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APPROPRIATION LANGUAGE

Office of Inspector General

(including transfer of funds)

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, [$30,000,000]*$30,000,000*, together with not to exceed [77,600,000]*$75,733,000*, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

In addition, an amount not to exceed 3 percent of the total provided in this appropriation may be transferred from the "Limitation on Administrative Expenses", Social Security Administration, to be merged with this account, to be available for the time and purposes for which this account is available: *Provided*, That notice of such transfers shall be transmitted promptly to the Committees on Appropriations of the House of Representatives and the Senate at least 15 days in advance of any transfer. *Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.*

GENERAL STATEMENT

OVERVIEW

The Fiscal Year (FY) 2014 President's Budget for the Social Security Administration (SSA) Office of the Inspector General (OIG) is $105,733,000 in total budget authority and 575 full-time equivalents (FTE). This is $2,824,000 above the annualized continuing resolution level.

The FY 2014 request provides resources to increase our staffing level to 575 FTEs. The FY 2014 budget request will support spending at an operating level that will allow our auditors and investigators to meet their productivity goals. The budget request will provide funding for a 575 FTE staffing level, the President's proposed 1 percent pay raise, mandatory payroll increases (e.g., within-grade increases, scheduled promotions, health benefits, etc.), and related support costs. The budget request assumes OIG will replace some staffing losses during FY 2014, and provides ongoing support for the major initiatives already in place. OIG will continue to meet its homeland security responsibilities through audit and investigative activities that focus on strengthening the enumeration process and combating Social Security number (SSN) misuse.

Although American Recovery and Reinvestment Act of 2009 (ARRA) funding for oversight of the National Computer Center (NCC) replacement has expired, we plan to continue to oversee the building construction, final building commissioning, and the IT migration to the new facility. We will complete reviews to address specific milestones as needed.

This budget includes $800,000 for training, which satisfies all FY 2014 training requirements for OIG. OIG is not required to contribute to the Council of the Inspectors General on Integrity and Efficiency in FY 2014, and no funding has been requested for that purpose.

Table 4.1—Justification

	FY 2012Actual	FY 2013 Estimate	FY 2014 Estimate	*FY13 to FY14 Change*
FTE	569	570	575	*+5*
Appropriation	$ 102,283,000	$ 102,909,000	$ 105,733,000	*+ $ 2,824,000*
ARRA[1]	$ 888,000	$ 0	$ 0	*$ 0*
Total Obligations[2]	$ 102,200,000	$ 102,909,000	$ 105,733,000	*+ $ 2,824,000*
Unobligated balance lapsing	$ 971,000	$ 0	$ 0	*+$ 0*

ONGOING INITIATIVES

Computer Forensic Cyber-Related Investigations

OIG investigations have increasingly been linked to cyber-related activities, such as direct deposit fraud-related scams, fraudulent Internet applications for benefits, and employee computer misuse. In FY 2012, OIG's Digital Forensics Team (DFT) opened 152 forensic cases and examined over 37 terabytes of data. OIG currently has 14 trained computer forensic examiners with plans to increase our capabilities. Additionally, in FY 2013, we plan to commence operation of an Electronic Intelligence Center (EIC) within OIG. Working alongside DFT, EIC will provide in-depth analysis and proactive analytics in support of our investigative and audit work, as well as provide direct intelligence support in furtherance of ongoing OIG investigations.

Recently, there has been a heightened awareness of the need for robust measures in the protection of government networks and the investigation of incidents of cyber crimes against those networks. With the creation of National Security Presidential Directive 54 and the emphasis placed on the Government's Trusted Internet Connection initiative, the protection of government networks has become a priority. OIG is a partner in the agency's effort to protect Personally Identifiable Information stored within SSA's networks. However, with the increased focus on network security, OIG must enhance its abilities in the area of Computer Security and Incident Response. OIG, by utilizing the capabilities of DFT and EIC, seeks to develop the skills and hire personnel to maintain an effective Computer Security Incident Response Team. This team will provide investigative and security support to SSA in the event of a network intrusion by determining the origin of the attack and referring the investigative lead to field investigators. To be effective, OIG must keep pace with technological advances. Our FY 2014 budget request

[1] The ARRA appropriated $2,000,000 for activities available through FY 2012. The actual ARRA obligation was $595,000 for FY 2009; $291,000 for FY 2010; $226,000 for FY 2011; and $888,000 for FY 2012. In September 2012, our Office of Audit discovered that the vendor performing work under the Recovery Act Contract had billed some services in the wrong fiscal years. This caused numbers to change in each fiscal year once the transactions were corrected in our accounting system.

[2] Some FY 2012 obligation expenses were inadvertently not processed until the first quarter of FY 2013 and, as a result, did not appear on the end-of-year report. After posting those expenses, the FY 2012 obligations, excluding ARRA, are $101,727,000, and the lapse was $556,000. The planned obligations for FY 2013 and FY 2014 are $102,909,000 and $105,733,000 respectively.

includes funds to provide our computer forensic investigators and investigative analysts with the equipment, training, and software needed to strengthen our computer forensics capabilities and thereby combat computer crimes.

Cooperative Disability Investigations

In continuance of OIG's commitment to work with SSA to prevent improper payments, OIG continues to participate with SSA, as well as State Disability Determination Services (DDS), and State/local law enforcement partners, in the Cooperative Disability Investigations (CDI) program. The CDI program currently has 25 units in 21 States and the Commonwealth of Puerto Rico. In FY 2012, the CDI program resulted in over 4,000 confirmed fraud cases, and over $339 million in SSA savings.

Allegation Management and Fugitive Enforcement

The Allegation Management and Fugitive Enforcement Division (AMFED) is responsible for receiving, analyzing, and referring allegations of fraud, waste, and abuse in Social Security programs and operations. AMFED is also responsible for managing the fugitive warrant verification and referral process for Social Security's fugitive enforcement operations.

In FY 2012, these processes contributed significantly to the mission of OIG and SSA. AMFED received 67,854 allegations. Through the development of referred allegations, SSA identified $3,196,734 in benefit overpayments. AMFED matched 123,723 fugitive subjects from incoming Federal, State, and local warrant files and referred them to law enforcement for apprehension and warrant verification. AMFED referred 798 fugitive subjects for benefit suspension. Through data-sharing efforts, 223 fugitives were apprehended.

Civil Monetary Penalty Program

OIG improves SSA program integrity through its administration of the Civil Monetary Penalty (CMP) enforcement statutes. This authority, delegated by the Commissioner of Social Security, allows OIG to impose CMPs against violators of Sections 1129 and 1140 of the *Social Security Act*. Section 1129 of the Act allows for the imposition of a CMP against those who make false statements, representations, or omissions in connection with obtaining or retaining Disability Insurance benefits or Supplemental Security Income (SSI) payments. Section 1129 also allows for CMPs against representative payees who misuse benefits or payments. Section 1140 of the Act enables OIG to impose penalties against individuals or entities that use SSA's program words, letters, symbols, or emblems in advertisements or other communications in a misleading manner that falsely implies SSA's approval, endorsement, or authorization. In FY 2012, OIG's CMP program successfully closed 188 Section 1129 cases, resulting in penalties and assessments of over $10.1 million; and 27 Section 1140 cases, resulting in penalties and assessments of over $138,000.

