SOCIAL SECURITY

MEMORANDUM

Date: March 14, 2011 Refer To: S1N

To: Patrick P. O'Carroll
Inspector General

From: Carolyn W. Colvin
Deputy Commissioner

Subject: Second Annual Accountable Official's Report—Executive Order 13520, Reducing Improper Payments—INFORMATION

As the SSA Accountable Official for improper payments, I am pleased to submit our second annual Accountable Official's report required under Executive Order 13520. We pay over $700 billion in benefit payments annually to about 60 million people. Our duty is to be good stewards of taxpayer dollars as we administer benefit payments that provide economic stability for so many people. Preserving public trust is one of our four strategic goals in our current Agency Strategic Plan. To achieve this, we must ensure that we pay eligible beneficiaries the right amount at the right time.

The Access to Financial Institutions (AFI) initiative is one example of the innovative processes we use to reduce improper payments. The attached report highlights the nationwide rollout of our AFI initiative, and I am pleased to report that we are well on our way to surpassing our fiscal year 2011 goal of 500,000 cumulative AFI transactions. As of January 31, 2011, we experienced nearly 217,000 transactions. We currently use AFI in 25 States and plan to expand it to the remaining States by the end of FY 2011.

We would appreciate your review and comment on our FY 2011 Annual Accountable Official's Report. Please refer any questions concerning this report to Michael Gallagher, Deputy Commissioner for Budget, Finance and Management, at extension 53148.

Attachment

cc:
Executive Staff

Social Security Administration
Accountable Official's Annual Report
Executive Order 13520, Reducing Improper Payments
March 2011

Introduction

This report fulfills the requirements of Sections 2(b) (iv), 3(b), and 3(f) of Executive Order 13520, Reducing Improper Payments (http://www.whitehouse.gov/the-press-office/executive-order-reducing-improper-payments), signed by the President on November 20, 2009, and Office of Management and Budget (OMB) Circular A-123, Part III, issued March 22, 2010. The Executive Order and supporting OMB guidance require all agencies with high-error programs to submit an annual report to its Inspector General (IG). The report contains the agency's:

- Methodology for identifying and measuring improper payments in our high-error programs.

- Plan, with supporting analysis, for meeting the reduction targets for improper payments in our high-error programs, consisting of these elements:

    - Root causes of error in the program;
    - Corrective actions the agency is implementing and their full implementation date;
    - The types of errors the corrective actions will address and their expected impact;
    - The anticipated costs of the corrective actions and their likely return on investment; and
    - An explanation of the program's performance in meeting its reduction targets.

- Identification of high-dollar improper payments, as well as the agency's actions to recover improper payments and prevent future improper payments.

- Targets for reducing improper payments, where appropriate.

Please see the appendix for additional information on our implementation of Executive Order 13520.

Background

We have a well-deserved reputation for sound financial management. We take our stewardship responsibility very seriously, and have established agency performance measures aimed at preventing and detecting improper payments and collecting debt efficiently. Curbing improper payments is one of our strategic objectives.

In our Performance and Accountability Report (PAR), we annually report improper payment findings (both overpayments and underpayments) from our stewardship reviews of the non-medical aspects of the Retirement Survivors Insurance (RSI), Disability Insurance (DI), and Supplemental Security Income (SSI) programs. We also use data from these reviews to plan corrective actions and monitor performance as required by the Government Performance and Results Act (GPRA) of 1993 and the GPRA Modernization Act of 2010.

Designation of High-Error Programs

Under OMB standards, any program with $750 million in improper payments in FY 2009 is considered a high-error program and is required to report improper payments. The Retirement, Survivors, Disability Insurance (RSDI) and SSI programs meet this definition. The FY 2009 error rates for RSDI overpayments and underpayments were 0.37 percent and 0.09 percent, respectively. Because the RSDI payment accuracy is below OMB's threshold of payment errors--2 percent of program outlays--we established supplemental measures and targets only for SSI. Annually, OMB will re-define the improper payments threshold; however, an FY 2011 threshold amount has not been determined.

Our Limitation on Administrative Expenses (LAE) appropriation, which funds our administrative payments, also does not qualify as a high-error program because the FY 2009 payment error rate was 0.10 percent.

RSDI

Overview

The RSDI program provides monthly benefits to retired individuals. We also pay dependent benefits to the spouse and minor children of the retired individual, and in the event of death, we pay survivors benefits to the deceased's family. We also pay benefits to individuals who cannot work because they have a medical condition expected to last at least one year or result in death. We determine eligibility and benefit amounts based on the worker's contributions to Social Security.

Stewardship Reviews

Our Annual Performance Plan (APP) includes an RSDI payment accuracy performance measure. We use stewardship reviews to measure the accuracy of payments to beneficiaries in current payment status. We select cases monthly, and review about 1,500 cases each year. For each case, we interview the beneficiary or representative payee, make collateral contacts as needed, and redevelop all nonmedical factors of eligibility as of the sample month. We input the findings into a national database for analysis and report preparation.

Stewardship review findings provide the data necessary to meet the Improper Payments Information Act (IPIA) and the Improper Payments Elimination and Recovery Act (IPERA) reporting requirements. The RSDI payment accuracy rates, developed in the stewardship review, reflect the accuracy of payments issued to RSDI beneficiaries currently on our rolls. In addition to the combined payment accuracy rates for RSDI, we calculate separate rates for RSI and DI. We also provide payment accuracy rates for the current and previous reporting periods.

Historical Improper Payment Rates

Historically, we review the RSI and DI programs separately. However, for purposes of coordinating with OMB for governmentwide reporting, we combine the RSI and DI accuracy results. Likewise, we determine improper payment targets for RSDI rather than separately for RSI and DI.

The following table shows the historical improper payment experience for our RSI, DI, and combined RSDI benefit programs for FYs 2007-2009. We calculate the overpayment rate by dividing overpayment dollars by total dollars paid, and we calculate the underpayment rate by dividing underpayment dollars by total dollars paid. However, there may be differences in the calculated underpayment and overpayment rates due to rounding. The percentages and dollar amounts presented in the table are correct based on actual numbers used from the source data.

Improper Payments Experience
FY 2007 – FY 2009

	FY 2007		FY 2008		FY 2009	
	Dollars (millions)	Rate (percent)	Dollars (millions)	Rate (percent)	Dollars (millions)	Rate (percent)
RSI						
Total Payments	**479,500**		**502,692**		**544,478**	
Underpayment Error	**580**	**0.12**	**334**	**0.07**	**428**	**0.08**
Overpayment Error	**345**	**0.07**	**841**	**0.17**	**841**	**0.15**
DI						
Total Payments	**97,300**		**104,500**		**115,087**	
Underpayment Error	**175**	**0.18**	**160**	**0.15**	**191**	**0.17**
Overpayment Error	**864**	**0.89**	**1,200**	**1.12**	**1,706**	**1.48**
RSDI						
Total Payments	**576,800**		**607,210**		**659,565**	
Underpayment Error	**754**	**0.13**	**495**	**0.08**	**619**	**0.09**
Underpayment Target		**≤0.2**		**≤0.2**		**≤0.2**
Overpayment Error	**1,209**	**0.21**	**2,041**	**0.34**	**2,547**	**0.37**
Overpayment Target		**≤0.2**		**≤0.2**		**≤0.2**

Notes:

