



Summary of FY 2010 Performance and Priority Goals

In FY 2010, we focused our attention and resources on 27 performance measures that we identified in our *Annual Performance Plan for FY 2011 and Revised Final Performance Plan for FY 2010* (www.socialsecurity.gov/performance/) as required by the *Government Performance and Results Act of 1993* (www.whitehouse.gov/omb/mgmt-gpra/gplaw2m). We use these performance measures to track our progress in meeting the strategic goals and objectives outlined in our *Agency Strategic Plan for Fiscal Years 2008 – 2013* (www.socialsecurity.gov/asp/index.htm).

In FY 2010, we established 27 performance measures and targets. We met or exceeded our target in 22 measures and missed our target in 2 measures. End-of-year data for three measures were unavailable. We will publish FY 2010 data for these measures in our *FY 2011 Performance and Accountability Report*. Also in this FY 2010 report, we discuss three FY 2009 performance measures for which data were unavailable when we published the *FY 2009 Performance and Accountability Report*.

In FY 2009, the President emphasized the need for Government to work better, faster, and more efficiently in order to address the extraordinary challenges our country faces. In support of the Governmentwide initiative to build a high-performing Government, agencies included a limited number of near-term priority goals in their FY 2011 budgets. These goals were to be ambitious and challenging, but realistic, with targeted outcomes achievable in less than two years without the need for new resources or legislation. We identified the following four priority goals that directly support our strategic goals:

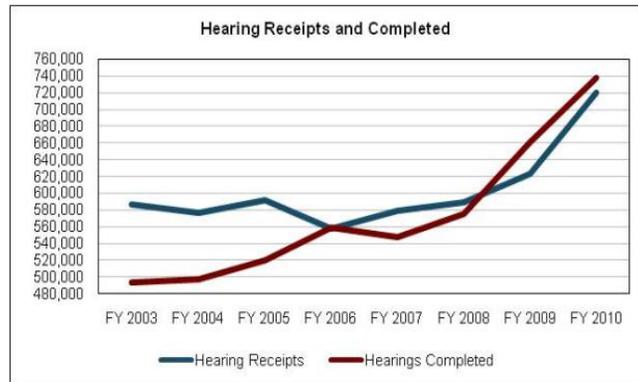
- Increase the Number of Online Applications;
- Issue More Decisions for People Who File for Disability;
- Improve Our Customers' Service Experience on the Telephone, in Our Field Offices, and Online; and
- Ensure Effective Stewardship of Our Programs by Increasing Our Program Integrity Efforts.

Strategic Goal 1: Eliminate Our Hearings Backlog and Prevent Its Recurrence

Overall Performance Measure Results: Met the target for 6 of 6 measures (see pages 49-55)

Supporting Priority Goal: *Issue More Decisions for People Who File for Disability*

In FY 2010, we averaged 426 days to issue a hearing decision, 65 fewer days than FY 2009. We are committed to reducing the time it takes a person to receive a hearing decision to an average of 270 days by FY 2013. We remain on track to meet this goal, although it is increasingly challenging as the volume of hearing requests continues to increase. In FY 2010, we received a record-breaking 720,161 requests for hearing. With our increased capacity to hear and decide cases, we completed 737,616 hearing requests, our highest annual total to date. As the accompanying graph indicates, FY 2010 was the second consecutive year in which we completed more hearing requests than we received, helping us to remain on track eliminate our backlog by FY 2013.



In FY 2010, we opened our first National Case Assistance Centers – in St. Louis, Missouri and McLean, Virginia – where staff provide support services, such as preparing cases for hearings, writing hearing decisions, and helping to fill administrative law judge (ALJ) hearing dockets to capacity. We also created a Virtual Screening Unit staffed by attorney adjudicators who screen cases to see if a fully favorable decision can be made without holding a hearing. Since the unit is able to review cases remotely, it can provide assistance to our most burdened hearing offices. Attorney adjudicators in the hearing offices and Virtual Screening Unit issued 54,186 fully favorable decisions in FY 2010, a 49-percent increase from FY 2009.

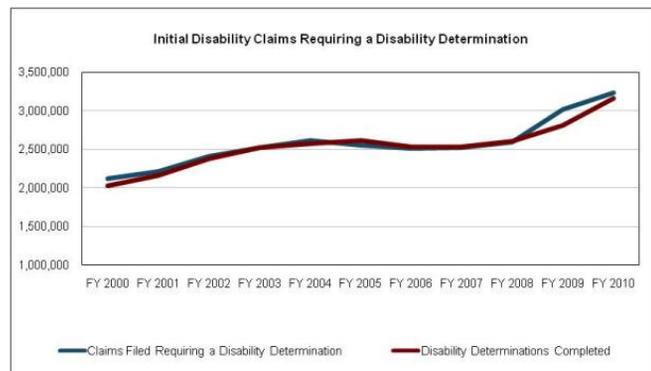
For more information on how we addressed the challenges for this strategic goal, see pages 26-27.

