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Briefing Report to Congressional Requesters

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September 1987

SOCIAL SECURITY

Staff Reductions and Service Quality

AD-A186 383



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GAO/HRD-87-139BR

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United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-226484

September 17, 1987

The Honorable Lawton Chiles, Chairman
Subcommittee on Labor, Health and
Human Services, and Education
Committee on Appropriations
United States Senate

The Honorable William H. Natcher, Chairman
Subcommittee on Labor, Health and
Human Services, and Education
Committee on Appropriations
House of Representatives

↳ This briefing report is the last of three reports ~~you requested~~
on staff reductions and service quality at the Social Security
Administration (SSA) during fiscal year 1987. It describes
changes in staffing and performance for the third quarter of ~~FY~~
~~fiscal year 1987~~ as compared to prior periods and presents the
results of ~~our~~ visits to 13 offices where allegations had been
made about practices affecting reported office performance.

RESULTS IN BRIEF

Overall, key performance indicators continue to show stable performance as staff levels continue to decline. However, one exception to this was processing time for hearings in the Office of Hearings and Appeals, which increased while staffing decreased. In our visits to 13 offices, employees said that practices that can distort reported performance are occurring. But there was a wide range of views among employees as to the extent to which these practices were occurring. Because our sample of 13 offices was small and biased toward offices with alleged problems, we cannot say whether such practices are pervasive throughout SSA's 1,300 field offices. Internal controls to detect the practices generally rely on supervisors and office managers to monitor employees' work. While the potential exists, we found little or no evidence that the practices were used to conceal any direct harm to the public.

It is unclear to what extent the root causes of these improper practices are local management shortcomings, poor employee performance, or other factors cited by employees, such as insufficient staff or overemphasis on achieving certain productivity goals.

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OBJECTIVES, SCOPE, AND METHODOLOGY

Our objectives were to (1) examine, to the extent practicable, the substance of certain allegations by representatives of the American Federation of Government Employees (AFGE) that SSA service was deteriorating and performance indicators were being manipulated because of staffing reductions; (2) identify and review the systems of internal controls used by SSA to insure the integrity of its performance data; and (3) compare current SSA performance and staffing data for the quarter ended June 1987 to earlier data.

AFGE provided us with a total of 79 allegations involving 56 field offices. However, most of the allegations involved such things as poor morale, stress, and general concerns about staff reductions. In some cases, it was difficult to determine whether improper practices were alleged. In our judgment, allegations of impropriety involved about one-fourth of the 56 offices. To ascertain the validity of allegations that one or more improper practices were occurring that had the effect of overstating reported performance, we made unannounced visits to 13 of the offices. At the offices, we obtained employees' views on the validity and extent of the alleged practices, the reliability of claims processing times and other workload statistics, and the overall quality of service provided by their office. We obtained their views through use of a questionnaire and some personal interviews.

To analyze SSA's system for insuring the integrity of its performance data, we obtained the SSA Commissioner's position on the adequacy of existing controls over the alleged practices, compared this information to our observations in the field offices, and made judgments about the adequacy of the controls in place.

PERFORMANCE INDICATORS STABLE
AS STAFF REDUCTIONS CONTINUE

Overall SSA staff levels at June 30, 1987, were down by 3,627, or 4.8 percent, from the beginning of the fiscal year. With few exceptions, however, SSA's key performance indicators for the third quarter showed stable or improved performance for claims processing times, pending workloads, process accuracy, and client wait time.

A notable exception was the processing time for hearings. For the third consecutive quarter, processing time for hearings increased while staffing in the Office of Hearings and Appeals decreased. Staffing of this office totaled 5,272 at June 30, 1987, compared to 5,404 at September 30, 1986. Average processing time for hearings has increased from 176 days during the quarter ended September 30, 1986, to 203 days for the quarter ended June 30, 1987. SSA officials said that continued

higher-than-anticipated requests for hearings contributed to the increase in processing times but that they were expediting the hiring of new administrative law judges, reassigning staff and transferring workloads where appropriate, and would not let the staffing level for administrative law judges fall below 660 through fiscal year 1988. There were 653 judges in hearings offices as of June 30, 1987.

PRACTICES CAN DISTORT REPORTED
FIELD OFFICE PERFORMANCE

Although overall performance indicators continue to show stable performance, there have been continuing complaints by some employees that certain practices distort SSA performance data. They believe this creates the impression that the agency is performing better than it is. To find out, we visited 13 offices where prior allegations had been made by someone in the office. Because of this limitation, the results cannot be viewed as representative of what is happening in all of SSA's 1,300 offices. Further, employees' views varied widely concerning whether and to what extent the practices were occurring.

In summary, some other employees, in addition to the ones who made the initial allegations, also said that (1) claims processing times are understated because claims are taken from apparently ineligible persons or applications are not dated until all necessary evidence is obtained; (2) various workload data are inaccurate primarily because their reporting depends largely on manual counting, which is subject to error; (3) wait time studies understate the actual time clients wait for service because not all time is included, employees know when the studies are in progress, and conditions in offices frequently change to minimize wait time during the study period; and (4) postentitlement and other work not routinely measured is sometimes not processed timely because of insufficient staff or because other workloads, especially initial claims, receive more attention.

Although service was viewed as good or very good by about half the employees, about half also said service was not as good as it was 2 years ago and that complaints from the public had increased. Complaints about phone accessibility and longer waiting times were cited most frequently.

Our limited tests during the 1 day we spent in each office did not detect improper practices affecting performance data. When we asked employees if they engaged in an alleged improper practice, they generally said they did not but that others did. Staff generally believe that improper practices that occur are for statistical purposes and cause no direct harm to the public.

EXISTING CONTROLS ADEQUATE IF USED

In August 1987 the SSA Commissioner responded to our request for comments on the adequacy of SSA's controls for preventing and detecting the various alleged practices that can distort performance data. (See app. IV.) The Commissioner said she believed that the alleged practices, if occurring, were isolated and not indicative of systemic problems. She cited management reports, supervisory reviews, peer pressure, and public reaction to service deterioration as reasons why management would eventually identify and eliminate any such practices.

While the above controls can alert management to practices that distort performance data, two factors tend to limit supervisors' opportunity and managers' incentive to look for, discern, and discourage such practices. First, staffing reductions have forced supervisors in some of the 13 offices to spend more time directly processing work rather than supervising and monitoring employee performance. Second, SSA's emphasis on attaining productivity goals, as perceived by employees and mid-level managers, can serve as a disincentive to detecting and discouraging such practices.

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As you requested, we did not obtain written comments from SSA on a draft of this report because to do so would have delayed its issuance; however, we discussed its contents with SSA officials and incorporated their comments where appropriate. As arranged with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this briefing report until 30 days from its issue date. At that time, we will send copies to other congressional committees and members; the Secretary of Health and Human Services; the Director, Office of Management and Budget; the SSA Commissioner; and other interested parties. We will also make copies available to others upon request.

Should you want to discuss the contents of this report, please call me at 275-6193.

Sincerely yours,


Joseph F. Delfico
Senior Associate Director

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ABBREVIATIONS

AFGE	American Federation of Government Employees
B/D	blind and disabled
DI	Disability Insurance
GAO	General Accounting Office
RSI	Retirement and Survivors Insurance
SSA	Social Security Administration
SSI	Supplemental Security Income

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BACKGROUND, OBJECTIVES, SCOPE,
AND METHODOLOGY

In July 1986, the House Appropriations Committee directed the Comptroller General to take over from the Social Security Administration (SSA) the responsibility for preparing the reports on SSA performance. In its report (99-711), the Committee stated:

"The issues of staffing levels and field office closings continue to be of great concern to the Congress. Last year the Committee required the Commissioner of Social Security to submit quarterly reports on various measures of service to the public. This information is being used to monitor the effect of staffing and other administrative changes on the public . . ."

"While these reports have been very useful to the Committee, there has been substantial concern expressed regarding the objectivity of this self-evaluation. The Committee, therefore, requests that the Comptroller General take over the responsibility for the preparation of these reports in fiscal year 1987. The Committee expects SSA to cooperate fully with the GAO and will expect reports on February 15, June 15, and October 15, 1987."

The Senate Appropriations Committee (in Report No. 858, dated Aug. 15, 1986) also expressed concerns about the quality of SSA service and also asked GAO to monitor SSA services and provide it with the same reports.

As agreed in later discussions with the Committees, the first report was delivered in March 1987 (Social Security: Staff Reductions and Service Quality, GAO/HRD-87-66, Mar. 10, 1987). That report (1) discussed changes in traditional SSA service level indicators, such as payment accuracy and claims processing time; (2) analyzed current and past SSA staffing levels; (3) presented the views of SSA employees, managers, and clients on the quality of SSA service; (4) analyzed workloads and processing times for 15 SSA field offices that experienced significant staff reductions; and (5) examined SSA staff reduction actions in implementing its fiscal year 1987 budget.

The second report (Social Security: Staff Reductions and Service Quality, GAO/HRD-87-97BR, June 2, 1987) compared current performance and staffing data compiled by SSA with SSA data from earlier periods.

This report, the third requested by the Committees, focuses on the substance of certain union allegations that service is deteriorating and that certain performance data are being manipulated. It again compares performance data compiled by SSA's measurement systems to that reported in earlier periods and discusses the integrity of SSA's performance data.

