

OIG

Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION



Fiscal Year 2016 Performance Report

October 31, 2016

Table of Contents

Executive Summary.....	1
Performance Results.....	2
Performance Discussion and Analysis	3
Goal 1 – Impact	3
Goal 2 – Value	5
Goal 3 – People	8
Historical Comparison.....	10

MISSION STATEMENT

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

VISION and VALUES

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.

EXECUTIVE SUMMARY

This 2016 Performance Report focuses on the Office of the Inspector General's (OIG) results for the first year operating under our *Fiscal Year (FY) 2016 – 2020 Strategic Plan*. We evaluate our progress using 15 performance measures developed within a framework of three general goals: ***Impact, Value, and People***. For FY 2016, we successfully met 15 out of 15 performance measures.

The first of our three general goals focuses on the ***impact*** we have on SSA's programs and operations. All OIG components are committed to improving SSA's effectiveness and efficiency through our investigations, audits and legal activities. We use four performance measures to calculate the integrity, efficiency, and effectiveness of SSA programs and operations. One strategy used to accomplish this goal in FY 2016, was to promote an OIG-wide process for cross-component communications on potential programmatic and operation vulnerabilities. We fully achieved this goal by exceeding all performance measures.

The second goal reflects the ***value*** we provide to SSA, the Congress, and the American public by delivering timely and reliable products and services while sustaining a positive return for each tax dollar invested in OIG activities. We track this goal using eight performance measures. We fully achieved this goal by exceeding all performance measures, and generated a positive return of \$17 for every tax dollar invested. To ensure continual improvement of OIG products, we use a quality assessment instrument to measure external user satisfaction and help us accomplish our goals.

The third goal includes strategies to enhance the work experience of our ***people***, who are the foundation of the OIG organization. We use three performance measures to evaluate our success in maintaining a skilled, motivated, and diverse workforce in a positive and rewarding work environment. One such goal relates to training. During FY 2016, 99 percent of our employees received 40 hours or more of appropriate developmental and skill-enhancement training.

SSA OIG employees remain committed to achieving our goals in support of our overall mission of inspiring public confidence by detecting and preventing fraud, waste, and abuse in SSA's programs and operations.

PERFORMANCE RESULTS

GOAL	DESCRIPTION	TARGET	RESULT	GOALS	
				MET	NOT MET
IMPACT					
<u>1.1</u>	<i>Maintain an annual acceptance rate of at least 88 percent for all audit recommendations.</i>	88%	99%	X	
<u>1.2</u>	<i>Achieve a 5-year average implementation rate of 85 percent for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA.</i>	85%	85%	X	
<u>1.3</u>	<i>Ensure that at least 80 percent of all cases opened during the fiscal year directly relate to improper payments within SSA's Title II and Title XVI Programs.</i>	80%	96%	X	
<u>1.4</u>	<i>Achieve a successful conclusion on at least 75 percent of all Title II and Title XVI cases closed during the fiscal year.</i>	75%	87%	X	
VALUE					
<u>2.1</u>	<i>Generate a positive return of \$8 for every tax dollar invested in OIG activities.</i>	\$8 to \$1	\$17 to \$1	X	
<u>2.2</u>	<i>Evaluate and respond to 90 percent of all allegations received within 60 days.</i>	90%	97%	X	
<u>2.3</u>	<i>Complete investigative fieldwork on 75 percent of all cases within 180 days.</i>	75%	90%	X	
<u>2.4</u>	<i>Respond to 95 percent of constituent-based congressional inquiries within 21 days.</i>	95%	98%	X	
<u>2.5</u>	<i>Take action on 90 percent of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.</i>	90%	99%	X	
<u>2.6</u>	<i>Achieve a positive external user assessment rating of 85 percent for product-service quality.</i>	85%	95%	X	
<u>2.7</u>	<i>Issue 85 percent of final audit reports within 1 year of the entrance conference with SSA.</i>	85%	97%	X	
<u>2.8</u>	<i>Complete 85 percent of requests for legal advice and review within 30 days.</i>	85%	97%	X	
PEOPLE					
<u>3.1</u>	<i>Achieve an annual attrition rate of 5 percent or less.</i>	5%	2%	X	
<u>3.2</u>	<i>Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvements are needed.</i>	75%	77%	X	
<u>3.3</u>	<i>Ensure that 90 percent of OIG staff receives 40 or more hours of appropriate developmental and skill enhancement training annually.</i>	90%	99%	X	

PERFORMANCE DISCUSSION AND ANALYSIS

This section provides detailed performance information, including a description of our Strategic Plan goals aimed at achieving success in each of the three general areas. We state each goal and its associated measures, and describe the method of calculation. We also discuss, where appropriate, why we believe we were successful in meeting our goals.

