

# **CONGRESSIONAL RESPONSE REPORT**

## **The Social Security Administration's Relocation of the District Office in Jackson, Tennessee**

**A-13-04-24083**



**MARCH 2004**

## **Mission**

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

## **Authority**

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

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

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

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

## **Vision**

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



## SOCIAL SECURITY

March 26, 2004

The Honorable Harold Ford, Jr.  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Ford:

On January 8, 2004, we notified your office that the Office of the Inspector General received a copy of the December 12, 2003 letter the President of the Jackson-Madison County Branch of the National Association for the Advancement of Colored People sent to you. At that time, we advised you that we planned to collect and review pertinent information related to the Jackson, Tennessee, District Office's relocation and that we would inform you of our findings.

We are providing you with our report detailing the relocation of the office. My office is committed to eliminating fraud, waste, and abuse in the Social Security Administration's operations and programs. We have provided copies of the enclosed report to Senators Bill Frist and Lamar Alexander and Representative John Tanner.

If you have any questions concerning this matter, please call me or have your staff contact Douglas Cunningham, Assistant Inspector General for Congressional and Intra-Governmental Liaison, at (202) 358-6319.

Sincerely,



Patrick P. O'Carroll, Jr.  
Acting Inspector General

Enclosure

cc:

Jo Anne B. Barnhart, Commissioner  
President, Jackson-Madison County Branch  
National Association for the Advancement of Colored People

# **Background**

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## **OBJECTIVE**

Our objective was to provide information on the reasons for the relocation of the Jackson, Tennessee (TN) field office. Our review focused on whether the Social Security Administration (SSA) followed its relocation policies and procedures. We did not determine whether the General Services Administration (GSA) complied with applicable laws, regulations, Executive Orders or its own policies and procedures.

## **BACKGROUND**

The President of the Jackson-Madison County Branch of the National Association for the Advancement of Colored People (NAACP), sent letters dated December 12, 2003 to Senators Bill Frist and Lamar Alexander and Representatives John Tanner and Harold Ford, Jr., expressing concern about the relocation of SSA's field office in Jackson, TN. Copies of this correspondence were also sent to the Office of the Inspector General. This letter stated that public access to basic benefits had been severely impeded by moving the SSA Jackson, TN field office from its downtown location to North Jackson. Further, the letter requested that the field office be returned to its former location.

Many SSA customers are aged, disabled, or both. SSA has established field offices to serve as its main point of contact for addressing customers' needs. The Agency has a network of 1,337 field offices located in cities and rural communities across the nation. These offices provide individuals the ability to apply for a Social Security number or benefits, obtain information about their earnings records, or conduct other program-related business.

Federal agencies conducting the procurement of real property must comply with the requirements of all applicable laws, including the Rural Development Act of 1972,<sup>1</sup> regulations, and Executive Orders.<sup>2,3</sup> Each agency is responsible for identifying its geographic service area<sup>4</sup> and the delineated area<sup>5</sup> within which it wishes to locate specific activities.<sup>6</sup> In addition to complying with applicable laws, regulations and Executive Orders, selection of an office location should be consistent with the agency's mission and program requirements.<sup>7</sup>

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<sup>1</sup> Public Law No. 92-419

<sup>2</sup> 41 C.F.R § 102-83.40

<sup>3</sup> Applicable Executive Orders (EO) include EO 12072, *Federal Space Management*, August 16, 1978; and EO 13006, *Locating Federal Facilities on Historic Properties in Our Nation's Central Cities*, May 21, 1996.

<sup>4</sup> Program Operations Manual System (POMS) section GN 00904.010 notes each field office has a defined geographical area and is responsible for providing service to any individual whose mailing address falls within this service area.

<sup>5</sup> Delineated area defines the boundaries of the area in which the space should be located.

