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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, [$28,829,000] *$29,000,000*, together with not to exceed [73,249,000] *$75,622,000*, 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.

GENERAL STATEMENT

OVERVIEW

The Fiscal Year (FY) 2015 President's Budget for the Social Security Administration (SSA) Office of the Inspector General (OIG) is $104,622,000 in total budget authority and 555 full-time equivalents (FTE). This is $2,544,000 above the funding received from the Consolidated Appropriations Act, 2014.

The FY 2015 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 555 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 2015, 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 information technology (IT) migration to the new facility. We will complete reviews to address specific milestones as needed.

This FY 2015 budget includes $600,000 for training, which satisfies all FY 2015 training requirements for OIG. OIG will contribute to the Council of the Inspectors General on Integrity and Efficiency (CIGIE) in FY 2015, and $237,000 has been requested for that purpose.

Table 4.1—Justification

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate	*FY14 to FY15 Change*
FTE	558	550	555	*+5*
Appropriation	$ 96,933,000	$ 102,078,000	$ 104,622,000	*+ $ 2,544,000*
Transfer Authority[1]	$3,000,000	$ 0	$ 0	$ 0
Total Obligations	$ 99,933,000	$ 102,078,000	$ 104,622,000	*+ $ 2,544,000*
Unobligated balance lapsing	$ 435,000	$ 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 2013, OIG's Digital Forensics Team (DFT) opened 154 forensic cases and examined over 31 terabytes of data. OIG currently has 14 trained computer forensic examiners with plans to increase our capabilities. Additionally, in FY 2014, we intend to continue our plans toward the construction and 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 cybercrimes against those networks. The *National Security Presidential Directive 54* and the *Government's Trusted Internet Connection Initiative* prioritize the protection of government networks. 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 2015 budget request includes funds to provide our computer forensic investigators and investigative analysts with the equipment, training, and

[1] In FY 2013, SSA transferred $3,000,000 from its Limitation on Administrative Expenses (LAE) account to OIG's account. This transfer was to avoid OIG staff furloughs due to sequestration, and to support critical OIG operations. This transfer was made in accordance with the Consolidated Appropriations Act, 2012, Public Law (Pub. L.) 112-74, 125 Stat. 786, 1109-1110 (2011), as adopted by the Consolidated and Further Continuing Appropriations Act, 2013, Pub. L. 113-6, Div. F, Title I, § 1101(a)(4), 127 Stat. 198, 412 (2013).
The appropriation language for SSA's FY 2013 budget provided authority to transfer from LAE to OIG "an amount not to exceed 3 percent of the total provided in this appropriation.…" This transfer language has been included in all enacted appropriation language since FY 1998.

software needed to strengthen our computer forensics capabilities and thereby combat computer crimes. For example, we plan to use data analysis tools to identify trends and patterns that may be indicative of disability fraud.

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 2013, the CDI program resulted in over 4,100 confirmed fraud cases, and over $340 million in SSA savings. The Acting Commissioner of SSA has granted approval to begin the process of opening up to seven new CDI units throughout the country in FY 2014. The seven new CDI units will be opened in States that currently do not have CDI units.

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 2013, these processes contributed significantly to the mission of OIG and SSA. AMFED received 6,034 allegations. Through the development of referred allegations, SSA identified $2,736,585 in benefit overpayments. AMFED matched 128,494 fugitive subjects from incoming Federal, State, and local warrant files and referred them to law enforcement for apprehension and warrant verification. AMFED referred 1,032 fugitive subjects for benefit suspension. Through data-sharing efforts, 342 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 2013, OIG's CMP program successfully closed 280 Section 1129 cases, resulting in penalties and assessments of over $15.3 million; and 80 Section 1140 cases, resulting in penalties of over $164,000.

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 near-term planning is important, SSA needs long-range plans that address its long-term challenges, including a rising workload, a decrease in experienced staff, complex program policies, and a rising need to provide more services electronically. In our FY 2011 report, *The Social Security Administration's Customer Service Delivery Plan*, we concluded SSA did not have a long-term customer service delivery plan. We noted that SSA must develop a plan that serves as a roadmap for ensuring the agency is technologically and structurally prepared with appropriate staff to operate its programs in the future. SSA published a Service Delivery Plan in February 2013, but it did not comprehensively describe the service options it will offer in the future or the resources needed to do so.

