SOCIAL SECURITY

November 15, 2002

The Honorable Jo Anne B. Barnhart
Commissioner

Dear Ms. Barnhart:

In November 2000, the President signed the Reports Consolidation Act of 2000 (Public Law No. 106-531), which requires Inspectors General to provide a summary and assessment of the most serious management and performance challenges facing Federal agencies and the agencies' progress in addressing them. This document responds to the requirement to include this statement in the Fiscal Year (FY) 2002 *Social Security Administration's Performance and Accountability Report*.

In October 2001, we identified the following 10 significant management issues facing the Social Security Administration (SSA) for FY 2002.

- **Fraud Risk**
- **Improper Payments**
- **Systems Security**
- **Service Delivery**
- **Human Capital**

- **Performance, Management and Data Reliability**
- **Management of the Disability Process**
- **Integrity of the Earnings Reporting Process**
- **Social Security Number Misuse and Privacy Concerns (Identity Theft)**
- **Integrity of the Representative Payee Process**

In FY 2002, SSA continued its efforts to address these issues, many of which are of a long-term nature and do not lend themselves to quick fixes. Our assessment of the status of these 10 management challenges is enclosed.

Sincerely,

James G. Huse, Jr.

Enclosure

Inspector General Statement on the Social Security Administration's Major Management Challenges

A-02-03-13034

NOVEMBER 2002

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.

Fraud Risk

Fraud is an inherent risk in all of the Social Security Administration's (SSA) core business processes: enumeration, earnings, claims, and post-entitlement. All of these processes include vulnerabilities that provide individuals the opportunity to defraud third parties, SSA, or its beneficiaries and recipients. As SSA payments to beneficiaries approach half a trillion dollars annually, its exposure to fraud increases proportionately. Our focus on fraud risk is based on program eligibility factors that individuals misrepresent to attain or maintain eligibility.

SSA's difficulties in monitoring eligibility factors for Supplemental Security Income (SSI) recipients is a key reason the SSI program has remained on the General Accounting Office's (GAO) list of high-risk Federal programs since 1997.[1] Because the SSI program is means-based, it includes eligibility factors that tend to be more difficult for SSA to verify and monitor, including income, resources, living arrangements, residency, and deemed income. While SSA is addressing the factors affecting the complexity of the SSI program, the Agency still relies on self-reporting of income, living arrangements, and medical improvement in determining whether an individual is eligible for SSI payments. Examples of the eligibility factors susceptible to fraud under the Old-Age, Survivors and Disability Insurance (OASDI) program include family relationships (for dependents and survivors), school attendance (for children age 18 and older), and child in-care (for surviving spouses under age 60). Other key risk factors common to both programs are the reporting of beneficiary and recipient deaths and monitoring of medical improvements for disabled individuals.

SSA Has Taken Steps to Address this Challenge

SSA has taken an active role to address the integrity of the OASDI and SSI programs through its "zero tolerance for fraud" initiative. This initiative involves various activities. In addition to increasing resources for the Office of the Inspector General (OIG), SSA's Offices of Operations and Disability, in conjunction with the OIG, formed 17 Cooperative Disability Investigation (CDI) teams by Fiscal Year (FY) 2002. These teams rely on the combined skills and specialized knowledge of OIG investigators, State and local law enforcement officials, and SSA and Disability Determination Services (DDS) personnel to combat disability fraud. During FY 2002, CDI teams prevented over $62.9 million in improper payments.

SSA continues to identify and terminate payments to incarcerated beneficiaries. SSA has agreements with 5,559 correctional facilities that encompass over 99 percent of the inmate population. SSA estimates the suspension of payments to prisoners saved the OASDI and SSI programs $500 million in FY 2002.

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[1] In 1997, GAO designated the SSI program as high-risk since SSA lacked an effective plan to address the level of debt that results from overpayments. As a result, SSA developed a corrective action plan, which was updated in June 2002, to remove the SSI program from GAO's high-risk list.

In addition, SSA has taken steps to improve the SSI program, including a corrective action plan with the goal of removing the SSI program from GAO's high-risk list. As part of this effort, SSA has initiated computer matches to identify unreported wage and unemployment compensation, and real time access to external databases. For instance, SSA has obtained on-line query access to selected records in 68 agencies in 40 States. SSA estimated these efforts would save $5 million in FY 2002. SSA has also implemented new computer matches by field office staff to identify recipient income before awarding SSI payments. This program provides direct access to Office of Child Support Enforcement (OCSE) databases related to wages, new hires, and unemployment insurance.

SSA Needs to Continue to Address this Challenge

SSA needs to further address the risk of fraud in the areas of detecting beneficiary deaths, fugitive felons, and unreported income. A significant tool against fraud risk is the detection of unreported beneficiary and recipient deaths. However, our audit work has disclosed that SSA needs to strengthen the effectiveness of this detection tool. SSA relies on its Death Alert, Control, and Update System (DACUS) to identify and terminate payments after a beneficiary's death. Our June 2001 audit report, *Old-Age, Survivors and Disability Insurance Benefits Paid to Deceased Auxiliary Beneficiaries* (A-01-00-20043), disclosed that 881 auxiliary beneficiaries were paid about $31 million after their dates of death through December 2000 because DACUS could not properly match their records. Another audit issued in September 2002, *Effectiveness of the Social Security Administration's Death Termination Process* (A-09-02-22023), disclosed that, based on a random sample of 200 DACUS alerts, SSA disbursed about $142.4 million in payments after death during Calendar Year 1999. Of this amount, SSA had not recovered about $5.4 million as of March 2002.

Another area that is susceptible to fraud risk is payments to unidentified fugitive felons. Our investigative efforts under the Fugitive Felon Program have identified 65,857 fugitives who were overpaid more than $137.4 million from August 1,1996 through March 31, 2002. Of the 65,857 fugitives, 6,984 were arrested, and we estimated the related savings to be about $213 million for the SSI program. While SSA has made progress in obtaining fugitive data, more work remains in this area. We have recommended that SSA pursue legislation to prohibit the payment of OASDI benefits to fugitives. We estimate that fugitives continue to receive at least $39 million annually in OASDI benefits.

