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APPROPRIATION LANGUAGE

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, [$29,000,000] *$31,000,000*[1], together with not to exceed [74,350,000] *$78,795,000*, 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.

[1] Note the FY 2016 President's Budget Appendix Volume inaccurately reflects this total. An errata will be provided to the Appendix in the near future to identify the estimate as $31 million.

GENERAL STATEMENT

OVERVIEW

The FY 2016 President's Budget for the SSA Office of the Inspector General (OIG) is $109,795,000 in total budget authority and 560 FTE. This is $6,445,000 above the funding received from the Consolidated and Further Continuing Appropriations Act, 2015 (PL 113-235).

The FY 2016 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 560 FTE staffing level, the President's proposed 1 percent pay raise, payroll increases (e.g., within-grade increases, scheduled promotions, health benefits, etc.), and other related support costs. The budget request assumes OIG will replace some staffing losses during FY 2016, 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 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 ongoing IT migration to the new facility. We will complete reviews to address specific milestones as needed.

This FY 2016 budget includes $627,000 for training, which satisfies all FY 2016 training requirements for OIG. OIG will contribute to the Council of the Inspectors General on Integrity and Efficiency (CIGIE) in FY 2016, and $274,000 has been requested for that purpose.

Table 4.1—Justification

	FY 2014[1] Actual	FY 2015 Enacted	FY 2016 Estimate	*FY15 to FY16 Change*
FTE	539	555	560	*+5*
Appropriation	$ 102,578,000	$ 103,350,000	$ 109,795,000	*+ $ 6,445,000*
Total Obligations	$ 101,564,000	$ 103,350,000	$ 109,795,000	*+ $ 6,445,000*
Unobligated balance lapsing	$ 1,014,000	$ 0	$ 0	*$ 0*

ONGOING INITIATIVES

Computer Forensic Cyber-Related Investigations

Over the past several years, we have become increasingly aware of the need for robust measures to protect government networks and to direct investigative resources toward cyber-crimes against those networks. With the issuance of *National Security Presidential Directive 54* and the emphasis placed on the *Government's Trusted Internet Connection* initiative, protecting government networks has become a priority. We recognize the potential for computer-based fraud against SSA systems and programs. Techniques used to compromise computer systems are on the rise nationally, as computer crimes become more prevalent. To be effective, we must keep pace with technological advances. Our FY 2016 budget request includes funds to provide our computer forensic investigators with the equipment, training, and software needed to combat computer crimes.

The OIG's Digital Forensics Team (DFT) is not only charged with providing computer forensic support to OIG and SSA components, but also with partnering with SSA to protect personally identifiable information (PII) stored within SSA's networks. However, with the increased focus on network security, DFT personnel must continually enhance their skills in the areas of computer security and incident response. We seek to develop the skills and hire personnel to create and maintain an effective Computer Security Incident Response Team, which would provide investigative and security support to SSA in the event of a network intrusion. DFT personnel received basic network intrusion training in FY 2013; however, they have not received additional training in this area. Without this critical training, DFT will be unable to adequately staff the Computer Security Incident Response Team.

Additionally, we are currently developing the initial infrastructure of a "cloud"-based forensics network that will allow field DFT agents to access evidence and conduct forensic exams from anywhere in the country. This infrastructure will allow for a central repository for all forensic evidence and a secure environment for all DFT cases. We will require additional equipment as the infrastructure grows and more storage capability for DFT forensic data, as well as future DFT

[1] FY 2014 Actual includes our appropriation of $102,078,000 plus an additional $500,000 which was transferred from SSA to complete a fraud risk assessment at SSA as requested by the House Ways and Means Subcommittee on Social Security. Some FY 2014 obligation expenses may process after the end of the fiscal year. As a result, our lapse for FY 2014 may be reduced.

forensic network data projects. Data storage is vital to a computer forensics program so we can provide adequate support as components request it.

Cooperative Disability Investigations

The Cooperative Disability Investigations (CDI) Program is a key SSA anti-fraud initiative that plays a vital role in combating fraud, similar fault, and abuse within SSA's disability programs. CDI units, consisting of personnel from SSA, OIG, State disability determination agencies, and local law enforcement investigate initial disability claims and post-entitlement events involving suspected fraud. CDI units investigate claimants as well as third parties who are potentially facilitating disability fraud.

CDI investigations help SSA:

- prevent claimants who do not meet eligibility requirements from receiving benefits;
- terminate the benefits of those who have concealed medical improvement or failed to disclose substantial gainful activity; or
- revisit administrative determinations of claimants who may never have been eligible for benefits.

SSA is planning to increase the number of teams in FY 2016, as it has during the past few years. In addition, as the CDI program expands, we will need to add OIG staff to support the CDI mission both in the field and at headquarters.

Disability Fraud Focus: Expansion of Disability Fraud Pilot

The Disability Fraud Pilot (DFP) was established in order to increase our focus on disability program fraud and abuse, strengthening our efforts to identify, investigate, and seek prosecution of attorney and non-attorney representatives, expert witnesses, evidence providers, interpreters, and other parties, either inside or outside of SSA, who facilitate and promote disability fraud. DFP leverages our existing CDI infrastructure along with a dedicated OIG criminal investigator to exclusively investigate DFP cases.

