



SOCIAL SECURITY

Office of the Inspector General

May 26, 2010

The Honorable Earl Pomeroy
Chairman, Subcommittee on Social Security
Committee on Ways and Means
House of Representatives
Washington, D.C. 20515

Dear Mr. Pomeroy:

In an August 4, 2009 letter, former Chairman Tanner requested that we (1) examine conferences held during the past 5 years where Social Security Administration (SSA) funds were used or Agency staff was present; (2) determine how much was used for such training as a percent of the Agency's overall administrative expense, as well as the role of off-site training conferences within these training funds; (3) discuss the decisionmaking process behind the off-site training and steps to ensure service delivery is not impacted when employees are at these conferences; and (4) provide information regarding planned conferences through Fiscal Year 2010. This report addresses issues 1 and 4 regarding conferences held over the past 5 years and those planned for Fiscal Year 2010. We will address the remaining issues in our next report.

To ensure the Agency is aware of the information provided to your office, we are forwarding a copy of this report to the Agency. I have also sent a similar response to Sam Johnson, Ranking Member, Subcommittee on Social Security, and to John Linder, Ranking Member, Subcommittee on Income Security and Family Support.

If you have any questions concerning this matter, please call me or have your staff contact Misha Kelly, Congressional and Intra-governmental Liaison, at (202) 358-6319.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat O'Carroll Jr.", with a stylized flourish at the end.

Patrick P. O'Carroll, Jr.
Inspector General

Enclosure

cc:

Michael J. Astrue
Sam Johnson
John Linder



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Office of the Inspector General

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Ranking Member, Subcommittee on Social Security
Committee on Ways and Means
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Office of the Inspector General

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The Honorable John Linder
Ranking Member, Subcommittee on
Income Security and Family Support
Committee on Ways and Means
House of Representatives
Washington, D.C. 20515

Dear Mr. Linder:

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Enclosure

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Michael J. Astrue
Earl Pomeroy
Sam Johnson

CONGRESSIONAL RESPONSE REPORT

Off-site Training Conferences

A-05-10-21035



May 2010

Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

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

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

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

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

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.

OBJECTIVE

Our objective was to examine off-site training conferences held during the past 5 years where Social Security Administration (SSA) funds were used or Agency staff was present and to provide information regarding conferences planned through Fiscal Year (FY) 2010.

BACKGROUND

An August 4, 2009 letter from the former Chairman of the Social Security Subcommittee and Representatives Johnson and Linder requested that we review the appropriateness of SSA's off-site training conferences. Specifically, we were asked to (1) examine conferences held during the past 5 years where SSA funds were used or Agency staff was present; (2) determine how much was used for such training as a percent of the Agency's overall administrative expenses, as well as the role of off-site training conferences within these training funds; (3) discuss the decisionmaking process behind the off-site training and steps to ensure service delivery is not impacted when employees are at these conferences; and (4) provide information regarding planned conferences through FY 2010.

This report responds to questions 1 and 4, providing information on conferences held since October 2004 and held or planned to be held in FY 2010. At a future date, we will issue a second report to respond to questions 2 and 3 to discuss total training costs and the budget/planning process.¹ For both reports, we will build on information obtained as part of our December 2009 *Congressional Response Report: San Francisco Regional Management Training Forum*.

SSA's *Administrative Instructions Manual System* (AIMS) requires that Agency training be designed to ensure the optimum use of human resources in achieving organizational goals and approved employee development plans by the most cost-effective and professional means available.² Moreover, this training must conform to appropriate laws, regulations, and the terms of negotiated agreements.

¹ The second report will be issued under the title, *Training Expenditures at the Social Security Administration* (A-05-10-10118).

² SSA, AIMS, Training Manual, Chapter 1, Section 01.01.04.A—*Development and Management of Training Policy and Training Course Evaluation*. AIMS is the official medium for issuing SSA's policies, standards, and instructions on administrative subjects. AIMS provides a single integrated, comprehensive approach to issuing policies and procedures covering all administrative subjects, other than personnel matters.

In addition, per Federal regulation, Federal agencies are allowed to use a variety of methods to train employees, including classroom, on-the-job, technology-based, satellite, self-development activities, coaching, mentoring, career development counseling, details, rotational assignments, cross-training, and developmental activities at retreats and conferences.³

SCOPE AND METHODOLOGY

To meet our objectives, we compiled, analyzed, and relied on Agency-provided training conference data, such as purpose, duration, and direct costs, for the period October 1, 2004 and later. The reporting of conference information to us was subject to certain minimum materiality thresholds, such as the number of attendees and conference costs incurred per off-site event.⁴ As part of our data analysis, we developed an estimated salary and benefit cost for conference attendees to provide a more comprehensive basis for evaluating all costs associated with SSA employee time spent on off-site training. In addition to applying analytical review procedures to the compiled data, we made limited inquiries of management where certain data elements appeared anomalous or incomplete. See Appendix B for our full scope and methodology.

³ 5 C.F.R. § 410.203—*Options for Developing Employees*.

⁴ See Appendix B for the criteria we used to request data from SSA components.

Results of Review

Between October 2004 and November 2009, SSA conducted 168 training conferences for about 26,000 attendees at a cost of approximately \$23.5 million. SSA reported 158 training conferences were held from October 2004 through September 2009 and another 72 conferences for FY 2010. SSA components were able to provide us with about 85 percent of the requested conference details for our period of review. From the reported information, we determined that the average training cost per attendee at an SSA-sponsored, off-site event was about \$900. In addition to direct conference costs, we estimate the total salaries and benefits associated with the 168 training events under review to be about \$29.1 million. We also found that approximately \$1 million was spent for audiovisual services and another \$2 million for speakers. In addition, some conferences included costs related to award ceremonies and receptions. The top three States in terms of number of conferences held were Maryland, Georgia, and California, indicating SSA was attempting to keep many of the conferences close to Headquarters in Baltimore, Maryland. In August 2009, the Commissioner centralized conference oversight and related procurement activity and required that all components provide their proposed conference plans for FYs 2010 and 2011 by November 30, 2009. This new policy should improve Agency controls over off-site training conferences.

CONFERENCES HELD IN THE PAST 5 YEARS

SSA reported it held 158 training conferences from October 1, 2004 through September 30, 2009.⁵ During the first 2 months of FY 2010, the Agency reported an additional 10 conferences, bringing the total number of reported training events conducted through the time of our review to 168. During this timeframe, approximately 26,000 people participated in off-site training conferences at a total cost to the Government of approximately \$23.5 million (see Table 1).

⁵ These reported training conferences met certain minimum threshold requirements, as shown in Appendix B.

**Table 1: Off-Site SSA Training Conferences
(October 2004 through November 2009)**

Office	Reportable Conferences	Number of Attendees	Conference Costs
Office of Budget, Finance and Management	1	254	\$ 95,144
Office of Communications	4	1,329	1,823,267
Office of Disability Adjudication and Review	26	4,179	4,371,804
Office of General Counsel	11	1,154	931,832
Office of Human Resources	30	5,314	7,421,792
Office of the Inspector General	1	112	147,168
Office of Operations	63	12,591	4,933,451
Office of Quality Performance	1	139	112,249
Office of Retirement And Disability Policy	31	998	3,660,201
Totals	168	26,070	\$23,496,908

Note: Conferences were not reported for the Offices of the Chief Actuary, Chief Information Officer, Legislative and Congressional Affairs, or Systems. The Office of Quality Performance became a Deputy Commissioner level office in March 2006.

