
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**SOCIAL SECURITY
ADMINISTRATION'S
TICKET TO WORK PROGRAM**

December 2004

A-02-03-13079

AUDIT REPORT



Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

Vision

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.



SOCIAL SECURITY

MEMORANDUM

Date: December 20, 2004

Refer To:

To: The Commissioner

From: Inspector General

Subject: Social Security Administration's Ticket to Work Program (A-02-03-13079)

OBJECTIVE

Our objective was to conduct a performance review of the Social Security Administration (SSA) and its contractor MAXIMUS, Inc. (MAXIMUS) to ensure contract objectives were being met and were in accordance with the Ticket to Work (TTW) and Work Incentives Improvement Act.

BACKGROUND

The TTW program was established by the Ticket to Work and Work Incentives Improvement Act of 1999.¹ The program provides eligible Disability Insurance (DI) and Supplemental Security Income (SSI) disabled beneficiaries with tickets, which can be used to obtain vocational rehabilitation (VR) or employment services through an Employment Network (EN) or State VR agency. The program is intended to increase access to, and the quality of, rehabilitation and employment services available to disabled beneficiaries. TTW was designed to provide beneficiaries with greater freedom and choice of service providers, create competition among providers to provide high quality services that are responsive to beneficiary needs and give providers incentives to deliver services in the most efficient and appropriate manner to achieve desired outcomes. Day to day administration of the TTW program is the responsibility of a Program Manager. SSA has contracted MAXIMUS to perform this role.² The contract with MAXIMUS includes 23 tasks representing the specific services it is required to provide.

In this review, we have selected the following 10 tasks identified in the contract. The remaining tasks will be reviewed at a later date and reported through separate reports. (See Appendix C for a full description of the TTW program and each task we reviewed.)

¹ Public Law No. 106-170.

² Contract No. 0600-00-60020.

| | |
|---|--|
| <ul style="list-style-type: none"> • Task 1- Contractor Orientation | <ul style="list-style-type: none"> • Task 16 - Monthly Progress Reports |
| <ul style="list-style-type: none"> • Task 2 - Start-Up Plan | <ul style="list-style-type: none"> • Task 17 - Annual Report |
| <ul style="list-style-type: none"> • Task 3 - Toll-Free Number | <ul style="list-style-type: none"> • Task 20 - Periodic Meetings with SSA Project Officer |
| <ul style="list-style-type: none"> • Task 8 - Ticket Program Training | <ul style="list-style-type: none"> • Task 21 - Periodic Special Studies |
| <ul style="list-style-type: none"> • Task 9 - Management of Ticket Process | <ul style="list-style-type: none"> • Task 22 - Conference Planning |

RESULTS OF REVIEW

SSA and MAXIMUS generally met the contract objectives within the 10 tasks we reviewed, which were established to ensure for the proper implementation and management of the TTW program. While the contract tasks were met, we identified opportunities to improve the management of the program. MAXIMUS retained information on undeliverable tickets, including those that were returned due to the suspected death of the addressees, but SSA did not request to receive this information from MAXIMUS for further investigation. We could not confirm in all cases that MAXIMUS received a signed letter from a beneficiary when one was required prior to initiating a change to the ticket holder’s status. Also, MAXIMUS reported that SSA was unable to accurately provide ticket eligibility data for beneficiaries, and systems problems can lead to the inappropriate termination of tickets. Finally, we could not determine how many of the ENs and VR agencies enrolled in the TTW program have been trained on the requirements of participation in the program.

MANAGEMENT OF TICKET PROCESS

As required by the *Management of Ticket Process* task, MAXIMUS developed processes for the timely issuance of tickets to beneficiaries on a phased-in basis; the registration, transfer, and termination of tickets; and, the monitoring of continuing ticket eligibility. In its efforts to fulfill these steps, MAXIMUS:

- managed tickets that were returned as undeliverable,
- processed beneficiaries’ requests for termination from the TTW program,
- processed beneficiaries’ requests for reassignment of their ticket to another EN or State VR agency, and
- attempted to alert ENs and VR agencies when tickets were scheduled to expire.

Undeliverable Tickets

We concluded that a ticket was mailed to all eligible beneficiaries.³ Of the tickets mailed through December 12, 2003, there were 6,054,294 (98.36 percent) not returned and 100,640 (1.64 percent) returned to MAXIMUS by the United States Postal Service (USPS) as undeliverable for various reasons.⁴ (See Table 1.)