Currently, DFP is located in five offices across two field divisions along with two CDI units in a third field division. The pilot phase of this project will conclude at the end of FY 2015, however, we are considering the feasibility of converting DFP into an organized disability fraud program and expanding it to all 10 field divisions.

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 2014, these processes contributed significantly to the mission of OIG and SSA. AMFED received 58,755 allegations. Through the development of referred allegations, SSA identified $2,791,071 in benefit overpayments. AMFED matched 128,944 fugitive subjects from incoming

Federal, State, and local warrant files and referred them to law enforcement for apprehension and warrant verification. AMFED referred 1,183 fugitive subjects for benefit suspension. Through data-sharing efforts, 371 fugitives were apprehended.

Civil Monetary Penalty Program

We have recently increased our emphasis on enforcing Section 1129 of the *Social Security Act*, which authorizes Civil Monetary Penalties (CMPs) against those who make false statements or representations in connection with obtaining or retaining payments under Titles II, VIII, or XVI of the *Social Security Act*. We can also penalize representative payees for wrongful conversion of payments and penalize individuals who knowingly withhold a material fact from SSA. After consultation with the Department of Justice, we are authorized to impose penalties of up to $5,000 for each false statement, representation, conversion, or omission. A person may also be subject to an assessment, in lieu of damages, of up to *twice* the amount of any resulting overpayment.

Our CMP authority allows us to recover fraud losses from those responsible, when prosecutors decline to pursue OIG investigations for criminal prosecution. Many times, our investigations of individuals result in fraud losses below financial thresholds set by U.S. Attorneys' offices. The Section 1129 program is an effective supplemental tool to prevent and deter fraud, and recover fraud losses, thereby strengthening public trust in the agency. Thus, we remain committed to aggressive enforcement, and we are committed to increasing the number of cases we resolve each year. Thus, we anticipate the number of hearing requests to increase. The increase in Section 1129 cases going to hearings before administrative law judges will likely require additional attorney travel.

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

A summary of each management issue is discussed below:

Issue #1: Disability Insurance Trust Fund Solvency

The Board of Trustees of the Social Security Trust Funds' latest Annual Report projected that the reserves of the DI Trust Fund, which have been declining since 2009, will continue declining until they are depleted in 2016. When reserves are depleted, income to the DI Trust Fund would be sufficient to only pay 81 percent of scheduled DI benefits.

Over the last couple of decades, the baby boom generation has moved from less disability prone ages (25 to 44) to more disability prone ages (45 to 64). This is reflected in the increased DI applications, awards, and insured beneficiaries over the last decade. As more baby boomers seek disability benefits, raising costs to the Trust Fund, there are fewer workers paying into the DI Trust Fund to support current beneficiaries. The Trustees concluded that legislative action is needed as soon as possible to address the DI program's financial imbalance. They suggested that lawmakers may consider responding to the impending DI Trust Fund reserve depletion by reallocating the payroll tax rate between OASI and DI.

OIG shares the Trustees' concerns. Absent an act of Congress, the *Social Security Act* (Pub. L. No. 74-271) does not permit further funding or allow SSA to make benefit payments from funds other than the Trust Funds. Consequently, if the Social Security Trust Funds become depleted, current law would effectively prohibit SSA from paying full Social Security benefits on a timely basis. The Agency would then have to decide on the best course of action for paying beneficiaries with disabilities and their families. SSA needs to plan for this contingency, and it needs to share its plan with Congress and the American public.

Issue #2: Reduce the Hearings Backlog and Prevent its Recurrence

While SSA has emphasized the need for quality, consistency, and timeliness in its disability decisions, this remains a challenge with pending hearings of approximately 1 million cases and worsening timeliness.

Hearings Pending: The hearings process is a key piece of the Agency's disability process, providing the public with an opportunity to appeal an earlier State DDS decision. Since FY 2010, the hearings backlog pending has increased annually. While the number of new receipts has declined over the past 4 years, it has exceeded dispositions. The pending was about 705,000 cases in FY 2010 and grew to over 977,000 cases by the end of FY 2014.

Hearing Timeliness: SSA's hearings processing timeliness was about 426 days in FY 2010. SSA made progress in reducing hearing waiting time to an average of 353 days in FY 2012. However, timeliness increased to an average of 422 days per case in FY 2014.

Adjudicatory Capacity: The Agency's ability to reduce the backlog and improve timeliness depends in large part on its adjudicatory capacity. The number of available ALJ grew by 18 percent from FY 2010 to FY 2013, but this number dropped in FY 2014. SSA experienced delays in hiring new ALJs in part because the Agency exhausted the ALJ register administered by the Office of Personnel Management. As the Deputy Commissioner for Disability Adjudication and Review noted in November 2013 testimony, "The number of hearing requests we receive each year remains high, and we are losing many ALJs and support staff due to attrition, whom we are unable to replace. We are doing what we can to hold steady on our progress despite the loss of employees."

