OFFICE OF INSPECTOR GENERAL'S PROPOSAL TO IMPROVE BUSINESS EFFICIENCY AT THE RAILROAD RETIREMENT BOARD

September 21, 2011

OFFICE OF INSPECTOR GENERAL
RAILROAD RETIREMENT BOARD

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INTRODUCTION

The Office of Inspector General's (OIG) mission is to improve the efficiency and economy of the Railroad Retirement Board's (RRB) programs and operations. To achieve its mission, the OIG focuses its audit and investigative efforts on protecting the integrity of the RRB's trust funds and improving the delivery of benefits to the railroad community.

During fiscal year (FY) 2011, the OIG conducted a special review to identify the RRB's current weaknesses and the ways in which they could be addressed. RRB senior management and key operating staff were interviewed to obtain their feedback and identify concerns with regard to agency-wide efficiency. Proposals for future improvement were generated based on these discussions and through additional research and analysis. The OIG has previously performed special reviews to address the concerns of management and Congress and to respond to contemporary issues impacting the agency. A listing of the reports that were issued in response to these reviews is included in Appendix 1.

In fulfilling its oversight responsibility, the Government Accountability Office (GAO) identifies and monitors those government agencies and programs which are at high risk for fraud, waste, abuse, and mismanagement. The OIG considered the high risk areas reported by the GAO during its special review and identified several areas of concern for the RRB which parallel those previously identified by the GAO.

The current economic decline and high rate of unemployment has heightened the public's awareness of the cost of government services and the need for greater accountability in all areas of public spending. Budgetary timing and appropriation uncertainty, financial transparency and close public scrutiny drive the continuing need for Federal agencies to achieve greater results with fewer resources.[1] As such, the RRB must utilize the most advantageous methods of productivity while fully leveraging its available budgetary and staffing resources.

OBSERVATIONS AND PROPOSALS

Program Costs and Budgetary Uncertainty

RRB management must increasingly respond to mandated requests for program and administrative information resulting from new federal legislation. Although, the volume of these requests for agency information has continued to increase, the funding and resources needed to respond has not increased equivalently. The cost of producing this information has also become increasingly more expensive due to its complexity, the need for technology to obtain the information, and the advanced skill level and higher pay scales required for those involved in preparing the response.

[1] As defined by OMB Circular No. A-11, "Preparation, Submission and Execution of the Budget," Section 20.3: "Appropriation means a provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority."

Agency management must also continue to adapt to a budgetary climate that is defined by timing uncertainly and looming decreases in budgetary appropriations. As a result, the RRB's staffing needs cannot be effectively coordinated with the timing and availability of the agency's budget. The growing complexity of the RRB's work environment has also contributed to the overall increase in program costs.

Demographic trends impacting the RRB also require special management consideration and a reevaluation of how the agency will conduct its business in the future. As discussed later in this report, a significant number of RRB employees are eligible for retirement while its future customer base is expected to continue to decline.

To meet these challenges and respond to the changing federal work environment, RRB management must ensure that a proactive strategy is in place which utilizes state-of-the-art technologies and advanced productivity measures and techniques.

Productivity Relative to Program Funding and the Railroad Customer Base

An analysis of RRB published data indicates that there has been a continuing increase in appropriation funding despite an overall decline in the customer base served.[2] As illustrated in Table 1 below, while the collective railroad annuitant and employment customer base has declined by 15%, the allocated appropriation cost per customer has risen by an estimated 35%.

Table 1 - Railroad Retirement Cost Per Customer

Year	*Annuitants*	*Railroad Employment*	*Customer Base*	*Appropriation*	*Appropriation Per Customer*
2001	660,112	238,000	898,112	$95,000,000	$105.78
2002	641,063	229,000	870,063	$97,627,500	$112.21
2003	626,319	225,000	851,319	$99,350,000	$116.70
2004	610,020	227,000	837,020	$100,702,330	$120.31
2005	595,484	232,000	827,484	$102,543,040	$123.92
2006	582,995	236,000	818,995	$101,517,570	$123.95
2007	571,271	237,000	808,271	$103,693,878	$128.29
2008	562,347	235,000	797,347	$101,882,466	$127.78
2009	554,124	223,000	777,124	$105,463,000	$135.71
2010	549,800	221,000	770,800	$109,073,000	$141.51
2011	545,300	217,000	762,300	$109,073,000	$143.08
Change	-114,812	-21,000	-135,812	$14,073,000	$37.30
%	**-17.39**	-8.82	**-15.12**	14.81	**35.26**

[2] RRB's "Justification of Budget Estimates" for FY 2010 and FY 2012.