The number of individuals filing for benefits has increased, and SSA predicts it will continue increasing in coming years. Over the next 20 years, nearly 75 million people aged 62 and older will start receiving retirement benefits. The population applying for benefits will expect SSA to provide a greater number of services electronically. SSA realizes it needs to rely more on technology to meet customer expectations and keep up with a rising workload. As workloads rise, a greater proportion of SSA's workforce will become eligible to retire. Of the 60,771 full- and part-time permanent SSA employees on duty as of September 30, 2013, 21.6 percent were eligible to retire under the regular retirement option in FY 2013. In FY 2017, 33 percent of those employees will be eligible to retire, and, by FY 2022, this number will increase to 45 percent. Given the expectation of leaner future budgets, SSA needs to plan to meet its mission with fewer resources. SSA's Agency Strategic Plan (ASP) for FY 2013 – FY 2016 and its Information Resources Management Strategic Plan for FY 2012 – FY-2016 are near-term planning documents that do not provide plans on how SSA will address its challenges over the next 10 to 20 years and beyond. Both OIG and the Social Security Advisory Board have called for increased long-term planning to address SSA's future challenges.

At a time when SSA needs to plan to do more with less, the Board believes SSA lacks long-term plans in a number of critical areas. In its March 2011 report, *The Social Security Administration: A Vision of the Future - The First Steps on the Road to 2020*, the Social Security Advisory Board concluded that SSA needed to develop an innovative service delivery plan that reflected the service options currently available and anticipate those that will emerge in the next 10 years. It 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 our June 2009 report, *The Social Security Administration's Information Technology Strategic Planning*, 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 component of its processing infrastructure failed or was destroyed. While SSA has an IT planning process, it is decentralized, and SSA officials agreed it needed to be strengthened.

Issue #2: Improve Customer Service

The agency faces several challenges as it pursues its mission to deliver Social Security services that meet the changing needs and demographics of the American public. On average each day, almost 182,000 people visit SSA field offices, and more than 445,000 people call SSA for a variety of services, such as filing a claim, updating information, and asking questions. In FY 2013, SSA completed over 5 million retirement, survivor, and Medicare claims; over 3.1 million Social Security and SSI initial disability claims; and 231,000 SSI aged claims. Over the last 3 years, SSA has lost over 11,000 employees. The Acting Commissioner reports these losses have occurred unevenly nationwide, threatening some offices' viability.

The projected retirement of its employees continues to present a challenge to SSA's customer service capability. SSA estimates that about 45 percent of its employees, including 60 percent of its supervisors, will be eligible to retire by FY 2022. SSA also projects it will lose more than 2,000 employees annually over the next 10 years, because of retirement. This loss of institutional knowledge may adversely affect SSA's ability to deliver the quality service the public expects. In its May 2013 report on management challenges SSA faces in meeting its mission-related objectives, Government Accountability Office noted that SSA has not updated its succession plan since 2006.

Changing Customer Expectations: Technology is rapidly changing, and the public expects to complete more business with SSA online. Internet services and the use of mobile devices and social media continue to increase. At the same time, the nation is becoming more diverse. 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 consider the increasing multilingual and multicultural population it serves.

Direct Deposit: SSA uses direct deposit for about 98 percent of Social Security benefits and 94 percent of SSI payments. In October 2011, we began tracking allegations that indicated individuals other than the beneficiaries or their representatives had directed benefit payments away from the beneficiaries' bank accounts. As of September 30, 2013, we had received over 42,000 reports concerning inappropriate changes to beneficiaries' direct deposit accounts. To date, our investigative efforts have resulted in 10 criminal convictions, and we continue to pursue viable investigative leads in cases across the country.

