

Report Summary

Social Security Administration Office of the Inspector General

December 2009



Objective

To (1) ensure the Social Security Administration (SSA) received the goods and services for which it contracted and (2) review the services provided by Mathematica Policy Research, Inc., (Mathematica) and the related costs charged to SSA.

Background

SSA awarded Mathematica a \$46.8 million contract to support the development, implementation, and evaluation of the Youth Transition Demonstration (YTD) interventions designed to help youth with disabilities maximize their economic self-sufficiency. SSA initiated this research to better understand how to support individuals with disabilities in reaching their full economic potential and to test strategies to best identify how individuals with disabilities can become self-sufficient and less reliant on Social Security benefits.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-06-09-19061.pdf>

Contract with Mathematica Policy Research, Inc., for Services to Evaluate Youth Transition Demonstration Projects (A-06-09-19061)

Our Findings

For the first 3 years of the 9-year contract period, SSA received the goods and services for which it contracted. However, based on a lack of demonstrated, tangible results achieved to date through this and other YTD-related projects, we question whether spending the \$29.7 million remaining on this contract will yield substantial benefit to SSA. Also, SSA did not establish specific performance goals that could be objectively measured to allow for informed project funding decisions. In addition, services provided and costs charged to SSA did not always adhere to contract terms and applicable regulations, resulting in overpayment of fixed fees and travel costs and disbursements to unauthorized subcontractors.

Our Recommendations

We recommended that SSA (1) establish performance goals for the program benefits expected to result from continued expenditures, (2) establish key milestones tied to performance metrics that objectively measure progress, (3) continue YTD project funding only if program results or administrative savings are worth the continued project costs. We provided five additional recommendations addressing adherence to contract terms and applicable regulations.

SSA disagreed with four of our recommendations. SSA responded that inserting performance goals during the YTD is inappropriate because the Project's success cannot be reliably predicted or measured before the research is completed. SSA also disagreed with our conclusion that funding project sites through agreements negotiated by Mathematica was contrary to the *Social Security Act* and resulted in unnecessary administrative fees applied to project site payments. SSA modified the contract to allow Mathematica to continue negotiating these agreements.

We believe strongly that establishment of key performance milestones and measurement of progress toward achieving those milestones would allow for more informed project funding decisions and ensure taxpayer funds are well spent.