



**Social Security Administration
Office of the Inspector General**

Table of Contents

Mission Statement	2
Vision and Values	2
Executive Summary.....	3
Performance Discussion and Analysis	5
Goal 1 – Impact	5
Goal 2 – Quality	6
Goal 3 – Timeliness	7
Goal 4 – Value	10
Goal 5 – People	11

MISSION STATEMENT

By conducting independent and objective audits, evaluations, and investigations, we improve the Social Security Administration's (SSA) 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 improvements 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.

EXECUTIVE SUMMARY

The success of every organization is measured by the quality of service it delivers to stakeholders and the ability of the organization to successfully achieve its core mission. Last year, this office issued a new Strategic Plan for Fiscal Years 2003 through 2005 that prescribe a series of goals, strategies and measures to effectively gauge our performance in meeting stakeholder expectations. This new Plan focuses on five general areas: the *Impact* we have on improving Social Security's programs and operations; the *Quality* of Inspector General products and services; the *Timeliness* by which we deliver those products and services; the *Value* we bring to Social Security and the citizens we serve; and finally, the all-important aspect of the *People* who make this office so successful.

In support of these five general areas, 15 individual measures are used to assess our performance. Throughout the year, we continually gather and analyze data to monitor our progress in meeting each goal. While performance for each measure is reported annually, many of the measures are designed to assess our performance as an average over the 3 years covered by the Plan.

For Fiscal Year 2003, the reporting period covered by this report, we met our targets for 9 of the 15 individual measures. We are pleased to report that we met performance targets in each of the five major categories covered by our Plan. These achievements reflect our commitment in addressing the broad spectrum of issues confronting this office and the Social Security Administration.

A retrospect on last year's accomplishments shows that our audit, investigative and legal activities are having a positive impact on Social Security programs and operations. Our stakeholders give us high marks for the quality of our products. In most areas, our work is completed timely but we recognize the need to improve some work processes. Undoubtedly, we provide great value by returning \$20 for every dollar invested in our organization. Finally, our report card for human resource initiatives reflects that our employees believe this office is a good place to work and we are improving our workforce diversity by reaching out to underrepresented groups. However, we continue to face challenges in retaining and training our staff. These issues will be carefully examined on an ongoing basis to ensure that reasonable goals and targets are achieved for the 3-year reporting period covered by our Strategic Plan.

The specific self-measuring goals and related results for each general goal are presented in the following table.

GOAL	DESCRIPTION	TARGET	RESULT	
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IMPACT – GOALS				
1.1	<i>Maintain an annual acceptance rate for all recommendations.</i>	85 %	90.1 %	↑
1.2	<i>Through FY 2005, achieve a 5-year annual average implementation rate of 85 percent for accepted OIG recommendations.</i>	85 %	87.2 %	↑

QUALITY – GOALS				
2.1	<i>By FY 2005, achieve an 80 percent internal and external user product-service quality assessment.</i>	80 %	98.8 %	↑

TIMELINESS – GOALS				
3.1	<i>Respond to all allegations.</i>	30 Days	9 Days	↑
3.2	<i>Complete investigative fieldwork within 180 days.</i>	80 %	62.7 %	↓
3.3	<i>Respond to congressional requests.</i>	30 Days	23 Days	↑
3.4	<i>Complete CMP determination letters within 30 days.</i>	80 %	46.7 %	↓
3.5	<i>Issue final audit reports within 1 year of entrance conference.</i>	70 %	71.2 %	↑
3.6	<i>By FY 2005, issue OIG products in time to meet the needs of Congress, SSA, and other key decisionmakers.</i>	95 %	97.9 %	↑

VALUE – GOALS				
4.1	<i>Return at least \$6 for every \$1 invested.</i>	\$6 to \$1	\$20 to \$1	↑
4.2	<i>Increase the number of judicial outcomes.</i>	30 %	29.5 %	↓

