



SOCIAL SECURITY

MEMORANDUM

Date: July 23, 2010

Refer To:

To: The Commissioner

From: Inspector General

Subject: Administrative Leave Use (A-06-09-29133)

The attached final report presents the results of our review. Our objectives were to determine the effectiveness of the controls over the Social Security Administration's administrative leave use and the appropriateness of administrative leave granted to Agency employees.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

A handwritten signature in black ink, appearing to read "Patrick P. O'Carroll, Jr." with a stylized flourish at the end.

Patrick P. O'Carroll, Jr.

Attachment

**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

ADMINISTRATIVE LEAVE USE

July 2010

A-06-09-29133

AUDIT REPORT



Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.



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Date: July 23, 2010

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Subject: Administrative Leave Use (A-06-09-29133)

OBJECTIVE

Our objectives were to determine the effectiveness of the controls over the Social Security Administration's (SSA) administrative leave usage and the appropriateness of administrative leave granted to SSA employees.

BACKGROUND

Administrative leave refers to an excused absence from duty that is authorized without loss of pay or a charge against the employee's leave balances. The Office of Personnel Management (OPM) develops and maintains Government-wide regulations and policies on leave administration but does not provide detailed guidance governing excused absences. Instead, applicable excused absence guidance is incorporated into a manual published by the Office of the General Counsel, U.S. Government Accountability Office.¹ The guidance states that, since there are no general OPM regulations covering administrative leave, each agency has the authority to determine the situations in which excusing employees from work without charge to leave is appropriate. However, the guidance indicates that generally, Federal employees may not be placed on administrative leave with pay for an extended period.² Also, during an investigation of an employee for wrongdoing, when it is in the best interest of the Government to have the employee off the job, the employee may be relieved from duty and continued in a pay status without charge to leave for the short time necessary to process a suspension.³

In situations where a disruption occurs on the job or where there is a belief that the potential for violence exists, a supervisor may need to keep an employee away from the

¹ Civilian Personnel Law Manual, Title II, Leave, Chapter 5, Part A, *Administrative Leave*.

² *Ibid*, Chapter 5:03.b.

³ *Ibid*, Chapter 5:05.e.

worksite to ensure the safety of employees while deciding a course of action. Placing the employee in a paid, non-duty status (administrative leave) is an immediate, temporary solution to the problem. Agencies should monitor these situations and move toward longer term actions, when necessary, appropriate, and prudent.⁴

Supervisors are sometimes faced with a situation where they have insufficient information to determine whether an employee poses a safety risk, has committed a crime, or has a mental condition that might make disciplinary action inappropriate. In these instances, the agency can issue an indefinite suspension⁵—an adverse action that takes an employee off-duty and out of pay status until the completion of an inquiry or investigation into allegations of misconduct. To issue an indefinite suspension, the agency must use adverse action procedures, which require a 30-day paid status during the advance notice of the adverse action. After the 30-day advanced notice period, the employee can be taken out of pay status pending completion of the investigation, criminal proceeding, or medical determination.⁶

We obtained data from SSA's Mainframe Time and Attendance System (MTAS) identifying all administrative leave granted to employees from October 2005 through January 2009. As illustrated in Table 1, during the period reviewed, 97.1 percent of SSA employees received fewer than 80 hours of administrative leave each. A small number of employees (17) received 1,000 or more hours of administrative leave each.

Table 1: Administrative Leave Granted to SSA Employees October 2005 to January 2009					
Hours	Number of Employees	%	Cumulative Hours	%	Average Hours Per Employee Per Year
Under 80	62,307	97.1	1,025,804	79.4	5
80 to 159.9	1,551	2.4	159,525	12.4	32
160 to 239.9	185	0.3	34,282	2.7	57
240 to 479.9	56	0.1	18,119	1.4	100
480 to 999.9	31	0.1	21,096	1.6	209
1,000 or More	17	0.0	32,423	2.5	587
Totals:	64,147	100	1,291,249	100	

See Appendix B for additional background and Appendix C for the scope and methodology of this review.

⁴ OPM, *Dealing with Workplace Violence: A Guide for Agency Planners*, Part III, Section 3, *Administrative Actions to Keep an Employee Away from the Worksite*.

⁵ Agencies usually propose indefinite suspensions when they will need more than 30 days to await the results of an investigation, await the completion of a criminal proceeding, or make a determination on the employee's medical condition.

⁶ See Footnote 4.

