



SOCIAL SECURITY
Office of the Inspector General

MEMORANDUM

September 27, 2001

Refer To: 31270-23-230

To: Larry G. Massanari
Acting Commissioner
of Social Security

Inspector General

Subject: Replacement Social Security Number Cards: Opportunities to Reduce the Risk of
Improper Attainment and Misuse (A-08-00-10061)

The attached final report presents the results of our audit. Our objective was to assess the potential for individuals to improperly obtain and misuse replacement Social Security number cards.

Please comment within 60 days from the date of this memorandum on corrective action taken or planned on each recommendation. If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

James G. Huse, Jr.

Attachment

**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**REPLACEMENT SOCIAL SECURITY
NUMBER CARDS: OPPORTUNITIES
TO REDUCE THE RISK OF
IMPROPER ATTAINMENT AND MISUSE**

September 2001

A-08-00-10061

AUDIT REPORT



Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the 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

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.

Executive Summary

OBJECTIVE

The objective of the audit was to assess the potential for individuals to improperly obtain and misuse replacement Social Security number (SSN) cards.

BACKGROUND

The expanded use of the SSN as an identifier has given rise to individuals using improperly obtained SSN cards and cards belonging to others for illegal purposes. Once obtained, individuals can use these cards to gain employment, obtain benefits and services, establish credit, and hide their identities to commit various types of crimes.

In 1999, the Social Security Administration (SSA) processed over 16 million SSN card applications, 11 million (almost 70 percent) of which were requests for replacement SSN cards. SSA does not charge a fee for an individual to obtain a replacement SSN card or limit the number of cards an individual can receive. Individuals applying for a replacement SSN card must complete, sign, and submit an *Application for a Social Security Card* (Form SS-5) at an SSA field office (FO) or through the mail.¹ The Social Security Act requires the Commissioner of Social Security to establish procedures to verify identification (42 U.S.C. § 405(c)(2)(B)(ii)). SSA requires each applicant to present documentary evidence of his or her identity.² Foreign-born applicants must also show evidence of U.S. citizenship, work authorized lawful alien status, or current documentation of a valid non-work reason.³ SSA provides FO personnel guidance to assist them in evaluating identity documents.⁴

After FO personnel review the SS-5 and determine the validity of supporting evidentiary documents, they certify and enter applicant information into SSA's Modernized Enumeration System (MES). Once certified, the SSN application undergoes numerous automated edits to validate applicant information. If the application passes all of these edits, MES issues a replacement SSN card.⁵

¹ Program Operations Manual System (POMS), section RM 00202.001 A,D.

² POMS, section RM 00203.200 A.

³ POMS, section RM 00203.400 A and RM 00203.510 A.

⁴ POMS, section RM 00203.040 B.

⁵ POMS, section RM 00201.015 B.

RESULTS OF REVIEW

In prior Office of the Inspector General reports, we outlined the role SSNs play in the commission of identity fraud crimes and highlighted some of the vulnerabilities in SSA's issuance of *original* SSN cards.⁶ Based on our work at 10 SSA FOs and analysis of national replacement card data, we are equally concerned about SSA's risk of improper attainment and misuse of *replacement* SSN cards. SSA FO personnel with whom we spoke shared our concern. In fact, some believed the risk was higher with replacement SSN cards because the Agency requires less documentary evidence to obtain them.

From April 1, 1999 through March 31, 2000, SSA issued over 11 million replacement SSN cards. In total, SSA issued 3 or more replacement SSN cards to 35,324 individuals.

- SSA issued 6 or more replacement SSN cards to 192 individuals, and, of these, we identified 108 (56 percent) instances of potential SSN misuse.
- SSA issued 3 to 5 replacement cards to 35,132 individuals, and we estimated there were 5,972 (17 percent) instances of potential SSN misuse.⁷

We have serious reservations regarding any person's need to obtain more than three replacement SSN cards in 1 year. In fact, our analysis identified various types of irregularities that were indicative of individuals who may have obtained these replacement SSN cards for suspect reasons. The most common irregularities we noted involved number holders with an unlikely number of replacement SSN cards based on their age and number holders whose earnings were proportionally higher than would be expected given their age, number of employers, and type of employment. For example, we believe it is highly improbable that, during 1 year, an individual could work for multiple employers in numerous States and earn significant income from traditionally low-paying jobs, such as those in the agriculture and service industries.

Although the remaining individuals who received three or more replacement SSN cards could have misused these cards, they did not exhibit the characteristics we measured to determine potential SSN misuse (see Appendix A for a detailed list of the characteristics measured). We acknowledge the irregularities identified in this report are our opinion, which is based on available evidence, and have not been fully investigated to determine whether fraud or misuse actually occurred. It is impossible to precisely quantify the extent of replacement SSN card misuse given its nature, but we believe the irregularities we identified illustrate SSA's risk of exposure to such activity.

⁶ *Procedures for Verifying Evidentiary Documents Submitted With Original Social Security Number Applications* (A-08-98-41009, September 2000) and *Using Social Security Numbers to Commit Fraud* (A-08-99-42002, May 1999).

⁷ We based this estimate on the number of instances of potential SSN misuse we identified from a stratified random sample of 100 SSNs.

Despite SSA's commitment to combat SSN fraud and misuse, SSA has additional opportunities to reduce its exposure to such activity. SSA does not limit the number of replacement SSN cards individuals can receive. Of the 35,132 individuals who received 3 to 5 replacement SSN cards during our audit period, we estimate SSA could issue 10 or more replacement SSN cards over a lifetime to 6,324 of these individuals.⁸ While we recognize there are legitimate reasons for obtaining a replacement SSN card, such as a name change or an occasional lost card, we believe the number of cards some individuals obtain is indicative of SSN misuse. SSA FO personnel told us some individuals who request multiple replacement SSN cards are homeless or mentally impaired, but others sell their cards or allow someone else to use them for work purposes. Our findings appear to support their concerns.

SSA has a stewardship responsibility to prevent and detect fraudulent activity. SSA personnel increase the Agency's exposure to such activity when they do not comply with enumeration policies and procedures. For example, our review of 290 applications (based on either in-person interviews or mail receipts) showed SSA issued 45 (16 percent) replacement SSN cards that should not have been issued based on the applicant's documentary evidence. FO personnel told us they do not always comply with enumeration policies and procedures because they are under pressure to serve applicants as quickly as possible. Although we recognize the need to satisfy customer demands, we do not believe prompt customer service should ever take precedence over preventing and detecting fraudulent activity.

CONCLUSIONS AND RECOMMENDATIONS

Despite SSA's commitment to eliminating opportunities for fraud and misuse in its enumeration process, the Agency's exposure to such activity remains. We recognize SSA has limited control over individuals who intentionally choose to misuse replacement SSN cards the Agency appropriately issued. However, we believe SSA has a duty to safeguard the integrity of SSNs by reducing opportunities for individuals to engage in such activity. Given the potential for individuals to improperly obtain and misuse replacement SSN cards, as evidenced by the examples presented in this report, we believe SSA would benefit by taking a more proactive role in eliminating opportunities to conduct such activity.

We believe the actions recommended in previous reports and those in this report will assist SSA in reducing its risk from individuals who improperly obtain and misuse replacement SSN cards. Accordingly, we recommend that SSA:

- Develop regulations and incorporate appropriate system controls to limit the number of replacement SSN cards an individual can receive during a 12-month period to 3 and over a lifetime to 10. SSA should implement a two-pin process requiring management personnel to approve extraordinary circumstances that warrant exceptions.