Cases decided by senior attorney adjudicators (SAA), who can make on-the-record allowances, has declined in recent years, leading to a reduction in the Agency's adjudicatory capacity. While SAAs decided about 54,000 cases in FY 2010, they decided only 19,000 cases in FY 2013. In late FY 2013, SSA implemented a National Screening Unit pilot program to screen cases for possible on-the-record favorable decisions. This pilot has further reduced the number of favorable decisions issued by SAAs. In FY 2014, SAAs decided about 1,900 cases.

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

SSA needs to address receipt of millions of initial disability and reconsideration claims and backlogs of initial disability claims and CDRs, while also protecting its disability programs from fraud.

Disability Claims Backlog: SSA completed almost 3 million initial and 803,000 reconsideration disability claims in FY 2013 and over 2.8 million initial and 757,000 reconsideration claims in FY 2014. While initial claims receipts have declined in recent years, SSA had a large number of initial claims pending completion. As of the end of FY 2014, SSA had over 632,000 initial disability claims pending. In addition, SSA expects to have approximately 621,000 initial disability claims pending at the end of FY 2015.

CDR Backlog: In our August 2014 report on *The Social Security Administration's Completion of Program Integrity Workloads*, we stated that SSA had a backlog of 1.3 million full medical CDRs at the end of FY 2013. SSA had a backlog because it had not completed all full medical CDRs when they became due. While SSA increased the number of full medical CDRs completed in recent years, it was still lower than needed to eliminate the backlog. As a result, SSA missed opportunities for potential savings. For example, if, during FY 2014, SSA conducted full medical CDRs at historic levels, we estimated it would identify more than $4.6 billion in additional Federal benefit savings.

SSA received funding to add capacity in the DDSs in FY 2014—including replacement hiring and some additional hires. SSA expects these new hires to enable the Agency to keep up with new disability claims and to process additional CDRs in FY 2015.

Disability Fraud: Recent high-profile fraud schemes uncovered in New York, Puerto Rico, and West Virginia highlighted the vulnerability of SSA's disability programs to fraud. In New York, criminal facilitators conspired with disability applicants to feign disabilities and submit disability applications with fabricated and/or exaggerated ailments, which led to many individuals receiving disability benefits for which they were not eligible. Similarly, in Puerto Rico, dishonest third-party facilitators conspired with claimants submitting medical documentation that fabricated or exaggerated disabilities. In West Virginia, it was alleged that an ALJ in Huntington, West Virginia, conspired with an attorney to grant favorable decisions to disability claimants who were potentially ineligible for benefits.

The fraud schemes revealed that numerous individuals, with the assistance of the same attorney, claimant representative, or other facilitator, could apply for disability benefits, allege similar physical and/or mental impairments, provide similar fabricated or exaggerated medical documentation certified by a common physician or medical facility, and receive disability benefits. These cases highlighted SSA's lack of the IT infrastructure and front-end analytical tools necessary to screen applications for "potential fraud warnings" and then to review or investigate further before approving; for example, flagging a string of disability claims from applicants in the same geographic area with a common claimant representative and similar alleged disabilities. Watchful SSA and DDS employees ultimately caught the patterns present in the fraudulent claims in New York and Puerto Rico, but not before the Agency approved those claims and made millions of dollars of payments to the beneficiaries.

Issue #4: Reduce Improper Payments and Increase Overpayment Recoveries

SSA is one of the Federal agencies with a high amount of improper payments. In FY 2013, the last FY for which data were available, SSA reported about $8.1 billion in over- or underpayments, and the Agency incurred an administrative cost of $0.07 for every overpayment dollar it collected. Further, SSA needs to adhere to the requirements in Executive Order 3520 *Reducing Improper Payments*, the *Improper Payments Elimination and Recovery Act of 2010* (IPERA) (Pub. L. No. 111-204), and the *Improper Payments Elimination and Recovery Improvement Act of 2012* (IPERIA) (Publ. L. No. 112-248). SSA needs to take additional actions to reduce improper payments.

Improper Payment Rates: 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 the Agency administers, some payment errors will occur.

For example, according to SSA, in FY 2013,

the Old-Age, Survivors and Disability Insurance (OASDI) overpayment error was $1.9 billion or 0.2 percent of program outlays, and the underpayment error was $1.1 billion or 0.1 percent of program outlays; and

the SSI overpayment error was $4.2 billion or 7.6 percent of program outlays, and the underpayment error was $918 million or 1.7 percent of program outlays.

For FYs 2013 through 2015, SSA's goal was to maintain OASDI payment accuracy at 99.8 percent for both over- and underpayments; and for SSI, the Agency's goal was to achieve over- and underpayment accuracy rates of 95 and 98.8 percent, respectively.
The Agency has not met its payment accuracy goals often in the last few years.

Executive Order 13520, IPERA, and IPERIA: In November 2009, the President issued Executive Order 13520 on reducing improper payments; and, in March 2010, the Office of Management and Budget issued guidance for implementing it. Also, in July 2010, IPERA was enacted. Furthermore, in January 2013, IPERIA was enacted, which refined steps agencies should take to address improper payments. As a result, all agencies with high-risk programs—those with significant improper payments—are required to intensify their efforts to eliminate payment errors. The Office of Management and Budget designated SSA's programs as high-risk.

