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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 PROCEDURES  
FOR ADDRESSING EMPLOYEE-RELATED  
ALLEGATIONS IN REGION I**

**October 2004**

**A-01-04-14091**

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**AUDIT REPORT**

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## **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: October 7, 2004

Refer To:

To: Manuel J. Vaz  
Regional Commissioner  
Boston

From: Assistant Inspector General  
for Audit

Subject: The Social Security Administration's Procedures for Addressing Employee-Related Allegations in Region I (A-01-04-14091)

### OBJECTIVE

Our objectives were to evaluate the adequacy of the Social Security Administration's (SSA) policies and procedures in Region I for addressing employee-related allegations, determining if SSA complied with these policies and procedures, and determining whether SSA referred all employee-related allegations, as appropriate, to the Office of the Inspector General (OIG).

### BACKGROUND

SSA receives various types of allegations related to its programs, the misuse of Social Security numbers, and employee conduct. Some examples of employee-related allegations include standards of conduct, ethics violations, and theft of Government property. SSA receives allegations from a number of sources, including employees, OIG, and the general public. Allegations concerning SSA employees are significant because of the potential dollar losses to SSA's programs and the corresponding negative public impact. In determining the validity of allegations, SSA is required to obtain sufficient evidence to support or remove suspicion that criminal violations may have been committed.<sup>1</sup> SSA's procedures state,

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<sup>1</sup> SSA, Program Operations Manual System (POMS), GN 04110.010(A).

Prior to referral to the Office of the Inspector General, Office of Investigations Field Division, each potential violation and allegation must be developed by the field office, processing center, or other SSA office to the point where enough evidence has been secured to either remove suspicion or substantiate the violation.<sup>2</sup>

In the Boston Region, employee-related allegations received through the OIG Hotline are forwarded by OIG to either the Office of the Regional Commissioner or the Center for Security and Integrity (CSI). Employee-related allegations from all other sources are controlled by CSI. Cases involving employee misconduct that are not potential criminal violations are referred to the Regional Office's Center for Human Resources' (CHR) Labor Management Relations staff for adverse actions.

Employee-related allegations that are potential criminal violations must be referred to the OIG, Office of Investigations (OI) for appropriate action.<sup>3</sup> SSA's procedures require the Agency to contact OI before initiating any administrative or disciplinary action against an employee suspected of committing a violation to avoid prejudicing a possible criminal action against the employee, alert other possible suspects, or cause a suspect or witness to stop cooperating in the investigation.<sup>4</sup> Employee violations include situations in which an employee is suspected of willfully participating in the planning or execution of any scheme or other activity under which a financial or other advantage improperly accrues or could accrue to any person at the expense of the Government.<sup>5</sup>

In Fiscal Years 2002 and 2003, the Boston Region received 42 employee-related allegations. Of this amount, 6 allegations were from OIG and 36 allegations were from other sources. In addition to the 42 allegations, CHR processed 11 adverse actions involving allegations of employee fraud, security violations, standards of conduct, misuse of leave, and/or misuse of Government property.

## **RESULTS OF REVIEW**

Our review disclosed that the Boston Regional Office generally (1) addressed employee-related allegations of mismanagement and (2) referred potential criminal violations to OIG as required. Of the 42 employee-related allegations and 11 adverse actions processed by the Boston Regional Office, we identified 8 potential criminal

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<sup>2</sup> SSA, POMS, GN 04110.010(B).

<sup>3</sup> SSA, POMS, GN 04112.005(B).

<sup>4</sup> SSA, POMS, GN 04112.010(A)(B).

<sup>5</sup> SSA, POMS, GN 04112.005(D).

violations. Our review of the cases showed that SSA contacted OI in all 8 cases.<sup>6</sup> Further, our review of the remaining cases showed that SSA had documentation to show that the allegations could not be substantiated and/or did not involve potential criminal violations. Additionally, we found that the Regional Office had adequate procedures in place to control, develop and resolve employee-related allegations.

## **CONCLUSION**

The Boston Regional Office addressed employee-related allegations and referred potential criminal violations to the OIG.

