

# FY 2011 PERFORMANCE REPORT



Social Security Administration  
Office of the Inspector General



# **Table of Contents**

|   |    |
|---|----|
| Executive Summary.....                    | 1  |
| Performance Results.....                  | 2  |
| Performance Discussion and Analysis ..... | 3  |
| Goal 1 – Impact .....                     | 3  |
| Goal 2 – Value .....                      | 5  |
| Goal 3 – People .....                     | 8  |
| Historical Comparison.....                | 10 |

## **MISSION STATEMENT**

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

## **VISION and VALUES**

*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.*

## EXECUTIVE SUMMARY

This 2011 Performance Report focuses on the Office of the Inspector General's (OIG) results for the first year of our *Fiscal Year (FY) 2011 – 2015 Strategic Plan*. We evaluate our progress using 15 performance measures determined by a framework of three general goals: ***Impact, Value, and People***. For FY 2011, we successfully met 14 out of 15 performance measures.

The first of our three goals focuses on the ***impact*** we have on SSA's programs and operations. During FY 2011, our investigators ensured that 93 percent of all cases opened during the fiscal year directly related to improper payments within SSA's Title II and Title XVI Programs. Our auditors also had significant ***impact*** by achieving a 5-year implementation rate of 89 percent for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA. Two of the strategies we used to achieve these goals are prioritizing investigations and promoting cross-component communications on potential programmatic and operational vulnerabilities.

The second goal reflects the ***value*** we provide to SSA, the Congress, and the American public by delivering timely and reliable products and services. For FY 2011, we generated a positive return of \$30 for every tax dollar invested. Our Office of External Relations demonstrates continued ***value*** and service to the Congress and the American public by responding to 96 percent of constituent-based congressional inquiries within 21 days.

The third goal includes strategies and self-measuring goals to enhance the work experience of our ***people***, who are the foundation of the OIG organization. During FY 2011, 99 percent of our employees received 40 hours or more of appropriate developmental and skill enhancement training. This demonstrates our goal to promote a skilled, motivated, and diverse workforce in a positive and rewarding work environment. Using our strategy to identify assignment interests and developmental needs of all employees helped achieve this goal.

We did not successfully meet one performance measure in FY 2011. Our annual acceptance rate of legislative, policy, and regulatory recommendations by SSA and/or the Congress (included in proposed legislation) was 85 percent, 3 percent below our 88-percent goal. Of the 274 recommendations we submitted during this period that have a management decision, SSA agreed with 234. External factors such as budget constraints, SSA's ability to implement recommendations, congressional and SSA priorities, and other mandates can affect the achievement of OIG strategic goals. We will continue to strive for improvement and to produce products valued by SSA and the Congress.

SSA OIG remains committed to achieving our goals. 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.

