

Summary of Congressional Response Report: Memorandum of Understanding between General Services Administration and Social Security Administration for Space and Service A-15-13-23043



December 2012

Social Security Administration Office of the Inspector General

Objective

Our objective was to determine what critical elements are not clear or are missing from the April 2003 Memorandum of Understanding (MoU) between the General Services Administration (GSA) and Social Security Administration (SSA).

Background

GSA manages thousands of Federal buildings. SSA leases approximately 29 million square feet of space from GSA. An MoU, with a period of performance from Fiscal Year 2004 to 2013, exists between GSA and SSA.

In an August 2, 2012 letter, the House Committee on Ways and Means requested our assistance in determining what critical elements are not clear or are missing from the April 2003 MoU between GSA and SSA.

Our Findings

Based on our understanding of the rental process and inquiries with GSA and SSA, we aggregated the information to respond to the congressional concerns. As a result, we determined that critical elements are not clear or are missing from the April 2003 MoU between the GSA and SSA.

We also identified actions we believe are necessary to ensure workers' hard-earned payroll tax dollars are being used as intended in the *Social Security Act*. These actions consist of legislation to:

- Provide for the return to the SSA Trust Fund of proceeds obtained from the disposal of property purchased with SSA Trust Fund assets, to the Trust Fund to ensure SSA uses workers hard-earned payroll tax dollars as intended by the *Social Security Act*.
- Reduce or eliminate indirect costs and fees paid to GSA for Trust Fund and/or delegated buildings.
- Ensure SSA does not pay expenses to GSA for the new data center for which SSA directly appropriated funding.

Our Conclusions

We believe the terms and conditions in the current MoU should remain in use and, at a minimum, GSA and SSA's new MoU should incorporate the following provisions.

1. Enumerating the accounting treatment of Trust Fund properties.
2. Permitting SSA or SSA Office of the Inspector General to perform a detailed review of any actual building costs (at its discretion).
3. Setting forth a detailed description and example of the year-end reconciliation process.
4. Specifying all the information required for interagency agreements, as set forth in SSA's Administrative Instructions Manual System.