



## SOCIAL SECURITY

Inspector General

November 14, 2003

The Honorable Herb Kohl  
United States Senate  
Washington, D.C. 20510

Dear Senator Kohl:

I want to thank you for your interest in the Social Security Administration's Office of Hearings and Appeals. In a June 18, 2003 letter, you requested that we review the operation of the Social Security Administration's Office of Hearings and Appeals in Milwaukee, Wisconsin. We have completed our work. The results of our review are discussed in the enclosed report.

My office is committed to eliminating fraud, waste, and abuse in the Social Security Administration's operations and programs. We have provided copies of the enclosed report to Senator Russell Feingold and Congressman Jerry Kleczka. If you have any questions concerning this matter, please call me or have your staff contact H. Douglas Cunningham, Executive Assistant, at (202) 358-6319.

Sincerely,

A handwritten signature in blue ink, appearing to read "James G. Huse, Jr.", written in a cursive style.

James G. Huse, Jr.

Enclosure

cc:

Jo Anne B. Barnhart, Commissioner  
Martin H. Gerry, Deputy Commissioner for Disability and Income Security Programs  
A. Jacy Thurmond, Jr., Associate Commissioner for Hearings and Appeals



## SOCIAL SECURITY

Inspector General

November 14, 2003

The Honorable Russell D. Feingold  
United States Senate  
Washington, D.C. 20515

Dear Senator Feingold:

I want to thank you for your interest in the Social Security Administration's Office of Hearings and Appeals. In a June 19, 2003 letter, you requested that we review the operation of the Social Security Administration's Office of Hearings and Appeals in Milwaukee, Wisconsin. You also asked what is being done to reduce the lengthy delays found at Offices of Hearings and Appeals nationwide. We have completed our work and included the results of our review in the enclosed report.

My office is committed to eliminating fraud, waste, and abuse in the Social Security Administration's operations and programs. We have provided copies of the enclosed report to Senator Herb Kohl and Congressman Jerry Kleczka. If you have any questions concerning this matter, please call me or have your staff contact H. Douglas Cunningham, Executive Assistant, at (202) 358-6319.

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A. Jacy Thurmond, Jr., Associate Commissioner for Hearings and Appeals



## SOCIAL SECURITY

Inspector General

November 14, 2003

The Honorable Jerry Kleczka  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Kleczka:

I want to thank you for your interest in the Social Security Administration's Office of Hearings and Appeals. In a June 18, 2003 letter, you requested that we review the operation of the Social Security Administration's Office of Hearings and Appeals in Milwaukee, Wisconsin. We have completed our work. The results of our review are discussed in the enclosed report.

My office is committed to eliminating fraud, waste, and abuse in the Social Security Administration's operations and programs. We have provided copies of the enclosed report to Senators Russell Feingold and Herb Kohl. If you have any questions concerning this matter, please call me or have your staff contact H. Douglas Cunningham, Executive Assistant, at (202) 358-6319.

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Martin H. Gerry, Deputy Commissioner for Disability and Income Security Programs  
A. Jacy Thurmond, Jr., Associate Commissioner for Hearings and Appeals

# CONGRESSIONAL RESPONSE REPORT

## Operations at the Social Security Administration's Milwaukee, Wisconsin, Office of Hearings and Appeals

A-13-03-23091



November 2003

## **Mission**

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

## **Authority**

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

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

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

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

## **Vision**

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

# Background

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## OBJECTIVES

Our objectives were to

- determine the status of actions taken in response to the Social Security Administration's (SSA) Office of Hearings and Appeals (OHA) review of its Milwaukee Hearing Office,
- determine whether the actions taken addressed the deficiencies identified, and
- identify OHA initiatives to reduce processing delays occurring in OHAs nationwide.

## BACKGROUND

SSA administers two programs that provide benefits based on disability: the Disability Insurance (DI)<sup>1</sup> and Supplemental Security Income (SSI) programs.<sup>2</sup> The State Disability Determination Services (DDS) make disability determinations under both programs.<sup>3</sup> A claimant whose application is denied at the DDS may request a hearing.

OHA is responsible for conducting hearings and issuing decisions determining whether a person may receive benefits. Hearings are held before an administrative law judge (ALJ), who conducts the hearing and issues a written decision. Cases involving disability under the DI and SSI programs account for 90 percent of OHA's work. The remainder consists of claims made under the Retirement and Survivors Insurance program, Medicare, and non-disability claims under the SSI program. The OHA organization consists of 10 regional offices and approximately 140 hearing offices.

The OHA Chicago Regional Office conducted a review of the Milwaukee Hearing Office (MHO) operations in February 2003. The review was conducted by a team of 14 reviewers who identified deficiencies in the MHO's operations. Most of the deficiencies pertained to caseload management; decision writing; administrative issues; computer systems; and health, safety, and security issues.

In its April 15, 2003 report, the review team identified 88 actions to address the identified deficiencies. The Regional Chief ALJ designated the MHO as an "Office in Need of Assistance."