SSA'S SIGNIFICANT MANAGEMENT ISSUES

OIG annually identifies the most significant management issues facing SSA based on congressional mandates and its audit and investigative work. These issues are:

1. Strengthen Strategic and Tactical Planning

2. Improve Customer Service
3. Improve the Timeliness and Quality of the Disability Process
4. Improve Transparency and Accountability
5. Invest in Information Technology Infrastructure to Support Current and Future Workloads
6. Reduce Improper Payments and Increase Overpayment Recoveries
7. Reduce the Hearings Backlog and Prevent its Recurrence
8. Strengthen the Integrity and Protection of the Social Security Number

A summary of each is discussed below:

Issue #1: Strengthen Strategic and Tactical Planning

While SSA has plans to address its operations in the next 4 to 5 years, it does not have strategic or tactical plans that address how the agency will operate beyond 5 years. While near-term planning is important, SSA needs long-range plans that address long-term challenges, including a rising workload, a decrease in experienced staff, overly complex program policies, and a rising need to provide more services electronically. The agency has FY 2008 through 2013 and FY 2013 through 2016 Strategic Plans and an Information Resources Management Strategic Plan. These plans cover periods of 4 to 5 years. SSA also has a Strategic Human Capital Plan. This plan does not define the timeframe it addresses, but it states that it is aligned with the Agency's Strategic Plan. The most current Agency Strategic Plan addresses a 4-year period. While planning for the next few years is important, SSA needs a longer-term vision to ensure the agency has the programs, processes, staff, and infrastructure required to provide needed services in the future.

The number of individuals filing for benefits has increased, and SSA predicts it will continue to increase by the millions. The agency estimates that 80 million individuals, most from the baby boomer generation, will file for benefits over the next 20 years. The population applying for benefits will expect SSA to provide a greater number of services electronically. SSA realizes that it needs to rely more on technology not only to meet customer expectations but to keep up with a rising workload. As workloads rise, a greater proportion of SSA's workforce will become eligible to retire; 19 percent of SSA's employees are eligible. In FY 2015, 33 percent of SSA's current employees will be eligible to retire, and by FY 2020, this number will increase to 45 percent. While not every employee retires as soon as he/she is eligible to do so, SSA predicts that 28 to 36 percent of its workforce will retire over the next 10 years. Given the expectation of leaner future budgets, SSA needs to plan to meet its mission with fewer resources.

At a time when SSA needs to plan to do more with less, SSA lacks long-term plans in a number of critical areas. In its 2011 report, *The Social Security Administration: A Vision of the Future,* the Social Security Advisory Board recommended that SSA take multiple steps to ensure success in 2020, including rethinking its service delivery strategy, performing a comprehensive review of program policy to reduce complexity, establishing a Systems Modernization Plan, and developing a Human Capital Plan.

In a prior OIG report, we stated that SSA did not have a comprehensive Agency Information Infrastructure Plan to meet potential processing needs for the next 20 years or that would allow the agency to recover quickly if one or more major components of its processing infrastructure failed or was destroyed. While SSA has an Information Technology (IT) planning process, the process is decentralized, and SSA officials agreed that it needed to be strengthened. In another report, we concluded SSA did not have a long-term customer service delivery plan. We noted that SSA must develop such a plan that serves as a roadmap for ensuring the agency is technologically and structurally prepared with appropriate staff to operate its program in the future.

Issue #2: Improve Customer Service

Many factors challenge SSA's ability to provide quality customer service to the public, including budget constraints, growing workloads, changing customer expectations, an aging workforce, and shifting demographics. Each day, over 179,000 people visit SSA field offices and more than 445,000 people call the agency for a variety of services, such as filing a claim, updating information, and asking questions. SSA is also receiving increasing numbers of claims. The agency completed approximately 3.2 million disability claims and 5 million retirement and survivor and Medicare claims in FY 2012.

The projected retirement of its employees continues to present a challenge to SSA's customer service capability. SSA estimates that 45 percent of its employees, including 60 percent of its supervisors, will be eligible to retire by FY 2020. This loss of institutional knowledge may adversely affect SSA's ability to deliver the quality service the public expects. SSA also stated that the current level of funding would lead to a loss of employees.

Technology is rapidly changing and the public expects to complete more business online. At the same time, the Nation is becoming more diverse. As SSA enhances its service delivery strategies, it must consider the increasing multilingual and multicultural population it serves. In FY 2012, SSA published its Customer Service Plan, which outlines its strategy to improve service delivery quality, speed, and efficiency. The plan highlights SSA's video hearings initiative, which uses technology to minimize costs and expand customer access. Along with video technology, the agency plans to improve its telephone and walk-in services, enhance online services, and enhance security for Internet access to personalized information.

Telephone Services: In FY 2012, SSA lost over 1,600 employees. Consequently, the agency projected its national 800 number service would deteriorate significantly and busy signals rose from 3 percent in FY 2011 to 4.6 percent in FY 2012. The average speed to answer also increased from 180 seconds in FY 2011 to 294 seconds in FY 2012. Additionally, SSA estimates it will be unable to complete all its post-entitlement work, which could result in improper payments and delays in collecting overpayments. SSA serves nearly 60 million people per year over the telephone. SSA is replacing its national 800-number infrastructure with a new system. The new technology will help eliminate lengthy navigation menus, better forecast call volumes, anticipate staffing needs, and distribute incoming calls across the network so callers reach an agent more quickly.

Online Services: One of SSA's priorities is to provide the public more service options through a wide range of online services. In FY 2012, SSA released an online Spanish retirement application and a new online version of the Social Security Statement, which provides workers access to their Social Security earnings and benefit information. SSA also enhanced electronic services for claimant representatives, such as improving the online appeals application. Further, starting in April 2012, individuals applying for disability benefits were able to electronically sign and submit an authorization to disclose medical information, helping process claims faster.

Video Services: SSA is expanding video services for individuals living in rural areas or places without public transportation. Video services enable the agency to provide service at such sites as hospitals, libraries, community centers, American Indian Tribal centers, and homeless shelters. Video services also increase service availability and help reduce travel costs.

Direct Deposit: SSA uses direct deposit for 94 percent of Social Security benefits and 83 percent of SSI payments. In October 2011, we began tracking allegations that indicated individuals other than the beneficiaries or their representatives had redirected benefit payments away from the beneficiaries' bank accounts. As of the end of FY 2012, we had received over 22,000 reports concerning direct deposit changes to a Social Security beneficiary's record. In response, SSA has moved from a monthly to a weekly review of direct deposit integrity reviews.

Representative Payment Program: Providing oversight to ensure representative payees properly manage the Social Security benefits of vulnerable beneficiaries is a critical customer service performed by SSA. SSA appoints representative payees to receive and manage the benefits of beneficiaries who are incapable of managing or directing the management of their finances because of age, mental, or physical impairment. We continue finding problems with representative payees who do not properly use and account for benefits. Additionally, we identified large-volume, fee-for-service representative payees who did not always have the resources, procedures, and controls in place to fulfill their representative payee responsibilities.