⁸ We based this estimate on the number of individuals who had received 10 or more replacement SSN cards over their lifetimes from a stratified random sample of 100 SSNs.

- Re-emphasize the importance of following enumeration policies and procedures associated with the issuance of replacement SSN cards, including the requirement to independently verify Immigration and Naturalization Service (INS) documents when indicated by SSA policy and the Systematic Alien Verification for Entitlements program.
- Conduct an inventory to determine the number of FOs that have operational black lights and INS document guides to use when verifying evidentiary documents. SSA should supply or repair these tools if necessary.
- Test FO employee compliance with procedures for issuing replacement SSN cards when performing periodic enumeration quality reviews. Additional training and/or supervision should be provided to employees if necessary.

AGENCY COMMENTS

Regarding Recommendation 1, SSA agreed it needs to look more carefully at the issuance of replacement cards to ensure it takes every advantage of systematic controls, such as limits, that might allow SSA to more effectively identify risk factors and avoid the issuance of multiple replacement cards in questionable situations. SSA also stated it is beginning further assessment to determine the most effective systematic protocols to pursue.

SSA agreed with Recommendation 2 and stated that, by September 30, 2001, the Office of Operations will issue a reminder to all FOs stressing the importance of following enumeration policies and procedures.

SSA stated it believes current procedures address Recommendation 3. Specifically, the Agency stated every FO has a copy of the *Administrative Confidential Memorandum*, which is the INS' guide for examining INS documents. SSA also stated the Regional Integrity on-site security review or FO self-review includes actions to verify the FO's black light is operational. Additionally, SSA stated it is working with INS to provide SSA employees access to more INS automated records and to implement an Enumeration at Entry initiative.

SSA believes it can address Recommendation 4 through reminder items and training. SSA stated the Office of Quality Assurance and Performance Assessment (OQA) conducts an annual end-of-line review of both original and replacement cards issued to access the accuracy of the process. Upon issuance of the next OQA report, the Deputy Commissioner for Operations will include a reminder for the regional offices to have FOs conduct refresher training, as indicated by OQA's findings, and to remind staff that they need to comply with all procedures for issuing replacement SSN cards.

SSA also provided technical comments that we considered and incorporated, where appropriate. The full text of SSA's comments is included in Appendix D.

OFFICE OF THE INSPECTOR GENERAL RESPONSE

We believe SSA's response and planned actions adequately address Recommendations 1, 2, and 4. However, we believe SSA's response to Recommendation 3 does not effectively respond to our goal of reducing opportunities for individuals to improperly attain and misuse replacement SSN cards.

Regarding SSA's response to Recommendation 3, we acknowledge SSA's efforts in working with the INS to provide SSA employees access to more INS automated records and to implement the Enumeration at Entry initiative. While we believe these initiatives will prove useful in the future, full implementation may be years away. In the meantime, we continue to believe FO personnel should use every tool available, such as black lights and INS guides, to assist them in detecting invalid evidentiary documents.

In its response, SSA stated every FO has a copy of the *Administrative Confidential Memorandum*. We question how the Agency can make such a statement without conducting an inventory as we suggested. As discussed in the report, 5 (50 percent) of the 10 FOs we visited told us they did not routinely use a black light. In fact, two FOs either did not have a black light or the light had been broken for years. Given the importance of preventing individuals from fraudulently obtaining replacement SSN cards, we continue to believe SSA should ensure that **all** FOs have operational black lights and INS document guides to use when verifying evidentiary documents. Therefore, we ask that SSA reconsider its response to this recommendation.

Table of Contents

	Page
INTRODUCTION	1
RESULTS OF REVIEW	6
SSA IS AT-RISK FROM INDIVIDUALS WHO IMPROPERLY OBTAIN AND MISUSE REPLACEMENT SSN CARDS	7
TYPES OF IRREGULARITIES	8
OPPORTUNITIES TO REDUCE SSA’S RISK FROM INDIVIDUALS WHO IMPROPERLY OBTAIN AND MISUSE REPLACEMENT SSN CARDS.....	10
• SSA Did Not Limit the Number of Replacement SSN Cards	10
• FO Personnel Did Not Always Comply With Enumeration Policies and Procedures.....	12
CONCLUSIONS AND RECOMMENDATIONS	14
APPENDICES	
APPENDIX A – Sample Characteristics Measured	
APPENDIX B – Sample Methodology	
APPENDIX C – Sample Appraisals	
APPENDIX D – Agency Comments	
APPENDIX E – OIG Contacts and Staff Acknowledgments	

Acronyms

ASVI	Alien Status Verification Index
ESF	Earnings Suspense File
FO	Field Office
INS	Immigration and Naturalization Service
MES	Modernized Enumeration System
POMS	Program Operations Manual System
SAVE	Systematic Alien Verification for Entitlements
SSA	Social Security Administration
SSN	Social Security Number

Introduction

OBJECTIVE

The objective of this audit was to assess the potential for individuals to improperly obtain and misuse replacement Social Security number (SSN) cards.

BACKGROUND

The expanded use of the SSN as a national identifier has given rise to individuals using improperly attained SSN cards and cards belonging to others for illegal purposes. Once obtained, individuals can use these cards to gain employment, obtain benefits and services, establish credit, and hide their identities to commit various types of crimes. Within the Social Security Administration (SSA), unlawful use of the SSN has equally important implications. For example, SSA cannot post wages to the correct earnings records when individuals use improper SSNs. SSA places wage items that fail to match name and SSN records into its Earnings Suspense File (ESF).¹ Furthermore, wages an individual reports using another's SSN may result in excess earnings recorded to an individual's wage records and can cause overpayment of SSA benefits to that individual.

SSA Issued over 11 Million Replacement SSNs in FY 1999

In 1999, SSA processed over 16 million SSN card applications. Over 11 million of these applications (almost 70 percent) were requests for replacement SSN cards. SSA does not charge a fee to obtain a replacement SSN card or limit the number of replacement cards an individual can receive. At an administrative cost of \$18.70 to receive and process an SSN application, SSA spends approximately \$206 million, annually, to issue replacement SSN cards.

Issuance of Replacement SSN Cards

Individuals applying for a replacement SSN card must complete, sign, and submit an *Application for a Social Security Card* (Form SS-5) at an SSA field office (FO) or through the mail (*intake process*). Because SSA must be certain the individual is who he or she claims to be, SSA requires each applicant to present documentary evidence of his or her identity. An identity document submitted as evidence must be recently issued and provide information so FO personnel can compare its contents with SS-5 data and/or with the applicant's physical appearance.² Among other documents, acceptable evidence of identity include driver's licenses, passports, school identification

¹ A wage item is an individual employee report prepared by employers on Form W-2, *Wage and Tax Statement*, after the close of the calendar year that shows wages paid and taxes withheld during the prior year.

² Program Operations Manual System (POMS), section RM 00203.200 A, I.

cards, marriage or divorce certificates, and military records.³ A non-picture identity document should have two or more of the following items: name, signature, age, date of birth, or parent's names.⁴ Documents that should not be accepted as evidence of identity are those that are issued based on an individual's allegations and have little or no probative value, such as a library card, vehicle or voter's registration, and credit card.⁵ Foreign-born applicants must also show evidence of U.S. citizenship, work authorized lawful alien status, or current documentation of a valid non-work reason.⁶ Examples of documents establishing U.S. citizenship are State or local birth certificates, U.S. passports, and certificates of naturalization.

