OFFICE OF
THE INSPECTOR GENERAL

SOCIAL SECURITY ADMINISTRATION

THE SOCIAL SECURITY ADMINISTRATION’S RESPONSE TO STATE FURLOUGHS IMPACTING ITS DISABILITY PROGRAMS

March 2011   A-01-11-11116

AUDIT REPORT
Mission

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

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.
MEMORANDUM

Date: March 22, 2011

To: The Commissioner

From: Inspector General

Subject: The Social Security Administration’s Response to State Furloughs Impacting its Disability Programs (A-01-11-11116)

OBJECTIVE

The objective of our review was to assess the Social Security Administration’s (SSA) efforts to address State furloughs and their effect on the Agency’s disability programs.

BACKGROUND

To address budget deficits, some States have taken actions that affect SSA’s disability programs.1 For example, some States have implemented furloughs or hiring freezes for State employees—including staff in the disability determination services (DDS), which are 100-percent funded by SSA.2 (See Appendix B for additional information about DDS funding.)

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1 SSA provides Disability Insurance (DI) and Supplemental Security Income (SSI) payments to eligible individuals under the Social Security Act §§ 201 et seq. and 1601 et seq., 42 U.S.C. §§ 401 et seq. and 1381 et seq. Once an application is filed, an SSA field office determines whether the individual meets the non-disability criteria for benefits. For DI benefits, the non-disability criteria include such factors as sufficient earnings. 20 C.F.R. §§ 404.130 through 404.133 and 20 C.F.R. § 404.315. For SSI payments, the non-disability criteria include such factors as citizenship, low income, and resources. 20 C.F.R. §§ 416.202 and 416.110 through 416.1266. The SSA field office generally forwards a claim to the DDS in the State or other office with jurisdiction to determine whether the individual is disabled under the Agency’s criteria.

2 DDSs are in each of the 50 States plus the District of Columbia and Puerto Rico. At the DDS, a disability examiner, using SSA’s regulations, policies, and procedures, obtains the relevant medical evidence and then, working with a physician and/or a psychologist, evaluates the case and determines whether the claimant is disabled under the Agency’s criteria. The Social Security Act §§ 221 (a)(2) and 1633 (a), 42 U.S.C. §§ 421 (a)(2) and 1383b(a). See also 20 C.F.R. §§ 404.1601 et seq. and 416.1001 et seq.
Federal regulations state, “Subject to appropriate Federal funding, the State will, to the best of its ability, facilitate the processing of disability claims by avoiding personnel freezes, restrictions against overtime work, or curtailment of facilities or activities.”

Our March 2009 report, *Impact of State Employee Furloughs on the Social Security Administration’s Disability Programs* (A-01-09-29137), stated that furloughs of DDS employees would affect SSA’s ability to process the disability workload. Working with SSA, we compiled a list of options for addressing the effect of DDS furloughs. (See Table 1.)

In our November 2009 report, *Impact of State Budget Issues on the Social Security Administration’s Disability Programs* (A-01-10-11006), we estimated that millions of dollars in benefit payments to newly disabled claimants would be delayed because of furloughs.

To perform this review, we researched the effect of furloughs on SSA’s disability programs, contacted SSA officials and staff to obtain information on the Agency’s response to furloughs, and reviewed data related to DDS workloads in Fiscal Years (FY) 2008 through 2011. (See Appendix C for additional information on our scope and methodology.)

The results presented in this report are a snapshot of SSA’s response to State furloughs as of January and February 2011.

**RESULTS OF REVIEW**

We found that SSA had been proactive in addressing State furloughs affecting its disability programs. The Agency implemented all the options from our March 2009 report that did not require legislative changes (see Table 1). Despite SSA’s efforts, some States continued to furlough DDS employees—resulting in delayed benefits to disabled claimants and the loss of administrative funding to those States. As of January 2011, SSA had

- contacted State officials to deter DDS furloughs;
- expanded adjudicative capacity; and
- transferred over 167,000 disability cases to other offices to assist DDSs that furloughed employees.

