
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**THE SOCIAL SECURITY
ADMINISTRATION'S TICKET TO
WORK – TICKET ASSIGNMENTS**

January 2006

A-02-05-15125

AUDIT REPORT



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SOCIAL SECURITY

MEMORANDUM

Date: January 24, 2006

Refer To:

To: The Commissioner

From: Inspector General

Subject: The Social Security Administration's Ticket to Work – Ticket Assignments
(A-02-05-15125)

OBJECTIVE

Our objective was to verify whether vocational rehabilitation agencies (VRA) completed *State Agency Ticket Assignment Forms* (Form SSA-1365) in accordance with the Ticket to Work and Work Incentives Improvement Act of 1999 and related Social Security Administration (SSA) policies.

BACKGROUND

The Ticket to Work (TTW) program was established by the Ticket to Work and Work Incentives Improvement Act of 1999. The program provides eligible Disability Insurance and Supplemental Security Income beneficiaries with tickets, which can be used to obtain vocational rehabilitation or employment services. The program is intended to increase the access and quality of rehabilitation and employment services available to disabled beneficiaries. In addition, the program is designed to provide beneficiaries with greater freedom and choice of service providers, create competition among providers to provide high quality services that are responsive to beneficiary needs and give providers incentives to deliver services in the most efficient and appropriate manner to achieve desired outcomes.

To implement the TTW program, SSA used a phased approach to mail tickets to eligible beneficiaries. Beginning in February 2002, SSA began the first of 3 phases, which included mailing tickets to eligible beneficiaries based on the terminal (last) digit of their Social Security numbers and the States in which the beneficiaries resided (see Appendix C for more details of the criteria for ticket assignments). As of September 2004, tickets had been mailed to all the beneficiaries eligible at that time. Tickets continue to be mailed to newly eligible beneficiaries.

To assign a ticket to a VRA, SSA policy, which is stated in a document referred to as Transmittal 17,¹ requires a VRA to complete a Form SSA-1365. For “pipeline” cases, both a representative from the VRA and the beneficiary are required to sign the form. Form SSA-1365 clearly states that the ticket holder (the beneficiary), or his or her representative, must sign the form to confirm the decision to assign the ticket to a State VRA.

SSA designated cases as “pipeline” cases if the beneficiary first became eligible for the TTW program after developing and signing an Individualized Plan for Employment (IPE) with a State VRA. An IPE is an agreement between a VRA and a beneficiary, which details the beneficiary’s employment goals and the support services the VRA will provide to assist the beneficiary in obtaining, regaining, or maintaining self-supporting employment. A beneficiary, who is eligible to assign a ticket, can do so only if that beneficiary and a representative of a VRA have developed and signed an IPE.

SSA designated cases as “new” cases if the beneficiary first became eligible for the TTW program before the beneficiary and a representative of the State VRA signed an IPE. For “new” cases, a ticket assignment can be processed using an unsigned Form SSA-1365, providing it is submitted along with an IPE signed by both the beneficiary and a VRA representative.

Once completed, VRAs submit Form SSA-1365 to MAXIMUS, which serves as the Program Manager of the TTW program as contracted by SSA.² MAXIMUS manages the day-to-day administration of the program.

During the period, February 1, 2002 through January 31, 2005, a total of 74,529 tickets were assigned to VRAs as part of the TTW program. A representative of the Social Security Task Force, Consortium for Citizens with Disabilities, testified at a congressional hearing in March 2004 that beneficiaries were involuntarily having their tickets assigned by State VRAs—apparently without their knowledge or signed consent. The representative also stated that one VRA was retroactively assigning the tickets of every person who had received VRA services after February 2002 without notice to the beneficiary (see Appendix B for excerpt).

The Ticket to Work and Work Incentives Advisory Panel has also stated its concerns on the process to assign tickets to State VRAs. The Ticket to Work and Work Incentives Improvement Act of 1999 established the Advisory Panel to advise the President, the Congress and the Commissioner of Social Security on issues related to work incentive programs, planning and assistance for individuals with disabilities and the implementation of the TTW program. In October 2003, the Advisory Panel

¹ SSA’s Vocational Rehabilitation Providers Handbook, Chapter 12, Ticket to Work Program, Section 3A, Overview of Ticket Assignments, Initial Assignment of a Ticket, Paragraph 4, Proof of a Beneficiary’s Decision to Assign a Ticket.

² Contract No. 0600-00-60020, Program Manager Services for the Ticket to Work & Self-Sufficiency Program.

recommended that Transmittal 17 be amended to end the current use of the signed State VRA IPE as documentation needed for assignment of a ticket. The Advisory Panel's recommendation has not been implemented by SSA.

In our work, we verified whether VRAs completed Form SSA-1365s and IPEs in accordance with the Ticket to Work and Work Incentives Improvement Act of 1999 and related SSA policies.

