Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the 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

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration’s programs, operations, and management and in our own office.
MEMORANDUM

Date: October 14, 2004

To: The Commissioner

From: Acting Inspector General

Subject: The Social Security Administration’s Clean-up of Title II Disability Insurance Cases with a Workers’ Compensation Offset (A-04-03-13042)

OBJECTIVE

Our objective was to assess the Social Security Administration’s (SSA) accuracy in cleaning up the first group of Title II Disability Insurance (DI) cases involving workers’ compensation (WC) offsets. Additionally, we determined the accuracy of the Office of Quality Assurance and Performance Assessment’s (OQA) estimate of the dollar effect of errors that occurred and continue to exist in this population of WC offset cases.

BACKGROUND

SSA administers the Old-Age, Survivors and Disability Insurance (OASDI) program under Title II of the Social Security Act, as amended (Act). Section 223 of the Act\(^1\) requires that SSA provide monthly DI benefits to individuals who meet specific disability requirements.

Workers injured on the job may qualify for DI benefits in addition to benefits under Federal and State WC programs. However, combined DI and WC benefits could result in workers receiving more in disability payments than they earned before they became disabled. To prevent this, Congress enacted the WC offset provision under section 224 of the Act\(^2\), which requires that SSA reduce DI payments by the amount of any other disability benefit paid under any law or plan of the United States, a State, or a political subdivision. In each instance, SSA reduces the DI benefit, unless the other disability payment originates in a State with a “reverse offset” law. For States with a recognized “reverse offset” law, the WC benefit would be reduced.

---

\(^1\) 42 U.S.C. § 423.

As a result of previous Office of the Inspector General reports, SSA formed a work group to improve the accuracy of the WC work load. This improvement process included a clean-up of previously computed WC offset cases by redeveloping and reverifying the offset calculations of beneficiaries who met specific criteria. Although SSA’s clean-up tracked the number of WC cases the Agency paid correctly, underpaid, and overpaid, it did not track the monetary value of all errors detected. Additional information regarding SSA’s initial clean-up of WC cases is in Appendix B.

To determine the dollar value of the errors in the initial WC clean-up group, SSA’s OQA estimated the amount of payments the clean-up corrected and the dollar errors the clean-up missed or incorrectly calculated. In doing so, OQA reviewed a sample of cases SSA reworked during the clean-up. Further details regarding OQA’s sampling and estimation methodologies are included in Appendix C.

We performed this review to determine the accuracy of SSA’s first WC clean-up. We also determined the accuracy of the dollar effect of errors that continue to exist, as reported by OQA. Our review focused on the first group of WC cases that were cleaned up. This population consisted of 61,581 Title II DI cases whose WC offsets began during the period 1966 to 1993 and were in current pay status as of November 1998. Additional information regarding our scope and methodology is in Appendix D.

RESULTS OF REVIEW

In addition to the $256.5 million in payment errors OQA identified, we estimate SSA missed or incorrectly calculated $87.5 million in payment errors in its initial WC clean-up population. As such, we estimate that SSA missed or incorrectly calculated approximately $344 million in payment errors during its clean-up effort. These payment errors may continue to occur until the cause of the payment errors is corrected. The additional payment errors resulted in under- and overpayments totaling $46.6 million and $40.9 million, respectively.

The payment errors we identified, as well as those detected during SSA’s clean-up and OQA’s review, resulted from various mistakes in processing WC claims. For example, SSA staff did not always verify beneficiaries’ WC benefits with the applicable State or local entity, misapplied benefits related to lump-sum WC settlements, did not properly identify and calculate the effects of attorney fees, miscalculated triennial redeterminations, interpreted policy incorrectly, and made calculation errors. Given the complexity of processing WC claims and the various mistakes affecting payment accuracy overlooked during the clean-up, we believe the process may still be significantly error prone. Therefore, we encourage SSA to continue monitoring the payment accuracy of WC claims and consider additional procedures that would improve and simplify this process.

---

3 A triennial redetermination of a beneficiary’s average current earnings occurs when Title II DI benefits have been offset (reduced) for 3 consecutive years because of WC payments. A triennial redetermination can result in increased benefits since the average current earnings is recalculated using a ratio to protect beneficiaries against inflation.
PAYMENT ERRORS REMAIN AFTER THE CLEAN-UP

Despite SSA’s extensive efforts to improve the accuracy of payments to beneficiaries receiving DI and WC, significant payment errors remain in this population. Our review identified $87.5 million in additional payment errors in the first WC clean-up population. This amount is in addition to the $256.5 million OQA identified in its review. In total, we estimate the first population of WC cases SSA cleaned up contained approximately $344 million in payment errors. We have categorized these errors as underpayment and overpayment errors.

Underpayment Errors

This category includes (1) underpayments in excess of those identified by SSA and/or OQA and (2) reductions in overpayment errors identified by SSA and/or OQA. We reviewed 50 of the 171 cleaned up WC cases in which OQA agreed with SSA’s clean-up decision. Based on our review, we disagree with OQA and SSA’s clean-up decision in 6 (12 percent) of the 50 cases. Three of these cases had underpayment errors totaling $21,243. The underpayments ranged from $587 to $17,166. SSA representatives reviewed these cases and agreed that underpayment errors existed. As a result, SSA initiated corrective action to release the underpayments to the beneficiary or their legal representative. However, based on the payment error rate identified and using OQA’s original estimation methodology, we estimate that an additional $46.6 million in underpayments exist in the cleaned up WC cases and may continue to occur if the cause of the payment errors is not corrected. Further detail regarding our estimation methodology is in Appendix E.

