

FY 2010 PERFORMANCE REPORT



**SOCIAL SECURITY ADMINISTRATION
OFFICE OF THE INSPECTOR GENERAL**

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MISSION STATEMENT

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of Social Security Administration (SSA) programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

VISION and VALUES

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.

EXECUTIVE SUMMARY

This 2010 Performance Report focuses on the Office of the Inspector General's (OIG) results for the fifth and final year of our *Fiscal Year (FY) 2006-2010 Revised Strategic Plan*. We operate within a framework set by three general goals: *Impact, Value and People*. These goals are divided into 14 separate performance measures. For FY 2010, we successfully met the targets for all 14 of the performance measures.

We work to have a positive *impact* on SSA programs and operations by enhancing their integrity, efficiency and effectiveness. During FY 2010, our investigators evaluated and responded to 97 percent of all allegations received within 45 days. Our auditors also had significant *impact*. We issued 94 percent of audit reports within 1 year of their respective entrance conferences.

Our organization strives to provide *value* in our service to Congress, SSA, and other key decision-makers, while sustaining a positive return for each tax dollar invested in OIG activities. For FY 2010, we generated a positive return of \$48 for every tax dollar invested.

The collective efforts of our *people* and our support of them continue to be the driving force behind this organization's success in meeting its mission. Our leadership fosters an environment where employees can realize their potential through training and developmental programs. For FY 2010, 98 percent of OIG staff received 40 or more hours of appropriate developmental and skill enhancement training, which demonstrates the OIG's commitment to having a capable and professional workforce.

Our successful completion of the OIG Strategic Plan demonstrates our continued success in achieving our overall mission: inspiring public confidence by detecting and preventing fraud, waste, and abuse in SSA's programs and operations.

PERFORMANCE RESULTS

| GOAL | DESCRIPTION | TARGET | RESULT | GOALS | |
|---------------|--|------------|--------------------|-------|---------|
| | | | | MET | NOT MET |
| IMPACT | | | | | |
| <u>1.1</u> | <i>Maintain an annual acceptance rate of at least 88 percent for all recommendations.</i> | 88% | 95% | X | |
| <u>1.2</u> | <i>Achieve a 5-year average implementation rate of 85 percent for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA.</i> | 85% | 86% | X | |
| <u>1.3</u> | <i>Achieve a positive action on at least 75 percent of all cases closed during the FY.</i> | 75% | 80% | X | |
| VALUE | | | | | |
| <u>2.1</u> | <i>Generate a positive return of \$6 for every tax dollar invested in OIG activities.</i> | \$6 to \$1 | \$48 to \$1 | X | |
| <u>2.2</u> | <i>Evaluate and respond to 90 percent of all allegations received within 45 days.</i> | 90% | 97% | X | |
| <u>2.3</u> | <i>Complete investigative fieldwork on 75 percent of all cases within 180 days.</i> | 75% | 86% | X | |
| <u>2.4</u> | <i>Respond to 90 percent of congressional requests within 21 days.</i> | 90% | 96% | X | |
| <u>2.5</u> | <i>Take action on 90 percent of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.</i> | 90% | 97% | X | |
| <u>2.6</u> | <i>Achieve a positive external user assessment rating of 85 percent for product-service quality.</i> | 85% | 95% | X | |
| <u>2.7</u> | <i>Issue 78 percent of final audit reports within 1 year of the entrance conference with SSA.</i> | 78% | 94% | X | |
| <u>2.8</u> | <i>Complete 85 percent of requests for legal advice and review within 30 days.</i> | 85% | 99% | X | |
| PEOPLE | | | | | |
| <u>3.1</u> | <i>Achieve an annual attrition rate of 5 percent or less.</i> | 5% | 4% | X | |
| <u>3.2</u> | <i>Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvement is needed.</i> | 75% | 75% | X | |
| <u>3.3</u> | <i>Ensure that 90 percent of OIG staff receives 40 or more hours of appropriate developmental and skill-enhancement training annually.</i> | 90% | 98% | X | |

PERFORMANCE DISCUSSION AND ANALYSIS

This section provides detailed performance information, including a description of our Strategic Plan goals aimed at achieving success in each of the three general areas. We state each goal and its associated measures, and describe the method of calculation. We also discuss, where appropriate, why we believe we were successful or unsuccessful in meeting our goals.