Goal 1 – IMPACT

Enhance the integrity, efficiency, and effectiveness of SSA programs and operations.

Strategies to attain this goal include:

1. Promote an OIG-wide process for cross-component communications on potential programmatic and operational vulnerabilities.
2. Communicate with the Agency to identify mission-critical issues and operations that would benefit from OIG audit and investigation services and develop practical solutions to address identified weaknesses or deficiencies.
3. Prioritize investigations, audits, and counsel actions to effect more efficient and effective SSA programs and operations.

Goal 1.1	<i>Maintain an annual acceptance rate of at least 88 percent for all audit recommendations.</i>	<u>FY 2016 Result</u> <i>99 Percent</i>
<p>We calculate this measure by dividing the number of legislative, policy, and regulatory recommendations accepted by SSA and/or the Congress (included in proposed legislation) during the FY by the total number of recommendations with a management decision and legislative proposals made during the FY.</p> <p>For FY 2016, our annual acceptance rate was 99 percent, exceeding our goal of 88 percent. Of the 136 recommendations we submitted during this period that have a management decision, SSA agreed with 134.</p>		

Goal 1.2	<i>Achieve a 5-year average implementation rate of 85 percent for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA.</i>	<u>FY 2016 Result</u> 85 Percent
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We calculate this measure by dividing the total number of accepted recommendations implemented by SSA during the past five FYs by the total number of recommendations SSA agreed to implement during the past five FYs.

Since SSA needs sufficient time to implement the recommendations it has been agreed that a one-year lag exist in this calculation. Thus, for FY 2016 we are reporting the five-year period covering FYs 2011 through 2015. Our average implementation rate for accepted audit recommendations was 85 percent. During this period, SSA implemented 807 of 954 accepted recommendations.

Goal 1.3	<i>Ensure that at least 80 percent of all cases opened during the fiscal year directly relate to improper payments within SSA's Title II and Title XVI Programs.</i>	<u>FY 2016 Result</u> 96 Percent
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We calculate this measure by dividing the total number of cases opened during the FY which are directly related to the Title II or Title XVI programs, by the total number of cases opened during the FY. This performance measure relates to SSA's Strategic Plan for FYs 2014-2018 Strategic Goal: *Strengthen the Integrity of Our Programs*.

For FY 2016, of the 8,048 cases we opened, 7,754 of the cases related directly to improper payments within SSA's Title II and Title XVI Programs. This 96-percent performance rate exceeds our 80-percent target.

Goal 1.4	<i>Achieve a successful conclusion on at least 75 percent of all Title II and Title XVI cases closed during the FY.</i>	<u>FY 2016 Result</u> 87 Percent
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We calculate this measure by dividing the number of closed Title II and Title XVI cases successfully concluded during the FY by the total number of Title II and Title XVI cases closed during the FY. A successful criminal conclusion occurs when a subject either pleads guilty or is convicted, or accepts pre-trial diversion or probation before judgment. A successful civil conclusion occurs when a subject either pleads guilty or is convicted, or when the Office of Counsel to the Inspector General (OCIG) accepts a CMP referral resulting from our Office of Investigations' (OI) casework. A successful administrative conclusion occurs when SSA denies, terminates, suspends, recovers, or reduces a benefit; or removes a representative payee, based on an OI investigation.

For FY 2016, of the 8,027 Title II and Title XVI cases we closed, 6,949 had a successful conclusion. This 87-percent performance rate exceeds our 75-percent target.

Goal 2 – VALUE

Provide quality products and services of value in a timely manner to Congress, SSA, and other key decision-makers while sustaining a positive return for each tax dollar invested in OIG activities.

Strategies used to attain this goal include:

1. Maintain a “positive-return” culture within OIG.
2. Ensure continual improvement of OIG products by using a product and service quality assessment instrument to measure external user satisfaction.
3. Implement best practices to ensure quality and timeliness of OIG products and services.
4. Utilize information technology investments to enhance OIG work products and service delivery.

