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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, [$29,787,000] *$31,000,000*, together with not to exceed [75,713,000] *$81,000,000*, 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. *(Departments of Labor, Health, and Human Services, and Education, and Related Agencies Appropriations Act, 2016).*

GENERAL STATEMENT

OVERVIEW

The FY 2017 President's Budget for the SSA Office of the Inspector General (OIG) is $112,000,000 in total budget authority and 560 FTE. This is $6,500,000 above the funding received from the Consolidated Appropriations Act, 2016 (P.L. 114-113).

The FY 2017 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 pay raise, payroll increases (e.g., within-grade increases, scheduled promotions, health benefits, etc.), and other related support costs.

OIG employees on duty have dropped from 610 in FY 2006 to 526 at the end of FY 2015, a decrease of 84 employees. Our current budget request assumes OIG will add additional staff in support Cooperative Disability Investigations (CDI) unit expansion, 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.

This FY 2017 budget includes $727,000 for training, which satisfies all FY 2017 training requirements for OIG. OIG will contribute to the Council of the Inspectors General on Integrity and Efficiency (CIGIE) in FY 2017, and $253,000 has been requested for that purpose.

Table 4.1—Justification

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate	*FY16 to FY17 Change*
FTE	528	540	560	*+20*
Appropriation	$ 103,350,000	$ 105,500,000	$ 112,000,000	*+ $ 6,500,000*
Total Obligations	$ 102,830,115	$ 105,500,000	$ 112,000,000	*+ $ 6,500,000*
Unobligated balance lapsing	$ 773,878	$ 0	$ 0	*$ 0*

ONGOING INITIATIVES

Computer Forensic Cyber-Related Investigations

Our *Digital Forensics Team* (DFT) provides forensic support to investigations involving at least one computer, network, electronic data storage, communication, mobile device or other form of digital media; as well as the collection, examination, analysis and reporting of the data acquired. The DFT provides much needed forensic assistance to the field in support of ongoing investigations. In FY 2015, the DFT implemented the initial infrastructure of a “private cloud” based forensics network that will allow the DFT to be at the forefront of digital forensics and provide an overall better solution for the OIG. This infrastructure allows the DFT to maintain a secure central repository for all forensic evidence and DFT case work. Furthermore, it provides an isolated network in support of the newly formed *Intelligence and Analysis Division* (IAD). Moving forward, the DFT will need additional funds to maintain, secure and expand the forensic network to meet the growing demands as they relate to the ever evolving cyber-crime movement. Additional funds will also allow the DFT to increase its infrastructure and data storage capabilities. Data storage is vital to a computer forensics program so we can provide adequate support as components request it.

In addition to traditional forensic services, the DFT works hand-in-hand with SSA to protect SSA’s network and Personally Identifiable Information (PII). 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. There has been an increase in cyber based attacks on networks, to include government maintained electronic data; therefore, the potential for computer-based fraud against SSA systems and programs is growing exponentially. 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 2017 budget request includes funds to provide our computer forensic investigators with the equipment, training, and software needed to combat computer crimes.

DFT personnel received basic network intrusion training in FY 2013. In FY 2017, DFT will receive additional skills training. FY 2017 funding will allow DFT to adequately staff the *Computer Security Incident Response Team* and for members to attend additional cyber training, better preparing them to handle cyber-attack situations. It is the goal of the DFT to become well trained in this area to keep the investigations in-house and protect the PII held within SSA's network.

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.

In FY 2015, the program consisted of 36 units covering 31 states and the Commonwealth of Puerto Rico. We will continue to expand this program in FY 2016 and FY 2017. The *Bipartisan Budget Act of 2015* requires SSA to expand the CDI program to cover all States and Territories no later than October 1, 2022. This requirement will be subject to the availability of funding and participation of local law enforcement agencies. During FY 2016, the CDI Program operated 38 units in 32 states, the District of Columbia, and Puerto Rico. As the CDI program expands, we will add OIG staff to support the CDI mission both in the field and at headquarters, and to replace those resources shifted away from our other investigative priorities.

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 2015, these processes contributed significantly to the mission of OIG and SSA. AMFED received 89,801 allegations. Through the development of referred allegations, SSA identified $3,029,573 in benefit overpayments. AMFED matched 160,375 fugitive subjects from incoming Federal, State, and local warrant files and referred them to law enforcement for apprehension and warrant verification. AMFED referred 1,646 fugitive subjects for benefit suspension. Through these data-sharing efforts, law enforcement report that 442 fugitives were apprehended.