Our objectives were to (1) examine, to the extent practicable, the substance of certain union allegations that SSA service was deteriorating because of staffing reductions; (2) identify and review the systems of internal controls used by SSA to insure the integrity of its performance data; and (3) compare current SSA performance and staffing data to earlier data.

To ascertain the potential effect of staff reductions on the performance of individual field offices, we obtained the views of the American Federation of Government Employees (AFGE)--the union having the largest membership within SSA. Since the staff reduction plan began, AFGE officials have contended that service to the public is deteriorating because of staff losses. To support their contentions, AFGE representatives furnished us with 79 written statements from union officials and employees from 56 different field office locations. These statements alleged a variety of conditions caused by staff reductions ranging from employee morale problems to service deterioration issues. Most of the allegations included such things as poor morale, stress, and general concerns about staff reductions. In some cases, it was difficult to determine whether improper practices were alleged. In our judgment, allegations of impropriety involved about one-fourth of the 56 offices.

Included among the allegations of impropriety was that SSA statistical data were not accurately reflecting performance because field offices were following certain practices that had the effect of understating the number of days it takes to process claims, the amount of pending workloads, and the length of time clients wait before seeing an SSA representative.

To determine the allegations' validity, we made unannounced visits to 13 field offices at which one or more of the inconsistent practices allegedly had occurred or were occurring. The field offices, located in 10 states, were from 7 of the 10 SSA regions and included 8 district offices and 5 branch offices. Eleven of the 13 offices had fewer staff on June 30, 1987, than they had at the end of 1985, as table I.1 shows.

Table I.1: SSA Region,
Location, Size, and
Type of Office Visited

<u>SSA region</u>	<u>Location</u>	<u>Number of staff</u>		<u>Office type</u>
		<u>12/31/85</u>	<u>6/30/87</u>	
Dallas	San Antonio West, Tex.	32	32	Branch
Atlanta	Goldsboro, N.C.	23	24	District
Atlanta	Wilmington, N.C.	26	23	District
San Francisco	San Diego Southwest, Calif.	38	35	Branch
San Francisco	Wilshire-Los Angeles, Calif.	33	24	Branch
Philadelphia	Wilmington, Del.	62	48	District
Philadelphia	Pittsburgh, Pa.	53	44	District
Denver	Watertown, S.D.	9	7	Branch
Kansas City	Joplin, Mo.	28	22	District
Chicago	Indianapolis, Ind.	20	12	Branch
Chicago	Fort Wayne, Ind.	48	45	District
Chicago	Ann Arbor, Mich.	36	31	District
Chicago	Eau Claire, Wis.	50	41	District

At each of the 13 offices, we administered a questionnaire designed to obtain opinions of claims and service representatives and operations supervisors on (1) the validity and extent of the alleged questionable practices, (2) the reliability of claims processing times and other workload statistics, and (3) the overall quality of service provided. To ensure anonymity, we informed all employees that their individual responses would be kept confidential and not shown to or discussed with anyone in SSA. We asked employees to put their names on the questionnaires so that we could follow up with them to discuss their responses further if warranted.

In total, 200 employees at the 13 offices completed questionnaires. They were 132 claims representatives, 42 service representatives, 20 operations supervisors, and 6 employees who did not identify their position. When describing how respondents answered our questions, we included their responses also.

At the 13 offices, we also selectively interviewed 53 claims and service representatives, 17 operations supervisors, 13 district or branch managers, and 7 additional employees who volunteered either to be interviewed there or to phone us later. Our purpose in interviewing claims and service representatives was to gain further insight into the nature of the alleged practices and their impact on service to the public. These employees are the most directly responsible for the workloads affected by staff losses and have the most face-to-face contact with the public. Managers and supervisors were interviewed to obtain their perceptions concerning

controls to ensure the integrity of the claims-taking process and the reliability of workload statistics.

Our sample size of 13 offices and our study methodology did not allow us to make any inferences about the practices followed by other offices cited in the employee statements or by SSA field offices on a nationwide basis, but did enable us to determine the extent to which employees substantiated that such practices were followed at the offices visited.

We also examined a total of 359 claims files at the 13 offices. This examination was made to determine whether (1) the protective filing procedures were being adhered to (that is, did SSA ensure that persons who expressed their intent to file but who did not sign or date an application at that time would be entitled to benefits as of the contact date when appropriate) and (2) the use of the appointment system to schedule initial interviews once a person indicates a desire to file a claim inhibits or deters adherence to the protective filing procedures.

To analyze SSA's system for insuring the integrity of its performance data, we obtained the SSA Commissioner's position on the adequacy of existing controls over the practices cited in the employee statements, compared this information to the results of our field visits, and made judgments as to the adequacy of some of the controls in place.

Lastly, as in our March and June reports on SSA service, we again obtained performance and staffing data compiled by SSA. SSA's automated work measurement systems are designed to tabulate processing times and initial claims volume as well as other performance indicators. We compared the SSA-generated data for the quarter ended June 30, 1987, to corresponding data SSA furnished us for selected prior quarters and for the quarter ended June 30, 1986. Because the Committees needed this report in September 1987, there was insufficient time to enable us to review computer controls or to conduct tests to validate SSA's systems and procedures. However, we reviewed SSA's existing supervisory and other designated controls through our inquiries, observations, and limited checks in field offices and in a separate review of SSA's annual payment accuracy rate for the Retirement and Survivors Insurance (RSI) program. This work provided the basis for our statements about the validity of SSA performance data. As you requested, we did not obtain written comments from SSA on a draft of this report because to do so would have delayed its issuance; however, we discussed the contents of the report with SSA officials and incorporated their comments where appropriate.

APPENDIX I

APPENDIX I

Our review was made during June through August 1987 and, except as noted above, was conducted in accordance with generally accepted government auditing standards.

PERFORMANCE INDICATORS AND
STAFFING CHANGES

For most workloads, traditional SSA performance indicators--claims process accuracy, claims processing time, and workloads pending--show stable or improved performance for the quarter ended June 1987. Process accuracy rates improved slightly. Processing time for most programs declined. Processing time and pending workloads for hearings increased during the June quarter, however.

From the beginning of fiscal year 1987, SSA overall staff levels have declined 4.8 percent, with the greatest loss occurring in SSA field office staffing (a 7.9-percent reduction); most of the field office staff loss involved clerical positions. Staffing of hearings offices declined 1.6 percent; most of the hearings office staff loss involved administrative law judges and hearings assistants.

ACCURACY RATES

Payment Accuracy

SSA estimates an annual payment accuracy rate for its RSI program based on a sample of cases drawn from benefits paid during January of each year. For fiscal year 1986--the most recent year for which payment accuracy statistics are available--SSA reported that it accurately paid 99.6 percent of total RSI benefit dollars. Because of how SSA interprets errors, not all errors detected are included when accuracy rates are calculated. We found that actual error rates are about twice what SSA calculates. SSA's method of calculating errors, however, does not change an overall downward trend in annual error rates since 1981. We will discuss the annual payment accuracy rates for the RSI program in another report to be issued soon.

Process Accuracy

Process accuracy rates--which reflect the percentage of claims processed free of payment error--remained stable in the quarter ended June 1987, when compared to the previous quarter. Table II.1 shows national and regional process accuracy rates for the RSI and Supplemental Security Income (SSI) programs for the quarters ended March 1987 and June 1987.

Table II.1:
RSI and SSI Process Accuracy

<u>Region</u>	<u>Period ended</u>			
	<u>March</u>		<u>June</u>	
	<u>1987</u>		<u>1987</u>	<u>May</u>
	<u>RSI</u>	<u>SSI</u>	<u>RSI</u>	<u>SSI</u>
Boston	97.3	98.2	97.3	97.7
New York	96.7	97.1	97.0	97.5
Philadelphia	97.0	98.2	96.6	98.2
Atlanta	97.3	98.7	96.5	98.7
Chicago	96.3	98.0	97.1	97.9
Dallas	95.9	98.7	97.4	98.7
Kansas City	96.1	99.2	96.8	98.7
Denver	95.4	98.8	95.7	98.3
San Francisco	96.2	97.0	96.5	97.2
Seattle	96.5	96.6	96.5	96.9
National	96.6	98.0	96.8	98.1

Note: SSI figures reflect 6-month averages, RSI figures reflect 3-month averages. SSI data are most current available.

As the table shows, for the quarter ended June 1987, process accuracy for both programs improved slightly. Process accuracy for the quarter ended June 1986 was 97.6 percent for the RSI program and 97.8 for the SSI program.

Disability Process Accuracy

Disability process accuracy rates--which reflect the percentage of claims in which medical eligibility for benefits was accurately determined--improved slightly in the quarter ended June 1987, when compared to the previous quarter. Table II.2 shows disability process accuracy rates for the quarters ended March 1987 and June 1987.