SSA piloted a new program in FY 2012 to ensure individuals convicted of committing or attempting to commit certain crimes do not serve as a representative payee. To increase the number of representative payees who submit timely wage reports, the agency mailed notices to certain representative payees for working SSI recipients and encouraged the representative payees to report wages via an automated telephone wage reporting system. Further, SSA stated it issued reminders to its employees to follow representative payee program policy, and agreed to work with problem payees to correct deficiencies identified during audits.

Issue #3: Improve the Timeliness and Quality of the Disability Process

SSA needs to address millions of initial disability and reconsideration claims and it continues to have backlogs of initial disability claims and continuing disability reviews (CDR). Over the past 2 years, SSA has received a large influx of initial and reconsideration claims. According to SSA, over 3.3 million initial and 853,000 reconsideration claims were received in FY 2011, and about 3.2 million initial and over 832,000 reconsideration claims were received in FY 2012. In addition, SSA has a large number of initial claims pending completion. In 2012, SSA had approximately 708,000 initial disability claims pending, compared to the 759,000 initial disability claims that were pending at the end of FY 2011. SSA also had a backlog of 1.2 million medical CDRs at the end of FY 2012.

In addition to increased receipts, some DDSs are facing high attrition rates, hiring freezes, and employee furloughs, all of which affect SSA's ability to process the disability workload. With hiring freezes, DDSs are not allowed to replace the lost staff. As of September 2012, five States were still furloughing DDS employees.

In November 2010, SSA released its *Strategy to Address Increasing Initial Disability Claim Receipts* (Strategy) to reduce the initial claims backlog to a pre-recession level by FY 2014. The multi-year Strategy includes:

- increasing staffing in the DDS and Federal disability processing components;
- improving efficiency through automation;
- expanding the use of screening tools to assist in identifying claims likely to be allowed; and
- refining policies and business processes to expedite case completion.

As part of the Strategy, SSA provided funding for States to hire additional DDS employees. SSA also created centralized units, called Extended Service Teams, in four States, which assist by taking claims from those States with the highest pending levels. SSA also increased staffing levels in the Federal disability processing components that support the DDSs. SSA hired more than 2,600 DDS employees in FYs 2009 and 2010. However, in FY 2011, SSA froze DDS hiring and did only limited critical hiring in FY 2012. As a result, SSA lost approximately 1,200 DDS employees in FY 2011 and about 1,000 additional DDS employees in FY 2012. With the loss of DDS employees and a high level of initial disability claims receipts anticipated in FY 2013, SSA does not expect to achieve its initial claims pending level goal of 525,000 by FY 2014. In fact, in FY 2013, SSA expects that pending initial disability claims will rise.

The agency is developing a Disability Case Processing System (DCPS), which is one common system that will replace the 54 different existing systems that support the DDSs. DCPS will integrate case analysis tools and health IT. Per SSA, it will provide consistent case processing abilities between the DDSs, which should have a positive effect on processing times and the consistency of disability decisions.

Issue #4: Improve Transparency and Accountability

SSA faces a number of challenges ensuring accountability, including concerns over its internal controls, systems security, and administrative cost allocations. SSA continues to lack a full set of performance indicators that measure whether the agency is meeting all its strategic goals.

There have been a number of efforts to make Federal agencies more transparent and accountable. The *Chief Financial Officers Act of 1990* (Pub. L. No. 101-576) provides for the production of complete, reliable, timely, and consistent financial information for use by the executive branch of the Government and Congress in the financing, management, and evaluation of Federal programs. The *Government Performance and Results Act of 1993* (GPRA) (Pub. L. No. 103-62) and the *GPRA Modernization Act of 2010* (Pub. L. No. 111-352) seek to improve Federal program effectiveness and public accountability by focusing on results, service quality, and customer satisfaction. More recently, the Office of Management and Budget (OMB) issued the Open Government Directive, which requires Federal agencies to improve the quality of Government information, publish Government information online, create and institutionalize a culture of open Government, and create an enabling policy framework for open Government.

SSA has taken steps to implement the Open Government Directive, which is focused on increasing transparency within the Government. SSA released its first Open Government Plan in

2010 and an updated Plan in 2012. SSA also released 41 different datasets on Data.gov, which are accessible by the public.

In the FY 2012 Independent Auditor's Report, the auditors reported a material weakness and a significant deficiency in internal control related to monitoring activities and overall control environment, and information security. Specifically, the Auditors reported a material weakness on Information System Controls. Audit testing identified weaknesses in SSA's entity wide security program; access controls; and compensating controls. The Auditors reported a significant deficiency on Benefit Payment Oversight. Audit testing identified weaknesses in SSA's monitoring and control environment over benefit payments.

Monitoring Activities and Overall Control Environment: The agency faces a challenge in monitoring its activities and the overall control environment, that can be summarized into two categories—lack of timeliness and lack of appropriate documentation. SSA lacked timeliness in completion of quality review feedback forms, follow-up on Comprehensive Integrity Reviews, Process System Reviews, and consideration and resolution of prior year audit findings. SSA's lack of appropriate documentation includes areas of disability reviews, various approvals for certain transactions, and overpayment detection and associated waivers. Many of these areas are recurring issues that have accumulated over the past three Financial Statement Audits. However, there has not been meaningful improvement in resolving the issues.

Information Security: For the past 2 years, the auditor reported a significant deficiency in SSA's internal control over information security in its *Opinion on Management's Assertion about the Effectiveness of Internal Control*. For FY 2012, the auditors escalated the deficiency and determined there was a material weakness in internal controls related to information security in the areas of monitoring, logical access, and configuration controls. Specifically, SSA lacked monitoring controls related to policy on configuration of information; policy on content on SSA's Intranet Webpage; and high-risk programs operating on the mainframe. In addition, SSA lacked appropriate controls to identify high-risk programs; prevent programmer access to the production environment; and create a comprehensive profile and access recertification program. Lastly, the vulnerability testing conducted by the agency was determined to be insufficient for the identification of critical weaknesses in the IT environment.

Administrative Cost Allocation: We also believe SSA can bring greater accountability to its administrative cost allocation (CAS). CAS has certain risks that SSA needs to address to ensure it provides viable calculations of SSA's administrative costs. For example, SSA had not updated the CAS cost allocation methodology in over 30 years to account for changes in business processes, system technology, or Federal accounting standards. The failure to periodically revisit and update the cost allocation methodology could result in costing assumptions and cost factors that are no longer valid or accurate.

Issue #5: Invest in Information Technology Infrastructure to Support Current and Future Workloads

SSA faces the challenge of how best to use technology to meet its increasing workloads with limited budgetary and human resources. SSA will not be able to manage its current and future workloads without the proper IT infrastructure. The agency uses a variety of technologies, including telephone service, the Internet, and videoconferencing to deliver service to its customers. We have concerns regarding the agency's IT physical infrastructure; logical access controls and security of sensitive information; development of electronic services, and strategic IT planning.