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3 20 C.F.R. §§ 404.1621(d) and 416.1021(d).
Table 1: Status of SSA’s Options for Addressing DDS Furloughs

<table>
<thead>
<tr>
<th>Options for Addressing DDS Furloughs</th>
<th>SSA’s Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work with States to exempt DDS employees from furloughs.</td>
<td>Contacted State officials to deter DDS furloughs.</td>
</tr>
<tr>
<td>Allow current SSA employees who worked as disability examiners in a DDS or Disability Quality Branch (DQB) to work disability claims on overtime (in regions or Headquarters).</td>
<td>Expanded adjudicative capacity to continue processing disability claims.</td>
</tr>
<tr>
<td>Hire retired DDS and DQB disability examiners as rehired annuitants on contract (in regions or Headquarters).</td>
<td></td>
</tr>
<tr>
<td>Work with furloughing States to allow DDS employees to work more hours on non-furlough days.</td>
<td></td>
</tr>
<tr>
<td>Transfer work to Federal disability examiners (in regions or Headquarters).</td>
<td>Transferred cases from furloughing DDSs to continue processing disability claims.</td>
</tr>
<tr>
<td>Transfer work to other State DDSs not furloughing.</td>
<td></td>
</tr>
<tr>
<td>Contract disability claims to private companies.</td>
<td>May require legislative changes.</td>
</tr>
<tr>
<td>Take over State DDS operations (Federalize the DDSs).</td>
<td>Requires legislative changes.</td>
</tr>
</tbody>
</table>

SSA’s EFFORTS TO DETER STATES FROM FURLOUGHING DDS EMPLOYEES

Because DDS employees are federally funded, furloughs do not save the States money. Rather, furloughing DDS employees delays benefit payments to some of the most vulnerable citizens. In addition, furloughs result in States losing administrative funding for adjudicating disability claims, including DDS employees’ salaries and benefits. These States also lost income tax revenue that would have been paid from these salaries.4

SSA reported that Agency officials made educational outreach efforts to Federal and State lawmakers about the economic effect of furloughs on state DDS employees and the disabled waiting for disability determinations. These efforts aided in gaining furlough exemptions or partial exemptions in Maryland, New York, and Colorado. To deter furloughs, SSA officials took several actions.

For instance, SSA’s Commissioner wrote letters to every State governor and spoke with State officials about the effects of furloughing DDS employees. In addition, several of

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SSA’s Regional Commissioners wrote letters to governors, lawmakers, and DDS parent agency heads to deter DDS furloughs. Furthermore, the Vice President wrote to the National Governors Association to exempt federally funded DDS employees from any furloughs, hiring restrictions, or other budget cuts.

Additionally, in July 2010, the Commissioner announced the Agency’s intention to introduce legislation prohibiting States from enacting furloughs or freezes of DDS employees without authorization from the Commissioner.\(^5\)

In October 2010, SSA released the Interactive Furlough Impact Map available at [www.socialsecurity.gov/furloughs](http://www.socialsecurity.gov/furloughs). The map shows the location, status, and effect of DDS furloughs nationally and by State. SSA created the map to educate lawmakers, advocates, and disability organizations about the effects of DDS furloughs.

Despite SSA’s efforts, some States continued to furlough DDS employees. As of February 1, 2011, 10 States were furloughing DDS employees (see map below).\(^6\)

SSA estimated that, as of February 2011, furloughing of DDS employees had delayed over $33 million in disability benefit payments for more than 121,000 households.

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\(^5\) As of November 2010, SSA had drafted legislation and was looking for congressional sponsors.

\(^6\) As of February 21, 2011, the District of Columbia was furloughing DDS employees.

\(^7\) As of February 2011, Puerto Rico and Guam (not appearing on the map) were not furloughing DDS employees.
Additionally, SSA estimated that furloughs caused these States to lose over $65 million in administrative funding.\(^8\)

For example, Hawaii implemented a 42-day furlough of DDS employees from July 1, 2009 through June 30, 2011. SSA estimated that, as of February 2011, Hawaii’s furloughing of DDS employees delayed about $536,000 in disability payments for more than 1,400 households. Additionally, SSA estimated that the State lost over $948,000 in administrative funding. (See Table D-1 in Appendix D for more information on the effect of State DDS furloughs.)

