



# 2006 Performance Report



Social Security Administration  
Office of the Inspector General

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## **MISSION STATEMENT**

*By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of Social Security Administration (SSA) 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.*

## EXECUTIVE SUMMARY

The 2006 Performance Report (i.e. Report) reflects the Office of the Inspector General's (OIG) accomplishments under the first year of our new *Fiscal Year (FY) 2006-2010 Strategic Plan*. In upholding the vision of our previous Plans, our goals and achievements focus on an organizational commitment to the principles and standards that we hold highest. These ideals are manifested in three general areas: the *Impact* our efforts have on Social Security's programs and operations; the *Value* we bring to Social Security and the citizens we serve; and the *People* of the OIG, who are no doubt our most valued asset. We measure our commitment to these ideals by setting fair targets established under 14 separate performance measures. Some of these targets carry over from our prior 3-year Plan; others are new or were revised to reflect the higher standards we have set for ourselves. For FY 2006, we are pleased to report that we successfully met the targets or had a positive outcome for all 14 performance measures.

Our accomplishments during this past year clearly depict the continued impact our efforts have on improving the integrity of Social Security programs and operations. Since the creation of our OIG in 1995, we have always demonstrated that the money invested in this organization is well spent. This year, for every \$1 invested in our activities, we returned \$46 through audits, investigations and legal proceedings. The Report also confirms the emphasis this organization has placed on developmental and skill-enhancement training for its people. Evidence of this commitment can be found in our employee satisfaction rate (81%) and low attrition rate (2%).

As FY 2007 begins, we will remain attentive to the performance measures in this Report. We will be flexible to guarantee that our standards remain relevant for defining success in a rapidly changing environment. Certainly the foundation for successfully executing the Strategic Plan was established in FY 2006.

## PERFORMANCE RESULTS

GOAL	DESCRIPTION	TARGET	RESULT	GOALS	
				MET	NOT MET
<b>IMPACT</b>					
1.1	Maintain an annual acceptance rate of at least 85 percent for all recommendations.	85%	<b>93%</b>	X	
1.2	Through FY 2010, achieve a 5-year average implementation rate of 85 percent for accepted recommendations aimed at improving the integrity, efficiency and effectiveness of SSA.	85%	<b>92%</b>	X	
1.3	Achieve a positive action on at least 80 percent of all cases closed during the FY.	80%	<b>87%</b>	X	
<b>VALUE</b>					
2.1	Generate a positive return of \$4 for every tax dollar invested in OIG activities.	\$4 to \$1	<b>\$46 to \$1</b>	X	
2.2	Evaluate and respond to 90 percent of all allegations received within 30 days.	90%	<b>96%</b>	X	
2.3	Complete investigative fieldwork on 75 percent of all cases within 180 days.	75%	<b>84%</b>	X	
2.4	Respond to 90 percent of congressional requests within 21 days.	90%	<b>97%</b>	X	
2.5	Take action on 90 percent of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.	90%	<b>92%</b>	X	
2.6	Achieve a positive internal and external user assessment rating of 85 percent for product-service quality.	85%	<b>88%</b>	X	
2.7	Issue 75 percent of final audit reports within 1 year of the entrance conference with SSA.	75%	<b>85%</b>	X	
2.8	Complete 80 percent of requests for legal advice and review within 30 days.	80%	<b>95%</b>	X	
<b>PEOPLE</b>					
3.1	Achieve an annual attrition rate of 5 percent or less.	5%	<b>2%</b>	X	
3.2*	Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvement is needed.	N/A	<b>81%</b>	N/A	
3.3	Ensure that 90 percent of OIG staff receives 40 or more hours of appropriate developmental and skill-enhancement training annually.	90%	<b>93%</b>	X	

\* Measures the rate of employee satisfaction based on a survey administered by the OIG Organizational Health Committee.

## PERFORMANCE DISCUSSION AND ANALYSIS

This section provides detailed performance information, including a description of our Strategic Plan goals aimed at achieving success in each of the three general areas. We state each goal, its associated results and describe the method of calculation. We also discuss, where appropriate, why we believe we were successful or unsuccessful in meeting our goals.

### Goal 1 - IMPACT

*Enhance the integrity, efficiency and effectiveness of SSA programs and operations.*

Strategies to attain this goal include:

1. Promote an OIG-wide process for cross-component communications on potential programmatic and operational vulnerabilities.
2. Communicate with the Agency to identify mission-critical issues and operations that would benefit from OIG audit and investigation services and develop practical solutions to address identified weaknesses or deficiencies.
3. Prioritize investigations, audits and counsel actions to effect more efficient and effective SSA programs and operations.