SSA provides FO personnel guidance to assist them in evaluating identity documents. For example, SSA instructs FO personnel to compare documents presented by applicants with characteristics of a valid document and to be alert for alterations and erasures. SSA also instructs FO personnel to compare information on each document with information on the applicant's SS-5 and Numident record.⁷ SSA provides FO personnel copies of guides that provide examples of authentic documents, such as the *Administrative Confidential Memorandum*, for documents issued by the Immigration and Naturalization Service (INS). SSA guidance also requires FO personnel to view INS documents under a black light to determine whether they conform to special identification checkpoints and fluoresce.⁸ If INS has assigned an *alien registration number* ("A" number) to an individual and he or she has been in the United States for 30 or more days, SSA also requires FO personnel to verify the validity of INS documents via INS' *Systematic Alien Verification for Entitlements* (SAVE) program.⁹

FO personnel review the SS-5 and determine the validity of supporting evidentiary documents. They then certify and enter applicant information into SSA's Modernized Enumeration System (MES) (*certification process*). Once certified, the SSN application undergoes numerous automated edits to further validate applicant information (*systems validation process*). If the application passes all of these edits, MES issues a replacement SSN card (*service delivery process*). Illustration 1 provides a general overview of this process.

³ POMS, section RM 00203.200 F.

⁴ POMS, section RM 00203.200 I.

⁵ POMS, section RM 00203.200 G.

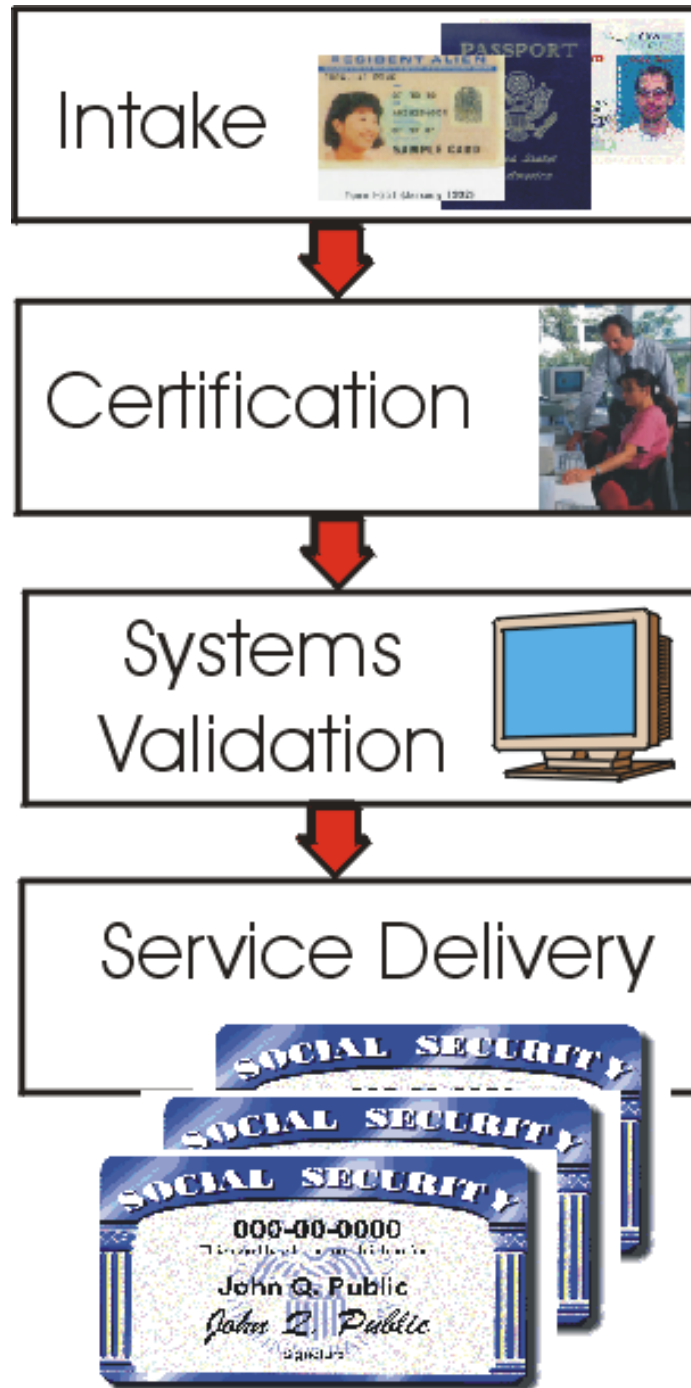
⁶ POMS, section RM 00203.400 A and RM 00203.510 A.

⁷ POMS, section RM 00203.200 I.

⁸ POMS, section RM 00203.720.

⁹ POMS, section RM 00203.740.

Illustration 1: SSA's Process for Issuing Replacement SSN Cards



SCOPE AND METHODOLOGY

From April 1, 1999 through March 31, 2000, SSA issued over 11 million replacement SSN cards. We obtained a data extract from MES containing transactional data for all replacement SSN cards the Agency issued during this 12-month period.¹⁰ As further described in Appendix A of this report, from this universe, we identified SSN holders to whom SSA issued three or more replacement cards. This population totaled 35,324 individuals. We then reviewed all of the SSNs where SSA issued 6 or more replacement SSN cards during the 12-month period (192 SSNs). Additionally, we randomly selected and reviewed a weighted sample of 100 SSNs where the Agency issued 3 to 5 replacement cards during that same period. Using queries from SSA systems, such as benefits and earnings records, the Numident file, and the ESF, we assessed the potential for individuals to improperly obtain and misuse replacement SSN cards. Specifically, we identified various types of irregularities that were indicative of individuals who may have obtained replacement SSN cards for suspect reasons (see Appendix B for a detailed list of the characteristics measured).¹¹ These irregularities included SSN holders who had

- earnings that were proportionally higher than would be expected given the individual's age, number of employers, and type of employment;
- obtained an improbable number of replacement SSN cards based on their age;
- wages in the ESF possibly because someone else provided an altered SSN card (with the number holder's SSN but someone else's name) to an employer or used the number holder's SSN for work purposes without showing the employer an SSN card;¹² and
- earnings and were also drawing disability benefits under title II or title XVI.

As part of this audit, we also visited 10 SSA FOs to review the enumeration process as it related to the issuance of replacement SSN cards. To ensure geographic diversity, we selected FO's in 5 of SSA's 10 regions. Within each region, we first selected an FO that issued a large number of replacement SSN cards during our audit period, and then we selected another FO in the same location to supplement our work. At each FO, we met with SSA management and staff to obtain their views on the Agency's exposure associated with replacement SSN cards. We also observed personnel processing replacement SSN card applications at the window (200) and those received by

¹⁰ We did not determine the reliability of the MES data.

¹¹ We acknowledge the irregularities identified in this report are our opinion, which is based on available evidence, and have not been fully investigated to determine whether fraud or misuse actually occurred.