PEOPLE				
5.1	<i>By FY 2005, achieve an 80 percent 5-year retention rate for new hires.</i>	80 %	78.2 %	↓
5.2	<i>By FY 2005, achieve an 80 percent positive organizational health assessment rate.</i>	80 %	89.5 %	↑
5.3	<i>Ensure staff receives 40 hours or more of training.</i>	90 %	49.8 %	↓
5.4	<i>Improve workforce diversity with an emphasis on underrepresented groups.</i>	29.2%	28.3 %	↓

These accomplishments demonstrate our commitment to integrity and achieving excellence. Moreover, they evidence our continuing support of an environment that encourages employee development and retention and fosters diversity and innovation while providing a valuable public service.

PERFORMANCE DISCUSSION AND ANALYSIS

This section provides detailed performance information, including a description of the Strategic Plan strategies and individual self-measuring goals aimed at achieving success in each of the five general areas. Each goal and its associated results are stated followed by the method, and where useful, numerical statistics used for calculating each result. Additional narrative explains why we believe that we were successful in meeting our strategic targets, as well as why we were unable to meet certain targets and planned actions to address areas where performance should be improved.

Goal 1 - IMPACT

Increase our impact on the integrity, efficiency, and effectiveness of SSA programs and operations.

Strategies to attain this goal include:

- (1) Establishing and communicating an OIG-wide process for cross component communications on potential programmatic and operational vulnerabilities.
- (2) Coordinating, receiving, and assessing information about potential programmatic and operational vulnerabilities.
- (3) Focusing OIG efforts on impacting congressional and SSA programmatic and operational decisions, including major budgetary decisions.
- (4) Reinforcing OIG's role as an agent for positive change using constructive, balanced language in presenting viable opportunities for improving SSA programs and operations.

Goal 1.1	<i>Maintain an annual acceptance rate of at least 85 percent for all recommendations through FY 2005.</i>	<i>FY 2003 Result</i> 90.1 Percent	↑ 5.1%
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This measure is calculated by dividing the number of legislative, policy and regulatory recommendations accepted by SSA and/or Congress (included in proposed legislation) during the fiscal year by the total number of recommendations made during the fiscal year.

For FY 2003, our annual acceptance rate for all recommendations was 90.1 percent exceeding our 85 percent goal by 5.1 percent. Our office submitted 411 recommendations and/or legislative proposals to the Agency or Congress. Social Security agreed with 349 of our recommendations and Congress introduced 21 of our legislative proposals.

We attribute success in this area primarily to our judicious management of the audit process ensuring that we focus on areas of major concern. We are careful to alert the Agency at the earliest possible time of any findings encountered so that we obtain useful feedback to ensure that our recommendations are feasible, and take into consideration all relevant facts and circumstances. Our legislative proposals consider the relevant challenges facing the Agency and are supported by our extensive body of audit, investigative and/or legal work. We coordinate our proposals with the legislative and program offices of Social Security to minimize a duplication of effort, ensure that any impediments are resolved, and to expeditiously inform the Agency of areas where we believe improvements are warranted so that necessary planning and actions can be initiated.

Goal 1.2	<i>Through FY 2005, achieve a 5-year annual average implementation rate of 85 percent for accepted recommendations aimed at improving the integrity, efficiency and effectiveness of SSA.</i>	<i><u>FY 2003 Result</u> 87.2 Percent</i>	↑ 2.2%
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This measure is calculated by dividing the total number of accepted recommendations implemented by SSA by the total number of recommendations SSA agreed to implement.

For the 5-year reporting period covering FYs 1998 through 2002, our annual average implementation rate for accepted audit recommendations was 87.2 percent, exceeding our 85 percent goals by 2.2 percent. During this period, Social Security implemented 849 of 974 recommendations.

This high rate of implementation validates the importance of our audit work and demonstrates the Agency's commitment to improve operational integrity, efficiency and effectiveness.

Goal 2 - QUALITY

Provide OIG products and services of quality and value to Congress, SSA, and other key decisionmakers.

