



SOCIAL SECURITY

Office of the Inspector General

MEMORANDUM

Date: May 16, 2001

Refer To: ICN 31136-23-153

To: Larry G. Massanari
Acting Commissioner
of Social Security

From: Inspector General

Subject: Management Advisory Report – Quick Response Activities Summary Report
(A-13-01-11001)

The attached Management Advisory Report provides you information on the Office of the Inspector General's Quick Response workload. These Quick Response reviews are short duration, time-sensitive projects that address requests from the Congress; Social Security Administration management; SSA customers and the general public; and, on occasion, other sources, for example, other Offices of Inspector General.

This report is for informational purposes only and therefore does not contain any recommendations. If you have any questions or comments, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

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

James G. Huse, Jr.

Attachment

**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**QUICK RESPONSE ACTVITIES
SUMMARY REPORT**

May 2001

A-13-01-11001

**MANAGEMENT
ADVISORY REPORT**



Mission

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

Authority

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

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

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

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

Vision

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



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Subject: Management Advisory Report – Quick Response Activities Summary Report
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This Management Advisory Report provides you information on the Office of the Inspector General's (OIG) Quick Response (QR) workload. The report describes the sources and types of QR activities, categorizes them in line with issues OIG identified to be among the top 10 challenges facing the Social Security Administration (SSA) management, and highlights their results and impact. We prepared this report for your information and therefore it does not require you to take any action.

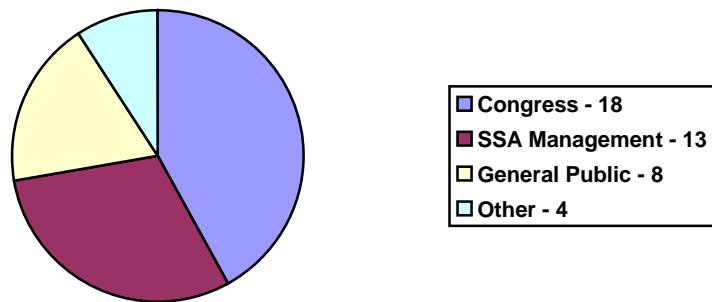
In June 1999, we established a QR Team within the Office of Audit. This Team is charged with performing short-duration, time-sensitive projects that address requests from the Congress; SSA management; SSA customers and the general public; and, on occasion, other sources, for example, other OIGs. Unlike traditional audits and evaluations, QR projects are not planned and scheduled in advance.

This report summarizes our QR activities from June 1999, when we began designating workloads as QR activities, through September 2000.

SUMMARY OF QR ACTIVITIES

The QR workload is summarized by the sources of the work and common examples of the work requested.

Sources of QR Activities



Examples of QR Activities

Congress

Requests from Congress for information and/or action on behalf of constituents and OIG's views on specific program issues.

SSA Management

Requests from SSA for comments on draft products and miscellaneous requests, such as providing audit assistance in an SSA investigation, or verifying cost savings attributed to an employee suggestion.

General Public

Requests for OIG assistance from Social Security or Supplemental Security Income applicants, beneficiaries, or their representatives. These requests usually concerned perceived problems with specific claims or an Agency policy or procedure. Often, these inquiries were sent to OIG after the requester unsuccessfully tried to resolve the matter with SSA.

Other

Requests for information and/or action from such varied sources as the President's Council on Integrity and Efficiency, an SSA employee, and other OIGs.

QR Activities with Respect to SSA's Management Challenges

We categorized our QR activities in line with the following issues the OIG identified to be among the top 10 challenges facing SSA management.

- Representative Payee
- Service to the Public
- Identity Theft

Representative Payee SSA provides benefits to the most vulnerable members of society—the young, the elderly, and the disabled. The Social Security Act grants SSA the authority to appoint representative payees (Rep Payee) for beneficiaries judged incapable of managing or directing the management of their benefits. Rep Payees (organizations or individuals) receive and manage payments on behalf of these beneficiaries. SSA has the responsibility to ensure these payments are used for the beneficiaries' benefit.

Detecting, investigating, auditing, and deterring Rep Payee fraud, as well as conducting reviews aimed at improving internal controls and program integrity, have been a major focus in OIG, and the most significant source of work for the QR Team.

Rep Payee misuse received significant attention from the Congress, the OIG, and the media. Exemplifying this was OIG's involvement in the investigation and prosecution of the case against the Aurora Foundation, Inc., a high-volume, fee-for-service, organizational Rep Payee. Our investigation revealed that Aurora embezzled over \$300,000 from disabled persons for whom it was a Rep Payee.