Strategic Goal 2: Improve the Speed and Quality of Our Disability Process

Overall Performance Measure Results: Met the target for 7 of 7 measures (see pages 55-61)

Supporting Priority Goals: *Increase the Number of Online Applications* and *Issue More Decisions for People Who File for Disability*

In FY 2010, we received 3,224,668 initial disability claims, the highest in our 75-year history, and 5.8 percent more claims than FY 2009. While FY 2010 marked the second consecutive year in which our disability claim receipts outnumbered the volume completed, we completed a record number of initial disability claims in FY 2010 – 3,161,314 – exceeding our target by more than 80,000 claims. We were able to achieve this milestone despite unexpected State furloughs of federally funded Disability Determination Service (DDS) employees.



We recognize the value of online claims filing, both to the public and to us. Therefore, we intensified our efforts to enable people to file for initial disability benefits online.

In FY 2010, 27 percent of initial disability claims were filed online compared to 21 percent in FY 2009, and about a 130-percent increase since FY 2008. We attribute much of the increase to our simplification of the disability report that we require as part of the disability application.

We are dedicated to fast-tracking disability claims that obviously meet our disability standards and to providing decisions within 20 days of filing. With the effective use of screening methods, expanded technology, and electronic services, we have increased our ability to identify and quickly complete the most obvious disability cases. We identified 4.6 percent of the incoming FY 2010 initial disability claims for fast-track processing. We continue to refine our methods for identifying disabilities that meet our disability standards so we can increase the number of fast-tracked claims while maintaining accuracy.

For more information on how we addressed the challenges for this strategic goal, see pages 28-29.

Strategic Goal 3: Improve Our Retiree and Other Core Services

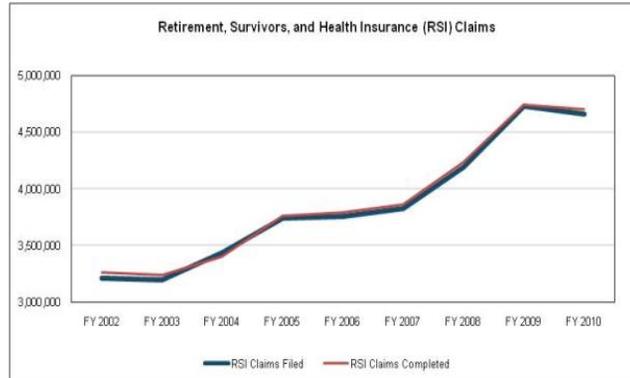
Overall Performance Measure Results: Met the target for 3 of 6 measures; 1 measure to be determined – final FY 2010 performance data not available (see pages 62-68)

Supporting Priority Goals: *Improve Our Customers' Service Experience on the Telephone, in Our Field Offices, and Online and Increase the Number of Online Applications*

In FY 2010, we completed 4.7 million retirement, survivors, and health insurance claims (see accompanying graph). More than 2.4 million people filed for retirement benefits alone. Applications for retirement benefits have not yet peaked, and we anticipate that FY 2011 will be another record-breaking year.

In FY 2010, we launched our newest online service, an application for Medicare benefits. This new online application, which takes less than 10 minutes to complete, is for people reaching 65 who want to file for Medicare but wish to delay filing for Social Security retirement benefits. In FY 2010, we received 107,884 online Medicare applications.

In FY 2010, the percentage of retirement applications filed online increased to 37 percent, from 32 percent one year before. Although we narrowly missed meeting our target, the percentage of online applications trended upward during the course of the year, and we ended the fiscal year near 40 percent. We will use the results of online surveys to more fully address the public's needs.



We strive to provide quality service to the public whether by phone, in-person, or online. We survey our customers to determine the percentage of people doing business with us who rate their overall service as “excellent,” “very good,” or “good.” Our goal in FY 2010 was to achieve 83.5 percent, but our survey results showed 78.2 percent of the people surveyed rated our service as “excellent,” “very good,” or “good.” (See pages 88-91 for more information and findings from our service satisfaction surveys.) In FY 2010, more than 45 million people visited our field offices, and we handled almost 68 million transactions via our National 800 Number.

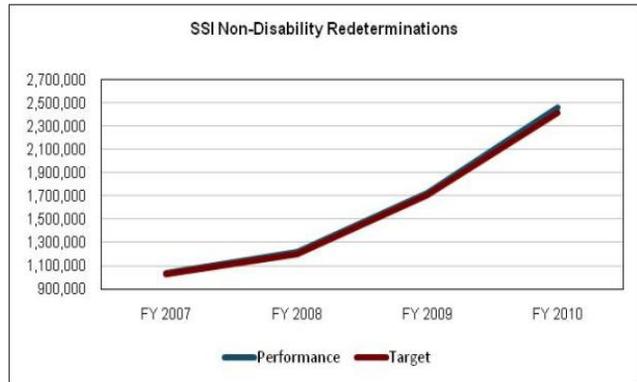
For more information on how we addressed the challenges for this strategic goal, see pages 30-32.