All three of the cases had past or retroactive (retro) underpayment errors. That is, the error occurred sometime after the beneficiaries’ date of entitlement and ended before the last month preceding the SSA clean-up. These retro underpayments did not affect the beneficiaries’ future DI payments. The retro underpayments for these three cases totaled $20,656. Given this error rate, we estimate that $19.3 million in retro underpayments continue to exist in the cleaned up population of WC cases.

One of the three cases also had an underpayment error that occurred in the month of the clean-up. If not corrected, the underpayment error will continue to affect future payments, causing additional underpayments. The underpayment that occurred during the month of the clean-up for the case was $587. Based on this error rate, we estimate $27.3 million in continuing underpayments may occur in the population.4

4 The continuing underpayment dollar error estimate was based on OQA’s methodology, which assumed an uncorrected continuing underpayment error would continue throughout the life of the DI claim – estimated at 100 months.
Below are discussions of the three cases with underpayment errors that should have been corrected during the clean-up or as part of OQA’s study. See Table 1 for a comparison of SSA and OQA’s clean-up results to the results of our case reviews.

- In the first case, the clean-up determined that no payment error occurred. However, the clean-up did not identify a $17,166 retro underpayment and a $587 monthly underpayment that would continue to occur in future monthly payments if not corrected. The underpayments were due to an error in prorating a lump sum settlement. SSA incorrectly prorated a lump sum settlement at a rate of $170.85 per week when the settlement should have been prorated at $170.85 per month. The error caused the WC offset to be overstated, which resulted in the beneficiary receiving a reduced monthly DI benefit. As a result of our audit, SSA corrected the case and paid the beneficiaries the entire DI underpayment.

- In the second case, the clean-up determined the beneficiary had been underpaid $1,592. However, the clean-up missed an additional $1,873 in underpayments. The additional underpayments were related to the initial DI award. We generally agreed with the DI payable amounts SSA calculated and posted on the beneficiary’s Master Beneficiary Record, which totaled $5,582. However, the amount SSA paid the beneficiary for that period, $3,709, did not match the amount due. The beneficiary is now deceased. SSA will release the underpayment once a legal representative of the deceased beneficiary’s estate is established.

- In the third case, the clean-up determined the beneficiaries were overpaid $10,414. The primary beneficiary was overpaid $8,018, and an auxiliary beneficiary was overpaid $2,396. We agreed with the auxiliary beneficiary’s overpayment. However, the primary beneficiary was actually underpaid $1,617. SSA agreed the case was underpaid and found the error occurred when the clean-up did not consider previously recognized overpayments. Since SSA waived the erroneously established overpayment soon after it was posted to the Master Beneficiary Record, the beneficiary was not adversely affected by the overpayment decision. The beneficiary has since received the underpaid benefits.

---

5 A lump sum settlement represents the total of all the remaining WC payments due the disabled worker. The lump sum award must be prorated to determine the amount and length of time to offset the beneficiary’s Title II DI benefits.

6 The initial award includes the accrued benefits payable from the date of entitlement to the date SSA begins paying the benefits to the beneficiary.

7 Auxiliary beneficiaries are children, widows, spouses, and parents who receive OASDI benefits based on another wage earner’s Social Security record.
Table 1: Comparison of SSA and OQA’s Clean-up Results to Our Case Review Results

<table>
<thead>
<tr>
<th>Case No.</th>
<th>Underpayment Error</th>
<th>Overpayment Error</th>
<th>Retro Underpayment Error</th>
<th>Retro Overpayment Error</th>
<th>Continuing Underpayment Error</th>
<th>Continuing Overpayment Error</th>
<th>Underpayment Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-0-</td>
<td>-0-</td>
<td>$17,166</td>
<td>$-0-</td>
<td>$587</td>
<td>$-0-</td>
<td>$17,753</td>
</tr>
<tr>
<td>2</td>
<td>1,592</td>
<td>-0-</td>
<td>3,465</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>1,873</td>
</tr>
<tr>
<td>3</td>
<td>-0-</td>
<td>10,414</td>
<td>1,617</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>1,617</td>
</tr>
<tr>
<td>Total</td>
<td>$1,592</td>
<td>$10,414</td>
<td>$22,248</td>
<td>$-0-</td>
<td>$587</td>
<td>$-0-</td>
<td>$21,243</td>
</tr>
</tbody>
</table>

Overpayment Errors

This category includes (1) overpayments in excess of those identified by SSA and/or OQA and (2) reductions in underpayment errors identified by SSA and/or OQA. In addition to the 3 underpayment cases discussed above, we disagreed with OQA and SSA’s clean-up decision on an additional 3 (6 percent) of the 50 cases we reviewed. Specifically, we determined that the three cases had overpayment errors. In each of these cases, OQA agreed with SSA’s clean-up decision; however, we determined the three cases had $28,833 in retro overpayments. One case had a retro overpayment error of $20,331 and a $77 continuing monthly overpayment error. If the cause of the continuing overpayment was not corrected as a result of our review, the beneficiary could have received monthly overpayments for the remainder of the DI claim. SSA representatives reviewed these cases and agreed overpayment errors existed. As a result, SSA initiated corrective action to collect the overpayments. However, given the above payment errors and using OQA’s original estimation methodology, we estimate an additional $40.9 million in overpayments existed and may continue to occur in the initial clean-up population.

Below are discussions of the three cases with overpayment errors that should have been corrected during the clean-up or as part of OQA’s study. See Table 2 for a comparison of SSA and OQA’s clean-up results with the results of our review.