<sup>6</sup> 41 C.F.R. § 102-83.10

<sup>7</sup> 41 C.F.R. § 102-83.10, 41 C.F.R. § 102-83.40

GSA is the “landlord” for the Federal government and serves as the sole agent in acquiring space used by Federal agencies, including SSA.<sup>8</sup> Among the many functions GSA performs are: leasing space to Federal customer agencies; repairing, altering and renovating existing facilities; and collecting rents from its Federal tenants. SSA works with GSA to secure space for its operations.

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<sup>8</sup> Administrative Instruction Manual System, Manual Material Resources, Chapter 01 Realty and Space Management, Instruction No. 3, Section 01.03.02

# **Results of Review**

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Our review found SSA initiated the move from the Ed Jones Federal Building in downtown Jackson, TN because it needed additional space for interviewing workstations, interactive video teletraining, and future expansion. Also, we determined that SSA followed applicable policies and procedures for the relocation of its Jackson, TN field office. We did not determine whether GSA complied with applicable laws, regulations, Executive Orders or its own policies and procedures.

## **Ed Jones Federal Building**

The Ed Jones Federal Building was built in 1932 as a Federal Courthouse. It contains a total of four floors—a basement level and three floors above ground. GSA staff advised us major renovations made to the building were limited to mechanical upgrades, security upgrades and upgrades/repairs to the windows. Lesser renovations were made to individual tenant occupied spaces.

The basement of the Ed Jones building contained numerous offices co-located with the building's boiler and mechanical rooms. Disabled individuals in wheelchairs were required to enter from the rear basement level entrance and traverse the length of the building, while negotiating several corridors to gain access to the elevator. The elevator accessed the first floor where SSA's field office was located.

Additionally, SSA staff stated the Federal building had a security guard, metal detectors, and cameras for the protection of all employees and its customers. Further, the field office manager had a monitor from which activity in the waiting room could be viewed. However, the security guard did not have access to a monitor.<sup>9</sup>

## **SSA Requests Additional Space**

In a June 8, 1999 memorandum,<sup>10</sup> the former District Office Manager initially requested the Jackson, TN District Office move from the Ed Jones Federal Building. The Manager cited the Ed Jones Federal Building lacked adequate space for additional interviewing workstations,<sup>11</sup> and interactive video teletraining. Further, the memorandum indicated all contiguous space in the Ed Jones Federal Building was occupied, which negated further expansion of office space.<sup>12</sup>

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<sup>9</sup> The guard was responsible for ensuring security for the entire building. Since the position was not dedicated solely to SSA, the guard would not have been required to monitor activity in SSA's office.

<sup>10</sup> SSA Memorandum, *Relocation of Space*, June 8, 1999

<sup>11</sup> Additional interviewing stations were needed for "front-end interviewing" (FEI). FEI allows SSA staff to conduct interviews in a more secure environment. Interviewers are separated from individuals by a window and each FEI interviewing area has an alarm button that is available for use if there is any disturbance.

<sup>12</sup> In a memorandum dated November 23, 1999, SSA's Assistant Regional Commissioner for Management and Operations Support notified GSA that SSA-occupied 6,178 square feet of space at 109 S. Highland Avenue, Jackson, TN. However, the Agency required a minimum of 9,325 square feet of space for the office.

On January 20, 2000, GSA responded to SSA's follow-up space request.<sup>13</sup> GSA offered SSA space in the basement of the Ed Jones Federal Building. In addition, GSA requested SSA consider two issues: (1) rent would increase in a leased space and (2) the Federal building offered a level of security not found in leased space. SSA declined the offer stating the additional space in the basement of the Ed Jones Federal Building was not suitable to its needs as SSA personnel would be housed on two separate floors.<sup>14</sup> The Agency advised GSA it needed open, contiguous space for its employee's modular workstations.

### **Space Acquisition Process**

In response to SSA's request, GSA initiated its "space acquisition process" to acquire space to relocate the Jackson, TN field office. In October 2000, GSA advised the Mayor of Jackson, TN of the relocation project. The Mayor was informed that GSA would advertise in the local media for 9,325 to 9,600 useable square feet of contiguous office and related-use space.<sup>15</sup> GSA requested the Mayor's assistance in identifying the boundaries of the Central Business District (CBD)<sup>16</sup> and any historic districts or properties.