SSA's primary IT investment over the next few years is the replacement of the NCC. Increased workloads and growing telecommunication services have strained the NCC's ability to support the agency's business. However, SSA has projected that its new facility will not be operational until 2016. SSA has taken steps to address its IT infrastructure challenge. The agency continues taking actions to address the NCC's sustainability through 2016 by conducting recurring inspections of its infrastructure.

SSA's FY 2009, 2010, and 2011 Financial Statement Audits identified a significant deficiency in the agency's control of access to its sensitive information. For example, SSA did not consistently comply with policies and procedures to periodically reassess the content of security access given to its employees and contractors. The FY 2012 Financial Statement Audit raised the deficiency to a material weakness in internal control related to information security in the areas of monitoring, logical access, and configuration controls.

Recently, SSA stated that it issued and implemented several policies and procedures related to logical access controls and the security of sensitive information. In addition, SSA stated that it has implemented a Web-based tool for automating SSA's review process for access to sensitive information. Finally, SSA stated that it assembled a workgroup to address the material weakness identified in the FY 2012 financial statement audit.

SSA must find ways to expand easy-to-use and secure electronic services for its customers. In FY 2012, the agency planned to increase the percentage of claims filed online to 42 percent. At the end of FY 2012, 44 percent of claims were filed electronically. In FY 2013, the agency plans to increase its online filings to 48 percent. To address this challenge and reduce the workload in field offices, SSA offers 30 electronic services. In May 2012, SSA introduced a new Internet process to register and authenticate members of the public who wish to use the agency's online applications, such as Ready Retirement, replacement SSN cards, and other automated services.

It is crucial for SSA to ensure its IT investments are properly guided by its strategic planning and investment control processes to help ensure the agency receives the full functionality and cost savings as expected and prevents duplication of efforts or waste. SSA must develop and maintain an Information Resources Management (IRM) Strategic Plan that supports the Agency's Strategic Plan. In addition, the strategic IT planning process should drive performance improvements to save money and avoid cost through collaboration, reuse, productivity enhancements, and elimination of redundancy. Our prior audit work in this area found that although SSA had a 5-year IRM plan, SSA's IT planning process only spans 2 years. In addition, the IRM did not provide a clear IT blueprint, define IT resource requirements, and address all critical future challenges. Furthermore, SSA did not have a strategic plan to convert its legacy application programs to a more modernized programming language.

Issue #6: Reduce Improper Payments and Increase Overpayment Recoveries

Workers, employers, and taxpayers who fund SSA's programs deserve to have their tax dollars effectively managed. As a result, SSA must be a responsible steward of the funds entrusted to its care and minimize the risk of making improper payments. SSA strives to balance its service commitments to the public with its stewardship responsibilities. However, given the size and complexity of the programs, some payment errors will occur. SSA is responsible for issuing over $700 billion in benefit payments annually to about 60 million people. Given the large overall dollars involved in SSA's payments, even the slightest error in the overall process can result in millions of dollars in over- or underpayments.

In November 2009, the President issued Executive Order 13520 on reducing improper payments; and in March 2010, OMB issued guidance for implementing it. Also, in July 2010, the Improper Payment Elimination and Recovery Act (IPERA) was enacted. OMB issued guidance on implementing IPERA in April 2011. As a result, all agencies with high-risk programs—those with significant improper payments—are required to intensify their efforts to eliminate payment errors. OMB designated SSA's programs as high-risk. Once SSA determines an individual has been overpaid, it must recover any overpayment. SSA uses a variety of methods to collect the debt related to overpayments. However, SSA reported that the percent of debt (for example, overpayments) collected decreased from FY 2011 to FY 2012. Additionally, the percent of debt collected in FY 2012 is lower than the percent collected in each of the previous four fiscal years.

One of the major causes of improper payments in the Old-Age, Survivor, and Disability Insurance Program is benefit computation errors. SSA has developed automated tools to address the more troublesome computation issues. Another major cause of improper payments in the SSI program is recipients' failure to provide accurate and timely reports of new or increased wages. In response, SSA developed a monthly wage reporting system incorporating touch-tone and voice-recognition telephone technology. SSA also implemented its Access to Financial Institutions project to reduce SSI payment errors by identifying undisclosed financial accounts with balances that place recipients over the SSI resource limit.

The CDR is a powerful tool for reducing improper payments. Through completion of CDRs, SSA periodically verifies that individuals are still disabled and eligible for disability payments. Available data indicate that SSA saves about $9 for every $1 spent on CDRs, including Medicare and Medicaid program effects.

Issue #7: Reduce the Hearings Backlog and Prevent its Recurrence

SSA's first goal in its FY 2008-2013 *Agency Strategic Plan* was to "...eliminate our hearings backlog and prevent its recurrence." SSA has directed increased resources to improve hearing timeliness and process more hearings. Since FY 2008, average processing time dropped by about 31 percent, and administrative law judge (ALJ) productivity increased from 2.30 dispositions per day per ALJ to 2.41. While timeliness and ALJ productivity have improved, an increased number of applicants has led to an increase in the hearings backlog. By the end of September 2012, the backlog stood at about 817,000 cases, an increase of almost 30,000 cases since the start of the fiscal year. In the *Agency Strategic Plan Fiscal Years 2008-2013*, SSA established a goal to reduce the pending cases to about 466,000 and average processing time to 270 days.

We noted that the agency could still take additional steps to expand its use of video hearings, by placing video teleconferencing equipment into field offices, law offices, and government sites. In addition, the relocation of unused equipment and expanded use of desktop video units could increase the available capacity of video hearings. To eliminate the backlog and prevent its recurrence, the agency has used automation and implemented a number of business processes to increase adjudicatory capacity and efficiency. One of these initiatives, the video-only National Hearing Centers (NHC), is designed to reduce case processing time by increasing adjudicatory capacity and efficiency with a focus on an electronic hearings process. NHCs provided the agency with additional flexibility by transferring older cases from some of the most heavily backlogged hearing offices, thereby reducing their backlogs and processing times. However, NHCs face their own challenges, including lack of video capacity at claimant locations, scheduling difficulties, and claimants' reluctance to participate in video hearings.

Various obstacles impact the hearing office staff's ability to schedule hearings in a timely manner. Most notably, staff cited claimant representative availability as the greatest obstacle for timely scheduling hearings. To a lesser degree, hearing office staff cited ALJ availability as another key obstacle. Congress continues to express concerns about ALJ adherence to the agency's policies and procedures while demonstrating good stewardship of taxpayer dollars. In our February 2012 report, *Oversight of Administrative Law Judge Workload Trends*, we identified ALJs who were significant outliers in terms of their productivity or decisional allowance rates and noted the agency needed to ensure outlier ALJs were monitored and their underlying work processes were periodically reviewed.

The agency continues to implement the Commissioner's plan to eliminate the backlog by:

- expanding the list of diseases and conditions covered under compassionate allowances;
- increasing adjudicatory capacity through additional hiring and the use of senior attorney adjudicators;
- reducing the volume of aged cases in the hearings pipeline; and
- improving hearing efficiency with automation and improved business processes, such as the expansion of video hearings.

In FY 2012, SSA hired 147 new ALJs and adjudicated approximately 37,000 cases using the senior attorney adjudication program. The agency held almost 154,000 video hearings nationwide in the fiscal year, an increase of almost 24,000 video hearings when compared to FY 2011.

