

CONTENTS

APPROPRIATION LANGUAGE..... 120

GENERAL STATEMENT..... 121

 Overview..... 121

 Ongoing Initiatives 121

 SSA’s Significant Management Issues 123

 Monetary Benefits..... 127

 Strategic Planning 128

 Transfer Authority 129

BUDGETARY RESOURCES..... 130

 Analysis of Changes 130

 Budget Authority by Activity 132

 Budget Authority by Object..... 133

BACKGROUND 134

 Authorizing Legislation 134

 Appropriation History 135

OIG’S ORGANIZATIONAL STRUCTURE AND MISSION..... 137

 General Purpose 137

 Rationale for the Budget Request 139

TABLES

Table 4.1—Justification 121

Table 4.2—2007 Performance Measure Results 128

Table 4.3—Amounts Available for Obligation (in thousands)..... 130

Table 4.4—Summary of Changes..... 130

Table 4.5—Explanation of OIG Budget Changes 131

Table 4.6—Budget Authority by Activity (in thousands) 132

Table 4.7—Budget Authority by Object..... 133

Table 4.8—Authorizing Legislation 134

Table 4.9—Appropriation History Table..... 135

Table 4.10—Detail of Full-Time Equivalent Employment 139

Table 4.11—Average Grade and Salary 139

APPROPRIATION LANGUAGE

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, [\$26,451,000] \$28,000,000, together with not to exceed [\$67,098,000] \$70,127,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

In addition, an amount not to exceed 3 percent of the total provided in this appropriation may be transferred from the “Limitation on Administrative Expenses”, Social Security Administration, to be merged with this account, to be available for the time and purposes for which this account is available: *Provided*, That notice of such transfers shall be transmitted promptly to the Committees on Appropriations of the House and Senate. (*Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2008.*)

GENERAL STATEMENT

OVERVIEW

The fiscal year (FY) 2009 President's Budget for the Social Security Administration (SSA) Office of the Inspector General (OIG) is \$98,127,000 in total budget authority and 604 full-time equivalents (FTE). This is \$6,212,099 above the FY 2008 funding level and \$3,080,000 above the FY 2008 President's Budget.

For FY 2008, OIG's funding level is \$91,914,901 in support of 590 FTEs; 14 FTEs below the 604 FTEs estimated in the FY 2009 President's Budget. The FY 2009 request provides resources needed to restore an adequate complement of staff that was reduced during FY 2008 due to the congressional funding level and a 1.747 percent across-the-board rescission. The FY 2009 budget request will restore support spending to an operating level that will allow our auditors and investigators to meet their productivity goals. The budget requested will provide funding for mandatory payroll increases (e.g., pay raises, health benefits, etc.) and related support costs. The budget request assumes OIG will replace some staffing losses during FY 2009 and provides ongoing support of the major initiatives already in place. OIG will continue to meet its homeland security responsibilities through audit and investigative activities that focus on strengthening the enumeration process and combating Social Security Number (SSN) misuse.

Table 4.1—Justification

	FY 2008 (Enacted)	FY 2009 (Estimate)	Change
FTE	590	604	+ 14
Dollars	\$ 91,914,901	\$ 98,127,000	+ \$ 6,212,099

ONGOING INITIATIVES

Computer Forensic Investigations

The protection of personally identifiable information (PII) has become one of the most critical issues facing SSA. SSA's business process is solely reliant on PII. The loss of PII can be devastating to both the individual and the agency that sustained the loss. Many of SSA's networked computer systems contain the personal information of every American citizen and resident who has been assigned an SSN. To assure an efficient use of resources in detecting and prosecuting information technology malfeasance, such as the illegal use of PII, OIG created an Electronic Crimes Team (ECT). The ECT applies advanced computer forensic skills in using state-of-the-art technology to resolve complex cases. Furthermore, the ECT, under both SSA's *Critical Federal Infrastructure Protection Plan* and the *Federal Information Security Management Act* (FISMA), provides support in the event of an intrusion into SSA's network.

OIG recognizes the potential for fraud against SSA through the use of computer technology. Techniques used to compromise computer systems are on the rise nationally, and computer crimes become easier to commit with new technology. To be effective, OIG must keep pace with technological advances. Our FY 2008 budget request included funds to provide our computer forensic investigators with the equipment, training and software needed to combat computer crimes. However, the budget reduction in FY 2008 resulted in a significant cutback in these planned expenditures. Our FY 2009 budget request allows us to restore funding for this key initiative.