- In the first case, SSA’s clean-up determined the beneficiary was overpaid because the Agency did not recalculate the DI benefits for the primary beneficiary after the auxiliary beneficiary’s payments were terminated. However, SSA determined the overpayment could not be charged against the beneficiary because of its administrative finality rules. We asked SSA to review the clean-up decision. SSA’s subsequent review determined that administrative finality did not apply to the

---

Administrative finality is the concept that an SSA determination or decision becomes final and binding when rendered, unless it is timely appealed or later reopened and revised for special reasons. See, 20 C.F.R. 404.987, 404.988, 404.990, 404.991a; SSA’s Program Operations Manual System Chapter GN 040: Administrative Finality. SSA’s clean-up determined the case facts precluded SSA from reopening the case to correct the overpayment.
As a result, the clean-up did not record that the beneficiary had a $20,331 retro overpayment and a $77 monthly overpayment that would affect future payments. SSA has informed the beneficiary of the debt.

- In the second case, the clean-up determined that no payment error occurred. However, our review determined an auxiliary beneficiary was overpaid during the clean-up period. SSA agreed the clean-up should have identified an overpayment and is now attempting to recover $6,604 in overpayments. Verification of the WC payments revealed that, for nearly 4 years, SSA erroneously paid the auxiliary beneficiary full benefits. SSA determined that WC payments received during the 4 years would have caused the DI benefits to be offset and paid at a lower amount.

- In the third case, the clean-up identified a $4,572 overpayment. We disagreed with the clean-up decision and asked SSA to review the case. SSA’s review determined that the overpayment should have been reduced by $1,100 because the clean-up did not consider all of the beneficiary’s attorney expenses when determining the benefits. As a result, SSA returned $1,100 in benefits that were withheld to recover the overpayment. However, after considering SSA’s comments, we determined that the case continued to be overpaid by $1,898, not underpaid. We found the clean-up and SSA’s subsequent review overlooked 12 months of DI payments when it compared the total benefits paid to the benefits payable. SSA agreed that the benefits had been miscalculated and has initiated actions to collect the overpayment.

### Table 2: Comparison of SSA and OQA’s Clean-up Results to Our Case Review Results

<table>
<thead>
<tr>
<th>Case No.</th>
<th>SSA &amp; OQA’s CLEAN-UP DECISION</th>
<th>OUR CASE REVIEW RESULTS</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Under-payment Error</td>
<td>Over-payment Error</td>
<td>Retro Under-payment Error</td>
</tr>
<tr>
<td>1</td>
<td>$-0-</td>
<td>$-0-</td>
<td>$-0-</td>
</tr>
<tr>
<td>2</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
</tr>
<tr>
<td>3</td>
<td>-0-</td>
<td>4,572</td>
<td>-0-</td>
</tr>
<tr>
<td>Totals</td>
<td>$-0-</td>
<td>$4,572</td>
<td>$-0-</td>
</tr>
</tbody>
</table>

**PAYMENT ERRORS RESULTED FROM PROCESSING MISTAKES**

We recognize the complexity of SSA’s process for calculating DI benefits for individuals who also receive WC and the significant human resources the clean-up effort required. Furthermore, we acknowledge the clean-up effort generally involved cases with many

---

9 SSA’s subsequent review cited Program Operations Manual System, GN 04001.030, which states that administrative finality only applies to initial determinations. Any action that is not an initial determination is not protected by the rules of administrative finality. A failure to make a determination with respect to any claim or post-entitlement issue is not an initial determination. Whenever such failure comes to SSA’s attention, an adjudication of the claim or post-entitlement issue is in order.
years of payment history. Therefore, we expect these cases to be more complex as
events, such as change in family status, occur in the beneficiaries’ lives and
subsequently impact DI payments.

In general, the clean-up effort required that SSA staff (1) analyze a complex set of
circumstances surrounding each case, (2) determine the appropriate treatment of the
facts, (3) recalculate the benefits due for the entire period of entitlement, and
(4) compare the recalculated benefits to the benefits already paid. As such, SSA staff
performing the clean-up review

• required a working knowledge of SSA’s policy and procedures;

• analyzed various documents related to WC benefits including one-time, lump sum
settlements;

• identified and calculated the effect of attorney fees and other expenses related to
WC and DI benefit claims;

• determined and applied changes in a beneficiary’s family status;

• calculated pro forma benefits to determine whether triennial redeterminations
applied; and

• analyzed data from various SSA information systems.

The following circumstances contributed to the six payment errors we noted in the WC
cases.

• Lump sum WC settlements were incorrectly prorated.

• Benefits related to an initial award period were paid incorrectly.

• Overpayments previously posted to the beneficiary’s Master Beneficiary Record
were overlooked.

• SSA’s policy related to administrative finality was misinterpreted.

• WC benefits were not verified with the State or local authority.

• Attorney expenses related to a WC settlement were not considered.

• DI benefits that had been paid were overlooked, resulting in a calculation error.

OQA also tracked the processing mistakes SSA made in the 68 WC cases it found with
payment errors. OQA categorized the errors as those related to incorrect calculations,
lump sum pro-ration of WC settlements, WC rate changes, calculation of triennial
redeterminations, and other errors. The other errors category included processing errors related to applying attorney fees, verifying WC benefits, misinterpreting policy, determining the effects of earnings, and transcription errors.

The following chart details the processing errors OQA identified in the 68 payment error cases.

<table>
<thead>
<tr>
<th>Type of Error</th>
<th>Number of Errors</th>
<th>Percent of Errors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation</td>
<td>18</td>
<td>26</td>
</tr>
<tr>
<td>Lump Sum Proration</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>Rate Change</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Triennial Redeterminations</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>17</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

We acknowledge SSA implemented revised procedures for processing cases with WC offsets. Further, we understand that some of the processing errors may not have occurred if the revised procedures were implemented before SSA initiated the clean-up. However, because the errors were not isolated to a few processes, and given the overall complexity of WC cases, we believe DI benefits with WC offsets continue to be error prone. Accordingly we encourage SSA to continue monitoring the accuracy of the WC claims process.