Representative Payment Program: Providing oversight to ensure representative payees properly manage the Social Security benefits and SSI payments of vulnerable beneficiaries and recipients is a critical customer service performed by SSA. SSA appoints representative payees to receive and manage the benefits of beneficiaries and recipients who are incapable of managing or directing the management of their finances because of their age or mental or physical impairment. SSA reported approximately 5.9 million representative payees serve approximately 8.4 million beneficiaries and recipients and manage about $72 billion in payments. Our audits and investigations continue identifying problematic representative payees. For example, in FY 2013, we issued four audits of individual or organizational representative payees and found several issues with each payee. In addition, we issued the report, *Disabled Individuals with*

Mental Impairments Acting as Representative Payees, where we questioned the suitability of 37 percent of the representative payees in our sample.

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

SSA needs to address millions of initial disability and reconsideration claims, as 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. It received about 3.2 million initial and 832,000 reconsideration claims in FY 2012 and approximately 3 million initial and 784,000 reconsideration claims in FY 2013. As a result, SSA had a large number of initial claims pending completion. As of September 2013, SSA had over 698,000 initial disability claims pending.

In addition to increased receipts, some DDSs are facing high attrition rates, hiring freezes, and employee furloughs, which affect SSA's ability to process its disability workload. Because of State hiring freezes, some DDSs are not allowed to replace lost staff. For example, at the end of FY 2013, Nevada was still furloughing DDS employees.

Further, in our March 2010 report on Full Medical Continuing Disability Reviews, we stated that SSA estimated a backlog of over 1.5 million medical CDRs at the end of FY 2010. As a result, we estimated that from Calendar Years 2005 through 2010, SSA made benefit payments of between $1.3 and $2.6 billion that it could have avoided had State DDSs conducted the medical CDRs when they were due. SSA had a backlog of 1.2 million medical CDRs at the end of FY 2012. As of the end of FY 2013, SSA had a backlog of 1.3 million medical CDRs.
In November 2010, SSA released its Strategy to Address Increasing Initial Disability Claim Receipts to reduce the initial claims backlog to a pre-recession level of 525,000 by FY 2014. The multi-year Strategy included:

- 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 created Extended Service Teams, in Arkansas, Mississippi, Oklahoma, and Virginia, to assist States by taking claims from those with the highest pending levels. In FY 2010, SSA hired 237 additional employees in the Federal disability processing components that support the DDSs. SSA also provided funding for States to hire additional DDS employees. In total, SSA gained more than 2,600 DDS employees in FYs 2009 and 2010. However, SSA did only limited critical hiring from FYs 2011 to 2013. As a result, SSA lost over 2,800 DDS employees from FYs 2011 to 2013. With the loss of DDS employees and a high level of initial disability claims receipts in FY 2013, SSA no longer expects to achieve an initial claims pending level of 525,000 by FY 2014. In fact, pending initial disability claims rose to over 698,000 in FY 2013. We are reviewing the actions SSA is taking to address the initial disability claims backlog.

The agency is developing a Disability Case Processing System (DCPS), which is one single system that will replace the existing 54 systems that support the DDSs. DCPS will integrate case analysis tools and health IT. A common case processing system will help SSA timely distribute policy changes. 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. SSA began testing the initial version of DCPS in the Idaho DDS in September 2012. In FY 2013, SSA tested, trained, and implemented the second software release to the Idaho and Illinois DDSs. SSA expects to test additional software releases in two other DDSs in FY 2014, with expanded implementation through FY 2016.

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. The FY 2013 *Independent Auditor's Report* contained two significant deficiencies in internal control, summarized below.

Calculation, Recording, and Preventing Overpayments: In FY 2012, the auditor reported a significant deficiency related to Benefit Payment Oversight. In FY 2013, the auditor did not identify this significant deficiency. However, it 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 calculations errors in 38 percent of the overpayment items selected in a statistical sample. Although the impact of these errors was not deemed material, these errors evidence further control weaknesses in the overpayment process. In addition, SSA has a system limitation where overpayment installments extending past year 2049 are not tracked and reported systematically. Finally, SSA was not reconciling data between systems to detect discrepancies, which could lead to payment errors.