## PERFORMANCE RESULTS

| GOAL          | DESCRIPTION   | TARGET | RESULT     | GOALS |         |
|---------------|---|--------|------------|-------|---------|
|               |   |        |            | MET   | NOT MET |
| <b>IMPACT</b> |   |        |            |       |         |
| <u>1.1</u>    | <i>Maintain an annual acceptance rate of at least 88 percent for all audit recommendations.</i>   | 88%    | <b>85%</b> |       | X       |
| <u>1.2</u>    | <i>Achieve a 5-year average implementation rate of 85 percent for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA.</i>    | 85%    | <b>89%</b> | X     |         |
| <u>1.3</u>    | <i>Ensure that at least 80 percent of all cases opened during the last fiscal year directly relate to improper payments within SSA's Title II and Title XVI Programs.</i> | 80%    | <b>93%</b> | X     |         |
| <u>1.4</u>    | <i>Achieve a successful conclusion on at least 75 percent of all Title II and Title XVI cases closed during the fiscal year.</i>  | 75%    | <b>87%</b> | X     |         |
| <b>VALUE</b>  |   |        |            |       |         |
| <u>2.1</u>    | <i>Generate a positive return for every dollar invested in OIG activities that places us in the top 10 percent of all OIGs for return on investment.</i>                  | 10%    | <b>10%</b> | X     |         |
| <u>2.2</u>    | <i>Evaluate and respond to 90 percent of all allegations received within 45 days.</i>   | 90%    | <b>96%</b> | X     |         |
| <u>2.3</u>    | <i>Complete investigative fieldwork on 75 percent of all cases within 180 days.</i>   | 75%    | <b>89%</b> | X     |         |
| <u>2.4</u>    | <i>Respond to 95 percent of constituent-based congressional inquiries within 21 days.</i>   | 95%    | <b>96%</b> | X     |         |
| <u>2.5</u>    | <i>Take action on 90 percent of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.</i>  | 90%    | <b>91%</b> | X     |         |
| <u>2.6</u>    | <i>Achieve a positive external user assessment rating of 85 percent for product-service quality.</i>  | 85%    | <b>93%</b> | X     |         |
| <u>2.7</u>    | <i>Issue 85 percent of final audit reports within 1 year of the entrance conference with SSA.</i>   | 85%    | <b>90%</b> | X     |         |
| <u>2.8</u>    | <i>Complete 85 percent of requests for legal advice and review within 30 days.</i>  | 85%    | <b>99%</b> | X     |         |
| <b>PEOPLE</b> |   |        |            |       |         |
| <u>3.1</u>    | <i>Achieve an annual attrition rate of 5 percent or less.</i>   | 5%     | <b>3%</b>  | X     |         |
| <u>3.2</u>    | <i>Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvements are needed.</i>                          | 75%    | <b>77%</b> | X     |         |
| <u>3.3</u>    | <i>Ensure that 90 percent of OIG staff receives 40 or more hours of appropriate developmental and skill enhancement training annually.</i>                                | 90%    | <b>99%</b> | X     |         |

## PERFORMANCE DISCUSSION AND ANALYSIS

This section provides detailed performance information, including a description of our Strategic Plan goals aimed at achieving success in each of the three general areas. We state each goal and its associated measures, and describe the method of calculation. We also discuss, where appropriate, why we believe we were successful or unsuccessful in meeting our goals.

### Goal 1 – IMPACT

*Enhance the integrity, efficiency, and effectiveness of SSA programs and operations.*

Strategies to attain this goal include:

1. Promote an OIG-wide process for cross-component communications on potential programmatic and operational vulnerabilities.
2. Communicate with the Agency to identify mission-critical issues and operations that would benefit from OIG audit and investigation services and develop practical solutions to address identified weaknesses or deficiencies.
3. Prioritize investigations, audits, and counsel actions to effect more efficient and effective SSA programs and operations.

| Goal 1.1  | <i>Maintain an annual acceptance rate of at least 88 percent for all audit recommendations.</i> | <i>FY 2011 Result</i><br><i>85 Percent</i> |
|---|---|--|
| We calculate this measure by dividing the number of legislative, policy, and regulatory recommendations accepted by SSA and/or the Congress (included in proposed legislation) during the FY by the total number of recommendations with a management decision and legislative proposals made during the FY.<br><br>For FY 2011, our annual acceptance rate was 85 percent, 3 percent below our 88-percent goal. Of the 274 recommendations we submitted during this period that have a management decision, SSA agreed with 234. We would have exceeded this goal if not for a single contractor report in which SSA disagreed with 21 of the contractor's 26 recommendations. However, even though SSA formally disagreed with these 21 recommendations, the Agency is acting in a manner consistent with those recommendations as it drafts its new Strategic Plan. Hence, these results may change if SSA implements some of those 21 recommendations. If we remove all contractor report recommendations from this calculation, our agreement increases to 94 percent. |   |  |

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| <b>Goal 1.2</b> | <i>Achieve a 5-year average implementation rate of 85 percent for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA.</i> | <b>FY 2011 Result</b><br><i>89 Percent</i> |
|-----------------|--|--|

We calculate this measure by dividing the total number of accepted recommendations implemented by SSA during the past 5 FYs by the total number of recommendations SSA agreed to implement during the past 5 FYs.

Since SSA needs sufficient time to implement the recommendations it has agreed to, there is a 1-year lag in this calculation. Thus, for FY 2011 we are reporting the 5-year period covering FYs 2006 through 2010. Our average implementation rate for accepted audit recommendations was 89 percent, exceeding our 85-percent goal. During this period, SSA implemented 1,192 of 1,346 accepted recommendations.