Homeland Security

OIG continues to make homeland security issues a priority with audit and investigative work that has both a direct and indirect impact on the Government's effort in this area. OIG's audits address the security of SSA facilities and SSA information, SSA's process for issuing SSNs, and the use and protection of SSNs. OIG investigates SSN misuse and identity theft and works to secure critical infrastructure sites directed at ensuring that individuals with access are not misrepresenting their identities and backgrounds. The widespread use of the SSN and the critical role that Social Security benefits play in the lives of so many Americans make the OIG's efforts critical to the Government-wide fight against terrorism.

OIG receives allegations of SSN misuse via a toll-free telephone call, through the Internet, a letter, or facsimile sent to the OIG Allegation Management Division (i.e., the OIG Hotline). FY 2008 funding levels may adversely impact OIG's ability to react in a timely manner to these allegations, thereby compromising OIG's ability to fulfill its homeland security responsibilities. For example, limited staffing may require a reduction in the hours our hotline will be available to receive calls from the public. Limited FY 2008 funding will also curtail OIG's efforts to modernize its phone systems and contact center operations. FY 2009 funding will enable the OIG Hotline to resume full operational status and to enhance its efficiency through improved technology.

Finally, the FY 2008 funding level will not support OIG's participation on various task force operations. FY 2009 funding will allow OIG to resume this critical function.

Fugitive Enforcement

OIG assists law enforcement agencies in the apprehension of fugitive felons and parole violators, positively impacting communities throughout the United States. OIG identifies these individuals via automated data matches between SSA's beneficiary rolls and Federal and State warrant databases. OIG works with law enforcement to locate these individuals and refers the case to the local Social Security office to suspend Supplemental Security Income (SSI) and Disability Insurance (DI) payments.

In FY 2007, OIG worked with SSA to further refine and improve this process. These efforts contributed to the arrest of 14,319 fugitives and monetary savings of \$2,293,063. However, FY 2008 funding levels may adversely impact OIG's ability to efficiently respond to law

enforcement agencies we support through this program. The FY 2009 request includes adequate funding to achieve similar results demonstrated during FY 2007.

Civil Monetary Penalty Program

OIG improves SSA program integrity through its administration of the Civil Monetary Penalty (CMP) enforcement statutes. This authority, delegated by the Commissioner of Social Security, allows OIG to impose CMPs against violators of sections 1129 and 1140 of the *Social Security Act*. CMP authority extends to penalize representative payees for the misuse of benefits. Section 1140 of the Act enables OIG to impose penalties against individuals or entities that use SSA's program words, letters, symbols, or emblems in advertisements or other communications in a manner that falsely implies SSA's approval, endorsement, or authorization. Section 1129 of the Act allows for the imposition of a CMP against those who make false statements or representations in connection with obtaining or retaining DI benefits or SSI payments.

SSA'S SIGNIFICANT MANAGEMENT ISSUES

OIG annually identifies the most significant management issues facing SSA based on congressional mandates and its audit and investigative work. These issues are:

1. SSN Protection
2. Management of the Disability Process
3. Improper Payments and Recovery of Overpayments
4. Internal Control Environment and Performance Management
5. Systems Security and Critical Infrastructure Protection
6. Service Delivery and Electronic Government

The FY 2009 budget provides resources needed to restore our FY 2007 staffing levels dedicated to addressing each of these issues. A summary of each is discussed below:

Issue #1: SSN Protection

The SSN is the key to social, legal, and financial assimilation in the United States. Because the SSN is so heavily relied on as an identifier, it is also valuable as an illegal commodity. Criminals improperly obtain SSNs by: (1) presenting false documentation; (2) stealing another person's SSN; (3) purchasing an SSN; (4) using the SSN of a deceased individual; or (5) contriving an SSN by selecting any nine digits.

SSA has made significant strides in providing greater protection for the SSN. However, OIG is concerned that SSA has few mechanisms to curb the unnecessary collection and use of SSNs. OIG's audit and investigative work has confirmed that the more SSNs are unnecessarily used, the higher the probability that these numbers could be used to commit crimes throughout society.

Issue #2: Management of the Disability Process

SSA administers the DI and SSI programs, which provide benefits to individuals based on disability. Fraud is an inherent risk in these programs. Individuals may feign or exaggerate

symptoms to become eligible for disability benefits. In addition, monitoring medical improvements for disabled individuals is important to ensure those individuals who are no longer disabled are removed from the disability rolls.

OIG continues to work with SSA to address the integrity of the disability programs through the Cooperative Disability Investigations (CDI) Program. The CDI Program's mission is to obtain evidence that can resolve questions of fraud in SSA's disability claims. Since the CDI Program's inception in FY 1998 through May 2007, the CDI units have been responsible for over \$882 million in projected savings to SSA's disability programs and over \$540 million in projected savings to non-SSA programs.