Civil Monetary Penalty Program

Section 701 of the Bipartisan Budget Act of 2015, PL 114-74 (BBA of 2015) amended the Federal Civil Penalties Inflation Adjustment Act of 1990 (the Inflation Adjustment Act) (Public Law 104-410), to improve the effectiveness of civil monetary penalties and to maintain their deterrent effect. The provision requires agencies to: (1) adjust the level of civil monetary penalties with an initial "catch-up" adjustment through an interim final rulemaking; and (2) make subsequent annual adjustments for inflation. Inflation adjustments will be based on the percent change in the Consumer Price Index for all Urban Consumers (CPI-U) for the month of October preceding the date of the adjustment, relative to the October CPI-U in the year of the previous adjustment. The law requires agencies to publish interim final rules with the initial penalty adjustment amounts by July 1, 2016, and the new penalty levels must take effect no later than August 1, 2016. Penalties under the Social Security Act, which were previously excluded by a 1996 amendment to the Inflation Adjustment Act, are now subject to the catch-up and annual inflation increases. SSA penalty levels updated pursuant to section 701 of the BBA of 2015 will apply for 2016 and be subject to annual increase as will all other penalties subject to the Inflation Adjustment Act as amended in 2015.

We continue 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. In addition to providing for an initial catch up adjustment for all CMPs imposed under section 1129 of the *Social Security Act,* the BBA of 2015, amended section 1129 to specifically increase the maximum CMP that may be imposed against an individual who violates their position of trust with an applicant for Social Security benefits from up to $5,000 to up to $7,500. A person is considered to be in a position of trust if they receive a fee or other income with respect to benefits under the *Social Security Act*, including a claimant representative, translator, or current or former SSA employee or who is a physician or other health care provider who submits, or causes the submission of, medical or other evidence in connection with an application for benefits.

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. Also, using authority delegated by the Commissioner of Social Security, we aggressively enforce Section 1140 of the Social Security Act. Section 1140, the consumer protection prong of the agency's civil monetary penalty program, prohibits people or companies from misleading consumers by giving the false impression that they are associated with, or endorsed by, SSA when they advertise, solicit services, or otherwise communicate with the public. These communications can take many forms, including mailed or televised advertisements, Internet sites, social media accounts, and mobile applications. Section 1140 also prohibits the reproduction and sale of Social Security publications and forms without authorization. We can impose CMPs of up to $5,000 for each violation and $25,000 for each violative broadcast/telecast aired. We continually explore outreach opportunities to educate the public on how to recognize and avoid scams, and we welcome the opportunity to work with companies to develop innovative approaches to combat Section 1140 violations.

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

A summary of each management issue is discussed below:

Issue #1: Reduce the Hearings Backlog and Prevent its Recurrence

While SSA continues focusing on the quality and consistency of hearing decisions, it is facing worsening average processing times and increasing pending hearings.

One part of the disability program, the hearings process, has experienced worsening timeliness and growing backlogs. For instance, the average processing time for a hearing increased from 426 days in FY 2010 to 480 days in FY 2015. In addition, the number of pending hearings grew from about 705,000 cases at the end of FY 2010 to over 1 million cases at the end of FY 2015.

In a September 2015 report on the hearings backlog, we stated SSA had not published a long term, multi-year strategy to address the growing backlog and worsening timeliness; however, SSA had begun implementing 35 initiatives to address these issues. In a separate September report on hearing office average processing times, we discussed large variances in timeliness among hearing offices. For instance, the Miami Hearing Office had an average processing time that was 300 days longer than the average processing time in the Orange, California Hearing Office.

Four factors contributed to the increase in the number of pending claims: (1) an increase in the number of hearing requests, (2) a decrease in the number of available administrative law judges (ALJ), (3) a decrease in ALJ productivity, and (4) a decrease in senior attorney adjudicator decisions. SSA received about 600,000 hearing requests in FY 2008, over 800,000 hearing requests in each of FYs 2011 through 2014, and about 746,000 hearing requests in FY 2015. Between FYs 2012 and 2015, the number of available ALJs declined about 5 percent. ALJ productivity declined approximately 13 percent between FYs 2012 and 2015. Increased Agency emphasis on decisional quality has led to ALJs spending more time on cases. The Agency has also reduced the number of senior attorney adjudicator decisions due to quality concerns.

Issue #2: 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 continuing disability reviews (CDR), while also protecting its disability programs from fraud and encouraging beneficiaries to return to work.

