



Social Security Administration
Office of the Inspector General
Semiannual Report to Congress
A Constant Purpose

April 1, 2006 through September 30, 2006



Social Security Administration Office Of The Inspector General

Mission Statement

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Vision and Values

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.



A Message from the Inspector General

In 1870, British Prime Minister Benjamin Disraeli voiced his belief that “The secret of success is constancy to purpose.” This notion’s applicability to the work of the Social Security Administration’s Office of the Inspector General lies in the mission set out for us by Congress, the skill of our employees, and the importance of our work.

In recent years, challenges that could never have been anticipated when the *Inspector General Act* became law in 1978, nor even when the Office of the Inspector General was created in 1995, have confronted our organization and other Inspectors General throughout the Federal Government. Acts of terrorism and natural disasters brought with them a broader mandate and a heightened urgency, but we have never allowed these, or other challenges we have faced, to distract us from our constant purpose—preventing and detecting fraud, waste, and abuse in Social Security programs, and in the operation of the Agency that administers those programs.



Our accomplishments of the past 6 months and of Fiscal Year 2006 are highlighted and summarized in these pages, and reflect our own constancy of purpose. I encourage you to review the information contained in this report, and the much larger volume of information available on our website. This information makes clear the talent and dedication of our employees, the commitment Congress has made to our success, the value of our partnership with the Social Security Administration, and both the enormity and importance of our task. We are aware every day that our constant purpose is more than a mission—it is a promise that the United States made to its citizens more than 70 years ago when the Social Security program was established, and we take great pride in being a key contributor to keeping that promise.

Sincerely,

A handwritten signature in blue ink that reads "Patrick P. O'Carroll, Jr.".

Patrick P. O'Carroll, Jr.
Inspector General





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Executive Summary

With its creation on March 31, 1995, this Office of the Inspector General (OIG) was given a mission to “conduct and supervise audits and investigations relating to the programs and operations” of the Social Security Administration (SSA). Despite many recent challenges that have, by necessity, broadened OIG’s original mandate, our dedication to this “constant purpose” has never wavered. With this report, by which we proudly present our accomplishments during the past 6 months and for all of Fiscal Year (FY) 2006, OIG has placed a renewed focus on assuring the integrity and reliability of the Social Security programs upon which so many Americans depend for their economic security. In protecting and improving these vital programs, we also continue to contribute in many ways to the Nation’s homeland security.

Our noteworthy achievements are documented in the sections of this report that correspond to the three major areas of our Strategic Plan:

- Our impact on SSA’s programs and operations;
- The value we provide to SSA, the Congress, and the public; and
- The initiatives we undertake to enhance the work experience of our people.

Our combined efforts in the areas of audit, investigation, and legal work generated a positive return on investment. The following information summarizes our achievements from April 1, 2006 – September 30, 2006.

Our auditors issued 64 reports with recommendations identifying over \$1.2 billion in questioned costs and over \$2.5 billion in Federal funds that could be put to better use. Our audit work covered areas ranging from estimating overpayment rates in SSA’s disability programs to evaluating procedures for issuing replacement Social Security cards to prisoners. We reviewed controls over physical security at SSA’s remote hearing sites and identified errors in self-employment income captured in the Earnings Suspense File (ESF). We evaluated the financial impact of SSA’s policy of continuing payments to Supplemental Security Income (SSI) recipients who are appealing a medical cessation decision. We also reviewed SSA’s controls over the assignment of nonwork Social Security numbers (SSN) as well as SSNs assigned to foreign students who are authorized to work on college campuses.

Our investigators reported almost \$153 million in investigative accomplishments: more than \$28 million in SSA recoveries, restitution, fines, settlements, and judgments, and over \$124 million in projected savings from investigations resulting in the suspension or termination of benefits. We closed 5,006 criminal and administrative investigations, resulting in 2,349 arrests and indictments and 1,621 convictions, civil monetary penalties (CMP), and apprehensions of illegal aliens. In addition, our investigators took part in multi-agency investigations that resulted in over \$40 million in savings, restitution and recoveries for other agencies.

We built on the success of the Cooperative Disability Investigations (CDI) program, a joint effort of the OIG, SSA, State Disability Determination Services (DDS), and State and local law enforcement personnel, utilizing 19 CDI units located in 17 States to obtain sufficient



evidence to identify and resolve questions of fraud in SSA disability claims. During this reporting period, our CDI teams' efforts resulted in over \$85 million in SSA program savings.

Our efforts to identify fugitive felons and parole and probation violators via automated data matches between SSA's beneficiary rolls and a number of Federal and State warrant databases contributed to the arrest of over 6,300 fugitives during this reporting period—and a total of over 44,500 arrests since the program's inception in August 1996.

Included in the investigative accomplishments is more than \$1.6 million in penalties and assessments that our attorneys imposed through our CMP program. During this reporting period, we initiated 182 cases involving false statements or representations made in connection with obtaining or retaining benefits or payments under Titles II and XVI of the *Social Security Act (the Act)* (Section 1129 cases). In addition, we processed seven complaints and closed five cases dealing with advertising and communication prohibited by Section 1140 of *the Act* because of misleading use of SSA's program words, symbols, or emblems.

Also, during this reporting period, we continued to target those who misused SSNs in an attempt to defraud the Federal Government's assistance programs in the wake of the devastation wrought by Hurricanes Katrina and Rita. As part of the Department of Justice's (DOJ) Hurricane Katrina Fraud Task Force, our Office of Investigations opened 55 investigations and secured 28 indictments and 15 convictions of individuals for SSN misuse and hurricane-related fraud. In addition, our Office of Audit evaluated SSA's service delivery to individuals affected by the hurricanes as well as the Agency's plans to ensure that payments made under emergency procedures were appropriate and properly safeguarded.

The OIG is always striving to identify and address new challenges related to Social Security programs and operations. However, we always maintain a focus on our constant purpose of protecting the most vulnerable Americans who rely on those programs. We believe that this focus is the secret to our continued success, as reflected in our significant accomplishments during FY 2006.



Introduction to Our Organization

SSA OIG is comprised of the Immediate Office of the Inspector General and four major components: the Office of Audit, the Office of Investigations, the Office of the Chief Counsel to the Inspector General, and the Office of Resource Management.

IMMEDIATE OFFICE OF THE INSPECTOR GENERAL (IO)

IO provides the Inspector General with staff assistance on the full range of his responsibilities. IO staff provides liaison services with all agencies sharing an interest or a role with OIG and assures coordination with congressional committees, SSA, the Social Security Advisory Board and the President's Council on Integrity and Efficiency (PCIE). The Office of Quality Assurance and Professional Responsibility (OQAPR), part of the IO, is responsible for two critical functions—it conducts exhaustive reviews of each of the OIG's component offices to ensure compliance with Federal laws and regulations, Agency policies, and relevant professional standards. It also performs OIG's Professional Responsibility function, conducting thorough and timely investigations should allegations of misconduct be lodged against an OIG employee.

OFFICE OF AUDIT (OA)

OA conducts and supervises financial and performance audits of SSA programs and operations and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA'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, and other projects on issues of concern to SSA, the Congress, and the general public.

OFFICE OF INVESTIGATIONS (OI)

OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, and third parties, as well as by SSA employees while performing their official duties. This office serves as OIG's liaison to the DOJ on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

OFFICE OF THE CHIEF COUNSEL TO THE INSPECTOR GENERAL (OCCIG)

OCCIG provides independent legal advice and counsel to the Inspector General on a wide range of issues, including statutes, regulations, legislation, and policy directives. OCCIG advises the Inspector General on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. OCCIG also administers the CMP program. This office manages OIG's external and public affairs program, preparing OIG publications and handling congressional, media and public requests for information.

OFFICE OF RESOURCE MANAGEMENT (ORM)

ORM provides administrative and management support to the Inspector General and OIG components. ORM formulates and executes the OIG budget and confers with the Office of the Commissioner, the Office of Management and Budget (OMB) and the Congress on budget matters. ORM is responsible for strategic planning and performance reporting, and facility and property management. ORM develops and maintains OIG's administrative and management policy and procedures and performs all human resource support activities for OIG. ORM also plans, designs, develops, tests, implements, and maintains hardware, software, and telecommunications networks to support OIG's mission.



Impact

OIG is committed to enhancing SSA's effectiveness and efficiency through our investigations, audits, and legal activities. Through our best efforts, we strive to have maximum impact on SSA's programs and operations in order to best assure the continued integrity and reliability of the Social Security programs.

During this reporting period, we completed many audits, investigations, and legal initiatives, covering major SSA program and management areas, which had a significant impact on the deterrence and detection of fraud, waste, and abuse. The summaries presented below are representative of our work in this area.

Audit Impact Initiatives

OA contributes to this strategic goal by conducting and supervising comprehensive financial and performance audits of SSA's programs and operations and by making recommendations to maximize the effective operations of the Social Security programs. These audits, along with short-term management and program evaluations, focus on those SSA programs and activities most vulnerable to fraud and abuse.

Benefit Payment Issue: Overpayments in SSA's Disability Programs

We conducted an audit based on a request from Senator Charles Grassley to produce an improper payment rate for SSA's disability programs. Senator Grassley further requested an analysis of improper payment prevalence in four specific diagnosis groups: mental disorders; musculoskeletal system diseases; endocrine, nutritional and metabolic diseases; and injuries.

First, based on a sample of 1,532 cases, we estimated overpayments that occurred between October 2003 – November 2005, as a result of conditions that existed as of October 2003 or earlier. We estimated that SSA detected, through its normal processes, overpayments totaling about \$1.9 billion but had not yet detected additional overpayments totaling approximately \$3.2 billion. Next, we developed overpayment rates. Based on available information, we estimated that the overpayment rate was between 3.2–3.6 percent of benefits paid. However, the rate could be as high as 5.2 percent—considering the benefits the Agency would not have paid if it had perfect knowledge of all conditions affecting eligibility when the payments were issued.

Our review found that the prevalence of improper payments to beneficiaries in the four specific diagnosis groups was not significantly higher than that of payments to beneficiaries in the general disability population. Specifically, 55 percent of the overpayments and payments in our sample were issued to ineligible beneficiaries in the specified groups. In SSA's general disability population, 54 percent of beneficiaries were in these same four diagnosis groups.

Finally, we estimated that SSA paid about \$2.1 billion in benefits to potentially ineligible beneficiaries. Beneficiaries became ineligible mainly because they improved medically. At our request, SSA initiated medical continuing disability reviews for 105 beneficiaries in our sample, and 12 individuals (or 11 percent) had their benefits stopped because they were no longer disabled.



Benefit Payment Issue: Benefits Paid to Dually Entitled Title II Beneficiaries

In this review, we examined whether dually entitled Title II beneficiaries were entitled to the benefits paid to them. Dual entitlement exists when a beneficiary is entitled to more than one benefit at the same time. However, the total benefit may not be greater than the highest single benefit amount to which the beneficiary is entitled.

Based on the results of our sample of 200 cases (out of 1,560), we estimated that SSA incorrectly calculated the payment amounts that were due to about 1,412 beneficiaries. In many cases, the errors occurred when SSA employees took action to combine benefits from separate records into one monthly payment. We estimated the total effect of the calculation errors is approximately \$37.6 million, including about \$23 million in benefits already paid by SSA and about \$14.6 million in future benefit payments.

Based on our recommendations, SSA agreed to: review the remaining cases in our population to ensure that all overpayments are identified, recorded and pursued for recovery; remind employees of the proper procedures to follow when combining benefits into one payment; and also ensure that payment errors are corrected when disability benefits are converted to retirement benefits.

SSN Protection: SSA's Controls over the Assignment of Nonwork SSNs

In this review, we examined whether SSA assigned nonwork SSNs to eligible individuals in accordance with Agency policy. SSA issues Social Security cards with a "NOT VALID FOR EMPLOYMENT" annotation (nonwork SSN) to noncitizens who need an SSN to qualify for Federally-funded benefits, such as food stamps, or where a State or local government requires an SSN for an individual to receive benefits from a State public assistance program. An applicant for a nonwork SSN must provide evidence of age, identification, and current immigration status. In addition, the applicant must present a letter from the appropriate governmental entity explaining the need for the SSN. SSA field office staff determine the validity of supporting documents and enters the required SSN application information for processing. If all eligibility requirements are met, the application is processed and an SSN is assigned and a Social Security card is issued. SSA has significantly decreased the number of nonwork SSNs it assigns to noncitizens. In FY 1995, SSA assigned nearly 550,000 nonwork SSNs. By FY 2005, SSA had reduced the number of nonwork SSNs it assigned to less than 15,000.

We found that SSA staff followed SSA policies and procedures and ensured that nonwork SSNs were assigned for valid nonwork reasons. However, in 45 (22.5 percent) of the 200 nonwork SSNs we reviewed, at least 1 processing error existed. The most common occurrences of noncompliance were staff's failure to properly document: (1) a valid nonwork reason for the SSN; and (2) required immigration information. Based on the compliance errors we identified, we estimated that approximately 1,730 nonwork SSNs assigned from January 1– June 30, 2005 did not fully comply with SSA's policy and procedures.