Overpayment Recoveries: Once SSA determines an individual has been overpaid, it attempts to recover the overpayment. According to SSA, in FY 2014, the Agency recovered $4.7 billion in overpayments at an administrative cost of $0.07 for every dollar collected and ended the FY with an uncollected overpayment balance of $17.5 billion.

Issue #5: Improve Customer Service

SSA faces several challenges, such as increasing workloads and representative payee oversight, as it pursues its mission to deliver services that meet the public's changing needs.

Increased Workload with Reduced Staff: The number of Americans age 55 and older will increase by more than 10 million between 2015 and 2020, further increasing the demand for SSA services. In FY 2014, SSA completed approximately 5 million retirement, survivor, and Medicare claims; over 2.8 million Social Security and SSI disability claims; and nearly 214,000 SSI aged claims.

In addition, in FY 2014, SSA reported it

- completed 757,000 reconsiderations, 614,000 hearings, and 162,000 Appeals Council reviews;
- conducted 2.6 million SSI redeterminations and 1.7 million periodic CDRs, including nearly 526,000 full medical CDRs;
- completed requests for 16 million new and replacement Social Security cards; and
- posted 257 million earnings items to workers' records.

One of SSA's greatest challenges is the loss of its most experienced employees. From FYs 2011 to 2013, nearly 11,000 SSA employees found other employment or retired. As a result, in FY 2014, the public waited longer for decisions on disability claims, to schedule an appointment in a field office, and to talk to a representative on the National 800-number. Busy signals nearly tripled from 5 percent in FY 2012 to 14 percent in FY 2014, and the average time to answer a call increased from about 5 minutes in FY 2012 to over 22 minutes in FY 2014.

SSA's projected retirement of its employees continues to challenge its customer service capability. SSA estimates that about 45 percent of its employees, including 54 percent of its supervisors, will be eligible to retire by FY 2022.

In a May 2013 report, the Government Accountability Office (GAO) noted SSA's human capital planning and analysis was not aligned with its long-term goals and objectives. SSA recognizes that it must recruit and retain a multi-generational, multi-cultural workforce with the competencies needed to achieve its mission and goals.

Changing Customer Expectations: Technology is transforming how SSA conducts business with the public. Computer technology, high-speed networks, and mobile innovation provide new opportunities for service delivery. The public also expects responsive service from multiple service delivery channels. At the same time, the nation is becoming more diverse. For example, the Census Bureau projects the U.S. Hispanic population will nearly triple, from 46.7 to 132.8 million, between 2008 and 2050. As SSA enhances its service delivery strategies, it must continue providing sufficient services for the multi-lingual, multi-cultural population it serves.

Representative Payment Program: SSA appoints representative payees to manage the benefits of incapable beneficiaries and recipients because of their age or mental or physical impairment. In January 2014, SSA reported that approximately 5.9 million representative payees managed about $74 billion in payments for 8.6 million beneficiaries and recipients. Our audits continue finding problems with representative payees who improperly use and account for beneficiaries' payments. Also, in a recent OIG review, we determined SSA paid $265 million in benefits to someone other than the selected representative payees for 11,749 beneficiaries. Further, GAO noted SSA struggled to effectively administer its Representative Payment Program. The projected growth in the aged population, as well as the incidence of individuals with dementia, will require that SSA spend more resources recruiting and monitoring representative payees.

Issue #6: Invest in IT 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. Further, SSA will not be able to manage its current and future workloads without the proper IT infrastructure. The Agency uses a variety of technologies to deliver service to its customers, including telephone, the Internet, and videoconferencing. We have concerns regarding the Agency's IT physical infrastructure, development and implementation of secure electronic services, logical access controls and security of information systems, and management of major IT projects.

IT Physical Infrastructure: SSA's National Computer Center (NCC), built in 1979, houses the infrastructure that supports the Social Security programs provided to the public and other services provided to Federal, State, international, and private agencies. Increased workloads and growing telecommunication services have strained the NCC's ability to support the Agency's business. SSA's primary IT investment over recent years has been replacing the NCC. The Agency currently projects that its new facility will be fully operational in 2016.

Development and Implementation of Secure Electronic Services: SSA must provide additional electronic services to meet its customers' growing needs. In FY 2014, the public completed over 70 million transactions online. The Agency's FY 2014 goal was to have 50.9 million transactions completed online.

While expanding its inventory of electronic services, the Agency needs to ensure its existing and future electronic services are secure. In January 2013, SSA expanded its *my* Social Security online portal to include direct deposit changes, change of address, and benefit verification. However, fraudulent accounts were established to redirect Social Security benefits to unauthorized bank accounts. From February 1, 2013 through FY 2014, we received nearly 40,000 fraud allegations related to *my* Social Security accounts from SSA and other sources.

Logical Access Controls and Security of Sensitive Information: SSA's FY 2009, 2010, and 2011 Financial Statement Audits identified a significant deficiency in the Agency's controls over access to its sensitive information. For example, SSA did not consistently comply with policies and procedures to periodically reassess the systems access given to its employees and contractors. Moreover, some employees and contractors had greater access to systems than they needed to perform their jobs. Additionally, certain configurations increased the risk of unauthorized access to key financial data and programs. The FY 2012 Financial Statement Audit identified additional concerns and raised the significant deficiency to a material weakness.