Disability Claims Backlog: SSA completed over 2.8 million initial and 757,000 reconsideration disability claims in FY 2014 and more than 2.75 million initial and 723,000 reconsideration claims in FY 2015. While initial claims have declined in recent years, SSA had over 621,000 initial disability claims pending at the end of FY 2015. Similarly, SSA expects to have approximately 733,000 initial disability claims pending at the end of FY 2016.

CDR Backlog: According to SSA, at the end of FY 2015, there was a backlog of more than 726,000 full medical CDRs, down from over 906,000 cases backlogged at the end of FY 2014. As we stated in our August 2014 report on *The Social Security Administration's Completion of Program Integrity Workloads*, SSA had a backlog because it had not completed all full medical CDRs when they became due. Although 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 potential savings. Had SSA conducted full medical CDRs at historic levels, we estimated it would have identified billions of dollars in additional Federal benefit savings.

Disability Fraud: High-profile fraud schemes in New York, Puerto Rico, and West Virginia highlighted how vulnerable SSA's disability programs are 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 to which they were not eligible. Similarly, in Puerto Rico, third-party facilitators conspired with claimants to submit medical documentation that fabricated or exaggerated disabilities. In addition, 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 information technology (IT) infrastructure and front-end analytical tools necessary to screen applications for "potential fraud warnings" and review or investigate further before approving. For example, SSA was not systematically 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 Disability Determination Services (DDS) employees caught the patterns in the fraudulent claims in New York and Puerto Rico, but not before the Agency approved those claims and made millions of dollars in payments to the beneficiaries.

Return to Work: Historically, about one-half of 1 percent of disabled beneficiaries leave the rolls annually because of a return to work. *The Ticket to Work and Self Sufficiency Program* was created to assist beneficiaries return to work. However, an evaluation of the program concluded that, ". . . rigorous impact analysis failed to provide strong evidence of its impact on employment." The Ticket program's lack of strong evidence of improved employment outcomes among beneficiaries, is representative of the various other return to work demonstration projects and programs. As a result, the Agency needs to continue exploring policies that reduce administrative barriers for beneficiaries to return to work, simplify existing work incentives and create new opportunities to facilitate beneficiaries return to work efforts. Furthermore, according to SSA, when medical CDRs result in beneficiaries losing eligibility for SSDI, approximately 20 percent of these individuals return to SSDI within 8 years of the cessation determination.

Issue #3: Reduce Improper Payments and Increase Overpayment Recoveries

SSA is one of several Federal agencies that have a high amount of improper payments. In FY 2014, the last fiscal year for which data was available, SSA reported about $9.8 billion in over- or underpayments and incurred an administrative cost of $0.07 for every overpayment dollar it collected. Further, SSA needs to adhere to the requirements in *Executive Order 13520, Reducing Improper Payments and Eliminating Waste in Federal Programs, 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).

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 2014,

- The Old-Age, Survivors, and Disability Insurance (OASDI) overpayment error was $4.6 billion or 0.5 percent of program outlays, and the underpayment error was $472 million or 0.05 percent of program outlays; and

- The SSI overpayment error was $3.9 billion or 7 percent of program outlays, and the underpayment error was $840 million or 1.5 percent of program outlays.

For FYs 2015 through 2017, 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 only met one of its payment accuracy targets in the last 5 years

Executive Order 13520, Improper Payments Elimination and Recovery Act (IPERA), and Improper Payments Elimination and Recovery Improvement Act (IPERIA): In November 2009, the President issued Executive Order 13520 on reducing improper payments. IPERA and IPERIA were enacted in July 2010 and January 2013, respectively, to refine 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 2015, it recovered $3.4 billion in overpayments at an administrative cost of $0.07 for every dollar collected and ended the fiscal year with an uncollected overpayment balance of $18.5 billion.

Issue #4: 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: SSA stated that the population aged 65 and older will grow by more than 18 million from 2015 to 2025, and an additional 8 million by 2030, thereby dramatically increasing the demand for its services. In FY 2015, SSA received approximately 5 million retirement, survivors, and Medicare applications; completed 2.7 million initial disability claims; and completed over 663,000 requests for hearings.

In addition to these workloads, in FY 2015, SSA

- completed 723,000 reconsiderations and 150,000 Appeals Council requests for review;
- issued over 16 million new and replacement Social Security number (SSN) cards;
- posted over 275 million earnings items to workers' records;
- handled nearly 37 million calls to its national 800-Number;
- assisted 41 million visitors in field offices; and
- mailed nearly 350 million notices.