Over this ten year period, RRB locality-adjusted compensation and benefits increased by approximately 37.2%.[3] However, the RRB's full time equivalent staffing declined by more than 22% for the same period. As the level of future increases in agency appropriations remains questionable, the trend toward budgetary increases experienced in prior years is not expected to be sustainable over the long-term.

As illustrated in Table 2, the RRB's appropriation cost per payment processed shows a significant increase over time while overall efficiency in terms of the number of annuitants served and benefit payment volume has declined. While the total number of retirement payments and unemployment and sickness payments has declined by more than 20%, the appropriation cost per payment has risen by an estimated 44%.

Table 2 - Railroad Retirement Cost Per Payment

Year	*Retirement Payments*	*UI Payments*	*SI Payments*	*Total*	*Appropriation*	*Appropriation Per Payment*
2001	8,872,847	96,603	165,706	9,135,156	$95,000,000	$10.40
2002	8,200,488	106,289	167,643	8,474,420	$97,627,500	$11.52
2003	7,960,902	93,422	159,088	8,213,412	$99,350,000	$12.10
2004	7,766,557	74,790	150,033	7,991,380	$100,702,330	$12.60
2005	7,592,204	60,057	138,610	7,790,871	$102,543,040	$13.16
2006	7,426,518	53,781	133,519	7,613,818	$101,517,570	$13.33
2007	7,349,904	58,385	127,372	7,535,661	$103,693,878	$13.76
2008	7,191,744	65,388	120,498	7,377,630	$101,882,466	$13.81
2009	7,104,066	198,230	118,770	7,421,066	$105,463,000	$14.21
2010	7,055,426	190,152	119,426	7,365,004	$109,073,000	$14.81
2011	7,000,000	151,000	112,000	7,263,000	$109,073,000	$15.02
Change	-1,872,847	54,397	-53,706	-1,872,156	14,073,000	$4.62
%	**-21.11**	56.31	-32.41	**-20.49**	14.81	**44.42**

Based on the "moderate" assumption reported in the RRB's latest actuarial report, over the next 25 years the number of railroad annuitants is expected to decline from the present level of approximately 545,000 to less than 400,000 annuitants. Over this same period, covered employment levels are expected to decline from 231,000 current railroad employees to approximately 150,000. Based on this assumption, the projected future decline in the RRB's customer base from current levels is expected to be more than 29%.

As the agency's customer base continues to decline, RRB management must identify the causes of inefficiency and develop a means of increasing the agency's overall productivity relative to its program funding.

[3] The RRB's personnel compensation and benefits represent approximately 80% of its total budget authority. The estimated ten year RRB personnel compensation increase of 37.2% was computed based on the Office of Personnel Management's General Schedule increases for the Chicago area as more than 72% of the RRB's employees reside in this locality. The OPM's increases are based on analysis of comparable market data developed by the Bureau of Labor Statistics. Personnel benefits are expected to increase proportionately.

National Railroad Retirement Investment Trust Oversight

During FY 2008, the OIG released a statement of concern highlighting the lack of performance audit requirements for the National Railroad Retirement Investment Trust (NRRIT) fund which finances the Railroad Retirement system's benefit payment obligations. Since the statement's release, there has been no corrective action directed toward alleviating the NRRIT oversight concerns while the NRRIT's long-term trust fund solvency has become increasingly questionable.