Table 1

| Reason Mail Was Undeliverable | Number of Tickets Returned |
|--------------------------------------|-----------------------------------|
| • Attempted – Not Known | 58,043 |
| • Moved, Left No Address | 16,958 |
| • No Such Number | 9,244 |
| • Not Deliverable As Addressed | 4,900 |
| • Box Closed – No Order | 3,529 |
| • No Mail Receptacle | 2,707 |
| • No Such Street | 1,453 |
| • Vacant | 1,281 |
| • Insufficient Address | 645 |
| • Deceased | 625 |
| • Refused | 600 |
| • No Returned Address Code | 211 |
| • Unclaimed | 190 |
| • Returned For Better Address | 71 |
| • Returned To Sender – False Rep | 70 |
| • Illegible | 49 |
| • No Such Office In State | 26 |
| • Temporarily Away | 21 |
| • Returned To Sender – Lottery Order | 11 |
| • Outside Delivery Limits | 5 |
| • In Dispute | 1 |
| Total | 100,640 |

³ Some eligible beneficiaries were not yet mailed tickets at the time of our audit. These beneficiaries were part of the third phase of ticket mailings, which was ongoing at the time of our audit. We confirmed that all eligible beneficiaries who lived in States that were already phased-in were mailed tickets.

⁴ The number of tickets not returned includes those that were originally returned to MAXIMUS after the initial mailing and were re-mailed and not returned.

Returned tickets were either re-mailed or not subject to a second mailing for the reasons cited below. (See Table 2.) SSA and MAXIMUS jointly decided not to re-mail some returned tickets. This decision was based on the expectation that a second mailing would result in the tickets being returned again, unless new information was available. MAXIMUS re-mailed tickets regardless of the reason they were returned when it received updated address information from SSA.

Table 2

| Reasons Mail Was Undeliverable (Mailed Again) | | |
|--|---|--|
| • Illegible | • In Dispute | • Insufficient Address |
| • Not Deliverable as Addressed-Unable to Forward | • Returned to Sender-False Representation Order | • Returned to Sender-False Representation and Lottery Orders |
| • Returned to Sender-Lottery Order | • Returned for Better Address | • Returned for Postage |
| • Outside Delivery Limits | • Temporarily Away | • Unclaimed |
| Reasons Mail Was Undeliverable (Not Mailed Again) | | |
| • Attempted – Not Known | • Box Closed – No Order | • Deceased |
| • Moved, Left No Address | • No Mail Receptacle | • No Such Number |
| • No Such Office in State | • No Such Street | • Refused |
| • Vacant | | |

The contract originally required MAXIMUS to batch mail that was returned due to inaccurate addresses, notify SSA on a monthly basis of the need to investigate the whereabouts of currently ticket-eligible beneficiaries, and await further instructions from SSA. A modification to the contract was prepared in October 2003 requiring MAXIMUS to maintain a record of those beneficiaries to whom ticket packages could not be delivered, and to provide it to SSA upon request, as opposed to automatically providing the Agency this information on a monthly basis.

According to MAXIMUS, SSA has never requested the record of undeliverable tickets since the contract was amended in October 2003. While MAXIMUS and SSA exchange nightly transfers of computer transaction files, which update the status of ticket holders within each entity’s databases, information on undeliverable mail is not passed to SSA through this process or any other process.

Of the 625 beneficiaries whose tickets were returned to MAXIMUS with the envelope stamped “Deceased” by the USPS, we found 99 of these beneficiaries to be in current

pay status. These beneficiaries continued to receive benefits totaling \$976,219 from the date MAXIMUS was notified by the USPS that these individuals were deceased until March 2004. The Program Operations Manual System requires SSA to develop (investigate) instances when it is informed of a potential death through an undeliverable envelope or piece of mail that has been marked “Deceased” by the USPS.⁵ Similarly, a Policy Instruction states that if the word “Deceased” is written on the outside of an envelope returned to SSA, a service representative should take steps to verify the alleged death.⁶ Two of the 99 beneficiaries were in current pay status in one of SSA’s programs, but were recorded as deceased in the other program.