SSA faces a challenge of losing its institutional knowledge because of steady losses of employees through retirement. As of August 2015, approximately 16 percent of SSA employees was eligible for retirement. SSA estimates that 28 percent of its permanent employees will be eligible to retire by 2020, and their retirement could result in various mission-critical skills gaps.

In its February 2015 High-Risk Series report, the Government Accountability Office noted that agencies had taken important steps to better position the Government to close current and emerging critical skills gaps, but agencies will need to implement specific strategies and evaluate their results to demonstrate progress on addressing critical skill gaps. SSA recognizes that identifying and reducing skill gaps at all organizational levels are important to the Agency. SSA developed a long-term vision, expanded the use of online services, improved telephone services, and continued video services expansion during FY 2015. In April 2015, SSA released its Vision 2025 publication, which states where SSA would like to be in 10 years with its workforce, technology, and customer service. Vision 2025 identifies three priorities: a superior customer experience, exceptional employees, and an innovative organization to guide its service delivery efforts today and in the future. SSA has developed milestones in its revised FY 2014 – 2018 Agency Strategic Plan that support Vision 2025 goals.

Customer Service Expectations: The dramatic increase in mobile and broadband Internet access is driving public expectation for instantaneous service through multiple delivery channels. Rapid advances in technology introduce new opportunities for service delivery as well as requiring that SSA remain vigilant about potential security and fraud vulnerabilities. Furthermore, customers who seek benefits from SSA also interact with other agencies and private organizations. SSA acknowledges it could improve its customer service through partnerships with these organizations to learn from each other, share data, and develop processes that help customers access services more quickly and easily.

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. SSA acknowledges that representative payees play a significant role in many beneficiaries' lives, and it consistently explores ways to better identify, screen, and appoint representative payees. In January 2015, SSA reported that approximately 6 million representative payees were managing about $76.8 billion in payments for 8.7 million beneficiaries and recipients. SSA continues finding problems with representative payees who improperly use and account for beneficiaries' payments during their reviews. Likewise, our audits continue to find problems with SSA's *Representative Payment Program*. Our January 2016 report, Volume Individual Representative Payees, summarized previous volume individual payee review findings. Of significance, our reviews noted several payees with prior financial liens and judgments or bankruptcy filings of which SSA had not previously been aware. We also identified several recurring findings, including representative payees collecting unallowable and/or excessive fees. We made two recommendations that SSA enhance its continuous monitoring program to help identify the issues consistently found by the Office of the Inspector General in its audits of high-volume individual representative payees.

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

Federal agencies must ensure they wisely invest their scarce resources. SSA faces the challenge of determining how best to use technology to accomplish its mission within its budget and resource constraints, while ensuring its information systems are secure and sensitive data are protected.

Cyber-security: Federal information systems—and the information they hold—are increasingly becoming targets of cyber-attacks. Recent breaches at several Federal agencies have underscored the importance of securing Federal systems and protecting sensitive information. The information SSA houses on nearly every U.S. citizen is invaluable to would-be hackers and potential identity thieves. Consequently, the Agency's information systems may be at particular risk of attack. Given the highly sensitive nature of the personal information in its systems, it is imperative that SSA have a robust information security program.

Our prior audit and investigative work has revealed a number of concerns with the security of SSA's information systems. Since FY 2012, auditors have concluded that the risk and severity of SSA's information security weaknesses identified constituted a significant deficiency under the *Federal Information Security Management Act of 2002* (Pub. L. No. 107-347). Those security deficiencies, when aggregated, created a weakness in SSA's overall information systems security program that the auditors concluded significantly compromised the security of the Agency's information and information systems. Additionally, other recent audits and evaluations have identified serious concerns with SSA's information security program.

To address ever-increasing security challenges, it is crucial that SSA implement a well-designed, continuous monitoring strategy to monitor and assess security controls. SSA has issued its *Continuous Monitoring Strategy* but is still implementing it. The Office of Management and Budget and National Institute of Standards and Technology require near real-time, continuous monitoring for risk management and risk-based decision-making.

IT Physical Infrastructure: One of SSA's major IT investments in recent years has been replacing its existing National Computer Center (NCC). The NCC has been in continuous operation as a data center since it opened in 1980 and, while its computing capacity has been expanded over the years, increasing workloads and expanding telecommunication services severely strained its ability to support the Agency's business. SSA received $500 million from the *American Recovery and Reinvestment Act* to replace the NCC with a new National Support Center (NSC). SSA must diligently monitor migration activities to ensure a successful transition from the NCC to the new NSC.