## **AGENCY COMMENTS**

SSA concurred with the facts presented. (See Appendix C for the full text of SSA's comments.)



Steven L. Schaeffer

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<sup>6</sup> SSA, POMS, GN 04112.015 B.2 requires managers to contact the OIG regarding possible employee criminal violations and that this contact be documented in a confidential memorandum to the appropriate OI Field Division. Although SSA staff had documentation showing they referred the eight potential criminal violations to the OIG, the documentation did not consist of written confidential memorandums.

# *Appendices*

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[APPENDIX A](#) – Acronyms

[APPENDIX B](#) – Scope and Methodology

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## **Appendix A**

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### **Acronyms**

CHR	Center for Human Resources
CSI	Center for Security and Integrity
FY	Fiscal Year
OI	Office of Investigations
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration

### Scope and Methodology

We limited our review to Fiscal Years (FY) 2002 and 2003 information provided by Region 1 staff.<sup>1</sup> This included 6 referrals from the Office of the Inspector General (OIG), 36 employee-related allegations from sources other than the OIG, and 2 potential criminal violation cases identified from the list of adverse actions processed by the Center for Human Resources' (CHR) Labor Management Relations staff. To accomplish our objectives, we:

- Reviewed the applicable Federal laws, regulations and Social Security Administration (SSA) policy, including SSA Administrative Instructions Manual System and Program Operations Manual System.
- Interviewed staff within the Office of the Regional Commissioner, Center for Security and Integrity, and CHR in Boston, Massachusetts.
- Obtained the database of allegations processed by the OIG during FYs 2002 and 2003 and identified those listed as employee-related.
- Obtained a listing of employee-related allegations from the Office of the Regional Commissioner, Center for Security and Integrity.
- Reviewed the 11 adverse actions processed by the CHR Labor Management Relations staff to identify potential criminal violations that should have been referred to the OIG.
- Reviewed the supporting documentation and development of evidence for the employee-related allegations and adverse actions.

We performed field work in Boston, Massachusetts from March through June 2004. We determined that the computerized data used were sufficiently reliable to meet our audit objectives. The entity reviewed was the Boston Regional Office under the Deputy Commissioner for Operations. We conducted our review in accordance with generally accepted government auditing standards.

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<sup>1</sup> The Center for Human Resources tracks adverse actions by calendar year. Thus, we reviewed adverse actions processed by the Center for Human Resources for calendar years 2002 and 2003.

## **Appendix C**

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### **Agency Comments**



## SOCIAL SECURITY

### MEMORANDUM

Date: September 14, 2004 Refer To:

To: Steven L. Schaeffer  
Assistant Inspector General for Audit

From: Manuel J. Vaz  
Regional Commissioner  
Boston

Subject: The Social Security Administration's Procedures for Addressing Employee-Related Allegations in Region I (A-01-04-14091)

I have reviewed the subject draft report and concur with the validity of the facts presented.

Thank you for the opportunity to comment. Please call me if you wish to further discuss the report. The staff contact is Mike Bertrand, 617-565-2870.

## ***Appendix D***

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# **OIG Contacts and Staff Acknowledgments**

### ***OIG Contacts***

Judith Oliveira, Director, (617) 565-1765

David Mazzola, Auditor Manager, (617) 565-1807

For additional copies of this report, please visit our web site at [www.ssa.gov/oig](http://www.ssa.gov/oig) or contact the Office of the Inspector General's Public Affairs Specialist at (410) 965-3218. Refer to Common Identification Number A-01-04-14091.

## **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**

The Office of the Inspector General (OIG) is comprised of our Office of Investigations (OI), Office of Audit (OA), Office of the Chief Counsel to the Inspector General (OCCIG), and Office of Executive Operations (OEO). To ensure compliance with policies and procedures, internal controls, and professional standards, we also have a comprehensive Professional Responsibility and Quality Assurance program.

### **Office of Audit**

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

### **Office of Investigations**

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

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

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

### **Office of Executive Operations**

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