999

Employer Name: Employer Name

	<b>Soc. Security Wages</b>	<b>Medicare Wages/Tips</b>
Amount Reported on W-3:	\$999,999.00	\$999,999.00
Amount Processed by IRS:	\$999,999.00	\$999,999.00
Amount Processed by SSA: (from Forms W-2)	\$999,999.00	\$999,999.00
Difference Between IRS and SSA Processed Amounts:	\$999,999.00	\$999,999.00

**Soc. Security Tip Totals**

Amount Reported on W-3:	\$999,999.00
Amount Processed by IRS:	\$999,999.00
Amount Processed by SSA: (from Forms W-2)	\$999,999.00
Difference Between IRS and SSA Processed Amounts:	\$999,999.00

---

**CHECK AND COMPLETE**

Check and complete any items that apply to your wage report for the tax year shown above.

1.  I did not file Forms W-2 with SSA. I am now taking the following action (check one):
  - Enclosing the original Copy A of Forms W-2 and W-3, or

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- ( ) Sending SSA an electronic file.
2. ( ) I filed Forms W-2 under the EIN shown above. I am now taking the following action for the wages I previously reported (check one):
- ( ) Enclosing legible copies of Forms W-2 and W-3, or
- ( ) Sending SSA an electronic file.
3. ( ) The Form W-2 amounts I reported earlier are incorrect. (Enclose Copy "A" of correction Forms W-3C/W-2C and attach legible copies of the corrected tax report if filed with IRS.)
4. ( ) The Form W-2 amounts I reported earlier are correct. I incorrectly reported wage totals to IRS. (Attach legible copies of the corrected tax report filed with IRS.)
5. ( ) The difference is due to sick pay from a third party. (Attach an explanation that shows the name and EIN of the third party and the dollar amounts involved.)
6. ( ) I cannot explain the difference between SSA and IRS records. (Attach legible copies of Forms W-2 and W-3 and the tax reports filed with IRS.)
7. ( ) I reported the same correct wage amounts to IRS that I reported to SSA. However, the IRS amounts shown above are incorrect. (Attach legible copies of the tax reports filed with IRS.)
8. ( ) Other \_\_\_\_\_

\_\_\_\_\_  
Your Name and Title

( ) \_\_\_\_\_  
Daytime Phone, with area code

99999999-04-MMDDYY

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## INFORMATION ABOUT THE DATA YOU SEND SSA

The name, Social Security number and wage amounts on the Forms W-2 must be readable and complete. If we cannot read all information on the documents you submit, or if any of these items are missing, we cannot add the wages to the employee's wage record. If you need blank copies of the Forms W-2 or W-3, call IRS at 1-800-829-3676. If your copies of the Forms W-2 are illegible, please prepare duplicates on blank copies of the Forms W-2. Make sure the Forms W-2 show the year for which the wages are being reported.

Note: If you send 250 or more wage items to us, you must file your wage reports electronically in accordance with Publication 42-007: Specifications for Filing Forms W-2 Electronically (EFW2). To get more information, go to our website at [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer) or call SSA's Employer Reporting Branch at 1-800-772-6270 from 7:00 A.M. to 7:00 P.M., Eastern time, Monday through Friday.

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999999999-04-MMDDYY

## ***Appendix E***

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### **Agency Comments**



## SOCIAL SECURITY

### MEMORANDUM

Date: June 5, 2009

Refer To: S1J-3

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

From: James A. Winn /s/  
Chief of Staff

Subject: Office of the Inspector General (OIG) Draft Report, "Review of Social Security Administration's Wage Reconciliation Process with the Internal Revenue Service"  
(A-03-08-18069)--INFORMATION

Thank you for the opportunity to review and comment on the draft report. We appreciate OIG's efforts in conducting this review. Attached is our response to the report recommendations.