Strategic Goal 4: Preserve the Public’s Trust in Our Programs

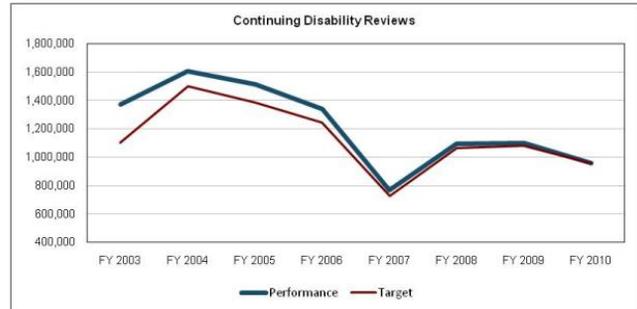
Overall Performance Measure Results: Met the target for 6 of 8 performance measures; 2 measures to be determined – final FY 2010 performance data not available (see pages 69-77)

Supporting Priority Goal: *Ensure Effective Stewardship of Our Programs by Increasing Program Integrity Efforts*

We are committed to minimizing improper payments and protecting program dollars from waste, fraud, and abuse. We invested \$759 million toward our program integrity efforts in FY 2010, an increase of \$254 million over FY 2009. These funds enabled us to complete 735,303 more SSI redeterminations in FY 2010 than FY 2009. Redeterminations are our most effective method to minimize incorrect SSI payments. Moreover, redeterminations are cost-effective, with an estimated return-on-investment over 10 years of \$8 in program savings for each \$1 spent, including savings accruing to Medicaid. We will continue increasing the number of SSI redeterminations we complete in FY 2011 and beyond to curb even more improper SSI payments. We discuss SSI redeterminations in more detail on page 69.



We also conducted more medical continuing disability reviews (CDR) in FY 2010. CDRs are our most effective method to ensure we pay disability benefits only to those who continue to meet our requirements. CDRs are highly cost effective; historically every \$1 spent on CDRs produces at least \$10 in lifetime program savings. In FY 2010, we exceeded our goal by performing 956,182 CDRs.



For more information on how we addressed the challenges for this strategic goal, see pages 32-34.

Performance Summary of Goals and Results

The following tables provide a brief overview of our performance in all 27 FY 2010 performance measures using the following key. We listed the measures based on the goals and objectives they support in our *Agency Strategic Plan for Fiscal Years 2008 – 2013* and our *Annual Performance Plan for FY 2011 and Revised Final Plan for FY 2010*.

Key	
Target met or exceeded	↑
Target not met	↓
Target not met, but performance improved from previous fiscal year	↓↑
To be determined – final FY 2010 data not available	TBD
<p>PPM – Denotes each of the agency's <i>Government Performance and Results Act</i> performance measures that are also <i>Program Performance Measures</i>. See page 19 for more information on <i>Program Performance Measures</i>.</p> <p>PG – Denotes each of the agency's <i>Government Performance and Results Act</i> performance measures that also support our Priority Goals. See page 10 for more information on our Priority Goals.</p>	

Strategic Goal 1: Eliminate Our Hearings Backlog and Prevent Its Recurrence					
Strategic Objective 1.1: Increase our capacity to hear and decide cases					
Performance Measure		FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
1.1a PG	Complete the budgeted number of hearing requests	725,000	737,616	↑	49
Strategic Objective 1.2: Improve our workload management practices throughout the hearing process					
Performance Measure		FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
1.2a	Achieve the target number of hearing requests pending	707,000	705,367	↑	50
1.2b	Achieve the target to eliminate the oldest hearing requests pending	Less than 0.5% of hearing requests pending 825 days or older	.03% of hearing requests pending 825 days or older	↑	51

Strategic Goal 1: Eliminate Our Hearings Backlog and Prevent Its Recurrence

Strategic Objective 1.2: Improve our workload management practices throughout the hearing process

Performance Measure		FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
1.2c PPM	Achieve the budgeted goal for average processing time for hearing requests	485 days	426 days	↑	52
1.2d	Achieve the target to eliminate the oldest Appeals Council requests for review pending	Less than 1% of Appeals Council requests for review pending 700 days or older	.05% of Appeals Council requests for review pending 700 days or older	↑	53
1.2e	Achieve the target average processing time for Appeals Council requests for review	370 days	345 days	↑	54

Strategic Goal 2: Improve the Speed and Quality of our Disability Process

Strategic Objective 2.1: Fast-track cases that obviously meet our disability standards

Performance Measure		FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
2.1a PG	Achieve the target percentage of initial disability cases identified as a <i>Quick Disability Determination</i> or a <i>Compassionate Allowance</i>	4.5%	4.6%	↑	55
2.1b PG	Complete the budgeted number of initial disability claims	3,081,000	3,161,314	↑	56
2.1c PPM	Minimize average processing time for initial disability claims to provide timely decisions	132 days	111 days	↑	57