The FY 2013 and 2014 Financial Statement Audits continued to identify issues in both the design and operation of key controls. In these audits, the independent auditor identified several deficiencies that, when aggregated, were considered to be a significant deficiency with regard to SSA's information systems controls.

We also found security weaknesses in SSA's systems through our audit work. In our October 2013 report on *SSA's Process to Identify and Monitor the Security of Hardware Devices Connected to its Network*, we found the Agency's inventory of hardware devices was incomplete and inaccurate and included devices that were not approved to be on the network. In addition, in our 2014 report on *Mobile Device Security*, we found that SSA's security of mobile devices did not always conform with Federal standards to mitigate unauthorized access to Agency sensitive information. SSA agreed with our recommendations and plans to implement them in FY 2015.

Development and Implementation of the Disability Case Processing System (DCPS): SSA has partnered with State DDSs to evaluate disability claims and make disability determinations. Each of the 54 DDSs uses a customized legacy system to process disability claims and other non-SSA workloads. Supporting and maintaining these systems requires significant resources. In 2009, SSA started the DCPS project to simplify DDS system support and maintenance by transitioning to a modern, common case processing system. At that time, SSA estimated the project to cost $381 million.

In March 2014, SSA contracted with an external firm to conduct an independent analysis of the DCPS project. The firm found that SSA invested $288 million in the DCPS over 6 years, but the project delivered limited functionality and faced schedule delays as well as increasing stakeholder concerns. The report stated that SSA leadership had decided to "reset" the program to increase the likelihood of successful delivery. In June 2014, SSA updated the estimated project costs to $752 million.

In July 2014, the Chairman of the House Subcommittee on Social Security, Committee on Ways and Means, requested that we investigate DCPS. On November 13, 2014, we issued our final report. We found that SSA has taken steps to get the project on track and ensure its successful completion. However, we believe SSA should suspend the development of certain custom-built components of DCPS until the agency has evaluated and determined whether off-the-shelf or modernized SSA-owned software are viable alternatives. The successful delivery of DCPS will require diligent oversight by Agency management and unified strategic decisions. SSA must ensure it has a process to monitor progress, identify issues timely, and take corrective action. In addition, the Agency should keep key stakeholders—including Congressional oversight committees and the Inspector General—informed of the project's status. We plan to continue monitoring SSA's progress as the DCPS project moves forward.

Issue #7: Strengthen the Integrity and Protection of the Social Security Number

In FY 2014, SSA issued approximately 16 million original and replacement SSN cards. In addition, for Tax Year 2013, the Agency received and processed about 254 million wage items, totaling approximately $5.9 trillion in earnings. Protecting the SSN and properly posting the wages reported under SSNs are critical to ensuring SSN integrity and that eligible individuals receive the full benefits due them.

SSN Use: 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.

SSN Misuse: Given the frequency of SSN misuse and identity theft in U.S. society, we continue to believe protection of this critical number is a considerable challenge for SSA. Unfortunately, once SSA assigns an SSN, it has no authority to control the collection, use, and protection of the number by other public and private entities. The Inspector General testified regarding ways of improving SSN protection and guard against misuse, identity theft, and tax fraud. The Federal Trade Commission estimated that as many as 9 million Americans' identities are stolen each year.

Because the SSNs of deceased individuals are vulnerable to misuse, the public release of SSA's Death Master File (DMF) has raised concerns. More recently, the *Bipartisan Budget Act of 2013* restricted public access to the DMF. The public will have access only to a file containing deaths that occurred at least 3 calendar years before the request. To the extent possible, we believe SSA should limit public access to the DMF to only what is required by law and take all possible steps to ensure its accuracy.

Earnings: SSA's programs depend on earnings information to determine whether an individual is eligible for benefits and to calculate the amount of benefit payments. Properly posting earnings ensures eligible individuals receive the full retirement, survivors, and/or disability benefits due them. If employers report earnings information incorrectly or not at all, SSA cannot ensure all individuals entitled to benefits are receiving the correct payment amounts.

SSA spends scarce resources correcting earnings data when employers report incorrect information. The Earnings Suspense File (ESF) is the Agency's repository of wage reports on which wage earners' names and SSNs fail to match SSA's records. Per the latest available data, the ESF had accumulated over $1.2 trillion in wages and 333 million wage items for Tax Years 1937 through 2012. In Tax Year 2012 alone, SSA posted 6.9 million wage items, representing $71 billion, to the ESF. From Tax Years 2003 to 2012, the ESF grew by approximately $749 billion in wages and 89.7 million wage items, representing about 62 percent of the total wages and 26 percent of the total wage items.

Issue #8: Strengthen Planning, Transparency, and Accountability

Planning, transparency, and accountability are critical factors in effective management. Failure to plan properly to meet its mission and challenges will lessen the Agency's ability to provide its services efficiently and effectively now and in the future. Similarly, mismanagement and waste, as well as a lack of transparency in Government operations, can erode public trust in SSA's ability to tackle the challenges it faces.