Please let me know if we can be of further assistance. Please direct staff inquiries to Ms. Candace Skurnik, Director, Audit Management and Liaison Staff, at (410) 965-4636.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL'S DRAFT REPORT,  
"SOCIAL SECURITY ADMINISTRATION'S WAGE RECONCILIATION PROCESS  
WITH THE INTERNAL REVENUE SERVICE" (A-03-08-18069)**

We have a cross-component workgroup that is evaluating earnings-related issues. This workgroup has been reviewing several of the specific issues that you raised in your recommendations. Our responses to your recommendations are as follows.

**Recommendation 1**

Continue to work with the Internal Revenue Service (IRS) to obtain current address information for employers.

**Comment**

We agree. We will continue working with IRS to obtain the most current address information for employers.

**Recommendation 2**

Consider capturing the addresses of employers who submit paper wage reports on the Form W-3. This will allow SSA to have an updated address for the employer if there is a need to correspond with the employer.

**Comment**

We agree. This method will require us to change our current Wilkes-Barre Data Operations Center process of capturing and submitting the information to the Annual Wage Reporting Batch System. We will consider the necessary system enhancement along with other competing priorities. Along with a system enhancement, this process will require more workyears to scan and key the additional data.

**Recommendation 3**

Compare the employer address that appears on the Form W-3 to the address that appears on the Employer Identification File (EIF) for the employer and if they are not the same, use the Form W-3 address to mail the second notice to employers.

**Comment**

We agree. We will explore a system enhancement that compares the address on the Form W-3 with the address on the EIF, and if they are not the same, to utilize the Form W-3 address to mail the second notice. Nevertheless, only 30 percent of employers submit Form W-3 for reconciliation cases. When an employer does not submit a paper Form W-3, we create a

“dummy” Form W-3 to include only the employer identification number, employer name, and wage total. Additionally, if we were to receive a greater number of Forms W-3 directly from an employer, it is neither feasible nor cost-effective for us to conduct a manual comparison of the Form W-3 and the EIF because of the stringent reconciliation processing deadlines.

#### **Recommendation 4**

Evaluate the feasibility of notifying employers electronically about reconciliation discrepancies to help minimize the number of reconciliation notices that are returned as undeliverable and the number of non-responses.

#### **Comment**

We agree. We will explore ways to capture e-mail addresses of paper filers. We currently have plans to develop a new application called the Earnings Case Management System (ECMS), which would notify employers electronically about reconciliation discrepancies. The ECMS application software is at least 3 to 4 years away from a formal proposal, resource allocation, and program specifications.

#### **Recommendation 5**

Establish a process to inform employers about internal wage adjustments that will affect an employer’s reconciliation balance.

#### **Comment**

We agree. We will explore the feasibility of a systems application to generate a notice to employers about internal wage adjustments.

## ***Appendix F***

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# **OIG Contacts and Staff Acknowledgments**

### ***OIG Contacts***

Cylinda McCloud-Keal, Director, Philadelphia Audit Division

Carol Madonna, Audit Manager

### ***Acknowledgments***

In addition to those named above:

Frank Trzaska, Auditor-in-Charge

Richard Devers, IT Specialist

For additional copies of this report, please visit our web site at  
[www.socialsecurity.gov/oig](http://www.socialsecurity.gov/oig) or contact the Office of the Inspector General's Public Affairs Staff Assistant at (410) 965-4518. Refer to Common Identification Number A-03-08-18069.

## **DISTRIBUTION SCHEDULE**

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Office of Management and Budget, Income Maintenance Branch  
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Majority and Minority Staff Director, Subcommittee on Social Security  
Chairman and Ranking Minority Member, Committee on the Budget, House of Representatives  
Chairman and Ranking Minority Member, Committee on Oversight and Government Reform  
Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives  
Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations,  
House of Representatives  
Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate  
Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate  
Chairman and Ranking Minority Member, Committee on Finance  
Chairman and Ranking Minority Member, Subcommittee on Social Security Pensions and Family Policy  
Chairman and Ranking Minority Member, Senate Special Committee on Aging  
Social Security Advisory Board

## **Overview of the Office of the Inspector General**

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

### **Office of Audit**

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

### **Office of Investigations**

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

### **Office of the Counsel to the Inspector General**

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

### **Office of External Relations**

OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

### **Office of Technology and Resource Management**

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG's strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.