Table II.2:
Disability Process Accuracy Rates
for Initial Claims

<u>Region</u>	<u>Quarter ended</u>	
	<u>March 1987</u>	<u>June 1987</u>
Boston	92.8	94.2
New York	94.1	93.1
Philadelphia	93.1	92.2
Atlanta	94.3	96.5
Chicago	94.7	97.5
Dallas	95.3	94.8
Kansas City	97.0	97.6
Denver	96.2	94.5
San Francisco	91.9	92.3
Seattle	96.9	89.3
National	94.2	94.8

As the table shows, disability process accuracy rates increased from 94.2 percent to 94.8 percent over the comparison period. SSA officials attributed the increase to improved development of mental impairment claims, which comprise about one-quarter of all disability claims. Disability process accuracy for the quarter ended June 1986 was 97.2 percent. SSA officials said the higher rate then resulted from the exclusion from process accuracy review during the first half of calendar year 1986 of mental impairment claims, which had undergone extensive changes in criteria.

PROCESSING TIMES

Initial Claims

Average processing time for initial claims decreased in the June quarter for all programs except SSI-Aged, which remained constant, as shown in table II.3.

**Table II.3:
Processing Times for Initial Claims**

Times in days

<u>Region</u>	<u>RSI^a</u>		<u>DI^b</u>		<u>SSI-Aged</u>		<u>SSI-B/D^c</u>	
	<u>3/87</u>	<u>6/87</u>	<u>3/87</u>	<u>6/87</u>	<u>3/87</u>	<u>6/87</u>	<u>3/87</u>	<u>6/87</u>
Boston	25	22	98	87	13	11	95	82
New York	23	22	112	92	12	11	116	102
Philadelphia	17	16	69	59	9	9	92	79
Atlanta	22	21	69	68	14	14	67	68
Chicago	18	17	78	69	9	8	77	72
Kansas City	20	18	64	63	10	9	55	51
Dallas	21	19	71	61	10	9	69	60
Denver	22	21	71	64	14	12	71	67
San Francisco	20	20	70	63	11	11	79	75
Seattle	19	18	73	67	12	12	77	75
National	21	20	78	70	11	11	80	74

aIncludes Health Insurance only claims

bDisability Insurance

cBlind and Disabled

Reconsiderations

Processing times for reconsiderations of adverse initial disability determinations, which are performed in SSA field offices and state disability agencies, averaged 56 days in the quarter ended June 1987, declining an average of 5 days from the March quarter, as shown in table II.4. SSA does not record processing time for reconsiderations performed for other programs.

Table II.4:
Processing Times for Reconsiderations

Times in days

	<u>Quarter ended</u>	
	<u>March 1987</u>	<u>June 1987</u>
Boston	84	72
New York	94	80
Philadelphia	59	47
Atlanta	54	53
Chicago	62	57
Dallas	47	45
Kansas City	50	42
Denver	56	52
San Francisco	66	62
Seattle	59	54
National	61	56

Hearings

Processing time for hearings averaged 203 days in the quarter ended June 1987, an increase of 7 days over the average of 196 days in the quarter ended March 1987. Table II.5 shows national and regional processing times for hearings processed in the last four quarters.

Table II.5:
Processing Times for Hearings

Times in days

	<u>Quarter ended</u>			
	<u>September 1986</u>	<u>December 1986</u>	<u>March 1987</u>	<u>June 1987</u>
Boston	151	170	192	214
New York	137	152	176	177
Philadelphia	209	201	229	249
Atlanta	157	170	190	193
Chicago	187	180	191	201
Dallas	186	191	209	226
Kansas City	176	168	180	180
Denver	172	169	178	199
San Francisco	193	198	211	211
Seattle	226	202	220	227
National	176	178	196	203

The increase in hearings processing time in the June quarter shown in table II.5 reflects a trend of increased processing time for this workload. In three regions, average processing time increased by 20 days or more during the quarter ended June compared to the prior quarter. Office of Hearings and Appeals officials attributed the increase to increased receipts in the quarters ended March 1987 and June 1987, when a monthly average of 24,000 requests for hearings were received, compared to a monthly average of 16,000 in early fiscal year 1986.

In response to our inquiry about its plans to remedy the increased backlogs and processing time, the Office of Hearings and Appeals said it expects to increase the productivity of its current staff by addressing staffing and workload imbalances by reassigning staff, transferring workloads, and automating workloads. That office said it expects to hire additional administrative law judges by the end of the fiscal year and maintain a staffing level of about 660 judges through fiscal year 1988. (Detailed information on hearings office staffing appears in table II.15.)

Pending Workloads

Workloads pending for initial claims of all types at the end of the June 1987 quarter were below the levels pending at the end of fiscal year 1986. Work pending in the program service centers was higher at the end of the June 1987 quarter than the prior quarter, but SSA attributed these increases to the seasonal nature of the workloads; at the end of the June 1987 quarter, RSI claims pending in the program service centers totaled 78,000 compared to about 73,000 in 1986, and overpayments pending totaled 26,000, about the same as for the same quarter last year. Hearings pending at the end of the June quarter were 27 percent above the level at the end of fiscal year 1986. As noted above, Office of Hearings and Appeals officials attributed the increase to increased receipts of requests for hearings in the quarters ended March 1987 and June 1987. Workloads pending at the end of the September 1986 and June 1987 quarters are shown in table II.6.

**Table II.6:
Pending Workloads**

Workloads in thousands

	<u>Quarter ended</u>		<u>Percent change</u>
	<u>September 1986</u>	<u>June 1987</u>	
Field offices:			
RSI claims	116	108	- 7
DI claims	277	213	-23
SSI-aged claims	5	2	-60
SSI-B/D claims	247	205	-17
RSI and SSI overpayments	106	102	- 4
Program service centers:			
RSI claims	59	78	+32
RSI and SSI Overpayments	16	26	+63
Office of Disability Operations:			
DI claims	19	17	-11
Office of Central Records Operations:			
Certified wage records for RSI and DI claims	68	46	-32
Office of Hearings and Appeals:			
Hearings	117	149	+27

Interview Wait Times

The average length of time SSA clients wait to see claims representatives averaged 6 minutes in the quarter ended June 1987, according to SSA. As shown in table II.7, apparent interview wait times have declined in each of the past four quarters.

**Table II.7:
Field Office Interview Wait Times**

	Quarter ended			
	September <u>1986</u>	December <u>1986</u>	March <u>1987</u>	June <u>1987</u>
Number of visitors sampled	69,633	63,684	76,440	72,863
Average wait time (in minutes)	8.9	7.2	6.9	6.0
Percent of visitors who waited:				
0-5 minutes	60	62	64	68
6-15 minutes	21	20	19	18
16-30 minutes	11	11	11	9
31-45 minutes	4	3	3	3
46-60 minutes	2	3	2	1
Over 60 minutes	2	1	1	1

SSA officials attributed the decline in interview wait times to field offices' increased use of teleclaims and interview appointments. However, our visits to 13 offices indicate that SSA's field offices still know when wait time is being measured and some still use practices that can favorably influence the results. Further, as we noted in prior reports, and as SSA has acknowledged, it does not measure all of the time clients wait before being served. This matter is discussed further in appendix III.

Comparing wait time as reported by clients responding to our 1986 national sample to SSA's wait time data for a similar period illustrates a wide difference. For example, SSA's wait time as measured for the quarter ended September 1986 indicated that 8 percent of clients waited more than 30 minutes for service. Our survey in September 1986 of persons who had had recent contact with SSA showed that 30 percent said they waited 30 minutes or more.

STAFF LEVEL CHANGES

SSA staff levels at the end of the June 1987 quarter were 4.8 percent lower than at the end of fiscal year 1986. Table II.8 shows overall staffing of SSA's major components at the end of September 1986 and June 1987.

Table II.8:
Staff on Duty for Major Components
(September 1986 and June 1987)

<u>Component</u>	<u>Quarter ended</u>		<u>Difference</u>	<u>Percent change</u>
	<u>September 1986</u>	<u>June 1987</u>		
Regional/field offices	41,080	38,461	-2,619	-6.4
Office of Hearings and Appeals	5,404	5,272	-132	-2.4
Program service centers	12,279	11,557	-722	-5.9
Office of Disability Operations	4,836	4,534	-302	-6.2
Office of Central Records Operations	4,642	5,111	+469	+10.1
All other	<u>7,541</u>	<u>7,220</u>	<u>-321</u>	-4.3
Total	<u>75,782</u>	<u>72,155</u>	<u>-3,627</u>	-4.8

Note: Includes seasonal staff on duty.

As the table shows, the bulk of the staff loss (72 percent) occurred in the regional/field offices, which experienced the greatest proportionate decline in staffing over the September 1986-June 1987 period--6.4 percent. The Office of Disability Operations experienced the second greatest staffing decline--6.2 percent. Staff levels in the program service centers declined 5.9 percent. Staffing of the Office of Central Records Operations, which is responsible for maintaining records of workers' earnings, was 10.1 percent higher at the end of the June quarter than at the end of fiscal year 1986 due to the seasonal earnings posting activity which begins in the first quarter of the calendar year.

Field Offices

Staffing of SSA field offices and teleservice centers (excluding regional office staff) declined by 7.9 percent from the end of the September 1986 to the end of the June 1987 quarter, as shown in table II.9.