¹² We acknowledge that SSA could not have prevented either of these two conditions. Nevertheless, the number of replacement cards obtained during our audit period coupled with the wages SSA posted to the ESF for these number holders, indicate irregularities and possible SSN misuse.

mail (90). We reviewed previously processed applications for replacement cards (200). In addition, we verified the validity of all (102) INS documents with an “A” number. Finally, we independently verified 27 of these with INS because SAVE indicated “institute secondary verification” at the time of our review.

During our audit, we interviewed SSA Headquarters staff responsible for planning, managing, and implementing the Agency’s policies and procedures for issuing replacement SSN cards. Additionally, we reviewed relevant SSA regulations, policies, and requirements pertaining to the enumeration function as it relates to replacement SSN cards. We performed our audit work at SSA Headquarters in Baltimore, Maryland, and two FOs in each of the following states: Texas, Illinois, New York, Florida, and Nevada.

The SSA entities reviewed were the Office of Program Benefits under the Deputy Commissioner for Disability and Income Security Programs and the Office of Public Services and Operations under the Deputy Commissioner for Operations. We completed our audit field work between October 2000 and February 2001. We conducted our audit in accordance with generally accepted government auditing standards.

Results of Review

In prior Office of the Inspector General reports, we outlined the role SSNs play in the commission of identity fraud crimes and highlighted some of the vulnerabilities in SSA's issuance of *original* SSN cards. Based on our work at 10 SSA FOs and analysis of national replacement card data, we are equally concerned about SSA's risk of exposure to individuals who improperly obtain or misuse *replacement* SSN cards. SSA FO personnel with whom we spoke shared our concern. In fact, some believed the risk was higher with replacement SSN cards because the Agency requires less documentary evidence to obtain them.

From April 1, 1999 through March 31, 2000, SSA issued over 11 million replacement SSN cards. In total, SSA issued 3 or more replacement SSN cards to 35,324 individuals.

- SSA issued 6 or more replacement SSN cards to 192 individuals, and, of these, we identified 108 (56 percent) instances of potential SSN misuse.
- SSA issued 3 to 5 replacement cards to 35,132 individuals, and we estimated there were 5,972 (17 percent) instances of potential SSN misuse.

We have serious reservations regarding any person's need to obtain more than three replacement SSN cards in 1 year. In fact, our analysis identified various types of irregularities indicative of individuals who may have obtained replacement SSN cards for suspect reasons. The most common irregularities we noted were number holders with an unlikely number of replacement SSN cards based on their age and number holders whose earnings were proportionally higher than would be expected given their age, number of employers, and type of employment. For example, we believe it is highly improbable that, during 1 year, an individual could work for multiple employers in numerous States and earn significant income from traditionally low-paying jobs, such as those in the agriculture and service industries.

Although the remaining individuals who received three or more replacement SSN cards could have misused these cards, they did not exhibit the characteristics we measured to determine potential SSN misuse (see Appendix B for a detailed list of the characteristics measured). We acknowledge the irregularities identified in this report are our opinion, which is based on available evidence, and have not been fully investigated to determine whether fraud or misuse actually occurred. It is impossible to precisely quantify the extent of replacement SSN card misuse given its nature, but we believe the irregularities we identified illustrate SSA's exposure to such activity.

Despite SSA's commitment to combat SSN fraud and misuse, SSA has additional opportunities to reduce its exposure to such activity. SSA does not limit the number of replacement SSN cards individuals can receive. Of the 35,132 individuals who received 3 to 5 replacement SSN cards during our audit period, we estimate SSA could issue

10 or more replacement SSN cards over a lifetime to 6,324 of these individuals. While we recognize there are legitimate reasons for obtaining a replacement card, such as a name change or an occasional lost card, we believe the number of cards some individuals obtain is indicative of SSN misuse. SSA FO personnel told us some individuals who request multiple replacement SSN cards are homeless or mentally impaired, but others sell their cards or allow someone else to use them for work purposes. Our findings appear to support their concerns.

SSA has a stewardship responsibility to prevent and detect fraudulent activity. SSA personnel increase the Agency's exposure to such activity when they do not comply with enumeration policies and procedures. For example, our review of 290 applications (based on either in-person interviews or mail receipts) showed SSA issued 45 (16 percent) replacement SSN cards that should not have been issued based on the applicant's documentary evidence. FO personnel told us they do not always comply with enumeration policies and procedures because they are under pressure to serve applicants as quickly as possible. Although we recognize the need to satisfy customer demands, we do not believe that prompt customer service should ever take precedent over preventing and detecting fraudulent activity.

SSA IS AT-RISK FROM INDIVIDUALS WHO IMPROPERLY OBTAIN AND MISUSE REPLACEMENT SSN CARDS

FO Personnel Acknowledged SSA's Risk of Exposure to Replacement SSN Card Misuse Is Considerable

Based on our interviews and observations at SSA FOs and analysis of national replacement card data, we believe the potential for individuals to improperly obtain and misuse replacement SSN cards is significant. SSA personnel at all of the

10 FOs we visited believe the Agency's risk of exposure to such activity is considerable. In fact, several FO managers told us they believe it would be easier for an individual to improperly obtain a replacement card than an original card because SSA's requirements for evidentiary documents are less strict. One FO manager stated "SSA's antenna is not up as high" when processing replacement cards, so it is easier for individuals to improperly obtain and misuse replacement SSN cards.

FO personnel also told us they believe it would be easier for a U.S. born citizen than a foreign-born individual to improperly obtain a replacement card because SSA only requires evidence of identity. FO personnel told us they believe the primary reasons a U.S. born citizen would want to improperly obtain another individual's replacement card would be to avoid creditors, establish a new identity, or evade child support. The primary reason FO personnel cited for noncitizens wanting to improperly obtain a replacement card was for work purposes. Several FO staff members told us they believe applications for replacement cards sent in through the mail are more vulnerable to fraudulent activity because SSA personnel cannot observe the applicant's characteristics (for example, age, race and gender) or ask questions, which could assist them in determining the number holder's identity.

FO personnel we spoke with also told us SSA is at-risk from individuals who improperly obtain and misuse replacement cards because the Agency is not focused on fraud. For example, one FO manager stated, “SSA trains FO personnel to provide customer service, not to identify SSN fraud and misuse.” Another FO manager told us that, although SSA sends reminders to FOs that address the need to adhere to fraud prevention procedures, SSA is more concerned with shortening customer wait times and answering congressional inquiries than preventing and detecting fraud and misuse. The manager told us the Agency identifies fraudulent activity by accident, not by controls designed to prevent and detect such activity.

To ensure accuracy in all SSA programs, the Agency must maintain the integrity of the SSNs it issues. When individuals improperly obtain or misuse replacement SSN cards, wages reported under that SSN cannot be associated with workers’ earnings and therefore public confidence in SSA’s stewardship of Agency programs is adversely affected. Further, the accuracy of employees’ names and SSNs is important to SSA because it reduces operating costs. In the past, SSA officials estimated it cost less than \$.50 to post a correctly submitted wage item to an individual’s earnings record and an average of \$300 to correct an item once it goes into the ESF. Although the Agency is attempting to calculate and update unit cost, we believe the administrative costs associated with this process are significant. Finally, wages reported using another’s SSN may result in excess earnings recorded to an individual’s wage records and can cause overpayment of SSA benefits to that individual. Accordingly, we believe SSA must do more to reduce its exposure to the improper attainment and misuse of replacement SSN cards.