As GAO noted in its September 2002 report, *Supplemental Security Income: Progress Made in Detecting and Recovering Overpayments, but Management Attention Should Continue (*GAO-02-849), it is too soon to tell what impact a number of SSA's initiatives to strengthen the integrity of the SSI program will have. GAO also made several recommendations aimed at further strengthening SSA's ability to deter, detect and recover SSI overpayments, including reexamining policies and procedures for SSI overpayment waivers.

Improper Payments

Improper payments are a major management challenge since even the slightest error in SSA's overall process can result in millions of dollars of OASDI and SSI over- or under-payments. Allegations of individuals obtaining improper payments from SSA programs have recently been the subject of media reports, congressional hearings, and legislative actions. Also, in August 2001, the Office of Management and Budget (OMB) published *The President's Management Agenda, FY 2002*, which includes a Government-wide initiative for improving financial performance and reducing improper payments. Improper payments are defined as payments that should not have been made or that were made for incorrect amounts. Examples of improper payments include payments with inadvertent errors, for unsupported or inadequately supported claims, for services not rendered, to ineligible beneficiaries, and resulting from fraud and abuse by program participants and/or Federal employees.

The risk of improper payments increases in programs with (1) a significant volume of transactions, (2) complex criteria for computing payments, and/or (3) an emphasis on expediting payments. SSA faces all three of these risks. Specifically, the Agency is responsible for issuing timely benefit payments for complex entitlement programs to 50 million individuals. Also, SSA's purpose—providing Social Security benefits to retired and disabled workers; as well as providing SSI payments to financially needy individuals who are aged, blind, or disabled—emphasizes expediting payments.

SSA Has Taken Steps to Address this Challenge

SSA has actively sought to identify actions to reduce improper payments and/or recover amounts overpaid. Specifically, SSA has been working to improve its ability to prevent overpayments by obtaining beneficiary information from independent sources sooner and/or using technology more effectively. For instance, SSA has initiated new computer matching agreements, obtained on-line access to wage and income data, and implemented improvements in its debt recovery program.

According to SSA's June 2002 Corrective Action Plan for the SSI Program, "…SSI overpayment collections are 33 percent higher since FY 1998, and detections are 32 percent higher." Additionally, SSA is focusing on initiatives that have proven potential in preventing overpayments, rather than merely detecting additional overpayments. For example, for FY 2002 SSA estimates that matching wage data from OCSE would result in an estimated $110 million in improper payment savings, and identifying nursing home admissions would result in estimated savings of $20 million. Further, SSA planned to perform SSI redeterminations on one of every three SSI recipients in FY 2002, and was requesting funds to increase the number of redeterminations in FY 2003.

SSA Needs to Continue to Address this Challenge

Some improper payments are inevitable because SSA is not permitted to stop or adjust payments until due process related to the beneficiary's right to appeal an action is completed. [2] Also, SSI payments are paid at the beginning of the month under the assumption that the recipient's circumstances (such as income and asset levels) will remain the same during the month for which payment is rendered. However, SSA needs to continue pursuing all cost-effective avenues to identify, recover, and prevent those improper payments that are not inevitable.

Improper payments, including those to deceased beneficiaries, students, and individuals receiving State workers' compensation benefits, continue to drain the Social Security Trust Fund and general Federal funds. For example, based on SSA's own study after our 1998 and 1999 audits on benefits involving workers' compensation, the Agency estimated that the total past and future errors for two subsets of our workers' compensation population could reach $1.3 billion in under- and overpayments. Another example of continued attention in this area pertains to our October 2002 report[3] on benefit payments after death—where we estimated $12 million in Social Security funds were improperly paid.

In addition to our own work, both the Social Security Advisory Board (SSAB) and GAO continue to recognize improper payments as a management challenge for SSA. The SSAB's March 2002 report, *SSA's Obligation to Ensure that the Public's Funds are Responsibly Collected and Expended*, concluded that SSA should be moving much more effectively and aggressively to collect overpayments if it is to properly discharge its stewardship responsibilities. Also, GAO has testified before Congress and issued a number of reports in FY 2002 on the need for improvement in the SSI program in relation to improper payments.[4]

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[2] 42 USC 423(g).

[3] *Old-Age, Survivors and Disability Insurance and Supplemental Security Income Payments to Deceased Beneficiaries and Recipients* (A-06-02-12012), October 30, 2002.

[4] GAO Testimony, *Supplemental Security Income: Status of Efforts to Improve Overpayment Detection and Recovery* (GA-02-962T), July 25, 2002. GAO Report, *Financial Management: Coordinated Approach Needed to Address the Governments Improper Payments Problems* (GAO-02-749), August 2002. GAO Report, *Supplemental Security Income: Progress Made in Detecting and Recovering Overpayments, But Management Attention Should Continue* (GAO-02-849), September 2002.

Systems Security

As technology advances and our reliance on technology increases, the need for a strong information infrastructure becomes even more important. Along with the explosive growth in computer interconnectivity comes the ability to disrupt or sabotage critical operations, read or copy sensitive data, and tamper with critical processes. Those who wish to disrupt or sabotage critical operations have more tools than ever.

Presidential Decision Directive 63, issued in 1998, requires Federal agencies to identify and protect their critical infrastructure and assets. One of SSA's most valuable assets is the information it has been assigned to use to complete its mission. SSA is relying on technology to meet the challenges of ever-increasing workloads with fewer resources and rising customer expectations. A physically and technologically secure Agency information infrastructure is a fundamental requirement.

SSA Has Taken Steps to Address this Challenge

SSA's current information security challenge is to understand system vulnerabilities and how to mitigate them. SSA must ensure its critical information infrastructures, such as the Internet and access to the networks, is secure. By improving systems security and controls, SSA will be able to use current and future technology more effectively to fulfill its customers' needs.

SSA has addressed critical information infrastructure and systems security in a variety of ways. It created a Critical Infrastructure Protection work group that continually works toward compliance with Presidential Decision Directive 63. The work group has created several components Agency-wide to handle systems security, and has begun vulnerability analyses of what have been identified as its most critical assets. SSA also routinely sends out security advisories to its staff and has hired outside contractors to provide expertise in this area—including benchmarking the strength of its security program relative to other organizations.

SSA Needs to Continue to Address this Challenge

To further strengthen its controls to protect SSA information and systems and prepare for further challenges, SSA needs to address the following issues.