Table II.9:
Field Office Staff on Duty by Region

<u>Region</u>	<u>Quarter ended</u>		<u>Difference</u>	<u>Percent change</u>
	<u>September 1986</u>	<u>June 1987</u>		
Boston	1,891	1,784	-107	-5.7
New York	5,231	4,752	-479	-9.2
Philadelphia	3,754	3,589	-165	-4.4
Atlanta	6,658	6,232	-426	-6.4
Chicago	7,121	6,443	-678	-9.5
Kansas City	1,790	1,682	-108	-6.0
Dallas	4,186	3,889	-297	-7.1
Denver	1,021	968	-53	-5.2
San Francisco	6,211	5,533	-678	-10.9
Seattle	1,348	1,247	-101	-7.5
Total	<u>39,211</u>	<u>36,119</u>	<u>-3,092</u>	-7.9

As the table shows, staff loss in the field offices and teleservice centers ranged from 10.9 percent in the San Francisco region to 4.4 percent in the Philadelphia region.

Of the 1,310 field offices in continuous operation during the first three quarters of fiscal year 1987, 73 percent experienced a net reduction in staffing as of the end of the June 1987 quarter, 11 percent had a net staff gain, and 16 percent had no change in staffing. Table II.10 summarizes these changes.

Table II.10:
SSA Field Office Staff Changes
(September 1986-June 1987)

<u>Offices with</u>	<u>Number</u>	<u>Percent</u>
No change in staffing	209	16
Increased staffing	138	11
Decreased staffing	<u>963</u>	<u>73</u>
Total	<u>1,310</u>	<u>100</u>

Of the field offices that had a net loss of staff during the first three quarters of fiscal year 1987, 29 percent lost only one staff person. Table II.11 shows the distribution of offices that experienced a decline in staffing by the number of net staff lost.

Table II.11:
Distribution of Field Offices
by Number of Net Staff Lost
(September 1986-June 1987)

<u>Staff loss</u>	<u>Number of offices</u>	<u>Percent of offices</u>
1	277	29
2	208	22
3	160	17
4	93	10
5	67	7
6	54	6
7-10	83	9
11-20	21	2
21-30	<u>0</u>	<u>-</u>
Total	<u>963</u>	<u>100</u>

In terms of the proportion of staff loss, 52 percent of the offices that lost staff experienced losses of 10 percent or less of their staff on duty at the beginning of fiscal year 1987. Seven percent of offices that lost staff lost over 20 percent. Table II.12 shows the distribution of offices that lost staff by percentage of staff loss.

Table II.12:
Distribution of Field Offices
by Percent of Net Staff Lost
(September 1986-June 1987)

<u>Percent of staff loss</u>	<u>Number of offices</u>	<u>Percent of offices</u>
5 or less	145	15
Over 5 to 10	356	37
Over 10 to 15	268	28
Over 15 to 20	126	13
Over 20	<u>68</u>	<u>7</u>
Total	<u>963</u>	<u>100</u>

The change in field office and teleservice center staff mix for fiscal year 1987 is shown in table II.13.

**Table II.13:
Field Office Staff Composition**

<u>Type of position</u>	<u>Quarter ended</u>		<u>Difference</u>	<u>Percent change</u>
	<u>September 1986</u>	<u>June 1987</u>		
Administrative	2,125	2,038	-87	-4.1
Operations supervisors	2,634	2,447	-187	-7.1
Operations analysts	405	279	-126	-31.1
Field representatives	1,088	958	-130	-11.9
Generalist claims representatives	1,468	1,671	+203	+13.8
RSI/DI claims representatives	6,333	6,193	-140	-2.2
SSI claims representatives	5,725	5,440	-285	-5.0
Claims representative trainees	289	142	-147	-50.1
Data review technicians	3,062	2,372	-690	-22.5
Service representatives	6,018	5,706	-312	-5.2
Clerical	5,837	5,164	-673	-11.5
Other clerical	2,245	2,023	-222	-9.9
Special employment	1,243	599	-644	-51.8
Service representative/ data review technician	<u>703</u>	<u>1,100</u>	<u>+397</u>	+56.5
Total staff on duty	<u>39,175^a</u>	<u>36,119</u>	<u>-3,056</u>	-7.8

^aThe differences in this total and those in table II.9 are due primarily to uncorrected SSA systems input errors.

As the table shows, the greatest absolute loss occurred in clerical and "other clerical" positions, which together declined by 895 positions.

Claims representative positions (which include field representatives, generalist claims representatives, RSI/DI and SSI claims representatives, and claims representative trainees) had a net reduction of 499 positions. The claims representative trainee position experienced the second greatest proportionate decline of all staff positions--50.1 percent. SSA officials said this decline reflects the movement of trainees into claims representative positions, and not a loss of staff. The increase in the number of generalist claims representatives was attributed to a shift away from program specialization in the field offices, which is said to increase the offices' flexibility in dealing with workload fluctuations and reductions in staffing.

The data review technician position declined by 690, but this decline was partially offset by an increase of 397 in the data review technician/service representative position, which was created in 1986 because the data review technician function will be greatly affected by the implementation of field office systems changes.

Special employment positions, such as summer hires or "stay-in-school" workers, experienced the greatest proportionate decline in staffing, a 51.8-percent reduction. Staffing of these positions (which are not under full-time equivalent employment ceilings and therefore were not subject to reductions under SSA's staff reduction plan) was reduced in response to a \$284 million shortfall in SSA's fiscal year 1987 budget, resulting from reduced appropriations and certain unbudgeted costs.

Hearings Offices

Table II.14 shows staffing in the Office of Hearings and Appeals regional and hearings offices by region at the end of the September 1986 and the June 1987 quarters.

Table II.14:
Office of Hearings and Appeals
Hearings Office Staff on Duty

<u>Region</u>	<u>Quarter ended</u>		<u>Difference</u>	<u>Percent change</u>
	<u>September 1986</u>	<u>June 1987</u>		
Boston	182	163	-19	-10.4
New York	579	555	-24	-4.1
Philadelphia	439	443	+4	+1.0
Atlanta	898	860	-38	-4.2
Chicago	776	755	-21	-2.7
Dallas	463	438	-25	-6.6
Kansas City	170	193	+23	+13.5
Denver	101	102	+1	+1.0
San Francisco	539	572	+33	+6.1
Seattle	136	133	-3	-2.3
Total	<u>4,283</u>	<u>4,214</u>	<u>-69</u>	-1.6

As the table shows, staffing of hearings offices overall declined 1.6 percent from the end of September 1986 to the end of June 1987. Staff level changes ranged from a decline of 10.4 percent in the Boston region (where hearings processing times increased from 151 to 214 days) to an increase of 13.5 percent in

the Kansas City region (where hearings processing times increased from 176 to 180 days).

Table II.15 shows the change in staff composition of hearings offices for the quarters ended September 1986 and June 1987.

Table II.15:
Hearings Office Staff Composition
(September 1986-June 1987)

<u>Position</u>	<u>September 1986</u>	<u>June 1987</u>	<u>Difference</u>	<u>Percent change</u>
Administrative law judge	691	653	-38	-5.5
Decision writer	683	653	-30	-4.4
Hearings assistant	870	832	-38	-5.7
Clerical	1,480	1,480	0	0
Management	153	139	-14	-9.2
Total	<u>3,877</u>	<u>3,757</u>	<u>-120</u>	-3.1

Note: Figures reflect only full-time permanent employees in hearings offices and do not include regional office staff.

As the table shows, most of the losses were administrative law judges and hearings assistants.

Program Service Centers

Table II.16 shows staff levels in SSA's seven program service centers at the end of September 1986 and the end of June 1987.

Table II.16:
Program Service Centers
Staff on Duty

<u>Program service center</u>	<u>Quarter ended</u>		<u>Difference</u>	<u>Percent change</u>
	<u>September 1986</u>	<u>June 1987</u>		
Northeastern	1,850	1,744	-106	-5.7
Mid-Atlantic	1,794	1,665	-129	-7.1
Southeastern	2,071	1,944	-127	-6.1
Great Lakes	2,243	2,087	-156	-7.0
Mid-America	2,365	2,218	-147	-6.2
Western	1,417	1,372	-45	-3.2
International	539	527	-12	-2.2
Total	<u>12,279</u>	<u>11,557</u>	<u>-722</u>	-5.9

As the table shows, overall staff levels within the program service centers declined 5.9 percent from the end of September 1986 to the end of June 1987. Proportionate staff loss ranged from 7.1 percent in the Mid-Atlantic center to 2.2 percent in the International center, which maintains folders for beneficiaries residing overseas.

EMPLOYEE OPINIONS VARIED ON
EXTENT AND EFFECT OF IMPROPER PRACTICES

To gain further insight into the substance of the allegations, we visited 13 field offices about which specific allegations had been made that practices were occurring that distorted SSA performance data and adversely affected service to the public. Generally, the allegations had been made by only one employee in these offices. As shown in table I.1, 11 of the 13 offices had fewer staff as of June 30, 1987, than they did at the end of 1985. At the offices, employees who responded to our questionnaire and those with whom we spoke indicated, to some extent, that practices occur that result in (1) understated claims processing times, (2) inaccurate workload data counts, (3) untimely processing of nonclaims workload, and (4) understated actual client waiting time for service.

Because these offices represent less than 1 percent of all offices and were not selected randomly, the results are limited to these offices and should not be construed as indicative of conditions nationwide. Rather, the information portrays the differences in views about the practices that exist among and within the 13 offices and provides insight into the employees' perceptions of the extent of their occurrence in these offices. The extent to which such practices may be occurring elsewhere and their effect on SSA overall performance data are unknown.