RESULTS OF REVIEW

SSA's oversight of short periods of administrative leave was generally effective. Review of documentation in components with the highest administrative leave use or supporting specific days where the highest amount of administrative leave was granted indicated the leave was properly authorized and appropriate.⁷

However, SSA did not establish policies governing leave use in the small number of instances where it granted employees administrative leave for extended periods.⁸ SSA did not require that timekeepers or certifiers retain documentation justifying or excusing the absences. Instead, SSA granted extended periods of administrative leave based on a manager or supervisor's verbal approval. SSA did not require any legal or administrative review of extended periods of administrative leave. Further, once the leave was approved, SSA did not develop a process to monitor extended leave use. Lack of effective controls over extended administrative leave use could result in unwarranted payment of salary and benefits to employees who should otherwise be suspended without pay. Properly documenting leave use helps maintain the integrity and accuracy of SSA's payroll system.

Extended Administrative Leave

SSA did not develop specific policies governing extended administrative leave or require periodic administrative or legal review of cases where it placed employees on extended administrative leave. As shown in Table 2, we identified 17 SSA employees who received 1,000 or more hours of administrative leave from October 2005 through January 2009.

⁷ Inclement weather was the primary contributing factor.

⁸ We use the term "extended" in reference to approved leave in excess of 30 workdays (240 hours).

Table 2: Instances Where SSA Granted an Employee 1,000 or More Hours of Paid Administrative Leave				
	Leave Hours	Estimated Salary Paid While on Leave	Leave Explained and Documented?	End Result
1	1,880	\$140,280	NO	Pending at the time of our review.
2	4,200	\$66,664	YES	SSA terminated the employee.
3	2,800	\$56,159	NO	SSA terminated the employee.
4	2,616	\$206,123	YES	SSA terminated the employee.
5	2,114	\$63,337	YES	SSA terminated the employee.
6	2,120	\$76,190	NO	SSA terminated the employee.
7	1,544	\$118,370	NO	SSA terminated the employee.
8	1,136	\$14,634	NO	SSA terminated the employee.
9	1,008	\$39,837	NO	SSA terminated the employee.
10	2,480	\$185,538	NO	Employee retired voluntarily.
11	1,928	\$150,772	YES	Employee retired voluntarily.
12	1,704	\$132,446	NO	Employee retired voluntarily.
13	1,184	\$68,055	NO	Employee retired voluntarily.
14	1,784	\$71,045	NO	Employee returned to work.
15	1,232	\$40,670	YES	Employee returned to work.
16	1,016	\$50,780	NO	Employee returned to work.
17	1,261	N/A	N/A	Administrative error occurred.
Totals	32,007	\$1,480,900		

In one case, a timekeeper and certifying official incorrectly charged work hours an employee—a union representative—spent on union-related activities to administrative leave instead of to official duty time. SSA was correcting this error at the time of our audit. In the other 16 cases, SSA placed the employees on extended administrative leave while deciding on a course of action after incidents of alleged misconduct or illegal acts. SSA paid approximately \$1.5 million in wages to 16 employees who were not working while the Agency was deciding a course of action.

We requested documentation from the employees' timekeepers and certifiers to justify approval of the extended leave. We found that, in 11 of 16 cases, timekeepers and certifiers maintained no documentation to explain or justify the administrative leave. These timekeepers or certifiers stated the extended leave was authorized based on verbal instructions received from someone in their chain of command. Illustrations follow.

- Two teleservice center employees were arrested at their workplace while in the act of blackmailing/extorting other SSA employees. SSA placed both employees on paid administrative leave in February 2007. One employee remained on paid administrative leave for approximately 6 months (1,136 hours) and the other for approximately 16 months (2,800 hours) before SSA terminated their employment. Neither the timekeeper nor the certifying official could provide written documentation to support continued payment of salary and benefits to these individuals. The certifying official stated that someone in either the Regional Commissioner or the Assistant Regional Commissioner's office verbally instructed him to approve the

administrative leave. The certifying official stated one individual received less paid leave than the other because he was a newly hired employee in a probationary status. As a result, the process for terminating his employment was shorter.