- Weaknesses in SSA's overall information protection control structure identified by PricewaterhouseCoopers, including (1) improving physical access controls at non-Headquarters locations, including SSA's regional offices, program service centers, and selected DDSs; (2) implementing and monitoring of technical security configuration standards governing systems housed in the National Computer Center and off-site house systems; and (3) monitoring security violations and periodic review of user access.

- Need to more clearly define and report on all systems and subsystems to improve Agency-wide coordination and implementation of systems security.

- Internal control weaknesses that provide opportunity for unauthorized access to sensitive information.

- Limited review and analysis of system intrusion data performed at SSA facilities.

- Risks associated with providing customer service over the Internet that include authenticating individuals when receiving their information.

Service Delivery

SSA is faced with increased workloads brought about by an aging Baby-boom generation, a projected retirement wave and other attrition through 2010 of over half of its workforce, and technological advances that affect both citizens' expectations and SSA's ability to meet them. While SSA is committed to providing, world-class service and has an established reputation for quality service, maintaining this service will be a major management issue facing SSA as workloads continue to increase, large numbers of employees retire, and service expectations rise.

SSA Has Taken Steps to Address this Challenge

SSA has recognized the challenges it faces in maintaining quality service delivery and has developed a long-term *Service Vision.* This 10-year plan is based on the premise that the convergence of the forecasted trends will provide SSA with the opportunity to (1) reshape its business processes, (2) reform its management of technology, and (3) deliver the service the American public demands. SSA will rely on electronic government (E-government) solutions to increase its productivity and allow it to bridge the resource gap that will be created by the expected explosive growth in its workloads. Key activities SSA is implementing to support these goals are providing (1) individuals access to one-stop shopping with single-points-of-entry, such as via the Internet or automated telephone service; (2) business partners the opportunity to switch from paper and magnetic tape to the Internet for the earnings reporting process; and (3) information sharing with Federal and State government partners to serve the American public better. Additionally, SSA continues to implement its Future Workforce Plan, as we discuss under the Human Capital Management Challenge.

SSA Needs to Continue to Address this Challenge

While SSA met most of its goals related to service in FY 2002, it should continually explore innovative ways to address service delivery problems to maintain existing service levels. As the SSAB reported, SSA has already—and should expect to continue to provide —uneven service. While those filing for retirement or survivor benefits are likely to be satisfied with the service provided, individuals with complicated cases—such as Disability Insurance (DI) or SSI—may encounter problems. As workloads increase, the dimensions of SSA's problems can be expected to grow. If these challenges are left unattended, the public will be faced with crowded reception areas, long waiting times, inadequate telephone service, and reduced quality of work.

SSA is facing some daunting challenges to provide world-class service that it must immediately address. One is an incredible swell in workload volumes. Beginning around 2008, the 76 million "baby boomers" will begin to move into their disability-prone years and begin to retire. SSA anticipates that by 2010, applications for DI will increase by as much as 32 percent over 2000 levels and applications for retirement benefits by 31 percent over 2000 levels. Along with this workload increase, demands for the way services will be delivered are also expected to change, with citizens wanting different modes of accessibility. For example, the public will want to use the Internet and "one-

stop shopping" for access to services and programs through one interaction with the Government. Future service delivery challenges include providing customers electronic services over the Internet and telephone, 24 hours a day, 7 days a week. It will be the norm for business transactions to be processed electronically at the first point of contact. Due to the critical importance of this issue, *Expanded E-government* was included as a Government-wide initiative in *The President's Management Agenda* issued August 2001. The Agenda stated that "The federal government can secure greater services at lower cost through E-government, and can meet high public demand for E-government services".

Further, in May 2002, GAO testified[5] that SSA's future success in managing workloads and meeting customer demands is linked to effectively managing information technology initiatives. While SSA's vision is to rely heavily on technology, GAO noted weaknesses in how SSA would successfully manage and meet the goals it has established. Some of the weaknesses included the following.

- *Investment proposals may not provide the most cost-effective solutions and achieve measurable and specific program-related benefits*—ensuring high-quality service delivered on time, within cost, and to the customer's satisfaction.

- *Internet and web-based customer environments are not aligned with the Agency's information technology environment*—ensuring key elements to deliver service are aligned with SSA's information technology environment.

- *Improvements in customer service dependent on software-intensive systems*—ensuring that SSA delivers quality software on schedule and within cost estimates.

To address these challenges, the Commissioner initiated a new emphasis on quality that seeks to balance five elements: accuracy, timeliness, productivity, cost, and customer service. To accomplish these challenges, the Commissioner is taking action to place the resources where they are needed to do the job right the first time. SSA also plans to rely heavily on information technology. However, both GAO and we have reported that some of the Agency's past experiences have shown mixed success. SSA will need to continually focus on these important challenges.

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[5] GAO Testimony, *Social Security Administration: Agency Must Position Itself Now to Meet Profound Challenges* (GAO-02-289T), May 2, 2002.

Human Capital

Strategic Management of Human Capital is a Government-wide management reform included in the *President's Management Agenda* and has been designated by GAO[6] as a Government-wide high-risk area. SSA has recognized the importance of this issue because of both anticipated increased workloads and employee retirements. SSA reported that it faces explosive workload growth as the baby boom generation ages, becomes more prone to disabilities, and retires. At the same time, SSA will experience a "retirement wave" that projects the loss of more than 38,000 employees over the next decade.

SSA Has Taken Steps to Address this Challenge

SSA has established a multi-faceted response to the human capital challenge focused on (1) replenishing the workforce, (2) broadening the capabilities of current employees, (3) continuing strong management and executive development programs, and (4) improving workforce retention. SSA developed a Future Workforce Transition Plan, which is a 5-year effort to guide SSA from the workforce of today to the workforce of tomorrow. The Agency has identified positions that will incur the most serious losses due to retirement and has developed a succession plan. Additionally, the Agency has established a wide range of action items and target dates intended to meet SSA's future workforce needs by expanding its employees' capabilities and improving employee retention and recruitment. For instance, SSA's plan contains initiatives to implement and test new training technologies, develop a marketing plan for recruiting new employees, initiate actions to increase employee retention, and hire in advance of losses to ensure institutional knowledge of experienced employees is transferred to new employees. SSA further reports it will continually assess its workloads and other responsibilities to ensure its critical staffing needs are met.