Since its inception, the NRRIT's administrative expenses have steadily risen and increased the overall RRB cost structure by more than 70%. This increase can be partially explained by the number of fund management staff that would be needed to manage increasingly complex risk-based investment strategies and transactions. However, minimal information is released publically to justify the recurrent increases in administrative expense. Despite the NRRIT's lack of fund management transparency and the extraordinary value of the fund's assets, there has been a consistently passive approach to fund oversight.

The data in Table 3, obtained from the NRRIT's annual management reports for FY 2002 through 2010, illustrates the significant growth in administrative expense despite a recent trend toward decline in the value of net assets managed.

Table 3 - NRRIT Net Assets and Expenses ($ In Thousands)

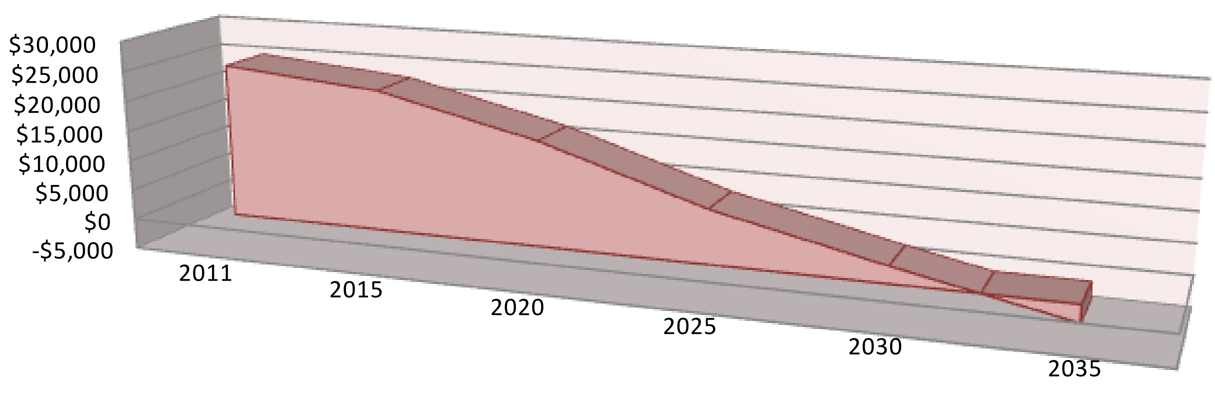
YEAR	NET ASSETS	EXPENSES	EXPENSES AS % OF ASSETS
2002	$1,420,298	$2,147	.1512%
2003	$23,015,926	$4,558	.0198%
2004	$25,032,869	$9,982	.0399%
2005	$27,666,492	$23,856	.0862%
2006	$29,372,752	$43,403	.1478%
2007	$32,664,008	$75,375	.2308%
2008	$25,335,734	$71,983	.2841%
2009	$23,332,743	$63,849	.2736%
2010	$23,809,429	$77,165	.3241%

While the NRRIT achieved initial success with market based investments, the fund's management strategy has placed the Railroad Retirement system in a precarious position for the long-term. As disclosed in the NRRIT's FY 2002 annual report, the reserves for the Railroad Retirement system, in terms of the Account Benefits Ratio (ABR), were 6.95 for FY 2001.[4] The FY 2001 ABR was quoted in the report as being, "…the highest level of reserve in the history of the Railroad Retirement system." The RRB's 25 year actuarial projection of the Railroad Retirement system's solvency indicates that this level of reserve will not be repeated again.

[4] Per Section 3241 of the Internal Revenue Code, "The term "account benefits ratio" means, with respect to any fiscal year, the amount determined by the Railroad Retirement Board by dividing the fair market value of the assets in the Railroad Retirement Account and of the National Railroad Retirement Investment Trust (and for years before 2002, the Social Security Equivalent Benefits Account) as of the close of such fiscal year by the total benefits and administrative expenses paid from the Railroad Retirement Account and the National Railroad Retirement Investment Trust during such fiscal year."