Issue #3: Improper Payments and Recovery of Overpayments

Improper payments are defined as any payment that should not have been made or was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Examples of improper payments include payments made to ineligible recipients, duplicate payments, and payments in the incorrect amount. The risk of improper payments increases in programs with a significant volume of transactions, with complex criteria for computing payments, and with an emphasis on expediting payments. The scope and complexity of SSA's programs significantly heightens the risk for improper payments.

In January 2007, the Office of Management and Budget issued a report entitled *Improving the Accuracy and Integrity of Federal Payments*. This report noted that eight Federal programs, including SSA's Old Age, Survivors and Disability Insurance and SSI programs, accounted for more than 89 percent of the improper payments in FY 2006.

OIG will continue to work with SSA to identify and address improper payments in its programs. For example, in a November 2006 review entitled, *Title II Disability Insurance Benefits with a Workers' Compensation (WC) Offset*, OIG found that the percentage of payments in error identified in this report declined significantly when compared to the percentage reported in OIG's prior WC offset audits. However, OIG still identified about 25,377 disability insurance claims that had payment errors totaling approximately \$149 million. SSA agreed to implement OIG's recommendations regarding this workload.

Issue #4: Internal Control Environment and Performance Measures

Internal control comprises the plans, methods, and procedures used to meet missions, goals, and objectives. Internal controls are critical in helping safeguard assets and preventing and detecting errors and fraud.

From FY 2000 through September 2007, OIG conducted 61 administrative cost audits for SSA's State Disability Determination Services. In 32 of the 61 audits, OIG identified internal control weaknesses. The lack of effective internal controls can result in the mismanagement of Federal resources and increase the risk of fraud.

Another area requiring effective internal controls is the selection and oversight of contractors. Contracting is increasingly seen as an effective way to support Federal agencies in managing

increasing workloads with diminished levels of staff. OIG will review multiple contracts to ensure SSA is receiving the services for which it is paying and that there are proper internal controls in place to ensure effective oversight of contractors.

SSA develops multi-year strategic and annual performance plans that establish both its strategic and performance goals. Each year, OIG assesses the reliability of SSA's performance data and evaluates the extent to which SSA's performance measures describe its planned versus actual performance. OIG will continue to assess SSA's ability to manage performance and meet the goals established to accomplish its mission and serve the American public.

Issue #5: Systems Security and Critical Infrastructure Protection

The vulnerability of critical infrastructures and the unique risks associated with networked computing have been recognized for some time. SSA's information security challenge is to understand and mitigate system vulnerabilities. SSA must ensure the security of sensitive data such as PII; otherwise, the public will be justifiably reluctant to use SSA's electronic services. Under the Federal Information Security Management Act (FISMA), OIG independently evaluates SSA's security program. Since the inception of FISMA, OIG has worked with the Agency to resolve numerous security issues. OIG continuously monitors SSA's efforts to protect PII, as well as its implementation of new technologies, to make certain the information security program is operating effectively.

Issue #6: Service Delivery and Electronic Government

One of SSA's goals is to deliver high-quality, "citizen-centered" service. This goal encompasses traditional and electronic services to benefit applicants, beneficiaries, and the general public. It includes services to and from States, other agencies, third parties, employers, and other organizations, including financial institutions and medical providers. Four challenges in this area are managing the Medicare Prescription Drug Program, oversight of the representative payee process, expanding the use of the Internet to provide faster and better access to Government services and information (e-Government), and managing human capital.

Medicare Prescription Drug Program

The *Medicare Prescription Drug, Improvement and Modernization Act of 2003* requires that SSA undertake several Medicare-related responsibilities. These responsibilities include making low-income subsidy determinations under Medicare Part D, establishing appeals procedures for subsidy eligible determinations, and periodically reviewing income and resources to verify continued eligibility.

Representative Payee Process

When SSA determines a beneficiary cannot manage his or her benefits, SSA selects a representative payee who must use the payments for the beneficiary's needs. SSA reports there are approximately 5.3 million representative payees who manage annual benefit payments for approximately 7.1 million beneficiaries. While representative payees provide a valuable service for beneficiaries, SSA must provide appropriate safeguards to ensure they meet their responsibilities to the beneficiaries they serve. The *Social Security Protection Act of 2004* requires that SSA conduct periodic site reviews of certain types of representative payees. During

these reviews, SSA assesses the representative payee's performance by examining beneficiaries' records, reviewing the representative payee's financial records, and interviewing beneficiaries. If a representative payee is problematic or suspected of misusing benefits, OIG will conduct an audit or investigation at SSA's request.