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<sup>1</sup> Title II of the Social Security Act; § 223 of the Social Security Act, 42 USC 423; 20 CFR 404.1601 et.seq.

<sup>2</sup> Title XVI of Social Security Act; § 1601 et.seq of the Social Security Act, 42 USC 1381 et.seq, 20 CFR 416.1001 et.seq.

<sup>3</sup> Section 221 of the SS Act, 42 USC 421; 20CFR 404.1601 et.seq. and 416.1001 et.seq.

In a June 18, 2003 letter, Senator Herb Kohl and Congressman Jerry Kleczka expressed concern about constituents not receiving the level of service they deserve from the MHO. Further, in a June 19, 2003 letter, Senator Russell Feingold also wrote about problems concerning MHO. They requested that we investigate the MHO's operations.

As a result of these requests, our Office of Investigations (OI) completed an investigation and our Office of Audit conducted an assessment of MHO's operations.

# Results of Review

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OI conducted an investigation focusing on several allegations concerning the MHO. Investigators found no evidence of criminal activity. However, the investigation did identify mismanagement and employee performance concerns. OHA management is taking corrective action to address these concerns.

As of August 14, 2003, MHO had implemented most of the actions recommended by the Chicago Regional Office to address problematic conditions. The remaining action items were either partially completed or not implemented. MHO management stated it planned to implement the remaining actions by December 30, 2003. Our observations indicated the actions taken addressed the identified deficiencies.

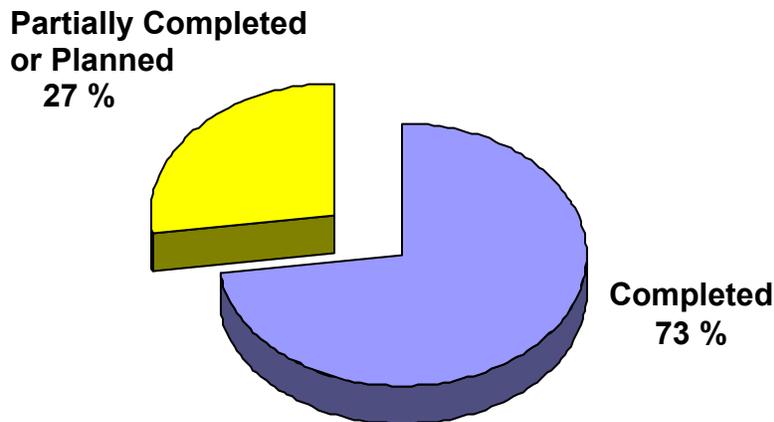
We identified a number of additional issues that need to be addressed. One issue pertains to the timely processing of claimant cases. We also identified two issues related to the physical security at the Milwaukee, Wisconsin, location. Finally, we obtained information from SSA officials about initiatives the Agency has implemented and the Commissioner of Social Security (Commissioner) long-term strategy to reduce the lengthy delays at hearing offices nationwide.

## **Status of Actions to Address Problematic Conditions Identified in April 2003 Report**

The Chicago Regional Office's April 15, 2003 report identified problems concerning the operations of MHO. The report identified 88 action items the MHO should implement to address these deficiencies. As of August 14, 2003, MHO had implemented 64 of these actions. Actions implemented included recording approximately 1,230 cases in the Hearing Office Tracking System and eliminating the accumulation of unopened mail.

The remaining 24 action items were either partially completed or had not been implemented at the time of our office visit in August 2003. MHO management has since reported that all but one item has been implemented. The remaining item is expected to be implemented by December 30, 2003. We did not verify actions MHO took after our August 2003 visit. See *Appendix B* for a detailed list of the action items and status information.

**Figure 1: Status of the 88 Corrective Action Items as of August 14, 2003**



SSA's Chicago Regional Office informed us that it plans to continue monitoring MHO's performance. The Chicago Regional Office sent a "corrective action team" to the MHO the weeks of June 9, 2003 and August 4, 2003, to follow up on work previously completed by the Chicago Regional Office. In addition, Chicago Regional Office management stated it plans to conduct unannounced visits to the MHO over the next 2 years.

During our review, we verified the MHO had implemented 64 of the action items recommended by the Chicago Regional Office. Our review indicated the actions taken addressed the identified deficiencies.

### **Additional Issues Identified During Our Review**

#### ***Timely Processing of Claimant Cases***

Since Fiscal Year (FY) 2000, the number of "backlog"<sup>4</sup> claimant cases has increased substantially (see Table 1). The backlog of cases increased 91 percent (from 4,237 in FY 2002 to 8,059 in FY 2003). Table 1 reflects some critical trend statistics for MHO for the last 7 years. We have highlighted the backlog of cases per available ALJ.

<sup>4</sup> Backlog includes all cases that are in-process from the date a hearing was requested to the notice date of the decision.