We recommended that SSA consider implementing a requirement that field office personnel verify the authenticity of all State benefit eligibility referral letters presented with nonwork SSN applications. SSA generally agreed with our recommendation, and will work with Florida, which accounts for half of these cases, to verify the authenticity of these letters.



SSN Protection: SSA's Program for Issuing Replacement Social Security Cards to Prisoners

In this audit, we reviewed SSA's program for issuing replacement Social Security cards to prisoners. In response to the *Intelligence Reform and Terrorism Prevention Act of 2004*, SSA implemented policies that require replacement card applicants to produce specific identity documents. However, prisoners are not always able to produce such documents.

To assist these prisoners, SSA field offices may enter into written agreements or Memoranda of Understanding (MOU) with prisons, outlining procedures for processing replacement card applications. These MOUs allow authorized prison officials to certify that they have extracted relevant information from the official prisoner record to verify the prisoner's identity. While some prison officials attempted to comply with this requirement, we observed that some did not. Therefore, some replacement card applications were processed without sufficient evidence of the prisoner's identity. We also found that some SSA field offices processed prisoners' replacement card applications when no written agreement or MOU was in effect. Further, SSA did not always perform periodic on-site inspections of prisons submitting replacement card applications.

As a result of our review, we made several recommendations, including that SSA perform a review at each prison requesting an MOU to ensure that its procedures for establishing prisoner identity are sufficient. We also recommended that SSA require field offices to perform annual on-site reviews of prison procedures, and that SSA reemphasize the importance of following procedures when processing prisoner replacement card applications. SSA agreed with our recommendations.

SSN Protection: Compliance with Employment Evidence Requirements for F-1 Students

F-1 visas are issued to foreign students who are eligible to work on campus. In this review, we looked at students who were issued these visas and granted SSNs based on documentation from their schools that they were authorized to work and were offered employment. Our review was designed to determine whether these students were actually attending classes and were employed on campus; we also wanted to identify any vulnerabilities in SSA's procedures in this regard.

We selected a sample of 250 students representing 59 countries (of almost 25,000 students from 193 countries issued visas between July 15 and September 30, 2005) and contacted their schools to verify their attendance and work status. Of the 250 students, 240 (96 percent) either accepted or were promised employment on campus, as required by SSA policy. Nine students (3.6 percent) were not employed, and for one student, we were unable to identify the school.

We identified two areas of potential concern with this work authorization process. First, some students accepted employment on campus but appeared to work only 1 or 2 days. Also, some schools provided employment documentation despite having no intention of actually hiring the student. In light of this, and based on OIG investigations and input from SSA field offices, we plan to conduct additional work in this area.



SSN Protection: Monitoring the Use of Employee Verification Programs

SSA participates in two online verification programs offered to employers: the Social Security Number Verification Service (SSNVS), which is administered solely by SSA, and the Basic Pilot, a Department of Homeland Security (DHS) administered program which SSA supports. We assessed the controls established by each agency over these programs to detect potential abuse by employers. We also examined SSA and DHS' experiences to date with these controls.

Employers use SSNVS to ensure that employees' names and SSNs match SSA records prior to the submission of their wages to SSA. Our review found that SSA had established effective controls over SSNVS access and use of sensitive data. SSNVS also had controls to detect anomalies in SSNVS usage and potential misuse of the program. For example, SSA's monitoring resulted in four investigations of misuse of the program as well as the deactivation of one user's access.

The Basic Pilot is a DHS online system that assists employers in verifying the employment eligibility of newly hired employees. DHS sends employers' information to SSA to verify that the SSN, name, and date of birth submitted match information in SSA records. SSA also confirms U.S. citizenship, thereby confirming work authorization. DHS confirms the current work authorization for noncitizens. Through discussions with DHS and SSA staff, as well as our own use of the Basic Pilot, we found that the controls over the application process for the program were not as comprehensive as those over SSNVS. DHS staff noted that, while the Basic Pilot does not verify applicant data or continuously monitor user activity, DHS is planning to initiate similar efforts. We believe continued coordination among DHS, SSA, and the Internal Revenue Service (IRS), which controls access to additional taxpayer data that could help with monitoring, would lead to more effective controls to minimize potential misuse of the Basic Pilot.

Wage Reporting: Employers with the Most Wage Items in the Nonwork Alien File

SSA annually compiles the electronic Nonwork Alien (NWALIEN) File, which contains information on noncitizens whose earnings were reported under nonwork SSNs, and sends this file to the DHS. SSA does not inform the employee or employer that a nonwork SSN was used for the reported wages.

We reviewed the NWALIEN file to identify the 100 employers with the most wage items for Tax Years (TY) 2001–2003, and to determine the extent of fraudulent use of nonwork SSNs in TY 2003. We found that these 100 employers reported about \$6.4 billion in wages, and that the most nonwork wages were reported by employers in three categories—Government, retail, and universities.

The audit also sampled 275 noncitizens who had earnings from any of the 100 employers with the most wage postings in the 2003 NWALIEN file. We found that 37 percent did have work authorizations, but SSA's records had not been updated to reflect this. Of the 61 percent who were correctly classified as not having work authorization, most worked in the healthcare, staffing, hotel, and other service industries. DHS could not locate the immigration records



for the remaining two percent (five cases). The largest numbers of noncitizens were born in Mexico, India, and the Philippines.

SSA disagreed with our recommendations, which included informing employees that their earnings were reported to DHS as earned under a nonwork SSN, citing workload implications. Subsequent to the issuance of the report, the agency explained that its disagreement was based not only on the workload implications, but also due to pending legislation in this area. Our response acknowledged that SSA has taken steps to address unauthorized work by noncitizens, and while we agree that DHS has authority over the immigration law and worksite enforcement, we noted that SSA has the opportunity and the ability to do more to assist in reducing unauthorized work by noncitizens.

Wage Reporting: Self-Employment Income ESF

In this review, we identified errors in the Self-Employment Income (SEI) posted to SSA's ESF. The ESF contains earnings that are reported under an invalid name and/or SSN combination, as well as other questionable items.



We determined that for TYs 1951–2002, approximately \$11 billion in self-employment earnings and 2.1 million self-employment earnings items had accumulated in the ESF. During our review, we found that many of these items had SSNs with characteristics similar to the IRS' Individual Taxpayer Identification Number (ITIN). In coordination with the IRS, we found that of a sample of 275 SSNs with ITIN characteristics, 213 SSNs (77 percent) were, in fact, valid ITINs. Therefore, we estimated that approximately 241,600 (12 percent) of the SEI items in the ESF contain valid ITINs issued by the IRS. We also determined that 262 (95 percent) of the 275 potential ITINs were wage earners who would qualify for a minimum of one quarter of Social Security coverage.

Although SSA notifies earners whose data post to the ESF that their earnings cannot be resolved until a valid name and/or SSN is provided, the notices do not state that an ITIN cannot be used for employment, or that earners cannot qualify for benefits unless earnings are reported under a valid SSN. We recommended that SSA: (1) work with the IRS to resolve the inconsistent instructions provided to noncitizens; (2) update the language in the SSA notice; and (3) discuss with the IRS the possibility of obtaining ITIN data. SSA agreed with our first recommendation, deferred its decision on the second due to pending immigration reform legislation, and disagreed with the third because it does not believe it would benefit from such an endeavor.

Working Environment Audit: Summary of Physical Security Reports

The Office of Disability Adjudication and Review (ODAR) (formerly the Office of Hearings and Appeals) administers SSA's hearings and appeals program. At the hearing level, the Chief Administrative Law Judge (ALJ) manages and administers the hearing



organization consisting of 10 regional offices, 140 hearing offices, and 381 remote hearing sites. Approximately 1,100 ALJs render about 500,000 decisions at the hearing level annually. Forty percent of these hearings are held at remote sites.

During this reporting period, we assessed the controls over physical security at 40 SSA remote hearing sites—4 in each of SSA's 10 regions. We issued 10 physical security reports as a result of this audit work and found physical security issues in each region that warranted management's attention. We made recommendations related to installing intrusion detection systems and duress alarm systems, improving controls over keys and proximity cards, and installing peepholes on hearing room doors. SSA agreed with our recommendations to improve its physical security and has taken, or is in the process of taking, action to address our concerns.

Additionally, during FY 2006, we performed physical security reviews at four program service centers (PSC). PSCs act as processing centers and make formal entitlement decisions on many Social Security benefit claims. In these reviews, we recommended specific steps SSA could take to strengthen physical security and reduce vulnerability to potential crimes against employees and property. SSA agreed with our recommendations and has taken, or is in the process of taking, actions to address our concerns.

SSA Agency Operations: Match of Veterans Affairs' Historical Death File Against SSA's Benefit Rolls

In this review, we determined whether individuals recorded as deceased on the Department of Veterans Affairs' (VA) historical death file continued to receive Old-Age, Survivors and Disability Insurance (OASDI) benefits and/or SSI payments.

Through data analysis, we identified 1,691 individuals who were recorded as deceased by VA, but who appeared to continue to receive OASDI benefits and/or SSI payments. We randomly sampled 200 of these records for detailed analysis. Based on our review, we estimated that SSA paid approximately \$11.7 million in benefits after the deaths of about 228 beneficiaries. Although SSA discovered some of the improper payments before our audit, we estimated that about \$11.2 million went undetected. Further, we estimated that SSA will continue to incorrectly pay about \$1.9 million over the next 12 months if the deceased beneficiaries in the population are not identified and their benefits stopped. For the other cases in our population, we estimated that the death information was erroneous and the OASDI beneficiaries and/or SSI recipients were alive.

We found that many of the sampled records from VA contained erroneous death information. In addition, those that had correct dates of death resulted in significant undetected improper payments, and in some cases, involved possible fraud. Therefore, we recommended SSA review the remaining cases we identified in which it appears payments may have been issued after death. SSA agreed with the recommendation.

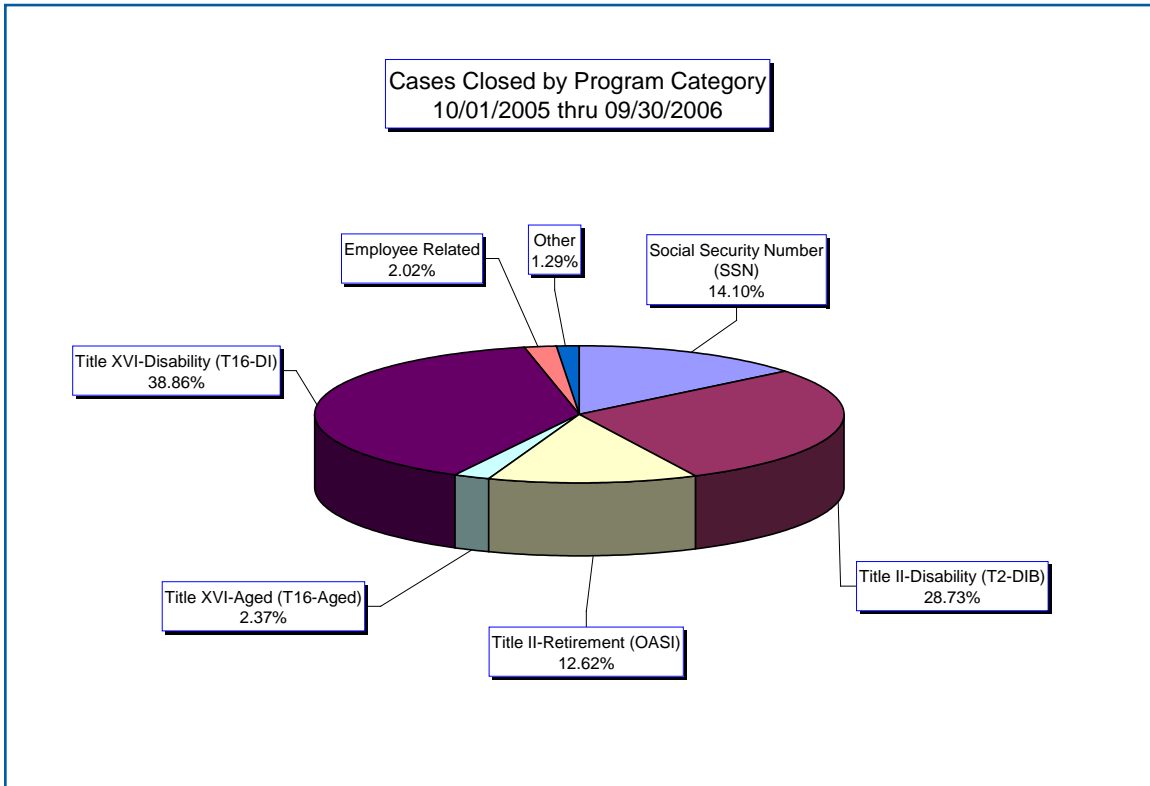
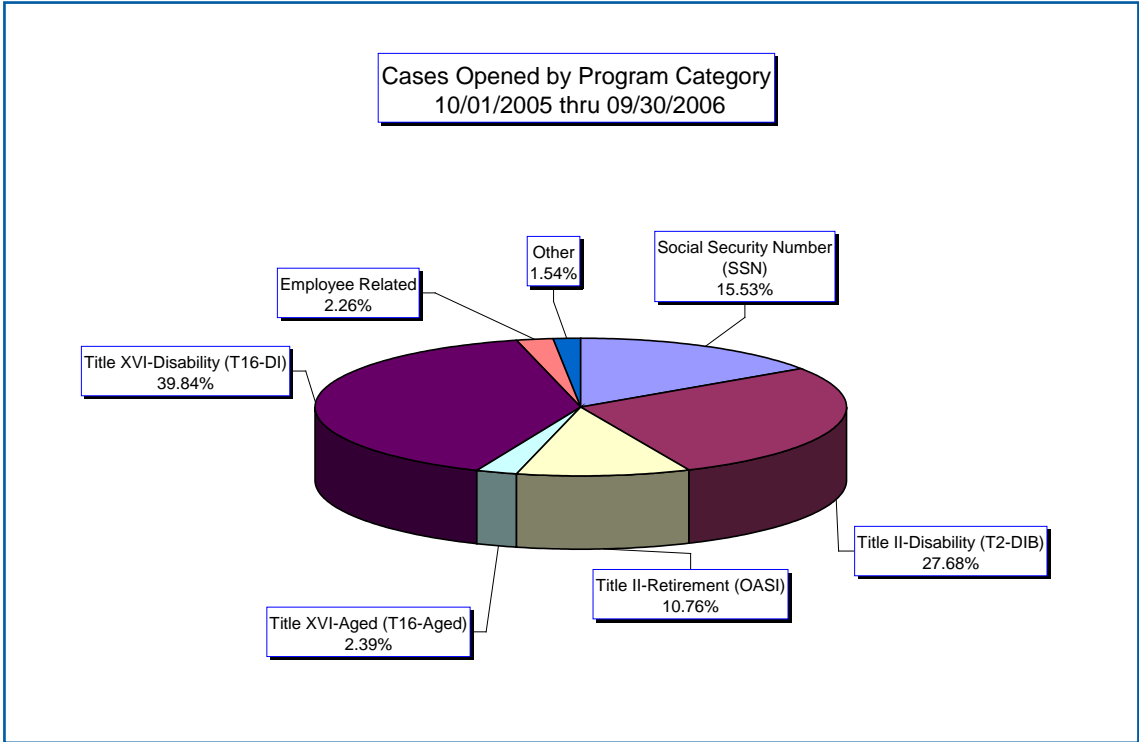