RESULTS OF REVIEW

Based on the results of our review, we found that beneficiaries' tickets were assigned to State VRAs in accordance with SSA policies. Specifically, our review showed that MAXIMUS properly processed Form SSA-1365s and corresponding IPEs, and MAXIMUS maintained adequate controls over ticket assignments to VRAs. We found that although tickets were properly assigned, there were several beneficiaries who did not sign their Form SSA-1365s. Signatures on the Form SSA-1365s were not required in accordance with SSA's policies, since the cases were "new" cases and signed IPEs were submitted with them. However, since the Form SSA-1365s were unsigned and the IPEs did not contain any language signifying that the beneficiary knowingly assigned his or her ticket, we were unable to determine whether these ticket assignments occurred with the beneficiaries' knowledge.

TICKET ASSIGNMENT CASE REVIEW

We found that State VRAs completed Form SSA-1365s and related IPEs in accordance with SSA policies. In addition, we found that MAXIMUS processed the State VRA ticket assignments in accordance with SSA policies, in particular, Transmittal 17. Although we found that the assignments were properly processed, we identified 5 of 50 ticket assignments that were processed without the beneficiaries' signed consent on the Form SSA-1365s. The unsigned Form SSA-1365s were submitted along with signed IPEs. The IPEs, however, did not contain any language signifying that the beneficiary was knowingly assigning his or her ticket. While the signatures were not required on the Form SSA-1365s, since these were "new" cases, we could not determine whether the beneficiaries knowingly assigned their tickets to their State VRAs. In contrast, we identified 35 other "new" cases in which beneficiaries had signed their Form SSA-1365s, even though SSA's policy did not require it. The remaining 10 assignments we examined were "pipeline" cases and had the beneficiaries' signatures on the Form SSA-1365, as required.

Controls Over Ticket Assignments

Based on our review, we concluded that MAXIMUS ensured that VRAs submitted proper documentation for the ticket assignments and that it was properly maintained. We found data from the Form SSA-1365s and IPEs maintained in case folders that agreed with database entries for the 50 ticket assignments we examined. Further, physical security over ticket assignment documentation appeared adequate. We

observed that case folders were kept in a secure location and access to the folders was limited to authorized personnel.

UNSIGNED FORM SSA-1365s

Although tickets were assigned in accordance with SSA policies, and adequate controls existed over the assignment process, 5 of the 50 ticket assignments we reviewed occurred without the beneficiaries' signature on the Form SSA-1365. While Transmittal 17 allows for ticket assignments to occur without the beneficiaries' signed consent on the Form SSA-1365 for "new" cases, this policy creates the risk that tickets can be assigned without the beneficiaries' knowledge.

A State VRA can select one of three methods to be reimbursed by SSA for the services provided to ticket holders who return to work. A VRA can select direct cost reimbursement for services provided, or an outcome or milestone/outcome payment system. Most of the VRAs have selected to be reimbursed for the direct costs incurred in assisting a ticket holder to work. Once a State VRA has received cost reimbursement for services provided, a ticket holder cannot reassign his or her ticket to an employment network (EN) for additional services. Once a State VRA is paid by SSA under the cost reimbursement payment system, such payment precludes any subsequent payment by SSA based on the same ticket to an EN. So, if a ticket is assigned without a beneficiary's knowledge to a VRA, the VRA may use the entire value of the ticket, limiting the ticket holder's ability to seek additional services from an EN in his or her efforts to return to work.

CONCLUSION AND RECOMMENDATION

We concluded that although tickets were assigned in accordance with the TTW program and related SSA policies, assignments occurred without the beneficiaries' signed consent, and perhaps without their knowledge. While Transmittal 17 allows for ticket assignments to occur without the beneficiaries' explicit signed consent on the Form SSA-1365 for "new" cases, the policy creates the risk that tickets may be assigned without the beneficiaries' knowledge. Requiring beneficiaries to sign a document, either Form SSA-1365 or a revised IPE that clearly states that the beneficiaries' signature authorizes his or her ticket to be assigned to the VRA will help ensure that ticket assignments are being made with the beneficiaries' knowledge. Accordingly, to ensure that ticket assignments occur with the beneficiaries' consent and knowledge, we recommend that SSA:

1. Clarify its policy to require that a beneficiary's signed consent to assign his or her ticket is apparent on the documentation required to assign tickets to State VRAs.

AGENCY COMMENTS

The Agency agreed with our recommendation. The full text of its comments are included in Appendix D.

A handwritten signature in black ink, appearing to read "P. O'Carroll, Jr.", with a stylized flourish at the end.

Patrick P. O'Carroll, Jr.