Planning: The Agency has developed multiple year strategic plans in the past, which included general descriptions of the programs, processes, and resources needed to meet its mission and strategic objectives. SSA has also produced other strategic plans, like the Information Resources Management Strategic and Human Capital Operating Plans, which covered periods of only a few years. While planning for the next few years is important, SSA needs a longer-term vision to ensure it has the programs, processes, staff, and infrastructure required to provide needed services 10 to 20 years from now and beyond. Currently SSA is working to develop Vision 2025, which SSA expects to release in FY 2015, and the OIG will continue to monitor SSA's planning efforts.

Transparency: While the Agency has many performance measures and goals on which it publicly reports, we have questioned the usefulness of some of the measures and goals in the past. We have recommended that SSA develop more outcome-based performance measures and goals, including performance targets based on SSA's long-term outcomes instead of annual budgets.

Also, SSA needs to be more forthright with stakeholders when planned projects face obstacles. For example, a contractor evaluated SSA's implementation of DCPS and found that the program had invested $288 million over 6 years, delivered limited functionality, and faced schedule delays as well as increasing stakeholder concerns.

Accountability

Independent Auditor's Report: The FY 2014 *Independent Auditor's Report* contained two significant deficiencies in internal control (the full text of the report can be found in SSA's FY 2014 *Agency Financial Report*). First, the auditor identified three deficiencies in internal control that, when aggregated, were considered to be a significant deficiency in internal controls related to calculation, recording, and prevention of overpayments. Specifically, the auditor noted calculation errors in 12 percent of the overpayment items selected in a statistical sample. Although the impact of these errors was not deemed material to the financial statements, they indicate further control weaknesses in the overpayment process. In addition, SSA has a systems limitation where overpayment installments extending past 2049 are not tracked and reported. Further, SSA was not reconciling data between systems to detect discrepancies, which could lead to payment errors.

Second, the auditor identified five deficiencies that, when aggregated, were considered to be a significant deficiency in the area of information systems controls. The deficiencies noted were in the following areas:

- Threat and Vulnerability Management

- IT Oversight and Governance
- Change Management
- Mainframe Security
- Access Controls

Unused Facilities at SSA Headquarters: From March through October 2013, we identified empty workstations and workstations that SSA used to store such items as office supplies, boxes, obsolete computer equipment, and furniture. We also identified large areas of open space the Agency was not using. Additionally, we identified off-campus leased space that SSA was not fully occupying.

MONETARY BENEFITS

In FY 2014, OIG issued 84 audit reports with recommendations, identifying over $1.056 billion in questioned costs and over $5 billion in Federal funds that could be put to better use. OIG also received over 121,000 allegations of fraud, effected almost 1,300 criminal convictions, and obtained a return of over $551 million in monetary accomplishments, comprised of over $138 million in SSA recoveries, restitutions, fines, settlements, and judgments, and over $413 million in projected SSA savings. Our FY 2016 funding will enable us to issue timely reports, provide training required by Government Auditing Standards, and cover mission-critical travel.

STRATEGIC PLANNING

FY 2014 was the fourth 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 2014, OIG successfully met or exceeded 14 out of 15 performance measures. The specific results for FY 2014 are as follows:

Table 4.2—2014 Performance Measure Results

Goal	Target	Result
Impact		
1. Maintain an annual acceptance rate of at least 88% for all audit recommendations.	88%	**97%**
2. Achieve a 5-year average implementation rate of 85% for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA.	85%	**88%**
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%	**96%**
4. Achieve a successful conclusion on at least 75% of all Title II and Title XVI cases closed during the FY.	75%	**89%**
Value		
5. Generate a positive return of $8 for every tax dollar invested in OIG activities.	$8 to 1	**$64 to 1**
6. Evaluate and respond to 90% of all allegations received within 45 days.	90%	**95%**
7. Complete investigative fieldwork on 75% of all cases within 180 days.	75%	**91%**
8. Respond to 95% of constituent-based congressional inquiries within 21 days.	95 %	**95%**
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%	**95%**
11. Issue 85% of final audit reports within 1 year of the entrance conference with SSA.	85%	**90%**
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 %	**3%**
14. Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvements are needed. (Improvement is indicated when the score of any of the 12 questions relating to job satisfaction is ≤ 75%.)	75%	**68%**
15. Ensure that 90% of OIG staff receives 40 or more hours of appropriate developmental and skill enhancement training annually.	90%	**98%**

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 LAE 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 2016 consists of $31,000,000 appropriated from the general fund and $78,795,000 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 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
General Funds Annual Appropriation	$ 28,829	$ 29,000	$ 31,000
Trust Funds Annual Transfer	$ 73,749	$ 74,350	$ 78,795
Total Appropriation	**$ 102,578**[1]	**$ 103,350**	**$ 109,795**
Total Budgetary Resources	**$ 102,578**	**$ 103,350**	**$ 109,795**
Total Obligations	$ 101,564	$ 103,350	$ 109,795
Unobligated balance lapsing	$ 1,014	$ 0	$ 0

[1] FY 2014 Appropriation includes our appropriation of $102,078,000 plus an additional $500,000 which was transferred from SSA to complete a fraud risk assessment at SSA as requested by the House Ways and Means Subcommittee on Social Security. Some FY 2014 obligation expenses may process after the end of the fiscal year. As a result, our lapse for FY 2014 may be reduced.