1. **Total Payments represent estimated program outlays while conducting the payment accuracy stewardship reviews and may vary from actual outlays.**
2. **There may be slight variances in the dollar amounts and percentages reported due to rounding of source data.**
3. **RSI statistical precision is at the 95 percent confidence level for all rates shown. Confidence intervals are: for FY 2007, +0.11percent and -0.14 percent for underpayments and +0.06 percent and -0.07 percent for overpayments; for FY 2008, +0.06 percent and -0.04 percent for underpayments and +0.16 percent and -0.12 percent for overpayments; and for FY 2009, ±0.05 percent for underpayments and +0.15 percent and -0.17 percent for overpayments.**
4. **DI statistical precision is at the 95 percent confidence level for all rates shown. Confidence intervals are: for FY 2007, +0.17 percent and -0.19 percent for underpayments and +0.85 percent and -0.84 percent for overpayments; for FY 2008, +0.14 percent and -0.12 percent for underpayments and ±0.91 percent for overpayments; and for FY 2009, +0.16 percent and -0.17 percent for underpayments and ±1.33 percent for overpayments.**

Improper Payment Goals

The table below details the RSDI improper payment goals--to maintain an accuracy rate of 99.8 percent for overpayments and underpayments for FYs 2010-2012.

RSDI Improper Payments Targets FY 2010 – FY 2012						
	2010 Target		2011 Target		2012 Target	
	Dollars (millions)	Rate (percent)	Dollars (millions)	Rate (percent)	Dollars (millions)	Rate (percent)
RSDI						
Total Payments	**696,180**		**723,491**		**755,191**	
Underpayments	**1,392**	**0.2**	**1,447**	**0.2**	**1,510**	**0.2**
Overpayments	**1,392**	**0.2**	**1,447**	**0.2**	**1,510**	**0.2**

Notes:
1. **We do not have separate RSI and DI targets (goals); therefore, we present a combined RSI and DI target.**
2. **The FY 2010 and 2011 payment dollars represent estimated outlays as presented in the Mid-Session Review of the President's FY 2011 Budget. FY 2012 payment dollars are based on data from the assumptions in the FY 2011 Mid-Session Review.**

We will coordinate with OMB to determine RSDI payment accuracy goals for FY 2013 and publish these targets in the FY 2011 PAR in November 2011.

Major Causes of Improper Payments

In the following tables, we list the major causes of RSDI overpayment and underpayment dollars for FYs 2005-2009. These dollar amounts represent the annual averages for the five-year period.

Major RSDI Error Dollar Overpayments ($ in Millions)		
Substantial Gainful Activity (SGA)	$975	When a disability beneficiary works, a number of factors determine whether or not the individual can continue to receive monthly benefits. After completing a nine-month trial work period, we do not pay a beneficiary for months when earnings exceed SGA thresholds. Errors occur when beneficiaries fail to report earnings timely, or when we do not timely withhold monthly benefit payments from those engaging in SGA.
Government Pension Offset	$240	We may offset RSDI benefits for a spouse or surviving spouse if he or she receives a Federal, State, or local government pension based on work on which the spouse did not pay Social Security taxes. Errors occur when receipt of these types of pensions are not reported.

Major RSDI Error Dollar Overpayments (Cont.) ($ in Millions)		
Wages/Self-Employment Income	$195	The earnings reported on a person's work history help determine the amount of monthly benefits that the worker or someone filing on that account will receive. When the earnings record does not accurately reflect the worker's earnings, there may be errors if the mistake goes undetected when the worker applies for benefits.

Major RSDI Error Dollar Underpayments ($ in Millions)		
Computations	$333	We determine an individual's benefit amount by a number of factors including age, earnings history, and the type of benefit awarded. Inaccurate information or administrative mistakes can cause errors in calculating benefits.
Wages/Self-Employment Income	$195	The earnings reported on an individual's work history help determine the amount of monthly benefits that the individual or someone filing on that account will receive. When the earnings record does not accurately reflect the individual's earnings, errors can occur if the mistake goes undetected when the individual applies for benefits.
Workers' Compensation (WC)	$140	If a person receives both WC and Social Security disability benefits, the total amount of these benefits cannot exceed 80 percent of his or her average current earnings before becoming disabled. If the total exceeds that amount, we reduce Social Security disability benefits until reaching the 80 percent threshold. Underpayments occur when the receipt of WC decreases or ceases, and we do not adjust the disability benefit.

Corrective Actions

Although SGA is strictly an issue with DI cases, errors attributed to SGA accounted for nearly half of all RSDI overpayment error dollars for FYs 2005-2009. Errors involving SGA remain a significant problem area, and while the number of SGA error cases remains low, the error dollars for these cases are often substantial. In terms of all errors (both overpayments and underpayments) for FYs 2005-2009, SGA accounted for about 36 percent of total RSDI error dollars. Since SGA accounts for a majority of RSDI overpayment error, we focus the description of our corrective actions on that error category.

The process for making SGA determinations has inherent delays that contribute to the magnitude of the overpayments. For the five-year period covering FYs 2005-2009, 64 percent of the error dollars associated with SGA errors resulted from the beneficiaries' failure to report their work activity. The remaining 36 percent of error dollars were associated with our failure to schedule a work continuing disability review (CDR) after the beneficiaries notified us they returned to work.

To address the “failure to report” issue, we prioritized the systems enforcement alerts we use to identify unreported earnings for DI beneficiaries by the amount of earnings. We then work the cases with highest earnings first to minimize overpayments. To address overpayments caused by failure to perform a work CDR, we have dedicated staff to target the oldest cases first. Initially, we targeted cases over 365 days old, and we will gradually reduce the age threshold.

In addition, we are exploring two initiatives to ensure accurate reporting of beneficiaries’ earnings. The first initiative is to extend the existing SSI telephone wage reporting process to DI beneficiaries enabling them to report their earnings by telephone–either by touch-tone or voice recognition. Based on the positive results of automated reporting in the SSI program, we hope to have similar success in reducing DI overpayments due to late reporting of earnings. Secondly, we are considering establishing a website for DI beneficiaries to report their wages easily and promptly.

SSI

Overview

SSI is a means-tested program for elderly individuals, as well as blind or disabled adults and children, who have limited income and resources. The program is complex because eligibility and monthly payment amounts are highly sensitive to fluctuations in monthly income, resources, and living arrangements. Improper payments often occur if recipients, or their representative payees, fail to report changes timely in any of these factors; e.g., an increase in the value of his or her resources or an increase or decrease in wages. Failure to report these payment-affecting changes is the primary cause for both overpayment and underpayment errors, and has been a perennial problem since the inception of the SSI program.

Stewardship Reviews

For the SSI program, we derive the accuracy rates based on data from the review of a sample of SSI cases with a payment made in at least one month of the FY under review. We select cases monthly. For the FY 2009 stewardship review, we reviewed 4,310 cases. For each case, we interview the beneficiary or representative payee and redevelop the nonmedical factors of eligibility to determine whether the payment was made correctly. We express any difference between what was actually paid and what the quality reviewer determined should have been paid as an overpayment or underpayment error. We calculate and report the overpayment and underpayment accuracy rates separately.

Historical Improper Payment Rates

The table below shows the historic improper payment experience for the SSI program for FYs 2007-2009. We calculate the overpayment rate by dividing overpayment dollars by total dollars paid, and we calculate the underpayment rate by dividing underpayment dollars by total dollars paid. However, there may be differences in the calculated underpayment and overpayment rates due to rounding. The percentages and dollar amounts presented in the table are correct based on actual numbers used from the source data.