While at the offices, we also obtained employees' views on the quality of service provided by their offices. According to most respondents, the service provided by the 13 offices is good but not as good as it was in 1985, and the frequency of complaints is increasing.

Employee views and our observations are included in this appendix.

MEASUREMENT OF CLAIMS PROCESSING TIME

Claims processing time is the time that elapses from the date a person applies for benefits until SSA approves or denies the claim. Overall claims processing time is an important measure of performance and, along with other measures, is part of the quantitative process SSA uses to determine field office managers' eligibility for merit pay bonuses. Union representatives alleged that claims processing times are reduced inappropriately to reflect better-than-actual field office performance.

We asked claims representatives in the 13 offices about how accurate processing times for their offices were and whether practices that can distort processing times occur. In the opinion

of 61 percent (81 of the 132 claims representatives who answered our questionnaire), the claims processing times in their offices are "somewhat accurate" or "generally accurate." However, 55 percent (72 claims representatives) said that one or more practices occur in their offices that are inconsistent with program policy and intended to reduce apparent claims processing time. Another 18 percent (24 claims representatives) said they did not know whether inconsistent practices were occurring.

Of the 13 offices visited, staff of 2 offices generally did not perceive that there was manipulation of processing times. In one office, only 1 of 8 claims representatives and in another office only 2 of 11 representatives said manipulation was occurring.

Regarding the extent to which manipulative practices occurred, about 38 percent (29 of the 72 claims representatives who said such practices occurred) said that only a few staff in their offices engage in these practices. Nineteen claims representatives said all staff were involved, 13 said about half the staff, and 11 said they did not know. As to reasons why such practices are followed, 7 of every 10 claims representatives who alleged they were occurring said it was to improve reported office performance; over half identified the need to meet productivity goals. The one practice that claims representatives indicated as occurring most frequently was the taking of unnecessary claims. Less frequently mentioned, but significant in insuring claimants' right to benefits, was the practice of not having application forms signed and dated until all needed evidence is provided, a practice that SSA says could result in dismissal.

Taking of Unnecessary Claims

Unnecessary claims, usually referred to as inappropriate "technical denials," are said to involve situations in which it seems clear from the onset that the applicant is not eligible for benefits but nonetheless the claim is taken and processed to adjudication (an official claim denial). Because such claims can be processed quickly, they have the effect of reducing overall claims processing time.

Whether to take a claim from an apparently ineligible person depends considerably on the judgment and integrity of the claims representative. According to SSA operating instructions, SSA employees are required to assure that the rights of a potential beneficiary are protected and that any information that suggests a person may be eligible be pursued. For example, instructions specifically direct that a retirement or disability application be taken when there is any doubt regarding a client's eligibility. In addition, an application is to be taken for all types of claims

when a client insists on filing. The rationale for these policies is that it is better to take an unnecessary claim rather than to possibly deny someone benefits to which they may be entitled. Moreover, SSA's instructions specifically state that "Administrative conveniences such as case processing, operating pars, or other operational goals, must never interfere with the policy for taking an application".

The instructions also state when applications should not be taken. For example, an application should not be taken from a client filing for disability who fails to meet SSA's currently insured requirements. Even in this case, however, a disability application is to be taken if the individual requests it. If a person inquires about eligibility and an immediate check of the earnings record shows the person does not have sufficient past earnings for eligibility, an RSI claim should not be solicited. Likewise, a client applying for SSI should not file an RSI application when it is obvious that insured status is not possible.

According to various claims representatives we interviewed, there are legitimate reasons for taking a claim that could appear unnecessary:

- The need to take an SSI claim from a client clearly ineligible for such benefits in order to record a claim denial and discourage the client from applying at other field offices,
- The need for a client to have an official RSDI claim denial in order to qualify for state welfare assistance,
- The need to take a claim from a client when competency dictates a full investigation to determine eligibility.

Despite the various legitimate reasons offered for taking a claim, 20 (17 of which were from five offices) of the 72 claims representatives who cited one or more inconsistent practices said that unnecessary claims were taken daily. Further, 29 of the 72 claims representatives said that unnecessary claims are taken somewhat or much more frequently than in 1985. Ten said such claims are taken less frequently; others didn't know.

Because technical denials are recorded by SSA's automated systems, we compared the rate of technical denials of the 13 offices for the quarter ending June 30, 1987, to the rate for fiscal year 1985. In comparing the rates for three claims categories (SSI-Aged, SSI-Blind and Disabled, and Disability) we found no significant trends that were reflective of all 13 offices. For example, four offices had increased technical denial rates in each of the three claims categories, while two offices had

decreased rates in each claims category. The remaining offices had increases and decreases among the three categories.

Because of the flexibility permitted in taking claims that become technical denials, it is difficult to determine to what extent such claims may be inappropriate. Without checking with applicants or observing transactions without the knowledge of the claims representative, there is no way to know the extent to which claims representatives are encouraging or soliciting such applications from persons apparently ineligible.

Undated Claims Applications and Protective Filing

Entitlement to benefits for many SSA clients is directly related to the date of filing. For SSI recipients, benefits are awarded as of the date of application or the date that they signal an intention to file. For RSI beneficiaries who apply after the age of entitlement (for most beneficiaries, age 65), benefits are paid beginning the month of application. Further, RSI claimants can receive up to 6 months of benefits retroactively if they file after attaining the age of entitlement. Allegations had been made that applications were processed (which would be dated later) to reflect shorter processing times and that in some cases protective filings were not being taken. These practices, if followed, could result in loss of benefits.

SSA's operating instructions specify that claimants are required to complete the application forms during the interview and that employees should aim for a complete interview during the initial contact. Further, the instructions state that SSA's policies on protective filings are intended to be applied liberally when the basic elements of intent to file are present. A filing date may be protected even though it is not on a specific form or in a particular format. In cases where clients' protective filing dates for RSDI claims need to be established (the last eight working days of the month), the instructions require that offices prepare a form 2514 (Notice of Intent to File).

Of the 72 claims representatives who indicated that one or more inconsistent practices were followed in their office, only 6 said that on a daily basis applications were taken that were not signed or dated; 16 said such applications were taken at least once a week, and 17 said once a month. Fifteen said less frequently than once a month or never. Other didn't know. Although only a small number of claims representatives indicated the practice occurred frequently, we reviewed 359 randomly selected RSDI and SSI claims folders at the 13 offices to look for such omissions. In appropriate cases, protective filings were maintained and copies of forms 2514 were in the files. Further, with few exceptions,

applications were signed and dated, and application dates on input documents agreed with dates on application forms. However, it would not be difficult for a person to maintain separately or otherwise conceal undated applications received, until all evidence was obtained.

The appointment system (which schedules applicants for an appointment for filing a claim) and teleclaims (which are taken over the phone with necessary documentation submitted later) afford field offices an opportunity to reduce mean processing time by ensuring that all necessary documentation, such as birth certificates, are received with the application. For example, at one office we visited, appointments were scheduled 4 to 10 days in the future. The office manager indicated that the application date would coincide with the appointment date as long as the practice does not result in lost benefits to the applicant. Likewise, teleclaims involve sending applications to clients who then return them and any necessary proofs (such as birth certificates) through the mail.

The practice of using the date of receipt of an application as the date for which processing time starts rather than an earlier date has existed for some time in one of the offices we visited. The office issued a memo in 1981 stressing that the date of receipt of an application for a teleclaim will be used as the filing date as long as the claimant's rights are protected. The memo also states that the form 2514 will be used as the filing date only if it becomes a material issue.

INACCURACIES IN WORKLOAD REPORTS

The District Office Workload Report summarizes 78 different categories of SSA field office workloads that are reported weekly to central office. The data reported for 10 of the 78 categories are systems-generated; the data in the other 68 categories are obtained from manual counts maintained on tally sheets by field office employees. Generally, the workload report reflects the workload received, pending, and processed by each district and branch office. Allegations have been made that SSA's reporting of various workload data is inaccurate and leads to misrepresenting the amount of work processed and pending. We asked employees in the 13 offices we visited whether the workload reports for their offices were accurate.

Sixty-one percent (122 of the 200 questionnaire respondents) said that the workload report is only somewhat accurate to generally inaccurate. Only 32 percent said it was generally accurate.

Those who responded that the workload report was less than generally accurate had different explanations for the inaccuracies. For example,

- 67 respondents representing all 13 offices said talliable workloads are sometimes inadvertently omitted by employees,
- 25 respondents from 7 offices said unfinished workloads are reported as processed, and
- 20 respondents from 6 offices said some pending work is intentionally not reported.

On an individual office basis, respondents' opinions regarding the accuracy of the workload report varied widely. For example, over 80 percent of respondents at three offices said the report was somewhat to generally accurate, whereas about 50 percent of respondents at two other offices said that it was somewhat to generally inaccurate. Because of the large number of workloads that are manually counted by employees, personal integrity and competence play a key role in the accuracy of the results. Supervisory review to ensure accuracy is the primary control.

A June 1987 study by a private contractor pointed out the need for SSA to better focus its work measurement system on a smaller number of categories. It recommended, for example, that "technical denials" for all initial claims be eliminated from the District Office Workload Report volume counts so as to not distort claims workloads processed. The report also pointed out that inaccuracies frequently result because of miscategorization of workloads and inappropriate tallies of manually counted workloads.