We did not quantify the potential overpayment for mail returned for other reasons. Mail returned for a wrong address could be an indication that a SSI disability recipient’s living arrangements have changed, which could affect the individual’s benefit payment amount. For example, the General Accounting Office recently reported that overpayments to SSI recipients not present in the United States, known as residency violations, totaled about \$118 million between 1997 and 2001.⁷

Retaining Beneficiaries’ Letters

The contract requires MAXIMUS to update the record of each beneficiary when a change in a ticket holder’s status occurs. Ticket holders must submit their request in writing to leave the TTW program or to reassign their tickets from one EN or VR agency to another. We reviewed 20 ticket status changes within MAXIMUS’ electronic records of ticket holders. Of these 20 changes, we located 10 letters signed by the beneficiaries that requested the change that was made. We were unable to locate a signed letter for the remaining 10 changes.

Ticket Expiration

The contract requires MAXIMUS to alert ENs and State VR agencies when a beneficiary’s ticket eligibility is scheduled to expire. ENs and State VR agencies are not paid through the TTW program for milestones or outcomes achieved in or after the month in which the ticket terminates. MAXIMUS and SSA exchange nightly transfers of computer transaction files. Any transaction occurring in the MAXIMUS computer system on a daily basis is captured for transfer on these nightly files. Likewise, SSA is supposed to capture any transaction affecting the ticket status of eligible beneficiaries and transfer the information to MAXIMUS. As part of this effort, SSA is supposed to pass MAXIMUS information on any tickets due to expire, so that appropriate information could be relayed to ENs and State VR agencies.

⁵ Program Operations Manual System, GN 02605.055, Undeliverable Mail.

⁶ Office of Central Operations, 03-0373 GS.

⁷ *Supplemental Security Income: Sustained Management Attention Needed To Address Residency Violations*, GAO-04-789T, May 2004.

According to MAXIMUS, SSA's system, the Disability Control File, has failed to pass information to MAXIMUS' system, MAXSTAR, on ticket expiration dates. In fact, according to MAXIMUS, SSA is approximately two years behind in its ticket-readiness release schedule. In addition, MAXIMUS reported that it discovered many "bugs" within the transfer of data between SSA's and MAXIMUS' systems since SSA's conversion to its new Disability Control File in November 2002. One such bug caused the SSA system to terminate tickets inappropriately. (System development for the TTW program will be further addressed in a separate OIG audit.)

TICKET PROGRAM TRAINING

The contract called for MAXIMUS to provide training and technical assistance to ENs and State VR agencies on the requirements of participation in the TTW program. The training is provided to agencies by request. MAXIMUS informed ENs and VR agencies of the training opportunities available at the time the agencies entered the TTW program. As of April 2004, MAXIMUS provided classroom style training to the 9 ENs and 11 VR agencies who requested it. (See Table 3.) As of April 2004, 1,115 ENs and 75 VR agencies were certified to be part of the TTW program.

Table 3

| ENs Trained | |
|---|---|
| <ul style="list-style-type: none"> • Gulfstream Goodwill Industries, Inc. | <ul style="list-style-type: none"> • Goodwill Industries Southeast Region Ticket Training Conference |
| <ul style="list-style-type: none"> • Delta Employment Networks | <ul style="list-style-type: none"> • United Rehabilitation Services |
| <ul style="list-style-type: none"> • Greendoor | <ul style="list-style-type: none"> • GENEX |
| <ul style="list-style-type: none"> • Manpower, Inc. | <ul style="list-style-type: none"> • Rise, Inc. |
| <ul style="list-style-type: none"> • Crenshaw & Associates | |
| VR Agencies Trained | |
| <ul style="list-style-type: none"> • Virginia Department of Rehabilitative Services | <ul style="list-style-type: none"> • Minnesota Division of Vocational Rehabilitation |
| <ul style="list-style-type: none"> • Pennsylvania Office of Vocational Rehabilitation | <ul style="list-style-type: none"> • Montana Vocational Rehabilitation All Staff Training |
| <ul style="list-style-type: none"> • Georgia Department of Labor Vocational Rehabilitation Program | <ul style="list-style-type: none"> • Indiana Vocational Rehabilitation Services |
| <ul style="list-style-type: none"> • Michigan Commission for the Blind | <ul style="list-style-type: none"> • Missouri Rehabilitation Services for the Blind |
| <ul style="list-style-type: none"> • North Carolina Division of Rehabilitation Services | <ul style="list-style-type: none"> • District of Columbia Rehabilitation Services Administration |
| <ul style="list-style-type: none"> • Nebraska Vocational Rehabilitation | |

In addition to its classroom style courses, MAXIMUS established an on-line training program for ENs and State VR agencies. MAXIMUS reported that the training section on its web site was visited 105,958 times and training materials were accessed over 512,000 times from February 2003 to January 2004. MAXIMUS could not provide us with a list of the individuals or organizations that downloaded training materials from the on-line training program since such information is downloaded anonymously.

