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Good morning, Mr. Chairman, Ranking Member Baucus, and members of the Committee. I appreciate the opportunity to appear before this distinguished panel to discuss my vision for ensuring the integrity of Social Security's programs should I be confirmed.

I am honored that President Bush has nominated me for the position of Inspector General (IG) for the Social Security Administration (SSA). Henry Clay observed, "Government is a trust, and the officers of Government are trustees; and both the trust and the trustees are created for the benefit of the people." Although Americans face new challenges at home and abroad, there is no better time to be their trustee.

I believe I have ably demonstrated my commitment to our citizenry in my 34 years of public service. If I am granted the privilege of serving as Social Security's Inspector General, my organization and I will help America meet these new challenges and achieve even greater success.

My Experience and Qualifications

Throughout my career I have received extensive law enforcement experience and management training, including obtaining a Master of Forensic Sciences degree from George Washington University. My 26 years with the U.S. Secret Service in law enforcement management positions provided valuable experience as an investigator and a leader.

Over the past few years at the Office of the Inspector General (OIG), I have served as Special Agent-in-Charge of Congressional Affairs, Special Agent-in-Charge of Strategic Enforcement, and Assistant Inspector General for External Affairs—where I directed congressional affairs, quality assurance and professional responsibility for OIG. Most significantly, for the past 4 years I served as the Assistant Inspector General for Investigations, where I led investigators and employees in 64 offices throughout the nation.

In this position, I undertook a number of initiatives to reduce fraud, waste, and abuse in SSA's programs and operations. This includes my leadership of OIG's efforts in the:

- Cooperative Disability Investigative (CDI) Program;
- Fugitive Felon Program; and
- Identity Theft Task Forces;

The CDI Program is a collaborative effort with SSA and OIG to address the integrity of the disability programs. CDI's mission is to obtain evidence that can resolve questions of fraud in SSA's disability programs. Eighteen CDI units have been opened in 17 States since fiscal year (FY) 1998 with 2 units open in Texas.

Last year, GAO acknowledged the CDI program's successes by noting that we have increased the level of resources and staff devoted to investigating fraud and abuse. Our CDI teams identify fraud and abuse before benefits are approved and paid. In the first half

of FY 2004, the CDI units saved SSA's SSI and Old Age, Survivors and Disability Insurance (OASDI) programs almost \$64 million by identifying fraud and abuse related to initial and continuing claims within the disability program. In FY 2003, the CDI Program saved almost \$100 million. Since the inception of the program, over 5,000 claims have been denied or terminated.

The Fugitive Felon Program identifies fugitive felons receiving SSA benefits, stops payment and notifies law enforcement of their location. Federal legislation bars SSI for fugitive felons and for probation and parole violators, and provides for the exchange of certain SSI information with law enforcement agencies under specified conditions. Such fugitives are denied Federal assistance and parallel aid is also provided to law enforcement for their apprehension.

Our highly successful Fugitive Felon Program assists law enforcement with locating and apprehending criminals, making our neighborhoods safer. The program uses automated data matches to compare warrant information from the National Crime Information Center, the Federal Bureau of Investigation, the United States Marshals Service, and State agencies with SSI rolls. During FY 2003, we identified approximately 38,000 subjects receiving SSI payments—over 3,000 per month—resulting in over 6,500 apprehensions. SSA data contributed to the arrest of 3,329 fugitives in the first half of FY 2004—and over 19,000 arrests since the program's inception in 1996.

The Identity Theft Task Forces combat this insidious crime at its source. Our body of audit and investigative work permits us to give Congress our evaluation of suggested legislative changes and new techniques to improve SSN security and to decrease identity theft crimes. Our ongoing involvement in identity theft, SSN misuse, and homeland security is required by the role the SSN plays in establishing false identities and facilitating financial crimes that can be used to finance terrorism. Our central function in this area is to protect the integrity of the enumeration process and to ensure the accuracy of SSA's records.

I also led OIG in joint efforts with other Federal, State and local agencies, such as the Departments of Homeland Security and Justice, the Joint-Terrorism task forces, and other national antifraud efforts and counter-terrorism initiatives.

In the aftermath of September 11th, I represented OIG on an SSA-wide task force that addressed Social Security number (SSN) misuse and identified and recommended improvements for the SSN process.