Our greatest payment accuracy challenge is SSI overpayments. In FY 2008, the SSI overpayment accuracy rate was 89.7 percent, the lowest rate since the early days of the program. After receiving additional resources for program integrity, we increased the volume of redeterminations of eligibility conducted in FY 2009. As a result, the FY 2009 overpayment accuracy rose to 91.6 percent, which is a statistically significant improvement over the FY 2008 rate. This increase is encouraging news, and demonstrates the value of additional funding for program integrity efforts.

The SSI underpayment accuracy rate is consistently high. The change in underpayment accuracy from 98.3 percent in FY 2008 to 98.4 percent in FY 2009 is not statistically significant. The five-year underpayment trend is relatively stable, as the difference in underpayment accuracy between FY 2005 at 98.6 percent and FY 2009 at 98.4 percent is not statistically significant.

SSI Improper Payments Experience
FY 2007 – FY 2009

	FY 2007		FY 2008		FY 2009	
	Dollars (millions)	Rate (percent)	Dollars (millions)	Rate (percent)	Dollars (millions)	Rate (percent)
SSI						
Total Payments	**42,600**		**45,045**		**48,294**	
Underpayment Error	**652**	**1.5**	**789**	**1.8**	**787**	**1.6**
Underpayment Target		**≤1.2**		**≤1.2**		**≤1.2**
Overpayment Error	**3,900**	**9.1**	**4,648**	**10.3**	**4,040**	**8.4**
Overpayment Target		**≤4.3**		**≤4.0**		**≤4.0**

Notes:
1. **Total Payments represent estimated program outlays while conducting the payment accuracy stewardship reviews and may vary from actual outlays.**
2. **There may be slight variances in the dollar amounts and percentages reported due to rounding of source data.**
3. **SSI statistical precision is at the 95 percent confidence level for all rates shown. Confidence intervals are: for FY 2007, ±0.4 percent for underpayments and ±1.9 percent for overpayments; for FY 2008, ±0.53 percent for underpayments and ±1.46 percent for overpayments; and for FY 2009, ±0.3 percent for underpayments and ±1.5 percent for overpayments.**

Improper Payment Goals

The following table details the target SSI improper payment goals for FYs 2010-2012. Our goal is to achieve an underpayment accuracy rate of 98.8 percent and overpayment accuracy rates of 91.6 percent, 92 percent, and 91.5 percent, respectively.

SSI Improper Payments Targets
FY 2010 – FY 2012

	2010 Target		2011 Target		2012 Target	
	Dollars (millions)	Rate (percent)	Dollars (millions)	Rate (percent)	Dollars (millions)	Rate (percent)
SSI						
Total Payments	**51,166**		**52,367**		**55,969**	
Underpayments	**614**	**1.2**	**628**	**1.2**	**672**	**1.2**
Overpayments	**4,298**	**8.4**	**4,189**	**8.0**	**4,198**	**7.5**

Notes:

1. **Our APP and Congressional Justification, issued in February 2010, reflect an FY 2010 SSI overpayment target rate of 9.0 percent. Because of the lag in producing actual performance data, we did not receive FY 2009 SSI overpayment accuracy data until June 2010. The increase in our FY 2009 accuracy rate prompted us to revise the FY 2010 SSI overpayment target to 8.4 percent.**
2. **The FY 2010 and 2011 payment dollars represent estimated outlays as presented in the Mid-Session Review of the President's FY 2011 Budget. The FY 2012 payment dollars are based on data from the assumptions in the FY 2011 Mid-Session Review. The SSI projection for FY 2011 is adjusted (from those presented in the Mid-Session Review) because there are 13 payment days in FY 2011. Similarly, the SSI projection for FY 2012 is adjusted (from what was estimated in the 2011 Mid-Session review process) because there are 11 payment days in FY 2012. However, the quality review is not affected by payment days, but rather by entitlement months.**

Major Causes of Improper Payments

The following tables contain the major causes of SSI overpayment and underpayment dollars for FYs 2005-2009. These dollar amounts represent the annual averages for the five-year period.

Major SSI Error Dollar Overpayments
($ in Millions)

Financial Accounts	$892	The applicant or recipient (or his or her parent or spouse) has financial accounts that exceed the allowable resource limits ($2,000 individual/$3,000 couple) that may result in periods of SSI program ineligibility.
Wages	$701	The recipient (or his or her parent or spouse) has actual wages that exceed the wage amount used to calculate payment.
In-Kind Support and Maintenance	$285	In-kind support and maintenance is unearned income in the form of food or shelter received. The error results when the recipient's amount of in-kind support and maintenance is more than the amount used to calculate payment.

Major SSI Error Dollar Underpayments ($ in Millions)		
Wages	$217	The recipient (or his or her parent or spouse) has actual wages that are less than the wage amount used to calculate payment.
Living Arrangement "A"	$186	We paid the recipient as if he or she were living with someone else when, in fact, the recipient qualifies for a higher payment level, such as for those who live alone.
In-Kind Support and Maintenance	$198	In-kind support and maintenance is unearned income in the form of food or shelter received. The error results when the recipient's amount of in-kind support and maintenance is less than the amount used to calculate payment.

Corrective Actions

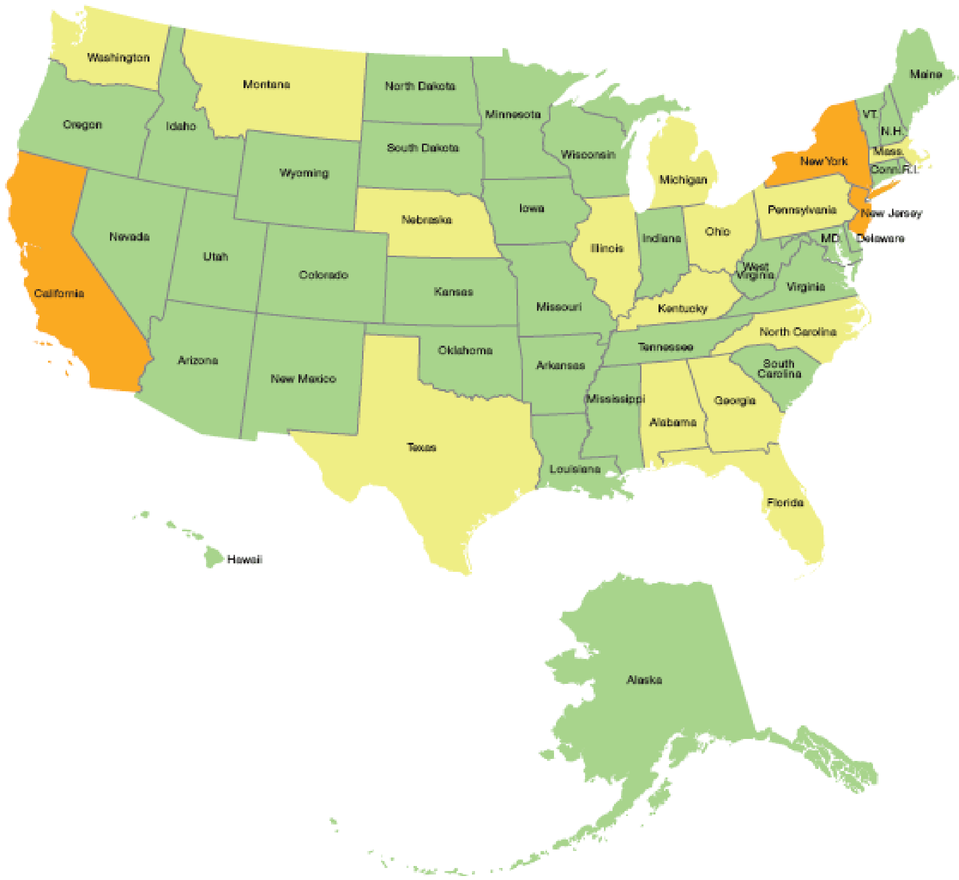
Since SSI overpayment accuracy is our greatest challenge, we discuss two major initiatives below that address the two primary causes of SSI payment error--financial accounts and wages.