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| <b>Goal 1.3</b> | <i>Ensure that at least 80 percent of all cases opened during the last fiscal year directly relate to improper payments within SSA's Title II and Title XVI Programs.</i> | <b>FY 2011 Result</b><br><i>93 Percent</i> |
|-----------------|---|--|

We calculate this measure by dividing the total number of cases opened during the FY, which are directly related to the Title II or Title XVI programs, by the total number of cases opened during the FY. This performance measure relates to SSA's Strategic Plan for FYs 2008-2013, Goal 4, Objective 1: *Curb Improper Payments*.

For FY 2011, of the 7,196 cases we opened, 6,688 of the cases related directly to improper payments within SSA's Title II and Title XVI Programs. This 93-percent performance rate exceeds our 80-percent target.

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| <b>Goal 1.4</b> | <i>Achieve a successful conclusion on at least 75 percent of all Title II and Title XVI cases closed during the FY.</i> | <b>FY 2011 Result</b><br><i>87 Percent</i> |
|-----------------|---|--|

We calculate this measure by dividing the number of closed Title II and Title XVI cases successfully concluded during the FY by the total number of Title II and Title XVI cases closed during the FY. A successful criminal conclusion occurs when a subject either pleads guilty or is convicted, or accepts pre-trial diversion or probation before judgment. A successful civil conclusion occurs when a subject either pleads guilty or is convicted, or when the Office of Counsel to the Inspector General (OCIG) accepts a CMP referral resulting from our Office of Investigations' (OI) casework. A successful administrative conclusion occurs when SSA denies, terminates, suspends, recovers, or reduces a benefit; or removes a representative payee, based on an OI investigation.

For FY 2011, of the 6,554 Title II and Title XVI cases we closed, 5,689 had a successful conclusion. This 87-percent performance rate exceeds our 75-percent target.

## Goal 2 – VALUE

*Provide quality products and services of value in a timely manner to Congress, SSA, and other key decision-makers while sustaining a positive return for each tax dollar invested in OIG activities.*

Strategies used to attain this goal include:

1. Maintain a “positive-return” culture within OIG.
2. Ensure continual improvement of OIG products by using a product and service quality assessment instrument to measure external user satisfaction.
3. Implement best practices to ensure quality and timeliness of OIG products and services.
4. Utilize information technology investments to enhance OIG work products and service delivery.

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| <b>Goal 2.1</b>   | <i>Generate a positive return for every dollar invested in OIG activities that places us in the top 10 percent of all OIGs for return on investment.</i> | <b><u>FY 2011 Result</u></b><br><b>10 Percent</b> |
| <p>We calculate this measure by dividing the total amount of all OIG savings identified during the FY by the total amount of appropriated funds during the same period. We compare this figure with the return on investment of other OIGs (the total monetary accomplishments of OIGs who are members of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) divided by the total budget appropriations of member OIGs).</p> <p>Based on the monetary results available at the time of this Report’s release, we placed seventh highest of all OIGs for return on investment. For FY 2011, we generated a return of \$30 for every dollar invested in us by the taxpayer. This rate of return was bolstered by 3 audit reports entitled, <i>Follow-up: Childhood Continuing Disability Reviews and Age 18 Redeterminations</i> (A-01-11-11118); <i>Supplemental Security Income Recipients with Unreported Real Property</i> (A-02-09-29025); and <i>Debt Collection Activities in the Supplemental Security Income Program</i> (A-07-10-20139). In these reports, we identified over \$1.3 billion in Questioned Costs and over \$1 billion in Funds put to Better Use.</p> |  |   |

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| <b>Goal 2.2</b> | <i>Evaluate and respond to 90 percent of all allegations received within 45 days.</i> | <b><u>FY 2011 Result</u></b><br><b>96 Percent</b> |
|-----------------|---|---|

We calculate this measure by dividing the total number of allegations closed or referred within 45 days during the FY by the total number of allegations closed or referred during the FY.

For FY 2011, we evaluated and responded to 96 percent of all allegations received within 45 days. Of the 107,971 allegations closed or referred during the FY, we closed or referred 103,652 allegations within 45 days.