ANALYSIS OF CHANGES

The FY 2016 request represents a $6,445,000 increase over the FY 2015 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 pay increase and for related support costs.

Table 4.4—Summary of Changes

	FY 2015 Enacted	FY 2016 Estimate	*FY15 to FY16 Change*
General Fund Appropriation	$ 29,000,000	$ 31,000,000	+ $ 2,000,000
Trust Fund Appropriation	$ 74,350,000	$ 78,795,000	+ $ 4,445,000
Total Appropriation	**$ 103,350,000**	**$ 109,795,000**	**+ $ 6,445,000**
Total Obligations	**$ 103,350,000**	**$109,795,000**	**+ $ 6,445,000**

Table 4.5—Explanation of OIG Budget Changes

	FY 2015 Base		Change from Base	
	WYs (FTEs)	**Budgetary Resources**	**WYs (FTEs)**	**Budgetary Resources**
BUILT-IN INCREASES				
Base Payroll Expenses	**558 (555)**	*$ 91,012,000*	***+5 +5***	
• *Change in base payroll expenses related to career ladder promotions and within-grade increases*	- - -	- - -	- - -	*+ $ 2,200,000*
• *Change in base expenses for employee benefits including health benefits and new employees hired under the Federal Retirement Employees System*	- - -	- - -	- - -	*+ $ 813,000*
• *All other payroll changes, including overtime and awards*	- - -	- - -	- - -	- - -
Non-Payroll Costs - All other built-in nonpayroll changes, including ARRA, travel management support and equipment	- - -	*$ 6,461,000*	- - -	+$3,035,000
• **Rent**	- - -	*$ 5,640,000*	- - -	+$360,000
• **CIGIE Contribution**	- - -	*$237,000*	- - -	+$37,000
Subtotal, Built-in increases	**558 (555)**	***$ 103,350,000***	***+5 +5***	***+$6,445,000***
PROGRAM INCREASES				
Increase for operations and maintenance of facilities and equipment	- - -	- - -	- - -	*$ 0*
Subtotal, Program Increases	- - -	- - -	- - -	*$ 0*
Total Increases	**558 (555)**	***$ 103,350,000***	***+5 +5***	***+$6,445,000***

Table Continues on the Next Page

	FY 2015 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	**558 (555)**	---	***+5 +5***	---
Non-Payroll Costs	- - -	- - -	- - -	- - -
Rent	- - -	- - -	- - -	- - -
CIGIE Contribution	- - -	- - -	- - -	- - -
Subtotal, Built-in decreases	- - -	- - -	- - -	- - -
<u>PROGRAM DECREASES</u>	- - -	- - -	- - -	- - -
Decrease in costs for training, other support, services, and supplies	- - -	- - -	- - -	- - -
Subtotal, Program Decreases	- - -	- - -	- - -	- - -
Total Decreases	- - -	***$ 103,350,000***	- - -	- - -
Net Change	**558 (555)**	***$ 103,350,000***	***+5 +5***	***+$ 6,445,000***

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 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
General Funds	**$ 28,829**	**$ 29,000**	**$31,000**
OASDI Trust Fund Transfers	**$ 73,749**	**$ 74,350**	**$ 78,795**
Total Appropriation	**$ 102,578**[1]	**$ 103,350**	**$ 109,795**
Total Budgetary Authority	**$ 102,578**	**$ 103,350**	**$ 109,795**
Obligations	$ 101,564	$ 103,350	$ 109,795
Unobligated balance lapsing	$ 1,014	$ 0	$ 0
FTEs	539	555	560

[1] FY 2014 Appropriation includes our appropriation of $102,078,000 plus an additional $500,000 which was transferred from SSA to complete a fraud risk assessment at SSA as requested by the House Ways and Means Subcommittee on Social Security. Some FY 2014 obligation expenses may process after the end of the fiscal year. As a result, our lapse for FY 2014 may be reduced.

BUDGET RESOURCES BY OBJECT

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

Table 4.7—Budget Resources by Object

	FY 2014	FY 2015	FY 2016	*FY15 to FY16 Change*
Full-time permanent	$ 63,568,000	$ 65,879,000	$ 68,074,000	*+ $ 2,195,000*
Other than full-time permanent	$ 383,000	$ 385,000	$ 390,000	*+ $ 5,000*
Other compensation	$ 171,000	$ 175,000	$ 175,000	*$ 0*
Subtotal, Personnel Compensation	$ 64,122,000	$ 66,439,000	**$ 68,639,000**	*+ $ 2,200,000*
Civilian personnel benefits	$ 24,040,000	$ 24,573,000	$ 25,386,000	*+$ 813,000*
Total, Compensation and Benefits	$ 88,162,000	$ 91,012,000	**$ 94,025,000**	*+ $ 3,013,000*
Travel	$ 2,781,000	$ 2,250,000	$ 3,933,000	*+$ 1,683,000*
Transportation of things	$ 33,000	$ 60,000	$ 50,000	*-$ 10,000*
Rental payments to GSA	$ 4,625,000	$ 5,640,000	$ 6,000,000	*+ $360,000*
Rental payments to others	$ 78,000	$ 60,000	$ 185,000	*+ $ 125,000*
Communications, utilities, and others	$ 226,000	$ 100,000	$ 909,000	*+ $ 809,000*
Printing and reproduction	$ 4,000	$ 2,000	$ 5,000	*+$ 3,000*
Other services	$ 3,248,000	$3,171,000	$ 3,639,000	$ 468,000
Supplies and materials	$ 319,000	$ 300,000	$ 344,000	*+ $ 44,000*
Equipment	$ 2,336,000	$ 1,000,000	$ 954,000	*-$ 46,000*
Insurance Claims	$ 0	$ 5,000	$ 6,000	*+$ 1,000*
Adjustments	-$ 248,000	-$ 250,000	-$ 255,000	*- $ 5,000*
Total Budgetary Resources	$ 101,564,000	$ 103,350,000	**$ 109,795,000**	*+ $ 6,445,000*

