
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**FISCAL YEAR 2003 QUICK
RESPONSE ACTIVITIES
SUMMARY REPORT**

December 2003

A-13-04-14055

**MANAGEMENT
ADVISORY REPORT**



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

MEMORANDUM

Date: December 17, 2003

Refer To:

To: The Commissioner

From: Inspector General

Subject: Management Advisory Report: Fiscal Year 2003 Quick Response Activities Summary Report (A-13-04-14055)

This Management Advisory Report provides information on the Office of the Inspector General's (OIG) Quick Response (QR) workload. The report describes the sources and types of QR activities and categorizes them in line with issues we identified to be among the top six challenges facing Social Security Administration (SSA) management. We prepared this report for your information and therefore it does not require that you take any action.

Anticipating an increase in requests to provide information and advice to Congress, SSA management, and the general public, we established the QR Team within the Office of Audit. The QR Team performs short-duration, time-sensitive reviews that address requests from the Congress, SSA management, the general public, and others. Unlike traditional audits and evaluations, QR projects are not planned or scheduled in advance.

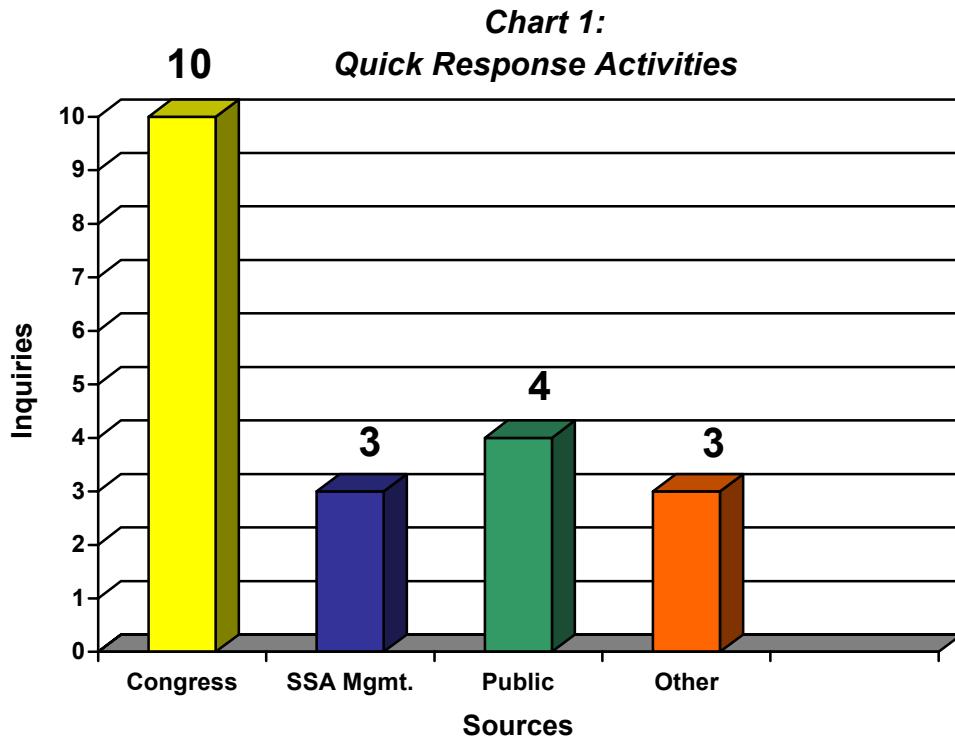
Additionally, the QR workload includes Congressional Response Reports that address special inquiries ranging from proposed or recently enacted legislation to SSA management issues. Congressional Response Reports differ from other inquiries in that they are short-duration evaluations/reviews that may require an intensive examination of programs, operations, policy and/or procedures.

This report summarizes our QR activities from October 2002 through September 2003.