Issue #8: Strengthen the Integrity and Protection of the Social Security Number

In FY 2012, SSA processed applications for approximately 5.5 million original and 11 million replacement SSN cards, and recorded approximately $585 billion in employment taxes related to earnings under assigned SSNs. Protecting the SSN and properly posting the wages reported under SSNs are critical to ensuring SSN integrity and eligible individuals receive the full benefits due them.

The SSN is heavily relied on as an identifier and is valuable as an illegal commodity. Accuracy in recording workers' earnings is critical because SSA calculates future benefit payments based on the earnings an individual accumulates over his/her lifetime. As such, properly assigning SSNs only to those individuals authorized to obtain them, protecting SSN information once the agency assigns the numbers, and accurately posting the earnings reported under SSNs are critical SSA missions. We remain concerned about SSN misuse by noncitizens who are not authorized to work in the United States, as well as the misuse of children's SSNs for work and identity theft purposes.

To its credit, SSA has implemented numerous improvements in its SSN assignment, or enumeration process. However, given the preponderance of SSN misuse and identity theft, we continue to believe protection of this critical number is a considerable challenge for SSA, as well as its millions of customers. Unfortunately, once SSA assigns an SSN, it has no authority to control the collection, use, and protection of these numbers by other entities. Our audit and investigative work have shown that the more SSNs are unnecessarily used, the higher the probability that they could be used to commit crimes throughout society. The Federal Trade Commission estimated that as many as 9 million Americans have their identities stolen each year. SSA's recent improvements include implementing a pilot study in three SSA offices and one card center in which applicants must provide stringent, more reliable identity documents before obtaining an SSN Printout. Additionally, the agency is implementing improved monitoring tools to track the SSN Printout workload.

The SSNs of deceased individuals are also vulnerable to misuse. As such, the public release of SSA's Death Master File (DMF) raises concerns. Each DMF record usually includes a deceased individual's SSN, full name, date of birth, and date of death. The file contains about 86 million records, and it adds about 1.1 million records each year. While the DMF has important and productive uses, our investigations show that individuals can use available death data to obtain SSNs and commit fraud. To the extent possible, we believe SSA should limit public access to the DMF to only what is required by law and take all steps to ensure its accuracy.

Properly posting earnings ensures eligible individuals receive the full retirement, survivors, and/or disability benefits due them. SSA's programs depend on earnings information to determine whether an individual is eligible for benefits and to calculate the amount of benefit payments. SSA spends scarce resources correcting earnings data when employers report incorrect information.

While SSA cannot control all the factors associated with erroneous wage reports, it may be able to improve wage reporting by informing employers about potential SSN misuse cases, identifying and resolving employer reporting problems, encouraging greater use of the agency's employee verification programs, and enhancing the employee verification feedback to provide employers with sufficient information on potential employee issues. SSA can also improve coordination with other Federal agencies with separate, yet related, mandates. For example, the agency needs to work with the Internal Revenue Service to achieve more accurate wage reporting.

MONETARY BENEFITS

In FY 2012, OIG issued 110 audit reports with recommendations, identifying over $1.1 billion in questioned costs and over $4.1 billion in Federal funds that could be put to better use. OIG also received over 135,235 allegations of fraud, effected over 1,400 criminal prosecutions, and obtained a return of over $502 million in investigative accomplishments, comprised of over

$103 million in SSA recoveries, restitutions, fines, settlements, and judgments, and over $398 million in projected SSA savings. Our FY 2014 funding will enable us to issue timely reports, provide training required by Government Auditing Standards, and cover mission-critical travel.

STRATEGIC PLANNING

FY 2012 was the second year under OIG's 5-year Strategic Plan (FY 2011-FY 2015). OIG operates within a framework set by three general goals: the *Impact* OIG's investigations, audits, and legal activities have on SSA's effectiveness and efficiency; the *Value* OIG brings to SSA, Congress, and the public; and the strategies OIG uses to cultivate the talents of its *People*. These general goals are further broken down into 15 separate performance measures. All of these measures are designed to support OIG's core mission to inspire public confidence by detecting and preventing fraud, waste, and abuse in SSA's programs and operations. For FY 2012, OIG successfully met 15 out of 15 performance measures. The specific results for FY 2012 are as follows:

Table 4.2—2012 Performance Measure Results

Goal	Target	Result
Impact		
1. Maintain an annual acceptance rate of at least 88% for all audit recommendations.	88%	**91%**
2. Achieve a 5-year average implementation rate of 85% for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA.	85%	**85%**
3. Ensure at least 80% of all cases opened during the FY directly relate to improper payments within SSA's Title II and Title XVI Programs.	80%	**93%**
4. Achieve a successful conclusion on at least 75% of all Title II and Title XVI cases closed during the FY.	75%	**88%**
Value		
5. Generate a positive return of $8 for every tax dollar invested in OIG activities.	$8 to 1	**$56 to 1**
6. Evaluate and respond to 90% of all allegations received within 45 days.	90%	**96%**
7. Complete investigative fieldwork on 75% of all cases within 180 days.	75%	**92%**
8. Respond to 95% of constituent-based congressional inquiries within 21 days.	95 %	**96%**
9. Take action on 90% of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.	90%	**97%**
10. Achieve a positive external user assessment rating of 85% for product service quality.	85%	**91%**
11. Issue 85% of final audit reports within 1 year of the entrance conference with SSA.	85%	**89%**
12. Complete 85% of requests for legal advice and review within 30 days.	85%	**99%**
People		
13. Achieve an annual attrition rate of 5% or less.	≤5 %	**2%**
14. Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvements are needed.	75%	**78%**
15. Ensure that 90% of OIG staff receives 40 or more hours of appropriate developmental and skill enhancement training annually.	90%	**100%**

TRANSFER AUTHORITY

The budget request includes language providing authority to transfer an amount of up to 3 percent of the total OIG appropriation from SSA's Limitation on Administrative Expenses appropriation. This language provides the flexibility to meet unanticipated funding requirements and to ensure that adequate resources are available to meet program objectives. The request is consistent with similar authority to transfer funds between appropriations provided to other departments and agencies in appropriation language.

BUDGETARY RESOURCES

The OIG annual appropriation consists of appropriations from both the general fund and the trust funds. The President's budget request for FY 2014 consists of $30,000,000 appropriated from the general fund and $75,733,000 which will be transferred and expended as authorized by Section 201(g) (1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

Table 4.3—Amounts Available for Obligation (in thousands)

	FY 2012 Actual	FY 2013 Estimate - CR	FY 2014 Estimate
General Funds Annual	$ 28,887	$ 28,814	**$ 30,000**
Trust Funds Annual Transfer	$ 73,396	$ 74,095	**$ 75,733**
Total Appropriation	**$102,283**	**$ 102,909**	**$ 105,733**
ARRA[1]	$ 888	$ 0	**$ 0**
Total Budgetary	**$ 103,171**	**$ 102,909**	**$ 105,733**
Total Obligations[2]	**$ 102,200**	**$ 102,909**	**$ 105,733**
Unobligated balance	$ 971	$ 0	**$ 0**

[1] The ARRA appropriated $2,000,000 for activities available through FY 2012. The actual ARRA obligation was $595,000 for FY 2009; $291,000 for FY 2010; $226,000 for FY 2011; and $888,000 for FY 2012. In September 2012, our Office of Audit discovered that the vendor performing work under the Recovery Act Contract had billed some services in the wrong fiscal years. This caused numbers to change in each fiscal year once the transactions were corrected in our accounting system.

