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**OFFICE OF  
THE INSPECTOR GENERAL**

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**SOCIAL SECURITY ADMINISTRATION**

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**ACCURACY OF THE SOCIAL SECURITY  
ADMINISTRATION'S REQUIRED  
CERTIFICATION OF FISCAL YEAR 2007 PROCUREMENT  
DATA SUBMISSIONS TO FEDERAL PROCUREMENT  
DATA SYSTEM - NEXT GENERATION**

April 2009

A-15-08-28107

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**AUDIT REPORT**

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## **Mission**

**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.**

## **Authority**

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

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

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

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

## **Vision**

**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.**



# SOCIAL SECURITY

## MEMORANDUM

Date: April 15, 2009

Refer To:

To: The Commissioner

From: Inspector General

Subject: Accuracy of the Social Security Administration's Required Certification of Fiscal Year 2007 Procurement Data Submissions to Federal Procurement Data System - Next Generation (A-15-08-28107)

## OBJECTIVE

The objective of our review was to determine the accuracy of the Social Security Administration's (SSA) Required Certification of Fiscal Year (FY) 2007 Procurement Data Submissions to Federal Procurement Data System - Next Generation (FPDS-NG).<sup>1</sup>

## BACKGROUND

The *Federal Funding Accountability and Transparency Act of 2006*<sup>2</sup> (Transparency Act) requires that the Office of Management and Budget (OMB) maintain a single, searchable website, accessible by the public for free, that includes the following for each Federal award:

1. name of the entity receiving the award;
2. amount of the award;
3. information on the award, including transaction type,<sup>3</sup> funding agency, etc;
4. location of the entity receiving the award; and
5. a unique identifier of the entity receiving the award.

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<sup>1</sup> The Government uses FPDS-NG data to create reports for the President, Congress, Government Accountability Office, Federal executive agencies, and general public. SSA began using FPDS (the first generation of FPDS-NG) in 1979, with paper reports for input into FPDS.

<sup>2</sup> Pub. L. No. 109-282 § 2(b)(1), 31 U.S.C. § 6101 note.

<sup>3</sup> Transaction Type is defined as "Direct or guaranteed loan, grant, cooperative agreement, contract, or other."

Pursuant to the Transparency Act, OMB developed the website [www.USAspending.gov](http://www.USAspending.gov). FPDS-NG, which is managed by the General Services Administration, is one of the data sources<sup>4</sup> for the information maintained on the [www.USAspending.gov](http://www.USAspending.gov) website. Each Executive department and agency is responsible for collecting and reporting procurement data to FPDS-NG. To ensure the accuracy of information reported to the FPDS-NG, OMB requires that departments and agencies provide an annual certification to OMB's Office of Federal Procurement Policy.

SSA uses its Streamlined Acquisition System (SSASy)<sup>5</sup> to report acquisition planning, requisitions, awards, and acquisition management information. Data from select fields in SSASy are electronically transmitted into the FPDS-NG database. SSA employees manually enter information for other fields. SSA's SSASy Manual and Acquisition Handbook provide guidance and procedures for inputting information into SSASy and FPDS-NG. Once an award is made, SSASy prompts SSA employees to enter the award information into FPDS-NG. If there are technical problems, for example, FPDS-NG is down, employees are required to enter the award information into FPDS-NG at a later time. The Acquisition Handbook requires that other Office of Acquisition and Grants (OAG) employees reviewing SSA awards also review the data in FPDS-NG for accuracy and completeness.

Certain contracting officers and others who entered data directly into FPDS-NG were required to certify to the Associate Commissioner, OAG, that they had entered all required awards into FPDS-NG for FY 2007. In SSA's Required Certification of FY 2007 Procurement Data Submissions to FPDS-NG (FPDS-NG Certification), a senior SSA procurement executive certified to OMB that

1. reportable contract actions<sup>6</sup> awarded during FY 2007 had been entered into FPDS-NG as fully and accurately as reasonably possible;
2. data were submitted to FPDS-NG no later than October 1, 2007;
3. certifications were collected from subordinate offices;
4. contract files were compared to data in FPDS-NG;
5. business-size determinations<sup>7</sup> were reviewed; and
6. other actions, such as FPDS-NG training and data review, were taken.

SSA's OAG provided us copies of the signed FPDS-NG Certification it submitted to OMB, the data SSA used to support its FPDS-NG Certification and other supporting documentation. In FY 2007, SSA made 9,266 awards totaling \$804.3 million. Before

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<sup>4</sup> Other sources include the Federal Awards and Assistance Data System and [www.grants.gov](http://www.grants.gov).