The data in Table 1 demonstrate that the Office of Operations (Operations) constituted the majority of conferences held based on the number of attendees, 12,591 people, representing about 48 percent of total attendees trained from October 2004 through November 2009. Further, Operations held the largest number of training events, 63 conferences, or 37.5 percent of the total 168 conferences reported for all components. A detailed analysis of the composition by Operations' subcomponent is found in Appendix C.

NATURE AND SUBSTANCE OF THE CONFERENCES

The purpose and content of the training conferences reported to the Office of the Inspector General (OIG) by the Agency varied widely, depending chiefly on the mission and goals of the reporting component. We also found that, in some instances, the training conferences included activities aimed at recognizing and rewarding employee performance. Some conferences, such as those reported by the Office of Human Resources (OHR), were symposiums designed for SSA employees undergoing leadership development programs and covered instructional topics, such as the Federal budgeting process. Other conferences, including some reported by the Office of Retirement and Disability Policy (ORDP), were attended by more outside invitees than SSA employees and related to civic outreach initiatives, such as disability awareness and homelessness.

The most common type of training conference was described on meeting agendas as “annual” or “management” conferences. For example, many of the conferences reported to us by Operations’ Office of Disability Determination (ODD) and the Office of Disability Adjudication and Review (ODAR) were described in this way. Based on our review of the documentation for these meetings, it appears these events generally covered operational matters, such as workload planning and technical training on information systems.

DATA GATHERING AND COMPLETENESS

SSA components provided about 85 percent of the requested details related to reported conferences. The remaining 15 percent was incomplete, which may relate to record retention policies and differences in recordkeeping among components.⁶ Some SSA components, such as the Office of Communications, were able to supply 100 percent of the requested information relatively quickly, while other components, such as the Office of General Counsel (OGC), had difficulty providing all of the required data. As a result, OIG staff worked with OGC personnel to develop conference cost estimates based on partial meeting information.

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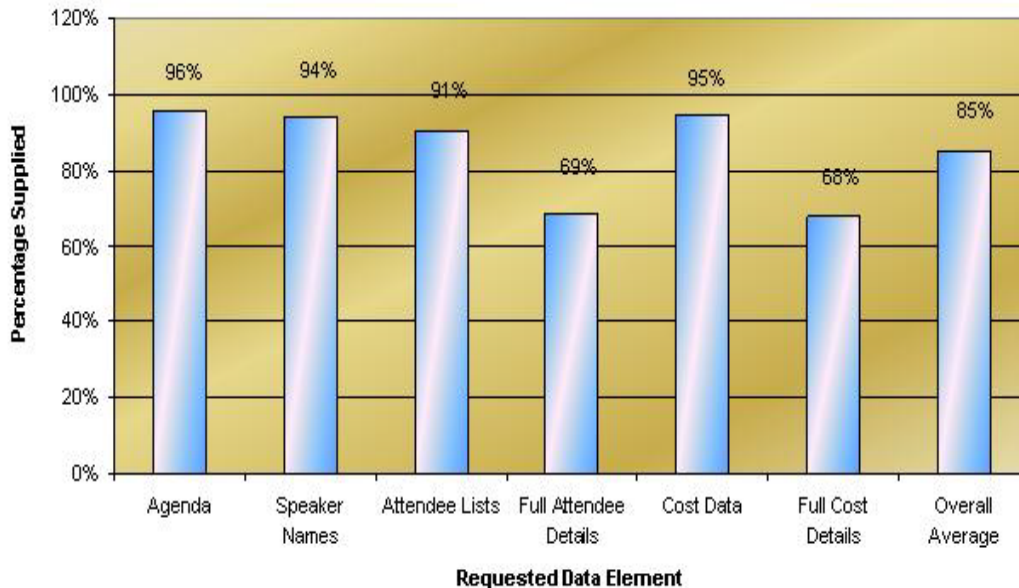
When we analyzed conference data completeness by specific element type, we found that components were able to provide approximately 96 percent of the conference agendas, but were only able to provide 69 percent of the requested full attendee details⁷ and 68 percent of full cost⁸ information, respectively. The degree of submission completeness by data element type is displayed in Figure 1.

⁶ Agency staff stated that AIMS is being revised to include guidance and requirements on records retention for conference activities.

⁷ “Full” attendee details included participants’ job titles and grades, which, if not recorded at the time an event was planned and held, would be understandably difficult to generate after the fact, several years later. See Appendix B for a complete listing of requested details.

⁸ “Full” conference cost details required a breakdown by major cost category, such as audiovisual, travel, entertainment, etc. See Appendix B for a complete listing of requested details.

Figure 1: SSA Component Data Submission Completeness by Data Element



Note: Percentages of completeness were based on an “if applicable” basis. That is, some conferences did not have speakers, while other training was taught by course instructors without agendas. In addition, the consistency in component data reported to OIG varied; some components supplied us with meticulous spreadsheets referenced to detailed supporting documents while other components sent multiple emails, zip files, and scanned papers with handwritten notations.

RESULTS BY COMPONENT

As part of our analysis, we identified trends related to conference costs, attendance, and location. We also looked at the frequency of conferences over the past 5 years.

Conference Costs and Attendance

The average conference held from October 2004 through November 2009 cost the Agency approximately \$140,000 to train 155 people over 3 days. Overall, the average cost per attendee at an SSA-sponsored, off-site event was about \$900. This does not include the cost of salaries, which we discuss later in this report. Moreover, the number of conference attendees ranged from 8 to 1,458 people, and the training ranged from 1 to 8 days.

Overall, the average training cost per attendee at an SSA-sponsored, off-site event was about \$900

The most expensive reported conference was sponsored by the San Francisco Regional Office in July 2009, as discussed in detail in our December 2009 *Congressional Response Report: San Francisco Regional Management Training*

Forum. This meeting cost the Agency approximately \$675,000 for 667 people.⁹ The second most expensive meeting reported was an OHR-sponsored 2006 SSA Diversity Conference in Atlanta, Georgia, where 1,458 people convened for 3 days at a cost to the Government of approximately \$650,000.¹⁰

We found the less expensive conferences related to regional office attendance at events sponsored by local Social Security Management Associations. While these multi-day meetings were not SSA-sponsored events per se, the Agency had paid for minor meeting expenses, such as speaker fees. The Agency generally allows SSA management personnel attending such meetings to take 1 day away from their normal duty stations to travel to the meeting location. In our review of the conference information, we found that these meetings typically cost the Agency less than \$5,000 per occurrence.