Access to Financial Institutions (AFI) initiative--AFI is an electronic process that verifies bank account balances with financial institutions for purposes of determining SSI eligibility. In addition to verifying alleged accounts, AFI detects undisclosed accounts by using a geographic search to generate requests to other financial institutions. AFI's purpose is to identify excess resources in financial accounts, which are a leading cause of SSI payment errors: We currently use the AFI system in 25 States.

Quick Facts - AFI	
Current Status	We use AFI in 25 States.
Rollout	We will expand AFI to the remaining States, the District of Columbia, and the Northern Mariana Islands in FY 2011.
Program Value	Once we fully implement AFI, we estimate that it should achieve roughly $20 in total lifetime SSI program savings for every $1 spent on the program.
Program Savings Estimates	Beginning in FY 2013, when we fully implement AFI, we project roughly $900 million in lifetime program savings for each year we use the fully implemented process.

On February 6, 2011, we implemented the first major step toward fully integrating AFI with our automated SSI claims system. This first stage provides revised claims screens that automatically pre-fill the information required to submit financial institution requests. Subsequent system enhancements will increasingly automate the analysis and processing of the account information received from financial institutions. Expansion of AFI to additional States will continue in FY 2011, leading to eventual support nationwide.

AFI Roll-Out by State



	GROUP ONE	Original launch group--28 percent of SSI population is represented in those States.	**States Included:** California, New York, New Jersey
	GROUP TWO	FY 2010 implementation successful–65 percent of SSI population is represented in groups one and two.	**States Included:** Alabama, Florida, Georgia, Illinois, Kentucky, Massachusetts, Michigan, Montana, Nebraska, North Carolina, Ohio, Pennsylvania, Texas, Washington
	GROUP THREE	To be implemented by September 30, 2011–100 percent of SSI population is represented in groups one, two and three.	**States Included:** Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Hawaii, Idaho, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Minnesota, Mississippi, Missouri, Nevada, New Hampshire, New Mexico, North Dakota, Northern Mariana Islands, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington D.C., West Virginia, Wisconsin, Wyoming

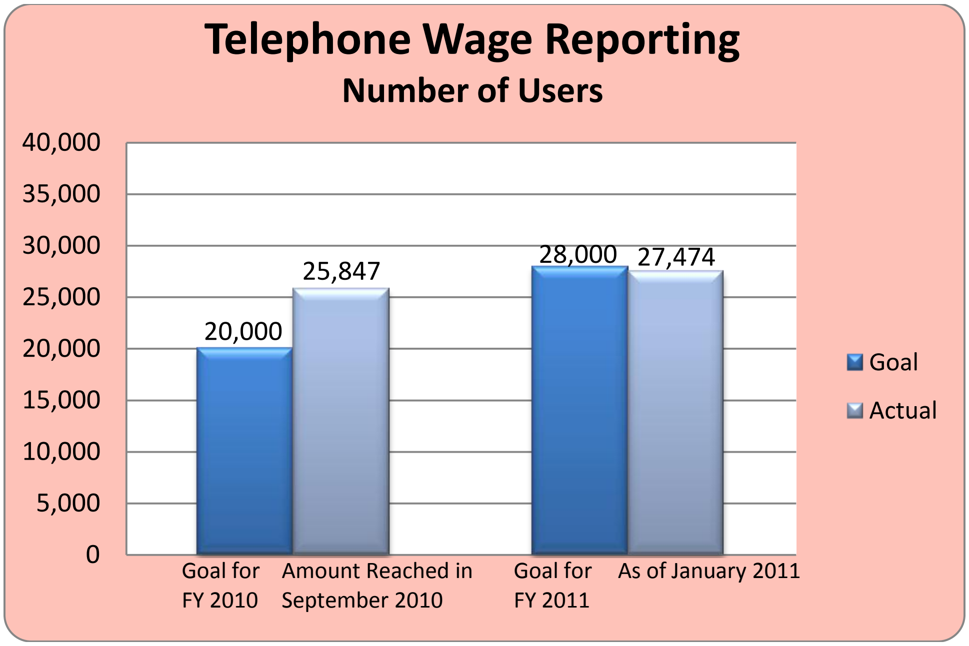
SSI Automated Telephone Wage Reporting System (SSITWR)--SSI recipients must report their own earnings and the earnings of others in the household whose incomes we consider in determining the SSI payment amount. Changes in the amount of wages received by an SSI recipient or deemor (i.e., ineligible spouse or parent) may affect the recipient's payment amount or eligibility status.

Stewardship data indicate that wage-related overpayment dollars result from fluctuating income and failure to timely report an increase in wages. In an effort to make this process easier for both the recipients and our employees, we created the SSITWR system. Through the SSITWR program, individuals call a dedicated agency telephone number to report their wages via a voice-recognition system.

We previously conducted two automated monthly telephone wage reporting pilots to determine the potential for reducing overpayments due to unreported changes in wages. The first pilot, conducted during FYs 2003-2004, used a PIN/password authentication process that some recipients found difficult to navigate. The second pilot, conducted during FY 2006, used a knowledge-based authentication system that focused on personal identifying information and used both touch-tone and voice-recognition technology to collect the report. This information was then automatically passed to the SSI system. The second pilot was successful and, in September 2007, OMB authorized implementation of SSITWR. In October 2009, we began requiring our field offices to recruit all recipients, deemors, and representative payees to report their wages via SSITWR.

SSITWR wage reports are highly accurate. The dollar accuracy of wages reported using this system is 92.2 percent, compared to the 75.5percent dollar accuracy of wages reported through direct contact with our employees.

Quick Facts - SSITWR	
Current Status	Program is available nationwide
Ease of Use	Uses voice-recognition software. Both a participant training package and instructional CD-ROMs are available
Resource Savings	No additional evidence generally needed once report is received
Accuracy Rate	Reported wages are 92.2 percent accurate



Our September 2011 goal is to increase the number of monthly reporters[1] participating in the SSITWR initiative to 28,000. As of January 31, 2011, there were 27,474 successful wage reports. Our front-line employees will continue to recruit new monthly reporters and promote the use of this tool for wage reporting. We also published new public information materials encouraging use of SSITWR. Additionally, we developed more SSITWR training CD-ROMs to distribute to newly recruited monthly reporters, and improved the ability of our front-line employees to easily request copies of the training CD-ROM for distribution.

Reduction Targets

In compliance with Executive Order 13520, we developed initial SSI supplemental measures and targets that OMB approved on April 15, 2010. Those FY 2010 measures and targets focused on the two consistently highest error categories for SSI--excess financial accounts and wages. Therefore, we established four supplemental targets. Three of these targets use AFI to address financial account errors. The fourth target addresses wage reporting errors by increasing the use of SSITWR.