Strategies used to attain this goal include:

- (1) Implementing a product and service quality instrument.
- (2) Developing and implementing procedures and a tracing system to review and analyze internal and external feedback to maintain a focus on continuous improvement of OIG products and services.
- (3) Communicating OIG-wide best practices and lessons learned.

Goal 2.1	<i>By FY 2005, achieve a positive internal and external user assessment rating of 80 percent for product-service quality.</i>	<i><u>FY 2003 Result</u> 98.8 Percent</i>	<i>↑ 18.8%</i>
<p>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.</p> <p>For FY 2003, our user assessment rating of 98.8 percent exceeded our goal of 80 percent by 18.8 percent.</p> <p>The measure of product and service satisfaction of our key stakeholders provides us with a useful gauge of the success of our organization. To that end, we developed and disseminated a Product Quality Assessment Instrument that allows our stakeholders to provide feedback on our products and services. In the first year for this measure, we received 49 responses to our survey instrument, which is comprised of relevant service quality factors. The overwhelming majority of the responses were positive.</p> <p>We take pride in this achievement but realize that stakeholder satisfaction must be earned every day. For that reason, we will continue looking for new and better ways to improve our products, services, and processes so that our rating remains high when the final outcome is measured in FY 2005.</p>			

Goal 3 - TIMELINESS

Ensure OIG products and services are issued in time to meet the needs of Congress, SSA, key decisionmakers, and other end users.

Strategies used to attain this goal include:

- (1) Identifying administrative and operational barriers to timely delivery of OIG products and services.
- (2) Identifying best practices and adopting the practices to aid the timeliness of OIG products and services.
- (3) Identifying and using IT investments to expedite OIG work products and service delivery.
- (4) Using mid-point or other early warning reports to encourage swift action on sensitive and politically controversial issues.

Goal 3.1	<i>Evaluate and respond to all allegations on average within 30 days through FY 2005.</i>	<i><u>FY 2003 Result</u></i> <i>9 Days</i>	↑ 21 Days
<p>This measure is calculated by dividing the total number of days from the date the allegation is received to the date it is either declined, referred, or an investigation is opened for all allegations received during the fiscal year by the total number of allegations received during the fiscal year.</p> <p>During FY 2003, the average response time for allegations was 9 days. This far exceeds our goal of 30 days and we are proud of this accomplishment. We believe that new telephone hotline scripts deployed last year in conjunction with other enhancements in workflow enabled us to perform so aggressively in this area. We will monitor our continued performance in timely processing of allegations and adjust the goal accordingly if we deem it appropriate.</p>			

Goal 3.2	<i>Complete investigative field work for 80 percent of cases within 180 days on average through FY 2005.</i>	<i><u>FY 2003 Result</u></i> <i>62.7 Percent</i>	↓ 17.3%
<p>This measure is calculated by dividing the total number of days from the date an investigation is opened to the date it was either referred for judicial action or closed for all cases completed during the fiscal year by the total of investigations closed.</p> <p>For FY 2003, we completed investigative field work for 62.7 percent of all cases within 180 days. While our performance falls short of the target goal of 80 percent, we do note that our case processing times are improving over previous years. We believed that closing 80 percent of investigative cases within 180 days was an aggressive target but we are only in the first year for this new measure and continue to see declines in case processing time. We will monitor our progress in this area and take the necessary actions in accordance with our defined strategies to further reduce processing time. We are hopeful that advances in technology and additional refinements of various work processes will enable us to meet our target by FY 2005.</p>			

Goal 3.3	<i>Respond to congressional requests within an average of 30 calendar days through FY 2005.</i>	<i><u>FY 2003 Result</u></i> <i>23 Days</i>	↑ 7 Days
<p>This measure is calculated by dividing the total number of days from the date a congressional request is received by OIG to the date of a final response for all inquiries received during the fiscal year by the total number of congressional requests received during the fiscal year.</p> <p>For FY 2003, we responded to 101 congressional requests and our average processing time was 23 days. As representatives of the citizens we serve, our congressional stakeholders need rapid responses to effectively serve their constituents. We are pleased to achieve this level of success and will make every effort to improve upon this measure by FY 2005.</p>			