**CONCLUSION AND RECOMMENDATION**

Paying benefits accurately is a critical component of SSA’s goal of providing world-class service. We acknowledge the commitment SSA has made to improving the accuracy of DI payments involving a WC offset. However, we are concerned with the errors that continue to exist even after cases have been reviewed. Therefore, we recommend that SSA:

1. Evaluate the effectiveness of the procedures implemented to improve the payment accuracy of the WC workload and implement new or additional procedures, as necessary.
AGENCY COMMENTS

SSA agreed with our recommendation and stated, in June 2004, the Agency implemented software to improve systems support for the WC workload. SSA is also evaluating procedures used during the WC clean-up to identify other areas for improvement. See Appendix F for the full text of SSA’s comments.

Patrick P. O'Carroll, Jr.
Appendices

APPENDIX A – Acronyms

APPENDIX B – The Social Security Administration’s Clean-up of the Workers’ Compensation Workload

APPENDIX C – Office of Quality Assurance and Performance Assessment’s Methodology for Reviewing the Social Security Administration’s Workers’ Compensation Clean-up Effort

APPENDIX D – Scope and Methodology

APPENDIX E – Sampling and Estimation Methodologies

APPENDIX F – Agency Comments

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

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DI</td>
<td>Disability Insurance</td>
</tr>
<tr>
<td>OASDI</td>
<td>Old-Age, Survivors and Disability Insurance</td>
</tr>
<tr>
<td>OQA</td>
<td>Office of Quality Assurance and Performance Assessment</td>
</tr>
<tr>
<td>SSA</td>
<td>Social Security Administration</td>
</tr>
<tr>
<td>WC</td>
<td>Workers’ Compensation</td>
</tr>
</tbody>
</table>
Appendix B

The Social Security Administration’s Clean-up of the Workers’ Compensation Workload

As a result of our previous reports, the Social Security Administration (SSA) formed a work group to improve the accuracy of the workers’ compensation (WC) workload. This improvement process included a clean-up of previously computed WC offset cases by redeveloping and reverifying the offset calculations of beneficiaries who met specific criteria. Between July 1999 and September 2001, SSA began its clean-up with an initial group of 61,581 Disability Insurance (DI) cases in which (1) the offsets began during the period 1966 to 1993 and (2) the primary beneficiaries were in current pay status as of November 1998. Although SSA’s clean-up tracked the number of WC cases the Agency paid correctly, underpaid, and overpaid, it did not track the monetary value of all errors detected.

To determine the dollar value of the errors in the initial WC clean-up group, SSA’s Office of Quality Assurance and Performance Assessment (OQA) estimated the amount of payments the clean-up corrected and the dollar errors the clean-up missed or incorrectly calculated. In doing so, OQA reviewed a sample of cases SSA reworked during the clean-up.

Based on the results of its review, OQA estimated that, if SSA had not conducted the clean-up and corrected the payment errors, beneficiaries would not have received an estimated $233.5 million in benefits due them and would have continued to be underpaid $518.5 million over the life of the DI claims. Additionally, OQA estimated that the clean-up corrected $39.1 million in overpayments and prevented $20.4 million in future overpayments to beneficiaries. In total, SSA corrected and prevented under- and overpayments of $752 million and $59.5 million, respectively.1

However, OQA’s review also determined that, during the clean-up, SSA missed or incorrectly calculated dollar errors that should have been detected. Specifically, OQA estimated that $256.5 million in payment errors continued to exist in the cleaned up cases and may continue to occur if the causes of the payment errors are not corrected.2 The payment errors resulted in under- and overpayments totaling $169.6 million and $86.9 million, respectively.

1 OQA originally reported the clean-up corrected and prevented under- and overpayments totaling $718.1 million and $52.6 million, respectively. However, subsequent changes to the database used to determine the estimate resulted in the revised corrected and prevented under- and overpayments of $752 million and $59.5 million, respectively.

2 OQA originally reported $247.6 million in missed or incorrectly calculated dollar errors. However, subsequent changes to the database used to determine the estimate resulted in the revised $256.5 million in undetected payment errors.
SSA took several actions to improve the clean-up process after receiving OQA’s findings. However, the Agency had already reviewed 80 percent of the 61,581 cases before the improvements were introduced.

**Improvements to the Workers’ Compensation Offset Process**

In response to the complexity of administering the WC offset provision and the high rate of payment errors, SSA implemented improvements to ensure its beneficiaries receive the correct DI benefit. In addition to reviewing the accuracy of its benefit payments, SSA took the following actions:

- conducted a nationwide WC refresher training course,
- revised the WC chapter in the Program Operations Manual System,
- implemented a revised process to reverify WC information every 3 years, and
- released a Title II software redesign to improve payment accuracy by automating computations.
Office of Quality Assurance and Performance Assessment’s Methodology for Reviewing the Social Security Administration’s Workers’ Compensation Clean-up Effort

BACKGROUND

The Social Security Administration’s (SSA) Office of Quality Assurance and Performance Assessment (OQA) performed a study to determine whether SSA’s workers’ compensation (WC) clean-up properly identified and corrected payment errors in the WC cases or, if payment errors continued to exist, to what extent. Also, since SSA did not quantify the results of the clean-up, OQA’s study estimated the amount of payment errors SSA identified and corrected in the clean-up effort.

SAMPLE SELECTION

OQA initiated its study at a time when SSA had completed its review of approximately 40 percent of the 61,581 cases the Agency selected for clean-up. During its review, OQA selected and tested a random sample of 239 cases for which SSA had completed the clean-up. The cases were selected from each of the three SSA-determined clean-up decision categories: (1) no change (payment was accurate), (2) underpayment error, and (3) overpayment error. OQA sampled 103 no change, 86 underpayment and 50 overpayment cases. The sampled cases were distributed for review to qualified staff at the regional quality assurance branches. The reviews were conducted between August and October 2000.