Strategic Objective 2.2: Make it easier and faster to file for disability benefits online

Performance Measure		FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
2.2a PG	Achieve the target percentage of initial disability claims filed online	25%	27%	↑	58
2.2b	Achieve the target number of initial disability claims pending	1,041,000	842,192	↑	59

Strategic Goal 2: Improve the Speed and Quality of Our Disability Process
Strategic Objective 2.3: Regularly update our disability policies and procedures

Performance Measure		FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
2.3a	Update the medical <i>Listing of Impairments</i>	Develop and submit at least 3 regulatory actions or <i>Social Security Rulings</i>	Published 3 final Regulations and 1 Notice of Proposed Rulemaking	↑	60
2.3b	Increase the percentage of disability claims completed using <i>health Information Technology</i>	Establish Baseline	Established Baseline (3,000)	↑	61

Strategic Goal 3: Improve our Retiree and Other Core Services
Strategic Objective 3.1: Dramatically increase baby boomers' use of our online retirement services

Performance Measure		FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
3.1a PPM	Percent of retirement and survivors claims receipts completed up to the budgeted level	100% (4,718,000) 4,658,124 received	101% (4,700,990)	↑	62
3.1b PG	Achieve the target percentage of retirement claims filed online	38%	37%	↓↑	63

Strategic Objective 3.2: Provide individuals with accurate, clear, and up-to-date information

There is no performance measure for this objective for FY 2010.

Strategic Objective 3.3: Improve our telephone service

Performance Measure		FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
3.3a PG	Achieve the target speed in answering National 800 Number calls	269 seconds	203 seconds	↑	64
3.3b PG	Achieve the target busy rate for National 800 Number calls	8%	5%	↑	65

Strategic Goal 3: Improve our Retiree and Other Core Services

Strategic Objective 3.4: Improve service for individuals who visit our field offices

Performance Measure		FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
3.4a PPM PG	Percent of individuals who do business with SSA rating the overall services as "excellent," "very good," or "good"	83.5%	78.2%	↓	66

Strategic Objective 3.5: Process our Social Security number workload more effectively and efficiently

Performance Measure		FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
3.5a	Achieve the target percentage for correctly assigning original Social Security numbers	99%	Data available April 2011	TBD	67

Strategic Goal 4: Preserve the Public's Trust in Our Program

Strategic Objective 4.1: Curb improper payments

Performance Measure		FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
4.1a PG	Complete the budgeted number of Supplemental Security Income non-disability redeterminations	2,422,000	2,465,878	↑	69
4.1b PG	Complete the budgeted number of continuing disability reviews	954,000	956,182	↑	70
4.1c PPM	Percent of Supplemental Security Income payments free of overpayment (O/P) and underpayment (U/P) error	91.6% (O/P)	Data available June 2011	TBD	71
		98.8% (U/P)			
4.1d PPM	Percent of Old-Age, Survivors, and Disability Insurance payments free of overpayment (O/P) and underpayment (U/P) error	99.8% (O/P)	Data available June 2011	TBD	72
		99.8% (U/P)			

Strategic Objective 4.2: Ensure privacy and security of personal information

There is no performance measure for this objective for FY 2010.

Strategic Goal 4: Preserve the Public's Trust in Our Program

Strategic Objective 4.3: Maintain accurate earnings records

Performance Measure		FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
4.3a	Reduce the target percentage of paper <i>Forms W-2</i> completed	17%	15%	↑	74

Strategic Objective 4.4: Simplify and streamline how we do our work

There is no performance measure for this objective for FY 2010.

Strategic Objective 4.5: Protect our programs from waste, fraud, and abuse

Performance Measure		FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
4.5a	Receive an unqualified audit opinion on SSA's financial statements	Receive an unqualified opinion	Received an unqualified opinion	↑	75

Strategic Objective 4.6: Use "green" solutions to improve our environment

Performance Measure		FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
4.6a	Replace gasoline-powered vehicles with alternative-fuel vehicles	50 vehicles	50 vehicles	↑	76
4.6b	Develop and implement an agency <i>Environmental Management System</i>	Provide training needed for implementation	Provided training needed for implementation	↑	77

Our Program Performance Measures

The Office of Management and Budget (OMB) assesses the effectiveness of Federal programs by identifying strengths and weaknesses to assist executives in making informed budget and management decisions. We provide *Program Performance Measures* and targets that OMB uses to evaluate the effectiveness of our Old-Age, Survivors, and Disability Insurance and SSI programs. In FY 2010, we had 16 *Program Performance Measures*. Eight of these measures were also *Government Performance and Results Act* performance measures and are included in the *Performance Summary of Goals and Results* on pages 14-18. (Four of the *Program Performance Measures* are consolidated into two *Government Performance and Results Act* performance measures, 4.1c. and 4.1d. on page 17). We provide a brief overview of our FY 2010 performance in the remaining eight *Program Performance Measures* below.