[2] Some FY 2012 obligation expenses were inadvertently not processed until the first quarter of FY 2013 and, as a result, did not appear on the end-of-year report. After posting those expenses, the FY 2012 obligations, excluding ARRA, are $101,727,000, and the unobligated balance was $556,000. The planned obligations for FY 2013 and FY 2014 are $102,909,000 and $105,733,000 respectively.

ANALYSIS OF CHANGES

The FY 2014 request represents a $2,824,000 increase over the FY 2013 estimate. These increases can be attributed to an increase in base expenses for employee salaries and benefits, to include the President's proposed 1 percent increase, as well as an increase in rent.

Table 4.4—Summary of Changes

	FY 2013Estimate CR	FY 2014 Estimate	*FY13 to FY14 Change*
General Fund	$ 28,814,000	$ 30,000,000	+ $ 1,186,000
Trust Fund Appropriation	$ 74,095,000	$ 75,733,000	+ $ 1,638,000
Total Appropriation	$ 102,909,000	$ 105,733,000	+ $ 2,824,000
ARRA (Planned)	$ 0	$ 0	$ 0
Total Obligations	$ 102,909,000	$ 105,733,000	+ $ 2,824,000

Table 4.5—Explanation of OIG Budget Changes

	FY 2013 Base		Change from Base	
	WYs (FTEs)	**Budgetary Resources**	**WYs (FTEs)**	**Budgetary Resources**
<u>BUILT-IN INCREASES</u>				
Base Payroll Expenses	**576 (570)**	**$ 88,807,000**	***+5 (5)***	
• *Change in base payroll expenses related to career ladder promotions and within-grade increases*	- - -	- - -	- - -	*+ $ 3,287,000*
• *Change in base expenses for employee benefits including health benefits and new employees hired under the Federal Retirement Employees System (FERS)*	- - -	- - -	- - -	*+ $ 978,000*
• *All other payroll changes, including overtime and awards*	- - -	- - -	- - -	*+0*
Non-Payroll Costs - All other built-in nonpayroll changes, including ARRA, travel management support and equipment	- - -	**$ 8,382,000**	- - -	
• **Rent**	---	**$ 5,720,000**	---	*+0*
• **CIGIE Contribution**	- - -	**$0**	- - -	- - -
Subtotal, Built-in increases	**576 (570)**	**$ 102,909,000**	***+5 (5)***	***+$4,265,000***
<u>PROGRAM INCREASES</u>				
Increase for operations and maintenance of facilities and equipment	- - -	- - -	- - -	***$ 0***
Subtotal, Program Increases	**---**	**---**	**---**	***$ 0***
Total Increases	**576 (570)**	**$ 102,909,000**	***+5 (5)***	***+$4,265,000***

Table Continues on the Next Page

	FY 2013 Base		Change from Base	
	WYs (FTEs)	Budgetary Resources	WYs (FTEs)	Budgetary Resources
<u>BUILT-IN DECREASES</u>				
Base Payroll Expenses—Decrease in all other payroll costs, including one less paid day	**576 (570)**	---	---	---
Non-Payroll Costs	---	---	---	***-$1,421,000***
Rent	---	---	---	***-$20,000***
CIGIE Contribution	---	**$0**	---	---
Subtotal, Built-in decreases	---	---	---	***-$1,441,000***
<u>PROGRAM DECREASES</u>	---	---	---	---
Decrease in costs for training, other support, services, and supplies	---	---	---	---
Subtotal, Program Decreases	---	---	---	---
Total Decreases	---	***$0***	---	***- $1,441,000***
Net Change	**576 (570)**	**$ 102,909,000**	***+5 (5)***	***+$ 2,824,000***

BUDGET AUTHORITY BY ACTIVITY

The table below displays budget authority, split by type of funding, and obligations. This table also includes FTEs.

Table 4.6—Budget Authority by Activity
(in thousands)

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
General Funds	$ 28,942	**$ 28,814**	**$30,000**
OASDI Trust Fund Transfers	$ 73,535	**$ 74,095**	**$ 75,733**
Total Appropriation	**$ 102,283**	**$ 102,909**	**$ 105,733**
ARRA[1]	$888	$0	0
Total Budgetary Authority	**$ 103,171**	**$ 102,909**	**$ 105,733**
Obligations[2]	**$ 102,200**	**$ 102,909**	**$ 105,733**
Unobligated balance lapsing	$ 971	$ 0	$ 0
FTEs	569	570	575

[1] The ARRA appropriated $2,000,000 for activities available through FY 2012. The actual ARRA obligation was $595,000 for FY 2009; $291,000 for FY 2010; $226,000 for FY 2011; and $888,000 for FY 2012. In September 2012, our Office of Audit discovered that the vendor performing work under the Recovery Act Contract had billed some services in the wrong fiscal years. This caused numbers to change in each fiscal year once the transactions were corrected in our accounting system.

[2] Some FY 2012 obligation expenses were inadvertently not processed until the first quarter of FY 2013 and, as a result, did not appear on the end-of-year report. After posting those expenses, the FY 2012 obligations, excluding ARRA, are $101,727,000, and the unobligated balance was $556,000. The planned obligations for FY 2013 and FY 2014 are $102,909,000 and $105,733,000 respectively.

BUDGET RESOURCES BY OBJECT

The table below displays the breakdown of budget resources by object class.

Table 4.7—Budget Resources by Object

	FY 2012	FY 2013	FY 2014	*FY13 to FY14 Change*
Full-time permanent	$ 63,179,000	$ 63,567,000	**$ 67,288,000**	+ $ 3,721,000
Other than full-time permanent	$ 515,000	$ 530,000	**$ 197,000**	- $ 333,000
Other compensation	$ 318,000	$ 320,000	**$ 219,000**	- $ 101,000
Subtotal, Personnel Compensation	$ 64,012,000	$ 64,417,000	**$ 67,704,000**	+ $ 3,287,000
Civilian personnel benefits	$ 23,988,000	$ 24,390,000	**$ 25,368,000**	+$ 978,000
Total, Compensation and Benefits	$ 88,000,000	$ 88,807,000	**$ 93,072,000**	+ $ 4,265,000
Travel	$ 3,231,000	$ 3,260,000	**$ 2,233,000**	- $ 1,027,000
Transportation of things	$ 54,000	$ 60,000	**$ 60,000**	$ 0
Rental payments to GSA	$ 5,332,000	$ 5,370,000	**$ 5,320,000**	- $50,000
Rental payments to others	$ 34,000	$ 50,000	**$ 80,000**	+ $ 30,000
Communications, utilities, and others	$ 255,000	$ 300,000	**$ 300,000**	$ 0
Printing and reproduction	$ 4,000	$ 5,000	**$ 5,000**	$ 0
Other services[1]	$ 3,046,000	$3,472,000	**$ 3,358,000**	- $ 114,000
Supplies and materials	$ 440,000	$ 480,000	**$ 300,000**	- $ 180,000
Equipment	$ 951,000	$ 1,100,000	**$ 1,000,000**	-$ 100,000
Insurance Claims	$4,000	$ 5,000	**$ 5,000**	$ 0
Adjustments	$40	$ 0	**$ 0**	$ 0
Total Budgetary Resources	$ 101,312,000	$ 102,909,000	**$ 105,733,000**	+ $ 2,824,000

