

*Audit Report*

Performance Indicator Audit:  
Minimize Average Wait Time for  
Initial Disability Claims

# OIG

Office of the Inspector General  
SOCIAL SECURITY ADMINISTRATION

## MEMORANDUM

Date: January 30, 2015

Refer To:

To: The Commissioner

From: Inspector General

Subject: Performance Indicator Audit: Minimize Average Wait Time for Initial Disability Claims  
(A-07-14-24004)

The attached final report presents the results of our audit. Our objective was to assess the Social Security Administration's performance indicator, *Minimize Average Wait Time for Initial Disability Claims*. Specifically, we

1. documented the sources of data collected to report on the specified performance indicator;
2. identified and tested critical controls (both electronic data processing and manual) of systems from which the specified performance data were gathered;
3. tested the adequacy, accuracy, reasonableness, completeness, and consistency of the underlying data for the performance indicator; and
4. recalculated the value reported for the performance indicator to verify its accuracy.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



Patrick P. O'Carroll, Jr.

Attachment

# Performance Indicator Audit: Minimize Average Wait Time for Initial Disability Claims

## A-07-14-24004



January 2015

Office of Audit Report Summary

### Objectives

To assess the Social Security Administration's (SSA) performance indicator (PI), *Minimize Average Wait Time for Initial Disability Claims*. Specifically, we (1) documented the sources of data that were collected to report on the specified PI; (2) identified and tested critical controls (both electronic data processing and manual) of systems from which the performance data were gathered; (3) tested the adequacy, accuracy, reasonableness, completeness, and consistency of the underlying data for the specified PI; and (4) recalculated the reported value for the PI to verify its accuracy.

### Background

Federal agencies are required to establish PIs that assess the relevant outputs, service levels, and outcomes of each program activity. We reviewed the performance reporting in SSA's Fiscal Year (FY) 2013 *Agency Financial Report* (AFR) for its PI, *Minimize Average Wait Time for Initial Disability Claims*. In FY 2013, the average wait time for initial disability claims was 107 days.

### Findings

Underlying data used to report SSA's FY 2013 PI, *Minimize Average Wait Time for Initial Disability Claims*, were adequate, accurate, reasonable, complete, and consistent; and we were able to recalculate the performance reported for the PI using data provided by SSA. Our assessment of the PI did not identify any significant exceptions related to the accuracy of presentation or disclosure of the information related to the PI in SSA's AFR or to the PI's meaningfulness.

However, during our evaluation of the effectiveness of the control environment over the business process, we found claims representatives did not always ask the applicants all of the questions SSA policy requires to verify identity. By not asking all of the required identity questions, there is an increased risk of an individual using another person's identity to file a fraudulent claim to obtain benefits.

### Recommendation

We recommend SSA remind field office employees to follow SSA's policy and procedures when verifying an applicant's identity.

SSA agreed with our recommendation.

## TABLE OF CONTENTS

Objective .....	1
Background .....	1
Results of Review .....	2
Verifying Applicant Identity .....	3
Conclusions.....	4
Recommendation .....	4
Agency Comments.....	4
Appendix A – Scope and Methodology .....	A-1
Appendix B – Initial Disability Claims Flowchart.....	B-1
Appendix C – Initial Disability Claims Narrative.....	C-1
Appendix D – Agency Comments.....	D-1
Appendix E – Major Contributors.....	E-1

## **ABBREVIATIONS**

AFR	Agency Financial Report
C.F.R.	Code of Federal Regulations
DDS	Disability Determination Services
DI	Disability Insurance
FY	Fiscal Year
GPRA	<i>Government Performance and Results Act of 1993</i>
GPRAMA	<i>GPRA Modernization Act of 2010</i>
MSSICS	Modernized Supplemental Security Income Claims System
NDDSS	National Disability Determination Service System
OIG	Office of the Inspector General
PI	Performance Indicator
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSACCS	Social Security Administration Claim Control System
SSI	Supplemental Security Income
U.S.C.	United States Code

## OBJECTIVE

Our objective was to assess the Social Security Administration's (SSA) performance indicator (PI), *Minimize Average Wait Time for Initial Disability Claims*. Specifically, we

1. documented the sources of data collected to report on the specified PI;
2. identified and tested critical controls (both electronic data processing and manual) of systems from which the specified performance data were gathered;
3. tested the adequacy, accuracy, reasonableness, completeness, and consistency of the underlying data for the PI; and
4. recalculated the value reported for the PI to verify its accuracy.