Investigative Impact Initiatives

OI examines allegations of fraud, waste, and abuse in SSA programs and operations. This includes benefit fraud, SSN misuse, violations by SSA employees, and fraud related to grants and contracts. Our investigations often result in criminal or civil prosecutions and CMPs against offenders. These investigative efforts impact SSA program integrity by deterring those contemplating fraud against SSA in the future. Our work in the areas of program fraud, enumeration fraud, SSN misuse, and employee misconduct ensures the reliability of SSA programs and their future operations.

Investigative Results

Investigative Results			
	10/01/05 – 3/31/06	4/01/06 – 9/30/06	FY 2006 Total
Allegations Received	46,943	52,340	99,283
Cases Opened	5,301	5,279	10,580
Cases Closed	5,478	5,006	10,484
Arrests/Indictments	2,816	2,349	5,165
Total Judicial Actions	1,572	1,621	3,193
Criminal Convictions	1,109	923	2,032
Civil/CMPs	112	173	285
Illegal Alien Arrests	341	525	866





Allegations Received by Source			
	10/01/05 – 3/31/06	4/01/06 – 9/30/06	FY 2006 Total
Law Enforcement	16,316	16,031	32,347
Private Citizens	9,288	9,521	18,809
Anonymous	8,624	9,919	18,543
SSA Employees	8,011	11,312	19,323
Other	3,176	4,160	7,336
Beneficiaries	999	888	1,887
Public Agencies	529	509	1,038
TOTAL	46,943	52,340	99,283

Allegations Received by Category			
	10/01/05 – 3/31/06	4/01/06 – 9/30/06	FY 2006 Total
Disability Insurance	19,055	21,285	40,340
SSI Disability	16,775	18,630	35,404
SSN	4,376	6,047	10,423
Old-Age, Survivors Insurance	3,249	3,555	6,804
Other	2,567	1,976	4,543
Employee	477	454	931
SSI Aged	444	393	837
TOTAL	46,943	52,340	99,283



The following case summaries highlight major investigations we conducted during this reporting period which enhanced SSA program integrity and the reliability of SSA's operations.

Disability Program Fraud: Man Fakes Own Death to Avoid Prosecution

In conjunction with the Bureau of Immigration and Customs Enforcement (ICE) El Dorado Task Force, agents from our New York office discovered that a 42-year-old man had used the identities of three other individuals, including his son (who shares his exact name). In an attempt to avoid prosecution, the man – who had a prior bank fraud conviction – faked his own death through the use of one of these stolen identities. The man later told a judge that the death hoax was an attempt to gain more time to retain a lawyer, rather than a guise to avoid prosecution.

Our investigation revealed that the man had contacted at least 12 hospitals and hospices in the New York area to find a terminally ill individual with the same name as his own, in order to assume his identity. In November 2005, he reported to his defense attorney that he was a terminally ill hospice patient and gave the lawyer the hospice contact information. In December 2005, the defense attorney, after calling the hospice and learning that the individual with the same name as his client had died, reported this information to the prosecutor.

The man's scheme was revealed due to the persistence of the prosecutor and our agents, who did not accept the report of death as given by the man's attorney. Further investigation proved that the prosecutor's suspicion was correct. The man was convicted and sentenced to 8 years' incarceration and 5 years of supervised release.

Representative Payee Fraud: Virginia Pastor Defrauds Charity and Steals SSI Payments

Our agents in Ashland, Virginia, working with the Federal Bureau of Investigation (FBI) and the Virginia State Police, investigated a man who was convicted of defrauding SSA as well as a local charity. The man, who served as representative payee for SSI recipients, also served as mayor of a Virginia city and as a pastor of a local church. The man was found guilty of misusing the SSI recipients' payments and charity donations to pay off his personal debts and a portion of his delinquent Federal taxes. He was sentenced to 5 years of probation, 6 months of home detention, and 200 hours of community service. The court also ordered the man to pay a \$7,500 fine, and over \$7,800 to SSA, to be returned to the SSI recipients.

Employee Fraud: SSA Employee Terminated and Sentenced to Prison After Guilty Verdict

Our Los Angeles agents conducted an investigation which revealed that an SSA employee and her accomplice sold Social Security cards to individuals residing in the United States illegally. The accomplice recruited the noncitizens and charged them between \$1,000 and \$5,000 for each card, while the SSA employee processed the SSN applications. The SSA employee did not conduct face-to-face interviews with any of the applicants.

In August 2005, the SSA employee was sentenced to 15 months' incarceration in Federal prison and 3 years' probation, and was ordered to pay fines totaling \$3,200. In addition, SSA terminated the employee in October 2005. In December 2005, the accomplice was sentenced to 8 months' incarceration (including credit for time served) and 3 years' probation. He was deported to Chile in January 2006.



CDI Program Investigative Results

The CDI program is a joint effort of the OIG, SSA, State DDSs, and State and local law enforcement personnel, utilizing 19 CDI units in 17 States to obtain sufficient evidence to identify and resolve questions of fraud in SSA's disability programs. The following table highlights the successes of the CDI program for this reporting period.

CDI Program Results				
April 1 – September 30, 2006				
State	Allegations Received	Confirmed Fraud Cases	SSA Savings ¹	Non-SSA Savings ²
Arizona	53	32	\$2,087,250	\$570,370
California ³	405	268	\$16,486,249	\$12,300,744
Colorado	78	65	\$4,253,872	\$2,308,284
Florida	61	58	\$3,554,732	\$3,156,753
Georgia	120	63	\$3,869,490	\$1,092,546
Illinois	63	43	\$2,672,502	\$1,115,390
Louisiana	30	31	\$1,927,008	\$773,547
Massachusetts	47	25	\$1,502,615	\$636,400
Missouri	98	36	\$2,190,150	\$872,210
New Jersey	110	90	\$6,049,280	\$5,875,245
New York	92	58	\$4,057,806	\$3,722,670
Ohio	210	147	\$9,550,964	\$4,360,670
Oregon	177	130	\$8,328,984	\$5,388,840
Tennessee	92	35	\$2,139,768	\$1,123,766
Texas ⁴	151	101	\$6,140,487	\$3,436,251
Virginia	59	45	\$2,973,700	\$2,338,635
Washington	195	128	\$7,683,626	\$6,416,105
October 1, 2005 – March 31, 2006	1,686	1,076	\$65,716,096	\$41,997,812
April 1, 2006 – September 30, 2006	2,041	1,355	\$85,468,483	\$55,488,426
FY 2006 Grand Totals	3,727	2,431	\$151,184,579	\$97,486,238

¹ SSA program savings are reported at a flat rate of \$66,500 for initial claims that are denied as a result of CDI investigations. When a CDI investigation supports the cessation of an in-pay case, SSA program savings are calculated by multiplying the actual monthly benefit times 60 months.

² Non-SSA Savings are also projected over 60 months whenever another governmental program withholds benefits as a result of a CDI investigation, using estimated or actual benefit amounts documented by the responsible agency.

³ California has two units, one in Los Angeles, and the other in Oakland.

⁴ Texas has two units, one in Dallas, and the other in Houston.



Cooperative Disability Investigation: SSI Recipient Conceals Work by Altering SSN

The St. Louis CDI Unit investigated a 24-year-old male who had been receiving SSI disability payments since 2001 for mental illness. The Missouri Disability Determinations Office referred this case because a psychiatric examination gave rise to a suspicion of malingering. The man reported that he was dependent on his mother for all of his daily activities, had no social contacts, could not go out alone, and heard “voices.”

The CDI investigation revealed that the man had one active felony warrant and six active misdemeanor warrants. A further check by the CDI Unit showed that the man had an extensive criminal history, with numerous felony and misdemeanor arrests dating from 1999 – 2006. In addition, he was on probation for stealing and tampering with a motor vehicle. The CDI investigation also revealed that the man had worked for a cable company, a moving company, a restaurant, and an auto parts store. A review of the suspect’s employment application and his State wage record showed that he had intentionally altered his SSN in an attempt to conceal his wages from SSA.

CDI investigators observed the man and his mother, acting as his representative payee, during a visit to an SSA office for an interview. The man drove his vehicle to within several blocks of the SSA office and changed places with his mother, who had been a passenger in the vehicle. His mother drove the remaining few blocks and then accompanied her son into the interview. The man’s disability benefits were ceased, and the case has been referred for CMP consideration.

Cooperative Disability Investigation: “Blind” Woman, Cited Twice for Speeding, Admits to Regaining Sight

The Tampa CDI Unit investigated a 40-year-old woman who was receiving Title II disability benefits for statutory blindness. The blindness occurred in September 2000 due to permanent nerve damage. The CDI Unit received a report that the woman routinely drove from Florida to North Carolina and drove her daughter to Disney World for acting lessons. She was also alleged to be self-employed as a full-time contractor for accountants, earning approximately \$150,000 annually. Upon investigation, Tampa CDI agents found that the woman had renewed her driver’s license in August 2003 after surrendering it in 2000; she acquired and registered an automobile in April 2002; and she received two traffic citations for speeding after she became eligible for SSA disability benefits.

In July 2005, the Tampa CDI Unit obtained a copy of a sworn deposition in which the beneficiary stated that there was no restriction on her driver’s license. During a mediation hearing in December 2005, she read aloud without glasses in open court. In January 2006, the woman was interviewed and admitted that her medical condition had improved and she had returned to full functionality. SSA terminated the woman’s benefits and assessed a \$106,762 overpayment.



Cooperative Disability Investigation: Tractor-Driving Man Denied Disability Benefits

Nashville CDI Unit investigated a 52-year-old man who filed for Title II disability benefits alleging back problems, arthritis, acid reflux disease, chronic pulmonary disease, and depression. The man stated that he uses a wheelchair and cannot drive or operate equipment, and that his ability to work was further limited by depression and lower back problems. One of the man's friends advised that he does not go outside alone because of poor memory and safety concerns.

CDI investigators observed the man at his residence driving a tractor with a trailer attached. The man climbed out of the tractor, walked back to the trailer, and bent over to pump up the tire. CDI investigators interviewed the man and he answered questions appropriately without hesitation. During the interview, the man did not mention any physical or mental impairment, or that he was unable to work. Additionally, the man did not use an assistive device for support or mobility while being observed or interviewed. The man's disability claim was denied.

Fugitive Felon Program: Sex Offender Makes Death Threats Against Judge and Prosecutor

In May 2006, agents from our Seattle office, in conjunction with members of the U.S. Marshals' Northwest Fugitive Apprehension Task Force, arrested a man in Kent, Washington, as a result of a felony warrant. The man, who was a level-three sex offender and Title II disability beneficiary, had been released from custody in April 2006 after serving a 15-year sentence for first-degree child molestation. Upon release, the man was placed on active supervision with the Washington State Department of Corrections. After his release, law enforcement received information that the man had made death threats against the prosecutor, judge, and others involved in his prosecution. It was also reported that the man had violated a no-contact order by contacting one of his victims, and that he had failed to report to the Department of Corrections. The man's Title II benefits were suspended, and he remains in custody pending new charges of failure to register as a sex offender.