Electronic Government

SSA's e-Government strategy is based on the deployment of high-volume, high-payoff applications for both the public and the Agency's business partners. To meet increasing public demands, SSA has pursued a portfolio of services that include online and voice-enabled telephone transactions to increase opportunities for the public to conduct SSA business electronically in a private and secure environment. SSA has five goals in support of its vision for e-Government, namely to: (1) offer citizens the e-Government services they want and need; (2) protect online security, privacy, and integrity of the SSA benefit payment process; (3) pursue e-Government partnerships and collaborations with other Government agencies and private-sector organizations; (4) implement e-Government programs that offer sound business case justification; and (5) align the organization and invest in human capital to maximize e-Government progress. As SSA continues to expand its use of electronic services, OIG will continue to assist SSA in this endeavor by offering recommendations through the audit process.

Managing Human Capital

SSA, like many other Federal agencies, is being challenged to address its human capital shortfalls. As of January 2007, the Government Accountability Office continued to identify strategic human capital management on its list of high-risk Federal programs and operations. In addition, Strategic Management of Human Capital is one of five Government-wide initiatives in the President's Management Agenda. SSA projects its DI rolls will increase by 42 percent in the ten years ending 2009. Further, by FY 2010, 30 percent of current SSA employees will be eligible to retire. This will result in a loss of institutional knowledge that will affect SSA's ability to deliver quality service to the public. This, combined with workload increases and the incredible pace of technological change, will have a profound impact on the public's expectations and SSA's ability to meet those expectations. OIG will continue to monitor the Agency's activities in this area and will offer recommendations through its continued audit work.

MONETARY BENEFITS

In FY 2007, OIG issued 108 audit reports with recommendations, identifying over \$1.2 billion in questioned costs and over \$3.1 billion in Federal funds that could be put to better use. OIG also received 113,530 allegations of fraud, effected 2,420 criminal convictions and obtained a return of over \$380 million in investigative accomplishments, comprised of over \$74 million in SSA recoveries, restitutions, fines, settlements, and judgments, and over \$306 million in projected SSA savings. The OIG CMP program successfully closed 597 section 1129 cases resulting in penalties and assessments exceeding \$4.3 million. However, we do not expect our FY 2008 results to match our FY 2007 results due to our limited FY 2008 funding level. Our FY 2009 funding will enable us to issue timely reports, provide training required by Government Auditing Standards, cover mission-critical travel and restore our staffing to FY 2007 levels.

STRATEGIC PLANNING

FY 2007 was the second year under OIG's 5-year Strategic Plan. OIG operates within a framework set by three general goals: the *Impact* OIG's investigations, audits, and legal activities have on SSA's effectiveness and efficiency; the *Value* OIG brings to SSA, Congress, and the public; and the strategies OIG uses to cultivate the talents of its *People*. These general goals are further broken down into 14 separate performance measures. All of these measures are designed to support OIG's core mission of inspiring public confidence by detecting and preventing fraud, waste, and abuse in SSA's programs and operations. For FY 2007, OIG successfully met the targets for all 14 performance measures. The specific results for FY 2007 are as follows:

Table 4.2—2007 Performance Measure Results

Goal	Target	Result
<i>Impact</i>		
1. Maintain an annual acceptance rate of at least 85% for all recommendations.	85 %	97 %
2. Through FY 2010, achieve a 5-year average implementation rate of 85% for accepted recommendations aimed at improving the integrity, efficiency and effectiveness of SSA. ¹	85 %	90 %
3. Achieve a positive action on at least 80% of all cases closed during the FY.	80 %	93 %
<i>Value</i>		
4. Generate a positive return of \$4 for every tax dollar invested in OIG activities.	\$4 to \$1	\$51 to \$1
5. Evaluate and respond to 90% of all allegations received within 30 days.	90 %	95 %
6. Complete investigative fieldwork on 75% on all cases within 180 days.	75 %	92 %
7. Respond to 90% of congressional requests within 21 days.	90 %	99 %
8. Take action on 90% of CMP subjects within 30 days of receipt.	90 %	95 %
9. Achieve a positive internal and external user assessment rating of 85% for product-service quality.	85 %	88 %
10. Issue 75% of final audit reports within 1 year of the entrance conference with SSA.	75 %	93 %
11. Complete 80% of requests for legal advice and review within 30 days.	80 %	98 %
<i>People</i>		
12. Achieve an annual attrition rate of 5% or less.	≤ 5 %	4 %
13. Conduct an annual employee job- satisfaction survey and implement corrective action plans to identify areas where improvement is needed.	81 %	83% ²
14. Ensure that 90% of OIG staff receives 40 or more hours of appropriate developmental and skill-enhancement training annually.	90 %	96 %

¹ The implementation rate is the cumulative percentage for fiscal years 2002 through 2006.

² Based on a 49% response rate, 83% of OIG employees indicated that they are either satisfied or very satisfied with their jobs.