TYPES OF IRREGULARITIES

SSA issued 6 or more replacement SSN cards to 192 individuals during our audit period, and we identified 108 (56 percent) instances of potential SSN misuse. That is, our analysis showed various types of irregularities that are indicative of individuals who may have obtained replacement SSN cards for suspect reasons. The most common irregularities we identified follow.

- Number holders who obtained an improbable number of replacement SSN cards based on their age. For example, SSA issued 20 replacement SSN cards to a 2-year-old child. Because we found no earnings posted to the child’s account, we believe someone could have obtained these cards for other purposes. For example, someone could have obtained these cards to establish credit or improperly obtain benefits and services.
- Number holders whose earnings were proportionately higher than would be expected given the individual’s age, number of employers, and type of employment. We believe it is highly improbable that, during 1 year, an individual could work for multiple employers in numerous States and earn significant income from traditionally low-paying jobs, such as those in the agriculture and service industries.

In these cases, we believe several individuals used the same name and SSN for work purposes.

- Number holders who had wages in the ESF possibly because someone else provided an altered SSN card (with number holder's SSN but someone else's name) or used the number holder's SSN for work without showing the employer an SSN card.¹³ SSA placed about \$90,000 in suspended earnings in the ESF during 1999 from these instances.
- Number holders who had earnings and were drawing disability benefits under title II or title XVI. These individuals either exceeded their earnings limit or someone else used their SSN for work purposes.

SSA issued 3 to 5 replacement SSN cards to 35,132 individuals during our audit period. During our review of 100 randomly selected SSNs with 3 to 5 replacement cards, we identified 17 (17 percent) instances of potential SSN misuse. Therefore, we estimate there were 5,972 instances of potential SSN misuse in the 35,132 replacement SSN cards (see Appendix C). The two types of irregularities we identified were number holders who (1) obtained an improbable number of replacement SSN cards based on their age and (2) had wages in the ESF under a different name and obtained three or more replacement SSN cards during the audit period.

We believe the following examples of SSNs issued during our audit period illustrate SSA's exposure to SSN misuse, provide an exceptional learning opportunity for the Agency, and serve as a catalyst for changes essential to ensuring the SSNs integrity. We will refer the following types of irregularities to SSA's Office of the Inspector General, Office of Investigations.

- SSA issued 6 replacement SSN cards to a 34-year-old male (24 cards lifetime). He had \$172,000 in earnings from 27 employers in 10 States during 1999. In addition, he had \$121,000 in earnings from 8 employers in 1998 and \$65,000 in earnings from 15 employers in 1997.
- SSA issued 12 replacement SSN cards to a 19-year-old male (23 cards over his lifetime). He had \$113,000 in earnings from 24 employers in 19 States during 1999.
- SSA issued 6 replacement SSN cards to a 25-year-old male (13 cards over his lifetime). He had \$106,000 in earnings from 12 employers in 8 States during 1999. He also had over \$10,000 in earnings that went into the ESF under his SSN (but a different name) in 1999. In addition, he had \$83,000 in earnings from 10 employers in 1998, and \$60,000 in earnings from 13 employers in 1997.

¹³ We acknowledge that SSA could not have prevented either of these two conditions. Nevertheless, the number of replacement cards obtained during our audit period coupled with the wages SSA posted to the ESF for these number holders, indicate irregularities and possible SSN misuse.

- SSA issued 10 replacement SSN cards to a 90-year-old female (18 cards over her lifetime). Given her advanced age, we question the need for the number of cards obtained, and we believe someone else may have obtained these cards for suspect reasons. For example, someone could have obtained these cards to assume her identity or improperly obtain benefits and services.
- SSA issued 7 replacement SSN cards to a 30-year-old male (20 cards over his lifetime). He had \$89,000 in earnings from 12 employers in 10 States during 1999. He had less than \$11,000 in total earnings from 1994 through 1998.
- SSA issued 14 replacement SSN cards to a 33-year-old male (78 cards over his lifetime).

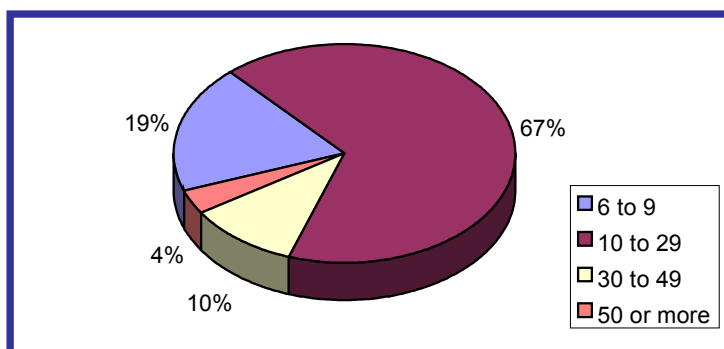
OPPORTUNITIES TO REDUCE SSA'S RISK FROM INDIVIDUALS WHO IMPROPERLY OBTAIN AND MISUSE REPLACEMENT SSN CARDS

Because SSA does not limit the number of replacement SSN cards it issues an individual, the Agency issues multiple cards to many individuals, some of whom misuse them. Furthermore, FO personnel increase the Agency's exposure to such activity when they do not comply with enumeration policies and procedures when processing applications for replacement SSN cards.

SSA Did Not Limit the Number of Replacement SSN Cards

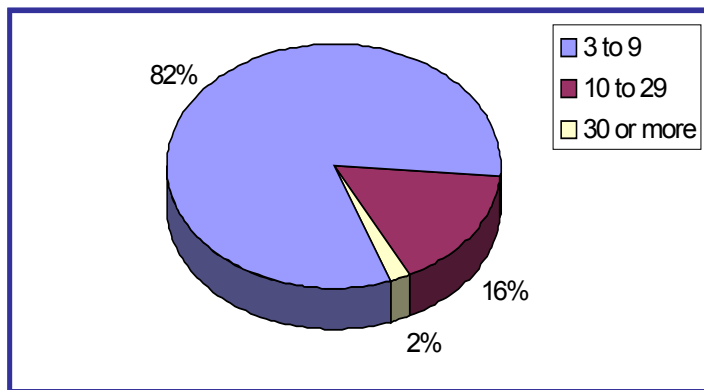
Of the 192 individuals who received 6 or more replacement SSN cards during our audit period, SSA issued 10 to 29 cards to 67 percent of them over their lifetimes, 30 to 49 cards to 10 percent, 50 or more cards to 4 percent, and 6 to 9 cards to 19 percent, as shown in Exhibit 1.

Exhibit 1:
Distribution of the Number of Lifetime Replacement
SSN Cards SSA Issued to Individuals Who Received Six or More
Cards During Our Audit Period



Of the 100 randomly selected individuals who received 3 to 5 replacement cards during our audit period, SSA issued 10 to 29 cards to 16 percent over their lifetimes and 30 or more replacement cards to 2 percent, as shown in Exhibit 2. We estimate that, of the 35,132 number holders who obtained 3 to 5 replacement SSN cards during our audit period, 6,324 obtained 10 or more over their lifetimes (see Appendix C).