Fugitive Felon Program: Man Arrested After Fleeing Justice for 17 Years

In June 2006, a 62-year-old man, who had been a fugitive from second-degree murder charges for almost 17 years, was arrested by agents from our Harlingen, Texas office and agents assigned to the FBI Violent Crimes Task Force. The man's whereabouts were unknown to law enforcement authorities until he applied for Social Security retirement benefits in February 2006. A fugitive felon investigation revealed that he was using a mail drop to receive his Social Security payments at an address in Pharr, Texas. Our agents located and arrested the man in Mercedes, Texas. He is currently in custody, awaiting extradition to Michigan.

Legal Impact Initiatives

OCCIG improves SSA program integrity from a different perspective, through its administration of the CMP provisions of Section 1140 of *the Act*. This section prohibits the use of SSA's



program words, letters, symbols, or emblems in advertisements or other communications in a manner that falsely implies SSA's approval, endorsement, or authorization. An individual or entity that violates this provision is subject to a maximum penalty of \$5,000 for *each* misleading communication. Our nationwide enforcement efforts serve as a meaningful deterrent in this area and continue to positively impact SSA's mission. In fact, as a result of our many successful CMP actions to date, we have seen a significant decline in complaints and cases over the years as it has become clear that this type of misleading activity will be met with a swift response.

Misleading Advertising: Company Adds Mandatory Disclosure Language to Website

An Arizona business that offers various services designed to minimize the risk of identity theft and to assist clients when it appears they may be the victim of identity theft entered into a voluntary compliance agreement with OCCIG during this reporting period. Among other things, the company checks the Social Security earnings records of minor children in order to alert its clients of any potential inappropriate activity associated with the children's SSNs. While this practice is legal, section 1140 of *the Act* requires individuals who provide for a fee any service SSA offers for free, to clearly state this on all solicitations. After contact by OCCIG, the company added the following language to its website: "We obtain a work history from the Social Security Administration to ensure that no income is being reported on your child's SSN. This service is available for free from the Social Security Administration." This language brings the company into compliance with section 1140 and ensures that the recipient of the communication is able to make an informed decision about using the company's service for a fee.

The following table presents our Section 1140 accomplishments for this reporting period.

Misleading Advertising Under Section 1140 Results			
	10/01/05 – 3/31/06	4/01/06 – 9/30/06	FY 2006 Total
Complaints Received	43	7	50
New Cases Opened	8	9	17
Cases Closed	7	5	12
No Violation Found	2	4	6
Voluntary Compliance	5	1	6
Settlement Agreement (# of cases/amounts)	0	0	0
Penalty/Court Action (# of cases/amounts)	0	0	0
Hearings Requested	0	0	0



Value

All OIG initiatives strive to provide value to SSA, the Congress, other key decision-makers, and the public by delivering timely and reliable audit, investigative, and legal products and services. To achieve the intended value, these products and services must effectively meet the needs of all whom we serve while maximizing our available resources. To do this, we integrate best-practice strategies and the newest technologies to increase our productivity and maximize our return on investment to the public. Taken together, our audits, investigations, and legal efforts generated a positive return.

Value Attained Through Audits

The focal point of many of our audits is the identification of SSA program and operational areas where funds could be put to better use. In addition, we have often isolated situations where we have questioned approaches and their costs and have recommended alternatives to yield program and operational savings.

During this reporting period, our auditors issued 64 reports with recommendations identifying over \$1.2 billion in questioned costs and over \$2.5 billion in Federal funds that could be put to better use. Some of our most notable audits are summarized below.

Benefit Payment Issue: Impact of Statutory Benefit Continuation on SSI Payments Made During the Appeals Process

If an SSI recipient is determined to no longer be eligible for payments based on a medical continuing disability review, the recipient has the right to appeal that decision. The recipient has the option of continuing to receive payments during the appeals process; however, these payments are then considered overpayments if the cessation decision is upheld. This audit evaluated the financial impact on the general fund when recipients continue to receive payments while appealing a medical cessation decision.

We estimated that SSA paid approximately \$200 million in SSI payments to recipients who received an ALJ decision between October 1, 2002 – September 30, 2004; of this amount, approximately 73 percent (\$146 million) were overpayments. Of these overpayments:

- only 4 percent (\$5.2 million) was collected;
- approximately 34 percent (\$49.7 million) was being collected through installment payments;
- no action had been determined for 18 percent (\$26.8 million); and
- the remaining 44 percent (\$64.5 million) was waived, written off, deemed uncollectible, or collection of the overpayment was suspended by SSA.

SSA does not require that these cases be given priority at the reconsideration level—the median processing time for reconsideration appeals was 195 days. Furthermore, although ALJs have instructions to give these cases priority processing at the hearing level, the median processing time for ALJ appeals was 366 days. SSA agreed to: (1) enhance the business process to allow



for more timely decisions on medical cessation appeals; and (2) remind components of the proper procedures for timely termination of SSI payments for these cases.

Benefit Payment Issue: Beneficiaries in Suspended Payment Status Pending the Selection of a Representative Payee

SSA appoints representative payees to receive and manage benefit payments to individuals who cannot manage or direct the management of their benefit payments. When a beneficiary requires a representative payee and none is immediately available, SSA may defer or suspend benefits for a maximum of 1 month while it finds a representative payee, if direct payment of the benefits would cause substantial harm to the beneficiary. If the beneficiary is legally incompetent, under age 15, or has an alcoholism or drug addiction condition, SSA may defer or suspend benefits for longer than 1 month, if necessary. SSA policy states that the selection of a representative payee should be resolved as quickly as possible.

In this review, we assessed whether SSA had adequate controls to ensure that payments to beneficiaries were not improperly suspended pending the selection of a representative payee. Based on a review of 539 beneficiaries whose benefits were suspended pending the selection of a representative payee, we estimate that SSA:

- improperly suspended approximately \$4.6 million in benefit payments to about 1,700 beneficiaries;
- did not reinstate about \$5.2 million in benefit payments to about 1,580 beneficiaries after 1 month; and
- withheld approximately \$5.7 million in benefits from about 2,220 children under age 15 for an average of 252 days.

SSA agreed with the four recommendations we made, including that SSA remind field office employees about the current policies and procedures regarding suspending payments to beneficiaries pending the selection of a representative payee.

Benefit Payment Issue: Beneficiaries Paid Under More than One SSN

In April 2005, we issued a report, *Individuals Receiving Benefits Under Multiple SSNs at the Same Address*, in which we identified over \$9 million in overpayments and a number of cases involving fraud. SSA agreed to improve its matching processes to identify individuals receiving multiple benefits at the same address.

We initiated the current review to identify individuals who received benefits inappropriately under multiple SSNs at different addresses. Based on our analysis of approximately 54 million SSA records, we identified 320 individuals who appeared to be receiving either OASDI benefits or SSI payments inappropriately under at least two different SSNs. Of these, we determined that:

- 221 individuals were, in fact, receiving benefits inappropriately; 212 of these involved possible fraud and 9 involved administrative errors;
- 88 cases were not overpaid; and
- 11 cases were still under review as of July 2006.



As of July 2006, the Agency had identified \$3 million in overpayments as a result of this audit. We recommended that SSA continue to work with OI and assess overpayments where appropriate. SSA agreed with our recommendation.

We also followed up on our prior audit, Individuals Receiving Benefits Under Multiple SSNs at the Same Address, and found that SSA had assessed an additional \$3 million in overpayments through July 2006.

Value Attained Through Investigations

During this reporting period, the efforts of our investigators yielded significant results arising from the successful prosecution of cases that they developed. Our investigators achieved over \$292 million in investigative accomplishments, with over \$57 million in SSA recoveries, restitution, fines, settlements, and judgments and over \$234 million in projected savings from investigations resulting in the suspension or termination of benefits. The following table represents the efforts of OI personnel nationwide to recover SSA funds paid in fraudulent benefits or through other illegal actions.

SSA Funds Reported			
	10/01/05 – 3/31/06	4/01/06 – 9/30/06	FY 2006 Total
Recoveries	\$18,191,854	\$17,300,460	\$35,492,314
Fines	\$792,358	\$1,209,503	\$2,001,861
Settlements/ Judgments	\$1,038,156	\$601,563	\$1,639,719
Restitution	\$9,504,997	\$9,312,912	\$18,817,909
Estimated Savings	\$109,845,163	\$124,409,390	\$234,254,553
Total	\$139,372,528	\$152,833,828	\$292,206,356



The following case summaries are indicative of the nearly 5,500 investigations that we closed during this reporting period. The cases we have highlighted illustrate the many instances where our investigative efforts have afforded a significant return on the investment of our staff and resources.

SSN Misuse: Former NFL Player Embezzles \$968,656

The IRS and the FBI requested our Oklahoma City office's assistance with an investigation involving a former professional football player. The individual, who worked as a stockbroker and investment advisor, misused SSNs on Western Union wire transfers in an attempt to conceal his identity when sending and receiving funds obtained from investors. He did not invest these funds; instead, he used the monies for his personal expenses.

The man pled guilty to securities fraud and money laundering violations. He was sentenced in September 2006 to 6 years and 3 months in prison and 5 years' supervised release, and was ordered to make restitution of \$968,656 to 15 victims.

SSN Misuse: Power Authority Employee Embezzles \$303,000 in Public Funds

In a joint investigation by our San Juan office and the Puerto Rico Bureau of Special Investigations, we determined that a man employed by the Puerto Rico Power Authority developed a criminal scheme using travel vouchers, in which he embezzled over \$303,000 in public funds. The man used a combination of 12 names and 206 SSNs.

The man, who paid \$100,000 in restitution as part of a plea agreement, was also sentenced to a supervised release period of 12 years, as well as 30 hours of community service per month for the duration of the probation period.

Representative Payee Fraud: Man Uses False SSN to Work and Defrauds SSA of \$252,371

An SSA disability beneficiary and his mother, acting as his representative payee, were both found guilty of grand theft after agents in our San Diego office found that the beneficiary had been working since 1988. The beneficiary worked in Colorado under a false SSN, and his mother continued to receive his benefits electronically while residing in Tijuana, Mexico.

Both the beneficiary and his mother were sentenced to 6 months of incarceration and 5 years of probation. They are also jointly responsible to repay the full amount of \$252,371 to SSA. They paid \$30,000 to the court as a first installment payment.

Representative Payee Fraud: Representative Payee Embezzles Funds of 27 SSA Beneficiaries

Our agents in Greensboro, North Carolina investigated an employee of a faith-based organization that assists the homeless and disabled. The investigation revealed that the 36-year-old man embezzled funds while serving as representative payee for 27 SSA beneficiaries. He pled guilty to theft of Government funds and was sentenced to 30 months' imprisonment and 3 years' supervised release. He was also ordered to pay \$69,000 in restitution to SSA.



Double Check Negotiation: Woman Claims Non-Receipt of 13 SSI Checks

Our Ft. Lauderdale office conducted this investigation as part of the national Double Check Negotiation project, which targets individuals who repeatedly allege non-receipt of SSI checks and then cash both the original and replacement checks. The investigation determined that the SSI recipient committed 13 double check negotiations totaling \$6,306 from January 2000 – June 2003. The woman pled guilty and was sentenced to 5 years' probation, beginning with 6 months' home confinement. She was also ordered to pay \$6,306 in restitution to SSA.

Disability Program Fraud: Louisiana Woman Defrauds SSA of \$155,949

Our Baton Rouge office investigated a 61-year-old Title II disability beneficiary in New Orleans who worked while receiving benefits. The investigation revealed that the woman became eligible for disability benefits in June 1981. From 1985 through 1989, she worked for a check-cashing establishment under two different SSNs. One of the SSNs belonged to her brother, who died in November 1989.

Further investigation revealed that the woman worked from 1992 – 2001 for another check-cashing business. Over the years, SSA had attempted to verify her work and earnings without success. In July 2006, she was sentenced to 5 years' probation and ordered to pay restitution to SSA of \$155,949.

Disability Program Fraud: Missouri Man Uses Wife's Name and SSN to Work

This investigation was initiated by our Kansas City office based on information received from the Maryville, Missouri SSA office. The referral alleged that a Title II disability beneficiary had returned to work and was engaging in full-time employment despite his disability. Our investigation revealed that the man concealed this work activity by reporting his wages under his wife's name and SSN. In January 2003, the man's employer provided SSA with false documentation stating that the man had not earned these wages, and further signed a wage verification form for SSA indicating that the man's wife had earned all of the wages. Our investigation proved that these wages were actually paid to the SSA beneficiary.

In April 2006, the man was sentenced to 5 years' probation and ordered to pay restitution to SSA of \$45,820. The employer was sentenced to 3 years' probation and ordered to pay restitution of \$45,820 to SSA.

Disability Program Fraud: Carpet Cleaning Business Owner Conceals Work Activity

This case was referred to our St. Louis office by the North County, Missouri SSA office. According to the referral, a woman who had received Title II disability benefits since 1978 owned and operated a carpet-cleaning business. SSA advised that it had statements from her in which she denied working. Our investigation determined that since 1999, the woman had, in fact, owned and operated a carpet-cleaning business. Agents conducted surveillance



of the woman's activities on numerous occasions and ultimately interviewed her at work. The woman admitted to wrongdoing and provided a sworn, written statement to our agents.