Goal 2.1	<i>Generate a positive return of \$8 for every tax dollar invested in OIG activities.</i>	<u><i>FY 2016 Result</i></u> <i>\$17 to \$1</i>
<p>We calculate this measure by dividing the total amount of all OIG savings identified during the FY by the total amount of appropriated funds during the same period.</p> <p>For FY 2016, we generated a return of \$17 for every dollar invested in us by the taxpayer. This rate of return was bolstered by three audit reports entitled, <i>Accuracy of Disability Benefits to Beneficiaries Who Also Receive Federal Employees’ Compensation Act Payments</i> (A-02-15-22114); <i>Old-Age, Survivors and Disability Insurance Benefits Affected by Federal Pensions</i> (A-13-16-23006); and <i>Supplemental Security Income Recipients Eligible for, or Receiving, Pensions from China</i> (A-01-16-50011). In these reports, we identified over \$384 million in Questioned Costs and over \$73 million in Funds put to Better Use.</p>		

Goal 2.2	<i>Evaluate and respond to 90 percent of all allegations received within 60 days.</i>	<u><i>FY 2016 Result</i></u> <i>97 Percent</i>
<p>We calculate this measure by dividing the total number of allegations closed or referred within 60 days during the FY by the total number of allegations closed or referred during the FY.</p> <p>For FY 2016, we evaluated and responded to 97 percent of all allegations received within 60 days. Of the 144,259 allegations closed or referred during the FY, we closed or referred 139,572 allegations within 60 days.</p>		

Goal 2.3	<i>Complete investigative fieldwork on 75 percent of all cases within 180 days.</i>	<u>FY 2016 Result</u> 90 Percent
<p>We calculate this measure by dividing the total number of investigations closed or referred for prosecution, CMP, SSA administrative action, or other State or Federal agency action within 180 days during the FY by the total investigations closed or referred during the FY.</p> <p>For FY 2016, we surpassed our 75-percent goal with a 90-percent rating. We closed or referred 8,355 investigations during the FY. Of these, we closed or referred 7,548 cases for action within 180 days.</p>		

Goal 2.4	<i>Respond to 95 percent of constituent-based congressional requests within 21 days.</i>	<u>FY 2016 Result</u> 98 Percent
<p>We calculate this measure by dividing the total number of constituent-based congressional inquiries (inquiries made by Members of Congress on behalf of one or more named constituents) responded to within 21 days during the FY divided by the total number of such inquiries received during the FY. Processing days are the calendar days elapsed from the OIG's Division of Communications' receipt of such an inquiry to the date of the first written response to the Member of Congress.</p> <p>For FY 2016, we responded to 60 (98 percent) of 61 congressional inquiries within 21 days.</p>		

Goal 2.5	<i>Take action on 90 percent of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.</i>	<u>FY 2016 Result</u> 99 Percent
<p>We calculate this measure by dividing the total number of CMP subjects against whom initial action was taken within 30 days of receipt by OCIG during the FY, by the total number of CMP subjects where action was taken during the FY.</p> <p>Initial action is defined as either: sending a letter to the subject stating an intention to pursue a CMP, referring the case to SSA for administrative action, or closing the case.</p> <p>For facilitator fraud cases, the measure includes only the lead subject(s), i.e. the facilitators.</p> <p>For FY 2016, we took action within 30 days on 4,405 (99 percent) of 4,434 CMP subjects.</p>		

Goal 2.6	<i>Achieve a positive external user assessment rating of 85 percent for product-service quality.</i>	<u>FY 2016 Result</u> 95 Percent
<p>The OIG’s Office of Quality Assurance and Professional Responsibility, during each Quality Assurance Review, asks external customers to rate their level of satisfaction with the quality of OIG products and services. Recipients and users of OIG products and services include SSA and other Government entities, such as the Congress, Offices of U.S. Attorneys, and external law enforcement agencies. This rating, measured using a five-tier scale, is averaged for each Quality Assurance Review conducted during the FY, and then translated into a percentage, with 85 percent indicating satisfaction.</p> <p>For FY 2016, we achieved a 95-percent rating, exceeding our goal of 85 percent.</p>		

Goal 2.7	<i>Issue 85 percent of final audit reports within one year of the entrance conference with SSA.</i>	<u>FY 2016 Result</u> 97 Percent
<p>We calculate this measure by dividing the total number of audit reports issued during the FY within one year of the entrance conference by the total number of audit reports issued during the FY.</p> <p>For FY 2016, our office achieved a 97-percent rating, exceeding our goal of 85 percent. We issued 77 of 79 reports during the FY within one year of their respective entrance conferences.</p>		

Goal 2.8	<i>Complete 85 percent of requests for legal advice and review within 30 days.</i>	<u>FY 2016 Result</u> 97 Percent
<p>We calculate this measure by dividing the total number of legal opinions, subpoenas, and audit reviews completed by OCIG within 30 days of receipt during the FY by the total number of requests for legal opinions, subpoenas, and audit reviews completed during the FY.</p> <p>During FY 2016, we completed 1,024 (97 percent) of the 1,054 requests for legal opinions, subpoenas, and audit reviews within 30 days.</p>		

Goal 3 – PEOPLE

Promote a skilled, motivated, diverse workforce in a positive and rewarding work environment.