Information System Controls: In FYs 2010 and 2011, 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*. In FY 2012, the auditor escalated the deficiency and determined there was a material weakness in internal control related to information security in the areas of monitoring, logical access, and configuration controls. It is the auditor's opinion that SSA made significant progress in strengthening controls over its information systems to address the material weakness reported in FY 2012.

While SSA made these significant efforts to strengthen controls over its systems and address weaknesses, the auditor's FY 2013 testing continued to identify control issues in both design and operation of key controls. In this audit, the auditor identified four deficiencies that, when aggregated, are considered to be a significant deficiency in the areas of information systems controls. The deficiencies noted were in the following areas:

- Threat Identification and Vulnerability Management;
- Change Management;
- Mainframe Security; and

- Access Controls/Segregation of Duties.

We also believe SSA can bring greater accountability to its administrative cost allocation. The *Social Security Act* (Pub. L. No. 74-271) authorizes SSA to allocate administrative costs to the four trust funds for which it provides administrative support: Retirement and Survivors, Disability, Hospital, and Supplementary Medical Insurance. SSA uses its Cost Analysis System (CAS) to allocate administrative costs to these four trust and general fund programs administered by SSA, such as the SSI program.

In FY 2012, our contractor completed a series of audits that examined SSA's CAS. Our contractor found CAS had certain risks that SSA needed to address to ensure it provided 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. Consequently, the equitable and appropriate allocation of SSA's administrative costs to the trust funds could be at risk.

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. 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, including telephone service, the Internet, and videoconferencing, to deliver service to its customers. We have concerns regarding the agency's IT physical infrastructure; development and implementation of secure electronic services; and logical access controls and security of sensitive information.

SSA's 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 the next few years is replacing the NCC. However, the agency has projected that its new facility will not be operational until 2016.

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 content of security 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. While SSA made significant efforts to strengthen controls over its systems and address weaknesses, the auditor's FY 2013 testing continued to identify control issues in both design and operation of key controls. In its audit, the auditor identified four deficiencies that, when aggregated, are considered to be a significant deficiency in the areas of Information Systems Controls.

SSA must provide additional electronic services to meet its customers' growing needs. For FY 2012, SSA had a goal to have 42 percent of its fourth quarter claims filed online. For FY 2013, the fourth quarter goal for online claims was 48 percent. During the fourth quarter of FY 2012, agency customers filed 44 percent of claims online. During the fourth quarter of FY 2013, agency customers filed 51 percent of claims 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; however, fraudulent accounts were established to redirect Social Security benefits to unauthorized bank accounts. As of the end of FY 2013, we had received—from SSA and other sources—more than 22,000 fraud allegations related to *my* Social Security accounts.

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 the agency administers some payment errors will occur. SSA is responsible for issuing over $800 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.

SSA is one of the Federal agencies with a large amount of improper payments. In FY 2012, the last FY for which data were available, SSA reported about $6.8 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 requirements in Executive Order 13520 – *Reducing Improper Payments* – and the *Improper Payments Elimination and Recovery Act of 2010* (IPERA) (Pub. L. No. 111-204) to address improper payments. Additionally, the Office of Management and Budget (OMB) recently issued guidance on implementing IPERA (Publ. L. No. 112-248), so SSA will need to take additional actions related to reducing improper payments.

One of the major causes of improper payments in the Old-Age, Survivors, and Disability Insurance program is benefit computation error. 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 placed 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

The agency's first goal in its FY 2008-2013 ASP is to eliminate the hearings backlog and prevent its recurrence. Specifically, the agency's goal was to reduce the number of pending hearings to 466,000 cases, and reduce the average processing time to 270 days by the end of FY 2013. However, SSA did not achieve the backlog goal since there were about 848,000 pending claims at the end of FY 2013, and the average processing time for hearing cases during FY 2013 was 382 days.

In a FY 2011 report, we stated that the agency would meet its hearings backlog goal if it accurately predicted administrative law judge (ALJ) productivity and availability, the number of hearing receipts, and senior attorney adjudicator (SAA) decisions. While ALJ productivity and availability were within a few percentage points of agency projections, hearing receipts exceeded agency projections by 15 percent or more each year, and there were fewer SAA decisions than anticipated in FYs 2012 and 2013.