In June 2006, she was sentenced to 3 months' home confinement and 5 years' probation, and was ordered to pay restitution to SSA of \$122,125.

Value Attained Through CMPs

Our efforts to administer that portion of the CMP program that deals with violators of Section 1129 of *the Act* also maximize the resources available to us and create a positive return on investment. Section 1129 of *the Act* allows for the imposition of a CMP against those who make false statements or representations in connection with obtaining or retaining benefits or payments under Titles II, VIII, or XVI of *the Act*. *The Social Security Protection Act of 2004* (Public Law 108-203) extended CMP authority to penalize representative payees for wrongful conversion of payments made under the Social Security programs, and to penalize individuals who knowingly withhold a material fact. After consultation with DOJ, OCCIG is authorized to impose penalties of up to \$5,000 against individuals 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 overpayment.

The following table and cases highlight the value achieved through our Section 1129 efforts for this reporting period.

Statements Under Section 1129 Results

False Statements Under Section 1129 Results			
	10/01/05 – 3/31/06	4/1/06 – 9/30/06	FY 2006 Total
Cases Received	240	305	545
Cases Initiated	103	182	285
Cases Closed	182	181	363
Penalties and Assessments	\$1,122,683	\$1,625,050	\$2,747,733
Number of Hearings Requested	19	17	36



CMP: Representative Payee Misuse Case

The *Social Security Protection Act of 2004* extended CMP authority to include the misuse of benefits by representative payees. In the first case completed under this new authority, OIG imposed a \$10,000 CMP and an assessment in lieu of damages of \$19,108 against an individual who signed and submitted to SSA an application to be the representative payee for his daughter. The application contained a statement that, as a representative payee, any payment he would receive on his daughter's behalf would be used solely for her needs. However, an OIG investigation indicated that, although he received \$19,108 in benefits on his daughter's behalf, he did not use any of these funds for his daughter's care or benefit. We imposed a penalty of \$10,000; SSA has initiated collection and will redirect the misappropriated benefits to the daughter. We intend to continue to make full use of this legislative authority to ensure that the most vulnerable of SSA's beneficiaries are not victimized by those charged with acting on their behalf.

CMP: Illinois Siblings Conceal Nearly \$1,000,000 to Obtain SSI Payments

In order to continue receiving SSI payments, a Chicago woman concealed nearly \$1,000,000 in resources (including retirement accounts, stocks, and real estate, as well as approximately \$1,000 per month in income she received for cleaning the medical offices of a relative) and falsely reported to SSA that her only income consisted of her Social Security benefits. Moreover, while acting as her translator, the woman's brother provided false information to SSA regarding her resources, despite the fact that he knew, or should have known, about his sister's resources. As a result of the concealed income and assets, the subject improperly received \$14,445 in benefits. SSA is collecting the overpayment. In addition, OCCIG imposed CMPs of \$35,000 against the woman and \$15,000 against her brother.

CMP: New York Car Salesman Conceals Work Activity to Collect Disability Benefits

A successful New York car salesman, who owned and managed three car dealerships, concealed his work activity to collect disability benefits. Although he returned to work a few weeks after surgery, he told SSA that he was unable to return to work. Pursuant to a joint investigation with the New York State Attorney General's Office regarding fraudulent schemes in car dealerships, we learned that the subject owned and managed three business ventures despite his allegation of disability to SSA. The man's employees reported that he sold vehicles himself and directly supervised the staff. In addition, he maintained an office at the car dealership where he met with customers, bank representatives, and sales managers on a daily basis.

In a CMP action, OCCIG identified seven false statements that the man provided to SSA to facilitate the improper receipt of benefits. During the negotiations, he maintained that he did not return to work, although the evidence documented that he worked full-time at the car dealership each day until he was arrested at his worksite. Ultimately, OCCIG imposed a \$25,000 CMP against the man.



People

We continue to stress the importance of a highly skilled and motivated workforce. Our success in recruiting and retaining the best individuals is reflected in our substantial accomplishments during this reporting period. In addition, our leadership continues to provide employees with superior training opportunities and career-enhancing developmental assignments. The OIG Organizational Health Committee periodically assesses employee satisfaction levels and addresses areas of concern. In addition, each OIG component conducts annual training conferences where their respective employees come together to learn about new operational procedures and hear from a variety of speakers on leadership and technical issues.

Budget

For FY 2006, our annual appropriation was \$91.5 million, which supported a staffing level of 615 Full-Time-Equivalents. Approximately 84 percent of our budget was used for employee salaries and benefits, and the remaining 16 percent for operational costs. The majority of operational spending included 10 percent for mandatory requirements (i.e., rent, utilities, and services), leaving approximately 6 percent for discretionary spending (e.g., travel, training, and procurement, etc.).

In accordance with the President's Management Agenda, OIG's Strategic Plan integrates budget and organizational performance. The goals set forth in our Plan are continuously monitored, and results are reported to OIG leadership on a monthly basis.

Human Capital Planning and Management

We continuously monitor staffing throughout the organization to ensure that vacant positions are filled expeditiously. Based on historical trends and human resource data, our integrated budget and staffing plan forecasts employee separations, allowing us to determine when recruitment should occur. Aggressive staffing and recruitment ensures that OIG components have the necessary resources to fulfill their respective missions.

We remain vigilant in our efforts to recruit and retain the best employees possible. We use structured interviews to assess job candidates, a technique that results in excellent selections. Our human capital specialists and recruiters participate in job and career fairs around the country. Some of these events target underrepresented groups in the labor market, allowing us to continue our efforts toward employing a diverse workforce.

Like many Federal agencies, SSA is implementing a new employee performance management system that links individual performance to organizational goals. The new Performance Assessment and Communication System (PACS) replaces the current "pass/fail" performance evaluation process with a multi-tiered system. OIG was asked to pilot the new system for approximately 225 headquarters and Philadelphia regional employees. The pilot began on June 1, 2006 and covered the performance period ending on September 30, 2006. SSA implemented PACS agency-wide on October 1, 2006.



Information Technology (IT)

We provide and maintain most of our own IT systems. We realize the importance of state-of-the-art tools and place a high priority on ensuring that our employees have the latest proven technologies with which to perform their work.

In support of the President's goal to expand electronic services, we redesigned our Internet website to improve its usefulness to the public. As more citizens choose to interact with government online, we understand the importance of creating and maintaining easy-to-understand and easy-to-use web-based services. A workgroup comprised of auditors, investigative personnel, legal experts, and administrative technicians reviewed every page and link on our website. Based on that review, we implemented a substantial number of modifications. Information is now displayed in a more logical and conversational format. We also eliminated redundant information and clarified the remaining information. We are committed to the continuous review and improvement of our website to ensure that the public can obtain accurate and helpful information quickly and easily.

We are continually assessing industry trends to determine what new technologies are best suited for our business processes. During this reporting period, we developed a plan to consolidate file servers to maximize efficiency and facilitate improved backup and recovery capabilities. To ensure appropriate safeguards for IT equipment and sensitive data, we encrypted laptop computers and issued updated policy to all employees advising them of necessary "use and care" procedures.

OIG software specialists and contract personnel continue enhancing and expanding our National Investigative Case Management System (NICMS). During this reporting period, NICMS enhancements included:

- + allowing automated responses for allegation and case referrals between OIG and SSA;
- + new reporting capabilities and data displays;
- + an automated reminder to follow up on aging cases; and
- + the ability to enter a variety of new fields and search within additional data categories.

Outreach Efforts

We are always seeking new ways to reach out to the wider Federal community as well as to members of the public. In a variety of venues, we share our mission of promoting integrity and excellence in Social Security programs and operations. These occasions are important opportunities to exchange information and forge partnerships that can help us further our mission. It is also a chance to educate and inspire public confidence in Federal programs.

During this reporting period, OIG senior officials and employees have been on the podium and in the spotlight, sharing successes related to current OIG projects and initiatives. For example, the Inspector General spoke to the National Association of Disability Examiners in San Diego, and the Deputy Inspector General participated on a panel at the Association of Government Accountants' Internal Control & Fraud Conference in Atlanta. The Resident Agent-in-Charge



in Batavia, New York gave a presentation on the complexities of identity crimes to criminal justice students at the State University of New York. In addition, three directors from OA spoke at regional Intergovernmental Audit Forum meetings on identity theft and access to confidential information.

The SSA OIG is comprised of offices located across the United States, and our employees participate in many activities in their local communities, acting as ambassadors for Federal law enforcement and the SSA OIG. For example, OI special agents assisted the Federal Law Enforcement Officer's Association in fingerprinting and photographing children at the National Center for Missing and Exploited Children's National Kids Day Events in Greensboro, North Carolina, and Milwaukee, Wisconsin. Agents from our Chicago office participated in the Police Unity Tour, which honors the service and sacrifice of law enforcement officers who died in the line of duty, and raises money and awareness for the National Law Enforcement Officers Memorial located in Washington, D.C.

Together with our co-host, the Smithsonian Institution OIG, the SSA OIG planned and hosted all of the Federal Government's inspectors general at the Annual President's Council on Integrity and Efficiency/Executive Council on Integrity and Efficiency (PCIE/ECIE) Annual Training Conference and Retreat on May 1-4, 2006 in Portsmouth, Virginia. The theme of this year's conference was "Adapting to Change—The Changing Role of the Inspector General Community."

Speakers were drawn from both the public and private sectors to address the changes in traditional OIG workloads as well as to discuss how more contemporary issues like hurricane disaster relief and global terrorism are affecting our work. Guest speakers included OMB's Deputy Director for Management, Clay Johnson; *Dateline NBC's* Chris Hansen; Andre Hurtubise, Director General of Integrity Operations for Service Canada; and General Counsel Marilyn Glynn of the Office of Government Ethics.

Finally, the Inspector General's Chief Counsel has participated on the President's Identity Theft Task Force since its inception in May 2006. As part of the Law Enforcement workgroup, we contributed to the creation of "Combating Identity Theft: A Strategic Plan," which will be presented to the President and the Attorney General in November 2006.

Hurricane Response Efforts

In the wake of Hurricanes Katrina and Rita, OIG took many immediate actions to support the Agency as well as individuals in the affected areas. For example, we provided security for the distribution of emergency Social Security checks, escorted officials through devastated areas, and assisted in the setup of temporary Social Security offices.

Although more than a year has passed since these devastating hurricanes came ashore, we continue to be actively involved in combating disaster-related fraud and helping prepare SSA for similar events in the future. Because the SSN is a key identifier for the various relief programs, our office has become a critical partner in multi-agency investigations of hurricane-related fraud. Attorneys from our Office of the Chief Counsel have represented the SSA OIG on the PCIE/ECIE Homeland Security Roundtable, the collaborative effort for hurricane recovery oversight across Federal agencies.



Our OI has also assigned an agent to the DOJ's Hurricane Katrina Fraud Task Force in Louisiana, and we have been involved in numerous joint investigations of hurricane-related fraud referred from the task force and other law enforcement agencies. At the close of this reporting period, our OI had opened 55 investigations and secured 28 indictments and 15 convictions of individuals for hurricane-related fraud.

In addition, our auditors have assessed SSA's service delivery and its emergency policies and procedures that were implemented in the days, weeks, and months following the initial impact of the hurricanes. Following are highlights of two investigations and an audit as a small sample of our efforts related to recovery from the catastrophic effects of Hurricanes Katrina and Rita and preparation for any future disaster recovery efforts.

Individual Fraudulently Obtains \$35,000 in Disaster Assistance Funds

In cooperation with the Government Accountability Office (GAO), the DHS OIG, and the United States Postal Inspection Service (USPIS), our Dallas office arrested an individual for identity theft, mail fraud, and wire fraud. The individual is accused of fraudulently filing 15 separate applications for disaster relief funds at various locations throughout Texas and Louisiana. The scheme was allegedly accomplished by making false statements using different addresses and other individuals' SSNs to obtain disaster relief funds.

A Federal grand jury indicted the individual for fraudulently obtaining over \$35,000 in disaster relief funds. He pled guilty in September 2006 to mail fraud and identity theft, and is scheduled for sentencing in January 2007.

Man Indicted for Hurricane-Related Identity Theft and Mail Fraud

This case was jointly investigated by our Dallas Office, GAO, the DHS OIG, and the USPIS. An individual allegedly submitted 18 separate applications throughout Texas and Louisiana for the purpose of obtaining disaster relief funds. In these applications, he allegedly made false statements regarding his employment and finances, using other individuals' SSNs and addresses. Agents arrested him on charges of identity theft, mail fraud, and wire fraud.

In May 2006, he was indicted for fraudulently obtaining over \$36,000 in disaster relief funds. A trial date has been set for December 2006.