**SSA’s EFFORTS TO CONTINUE PROCESSING DISABILITY CLAIMS**

In addition to furloughs, the DDSs continue to face an increase in initial disability claims. As a result, SSA expanded adjudicative capacity and transferred DDS workloads. Specifically, SSA established Extended Service Teams (EST) and increased Federal units and DDS staff. As of January 2011, the Agency had transferred over 167,000 cases from furloughing DDSs for processing.\(^9\) (See Chart D-1 in Appendix D for more details on the increase of initial disability claims receipts.)

**Expanded Adjudicative Capacity**

In FY 2010, SSA established ESTs in four States with a history of high quality and productivity as well as the capacity to hire and train additional employees.\(^10\) Additionally, the Agency increased staff in the already-established Federal units.\(^11\) ESTs and Federal units assist States with processing initial disability claims, including those in furloughed States. Along with the ESTs and Federal units, the New York and Dallas Offices of Quality Performance began assisting DDSs with reconsideration claims.

In FYs 2009 and 2010, SSA used *American Recovery and Reinvestment Act of 2009* (ARRA) funds.\(^12\) During this period, the DDSs added about 2,900 employees.

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\(^8\) Information provided by SSA’s furlough Website at [http://www.socialsecurity.gov/open/ODD/](http://www.socialsecurity.gov/open/ODD/).

\(^9\) We have an ongoing review of SSA’s plans to reduce the initial claims backlog to an optimum pending level: SSA’s *Plan for Reducing the Initial Claims Backlog* (A-07-10-10162).

\(^10\) ESTs are located in Little Rock, Arkansas; Madison, Mississippi; Oklahoma City, Oklahoma; and Roanoke, Virginia.

\(^11\) Federal units include the Disability Processing Branches and Disability Processing Units in each of SSA’s 10 regions plus the Offices of Central Operations and Medical and Vocational Expertise at SSA Headquarters in Baltimore.

\(^12\) We issued a report in December 2009, *Disability Determination Services’ Staffing Under the American Recovery and Reinvestment Act* (A-07-09-29156).
Nationally, the attrition rate in DDSs has remained steady over the past several years.\textsuperscript{13} Therefore, these additional hires have increased the overall staffing levels in the DDSs. Furthermore, in FYs 2009 and 2010, funding allowed for increased levels of overtime. DDSs in both furloughed and non-furloughed States were able to use overtime to increase adjudicative capacity.

**Transferred Cases from Furloughing DDSs**

SSA reported over 167,000 cases were transferred from furloughing DDSs to ESTs, Federal units, and DDSs that were not furloughing. As a result, the Agency mitigated the delays in case processing caused by DDS furloughs.

For example, Wisconsin implemented a 16-day furlough of DDS employees from October 1, 2009 to June 30, 2011. As of January 2011, SSA had redirected over 14,000 disability cases from Wisconsin to the Baltimore and Chicago Federal units.

