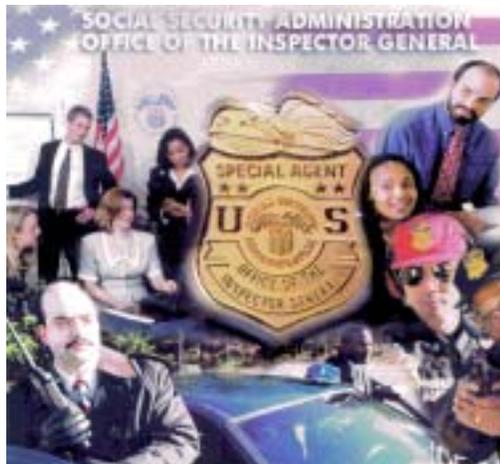




FY 2002 PERFORMANCE REPORT

Focusing on Results ...



...and the Value of Our Products

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Executive Summary

As a stewardship partner with the Social Security Administration (SSA) in managing its programs, our performance is driven by our mission to bring about efficiencies while eliminating fraud, waste, and abuse. We can accomplish this only if our own operations are thoughtfully managed and carefully executed. This report reflects our performance for Fiscal Year (FY) 2002 measured against the goals set forth in our FY 2001 – FY 2002 Strategic Plan. Our accomplishments demonstrate our continuing progress in achieving those goals and our commitment to further improvement.

Mission Statement

By conducting independent and objective audits, evaluations, and investigations, we improve the Social Security Administration'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.

Vision and Values

We are agents of positive change striving for continuous improvement in SSA's programs, operations, and management by proactively seeking new ways to prevent and deter fraud, waste, and abuse. We are committed to integrity and achieving excellence by supporting an environment that encourages employee development and retention, and fosters diversity and innovation, while providing a valuable public service.

The FY 2001- FY 2002 Strategic Plan includes 10 goals covering the broad body of work in our organization. This report provides performance data on investigative activities, audit work, legal activity and administrative responsibilities that track directly to the goals in our Strategic Plan. Self-measuring goals with prescribed formulas allow us to calculate overall performance in each area. The following table shows an indicator of success or failure for each goal in FY 2002.

Goals	Results
	FY 2002
1. To increase our impact on the development of SSA programs and operations.	↑
2. To improve the quality and value of our products to end-users.	Not Reported
3. To sustain a positive return for each dollar invested in the Office of the Inspector General (OIG) budget.	↑

4. To impact development of effective legislative remedies designed to strengthen SSA programs and operations	↑
5. To improve the quality of Civil Monetary Penalty (CMP) cases referred to Chief Counsel.	↓
6. To streamline the processing of CMP cases without compromising the quality of legal reviews and legal analyses.	↓
7. To reduce the financial impact of SSA delaying or failing to act on all open OIG recommendations.	Descriptive Measure
8. a) To reduce allegation processing times within the Allegation Management Division.	↑
b) To maintain a Field Division acceptance rate of 80 percent for Allegation Management Division (AMD) referrals through 2002.	Deleted
9. To ensure optimal investigation times.	↓
10. To reduce the average response time to congressional inquiries.	↑

Performance Discussion and Analysis

While we are pleased that positive indicators were achieved for half of our measured goals in FY 2002, we are concerned that our performance fell short in three areas. To address this issue, we formed an intercomponent team in July 2002 to take a fresh look at our Strategic Plan to determine whether the goals and measurements were appropriate. That team did identify several areas where goals and self-measuring strategies could be improved to enhance our work processes. The new FY 2003- FY 2005 OIG Strategic Plan will be issued early in calendar year 2003 and will include a revised set of goals to facilitate better organizational performance. A detailed discussion of each individual goal and its associated performance follows.