SSA's Service Delivery to Individuals and Beneficiaries Affected by Hurricanes Katrina and Rita

In this review, we assessed SSA's service delivery to individuals affected by Hurricanes Katrina and Rita, as well as the Agency's plans to ensure that payments made under emergency procedures were appropriate and properly safeguarded. Approximately 1 million beneficiaries and recipients receiving approximately \$700 million in monthly benefit payments were affected by Hurricanes Katrina and Rita. Also as a result of these hurricanes, over 1,200 SSA employees were displaced, and numerous SSA facilities were damaged and left inoperable.

To ensure that affected individuals received continued service, SSA took proactive steps, including implementing emergency procedures, locating employees, and beginning recovery of operations



for facilities damaged by the storms. SSA also continued its service delivery to beneficiaries and recipients, expending funds as needed to address emergency requirements.

As a result of our review, we made several recommendations, including that SSA emphasize the importance and use of its emergency contact procedures and National Emergency Toll-Free Number annually and prior to anticipated emergencies. We also recommended that SSA ensure that staff follow procedures for issuing SSN verification printouts, and establish procedures to ensure that all costs associated with a particular disaster can be readily tracked and reported. SSA agreed with our recommendations.



A Special Thank You

The diligent work, outstanding efforts, and many contributions of our entire OIG staff make the numerous accomplishments highlighted in this *Semiannual Report to Congress* possible.

We would like to thank them for their dedicated spirit and many successes.





Reporting Requirements and Appendices



Reporting Requirements

This report meets the requirements of the *Inspector General Act of 1978*, as amended, and includes information mandated by Congress.

Section	Requirement	Page(s)
Section 4(a)(2)	Review of legislation and regulations	N/A
Section 5(a)(1)	Significant problems, abuses, and deficiencies	8-30
Section 5(a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies	8-30
Section 5(a)(3)	Recommendations described in previous Semiannual Reports on which corrective actions are incomplete	Appendices F & G
Section 5(a)(4)	Matters referred to prospective authorities and the prosecutions and convictions that have resulted	13-30
Section 5(a)(5) & Section 6(b)(2)	Summary of instances where information was refused	N/A
Section 5(a)(6)	List of audits	Appendix B
Section 5(a)(7)	Summary of particularly significant reports	8-24
Section 5(a)(8)	Table showing the total number of audit reports and total dollar value of questioned costs	Appendix A
Section 5(a)(9)	Table showing the total number of audit reports and total dollar value of funds put to better use	Appendix A
Section 5(a)(10)	Audit recommendations more than 6 months old for which no management decision has been made	Appendix A
Section 5(a)(11)	Significant management decisions that were revised during the reporting period	N/A
Section 5(a)(12)	Significant management decisions with which the Inspector General disagrees	Appendix D



Appendix A: Resolving Audit Recommendations

The following chart summarizes SSA's responses to our recommendations for the recovery or redirection of questioned and unsupported costs. Questioned costs are those costs that are challenged because of a violation of law, regulation, etc. Unsupported costs are those costs that are questioned because they are not justified by adequate documentation. This information is provided in accordance with P.L. 96-304 (the *Supplemental Appropriations and Recession Act of 1980*) and the *Inspector General Act of 1978*, as amended.

Reports with Questioned Costs for the Reporting Period April 1, 2006 through September 30, 2006			
	Number	Value Questioned	Value Unsupported
A. For which no management decision had been made by the commencement of the reporting period.	7	\$80,252,566	\$2,704,214
B. Which were issued during the reporting period.	13 ^a	\$1,277,539,460	\$58,531
Subtotal (A + B)	20	\$1,357,792,026	\$2,762,745
Less:			
C. For which a management decision was made during the reporting period.	14 ^b	\$1,315,701,382	\$2,762,745
i. Dollar value of disallowed costs.	9	\$1,203,388,033	\$2,719,081
ii. Dollar value of costs not disallowed.	5	\$112,313,349	\$43,664
D. For which no management decision had been made by the end of the reporting period.	7	\$42,090,644	\$0

- a. See Reports with Questioned Costs in Appendix B of this report.
- b. Restitution of Misused Funds to Beneficiaries Under Public Law 108-203 (A-09-05-15139) contained dollars that were disallowed and dollars not disallowed.



The following chart summarizes SSA's response to our recommendations that funds be put to better use through cost avoidances, budget savings, etc.

Reports with Recommendations that Funds Be Put to Better Use Reporting Period April 1, 2006 through September 30, 2006		
	Number	Dollar Value
A. For which no management decision had been made by the commencement of the reporting period.	1	\$209,861
B. Which were issued during the reporting period.	12 ^a	\$2,588,276,684
Subtotal (A + B)	13	\$2,588,486,545
Less:		
C. For which a management decision was made during the reporting period.		
i. Dollar value of recommendations that were agreed to by management.		
(a) Based on proposed management action.	11	\$2,411,237,874
(b) Based on proposed legislative action.	0	\$0
ii. Dollar value of costs not agreed to by management.	1	\$172,648,516
Subtotal (i + ii)	12	\$2,583,886,390
D. For which no management decision had been made by the end of the reporting period.	1	\$4,600,155

a. See *Reports with Funds Put to Better Use* in Appendix B of this report.



Appendix B: Reports Issued

Reports with Non-Monetary Findings October 1, 2005 through September 30, 2006		
Audit Number	Report	Issue Date
A-15-05-15115	Performance Indicator Audit: Continuing Eligibility	10/4/2005
A-15-05-15118	Performance Indicator Audit: Overall Service Rating	10/4/2005
A-15-05-15114	Performance Indicator Audit: Claims Processing	10/27/2005
A-13-05-15031	The Social Security Administration's Office of Systems' Training Program	10/28/2005
A-02-06-16050	Inspector General Statement on the Social Security Administration's Major Management Challenges	11/9/2005
A-15-05-15130	Oversight of the Fiscal Year 2005 Financial Statement Audit	11/9/2005
A-01-05-15026	Administrative Costs Claimed by the Maine Disability Determination Services	11/14/2005
A-05-05-15013	Administrative Costs Claimed by the Wisconsin Disability Determination Bureau	11/22/2005
A-09-05-15099	Universities' Use of Social Security Numbers as Student Identifiers in Region IX	11/30/2005
A-15-05-15117	Performance Indicator Audit: Social Security Numbers and Earnings Processing	11/30/2005
A-77-06-00001	Management Advisory Report: Single Audit of the State of Indiana for the Fiscal Year Ended June 30, 2004	12/6/2005
A-15-06-16033	Costs Claimed by the Virginia Commonwealth University Contract Number 600-99-38679 (Limited Distribution)	12/13/2005
A-14-05-15078	Assessment of the Adequacy of the Social Security Administration's Controls Over the Use of Signature Proxies on Applications for Benefits (Limited Distribution)	12/21/2005
A-77-06-00002	Management Advisory Report: Single Audit of the State of South Carolina for the Fiscal Year Ended June 30, 2004	12/21/2005
A-77-06-00003	Management Advisory Report: Single Audit of the State of New York for the Fiscal Year Ended March 31, 2004	12/21/2005
A-07-05-15091	Office of Hearings and Appeals Reversal of Disability Denial Decisions Involving Investigative Information from Cooperative Disability Investigations Units	1/20/2006
A-13-05-15047	Representative Payees Receiving Benefits for Children in Foster Care	1/20/2006
A-02-05-15125	The Social Security Administration's Ticket to Work - Ticket Assignments	1/24/2006
A-13-05-15028	The Social Security Administration's Identification of Special Disability Workload Cases	1/24/2006
A-15-05-15113	Performance Indicator Audit: Hearings and Appeals Process	1/24/2006



Reports with Non-Monetary Findings October 1, 2005 through September 30, 2006		
Audit Number	Report	Issue Date
A-08-06-26011	Physical Security at the Southeastern Program Service Center (Limited Distribution)	1/25/2006
A-02-05-15116	Performance Indicator Audit: Outstanding Debt	1/27/2006
A-08-06-16056	Hospitals' Use and Protection of Social Security Numbers	1/27/2006
A-77-06-00006	Management Advisory Report: Single Audit of the State of Illinois for the Fiscal Year Ended June 30, 2004	2/10/2006
A-77-06-00007	Management Advisory Report: Single Audit of the State of Oklahoma for the Fiscal Year Ended June 30, 2004	2/10/2006
A-15-06-26026	Disclosure Statement for MAXIMUS' Human Services Operations Segment Effective October 1, 2002	2/17/2006
A-77-06-00008	Management Advisory Report: Single Audit of the State of Pennsylvania for the Fiscal Year Ended June 30, 2004	3/7/2006
A-03-05-15087	Suspended and Nonwork Wages in the Social Security Administration's Payroll	3/13/2006
A-13-05-21521	The Social Security Administration's Nationwide Asbestos Program	3/23/2006
A-14-05-15064	Assessing the Application Controls for the Social Security Administration's Integrated Disability Management System	3/23/2006
A-07-06-26009	The Social Security Administration's Independence Day Assessment	3/24/2006
A-77-06-00009	Management Advisory Report: Single Audit of the State of New Jersey for the Fiscal Year Ended June 30, 2004	3/24/2006
A-77-06-00010	Management Advisory Report: Single Audit of the State of the Michigan Department of Human Services for the 2-Year Period Ended September 30, 2004	3/27/2006
A-09-06-26010	Representative Payee Onsite Reviews of State Institutions	4/20/2006
A-01-06-15067	Physical Security at Remote Hearing Sites in Region I (Limited Distribution)	4/21/2006
A-08-06-26003	Follow-up of the Enumeration at Birth Program	4/27/2006
A-12-06-16045	Physical Security at Remote Hearing Sites in Region VIII (Limited Distribution)	4/27/2006
A-15-06-26014	Disposal of Sensitive Documents at the Social Security Administration (Limited Distribution)	5/10/2006
A-02-06-16064	Physical Security at Remote Hearing Sites in Region II (Limited Distribution)	5/18/2006
A-05-06-16063	Physical Security at Remote Hearing Sites in Region V (Limited Distribution)	5/18/2006



Reports with Non-Monetary Findings
October 1, 2005 through September 30, 2006

Audit Number	Report	Issue Date
A-06-06-16076	Physical Security at Remote Hearing Sites in Region VI (Limited Distribution)	5/19/2006
A-07-06-16040	Scott County Community Services Department, A Fee-for-Service Representative Payee for the Social Security Administration	6/5/2006
A-12-06-16013	Demonstration Project for Non-Attorney Representatives	6/5/2006
A-15-06-16018	MAXIMUS' Indirect Cost Rates for Fiscal Years 2000 and 2001 (Limited Distribution)	6/6/2006
A-03-06-16044	Physical Security at Remote Hearing Sites in Region III (Limited Distribution)	6/8/2006
A-05-05-15135	Administrative Costs Claimed by the Indiana Disability Determination Bureau	6/12/2006
A-04-06-16074	Physical Security at Remote Hearing Sites in Region IV (Limited Distribution)	6/15/2006
A-12-06-26012	Case Processing and Management System and Workload Management	6/15/2006
A-14-06-16049	Implementation of Workers' Compensation in Title II Redesign Release 3	6/15/2006
A-08-05-15138	Employers with the Most Wage Items in the Nonwork Alien File	6/19/2006
A-14-06-16114	Follow-up Audit: Information System Controls of the Social Security Administration's Representative Payee System	6/26/2006
A-03-05-25038	Self-Employment Income Earnings Suspense File	6/27/2006
A-07-06-16081	Physical Security at Remote Hearing Sites in Region VII (Limited Distribution)	6/29/2006
A-02-06-16080	Physical Security at the Northeastern Program Service Center (Limited Distribution)	7/13/2006
A-08-06-16025	The Social Security Administration's Program for Issuing Replacement Social Security Cards to Prisoners	7/13/2006
A-08-06-16075	Congressional Response Report: Compliance with Employment Evidence Requirements for F-1 Students	7/20/2006
A-05-06-16079	Physical Security at the Great Lakes Program Service Center (Limited Distribution)	7/31/2006
A-07-06-26060	Case Management Procedures at the Hearing Office in Creve Coeur, Missouri (Limited Distribution)	8/2/2006
A-09-06-16078	Physical Security at Remote Hearing Sites in Region X (Limited Distribution)	8/7/2006
A-12-06-26048	Digital Recording Acquisition Project (Limited Distribution)	8/7/2006