## BACKGROUND

The *Government Performance and Results Act of 1993* (GPRA)<sup>1</sup> sought to improve the Government's internal management, as well as program effectiveness and accountability, by promoting a focus on results, service quality, and customer satisfaction.<sup>2</sup> GPRA requires that Federal agencies establish PIs that assess the relevant outputs, service levels, and outcomes of each program activity. GPRA also calls for a description of the means employed to verify and validate the measurements reported on program performance.<sup>3</sup> In January 2011, the President signed the *Government Performance and Results Act Modernization Act of 2010* (GPRAMA) to update the Government's performance management framework by retaining and amplifying some aspects of GPRA.<sup>4</sup> GPRAMA builds on lessons agencies have learned in setting goals and reporting performance. GPRAMA also emphasizes priority-setting, cross-organizational collaboration to achieve shared goals, and the use and analysis of goals and measurement to improve outcomes.<sup>5</sup> It encourages Federal agencies to establish a balanced, realistic set of PIs to measure progress toward each performance goal.<sup>6</sup>

We reviewed the performance reporting in SSA's Fiscal Year (FY) 2013 *Agency Financial Report* (AFR) for its PI, *Minimize Average Wait Time for Initial Disability Claims*. In FY 2013,

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<sup>1</sup> Pub. L. No. 103-62, 107 Stat. 285 (codified as amended in scattered sections of 5 U.S.C., 31 U.S.C., and 39 U.S.C.).

<sup>2</sup> Id. at §§ 2(b)(3) and (6).

<sup>3</sup> 31 U.S.C. §§ 1115(b)(6) and (8) (2011).

<sup>4</sup> Pub. L. No. 111-352, 124 Stat. 3866 (2011).

<sup>5</sup> Office of Management and Budget Circular No. A-11, (2013) pt. 6 §200.4.

<sup>6</sup> 31 U.S.C. § 1115(b)(6).

the target number of days was 109, and the actual number of days was 107 (see Table 1).<sup>7</sup> See Appendix A for the scope and methodology of this review.

**Table 1: FY 2013 PI Performance**

PI	Target Days	Actual Days
Minimize Average Wait Time for Initial Disability Claims	109	107

SSA provides Disability Insurance (DI) and Supplemental Security Income (SSI) benefit payments to eligible individuals under Titles II and XVI of the *Social Security Act*.<sup>8</sup> The DI program provides income for eligible workers with qualifying disabilities and eligible members of their families before those workers reach retirement age. The SSI program provides a minimum level of income to financially needy individuals who are aged, blind, or disabled. The PI is the combined average wait time for initial disability claims for the DI and SSI programs.

For initial DI claims, the wait time starts the date the claim is received and ends at the final clearance date. For initial SSI claims, the wait time begins at the later of the (1) eligibility date, (2) application date, or (3) date the claim is filed and ends at the earliest of the (1) date paid or denied, (2) processing date, or (3) initial decision date. During the claims process, information flows through several of SSA's systems (see Appendix B for a flowchart and Appendix C for a narrative of the process).

To arrive at the average wait time for initial disability claims reported in the AFR, SSA divides the total number of days it takes to complete all initial disability claims requiring a medical determination by the total number of initial disability claims requiring a medical determination that are completed during the FY (see Figure 1).

**Figure 1: PI Calculation**

$$\text{Average Wait Time for Initial Disability Claims} = \frac{\text{Total Number of Elapsed Days for All Initial Disability Claims Requiring a Medical Determination}}{\text{Total Number of Initial Disability Claims Requiring a Medical Determination}}$$

## RESULTS OF REVIEW

We identified and tested the internal controls of systems from which the performance data were derived. We were able to recalculate the PI and found it was accurately reported in SSA's AFR

<sup>7</sup> SSA's FY 2013, *Agency Financial Report*, p. 12.