GSA's *Site Selection Guide* provides, "When operationally appropriate and economically prudent, Executive Order 13006 requires that Federal agencies give first consideration to properties within historic districts when selecting locations for their facilities..."<sup>17</sup> In its letter to the Mayor, GSA advised that in acquiring space for the SSA field office, it shall give first consideration to property located in historic districts within the CBD. If no historic properties are available, then other properties in the CBD would be considered. Upon failing to locate suitable property in the CBD, GSA would then consider properties outside the downtown area. According to GSA staff, the Mayor advised GSA he was interested in having the SSA field office in the downtown area of Jackson, TN.

GSA documents indicate the Jackson Planning Department assisted in clarifying boundaries within the CBD and gave advice on historic districts within the area. Further, GSA documents indicate the Jackson Planning Department modified the boundaries in the CBD. A revised CBD was created and GSA requested the Jackson Planning Department forward a map with the revised CBD.

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<sup>13</sup> SSA Memorandum dated November 23, 1999.

<sup>14</sup> SSA's *Space Allocation Standard for Field Offices* guidelines direct that first consideration be given to Federally-owned or Federally-controlled space that can meet specific criteria. The Standards further indicate first-floor contiguous space is considered most efficient for all field offices.

<sup>15</sup> GSA letter, Project No. OTN0009 Social Security Administration Jackson Tennessee, October 27, 2000

<sup>16</sup> 41 C.F.R. § 102-83.85 defines a Central Business Area (CBA) as "...the centralized community business area and adjacent areas of similar character, including other specific areas that may be recommended by local officials in accordance with EO 12072. The central business areas are designated by local government and not by Federal agencies."

<sup>17</sup> United States General Services Administration Public Building Service, *The Site Selection Guide*, p.13

In March 2001, GSA advertised<sup>18</sup> for lease space in Jackson, TN. The advertisement noted “the U. S. Government seeks to lease approximately 11,400 rentable square feet of office and related use space.”<sup>19</sup> The advertisement indicated the property must be located in the CBD or within specific geographical boundaries.<sup>20</sup> First consideration would be given to the CBD.

Further, on April 27, 2001 GSA conducted a market survey<sup>21</sup> in Jackson, TN. Prior to the market survey, a site in the CBD was rejected because it called for operations on two floors. The market survey was conducted to review 13 proposed sites, three of which were in the CBD. Based on GSA’s policy, 7 of the 13 proposed sites—including the 3 sites in the CBD—were rejected leaving 6 remaining sites for consideration.<sup>22</sup> One of the three sites in the CBD was rejected due to the proximity of a railroad and faced an elevated highway bypass. The second site was rejected due to an industrial type setting with a trucking distribution warehouse and an oil distribution center. The last site was rejected for the same reasons as the second site and because it also faced the prison ward of a county criminal justice center.

GSA, with the concurrence of SSA, decided to solicit offers from the six remaining sites and one additional site which was a late entrant located in the CBD. GSA determined that having only one site in the CBD did not constitute adequate competition.<sup>23</sup> On September 17, 2001, *Solicitations for Offers*<sup>24</sup> were sent to the five bidders representing the seven sites. Offers were due on October 18, 2001.

Of the seven sites, GSA received offers from four bidders for five office relocation sites.<sup>25</sup> One of the four offers withdrew later in the process. On February 1, 2002, after a period of negotiation, GSA received the “best and final offers” from the remaining

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<sup>18</sup> U.S. Government Wants To Lease Space in Jackson, Tennessee, *The Jackson Sun*, March 25, 2001

<sup>19</sup> GSA advertised for additional square footage of office and related use space to allow for additional growth by SSA.

<sup>20</sup> North: Ashport Road to Old Humboldt Road to Ashport Road; South: Old Medina Road to Campbell Street; East: Forest Avenue; West: Hollywood Drive to Highway 412 to Country Club Lane to Pleasant Plains to Pleasant Plains Road. These boundaries make up the delineated area.