<table>
<thead>
<tr>
<th>DDS\textsuperscript{14}</th>
<th>Number of Cases Transferred</th>
<th>Cases Transferred To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>8,558</td>
<td>San Francisco Federal unit</td>
</tr>
<tr>
<td>California</td>
<td>43,958</td>
<td>Arkansas and Oklahoma ESTs; San Francisco, Baltimore, and Dallas Federal units; and Idaho DDS</td>
</tr>
<tr>
<td>Connecticut*</td>
<td>1,244</td>
<td>Boston Federal unit</td>
</tr>
<tr>
<td>Hawaii</td>
<td>642</td>
<td>San Francisco Federal unit</td>
</tr>
<tr>
<td>Maine</td>
<td>1,960</td>
<td>Baltimore Federal unit</td>
</tr>
<tr>
<td>Maryland*</td>
<td>25,925</td>
<td>Arkansas and Virginia ESTs, Philadelphia Federal unit, and West Virginia DDS</td>
</tr>
<tr>
<td>Massachusetts*</td>
<td>1,591</td>
<td>Virginia EST</td>
</tr>
<tr>
<td>Michigan*</td>
<td>9,808</td>
<td>Chicago and Baltimore Federal units, and Indiana DDS</td>
</tr>
<tr>
<td>Nevada</td>
<td>2,834</td>
<td>San Francisco Federal unit</td>
</tr>
<tr>
<td>New Jersey*</td>
<td>23,147</td>
<td>New York Federal unit</td>
</tr>
<tr>
<td>New Mexico*</td>
<td>1,081</td>
<td>Dallas Federal unit and Arkansas DDS</td>
</tr>
<tr>
<td>Ohio</td>
<td>15,279</td>
<td>Chicago and Baltimore Federal units</td>
</tr>
<tr>
<td>Oregon</td>
<td>1,093</td>
<td>Seattle Federal unit and Idaho DDS</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>7,861</td>
<td>Boston Federal unit and Maine DDS</td>
</tr>
<tr>
<td>Virginia*</td>
<td>7,803</td>
<td>Virginia EST, Philadelphia and Baltimore Federal units, and District of Columbia DDS</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>14,754</td>
<td>Chicago and Baltimore Federal units</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>167,538</strong></td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{13} The national attrition rate for the DDSs was 10.5 percent in FY 2008, 9.2 percent in FY 2009, and 10.6 percent in FY 2010.

\textsuperscript{14} Although Iowa, Kentucky, and Nebraska furloughed DDS employees, as of February 2011, no cases had been transferred from these DDSs.
OTHER OPTIONS

SSA explored other options to address the effect of State furloughs, such as contracting with private companies and federalizing the State DDSs. However, these options would likely involve legislative changes, as the Social Security Act, in effect, requires that most disability determinations be processed by State DDSs. Additionally, SSA estimated that federalizing the State DDSs would be more costly than the current framework—costing approximately $4 billion over the first 4 years.

CONCLUSION

We found that SSA had been proactive in addressing State furloughs affecting its disability programs—as the Agency put into action several options from our March 2009 report. Specifically, SSA reached out to State officials and succeeded in gaining furlough exemptions or partial exemptions in several States. The Agency also expanded adjudicative capacity and transferred over 167,000 disability cases from furloughing DDSs for processing. These furloughs resulted in delayed benefits to disabled claimants and the loss of administrative funding to States. Therefore, we encourage SSA to continue its efforts to deter DDS furloughs and provide resources for processing disability claims.

AGENCY COMMENTS

SSA thanked us for acknowledging its attempts to mitigate the impact of State furloughs in the DDSs. See Appendix E.

Patrick P. O’Carroll, Jr.

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15 The Social Security Act §§ 221 (a)(2) and 1633 (a), 42 U.S.C. §§ 421 (a)(2) and 1383b(a). See also 20 C.F.R. §§ 404.1503, 416.903, 404.1601 et seq., and 416.1001 et seq.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Disability Determination Services Funding

APPENDIX C – Scope and Methodology

APPENDIX D – Effect of State Disability Determination Services Furloughs and Initial Disability Claims Receipts

APPENDIX E – Agency Comments

APPENDIX F – OIG Contacts and Staff Acknowledgments
### Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARRA</td>
<td><em>American Recovery and Reinvestment Act of 2009</em></td>
</tr>
<tr>
<td>C.F.R.</td>
<td>Code of Federal Regulations</td>
</tr>
<tr>
<td>DDS</td>
<td>Disability Determination Services</td>
</tr>
<tr>
<td>DI</td>
<td>Disability Insurance</td>
</tr>
<tr>
<td>DQB</td>
<td>Disability Quality Branch</td>
</tr>
<tr>
<td>EST</td>
<td>Extended Service Team</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>Pub. L. No.</td>
<td>Public Law Number</td>
</tr>
<tr>
<td>SSA</td>
<td>Social Security Administration</td>
</tr>
<tr>
<td>SSI</td>
<td>Supplemental Security Income</td>
</tr>
</tbody>
</table>
Disability Determination Services Funding