NONCLAIMS WORKLOADS PROCESSED UNTIMELY

Allegations have been made that SSA gives priority attention to initial claims workloads that are goal-oriented and that consequently, various postentitlement and nonmeasured workloads are not processed in a timely basis.

SSA operating procedures set forth the steps to be followed in processing various postentitlement workloads, including time frames to establish a diary on cases and determine when to follow up. We asked employees in the offices we visited whether they were doing a good job in processing such work and, if not, which workloads were not being timely processed. About 47 percent (87 of the 187 employees who responded) said that their offices are doing a fair job in processing postentitlement and other nonclaims workloads in a timely fashion; another 31 percent (58) said their offices are doing a poor or very poor job, and 22 percent (42) said their

offices are doing a good or very good job. On an office basis, in only 2 of the 13 offices did most respondents feel they were doing a good or very good job processing these workloads in a timely fashion.

Respondents most frequently mentioned the following nonclaims workloads as not being processed timely.

Table III.1:
Nonclaims Workloads Employees Say Are
Not Being Processed Timely

<u>Workload</u>	<u>Number of</u> <u>respondents</u>
Requests from other SSA components for assistance	50
Overpayment collections	37
Certain continuing disability reviews	34
SSI change of address, death, income, and resource reports	29
Earnings enforcement actions	28
Representative payee actions	24
Earnings discrepancies	22

By far, the two most frequently cited reasons for offices doing a fair, poor, or very poor job in processing nonclaims workloads were that (1) the offices have insufficient staff (88 percent, or 128 of 145 respondents) and (2) other work in the office has higher priority (86 percent, or 125 of 145 respondents).

Over half of the 23 service representatives we interviewed said that the postentitlement area is suffering the most because of insufficient staff. At most offices, service representatives are required to spend time working the reception area. Several service representatives said that the pressure to process the face-to-face work volume leaves little time to return follow-up telephone calls to the public or to process incoming mail.

Except for claims workloads, SSA generally has little system-generated information on the timeliness with which workloads are processed. This management information shortcoming, among others, was pointed out in our March 1987 report on the quality of SSA

management: Social Security Administration: Stable Leadership and Better Management Needed to Improve Effectiveness (GAO/HRD-87-39). As a result of this report, SSA is developing a strategy to identify and provide for its management information needs.

REPORTED WAITING TIME STUDY
RESULTS NOT REPRESENTATIVE

In our March 1987 report (Social Security: Staff Reductions and Service Quality, GAO/HRD-87-66, Mar. 10, 1987) we reported that some field offices changed their normal practices during the waiting time studies. In commenting on our observations, SSA officials said that they would emphasize to field offices that they report data representative of normal practices. In a message to all field offices in June 1987, the deputy commissioner for operations stressed the need for reliability in the data reported by field offices. The interview waiting time study was specifically mentioned in this message. In July 1987 the deputy commissioner reaffirmed the need for reliability in the waiting time study results in another message to all field offices. We asked employees in the 13 offices whether during the 1/2-hour wait time sample each week, their offices changed their normal practices.

Our current survey results show that in spite of SSA's instructions, many employees in the field offices we visited still believe that reported wait times are not representative of normal practices. Overall, 56 percent (101) of 187 employees who responded said that there is a change in office practices during the waiting time studies, including those who said that the staff work faster because they know the time is being measured. On an office basis, at least one person in each of the 13 offices said that office procedures were changed during the study period. Further, in 9 of the offices, 40 percent or more of the staff said that procedures changed. Wait times studies were not in progress at the time we visited the offices.

In most cases the changes frequently cited (such as working faster or assigning additional employees to help) are not detrimental to the public, but they distort the study results because the times reported to central office are not representative of normal waiting times. Other alleged practices can be detrimental. Following are two examples of questionnaire respondents' perceptions of changes in their office's practices during the studies.

- About two-thirds of the respondents in one office said that managers and supervisors became more involved, and about half said that managers and supervisors interview clients during the studies. Also, several employees we interviewed

said that clients who arrive during the study are served before clients who were in the waiting room before the study began.

- About half the respondents in another office said that more service representatives are assigned to the reception area and that more claims representatives are assigned to interview; about two-thirds said managers and supervisors became more involved during the studies, and 1 in 4 said that telephones are set to provide busy signals to callers during the sample period.

In discussing office practices during wait time studies, SSA officials said they plan to study alternative ways to measure wait times.

EXISTING CONTROLS ADEQUATE FOR
DETECTING IMPROPER PRACTICES
IF USED

In August 1987, the SSA Commissioner responded to our June 1987 request for comments on specific allegations made by union representatives and other SSA employees about workload management and reporting mispractices. Her response is included as appendix IV.

On an overall basis, the Commissioner said that she believes the alleged practices, if occurring, are isolated and not indicative of systemic problems.

Concerning the specific issue of taking unnecessary claims, she commented that SSA captures information on technical denials and that there are goals to reduce the number of these cases. She added that specific reports, such as the "Anomalies Reports," can be used to track office trends, including the number of technical denials. One operations supervisor told us that the number of technical denials was much too high in relation to his office's overall claims volume. Consequently, he has instructed claims representatives to exercise better judgment in deciding when to take a claim.

We used SSA's data on the number of technical denials for four claims categories--RSI, SSI-Aged, SSI-Blind and Disabled, and Disability--and calculated the percentage of all claims that were technical denials to see if the rate of technical denials was increasing as might be the case if employees were responding to pressures to maintain or improve productivity while staffing decreases. As table III.2 shows, we found that the rate of all claims that are technical denials has been higher since fiscal year 1985 for each of the four categories. Further, although the

Commissioner said there has been a recent decline in technical denials, SSA's data, as seen in table III.3, show that the actual number of technical denials was higher in fiscal year 1986 compared to fiscal year 1985 and that data for the first 9 months of 1987 indicate fiscal year 1987 totals, although possibly lower for SSI claims than in fiscal year 1986, will also exceed fiscal year 1985. Although the data show that the rate of technical denials has increased, it is unclear whether the increase is due to increased valid applications or other factors, such as encouraging or soliciting claims from persons known to be ineligible.

Table III.2:
Technical Denials as a Percentage
of All Claims

	Fiscal year <u>1985</u>	Fiscal year <u>1986</u>	Quarter ended <u>6/30/87</u>
SSI-Aged	34.0	41.1	36.4
SSI-B/D	17.4	23.8	19.5
Disability	21.2	22.8	23.0
RSI	3.7	3.7	3.9

Table III.3:
Total Number of Technical
Denial Claims

	Fiscal year <u>1985</u>	Fiscal year <u>1986</u>	Nine months ended <u>6/30/87</u>
SSI Aged	72,164	98,671	66,139
SSI-B/D	172,806	274,438	164,192
Disability	225,150	249,203	190,391
RSI	115,400	118,206	90,146

The Commissioner also responded to alleged practices, such as unsigned claims applications, failure to insure protective filings, workload reporting problems, and untimely processing of postentitlement actions. She generally indicated that these practices are susceptible to detection through supervisory and other reviews at the local level, periodic security reviews performed by personnel from outside the office, case file reviews, and interview audits with clients.

She added that SSA's automated system, periodic outside evaluations by headquarters staff, and visits by area directors to district and branch offices all aid in preventing such mispractices. Lastly, the Commissioner believes two very important

monitors to detecting anomalies are employee peer pressure and public reaction.

A number of managers, operations supervisors, and employees we interviewed during our visits agreed that the controls and reports described by the Commissioner, such as periodic desk audits and case file reviews, would surface inconsistent practices occurring at field offices.

While we believe SSA's existing controls are conceptually sound, two factors raise questions regarding the extent and frequency that managers and supervisors will be inclined to use the controls to monitor office performance.

First, productivity goals can provide a major incentive to foster statistical "gaming" so that office performance is competitive with other offices. In our report on the quality of SSA management (see p. 34), we described the concerns of employees and mid-level managers about SSA emphasis on initial claims production goals to the detriment of other workloads. For example, in that report, 55 percent of the field office managers identified excessive emphasis on production statistics as a cause of low morale among SSA employees.

Second, the 20 operations supervisors in the 13 offices visited who responded to our questionnaire indicated problems in finding the time to monitor and supervise. For example, 6 of the 20 supervisors said that desk audits and monitoring of staff and client interaction are done only quarterly or less frequently. Further, the operations supervisors provided estimates of the time they spend processing the work of personnel they supervise. Since January 1, 1987, the percentage of work processed directly by these operations supervisors was as shown in table III.4.

Table III.4:
Extent Supervisors Process Work

<u>Percent of time spent on processing work</u>	<u>Number of operations supervisors</u>
50-74	3
25-49	5
11-24	7
10 or less	<u>5</u>
Total	20 ==

Responding supervisors listed vacations, insufficient staff, and heavy workloads as influences necessitating their involvement in processing the office's work. Six of the 12 operations supervisors who worked in the same office since 1985 said current involvement in processing work represented a significant increase over 1985.

Regarding the allegation that practices distort the wait-time study, the Commissioner said each field office had a reception area traffic control plan, which typically involved increasing the number of interviewing personnel based on an increased flow of traffic or increased waiting times. The Commissioner also stressed that all field managers have been notified of the need for objective feedback from the waiting time studies, not "gamed" data.