The agency dropped the 466,000 pending claims backlog goal from its FY 2013-2016 ASP and focused instead on reducing the average wait time for a hearing decision to 270 days by the end of FY 2013. While the agency did not meet the 270-day goal, it has reduced the average wait times. For example, average processing time in FY 2008 was 514 days; by the end of FY 2013, it was 382 days.

Adjudicatory Capacity In FY 2007, the agency issued an interim final rule allowing SAAs to issue fully favorable on-the-record decisions, thereby conserving ALJ resources for the more complex cases that require a hearing. In our June 2013 report on the *Effects of the Senior Attorney Adjudicator Program on Hearing Workloads*, we stated that while the SAA Program contributed to an increase in adjudicative capacity and improved average processing time over the years, the number of SAA on-the-record decisions had been declining, and the quality of these decisions had dropped. We recommended the agency evaluate the benefits of conducting focused quality reviews on ALJ and SAA on-the-record decisions. In this way, common on-the-record issues can be identified and appropriate training developed. The agency agreed with our recommendation and stated it planned to conduct a focused quality review using a consistent set of criteria to gain a better understanding of the issues identified with the ALJs on-the-record decisions compared to SAA on-the-record decisions. Moreover, since we completed our audit, the agency instituted a new pilot program to restrict the types of cases reviewed by SAAs, which is also expected to reduce the number of SAA on-the-record decisions.

Management Oversight: Our January 2013 audit, *Identifying and Monitoring Risk Factors at Hearing Offices*, highlighted the agency's efforts to identify problematic workload trends among ALJs. We recommended that this new monitoring approach be made a permanent part of management oversight and the agency create additional monitoring of hearing office trends that may identify potential processing and management problems. In addition, we identified case rotation problems at hearing offices in a March 2013 audit, *Hearing Office Case Rotation among Administrative Law Judges*. We recommended that the agency continue monitoring hearing offices that had rotation issues and remind hearing office managers that ALJ coverage of remote sites should be consistent with its rotation policy.

In the agency's FY 2013-2016 ASP, SSA identified four strategies to achieve its hearings timeliness goal:

- eliminate the oldest cases first;
- expedite cases that do not require a hearing;
- enhance electronic tools that improve productivity and quality; and
- target national resources to meet workload demands.

Issue #8: Strengthen the Integrity and Protection of the Social Security Number
Protecting the SSN and properly posting the wages reported under SSNs are critical to ensuring eligible individuals receive the full benefits they are due. In FY 2013, SSA completed approximately 5.8 million original and 10.3 million replacement SSN cards. In addition, the agency received and processed about 250 million wage items, totaling approximately $5.7 trillion in earnings. 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.

SSN Misuse: To its credit, SSA has implemented numerous improvements in its enumeration process. However, given the preponderance 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. 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 has estimated that as many as 10 million Americans have their identities stolen each year.

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 $1.1 trillion in wages and 326 million wage items for Tax Years 1937 through 2011. In Tax Year 2011 alone, 7.1 million wage items representing $70 billion were posted to the ESF. From Tax Years 2001 to 2011, the ESF grew by approximately $734.5 billion in wages and 91.9 million wage items, representing about 70 percent of the total wages in ESF and 28.1 percent of the total wage items in ESD are from this time period.

We are concerned about the size and growth of the ESF as it reached over $1 trillion in wages. Therefore, in 2014, we plan to review the steps SSA has taken to reduce the ESF's size and growth.

MONETARY BENEFITS

In FY 2013, OIG issued 94 audit reports with recommendations, identifying over $886 million in questioned costs and over $658 million in Federal funds that could be put to better use. OIG also received over 141,000 allegations of fraud, effected over 1,300 criminal prosecutions, and obtained a return of over $511 million in investigative accomplishments, comprised of over $107 million in SSA recoveries, restitutions, fines, settlements, and judgments, and over $404 million in projected SSA savings. Our FY 2015 funding will enable us to issue timely reports, provide training required by Government Auditing Standards, and cover mission-critical travel.