<sup>8</sup> *Social Security Act* §§ 201-234 and 1601-1637; 42 U.S.C. §§ 401-434 and 1381-1383f.

for FY 2013.<sup>9</sup> We found the underlying data SSA used to report the PI were adequate, reasonable, complete, and consistent. Our assessment of the PI did not identify any significant exceptions related to the accuracy of presentation or disclosure of the information related to the PI in the AFR or to the PI's meaningfulness. However, during our evaluation of the effectiveness of the control environment over the business process, we found SSA did not always follow its policy and procedures for properly verifying an applicant's identity.

## Verifying Applicant Identity

As part of our review, we evaluated the effectiveness of the control environment over the business process to ensure claims were only being taken from valid applicants and therefore appropriately counted in the calculation for the average wait time. To accomplish this, we observed claims representatives conducting initial disability claim interviews—both in-person and via telephone—to ensure SSA was following its policy and procedures for determining an applicant's identity.<sup>10</sup>

We observed 66 initial disability claim interviews at 11 field offices nationwide and found claims representatives did not always ask the applicants all of the questions required by SSA policy and procedures to verify identity. According to SSA policy, each applicant must be asked six open-ended questions during the interview to confirm their identity:

1. What is your name?
2. What is your Social Security number?
3. What is your date of birth?
4. What is your father's name?
5. What is your mother's maiden name?
6. What is your place of birth?<sup>11</sup>

We found 45 (68 percent) of the 66 applicants were not asked all 6 of the identity verification questions. Further, nine (14 percent) applicants were not asked three or more of the questions. The top three questions not asked of applicants were father's name (61 percent), mother's maiden name (30 percent), and place of birth (18 percent). Because not all of the required identity questions were asked, there is an increased risk of an individual filing a fraudulent claim to obtain benefits using the identity of another person.

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<sup>9</sup> SSA, *Agency Financial Report*, December 2013, p. 12.

<sup>10</sup> See Appendix A for the scope and methodology of this review.

<sup>11</sup> SSA, POMS, GN 00203.020.A.2.a (Jan. 28, 2014).

## **CONCLUSIONS**

Underlying data used to report the PI were adequate, accurate, reasonable, complete, and consistent; and we were able to recalculate the performance reported for the PI using data provided by SSA. Our assessment of the PI did not identify any significant exceptions related to the accuracy of presentation or disclosure of the information related to the PI in the AFR or to the PI's meaningfulness.

However, during our evaluation of the effectiveness of the control environment over the business process, we found claims representatives did not always ask the applicants all of the questions SSA policy requires to verify identity. Because not all of the required identity questions were asked, there is an increased risk of an individual using the identity of another person to file a fraudulent claim to obtain benefits.

## **RECOMMENDATION**

We recommend SSA remind field office employees to follow SSA's policy and procedures when verifying an applicant's identity.

## **AGENCY COMMENTS**

SSA agreed with our recommendation. The Agency's comments are included in Appendix D.