TRANSFER AUTHORITY

The budget request includes language providing authority to transfer an amount of up to 3 percent of the total OIG appropriation from SSA's Limitation on Administrative Expenses appropriation. This language provides the flexibility to meet unanticipated funding requirements and to ensure that adequate resources are available to meet program objectives. The request is consistent with similar authority to transfer funds between appropriations provided to other departments and agencies in appropriation language.

BUDGETARY RESOURCES

The OIG annual appropriation consists of appropriation from both the general fund and the trust funds. The President's Budget request for FY 2009 consists of \$28,000,000 appropriated from the general fund and \$70,127,000, which will be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

**Table 4.3—Amounts Available for Obligation
(in thousands)**

	FY 2007 (Actual)	FY 2008 (Enacted)	FY 2009 (Estimate)
<u>General Funds</u>			
Annual Appropriation	\$ 25,902	\$ 25,989	\$ 28,000
Subtotal General Funds	\$ 25,902	\$ 25,989	\$ 28,000
<u>Trust Funds</u>			
Annual Transfer	\$ 66,149	\$ 65,926	\$ 70,127
Subtotal Trust Funds	\$ 66,149	\$ 65,926	\$ 70,127
Total Appropriation	\$ 92,051	\$ 91,915	\$ 98,127
Obligations	\$ 91,403	\$ 91,915	\$ 98,127
Unobligated balance lapsing	(\$ 648)	N/A	N/A

ANALYSIS OF CHANGES

The FY 2009 request represents a \$6,212,099 increase over the FY 2008 enacted level. These increases can be attributed to annual pay raises and to an increase in base expenses for employee benefits, as well as an increase in training and support services.

Table 4.4—Summary of Changes

	FY 2009 (Enacted)	FY 2009 (Estimate)	Change
General Fund Appropriation	\$ 25,988,901	\$ 28,000,000	+ \$ 2,011,099
Trust Fund Appropriation	\$ 65,926,000	\$ 70,127,000	+ \$ 4,201,000
Total Appropriation	\$ 91,914,901	\$ 98,127,000	+ \$ 6,212,099
Total Obligations	(\$ 91,914,901)	(\$ 98,127,000)	+ \$ 6,212,099

Table 4.5—Explanation of OIG Budget Changes

	FY 2008 Base		Change from Base	
	WYs (FTE)	Budgetary Resources	WYs (FTE)	Budgetary Resources
<u>BUILT-IN INCREASES</u>				
A. <u>Base Payroll Expenses</u>	595 (590)	\$ 81,213,000	19 (14)	+ \$ 5,789,099
• Annualization of the January 2008 Federal pay increase of 3.5 percent	N/A	N/A	19 (14)	+ 560,000
• Nine-month effect of assumed 2.9 percent Federal pay increase effective January 2009	N/A	N/A	N/A	+ 1,379,000
• Change in base payroll expenses related to career ladder promotions and within-grade increases	N/A	N/A	N/A	+ 1,793,000
• Change in base expenses for employee benefits, including health benefits and new employees hired under the Federal Employee Retirement System (FERS)	N/A	N/A	N/A	+ 1,387,000
• All other payroll changes, including overtime and awards	N/A	N/A	N/A	+ 670,099
B. <u>Non-Payroll Costs</u> —All other built-in nonpayroll changes, including travel management support and equipment	N/A	\$10,701,901	N/A	+ \$ 715,000
Subtotal, Built-in increases	595 (590)	\$ 91,914,901	19 (14)	+ \$ 6,504,099
<u>PROGRAM INCREASES</u>				
A. <u>Increase for operations and and maintenance of facilities and equipment</u>	N/A	N/A	N/A	+ \$ 493,000
Subtotal, Program Increases	N/A	N/A	N/A	+ \$ 493,000
Total Increases	595 (590)	\$ 91,914,901	19 (14)	+ \$ 6,997,099

Table continued on the next page

	FY 2008 Base		Change from Base	
	WYs (FTE)	Budgetary Resources	WYs (FTE)	Budgetary Resources
<u>BUILT-IN DECREASES</u>				
A. <u>Base Payroll Expenses</u> —Decrease in all other payroll costs, including one less paid day	N/A	N/A	N/A	- \$ 242,000
B. <u>Non-Payroll Costs</u> —Decrease in rental payments to GSA	N/A	N/A	N/A	- \$ 83,000
Subtotal, Built-in decreases	N/A	N/A	N/A	- \$ 325,000
<u>PROGRAM DECREASES</u>				
A. <u>Decrease in costs for training, other support services, and supplies</u>	N/A	N/A	N/A	- \$ 460,000
Subtotal, Program Decreases	N/A	N/A	N/A	- \$ 460,000
Total Decreases	N/A	N/A	N/A	- \$ 785,000
Net Change	595 (590)	\$ 91,914,901	19 (14)	+ \$ 6,212,099

BUDGET AUTHORITY BY ACTIVITY

The table below displays budget authority, split by type of funding, and obligations. This table also includes the Full Time Equivalents (FTE).