CASE REVIEWS

To determine the appropriateness of SSA’s clean-up decision, OQA obtained the Title II beneficiary file or reviewed SSA’s online WC data for the selected cases, analyzed the pertinent facts, and recomputed the Disability Insurance (DI) benefits due. OQA then compared the recomputed DI benefits to the benefits already paid to determine whether a payment error existed. The payment errors were classified as either underpayments or overpayments. Both the underpayments and the overpayments were further classified into past or retroactive (retro) and continuing errors. The retro errors occurred sometime within the beneficiaries’ entitlement period but did not affect future payments. Continuing errors were identified in the month of the clean-up and were expected to affect future payments if not corrected.
The cases OQA initially identified as having payment errors were returned to SSA for concurrence and correction. OQA did not consider the case to be in error until SSA concurred or OQA agreed with SSA’s subsequent review and correction.

RESULTS

OQA’s study found payment errors totaling $474,798 in 68 of the 239 sampled cases. Applying this error rate to the universe of 61,581 cases, OQA estimated that 17,814 (28.9 percent) of the cleaned up cases have $256.5 million in payment errors that continue to exist and may occur if the causes of the payment errors are not corrected. The payment errors resulted in both underpayments and overpayments totaling $169.6 million and $86.9 million, respectively. The errors occurred in all three SSA-determined clean-up categories and were the result of various mistakes in computing the monthly DI benefits. For example, some mistakes related to processing lump sum settlements, applying changes in WC payments, changes in family status, and calculating triennial redeterminations (a type of cost-of-living adjustment).
Scope and Methodology

We performed this review to determine the accuracy of the Social Security Administration’s (SSA) first workers’ compensation (WC) clean-up. We also determined the accuracy of the dollar effect of errors that continue to exist, as reported by the Office of Quality Assurance and Performance Assessment (OQA). Our review focused on the first group of cleaned up WC cases. This population consisted of 61,581 Title II Disability Insurance (DI) cases whose WC offsets began during the period 1966 to 1993 and were in current pay status as of November 1998.

Because OQA tested this population and performed work related to our objective, we limited the scope of our review to evaluating the sufficiency, relevance, and competence of evidence OQA used to support the dollar errors identified in the clean-up population.

To assess the reliability of OQA’s work, we

- obtained an understanding of its scope and methodology,
- traced the dollar errors recorded in OQA’s database to the source documents,
- assessed the qualifications of the individuals who reviewed the WC cases, and
- reviewed a sample of 50 WC cases in which OQA agreed with SSA’s clean-up decision and 25 WC cases in which OQA disagreed with the clean-up decision.

To determine whether we agreed with OQA’s decision, we

- queried SSA’s systems\(^1\) for Title II DI and WC data,
- reviewed the beneficiaries’ Title II case folders,
- reviewed OQA’s work papers related to the DI benefit calculations, and
- completed SSA worksheets\(^2\) to determine the benefits payable from the date the beneficiary was entitled to DI payments through the clean-up date shown on the Master Beneficiary Record.

---

1 We queried the Master Beneficiary Record; Payment History Update System; Retirement, Survivors and Disability Insurance Payment History; Earnings Query; and Lump Sum Proration.

2 The SSA worksheets used to determine the benefits payable included the SSA-2204 Payment Worksheet, SSA-1203 Determination of Benefits Payable After Offset, SSA-2455 Offset Worksheet-Disability Insurance Benefits, SSA-3643 Offset Worksheet-Triennial Redetermination, and the SSA-2454 Offset Worksheet Triennial Redetermination Previously Applied.
The SSA entities reviewed were OQA under the Deputy Commissioner for Finance, Assessment and Management, and the Offices of Income Security Programs and Disability Programs under the Deputy Commissioner for Disability and Income Security Programs. We performed our audit in Atlanta, Georgia, and Baltimore, Maryland. We conducted our audit from April 2003 to May 2004 in accordance with generally accepted government auditing standards.
Appendix E

Sampling and Estimation Methodologies

BACKGROUND

The payment errors reported by the Office of Quality Assurance and Performance Assessment (OQA) were based on the results of reviews it performed on a sample of Social Security Administration (SSA) workers’ compensation (WC) clean-up cases. From the population of SSA clean-up cases, OQA selected and tested a random sample of 239 cases. OQA agreed with SSA’s clean-up results on 171 of the 239 cases and found additional payment errors in the remaining 68 cases. OQA estimated a $256.5 million Disability Insurance (DI) payment error based on the errors it identified in the 68 cases.

METHODOLOGY

To test the accuracy of OQA’s case reviews, we sampled and reviewed 50 of the 171 cases in which OQA agreed with SSA’s clean-up results. Additionally, we sampled and reviewed 25 of the 68 cases in which OQA disagreed with SSA’s clean-up decision. Our review of the 75 cases involved recalculating the DI benefits based on the facts identified in the beneficiary case folders and information obtained from SSA’s systems of records.

We deemed a case to have a reportable payment error when our review determined that an

- **underpayment** error was equal to or greater than 1 percent of the total case payments or
- **overpayment** error was equal to or greater than 3 percent of the total case payments.

We generally agreed with the payment errors OQA identified in the 25 cases we reviewed in which OQA disagreed with SSA’s clean-up results. To estimate the payment errors in our sample of 50 cases in which OQA agreed with SSA’s clean-up decision, we applied the same methodology OQA used to estimate the errors it identified in its sample of 239 cases. This methodology included a separate error estimate for the retroactive (retro) and continuing underpayment errors and the retro and continuing overpayment errors identified in the case reviews. We based the retro and continuing error estimates on the expected number of error cases in the population, multiplied by the combined OQA and Office of the Inspector General (OIG) average dollar error rate in each of the SSA clean-up categories – no change, underpayment and overpayment. Additionally, we multiplied the continuing payment errors by
100 because OQA estimated that, if not corrected, a continuing error would remain throughout the life of the DI claim – estimated at 100 months.