STRATEGIC PLANNING

FY 2013 was the third 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 2013, OIG successfully met or exceeded 14 out of 15 performance measures. The specific results for FY 2013 are as follows:

Table 4.2—2013 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%	**86%**
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%	**94%**
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	**$20 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%	**91%**
8. Respond to 95% of constituent-based congressional inquiries within 21 days.	95 %	**100%**
9. Take action on 90% of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.	90%	**99%**
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%	**94%**
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 %	**4%**
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%	**69%**
15. Ensure that 90% of OIG staff receives 40 or more hours of appropriate developmental and skill enhancement training annually.	90%	**97%**

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 2015 consists of $29,000,000 appropriated from the general fund and $75,622,000 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 2013 Actual	FY 2014 Enacted	FY 2015 Estimate
General Funds Annual Appropriation	$ 27,376	$ 28,829	**$ 29,000**
Trust Funds Annual Transfer	$ 69,557	$ 73,249	**$ 75,622**
Total Appropriation	**$ 96,933**	**$ 102,078**	**$ 104,622**
Transfer Authority[1]	$3,000	$0	$0
Total Budgetary Resources	**$ 99,933**	**$ 102,078**	**$ 104,622**
Total Obligations	**$ 99,498**	**$ 102,078**	**$ 104,622**
Unobligated balance lapsing	$ 435	$ 0	**$ 0**

[1] In FY 2013, SSA transferred $3,000,000 from its LAE account to OIG's account. This transfer was to avoid OIG staff furloughs due to sequestration, and to support critical OIG operations. This transfer was made in accordance with the Consolidated Appropriations Act, 2012, Pub. L. 112-74, 125 Stat. 786, 1109-1110 (2011), as adopted by the Consolidated and Further Continuing Appropriations Act, 2013, Pub. L. 113-6, Div. F, Title I, § 1101(a)(4), 127 Stat. 198, 412 (2013).
The appropriation language for SSA's FY 2013 budget provided authority to transfer from LAE to OIG, "an amount not to exceed 3 percent of the total provided in this appropriation.…" This transfer language has been included in all enacted appropriation language since FY 1998.

ANALYSIS OF CHANGES

The FY 2015 request represents a $2,544,000 increase over the FY 2014 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 2014 Estimate	FY 2015 Estimate	*FY14 to FY15 Change*
General Fund Appropriation	$ 28,829,000	$ 29,000,000	+ $171,000
Trust Fund Appropriation	$ 73,249,000	$ 75,622,000	+ $ 2,373,000
Total Appropriation	**$ 102,078,000**	**$ 104,622,000**	**+ $ 2,544,000**
Transfer Authority	$ 0	$ 0	$ 0
Total Obligations	**$ 102,078,000**	**$104,622,000**	**+ $ 2,544,000**

Table 4.5—Explanation of OIG Budget Changes

	FY 2014 Base		Change from Base	
	WYs (FTEs)	**Budgetary Resources**	**WYs (FTEs)**	**Budgetary Resources**
<u>BUILT-IN INCREASES</u>				
Base Payroll Expenses	**553 (550)**	$ 88,552,000	***+5 (5)***	
• *Change in base payroll expenses related to career ladder promotions and within-grade increases*	- - -	- - -	- - -	*+ $ 2,724,000*
• *Change in base expenses for employee benefits including health benefits and new employees hired under the Federal Retirement Employees System*	- - -	- - -	- - -	*+ $ 1,008,000*
• *All other payroll changes, including overtime and awards*	- - -	- - -	- - -	- - -
Non-Payroll Costs - All other built-in nonpayroll changes, including ARRA, travel management support and equipment	- - -	$ 7,271,000	- - -	- - -
• **Rent**	- - -	$ 6,000,000	- - -	- - -
• **CIGIE Contribution**	- - -	$255,000	- - -	- - -
Subtotal, Built-in increases	**553 (550)**	**$ 102,078,000**	***+5 (5)***	***+$3,732,000***
<u>PROGRAM INCREASES</u>				
Increase for operations and maintenance of facilities and equipment	- - -	- - -	- - -	*$ 0*
Subtotal, Program Increases	- - -	- - -	- - -	*$ 0*
Total Increases	**553 (550)**	**$ 102,078,000**	***+5 (5)***	***+$3,732,000***