CONCLUSION AND RECOMMENDATIONS

SSA and MAXIMUS generally met the contract objectives for the 10 tasks we reviewed, which were established to ensure for the proper implementation and management of the TTW program. While the contract tasks were met, we identified opportunities to improve the management of the program. Accordingly, we recommend that SSA and MAXIMUS work together to:

1. Investigate all undeliverable tickets to determine if the reasons tickets were undeliverable correlate to a change in ticket eligibility or payment status.
2. Establish a policy on the retention of signed letters requesting a change to a ticket holder's record, when such letters are needed, and ensure that the policy is followed in all cases.
3. Ensure that MAXIMUS has accurate information on the expiration of tickets so that it can properly inform ENs and State VR agencies of changes in ticket holders' eligibility.
4. Ensure ENs and State VR agencies have received the adequate training needed to properly serve ticket holders and adhere to TTW policies and procedures.

AGENCY COMMENTS AND OIG RESPONSE

SSA stated that it would further evaluate our first recommendation. It disagreed with the second recommendation and agreed with third and fourth recommendations. In response to the first recommendation, SSA stated it would evaluate how returned tickets are handled to determine whether they should receive the same attention as other returned mail. Our audit determined that SSA is currently not reviewing any mail that is returned to Maximus, including letters that are marked "Deceased" by the USPS.

SSA policy requires SSA to investigate instances when it is informed of a potential death through an undeliverable envelope or piece of mail that has been marked "Deceased" by the USPS. SSA needs to review mail returned to Maximus to determine the reasons the mail was returned, so it can identify and take action on mail items marked "Deceased." Additionally, mail returned for other reasons, like a wrong address, could be an indication that living arrangements have changed, which may affect the payment status of Title XVI recipients.

In disagreeing with recommendation number 2, SSA stated that Maximus is under no contractual obligation to retain paper documents or files associated with transactions that are initiated by a letter from a beneficiary. We continue to recommend that SSA develop a retention policy for the signed letters. We are not recommending that SSA alter the contract, because the contract between Maximus and SSA includes a clause on the facilitation of audits (Task 19). Specifically, the clause states:

“The purpose of this task is to define the responsibilities under this requirement for the PM (Program Manager) contractor to participate in both administrative, programmatic, and financial audits with regard to the administration of this contract. To this end, the PM shall:

- A. Provide help and assistance to facilitate audits conducted by the OIG, the GAO, and/or other auditors as required by SSA, including the Defense Contracting Audit Agency or other contracted auditors. The PM contractor shall report any audit activities in the Monthly Progress Report.*
- B. Provide, as well, assistance in the scheduling and coordination of program and contract compliance reviews conducted by SSA.*
- C. Maintain complete comprehensive records of all data necessary to support such reviews and audits for the period required by law.”*

However, we believe it is in SSA's best interest to ensure Maximus complies with the terms of the contract. Our recommendation does not suggest an indefinite retention of the signed letters. Instead, we believe that SSA and Maximus should work together to develop a retention policy for the signed letters so that Agency and/or OIG staff can satisfy themselves that there is sufficient evidence to support the actions taken by the contractor.

Other technical comments made by SSA have been addressed in the body of the report. (See Appendix D for the Agency's comments.)



Patrick P. O'Carroll, Jr.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – Background

APPENDIX D – Agency Comments

APPENDIX E – OIG Contacts and Staff Acknowledgments

Acronyms

| | |
|--------|---|
| AP | Alternate Participant |
| DI | Disability Insurance |
| EN | Employment Network |
| IWP | Individual Work Plan |
| OIG | Office of the Inspector General |
| PM | Program Manager |
| PO | Project Officer |
| RSVP | Referral System for Vocational Rehabilitation Providers Project |
| SSA | Social Security Administration |
| SSI | Supplemental Security Income |
| TTW | Ticket to Work |
| TWWIIA | Ticket to Work and Work Incentives Improvement Act of 1999 |
| USPS | United States Postal Service |
| VR | Vocational Rehabilitation |

Scope and Methodology

To accomplish our objective, we:

- Reviewed the regulations for the Ticket to Work (TTW) program authorized by the Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA).
- Obtained and reviewed the contract between the Social Security Administration (SSA) and MAXIMUS, including all contract amendments.
- Met with SSA and MAXIMUS staff to become familiar with MAXIMUS operations and Ticket to Work processes.
- Requested and analyzed documentation, including the start-up plan, weekly start-up status reports, monthly progress reports and annual reports, to determine if they were submitted timely, were in the proper format and contained a comprehensive description and summation of progress made during specific time periods.
- Requested, reviewed and analyzed various training manuals, incoming call logs, desk guides, training binder logs, training records, and complaint call reports to evaluate the toll-free number operators.
- Determined if the toll-free number was operational by making various calls during the advertised hours of operation.
- Reviewed complaints from toll-free number callers to determine the quality of the operators' responses to calls.
- Requested and reviewed documentation to ensure that contractor staff had a full understanding of the requirements of the TWWIIA, as well as their responsibilities in implementing the ticket program, and that the staff provided comprehensive training to Employment Networks (EN) and State Vocational Rehabilitation (VR) agencies. SSA or Maximus did not provide us, nor did we independently verify, the results of any surveys administered to determine if ENs and VRs were aware that training would be provided on the TTW program upon their request.
- Reviewed the process of the handling of tickets mailed to beneficiaries but returned by the United States Postal Service (USPS) for various reasons.

- We reviewed 677 beneficiaries on a list recently obtained from Maximus whose tickets were returned and stamped “Deceased” by the USPS. During our audit the number of such beneficiaries totaled 625, as shown in Table 1 of this report. Of the 677 reviewed, SSA provided dates of death to MAXIMUS for 553 beneficiaries. We evaluated the remaining 124 beneficiaries to determine if they were recorded as deceased on SSA’s mainframe and whether they were in current payment status.
- Obtained listings of 624 beneficiaries who elected to terminate their relationships with ENs, and 156 beneficiaries who requested a reassignment from one EN to another EN, and reviewed 20 of these cases to determine if signed letters from beneficiaries were obtained and the data base updated in a timely manner.
- Selected and reviewed a sample of 100 ticket holders’ Individual Work Plans (IWP) to determine if the IWPs were signed by both the beneficiary and the ENs and that they were entered into the data base in a timely manner.

In addition, we tested the reliability of SSA’s electronic files to determine if SSA properly identified ticket-eligible beneficiaries and if they were mailed a ticket. To complete this test we performed the following audit steps.

- Identified the population of Disability Insurance (DI) and Supplemental Security Income (SSI) ticket eligible beneficiaries who were receiving benefit payments as of 2002.
- Selected a random sample of 100 DI and SSI beneficiaries from a population of 10,242,237 potential Ticket to Work candidates.
- Accessed and reviewed Master Beneficiary Records, Supplemental Security Income Record Displays and General Ticket Queries from SSA’s mainframe and reviewed them to determine if tickets were mailed or were soon to be mailed for the sampled beneficiaries.

We determined the computer processed data within Master Beneficiary Records, Supplemental Security Income Records, and General Ticket Queries to be sufficiently reliable for our intended use. We conducted tests to determine the completeness and accuracy of the data. These tests allowed us to assess the reliability of the data and to conclude that it was sufficient to achieve our audit objective.

We performed field work at MAXIMUS in Alexandria, Virginia and conducted our review at the Office of the Inspector General, New York Office of Audit from July 2003 through April 2004. The entities audited were the Office of Employment Support Programs under the Office of the Disability and Income Security Programs and the Office of Grants and Acquisitions. Our audit was performed in accordance with generally accepted government auditing standards.

Background

The President of the United States signed the *Ticket to Work and Work Incentives Improvement Act (TWWIIA) of 1999*¹ on December 17, 1999. It provides Social Security beneficiaries with disabilities more choices for receiving employment services and increase provider incentives to serve these individuals. Disability Insurance (DI) and Supplemental Security Income (SSI) benefits are designed to provide a basic level of support for individuals with disabilities whose earning ability is restricted due to their impairments. Prior to Ticket to Work (TTW), DI and SSI beneficiaries with disabilities who were believed to be good candidates for employment-related services were referred to State Vocational Rehabilitation (VR) agencies, which were then reimbursed, based on cost. In circumstances where the State VR agency declined to serve the individual, a subsequent referral could be made to an Alternate Participant (AP), a non-State service provider under contract to the Social Security Administration (SSA).

TTW is designed to address the barriers that disability beneficiaries encounter in returning to work by:

- Expanding the availability of health care services and coverage;
- Eliminating certain work disincentives;
- Providing for enhanced benefits planning and assistance from other public and private sources; and
- Providing disability beneficiaries more options for receiving employment services and increase provider incentives to serve these individuals.

