STRATEGIC GOAL 4

PRESERVE THE PUBLIC'S TRUST IN OUR PROGRAMS

Long-Term Outcomes:

- Minimize improper payments;
- Improve protection of personally identifiable information;
- Increase the electronic filing of wage reports;
- Strengthen our efforts to protect program dollars from waste, fraud, and abuse; and
- Increase the use of "green" solutions in our daily operations.

Issues:

Individuals who contribute to the Social Security Trust Funds through payroll deductions and self-employment taxes, or pay income taxes, must be confident we manage their tax dollars wisely. Likewise, those receiving Social Security or Supplemental Security Income must be sure we pay their benefits timely and accurately. Since we take our stewardship of these programs seriously, we will continue to demonstrate an unyielding commitment to sound management practices. We take pride in our ability to protect and carefully manage the resources, assets, and programs entrusted to us. We have earned the public's trust, and we intend to do everything we can to keep it. To achieve this goal, we will focus on the following objectives:

Did you know...

Social Security pays $650 billion in benefits to 60 million people annually?

This amount is equal to 20 percent of all federal spending and 5 percent of the Nation's gross domestic product?

When Medicare and Medicaid spending is added to Social Security and Supplemental Security Income outlays, the share of federal spending for these programs is almost 44 percent?

Objective 1: Curb improper payments

As good stewards of the programs entrusted to us, we must ensure that we pay individuals the correct amount – neither overpaying nor underpaying them. To accomplish this, we conduct ongoing, extensive stewardship reviews to not only confirm individuals receive the benefits they are due, but also to build public confidence that we are properly managing our resources and program dollars. With few exceptions, our track record is excellent.

One area where we can improve our stewardship is by reducing improper payments in the Supplemental Security Income program. Issuing incorrect Supplemental Security Income payments is partly due to the complexity of the program and the large number of factors that can affect an individual's payment amount

and eligibility. One of the ways we prevent overpayments is by periodically completing non-disability redeterminations to review the individuals' circumstances, ensure we are paying them the correct amount, and determine whether they have continued eligibility.

Another area of stewardship concern is ensuring that we pay disability program benefits only to those individuals who continue to be disabled. We do this by periodically completing continuing disability reviews. These reviews determine whether a disabled individual still meets our medical requirements to receive disability benefits.

Program Integrity Work Has Significantly Declined Despite High Rates of Return
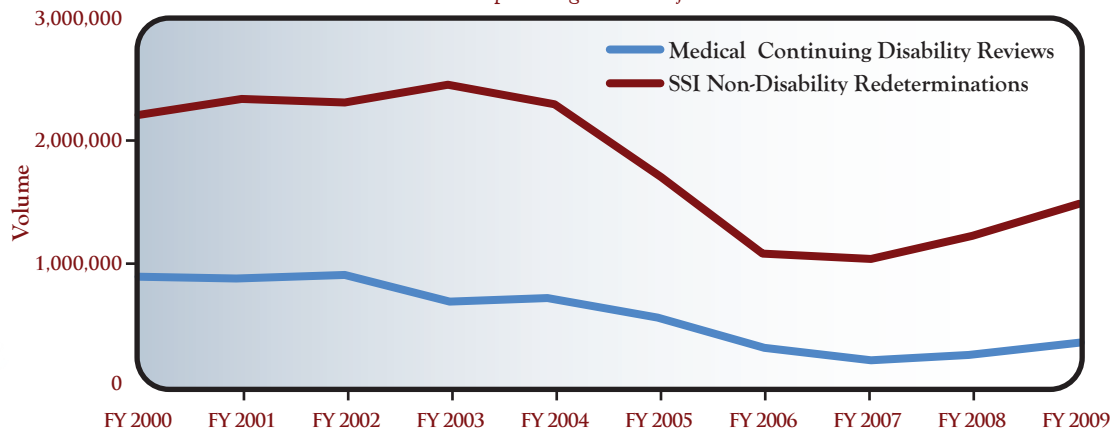
In recent years, we have had to gradually scale back both of these program integrity efforts due to budget constraints and increasing core and non-traditional workloads. We know our program integrity workloads are critical to ensuring well-run programs and accurate payments. To continue to improve the accuracy of the payments we issue, we will:

- **Increase our program integrity workloads:** With timely and adequate funding, we will increase the number of continuing disability reviews and Supplemental Security Income non-disability redeterminations we perform. These workloads, which allow us to detect and prevent improper payments and determine if factors affecting eligibility or monthly benefit amounts have changed, are highly cost effective. For example, our experience shows that continuing disability reviews and redeterminations produce program savings far in excess of administrative costs, because every $1 spent produces a $10 return.

- **Initiate new data exchanges:** We have an extensive computer data exchange program in place to ensure the accurate payment of benefits. However, we will continue our aggressive emphasis on the use of these data exchanges and take advantage of new data exchange opportunities to increase detection of improper payments.

- **Expand the development and use of new tools for avoiding improper payments:** In the Supplemental Security Income program, undisclosed resources in financial accounts and fluctuating earnings are primary factors contributing to many overpayments. As funding allows, we will continue to utilize an electronic process, known as *Access to Financial*

Information, to efficiently check account balances directly with financial institutions. This process will help us identify individuals who have financial accounts exceeding the Supplemental Security Income resource limits. We will also expand an automated telephone system for Supplemental Security Income recipients to regularly report their earnings.

Additionally, we will continue to pursue appropriate legislative changes in order to make program requirements less complex and improve payment accuracy.

Objective 2: Ensure privacy and security of personal information

Since the enactment of the *Social Security Act* in 1935, one of our priorities continues to be protecting the privacy of personally identifiable information in our records. We consider privacy protection so important it was the subject of our first regulation in 1936. The regulation details our privacy policy and the permissible disclosures of personally identifiable information. It reflects our commitment to maintaining the confidentiality and integrity of such information.