NATURE AND SOURCES OF QUICK RESPONSE WORKLOAD

In Fiscal Year (FY) 2003, the QR Team responded to 20 requests for information. This workload primarily consisted of inquiries concerning SSA's service delivery and improper payments. We received these inquiries from the Congress; SSA management; the general public; and others, such as other OIGs or Federal agencies.¹

Chart 1 shows the sources of the FY 2003 workload.



AGENCY MANAGEMENT CHALLENGES AND THE QUICK RESPONSE WORKLOAD

The QR workload does not follow our traditional audit processes. Usually, Office of Audit activities consist of planned audits and evaluations that directly relate to the management challenges facing the Agency. In contrast, the QR workload consists of unplanned, time-sensitive projects. We have categorized most of our QR workload in

¹ The category "Other" includes inquiries from the General Accounting Office, Small Business Administration and the Department of Justice's Office of the Inspector General.

line with two of the top six challenges OIG identified as facing SSA management.² We have highlighted several of our QR efforts for the Service Delivery and Improper Payments management challenges.³

SERVICE DELIVERY

SSA is committed to providing citizen-centered, world-class service. The Agency has set forth in its Strategic Plan the goal “*To deliver high-quality, citizen-centered service.*”⁴ This goal encompasses SSA’s traditional (in-person, telephone) and electronic services for applicants for benefits, beneficiaries, and the general public, as well as services to and from States, other agencies, third parties, employers and other organizations.

Delivering quality service to the public remains a critical issue facing SSA. SSA’s ability to deliver world-class service is impacted by the complexity of the programs SSA administers and a steady reduction in staffing accompanied by an increase in workloads because “baby boomers” are reaching retirement age. The representative payee process and human capital pose challenges that impact service delivery.

We received several inquiries from the Congress and the public that relate to SSA’s service delivery.

- We reported⁵ to the House Appropriations Committee on SSA’s progress in developing policies and procedures to give first priority to the location of new offices and facilities in rural areas, as directed by the Rural Development Act of 1972.
- We responded to a claimant’s inquiry regarding an incorrect posting of earnings to his Personal Earnings and Benefit Estimate Statement.
- We responded to a congressional inquiry regarding a constituent’s request that his overpayment, which was caused by receipt of a civil service pension, be waived and all monies previously withheld be refunded.

² The six management challenges are Social Security Number Integrity and Protection; Management of the Disability Process; Improper Payments; Budget Performance and Integration; Critical Infrastructure Protection and Systems Security; and Service Delivery.

³ The majority of the inquiries we responded to addressed concerns related to these management challenges.

⁴ *Social Security Administration, Strategic Plan 2003-2008*, March 2003.

⁵ *Congressional Response Report: The Social Security Administration’s Policies and Procedures Concerning the Rural Development Act of 1972*, July 24, 2003 (7 U.S.C. § 2204b-1(b)).

**Representative
Payee Challenges**

Some individuals cannot manage or direct the management of their finances because of their youth or mental and/or physical impairments. Congress granted SSA the authority to appoint representative payees to receive and manage benefit payments for such individuals.⁶ A representative payee may be an individual or an organization.

SSA selects representative payees for Old-Age, Survivors and Disability Insurance beneficiaries or Supplemental Security Income recipients when representative payments would serve the individuals' interests. There are about 5.3 million representative payees who manage benefits for about 6.7 million beneficiaries.

As part of our work in this area, we commented on proposed regulations that reflected a refinement of the definition of categorical eligibility the Agency will follow in determining who needs a representative payee.

**Human Capital
Challenges**

Strategic Management of Human Capital is a Government-wide initiative and is included in the FY 2002 President's Management Agenda (PMA). Moreover, the General Accounting Office has designated Human Capital Management as a high-risk area Government-wide.

SSA's future promises major technological advances and an exponential growth in workloads. This growth will occur at the same time SSA may face an unusual wave of management and staff retirements. Even at current staffing levels, SSA finds it difficult to maintain an acceptable level of service to the public, especially in its most complicated workloads. After a decade of downsizing and curtailing investments in human capital (people), the Government is facing a major challenge in meeting current and emerging needs of the Nation's citizens.