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, as amended.

Table 4.8—Authorizing Legislation

	FY 2015 Authorized	FY 2015 Enacted	FY 2016 Authorized	FY 2016 Estimate
Office of the Inspector General (P.L. 103-296)	$ 103,350,000	$ 103,350,000	Indefinite	$ 109,795,000

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 2015.

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	**$ 27,376,000**
Trust Funds	$ 77,600,000	- - -	$ 73,396,000	**$ 72,557,000**
2013 Total	$ 107,600,000	- - -[29]	$ 102,283,000[30]	**$ 99,933,000**
General Funds	$ 30,000,000			**$ 28,829,000**
Trust Funds	$ 75,733,000			**$ 73,249,000**
2014 Total	$ 105,733,000			**$ 102,078,000**
General Funds	$ 29,000,000			**$ 29,000,000**
Trust Funds	$ 75,622,000			**$ 74,350,000**

Table Continued on the Next Page

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
2015 Total	$104,622,000			**$103,350,000**
General Funds	$31,000,000			
Trust Funds	$78,795,000			
2016 Total	$109,795,000			

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[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.

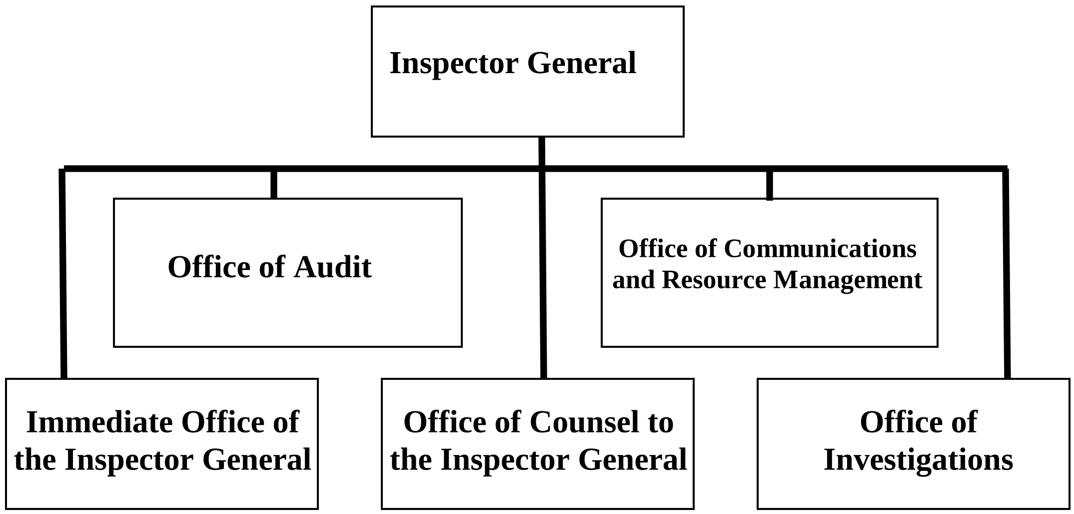
[28] Consolidated Appropriations Act, 2012 (P.L. 112-74). The $28,942,000 in general funds and $73,535,000 in trust funds included in the language for this account for FY 2012 were reduced by $55,000 and $139,000 respectively, in accordance with P.L. 112-74.

[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 five components: The Immediate Office of the Inspector General (IO), Office of Audit (OA), Office of Counsel to the Inspector General (OCIG), Office of Communications and Resource Management (OCRM), and the Office of Investigations (OI).

Immediate Office of the Inspector General

IO provides the Inspector General (IG) and the Deputy IG 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 Communications and Resource Management

OCRM 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. OCRM also administers the Fugitive Felon Program and the OIG Fraud Hotline. OCRM also 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. In addition, OCRM 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 DFT. 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.

RATIONALE FOR THE BUDGET REQUEST

The budget request for FY 2016 is $109,795,000 and 560 FTEs, which reflects an increase of $6,445,000 from the FY 2015 annual appropriations level. The FY 2016 funding increase will provide funding for a 560 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 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
FTEs	539	555	**560**
Overtime/Lump Sum Leave	4	3	**3**
Total	**543**	**558**	**563**

Table 4.11—Average Grade and Salary

	FY 2014 Actual
Average ES Salary	$ 171,329
Average GS Grade	13
Average GS Salary	$ 102,309