- A field office employee was arrested and placed on administrative leave in December 2005. SSA continued to pay the employee's salary and benefits for approximately 1 calendar month. At that time, the employee was issued an indefinite suspension without pay because the Agency had reasonable cause to believe the employee had committed a crime for which a sentence of imprisonment may be imposed. The employee remained on indefinite suspension until April 2007 when he was placed back on paid administrative leave, receiving his full salary and benefits for another 11 months (the employee was granted a total of 2,114 hours of administrative leave) before SSA terminated his employment. The certifying official stated she thought SSA had changed the employee's status from indefinite suspension to paid administrative leave because prosecutors dropped the formal charges against him. The certifying official could provide no documentation to justify reinstating the suspended employee's pay and benefits, and stated the personnel office ". . . took the action without paperwork."
- In August 2006, a field office employee called his manager to request use of his remaining annual leave because of a family emergency. Available documentation indicated that while on leave, the employee was arrested on undisclosed charges and remained in jail for at least 10 days. According to the manager, the employee left a voice message indicating he was in jail and requesting leave without pay. In September 2006, the employee's manager issued a written notice informing the employee he was barred from entering SSA premises as a result of his arrest and was placed on paid administrative leave "until further notice." The employee continued to receive full salary and benefits for the next 10 months (1,784 hours), at which time a new Area Director reviewed the case, terminated the administrative leave, and determined the employee should report to work. The District Manager's letter to the employee stated, "I do not believe that it is in SSA's interest for you to remain on paid administrative leave indefinitely pending the resolution of these charges. As a result, I am ordering you to report to duty. . . ." The employee later resigned. The certifying official stated the decisions and discussion regarding placing this employee on administrative leave involved Regional, Office of Labor Relations, and Office of General Counsel (OGC) staff. However, the certifier stated these discussions and decisions were not documented because of confidentiality concerns. The certifying official further stated that placing the employee on indefinite paid administrative leave was consistent with Region-wide practices.

We contacted both OGC and Office of Personnel (OPE) staff to discuss their roles in ensuring that SSA authorized extended administrative leave only under appropriate circumstances. OGC staff stated their input was not required before authorization of extended administrative leave. OGC periodically provided input on the appropriateness of placing an employee on administrative leave as it related to the adverse action notice

period.⁹ However, OGC staff stated its involvement in these cases was limited and only provided if requested. OPE staff acknowledged SSA has not established policies and procedures for granting extended administrative leave. OPE staff stated managers should strive for consistency, avoid disparate treatment, and ensure that approval of extended leave provides some benefit to the Agency. OPE staff stated that while these cases are usually discussed at several levels of management, approval of extended leave is ultimately the responsibility of the supervisor. Both OGC and OPE staff stated they did not have an ongoing or follow-up role in monitoring the appropriateness of extended administrative leave use. Because SSA did not develop or implement formal policies governing extended administrative leave use or implement a mechanism to periodically review instances where employees were placed on administrative leave for indefinite periods of time, SSA had no assurance that extended leave granted to its employees was necessary, appropriate, or consistently approved/denied.

CONCLUSION AND RECOMMENDATIONS

SSA's controls over administrative leave for short periods were generally effective. However, SSA placed a small number of its employees on extended administrative leave but did not develop or implement policies governing use and oversight of extended administrative leave. Placing employees in paid, non-duty status for extended periods resulted in both substantial costs and lost productivity to the Agency. Establishing clear policies governing approval of extended administrative leave helps maintain the integrity of SSA's payroll system.

As a result, we recommend SSA:

1. Develop and implement policies governing authorization, review, and approval of extended periods of administrative leave.
2. Establish procedures to monitor extended administrative leave use.

AGENCY COMMENTS

SSA agreed with our recommendations. SSA's comments are included in Appendix D.



Patrick P. O'Carroll, Jr.

⁹ Pursuant to 5 U.S.C. § 7513, in an adverse action for removal, suspension of more than 14 days, reduction in grade or pay, or furlough for 30 days or less, an employee receives 30 days notice ". . . unless there is reasonable cause to believe the employee has committed a crime for which a sentence of imprisonment may be imposed" If there is reasonable cause to believe the employee has committed a crime for which a sentence of imprisonment may be imposed, the agency can shorten the notice period to 7 days.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Additional Background

APPENDIX C – Scope and Methodology

APPENDIX D – Agency Comments

APPENDIX E – OIG Contacts and Staff Acknowledgments

Acronyms

MTAS	Mainframe Time and Attendance System
OGC	Office of General Counsel
OIG	Office of the Inspector General
OPE	Office of Personnel
OPM	Office of Personnel Management
SSA	Social Security Administration
U.S.C.	United States Code

Additional Background

The Commissioner of Social Security delegated the approval of administrative leave to the Deputy Commissioner for Human Resources. Per the Social Security Administration's (SSA) Delegation of Authority manual, the Deputy Commissioner for Human Resources further delegated this authority to various levels of management within SSA. The SSA Personnel Policy Manual provides specific guidance to management on the approval of short periods of administrative leave for specific purposes (for example, blood donation or certain types of preventative health screening).

SSA generally requires that leave requests and approvals be documented on Form SSA-71, *Application for Leave*. In some instances (for example, office closures due to severe weather conditions or a building emergency), SSA management can issue an administrative order granting administrative leave to a group of employees in lieu of obtaining a Form SSA-71 for each employee impacted by the office closure.