[1] Approximately, 600,000 SSI recipients have wages.

The following table shows the effectiveness of our supplemental targets and measures for FY 2010.

FY 2010 SSI - Supplemental Measures and Targets		
Type of Error	**Targets**	**Actuals**
Overpayment due to Undisclosed Financial Accounts		
Cause: The applicant or recipient has financial accounts that exceed the allowable resource. **Error Amount:** $1,387 million (25.4 percent of projected error dollars) as of FY 2008.	By September 30, 2010, increase usage of the AFI initiative to 35,000 transactions per month.	18,558[2] transactions
	By September 30, 2010, expand AFI to 14 additional States.	Expanded to 17 States
	Projected program savings of over $100 million in FY 2011 and up to $1,000 million when AFI is fully implemented.	Not applicable
Overpayment due to Unreported Wages		
Cause: Recipients fail to report their new or increased wages. **Error Amount:** $884 million (16.2 percent of projected error dollars) as of FY 2008.	By September 30, 2010, increase the number of monthly reporters participating in the SSITWR initiative to 20,000.	25,847 monthly reporters[3]

For FY 2011, we continue to focus on the AFI and SSITWR initiatives since financial accounts and wage reporting remain the highest categories of SSI payment error. The following table contains the specific supplemental measures and targets.

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[2] Transactions represent the volume of financial institutions that respond to our AFI bank verification requests. We achieved a high of approximately 31,000 transactions in May 2010; however, that level dropped to nearly 19,000 in September 2010. We were unable to determine, with a degree of certainty, why the level decreased. However, we have since expanded AFI to 25 States with the goal of national rollout by the end of FY 2011.

[3] SSITWR reporters represent the number of successful wage reports that automatically update our SSI system.

FY 2011 SSI - Supplemental Measures and Targets			
Type of Error	**Targets**	**Current Status**	**Next Status Update**
Overpayment due to Undisclosed Financial Accounts			
Cause: The applicant or recipient has financial accounts that exceed the allowable resource. **Error Amount:** $1,026 million (23.0 percent of projected error dollars) as of FY 2009.	By September 30, 2011, increase the cumulative number of transactions received through the AFI program to 500,000.	216,590[4] through January 31, 2011	June 30, 2011
	By September 30, 2011, expand AFI to the remaining States. By September 30, 2013, fully integrate AFI with SSI claims systems and use a $0 tolerance level in all States.	Exists in 25 States	September 30, 2011
	Beginning in FY 2013, in anticipation of full integration of AFI, we project roughly $900 million in lifetime program savings for each year we use the fully implemented process.		March 31, 2011
Overpayment due to Unreported Wages			
Cause: Recipients fail to report their new or increased wages. **Error Amount:** $622 million (13.9 percent of projected error dollars) as of FY 2009.	By September 30, 2011, increase the number of monthly reporters participating in the SSITWR initiative to 28,000.	27,474 monthly reporters[5] as of January 31, 2011	September 30, 2011

[4] Transactions represent the volume of financial institutions that respond to our AFI bank verification requests.

[5] SSITWR reporters represent the number of successful wage reports that automatically update our SSI system.

Other Program Integrity Initiatives

The most important tools we have to maintain and improve our program stewardship are medical CDRs, work CDRs, and redeterminations. Medical CDRs are periodic reevaluations to determine if beneficiaries are still disabled. Work CDRs entail a review of a DI beneficiary's work and earnings to determine if they are performing SGA. SGA is a measurement of earnings used to determine whether a beneficiary meets our definition of disability. The ability to perform SGA may result in a suspension or termination of DI benefits. SSI redeterminations are periodic reviews of non-medical factors of eligibility, such as income and resources. We estimate that every dollar spent on medical CDRs yields at least $10 in lifetime program savings, and every dollar spent on SSI redeterminations yields more than $7 in program savings, including savings accruing to Medicaid.

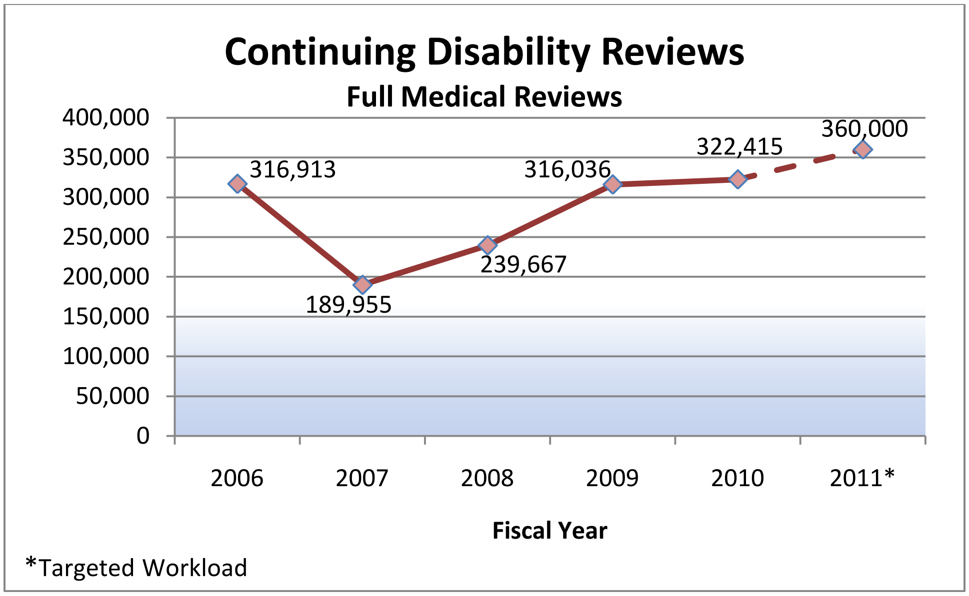
With full funding of our FY 2011 budget submission, we plan to conduct 360,000 full medical CDRs and 2,422,000 redeterminations. Meeting our FY 2011 program integrity goals for CDRs and redeterminations will yield program savings over the 10-year period through FY 2020 of more than $7 billion, including Medicare and Medicaid savings. To illustrate the importance of CDRs and redeterminations, below is a description of how and why we conduct these reviews.

Full Medical CDRs

For an individual to be entitled to benefits under either the DI or SSI program, we must determine that the person meets the definition of disability in the Social Security Act. State agencies, known as Disability Determination Services (DDS), make most of these determinations. These determinations establish whether the individual is disabled and the date the disability began.

Sections 221(i) and 1614(a) of the Social Security Act require us to periodically review beneficiaries' disabilities to determine whether they have medically improved. When disability is established, we schedule each case for a periodic CDR. The frequency of review depends on the likelihood of medical improvement. In addition, we may conduct a CDR earlier than scheduled if we receive information that a beneficiary may no longer be disabled. The DDS is also involved in the medical determination of whether the individual's disability has ended or significantly improved.

We report annually to Congress on the CDR workload. Our most recent report showed that we spent $371 million processing medical CDRs in FY 2009, for an estimated present value of lifetime program benefit savings of $4.6 billion**,** including Medicare and Medicaid savings. These results demonstrate that CDRs continue to be highly cost-effective.



Work CDRs

A work CDR is an evaluation of a beneficiary's work activity to determine if the work represents SGA and if eligibility for benefits should continue. Work is substantial if the beneficiary performs work-related activities that are above the SGA earnings level[6].