We believe that increasing the number of interviewing personnel during peak walk-in traffic periods has merit because it reduces waiting time to the public. However, it is unlikely that most wait-time studies would occur during such peak periods because the study periods are randomly selected.

OPINIONS ON SERVICE QUALITY

We asked employees in the 13 offices to rate the quality of service provided by their office overall and by specific services. We also asked about the nature and frequency of complaints received.

Overall, 48 percent (93) of the questionnaire respondents rated the overall quality of current service as good to very good, 39 percent said it was fair, and 13 percent rated it as poor or very poor. On an office basis, the service provided by several offices was noticeably better or worse, according to the respondents. On the positive side, 80 percent of the respondents from one office and 73 percent from another said that service was good to very good. Conversely, 33 percent of the respondents at one office said the service was poor, while 48 percent at another office said service was poor or very poor.

About 15 percent of the respondents (29) rated the overall quality of current service as somewhat better to much better compared to 1985, 23 percent (44) said it was the same, and 50 percent (95) said it was somewhat worse to much worse than in 1985. (Twelve percent said they had no basis to judge.) Declining service stood out at three individual offices, where 73, 75, and 87 percent of the respondents, respectively, said that current service was somewhat or much worse compared to 1985.

To provide some focus to the service quality issue, we asked the respondents to rate the current quality of a number of specific

services. The services--which are shown in table III.5, along with the ratings--had been alleged by others in the past to be deteriorating.

Table III.5:
Respondents' Rating of Services

Ratings in percent

<u>Service</u>	<u>Very good</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Very poor</u>	<u>Don't know</u>
Telephone accessibility	7	24	27	21	20	1
Length of wait times for interviews	5	36	30	19	8	2
Courtesy toward clients	24	43	28	2	3	--
Explanation of program requirements and client responsibilities	20	40	27	8	4	1
Timeliness of post-entitlement processing	4	15	38	21	18	4
Claims processing time	11	41	21	9	2	16
Thoroughness of evidentiary development	16	51	20	4	1	8
Availability of program brochures for client	19	32	27	15	7	--
Public information activities	9	30	23	13	5	20
Quality of manually prepared notices	4	29	42	8	7	10
Quality of word processed notices	10	33	16	5	6	30
Thoroughness of leads development	10	35	30	7	3	15

Among the specific service aspects that questionnaire respondents were asked to rate, courtesy, processing time, explaining the program to clients, availability of brochures, and evidentiary development were rated good or very good by most respondents. Telephone accessibility and timeliness of processing of postentitlement workloads were most frequently rated poor or very poor. Overall, about 41 percent of respondents rated telephone accessibility as poor to very poor, and about 39 percent of respondents rated the timeliness of processing of postentitlement workload similarly. At particular offices, the quality of these two services were noticeably lower than the overall rating. For example, about 92 percent of respondents at one office and 67 percent at another rated telephone accessibility as poor to very poor. Seventy percent of respondents at one office

and about 67 percent at another rated the timeliness of processing of postentitlement workload as poor to very poor.

Another indicator of the quality of service is the number and types of complaints received from clients. Accordingly, we asked respondents the nature and frequency of complaints they received from clients in 1987. Table III.6 shows the results.

Table III.6:
Nature and Frequency of Complaints Received

Figures in Percent

<u>Type of complaint</u>	<u>Several times daily</u>	<u>Once a day</u>	<u>Once a week</u>	<u>Once a month</u>	<u>Less than once a month</u>	<u>Never</u>	<u>Not sure</u>
Length of interview waiting time	12	13	29	16	18	7	4
Poor office accessibility by phone	20	16	20	11	17	13	4
Unclear notices	11	13	25	28	10	3	10
Discourteous treatment by SSA employee	1	3	10	28	43	8	7
Length of time to process disability claim	5	6	22	30	20	4	13
Length of time to process change of address	3	6	17	18	20	14	21
Length of time to process direct deposit request	3	6	10	14	20	15	32
Length of waiting time for hearing/appeal	4	2	14	27	29	5	20
Length of time to get replacement check	6	4	17	18	15	9	31

The table shows that by far the most complaints received were about (1) long wait times, (2) poor phone access, and (3) unclear notices.

Most respondents said that clients' complaints about the quality of service have increased in comparison to 1985. Overall, about 51 percent (100 of 197 responding employees) said that there has been "some increase" to a "significant increase" in complaints, and only about 7 percent (14 respondents) said that there has been a "somewhat" to a "significant" decrease in complaints.

CONCLUSIONS

Employees in the 13 offices, to some extent, agreed with the allegations of improper practices intended to improve their office's statistical performance and possibly conceal the effects of staffing reductions. However, employees were less certain concerning the adverse impact that such practices have on service to the public and, in fact, generally believe their offices are providing good service.

It is unclear to what extent the root causes of the improper practices are management shortcomings, poor employee performance, or other factors cited by employees, such as insufficient staff or overemphasis on achieving certain productivity goals.

**SSA COMMISSIONER'S RESPONSE TO ALLEGATIONS
ABOUT WORKLOAD MANAGEMENT AND REPORTING DISCREPANCIES**



THE COMMISSIONER OF SOCIAL SECURITY
BALTIMORE, MARYLAND 21235

AUG 21 1987

Mr. Joseph F. Delfico
Senior Associate Director
Human Resources Division
United States General Accounting Office
441 G Street, N.W., Room 6739
Washington, D.C. 20548

Dear Mr. Delfico:

Enclosed are comments in response to your request of June 25, 1987 for the Social Security Administration's (SSA) views on the specific allegations from union representatives about workload management and reporting mispractices. The comments are somewhat general in nature because the allegations themselves lack specificity. Although I cannot be more specific, I am confident that the allegations, if they have any substance, are based on isolated instances and do not reflect common practices or concerns.

In addition to the specific comments about the measures used to manage operational workloads, there are several more general ways by which management can detect improper workload processing or reporting. These include:

- Many of the Agency's operational performance indicators are now products of automated systems. Since the late 1970's, SSA has been advancing along a program of converting our workload control, management information, and performance measurement systems from paper controls and manual tallies to more accurate and reliable automated data processing systems. This effort continues today and is a major part of the Agency's systems modernization projects. For example, data on initial claims volumes and processing times in our field offices are derived from the operating systems that process the claims to payment or denial. Our experience has been that these data have reflected a more accurate picture of Agency performance than previous measurement devices. Automated work measurement and management information systems are difficult to manipulate and evidence of attempted manipulation is difficult to hide. Because of the inherent speed of the computer, indications of aberrant practices can be quickly identified for corrective action before they can become widespread. The development of these automated systems also affords the opportunity to build in disincentives for data manipulation. For example, the deletion of an initial

claim record from the processing time system because it reflects lengthy processing time also results in the claim being dropped from the work measurement system thus making the office appear less productive.

- Use of specific reports such as the "Anomalies Reports" which identify units with aberrant statistical performance; i.e., large numbers of technical denials. (Copies of these report formats are available from the Office of Information Systems.)
- Periodic reviews of operating components (processing centers, regions, data operations centers) by headquarters staff, which examine potential trouble spots based on aberrant statistical performance data and other indicators.
- In the field, area directors conduct periodic visits to district and branch offices and are constantly assessing workload backlogs, processing, and reporting to assure integrity, allocate resources, and measure performance.
- In the field offices and individual processing centers and data operations centers, there is a constant flow of information from the higher levels and central office which provide local management with data to detect abnormal workload trends or patterns. In addition to workload data, they receive followup listings of workloads which have not been processed and accounted for on a timely basis.
- In addition to the regular management reports and reviews, operating components have two very important "monitors":
 1. Peer pressure. Employees working together, often participating in the same workload processes, can and do detect anomalies and bring them to the attention of their supervisors. They can also use the Office of Inspector General (OIG) telephone "hotline" which is well known by employees. It offers a readily available, fully discrete way of identifying problems whether caused by peer employees, supervisors, or both. These complaints are investigated by the regional commissioners' office, and are controlled at the central office level to assure a determination is made whether there is a problem, and to assure corrective action is taken where necessary.

2. **Public reaction.** If workloads are not processed promptly and properly, this very quickly results in negative feedback and can point up individual problems which require corrective actions, whether training, reprioritizing work, or a serious individual performance problem. The General Accounting Office conducted reviews of client satisfaction with SSA services in 1984 and in 1986. The results show a high level of public satisfaction. In fact, the public was more satisfied in 1986 than in 1984. In addition, the Department of Health and Human Services, OIG has just recently completed still another survey of clients who visited SSA in May of 1987, and the findings also indicate a high degree of satisfaction.

Collectively SSA has used these measures to successfully manage operations. This does not guarantee that problems cannot or do not occur. It does mean that employees are aware of management's concern and interest in these matters. It also means that management at all levels is committed to preventing mispractices such as those described in the allegations. And, it means that, in isolated instances where they do occur, management will be able to identify them and eliminate them quickly. I also believe that as more of our work measurement data become automated, we will be able to even further improve the integrity of the data and the work measurement process.

I appreciate your continued interest in SSA and our efforts to further the goals of providing quality service to the public and effectively managing the program.