Reports with Non-Monetary Findings October 1, 2005 through September 30, 2006		
Audit Number	Report	Issue Date
A-09-06-16077	Physical Security at Remote Hearing Sites in Region IX (Limited Distribution)	8/10/2006
A-04-06-16052	The Social Security Administration's Controls over the Assignment of Nonwork Social Security Numbers	8/18/2006
A-13-06-36126	Peer Review of the Treasury Office of Inspector General (Limited Distribution)	8/18/2006
A-08-06-16082	Prisoners' Access to Social Security Numbers	8/23/2006
A-05-06-26058	Follow-up Review of Controls over Supplemental Security Income Replacement Checks	9/6/2006
A-06-06-26072	The Social Security Administration's Service Delivery to Individuals and Beneficiaries Affected by Hurricanes Katrina and Rita	9/11/2006
A-07-06-16095	Physical Security at the Mid-America Program Service Center (Limited Distribution)	9/11/2006
A-14-06-16047	The Social Security Administration's Electronic Mail Security Review (Limited Distribution)	9/18/2006
A-14-06-26085	The Social Security Administration's Implementation of Earned Value Management Systems	9/18/2006
A-15-06-16087	Follow-up on Internal Controls over the Processing of Social Security Number Cards (Limited Distribution)	9/18/2006
A-15-06-16107	Performance Indicator Audit: Supplemental Security Income Payment Accuracy	9/18/2006
A-15-06-16112	Performance Indicator Audit: Management Information Systems and Mainframe Protection	9/18/2006
A-14-06-16084	Fiscal Year 2006 Evaluation of the Social Security Administration's Compliance with the Federal Information Security Management Act	9/22/2006
A-14-07-27068	Assessing Social Security Administration's Efforts to Protect Sensitive Information	9/22/2006
A-02-06-16108	Performance Indicator Audit: 800-Number Access	9/25/2006
A-03-06-26096	Effectiveness of Decentralized Correspondence Sent to Employers	9/25/2006
A-15-06-16073	The Social Security Administration's Oversight of the Dell Workstation Blanket Purchase Agreements under the General Services Administration's Schedule Contract GS-35-F-4076D	9/25/2006
A-03-06-36122	Congressional Response Report: Monitoring the Use of Employee Verification Programs	9/26/2006
A-02-06-16017	Ticket to Work – Operations Support Manager for Vocational Rehabilitation Agencies and Employment Networks	9/27/2006



Reports with Questioned Costs
October 1, 2005 through September 30, 2006

Audit Number	Issue Date	Report	Dollar Amount
A-06-05-15077	10/11/2005	Administrative Costs Claimed by the Arkansas Disability Determination Services	\$2,196
A-15-05-30018	11/8/2005	Administrative Costs Claimed by the District of Columbia Disability Determination Division for Fiscal Years 2001 and 2002	\$1,311,372
A-06-05-15032	11/28/2005	Administrative Costs Claimed by the Louisiana Disability Determination Services	\$120,222
A-04-05-15041	1/20/2006	The Social Security Administration's Controls over the Write-off of Title XVI Overpayments	\$49,067,615
A-07-05-15102	1/24/2006	Administrative Costs Claimed by the Oklahoma Disability Determination Services	\$1,095
A-77-06-00004	1/31/2006	Management Advisory Report: Single Audit of the State of Texas for the Fiscal Year Ended August 31, 2004	\$4,508
A-77-06-00005	1/31/2006	Management Advisory Report: Single Audit of the State of Wisconsin for the Fiscal Year Ended June 30, 2004	\$43,664
A-13-05-15027	2/1/2006	The Social Security Administration's Controls over the Old-Age, Survivors and Disability Insurance Waiver Approval Process	\$11,146,465
A-04-05-15040	3/13/2006	Administrative Costs Claimed by the North Carolina Disability Determination Services	\$4,134,902
A-13-05-15029	3/22/2006	The Social Security Administration's Decisions to Terminate Collection Efforts for Old-Age, Survivors and Disability Insurance Overpayments	\$29,532,455
A-06-06-16008	3/23/2006	Administrative Costs Claimed by the Texas Disability Determination Services	\$778,111
A-01-04-24065	4/3/2006	Congressional Response Report: Overpayments in the Social Security Administration's Disability Programs	\$1,156,689,420
A-13-05-15134	5/19/2006	Administrative Costs Claimed by the Virginia Disability Determination Services	\$288,841
A-06-05-25136	5/23/2006	Survivor Beneficiaries Enumerated After the Wage Earner's Death	\$4,678,333
A-02-05-15080	5/31/2006	Controls Over Old-Age, Survivors, and Disability Insurance Replacement Checks	\$549,849
A-09-05-15143	6/5/2006	Payments to Surviving Spouses at Retirement Age	\$62,448,596
A-01-05-35086	6/14/2006	Match of Veterans Affairs' Historical Death File against the Social Security Administration's Benefit Rolls	\$11,167,668
A-01-06-26004	8/7/2006	Benefits Paid to Dually Entitled Title II Beneficiaries	\$22,988,306
A-01-06-26022	8/10/2006	Beneficiaries Paid Under More than One Social Security Number	\$6,128,725
A-09-05-15139	8/17/2006	Restitution of Misused Funds to Beneficiaries Under Public Law 108-203	\$404,408



Reports with Questioned Costs October 1, 2005 through September 30, 2006			
Audit Number	Issue Date	Report	Dollar Amount
A-08-05-25145	8/18/2006	Improperly Paid Lump-Sum Death Payments	\$570,597
A-15-06-26123	9/25/2006	Federal Employees' Compensation Act - Social Security Administration Employees	\$703,626
A-06-06-26020	9/26/2006	Survivor Benefits Paid in Instances When the Social Security Administration Removed the Death Entry from a Primary Wage Earner's Record	\$8,781,850
A-12-06-20016	9/27/2006	Controls Over Multiple Payments to Attorneys	\$2,197,772
TOTAL:			\$1,373,740,596



Reports with Funds Put to Better Use
October 1, 2005 through September 30, 2006

Audit Number	Issue Date	Report	Dollar Amount
A-06-05-15077	10/11/2005	Administrative Costs Claimed by the Arkansas Disability Determination Services	\$211,122
A-15-05-30018	11/8/2005	Administrative Costs Claimed by the District of Columbia Disability Determination Division for Fiscal Years 2001 and 2002	\$257,750
A-07-05-15102	1/24/2006	Administrative Costs Claimed by the Oklahoma Disability Determination Services	\$207,940
A-04-05-15040	3/13/2006	Administrative Costs Claimed by the North Carolina Disability Determination Services	\$689,211
A-06-06-16008	3/23/2006	Administrative Costs Claimed by the Texas Disability Determination Services	\$40,157
A-01-04-24065	4/3/2006	Congressional Response Report: Overpayments in the Social Security Administration's Disability Programs	\$2,143,941,739
A-09-05-15144	4/12/2006	Concurrent Title II and Title XVI Beneficiaries Receiving Representative Payee and Direct Payments	\$203,163,408
A-04-05-15042	4/20/2006	Payments Resulting from Disability Insurance Actions Processed via the Social Security Administration's Manual Adjustment, Credit and Award Processes	\$19,650,378
A-07-05-15095	5/10/2006	Impact of Statutory Benefit Continuation on Supplemental Security Income Payments Made During the Appeals Process	\$172,648,516
A-09-05-25020	5/18/2006	Beneficiaries in Suspended Payment Status Pending the Selection of a Representative Payee	\$15,606,100
A-13-05-15134	5/19/2006	Administrative Costs Claimed by the Virginia Disability Determination Services	\$733,732
A-01-05-35086	6/14/2006	Match of Veterans Affairs' Historical Death File against the Social Security Administration's Benefit Rolls	\$1,940,796
A-08-06-16024	6/26/2006	Supplemental Security Income Overpayments to Recipients in Title XIX Institutions	\$9,917,860
A-01-06-26004	8/7/2006	Benefits Paid to Dually Entitled Title II Beneficiaries	\$14,653,420
A-01-06-26022	8/10/2006	Beneficiaries Paid Under More than One Social Security Number	\$849,983
A-08-05-25145	8/18/2006	Improperly Paid Lump-Sum Death Payments	\$570,597
A-06-06-26020	9/26/2006	Survivor Benefits Paid in Instances When the Social Security Administration Removed the Death Entry from a Primary Wage Earner's Record	\$4,600,155
TOTAL:			\$2,589,682,864



Appendix C: Reporting Requirements Under the Omnibus Consolidated Appropriations Act for FY 1997

To meet the requirements of the *Omnibus Consolidated Appropriations Act of 1997*, P.L. 104-208, we are providing requisite data for FY 2006 from the Offices of Investigations and Audit in this report.

OFFICE OF INVESTIGATIONS

We are reporting over \$28 million in SSA funds as a result of our investigative activities in this reporting period. These funds are broken down in the table below.

Investigative Activities					
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Court Ordered Restitution	\$4,505,643	\$4,999,354	\$4,293,254	\$5,019,658	\$18,817,909
Recoveries	\$8,401,105	\$9,790,749	\$8,879,340	\$8,421,120	\$35,492,314
Fines	\$421,128	\$371,230	\$525,244	\$684,259	\$2,001,861
Settlements/ Judgments	\$320,618	\$717,538	\$461,719	\$139,844	\$1,639,719
TOTAL	\$13,648,494	\$15,878,871	\$14,159,557	\$14,264,881	\$57,951,803

OFFICE OF AUDIT

SSA management has informed us that it has completed implementing recommendations from 16 audit reports during this time period valued at over \$3 billion.

Supplemental Security Income Overpayments to Recipients in Title XIX Institutions (A-08-06-16024, 6/26/2006)

We recommended that SSA establish methods by which field office personnel should promptly resolve diary alerts resulting from recipients' admissions to Title XIX institutions and monitor compliance with these procedures. The implemented recommendation is valued at over \$9.9 million.

Administrative Costs Claimed by the Virginia Disability Determination Services (VA-DDS) (A-13-05-15134, 5/19/2006)

We recommended that SSA withdraw VA-DDS funding authorization of \$225,000 and \$508,732 for FYs 2003 and 2004, respectively, for the unsupported obligations.



Beneficiaries in Suspended Payment Status Pending the Selection of a Representative Payee (A-09-05-25020, 5/18/2006)

We recommended that SSA emphasize to the field office employees the importance of resolving representative payee development issues as quickly as possible. We also recommended that SSA remind field office employees that competent adult beneficiaries should be paid directly unless doing so would cause the beneficiary substantial harm. We also recommended that SSA remind field office employees that benefits must be reinstated after 1 month unless the beneficiary is legally incompetent, under the age of 15 years, or has an alcoholism or drug addiction condition. The implemented recommendation is valued at over \$15.6 million.

Payments Resulting from Disability Insurance Actions Processed via the Social Security Administration's Manual Adjustment, Credit and Award Processes (MADCAP) (A-04-05-15042, 4/20/2006)

We recommended that SSA issue a reminder and, if necessary, further guidance to responsible program service center staff requiring that all underlying actions resulting in MADCAP payments be verified to the supporting documentation. The implemented recommendation is valued at \$19,650,378.

Concurrent Title II and Title XVI Beneficiaries Receiving Representative Payee and Direct Payments (A-09-05-15144, 4/12/2006)

We recommended that SSA develop a systems edit/alert to prevent and/or detect instances in which concurrent payments are made directly to a beneficiary and a representative payee. We also recommended that SSA determine whether the 11,399 concurrent beneficiaries should have their benefits paid directly or through a representative payee. The implemented recommendation is valued at \$203,163,408.

Administrative Costs Claimed by the North Carolina Disability Determination Services (NC-DDS) (A-04-05-15040, 3/13/06)

We recommended that SSA instruct the NC-DDS to return the \$689,211 that remains unused in its FYs 2001 – 2003 Automated Standard Application for Payments (ASAP) accounts.

Administrative Costs Claimed by the Oklahoma Disability Determination Services (A-07-05-15102, 1/24/06)

We recommended that the SSA Regional Commissioner rescind the excess ASAP funding authority of \$33,598 and \$174,342 for FYs 2003 and 2004, respectively.

Administrative Costs Claimed by the District of Columbia Disability Determination Division for Fiscal Years 2001 and 2002 (A-15-05-30018, 11/8/2005)

We recommended that SSA work with DHS to determine the validity of net unsupported costs of \$376,416 and \$1,086,604 for FY 2001 and 2002, respectively, and require DHS to refund any disbursements claimed for which support can not be provided.



Administrative Costs Claimed by the Arkansas Disability Determination Services (AR-DDS) (A-06-05-15077, 10/11/05)

We recommended that SSA instruct the AR-DDS to de-obligate the \$20,000 from the FY 2003 SSA-4513. We also recommend SSA instruct AR-DDS to conduct reviews of the Consultative Examination fee schedule and update rates on an on-going basis to ensure fees do not exceed allowable limits such as the \$191,122 identified in this report.

The Effectiveness of the Social Security Administration's Controls over Title II Unnegotiated Checks (A-02-05-15079, 9/19/05)

We recommended that SSA review and take appropriate action to address the 18 cases we identified where unnegotiated checks continue. The implemented recommendation is valued at \$734,000.

Administrative Costs Claimed by the Pennsylvania Bureau of Disability Determination (A-15-04-14080, 8/31/05)

We recommended that SSA improve internal controls over the obligation process to ensure only properly supported obligations are recorded and de-obligate the invalid move/expansion unliquidated obligations of \$770,775 for FY 2002 and \$1,381,094 for FY 2003.

Individuals Receiving Benefits Under Multiple Social Security Numbers at the Same Address (A-01-05-25002, 4/29/2005)

We recommended that SSA develop a match to identify and prevent beneficiaries inappropriately receiving both OASDI benefits and SSI payments under different SSNs. The implemented recommendation is valued at \$786,864

Social Security Number Cards Issued After Death (A-06-03-13078, 4/20/05)

We recommended that SSA review its procedures for paying survivor's payments to auxiliaries when evidence indicates that the numberholder is not deceased. The implemented recommendation is valued at \$720,000.