To maintain NRRIT trust fund solvency, future Tier 2 tax rates to be paid by railroad employers will require an aggressive increase from the current rate of 16% to a reported high of 27%, a level that is seemingly unsustainable in the competitive railroad industry. The ABR is projected to decline under the three primary employment assumptions and would be negative in 2035 under the pessimistic employment assumption. The combined NRRIT and Railroad Retirement Account balance would decline similarly and incur a deficit in 2035 under this assumption. Based on current economic indicators, a pessimistic employment assumption must be considered more likely than an optimistic assumption. The ABR, Tier 2 tax rates and the NRRIT trust fund balance projections under the three primary employment assumptions are presented graphically in Appendix 2.[5]

Railroad Retirement Account Balance (In Millions)
Pessimistic Employment Assumption



	2011	2015	2020	2025	2030	2035
RRA Balance	$25,433	$23,195	$17,143	$8,760	$2,734	-$2,872

A lack of NRRIT investment fund management accountability, transparency and stringent financial oversight can be precursors to fraud, waste and abuse. Within the Federal agency spectrum there is no comparable example where Federal program assets are completely outside the jurisdiction of a Federal agency's appointed Inspector General. However, the NRRIT fund which supports the Railroad Retirement program remains outside the purview of those appointed to protect the interests of the program's beneficiaries and the tax-paying public.

To ensure the integrity, economy and long-term viability of the NRRIT, RRB management must establish performance audit requirements that will strengthen administrative and financial oversight and ensure trust fund transparency.

[5] "Railroad Retirement System, Annual Report Required By Railroad Retirement Act of 1974 and Railroad Retirement Solvency Act of 1983," issued as of June 2011.

Financial Accounting System Compliance

The Bureau of Fiscal Operations (BFO) relies on two major applications to support its primary financial responsibilities. The Federal Financial System (FFS) supports the agency's budget, cost accounting, accounts payable, and payroll activities. The Program Accounts Receivable System (PARS), which originated as a module within FFS, supports the agency's accounts receivable function.

The developer of the FFS discontinued its maintenance and technical support for the system in 2000 and the FFS' Federal certification and accreditation status expired in 2003. The FFS is also dependent on its system administrator and several experienced users that are eligible to retire. BFO contracted with a systems consultant to identify and evaluate replacement alternatives for the FFS.

In its report, the consultant stated that the FFS is no longer compliant with the Federal Systems Integration Office's (FSIO) standards. However, the FFS assessment and alternatives analysis did not address whether BFO's second major application, PARS, is in compliance or at risk for obsolescence.

During FY 2000, the OIG reported that the RRB's financial accounting control structure is not comprehensive with respect to the reconciliation of the general ledger to its non-integrated systems. The agency has inventoried these non-integrated systems that support financial accounting, but its efforts to address the reported deficiency to date have relied on independent manual reconciliations. It's unclear whether an FFS replacement system will allow for an automated and integrated general ledger solution.

Maintaining non-integrated systems by way of manual reconciliations is a step backward in the effort to enhance productivity and increase efficiency. A cross functional effort and incremental cost approach is needed that considers the input of all concerned bureaus, offices and users.

There also is no certainty that the necessary funding can be obtained to replace the FFS. A proposed replacement system to be operated by an external shared service provider and the ensuing system migration is projected to cost $11.2 million. However, the agency has requested only $5.0 million in funding.

Prior to new system implementation, RRB management should evaluate the longevity of the PARS module, as well as, determine whether the proposed FFS replacement system would provide options for eliminating the need for manual reconciliations of the agency's non-integrated systems with the general ledger. Such a solution should include the input of the agency's current and prospective users to maximize the capabilities and efficiencies of the new system. RRB management should also ensure that adequate funding for the project is available prior to commitment.

Business Systems Modernization

The overall decline in the number of RRB employees that service its customers and the likelihood of declining financial resources will require an increase in the efficiency of the agency's operations. The RRB has established an electronic imaging and records system which has eliminated much of its paper-based processing, but manual processes still remain which can be potentially automated to increase efficiency and reduce cost.

Electronic records and paperless processing allow multiple users to access and work with the same data simultaneously. In addition, RRB customers can access electronic data and records online to answer self-inquiries without contacting the RRB's field service. Electronic records also support data analytics initiatives that can address fraud within the benefit payment environment.