**Table 1: Milwaukee Hearing Office**

	FY 1997	FY 1998	FY 1999	FY 2000	FY2001	FY 2002	FY 2003
Backlog (year end)	4,272	3,688	3,934	2,676	3021	4,237	8059
Backlog/Available ALJ <sup>5</sup>	327	265	289	289	411	578	973
New cases/Day/ALJ	1.49	1.34	1.63	2.25	2.52	2.08	3.31
Processing Days	410	392	374	300	290	346	354
Dispositions/ALJ/Day	1.76	1.61	1.79	2.04	2.14	2.03	2.02
Number of Available ALJs	13.05	13.93	13.61	9.25	7.35	7.33	8.28

Source: Hearing Office Tracking System unless other wise noted.

The number of backlogged cases per ALJ increased from 578 to 973 at the end of FY 2003. MHO is also experiencing higher growth in the number of new cases per day for each ALJ than most of the other hearing offices nationwide. Through the 3<sup>rd</sup> quarter of FY 2003, MHO was ranked 14<sup>th</sup> of 140 hearing offices nationwide in the number of new cases per day for each ALJ. Additionally, case management data indicated MHO was ranked 79<sup>th</sup> of 140 hearing offices in the number of days it took to process a case and was ranked 117<sup>th</sup> nationally for the number of dispositions issued per day per ALJ.

Although the backlog has increased over the last several years, MHO staffing levels have decreased. For example, since FY 2000, MHO has not been able to fill four vacant ALJ positions.<sup>6</sup> Since February 2002, the office has not been able to hire employees for six vacant support staff positions.<sup>7</sup> However, after our review, we learned the MHO had hired eight new support staff personnel.

We inquired as to why there had been a significant increase in new cases received. The MHO reported that it attributed the increase to three factors: (1) a downturn in the Milwaukee economy, (2) an acceleration of both initial and reconsideration claims by the Wisconsin DDS, and (3) the aging of “baby boomers.”

According to MHO, a downturn in the local and regional economy has forced corporations to scale back, causing the unemployment rate to increase and ultimately resulting in more people applying for disability benefits. Also, because the Wisconsin DDS has increased the number of claims it is processing, there is a strong likelihood that the number of appeals going to OHA on denied cases will increase as well. Finally, as the “baby boomers” continue to turn 50, there has been an associated increase in the number of disability claims filed.

<sup>5</sup> These numbers are a mathematical calculation determined by dividing the backlog “value” by the “available ALJs,” as reported in the Hearing Office Tracking System.

<sup>6</sup> SSA’s ability to hire ALJs was severely limited due to the litigation in *Azdell v. Office of Personnel Management*, 87 M.S.P.R. 133 (2000), *aff’d on reconsideration*, 89 M.S.P.R. 88 (2001), *rev’d sub nom. Meeker v. Merit Systems Protection Board*, 319 F.3d 1368 (Fed. Cir. 2003), *petition for cert. filed sub nom. Azdell v. James*, 72 U.S.L.W. 3310 (U.S. Oct. 22, 2003) (No. 03-624). On July 23, 2003, the U.S. Court of Appeals for the Federal Circuit issued a mandate, which implemented the Court’s decision at 319 F. 3d 1368. Office of Personnel Management has reactivated the ALJ register and is in position to begin issuing “certificates of eligibles,” to allow agencies to hire new ALJs.

<sup>7</sup> The position vacancies were reported as of August 14, 2003.

If management does not address the backlog, we estimate claimants could be waiting on average about 1.6 years before issuance of a decision notice on their claim. This is an increase from about 1 year in FY 2002. We requested the Chicago Regional Office identify what actions it plans to take to address the growing backlog. Its response follows.

- The Deputy Commissioner for Disability and Income Security Programs is looking into expediting the installation of video teleconference technology in the Milwaukee, Wisconsin, and Marquette, Michigan, locations by the close of Calendar Year 2003. The longer term goal is to install similar equipment in offices located in other cities served by MHO. This would negate the need for physical travel, which would allow for more efficient processing of the claimant cases for these cities.
- The Deputy Commissioner for Disability and Income Security Programs has been given a proposal to make Marquette, Michigan, an official satellite office. This will entail staffing the Marquette hearing office with judges, clerks, writers, management, etc. Therefore, the caseload for the Marquette location would go to the Marquette office, not Milwaukee. Thus, Milwaukee ALJs would not have to travel to Marquette.
- The Regional Chief ALJ has instructed MHO to prepare for visiting ALJs to assist with its caseload in FY 2004. Initially, ALJs from Evanston, Chicago South, Oakbrook Terrace, and Peoria will be traveling to MHO to ease the pressure of climbing receipts.
- MHO initially reported it would use the assistance of contractor file assembly and hearing office “case work-up” personnel to prepare cases for the assisting office.<sup>8</sup> However, as of October 2003, SSA stated MHO will not be using contractors for file assembly in FY 2004. In addition, MHO is scheduled to hire up to 10 new staff members.
- The Regional Chief ALJ is anticipating hiring new ALJs in FY 2004 to be added to Milwaukee’s roster.