Some conferences had costs that were neither accounted for nor controlled by the hosting/reporting entity. As such, some expenses would not have been reported to OIG as part of our data request.¹¹ Given the Agency's inability to report conference information uniformly from one point of designated control, we believe the reported cost and attendee information is incomplete and likely understated by an indeterminate amount.¹²

Salaries and Benefits

As part of our analytical review procedures, we also calculated the estimated SSA salary and benefit cost¹³ for each conference held from October 2004 through November 2009. Based on our calculations, we estimate the total salary and benefit cost for the 168 training events under review to be about \$29.1 million, approximately 23 percent over the reported direct conference costs of \$23.5 million. The salary and benefit costs, approximately \$1,100 per attendee, included the time spent at the

⁹ The average cost per attendee for this forum was about \$1,000.

¹⁰ The average cost per person for this meeting was about \$440. Attendees, including employees, were required to pay their own travel and lodging expenses if they wished to attend. An OIG investigation of this conference found issues with procurement, the competitive bidding process, and misused funds. We discuss this investigation in *Congressional Response Report: San Francisco Regional Management Training Forum* (A-05-09-29174), December 2009.

¹¹ Good examples would include some of the conferences hosted by Operations' ODD and OGC, where some attendee travel expenses were incurred apart from the hosting party, falling under the scope of responsibility of a different SSA office, SSA component, or an affiliated governmental entity, such as a State disability determination services (DDS).

¹² SSA has since centralized this oversight, as we discuss later in this report.

¹³ The objective of this analysis is to provide a quantitative basis for understanding the total Agency costs associated with employee time spent on training. This analysis does not include an opinion on the relative importance or efficacy of SSA employee training activities. See Appendix E for more on our salary and benefit calculations.

conference and related travel time. In Table 2, we provide the 10 most expensive conferences in terms of total costs; both direct conference costs and salary and benefit costs.

Table 2: Most Expensive Conferences—Reported Direct and Salary/Benefit Costs (October 2004 Through November 2009)

Description of Event and State	Date Held	Number of Attendees	SSA Total Reported Direct Costs	SSA Estimated Salary and Benefits	Total Estimated Costs
2006 SSA Diversity Conference (Georgia) ¹	July 2006	1,458	\$ 641,417	\$ 1,339,160	\$ 1,980,577
2009 HOCALJ Conference ² (Tennessee)	May 2009	359	473,421	851,692	1,325,113
Regional Management Training Forum ³ (Arizona)	July 2009	667	675,080	612,634	1,287,714
HOCALJ Summit ² (Arizona)	June 2008	313	530,562	742,561	1,273,123
DDS Systems "Gear Up!" Workshop ⁴ (Maryland)	August 2008	812	497,320	745,815	1,243,135
Operations Automation/Systems ⁵ Workshop (Maryland)	August 2006	607	586,563	557,524	1,144,087
2008 Judicial Conference ² (Georgia)	July 2008	286	375,274	678,506	1,053,780
2008 Judicial Conference ² (Illinois)	August 2008	271	373,291	642,920	1,016,211
2008 Judicial Conference ² (Arizona)	July 2008	275	346,000	652,410	998,410
2008 Judicial Conference ² (Maryland)	August 2008	274	331,186	650,038	981,224
Totals		5,322	\$ 4,830,114	\$ 7,473,260	\$ 12,303,374

Notes:

1. Sponsored by OHR.
2. Hearing Office Chief Administrative Law Judge (HOCALJ) conferences and Judicial Conferences were sponsored by ODAR.
3. Sponsored by the San Francisco Region.
4. Hosted by Operations.
5. Hosted by the Offices of Operations and Systems.

The relative amount of costs associated with direct costs versus salary and benefit costs may differ for a number of reasons. For example, at the 2006 Diversity Conference, attendees paid much of the travel costs related to the conference, so the Agency's direct conference costs were reduced. In other cases, such as ODAR conferences involving higher paid ALJs, the Agency may experience higher salary and benefit costs.

It is possible that the Agency would have incurred a majority of these costs—conference costs as well as salary and benefit costs—whether the conference was off- or on-site. For instance, conferences held in-house would still entail employee time and therefore salary and benefit costs. In addition, in-house conferences may also incur similar direct costs, such as speaker fees, as well as transportation and hotel costs, if attendees need to travel to the training from around the region or country. Direct costs could be reduced by changing the method of delivery. For example, using Interactive Video Teletraining (IVT) equipment¹⁴ would allow the Agency to avoid some of the costs related to travel. However, as we noted in our December 2009 review,¹⁵ the use of such equipment may alter the nature of the training provided to participants and therefore provide a different experience.

Audiovisual and Speaker Costs

We also reviewed the amount paid for speakers and audiovisual services. Components reported spending a total of approximately \$986,000 for audiovisual services at 88 conferences (52 percent) from October 2004 through November 2009. Of these, the San Francisco Regional Office had the highest audiovisual cost at any single event, approximately \$68,000, incurred at its July 2009 Regional Management Training Forum in Phoenix, Arizona. Components reported 114 conferences (68 percent) where speaker costs were incurred. Total reported speaker fees were about \$2.1 million. OHR reported the highest speaker fees related to three Leadership Matters Symposiums, where approximately \$75,000 in speaker fees was paid at each of these three events. OHR's expenditures in this category comprised approximately 75 percent of total reported speaker costs.

*The San Francisco Regional Office
had the highest audiovisual cost at
any single event*

Awards and Receptions

We also noted that 26 (15 percent) of the reported conferences were described as “award” related events on agendas and other documentation. Finally, we identified 36 conferences (21 percent) where some form of reception was available for the attendees. We reviewed the costs related to these 36 conferences and found approximately \$348,000 in food and entertainment expenses.¹⁶ However, most of the reporting components did not provide detailed cost breakouts, and, in those cases where food and entertainment break-outs were provided, we could not determine from

¹⁴ IVT consists of interactive distance learning where the participants are at a training facility separate from the course instructor. The IVT is broadcast live from an SSA studio and received on a television monitor. IVT uses a satellite transmission system, enabling the student to view and respond to the program.

¹⁵ SSA OIG, *Congressional Response Report: San Francisco Regional Management Training Forum* (A-05-09-29174), December 2009.

¹⁶ In three cases, an outside organization sponsored the reception. In another case, an outside organization contributed to the cost of the reception.

the submitted information whether the food was served during the training or as part of an after-hours reception. In prior reviews, we have found problems with SSA procurement of receptions.¹⁷ As part of the Commissioner's new conference policy guidance, SSA will no longer fund such receptions. We discuss this new policy later in the report.