# *APPENDICES*

## **Appendix A – SCOPE AND METHODOLOGY**

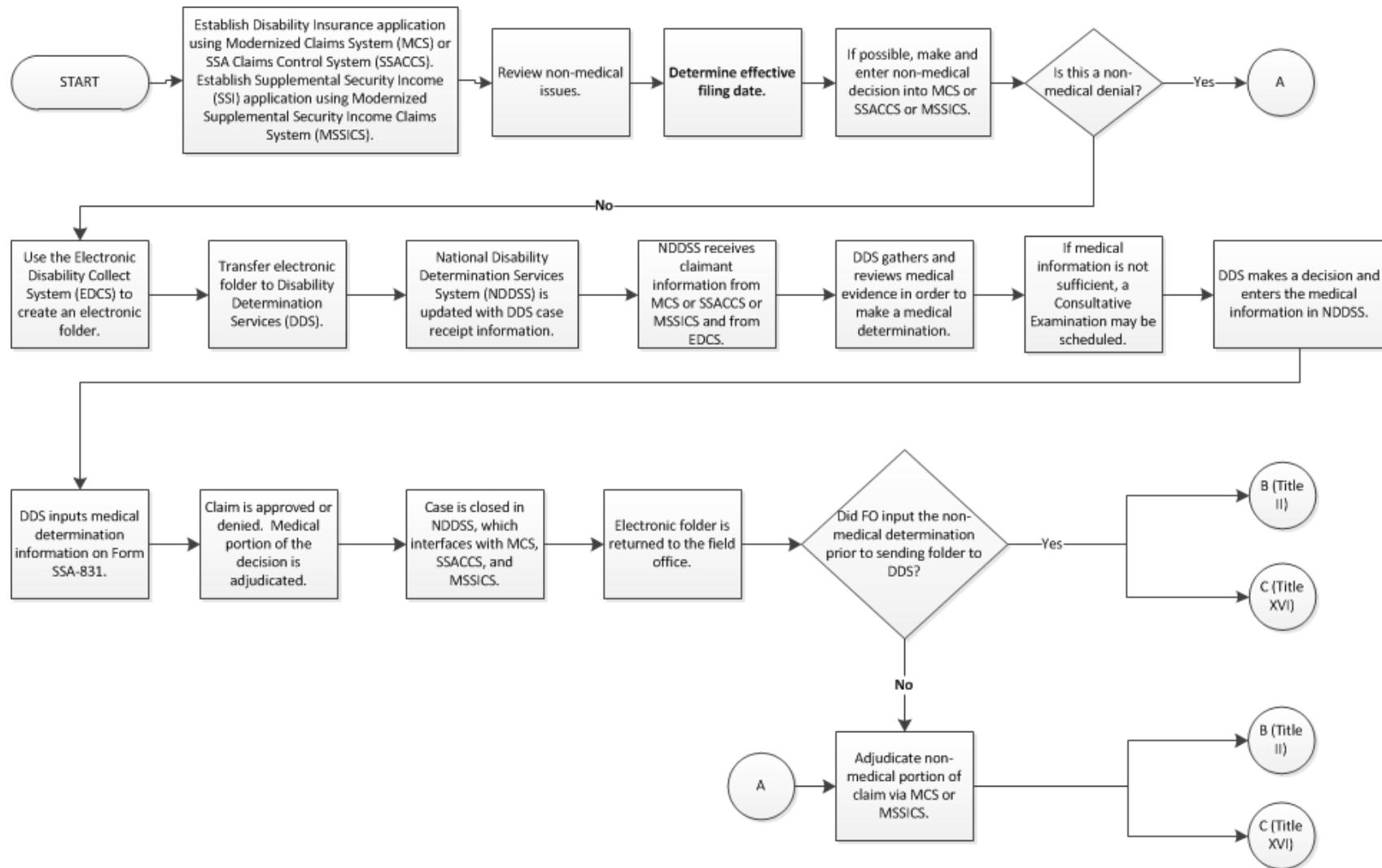
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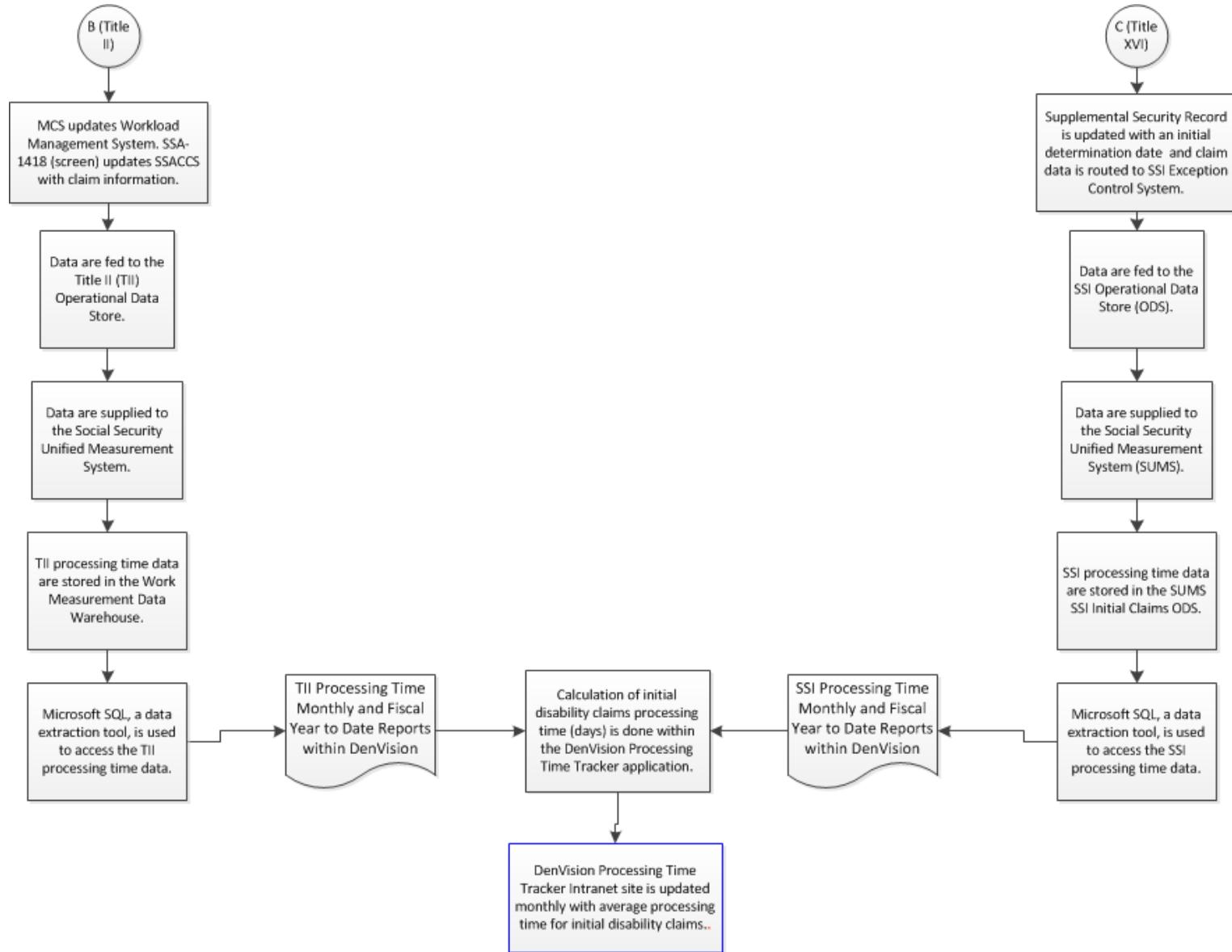
We obtained an understanding of the Social Security Administration's (SSA) business processes related to the performance indicator (PI), *Minimize Average Wait Time for Initial Disability Claims*. Our understanding was obtained through research and obtaining information and various documents from SSA. Through inquiry, observation, and other substantive testing, we performed the following.