Indirect Costs Claimed by the Arizona Disability Determination Services (A-09-04-14010, 3/28/2005)

We recommended that SSA ensure the Department of Economic Security revises its cost allocation plan to require all programs that benefit from expenditures in the departmental and State wide indirect cost pools receive an appropriate allocation of indirect costs. The implemented recommendation is valued at \$610,000.

The Social Security Administration's Clean-Up of Title II Disability Insurance Cases with a Workers' Compensation Offset (A-04-03-13042, 10/14/04)

We recommended that SSA evaluate the effectiveness of the procedures implemented to improve the payment accuracy of the Workers' Compensation workload and implement new or additional procedures, as necessary. The implemented recommendation is valued at \$87.5 million.

The Social Security Administration Can Recover Millions in Medicare Premiums Related to Retirement or Disability Payments Made after Death (A-08-02-12029, 7/3/02)

We recommended that SSA calculate the amount of unrecovered Medicare premiums it withheld from deceased beneficiaries and remitted to CMS. SSA calculated that the amount totaled \$2.7 billion, including lost interest.



Appendix D: Significant Management Decisions With Which the Inspector General Disagrees

Employers with the Most Wage Items in the Nonwork Alien File (A-08-05-15138, 6/19/06)

Recommendation: We recommended that SSA consider informing numberholders that: 1) the Agency has recorded their earnings under an SSN assigned for nonwork purposes; 2) DHS has been notified of the unauthorized work; and 3) they should visit an SSA field office and provide proof of DHS work authorization status if their status has changed since the nonwork SSN was assigned.

Agency Response: SSA disagreed. SSA believes that the proposed actions would have a minimal effect on SSA program administration while creating a substantial workload, both in systems development and in SSA's field offices.

In the body of the report, the OIG suggested that SSA use the Social Security Statement as a vehicle to notify individuals assigned a "nonwork" number when SSA has recorded earnings under their number and that DHS will be notified. However, the 4-page Social Security Statement is a carefully crafted document that was developed as a public education and financial planning tool to be used by all workers in this country. We do not believe it would be prudent to devote resources to a separate mailing of the Statement tailored specifically to those individuals who have earnings and whose original Social Security card was a "nonwork" card, as such individuals represent less than one-half of one percent of the 144 million annual Statements mailed in 2005. Nor do we believe it is prudent to develop and send a new letter to the more than 500,000 individuals who have earnings and whose original Social Security Card was issued with the "nonwork" legend. Moreover, as OIG has noted in its report, many such individuals are, in fact, authorized to work.

In addition, SSA currently informs all number holders how to notify SSA of any changes to their record through the instructions attached to the Social Security card (reverse side of form SSA- 000). Those instructions state, "You should contact us to update your Social Security number records if your name, your U.S. citizenship status, or your status as an alien in the U.S. changes. You will need to file an application for corrected Social Security card and provide proof of your identity, and we may request certain other evidence supporting the change." The instructions further state, "If you are an alien without permission to work in the U.S., your Social Security card will be marked 'NOT VALID FOR EMPLOYMENT.' We will notify U.S. immigration officials if you use the number to work."

Recommendation: We recommended that SSA consider examining its interpretation of existing disclosure laws and, if necessary, seek legislative authority that would allow the Agency to disclose nonwork status to employers.

Agency Response: SSA disagreed. In the audit report, OIG did not cite Section 6103 of the Internal Revenue Code as a basis for withholding "nonwork" status from employers. Section 6103 of the Internal Revenue Code is the statutory provision that prevents disclosure of tax information, including earnings information collected by SSA from employers as part of the wage reporting process. That provision, however, does not apply to records pertaining to work status. Work status records



are included in the application for an SSN, and are thus included in the Privacy Act system of records Master Files of SSN Holders and SSN Applications, 60-0058, commonly referred to as the Numident. As discussed in detail below, the Privacy Act prevents the disclosure of such information. Under the Privacy Act routine use provision (5 U.S.C. § 552a(b)(3)), SSA may disclose information for a purpose compatible with the purpose for which we collect and maintain information. Section 401.150 of SSA disclosure regulations that implement the Privacy Act (20 C.F.R. Part 401) provides that SSA may disclose information where necessary to carry out SSA's programs. SSA collects enumeration information in order to assign SSNs, which in turn allows SSA to record wage credits to the appropriate earnings file. Thus, SSA verifies SSNs for employers solely to ensure the records of the current or former employees (or for individuals whom an employer has made a commitment to hire) are correct for the purpose of completing Internal Revenue Service Forms W-2 (Wage and Tax Statement). The SSN verifications allow SSA to properly credit employees' earnings records, which will be important information in determining their Social Security benefits in the future.

In order for SSA to be able to disclose "nonwork" status to employers for whom the Agency verifies SSNs, SSA must be able to establish that the disclosure of that specific information meets the compatibility standard in both the Privacy Act (5 U.S.C. § 522a(a)(7)) and SSA's disclosure regulations noted above. SSA collects this information as part of the enumeration process only in order to issue SSNs and to ensure proper wage reporting needed to accomplish our core mission. Maintaining the integrity of the SSN record is of paramount concern for SSA. DHS has purview over the authorization, collection, and maintenance of information related to work eligibility. Thus, current work authorization status can be verified only by DHS. Because SSA does not have the authority to investigate, verify, or enforce work authorization status, SSA cannot establish the requisite compatibility needed to disclose "nonwork" status to employers. Even if SSA has legislative authority for this purpose, with such authority, however, the information would be of questionable value, because SSA's records often do not reflect the current status of this information. SSA only collects this information at enumeration and often does not receive notification of changes in status from the individual until they apply for benefits. Thus, the information would only be of limited value. In addition, disclosing incorrect "nonwork" status information to an employer could have a negative impact on the Agency. For example, confusion over incorrect work status information could lead to improper terminations of employees authorized to work. SSA could then be viewed by the public as having been responsible for the improper termination. Such incidents could in turn lead to adverse publicity for SSA. Disclosures of incorrect information could also lead to numerous additional visits to field offices, distracting the Agency from its core mission of administering the Social Security program. As noted above, verifying current work status information is one of the missions of DHS. Therefore, SSA should not seek legislative authority for this matter.



Appendix E: Collections From Investigations and Audits

The *Omnibus Consolidated Appropriations Act of 1997* (P.L. 104-208) requires us to report additional information concerning actual cumulative collections and offsets achieved as a result of OIG activities each semiannual period.

OFFICE OF INVESTIGATIONS

Total Restitution Reported by DOJ as Collected for SSA			
FY	Total Number of Individuals Assigned Court Ordered Restitution	Court Ordered Restitution for This Period	Total Restitution Collected by DOJ
2004	700	\$24,309,652	\$2,307,487
2005	661	\$22,292,757	\$1,753,601
2006	578	\$18,817,909	\$1,040,305 ¹
TOTAL	1,939	\$65,420,318	\$5,101,393

¹Reflects collection for October 1, 2005 – June 30, 2006 .

Recovery Actions Based on OI Investigations		
FY	Total Number of Recovery Actions Initiated	Amount for Recovery
2004	1,861	\$32,706,653
2005	1,686	\$30,908,777
2006	1,865	\$35,492,314
TOTAL	5,412	\$99,107,744



OFFICE OF AUDIT

The following chart summarizes SSA's responses to our recommendations for the recovery or redirection of questioned and unsupported costs. This information is prepared in coordination with SSA's management officials and is current as of September 30, 2006.

SSA's Responses to OIG's Recommendations Recovery or Redirection of Questioned and Unsupported Costs						
FY	Reports with Questioned Costs	Questioned/Unsupported Costs	Management Concurrence	Amount Collected or to be Recovered	Amount Written-Off/Adjustments	Balance
2004	19	\$1,500,781,845	\$1,476,911,418	\$107,030,015	\$1,390,105,634 ¹	\$3,684,480
2005	24	\$374,930,433	\$363,916,161	\$173,530,234	\$11,132,403	\$184,734,508
2006	24	\$1,373,740,596	\$1,204,903,048	\$1,163,864,533	\$128,863,519	\$81,012,544
TOTAL	67	\$3,249,452,874	\$3,045,730,627	\$1,444,424,782	\$1,530,101,556	\$269,431,532

¹This amount includes \$1,365,957,300 in adjustments that were contained in the report, *Disabled Title II Beneficiaries with Earnings Reported on the Master Earnings File (MEF)* (A-01-03-13019, 7/12/2004). We recommended that SSA review past cases where significant earnings are present on the MEF and no determination has been made regarding trial work and/or substantial gainful activity (SGA). SSA agreed, where it is cost beneficial to do so and as its resources permit, to review the cases with significant earnings on the MEF where no determination has been made regarding trial work/SGA and take action. However, SSA subsequently informed us that it would not review the cases.

Appendix F: Significant Monetary Recommendations From Prior FYs for Which Corrective Actions Have Not Been Completed

There are no significant monetary recommendations from prior FYs for which corrective actions have not been completed.



Appendix G: Significant Non-Monetary Recommendations From Prior FYs for Which Corrective Actions Have Not Been Completed

Follow-up of Pending Workers' Compensation (WC): The Social Security Administration Can Prevent Millions in Title II Disability Overpayments (A-08-05-25132, 9/9/05)

Recommendation: We encouraged the Agency to implement the recommendations we made in our June 2003 report. Specifically, the Social Security Administration needs to (1) follow through with steps to reduce its backlog of Title II disability cases having pending WC claims, (2) develop and implement an automated process to ensure the Agency systematically and routinely follows up on new pending WC cases, and (3) explore systems enhancements that would detect situations in which WC is not applicable to prevent personnel from retrieving and analyzing cases that no longer require development.

Agency Response: SSA agreed with the recommendations.

Corrective Action: SSA will continue to pursue this initiative to the extent possible. However, SSA's available resources are limited and prioritized, thereby placing restraints on its ability to undertake additional efforts. SSA submitted a proposal to the Information Technology Advisory Board (ITAB) to set up a computer matching agreement with CMS to match their Common Working File (CWF) with information in SSA's Master Beneficiary Record on pending WC alert cases. (The ITAB is an inter-component Agency advisory board that evaluates systems projects and priorities and determines which ones can be accomplished with the Agency's limited resources.) The CWF contains information about WC involvement after 2 years of disability entitlement and could be used to help clear the pending WC alert cases. To date, the ITAB has not approved the proposal. The proposal will be discussed for possible inclusion in the fiscal year 2007 ITAB.

The Social Security Administration's Match of Disability Insurance Records with Texas Workers' Compensation Payment Data (A-06-05-15024, 8/5/2005)

Recommendation: We recommended that SSA pursue similar matching agreements with other States to obtain WC information.

Agency Response: SSA agreed with the recommendation.

Corrective Action: The Workers Compensation Workgroup (WCW) has addressed the replication of the Texas pilot in other States. The WCW is currently in the process of researching which States' outside entities or CMS can provide a centralized electronic database with applicable WC data elements. Items such as compatible systems requirements and the data elements needed by SSA and gathered from Texas are being assessed. Though it appears appropriate to focus efforts in the direction of those States identified as the 10 highest DI payment States, legal idiosyncrasies (e.g., Florida is a reverse offset state) or systems limitations (e.g., California has no centralized WC data) will affect the final recommendations as to which States will be best suited for a Texas-type matching program.

SSA is still working with both Federal CMS and private entities to determine if there are any alternative methods they can pursue to obtain WC verification.



Glossary of Acronyms

Abbreviation	Definition
ALJ	Administrative Law Judge
ASAP	Automated Standard Application for Payments
CDI	Cooperative Disability Investigation
CMP	Civil Monetary Penalty
CMS	Centers for Medicare and Medicaid Services
CWF	Common Working File
DDS	Disability Determination Service
DHS	Department of Homeland Security
DOJ	Department of Justice
ECIE	Executive Council on Integrity and Efficiency
ESF	Earnings Suspense File
FBI	Federal Bureau of Investigation
FY	Fiscal Year
GAO	Government Accountability Office
ICE	Bureau of Immigration and Customs Enforcement
IO	Immediate Office
IT	Information Technology
ITAB	Information Technology Advisory Board
ITIN	Individual Taxpayer Identification Number
IRS	Internal Revenue Service
MADCAP	Manual Adjustment, Credit and Award Process
MEF	Master Earnings File
MOU	Memoranda of Understanding
NICMS	National Investigative Case Management System
NWALIEN	Nonwork Alien
OA	Office of Audit
OASDI	Old-Age, Survivors, and Disability Insurance
OCCIG	Office of the Chief Counsel to the Inspector General



Abbreviation	Definition
ODAR	Office of Disability Adjudication and Review
OI	Office of Investigations
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OQAPR	Office of Quality Assurance and Professional Responsibility
ORM	Office of Resource Management
PACS	Performance Assessment and Communication System
PCIE	President’s Council on Integrity and Efficiency
PSC	Program Service Center
SEI	Self-Employment Income
SGA	Substantial Gainful Activity
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
SSNVS	Social Security Number Verification Service
<i>the Act</i>	<i>Social Security Act</i>
TY	Tax Year
USPIS	United States Postal Inspection Service
VA	Department of Veterans Affairs
WC	Workers’ Compensation
WCW	Workers’ Compensation Workgroup



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Attention: SSA Fraud Hotline
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Baltimore, MD 21235

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