<i>Program Performance Measures</i>				
Performance Measure	FY 2010 Target	FY 2010 Actual	Target Achieved?	See Page #
Achieve target percentage of hearing level cases pending over 365 days	39%	20%	↑	77
Achieve the budgeted goal for SSA hearings cases production per workyear	108	105	↓	78
Disability Determination Services net accuracy rate for combined initial disability allowances and denials	97%	Data available January 2011	TBD	79
Disability Determination Services cases production per workyear	268	273	↑	80
Number of Disability Insurance and Supplemental Security Income beneficiaries, with Tickets assigned, who work	98,940	Data available July 2011	TBD	81
Percent of Supplemental Security Income aged claims processed by the time the first payment is due or within 14 days of the effective filing date	80%	92%	↑	82
Issue annual SSA-initiated <i>Social Security Statement</i> to eligible individuals age 25 and older	100%	100%	↑	83
Through the changes in the law, achieve and maintain sustainable solvency such that today's and tomorrow's workers can expect to receive the benefits scheduled in law as reformed rather than as determined by Trust Fund solvency, while continuing to protect those who depend on Social Security the most	Conduct Analysis	Completed	↑	84

American Recovery and Reinvestment Act of 2009



We received over \$1 billion in administrative funding under the *American Recovery and Reinvestment Act (Recovery Act)* signed into law on February 17, 2009. Congress appropriated these funds specifically for the following projects:

- **\$500 Million to Address our Retirement and Disability Workloads:** *Recovery Act* funding allowed us to sustain higher staff and overtime levels in FY 2010, which helped improve our ability to complete additional requests for hearings, continue to reduce the number of pending hearings, and address our increasing disability and retirement workloads. We spent \$147.1 million of *Recovery Act* funding in FY 2009. In FY 2010, we spent \$347.7 million in *Recovery Act* funding to pay labor costs of Federal and State employees, including overtime and for health Information Technology. These funds helped with case preparation and decisionmaking, which ultimately facilitated workload completion at a higher rate than in FY 2009. In FY 2010, we completed approximately 1,015,000 retirement claims, approximately 223,000 disability claims, and approximately 95,000 hearings with *Recovery Act* funding.
- **\$90 Million to Administer *Economic Recovery Payments*:** In FY 2009, we issued \$250 economic recovery payments to almost 53 million eligible Social Security beneficiaries and SSI recipients. We spent \$37.9 million of *Recovery Act* administrative funding in FY 2009. In FY 2010, we spent \$2.8 million of *Recovery Act* administrative funding to pay the salaries and benefits of employees responding to public inquiries concerning *Economic Recovery Payments (ERP)* and issuing “catch-up” payments. We plan to spend an additional \$400,000 in FY 2011 to continue these functions. In FY 2010, Congress rescinded \$47 million of the \$90 million allocated to us for the *Economic Recovery Payments* as part of Public Law 111-226, *FAA Air Transportation Modernization and Safety Improvement Act*.
- **\$500 Million to Construct and Partially Equip a New Data Center to Replace Our Aging National Computer Center:** We are using *Recovery Act* funding to construct a new National Support Center. This new facility will increase our computer infrastructure and storage capacity, which are critical for us to support technological advancements, such as health Information Technology, and enable us to maintain demographic and benefit information. In FY 2010, we spent \$1.9 million of the *Recovery Act* funding on planning, developing site criteria, and conducting research and studies toward the ultimate goal of purchasing land for the facility. We expect to spend the remaining \$497 million in *Recovery Act* funds to construct the Center, which should be complete in FY 2014. See page 36 for more information about the new National Support Center and other Information Technology initiatives.

In addition, the *Recovery Act* provided for a one-time ERP of \$250 to most adult Social Security, SSI, Railroad Retirement Board, and Veteran's Affairs Disability beneficiaries. As of September 30, 2010, we have made over 53 million ERPs totaling \$13.2 billion. This *Recovery Act* appropriation is separate from our administrative funding. For more information on our activities associated with the *Recovery Act*, see www.socialsecurity.gov/recovery.

Presidential Initiatives Implemented in FY 2010

President Obama issued three Governmentwide Executive Orders in FY 2010 that directly relate to our strategic goals and affect the way we do business. These Orders have raised public awareness about how Government works for its citizens.



Open Government

On his first day in office, President Obama issued a call for increased openness in government. The Office of Management and Budget (OMB) later issued the Open Government Directive, instructing each Federal agency to formulate a plan to increase and accelerate openness and accountability in its programs and operations. In response to this call, we published our first [Open Government Plan](#), (www.socialsecurity.gov/open/10-617OGP.pdf), which is our framework for incorporating the principles of transparency, participation, and collaboration into our plans for achieving our mission. Our *Plan*, which reflects input from a variety of public and internal sources, maps out Social Security's path to greater openness along four essential goals. In FY 2010, we took significant steps toward achieving these goals.