### ***Office Security***

We identified two issues related to the physical security at MHO. Those issues pertain to access to a secured area within the MHO and the office alarm system.

We brought these security issues to MHO management’s attention. The Hearing Office Chief ALJ took action to address the issue of unauthorized access to the secured area. In addition, MHO management took action concerning the operation and use of the alarm system.

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<sup>8</sup> The Office of the Inspector General is reviewing contractor file assembly activities at the OHA Chicago Regional Office.

## **OHA Nation-wide Initiatives to Reduce the Lengthy Processing Delays**

According to OHA officials, MHO has implemented eight OHA nationwide initiatives to reduce claimant case processing delays. In addition, on September 25, 2003, the Commissioner testified before the House Ways and Means Committee, Subcommittee on Social Security, on a long-term strategy for improving the overall disability determination process. Below is the Agency's brief description of each initiative and the Commissioner's long-term strategy.

### ***Initiatives Implemented by SSA***

**Early Screening and Analysis by Administrative Law Judges.** ALJs and other professional hearing office employees screen and analyze cases that meet certain criteria early in the hearing process and assist in identifying "on-the-record" decisions and dismissals. Early screening and analysis may also aid in expediting pre-hearing development of the claimant file in other cases.

**Favorable Electronic Decisional Shell Computer Software Program.** OHA has implemented a new decision writing computer software program. The program is intended to be used by ALJs and decision writers to fully document the legal basis for "fully" favorable decisions. Use of the computer software program should reduce the (1) time it takes ALJs and staff to prepare favorable decisions and (2) processing time for favorable decisions. This technology should result in faster service to the claimant.

**Bench Decisions.** At the close of hearings, ALJs have the opportunity to issue favorable disability decisions orally from the bench. Findings of fact, conclusions of law, and rationale for decisions are read into the hearing's official record. Issuing a favorable "bench decision" eliminates the need to devote attorney and paralegal resources to drafting favorable decisions. Also, processing time for claimant case decisions issued from the bench is significantly reduced.

**Speech Recognition Software.** OHA is providing speech recognition software to ALJs and decision writers to facilitate the timely drafting of decisions. This software eliminates the need for the ALJs and writers to use a keyboard to compose their decisions.

**Case Transfers/Travel Dockets.** OHA uses intra- and inter-regional transfers of ALJs to more efficiently use resources and balance workloads. OHA also arranges for ALJs to travel to assist hearing offices, when required.

**Creation of Law Clerk (Attorney Intern) Position.** Each OHA Regional Office has hired a law clerk/attorney advisor to assist the Regional Chief ALJ. The law clerk (attorney intern) performs a multitude of assignments to help improve the effectiveness of its hearing offices.

**Expanding Use of Video Teleconference Hearings.** During FYs 2003 and 2004, additional video teleconference equipment will be installed in remote hearing offices so hearings may be scheduled or rescheduled immediately. As a result, such activity will no longer have to be delayed until the next scheduled visit by an ALJ. Currently, 20 hearing offices have access to this technology. OHA plans to purchase another 111 units in FY 2004.

**Contract File Assembly.**<sup>9</sup> OHA awarded contracts to assemble claimant case files. SSA reports using contractors has enabled its staff to perform other critical functions. Contractors focus on assembly of claimant case files, while hearing office staff performs case development, analysis and scheduling.

### *Commissioner's Long-term Strategy*

While testifying before the House Ways and Means Committee, Subcommittee on Social Security, the Commissioner explained AeDib (Electronic Disability) is a major Agency initiative that will move all components involved in disability claims adjudication and review to an electronic business process through the use of an electronic disability folder. Implementation of an electronic disability folder is essential for process improvements. Therefore, structurally, the long-term strategy for achieving process improvements is predicated on successful implementation of an electronic disability system.

The Commissioner's approach to disability process improvement incorporates some of the features of the current disability process. For example, initial claims for disability will continue to be handled by SSA's field offices. The State DDSs will continue to adjudicate claims for benefits, and ALJs will continue to conduct hearings and issue decisions. However, the Commissioner's approach envisions some significant differences.

In testimony before the Subcommittee on Social Security, the Commissioner explained the use of a "Quick Decision" step at the earliest stages of the claims process for people who are obviously disabled. Cases will be sorted based on disabling conditions for early identification and expedited action. Examples of such claimants would be those with aggressive cancers and end-stage renal disease. Once a disability claim has been completed at an SSA field office, these Quick-Decision claims would be adjudicated in Regional Expert Review Units nationwide, without going to a State DDS.

This approach, as reported by SSA, would have the two-fold benefit of allowing the claimant to receive a decision as soon as possible and the State DDSs to devote resources to more complex claims.