Development and Implementation of Secure Electronic Services: According to SSA, in FY 2015, the Agency's field offices saw about 41 million visitors, and it handled over 37 million calls to its national 800-number. To support its increasing workloads, SSA has developed and implemented over 30 electronic services to the public, businesses, and other government agencies. With these expanded services, SSA reported it processed more than 85 million transactions online in FY 2015.

While expanding its inventory of electronic services, the Agency needs to ensure those services are secure. Prior investigative and audit work have identified multiple incidents of fraud committed through SSA's electronic services.

Implementation of Major IT Projects: SSA faces challenges in executing and implementing major IT projects and delivering expected functions on-schedule and within budget.

To simplify system support and maintenance, improve the speed and quality of the disability process, and reduce the overall growth rate of infrastructure costs, SSA is developing the *Disability Case Processing System* (DCPS), which, once implemented, will be used by all disability determination services (DDS). However, despite investing more than $344 million in DCPS over 7 years, SSA has not yet fully developed and implemented a system. The project has faced schedule delays and increasing stakeholder concerns.

In response to a request from the Chairman of the House Subcommittee on Social Security, Committee on Ways and Means, we evaluated the DCPS project in FY 2015. Our November 2014 report recommended that SSA suspend the development of certain custom-built components of DCPS until the Agency evaluated and determined whether off-the-shelf or modernized SSA-owned software are viable alternatives. In May 2015, we initiated a review to examine SSA's efforts to evaluate those alternatives.

In May 2015, we issued a report with our observations and recommendations for DCPS. In that review, we found that previous Beta versions of DCPS had significant functionality limitations. Those limitations caused delays in processing and required that the DDSs develop various "workarounds" to process claims through the system. DDS personnel expressed many concerns with the efficiency and effectiveness of the rollout as well as SSA management's communication with users.

In 2015, SSA partnered with the United States Digital Service to evaluate the Beta application and concluded that, as built, it would not meet the Agency's needs. SSA discontinued developing the Beta application and began developing a new DCPS system using Agile software development practices. The Agency expects to deliver the first version of the new product by the end of 2016.

Issue #6: Strengthen the Integrity and Protection of the Social Security Number

SSA issued over 16 million original and replacement social security number (SSN) cards in FY 2015. In addition, the Agency received and processed about 275 million wage items in FY 2015. 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.

SSN Use: The SSN is heavily relied on as an identifier in U.S. society and is valuable as an illegal commodity. Additionally, the SSN is critical in accurately recording workers' earnings on which future benefit payments are based. For these reasons, 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: While SSA has improved its enumeration process, 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 as well as its millions of stakeholders. Unfortunately, once SSA assigns an SSN, it has no authority to control how other entities collect, use, and protect it. Our audit and investigative work have shown that the more SSNs are unnecessarily used, the higher the probability individuals could use them to commit crimes. For example, some educational institutions unnecessarily collect and use SSNs as a primary student identifier. A March 2015 study revealed that 12.7 million consumers were victims of identity fraud in 2014. Two-thirds of these victims had received a data breach notification in the same year.

We remain concerned about SSN misuse by noncitizens who are not authorized to work in the United States. We are also concerned that some individuals misuse SSNs for identity theft purposes. In addition, recent audit work determined that over 6 million number holders age 112 or older had no death information on their Numident records. The accuracy and integrity of death information is critical because Federal benefit paying entities, the Department of Homeland Security, the Internal Revenue Service, State and local governments, and private industry customers rely on the Death Master File to detect unreported deaths and prevent fraud.

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 90 million wage items, representing about two-thirds of the total wages in the ESF and one-third of the total wage items.

Issue #7: 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 for citizens in Government operations, can erode trust in SSA's ability to tackle the challenges it faces.

Planning: In the past, the Agency developed multiple-year strategic plans, 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, a longer term vision is critical to ensuring the Agency has the programs, processes, staff, and infrastructure required to provide needed services 10 to 20 years from now and beyond.

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. 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.

Similar to our previous comments on the Agency's metrics, SSA's FY 2015 performance measures could be more outcome-based. While many appear to measure outcomes because of the manner in which they are worded, they still mostly measure outputs. For example, one performance measure, *Enhance Our Security Features and Business Processes to Prevent and Detect Fraud*, appears to measure the prevention and detection of fraud. However, the data definition for the measure reveals that SSA is only measuring public fraud referrals. While fraud referrals may help detect and prevent fraud, the fraud referrals are steps in the process, not the desired outcome. The fraud referrals could be erroneous reports of fraud that SSA spends its resources investigating without achieving what it intended to achieve. SSA should measure the percentage of referrals that actually detect or prevent fraud to show the true outcome of the process being implemented. Measuring outputs, or steps in a process, does not inform the public whether SSA is managing towards the outcomes it needs to efficiently and effectively provide its services and meet its mission.