Exhibit 2:
Distribution of the Number of Lifetime Replacement
SSN Cards SSA Issued to Individuals Who Received 3 to 5 Cards
During Our Audit Period



While we recognize there are legitimate reasons for obtaining a replacement SSN card, such as a name change or an occasional lost card, some individuals abuse SSA's policy of not limiting the number of cards. For example, we question an individual's need for 14 replacement SSN cards in a year and 78 over a lifetime. SSA personnel told us that some individuals who request multiple replacement SSN cards are homeless or mentally impaired and others sell the cards or allow others to use them for work purposes. We acknowledge SSA has little control over individuals who choose to misuse replacement SSN cards the Agency appropriately issued, but we believe SSA has a duty to safeguard the integrity of SSNs by reducing opportunities for individuals to engage in such activity.

We believe SSA should limit the number of replacement cards an individual could receive during a specific period and over a lifetime (for example, 3 cards during a 12-month period and 10 cards over a lifetime). We realize there could be exceptions to this policy, such as when the health or welfare of an individual may be impacted. However, we believe these instances should be the exception, not the rule. SSA could institute a two-pin process to allow supervisors to control these exceptions.

SSA personnel at FOs we visited agreed the Agency should limit the number of replacement SSN cards. FO personnel told us that limiting the number of replacement cards could reduce the Agency's exposure to SSN misuse as well as reduce FO workload. FO managers also told us that reducing workload would give personnel more time to effectively review applications for replacement SSN cards, thus increasing their chance of detecting fraudulent activity.

FO Personnel Did Not Always Comply with Enumeration Policies and Procedures

Through interviews and observations at the 10 FOs, we determined that SSA personnel did not always comply with enumeration policies and procedures when processing applications for replacement SSN cards. For example, our review of 290 applications (based on either in-person interviews or mail receipts) showed SSA issued 45 (16 percent) replacement SSN cards that should not have been issued based on the applicant's documentary evidence. The most common occurrences of FO personnel's noncompliance with enumeration policies and procedures follow.

- Failure to require applicants to provide two or more of the following items: name, signature, age, date of birth, or parents' name when presenting a non-picture identity document.
- Acceptance of unallowable identity documents.
- Failure to require proper documentation in support of a name change.
- Failure to seek secondary verification of INS documents when indicated by the SAVE program.

In addition to our review of the 290 applications discussed above, we also reviewed 200 previously processed applications for replacement SSN cards.¹⁴ Of the 490 applications, 102 had alien registration numbers (or "A" number) that we verified through INS' Alien Status Verification Index (ASVI), which is part of the Agency's SAVE program. ASVI indicated "institute secondary verification" for 27 of these at the time of our review; therefore, we independently verified them with the INS. The INS confirmed that 6 of the 27 individuals had been in the United States over 30 days when they applied for SSNs and that ASVI would have indicated "institute secondary verification" at that time. As such, according to SSA policy, FO personnel should have submitted the documents to INS for independent verification of their authenticity.

The INS confirmed all six documents were invalid. The INS also confirmed that three additional documents were invalid, but these individuals had been in the country for less than 30 days, and SSA policy does not require FO personnel to verify these documents with INS. Nevertheless, 9 (9 percent) of the 102 individuals who presented evidentiary documents containing an "A" number improperly obtained a replacement SSN card.

¹⁴ Because SSA did not retain copies of documentary evidence for previously processed applications, we could not examine them to determine compliance with enumeration policies and procedures, with the exception of those applications where SSA personnel documented an "A" number.

Moreover, FO personnel told us they did not always use tools, such as black lights and INS guides, to assist them in detecting invalid evidentiary documents. FO personnel in 5 (50 percent) of the 10 FOs we visited told us they did not routinely use a black light. Rather, they generally relied on visual inspection to identify invalid evidentiary documents, thus making identification difficult given the quality of such documents. In fact, 2 of the 10 FOs we visited did not have a black light or it had been broken for years. Furthermore, FO personnel told us they did not always compare information on the SS-5 with the applicant's Numident record to ensure information the applicant provided matched SSA records. We also observed FO personnel who provided key information (for example, mother's and father's name and date of birth) to the applicant while assisting them in completing their SS-5 application for a replacement card. We believe the purpose of requiring applicants to fully complete the SS-5 is to ensure they are who they purport to be and the information they provide matches SSA's records.

FO personnel also told us they often issue replacement cards even though they have concerns about the probative value of supporting identity documents. For example, personnel at one FO told us they accept a local county health department's identification document as evidence of identity, knowing that anyone can obtain one just by giving a name. FO personnel also told us they often don't have time to verify suspect documentary evidence due to a large workload.

FO personnel told us they do not always comply with enumeration policies and procedures because they feel pressure to serve applicants as quickly as possible. That is, SSA's emphasis on customer service discourages FO personnel from utilizing tools that could detect fraudulent activity. Although we recognize the need to satisfy customer demands, we do not believe that prompt customer service should take precedent over preventing and detecting fraudulent activity.

Conclusions and Recommendations

Despite SSA's commitment to eliminating opportunities for fraud and misuse in its enumeration process, the Agency's risk of exposure to such activity remains. We recognize SSA has limited control over individuals who intentionally choose to misuse replacement SSN cards the Agency appropriately issued. However, we believe SSA has a duty to safeguard the integrity of SSNs by reducing opportunities for individuals to engage in such activity. Given the potential for individuals to improperly obtain and misuse replacement SSN cards, as evidenced by the examples presented in this report, we believe SSA would benefit by taking a more proactive role in eliminating opportunities of such activity.

We believe the actions recommended in previous reports and those in this report will assist SSA in reducing its risk from individuals who improperly obtain and misuse replacement SSN cards. Accordingly, we recommend that SSA:

1. Develop regulations and incorporate appropriate system controls to limit the number of replacement SSN cards an individual can receive during a 12-month period to 3 and over a lifetime to 10. SSA should implement a two-pin process requiring management personnel to approve extraordinary circumstances that warrant exceptions.
2. Re-emphasize the importance of following enumeration policies and procedures associated with the issuance of replacement SSN cards, including the requirement to independently verify INS documents when indicated by SSA policy and the SAVE program.
3. Conduct an inventory to determine the number of FOs that have operational black lights and INS document guides to use when verifying evidentiary documents. SSA should supply or repair these tools if necessary.
4. Test FO compliance with procedures for issuing replacement SSN cards when performing periodic enumeration quality reviews. Additional training and/or supervision should be provided to employees if necessary.

AGENCY COMMENTS

Regarding Recommendation 1, SSA agreed it needs to look more carefully at the issuance of replacement cards to ensure it takes every advantage of systematic controls, such as limits, that might allow SSA to more effectively identify risk factors and avoid the issuance of multiple replacement cards in questionable situations. SSA also stated it is beginning further assessment to determine the most effective systematic protocols to pursue.

SSA agreed with Recommendation 2 and stated that, by September 30, 2001, the Office of Operations will issue a reminder to all field offices, stressing the importance of following enumeration policies and procedures.

SSA stated it believes current procedures address Recommendation 3. Specifically, the Agency stated every FO has a copy of the *Administrative Confidential Memorandum*, which is the INS' guide for examining INS documents. SSA also stated the Regional Integrity on-site security review or FO self-review includes actions to verify the FO's black light is operational. Additionally, SSA stated it is working with INS to provide SSA employees access to more INS automated records and to implement an Enumeration at Entry initiative.

SSA believes it can address Recommendation 4 through reminder items and training. SSA stated the Office of Quality Assurance and Performance Assessment (OQA) conducts an annual end-of-line review of both original and replacement cards issued to access the accuracy of the process. Upon issuance of the next OQA report, the Deputy Commissioner for Operations will include a reminder for the regional offices to have FOs conduct refresher training as indicated by OQA's findings and to remind staff that they need to comply with all procedures for issuing replacement SSN cards.