The Office of Programs stated that operational efficiency can be further enhanced through automation of the RRB's disability program. As such, a migration to paperless disability program processing has been identified as a future automation goal. An electronic method of processing disability claims would also provide a means for real-time detection and prevention of disability fraud and enable the use of data mining techniques that will assist auditors and investigators. However, the necessary funding for this initiative has not been requested.

The RRB maintains a network of over 50 field offices throughout the country. Communication improvements between the field offices have been made in recent years through the use of an national toll-free telephone service which provides automated call routing, but the service does not have the capability to function as an integrated call center that could streamline program functions, complete routine benefit processes, and allow advanced customer inquiries to be developed to a point where they could be quickly resolved.

The current call routing service was not designed to maximize customer response coverage, or to further minimize the number of field offices and representatives needed to maintain efficient operations and promote quality customer service. With 247 of 894 (28%) of its staff employed by the RRB's field service, an integrated call center which enables automated customer responses would provide a logical option when considering ways to minimize cost and operate more productively. However, an assessment has not been performed to identify specific program functions and tasks that could be automated and performed by an integrated call center.

The potential efficiencies that can be obtained from an integrated call center in collaboration with the agency's telework policy have also not been assessed.[6] The establishment of home-based telework offices and/or shared locations with other Federal agencies would help to reduce the agency's office rental expense.

[6] OPM defines telework as work arrangements in which an employee regularly performs officially assigned duties at home or other work sites geographically convenient to the residence of the employee.

Information Technology

The Federal Chief Information Officer (CIO) has issued two documents that describe the major information technology (IT) initiatives to be undertaken within the Federal government over the next several years. Both documents were issued in connection with the Federal Data Center Consolidation Initiative (FDCCI) which focuses on the consolidation of the fragmented data center environment existing across government.[7]

The first document, the "25 Point Implementation Plan to Reform Federal Information Technology Management" (Implementation Plan), issued on December 9, 2010, prescribes an overall framework for leveraging IT investments and prescribes the method for scaling down the number of data centers existing across government by 800 by the end of 2015. The Implementation Plan also establishes a "Cloud First" policy which directs agencies to consider cloud computing applications when introducing new IT services and requires each agency to identify three services that can be moved to the cloud within 18 months of the plan's inception.

The second document, the "Federal Cloud Computing Strategy" (Cloud Strategy), issued on February 8, 2011, provides a decision framework for cloud migration and offers guidance on the types of cloud services available. Within the Cloud Strategy, the National Institute of Standards and Technology defines cloud computing as a "model for enabling convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction."

The RRB's Bureau of Information Services (BIS) has thoroughly assessed the requirements of the Implementation Plan and Cloud Strategy and has concluded that the primary focus of the current guidance is on large scale IT users. The RRB has identified several small IT projects that it believes will satisfy the plan's immediate requirements, but is awaiting further government-wide guidance from the Federal CIO that will address smaller agencies before it plans a major shift toward IT cloud-based services. As BIS's efforts to date have been compliance based, major cost savings initiatives have not yet been developed.

The Office of Programs has proactively participated in cloud computing discussions and related brainstorming sessions with benefit payment officials from the Social Security Administration and the Veteran's Administration but has not yet established formal initiatives that would serve to educate potential users on the available platforms, identify cloud opportunities which cross functional lines, assess facility sharing options and scales of investment, and compute the potential IT savings for the agency.

To yield maximum benefit from the Federal CIO's IT initiatives, BIS and Office of Programs management should conduct a joint IT cost/benefit and risk analysis that will support their prospective technology investment decisions and ensure that the agency's efforts are in compliance with applicable Federal and agency requirements and information security standards.

[7] The focus of the Federal Data Center Consolidation Initiative is to leverage the best practices of the public and private sector; promote the use of Green IT and reduce the overall energy and real estate footprint of government data centers; reduce the cost of data center hardware, software and operations; increase government IT security; and shift IT investments to more efficient computing platforms and technologies.