**Table 4.6—Budget Authority by Activity
(in thousands)**

	FY 2007 (Actual)	FY 2008 (Enacted)	FY 2009 (Estimate)
General Funds	\$ 25,902	\$ 25,989	\$ 28,000
OASDI Trust Fund Transfers	\$ 66,149	\$ 65,926	\$ 70,127
Total Appropriation	\$ 92,051	\$ 91,915	\$ 98,127
(Obligations)	(\$ 91,403)	(\$ 91,915)	(\$ 98,127)
(FTEs)	(597)	(590)	(604)

BUDGET AUTHORITY BY OBJECT

The table below displays the breakdown of budget authority by object class.

Table 4.7—Budget Authority by Object

	FY 2008	FY 2009	Difference
Full-time permanent	\$ 58,299,000	\$ 62,325,000	+ \$ 4,026,000
Other than full-time permanent	\$ 1,140,000	\$ 1,225,000	+ \$ 85,000
Other compensation	\$ 1,471,000	\$ 1,520,000	+ \$ 49,000
Subtotal, Personnel Compensation	\$ 60,910,000	\$ 65,070,000	+ \$ 4,160,000
Civilian personnel benefits	\$ 20,303,000	\$ 21,690,000	+ \$ 1,387,000
Total, Compensation and Benefits	\$ 81,213,000	\$ 86,760,000	+ \$ 5,547,000
Travel	\$ 2,154,000	\$ 2,655,000	+ \$ 501,000
Transportation of things	\$ 75,000	\$ 84,000	+ \$ 9,000
Rental payments to GSA	\$ 5,100,000	\$ 5,017,000	- \$ 83,000
Rental payments to others	\$ 100,000	\$ 100,000	\$ 0
Communications, utilities, and others	\$ 520,000	\$ 547,000	+ \$ 27,000
Printing and reproduction	\$ 15,000	\$ 23,000	+ \$ 8,000
Other services	\$ 2,237,901	\$ 2,298,000	+ \$ 60,099
Supplies and materials	\$ 100,000	\$ 93,000	- \$ 7,000
Equipment	\$ 400,000	\$ 550,000	+ \$ 150,000
Land and structures	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total budgetary resources	\$ 91,914,901	\$ 98,127,000	+ \$ 6,212,099

BACKGROUND

AUTHORIZING LEGISLATION

The Office of the Inspector General is authorized necessary expenses to carry out the provisions of the Inspector General Act of 1978.

Table 4.8—Authorizing Legislation

	FY 2008 (Estimate)	FY 2008 (Authorized)	FY 2009 (Estimate)	FY 2009 (Authorized)
Office of the Inspector General P.L. 103-296	Indefinite	\$ 91,914,901	Indefinite	\$ 98,127,000

APPROPRIATION HISTORY

The table below displays the President's Budget request, amounts passed by the House and Senate, and the actual amount appropriated for the period FY 1999 to FY 2009.