The Social Security Administration (SSA) implements policies for developing disability claims under the Disability Insurance (DI) and Supplemental Security Income (SSI) programs. The DI program provides benefits to wage earners and their families in the event of disability.1 The SSI program provides benefits to financially needy individuals who are aged, blind, or disabled.2 Additionally, States have the option of supplementing their residents' SSI payments and may choose to have the additional payments administered by SSA.3

Disability determinations under both the DI and SSI programs are performed by disability determination services (DDS) in each State or other responsible jurisdiction in accordance with the Social Security Act and Federal regulations.4 In carrying out its obligation, each DDS is responsible for determining claimants' disabilities and ensuring adequate evidence is available to support its determinations. To assist in making proper disability determinations, each DDS is authorized to purchase medical examinations, x-rays, and laboratory tests on a consultative basis to supplement evidence obtained from the claimants' physicians or other treating sources.

SSA reimburses the DDS for 100 percent of allowable expenditures up to its approved funding authorization.5 The DDS withdraws Federal funds through the Department of the Treasury’s Automated Standard Application for Payment system to pay for program expenditures. Funds drawn down must comply with Federal regulations6 and intergovernmental agreements entered into by the Department of the Treasury and States under the Cash Management Improvement Act of 1990.7 An advance or reimbursement for costs under the program must comply with Office of Management and Budget Circular A-87. At the end of each quarter of the Fiscal Year, each DDS submits a Form SSA-4513, State Agency Report of Obligations for SSA Disability Programs, to account for program disbursements and any unliquidated obligations.

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1 The Social Security Act § 201 et seq., 42 U.S.C. § 401 et seq.
2 The Social Security Act § 1601 et seq., 42 U.S.C. § 1381 et seq.
3 The Social Security Act § 1616(b)(2) et seq., 42 U.S.C. § 1382e(b)(2).
4 The Social Security Act §§ 221(a)(2) and 1633(a), 42 U.S.C. §§ 421(a)(2) and 1383b(a). See also 20 C.F.R. §§ 404.1603(a) and 416.1003(a).
5 The Social Security Act §§ 221(e) and 1633(a), 42 U.S.C. §§ 421(e) and 1383b(a). See also 20 C.F.R. §§ 404.1626 and 416.1026. Expenditures include direct and indirect costs. Direct costs can be identified specifically with a particular cost objective. Indirect costs arise from activities that benefit multiple programs but are not readily assignable to these programs without effort disproportionate to the results achieved. (Office of Management and Budget Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, Attachment A, §§ E.1 and F.1.)
6 31 C.F.R. § 205.1 et seq.
Appendix C

Scope and Methodology

To accomplish our objective, we:

- Reviewed applicable sections of the Social Security Act; the Social Security Administration’s (SSA) regulations, policies, and procedures; and other applicable Federal laws and regulations.

- Researched prior reports issued by the Office of the Inspector General.

- Researched published reports and articles on SSA’s efforts to address State furloughs affecting its disability programs.

- Reviewed disability determination services workload statistics for Fiscal Years 2008 through 2011.

- Contacted SSA officials and staff to obtain information on SSA’s disability programs and the Agency’s response to State furloughs affecting these programs.

We performed our review between October and March 2011 in Boston, Massachusetts. The entity audited was SSA’s Office of Disability Determinations under the Office of the Deputy Commissioner for Operations. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.
Appendix D

Effect of State Disability Determination Services Furloughs and Initial Disability Claims Receipts

While the Social Security Administration (SSA) experienced a surge in initial disability claims, State furloughs affected the Agency’s ability to process those claims. As of February 2011, SSA estimated that furloughing of disability determination services (DDS) employees delayed over $33 million in disability benefit payments for more than 121,000 households. Additionally, SSA estimated that furloughs caused these States to lose over $65 million in administrative funding.\(^1\) See Chart D-1 for the increase in initial disability claims by quarter and Table D-1 for SSA’s furlough estimates.\(^2\)

Chart D-1: Fiscal Year (FY) 2008 Through 2010 - Initial Disability Claims Receipts

\(^1\) Information provided by SSA furlough Website at [http://www.socialsecurity.gov/open/ODD/](http://www.socialsecurity.gov/open/ODD/).