Table Continues on the Next Page

	FY 2014 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	**553 (550)**	$ 88,552,000	***+5 (5)***	- - -
Non-Payroll Costs	- - -	- - -	---	***0***
Rent	- - -	$ 6,000,000	---	*-$ 200,000*
CIGIE Contribution	- - -	$ 255,000	---	*-$ 18,000*
Subtotal, Built-in decreases	- - -	**$ 94,807,000**	- - -	***-$ 218,000***
<u>PROGRAM DECREASES</u>	- - -	- - -	- - -	- - -
Decrease in costs for training, other support, services, and supplies	- - -	$ 7,271,000	- - -	*-$ 970,000*
Subtotal, Program Decreases	- - -	**$ 7,271,000**	- - -	***-$ 970,000***
Total Decreases	- - -	**$ 102,078,000**	- - -	***- $ 1,188,000***
Net Change	**553 (550)**	**$ 102,078,000**	***+5 (5)***	***+$ 2,544,000***

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 2013 Actual	FY 2014 Enacted	FY 2015 Estimate
General Funds	**$ 27,376**	**$ 28,829**	**$29,000**
OASDI Trust Fund Transfers	**$ 69,557**	**$ 73,249**	**$ 75,622**
Total Appropriation	**$ 96,933**	**$ 102,078**	**$ 104,622**
Transfer Authority[1]	$ 3,000	$ 0	$ 0
Total Budgetary Authority	**$ 99,933**	**$ 102,078**	**$ 104,622**
Obligations	**$ 99,498**	**$ 102,078**	**$ 104,622**
Unobligated balance lapsing	$ 435	$ 0	$ 0
FTEs	558	550	555

[1] In FY 2013, SSA transferred $3,000,000 from its LAE account to OIG's account. This transfer was to avoid OIG staff furloughs due to sequestration, and to support critical OIG operations. This transfer was made in accordance with the Consolidated Appropriations Act, 2012, Pub. L. 112-74, 125 Stat. 786, 1109-1110 (2011), as adopted by the Consolidated and Further Continuing Appropriations Act, 2013, Pub. L. 113-6, Div. F, Title I, § 1101(a)(4), 127 Stat. 198, 412 (2013).
The appropriation language for SSA's FY 2013 budget provided authority to transfer from LAE to OIG "an amount not to exceed 3 percent of the total provided in this appropriation…." This transfer language has been included in all enacted appropriation language since FY 1998.

BUDGET RESOURCES BY OBJECT

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

Table 4.7—Budget Resources by Object

	FY 2013	FY 2014	FY 2015	*FY14 to FY15 Change*
Full-time permanent	$ 63,389,000	$ 63,748,000	**$ 66,448,000**	*+ $ 2,700,000*
Other than full-time permanent	$ 565,000	$ 595,000	**$ 620,000**	*+ $ 24,000*
Other compensation	$ 223,000	$ 300,000	**$ 300,000**	*$ 0*
Subtotal, Personnel Compensation	$ 64,177,000	$ 64,643,000	**$ 67,367,000**	*+ $ 2,724,000*
Civilian personnel benefits	$ 24,633,000	$ 23,909,000	**$ 24,917,000**	*+$ 1,008,000*
Total, Compensation and Benefits	$ 88,810,000	$ 88,552,000	**$ 92,284,000**	*+ $ 3,732,000*
Travel	$ 2,509,000	$ 2,250,000	**$ 2,250,000**	*$ 0*
Transportation of things	$ 41,000	$ 60,000	**$ 60,000**	*$ 0*
Rental payments to GSA	$ 5,220,000	$ 5,620,000	**$ 5,640,000**	*+ $20,000*
Rental payments to others	$ 99,000	$ 80,000	**$ 60,000**	*- $ 20,000*
Communications, utilities, and others	$ 250,000	$ 300,000	**$ 100,000**	*- $ 200,000*
Printing and reproduction	$ 1,000	$ 5,000	**$ 2,000**	*-$ 3,000*
Other services	$ 1,823,000	$4,001,000	**$ 3,171,000**	*- $ 830,000*
Supplies and materials	$ 176,000	$ 325,000	**$ 300,000**	*- $ 25,000*
Equipment	$ 610,000	$ 1,095,000	**$ 1,000,000**	*-$ 95,000*
Insurance Claims	$ 2,000	$ 0	**$ 5,000**	*+$ 5,000*
Adjustments	-$ 43,000	-$ 210,000	**-$ 250,000**	*- $ 40,000*
Total Budgetary Resources	**$ 99,498,000**	**$ 102,078,000**	**$ 104,622,000**	***+ $ 2,544,000***