Under the program, SSA is directed to provide disability beneficiaries with a ticket they may use to obtain State VR services, employment services, and/or other support services from an Employment Network (EN) of their choice.

Program Manager

Day to day administration of the TTW program is the responsibility of a Program Manager (PM). The PM is responsible for the full implementation of the Ticket to Work and Self-Sufficiency Program and management of the Ticket process for SSA. The PM contractor is precluded from direct participation in the delivery of employment services, State VR services or other support services to beneficiaries in the service area covered by the PM's contract. In addition, the PM contractor shall not hold a financial interest in an EN or service provider that provides services in a geographic area covered under the PM's contract.

¹ Public Law No. 106-170.

² Public Law No. 93-112 as amended (29 U.S.C. 720 *et seq.*).

SSA has contracted with MAXIMUS, Inc. (MAXIMUS) to perform this role. The contract includes 23 specific tasks representing the specific contract services for which the PM contractor is responsible.

Employment Networks

An EN is an agency or instrumentality of a public or private entity that will enter into contract with SSA to assume responsibility for the coordination and delivery of appropriate employment, employment activities, and other support services under the program to individuals who have assigned tickets to the EN. SSA selects and enters into contracts with ENs for service under the program. An EN must be either a single provider of such services or an association of entities organized so as to combine their resources into a single entity. An EN must provide the full range of services necessary to prepare and place beneficiaries in employment, either directly or by entering into contracts with other providers of such services.

An EN can elect to be paid under either the outcome payment system or the outcome-milestone payment system. The EN will elect a payment system at the time the EN enters into an agreement with SSA. Under the outcome payment system, SSA pays the EN, up to 60 monthly payments, for each month in which Social Security disability benefits and Federal SSI cash benefits are not payable to the individual the EN is serving because of work or earnings. Payment for an outcome payment month under the outcome payment system is equal to 40 percent of the payment calculation base for the calendar year in which such month occurs, rounded to the nearest whole dollar. Under the outcome-milestone payment system, there are four milestones for which the EN can be paid. The milestones occur after the date on which the ticket was first assigned and after the beneficiary starts to work. The four milestones which an EN can be paid for are based on the earnings levels that SSA uses when it considers if work activity is above its substantial gainful activity threshold.

State Vocational Rehabilitation Agencies

State VR agencies operate under Title 1 of the Rehabilitation Act of 1973,² as amended. The Act provided Federal grants administered through the Department of Education available to States for the operation of comprehensive vocational rehabilitation programs to eligible individuals with disabilities. State VR agencies may function as an EN under the TTW program. Each agency must participate in the TTW program if it wishes to receive payments from SSA for serving disabled beneficiaries who are issued a ticket. When serving a beneficiary holding a ticket, the State VR agency may choose, on a case-by-case basis, to seek payment under its elected EN payment system or under the cost reimbursement payment system defined in the Rehabilitation Act.

When the State VR agency serves a beneficiary with a ticket as an EN, the State VR agency will use the EN payment system it has elected for this purpose, either the outcome payment system or the outcome-milestone payment system.

Alternate Participants

An AP is any public or private agency (other than a participating State VR agency), institution, organization, or individual with whom SSA has entered into agreement to provide State VR services to disabled beneficiaries. APs operate under Project RSVP (Referral System for Vocational Rehabilitation Providers Project). This legislation was developed before the TWWIA legislation, but with the same goals in mind. Prior to the TWWIA legislation, if a beneficiary was denied services through his/her State VR agency, he/she was referred to Project RSVP to possibly receive services through an AP. As the TTW program is phased into a particular state, it replaces Project RSVP. APs continue to serve beneficiaries in non-Ticket states until the TTW program is thoroughly implemented. An AP can choose to participate in the TTW program by becoming and meeting the requirements of an EN.

Individual Work Plans

An Individual Work Plan (IWP) is an agreement between the beneficiary and the EN that states the beneficiary's vocational goal and outlines services necessary to achieve that goal. It represents an agreement between the two parties, showing a mutual understanding to work together to pursue the goal of gainful employment for the beneficiary. The document includes the services necessary to attain the employment goals, which can include transportation services, adult education, resume writing classes, job placement, and many more. Both the beneficiary and the EN must sign an IWP before a beneficiary's ticket is considered assigned to that EN. State VR agencies use a similar document called an Individualized Plan for Employment.