Goal 1 – IMPACT

Enhance the integrity, efficiency and effectiveness of SSA programs and operations.

Strategies to attain this goal include:

1. Promote an OIG-wide process for cross-component communications on potential programmatic and operational vulnerabilities.
2. Communicate with the Agency to identify mission-critical issues and operations that would benefit from OIG audit and investigation services and develop practical solutions to address identified weaknesses or deficiencies.
3. Prioritize investigations, audits, and counsel actions to effect more efficient and effective SSA programs and operations.

| Goal 1.1 | <i>Maintain an annual acceptance rate of at least 88 percent for all recommendations.</i> | <i>FY 2010 Result</i> <i>95 Percent</i> |
|--|---|--|
| This measure is calculated by dividing the number of legislative, policy, and regulatory recommendations accepted by SSA and/or Congress (included in proposed legislation) during the FY by the total number of recommendations with a management decision and legislative proposals made during the FY. For FY 2010, our annual acceptance rate was 95 percent, exceeding our 88 percent goal. Of the 155 recommendations we submitted during this period that have a management decision, SSA agreed with 148. | | |

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| Goal 1.2 | <i>Achieve a 5-year average implementation rate of 85 percent for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA.</i> | <i><u>FY 2010 Result</u></i> 86 Percent |
| <p>This measure is calculated by dividing the total number of accepted recommendations implemented by SSA during the past 5 FYs by the total number of recommendations SSA agreed to implement during the past 5 FYs.</p> <p>Since SSA needs sufficient time to implement the recommendations it has agreed to, there is a 1-year lag in this calculation. Thus, for FY 2010 we are reporting the 5-year period covering FYs 2005 through 2009. Our average implementation rate for accepted audit recommendations was 86 percent, exceeding our 85 percent goal. During this period, SSA implemented 1,302 of 1,506 accepted recommendations.</p> | | |

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| Goal 1.3 | <i>Achieve a positive action on at least 75 percent of all cases closed during the FY.</i> | <i><u>FY 2010 Result</u></i> 80 Percent |
| <p>This measure is calculated by dividing the total closed cases that resulted in a positive action during the FY by the total cases closed during the FY. If the subject has been sentenced, a CMP has been imposed, and/or an administrative action has been taken against the subject, it is considered a positive action on the closed case. In addition, if certain money types have been collected or if benefits were terminated, reduced or suspended, or certain referrals have been made it is considered a positive action.</p> <p>For FY 2010, we closed 5,477 out of 6,853 investigations with a positive action. This 80 percent performance rate exceeds our 75 percent target.</p> | | |

Goal 2 – VALUE

Provide quality products and services of value in a timely manner to Congress, SSA and other key decision-makers while sustaining a positive return for each tax dollar invested in OIG activities.

Strategies used to attain this goal include:

1. Maintain a “positive-return” culture within OIG.
2. Ensure continual improvement of OIG products by using a product and service quality assessment instrument to measure external user satisfaction.
3. Implement best practices to ensure quality and timeliness of OIG products and services.
4. Utilize information technology investments to enhance OIG work products and service delivery.

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| Goal 2.1 | <i>Generate a positive return of \$6 for every tax dollar invested in OIG activities.</i> | <i>FY 2010 Result</i> \$48 to \$1 |
| This measure is calculated by dividing the total amount of all OIG savings identified during the FY by the total amount of appropriated funds during the same period. For FY 2010, we generated a return of \$48 for every dollar invested in us by the taxpayer. This rate of return was bolstered by 3 audit reports entitled, <i>Supplemental Security Income Recipients Eligible for Veterans Benefits</i> (A-01-09-19031); <i>Follow-up: The Social Security Administration's Controls over the Write-Off of Title XVI Overpayments</i> (A-04-09-19138); and <i>Benefits Payable to Child Beneficiaries Who No Longer Need Representative Payees</i> (A-09-09-29116). In these reports, we identified over \$1.3 billion in Questioned Costs. | | |