Independent Auditor's Report: The FY 2015 *Independent Auditor's Report* contained three significant deficiencies in internal control (the full text of the report can be found in SSA's FY 2015 *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 24 percent of the overpayment items selected in a statistical sample. 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 deficiencies in internal control that, when aggregated, were considered to be a significant deficiency in internal controls related to redeterminations. Testing identified instances where redetermination interviewers did not comply with established control policies, and results were not appropriately recorded.

Third, the auditor identified information systems control deficiencies in four areas that, when aggregated, were considered to be a significant deficiency over information systems controls. The areas included:

- Threat and Vulnerability Management;
- IT Oversight and Governance;
- Change Management; and
- Access Controls.

SSA's Anti-Fraud Programs: SSA is under increased scrutiny after a number of highly publicized cases of fraud became the subject of congressional hearings. OIG hired a contractor to complete a fraud risk assessment of SSA's anti-fraud activities and found that SSA did not track all instances of fraud or use a risk-based approach for combatting fraud. The contractor also concluded that the Agency could be more proactive in addressing and mitigating new fraud schemes and improving the design and operating effectiveness of anti-fraud measures.

MONETARY BENEFITS

In FY 2015, OIG issued 89 audit reports with recommendations, identifying over $4.1 billion in questioned costs and over $3.6 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 2017 funding will enable us to issue timely reports, provide training required by Government Auditing Standards, and cover mission-critical travel.

STRATEGIC PLANNING

FY 2015 was the fifth 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 2015, OIG successfully met or exceeded all 15 of its performance measures. The specific results for FY 2015 are as follows:

Table 4.2—2015 Performance Measure Results

Goal	Target	Result
Impact		
1. Maintain an annual acceptance rate of at least 88% for all audit recommendations.	88%	**96%**
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	**$82 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 %	**98%**
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%	**94%**
11. Issue 85% of final audit reports within 1 year of the entrance conference with SSA.	85%	**91%**
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 %	**1%**
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%	**82%**
15. Ensure that 90% of OIG staff receives 40 or more hours of appropriate developmental and skill enhancement training annually.	90%	**99%**

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 2017 consists of $31,000,000 appropriated from the general fund and $81,000,000 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 2015 Actual	FY 2016 Enacted	FY 2017 Estimate
General Funds Annual Appropriation	$ 28,829	$ 29,787	$ 31,000
Trust Funds Annual Transfer	$ 74,521	$ 75,713	$ 81,000
Total Appropriation	**$ 103,350**	**$ 105,500**	**$ 112,000**
Total Budgetary Resources	**$ 103,350**	**$ 105,500**	**$ 112,000**
Total Obligations	$ 102,576	$ 105,500	$ 112,000
Unobligated balance lapsing	$ 774	$ 0	$ 0

ANALYSIS OF CHANGES

The FY 2017 request represents a $6,500,000 increase over the FY 2016 estimate. These increases can be attributed to an increase in base expenses for employee salaries and benefits, to include a proposed pay increase and for related support costs.

Table 4.4—Summary of Changes

	FY 2016 Enacted	FY 2017 Estimate	*FY16 to FY17 Change*
General Fund Appropriation	$ 29,787,000	$ 31,000,000	+ $ 1,000,000
Trust Fund Appropriation	$ 75,713,000	$ 81,000,000	+ $ 5,500,000
Total Appropriation	**$ 105,500,000**	**$ 112,000,000**	**+ $ 6,500,000**
Total Obligations	**$ 105,500,000**	**$112,000,000**	**+ $ 6,500,000**