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<sup>9</sup> The Office of the Inspector General is currently reviewing contractor file assembly activities at the OHA Chicago Regional Office.

During the September testimony, the Commissioner discussed the centralized medical expertise within the Regional Expert Review Units would be available to disability decisionmakers at all levels, including the DDSs and OHA. These units would be organized around clinical specialties, such as musculoskeletal, neurological, cardiac, and psychiatric. Most of these units would be established in SSA's regional offices.

Initial claims not adjudicated through the Quick-Decision process would be decided by the DDSs. However, the Commissioner also proposed some changes in the initial claims process that would require changes in the way DDSs are currently operating. An in-line quality review process managed by the DDSs and a centralized quality control unit would replace the current SSA quality control system. The Agency believes a shift to in-line quality review would provide greater opportunities for identifying problem areas and implementing corrective actions and related training.

The Commissioner also discussed the following actions.

- The Disability Prototype would be terminated, and the DDS reconsideration step would be eliminated. Regional Expert Review units would also provide the DDSs medical expertise.
- State DDS examiners would be required to fully document and explain the basis for their determinations. More complete documentation should result in more accurate initial decisions. The increased time required to accomplish this would be supported by redirecting DDS resources resulting from Quick-Decision cases being handled by the expert units, the elimination of the reconsideration step, and the shift in medical expertise responsibilities to the regional units.
- A Reviewing Official (RO) position would be created to evaluate DDS-denied claims. If a claimant files a request for review of the DDS determination, the claim would be reviewed by an RO. The RO, who would be an attorney, would be authorized to issue an allowance decision or to concur in the DDS denial of the claim. If the claim is not allowed by the RO, the RO will prepare either a Recommended Disallowance or a Pre-Hearing Report. A Recommended Disallowance would be prepared if the RO believes the evidence in the record shows the claimant is ineligible for benefits. It would set forth in detail the reasons the claim should be denied.
- A Pre-Hearing Report would be prepared if the RO believes the evidence in the record is insufficient to show the claimant is eligible for benefits but also fails to show the claimant is ineligible for benefits. The Report would outline the evidence needed to fully support the claim. Disparity in decisions at the DDS level has been a long-standing issue, and the RO and creation of Regional Expert Medical Units is expected to promote consistency of decisions at an earlier stage in the process.
- The Appeals Council stage of the process would be eliminated. The Appeals Council role is that it may review the decision made by the ALJ upon a request from a claimant.

While these changes are being implemented to improve the process, SSA plans to conduct several demonstration projects aimed at helping people with disabilities return to work. These projects would support the President's New Freedom Initiative and provide work incentives and opportunities earlier in the process.

The Commissioner believes these changes and demonstrations offer a number of important improvements, such as

- people who are obviously disabled will receive quick decisions;
- adjudicative accountability will be reinforced at every step in the process;
- processing time will be reduced by at least 25 percent;
- decisional consistency and accuracy will be increased; and
- barriers for those who can and want to work will be removed.

We asked staff within OHA about how the Agency plans to determine whether these initiatives resulted in reducing processing delays of disability claimant cases. SSA staff responded that, as a group, the initiatives are designed, among other things, to reduce processing time. For example, the Agency providing an earlier hearing date through the use of video teleconferencing to a claimant at a remote hearing site. It was further explained the Agency regularly tracks each initiative and uses the information to determine the progress of its implementation. The tracking also helps identify the need for any adjustments to SSA's strategy. SSA staff stated, although the Agency cannot presently directly correlate the initiatives either singly or in combination with a specific improvement in processing time, they are confident the initiatives will have a favorable effect.

# Appendices

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**Appendix A** – Scope and Methodology

**Appendix B** – April 15, 2003 Action Items and Status as of  
August 14, 2003

### Scope and Methodology

We collected and analyzed information specific to the concerns raised by Senators Kohl and Feingold and Representative Kleczka regarding the Office of Hearing and Appeals (OHA). To determine the status of actions identified in the April 2003 Chicago Regional OHA report, we visited the Milwaukee, Wisconsin, OHA hearing office the week of August 11, 2003. Our review covered the period November 2002 through August 14, 2003.

To achieve our objectives, we:

- Obtained previous review and/or audit reports of the Milwaukee Hearing Office.
- Evaluated conditions identified in the reports and determined whether OHA management addressed any noted deficiencies in a timely manner.
- Reviewed and evaluated the Milwaukee Hearing Office's performance for the past 3 years.
- Obtained and reviewed all recent Social Security Administration correspondence issued to Congress concerning the Milwaukee Hearing Office. We also assessed the correspondence impact on our review.
- Identified and documented problematic conditions and action items identified in the April 15, 2003 Chicago Regional OHA report. We also requested the management staff of the Milwaukee hearing office provide evidence of the status on all action items.
- Visited the Milwaukee Hearing Office to determine the status of actions taken through the use of interviews, observations, testing and authoritative documentation.
- Determined whether actions taken at the Milwaukee Hearing Office did correct the identified deficiency.
- Obtained documentation of OHA's initiatives to reduce processing delays occurring in OHA nationwide.