Strategies used to attain this goal include:

1. Identify assignment interests and developmental needs of all employees.
2. Provide OIG components with training and tools necessary to ensure professional development and skills enhancement.
3. Maintain a proactive approach in recruiting and hiring candidates to meet different needs.

Goal 3.1	<i>Achieve an annual attrition rate of five percent or less.</i>	<u><i>FY 2016 Result</i></u> <i>2 Percent</i>
<p>We calculate this measure by dividing the total losses at the end of the previous FY (09/30), by the number of employees on board at the beginning of the previous FY (10/01).</p> <p>For FY 2016, OIG began the FY with 526 employees. During the FY, 12 employees (excluding retirements and deaths) separated from OIG, which is equivalent to a 2 percent attrition rate.</p>		

Goal 3.2	<i>Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvement is needed.</i>	<u><i>FY 2016 Result</i></u> <i>77 Percent</i>
<p>OIG's Organizational Health Committee implemented an annual employee job-satisfaction survey beginning in FY 2006. This year, the survey consisted of 32 questions, 9 of which were used to determine the percentage. Of the 9 job satisfaction-related questions, the average positive response rate (Strongly Agree or Agree) was 77 percent. The performance metric percentage was calculated by taking the total positive response rate (Strongly Agree or Agree) for the 9 job satisfaction-related questions (699.10%) and dividing that aggregate response rate by the number of job satisfaction-related questions (9). Our desire is to have an average score of 75 percent for the questions asked pertaining to employee job-satisfaction, thereby indicating a high level of employee satisfaction. Based on the results of this survey, we will implement an action plan to increase employee satisfaction in any areas in which we need to improve.</p>		

Goal 3.3	<i>Ensure that 90 percent of OIG staff receives 40 or more hours of appropriate developmental and skill-enhancement training annually.</i>	<u>FY 2016 Result</u> 99 Percent
<p>We calculate this measure by dividing the number of OIG staff who received at least 40 hours of training during the FY and who were on board at the beginning of the FY, by the number of OIG staff on board at the beginning of the FY. There were 526 OIG staff on board at the beginning of the FY (10/01), less 31 employees who separated during the year, leaving 495 employees on board for the entire year. Of those 495 employees, 489 completed their 40-hour training requirement, equating to 99 percent.</p> <p>For FY 2016, 99 percent of our employees received 40 or more hours of appropriate developmental and/or skill-enhancement training. Achieving this goal demonstrates our commitment to having a capable and professional workforce. The continual development of our employees underlies our successful performance as an organization.</p>		

HISTORICAL COMPARISON

GOAL	DESCRIPTION	FY 2014 RESULTS	FY 2015 RESULTS	FY 2016 RESULTS
1.1	<i>Maintain an annual acceptance rate of at least 88 percent for all audit recommendations.</i>	97%	96%	99%
1.2	<i>Achieve a five-year average implementation rate of 85 percent for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA.</i>	88%	88%	85%
1.3	<i>Ensure that at least 80 percent of all cases opened during the fiscal year directly relate to improper payments within SSA's Title II and Title XVI Programs.</i>	96%	96%	96%
1.4	<i>Achieve a successful conclusion on at least 75 percent of all Title II and Title XVI cases closed during the fiscal year.</i>	89%	89%	87%
2.1	<i>Generate a positive return of \$8 for every tax dollar invested in OIG activities.</i>	\$64 to \$1	\$82 to \$1	\$17 to \$1
2.2	<i>Evaluate and respond to 90 percent of all allegations received within 60 days.</i>	95%	96%	97%
2.3	<i>Complete investigative fieldwork on 75 percent of all cases within 180 days.</i>	91%	91%	90%
2.4	<i>Respond to 95 percent of constituent-based congressional requests within 21 days.</i>	95%	98%	98%
2.5	<i>Take action on 90 percent of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.</i>	97%	97%	99%
2.6	<i>Achieve a positive external user assessment rating of 85 percent for product-service quality.</i>	95%	94%	95%
2.7	<i>Issue 85 percent of final audit reports within one year of the entrance conference with SSA.</i>	90%	91%	97%
2.8	<i>Complete 85 percent of requests for legal advice and review within 30 days.</i>	99%	99%	97%
3.1	<i>Achieve an annual attrition rate of 5 percent or less.</i>	3%	1%	2%
3.2	<i>Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvements are needed.</i>	68%	82%	77%
3.3	<i>Ensure that 90 percent of OIG staff receives 40 or more hours of appropriate developmental and skill-enhancement training annually.</i>	98%	99%	99%