We may become aware of a beneficiary's work activity through:

- Voluntary beneficiary reporting;
- Third parties; and
- The CDR Enforcement Operation (CDREO), which is an automated process that matches Internal Revenue Service earnings posted to our Master Earnings File to the RSDI Master Beneficiary Record. The CDREO identifies both unreported earnings for DI beneficiaries, as well as earnings that beneficiaries may have already reported but we have not yet developed as part of the work CDR process. The CDREO selects cases based on the amount of earnings, certain medical re-exam information currently on the record, and other pertinent criteria.

When we determine that a work CDR is required, our field offices and processing centers review the beneficiary's work activity, collect necessary data from various databases, and prepare relevant forms and notices. During this process, we consider relevant work incentive policies, such as impairment-related work expenses, to determine if the beneficiary has performed SGA and if benefits should stop.

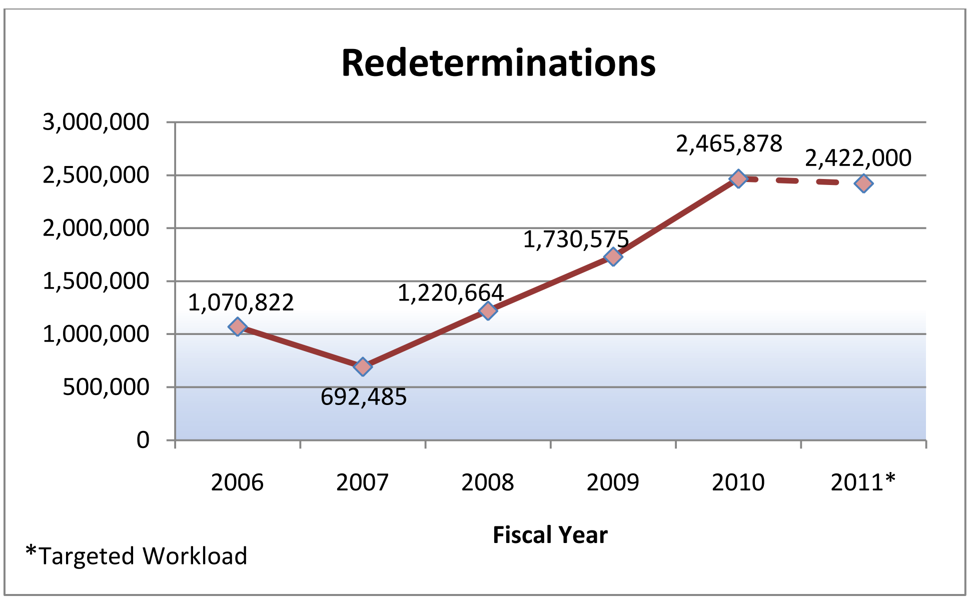
[6] Currently $1,000 per month for non-blind, disabled; $1,640 for blind.

In FY 2009, we completed 289,116 work CDRs, of which 111,360 resulted in a cessation of benefits or a subsequent re-instatement or suspension of benefits during the extended period of eligibility (EPE), and 177,756 resulted in continuation of benefits. In FY 2010, we completed 312,471 work CDRs with 105,279 cessation or EPE determinations, and 207,192 resulted in a continuation of benefits.

Redeterminations

To ensure we pay SSI payments in the correct amount and only to eligible individuals, we conduct redeterminations, which are periodic reviews of SSI non-medical eligibility factors. Redeterminations are a very effective tool to detect and prevent improper payments in the SSI program. Redeterminations can be scheduled or unscheduled. The frequency and the intensity of scheduled reviews depend on the probability that the case is paid in error, based on a number of case characteristics. We initiate unscheduled redeterminations on an as-needed basis when recipients report certain changes in circumstance that could affect the continuing SSI payment amount or eligibility.

The total number of redeterminations we complete varies from year-to-year based on available resources and field office workload considerations. The FY 2011 proposed budget includes resources to initiate 2,422,000 redeterminations, which is the same targeted workload set in the FY 2010 budget.



Fraud, Waste, and Abuse

We take our responsibility seriously to detect suspected fraudulent activity and refer alleged incidents of fraud, waste, and abuse to the Office of the Inspector General (OIG) for investigation. We also jointly administer, with OIG and the DDSs, the Cooperative Disability Investigations (CDI) project that consists of 22 CDI units nationwide. The CDI units' mission is to obtain evidence of material fact sufficient to resolve questions of fraud in our disability programs. Personnel representing OIG, DDS, and local or State law enforcement officials staff each CDI unit. Each CDI unit's function is to improve our capability to detect fraud at the earliest point in the process, thereby preventing or terminating erroneous eligibility. CDI units investigate individual claimants and service providers, such as doctors and lawyers, who are suspected of facilitating and promoting disability fraud.

In FY 2010, CDI efforts resulted in over $350 million in projected savings to our disability programs and over $225 million in projected savings to non-Social Security Administration (SSA) programs. This supports our strategic goal of ensuring the integrity of Social Security programs, with zero tolerance for fraud.

Plans for Ensuring that Initiatives Do Not Burden Program Access/Participation

The purpose of Executive Order 13520 is to reduce improper payments while continuing to ensure that Federal programs serve and are accessible to their intended beneficiaries. We can confidently state that our efforts to reduce improper payments do not hinder access to current or prospective beneficiaries. Specific OMB guidance on this reporting requirement is not yet available, and we will provide our plan in future reports when we receive this guidance. In the interim, the following information describes our efforts to increase online services which helps us ensure public access to services are not impeded by our efforts to reduce improper payments.

We recognize that online services are vital to good public service. In increasing numbers, the public expects to conduct business over the Internet. Our Internet services provide the public with the ability to conduct business at their convenience and at their own pace, without the need to visit a field office. In addition, the public's increased use of online services reduces the average time our employees spend completing claims. Our employees use the time saved to handle more complicated issues. However, we review every online application and contact applicants to resolve any issues we identify on their applications.

To handle the anticipated increase in benefit applications and to fulfill the public's growing expectation for convenient, effective, and secure electronic service options, we created a new, easy-to-use online disability application. For authentication purposes, we ask questions relevant to the applicant, making it easier and faster to file for disability benefits online. We also updated our Disability Benefit Application information webpage, explaining the advantages of applying for disability online, outlining the four steps needed to submit a completed application, and providing links to additional information about our disability program.

Benefit Overpayment Collection

RSDI and SSI Overpayments

In addition to our efforts to prevent and detect improper payments, we also have a comprehensive debt collection program. We recovered $3.14 billion in program debt in FY 2010 and $13.86 billion over the previous five-year period (FYs 2006-2010) at an administrative cost of $.07 for every dollar collected. The following table shows existing debt collection tools we use to recover RSDI and SSI overpayments.