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.

Table 4.8—Authorizing Legislation

	FY 2014 Authorized	FY 2014 Enacted	FY 2015 Authorized	FY 2015 Estimate
Office of the Inspector General (P.L. 103-296)	**$102,078,000**	**$ 102,078,000**	**Indefinite**	**$ 104,622,000**

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.

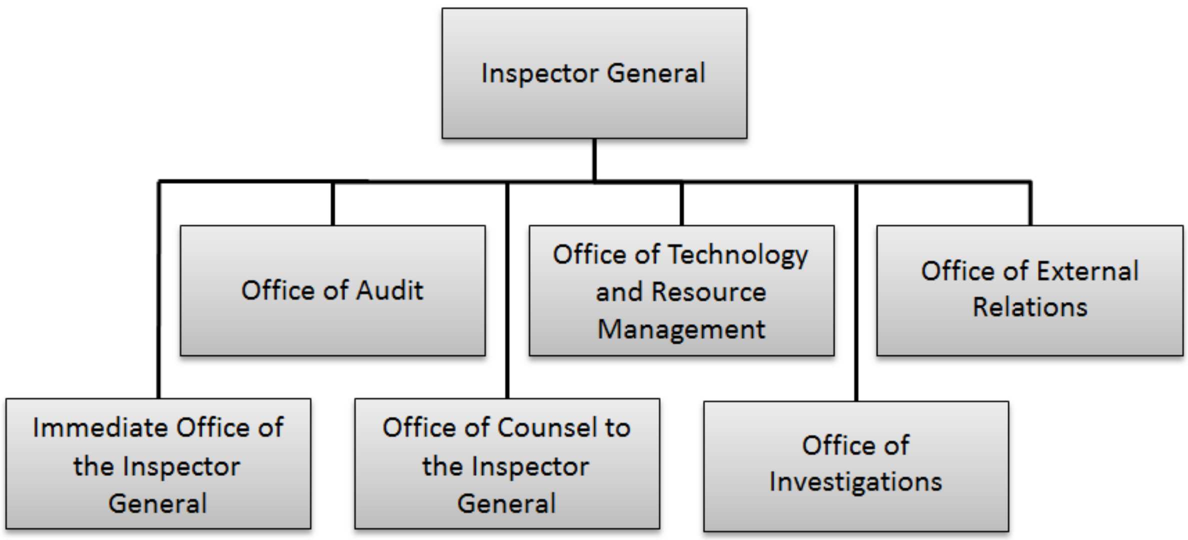
Table 4.9—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Subcommittee 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			
Trust Funds	$ 75,622,000			
2015 Total	$104,622,000			

[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 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 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 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.

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 2015 is $104,622,000 and 555 FTEs, which reflects an increase of $2,544,000 from the FY 2014 annual appropriations level. The FY 2015 funding increase will provide funding for a 555 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 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
FTEs	558	550	**555**
Overtime/Lump Sum Leave	2	3	**3**
Total	**560**	**553**	**558**

Table 4.11—Average Grade and Salary

	FY 2013 Actual
Average ES Salary	$ 169,093
Average GS Grade	13
Average GS Salary	$ 101,765