My current position as Acting Inspector General has provided a great deal of insight into the challenges and opportunities facing SSA. As a result, I am frequently called upon to advise decision-makers on key areas to improve Social Security integrity.

The Office of the Inspector General

An important part of our mandate is to provide timely, useful and reliable information and advice to Administration officials, Congress and the public. To meet this mandate, in 1997, I established an Office of External Affairs focusing on quality assurance and congressional liaison, vitally important in fostering a strong, open relationship with Congress while providing timely and accurate information.

That relationship ultimately depends on our performance. We must continue to conduct our audits and investigations with the strictest adherence to legal and professional standards, and make the most efficient use of our resources to prevent fraud on the front-end of SSA's business processes.

No program touches more lives than Social Security. As stewards of this sacred trust, we work continuously to maintain the efficiency and effectiveness of SSA and its programs, and to eradicate fraud, waste, and abuse.

SSA OIG is a crucial component in the fight against SSA program fraud. In FY 2003, our investigators arrested over 5,000 individuals, reported over \$356 million in investigative accomplishments in the form of SSA recoveries, restitution, fines, settlements, judgments and projected savings. OIG auditors issued 97 reports with recommendations identifying over \$1 billion in Federal funds that could be better utilized and \$57 million in questioned costs. Our attorneys reported nearly \$1.25 million in civil monetary penalties and assessments. As a result, OIG returned \$20 for every dollar invested in its operations.

My Vision for Ensuring Efficiency and Integrity at Social Security

Earlier, I referred to the new challenges facing America at home and abroad. Today we are focused on the threat of terrorism and the impact it can have on our everyday lives. Social Security programs face additional challenges and we must take them seriously.

For example, while new technologies afford us greater flexibility in performing routine activities, they also present new opportunities for misuse. As government continues embracing the electronic age and moves closer to paperless processing, we must be certain that appropriate safeguards are in place to verify the authenticity of every transaction. I will work to ensure that Social Security has the proper and complete mechanisms in place to preserve the integrity of all electronic business.

We learned after the September 11th terrorist attacks that Government departments and agencies at every level must be able to communicate and share information timely. At the same time, it is our duty to protect the privacy of every citizen. If I am confirmed as SSA's Inspector General I will make it a top priority to continue developing collaborative relationships with fellow Federal, State and local departments and agencies to foster greater communications and creativity to address both of these issues.

Further, Government faces a crisis of human capital as many of our most talented employees near retirement. Our Strategic Plan includes several measures aimed at developing and maintaining a highly skilled and motivated workforce. This is one of my top priorities. We already have a proud tradition of excellence and I plan to make our organization even better through recruitment programs that attract highly capable candidates representing the mosaic that is America.

Recent enactment of legislation also impacts our organization. For example, the Homeland Security Act of 2002 provides Federal OIGs—including ours—important law enforcement authorities and mandates the creation of an external review process to ensure adequate internal safeguards and management procedures. Another significant piece of legislation is the Social Security Protection Act of 2004. This law provides new safeguards for Social Security and its beneficiaries, such as increased oversight of representative payees, enhanced authority to protect SSA's employees, and provides for the expansion of the Fugitive Felon Program to Title II beneficiaries.

Conclusion

One constant in these times is the Government's duty to tackle the challenges before us and to meet increasing demands with finite resources. Certainly this is true at SSA. Should I be confirmed, I anticipate that SSA OIG will continue to function as a critical law enforcement arm and key management tool for SSA. We will vigorously pursue those who try to take advantage of SSA's programs, operations or beneficiaries, while scrupulously safeguarding the precious resources allocated to us. We will also continue to work with the Agency to identify opportunities to improve efficiency and effectiveness.

Over the years, the OIG and SSA have made great progress in addressing numerous challenges. I look forward to continuing this work. If confirmed, I will concentrate heavily on program integrity issues, SSN misuse and homeland security. Internally, I will ensure that a strong and diverse management team continues to lead an independent OIG into the future.

I look forward to working with Congress and the Commissioner to help SSA meet these and other challenges. Because Social Security plays such an important role in the lives of Americans, I would consider it an honor to serve as the next Inspector General for Social Security. Thank you for this opportunity, and I would be pleased to answer any questions you might have.