SSA also provided technical comments that we considered and incorporated, where appropriate. The full text of SSA's comments is included in Appendix D.

OFFICE OF THE INSPECTOR GENERAL RESPONSE

We believe SSA's response and planned actions adequately address Recommendations 1, 2, and 4. However, we believe SSA's response to Recommendation 3 does not effectively respond to our goal of reducing opportunities for individuals to improperly attain and misuse replacement SSN cards.

Regarding SSA's response to Recommendation 3, we acknowledge SSA's efforts in working with the INS to provide SSA employees access to more INS automated records and to implement the Enumeration at Entry initiative. While we believe these initiatives will prove useful in the future, full implementation may be years away. In the meantime, we continue to believe FO personnel should use every tool available, such as black lights and INS guides, to assist them in detecting invalid evidentiary documents.

In its response, SSA stated every FO has a copy of *The Administrative Confidential Memorandum*. We question how the Agency can make such a statement without conducting an inventory as we suggested. As discussed in the report, 5 (50 percent) of the 10 FOs we visited told us they did not routinely use a black light. In fact, two FOs either did not have a black light or the light had been broken for years. Given the importance of preventing individuals from fraudulently obtaining replacement SSN cards, we continue to believe SSA should ensure that **all** FOs have operational black lights and INS document guides to use when verifying evidentiary documents. Therefore, we also ask that SSA reconsider its response to this recommendation.

Appendices

Sample Methodology

To determine the frequency of replacement Social Security number (SSN) cards the Social Security Administration (SSA) issued from April 1, 1999 through March 31, 2000, we obtained a data extract from the Modernized Enumeration System. This population totaled over 11 million replacement SSN cards. From this population, we identified 35,324 number holders to whom SSA issued 3 or more replacement cards. We reviewed the 192 SSNs where SSA issued 6 or more replacement cards, and we randomly selected a weighted sample of 100 SSNs from the 35,132 SSNs where SSA issued 3 to 5 replacement cards. Table A.1. shows the distribution of individuals receiving multiple replacement SSN cards and sample size.

Table A.1.: Population and Sample Sizes for Individuals Receiving Multiple Replacement SSN Cards

Distribution of Replacement SSN Cards	Population (Number of Individuals)	Sample
6 or more	192	192
5	586	2
4	3,482	10
3	<u>31,064</u>	<u>88</u>
Subtotal 3 – 5	<u>35,132</u>	<u>100</u>
TOTAL	35,324	292

For all cases reviewed, we obtained the following information from these SSA sources.

- Numident record — Information on age, sex, place of birth, and number of replacement SSN cards issued over the individual’s lifetime.
- Master Earnings File — Information regarding earnings posted during our audit period, and in some cases, prior years.
- Earnings Suspense File — Information on earnings for which the SSN and name did not match SSA records.
- Supplemental Security Income Record Description and Master Beneficiary Record — Information regarding whether the individual received title II and/or title XVI payments.

Using queries from these SSA systems, we assessed the potential for individuals to improperly obtain and misuse replacement SSN cards.

Sample Characteristics Measured

Characteristics Measured to Identify Instances Of Potential Replacement Social Security Number Card Misuse		Number of Instances for Individuals Who Received:	
		6 or more cards	3-5 cards
A.	Social Security number (SSN) holders who obtained an improbable number of replacement SSN cards based on their age (that is, the number of lifetime cards obtained was equal to or greater than half the individual's age as of our audit period).	95	13
B.	SSN holders who received 30 or more lifetime replacement SSN cards.	27	2
C.	SSN holders whose earnings were proportionately higher than would be expected given the individual's age, number of employers, and type of employment. It is highly improbable that in 1 year an individual could work for multiple employers in numerous States and earn significant income from traditionally low paying jobs, such as those in the agriculture and service industries.	17	0
D.	SSN holders who had wages in the Earnings Suspense File (ESF) possibly because someone else provided an employer an altered SSN card (number holder's SSN but someone else's name) or used the number holder's SSN for work without showing the employer an SSN card . The earnings posted to the ESF coupled with the number of replacement SSN cards obtained during our audit period indicate possible SSN misuse.	7	4
E.	SSN holders were retirement age (62 years or older), and obtained 6 or more replacement SSN cards during our audit period.	5	0
F.	SSN holders who had earnings and were also drawing disability benefits under title II or title XVI. These individuals either exceeded their earnings limit or someone else used their SSN for work purposes.	4	0
	Number of instances identified	155	19
	Multiple instances identified (more than one characteristic per case)	47	2
	Number of cases	108	17

Sample Appraisals

INDIVIDUALS WHO RECEIVED 3 TO 5 REPLACEMENT CARDS FROM APRIL 1, 1999 THROUGH MARCH 31, 2000	
NUMBER OF INSTANCES OF POTENTIAL SSN MISUSE	
Total Population	35,132
Total Sample Size	100
Number of Instances In Sample With Potential SSN Misuse	17
Projection of Number of Instances of Potential SSN Misuse in Population	5,972

CONFIDENCE LEVEL: We are 90-percent confident the actual number of instances of potential SSN misuse in the population is between 3,913 and 8,570.

INDIVIDUALS WHO RECEIVED 3 TO 5 REPLACEMENT CARDS FROM APRIL 1, 1999 THROUGH MARCH 31, 2000	
NUMBER OF INDIVIDUALS WHO WOULD RECEIVE 10 OR MORE LIFETIME REPLACEMENT SSN CARDS	
Total Population	35,132
Total Sample Size	100
Number of Individuals in Sample Who Received 10 or More Lifetime Replacement Cards	18
Projection of Number of Individuals Who Would Receive 10 or More Lifetime Replacement Cards in Population	6,324

CONFIDENCE LEVEL: We are 90-percent confident the actual number of individuals who received 10 or more lifetime replacement SSN cards in the population is between 4,207 and 8,961.

Agency Comments



SOCIAL SECURITY

MEMORANDUM

September 24, 2001

Refer To: S1J-3

To: James G. Huse, Jr.
Inspector General

Larry G. Massanari
Acting Commissioner
of Social Security

Subject: Office of the Inspector General (OIG) Draft Report: "Replacement Social Security Number Cards: Opportunities to Reduce the Risk of Improper Attainment and Misuse" (A-08-00-10061)
—INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the report recommendations are attached.

Please let us know if we may be of further assistance. Staff questions may be referred to Dan Sweeney on extension 51957.

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT –
REPLACEMENT SOCIAL SECURITY NUMBER CARDS: OPPORTUNITIES TO REDUCE
THE RISK OF IMPROPER ATTAINMENT AND MISUSE (A-08-00-10061)

Recommendation 1

Develop regulations and incorporate appropriate system controls to limit the number of replacement Social Security number (SSN) cards an individual can receive during a 12-month period to 3 and over a lifetime to 10. The Social Security Administration (SSA) should implement a two-pin process requiring management personnel to approve extraordinary circumstances that warrant exceptions.

Comment

We agree that we need to look carefully at the issuance of replacement cards to ensure that we take every advantage of systematic controls, such as limits, that might allow us to more effectively identify risk factors and avoid the issuance of (multiple) replacement cards in questionable situations. We are beginning further assessment to determine the most effective systematic protocols to pursue. We would ask that you designate a representative to work with us on the intercomponent assessment team that will be convened shortly. Further information about the potentially fraudulent cases you cite, particularly the results of any further investigation you may have undertaken, would undoubtedly be helpful to the assessment team's deliberations.