Appendices

[APPENDIX A](#) – Acronyms

[APPENDIX B](#) – Scope and Methodology

[APPENDIX C](#) – Criteria for Ticket Assignments

[APPENDIX D](#) – Agency Comments

[APPENDIX E](#) – OIG Contacts and Staff Acknowledgments

Acronyms

EN	Employment Networks
IPE	Individualized Plan for Employment
OIG	Office of the Inspector General
SSA	Social Security Administration
SSN	Social Security Number
TTW	Ticket to Work Program
VRA	Vocational Rehabilitation Agency

Scope and Methodology

To accomplish our objective, we:

- Reviewed the regulations for the Ticket to Work (TTW) program authorized by the Ticket to Work and Work Incentives Improvement Act of 1999.
- Coordinated with Social Security Administration (SSA) and MAXIMUS staff to become familiar with Ticket to Work processes and MAXIMUS' operations and to obtain background, requirements, laws, and pertinent criteria related to ticket assignments. Also, discussed MAXIMUS' role in ticket assignments and documents required, received, retained and processed by MAXIMUS.
- Reviewed testimony by an advocate from the Social Security Task Force, Consortium for Citizens with Disabilities, who testified before the Subcommittee on Social Security of the House Committee on Ways and Means on March 18, 2004. Testimony excerpt in part: "Finally, in an SSA document known as 'Transmittal 17,' SSA has essentially allowed State VRA [vocational rehabilitation agencies] to involuntarily assign a beneficiary's ticket apparently without their knowledge or signed consent. Furthermore, we just discovered that the Florida State VRA is going back through their case files and retroactively assigning the Tickets of every person who had received VR's services after February 2002 without notice to the beneficiary and regardless of whether the beneficiary had intended to assign that Ticket to VRA or not."
- Reviewed the Ticket to Work and Work Incentives Advisory Panel's advisory letter recommendation dated October 21, 2003. The recommendation states, "Amend Transmittal 17 to end the current use of the signed State VRA IPE as documentation needed for assignment of ticket."
- Requested from SSA, the number of VRAs and the number of tickets assigned. Also, we obtained, reviewed and discussed Transmittal 17 with an SSA representative and found that beneficiaries may have their tickets involuntarily assigned without their signed consent providing certain conditions are met. Criteria allows for beneficiaries to reassign their tickets to an employment network (EN),¹ which is serving under the program and is willing to provide services or to another VRA if eligible to receive such services.

¹ An EN is any qualified entity that has entered into an agreement with us to function as an EN under the Ticket to Work program and assume responsibility for the coordination and delivery of employment services, vocational rehabilitation services, or other support services to beneficiaries who have assigned their tickets to that EN.

- Requested from MAXIMUS the ticket assignment beneficiary file layout by record specification, claim effective month, ticket month, etc., and reviewed them to identify the data elements that were needed to identify our universe. Upon receipt of the universe, we reviewed the data elements in the file layout and printouts of various computer screens to further identify specific data needed for our review of ticket assignments.
- Received from MAXIMUS a universe identifying 74,529 tickets assigned to VRAs over a 3-year period from February 1, 2002 through January 31, 2005. Upon receipt, discussed characteristics of the universe on current ticket assignments assigned by VRAs, logic (edits) in the MAXSTAR system,² related supporting documentation and case folders.

To determine whether tickets were assigned in accordance with the TTW program and related SSA policies and to test the controls of these assignments, we originally selected a random sample of 250 ticket assignments from the universe and obtained the case folders, which contained documentation used to enter data into the MAXSTAR system.³ However, upon examining the first 50 sample items in order of selection, we found that all 50 tickets were assigned in accordance with the TTW program and related SSA policies.

Specifically, we requested and reviewed the 50 case folders and information contained on the SSA Form SSA-1365s, the individualized plan for employment (IPEs) and other supporting documentation, and compared the information to MAXSTAR data to determine if data entered agreed with information contained in each case folder. In particular, we examined the following: ticket assignment, ticket status, unassignment and termination dates; beneficiary name and Social Security number; name of VRA; date IPE was signed by beneficiary and VRA; and date Form SSA-1365 was signed by beneficiary and VRA.

We identified the phase of the mailing of the ticket and determined whether it was a “new” or “pipeline” case based on the date of the beneficiary’s IPE. In most situations, the date of the IPE and the ticket phase determined whether the case was a “new” or “pipeline” case and whether a beneficiary’s signature was required on the Form SSA-1365. This criterion is summarized in more detail in Appendix C.

We performed field work at MAXIMUS in Alexandria, Virginia and conducted our review at the Office of the Inspector General, Office of Audit in New York from January 2005 through March 2005. Our audit was performed in accordance with generally accepted government auditing standards.

² MAXSTAR is an operating system used by MAXIMUS that includes a set of computer screens, menus and data files containing information related to beneficiary ticket assignments for the Ticket to Work program.