Programmatic Debt Overpayment Recovery Methods	
Benefit Withholding	This is an internal collection technique where we withhold some or all of the payments for RSDI beneficiaries and SSI recipients. We collected $2,286.7 million in FY 2010 using this method.
Treasury Offset Program (TOP)	TOP is an automated debt collection tool sponsored by Department of the Treasury (Treasury). Through TOP, we collected $157.7 million in FY 2010.
Credit Bureau Reporting	We inform credit bureaus about delinquent debts owed by former RSDI beneficiaries or SSI recipients. This debt collection tool contributed to the voluntary repayment of $59.3 million in FY 2010. (This amount is included in the TOP collection total above.)
Cross Program Recovery - RSDI	We use this collection technique to recover RSDI overpayments before we issue SSI recipients any amounts they were underpaid. Using this technique, we collected $27.9 million in FY 2010.
Cross Program Recovery - SSI	We use this collection technique to recover SSI overpayments before we issue any RSDI benefit payments. We recovered $114.1 million in FY 2010 using this method.
Administrative Wage Garnishment (AWG)	AWG is a process through which an employer withholds amounts from an employee's wages and pays those amounts to the Federal agency to which the employee owes a delinquent debt. During FY 2010, we collected $19.1 million through AWG.
Non-Entitled Debtors (NED)	NED is an automated system that we use to control recovery activity for debts owed by debtors who are not entitled to benefits, such as representative payees who receive overpayments after the death of a beneficiary. We used the NED system to recover $3.5 million in FY 2010. (This amount is included in the TOP, AWG, and Other Collections discussed in this table.)

Programmatic Debt Overpayment Recovery Methods (Cont.)	
Automatic Netting - SSI	This program automatically nets SSI overpayments against SSI underpayments. Using this program, we "netted" $134.9 million in FY 2010. (These overpayments are not included in our FY 2010 overpayment collections of $3.14 billion because overpayments are "netted" before they are established on the SSI recipient's record.)
Other Collections	These are mostly voluntary payments received as a result of a notice requesting refund of an overpayment. We collected $535.3 million in FY 2010 from these payments.

Last year, we implemented systems changes allowing us to identify and refer additional eligible SSI delinquent debt to the TOP. As resources permit, we will develop additional debt collection tools to:

- Refer delinquent debt to TOP based on removal of Treasury's ten-year statute of limitations;
- Offset State payments to recover our delinquent debts;
- Use private collection agencies (PCA);
- Charge administrative fees; and
- Impose interest or index a debt to reflect its current value.

Improper Overpayments Recovery Target

Where appropriate, Executive Order 13520 requires agencies to set a target for the recovery of their improper payments. We are currently exploring methodologies to identify appropriate recovery targets.

High-Dollar Improper Payment Quarterly Report

Executive Order 13520 requires the head of each agency to compile a quarterly report on any high-dollar improper payments. The Executive Order requires the agency to submit this report to the agency's IG and the Council of Inspectors General on Integrity and Efficiency, as well as make available to the public, a report of high-dollar overpayments identified by the agency.

Part III to OMB Circular A-123, Appendix C defines a high-dollar overpayment as any overpayment made to an individual or entity in excess of 50 percent of the correct amount of the intended payment, where:

- The total payment to an individual exceeds $5,000 as a single payment or in cumulative payments for the quarter; or
- The payment to an entity exceeds $25,000 as a single payment or in cumulative payments for the quarter.

OMB recognized the resource and operational challenges this requirement presented agencies, and worked with us to identify high-dollar overpayments. We confirmed with OMB that quarterly reports of high-dollar overpayments are limited to improper overpayments, and we do not extrapolate those instances to the entire RSDI and SSI program. Instead, we report specific incidents of high-dollar improper payments. In addition, OMB agreed to use our stewardship samples to identify cases that meet the criteria for high-dollar improper payment reporting. From our first quarterly report sent in July 2010 through our most recent report in January 2011, we have identified no high-dollar improper payments to report.

OIG's Quick Response Evaluation, *The Social Security Administration's Reporting of High-Dollar Overpayments Under Executive Order 13520*, issued in December 2010 (http://www.ssa.gov/oig/ADOBEPDF/A-15-10-21142.pdf), contains a recommendation that we use an alternative method to identify cases meeting the above criteria. We evaluated OIG's suggested methodology based upon its random selection of cases. We determined that the results provided a negligible return on investment and did not provide a viable reporting alternative. Therefore, we plan to continue our current evaluation methodology.

Administrative Payments/LAE

We make four types of administrative payments: 1) payroll and benefits; 2) DDS expenses; 3) travel payments; and 4) vendor payments. We continuously monitor our administrative payments operations and manage our resources to ensure compliance with Federal regulations and agency policies and procedures. We designed our improper payments and recovery identification, tracking, and reporting to meet the reporting requirements of both IPIA and IPERA.

We have adequate internal controls in place to minimize the risk of improper payments and maximize the identification and recovery of improper payments, including a three-step payment process in which a third party verifies every payment. We conduct annual reviews of our administrative payments primarily for employee payroll disbursements and vendor payments funded by the LAE appropriation. From a population of $1.5 billion in administrative payments in FY 2009, we identified a 0.10 percent error rate. As a result, we determined that these payments were not susceptible to significant improper payments.

Payroll and Benefits

Payroll and benefits account for about 23 percent of total administrative expenses funded by LAE. Using the broadest definition of improper payments, we extracted all prior period adjustment records from the biweekly payroll files and analyzed that data to determine the reasons for and amount of adjustments to payments that were due to or collected from our employees. For purposes of the improper payment calculation, we assumed that any adjustment to payments was an improper payment. We found $8.2 million in improper payroll payments out of $5.8 billion total payroll payments, which yielded a 0.14 percent improper payment rate. Based on the results of our review of payroll and benefit payments, we determined that our administrative payments are not susceptible to significant improper payments. Therefore, the payroll program does not meet the criteria for further reporting to Congress or OMB.

DDS

For FY 2009, DDS disbursements accounted for about 9 percent of total administrative expenses. When a claimant applies for DI or SSI benefits, SSA field offices verify the claimant's non-medical eligibility and forward the claim to the State DDS for a medical determination of disability. DDS authorizes purchases of evidence such as medical examinations, x-rays, and laboratory tests on a consultation basis, and we pay for all costs incurred in making the disability determination; i.e., salaries and overhead. For payment accuracy, we rely upon OIG's audits of DDSs as authorized by the Single Audit Act. OIG schedules its audits based on the amount of DDS disbursements using the following criteria:

- $50 million and above - Once every three years;
- $20 - $50 million – Once every five years: and
- Below $20 million -Once every seven to ten years.

Travel Payments

Using OMB Circular A-123 guidelines, we conduct a risk assessment on each of the following travel categories: temporary duty vouchers; local travel vouchers; long-term detail vouchers; relocation payments; transportation service orders; foreign vouchers; direct billing of closing costs; and third-party relocation services. Our analysis shows that our travel payments are not susceptible to significant improper payments.

Vendor Payments

OMB Circular A-123 states that agencies shall have a cost effective program of internal control to prevent, detect, and recover overpayments to contractors resulting from payment errors. To comply with this guidance and support the evaluation that administrative payments are not susceptible to significant improper payments, we have an in-house recovery audit program for administrative payments to recover and limit improper sales tax, excise tax, and late payment charges. This audit program also employs an automated query system to identify payments made to the same vendor, with the same invoice date, and for the same amount to help identify payments that represent a higher risk of being double payments. Additionally, we use computer-assisted auditing techniques to identify possible duplicate payments.

The statistical sampling process for the vendor payments review program entails compiling a monthly report of all vouchers paid up to $500,000, and generating a monthly random sample of 34 vouchers based on categorized, stratified values. We select a minimum sample of 383 payments each year. We determine the sample size based on the number of payments made in the previous FY, using a 95 percent confidence level and a precision interval of plus or minus 5 percent. We review these vouchers for compliance with established agency policies and procedures and compliance with Federal regulations. We grade vouchers individually based on a point system for compliance with established mailroom, registration, and voucher examination processing procedures, and adherence to the Prompt Payment Act, Debt Collection Improvement Act, and IPIA. In addition, we review automated workload processes to ensure proper internal controls and separation of duties.