[1] The ARRA appropriated $2,000,000 for activities available through FY 2012. The actual ARRA obligation was $595,000 for FY 2009; $291,000 for FY 2010; $226,000 for FY 2011; and $888,000 for FY 2012. In September 2012, our Office of Audit discovered that the vendor performing work under the Recovery Act Contract had billed some services in the wrong fiscal years. This caused numbers to change in each fiscal year once the transactions were corrected in our accounting system.

BACKGROUND

AUTHORIZING LEGISLATION

The Office of the Inspector General is authorized necessary expenses to carry out the provisions of the Inspector General Act of 1978.

Table 4.8—Authorizing Legislation

	FY 2013 Authorized	FY 2013 Estimate	FY 2014 Authorized	FY 2014 Estimate
Office of the Inspector General (P.L. 103-296)	Indefinite	$ 102,909,000	Indefinite	$ 105,733,000

APPROPRIATION HISTORY

The table below displays the President's budget request, amounts passed by the House and Senate, and the actual amount appropriated for the period FY 2004 to FY 2014.

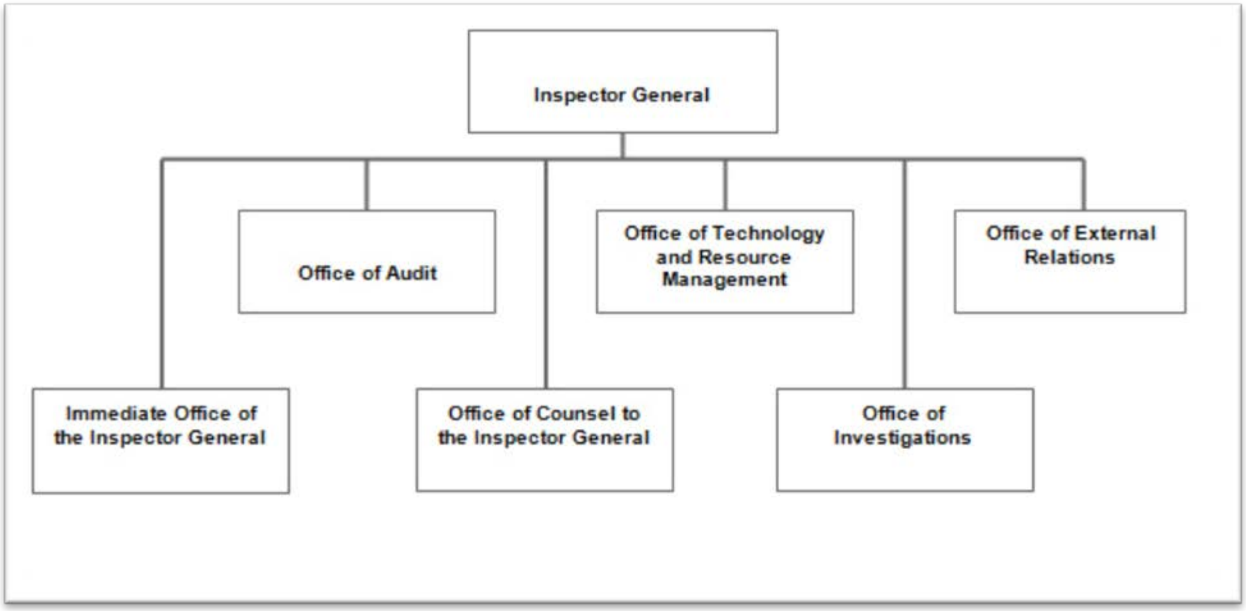
Table 4.9—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
General Funds	$ 25,000,000	$ 24,500,000	$ 20,863,000	**$ 24,355,400**
Trust Funds	$ 65,000,000	$ 63,700,000	$ 61,597,000	**$ 63,324,200**
2004 Total	$ 90,000,000	$ 88,200,000 [1]	$ 82,460,000 [2]	**$ 87,679,600** [3]
General Funds	$ 26,000,000	$ 25,748,000	$ 26,000,000	**$ 25,542,000**
Trust Funds	$ 66,000,000	$ 65,359,000	$ 66,000,000	**$ 64,836,100**
2005 Total	$ 92,000,000	$ 91,107,000 [4]	$ 92,000,000 [5]	**$ 90,378,100** [6]
General Funds	$ 26,000,000	$ 26,000,000	$ 26,000,000	**$ 25,740,000**
Trust Funds	$ 67,000,000	$ 66,805,000	$ 67,000,000	**$ 65,736,000**
2006 Total	$ 93,000,000	$ 92,805,000 [7]	$ 93,000,000 [8]	**$ 91,476,000** [9]
General Funds	$ 27,000,000	$ 26,435,000	$ 25,740,000	**$ 25,902,000**
Trust Funds	$ 69,000,000	$ 67,976,000	$ 65,736,000	**$ 66,149,000**
2007 Total	$ 96,000,000	$ 94,411,000 [10]	$ 91,476,000 [11]	**$ 92,051,000** [12]
General Funds	$ 27,000,000	$ 27,000,000	$ 28,000,000	**$ 25,988,901**
Trust Funds	$ 68,047,000	$ 68,047,000	$ 68,047,000	**$ 65,926,000**
2008 Total	$ 95,047,000	$ 95,047,000 [13]	$ 96,047,000 [14]	**$ 91,914,901** [15]
General Funds	$ 28,000,000	- -	$ 28,000,000	**$ 28,000,000**
Trust Funds	$ 70,127,000	---	$ 70,127,000	**$ 70,127,000**
2009 Total	$ 98,127,000	--- [16]	$ 98,127,000 [17]	**$ 98,127,000** [18]
ARRA[19]	N/A	N/A	N/A	**$ 2,000,000**
General Funds	$ 29,000,000	$ 29,000,000	$ 29,000,000	**$ 29,000,000**
Trust Funds	$ 73,682,000	$ 73,682,000	$ 73,682,000	**$ 73,682,000**
2010 Total	$ 102,682,000	$ 102,682,000 [20]	$ 102,682,000 [21]	**$ 102,682,000** [22]
General Funds	$ 30,000,000	- - -	$ 30,000,000	**$ 28,942,000**
Trust Funds	$ 76,122,000	- - -	$ 76,122,000	**$ 73,535,000**
2011 Total	$ 106,122,000	- - - [23]	$ 106,122,000 [24]	**$ 102,477,000** [25]
General Funds	$ 30,000,000	- - -	$ 28,942,000	**$ 28,887,000**
Trust Funds	$ 77,113,000	- - -	$ 73,535,000	**$ 73,396,000**
2012 Total	$ 107,113,000	- - - [26]	$ 102,477,000 [27]	**$ 102,283,000** [28]
General Funds	$ 30,000,000	- - -	$ 28,887,000	
Trust Funds	$ 77,600,000	- - -	$ 73,396,000	
2013 Total	$ 107,600,000	- - - [29]	$ 102,283,000 [30]	
General Funds	$ 30,000,000			
Trust Funds	$ 75,733,000			
2014 Total	$ 105,733,000			