SSA acknowledges its employees are its most important asset. SSA also recognizes it must maintain a highly skilled, high-performing, and highly motivated workforce to continue to provide high quality service and meet its mission. To this extent, SSA developed the strategic goal "To strategically manage and align staff to support the Agency's mission."

Below are examples of inquiries we responded to that relate to this issue.

- We reported to Congress on SSA's proposed relocation of an Ohio Office of Hearings and Appeals.⁷
- We reported to Congress on several issues relating to the work assignments of administrative law judges at SSA hearing offices in North Carolina.⁸

⁶ *The Social Security Act, as amended, §§ 205(j)(1)(A), 42 U.S.C. 405 and 1631(a)(2)(ii), 42 U.S.C. 1383.*

⁷ *Congressional Response Report: The Social Security Administration's Relocation of the Office of Hearings and Appeals in Columbus, Ohio, November 27, 2002 (Limited Distribution).*

- We provided assistance to another Federal agency requesting information on SSA's use of rehired annuitants for FY's 1996 to the present.

IMPROPER PAYMENTS

Improper payments are defined as payments that should not have been made or were made for the incorrect amounts. Examples of improper payments include inadvertent errors, payments for unsupported or inadequately supported claims, payments for services not rendered and payments to ineligible beneficiaries. The risks of improper payments increase in programs with a significant amount of transactions, complex criteria for computing benefit payments, and/or an emphasis on expediting payments.

The President and Congress have expressed interest in measuring the universe of improper payments within the Government. In August 2001, the Office of Management and Budget (OMB) published the FY 2002 PMA, which included a Government-wide initiative for improving financial performance. In November 2002, the *Improper Payments Information Act of 2002* was enacted. The Act requires that the head of each agency review annually all programs and activities the agency administers and identify all programs and activities that may be susceptible to significant improper payments.

Our improper payment-related activities included the following.

- We reported⁹ to the Congress on SSA's management controls and contractor and employee cardholder responsibilities regarding the issuance, use and termination of the Government Travel Card.
- We alerted SSA to questionable transactions and business practices that were related to the use of the Government Purchase Card.¹⁰
- We responded to a claimant's inquiry over receipt of several payments to him and his wife that he believed were sent in error.
- We responded to a congressional inquiry on behalf of a constituent regarding her request that retroactive widow's benefits be paid her from the date of wage earner's death.

⁸ Congressional Response Report: Office of Hearings and Appeals Administrative Law Judges' Work Assignments in Greensboro and Raleigh, North Carolina, August 14, 2003 (Limited Distribution).

⁹ Congressional Response Report: The Social Security Administration's Government Travel Card Program, August 15, 2003.

¹⁰ Management Advisory Report: Transactions Involving the Government Purchase Card, January 23, 2003 (Limited Distribution).

In conclusion, this non-traditional, ad hoc workload affords us an opportunity to provide timely, useful data to Congress, SSA management and the general public. In this regard, we are able to provide the inquirer with an objective, unbiased examination of the Agency's programs, operations, policy and/or procedures. This workload is another facet of my office's commitment to eliminating fraud, waste, and abuse in SSA's operations and programs.

A handwritten signature in blue ink, appearing to read "James G. Huse, Jr."

James G. Huse, Jr

Appendix A

Appendix A

OIG Contacts and Staff Acknowledgments

OIG Contacts

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For additional copies of this report, please visit our web site at www.ssa.gov/oig or contact the Office of the Inspector General's Public Affairs Specialist at (410) 966-1375. Refer to Common Identification Number A-13-04-14055.

DISTRIBUTION SCHEDULE

Commissioner of Social Security
Management Analysis and Audit Program Support Staff, OFAM

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.