Table 4.9—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
FY 1999 Total	\$ 52,000,000	\$ 56,000,000	\$ 50,212,000	\$ 56,000,000
General Funds	\$ 12,000,000	\$ 12,000,000	\$ 11,082,000	\$ 12,000,000
Trust Funds	\$ 40,000,000	\$ 44,000,000	\$ 39,130,000	\$ 44,000,000
FY 2000 Total ¹	\$ 66,000,000	\$ 56,000,000	\$ 66,000,000	\$ 65,752,000
General Funds	\$ 15,000,000	\$ 12,000,000	\$ 15,000,000	\$ 14,944,000
Trust Funds	\$ 51,000,000	\$ 44,000,000	\$ 51,000,000	\$ 50,808,000
FY 2001 Total	\$ 73,000,000	\$ 65,752,000	\$ 69,444,000	\$ 69,444,000
General Funds	\$ 17,000,000	\$ 14,944,000	\$ 16,944,000	\$ 16,944,000
Trust Funds	\$ 56,000,000	\$ 50,808,000	\$ 52,500,000	\$ 52,500,000
FY 2002 Total ²	\$ 75,000,000	\$ 75,000,000	\$ 75,000,000	\$ 74,944,000
General Funds	\$ 19,000,000	\$ 19,000,000	\$ 19,000,000	\$ 18,985,800
Trust Funds	\$ 56,000,000	\$ 56,000,000	\$ 56,000,000	\$ 55,958,200
FY 2003 Total ³	\$ 83,000,000	\$ 83,000,000	\$ 83,000,000	\$ 82,460,500
General Funds	\$ 21,000,000	\$ 21,000,000	\$ 21,000,000	\$ 20,863,500
Trust Funds	\$ 62,000,000	\$ 62,000,000	\$ 62,000,000	\$ 61,597,000
FY 2004 Total ⁴	\$ 90,000,000	\$ 88,200,000	\$ 82,460,000	\$ 87,679,600
General Funds	\$ 25,000,000	\$ 24,500,000	\$ 20,863,000	\$ 24,355,400
Trust Funds	\$ 65,000,000	\$ 63,700,000	\$ 61,597,000	\$ 63,324,200
FY 2005 Total ⁵	\$ 92,000,000	\$ 91,107,000	\$ 92,000,000	\$ 90,378,100
General Funds	\$ 26,000,000	\$ 25,748,000	\$ 26,000,000	\$ 25,542,000
Trust Funds	\$ 66,000,000	\$ 65,359,000	\$ 66,000,000	\$ 64,836,100
FY 2006 Total ⁶	\$ 93,000,000	\$ 92,805,000	\$ 93,000,000	\$ 91,476,000
General Funds	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 25,740,000
Trust Funds	\$ 67,000,000	\$ 66,805,000	\$ 67,000,000	\$ 65,736,000
FY 2007 Total	\$ 96,000,000	\$ 91,944,000	\$ 91,476,000	\$ 92,051,000
General Funds	\$ 27,000,000	\$ 25,872,000	\$ 25,740,000	\$ 25,902,000
Trust Funds	\$ 69,000,000	\$ 66,072,000	\$ 65,736,000	\$ 66,149,000
FY 2008 Total ⁷	\$ 95,047,000	\$ 95,047,000	\$ 96,047,000	\$ 91,914,901
General Funds	\$ 27,000,000	\$ 27,000,000	\$ 28,000,000	\$ 25,988,901
Trust Funds	\$ 68,047,000	\$ 68,047,000	\$ 68,047,000	\$ 65,926,000
FY 2009 Total	\$ 98,127,000			
General Funds	\$ 28,000,000			
Trust Funds	\$ 70,127,000			

¹ The \$15,000,000 in appropriated funds and \$51,000,000 in trust funds included in the language for this account for FY 2000 were reduced by \$56,000 and \$192,000, respectively, in accordance with P.L. 106 113.

² The \$19,000,000 in appropriated funds and \$56,000,000 in trust funds included in the language for this account for FY 2002 were reduced by \$14,200 and \$41,800, respectively, in accordance with P.L. 107 206.

³ The \$21,000,000 in appropriated funds and \$62,000,000 in trust funds included in the language for this account for FY 2003 were reduced by \$136,500 and \$403,000, respectively, in accordance with P.L. 108-7.

⁴ The \$24,500,000 in appropriated funds and \$63,700,000 in trust funds included in the language for this account for FY 2004 were reduced by \$144,600 and \$375,800, respectively, in accordance with P.L. 108-199.

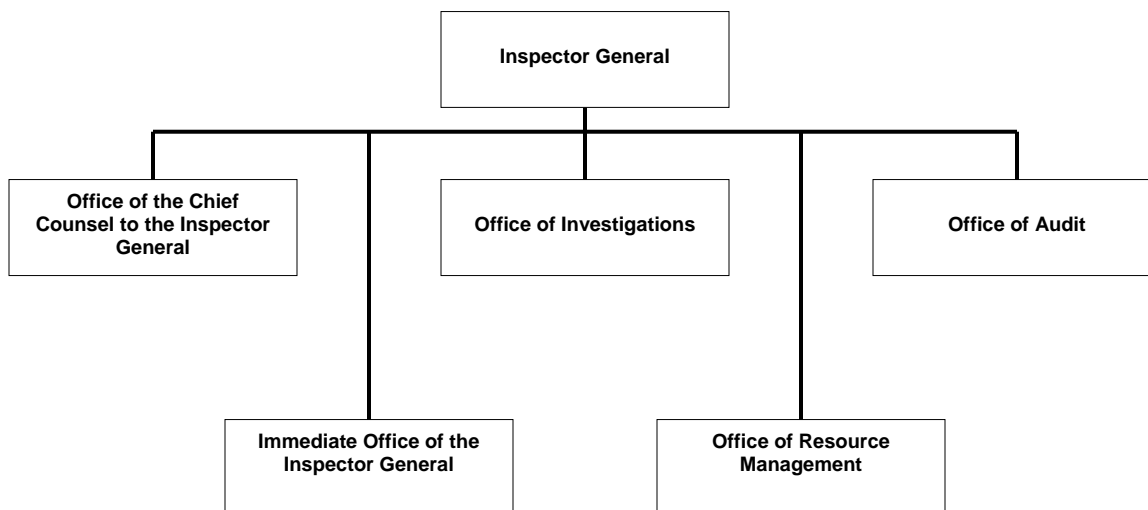
⁵ The \$25,748,000 in appropriated funds and \$65,359,000 in trust funds included in the language for this account for FY 2005 were reduced by \$206,000 and \$522,900, respectively, in accordance with P.L. 108-447.