Locations of Conferences

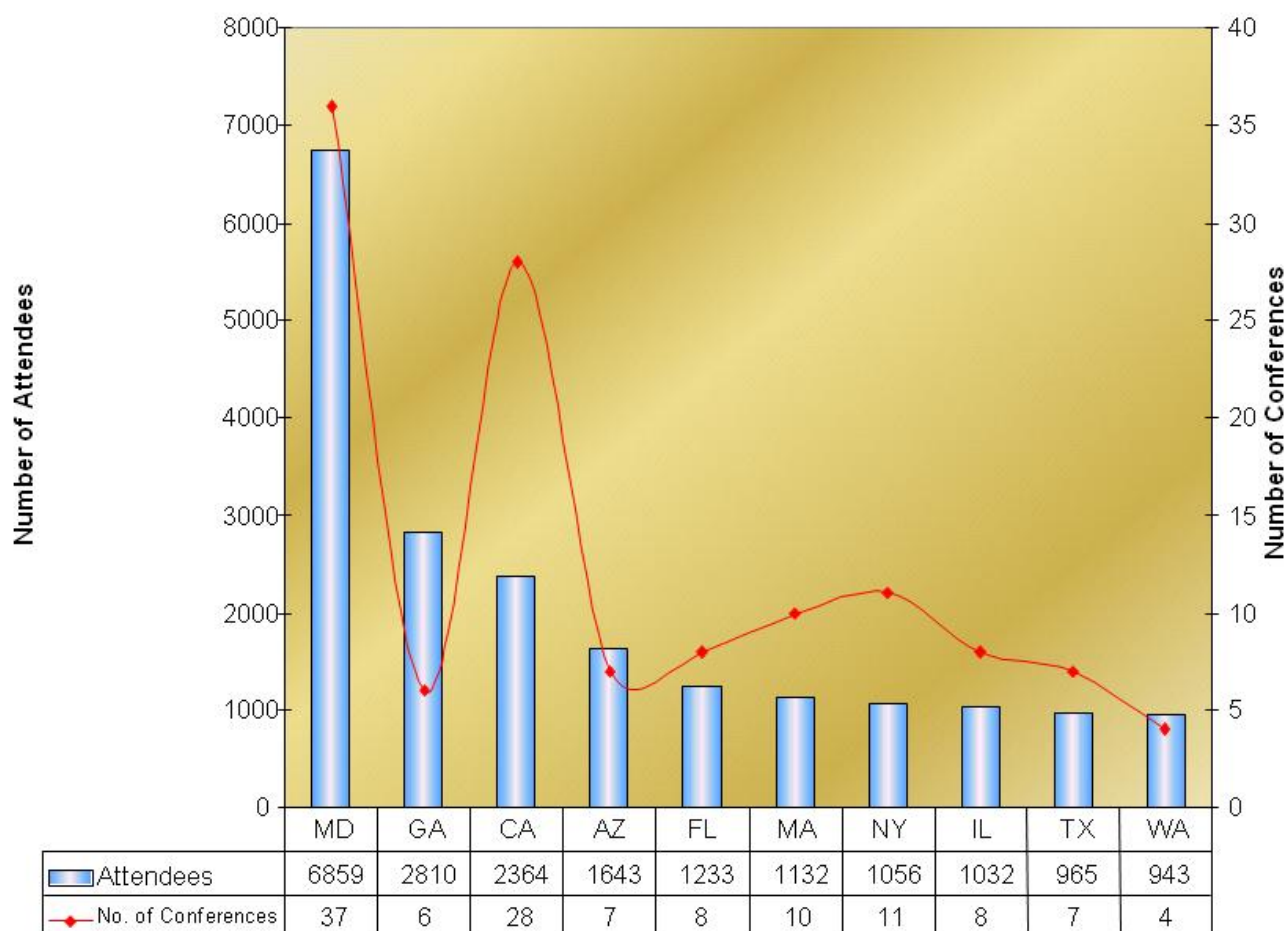
We also evaluated the site locations of the various conferences. Maryland is the only State to occupy the top spot based on two sets of ranking criteria—attendance and number of conferences (see Figure 2). Given that SSA Headquarters is located in Baltimore, Maryland; its predominance is understandable from both cost and time-efficiency viewpoints. SSA components reported 6,859 conference attendees in Maryland, during this period or 26 percent of the 26,070 attendees reported for all conferences.¹⁸ Further, when we removed the 7,084 attendees reported for regionally sponsored conferences,¹⁹ Maryland's share increased to 36 percent of the 18,986 attendees reported for all non-regionally sponsored events.

¹⁷ See SSA OIG, *Association of Administrative Law Judges' Training Conference Costs* (A-12-08-28037), April 2008, and *Congressional Response Report: San Francisco Regional Management Training Forum* (A-05-09-29174), December 2009.

¹⁸ Appendix D provides supplemental data identifying the top conference cities by number of conferences and by number of attendees. We found that Baltimore, Maryland, was the top conference city under both sets of ranking criteria.

¹⁹ See Appendix C. We found the Region-sponsored conferences were held within one of the Region's States. For example, a Boston Region conference would be held in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, or Vermont.

**Figure 2: Top 10 State Locations by Number of Attendees
and Number of Conferences
(October 2004 Through November 2009)**

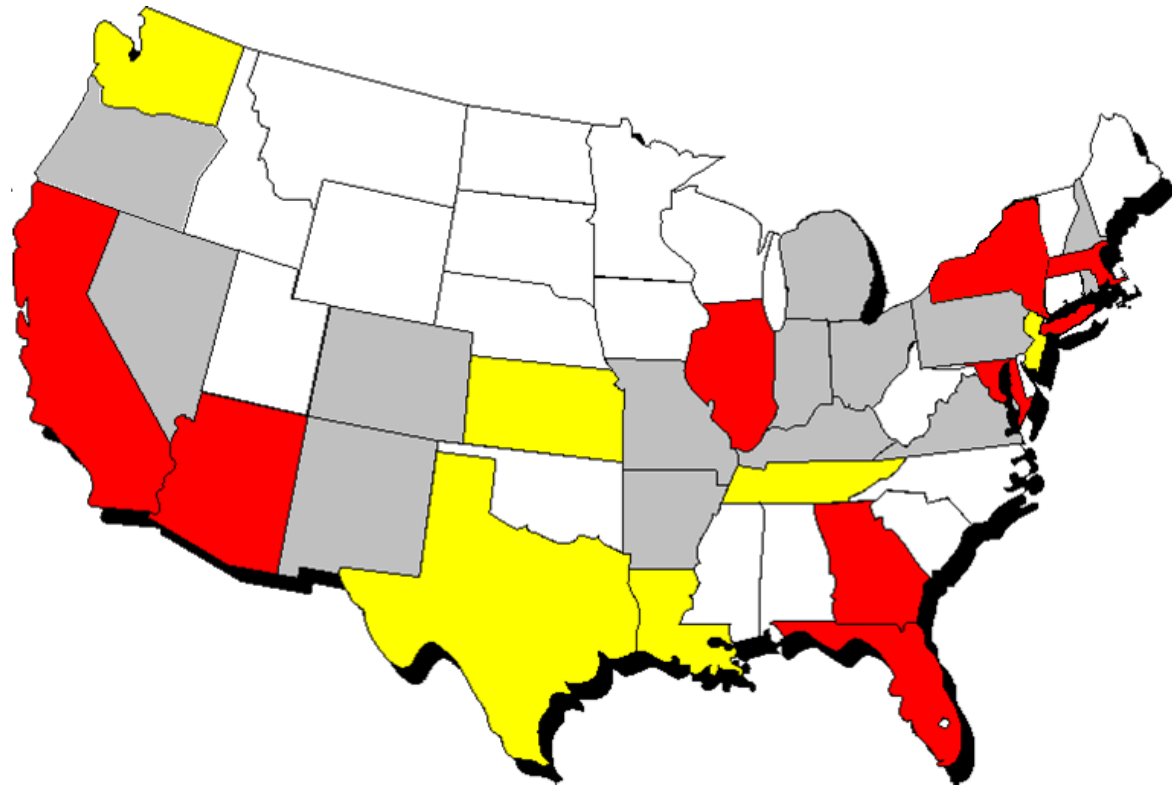


Georgia had the second largest number of attendees. This is due to a large, one-time Diversity Conference in Atlanta sponsored by OHR in 2006 for 1,458 people. Without this conference, Georgia would have ranked fourth in the top 10 conference States under attendee volume criteria. The other statistic worth noting regards the State of California. Specifically, while California is third place in Figure 2 for hosting 2,364 conference attendees during the timeframe under examination, it occupies second place in terms of number of conferences. The chief reason for the relatively low per-conference headcount in California is the number of training sessions reported by ORDP. ORDP reported 9 events for Disability Hearing Officer Training, with no more than 25 persons reported to be in attendance at any single event.²⁰

²⁰ This conference was reported to us because it met our dollar threshold on contracted costs. See Appendix B.