Goal 3.4	<i>Complete initial Civil Monetary Penalty (CMP) determination letters for 80 percent of cases within an average of 30 days by FY 2005.</i>	<i><u>FY 2003 Result</u></i> <i>46.7 Percent</i>	↓ 33.3%
<p>This measure is calculated by dividing the total number of CMP cases acted upon with an average of 30 days of receipt during the fiscal year by the total number of CMP cases received during the fiscal year.</p> <p>For FY 2003, we completed CMP determination letters for 46.7 percent of cases within an average of 30 days. For this reporting period, we have made great strides in reducing CMP processing times by performing more detailed initial screening of potential cases. This process has been effective in moving us closer to reaching our performance goal of 80 percent by FY 2005. We are closely reviewing this work process to evaluate whether it is feasible to reduce case evaluation and processing times further.</p>			

Goal 3.5	<i>Issue 70 percent of final audit reports within 1 year of the entrance conference with SSA.</i>	<i><u>FY 2003 Result</u></i> <i>71.2 Percent</i>	↑ 1.2%
<p>This measure is defined as the total number of audit reports issued within 1 year from the date of the entrance conference for audits issued within the fiscal year by the total number of audit reports issued within the fiscal year.</p> <p>For FY 2003, we issued 71.2 percent of our final audit reports within 1 year of their entrance conference, exceeding our 70 percent goal by 1.2 percent. We understand that timely issuance of our audit work products promotes more timely corrective actions and ensures that our resources are not devoted to issues that are no longer relevant. We are proud of our ability to meet this goal for the reporting period and believe it reflects our commitment to the Agency to complete our audit work in acceptable and reasonable timeframes. Our success in this area is achieved by careful planning, scheduling and coordination with SSA. Each year we develop an audit plan focusing on the major management challenges facing the Agency. We then allocate resources and coordinate with affected Agency components to schedule audit activities in a manner that makes the most efficient use of our respective staffs.</p> <p>Our ability to present audit reports timely is also of great benefit to the citizens we serve as our recommendations result in substantial fiscal savings to Social Security and other government organizations.</p>			

Goal 3.6	<i>By FY 2005, issue 95 percent of OIG products in time to meet the needs of Congress, SSA and other key decisionmakers.</i>	<i><u>FY 2003 Result</u></i> <i>97.9 Percent</i>	↑ 2.9%
<p>This measure is calculated by dividing the total number of OIG products rated timely by Congress, SSA, and other key decisionmakers during the fiscal year by the total number of OIG products rated by these users during the fiscal year based on feedback from our</p>			

stakeholders via our Product Quality Assessment Instrument (refer to Goal 2.1). In our role as stewards of the public trust, we understand the importance of timely information and product delivery. We achieved success for this measure by close internal and external coordination among key stakeholders. Improvements in work processes have also enabled us to streamline tasks and shorten delivery times.

Goal 4 - VALUE

To sustain a positive return-result for each tax dollar invested in OIG activities.

Strategies use to attain this goal include:

- (1) Maintaining a positive return culture in OIG.
- (2) Providing OIG components with the tools necessary to ensure that analytical methods for determining returns-results are consistent and appropriate.
- (3) Prioritizing high impact investigations, audits, and counsel actions to ensure an appropriate focus on more efficient and economic SSA programs and operations.
- (4) Maintaining an awareness of, and addressing, both national security and public safety issues during the course of detecting and preventing fraud, waste and abuse.

Goal 4.1	<i>OIG Return on Investment at least \$6 for every \$1 invested</i>	<i><u>FY 2003 Result</u> \$20 to \$1</i>	↑ \$14 to \$1
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This measure is defined by dividing the total amount of all loss prevention-related savings identified during the FY by the total amount of appropriated funds during the same period.