SSA and MAXIMUS entered into a contract on September 29, 2000. The contract has 23 tasks. Our audit focused on the following 10 tasks, as they are defined within the contract:

Task 1: CONTRACTOR ORIENTATION

This orientation will provide familiarization with the SSA disability program, SSA return-to-work initiatives, and the "Act," as well as a thorough briefing on all contract requirements and expectations.

Task 2: START-UP PLAN

The purpose of this task is for the PM contractor (MAXIMUS) to finalize and implement the start-up phase of the contract in a minimum of 12 states, as described in the start-up plan submitted as part of the PM contractor's technical proposal.

Task 3: TOLL-FREE NUMBER

The PM contractor shall establish and maintain a toll-free telephone number, “SSA Ticket to Work Program Manager Hotline,” to facilitate responses to inquiries relating to the implementation, administration and management of the TTW program.

Task 8: TICKET PROGRAM TRAINING

The purpose of this task is to provide comprehensive training to these organizations/employees responsible for implementing the TTW program or providing services under the program. The objective of the training is to ensure that these organizations/employees have a full understanding of the requirement of the “Act”, as well as their responsibilities in implementing the TTW program.

Task 9: MANAGEMENT OF TICKET PROCESS

The purpose of this task is to provide processes for the timely issuance of tickets to beneficiaries on a phased-in basis; for management and oversight of ticket registration, transfer, and termination; and for managing continuing ticket eligibility.

Task 16: MONTHLY PROGRESS REPORTS

The purpose of this task is to ensure the timely delivery and format of Monthly Progress Reports. The PM contractor shall provide a comprehensive discussion of general progress in performing the work due under the contract during the month and cumulatively year-to-date. The PM contractor must provide a comprehensive description of progress during the month on achieving workload goals and workload progress year-to-date. The PM contractor shall provide a review and summation of all deliverables under this contract during the month and year-to-date.

Task 17: ANNUAL REPORT

The purpose of this task is to ensure full documentation of the progress made under this contract and provide a permanent record of the achievement of the objectives of Public Law 106-170. To meet this requirement, the PM contractor shall submit to the Project Officer (PO) a comprehensive report reflecting all work that has been done. The report shall be formatted and written so that it can be easily read and understood by the general public, as well as advocates for the disabled and other interested parties.

Task 20: PERIODIC MEETINGS WITH SSA PO

The PM contractor shall meet with the PO or the Contracting Officer on a regular basis to discuss and review issues of mutual concern with regard to contract administration and the achievement of program objectives. Such meetings may be as frequent as biweekly or as occasional as quarterly but should be planned 26 times per year.

Task 21: PERIODIC SPECIAL STUDIES

The PM contractor shall be prepared to perform or assist SSA in the performance of special studies, analyses, and reports as directed by the PO on a variety of program administration and management matters. The PM contractor shall plan for, at a minimum, three such requests per year, requiring a total of one quarter work-year of staff-time.

Task 22: CONFERENCE PLANNING

The purpose of this task is to define the contractor's role in planning and implementing conferences and meetings as required to discuss contract progress, the impact of policy decisions and regulations on ticket operations, and the strategies for meeting program changes as the program evolves.

Agency Comments



SOCIAL SECURITY

MEMORANDUM

101-24-1063

Date: September 28, 2004

Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Acting Inspector General

From: Larry W. Dye /s/
Chief of Staff

Subject: Office of the Inspector General (OIG) Draft Report "Social Security Administration's Ticket to Work Program" (A-02-03-13079)--INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the draft report content and recommendations are attached.

Please let me know if we can be of further assistance. Staff inquiries may be directed to Candace Skurnik, Director, Audit Management and Liaison Staff, at extension 54636.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT “SOCIAL SECURITY ADMINISTRATION'S TICKET TO WORK PROGRAM” (A-02-03-1063)

Thank you for the opportunity to review and comment on the draft report. The Agency is working to ensure that all disabled beneficiaries have the opportunity to learn and develop skills that enable them to return to work. The Ticket to Work (TTW) program plays an important part in our strategic objective to increase employment for people with disabilities.

The stated objective of this review was to ensure that contract objectives were being met and were in accordance with the Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA). We are pleased that the report finds that the Social Security Administration (SSA) and MAXIMUS, Inc. met the contract objectives within all of the tasks reviewed, especially since, as the report also notes, they were established to ensure the proper implementation and management of the TTW program.