Administrative Overpayment Collection

Along with our comprehensive program to recover benefit overpayments, we have an extensive debt collection program to recover administrative overpayments to contractors and former employees resulting from payment errors. In FY 2010, we recovered $3.6 million in administrative debt through an array of internal and external debt collection tools as shown in the table below.

Administrative Debt Overpayment Recovery Methods	
Direct Collection	We receive collections internally through demand notifications. This debt collection tool contributed to the voluntary repayment of $1.7 million in FY 2010.
Internal Offset	We conduct an internal administrative offset by withholding monies due or payable. We collected $1.5 million through this debt collection tool in FY 2010.
Treasury Cross Servicing	This is another debt collection tool sponsored by Treasury for offsetting Federal payments, including tax refunds, retirement pay, and Federal employee salary offset, and provides authority for disbursing officials to conduct payment offsets. This debt collection tool also performs AWG, credit bureau reporting, and collection outsourcing to PCAs. We collected $0.4 million through this debt collection tool in FY 2010.

Payment Recapture Audits

IPERA requires agencies to conduct payment recapture audits (i.e., recovery audits) for annual expenditures of $1 million or more. To comply with this statute, we intend to competitively award a recovery audit contingency contract by the end of FY 2011 for administrative payments. The payment recapture audit will include DDS payments and administrative expenses related to the American Recovery and Reinvestment Act of 2009.

For our benefit program payments, we believe we meet the payment recapture audit program requirements of IPERA. Our stewardship reviews and other program integrity workloads are functionally similar to payment recapture audits for benefit payments. In addition, we perform other program integrity workloads; e.g., CDRs and redeterminations, and we have prevention programs, such as AFI and SSITWR, planned or already underway.

Appendix

Social Security Administration
Implementation of Executive Order 13520
Fact Sheet

Improper Payment Definition

For the purpose of Executive Order 13520, Reducing Improper Payments, the definition of an improper payment is the same as that contained in Improper Payments Information Act (IPIA) and Part I, Section A of Appendix C to Office of Management and Budget (OMB) Circular A-123, Requirements for Effective Measurement and Remediation of Improper Payments.

> "An improper payment is any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts are overpayments and underpayments (including inappropriate denials of payment or service). An improper payment includes any payment that was made to an ineligible recipient or for an ineligible service, duplicate payments, payments for services not received, and payments that are for an incorrect amount. In addition, when an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation, this payment must also be considered an error.
>
> The term 'payment' in this guidance means any payment (including a commitment for future payment, such as a loan guarantee) that is:
>
> - Derived from Federal funds or other Federal sources;
> - Ultimately reimbursed from Federal funds or resources; or
> - Made by a Federal agency, a Federal contractor, a governmental or other organization administering a Federal program or activity."

Consistent with IPIA and OMB guidelines, we consider payments improper (both overpayments and underpayments) if they result from:

- Our mistake in computing the payment;
- Our failure to obtain or act on available information affecting the payment;
- A beneficiary's failure to report an event; or
- A beneficiary's incorrect report.

Not all overpayments and underpayments are improper. Certain overpayments are unavoidable, and not improper, if the payment is required by statute, regulation, or court order, such as continued payments required by due process procedures. For example, the Social Security Act allows beneficiaries, in prescribed circumstances, to request continuation of their benefits while they appeal an adverse action. If the appeal is not decided in their favor, the resulting overpayment is not considered improper since it was statutorily required at the point it was made. When used in this report, the term “overpayment” or “underpayment” is referring to an improper overpayment or underpayment.

Risk-Susceptible Program

IPIA defines programs susceptible to significant improper payments as those with estimated improper payments that exceed $10 million. OMB extended the definition requiring that estimated improper payments also exceed 2.5 percent of payment outlays. That is, a program’s payments are considered susceptible to significant improper payments if improper payments are estimated to exceed both 2.5 percent and $10 million of program outlays. OMB Circular A-123, Part III also extends the improper payments reporting requirements to those programs listed in the former Section 57 of OMB Circular A-11, including Retirement, Survivors, Disability Insurance (RSDI) and Supplemental Security Income (SSI).

SSI payments are identified as susceptible to significant improper payments; i.e., estimated improper payments exceed 2.5 percent of program outlays and $10 million. The fiscal year (FY) 2009 annual stewardship review indicates that the overpayment error rate was 8.40 percent, and the underpayment error rate was 1.60 percent.

For FY 2009, the RSDI overpayment error rate was 0.37 percent while the underpayment error rate was 0.09 percent. Even though the RSDI programs are not identified as susceptible to significant improper payments, they meet the grandfathered reporting requirements of IPIA since these programs were reported in the former Section 57 of OMB Circular A-11.

IPIA requires the evaluation of all payment outlays. Therefore, in addition to reviewing our program payments, we conduct annual reviews of our administrative payments for mainly employee payroll disbursements and vendor payments funded by the Limitation on Administrative Expenses (LAE) appropriation. These payments were not susceptible to significant improper payments. The FY 2009 error rate was 0.10 percent from a population of $1.5 billion in administrative contractor payments.

Improper Payments Elimination and Recovery Act further defines “significant erroneous overpayments” (i.e., significant improper overpayments) as annual erroneous payments in the program exceeding both 2.5 percent of program outlays and $10 million of all program or activity payments made during the fiscal year reported or $100 million (at any percent of program outlays).

The 2.5 percent error rate threshold noted above will drop to 1.5 percent beginning with FY 2013 reporting.

High-Error Program[7]

Appendix C, Part III of OMB guidance titled *Requirements for Implementing Executive Order 13520: Reducing Improper Payments* defines high-error programs as follows:

> "The Director of OMB will classify a program as high-error if the program meets the following criteria:
>
> - It is susceptible to significant improper payments as defined by legislation and OMB implementing guidance and either:
>   - Measured and reported errors above the threshold determined by OMB and contributed to the majority of improper payments in the most recent reporting year; or Has not reported an improper payment dollar amount in the most recent reporting year, but has in the past reported errors above the threshold determined by OMB and not received relief from OMB from measuring and reporting; or
>   - Has not yet reported an overall program improper payment dollar amount, but the aggregate of the measured program's component errors are above the threshold.
> - For those programs with error amounts close to the threshold, but with error rates below 2 percent of program outlays, agencies may work with OMB to determine if the program can be exempt from fulfilling certain requirements of the Executive Order."

The Director of OMB will identify high-error programs annually based upon improper payment reporting in our annual Performance and Accountability Report (PAR). The FY 2010 threshold is $750 million in improper payments as reported in our FY 2009 PAR.

The chart below depicts the improper payments reporting requirements for those susceptible to improper payments reporting for RSDI, SSI, and LAE.

Improper Payments Reporting Requirements				
Payment Type	Overpayment Error Rate (percent)	Underpayment Error Rate (percent)	Susceptible to Improper Payments	High-Error Program
RSDI	0.37	0.09	✓	✓ *
SSI	8.40	1.60	✓	✓
Administrative/LAE	0.10	0	N/A	N/A
* RSDI supplemental targets not required since error rates are less than 2 percent.				

[7] OMB changed "High-Priority Program" to "High-Error Program."