SSA Needs to Continue to Address this Challenge

The combined effect of employee attrition and increased demand for services will impose a significant challenge to SSA's management of its human capital. SSA estimates its workforce retirements will peak between 2007 and 2010—when about 2,500 employees will retire annually. Further, between 2000 and 2010, about 72 percent of SSA's managers and senior executives, about 60 percent of its supervisors, about 34 percent of claims representatives, and about 29 percent of the Agency's computer specialists are projected to retire.

To provide the kind of service that has been the Agency's hallmark, SSA recognizes it must maintain a highly skilled, high performing, and highly motivated workforce. A key requirement is also to have the right number of staff with the correct skills. According to the SSAB in its March 2002 report *SSA's Obligation to Ensure That the Public's Funds are Responsibly Collected and Expended*, many SSA employees believed there were

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[6] GAO Report, *High-Risk Series: An Update* (GAO-01-263), January 2001.

not enough staff to accomplish all mandated tasks. The report further noted that SSA had appointed a work group to identify workloads in field offices that are underfunded. The objective was to develop short-term tools for identifying these workloads so they would be considered when the budget is formulated. SSAB also noted that this type of analysis was important to the credibility and usefulness of the Agency's budget submissions.

Although SSA has taken initiatives to address its human capital challenge, many actions still need to be refined and then successfully carried out. For instance, as part of its effort to increase new hire retention, SSA began a study of why new hires leave. This study will need to be analyzed to determine options SSA can take to meet its goals of increasing retention rates. Similarly, SSA is relying on desktop video training as an important aspect of its program to maintain a skilled workforce; however, this initiative is still in prototype stage, and its success will depend on future funding. SSA will need to continually monitor the effects of these actions and be able to quickly respond to changing employee and client service needs.

Performance, Management and Data Reliability

To effectively meet its mission, manage its programs, and report on its performance, SSA needs sound performance and financial data. Congress, the general public, and other interested parties also need sound and credible data to monitor and evaluate SSA's performance. The *President's Management Agenda* has placed great emphasis on the management and performance of Federal agencies, including the integration of budget and performance. SSA has demonstrated a strong commitment to the Government Performance and Results Act of 1993 (Public Law No. 103-62) by developing strategic plans, annual performance plans and annual performance reports. However, we believe SSA can further strengthen its use of performance information by fully documenting the methods and data used to measure performance and by improving the data sources that appear to be unreliable.

SSA Has Taken Steps to Address this Challenge

Our audits and reviews of SSA's financial statements, annual performance plans and reports, and individual performance measures disclosed that SSA has demonstrated commitment to the production and use of reliable performance and financial management data. SSA is the only Federal agency to receive *the Certificate of Excellence in Accountability Reporting* for its *Performance and Accountability Report* every year since the award program began for FY 1998.

SSA has continually refined its annual performance plans to develop performance measures that more accurately reflect performance and are more outcome-based. In FY 2002, SSA revamped its Tracking Report used by Agency executives to manage key workloads at the national level and made it available to all employees on-line. The revised report tracks key FY 2002 performance measures and provides alerts as to whether performance is significantly different from the goals established. SSA describes its progress in meeting annual performance goals in its performance and accountability reports. SSA took action to address some of the issues we noted could be improved or for which the reliability of the data was questionable. For instance, SSA agreed to review the hearings process from initial in-take through input into the Hearing Office Tracking System after we reported the data from this system were unreliable.

SSA Needs to Continue to Address this Challenge

Our audits of 21 performance measures in FY 2002 found the data for 16 of the measures reviewed were reliable. We were unable to issue an opinion for five of the measures because the data or documentation of the methods used to measure SSA's performance was not available. We have generally found, even for the performance measures found to be reliable, that SSA lacks documentation of the methods and data used to measure its performance.

SSA needs to have performance goals and measures that address the major management challenges facing the Agency. While the FY 2002 annual performance

plan discussed SSA's approach to addressing its major management challenges, performance measures were not established for all the challenges, such as the Earnings Suspense File and the integrity of the representative payee process.

SSA could also improve the extent to which performance measurement is outcome (results) based.   The continual reliance on multiple output performance measures makes it difficult to judge the performance of some of SSA's program and key activities. SSA needs to continue focusing its efforts on developing high-quality, outcome-based performance indicators and goals for each of its programs and activities.

SSA also needs to further develop a cost accounting system to better link costs with performance. Since most goals are not aligned by budget account, the resource, human capital, and technology necessary to achieve many performance goals are not adequately described. SSA began to implement a cost accounting system in FY 2002, which will be phased in over the next 3 to 4 years.

Management of the Disability Process

Management of the disability process is a major management challenge for which SSA has established various initiatives to improve processing times and productivity; however, its success has been mixed. SSA administers two programs providing benefits based on disability: DI and SSI. Most disability claims are initially processed through SSA field offices (FO) and DDS offices. SSA's FO staff are responsible for obtaining applications for disability benefits and verifying non-medical eligibility requirements, which may include age, employment, or marital status information. The FO sends the case for a disability evaluation to a DDS, which is a State agency or other responsible jurisdiction funded by SSA to develop medical evidence and render the initial determination on whether the claimant is legally disabled or blind. In FY 2002, 2,376,572 initial disability claims were processed, with an average processing time of 104 days. SSA's goal was to process 2,191,000 initial disability claims, with an average processing time of 115 days.

If a claimant is not satisfied with a DDS' decision, the individual may file an appeal. The Office of Hearings and Appeals is responsible for holding hearings and issuing decisions at two distinct stages in SSA's appeals process—in hearing offices and at the Appeals Council. Administrative law judges hold hearings and issue decisions in hearing offices nationwide. In FY 2002, hearing offices processed 532,106 cases, and the average time a claimant waited for a decision on an appeal was 336 days. SSA's goal was to process 490,000 cases, with an average processing time of 330 days. The Appeals Council is the final level of administrative review for claims filed under SSA's disability programs. The Appeals Council reviews administrative law judges' decisions and dismissals upon the claimant's request for review. In FY 2002, SSA's goal was to process Appeals Council cases with an average processing time of 285 days; actual average processing time was 412 days.