Sincerely,

DORCAS R. HARDY

Dorcas R. Hardy
Commissioner
of Social Security

Enclosure

ALLEGATIONS OF MANIPULATIONS AND CIRCUMVENTION
OF SSA WORKLOAD CONTROL AND PERFORMANCE
MEASUREMENT SYSTEM

Field Offices

1. Office practices are changed during the measurement period for the official wait time study to reduce apparent interview wait times.

Comment:

Each office has a reception area traffic control plan aimed at keeping waiting times at reasonable levels. The plans vary in detail, are by nature fluid and typically involve increasing the number of interviewing personnel based on an increased flow of traffic or increased waiting times. Therefore, it is possible that these conditions may result in adjustments during sampling periods.

We have notified all field managers of the need for objective feedback from their samples, not "gamed" data. Specific complaints about "gaming" have been investigated and will continue to be. There have been few specific complaints and, where valid, appropriate measures have been taken to avoid repetition.

Based on GAO's reports of public feedback on SSA's service, field office reports of waiting time improvement match the public's perception of our service. We cannot find a systemic problem here.

2. Protective filings are not made in order to keep processing time measurement from beginning.
3. Claimants are instructed to not sign claims forms until all necessary proofs are produced in order to keep processing time measurement from beginning and to reduce mean claims processing time.

Comment:

Either of these practices is very susceptible to detection through local audits and case reviews. Because of this, we are confident they are isolated and not systemic.

Protective filings typically apply to teleclaims, where a lead and earnings request at a minimum create an audit trail. Established supervisory case reviews and interview audits would identify those cases where protective filings should have been taken. Similarly, deferred signing of claims would be detected, since the files would indicate earlier contact with claimants at which applications could have been taken and signed.

In addition to established supervisory reviews, there are unannounced security reviews in all field offices, during which case reviews take place. Although the purpose of these checks focused on security, these kinds of practices will be noticed and acted upon in the process. Quality reviews will also detect improper development based on the audit trails mentioned here.

There is another point to be made about these practices. They run counter to other emphases (increasing productivity, decreasing waiting times) by increasing the number of contacts required to complete claims. In a sense, the mix of emphases underlying this and the other allegations tends to create checks and balances - advantages gained in one area can result in offsetting disadvantages in others.

Although there is potential in these practices to disadvantage the public, there is no evidence that they do. Both our training and standard procedures clearly emphasize practices that protect the public's interest in the claims process. With very few exceptions, our employees perform with that motivation in mind.

4. Walk-in claims traffic is refused service and instructed to call in, in order to increase either the teleclaims or the interview appointment rate.

Comment:

Our policy is to encourage teleservice/teleclaims and offer appointments, but not to thrust either as requirements on the public. While supervisory and management reviews of reception operations would probably detect these practices, the most probable indication of a problem would be public feedback. We have not received any indication that this is a significant problem from the public's perspective.

SSA plans periodic surveys of the public concerning its service. We see this feedback as a primary source of information about questionable practices. We would also expect Congressional attention to constituent complaints, but to date we have seen no such manifestation of negative public reaction.

As a result, there is no evidence that a systemic problem exists. To an extent, appointments or teleclaims could create a potential for lost benefits. Therefore, our procedures clearly state that this factor be investigated in each case and protective statements be taken where by choice of the claimant a subsequent appointment is made - face-to-face or by telephone.

5. Claims are taken unnecessarily from individuals obviously not entitled to benefits to increase apparent productivity and/or to reduce mean processing times.

Comment:

SSA captures information on "technical denials," the kinds of cases referred to here. In addition, there are goals to reduce the number of these cases which occur most frequently in the disability area.

Recent experience shows a decline in the number of technical denials in response to management emphasis. SSA is also changing its work measurement system to distinguish technical denials from other claims. This will have the effect of identifying a separate workload factor for this category of actions, rather than giving the same credit for these cases as for longer, more complicated actions.

The potential impact of this practice, to the extent it exists, is not negative from a "protection" point of view. The practice of taking claims has uncovered some situations in which an apparent lack of eligibility, in doubtful situations, has really turned out to be the opposite. It is SSA's position to bring balance to this aspect of the claims process while protecting the public's rights.

6. Folders which require further field office development are charged to other components to reduce apparent field office processing time.
7. Postentitlement workloads are not timely processed, the true size of backlogs is unknown, and in some cases received work is discarded.
8. Workloads (particularly, the representative payee workload) are cleared from control systems although no work has been done on them, and false statements that work has been done are made by employees.
9. SSI redeterminations are not done (beneficiaries are not notified that they have to appear) and benefit payments are suspended, ostensibly because beneficiaries failed to appear, in order to clear redetermination.
10. Overpayment recovery questionnaires are sent by the field offices to the program service centers without field office personnel having met with beneficiaries or verified financial information.

Comments:

These allegations all appear to relate to postadjudicative or postentitlement actions. As in most of the situations mentioned in this list of allegations, supervisory and other reviews at the local level would detect improper practices. Workflows often involve more than one position or position type, making the probability of improper or inappropriate handling being discovered very high.

In a more formal vein, periodic security reviews performed by personnel from outside the office being reviewed delve into practices which may indicate improper and potentially fraudulent involvement. Where questionable practices are discovered, management reviews (by regional personnel) look into the entire operation of offices as necessary.

There are some aspects of each of these allegations which tend to offset their potential for abuse, although that potential does exist.

- o The practice cited in number 6 might reflect positively in processing time data, but it is highly open to detection by the "other components" which can see that actions have not been taken. For this reason, we do not believe that this is a significant problem. We might add that, to the extent benefits are impacted, the public would react to delays caused by this practice.
- o It is difficult to comment on the statement in number 7, without more detailed information, since virtually all postentitlement workloads are controlled in one system or another and/or have a bearing on continuation or adjustment of benefits. If, as the allegation

indicates, the work was discarded that fact would show up in the control system or by followup on the beneficiary's part. Without added detail, we cannot react more specifically since there is no evidence in either our controls or public reaction to sustain the allegation that workload backlogs are discarded.

- o Allegation number 8 is difficult to follow without more detail. Representative payee workloads require completion of a form and a signature by the representative payee. Under those circumstances, we cannot conceive of how those workloads can be left undone without followup from the processing center where they are controlled.
- o Regarding number 9, SSI redeterminations are controlled by the Central Office Redetermination Control (CORC) system, and suspensions will be noted in that system for 30 days after input. This control could be used to check on samples of suspensions, but an even better control exists in the recipients themselves. Anyone who is suspended without notice or contact is certainly going to contact the office, thus obviating any incentive to handle cases as alleged here.
- o The program service center review of the cases mentioned in number 10 would detect this practice as would audits of outgoing mail conducted regularly in the field offices. Verification of financial information is required in all cases, in the form of photocopies of documents, checks, etc. The absence of this kind of documentation would trigger questions and followup by the reviewing offices.

ALLEGATIONS OF MANIPULATIONS AND CIRCUMVENTION
OF SSA WORKLOAD CONTROL AND PERFORMANCE
MEASUREMENT SYSTEM

1. Folders are "recycled" (returned to files from operations while work is being performed on them and "read" back into operations for clearance) in order to reduce the apparent length of time in operations.

Comment:

Although these allegations have been made in the past, we have been unable to substantiate their validity and we do not believe these practices are widespread. We continually review operational data to ensure that procedures are strictly followed. Reviews of the data do not suggest "recycling" and if recycling were widespread we believe it would be readily detected. Our operational and integrity on-site reviews have not identified recycling as a problem.

2. Incoming material is not read into workload control systems, and in some cases is being destroyed, in order to minimize the apparent size of workloads pending.

Comment:

We suppose incoming material can be destroyed. This may help an individual technician to reduce his or her backlog, but it does not reduce "pendings". The problem which originally caused the incoming material will persist and another action or a duplicate of the original material will be generated (either by the beneficiary or the system). Therefore, pending is not minimized by destroying material, but may actually be increased.

Currently the program service centers (PSCs) have formed a work group to conduct a comprehensive analysis of current processing and reporting practices among the PSCs. We are concerned when accusations are raised on the validity of our data. We are well aware that uniformity of workload processing and reporting is extremely important in order to prevent erroneous conclusions and doubts regarding the integrity of operations.

3. Folders are removed from the control of the workload control system, and are "lost" for periods up to a year or more.

Comment:

Folders are not removed from the control of the workload control system. Folders can be temporarily transferred out of an office to an office that may need to route the folder to a third office for final jurisdiction. The current case control system will produce periodic alerts in the office with the temporary transfer record, to contact the designated location for the status of the folder. Some folders may be recorded for over a year in temporary transfer status before the final jurisdiction is determined, but such folders are controlled (though they may appear to be temporarily "lost").

An erroneous bar code label may be affixed to a folder or a folder may be misfiled in a file cabinet through human error. Such error may result in temporarily "lost" folders, but the events are monitored by housekeeping activities that include regular (i.e., quarterly) sequencing of the merged file cabinets.

The Operations Analysis Staff in each office receives a report of all activity that removes a folder from the case control system. The individual modules simultaneously receive individual alerts for each of the folders that are removed from the system. The generation of reports to two independent sources permits assessment of the activity and recovery from any erroneous action.

We therefore disagree that folder records are "lost" for up to a year due to manipulation or circumvention. The case control system automates alerts/reports and regular clerical activities are scheduled to ensure the integrity of the folder data.

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