<i>Goal 1: To increase our impact on the development of SSA programs and operations.</i>		
Self-Measuring Goal	FY 2002 Actual	Result
Maintain an 85 percent acceptance rate for program improvement recommendations through 2002.	90 percent	↑
<p>Discussion: This measure is calculated by dividing the number of FY policy and regulatory recommendations SSA agrees to implement by the total number of policy and regulatory recommendations made to SSA in the same FY.</p> <p>In FY 2002, we issued 251 recommendations and SSA agreed to 227. Our 90 percent acceptance rate is consistent with our FY 2001 performance when we also achieved the same high rate of acceptance.</p>		

<i>Goal 2: To improve the quality and value of our products to end-users.</i>		
Self-Measuring Goal	FY 2002 Actual	Result
No self-measuring goal established at this time.	Baseline data still under development.	Not Reported
<p>Discussion: Through a survey process, the Product Quality Assessment Instrument allows end-users to comment on the quality and importance of OIG products and to suggest areas for improvement. After receiving feedback from our FY 2002 pilot testing, we revised the instrument and process for gathering this information. The new instrument will be implemented in 2003 and we are confident that it will help us improve the overall quality of our products.</p>		

<i>Goal 3: To sustain a positive return for each dollar invested in the OIG budget.</i>		
Self-Measuring Goal	FY 2002 Actual	Result
Return at least \$6.00 in potential savings for every \$1.00 invested in the OIG budget through 2002.	\$8.60	↑
<p>Discussion: This measure is calculated by dividing the total value of all loss prevention-related savings identified by OIG in the FY by the total OIG budget for the same FY.</p> <p>Our FY 2002 budget was \$74,944,000 and the total value of all loss prevention-related savings was \$647,523,519. Our loss prevention-related savings are comprised of the following:</p> <ul style="list-style-type: none"> ✓ Questioned Costs: \$15,551,282 ✓ Funds Put to Better Use: \$159,426,816 ✓ Civil Monetary Penalties: \$1,197,199 ✓ Investigative Savings: \$467,782,786 ✓ Hotline Identified Fraud Loss: \$3,565,438 		

<i>Goal 4: To impact development of effective legislative remedies designed to strengthen SSA programs and operations.</i>		
Self-Measuring Goal	FY 2002 Actual	Result
Maintain a 70 percent acceptance rate for legislative proposals through 2002.	77 percent	↑
<p>Discussion: This measure is calculated by dividing the total number of legislative recommendations accepted by SSA and Congress by the total number of legislative recommendations proposed.</p> <p>In FY 2002, we proposed 31 legislative recommendations of which 24 were ultimately included in proposed or draft legislation, for an acceptance rate of 77 percent.</p>		

Goal 5: To improve the quality of Civil Monetary Penalty cases referred to Chief Counsel.

Self-Measuring Goal	FY 2002 Actual	Result
Increase our CMP acceptance rate to 70 percent by 2002.	56.7 percent	↓
<p>Discussion: This measure is calculated by dividing the total number of investigative referrals accepted by OCCIG during the FY by the total number of referrals received by OCCIG during the same year (excludes the cases that are still pending a decision).</p> <p>During FY 2002, OI referred 117 subjects to OCCIG. Of those referrals, 43 remain pending, 42 were accepted, and 32 were declined, for an overall acceptance rate of 56.7 percent. While we still fell short of our goal, this year's performance is greatly improved over FY 2001. OCCIG has developed a new screening tool to be implemented during FY 2003 that should assist investigators in determining whether a case is suitable for a CMP action prior to referring it to OCCIG.</p>		

Goal 6: To streamline processing of Civil Monetary Penalty cases without compromising the quality of legal reviews and legal analyses.

Self-Measuring Goal	FY 2002 Actual	Result
Complete initial CMP determination letters within 30 days on average by 2002.	74 days	↓
<p>Discussion: This measure is calculated first by determining the sum of the number of days from the date OI refers cases to OCCIG to the date of the acceptance or rejection CMP letter and then dividing that sum by the total number of CMP actions during the FY.</p> <p>During FY 2002, OI referred 117 subjects to OCCIG for potential CMP action. OCCIG was able to issue either an acceptance letter or declination memorandum in an average of 74 days (excludes the subjects that remained pending at the close of FY 2002.) Several cases in which further investigative development was needed before initial CMP action could be taken contributed to the 74-day average. OCCIG's new screening tool should assist investigators in gathering all necessary evidence required to impose a CMP prior to referral to OCCIG.</p>		

Goal 7: To reduce the financial impact of SSA delaying or failing to act on all open OIG recommendations.

Self-Measuring Goal	FY 2002 Actual	Result
This goal is a descriptive measure that shows the dollar cost consequences of not implementing OIG recommendations.	\$786.8 M	Descriptive Measure

Discussion: This goal demonstrates the dollar consequence of SSA decisions to not fully implement policy, legislative, or program improvement recommendations. The measure includes OIG recommendations from the prior 5 FYs. This goal is measured by adding projected savings, questioned costs, and funds put to better use. This does not include FY 2002 recommendations, as we do not expect SSA to have fully implemented recommendations that were recently issued.