Goal 1.1	<i>Maintain an annual acceptance rate of at least 85 percent for all recommendations.</i>	<u><i>FY 2006 Result</i></u> <i>93 Percent</i>
<p>This measure is calculated by dividing the number of legislative, policy and regulatory recommendations accepted by SSA and/or Congress (included in proposed legislation) during the FY by the total number of recommendations with a management decision and legislative proposals made during the FY.</p> <p>For FY 2006, our annual acceptance rate was 93 percent, exceeding our 85 percent goal. Of the 373 recommendations we submitted during this period that have a management decision, SSA agreed with 346.</p>		

<b>Goal 1.2</b>	<i>Through FY 2010, achieve a 5-year average implementation rate of 85 percent for accepted recommendations aimed at improving the integrity, efficiency and effectiveness of SSA.</i>	<u><b>FY 2006 Result</b></u> <b>92 Percent</b>
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This measure is calculated by dividing the total number of accepted recommendations implemented by SSA during the past 5 FYs by the total number of recommendations SSA agreed to implement during the past 5 FYs.

Since SSA needs sufficient time to implement the recommendations it has agreed to, there is a 1-year lag in this calculation. Thus, for FY 2006 we are reporting the 5-year period covering FYs 2001 through 2005. Our average implementation rate for accepted audit recommendations was 92 percent, exceeding our 85 percent goal. During this period, SSA implemented 1,379 of 1,497 accepted recommendations.

<b>Goal 1.3</b>	<i>Achieve a positive action on at least 80 percent of all cases closed during the FY.</i>	<u><b>FY 2006 Result</b></u> <b>87 Percent</b>
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This measure is calculated by dividing the total closed cases that resulted in a positive action during the FY by the total cases closed during the FY. If the subject has been sentenced, the case referred for a CMP and/or an administrative action has been taken against the subject, it is considered a positive action on the closed case. Additionally, certain referrals and administrative actions are considered positive.

For FY 2006, we closed 9,020 out of 10,405 investigations with a positive action. This 87 percent performance rate exceeds our 80 percent target.

## Goal 2 - VALUE

*Provide quality products and services of value in a timely manner to Congress, SSA and other key decision-makers while sustaining a positive return for each tax dollar invested in OIG activities.*

Strategies used to attain this goal include:

1. Maintain a “positive-return” culture within OIG.
2. Ensure continual improvement of OIG products by using a product and service quality assessment instrument to measure internal and external user satisfaction.
3. Implement best practices to ensure quality and timeliness of OIG products and services.
4. Utilize information technology investments to enhance OIG work products and service delivery.

### Goal 2.1

*Generate a positive return of \$4 for every tax dollar invested in OIG activities.*

*FY 2006 Result  
\$46 to \$1*

This measure is calculated by dividing the total amount of all OIG savings identified during the FY by the total amount of appropriated funds during the same period.

For FY 2006, we generated a return of \$46 for every dollar invested in us by the taxpayer. This rate of return is largely due to an audit report entitled, *Congressional Response Report: Overpayments in the Social Security Administration’s Disability Programs (A-01-04-24065)*. In this report, we identified over \$1.1 billion in questioned costs and over \$2.1 billion in funds put to better use. Even without the extraordinary savings resulting from this audit, we would still boast a return of \$10 for every dollar invested, or more than double our target of 4 to 1.

### Goal 2.2

*Evaluate and respond to 90 percent of all allegations received within 30 days.*

*FY 2006 Result  
96 Percent*

This measure is calculated by dividing the total number of allegations closed or referred within 30 days during the FY by the total number of allegations closed or referred during the FY.

For FY 2006, we achieved a 96 percent rating. Of the 61,812 allegations closed or referred during the FY, we closed or referred 59,638 within 30 days.



<b>Goal 2.3</b>	<b><i>Complete investigative fieldwork on 75 percent of all cases within 180 days.</i></b>	<b><u>FY 2006 Result</u> 84 Percent</b>
<p>This measure is calculated by dividing the total number of investigations closed or referred for judicial, CMP, SSA or other State or Federal agency action within 180 days during the FY by the total investigations closed or referred during the FY.</p> <p>For FY 2006, we surpassed our 75 percent goal with an 84 percent rating. A total of 10,405 investigations were closed or referred during the FY. Of these, we closed or referred 8,781 cases for action within 180 days.</p>		

<b>Goal 2.4</b>	<b><i>Respond to 90 percent of congressional requests within 21 days.</i></b>	<b><u>FY 2006 Result</u> 97 Percent</b>
<p>This measure is calculated by dividing the total congressional requests responded to within 21 days during the FY by the total number of congressional requests received during the FY. Processing days are the days elapsed from receipt of a congressional request to the date of a response.</p> <p>For FY 2006, we achieved a 97 percent rating. Our office responded to 70 of the 72 Congressional inquiries we received during the FY within 21 days.</p>		