<sup>21</sup> For this review, we defined a market survey as a site review conducted by GSA to determine if a location considered for lease is suitable based on GSA’s and SSA’s criteria.

<sup>22</sup> The 7 sites were eliminated by GSA’s *Solicitation for Offers* guidelines 1.1 and 1.3. Guideline 1.1.B. states “The design (including site planning, orientation, form and proportions) shall embody a corporate or professional image. Industrial/warehouse buildings are not acceptable nor areas where they are located. The Government reserves the right to reject space adjacent to or in the immediate vicinity of railroad tracks.” Guideline 1.3.A.1. provides that “[s]pace shall be located in a commercial office district, with professional surroundings with a prevalence of modern design and/or tasteful rehabilitation in modern use.” Further, Guideline 1.3.A.3.a. provides that “[a]dequate eating facilities shall be located within ½ mile.”

<sup>23</sup> 48 C.F.R § 570.203-2(a) states to “Solicit at least three sources to promote competition to the maximum extent practicable...” Section 570.203-2(b) states “If you solicit only one source, document the file to explain the lack of competition.”

<sup>24</sup> A *Solicitation for Offer* to lease space indicates the type, and the amount of space needed by the conditions of the lease. The solicitation also gives detailed information on how to submit a proposal, contact name and address, and the deadline by which it must be received by the GSA regional office.

<sup>25</sup> One bidder with 2 sites made an offer. Additionally, the lone CBD bidder never responded.

three bidders. GSA reviewed the final bids and sent its recommendation to SSA's Atlanta Regional Office for concurrence. On February 14, 2002, GSA recommended SSA accept the bid to construct a new building at 415 Cheyenne Drive in North Jackson.

SSA did not hold a public forum to announce the relocation. SSA staff advised us that its policy does not require a public forum.

### **415 Cheyenne Drive**

On May 15, 2003, SSA field office personnel informed the local news media of the planned relocation of the office from the Ed Jones Federal Building to 415 Cheyenne Drive in North Jackson. In June 2003, the office moved approximately 6 miles to the newly constructed building.

SSA officials stated that the new building is convenient for people throughout the service area which includes 5 counties and a population of approximately 165,000 people. The office is accessible by interstate I-40 and other State routes. In addition, an SSA official explained that it can take 45 minutes to 1 hour for an individual to travel by bus from downtown Jackson, TN to the new office location.<sup>26</sup> SSA negotiated with the Jackson Transit Authority to have individuals dropped off in front of the office. The field office requested bus schedules and information on reduced fares for the aged and disabled to share with the public.

The building at 415 Cheyenne Drive is a one-floor structure solely occupied by the SSA office. SSA staff advised the building has a much-improved parking situation.<sup>27</sup> The one-floor structure affords easier access to SSA's offices for the aged and disabled. A security guard is located at the building entrance. The security guard and field office manager can view individuals in the waiting and interview areas. The new office space provides for an interactive video teletraining room, cubicles for front-end interviewing, and space for additional workstations for anticipated future hires.

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<sup>26</sup> Jackson Transit Authority officials confirmed that it takes approximately 45 minutes and 1 bus transfer to travel from the Social Security office's prior location at the Ed Jones Federal Building to 415 Cheyenne Drive. SSA and Transit Authority staff have had ongoing communications regarding facilitating the pick-up and discharge of passengers at the new location.

<sup>27</sup> GSA staff noted that there are 61 spaces for public and employee use with approximately 30 of those for the public. GSA's *Solicitation for Offers* (SFO NO. 0TN0009, September 17, 2001) provided that to be considered for an award, buildings to be constructed should meet the construction requirements of both the Americans with Disability Act Accessibility Guidelines (Public Law No. 101-336; see 56 FR 35408, July 26, 1991; 56 FR 45500, September 6, 1991; and 57 FR 1393, January 14, 1992) and the Uniform Federal Accessibility Standards, 49 FR 31528, Section 4, Accessible Elements and Spaces: Scope and Technical Requirements.