For FY 2003, we returned \$20 for every dollar invested.

We are excited about our productivity for this reporting period. In an era of shrinking Federal budgets, we are proud of our ability to make the most effective use of our appropriated resources. The impact of our efforts is also reflected in non-monetary results that support public safety, homeland security and minimize future susceptibility to fraud, waste and abuse. The following table reflects the resulting savings from our audit, investigative and legal activities. (FY 2003 OIG Appropriation: \$82,460,500)

\$ 1,128,815,590	Recommendations/Questioned Costs/Funds Put to Better Use
\$ 499,316,410	Judicial Actions
\$ 610,882	CMPs
\$ 10,328,998	Hotline Savings

We firmly believe that our fiscal performance is a testimony to the value of this organization and the commitment from a dedicated workforce. We will continue researching new and better ways to perform our duties so that we may sustain this high return on investment.

Goal 4.2	<i>Increase the number of judicial outcomes by at least 30 percent by FY 2005.</i>	<u><i>FY 2003 Result</i></u> <i>29.5 Percent</i>	↓ <i>.5%</i>
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This measure is defined as the incremental increase in convictions and other judicial outcomes, as reported in the OIG Semiannual Report, over the level of judicial outcomes taken in the base year (FY 2002).

For FY 2003, we increased the number of judicial outcomes by 29.5 percent; slightly less than the target rate of 30 percent. In FY 2002, we processed 7,315 criminal convictions, CMPs, illegal alien and fugitive felon apprehensions. During FY 2003, we achieved 9,467 of these outcomes; a 29.5 percent increase over the number of FY 2002 judicial outcomes processed.

While our performance fell short of the target rate, we are confident that the number of our judicial outcomes will continue to increase due to process improvements applied to our audit, investigative and legal work. Also, we continue building upon our excellent working relationships with the U.S. Attorneys' offices to accept and prosecute our cases.

Goal 5 - PEOPLE

Promote/Ensure a skilled, motivated, diverse workforce in a positive and rewarding work environment.

Strategies used to attain this goal include:

- (1) Identifying underrepresented professional, technical, and managerial skills at headquarters and field locations.
- (2) Identifying assignment interests and developmental needs of all employees.
- (3) Prioritizing resources to address underrepresented skills, employee interests, and developmental needs.
- (4) Preparing a comprehensive management development program that includes: succession planning, desired core competencies, and both technical and managerial skills for specific targeted positions.
- (5) Developing a proactive approach in recruiting and hiring candidates to meet different needs.

- (6) Pilot testing, refining, and implementing the proposed Organizational Health Assessment Instrument.
- (7) Being sensitive to and targeting underrepresented minority groups both internally and externally in recruiting, hiring, and staff development.

Goal 5.1	<i>By FY 2005, achieve an 80 percent retention rate for newly hired employees.</i>	<u>FY 2003 Result</u> 78.2 Percent	↓ 1.8%
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For FY 2003, our retention rate for newly hired employees was 78.2 percent.

Since the terrorist attacks of 2001, most law enforcement organizations have undergone substantial change. With the creation of the Department of Homeland Security and the expansion of the air marshals to all flights, a major realignment of human resources in the Federal Government is occurring. Our office has experienced the effect of this realignment through the loss of personnel to various other government agencies and departments. However, we have been successful in backfilling those vacancies by attracting new employees to our organization through a series of outreach activities and an aggressive recruitment strategy.

We believe that our human management initiatives and the high scores we received from our organizational health instrument (see Goal 5.2) bode well for achieving this goal for the overall reporting period ending in FY 2005. In addition, we implemented a Career Leadership Development Plan for every employee in FY 2003. These plans outline developmental assignments and training to facilitate career goal attainment. We continue to emphasize training and our new Strategic Plan calls for 90 percent of our employees to receive at least 40 hours of training each year (see Goal 5.3)..