In Figure 3, we illustrate the location of all 168 SSA conferences by State in terms of attendance.

**Figure 3: Top Conference States by Number of Attendees
(October 2004 through November 2009)**



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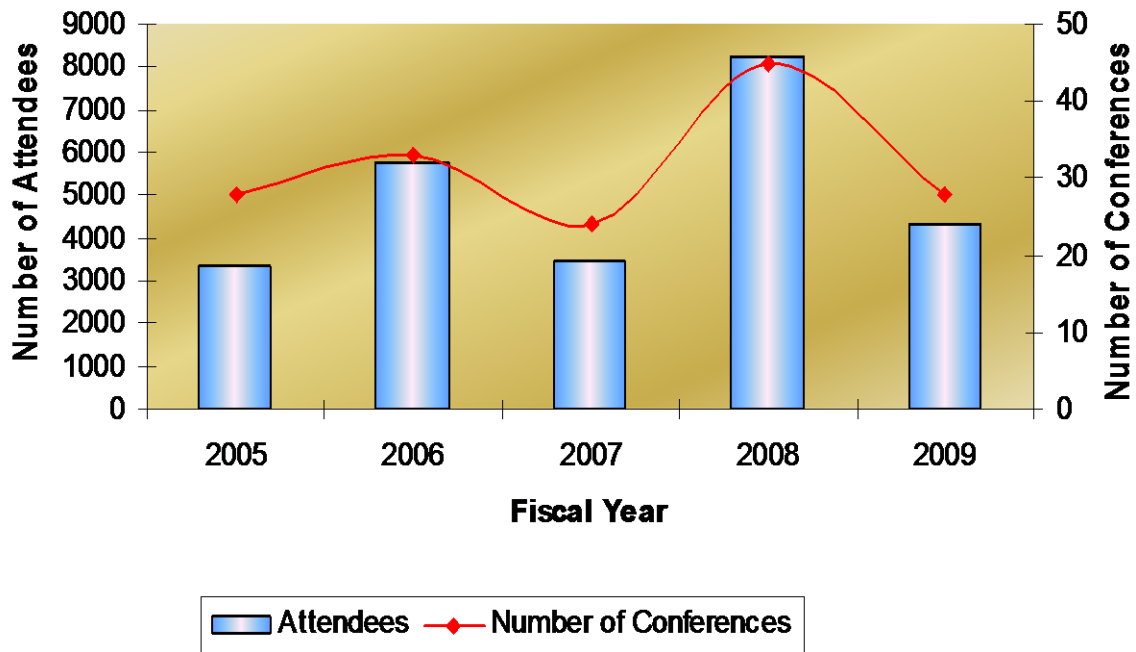
- Red States represent 1,000 or more conference attendees during this period.
- Yellow States represent 500 to 999 conference attendees during this period.
- Gray States represent 10 to 499 conference attendees during this period.
- White States had no reported conference activity.

Note: No conferences were held in Alaska or Hawaii during this period. In addition, 1 conference in Puerto Rico during this period had 94 attendees.

Other Conference Trends and Analysis

We also analyzed the volume of conferences held during FYs 2005 through 2009 timeframe based on both the number of conferences and the number of attendees at those conferences. Our results are in Figure 4.

**Figure 4: Year to Year Trend in Conference Attendance
and Number of Conferences
(October 2004 Through September 2009)**



Based on this information, we determined that 2008 was the peak FY for holding meetings under both sets of criteria. These charts show that there is a strong, positive correlation between the number of conferences held each year and the number of people participating.

CONFERENCES FOR FISCAL YEAR 2010

As discussed earlier, our review of conferences covered the full FYs 2005 through 2009, plus 10 conferences in the first 2 months of FY 2010 (October and November 2009). The Agency reported 62 more training events taking place between December 2009 and September 2010 that met the OIG reporting criteria. As a result, at the time of our review, SSA had reported 72 total conferences planned for FY 2010 (see Table 3). As these FY 2010 conferences were at different stages of the planning and approval process at the time of our data call in late November 2009, the tentative information about these meetings cannot be relied on for meaningful interpretation.

Table 3: Conferences Planned for FY 2010

Component	Number of Planned Conferences
Office of Disability Adjudication and Review	7
Office of General Counsel	2
Office of Human Resources	19
Office of Operations	25
Office of Quality Performance	1
Office of Retirement And Disability Policy	17
Office of International Programs	1
Totals	72

The 72 meetings attributable to FY 2010 represent the greatest number of meetings reported for a single year over the last 6 years (FYs 2005 to 2010). The number of reported meetings for FY 2010 could change since these are proposed conferences and not all of them may take place. In addition, as we noted earlier, the reported number of past conferences, particularly for meetings dating 4 or 5 years ago, is likely to be less complete in comparison to more recent conference information.

NEW CONFERENCE POLICY

On August 18, 2009, the Commissioner of SSA issued a memorandum on *Conference Management Improvement* regarding the Agency's planned oversight of conference planning and associated procurement activities. The Commissioner centralized conference oversight and related procurement activity in the Office of Budget, Finance and Management. In addition, a conference planning support staff was established to

- provide clear guidance for conference planning and execution, including updating AIMS and publishing a conference guide on SSA's Intranet Website;
- implement a process for reviewing and approving all components' upcoming conference plans at the beginning of each FY; and
- implement a post-conference process for evaluating conference planning and execution.

On September 24, 2009, the Agency held a meeting to provide senior staff with templates for completing the different requirements at the different stages in the planning and implementation of training conferences. Under the new guidelines, Agency components were required to provide their proposed conference plans for FYs 2010 and 2011 by November 30, 2009. In addition, senior staff was informed that components should (1) consider SSA facilities as the first option for conferences; (2) end sponsorship of pre- and/or post-conference social events; (3) ensure Federal

funds are not used for gifts, door prizes or other giveaways; and (4) end acceptance of donations from non-Federal entities.²¹ This new policy should improve Agency oversight and controls over off-site training conferences.

SSA has also established an Intranet Website that provides managers with guidelines and reporting forms. In our review of the reported FY 2010 conference data, we found that some of the meetings were supported by the Agency's new *SSA Conference Proposal* form, and most of these appeared to be complete as to form-required data, such as expected purpose, locations, costs, and attendees.²² Appendix F contains additional information on the new control activities for off-site training conferences as well as a sample copy of this form.