The Social Security Administration operating component reviewed was the Office of the Deputy Commissioner for Disability and Income Security Programs. We performed our review in Milwaukee, Wisconsin, and Baltimore, Maryland, from July through September 2003. We conducted our review in accordance with Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency.

## Appendix B

April 15, 2003 Action Items and Status as of August 14, 2003

<b>REVIEW OF OPERATIONS AT THE MILWAUKEE, WISCONSIN, OFFICE OF HEARINGS AND APPEALS A-13-03-23091</b>				
		YES = 1	YES = 1	YES = 1
#	CORRECTIVE ACTION <sup>1</sup>	OIG VERIFIED COMPLETED 8/14/03 <sup>2</sup>	MHO REPORTED COMPLETED 10/31/03 <sup>3</sup>	ACTIONS NOT COMPLETED <sup>4</sup>
	<b>CASE MANAGEMENT</b>			
1	Ensure data accurately reflect workload at any given time. There are approximately 1,230 cases waiting to be input into the Hearing Office Tracking System. Also, there were over 712 pieces of unassociated mail.	1		
2	Provide intensive training for new managers regarding management information and workload management.	1		
3	Routinely solicit insightful information from expert staff on site as well as the assigned regional office Systems Specialist and other expert staff, as necessary.	1		
4	Address workload distribution imbalances.		1	
5	Develop a strategy for increasing the number of cases in ready-to-schedule status.		1	
	<b>Case Review</b>			
6	All cases should be placed in Unassigned Writing status until assigned to an individual.		1	

<sup>1</sup> Actions Items identified in the April 15, 2003 Office of Hearings and Appeals Chicago Regional Office report.

<sup>2</sup> Actions items the Office of the Inspector General verified as completed.

<sup>3</sup> Action items the Milwaukee Office of Hearings and Appeals reported as complete as of October 31, 2003. We did not independently verify these actions were completed.

<sup>4</sup> Action items the Milwaukee Office of Hearings and Appeals did not complete as of October 31, 2003.

**REVIEW OF OPERATIONS AT THE MILWAUKEE, WISCONSIN, OFFICE  
OF HEARINGS AND APPEALS  
A-13-03-23091**

YES = 1				
		YES = 1	YES = 1	YES = 1
#	CORRECTIVE ACTION <sup>1</sup>	OIG VERIFIED	MHO REPORTED	ACTIONS
		COMPLETED	COMPLETED	NOT
		8/14/03 <sup>2</sup>	10/31/03 <sup>3</sup>	COMPLETED <sup>4</sup>
7	Ensure all cases over 1,000 days old are scheduled and processed.	1		
8	Ensure Hearing Office Tracking System contains the correct current folder receipt date.	1		
9	Ensure staff understands the importance of documenting all files with report of contacts as to what actions and/or contacts were taken on the case.		1	
10	Ensure cases are assigned to the administrative law judge making the "good cause" determination on the file, thus eliminating the need for multiple handling by the docket clerks.		1	
	<b>Overdue Diaries</b>			
11	Management needs to review the On the Record and Notice to Show Cause diaries to determine whether these cases can be processed and closed out.		1	
12	Management needs to ensure that staff follows-up and closes out their diaries in a timelier manner.		1	
	<b>Fee Petitions</b>			
13	Management must ensure all fee petitions are reviewed and closed out appropriately.		1	
14	Employees need refresher training on inputting fee petitions into Hearing Office Tracking System and the required documentation needed with the recommendations forwarded to the regional office.		1	



**REVIEW OF OPERATIONS AT THE MILWAUKEE, WISCONSIN, OFFICE  
OF HEARINGS AND APPEALS  
A-13-03-23091**

YES = 1				
		YES = 1	YES = 1	YES = 1
#	CORRECTIVE ACTION <sup>1</sup>	OIG VERIFIED	MHO REPORTED	ACTIONS
		COMPLETED	COMPLETED	NOT
		8/14/03 <sup>2</sup>	10/31/03 <sup>3</sup>	COMPLETED <sup>4</sup>
	<b>DECISION WRITING</b>			
	<b>Backlog Management</b>			
22	Establish a general case assignment procedure and procedure for inputting data in the Hearing Office Tracking System.	1		
23	Establish a special procedure for assigning cases for flexiplace and for tracking completion of cases.	1		
24	Clearly state expectations for cases to be completed at home and for overall monthly goals.		1	
25	Regularly review decision writing reports.	1		
26	Hold regular staff meetings and informal training sessions.	1		
	<b>Senior Attorney Program</b>			
27	Cases reviewed by Senior Attorneys must be reflected as Decision Writer Review.	1		
28	Implement a new process for on-the-record decisions.	1		
29	Establish a procedure for Senior Attorneys to review cases on receipt of additional medical evidence.	1		
	<b>ADMINISTRATION</b>			
	<b>Time &amp; Attendance &amp; Leave Usage</b>			
30	Employees must sign their first and last name or first initial and full last name.	1		
31	Managers cannot serve as approving officials for their own sign-in sheets.	1		