Human Capital Management

Demographically, the RRB has a very mature workforce with a significant number of its employees becoming eligible to retire in the near future. The most recent projections indicate that over the next five years approximately 50% of the agency's employees will become eligible for retirement. In the Bureau of Information Services, the percentage of employees eligible for retirement will approach 70% by the end of FY 2016. Recent recoveries in the value of Thrift Savings Plan retirement accounts may encourage more of these eligible employees to retire. These attrition-based workforce changes will impact every facet of the agency's operations including senior level management.

The competition for skilled labor within the Federal government may further complicate the agency's mission if there is a rebound in private sector employment. Federal wage freezes and proposals to increase the employees' share of benefit contributions have tarnished the attractiveness of a Federal career and will likely increase the difficulty of finding qualified replacements for experienced agency workers.

The RRB has identified staff attrition as an ongoing concern and has developed internal and external sources for recruitment. The current high levels of unemployment have resulted in an unusually large volume of applicants for many of the recent job postings. However, this surplus of potential recruits may not continue indefinitely and critical positions may become more difficult to fill as more Federal workers opt for retirement.

The RRB's Human Capital Management Plan and Succession Management Plan could be employed to address rapid staff turnover; however, the plan is presently unfunded which creates a risk for the agency. The RRB's plan recognizes the agency's need to maintain and replace agency staff. However, the plan does not consider the impact of a scaled decline in financial resources or other budgetary risk scenarios.

The RRB has not established a long-term service delivery plan that can efficiently respond to its declining customer base. The GAO recommended the establishment of a similar plan for the Social Security Administration (SSA).[8] In its 2009 report, GAO recommended that, "SSA develop a service delivery plan that describes how it will deliver quality service in the future while managing growing work demands and constrained resources. Further, this plan should establish standards for field office waiting times and phone service to help identify and improve offices with poor service." GAO also recommended that, "SSA make clear to what extent additional resources or an altered field office structure might be needed to accommodate the growing workload." An analysis of the RRB's future customer service workload and the dynamic level of full time equivalents that are needed to support an optimal level of customer service for the railroad community within the agency's budgetary limits have not been performed.

RRB management should supplement its Human Capital Management Plan and Succession Management Plan by assessing the likelihood of both a reduction in staffing and financial resources, establish reliable staffing contingencies, and estimate the funding necessary for plan readiness. In conjunction, a service benefit plan should be prepared that will maximize the workload efficiency of the agency's field service function.

[8] GAO Report No. 09-24, January 2009, "Service Delivery Plan Needed to Address Baby Boom Retirement Challenges."

Railroad Medicare

The RRB has responsibility for the administration of Railroad Medicare benefits for qualifying beneficiaries and their eligible dependents. The RRB is responsible for Medicare enrollment, premium collection and for monitoring the contractor who provides nationwide coverage for the railroad beneficiaries.

The GAO continues to cite Medicare as a high risk area because of its size, complexity and vulnerability to mismanagement and improper payments. GAO estimated that nearly $48 billion in improper payments had been paid by Medicare in FY 2010. This represented more than 9% of the total Medicare benefits paid during the reported year. The Railroad Medicare program is not immune to the types of fraud, waste and abuse found in the Medicare program.

The RRB has recently announced that in addition to its Part B responsibilities, the agency will be responsible for withholding and collecting premiums for Railroad Medicare Part C and Part D. These additional Medicare responsibilities will require further coordination between the Centers for Medicare & Medicaid Services and the RRB to affect the appropriate transfer of funds between the agencies.

The agency's Railroad Medicare Section has experienced significant workload increases through the third quarter of FY 2011. While production has improved from the prior year, mounting backlogs, attributed to staffing attrition and new-hire training; variable rate processing errors; and a surge in refund cases, continue to be a concern for the section's maintenance and premium collection functions. The imminent establishment of a new Railroad Medicare contract and with updated provisions and requirements will also create an environment of uncertainty for at least the short term.

Since 2007, the OIG has released three audit reports which indicate that controls over Railroad Medicare benefit integrity, improper payments to providers, and contract cost management can be strengthened.[9] Additionally, the Centers for Medicare & Medicaid Services has endorsed predictive analysis and high risk payment screening as tools for combating fraud and abuse in the Medicare environment.