SSA Has Taken Steps to Address this Challenge

SSA has tested several improvements to the disability claims process as a result of concerns about the timeliness and quality of its service. These improvement initiatives have been piloted over the last few years and include all levels of eligibility determinations beginning with DDSs and continuing through the hearings and appeals processes.

Recognizing the lack of significant improvements to the disability determination process time, the Commissioner in FY 2002 announced several decisions on the future of SSA's disability process. The Commissioner's decisions included expanding the Single-Decision Maker nationwide, ending the requirements for the claimant conference, evaluating the elimination of the reconsideration level of the claims process nationwide, making additional improvements to the hearings process, and implementing an e-Dib (electronic disability initiative) by 2003.

SSA Needs to Continue to Address this Challenge

SSA needs to continue its focus on improving the disability process. SSA met three, partially met one, and failed to meet one of its seven disability-related performance goals contained in its FY 2002 performance report. Further, data was not available to measure performance for two other goals. Particularly troublesome is the hearings and appeals process. SSA met two of its eight goals related to the hearings and appeals process, failed to meet five, and the data was not available for one. The disability process continues to be a serious concern given the level of resources SSA has devoted to its disability process improvement initiatives and the lack of substantial improvement to date.

During FY 2002, we reviewed the status of five of SSA's Disability Process Improvement Initiatives: Prototype, Quality Assurance, Disability Claims Manager, Process Unification, and Hearings Process Improvement. We found that Prototype DDSs, DDSs that implemented one or more improvement initiatives, were falling behind in providing timely customer service as processing time at the initial level increased, productivity decreased, and the backlog of cases grew at the DDSs and Office of Hearings and Appeals. In addition, preliminary data from the Prototype raised questions about the program costs of national implementation. We also found that the Hearings Process Improvement initiative did not result in significant improvements in processing times and resulted in decreased productivity. Furthermore, SSA has not fully developed a plan for a more comprehensive and uniform quality assurance system, which is critical to disability claim adjudication.

Integrity of the Earnings Reporting Process

SSA's Earnings Suspense File (ESF) represents a major management challenge because its size and rate of growth may impact the calculations of beneficiaries' benefits, results in higher administrative costs, and represents a sizeable portion of Social Security number (SSN) misuse.

The integrity of SSA's process for posting workers' earnings is critical to ensuring eligible individuals receive the full retirement, survivor, and/or disability benefits due them. The ESF primarily consists of reported earnings for which the name and SSN combination does not match validation criteria within SSA's systems. Each year, SSA receives about 21 million wage items that have invalid name and SSN combinations. Through extensive computer matches and manual efforts, this number is reduced to about 6.5 million items, annually. However, about 1 percent of the earnings reported annually cannot be posted to earners' accounts and accumulates in the ESF. Between Tax Years (TY) 1937 and 2000, the ESF grew to about $374 billion in wages, representing approximately 236 million wage items.

The ESF is further indicative of a nation-wide problem of potential fraud and misuse that not only affects SSA's programs, but also that of other Federal agencies—such as the Internal Revenue Service (IRS) and the Immigration and Naturalization Service (INS). The IRS uses wage data to enforce tax laws and can penalize employers and employees for providing incorrect information. The INS has oversight responsibility for unauthorized noncitizens. The Immigration Reform and Control Act of 1986 (Public Law No. 99-603) made it illegal for employers to knowingly hire or continue to employ unauthorized noncitizens. Employers must request that newly hired employees present documents that establish their identities and eligibility to work.

SSA Has Taken Steps to Address this Challenge

SSA has several initiatives to reduce the ESF's size and rate of growth. For example, SSA is piloting an on-line system called the SSN Verification System—a project designed to assist employers in verifying new hire names and SSNs. This pilot expands the current Employee Verification Service (EVS) for registered employers—a paper and magnetic media process. In addition, in TY 2001 SSA expanded its correspondence with employers when the name and/or SSN submitted did not match SSA's records. Employers were asked to obtain and provide corrected wage information. Finally, SSA is evaluating the results of two other pilot projects that used the databases of other Federal agencies to assist employers in verifying employees' names and SSNs. However, the success of many of these projects and pilots depends on the collaboration with and support from other agencies—such as the IRS, INS, and OCSE.

SSA has also developed other processes to validate the earnings data in the Master Earnings File. SSA recently started mailing Social Security statements to individuals who had earnings and were age 25 or older. In FY 2002, SSA mailed almost 138 million of these statements. However, over 12 million were returned to SSA as

undeliverable. If an individual contacts SSA about missing earnings, these amounts are either reinstated from the ESF to the Master Earnings File—if they are in the ESF—or added as new earnings to the Master Earnings File.

SSA Needs to Continue to Address this Challenge

We commend SSA for its efforts, but several factors—both internal and external to SSA—hinder the efforts with the most potential to reduce the ESF's size and growth. Some of the internal factors include a higher priority placed on other automated system developments and the fact that SSA has not linked available information in its database to identify chronic "problem" employers who continually submit annual wage reports with multiple errors. External factors include other Federal agencies with separate yet related mandates, such as the IRS's failure to sanction employers for submitting invalid wage data[7] and the INS' complicated employer procedures for verification of eligible employees. Further, SSA acknowledges the suspense file most likely will grow as transient workers in certain industries increase.

Recent OIG reviews have found SSA needs to improve communications with employers if it expects to improve the accuracy of reported wages. For example, our August 2002 review, *Effectiveness of the Social Security Administration's Earnings after Death Process*, found that SSA's earnings after death edit was not effective in resolving TY 1998 suspended earnings items. While SSA reinstated approximately 6 percent of the suspended items in our sample, another 22 percent of the suspended items could also have been reinstated. In addition, 33 percent of the sample items contained instances where it appears someone else was using the deceased individual's name and/or SSN. Our review of the earnings after death suspended items for TY 1998 also indicated that 7 of the top 10 contributors to the ESF were from the entertainment industry. Better communication with this industry could reduce the number of suspended items going into the ESF.

Our September 2002 report, *The Social Security Administration's Employee Verification Service for Registered Employers*, found that very few employers were using SSA's voluntary EVS for registered users, with only 392 employers out of a potential 6.5 million employers using this service during the last 3 years. In addition, we noted that SSA did not disclose pertinent information that could have assisted registered employers, such as whether the submitted SSN belonged to a deceased individual or the SSN was issued to the individual for nonwork purposes. SSA agreed with our recommendations designed to assist employers and improve the EVS.