**REVIEW OF OPERATIONS AT THE MILWAUKEE, WISCONSIN, OFFICE  
OF HEARINGS AND APPEALS  
A-13-03-23091**

YES = 1

YES = 1

YES = 1

#	CORRECTIVE ACTION <sup>1</sup>	OIG VERIFIED COMPLETED 8/14/03 <sup>2</sup>	MHO REPORTED COMPLETED 10/31/03 <sup>3</sup>	ACTIONS NOT COMPLETED <sup>4</sup>
32	Sign-in sheets need to be kept in a locked cabinet.	1		
33	Administrative assistants need to correct the leave balance in Federal Personnel Payroll System and the Mainframe Time and Attendance System.	1		
	<b>Federal Personnel and Payroll System Personnel Actions</b>			
34	The Hearings Office Director should complete a SSA-120 to delete the employees that no longer need Federal Personnel and Payroll System access.		1	
	<b>7B Extension Files</b>			
35	Management should ensure the 7B files are stored in a locked cabinet and purged.	1		
36	Purged documents should be returned to employees.		1	
	<b>Third Party Drafts</b>			
37	Management must have the back-up cashier become actively involved in the draft processing.	1		
38	Management must ensure all documentation has either an authorized signature or initials and dates.	1		
39	Signature line for #3403 must be removed from the voided draft.	1		
40	Management should verify that itineraries/hearings lists are attached when necessary and all travel vouchers are dated.	1		
41	The cashier should crosscheck the sub-object codes on the draft documentation when processing drafts to verify they both match.	1		

**REVIEW OF OPERATIONS AT THE MILWAUKEE, WISCONSIN, OFFICE  
OF HEARINGS AND APPEALS  
A-13-03-23091**

YES = 1				
		YES = 1	YES = 1	YES = 1
#	CORRECTIVE ACTION <sup>1</sup>	OIG VERIFIED	MHO REPORTED	ACTIONS
		COMPLETED	COMPLETED	NOT
		8/14/03 <sup>2</sup>	10/31/03 <sup>3</sup>	COMPLETED <sup>4</sup>
	<b>REAPS</b>			
42	Management needs to establish trained back-ups.	1		
43	Expert invoice processing should be taken away from the Computer Assistant.	1		
44	The database needs to be reviewed for accuracy and corrected as needed.	1		
45	The Monthly Expenditure Report must be run at the end of the month and reviewed/signed before transmitting data to the regional office.		1	
	<b>Supply Inventory/Monitoring</b>			
46	Management should remove the old equipment from the shelves and place the supplies from the floor on the shelves. Also, place all items such as cellular telephones and laptops in a locked cabinet.	1		
	<b>Travel Vouchers</b>			
47	Hearings Office Director & Administrative Assistant needs to ensure travel vouchers are completed within 5 days of return.	1		
48	All vouchers need to be reviewed for correct sub-object code.	1		
49	Establish a back-up to process vouchers using Travel Manager.		1	
	<b>Medical &amp; Vocational Experts</b>			
50	Lead Case Technicians need to communicate with the schedulers more. For example, how many hearing are being scheduled for each expert.	1		

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		COMPLETED	COMPLETED	NOT
		8/14/03 <sup>2</sup>	10/31/03 <sup>3</sup>	COMPLETED <sup>4</sup>
51	Schedulers need to give the experts a longer grace time in which to return their telephone calls.	1		
52	Management should ensure the Lead Case Technicians get cases 30 days in advance to schedule.	1		
53	Management should go over the Medical Expert/Vocational Expert Quarterly Usage Report and explain where improvement is needed.	1		
54	Management should ensure the Medical Expert/Vocational Expert Quarterly Usage Report is sent timely to the regional office.	1		
55	Medical Expert and Vocational Expert access to the office must be stopped immediately.	1		
	<b>Contract Hearing Reporters</b>			
56	Remote site hearing monitors should sign in no earlier than 30 minutes before the hearing.	1		
57	Access to the office space by contract hearing monitors must be stopped immediately, and the combination locks changed.	1		
	<b>SYSTEMS</b>			
	<b>General Systems Issues</b>			
58	Management should ensure a list of office computer equipment is provided the Information Technology Specialist.	1		
59	Management and Systems staff should have their limits set at 30 megabytes instead of 15 megabytes.	1		