RRB management must ensure that the Railroad Medicare program and its contractor readily adopt these proactive tools and techniques that will provide an alternative to the historical "pay and chase" methodology.

[9] OIG Report No. 09-04, issued September 25, 2009, "Audit of the Railroad Medicare Integrity Program at Palmetto Government Benefits Administrators;" OIG Report No. 10-13, issued September 30, 2010, "Railroad Medicare Services Billed with Dates of Service after the Beneficiaries' Dates of Death;" OIG Report No. 11-06, issued April 20, 2011, "Audit of Controls Over Railroad Medicare Contract Costs."

Energy Conservation and Space Utilization

The RRB's FY 2011 Strategic Sustainability Performance Plan for the Railroad Retirement Board concluded that the agency is becoming more energy efficient through process automation and electronic reporting. The RRB has also incurred energy savings through lighting improvements and other green enhancements.

While the agency closed 33 field offices since 1995, a headquarters space utilization study has not been performed which addresses long-term staffing, space and location optimization, and the impact of government-wide telework policy. Upfront renovation costs of approximately $300,000 per floor are also a significant deterrent to headquarters space reduction.

The General Services Administration's ownership and control of the building mandates their approval before the RRB can install major energy saving features and building fixture enhancements. The RRB's scale of operations as compared with larger Federal agencies further limits its ability to implement significant energy cost savings and space reduction initiatives.

RRB management should conduct a space utilization study and assess whether further downsizing, field office reductions, and expanded telework usage can achieve greater efficiency and energy conservation.

CONCLUSION

The RRB must respond to new federal technology directives while concurrently facing the possibility of staffing deficiencies and the likelihood of budgetary reductions. The agency has made significant progress in some areas, however, program efficiency can be improved and cost savings initiatives have not been fully utilized. Business efficiency weaknesses have been identified in the following areas:

1. Increasing program costs and under-funded mandates are further complicated by economic and budgetary uncertainty.

2. Agency productivity has declined relative to program funding and the railroad customer base.

3. Rising NRRIT administrative costs have increased the RRB's overall cost structure by more than 70% while retirement benefits appear unsustainable in future years.

4. The proposed financial accounting replacement system does not address non-integrated system weaknesses and is critically under-funded.

5. A source of funding is needed for the agency's electronic disability record processing initiative.

6. Call center integration and automation have not been utilized to streamline program functions, minimize operational expense, and improve customer service.

7. A collaborative, agency-wide cloud computing initiative that will assess IT costs, benefits and relative risk has not yet been established.

8. Rising attrition levels are forecast while the agency's management succession plan lacks a funding source and an adaptive long-term service benefit plan has not been established.

9. Ineffective contract oversight threatens the integrity of the Railroad Medicare program as the agency's program workload and responsibilities continue to increase.

10. A headquarters space utilization study addressing long-term staffing and the impact of telework policy is needed.

We propose that the Board and RRB management identify the available options that will counter these business efficiency weaknesses and initiate appropriate corrective actions.

Special Reports Issued By the OIG

	Release Date
Railroad Medicare Fraud Detection Contracts: Lessons Learned	04/07/11
Contingency Plan During a Lapse in Appropriations	04/07/11
Retirement Experience of the Employees of the Long Island Railroad Under the Railroad Retirement Act	11/24/08
Statement of Concern - NRRIT Lack of Provision for Performance Audits	03/31/08
Strategic Initiatives Related to the President's Management Agenda	03/31/03
Examining the Inefficiencies of the Federal Workplace - Recommendations for Reform	07/2002
Examining the Inefficiencies of the Federal Workplace - Recommendations for Reform	09/26/01
Reinvention Proposals Reinvention 2001	05/25/01
Reinvention Proposals Phase IV	09/27/96
Reinvention Proposals Phase III	09/27/96
Reinvention Proposals Phase II	09/26/95
Reinvention Proposals Phase I	01/24/95

Appendix 2

NRRIT Tax Rate, Benefits Ratio and Fund Balance Projections