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[7] Internal Revenue Code section 6721 authorizes IRS to levy penalties for failure to file properly completed information returns, including Form W-2s.

Social Security Number Misuse and
Privacy Concerns (Identity Theft)

In FY 2002, SSA issued over 18 million original and replacement SSN cards. As use of the SSN has grown, so has its misuse. Because the SSN is so heavily relied upon as an identifier, it is a valuable commodity for criminals. It can be obtained illegally in many ways: presenting false documentation to SSA, stealing another person's SSN, purchasing an SSN card on the black market, using the SSN of a deceased individual, and simply creating a nine-digit number. As we have learned through numerous investigations, even a legally obtained SSN can be used to facilitate an unlawful act. Failure to protect the SSN's integrity can have enormous consequences for our Nation and its citizens. Given the magnitude of SSN misuse, we believe SSA must employ effective front-end controls in its enumeration process. Likewise, additional techniques, such as data mining, biometrics, and enhanced systems controls are critical in the fight against SSN misuse.

SSA Has Taken Steps to Address this Challenge

In response to the terrorist events of September 11, 2001, SSA formed an executive level Enumeration Task Force to explore and track the Agency's progress toward completing policy and procedural initiatives to further enhance the SSN's integrity. Among the Task Force initiatives are:

- provide refresher training on enumeration policy and procedures, with emphasis on enumerating noncitizens, for all involved staff;

- convene a joint task force between SSA, INS, Department of State and Department of Health and Human Services' Office of Refugee Resettlement to resolve issues involving enumeration of non-citizens, including procedures for verifying INS documents before SSN issuance; and

- eliminate driver's licenses as a reason for a nonwork number.

Of eight Task Force initiatives, SSA has implemented three, and five are ongoing. Other Agency initiatives include (1) agreements to enable INS and Department of State to collect enumeration data from aliens entering the United States, (2) a work-group to study the feasibility of limiting the number of replacement SSN cards, (3) obtaining on-line access to State vital records so FOs can verify all United States birth certificates presented in support of SSN applications, (4) verifying INS documents submitted by noncitizens who apply for an SSN, (5) a workgroup to identify enhancements in the Modernized Enumeration System to address certain fraud-prone situations, and (6) partnering with INS and OIG to open Enumeration Centers in large metropolitan areas to ensure that only qualified individuals with valid documents will receive SSNs.

SSA Needs to Continue to Address this Challenge

To ensure SSN integrity in a post September 11th environment, we believe SSA must focus on three stages of protection: (1) upon issuance of the SSN card, (2) during the life of the SSN holder, and (3) upon that individual's death. For example, all birth records, immigration records, and other identification documents presented to SSA must be independently verified as authentic before SSA issues an SSN. We continue to encourage full and expedited implementation of a joint Enumeration at Entry program. While this may subject the enumeration process to delays, such delays in service may be necessary to ensure the integrity of the SSN.

Once SSA issues an SSN and it becomes an integral part of the number-holder's life, it becomes difficult to give the SSN the degree of privacy it requires. Businesses and government agencies nationwide rely on the SSN as a convenient means of record keeping. By doing so, these entities collect, store, and, sometimes share a lifetime of personal information associated with the number. With this information, a criminal can commit financial fraud, and, in some cases, camouflage other crimes. The challenge for SSA and the Congress is to find a balance between ensuring the SSN's privacy and ensuring that businesses and Federal and State agencies are not unduly limited in the process. Despite this challenge, the following are important steps SSA can take:

- limit the SSN's public availability to the greatest extent practicable, without unduly limiting commerce;

- prohibit the sale of SSNs, prohibit their display on public records, and limit their use to valid transactions; and

- enact strong enforcement mechanisms and stiff penalties to further discourage SSN misuse.

Finally, SSA must do more to protect the SSN after the SSN holder's death. SSA receives death information from a wide variety of sources and compiles a Death Master File, which is updated monthly, transmitted to various Federal agencies, offered for sale to the public, and available for access over the Internet. Accuracy in this area is critical to SSA in the administration of its programs, to the financial services industry, and to the American people.

Full implementation of ongoing and planned initiatives and continued vigilance in this area is necessary to ensure the SSN's integrity. We understand the Agency has a difficult task in balancing service and security. However, SSA must continuously review its systems and processes for opportunities to prevent the possibility that individuals misuse SSNs to commit or camouflage criminal activities.

Integrity of the Representative Payee Process

Congress granted SSA the authority to appoint representative payees to receive and manage OASDI and SSI payments for beneficiaries deemed incapable of managing or directing the management of their finances. A representative payee may be an individual or an organization. Representative payees are responsible for managing these payments in the recipients' best interest, and organizational representative payees may receive a monthly fee from beneficiaries for their service. There are about 5.4 million representative payees who manage the benefits of about 7.6 million beneficiaries. SSA has experienced problems with representative payees who have misused beneficiary funds, and we have identified weaknesses in the selection, monitoring and accountability of representative payees.

SSA Has Taken Steps to Address this Challenge

SSA has recognized the vulnerabilities and weakness with the integrity of the representative payee process. In FY 2000, SSA established a Representative Payee Task Force to address them. The Task Force performed a comprehensive review of the features and vulnerabilities of the Representative Payment Program. The Task Force is comprised of three subgroups: (1) monitoring representative payees; (2) systems support for the Representative Payment Program, and (3) bonding and licensing of representative payees. As a result, SSA developed a representative payee monitoring program, consisting of site reviews of all representative payees receiving a fee, all volume organizational representative payees (serving over 100 beneficiaries), and all individual representative payees serving 20 or more beneficiaries. This routine monitoring system is on a 3-year cycle. In addition, SSA will conduct random reviews of a sample of volume organizational and representative payees receiving a fee. Further, in response to certain "trigger" events, SSA will review organizational representative payees as needed. Such "trigger" events include third-party reports of misuse, complaints from vendors for failure to receive payment, or failure to complete the annual Representative Payee Report. Additionally, SSA annually verifies the required license or bond for all representative payees receiving a fee, and visits payees receiving a fee 6 months after their initial appointment to ensure they fully understand their duties and responsibilities.