SSA records administrative leave use in its Mainframe Time and Attendance System (MTAS). The timekeeper is responsible for inputting the time an employee worked and periods of absence in MTAS. Per SSA policy, the timekeeper should have a Form SSA-71 or an administrative order to support any type of leave recorded in MTAS for an employee. The certifier¹ is responsible for ensuring the timekeeper has the proper documentation for an employee's leave use. Ultimately, the timekeeper and the certifier are responsible for the accuracy of leave charged to an employee.² Time and attendance records upon which leave input data are based must be retained for 6 years or until a Government Accountability Office audit, whichever is sooner.³

¹ The certifier is the individual who signs off on the entries made by the timekeeper in MTAS. The certifier is not always an employee's leave approving official.

² SSA Timekeeper Policy, Chapter 2, page 5.

³ National Archives and Records Administration General Records Schedule, Transmittal No. 8, General Records Schedule 2, page 3.

Scope and Methodology

To accomplish our objectives, we reviewed administrative leave data retrieved from the Mainframe Time and Attendance System (MTAS) for all Social Security Administration (SSA) employees from October 2005 through January 2009. We did not analyze the system controls for inputting and maintaining administrative leave data. We performed the following analysis on the administrative leave data.

- Identified individuals who were granted relatively high amounts of administrative leave and reviewed all 17 instances where SSA granted an employee 1,000 or more hours of administrative leave.
- Identified those components who granted relatively high amounts of administrative leave hours to employees. We performed further analysis and identified the top four components with the highest amount of administrative leave. For each component, we identified the two highest years for which administrative leave was granted. Within each year, we selected the top five pay period days. We received documentation for these pay period days to support the administrative leave recorded in MTAS.
- Identified pay period days with a relatively high number of administrative leave records. Next, we identified the top five components that granted the highest administrative leave hours for each pay period day. Documentation was received from these components to support the administrative leave recorded in MTAS.

In addition to this data analysis, we performed the following steps.

- Reviewed current published SSA administrative leave policy and practices.
- Reviewed decisions and policy from the Comptroller General.
- Interviewed employees from the Office of the Deputy Commissioner for Human Resources to gain an understanding of how SSA grants, tracks, and monitors administrative leave and to clarify SSA policy and practices.
- Reviewed applicable Federal laws as well as Office of Personnel Management and Office of the General Counsel, U.S. Government Accountability Office, guidance.
- Received supporting documentation from timekeepers, certifiers, and other SSA personnel, as needed.
- Assessed the appropriateness of the administrative leave granted by comparing the source document explanations to SSA policy.

We tested the data obtained for our audit and determined them to be sufficiently reliable to meet our objectives. The entity reviewed was the Office of Personnel under the Office of the Deputy Commissioner for Human Resources, as well as selected employees' assigned timekeeper and certifier roles in various SSA components. We performed our review from September through December 2009 in Dallas, Texas. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: July 16, 2010

Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: James A. Winn /s/
Executive Counselor to the Commissioner

Subject: Office of the Inspector General (OIG) Draft Report, "Administrative Leave Use"
(A-06-09-29133)--INFORMATION

Thank you for the opportunity to review and comment on the draft report. We appreciate OIG's efforts in conducting this review. Attached is our response to the report findings and recommendations.

Please let me know if we can be of further assistance. Please direct staff inquiries to Candace Skurnik, Director, Audit Management and Liaison Staff, at (410) 965-4636.

Attachment
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "ADMINISTRATIVE LEAVE USE"(A-06-09-29133)

Thank you for the opportunity to review the draft report. Below are our responses to the recommendations.

Recommendation 1

Develop and implement policies governing authorization, review, and approval of extended periods of administrative leave.

Response

We agree. We will develop and implement specific policies governing the use of extended administrative leave.

Recommendation 2

Establish procedures to monitor extended administrative leave use.

Response

We agree. We will run reports to identify any employees granted 40 or more continuous hours of administrative leave. We will send the reports to the appropriate component for review and necessary action.

OIG Contacts and Staff Acknowledgments

OIG Contacts

Ron Gunia, Director, Dallas Audit Division

Jason Arrington, Audit Manager

Acknowledgments

In addition to those named above:

Chasity Crawley, Senior Auditor

For additional copies of this report, please visit our web site at www.ssa.gov/oig or contact the Office of the Inspector General's Public Affairs Staff Assistant at (410) 965-4518. Refer to Common Identification Number A-06-09-29133.

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Social Security Advisory Board

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts investigations related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Counsel to the Inspector General

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Also, OCIG administers the Civil Monetary Penalty program.

Office of External Relations

OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

Office of Technology and Resource Management

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG's strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.