Using FYs 1996 through 2000, our FY 2002 results are reported as \$786.8 million and comprise the reports and dollar amounts listed below.

Report Title	Dollar Amount
Old-Age, Survivors and Disability Insurance Benefits Paid to Fugitives (A-01-00-10014) ¹	\$198.2 M
Identification of Fugitives Receiving Supplemental Security Income Payments (A-01-98-61013) ²	\$68.7 M
Monitoring Representative Payee Performance: Roll-Up Report (A-09-96-64201) ³	\$100.0 M
Identification of Fugitives Receiving Supplemental Security Income Payments (A-01-98-61013) ⁴ and The Social Security Administration Incorrectly Paid Attorney Fees on Disability Income Cases When Workers' Compensation Payments Were Involved (A-04-98-62001) ⁴	\$376.9 M
Controls Over Recording Supplemental Security Income Overpayments (A-01-00-10005) ⁵	\$43.0 M
Total	\$786.8 M

¹This estimate is subject to revision, as OA is planning to start an audit "Follow-up on Old-Age, Survivors and Disability Insurance Benefits Paid to Deceased Auxiliary Beneficiaries" in FY 2003.

²This estimate is based on SSA processing fugitive for 25 States.

³SSA is in the process of updating this figure using FY 2001 data.

⁴The \$376.9 M figure is still under review and subject to further revision. This figure was developed from two separate SSA workers' compensation reviews.

⁵This figure is subject to revision, as SSA is exploring ways to improve or augment existing controls to facilitate overpayment transfers or clearances.

Goal 8: To reduce allegation processing times within the Allegation Management Division.

Self-Measuring Goal	FY 2002 Actual	Result
Refer or close all allegations on average within 14 days.	11.9 days	↑
<p>Discussion: This measure is calculated by determining the total days from the date an allegation is received by AMD to the date it is either declined, referred, or an investigation is opened and then dividing that total by the total number of allegations AMD received during the FY.</p> <p>In FY 2002, AMD processed 125,970 allegations, over 36,000 more than in FY 2001, and still met the goal by achieving an average processing time of 11.9 days.</p>		
Self-Measuring Goal	FY 2002 Actual	Result
To maintain a Field Division acceptance rate of 80 percent for AMD referrals through 2002.	Measure Deleted	
<p>Discussion: This measure is calculated by dividing total number of allegations accepted for investigation by OI's Field Divisions by the total number of allegations AMD referred to the Field Divisions for investigation.</p> <p>Based on our FY 2001 results, we determined that the outcome of this performance measure does not accurately portray the workload or accomplishments of AMD. Therefore, we deleted this performance measure in FY 2002.</p>		

Goal 9: To ensure optimal investigation times.

Self-Measuring Goal	FY 2002 Actual	Result
Complete investigative fieldwork on average within 180 days by the year 2002.	238 days	↓
<p>Discussion: This measure is calculated by dividing the total days from the date allegations are received to the date the case is either referred for judicial action or closed for all cases completed during the FY by the total number of investigations completed during the FY.</p> <p>We determined that 11,716 investigative cases were either closed or referred for judicial action in FY 2002 with an average processing time of 238 days per case. While this average falls short of our goal, it is substantially lower than the average processing time of 290 days in FY 2001. Our performance was lower than expected for this goal because of redirected efforts to support homeland security initiatives. At the request of the United States Attorneys, our investigators participated in Joint Terrorist Task Force activities around the country, often for an extended duration. As a result of this resource, redirection, other program-related cases had to be deferred.</p>		

<i>Goal 10: To reduce the average response time to congressional inquiries.</i>		
Self-Measuring Goal	FY 2002 Actual	Result
Respond to congressional requests within 30 calendar days on average by 2002.	30 days	↑
<p>Discussion: This measure is calculated by dividing the total number of days from the date constituent requests are received by OIG to the date of the final responses during the FY by the total number of congressional requests responded to during the FY.</p> <p>During FY 2002, we received 126 requests and completed 100 percent of the requests in an average 30 days. This average includes the number of days from the date we received the request, includes all OIG components' processing time, and ends when the final response is sent to the requestor.</p>		