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| <b>Goal 2.3</b> | <i>Complete investigative fieldwork on 75 percent of all cases within 180 days.</i> | <b><u>FY 2011 Result</u></b><br><b>89 Percent</b> |
|-----------------|---|---|

We calculate this measure by dividing the total number of investigations closed or referred for prosecution, CMP, SSA, or other State or Federal agency action within 180 days during the FY by the total investigations closed or referred during the FY.

For FY 2011, we surpassed our 75-percent goal with an 89-percent rating. We closed or referred a total of 7,167 investigations during the FY. Of these, we closed or referred 6,346 cases for action within 180 days.

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| <b>Goal 2.4</b> | <i>Respond to 95 percent of congressional requests within 21 days.</i> | <b><u>FY 2011 Result</u></b><br><b>96 Percent</b> |
|-----------------|--|---|

We calculate this measure by dividing the total congressional requests responded to within 21 days during the FY by the total number of congressional requests responded to during the FY. Processing days are the days elapsed from receipt of a congressional request to the date of a response.

For FY 2011, we responded to 53 (96 percent) of 55 congressional inquiries within 21 days.

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| <b>Goal 2.5</b>  | <i>Take action on 90 percent of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.</i> | <b><u>FY 2011 Result</u></b><br><b>91 Percent</b> |
| We calculate this measure by dividing the total number of CMP subjects against whom initial action was taken within 30 days of receipt by OCIG during the FY, by the total number of CMP subjects where action was taken during the FY. Initial actions are defined as sending a letter to the subject either stating an intention to pursue a CMP; or indicating that a CMP will not be proposed at this time, and directing the subject to SSA to make arrangements for repayment or other actions.<br><br>For FY 2011, we took action within 30 days on 1,854 (91 percent) of 2,044 CMP subjects. |  |   |

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| <b>Goal 2.6</b>   | <i>Achieve a positive external user assessment rating of 85 percent for product-service quality.</i> | <b><u>FY 2011 Result</u></b><br><b>93 Percent</b> |
| The OIG's Office of Quality Assurance and Professional Responsibility, during each Quality Assurance Review, ask external customers to rate their level of satisfaction with the quality of OIG products and services. Recipients and users of OIG products and services include SSA and other Government entities, such as the Congress, Offices of U.S. Attorneys, and external law enforcement agencies. This rating, measured using a five-tier scale, is averaged for each Quality Assurance Review conducted during the Fiscal Year, and then translated into a percentage, with 85 percent indicating satisfaction.<br><br>For FY 2011, we achieved a 93-percent rating, exceeding our goal of 85 percent. |  |   |

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|---|---|---|
| <b>Goal 2.7</b>   | <i>Issue 85 percent of final audit reports within 1 year of the entrance conference with SSA.</i> | <b><u>FY 2011 Result</u></b><br><b>90 Percent</b> |
| We calculate this measure by dividing the total number of audit reports issued during the FY within 1 year of the entrance conference by the total number of audit reports issued during the FY.<br><br>For FY 2011, our office achieved a 90-percent rating, exceeding our goal of 78 percent. We issued 99 of 110 reports during the FY within 1 year of their respective entrance conferences. |   |   |

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| <b>Goal 2.8</b>  | <i>Complete 85 percent of requests for legal advice and review within 30 days.</i> | <b><u>FY 2011 Result</u></b><br><b>99 Percent</b> |
| We calculate this measure dividing the total number of legal opinions, subpoenas, and audit reviews completed by OCIG within 30 days of receipt during the FY by the total number of requests for legal opinions, subpoenas, and audit reviews received during the FY.<br><br>During FY 2011, we completed 911 (99 percent) of the 916 requests for legal opinions, subpoenas, and audit reviews within 30 days. |  |   |

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| <b>Goal 3 – PEOPLE</b>   |
| <i>Promote a skilled, motivated, diverse workforce in a positive and rewarding work environment.</i> |

Strategies used to attain this goal include:

1. Identify assignment interests and developmental needs of all employees.
2. Provide OIG components with training and tools necessary to ensure professional development and skills enhancement.
3. Maintain a proactive approach in recruiting and hiring candidates to meet different needs.