As shown in the following tables, our review identified $87.5 million in additional payment errors in the first WC clean-up population. This amount is in addition to the $256.5 million OQA identified in its review. In total, we estimate that the first population of WC cases SSA cleaned up contains approximately $344 million in payment errors.

Table 1: Additional Payment Errors (in millions)

<table>
<thead>
<tr>
<th>SSA Clean-up Categories</th>
<th>OQA Identified Payment Errors</th>
<th>Revised Payment Errors</th>
<th>Additional Payment Errors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retro Underpayments</td>
<td>$90.1</td>
<td>$109.4</td>
<td>$19.3</td>
</tr>
<tr>
<td>Retro Overpayments</td>
<td>22.2</td>
<td>42.9</td>
<td>20.7</td>
</tr>
<tr>
<td>Continuing Underpayments</td>
<td>79.5</td>
<td>106.8</td>
<td>27.3</td>
</tr>
<tr>
<td>Continuing Overpayments</td>
<td>64.7</td>
<td>84.9</td>
<td>20.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$256.5</strong></td>
<td><strong>$344.0</strong></td>
<td><strong>$87.5</strong></td>
</tr>
</tbody>
</table>

Underpayments

Table 2: Revised Retro Underpayment Cases in Error

<table>
<thead>
<tr>
<th>SSA Clean-up Result Categories</th>
<th>OIG Sample</th>
<th>OIG Cases in Error</th>
<th>OIG Case Error Rate</th>
<th>OQA Agreed With the Clean-up</th>
<th>OIG Estimated Cases in Error¹</th>
<th>OQA Cases in Error</th>
<th>Revised Cases in Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Change</td>
<td>23</td>
<td>1</td>
<td>4.3%</td>
<td>82</td>
<td>4</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>Underpayment</td>
<td>13</td>
<td>1</td>
<td>7.7%</td>
<td>55</td>
<td>4</td>
<td>19</td>
<td>23</td>
</tr>
<tr>
<td>Overpayment</td>
<td>14</td>
<td>1</td>
<td>7.1%</td>
<td>34</td>
<td>2</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>50</td>
<td>3</td>
<td>--</td>
<td>171</td>
<td>10</td>
<td>44</td>
<td>54</td>
</tr>
</tbody>
</table>

¹ Because we did not review all 171 cases, we estimated the number of additional cases in this population that were in error. To calculate this estimate, we multiplied the “OIG Case Error Rate” by the number of cases in which “OQA Agreed With the Clean-up.”
Table 3: Estimated Retro Underpayment Errors that Exist After the Clean-Up

<table>
<thead>
<tr>
<th>SSA Clean-up Result Categories</th>
<th>OQA Clean-up Sample</th>
<th>Revised Cases in Error</th>
<th>Case Error Rate</th>
<th>Clean-up Universe</th>
<th>Estimated Number of Cases in Error</th>
<th>OIG/ OQA Combined Average Dollar Error</th>
<th>Estimated Payment Errors*</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Change</td>
<td>103</td>
<td>18</td>
<td>17.5%</td>
<td>25,618</td>
<td>4,483</td>
<td>$6,245</td>
<td>$27,996,335</td>
</tr>
<tr>
<td>Underpayment</td>
<td>86</td>
<td>23</td>
<td>26.7%</td>
<td>29,928</td>
<td>7,991</td>
<td>7,708</td>
<td>61,594,628</td>
</tr>
<tr>
<td>Overpayment</td>
<td>50</td>
<td>13</td>
<td>26.0%</td>
<td>6,035</td>
<td>1,569</td>
<td>12,643</td>
<td>19,836,867</td>
</tr>
<tr>
<td>Total</td>
<td>239</td>
<td>54</td>
<td>--</td>
<td>61,581</td>
<td>14,043</td>
<td>--</td>
<td>$109,427,830</td>
</tr>
</tbody>
</table>

Table 4: Revised Continuing Underpayment Cases in Error

<table>
<thead>
<tr>
<th>SSA Clean-up Result Categories</th>
<th>OIG Sample</th>
<th>OIG Cases in Error</th>
<th>OIG Case Error Rate</th>
<th>OIG Agreed With the Clean-up</th>
<th>OIG Estimated Cases in Error</th>
<th>OQA Agreed With the Clean-up</th>
<th>OQA Estimated Cases in Error</th>
<th>Revised Cases in Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Change</td>
<td>23</td>
<td>1</td>
<td>4.3%</td>
<td>82</td>
<td>4</td>
<td>10</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Underpayment</td>
<td>13</td>
<td>0</td>
<td>--</td>
<td>55</td>
<td>0</td>
<td>8</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Overpayment</td>
<td>14</td>
<td>0</td>
<td>--</td>
<td>34</td>
<td>0</td>
<td>7</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>1</td>
<td>--</td>
<td>171</td>
<td>4</td>
<td>25</td>
<td>29</td>
<td></td>
</tr>
</tbody>
</table>

Table 5: Estimated Continuing Underpayment Errors that Exist After the Clean-Up

<table>
<thead>
<tr>
<th>SSA Clean-up Result Categories</th>
<th>OQA Clean-up Sample</th>
<th>Revised Cases in Error</th>
<th>Case Error Rate</th>
<th>Clean-up Universe</th>
<th>Estimated Number of Cases in Error</th>
<th>OIG/ OQA Combined Average Dollar Error</th>
<th>Estimated Payment Errors*</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Change</td>
<td>103</td>
<td>14</td>
<td>13.6%</td>
<td>25,618</td>
<td>3,484</td>
<td>$169</td>
<td>$58,879,600</td>
</tr>
<tr>
<td>Underpayment</td>
<td>86</td>
<td>8</td>
<td>9.3%</td>
<td>29,928</td>
<td>2,783</td>
<td>122</td>
<td>33,952,600</td>
</tr>
<tr>
<td>Overpayment</td>
<td>50</td>
<td>7</td>
<td>14.0%</td>
<td>6,035</td>
<td>845</td>
<td>165</td>
<td>13,942,500</td>
</tr>
<tr>
<td>Total</td>
<td>239</td>
<td>29</td>
<td>--</td>
<td>61,581</td>
<td>7,112</td>
<td>--</td>
<td>$106,774,700</td>
</tr>
</tbody>
</table>

2 The retro estimated payment errors are calculated by multiplying the “Estimated Number of Cases in Error” by the “OIG/OQA Combined Average Dollar Error.”