Table 4.5—Explanation of OIG Budget Changes

	FY 2016 Base		Change from Base	
	WYs (FTEs)	**Budgetary Resources**	**WYs (FTEs)**	**Budgetary Resources**
BUILT-IN INCREASES				
Base Payroll Expenses	**543 (540)**		***+21 (+20)***	
• *Change in base payroll expenses related to career ladder promotions and within-grade increases*	- - -	*$ 67,482,000*	- - -	*+ $ 2,657,000*
• *Change in base expenses for employee benefits including health benefits and new employees hired under the Federal Retirement Employees System*	- - -	*$ 24,959,000*	- - -	*+ $ 983,000*
• *All other payroll changes, including overtime and awards*	- - -	- - -	- - -	- - -
Non-Payroll Costs - All other built-in nonpayroll changes, travel management support and equipment	- - -	*$ 8,024,000*	- - -	+$3,020,000
• **Rent**	- - -	*$ 4,787,000*	- - -	- - -
• **CIGIE Contribution**	- - -	*$248,000*	- - -	+$5,000
Subtotal, Built-in increases	**543 (540)**	***$ 105,500,000***	***+21 (+20)***	***+$6,665,000***
PROGRAM INCREASES				
Increase for operations and maintenance of facilities and equipment	- - -	- - -	- - -	*$ 0*
Subtotal, Program Increases	- - -	- - -	- - -	*$ 0*
Total Increases	**543 (540)**	***$ 105,500,000***	***+21 (+20)***	***+$6,665,000***

Table Continues on the Next Page

	FY 2016 Base		Change from Base	
	WYs (FTEs)	**Budgetary Resources**	**WYs (FTEs)**	**Budgetary Resources**
BUILT-IN DECREASES				
Base Payroll Expenses—Decrease in all other payroll costs	**543 (540)**	*$ 92,441,000*	***+2 1***	---
Non-Payroll Costs	- - -	*$ 8,024,000*	- -	- - -
Rent	- - -	*$ 4,787,000*	- -	*-$165,000*
CIGIE Contribution	- - -	*$ 248,000*	- -	- - -
Subtotal, Built-in decreases	- - -	*$ 105,500,000*	- -	*-$165,000*
PROGRAM DECREASES	- - -	- - -	- -	- - -
Decrease in costs for training, other support, services, and supplies	- - -	- - -	- -	- - -
Subtotal, Program Decreases	- - -	- - -		- - -
Total Decreases	- - -	***$ 105,500,000***		***-$165,000***
Net Change	**543 (540)**	***$ 105,500,000***	***+2 1 (+2***	***+$ 6,500,000***

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 2015 Actual	FY 2016 Enacted	FY 2017 Estimate
General Funds	**$ 28,829**	**$ 29,787**	**$31,000**
OASDI Trust Fund Transfers	**$ 74,521**	**$ 75,713**	**$ 81,000**
Total Appropriation	**$ 103,350**	**$ 105,500**	**$ 112,000**
Total Budgetary Authority	**$ 103,350**	**$ 105,500**	**$ 112,000**
Obligations	$ 102,576	$ 105,500	$ 112,000
Unobligated balance lapsing	$ 774	$ 0	$ 0
FTEs	528	540	560

BUDGET RESOURCES BY OBJECT

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

Table 4.7—Budget Resources by Object

	FY 2015	FY 2016	FY 2017	*FY16 to FY17 Change*
Full-time permanent	$ 62,982,000	$ 66,884,000	$ 69,541,000	*+ $ 2,657,000*
Other than full-time permanent	$ 395,000	$ 400,000	$ 400,000	*$ 0*
Other compensation	$ 197,000	$ 198,000	$ 198,000	*$ 0*
Subtotal, Personnel Compensation	$ 64,574,000	$ 67,482,000	**$ 70,139,000**	*+ $ 2,657,000*
Civilian personnel benefits	$ 26,147,000	$ 24,959,000	$ 25,942,000	*+$ 983,000*
Total, Compensation and Benefits	$ 89,721,000	$ 92,441,000	**$ 96,081,000**	*+ $ 3,640,000*
Travel	$ 2,598,000	$ 2,293,000	$ 3,010,000	*+$ 717,000*
Transportation of things	$ 32,000	$ 50,000	$ 60,000	*+$ 10,000*
Rental payments to GSA	$ 4,631,000	$ 4,563,000	$ 4,354,000	*- $209,000*
Rental payments to others	$ 77,000	$ 100,000	$ 144,000	*+ $44,000*
Communications, utilities, and others	$ 266,000	$ 124,000	$ 124,000	*$ 0*
Printing and reproduction	$ 13,000	$ 6,000	$ 6,000	*$ 0*
Other services	$ 3,260,000	$4,923,000	$ 6,136,000	*+ $ 1,213,000*
Supplies and materials	$ 245,000	$ 519,000	$ 1,070,000	*+ $ 551,000*
Equipment	$ 1,988,000	$ 747,000	$ 1,281,000	*+ $ 534,000*
Insurance Claims	$ 0	$ 1,000	$ 1,000	*$ 0*
Adjustments	-$ 254,000	-$ 267,000	-$ 267,000	*$ 0*
Total Budgetary Resources	$ 102,576,000	$ 105,500,000	**$ 112,000,000**	*+ $ 6,500,000*

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 2016 Authorized	FY 2016 Enacted	FY 2017 Authorized	FY 2017 Estimate
Office of the Inspector General (P.L. 114-113)	$ 105,500,000	$ 105,500,000	Indefinite	$ 112,000,000

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 2016.