- Reviewed the Annual Performance Plan for Fiscal Year 2014 and Revised Final Performance Plan for Fiscal Year 2013 to obtain an understanding of the Fiscal Year (FY) 2013 PIs.
- Reviewed the SSA's FY 2013 Agency Financial Report (AFR) to identify the PI's target and actual days.
- Reviewed prior Office of the Inspector General reports, Government Accountability Office reports, and SSA reports and documents related to the PI and information systems.
- Reviewed applicable laws, regulations, and SSA policy.
- Flowcharted the process (see Appendix B).
- Documented the sources of data collected to report on the PI.
- Observed 66 initial disability claim interviews conducted by claims representatives—46 in-person and 20 via telephone—at 11 field offices nationwide to determine whether claims representatives were following SSA's policy and procedures for verifying applicant's identity.
- Identified and tested key controls related to manual or basic computerized processes.
- Determined the adequacy, accuracy, reasonableness, completeness, and consistency of the underlying data that support the PI as reported in SSA's AFR for FY 2013.
- Recalculated the PI for FY 2013 and compared it to the number reported in the AFR to verify its accuracy.

We conducted the fieldwork for this review from March to October 2014 in Kansas City, Missouri, and SSA field offices nationwide. We tested the data obtained for our review and determined them to be sufficiently reliable to meet our objectives. 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Appendix B – INITIAL DISABILITY CLAIMS FLOWCHART





## **Appendix C – INITIAL DISABILITY CLAIMS NARRATIVE**

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To determine eligibility for Disability Insurance (DI) and Supplemental Security Income (SSI), applicants must first file a claim with the Social Security Administration (SSA). This is typically accomplished through an appointment in 1 of SSA's approximately 1,300 field offices, through the SSA telephone network, or via SSA's Internet claim application. For in-person and telephone claims, a claims representative first determines the applicants' non-medical eligibility.<sup>1</sup> The claims representative then obtains basic medical information from the individual concerning the disability, medical treatments, and treating sources (for example, a doctor's office).<sup>2</sup>

The claims representative inputs the applicant's information into the Modernized Claims System for DI claims or the Modernized SSI Claims System for SSI claims. This establishes the claim's application and/or protective filing date. The claims then go to the State disability determination services (DDS) offices where adjudicators review medical information and decide to allow or deny benefits. The State DDS offices input the case decisions into the National DDS System.

When determinations are made for DI claims, SSA personnel update the corresponding Modernized Claims System records, and Modernized Claims System updates the Workload Management System through an automated interface. Claims data are maintained in SSA's Case Control System (SSACCS) for the few claims that cannot be processed through the Modernized Claims System.<sup>3</sup> After the award or denial has been processed, both Workload Management System and SSACCS transfer claims data to the Title II Operational Data Store. The data are then supplied to the Social Security Unified Measurement System Work Measurement Data Warehouse, where the DI processing times are calculated and stored.

When determinations are made for SSI claims, SSA personnel update the Supplemental Security Record, and claims data are forwarded to the SSI Exception Control System. The data are then sent to the Social Security Unified Measurement System, and the SSI processing times are calculated and stored in the SSI Operational Data Store.

SSA extracts the processing time data for DI and SSI and calculates the combined initial disability claims processing time using its DENVision National Processing Time Tracker. The combined processing time is reported in SSA's *Annual Financial Report* under the PI, *Minimize Average Wait Time for Initial Disability Claims*.

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<sup>1</sup> In the SSI program, an example of establishing non-medical eligibility is determining an individual's income and resources. See 20 C.F.R. § 416.202(c) and (d). In the DI program, an example of establishing non-medical eligibility is determining whether the individual is fully insured. See 20 C.F.R §§ 404.130 and 404.132.

<sup>2</sup> For internet claims, applicants provide information via the internet claim website. SSA will not contact an Internet-claim applicant unless a discrepancy or issue cannot be resolved any other way. SSA, POMS, GN 00204.055 (May 22, 2014).

<sup>3</sup> SSA is phasing out SSACCS. However, the system was still operational during our audit period.

## **Appendix D– AGENCY COMMENTS**

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### **SOCIAL SECURITY**

#### **MEMORANDUM**

Date: January 14, 2015 Refer To: S1J-3

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

From: Frank Cristaudo /s/  
Executive Counselor to the Commissioner

Subject: Office of the Inspector General Draft Report, “Performance Indicator Audit: Minimize Average Wait Time for Initial Disability Claims” (A-07-14-24004)--INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,**  
**“Performance Indicator Audit: Minimize Average Wait Time for Initial Disability**  
**Claims” (A-07-14-24004)**

**Recommendation 1**

Remind field office employees to follow SSA’s policy and procedures when verifying an applicant’s identity.

**Response**

We agree. We will assess our instructions to determine whether we should clarify our basic identification procedures. We will issue any necessary clarifying instructions by April 2015.

## **Appendix E – MAJOR CONTRIBUTORS**

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Mark Bailey, Director, Kansas City Audit Division

Shannon Agee, Audit Manager

Katherine Muller, Senior Auditor

Carol Cockrell, Program Analyst

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