Goal 5.2	<i>By FY 2005, achieve an 80 percent organizational health assessment rate.</i>	<u>FY 2003 Result</u> 89.5 Percent	↑ 9.5%
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This measure is calculated by dividing the organizational health factors receiving a positive rating by the total number of organizational health factors rated by employees responding.

On an annual basis, employees are asked to complete an online survey where they respond to a series of questions relating to the quality of their OIG work experience. For FY 2003, our organization's health assessment rate was 89.5 percent, exceeding our 80 percent goal by 9.5 percent.

We value the opinions of employees regarding the quality of their work experience. To that end, the Strategic Plan workgroup developed an organizational health goal that is an integral part of the FY 2003 – 2005 Strategic Plan. The survey asks respondents to respond affirmatively or negatively to the following five statements and indicate whether the respondent considers these needs important to job satisfaction.

- I see a clear link between my job and the OIG mission.
- I have a rewarding and fulfilling job.
- I have the tools and skills needed to do my job.
- I am treated with respect and trust.
- My supervisor is supportive and responsive to my needs.

We are pleased with our performance for this goal and will continue implementing additional human resource initiatives to sustain this high level of employee job satisfaction. We are hopeful that the recently implemented Career Leadership Development Plan and other employee-focused initiatives will enable us to attract and retain top quality staff for years to come.

Goal 5.3	<i>On an annual basis, ensure that 90 percent of OIG staff receives at least 40 hours of appropriate developmental training.</i>	<u><i>FY 2003 Result</i></u> <i>49.8 Percent</i>	↓ 40.2%
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This measure is calculated by dividing the total number of OIG staff receiving at least 40 hours of continuing professional education during the fiscal year by the total number of OIG staff employed during the fiscal year

For FY 2003, 49.8 percent of OIG staff received at least 40 hours of appropriate developmental training. While our performance for this measure fell significantly below the target, it is noteworthy that approximately 80 percent of all staff received some continuing professional education during the reporting period. We are taking a number of actions to improve our performance for this goal. As previously stated, our office implemented a Career Leadership Development Plan for FY 2004. This program is intended to assist employees and managers in defining a developmental work experience and training program to support career development goals. This forward planning will help the organization ensure that its staff receives adequate and appropriate training in accordance with our Strategic Plan goal.

Additionally, we are reviewing the process by which training records are maintained to ensure that coursework is properly entered into our information tracking system. Refinements to our database used to store training data records are underway.

Finally, we must recognize the potential financial impact of constrained Federal budgets on training sources. Only mission-critical expenditures are authorized while Federal agencies operate under a Continuing Resolution. During this reporting period, we operated under a Continuing Resolution for the first fiscal quarter. While some training is considered mission-critical, most training courses are deferred until our full appropriation is received. This results in missed opportunities for some coursework and the compression of time for employees to take advantage of training later in the year.

Goal 5.4	<i>By FY 2005, the OIG will improve its overall workforce diversity with an emphasis on underrepresented groups.</i>	<u><i>FY 2003 Result</i></u> 28.3%	↓ .9%
<p>For FY 2003, the first interim reporting period for this measure, our workforce diversity profile decreased from 29.2 percent to 28.3 percent.</p> <p>While our overall performance for this measure reflects a slight decline for this interim reporting timeframe, we were successful in increasing our diversity for several underrepresented groups.</p> <p>We are committed to ensuring that our workforce is representative of the civilian labor force. We understand the importance of diversity and the realization that successful organizations achieve that success through the differences brought forth by each employee. For this reason, in FY 2003, we implemented a new OIG recruitment team comprised of a diverse cross-section of our workforce. This team was formally trained at headquarters. The training included a session on diversity recruiting techniques. As a result, we have reached out to underrepresented groups by participating in a wide variety of job fairs and recruitment seminars throughout the nation.</p> <p>We are confident that the actions we have taken during this reporting period coupled with our continuing commitment will enable us to achieve a positive measure by the target year of FY 2005.</p>			