[1] H.R. 2660.
[2] S. 1356.
[3] Consolidated Appropriations Act, 2004 (P.L. 108-199). The $24,500,000 in general funds and $63,700,000 in trust funds included in the language for this account for FY 2004 were reduced by $144,600 and $375,800, respectively, in accordance with P.L. 108-199.
[4] H.R. 5006.
[5] S. 2810.
[6] Consolidated Appropriations Act, 2005 (P.L. 108-447). The $25,748,000 in general funds and $65,359,000 in trust funds included in the language for this account for FY 2005 were reduced by $206,000 and $522,900, respectively, in accordance with P.L. 108-447.
[7] H.R. 3010.
[8] H.R. 3010, reported from Committee with an amendment.
[9] Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149). The $26,000,000 in general funds and $66,400,000 in trust funds included in the language for this account for FY 2006 were reduced by $260,000 and $664,000, respectively, in accordance with the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).
[10] H.R. 5647.
[11] S. 3708.
[12] Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).
[13] H.R. 3043.
[14] S. 1710.
[15] Consolidated Appropriations Act, 2008 (P.L. 110-161). The $26,451,000 in general funds and $67,098,000 in trust funds included in the language for this account for FY 2008 were reduced by $462,099 and $1,172,000 respectively, in accordance with P.L. 110-161.
[16] The House Committee on Appropriations did not report a bill.
[17] S. 3230.
[18] Omnibus Appropriations Act, 2009 (P.L. 111-8).
[19] OIG received $2,000,000 through the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). OIG will conduct necessary oversight and audit of SSA programs, projects, and activities, assessing whether SSA used the resources as intended by the Act, and will identify any instances of fraud, waste, error, and abuse.
[20] H.R. 3293.
[21] H.R. 3293, reported from Committee with an amendment.
[22] Consolidated Appropriations Act, 2010 (P.L. 111-117).
[23] The House Committee on Appropriations did not report a bill.
[24] S. 3686.
[25] Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). The $29,000,000 in general funds and $73,682,000 in trust funds included in the language for this account for FY 2011 were reduced by $58,000 and $147,000 respectively, in accordance with P.L. 112-10.
[26] The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included $30,000,000 from general funds and $77,113,000 from trust funds, totaling $107,113,000.
[27] S. 1599.
[28] Consolidated Appropriations Act, 2012 (P.L. 112-74). The $28,942,000 in general funds and $73,535,000 in trust funds included in the language for this account for FY 2012 were reduced by $55,000 and $139,000 respectively, in accordance with P.L. 112-74.
[29] The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included $28,887,000 from general funds and $77,600,000 from trust funds, totaling $106,487,000.
[30] S. 3295.

OIG'S ORGANIZATIONAL STRUCTURE AND MISSION

GENERAL PURPOSE



As mandated by the *Inspector General Act of 1978,* as amended, OIG's mission is to protect the integrity of SSA's programs. By conducting independent and objective audits, evaluations and investigations, OIG works to ensure public confidence in the integrity and security of SSA's programs and operations and works to protect them against fraud, waste, and abuse. OIG provides timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

OIG is comprised of six components: The Immediate Office of the Inspector General (IO), Office of Audit (OA), Office of Counsel to the Inspector General (OCIG), Office of Technology and Resource Management (OTRM), Office of Investigations (OI), and the Office of External Relations (OER).

Immediate Office of the Inspector General

IO provides the Inspector General (IG) and the Deputy Inspector General with staff assistance on the full range of their responsibilities. IO also administers a comprehensive Quality Assurance and Professional Responsibility program, and conducts Quality Control reviews that ensure the adequacy of OIG compliance with its policies and procedures, internal controls, and professional standards. In addition, IO oversees the Organizational Health Committee (OHC). The purpose of the OHC is to be an agent of positive change by discussing, evaluating, and presenting to senior management employee issues and proposed solutions that affect the operations, administration, and efficiency of OIG. In doing this, the committee acts as a representative of all OIG employees.

Office of Audit

OA conducts and/or supervises comprehensive financial and performance audits of SSA's programs and operations and makes recommendations to ensure that program objectives and operational functions 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 and operations. 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 and operational fraud, waste, and abuse, as well as inefficiency and ineffectiveness.

Office of Counsel to the Inspector General

OCIG provides independent authoritative legal advice, guidance, and counsel to the IG and senior staff on a wide range of issues, including regulatory strategy, policy directives, and interpretation of new and emerging authorities and agency responsibilities. OCIG reviews materials to ensure sufficiency and compliance with regulatory and statutory requirements. OCIG advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. OCIG is also responsible for the CMP program, including imposition of penalties and assessments and the settlement and litigation of CMP cases.

Office of Technology and Resource Management

OTRM provides administrative and management support to OIG by providing information resource management; systems security and software development; and the coordination of budget, procurement, telecommunications, facilities, equipment, and human resources activities. OTRM also administers the Fugitive Felon Program and the OIG Fraud Hotline. In addition, OTRM is responsible for strategic planning, organizational performance management, and reporting.

Office of Investigations

OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations, including wrongdoing by individuals such as applicants, grantees, or contractors perpetrating criminal activity against SSA programs and operations. OI is responsible for managing the Digital Forensics Team. OI also investigates allegations of employee misconduct in the performance of their official duties. This office serves as the OIG liaison to the Department of Justice on all matters relating to investigations of SSA programs and personnel. OI works with other investigative agencies and organizations on special projects and assignments.

Office of External Relations

OER manages OIG's public affairs programs, develops OIG's media and public information policies, and serves as the primary contact for those seeking information about OIG. OER responds to inquiries from the media and the public and prepares OIG publications and presentations for internal and external organizations. OER coordinates interagency activities as well as OIG participation in SSA and other Federal events. OER also coordinates input on pending and proposed legislation, and prepares congressional correspondence and testimony.

RATIONALE FOR THE BUDGET REQUEST

The budget request for FY 2014 is $105,733,000 and 575 FTEs, which reflects an increase of $2,824,000 from the FY 2013 annual appropriations level. The FY 2014 funding increase will provide funding for a 575 FTE staffing level, mandatory payroll increases (such as within-grade increases and benefit-rate increases) and for related support costs.

Table 4.10—Detail of Full-Time Equivalent Employment and Workyears

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
FTEs	569	570	**575**
Overtime/Lump Sum Leave	4	6	**6**
Total	**573**	**576**	**581**

Table 4.11—Average Grade and Salary

	FY 2012 Actual
Average ES Salary	$ 169,400
Average GS Grade	13
Average GS Salary	$ 98,700