# **Appendices**

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**Appendix A – Executive Orders**

**Appendix B – Scope and Methodology**

### **Executive Orders**

Executive Order 12072<sup>1</sup> requires that Central Business Areas (CBA)<sup>2</sup> be given preference when selecting locations for meeting Federal space needs. Specifically, section 1-103 of the Executive Order provides, "...the process for meeting Federal space needs in urban areas shall give first consideration to a centralized community business area and adjacent areas of similar character, including other specific areas, which may be recommended by local officials." Further, Section 1-201 of the Executive Order provides that "[t]he Administrator of General Services shall develop programs to implement the policies of this Order through efficient acquisition and utilization of Federally owned and leased space." In meeting Federal space needs in urban areas, the Administrator is to consider "...the convenience of the public served, and the maintenance and improvement of safe and healthful working conditions for the employees."<sup>3</sup>

Executive Order 13006<sup>4</sup> reaffirmed the commitment set forth in Executive Order 12072 to strengthen our nation's cities by encouraging the location of Federal facilities in cities. The Order directs the Federal government to "...utilize and maintain, wherever operationally appropriate and economically prudent, historic properties and districts, especially those in our central business areas." The Rural Development Act of 1972<sup>5</sup> also provides that Federal agencies give first consideration to historic properties within historic districts.

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<sup>1</sup> Executive Order 12072, *Federal Space Management*, August 16, 1978

<sup>2</sup> 41 C.F.R. § 102-83.85 defines a Central Business Area (CBA) as "...the centralized community business area and adjacent areas of similar character, including other specific areas that may be recommended by local officials in accordance with EO 12072. The central business areas are designated by local government and not by Federal agencies."

<sup>3</sup> Executive Order 12072, *Federal Space Management*, Section 1-203, August 16, 1978

<sup>4</sup> Executive Order 13006, *Locating Federal Facilities on Historic Properties in Our Nation's Central Cities*, May 21, 1996

<sup>5</sup> Public Law No. 92-419

### **Scope and Methodology**

Our objective was to provide information on the reasons for the relocation of the Jackson, Tennessee field office. Our review focused on whether the Social Security Administration (SSA) followed its relocation policy and procedures. We did not determine whether the General Services Administration (GSA) complied with applicable laws, regulations, Executive Orders or its own policies and procedures.

To accomplish our objective, we:

- Reviewed Executive Orders 12072 and 13006, Rural Development Act of 1972, Titles 41 and 48 of the Code of Federal Regulations, and SSA's Administration Instruction System procedures on Realty and Space Management.
- Interviewed SSA staff to determine the reasons for relocation of Jackson, Tennessee field office and obtained documentation supporting the relocation.
- Obtained supporting documentation from GSA staff for the location of sites and usable space in the Ed Jones Federal Building and Cheyenne Drive locations.

The SSA operating component reviewed was the Deputy Commissioner for Finance, Assessment and Management/Office of Facilities Management/Office of Realty Management. Our work was conducted in Baltimore, Maryland, from December 2003 to February 2004. We conducted our review in accordance with the President's Council on Integrity and Efficiency's *Quality Standards for Inspections*.

## **DISTRIBUTION SCHEDULE**

Commissioner of Social Security  
Office of Management and Budget, Income Maintenance Branch  
Chairman and Ranking Member, Committee on Ways and Means  
Chief of Staff, Committee on Ways and Means  
Chairman and Ranking Minority Member, Subcommittee on Social Security  
Majority and Minority Staff Director, Subcommittee on Social Security  
Chairman and Ranking Minority Member, Subcommittee on Human Resources  
Chairman and Ranking Minority Member, Committee on Budget, House of Representatives  
Chairman and Ranking Minority Member, Committee on Government Reform and Oversight  
Chairman and Ranking Minority Member, Committee on Governmental Affairs  
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 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**

### **Office of Audit**

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

### **Office of Executive Operations**

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

### **Office of Investigations**

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

### **Counsel to the Inspector General**

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