³ Id.

Criteria for Ticket Assignments

Ticket Rollout States	Pipeline Cases		New Cases	
	Defined:	Documentation Needed for Ticket Assignments for Each Phase:	Defined:	Documentation Needed for Ticket Assignments for Each Phase:
Phase I Arizona Colorado New York Delaware Oklahoma Florida Oregon Illinois South Carolina Iowa Vermont Massachusetts Wisconsin	Beneficiary w/ Individualized Plan for Employment (IPE) dated BEFORE February 6, 2002	<u>A completed Form SSA-1365 including:</u> Part A = Items 1-7 1. State vocational rehabilitation agency (VRA) name 2. Ticket holder's name 3. Ticket holder's Social Security number (SSN) 4. Vocational objective or employment outcome per IPE 5a. Date IPE signed by ticket holder 5b. Date IPE signed by State VRA 6. IPE date established to meet objective 7. Social Security Administration (SSA) payment system selected by VRA and: Part B, including: Beneficiary signature and date, VRA representative signature and date	Beneficiary w/ an IPE dated ON or AFTER February 6, 2002	<u>A completed Form SSA-1365 including:</u> Part A = Items 1-7 1. State VRA Name 2. Ticket holder's name 3. Ticket holder's number (SSN) 4. Vocational objective or employment outcome per IPE 5a. Date IPE signed by ticket holder 5b. Date IPE signed by State VRA 6. IPE date established for meeting objective 7. SSA payment system selected by VRA and: Part B: The beneficiary signature and date is not required. The VRA representative signature and date is required in most situations.
Phase II Alaska Montana Arkansas Nevada Connecticut New Georgia Hampshire Indiana New Jersey Kansas New Mexico Kentucky North Dakota Louisiana South Dakota Michigan Tennessee Mississippi Virginia Missouri DC	Beneficiary w/ an IPE dated BEFORE November 1, 2002	Also required are the front (cover) page and last (signature) page of the IPE containing the signatures of the beneficiary and State VRA representative and date signed.	Beneficiary w/ an IPE dated ON or AFTER November 1, 2002	Also required are the front (cover) page and last (signature) page of the IPE containing the signatures of the beneficiary and State VRA representative and date signed.
Phase III Alabama Texas California Utah Hawaii Washington Idaho West Virginia Maine Wyoming Maryland Am. Samoa Minnesota Guam Nebraska Northern North Carolina Mariana Ohio Islands Pennsylvania Puerto Rico Rhode Island Virgin Islands	Beneficiary w/ an IPE dated BEFORE His/Her Ticket Mail Date		Beneficiary w/ an IPE dated ON or AFTER His/Her Ticket Mail Date	

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: January 17, 2006 **Refer To:** S1J-3

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

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

Subject: Office of the Inspector General (OIG) Draft Report, "The Social Security Administration's Ticket to Work – Ticket Assignments" (A-02-05-15125) -- INFORMATION

We appreciate OIG's efforts in conducting this review.

We agree with the findings and the recommendation to "Clarify its policy to require that a beneficiary's signed consent to assign his or her ticket is apparent on the documentation required to assign tickets to State VRA's." We are also pleased that the report acknowledges that beneficiaries' tickets were assigned to State Vocational Rehabilitation Agencies (VRAs) in accordance with SSA policies, that MAXIMUS properly processed Form SSA-1365s and corresponding Individualized Plans for Employment (IPE), and that MAXIMUS maintained adequate controls over ticket assignments to VRAs.

We would like to clarify that the notice to the beneficiaries that their tickets have been assigned is sent immediately after the ticket assignment is processed. This verification step allows any errors to be corrected.

In addition, please note that a policy change will be instituted to address the recommendation. We propose to require an appropriate statement on the IPE for a beneficiary holding a ticket. The statement would indicate that, by signing the IPE, the beneficiary signifies an understanding of his or her rights and acknowledges the assignment of the Ticket to the VRA that accepts the ticket. This change should make the beneficiary's signature on the Form SSA-1365 redundant as the IPE will contain the requisite acknowledgement.

The policy change will be coordinated with the issuance of the final revised Ticket to Work regulations. The proposed regulations, published September 30, 2005, would revise the rules on assignment of tickets to VRAs. The comment period for the proposed regulations closed on December 29, 2005, and publication of the final regulations is anticipated, pending the Office of Management and Budget's clearance, in spring 2006.

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

OIG Contacts and Staff Acknowledgments

OIG Contacts

Tim Nee, Director, New York Office of Audit, (212) 264-5295

Vicki Abril, Audit Manager, New York Office of Audit, (212) 264-0504

Acknowledgments

In addition to those named above:

Arthur Treglia, Senior Auditor

Abraham Pierre, Auditor

Cheryl Robinson, Writer-Editor

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