3 The continuing estimated payment errors are calculated by multiplying the “Estimated Number of Cases in Error” by the “OIG/OQA Combined Average Dollar Error.” The sum is then multiplied by 100 months. For example, in the “No Change” category, the 3,484 cases in error multiplied by the $169 average dollar error totals $588,796. When multiplied by 100 months, the estimated payment error equals $58,879,600.
## Overpayments

### Table 6: Revised Retro Overpayment Cases in Error

<table>
<thead>
<tr>
<th>SSA Clean-up Result Categories</th>
<th>OIG Sample</th>
<th>OIG Cases in Error</th>
<th>OIG Case Error Rate</th>
<th>OIG Agreed With the Clean-up</th>
<th>OIG Estimated Cases in Error</th>
<th>OQA Agreed With the Clean-up</th>
<th>OQA Estimated Cases in Error</th>
<th>Revised Cases in Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Change</td>
<td>23</td>
<td>2</td>
<td>8.7%</td>
<td>82</td>
<td>7</td>
<td>6</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Under-payment</td>
<td>13</td>
<td>0</td>
<td>--</td>
<td>55</td>
<td>0</td>
<td>12</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Over-payment</td>
<td>14</td>
<td>1</td>
<td>7.1%</td>
<td>34</td>
<td>2</td>
<td>6</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>3</strong></td>
<td><strong>--</strong></td>
<td><strong>171</strong></td>
<td><strong>9</strong></td>
<td><strong>24</strong></td>
<td><strong>33</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Table 7: Estimated Retro Overpayment Errors that Exist After the Clean-Up

<table>
<thead>
<tr>
<th>SSA Clean-up Result Categories</th>
<th>OQA Clean-up Sample</th>
<th>Revised Cases in Error</th>
<th>Case Error Rate</th>
<th>Clean-up Universe</th>
<th>Estimated Number of Cases in Error</th>
<th>OIG/ OQA Combined Average Dollar Error</th>
<th>Estimated Payment Errors</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Change</td>
<td>103</td>
<td>13</td>
<td>12.6%</td>
<td>25,618</td>
<td>3,228</td>
<td>$10,892</td>
<td>$35,159,376</td>
</tr>
<tr>
<td>Under-payment</td>
<td>86</td>
<td>12</td>
<td>14.0%</td>
<td>29,928</td>
<td>4,190</td>
<td>1,326</td>
<td>5,555,940</td>
</tr>
<tr>
<td>Over-payment</td>
<td>50</td>
<td>8</td>
<td>16.0%</td>
<td>6,035</td>
<td>966</td>
<td>2,275</td>
<td>2,197,650</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>239</strong></td>
<td><strong>33</strong></td>
<td><strong>--</strong></td>
<td><strong>61,581</strong></td>
<td><strong>8,384</strong></td>
<td><strong>--</strong></td>
<td><strong>$42,912,966</strong></td>
</tr>
</tbody>
</table>

### Table 8: Revised Continuing Overpayment Cases in Error

<table>
<thead>
<tr>
<th>SSA Clean-up Result Categories</th>
<th>OIG Sample</th>
<th>OIG Cases in Error</th>
<th>OIG Case Error Rate</th>
<th>OIG Agreed With the Clean-up</th>
<th>OIG Estimated Cases in Error</th>
<th>OQA Agreed With the Clean-up</th>
<th>OQA Estimated Cases in Error</th>
<th>Revised Cases in Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Change</td>
<td>23</td>
<td>1</td>
<td>4.3%</td>
<td>82</td>
<td>4</td>
<td>2</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Under-payment</td>
<td>13</td>
<td>0</td>
<td>--</td>
<td>55</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Over-payment</td>
<td>14</td>
<td>0</td>
<td>--</td>
<td>34</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>1</strong></td>
<td><strong>--</strong></td>
<td><strong>171</strong></td>
<td><strong>4</strong></td>
<td><strong>6</strong></td>
<td><strong>10</strong></td>
<td></td>
</tr>
</tbody>
</table>
Table 9: Estimated Continuing Overpayment Errors that Exist After the Clean-Up

<table>
<thead>
<tr>
<th>SSA Clean-up Result Categories</th>
<th>OQA Clean-up Sample</th>
<th>Revised Cases in Error</th>
<th>Case Error Rate</th>
<th>Clean-up Universe</th>
<th>Estimated Number of Cases in Error</th>
<th>OIG/ OQA Combined Average Dollar Error</th>
<th>Estimated Payment Errors</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Change</td>
<td>103</td>
<td>6</td>
<td>5.8%</td>
<td>25,618</td>
<td>1,486</td>
<td>$243</td>
<td>$36,109,800</td>
</tr>
<tr>
<td>Under-payment</td>
<td>86</td>
<td>3</td>
<td>3.5%</td>
<td>29,928</td>
<td>1,047</td>
<td>408</td>
<td>42,717,600</td>
</tr>
<tr>
<td>Over-payment</td>
<td>50</td>
<td>1</td>
<td>2.0%</td>
<td>6,035</td>
<td>121</td>
<td>504</td>
<td>6,098,400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>239</td>
<td>10</td>
<td>--</td>
<td>61,581</td>
<td>2,654</td>
<td>--</td>
<td>$84,925,800</td>
</tr>
</tbody>
</table>
Agency Comments
MEMORANDUM

Date: September 22, 2004

To: Patrick P. O’Carroll, Jr.
Acting Inspector General

From: Larry W. Dye /s/
Chief of Staff


We appreciate OIG’s efforts in conducting this review. Our comment on the recommendation is attached.