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		8/14/03 <sup>2</sup>	10/31/03 <sup>3</sup>	COMPLETED <sup>4</sup>
60	A Senior Attorney's limit should be set back to 15 megabytes instead of 30 megabytes.	1		
61	Management should ensure files users keep for longer than 1 year, should be archived to the D drive of their workstation or moved to floppy disk.	1		
62	Computer Assistant should immediately begin to monitor the file space on the C, D, and E drives and take action to ensure they remain within acceptable limits.		1	
63	The Computer Assistant should immediately discontinue performing tasks that are outside the normal scope of her systems duties or Hearing Office Tracking System data integrity. For example, she should discontinue timekeeper as well as contractor invoice inputs duties.	1		
	<b>File Server and Systems Issues</b>			
64	Computer Assistant should immediately begin working with office staff to make necessary adjustments to folder sizes, number of files, and mailbox limits.	1		
65	Management should be more diligent in keeping track of server space. It is mandatory that this be checked at least once a week.	1		
66	Management should ensure the Local Area Network room is locked up at the end of the day.	1		
67	Management should ensure back-up tapes are stored offsite.	1		
68	Management needs to initiate a systems problem reporting procedure and inform staff on how to report systems problems.	1		

**REVIEW OF OPERATIONS AT THE MILWAUKEE, WISCONSIN, OFFICE  
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YES = 1

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69	Hardware problems that arise should be addressed through the use of the new Virtual Call procedure.	1		
	<b>Systems Training Issues</b>			
70	Management should ensure decision writers receive word processing software training.		1	
	<b>HEALTH, SAFETY &amp; SECURITY</b>			
	<b>General Safety and Security</b>			
71	Management needs to install all Tier I security items as soon as possible.		1	
72	Management needs to change the combination to all the hearing room doors and employee entrances if the codes are the same as the hearing rooms.	1		
	<b>Space/Furniture/Equipment Inventory</b>			
73	Management needs to ensure employees remove affixed items from the workstation fabric panels.		1	
74	Management needs to establish a non-computer equipment inventory.	1		
	<b>Bulletin Boards/Emergency Information</b>			
75	Management needs to obtain bulletin boards to post evacuation and related information at employee exits. The typeface should be large enough to enable perusal without glasses.	1		

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	<b>Inspections/Training/Mandatory Reports</b>			
76	Management needs to ensure all fire extinguishers are checked and annotated monthly.	1		
77	Safety inspections should be conducted twice annually with the American Federation of Government Employees safety representative.		1	
78	Health and safety training should be conducted for all staff.			1 <sup>5</sup>
79	Incident reports are to be completed and timely filed.	1		
	<b>Physical Security Action Plan</b>			
80	The Hearings Office Director needs to update the Physical Security Action Plan to include emergency information for the remote sites.	1		
	<b>OTHER ISSUES</b>			
	<b>Employee Relations/Morale</b>			
81	Management needs to dispel the perception that certain employees are being pre-selected for jobs. In addition, the Computer Assistant needs to perform her computer duties and not Administrative Assistant duties.	1		

<sup>5</sup> SSA reported it expects completion by November 14, 2003.

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82	Management needs to ensure all employees are working within their position descriptions and all employees are treated fairly and equitably in all aspects of personnel management. Case pulling is a grade duty for Senior Case Technicians, and all Senior Case Technicians should be pulling cases.		1	
83	Increased accountability of employees is necessary, especially in the administration of the flexiplace program.	1		
84	Management needs to put a procedure in place for Spanish speaking calls and walk-ins and for the translation of Spanish medical records.	1		
	<b>Staff Meetings</b>			
85	Management should conduct regularly scheduled staff meetings with all, including the administrative law judges.	1		
86	The Hearings Office Director should schedule monthly meetings with the union representative to avoid impromptu meetings.	1		
	<b>Training</b>			
87	Management and the Hearing Office Coordinator should concentrate on reaching the monthly goal of 2 hours of training per position type. This training is a mandate by the Regional Chief Judge.		1	
88	Encourage staff to attend Interactive Video Training sessions. Many of these sessions are pertinent to their workloads.		1	
	<b>TOTAL</b>	64	23	1

## **DISTRIBUTION SCHEDULE**

Commissioner of Social Security

Office of Management and Budget, Income Maintenance Branch

Chairman and Ranking Member, Committee on Ways and Means

Chief of Staff, Committee on Ways and Means

Chairman and Ranking Minority Member, Subcommittee on Social Security

Majority and Minority Staff Director, Subcommittee on Social Security

Chairman and Ranking Minority Member, Subcommittee on Human Resources

Chairman and Ranking Minority Member, Committee on Budget, House of Representatives

Chairman and Ranking Minority Member, Committee on Government Reform and Oversight

Chairman and Ranking Minority Member, Committee on Governmental Affairs

Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives

Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives

Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate

Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate

Chairman and Ranking Minority Member, Committee on Finance

Chairman and Ranking Minority Member, Subcommittee on Social Security and Family Policy

Chairman and Ranking Minority Member, Senate Special Committee on Aging

Social Security Advisory Board

## **Overview of the Office of the Inspector General**

### **Office of Audit**

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

### **Office of Executive Operations**

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

### **Office of Investigations**

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

### **Counsel to the Inspector General**

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