The QR Team also provided information as requested by members of congress on SSA's Rep Payee program. Our QR work in this area included the following.

- Responding to congressional inquiries concerning several aspects of SSA's Rep Payee program. We provided Congress comments and suggestions concerning SSA's
 - on-site review procedures,
 - bonding requirements,
 - responsiveness to complaints of Rep Payee misuse,
 - monitoring program,
 - effectiveness in retrieving Rep Payee reports,
 - screening and selection of potential Rep Payees, and

- follow-up actions for Rep Payees who do not complete annual accountability reports.
- Participating, at SSA's request, in two on-site reviews of organizational Rep Payees (fee-for-service). The reviews resulted in restitution of misused funds and insights about preventing similar situations.
- Providing, at SSA's request, comments to SSA's review guide for on-site visits of organizational Rep Payees. Our comments included suggestions to assist SSA in detecting Rep Payees who may be misusing benefits.
- Responding to a congressional inquiry, on behalf of a constituent, regarding a Rep Payee. We provided the Congressman with SSA's policy for addressing the issue concerning the constituent.

Service to the Public

Providing quality service to the public remains a critical management issue facing SSA. SSA recognizes there are several significant issues that affect its service delivery. One is the complexity of the programs SSA administers. Another is the steady reduction in staffing since 1982 resulting in an aging and work-laden workforce.

SSA's workloads will continue to increase as baby boomers reach retirement age. As reported by the Social Security Advisory Board, the result has been, and will continue to be, uneven service. Persons filing for retirement or survivors benefits are likely to be satisfied with the service provided. However, individuals with complicated cases may encounter problems. As workloads increase, the dimensions of SSA's problems can be expected to grow if left unattended, and the public will face crowded reception areas, long waiting times, inadequate telephone service, and reduced quality of work.

We received several inquiries from the Congress and the public that indicate problems with SSA's service to the public. Examples of the types of requests we received in this area follow.

- Responding to a beneficiary complaint about the handling of her case, alleging illegal and unethical treatment.
- Responding to a volunteer advocate's allegation that SSA had mistreated a beneficiary and had sent the beneficiary numerous and conflicting letters.
- Responding to a citizen who disputed the information on his earnings record and wanted information about the trust funds in general.
- Responding to a congressional inquiry on behalf of a constituent that had received multiple, confusing, and contradictory notices from SSA.

**Identity
Theft**

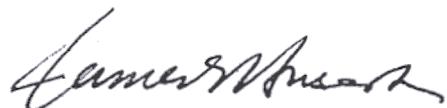
Another major challenge facing SSA management is the growing problem of identity theft. The problem affects SSA because identity theft often involves misusing the Social Security number (SSN) in perpetrating crimes. Originally, the SSN's sole purpose was to provide a method for SSA to accurately record each U.S. worker's earnings. Despite this narrowly drawn purpose, use of the SSN as a general identifier in record systems eventually grew. The SSN has been adopted for numerous other purposes so that, today, it is the single most widely used identifier for Federal and State governments as well as the private sector. Our QR activities pertaining to this issue include the following.

- Reviewing general questions about the improper use of the SSN referred to us through congressional sources.

Congressional inquiry on behalf of a constituent asking for advice regarding potential problems with identity theft and misuse of an SSN. As requested, we explained policies and procedures regarding obtaining a new SSN.

- Congressional inquiry on behalf of a constituent asking about the privacy of her SSN and the security of the SSN issuance process.

We will continue to address time-sensitive requests for OIG assistance from all our customers.



James G. Huse, Jr.

Appendix

OIG Contacts and Staff Acknowledgments

OIG Contacts

Shirley E. Todd, Director, General Management Audit Division, (410) 966-9365
Jim Klein, Audit Manager, (410) 965-9739

Acknowledgments

In addition to those named above:

Gerald L. Hockstein, Program Analyst
Kim Beauchamp, Writer-Editor

For additional copies of this report, please contact Office of the Inspector General's Public Affairs Specialist at (410) 966-5998. Refer to Common Identification Number A-13-01-11001.

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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
Regional Public Affairs Officer	1
Total	97

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.

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 the Agency, as well as conducting employee investigations within OIG. Finally, OEO administers OIG's public affairs, media, and interagency activities 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.