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| Goal 2.2 | <i>Evaluate and respond to 90 percent of all allegations received within 45 days.</i> | <i>FY 2010 Result</i> 97 Percent |
| This measure is calculated by dividing the total number of allegations closed or referred within 45 days during the FY by the total number of allegations closed or referred during the FY. For FY 2010, we evaluated and responded to 97 percent of all allegations received within 45 days. Of the 103,630 allegations closed or referred during the FY, we closed or referred 100,043 within 45 days. | | |

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| Goal 2.3 | <i>Complete investigative fieldwork on 75 percent of all cases within 180 days.</i> | <u>FY 2010 Result</u> 86 Percent |
| This measure is calculated by dividing the total number of investigations closed or referred for prosecution, CMP, SSA or other State or Federal agency action within 180 days during the FY by the total investigations closed or referred during the FY. For FY 2010, we surpassed our 75 percent goal with an 86 percent rating. We closed or referred a total of 7,109 investigations during the FY. Of these, we closed or referred 6,098 cases for action within 180 days. | | |

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| Goal 2.4 | <i>Respond to 90 percent of congressional requests within 21 days.</i> | <u>FY 2010 Result</u> 96 Percent |
| This measure is calculated by dividing the total congressional requests responded to within 21 days during the FY by the total number of congressional requests responded to during the FY. Processing days are the days elapsed from receipt of a congressional request to the date of a response. For FY 2010, we responded to 51 (96 percent) of 53 congressional inquiries within 21 days. | | |

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| Goal 2.5 | <i>Take action on 90 percent of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.</i> | <u>FY 2010 Result</u> 97 Percent |
| This measure is calculated by dividing the total number of CMP subjects against whom initial action was taken within 30 days of receipt during the FY, by the total number of CMP subjects where action was taken during the FY. Initial actions are defined as sending a letter to the subject either stating an intention to pursue a CMP; or indicating that a CMP will not be proposed at this time, and directing the subject to SSA to make arrangements for repayment or other actions. For FY 2010, we took action within 30 days on 1,870 (97 percent) of 1,938 CMP subjects. | | |

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| Goal 2.6 | <i>Achieve a positive external user assessment rating of 85 percent for product-service quality.</i> | <i>FY 2010 Result</i> <i>95 Percent</i> |
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This measure is calculated by using a five-tier rating scale measuring the degree of satisfaction with OIG products and services by recipients and users, including SSA and other government entities, such as Congress, Offices of U.S. Attorneys, and external law enforcement agencies. The numeric response is translated into a percentage, with 85 percent indicating satisfaction.

For FY 2010, we achieved a 95 percent rating, exceeding our goal of 85 percent.

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| Goal 2.7 | <i>Issue 78 percent of final audit reports within 1 year of the entrance conference with SSA.</i> | <i>FY 2010 Result</i> <i>94 Percent</i> |
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This measure is calculated by dividing the total number of audit reports issued during the FY within 1 year of the entrance conference by the total number of audit reports issued during the FY.

For FY 2010, our office achieved a 94 percent rating, exceeding our goal of 78 percent. We issued 102 of 108 reports during the FY within 1 year of their respective entrance conferences.

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| Goal 2.8 | <i>Complete 85 percent of requests for legal advice and review within 30 days.</i> | <i>FY 2010 Result</i> <i>99 Percent</i> |
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This measure is calculated by dividing the total number of legal opinions, subpoenas and audit reviews completed by the Office of Counsel to the Inspector General within 30 days of receipt during the FY by the total number of requests for legal opinions, subpoenas and audit reviews completed during the FY.

During FY 2010, we completed 800 (99 percent) of the 811 requests for legal opinions, subpoenas and audit reviews within 30 days.

Goal 3 – PEOPLE

Promote a skilled, motivated, diverse workforce in a positive and rewarding work environment.