²¹ SSA staff stated AIMS is being updated to reflect this new conference approval process as well as updated food and light refreshment guidance.

²² We will provide more information on this new reporting process in our second review, *Training Expenditures at the Social Security Administration* (A-05-10-10118).

Conclusions

Between October 2004 and November 2009, SSA spent approximately \$23.5 million to train about 26,000 individuals at 168 conferences. SSA plans to hold a total of 72 conferences in FY 2010, 10 of which are included in the 168 conferences through November 2009. Based on these reported data, we determined that SSA expended approximately \$2,000 per attendee at off-site conferences when one considers direct conference costs (approximately \$23.5 million) as well as salary and benefit costs (approximately \$29.1 million). However, it is possible that the majority of these same costs would have been incurred had similar in-person training been provided at an SSA-owned facility.

We found that most SSA components were conducting conferences and the nature of the training varied depending on the components' missions. In addition, while we found that conferences were held in 28 States, as well as the District of Columbia and Puerto Rico, the majority of the conferences reviewed took place at locations in geographic proximity to SSA Headquarters in Baltimore, Maryland.

We found a general lack of centralized control over conference planning and administration during our review period, particularly with respect to cost reporting and attendee tracking. We also found a wide range of costs associated with audiovisual services and speaker fees. However, the Commissioner's new policy will create a centralized control process over off-site training conferences. These recent steps should provide (1) increased assurance as to the appropriateness and necessity of future conferences; (2) stronger control over training expenditures; and (3) improved compliance with Agency policy and statutory regulations.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – Office of Operations – Conference Analysis

APPENDIX D – Top 10 Conference Cities by Frequency and Attendance

APPENDIX E – Estimated Salary and Benefit Cost

APPENDIX F – Social Security Administration Conference Proposal Form

Acronyms

AIMS	<i>Administrative Instructions Manual System</i>
ALJ	Administrative Law Judge
C.F.R.	Code of Federal Regulations
DDS	Disability Determination Services
FY	Fiscal Year
GS	General Schedule
HOCALJ	Hearing Office Chief Administrative Law Judge
IVT	Interactive Video Teletraining
ODAR	Office of Disability Adjudication and Review
ODD	Office of Disability Determination
OFPO	Office of Financial Policy and Operations
OGC	Office of General Counsel
OHR	Office of Human Resources
OIG	Office of the Inspector General
Operations	Office of Operations
ORDP	Office of Retirement and Disability Policy
SES	Senior Executive Service
SSA	Social Security Administration

Scope and Methodology

To accomplish our objective, we:

- Reviewed applicable Federal regulations and the Social Security Administration's (SSA) policies and procedures pertaining to training and procurement, including the *Administrative Instructions Manual System* pertaining to training activities at Federal agencies.
- Obtained information on SSA conferences conducted over the past 5 years. To do this, we worked with the Agency's Audit Liaison team and contacted all the Agency's components requesting any meetings or conferences that met the following criteria:
 - ✓ Was held from October 2004 to present (5-year span); **AND**
 - ✓ SSA was the primary sponsor of an event held at a non-SSA facility, no matter how many employees attended; **OR**
 - ✓ 50 or more employees attended an event that another organization sponsored and SSA paid for travel or provided time off for employees to attend (did not include grants or cooperative agreements); **AND**
 - ✓ It was a multi-day event; **AND**
 - ✓ It required travel away from the employees' duty station.

In the case of fewer than 50 SSA employees where SSA is the primary sponsor, we qualified the reporting requirement to cover only those conferences where the supplies and/or services exceeded \$25,000 and required a competitive bidding process.

If the above criteria were met, we required that the Agency components report the following data.

- ✓ Name of the Event
- ✓ Purpose for the Event
- ✓ Location of the Event
- ✓ Length of the Event (Days/Time)
- ✓ Agenda for the Event

- ✓ Name of Speakers/Presenters
- ✓ Number of employees attending the Event **AND** specific information on the employees, including the following.
 1. Name of employee
 2. Title of employee
 3. Grade Level of employee
- ✓ Costs Associated with the Event, including the following.
 1. Travel Costs
 2. Lodging Costs
 3. Meals
 4. Speakers/Presenters
 5. Entertainment
 6. Conference Room Rental
 7. Equipment
 8. Audiovisual Fees
- Requested and reviewed data on SSA conferences held or planned to be held during Fiscal Year 2010 using the aforementioned reporting criteria. The criteria we applied was similar but not identical to the reporting criteria set forth by the Office of Finance Policy and Operations (OFPO)—see Appendix F. Hence, our report may contain a different number of conferences for FY 2010 than that reported by OFPO.
- Spoke with Agency staff about OFPO’s administration of the new conference reporting policy.

In this review, we are not opining on the appropriateness of (1) the use of conferences as a training method or (2) holding a conference at a particular location. In addition, we are not opining on the accuracy or completeness of the conference information supplied to us by the Agency. Our review was limited in scope to compiling and analyzing training conference data as supplied to us by Agency management from the different SSA components. As such, we relied on the representations of Agency personnel indicating that the data reported to us were complete and accurate to the best of their awareness and ability. Accordingly, our work did not constitute an audit of such information. We did, however, apply certain analytical review procedures when compiling this information as follows.

- Reviewing reported conference information for reasonableness, making limited inquiries of management for anomalous data, such as extraordinarily high expenses.
- Sorting and ranking conference data by State and City, number of conferences, and number of attendees.

- Calculating and identifying significant statistical data, such as mean values and data ranges for key elements, including conference costs, number of attendees, and length of events.
- Estimating the salary and benefit costs related to SSA employee time spent at off-site training events instead of performing routine duties at their regular place of work.

We conducted our work from August 2009 through March 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform our work to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe the evidence obtained provides a reasonable basis for the findings and conclusions contained in this report.

Office of Operations – Conference Analysis

Table C-1 provides details on conferences conducted by the Office of Operations (Operations) from October 2004 through November 2009.

**Table C-1: Conferences Under the Office of Operations
(October 2004 to November 2009)**

Regional Offices	Number of Conferences	Number of Attendees	Reported Costs
Atlanta	2	661	\$ 501,837
Boston	10	1,058	238,679
Chicago	0	-	-
Dallas	7	832	189,687
Denver	2	250	210,419
Kansas City	1	362	258,115
New York	11	1,313	446,101
Philadelphia	0	-	-
San Francisco	9	1,707	764,614
Seattle	3	901	334,646
Subtotal – Regional Offices	45	7,084	\$ 2,944,098
Office of Telephone Systems	1	125	\$ 160,000
Office of Central Operations	1	298	83,713
Office of Systems	2	1,419	1,083,883
Office of Disability Determination	14	3,665	661,757
Subtotal – Operations Other	18	5,507	\$ 1,989,353
GRAND TOTAL FOR OPERATIONS	63	12,591	\$ 4,933,451