In March 2001, we alerted SSA to a condition whereby individuals were serving as representative payees who also had representative payees to manage their own Social Security benefits. SSA subsequently implemented a program to identify and investigate these situations.   We also identified 121 representative payees whose own benefit payments were stopped by SSA because they were fugitive felons or parole or probation violators, but who managed over $1.4 million in Social Security funds for 161 beneficiaries. In response to our audit, SSA agreed to review these cases and reevaluate whether these fugitives are suitable payees. SSA also established a workgroup to develop processing instructions for handling this workload. SSA is also working to make the Representative Payee System—which SSA uses to appoint and monitor representative payees—more reliable.

SSA Needs to Continue to Address this Challenge

Although SSA has recognized the need to strengthen its selection and oversight of representative payees, we continue to identify problems with SSA's oversight of representative payees. Since FY 2001, we have performed 13 financial-related audits of representative payees. Our audits identified deficiencies with representative payees' financial management and accounting for benefit receipts and disbursements; vulnerabilities in the safeguarding of beneficiary payments; poor monitoring and reporting to SSA of changes in beneficiary circumstances; inappropriate handling of beneficiary-conserved funds; and improper charging of fees. Some of the areas in which SSA needs to take action are.

- *Selection of representative payees* – SSA is exploring ways to strengthen the selection process. SSA awarded a contract to research the feasibility of conducting criminal and/or credit background checks for the corporate officers and fiduciaries in potential fee-for-service representative payees and is considering a contract to investigate the financial soundness of prospective and existing fee-for-service representative payee organizations. However, SSA has not issued any policy changes on the selection of representative payees.

- *Representative Payee System* – We have noted the following weaknesses in the Representative Payee System: (1) system alerts were not always worked because they were given low priority; (2) ineffective tracking of representative payees who do not complete annual Representative Payee Reports; (3) inability of SSA to locate and retrieve completed Representative Payee Reports when needed; and (4) information lacking for some representative payees, and beneficiaries who have representative payees, as required by law.[8] SSA has said that it is working to correct these deficiencies.

- *Bonding and Licensing of representative payees* – SSA's policy specifies neither the amount of bond necessary to adequately protect beneficiaries nor the type or nature of licenses that are required. To date, SSA has not revised its policy to address these vulnerabilities.

We have also recommended that SSA explore the use of Stored Value Cards[9] to help address systemic weaknesses in it's Representative Payment Program. SSA believes that Stored Value Cards would be time-consuming and labor intensive for representative payees, and that they would not allow SSA to better monitor representative payees. However, SSA is committed to improving the Representative

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[8] The Omnibus Budget Reconciliation Act of 1990 required the development of a system to store data about all representative payees and the beneficiaries for whom they serve.

[9] A Stored Value Card is a prepaid spending card that can be used everywhere a credit card is accepted. Stored Value Cards do not have a line of credit and can be used to make automated teller machine withdrawals.

Payment Program and is exploring other innovative approaches for monitoring representative payees.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Related Office of the Inspector General Reports

APPENDIX C – Office of the Inspector General Contacts

Acronyms

CDI	Cooperative Disability Investigation
DACUS	Death Alert, Control, and Update System
DDS	Disability Determination Services
DI	Disability Insurance
E-government	electronic government
ESF	Earnings Suspense File
EVS	Employee Verification Service
FO	Field Office
FY	Fiscal Year
GAO	General Accounting Office
IRS	Internal Revenue Service
INS	Immigration and Naturalization Service
OASDI	Old-Age, Survivors and Disability Insurance
OCSE	Office of Child Support Enforcement
OIG	Office of the Inspector General
OMB	Office of Management and Budget
SSA	Social Security Administration
SSAB	Social Security Advisory Board
SSI	Supplemental Security Income
SSN	Social Security number
TY	Tax Year

Related Office of the Inspector General Reports

Management Challenge Area, Report Title and Common Identification Number	Report Issued
Fraud Risk	
Controls to Prevent Supplemental Security Income Payments to Recipients Living in Foreign Countries (A-01-02-12013)	September 13, 2002
Management Advisory Report: Social Security Administration Employees with Title XVI Overpayment Write-offs (A-04-99-64005)	September 12, 2002
Review of Internal Controls for the Supplemental Security Income Immediate Payment Process (A-05-00-10045)	September 10, 2002
Congressional Response Report: Integrity of the Supplemental Security Income Program (A-01-02-22095)	August 8, 2002
Improper Payments	
Impact on the Social Security Administration's Programs When Auxiliary Beneficiaries Do Not Have Their Own Social Security Numbers (A-01-02-22006)	September 20, 2002
Effectiveness of the Social Security Administration's Death Termination Process (A-09-02-22023)	September 17, 2002
The Social Security Administration Can Recover Millions in Medicare Premiums Related to Retirement or Disability Payments Made after Death (A-08-02-12029)	July 3, 2002
Controls Over the Social Security Administration's Processing of Death Records from the Department of Veterans Affairs (A-01-01-21038)	February 27, 2002
Congressional Response Report: Select Social Security Administration Stewardship Efforts and Reported Savings (A-08-02-22028)	November 14, 2001
Social Security Administration's Management of Its Federal Employees' Compensation Act Program (A-13-99-91003)	October 25, 2001
Systems Security	
Information System Controls of the Social Security Administration's Representative Payee System (Limited Distribution) (A-44-01-31051)	September 30, 2002