Strategies used to attain this goal include:

1. Identify assignment interests and developmental needs of all employees.
2. Provide OIG components with training and tools necessary to ensure professional development and skills enhancement.
3. Maintain a proactive approach in recruiting and hiring candidates to meet different needs.

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| Goal 3.1 | <i>Achieve an annual attrition rate of 5 percent or less.</i> | <i>FY 2010 Result 4 Percent</i> |
| This measure is calculated by dividing the total number of employees separated (excluding retirements and deaths) during the FY by the OIG Average Workforce for the FY. For FY 2010, there were 25 separations from the OIG's 588 Average Workforce, which is equivalent to a 4 percent attrition rate. | | |

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| Goal 3.2 | <i>Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvement is needed.</i> | <i>FY 2010 Result 75 Percent</i> |
| The OIG's Organizational Health Committee implemented an annual employee job-satisfaction survey beginning in FY 2006. The survey consisted of 13 questions. Our goal was to have an average score of 75 percent for the questions asked. This goal was again met this year, demonstrating a high level of employee satisfaction. | | |

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| Goal 3.3 | <i>Ensure that 90 percent of OIG staff receives 40 or more hours of appropriate developmental and skill-enhancement training annually.</i> | <i>FY 2010 Result</i> 98 Percent |
| <p>This measure is calculated by dividing the total number of OIG staff on board for the entire FY receiving at least 40 hours of training during the FY by the total number of OIG staff on board for the entire FY.</p> <p>For FY 2010, 98 percent of our employees received 40 or more hours of appropriate developmental and/or skill-enhancement training. Achieving this goal demonstrates our commitment to having a capable and professional workforce. The continual development of our employees underlies our successful performance as an organization.</p> | | |

HISTORICAL COMPARISON

| GOAL | DESCRIPTION | FY 2008 RESULTS | FY 2009 RESULTS |
|------------------|--|--------------------|--------------------|
| 1.1 | <i>Maintain an annual acceptance rate of at least 85 percent for all recommendations.</i> | 96% | 98% |
| 1.2 | <i>Through FY 2010, achieve a 5-year average implementation rate of 85 percent for accepted recommendations aimed at improving the integrity, efficiency and effectiveness of SSA.</i> | 89% | 88% |
| 1.3 ¹ | <i>Achieve a positive action on at least 75 percent of all cases closed during the FY.</i> | 93% | 75% |
| 2.1 ² | <i>Generate a positive return of \$6 for every tax dollar invested in OIG activities.</i> | \$42 to \$1 | \$85 to \$1 |
| 2.2 ³ | <i>Evaluate and respond to 90 percent of all allegations received within 45 days.</i> | 95% | 96% |
| 2.3 | <i>Complete investigative fieldwork on 75 percent of all cases within 180 days.</i> | 94% | 89% |
| 2.4 | <i>Respond to 90 percent of congressional requests within 21 days.</i> | 98% | 100% |
| 2.5 | <i>Take action on 90 percent of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.</i> | 94% | 97% |
| 2.6 | <i>Achieve a positive internal and external user assessment rating of 85 percent for product-service quality.</i> | 89% | 92% |
| 2.7 ⁴ | <i>Issue 78 percent of final audit reports within 1 year of the entrance conference with SSA.</i> | 83% | 92% |
| 2.8 ⁵ | <i>Complete 85 percent of requests for legal advice and review within 30 days.</i> | 99% | 98% |
| 3.1 | <i>Achieve an annual attrition rate of 5 percent or less.</i> | 6% | 4% |
| 3.2 | <i>Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvement is needed.</i> | 79% | 78% |
| 3.3 | <i>Ensure that 90 percent of OIG staff receives 40 or more hours of appropriate developmental and skill-enhancement training annually.</i> | 96% | 99% |

¹ Goal 1.3 – FY 2009 80% changed to 75%

² Goal 2.1 – FY 2008 changed from \$4 to \$6

³ Goal 2.2 – FY 2009 30 days changed to 45 days

⁴ Goal 2.7 – FY 2008 changed to 78%

⁵ Goal 2.8 – FY 2008 changed to 85%