<sup>5</sup> SSASy is an electronic tool to create, route and process purchase requests. OAG conducted a pilot of SSASy in 2001. SSASy became the official contract file for awards made by OAG in FY 2004 and for awards made by Regional contracting officers in FY 2007.

<sup>6</sup> Reportable contract actions are all contract actions using appropriated funds over the micro-purchase threshold amount. Examples include services, telecommunications, supplies and equipment.

<sup>7</sup> Business-size determinations are defined as "Small Business" and "Other than Small."

certifying the accuracy of the contract data, SSA compared the information in SSASy to information in FPDS-NG. Of the 9,266 awards, OAG identified 197 that had been entered into SSASy, but not FPDS-NG, as of November 28, 2007. To determine whether SSA correctly certified procurement data in FPDS-NG, we reviewed all of the 197 awards, totaling \$14.7 million, to determine whether they had been included in FPDS-NG. We also reviewed a sample of 45 of the remaining 9,069 awards.

## **RESULTS OF REVIEW**

With the exception of minor discrepancies, we found that SSA properly recorded \$789.6 million of the FY 2007 awards totaling \$804.3 million in FPDS-NG. The minor discrepancies resulted from untimely data reporting and data input errors. These inaccuracies represented 2 percent of the overall procurement awards.

### **UNTIMELY DATA**

We obtained a data file of the FY 2007 awards in FPDS-NG as of March 2008 to ensure SSA had subsequently entered the missing 197 awards into FPDS-NG. We found, as of March 2008, 14 awards, totaling \$278,112, were still not entered into FPDS-NG. All awards should have been entered by October 1, 2007. After our audit, 12 of the 14 missing contract actions were added to FPDS-NG.

SSASy prompts SSA employees to enter award information into FPDS-NG. If there are technical problems, for example, FPDS-NG is down, employees are required to enter the award information into FPDS-NG at a later time. Although an SSA representative reviewed the November 28, 2007 data report and sent emails to the responsible Contracting Officers to ensure the 197 awards were entered into FPDS-NG, we were unable to determine whether any steps were taken to ensure the required awards were entered into FPDS-NG. The SSA representative has retired, and there was no auditable documentation showing what other steps the representative may have taken. The incomplete award data caused the information submitted to FPDS-NG to be inaccurate, understating the number and dollars of awards.

### **INACCURATE DATA**

Our comparison of the November 28, 2007 report and the March 2008 data also showed SSASy and FPDS-NG data were not always accurate. The November 28, 2007 report for FY 2007 erroneously contained 63 awards, totaling \$22,310 for awards made in FY 2006 and \$4.3 million for awards made in FY 2008. We did not have any findings for the sample of 45 additional awards. SSA correctly entered the sampled awards in FPDS-NG. SSA provided supporting documentation for 44 of the sampled awards. Although SSA provided some supporting documentation for the remaining award, it was unable to locate all the documentation because of staff changes.

## **CONCLUSION AND RECOMMENDATIONS**

With the exception of minor discrepancies that resulted from untimely data reporting and data input errors, the Agency accurately reported and certified contract information to OMB. We recommend SSA:

1. Remind staff of the policies and procedures for routine verification and correction of contract data.
2. Take steps to ensure contract data in SSASy and FPDS-NG are submitted timely and accurately.
3. Take steps to resolve the status and reporting of the two missing contract actions.
4. Continue to enhance the automatic data exchange between SSASy and FPDS-NG as future versions of SSASy are developed.

## **AGENCY COMMENT AND OIG RESPONSE**

SSA agreed with our recommendations. The Agency's comments are included in Appendix C.



Patrick P. O'Carroll, Jr.

# *Appendices*

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APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – Agency Comments

APPENDIX D – OIG Contacts and Staff Acknowledgments

### Acronyms

FPDS-NG	Federal Procurement Data System – Next Generation
FPDS-NG Certification	Required Certification of FY 2007 Procurement Data Submissions to FPDS-NG
FY	Fiscal Year
OAG	Office of Acquisition and Grants
OIG	Office of the Inspector General
OMB	Office of Management and Budget
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSASy	Streamlined Acquisition System
Transparency Act	<i>Federal Funding Accountability and Transparency Act of 2006</i>



# Scope and Methodology

We reviewed the accuracy of the Social Security Administration's (SSA) Federal Procurement Data System - Next Generation (FPDS-NG) data submission certification.