<b>Goal 2.5</b>	<b><i>Take action on 90 percent of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.</i></b>	<b><u>FY 2006 Result</u> 92 Percent</b>
<p>This measure is calculated by dividing the total number of CMP subjects against whom action was taken within 30 days of receipt during the FY by the total number of CMP subjects where action was taken during the FY.</p> <p>For FY 2006, we took action on 532 CMP subjects. Action was taken on 488 of those subjects within 30 days of their receipt.</p>		

<b>Goal 2.6</b>	<b><i>Achieve a positive internal and external user assessment rating of 85 percent for product-service quality.</i></b>	<b><u>FY 2006 Result</u> 88 Percent</b>
<p>This measure is calculated by using a 5-tier rating scale measuring the degree of satisfaction with OIG products and services by recipients and users, including SSA and other government entities, such as Congress, Offices of U.S. Attorney, and external law enforcement agencies. The numeric response is translated into a percentage with 85 indicating satisfaction.</p> <p>For FY 2006, we achieved an 88 percent rating, exceeding the 85 percent goal.</p>		

<b>Goal 2.7</b>	<i>Issue 75 percent of final audit reports within 1 year of the entrance conference with SSA.</i>	<u><i>FY 2006 Result</i></u> <i>85 Percent</i>
<p>This measure is calculated by dividing the total number of audit reports issued during the FY within 1 year of the entrance conference by the total number of audit reports issued during the FY.</p> <p>For FY 2006, our office achieved an 85 percent rating, exceeding our goal of 75 percent. We issued a total of 108 audit reports during the fiscal year. We issued 92 of these reports within 1 year of their respective entrance conference.</p>		

<b>Goal 2.8</b>	<i>Complete 80 percent of requests for legal advice and review within 30 days.</i>	<u><i>FY 2006 Result</i></u> <i>95 Percent</i>
<p>This measure is calculated by dividing the total number of legal opinions, subpoenas and audit reviews completed by Office of the Chief Counsel to the Inspector General within 30 days of receipt during the FY by the total number of requests for legal opinions, subpoenas and audit reviews completed during the FY.</p> <p>During FY 2006, we completed 397 of the 417 requests for legal opinions, subpoenas and audit reviews within 30 days of their receipt.</p>		

### Goal 3 - PEOPLE

*Promote a skilled, motivated, diverse workforce in a positive and rewarding work environment.*

Strategies used to attain this goal include:

1. Identify assignment interests and developmental needs of all employees.
2. Provide OIG components with training and tools necessary to ensure professional development and skills enhancement.
3. Maintain a proactive approach in recruiting and hiring candidates to meet different needs.

<b>Goal 3.1</b>	<i>Achieve an annual attrition rate of 5 percent or less.</i>	<b><u>FY 2006 Result</u></b> <b>2 Percent</b>
<p>This measure is calculated by dividing the total number of employees separated (excluding retirements and deaths) during the FY by the OIG Full-Time Equivalents for the FY.</p> <p>For FY 2006, there were 13 separations from the OIG's 610 Full-Time Equivalents. This results in a 2 percent attrition rate; well below our 5 percent target.</p>		

<b>Goal 3.2</b>	<i>Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvement is needed.</i>	<b><u>FY 2006 Result</u></b> <b>81 Percent</b>
<p>To measure employee job satisfaction, the OIG's Organizational Health Committee administered a 5-tier employee job satisfaction survey. The survey, which consisted of 13 questions, was disseminated to OIG employees nationwide. The results of this survey will serve as a baseline to measure employee satisfaction in the future.</p> <p>Question 12 of this survey asks, "Considering everything, how satisfied are you with your job?" Based on a 63 percent response rate, 81 percent of our employees indicated that they are either satisfied or very satisfied with their jobs.</p>		

<b>Goal 3.3</b>	<i>Ensure that 90 percent of OIG staff receives 40 or more hours of appropriate developmental and skill-enhancement training annually.</i>	<u><i>FY 2006 Result</i></u> <i>93 Percent</i>
<p>This measure is calculated by dividing the total number of OIG staff on board for the entire FY receiving at least 40 hours of training during the FY by the total number of OIG staff on board for the entire FY.</p> <p>For FY 2006, 93 percent of OIG received 40 or more hours of appropriate developmental and/or skill-enhancement training. Successfully attaining this goal demonstrates our belief that training is the predominant factor in building a quality work experience and attracting and retaining the best people. Throughout the course of this Strategic Plan, training will remain very important to us and developing our employees will continue to be a major part of our strategic focus.</p>		