

Report Summary

Social Security Administration Office of the Inspector General

April 2012



Objective

To verify the number of jobs reported as created or retained by contractors who provided the Social Security Administration (SSA) goods and/or services funded with *American Recovery and Reinvestment Act of 2009* (Recovery Act) dollars in Fiscal Year 2011 for the quarters ended December 31, 2010, March 31, 2011, June 30, 2011, and September 30, 2011.

Background

The Recovery Act was signed into law on February 17, 2009. Recipients of Recovery Act funds directly from a Federal agency are required to submit a report to FederalReporting.gov not later than 10 days after the end of each calendar quarter.

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-15-12-11214>.

Contractors' Reporting of Jobs Created or Retained Using Recovery Act Dollars in Fiscal Year 2011 (A-15-12-11214)

Our Findings

A total of 17 contractors reported contract performance related to work for SSA on the FederalReporting.gov Website for the calendar quarters ended December 31, 2010, March 31, 2011, June 30, 2011, and September 30, 2011. Based on our verification of the number of jobs reported as created or retained by nine contractors who received SSA Recovery Act dollars, we determined seven of the nine contractors reported jobs created or retained in a manner inconsistent with Office of Management and Budget (OMB) guidance. Contractors' errors resulted primarily from their misinterpretation of OMB guidance, such as whether the contractor should be using hours for the quarter being reported on or cumulating hours over one or more quarters. Contractors' errors also resulted from mathematical errors, such as inadvertently including hours worked in one prior quarter in the next quarter.

We also determined that SSA reviewed contractors' job creation reports and verified that SSA's quality review procedures complied with OMB standards. However, these reviews are not designed to detect, and did not detect, the specific types of errors we found during our detailed study.

Conclusions

Most of the SSA contractors we reviewed reported jobs created or retained inconsistent with OMB guidance. Differing interpretations of the OMB guidance for job count calculations appeared to be the reason for the inconsistencies. The Office of Acquisition and Grants' (OAG) quality review process, although consistent with certain aspects of OMB's guidance to Federal agencies, is not designed to monitor jobs reported as created or retained to an extent where supporting documentation is obtained from contractors to validate information posted on FederalReporting.gov. Therefore, it is unlikely that OAG would have detected the reporting inconsistencies we identified.

We are not making recommendations because reporting under this criteria will expire. In 2011, OMB directed Federal agencies to accelerate the spending of remaining Recovery Act funds. OMB also directed them to take steps to complete Recovery Act projects by September 30, 2013. The Agency agreed with the report's findings and conclusions and had no comments.