Please let us know if we can be of further assistance. Questions can be referred to Candace Skurnik, Director of the Audit Management and Liaison Staff, at extension 54636.

Attachment:
SSA Response
We appreciate the opportunity to comment on the draft report. SSA has been committed to the review and clean-up of Title II Disability Insurance (DI) cases with a Workers’ Compensation (WC) offset since calendar year (CY) 1998. Phase I of the WC clean-up began in July 1999, which included Title II DI cases where WC offset began during CYs 1993 through 1996 and were in current pay status as of November 1998. This resulted in approximately 62,000 cases which were reworked by SSA staff. Subsequently, a sample of these cases was reviewed by OIG. As stated within this report, these cases were highly complex and difficult to review due to their age and intervening actions, such as entitlement and re-entitlement of beneficiaries, changing WC information and various other factors.

SSA continued with Phase II of the WC clean-up efforts by reviewing approximately 50,000 DI cases where WC offset began during CYs 1994 through 1998 and were in current pay status as of February 2000. Phase III cases were those DI cases in current pay status where WC offset was removed prior to CY 1999 (approximately 280,000 cases). SSA started reviewing these cases in CY 2002 and, thus far, has completed 71,683. About 40,000 Phase III cases were completed in fiscal year (FY) 2003 and about 32,000 have been completed in FY 2004 (through July 2004).

**Recommendation:**

Evaluate the effectiveness of the procedures implemented to improve the payment accuracy of the WC workload and implement new or additional procedures, as necessary.

**Comment:**

We agree. However, we note the cases that were reviewed by OIG were cases completed early in SSA’s efforts to improve WC processing and therefore may not be representative of the universe of WC cases at SSA. Since 1999, we have made a number of changes to the processing of WC cases and have ongoing efforts to evaluate and improve the accuracy of WC processing.

We believe our technicians have gained extensive experience with the WC workload since the beginning of the WC clean-up effort and the experience is yielding positive results in terms of both accuracy and quality for the WC workload. In addition, we provided refresher training to the technicians processing the cases in CY 1999, we revised the WC Program Operation Manual System (POMS) procedures in December 2001, and we increased our quality reviews.

In June 2004, we released the Title II Redesign software that provides improved systems support for the WC workload. We are exploring future systems enhancements that would allow for better control of post entitlement alerts in our Processing Service Centers.
SSA staff are currently reviewing 200 of the original 62,000 cases from Phase I in an attempt to determine the amount of error that can be detected if the cases are reworked a second time. We are also evaluating the procedures used during WC clean-up cases to determine if this is an area for improvement. Once the review of these cases is complete, we will conduct an analysis on how to best avoid the most common type of errors. New or additional procedures will be developed as necessary based on this review. A final completion date for the review has not yet been determined.

One of the improvements made to prevent future WC problems was to revise our instructions to require development for current WC information when the triennial redeterminations are conducted (every three years). As part of our commitment to improve WC processing, we will review a sample of these cases to assess the effectiveness of this new procedure and determine if new or revised procedures are necessary to ensure correct processing of these cases. A start date for this review has not yet been determined.
OIG Contacts and Staff Acknowledgments

OIG Contacts

Kimberly A. Byrd, Director, (205) 801-1605

Frank Nagy, Deputy Director, (404) 562-5552

Acknowledgments

In addition to those named above:

Teaketa Turner, Auditor

Valerie Ledbetter, Auditor

Kimberly Beauchamp, Writer-Editor

For additional copies of this report, please visit our web site at www.ssa.gov/oig or contact the Office of the Inspector General’s Public Affairs Specialist at (410) 965-3218. Refer to Common Identification Number A-04-03-13042.
DISTRIBUTION SCHEDULE

Commissioner of Social Security
Office of Management and Budget, Income Maintenance Branch
Chairman and Ranking Member, Committee on Ways and Means
Chief of Staff, Committee on Ways and Means
Chairman and Ranking Minority Member, Subcommittee on Social Security
Majority and Minority Staff Director, Subcommittee on Social Security
Chairman and Ranking Minority Member, Subcommittee on Human Resources
Chairman and Ranking Minority Member, Committee on Budget, House of Representatives
Chairman and Ranking Minority Member, Committee on Government Reform and Oversight
Chairman and Ranking Minority Member, Committee on Governmental Affairs
Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives
Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives
Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate
Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate
Chairman and Ranking Minority Member, Committee on Finance
Chairman and Ranking Minority Member, Subcommittee on Social Security 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 our Office of Investigations (OI), Office of Audit (OA), Office of the Chief Counsel to the Inspector General (OCCIG), and Office of Executive Operations (OEO). To ensure compliance with policies and procedures, internal controls, and professional standards, we also have a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts and/or supervises 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 and program evaluations and projects on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts and coordinates investigative activity 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 OIG liaison to the Department of Justice on all matters relating to the investigations of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Chief Counsel to the Inspector General

OCCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCCIG 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. Finally, OCCIG administers the Civil Monetary Penalty program.

Office of Executive Operations

OEO supports OIG by providing information resource management and systems security. OEO also coordinates OIG’s budget, procurement, telecommunications, facilities, and human resources. In addition, OEO is the focal point for OIG’s strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act of 1993.