To accomplish our objective, we:

- Reviewed applicable Federal laws and regulations as well as pertinent SSA policies and procedures.
- Interviewed SSA's Office of Acquisition and Grants (OAG) staff to gain an understanding of the Required Certification of FY 2007 Procurement Submissions to FPDS-NG (FPDS-NG Certification).
- Obtained and reviewed a copy of the signed FPDS-NG Certification SSA submitted to the Office of Management and Budget.
- Requested and received from OAG the data reports SSA used to support its FPDS-NG Certification, as well as other supporting documentation. Our population consisted of 197 awards in the November 2007 data report of awards entered into SSASy but not FPDS-NG.
- Reviewed all 197 of the awards that were in the November 2007 exceptions data report.
- Reviewed a sample of 45 awards from the remaining 9,069 of the 9,266 awards that were in the March 2008 FPDS-NG data file.

We determined that the data report, provided by SSA for this audit, contained incomplete and inaccurate data. We base this determination on our interviews with OAG staff and our review of the documents supporting the FPDS-NG Certification. We did not determine the completeness of the data extract provided by SSA.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We conducted our fieldwork in Baltimore, Maryland, between February and November 2008. The entity audited was OAG.

## Agency Comments



## SOCIAL SECURITY

### MEMORANDUM

**Date:** March 31, 2009 **Refer To:** S1J-3

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

**From:** James A. Winn /s/  
Chief of Staff

**Subject:** Office of the Inspector General (OIG) Draft Report, "Accuracy of the Social Security Administration's Required Certification of Fiscal Year 2007 Procurement Data Submissions to Federal Procurement Data System – Next Generation" (A-15-08-28107)--INFORMATION

Thank you for the opportunity to review and comment on the draft report. We appreciate the comprehensive work that the OIG auditing team did on this report. Our response to the report findings and recommendations is attached.

Please let me know if we can be of further assistance. Please direct staff inquiries to Candace Skurnik, Director, Audit Management and Liaison Staff, at (410) 965-4636.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,  
“ACCURACY OF THE SOCIAL SECURITY ADMINISTRATION’S REQUIRED  
CERTIFICATION OF FISCAL YEAR 2007 PROCUREMENT DATA SUBMISSIONS TO  
FEDERAL PROCUREMENT DATA SYSTEM – NEXT GENERATION” (A-15-08-28107)**

Recommendation 1

Remind staff of the policies and procedures for routine verification and correction of contract data.

Comment

We agree. We will remind staff in an upcoming March 2009 Acquisition Update (newsletter) of the criticality of reviewing and verifying the data in the Federal Procurement Data System –Next Generation (FPDS-NG). We will also remind them to take timely action on any necessary data corrections.

Recommendation 2

Take steps to ensure contract data in the Social Security Administration’s Streamlined Acquisition System (SSASy) and FPDS-NG are submitted timely and accurately.

Comment

We agree. We will continue to remind managers to review reports of SSASy awards that we have not completed in FPDS-NG and encourage them to take appropriate action for the awards on the list. We conducted a random review of fiscal year (FY) 2008 SSASy awards for accuracy and completeness. This review was one of the bases for our validation of FY 2008 FPDS-NG data. We will conduct this review on an annual basis.

Errors during the FPDS-NG validation process result in untimely reporting of some transactions. The errors require either software fixes to SSASy or manual intervention from FPDS-NG. These corrective measures take time because we are dependent on two separate contractors for the corrections. Ultimately, we make the corrections and then enter the data.

Recommendation 3

Take steps to resolve the status and reporting of the two missing contract actions.

Comment

We agree. We resolved these actions by submitting the two missing contract actions to FPDS-NG. We have no remaining FY 2007 actions to report to FPDS-NG.

#### Recommendation 4

Continue to enhance the automatic data exchange between SSASy and FPDS-NG as future versions of SSASy are developed.

#### Comment

We agree. The SSASy application is a commercial off-the-shelf application that we update through the vendor's support contract and we maintain synchronization with FPDS-NG as new versions of FPDS-NG are developed.

## OIG Contacts and Staff Acknowledgments

### ***OIG Contacts***

Vicki Vetter, Director, Financial Audit Division

### ***Acknowledgments***

In addition to those named above:

Jackie Patel, Auditor-in-Charge

Brennan Kraje, Statistician

Kim Beauchamp, Writer-Editor

For additional copies of this report, please visit our web site at [www.socialsecurity.gov/oig](http://www.socialsecurity.gov/oig) or contact the Office of the Inspector General's Public Affairs Staff Assistant at (410) 965-4518. Refer to Common Identification Number A-15-08-28107.

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The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

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OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure 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 reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

### **Office of Investigations**

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### **Office of the Counsel to the Inspector General**

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