- Increased Transparency:** We are committed to sharing and being accountable for information the public wants from us. Toward this end, in FY 2010 we completed an [inventory and plan](#) (www.socialsecurity.gov/open/data-inventory.pdf) for releasing high-value data. We added 20 datasets to the 2 we had published on www.data.gov last year. We also met with stakeholders to foster the public's use of the information we publish. While our goal is to become even more open and transparent, we will continue to vigilantly protect the personal information the public entrusts to us. We will ensure that transparency does not put that information at risk. We published an [open government web portal](#), www.socialsecurity.gov/open, which displays information about our transparency efforts.
- Expanded Participation and Collaboration:** We are expanding on our long history of inviting the public to participate and collaborate with us. Our *Open Government Plan* includes potential tools and tactics for both external and internal audiences. In developing our *Plan*, we offered an online platform to collect public and employee ideas and comments, and regularly report our progress in implementing the *Plan*. We successfully carried out the agency's first public challenge, a video contest to inform the public of our many programs by capturing personal stories of Social Security's impact on people's lives. We used the agency's various social media channels to foster awareness of and access to our programs and services. To encourage employee participation in open government activities, we held our first Open Government Employee Awareness Day, featuring presentations from the White House and outside agency representatives.
- Advanced our Flagship Initiatives:** This year, we made great strides in launching our three flagship initiatives. We developed and tested the *Spanish Language Retirement Estimator*, the agency's and the Federal Government's first ever, non-English, interactive Internet application, and are on track for implementation in early FY 2011. We also developed and tested a new *Online Service Enhancement Tool* that helps the public more easily find information and services on our Internet website. Finally, in July 2010, we implemented our *Online Life Expectancy Calculator*, which is a simple interactive tool to assist the public with retirement planning.
- Promoted Sustainability:** We have taken several steps to incorporate transparency, participation, and collaboration as lasting principles in our work culture. Our *Plan* includes activities to foster employee engagement in promoting and incorporating open government principles throughout the agency. In addition, our Open Government Steering Committee provides guidance on our open government strategic direction, and we will incorporate these principles in our new *Agency Strategic Plan*.



Reduction of Improper Payments

Federal agencies reported over \$100 billion in improper payments during FY 2009. In response to this unprecedented level of improper payments, the President signed *Executive Order 13520, Reducing Improper Payments and Eliminating Waste in Federal Programs* on November 20, 2009. A Federal website launched on June 24, 2010 increased transparency by informing the public of improper payments made in error-prone programs administered by the Federal Government. It also provided details on efforts taken to eliminate and reduce improper payments under these programs (see www.paymentaccuracy.gov/).

We must be good stewards of the Social Security and SSI programs; accordingly, one of our strategic goals in our *Agency Strategic Plan* is to preserve the public's trust in our programs. The first objective under this goal is to [curb improper payments \(www.socialsecurity.gov/asp/StrategicGoal4.pdf\)](http://www.socialsecurity.gov/asp/StrategicGoal4.pdf). We discuss our efforts towards achieving this objective on pages 32-33. In addition, we provide a detailed report on improper payments in the *Other Accompanying Information* section of this report.

Curbing improper payments under our SSI program is particularly challenging due to the nature of the program and its complex rules and regulations. As a needs-based program, a change in a recipient's living arrangements, income, or resources can affect eligibility or the monthly payment amount. A failure to report, or a delay in reporting, one of these payment-affecting events will likely result in an improper payment. In FY 2009, SSI recipients were improperly paid \$4.8 billion (\$4 billion in overpayments and \$800 million in underpayments) the majority caused by undisclosed financial accounts that exceed SSI program resource limits and unreported or under-reported wages. In compliance with *Executive Order 13520*, we implemented a plan specifically dedicated to reducing improper SSI payments. We discuss our initiatives under this plan along with other [efforts we are taking to reduce improper payments at www.socialsecurity.gov/improperpayments](http://www.socialsecurity.gov/improperpayments).



Federal Leadership in Environmental, Energy, and Economic Performance

On October 5, 2009, the President signed [Executive Order 13514, Federal Leadership in Environmental, Energy, and Economic Performance \(edocket.access.gpo.gov/2009/pdf/E9-24518.pdf\)](http://edocket.access.gpo.gov/2009/pdf/E9-24518.pdf), to establish an integrated strategy towards sustainability in the Federal Government and to make reduction of greenhouse gas emissions a priority for Federal agencies. The Executive Order calls for Federal agencies to prioritize reduction of greenhouse gas emissions. We are proud to be pioneers in these efforts. We incorporated a strategic objective – use “green” solutions to improve our environment – in our *Agency Strategic Plan* published in 2008.