Management Challenge Area, Report Title and Common Identification Number	Report Issued
Management Advisory Report: Social Security Administration's Data Exchange with Other Agencies (Limited Distribution) (A-14-02-12037)	September 26, 2002
The Social Security Administration's Compliance with the Government Information Security Reform Act (Limited Distribution) (A-14-02-12042)	September 12, 2002
Review of Security over Remote Access to the Social Security Administration's Main Processing Environment (Limited Distribution) (A-14-01-11010)	May 1, 2002
Service Delivery	
Social Security Administration's Management of Congressional Inquiries (A-13-02-12011)	September 23, 2002
Internal Control Review of the Office of Earnings Operations Processing of Remittances and Handling of Mail (Limited Distribution) (A-15-01-21030)	August 9, 2002
Case Folder Storage and Retrieval at the Social Security Administration's Megasite Records Center (A-04-99-62006)	August 1, 2002
Congressional Response Report: Washington, D.C., Office of Hearings and Appeals (Limited Distribution) (A-13-02-22070)	July 31, 2002
Performance Measure Review: Reliability of the Data Used to Measure Electronic Service Delivery (A-14-01-11032)	July 30, 2002
Human Capital	
Follow-up Evaluation of the Use of Official Time for Union Activities at the Social Security Administration (A-13-01-11005)	June 26, 2002
Congressional Response Report: The Social Security Administration's Policies and Procedures Concerning the Rural Development Act of 1972 (A-13-02-22065)	April 29, 2002
Performance Management and Data Reliability	
Performance Measure Review: Reliability of the Data Used to Measure the Supplemental Security Income Non-Disability Redeterminations Completed (A-02-99-11003)	August 5, 2002
Performance Measure Review: Assessing the Methodology Used to Determine the Number of Hearing Cases Processed Per Work Year (A-06-01-11037)	August 1, 2002
Performance Measure Review: Increase in the Number of Disabled Beneficiaries Who Are Working (A-01-01-11022)	May 31, 2002
Performance Measure Review: Reliability of the Data Used to	April 17, 2002

Management Challenge Area, Report Title and Common Identification Number	Report Issued
Measure the Office of Hearings and Appeals Decisional Accuracy (A-12-00-10057)	
Performance Measure Review: Reliability of the Data Used to Measure Employer Satisfaction (A-02-01-11012)	April 15, 2002
Performance Measure Review: The Social Security Administration's Transition Planning (A-02-01-11014)	March 27, 2002
Performance Measure Review: Reliability of the Data Used to Measure the Quality of the Social Security Administration's Research (A-02-01-11011)	March 8, 2002
Performance Measure Review: Reliability of the Data Used to Measure Public Knowledge of the Social Security Administration (A-02-01-11015)	February 7, 2002
Performance Measure Review: Reliability of the Data Used to Measure Anti-Fraud Performance (A-02-01-11013)	January 14, 2002
Performance Measure Review: Reliability of the Data Used to Measure Disability Claims Processing (A-02-00-10017)	November 6, 2001
Performance Measure Review: Reliability of the Data Used to Measure the Timely Processing of Disability Insurance Claims (A-02-99-11001)	October 2, 2001
Management of the Disability Program	
Congressional Response Report: Huntington, West Virginia, Office of Hearings and Appeals (Limited Distribution) (A-13-02-22090)	August 28, 2002
Continuing Disability Reviews for Supplemental Security Income Recipients Approved Based on Low Birth Weight (A-01-02-12031)	June 26, 2002
Status of Social Security Administration's Disability Process Improvement Initiatives (A-07-00-10055)	June 18, 2002
Performance Measure Review: Reliability of the Data Used to Measure the Office of Hearings and Appeals Decisional Accuracy (A-12-00-10057)	April 17, 2002
Follow-up Review of SSA's Implementation of Drug Addiction and Alcoholism Provisions of Public Law 104-121 (A-01-01-11029)	December 17, 2001
Assessment of the Electronic Disability Process (A-14-01-11044)	October 22, 2001
Integrity of the Earnings Reporting Process	
The Social Security Administration's Employee Verification Service for Registered Employers (A-03-02-22008)	September 12, 2002

Management Challenge Area, Report Title and Common Identification Number	Report Issued
Effectiveness of the Social Security Administration's Earnings After Death Process (A-03-01-11035)	August 19, 2002
Effectiveness of the Social Security Administration's Decentralized Correspondence Process (A-03-01-11034)	July 3, 2002
Management Advisory Report: Recent Efforts to Reduce the Size and Growth of the Social Security Administration's Earnings Suspense File (A-03-01-30035)	May 24, 2002
Social Security Number Misuse and Privacy Concerns (Identity Theft)	
The Social Security Administration Continues Assigning Original Social Security Numbers To Foreign-Born Individuals Who Present Invalid Evidentiary Documents (A-08-02-12056)	August 22, 2002
Congressional Response Report: Noncitizen Enumeration at the Social Security Administration's Rochester, Minnesota Field Office (A-03-02-22078)	June 18, 2002
Management Advisory Report: Social Security Number Integrity: An Important Link in Homeland Security (A-08-02-22077)	May 9, 2002
Work Activity for Social Security Numbers Assigned for Nonwork Purposes in the State of Utah (A-14-01-11048)	March 29, 2002
Disclosure of Personal Beneficiary Information to the Public (Limited Distribution) (A-01-01-01018)	January 14, 2002
Congressional Response Report: Terrorist Misuse of Social Security Numbers (A-08-02-32041)	October 25, 2001
Congressional Response Report: SSN Misuse - A Challenge For the Social Security Administration (A-08-02-22030)	October 3, 2001
Integrity of the Representative Payee Process	
Financial-Related Audit of the Denver Department of Human Services – An Organizational Representative Payee for the Social Security Administration (A-05-02-12024)	September 23, 2002
Financial-Related Audit of the Florida Department of Children and Families - District 6, an Organizational Representative Payee for the Social Security Administration (A-08-02-12007)	September 17, 2002
Management Advisory Report: Summary of Financial-Related Audits of Representative Payees for the Social Security Administration (A-13-00-10065)	August 5, 2002
Analysis of Information Concerning Representative Payee Misuse of Beneficiaries' Payments (A-13-01-11004)	June 25, 2002

Management Challenge Area, Report Title and Common Identification Number	Report Issued
Financial-Related Audit of A. Holly Patterson Extended Care Facility – A Representative Payee for the Social Security Administration (A-02-02-12034)	June 18, 2002
Financial-Related Audit of the Jackson County Public Administrator - An Organizational Representative Payee for the Social Security Administration (A-07-02-22002)	June 10, 2002
Congressional Response Report: Social Security Administration's SmartPay Program (A-13-02-22059)	November 6, 2001
Financial-Related Audit of an Individual Representative Payee for the Social Security Administration in Region VI (A-06-00-10063)	October 24, 2001

Office of the Inspector General Contacts

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Jack Trudel, Deputy Director	Fraud Risk
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President, National Council of Social Security Management Associations, Incorporated	1
Treasurer, National Council of Social Security Management Associations, Incorporated	1
Social Security Advisory Board	1
AFGE General Committee	9
President, Federal Managers Association	1
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Total	**96**

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.