We have an ongoing program to review policies and processes so we can take corrective actions to prevent intentional or negligent misuse of, or unauthorized access to, personally identifiable information. We have also established procedures for reporting the loss or potential loss of personally identifiable information and issued instructions clarifying responsibilities concerning its security.

To continue to safeguard such information, we will improve our encryption practices for data moving outside our facilities and networks, train employees and contractors and hold them accountable for safeguarding personally identifiable information with which they work, and strictly control access to systems containing such information. We will also conduct rigorous annual security reviews of systems and programs, and ensure our data exchange activities adhere to the National Institute of Standards and Technology requirements.

Objective 3: Maintain accurate earnings records

Each year we process and post nearly 270 million reports of earnings to individuals' records. We base individuals' Social Security benefit amounts on their lifetime earnings; therefore, our records must be accurate. Our aging earnings system was last modernized in 1994. This system was originally built for diskette, tape, and paper annual wage reporting and is unable to keep up with the volume of electronic transactions we now receive. To address this, we will redesign our earnings system to provide greater flexibility along with the improved accuracy and timeliness necessary to process this ever-growing workload. We will also continue to issue annual *Social Security Statements* to eligible individuals age 25 and older so they can review their earnings record for accuracy and completeness.

We place in an electronic holding file, called the *Earnings Suspense File*, any earnings we cannot post to an individual's earnings record because of a name or Social Security Number

mismatch. While we cannot control many of the factors causing inaccurate wage reports, we are doing what we can to provide employers with tools for improving the quality of their wage submissions and minimizing the need for manual corrections. We will also refine and employ computer matching processes to enable us to post greater numbers of *Earnings Suspense File* items to the correct individuals' earnings records, thereby removing millions of wage items from the *Earnings Suspense File*. These efforts will produce information to help us better manage the earnings posting process.

Similar to our other business processes, we are working to eliminate paper wage reports and migrate to a fully electronic earnings record process. Annually, we receive over 44 million paper wage reports from approximately 5 million employers. Since paper wage reports are more error-prone and expensive to process, we will continue to encourage employers to use our online service, *Business Services Online*, to file W-2s for their employees electronically. We will inform employers about electronic wage reporting through online information and resources, promotional materials, payroll conferences, articles in trade publications, and direct contact. Additionally, we will continue to work and collaborate with the Internal Revenue Service to improve all aspects of wage reporting.

Objective 4: Simplify and streamline how we do our work

To meet the challenges of our growing workloads and provide the best service possible, we will simplify and streamline our policies, procedures, and business processes, as well as maximize use of automation. While we continue to improve productivity year after year, productivity improvements alone cannot overcome the workload challenges we face. Our processes, policies, regulatory, and statutory requirements are oftentimes complicated and difficult to explain to the public; and years of legislation and litigation have made our requirements even more complex. In addition to the initiatives described elsewhere in this plan, we will establish a broad-based effort to analyze our workloads, simplify how we do our work, ensure consistency in our service, and improve our process flow and speed. As necessary, we will work with Congress and all stakeholders to simplify our statutory and regulatory requirements.

Objective 5: Protect our programs from waste, fraud, and abuse

Social Security programs are a tempting target for fraud and abuse because of the value of monthly payments and the additional benefits of entitlement for such programs as Medicaid, Medicare, and Food Stamps. When fraud does occur, it receives wide publicity and can diminish the public's confidence in the programs we administer. A strong fraud detection and prevention program is critical to deterring those contemplating fraudulent activities and demonstrating we take fraud seriously. Through an ongoing partnership with our Office of the Inspector General (OIG), we have worked to reduce the instances of fraud and have vigorously pursued prosecution of individuals and groups who harm our programs.

In partnership with our OIG, we will continue to expand our Cooperative Disability Investigations program, one of our most successful anti-fraud initiatives. Our Cooperative Disability Investigations units, located in 17 States, investigate issues of fraud and abuse related to initial disability applications and continuing disability reviews. As funding allows, we will continue to expand these units.

We will also continue special projects that our Office of the General Counsel has initiated in eight regional offices where our attorneys are appointed as Special Assistant United States Attorneys to support the Department of Justice in prosecuting fraud and abuse cases identified by our own OIG. Additionally, we will continue to aggressively prevent fraud and abuse in our programs by collaborating with other federal agencies to investigate and prosecute fraud, expanding forensic computer crime detection capabilities, and strengthening fraud prevention by adding new controls in our processes.

Objective 6: Use "green" solutions to improve our environment

We have a responsibility to the public to conduct business in an efficient, economical, and environmentally sound manner. "Going green" benefits the environment and saves taxpayer dollars by minimizing waste and reducing energy consumption. For years, we have implemented projects benefiting the environment: we recycle; purchase environmentally friendly products; use energy efficient lighting, electronics, and appliances; and power our vehicles with alternative fuels. We have always been mindful that resource waste is taxpayer waste.

As outlined in *Executive Order 13423*, we will continue our tradition of "going green" by expanding on projects that: reduce petroleum consumption; increase usage of alternative fuels; reduce greenhouse gas emissions; reduce water consumption; increase our procurement of biobased or environmentally sound products; reduce use of chemicals and toxic materials; ensure our computers and monitors have Energy Star® features; and reuse, donate, sell, or recycle all of our electronic products using environmentally sound management practices. We will also build or renovate our facilities in accordance with environmentally sustainable strategies. Using these "green" solutions in our daily operations is a sound environmental and stewardship decision that we will continue to embrace. The agency will lead by example in advancing these energy and environmental practices.