In compliance with the Executive Order, we designated a Senior Sustainability Officer and developed an [Environmental Policy Statement and Strategic Sustainability Plan, which OMB approved \(see www.socialsecurity.gov/budget/sspp/SSASustainabilityPlan.pdf\)](http://www.socialsecurity.gov/budget/sspp/SSASustainabilityPlan.pdf). Additionally, we set target reduction goals for greenhouse gas emissions.

We are also developing an organizational *Environmental Management System* (EMS) to evaluate our performance and track the progress of our environmental goals related to sustainable buildings, water and energy use, pollution prevention, sustainable acquisition, electronic stewardship, and agency innovation. We plan to complete the EMS in FY 2012.

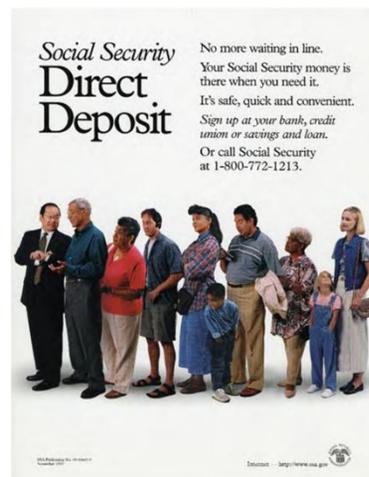
Other Performance Considerations

We strive to provide excellent service to the public. We often assist people in their quest for non-SSA related information or services. For example, we discuss the basic food stamp eligibility requirements and, in some cases, we take food stamp applications. In addition, we frequently provide people with referral assistance.

New policies and initiatives in other Federal agencies can have an impact on our business process or can result in an increase in the volume of inquiries we receive. This occurred in April 2010 when the Department of the Treasury announced its [All Electronic Treasury initiative \(www.treasury.gov/press/releases/tg644.htm\)](http://www.treasury.gov/press/releases/tg644.htm). Under this regulatory proposal, all Social Security benefits and SSI payments will be issued electronically by 2013 using either direct deposit or Treasury's *Direct Express* debit card. The proposal would implement the all-electronic payment system in two stages:

- Beginning March 2011, all newly entitled Social Security beneficiaries and SSI recipients will be paid electronically by direct deposit; and
- By March 2013, all Social Security beneficiaries and SSI recipients receiving paper checks must switch to direct deposit.

Frequently events occur that require us to divert budget, employees, and other resources from our traditional services and workloads to address unanticipated events. The following two court rulings modified our business processes in FY 2010:



Providing Additional Notice Options for the Blind and Visually Impaired: As a result of the *American Council of the Blind* class action decision in October 2009, we are required to offer two additional notice formats to blind or visually impaired people who conduct business with us. On April 15, 2010, we began offering two new formats – a standard print notice and a Braille notice delivered by first-class mail or a standard print notice and a compact disc containing the notice in navigable Microsoft WORD format delivered by first-class mail.

The estimated cost to comply with the court-ordered mandate, which was not included in the FY 2010 budget, was over \$20 million. These costs included contracts with private vendors to produce Braille and compact disc-formatted notices, and the programming and systems modifications to automate the new notice formats. For more information on our implementation of the [American Council of the Blind ruling](http://www.socialsecurity.gov/notices), and the new notice formats, see www.socialsecurity.gov/notices and www.socialsecurity.gov/notices/ACBNotice.htm.

Processing Certain Fugitive Felon Non-Payments and Non-Selections of Representative Payees: As a result of the *Martinez* class action settlement in September 2009, we were required to change our policy regarding the statutory provision that prohibits the payment of Social Security and SSI benefits to fugitive felons. Prior to the court ruling, we suspended or denied benefits to people who had an outstanding felony arrest warrant. Under *Martinez*, effective April 1, 2009, we can suspend or deny benefits to people only if their outstanding felony arrest warrant was issued for: 1) escape from custody; 2) flight to avoid prosecution or confinement; or 3) flight escape. We also began applying the new policy when we consider a person's suitability to serve as a representative payee.

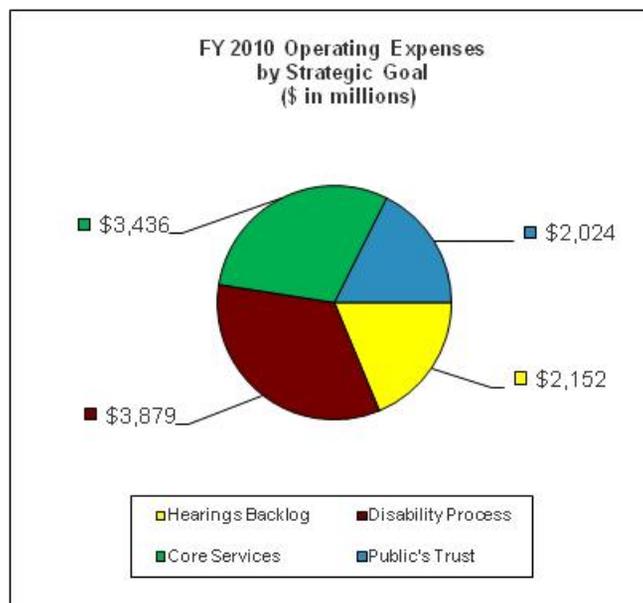
We must notify people whose benefits were suspended or denied after 2006 based on our prior policy (or who had a pending administrative claim challenging any such suspension or denial as of August 11, 2008) of the change in policy, and that they may be entitled to or eligible for benefits or payments for applicable periods of suspension or non-payment. For more information on the [Martinez settlement](http://www.socialsecurity.gov/martinezsettlement), see www.socialsecurity.gov/martinezsettlement.