Recommendation 2

Reemphasize the importance of following enumeration policies and procedures associated with the issuance of replacement SSN cards, including the requirement to independently verify Immigration and Naturalization Service (INS) documents when indicated by SSA policy and the Systematic Alien Verification for Entitlements (SAVE) program.

Comment

We concur. The Office of Operations will issue a reminder to all field offices by the end of September 2001, stressing the importance of following enumeration policies and procedures.

Recommendation 3

Conduct an inventory to determine the number of field offices (FO) that have operational black lights and INS document guides to use when verifying evidentiary documents. SSA should supply or repair these tools if necessary.

Comment

We believe current procedures already address this recommendation. Every FO has a copy of the "Administrative Confidential Memo," which is the INS document guide for examining INS

documents. In addition, the Regional Integrity onsite security review or FO self-review includes actions to verify that the FO's black light is operational. These reviews are conducted every 2 to 5 years. FOs have the budgetary means to replace or repair any operational equipment in the FO.

We are working with INS to provide SSA employees access to more INS automated records (specifically, online access to the INS Non-Immigrant Information System) and to implement the Enumeration at Entry initiative. Fraudulent INS documents will cease to pose a threat once Enumeration at Entry is fully in place as we plan to then verify all INS documents presented by aliens applying for SSN cards at SSA offices. Initially, the Department of State (DOS) will collect the enumeration data for SSA as part of the joint DOS-INS electronic immigrant visa process. When INS decides to admit the alien as a permanent resident, INS will take action to issue the individual a Permanent Resident card and forward the enumeration data for that person to SSA. Currently, SSA, INS, and DOS are working on the necessary systems changes. The target date for implementation of this phase is late 2002. Once this phase is implemented, SSA, INS and DOS, will begin discussions for the later phases where INS and or DOS will collect enumeration data for other groups of aliens.

Recommendation 4

Test FO compliance with procedures for issuing replacement SSN cards when performing periodic enumeration quality reviews. Additional training and/or supervision should be provided to employees if necessary.

Comment

We believe OIG's concerns can be addressed through reminder items and training. The Office of Quality Assurance and Performance Assessment (OQA) conducts an annual end-of-line review of both original and replacement cards issued to assess the accuracy of the process. OQA's annual end-of-line review is not a compliance review as there is no onsite observation of the FO's interview with the replacement card applicant. The OQA review is designed to identify the misassignment of an SSN; i.e., cases where an applicant has an SSN, but is assigned another original SSN, or cases where an applicant is assigned an SSN that belongs to someone else. If OQA identifies procedural problems during the review, it issues reminder items to field components alerting them to the issues.

The Deputy Commissioner for Operations (DCO) routinely shares the report of OQA's findings with the regional offices. Upon issuance of the next OQA report, DCO will include a reminder for the regional offices to have FOs conduct refresher training as indicated by OQA's findings and to remind staff that they need to comply with all procedures for issuing replacement SSN cards.

OIG Contact and Staff Acknowledgments

OIG Contact

Kimberly A. Byrd, Acting Director, Operational Audits Division, (205) 801-1605

Acknowledgments

In addition to those named above:

Jeff Pounds, Senior Program Analyst

Charles Lober, Senior Auditor

Ellen Justice, Auditor

Susan Phillips, Program Analyst

Theresa Roberts, Auditor

Kathy Youngblood, Senior Auditor

Kimberly Beauchamp, Writer-Editor

For additional copies of this report, please visit our web site at <http://www.ssa.gov/oig> or contact the Office of the Inspector General's Public Affairs Specialist at (410) 966-1375. Refer to Common Identification Number A-08-00-10061.

DISTRIBUTION SCHEDULE

	<u>No. of Copies</u>
Commissioner of Social Security	1
Management Analysis and Audit Program Support Staff, OFAM	10
Inspector General	1
Assistant Inspector General for Investigations	1
Assistant Inspector General for Executive Operations	3
Assistant Inspector General for Audit	1
Deputy Assistant Inspector General for Audit	1
Director, Systems Audit Division	1
Director, Financial Management and Performance Monitoring Audit Division	1
Director, Operational Audit Division	1
Director, Disability Program Audit Division	1
Director, Program Benefits Audit Division	1
Director, General Management Audit Division	1
Issue Area Team Leaders	25
Income Maintenance Branch, Office of Management and Budget	1
Chairman, Committee on Ways and Means	1
Ranking Minority Member, Committee on Ways and Means	1
Chief of Staff, Committee on Ways and Means	1
Chairman, Subcommittee on Social Security	2
Ranking Minority Member, Subcommittee on Social Security	1
Majority Staff Director, Subcommittee on Social Security	2
Minority Staff Director, Subcommittee on Social Security	2
Chairman, Subcommittee on Human Resources	1
Ranking Minority Member, Subcommittee on Human Resources	1
Chairman, Committee on Budget, House of Representatives	1
Ranking Minority Member, Committee on Budget, House of Representatives	1
Chairman, Committee on Government Reform and Oversight	1
Ranking Minority Member, Committee on Government Reform and Oversight	1
Chairman, Committee on Governmental Affairs	1

Ranking Minority Member, Committee on Governmental Affairs	1
Chairman, Committee on Appropriations, House of Representatives	1
Ranking Minority Member, Committee on Appropriations, House of Representatives	1
Chairman, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives	1
Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives	1
Chairman, Committee on Appropriations, U.S. Senate	1
Ranking Minority Member, Committee on Appropriations, U.S. Senate	1
Chairman, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate	1
Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate	1
Chairman, Committee on Finance	1
Ranking Minority Member, Committee on Finance	1
Chairman, Subcommittee on Social Security and Family Policy	1
Ranking Minority Member, Subcommittee on Social Security and Family Policy	1
Chairman, Senate Special Committee on Aging	1
Ranking Minority Member, Senate Special Committee on Aging	1
Vice Chairman, Subcommittee on Government Management Information and Technology	1
President, National Council of Social Security Management Associations, Incorporated	1
Treasurer, National Council of Social Security Management Associations, Incorporated	1
Social Security Advisory Board	1
AFGE General Committee	9
President, Federal Managers Association	1
Regional Public Affairs Officer	1
Total	97

Overview of the Office of the Inspector General

Office of Audit

The Office of Audit (OA) conducts comprehensive financial and performance audits of the Social Security Administration's (SSA) programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress, and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency.

Office of Executive Operations

OEO supports the OIG by providing information resource management; systems security; and the coordination of budget, procurement, telecommunications, facilities and equipment, and human resources. In addition, this office is the focal point for the OIG's strategic planning function and the development and implementation of performance measures required by the *Government Performance and Results Act*. OEO is also responsible for performing internal reviews to ensure that OIG offices nationwide hold themselves to the same rigorous standards that we expect from SSA, as well as conducting investigations of OIG employees, when necessary. Finally, OEO administers OIG's public affairs, media, and interagency activities, coordinates responses to Congressional requests for information, and also communicates OIG's planned and current activities and their results to the Commissioner and Congress.

Office of Investigations

The Office of Investigations (OI) conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Counsel to the Inspector General

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation, and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.