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| <b>Goal 3.1</b>  | <i>Achieve an annual attrition rate of 5 percent or less.</i> | <b><u>FY 2011 Result</u></b><br><b>3 Percent</b> |
| We calculate this measure by dividing the total number of employees separated (excluding retirements and deaths) during the FY by the OIG Average Workforce for the FY.<br><br>For FY 2011, there were 19 separations from the OIG's 585.5 Average Workforce, which is equivalent to a 3-percent attrition rate. |   |  |

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|--|--|-------------------------------------|
| <b>Goal 3.2</b>  | <i>Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvement is needed.</i> | <b>FY 2011 Result</b><br>77 Percent |
| OIG's Organizational Health Committee implemented an annual employee job-satisfaction survey beginning in FY 2006. The survey consists of 13 questions. Our goal is to have an average score of 75 percent for the questions asked. Meeting this goal demonstrates a high level of employee satisfaction.<br><br>For FY 2011, we achieved a 77-percent rating, exceeding our goal of 75 percent. |  |                                     |

|   |  |                                     |
|---|--|-------------------------------------|
| <b>Goal 3.3</b>   | <i>Ensure that 90 percent of OIG staff receives 40 or more hours of appropriate developmental and skill-enhancement training annually.</i> | <b>FY 2011 Result</b><br>99 Percent |
| We calculate this measure by dividing the total number of OIG staff on board for the entire FY receiving at least 40 hours of training during the FY by the total number of OIG staff on board for the entire FY.<br><br>For FY 2011, 99 percent of our employees received 40 or more hours of appropriate developmental and/or skill-enhancement training. Achieving this goal demonstrates our commitment to having a capable and professional workforce. The continual development of our employees underlies our successful performance as an organization. |  |                                     |

## HISTORICAL COMPARISON

| GOAL             | DESCRIPTION  | FY 2009 RESULTS    | FY 2010 RESULTS    |
|------------------|--|--------------------|--------------------|
| 1.1 <sup>1</sup> | <i>Maintain an annual acceptance rate of at least 88 percent for all recommendations.</i>  | <b>98%</b>         | <b>95%</b>         |
| 1.2 <sup>2</sup> | <i>Achieve a 5-year average implementation rate of 85 percent for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA.</i> | <b>88%</b>         | <b>86%</b>         |
| 1.3              | <i>Achieve a positive action on at least 75 percent of all cases closed during the FY.</i>   | <b>75%</b>         | <b>80%</b>         |
| 2.1              | <i>Generate a positive return of \$6 for every tax dollar invested in OIG activities.</i>  | <b>\$85 to \$1</b> | <b>\$48 to \$1</b> |
| 2.2              | <i>Evaluate and respond to 90 percent of all allegations received within 45 days.</i>  | <b>96%</b>         | <b>97%</b>         |
| 2.3              | <i>Complete investigative fieldwork on 75 percent of all cases within 180 days.</i>  | <b>89%</b>         | <b>86%</b>         |
| 2.4              | <i>Respond to 90 percent of congressional requests within 21 days.</i>   | <b>100%</b>        | <b>96%</b>         |
| 2.5              | <i>Take action on 90 percent of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.</i>   | <b>97%</b>         | <b>97%</b>         |
| 2.6 <sup>3</sup> | <i>Achieve a positive external user assessment rating of 85 percent for product-service quality.</i>   | <b>92%</b>         | <b>95%</b>         |
| 2.7              | <i>Issue 78 percent of final audit reports within 1 year of the entrance conference with SSA.</i>  | <b>92%</b>         | <b>94%</b>         |
| 2.8              | <i>Complete 85 percent of requests for legal advice and review within 30 days.</i>   | <b>98%</b>         | <b>99%</b>         |
| 3.1              | <i>Achieve an annual attrition rate of 5 percent or less.</i>  | <b>4%</b>          | <b>4%</b>          |
| 3.2              | <i>Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvement is needed.</i>                         | <b>78%</b>         | <b>75%</b>         |
| 3.3              | <i>Ensure that 90 percent of OIG staff receives 40 or more hours of appropriate developmental and skill-enhancement training annually.</i>                             | <b>99%</b>         | <b>98%</b>         |

<sup>1</sup> Goal 1.1 – FY 2010 85% changed to 88%

<sup>2</sup> Goal 1.2 - FY 2010 deleted “Through FY 2010” from beginning of sentence

<sup>3</sup> Goal 2.6 – FY 2010 deleted “Internal” and changed to just external user