How We Integrate Our Performance and Budget

The *Government Performance and Results Act* requires agencies to prepare *Annual Performance Plans* outlining their current year tactical plans for achieving the goals and objectives outlined in their *Strategic Plan*. Our integrated budget and *Annual Performance Plan* demonstrate the connection between requested funding and planned performance. This process is referred to as performance budgeting. The President's FY 2011 budget request included our *Annual Performance Plan for Fiscal Year 2011 and Revised Final Performance Plan for Fiscal Year 2010*, which outlined our performance commitments for FY 2010. [Our FY 2011 budget request is available at www.socialsecurity.gov/budget/Budget%20Overview%20Final.pdf](http://www.socialsecurity.gov/budget/Budget%20Overview%20Final.pdf).

To round out the recurring cycle of performance budgeting, agencies are required to report, at the close of the fiscal year, their actual performance in comparison to their planned and budgeted performance outcomes. Additionally, agencies are to report their progress toward achieving the goals outlined in their *Strategic Plan*. The *Performance and Accountability Report for Fiscal Year 2010*, compares our FY 2010 performance with our planned and budgeted performance outcomes. Furthermore, it explains our efforts, including our ongoing and planned initiatives, to achieve the four goals outlined in our *Strategic Plan*. By doing so, we enhance the Government's ability to evaluate competing demands for Federal dollars by equipping decisionmakers with better information on the results of individual programs.

The chart below shows our FY 2010 operating expenses allocated by strategic goal.



How We Ensure Our Data Integrity

We are committed to providing clear, reliable, and valid data for managerial decision-making and oversight. We have internal controls in place to ensure that we meet these objectives. These controls include ongoing data quality reviews, as well as audit trails, reviews at all levels of management, restricted access to sensitive data, and separation of job responsibilities. Our controls ensure that data contain no material inadequacies and support the Commissioner's *Federal Managers' Financial Integrity Act* Assurance Statement. Refer to the *Systems and Controls* section of this report for more information about the *Federal Managers' Financial Integrity Act*.

SOCIAL SECURITY DATA INTEGRITY SYSTEMS AND CONTROLS

We generate data for quantifiable performance measures using automated management information and workload measurement systems. The data for several accuracy and public satisfaction measures come from surveys and workload samples designed to achieve confidence levels of 95 percent or higher. We also perform stewardship reviews on the accuracy of Old-Age, Survivors, and Disability Insurance (OASDI) and SSI payments. These reviews are the primary measure of quality for agency performance and provide an overall payment accuracy rate. We derive each review from a sample of records of individuals currently receiving monthly Social Security benefits or SSI payments. For each sampled record, we interview the individual or the authorized representative, contact others as needed, and redevelop all non-medical factors of eligibility.

AUDIT OF OUR FY 2010 FINANCIAL STATEMENTS

The *Chief Financial Officers Act of 1990* requires our Office of the Inspector General, or an independent external auditor that it selects, to audit our financial statements. The Office of the Inspector General selected Grant Thornton, LLP to conduct the FY 2010 audit. The audit concluded our financial statements present fairly, in all material respects, the financial position of the Social Security Administration. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We provide the Office of the Inspector General's transmittal and the Grant Thornton, LLP audit report in the *Auditor's Reports* section.

ROLE OF OUR OFFICE OF THE INSPECTOR GENERAL

The Office of the Inspector General improves our programs and operations and protects them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. The Inspector General provides timely, useful, and reliable information and advice to Administration officials, the Congress, and the public. The Office of Audit conducts performance audits of our programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently.

The objectives of the audits are to:

- Assess and test our internal controls of the development and reporting of performance data for selected annual performance measures;
- Assess and test the application controls related to the performance measures;
- Assess the overall reliability of the performance measures' computer-processed data;
- Test the accuracy of results presented and disclosed in the *Performance and Accountability Report*;
- Assess the meaningfulness of the performance measures; and
- Report the results of the testing to Congress and agency management.

For more details on audit findings and information on how the Office of the Inspector General conducted the audits, refer to the Inspector General's Statement on SSA's Major Management and Performance Challenges in the *Other Accompanying Information* section.