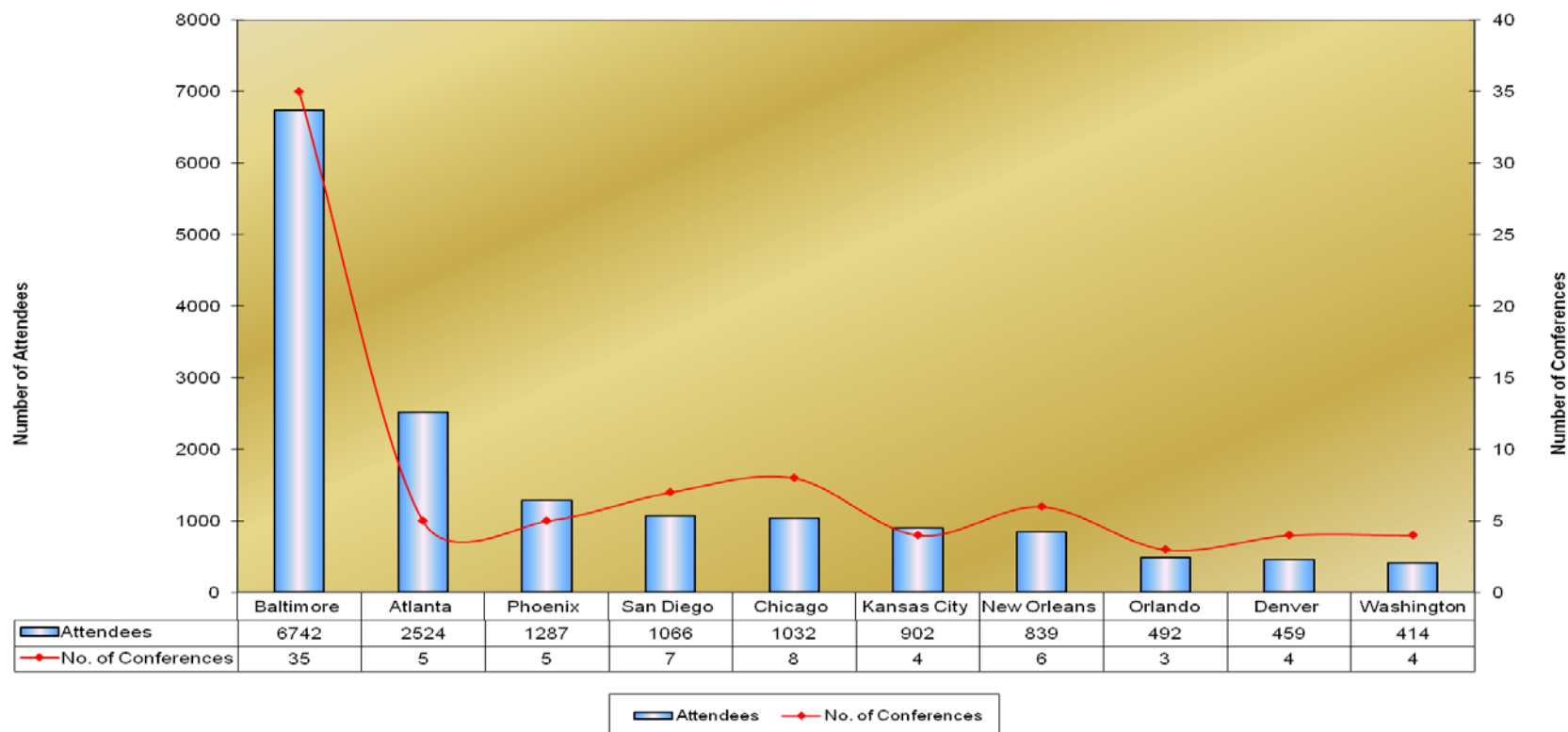
As shown above, the Office of Disability Determination (ODD) held the greatest number of training conferences and trained the most people of all Operations' subcomponents or individual regional offices. ODD's training activities are generally oriented toward training state disability determination services (DDS) personnel. When reviewing ODD's conference data, we noted nine training events that were specifically identified as DDS-related forums.¹

¹ DDS attendees are reimbursed by their State DDS and SSA later reimburses the State for appropriate administrative costs, including mission-related travel. As a result, we may not have the complete costs related to these DDS-related forums.

Top 10 Conference Cities by Frequency and Attendance

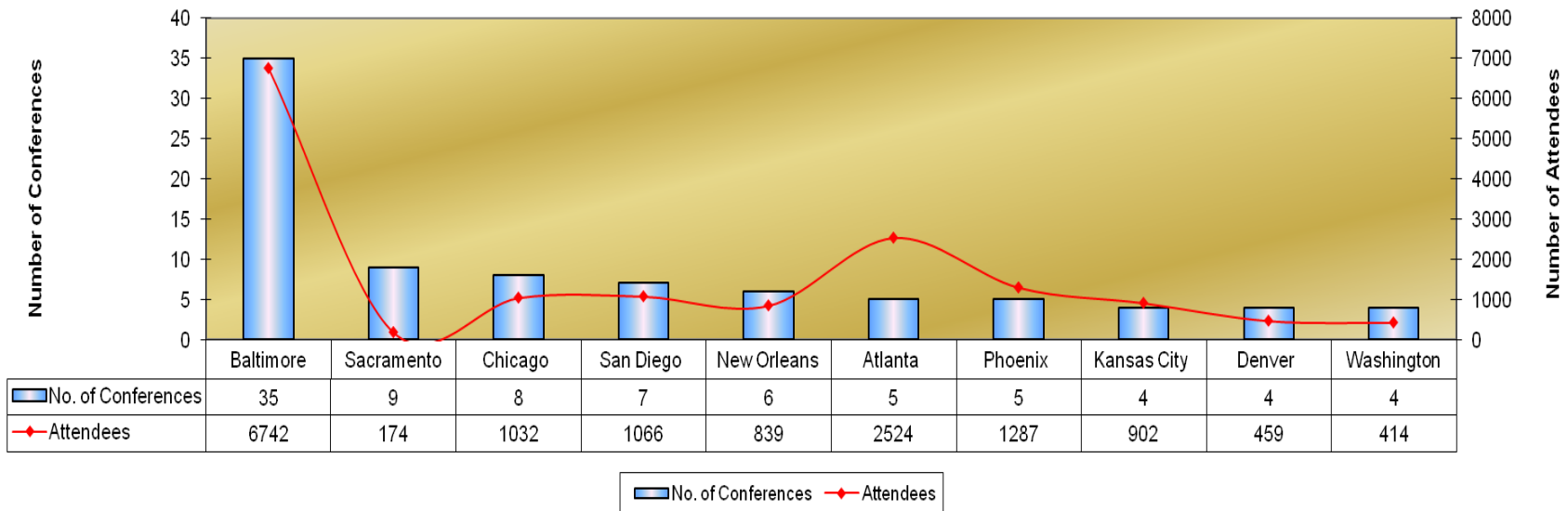
We analyzed the location of Social Security Administration conferences held from October 2004 through November 2009 by State and City. The top three cities, by number of conference attendees, were Baltimore, Maryland; Atlanta, Georgia; and Phoenix, Arizona (see Figure D-1).