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**[31]
General Funds	$ 30,000,000	- - -	$29,689,000	**$ 28,829,000**
Trust Funds	$ 75,733,000	- - -	$74,972,000	**$ 73,249,000**
2014 Total	$ 105,733,000	- - -	$104,670,000[32]	**$ 102,078,000**[33]

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
General Funds	$29,000,000	$28,829,000		**$ 29,000,000**
Trust Funds	$75,622,000	$74,249,000		**$ 74,350,000**
2015 Total	$104,622,000	$103,078,000[34]		**$103,350,000**[35]
General Funds	$31,000,000	$30,000,000	$28,829,000	**$ 29,787,000**
Trust Funds	$78,795,000	$78,795,000	$74,521,000	**$ 75,713,000**
2016 Total	$109,795,000	$108,795,000[36]	$103,350,000[37]	**$105,500,000**[38]
General Funds	$31,000,000			
Trust Funds	$81,000,000			
2017 Total	$112,000,000			

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.

[31] Consolidated Appropriations Act, 2013 (P.L. 113-6). The $69,557,000 in trust funds included in the language for this account for FY 2013 were increased by $3,000,000 to $72,557,000 as a transfer from SSA to OIG.

[32]S. 1284.

[33] Consolidated Appropriations Act, 2014 (P.L. 113-76).

[34] H.R. 5464.

[35] Consolidated Appropriations Act, 2015 (P.L. 113-235).

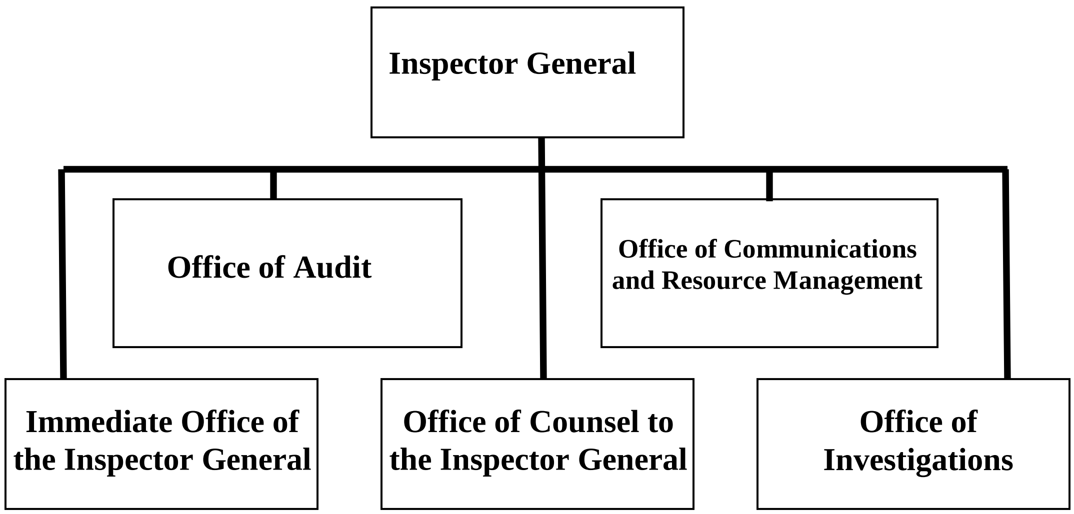
[36] H.R. 3020

[37] S. 1695.

[38] Consolidated Appropriations Act, 2016 (P.L. 114-113).

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 and administering the CDI Program. 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 2017 is $112,000,000 and 560 FTEs, which reflects an increase of $6,500,000 from the FY 2016 annual appropriations level. The FY 2017 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 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
FTEs	528	540	560
Overtime/Lump Sum Leave	5	3	4
Total	**533**	**543**	**564**

Table 4.11—Average Grade and Salary

	FY 2015 Actual
Average ES Salary	$ 173,107
Average GS Grade	13
Average GS Salary	$ 103,979