⁶ The \$26,000,000 in appropriated funds and \$66,400,000 in trust funds included in the language for this account for FY 2006 were reduced by \$260,000 and \$664,000, respectively, in accordance with P.L. 109-148.

⁷ The \$26,451,000 in appropriated funds and \$67,098,000 in trust funds included in the language for this account for FY 2008 were reduced by \$462,099 and \$1,172,000 respectively, in accordance with P.L. 110-161.

OIG'S ORGANIZATIONAL STRUCTURE AND MISSION

GENERAL PURPOSE



As mandated by the *Inspector General Act of 1978*, as amended, the OIG's mission is to protect the integrity of SSA's programs. By conducting independent and objective audits, evaluations and investigations, OIG works to ensure public confidence in the integrity and security of SSA's programs and operations and works to protect them against fraud, waste and abuse. OIG provides timely, useful and reliable information and advice to Administration officials, Congress and the public. It is comprised of the Offices of Audit, Investigations, Chief Counsel to the Inspector General, Resource Management and the Immediate Office of the Inspector General.

The Office of Audit (OA) conducts and supervises financial and performance audits of SSA's programs and operations and makes recommendations to ensure that 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 focused on issues of concern to SSA, Congress and the public.

The 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 and third parties, as well as by SSA employees while performing their official duties. This office serves as the OIG 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 and operates the SSA Fraud Hotline.

The Office of the Chief Counsel to the Inspector General (OCCIG) provides independent legal advice and counsel to the Inspector General (IG) on a wide range of issues, including statutes, regulations, legislation, and policy directives. OCCIG advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. OCCIG also administers the CMP Program. This office manages OIG's external and public affairs program, preparing OIG publications and handling congressional, media and public requests for information.

The Office of Resource Management (ORM) provides administrative and management support to the Inspector General (IG), Deputy Inspector General (DIG), and all OIG components. ORM formulates and executes the OIG budget and confers with the Office of the Commissioner, OMB and Congress on budget matters. ORM is responsible for strategic planning and performance reporting, and facility and property management. ORM develops and maintains OIG's administrative and management policy and procedures and performs all human resource support activities for OIG. ORM also plans, designs, develops, tests, implements and maintains hardware, software and telecommunications networks to support OIG's mission.

The Immediate Office of the Inspector General (IO) provides the IG and the DIG with staff assistance on the full range of the IG's responsibilities. IO provides liaison services with all agencies sharing an interest or a role with OIG and assures coordination with congressional committees, SSA, the Social Security Advisory Board and the President's Council on Integrity and Efficiency. The Office of Quality Assurance and Professional Responsibility is responsible for two critical functions: it conducts exhaustive reviews of each of OIG's component offices to ensure compliance with Federal laws and regulations, Agency policies and relevant professional standards; it also performs OIG's Professional Responsibility function, conducting thorough and timely investigations should allegations of misconduct be reported against an OIG employee. In addition, the IO oversees the Organizational Health Committee that serves as an agent of positive change by discussing, evaluating and presenting to senior management employee issues and proposed solutions that affect the operations, administration and efficiency of OIG.

RATIONALE FOR THE BUDGET REQUEST

The budget request for FY 2009 is \$98,127,000 and 604 FTEs, which reflects an increase of \$6,212,099 from FY 2008 funding levels. The FY 2009 funding increase will be used to restore an adequate complement of staff reduced in FY 2008 and for personnel costs (such as within-grade increases, Federal pay raises and benefit-rate increases) for current staff and related support costs.

Table 4.10—Detail of Full-Time Equivalent Employment

	FY 2007 (Actual)	FY 2008 (Estimate)	FY 2009 (Estimate)
Office of the Inspector General	597	590	604

Table 4.11—Average Grade and Salary

	FY 2007 (Actual)	FY 2008 (Estimate)	FY 2009 (Estimate)	Difference
Average ES Salary	\$ 163,500	\$ 168,400	\$ 173,500	+ \$ 5,100
Average GS Grade	12	12	12	0
Average GS Salary	\$ 94,500	\$ 100,100	\$ 106,100	+ \$ 6,000