Figure D-1: Top 10 U.S. City Locations by Number of Conference Attendees (October 2004 Through November 2009)



The top three cities, by number of conferences were Baltimore, Maryland; Sacramento, California; and Chicago, Illinois (see Figure D-2).

**Figure D-2: Top 10 U.S. City Locations by Number of Conferences
(October 2004 Through November 2009)**



Estimated Salary and Benefit Cost

As part of our analytical review procedures, we calculated an estimated salary and benefit cost for Social Security Administration (SSA) employees attending each conference held from October 2004 through November 2009. We performed this analysis to develop a quantitative basis for understanding the full costs associated with employee time spent on training. Our analysis does not include an opinion on the relative importance or efficacy of SSA employee training activities.

To estimate the salary and benefit costs, we used the following methodology and assumptions.

- We defined three grade categories based on average General Schedule (GS) employment grades, High (H), Medium (M), and Low (L).
- We defined a fourth category, administrative law judges (ALJ), to accommodate conferences primarily attended by ALJs.
- An average attendee employment grade was assigned to each conference using the aforementioned H, M, L, and ALJ categorizations.
- We then estimated average annual wages for each category by using the *2007 GS Salary Table*¹ for the H, M, and L classifications.
 - The High category used the mean wage for grades 14 and 15, all steps.²
 - The Medium category used the mean wage for grades 10 through 13, all steps.
 - The Low category used the mean wage for grades 5 through 9, all steps.
- We estimated the average annual wage for the ALJ category using *Salary Table No. 2007-EX* using the mean Rate of Basic Pay for Levels I through V.

¹ The year 2007 was chosen as it represents the midpoint year for the period under review.

² Senior Executive Service (SES) compensation levels were disregarded for simplicity and conservatism, particularly as SES employees, where indicated on attendee lists, appeared infrequently.

- Average annual wages were grossed up by a factor of 25 percent to contemplate employee taxes and benefits.³
- An average daily wage was calculated by dividing the grossed up amounts from the previous step by 250 days.⁴
- The average daily wage was multiplied by the number of attendees. This product was then multiplied by the number of days for each conference to arrive at a total salary and benefits cost for each event.

SSA reporting components were unable to supply employment grade levels for all attendees for all conferences, particularly for earlier meetings. In these cases, average grades were judgmentally determined and assigned using agendas and conference descriptions. In the absence of sufficient alternative information, conferences with substantially incomplete attendee grade data were assigned to the Medium category by default. The resulting amounts represent the fully burdened standard costs for each category used in our study, summarized as follows in Table E-1.

Table E-1: Fully Burdened Employee Costs

Average Grade	Standard Cost Category	Average Annual Wage	Average Daily Wage	Including Taxes and Benefits at 25 Percent
GS-14 and Above	H	\$ 99,002	\$ 396	\$ 495
GS-10 through GS-13	M	61,233	245	306
GS-9 or Less	L	36,777	147	184
ALJs	ALJ	158,160	633	791

Based on our calculations, we estimate the total salary and benefit costs for SSA employees attending the 168 training events under review to be about \$29 million, approximately 23 percent greater than the reported conference costs of \$23.5 million.

³ The 25 percent taxes and benefits overhead application rate was corroborated as reasonable with both the Offices of Human Resources and Operations.

⁴ The annual number of days used in the denominator of this fraction was taken from a previously published OIG report, *Quick Response Evaluation: Office of Disability Adjudication and Review Management Information*, A-07-09-29162, Appendix C, Note 4. The Agency reported that a denominator of 260 days (2080 work hours divided by 8 work hours per day) is often used to perform this type of calculation. However, the introduction of 10 Federal holidays reduces the number of work days to about 250 days. Therefore, we used 250 work days to represent the amount of time an individual is actually performing SSA duties. The potential impact of using the 250-day denominator versus the 260-day denominator is approximately a 4 percent difference in per-day costs, with the 250-day denominator leading to higher reported costs.

Social Security Administration Conference Proposal Form

In this Appendix, we provide a sample copy of the *SSA Conference Proposal* form instituted by the Commissioner of the Social Security Administration (SSA) as of October 1, 2009. The form requires that the requesting entity include all salient conference details such as purpose, location, facilities, attendees, costs, as well as narrative justification for the expenditure. The guidelines for its use are governed by the *SSA Conference Planning Guide*, Section B—*Management Oversight and Approval*. The following is an excerpt from the *SSA Planning Guide*:

*Management oversight of the conference planning process is very important. By October 1, 2009, we will implement an **annual process for prior review and approval of conference plans**. The process will be structured like this:*

- *Each fiscal year, the Deputy Commissioners (DC) will document and review their component's 2-year conference plans prior to submitting them to the Office of Financial Policy and Operations (OFPO) for prior review and approval.*
- *Conferences meeting the following two criteria must be included in the plan:*
 - *When you expect to use a Federal facility, report events if:*
 - *there will be more than 50 travelers attending; or*
 - *food may be purchased with agency funds; or*
 - *a compensated speaker, or other compensated entertainment, is planned.*
 - *When you expect to use a non-Federal facility, report events if:*
 - *total costs and services (including travel) are \$25,000 or more; or*
 - *food may be purchased with agency funds; or*
 - *a compensated speaker, or other compensated entertainment, is planned.*

In essence, all SSA components must now apply for centralized approval prior to planning or holding a conference of any sort, not just training; the applicant's proposal will be subjected to review and control by OFPO before SSA components are allowed to commit Federal funds. As illustrated in the sample copy of the new *SSA Conference Proposal* form below, authorizing signatures are now a required and important control feature of the (modified) conference planning process.

(SAMPLE COPY)

SSA Conference Proposal

Conference Title:
Sponsoring Component:
Request Date:
Contact Name/Ext.:

We are aware that you may not yet have all of the information requested. For conferences where not all information is available, please fill in the information that you currently have. For all categories where information is not currently available, fill in "to be provided" or "TBP" and update the proposal form once this information is available. At a minimum, include the purpose and expected date ranges.

Purpose: (Include description and purpose, agency benefit and expected results)
Alternatives: (If you have considered alternatives, please identify and provide reasons why they were not feasible. Otherwise, please consider alternatives and provide details when available.)
Attendees: (Estimate of number of SSA, other Federal employees and non-Federal participants. For SSA attendees, identify field/region/HQ. Do not include employee names or PII. If attendee information is not currently known, provide when available)
Presentation: (Please provide possible topics of discussion as well as a list of possible speakers to the extent available. If this information is not currently known, provide when available.)

Proposed Date(s): (If specific dates are not available, please provide approximate time of year (i.e. quarter, season) and provide further details when they become available.)
Location: (Please provide location or locations that are under consideration. If this information is not currently known, provide when available. Once the location has been selected, please provide a reason for the selection.)
Facility: (Please provide the name of the facility and why it was selected. If the facility is non-government, please explain why a government location was not chosen. If this information is not currently known, provide when available.)
Govt. Provided Meals or Refreshments: (If food is planned, please provide details and explain why necessary. If this information is not currently known, provide when available.)

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

Office of Audit

OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts investigations related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Counsel to the Inspector General

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Also, OCIG administers the Civil Monetary Penalty program.

Office of External Relations

OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

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