On page 3, the first sentence under 'Undeliverable Tickets' states, “We concluded that MAXIMUS mailed a ticket to all eligible beneficiaries.” The process calls for SSA to mail tickets to eligible beneficiaries when eligible beneficiaries are identified by the system, while MAXIMUS mails the tickets on an “as requested” basis. The bulk of the ticket mailings included in this review were performed under a separate mailing contract administered by SSA. MAXIMUS mailed tickets only on demand and for second mailings on returned tickets.

The report refers to batch returned mail marked “no such address” which does not correspond to any of the designations in either Table 1 or Table 2. Thus, it is unclear exactly which undeliverables were considered by the reviewers. The report should explain why the “no such address” designation is used. Also, it would be helpful for the report to include an appendix or reference to explain what the United States Postal Service designations mean.

Our responses to the specific recommendations are provided below.

Recommendation 1

Investigate all undeliverable tickets to determine if the reasons tickets were undeliverable correlate to a change in ticket eligibility or payment status.

Response

Ticket eligibility is based on a number of criteria that are separate from the correct mailing address of a beneficiary and an investigation to determine the reason tickets were undeliverable is not likely to correlate with a change in ticket eligibility. While this issue was outside of the objectives and scope of the audit, we will evaluate how returned tickets are handled to determine whether they should receive the same attention as other returned mail.

Recommendation 2

Establish a policy on the retention of signed letters requesting a change to a ticket holder's record, when such letters are needed, and ensure that the policy is followed in all cases.

Response

We disagree. The current contract with MAXIMUS requires ticket holders to submit their requests in writing to leave the TTW program or to reassign their tickets from one Employment Network (EN) or Vocational Rehabilitation (VR) agency to another before MAXIMUS updates the beneficiary's record. While MAXIMUS is contractually obligated to enter and record ticket transactions in their Information Technology (IT) system and transfer such data to SSA's IT system on a nightly basis, there is no contractual obligation to retain paper documents or files associated with these transactions.

MAXIMUS has an internal policy in place that is independent of contract requirements and which requires them to retain as many of the original documents as possible. We do not believe there is a need to establish a formal policy (contract change) to require a paper trail for ticket assignment change requests.

Recommendation 3

Ensure that MAXIMUS has accurate information on the expiration of tickets so that it can properly inform ENs and State VR agencies of changes in ticket holders' eligibility.

Response

We agree. This goes to the heart of the EN/VR payment process and the information needs to be captured. In June 2004, we made significant improvements in software supporting the ticket termination process that will improve the accuracy of data provided to MAXIMUS from the Disability Control File. In addition, we are working to identify requirement changes that are needed to further improve system accuracy and data integrity and to provide a correction facility to reinstate tickets that have been erroneously terminated. These plans include providing corrected data to MAXIMUS. SSA is currently working on restructuring the Title XVI record to enhance those data elements and plans to release that systems update sometime in early 2005.

Until a complete systems data correction can be achieved, the Agency has provided MAXIMUS with some additional draft guidance identifying those ticket records for which MAXIMUS should issue ticket termination notices. We have been working to clearly define, as early as possible in the process, the various types of claim termination circumstances that warrant a ticket termination notice. We are now able to identify six different types of situations in which an SSA employee can take direct action to terminate a ticket. SSA simultaneously will send a record of these actions to MAXIMUS so that they can issue a notice to ENs advising them of "ticket expiration." We are also working to identify and resolve more complex data requirements in SSA records, such as ticket terminations involving dual program entitlement or needs-based program rules requiring further case review.

Recommendation 4

Ensure ENs and State VR agencies have received the adequate training needed to properly serve ticket holders and adhere to TTW policies and procedures.

Response

We agree that ENs and State VR agencies should receive the training they need to properly serve ticket holders and adhere to policy. MAXIMUS is contractually obligated to provide training to ENs and State VR agencies; however, ENs and State VR agencies are not required to take advantage of specific training offerings. We do not believe we should attempt to impose training requirements on ENs and State VR agencies; however, we will work with MAXIMUS to ensure that training is readily available. MAXIMUS recently implemented a new communications tool called the e-training update to highlight recent ticket news and program developments and to reinforce the use of e-training update with supporting training materials and activities. We will request that MAXIMUS use this tool to issue periodic reminders to ENs and State VR agencies regarding the availability of the full array of training options.

OIG Contacts and Staff Acknowledgments

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Acknowledgments

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