\(^2\) FYs 2008 through 2010 initial disability claims receipts include data from the DDSs, Extended Service Teams, and the Federal units.
Table D-1: Effect of DDS Furloughs Through February 2011

<table>
<thead>
<tr>
<th>DDS</th>
<th>Number of Households Affected</th>
<th>Benefits Delayed to Disabled Claimants</th>
<th>Administrative Funding Lost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>1,196</td>
<td>$284,640</td>
<td>$576,924</td>
</tr>
<tr>
<td>California</td>
<td>87,604</td>
<td>$24,447,336</td>
<td>$48,210,512</td>
</tr>
<tr>
<td>Connecticut*</td>
<td>1,083</td>
<td>$271,016</td>
<td>$577,081</td>
</tr>
<tr>
<td>Hawaii</td>
<td>1,496</td>
<td>$535,670</td>
<td>$948,328</td>
</tr>
<tr>
<td>Iowa*</td>
<td>338</td>
<td>$83,463</td>
<td>$206,513</td>
</tr>
<tr>
<td>Kentucky</td>
<td>1,214</td>
<td>$275,703</td>
<td>$519,482</td>
</tr>
<tr>
<td>Maine</td>
<td>382</td>
<td>$92,191</td>
<td>$155,255</td>
</tr>
<tr>
<td>Maryland*</td>
<td>859</td>
<td>$251,826</td>
<td>$169,867</td>
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<tr>
<td>Massachusetts*</td>
<td>454</td>
<td>$151,407</td>
<td>$230,385</td>
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<tr>
<td>Michigan*</td>
<td>2,233</td>
<td>$602,271</td>
<td>$1,366,268</td>
</tr>
<tr>
<td>Nebraska*</td>
<td>11</td>
<td>$3,208</td>
<td>$5,704</td>
</tr>
<tr>
<td>Nevada</td>
<td>905</td>
<td>$264,226</td>
<td>$480,736</td>
</tr>
<tr>
<td>New Jersey*</td>
<td>3,259</td>
<td>$1,158,976</td>
<td>$2,141,458</td>
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<tr>
<td>New Mexico*</td>
<td>649</td>
<td>$172,194</td>
<td>$285,445</td>
</tr>
<tr>
<td>Ohio</td>
<td>13,211</td>
<td>$3,093,604</td>
<td>$6,002,609</td>
</tr>
<tr>
<td>Oregon</td>
<td>2,148</td>
<td>$626,024</td>
<td>$1,127,304</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>583</td>
<td>$153,109</td>
<td>$271,105</td>
</tr>
<tr>
<td>Virginia*</td>
<td>383</td>
<td>$111,478</td>
<td>$177,008</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>3,559</td>
<td>$1,031,867</td>
<td>$1,549,784</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>121,567</strong></td>
<td><strong>$33,610,209</strong></td>
<td><strong>$65,001,768</strong></td>
</tr>
</tbody>
</table>

*As of February 2011, these States were no longer furloughing DDS employees.
MEMORANDUM

Date: March 8, 2011
To: Patrick P. O'Carroll, Jr.
    Inspector General
From: Dean S. Landis /s/
      Deputy Chief of Staff

Thank you for acknowledging our attempts to mitigate the impact of State furloughs in the disability determination services. We have no other comments on your report.

Please let me know if I may be of any assistance. You may direct staff inquiries to Chris Molander, at extension 57401.
Appendix F

OIG Contacts and Staff Acknowledgments

OIG Contacts

Judith Oliveira, Director, Boston Audit Division

Phillip Hanvy, Audit Manager

Acknowledgments

In addition to those named above:

Katie Toli, Auditor

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Chairman and Ranking Minority Member, Subcommittee on Social Security Pensions 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

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts financial and performance audits of the Social Security Administration’s (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA’s financial statements fairly present SSA’s financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA’s programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts investigations related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Counsel to the Inspector General

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Also, OCIG administers the Civil Monetary Penalty program.

Office of External Relations

OER manages OIG’s external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG’s media and public information policies, directs OIG’s external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

Office of Technology and Resource Management

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG’s budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG’s strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.