

**OFFICE OF INSPECTOR GENERAL  
FOR THE  
RAILROAD RETIREMENT BOARD**

**STRATEGIC PLAN  
FISCAL YEARS 2016-2020**

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## **FOREWORD**

The Office of Inspector General (OIG) for the Railroad Retirement Board (RRB) focuses its audit and investigative efforts and resources on protecting the integrity of the RRB's trust funds and improving service to railroad workers and their families by offering recommendations for agency improvement. As part of our commitment, we have adopted this Strategic Plan to identify the OIG's goals and priorities for fiscal years 2016 through 2020. In accordance with the Government Performance and Results Act of 1993, we plan to update this Strategic Plan periodically.

## **EXECUTIVE SUMMARY**

### **Railroad Retirement Board**

The RRB is an independent agency in the executive branch of the Federal government. The agency administers comprehensive retirement-survivor, disability, and unemployment-sickness insurance benefit programs for the nation's railroad workers and their families. The RRB also has administrative responsibilities for certain benefit payments under the Social Security Act and administers Medicare Part B, the physician service aspect of the Medicare program, for qualified railroad beneficiaries. The RRB's central mission is to pay accurate and timely benefits.

### **Office of Inspector General**

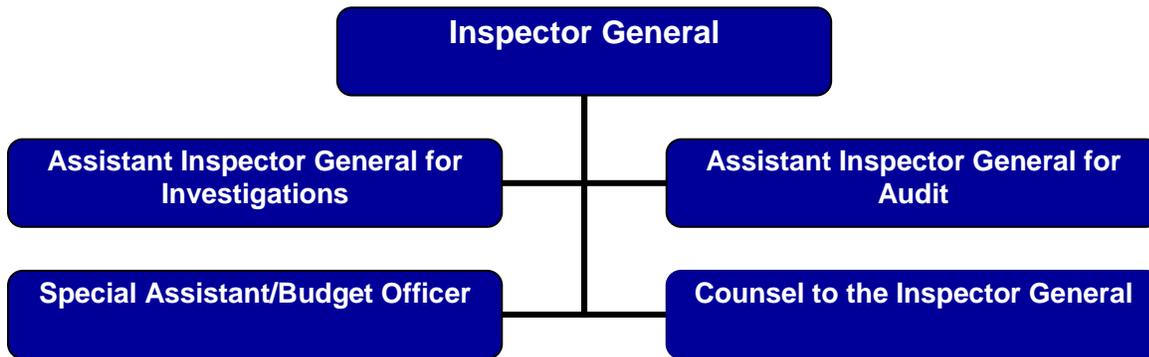
The Railroad Retirement Solvency Act of 1983 amended the Railroad Retirement Act to provide for an Office of Inspector General at the RRB. The 1988 amendments to the Inspector General Act added the RRB to the list of covered agencies.

The OIG has three operational components: the immediate Office of the Inspector General including the Executive Staff, the Office of Audit, and the Office of Investigations. The OIG conducts operations from several locations: the headquarters of the RRB in Chicago, Illinois; an investigative field office in Philadelphia, Pennsylvania; and domicile investigative offices in Arlington, Virginia; Houston, Texas; Miami, Florida, and San Diego, California.

### **Inspector General**

The Inspector General is a Presidential Appointee, with Senate confirmation, who serves as an independent and objective voice to the RRB Board Members and the Congress. It is the Inspector General's responsibility to promote economy, efficiency, and effectiveness in the RRB's programs and operations.

## Executive Staff



The Executive Staff provides the Inspector General with assistance and advice on the full range of their responsibilities as follows:

- The Assistant Inspector General for Investigations oversees the Office of Investigations' (OI) investigative activities of RRB programs and operations and keeps the Inspector General informed of issues affecting OI.
- The Assistant Inspector General for Audit oversees the Office of Audit's (OA) auditing activities of RRB programs and operations and keeps the Inspector General informed of issues affecting OA.
- The General Counsel to the Inspector General provides independent legal advice, guidance, and counsel to the Inspector General, Executive Staff, and OIG management on legal issues and legislative proposals.
- The Special Assistant to Inspector General/Budget Officer administers the OIG's budget and acts as a liaison to the Office of Management and Budget and various Congressional offices.

## Office of Audit

OA conducts a wide breadth of audits and evaluations based on a risk-based planning process that focuses on areas affecting program performance, the efficiency and effectiveness of agency operations, and areas of potential fraud, waste and abuse. OA's work first prioritizes audits mandated by law, regulation, or other source. Additional audits and evaluations are undertaken as resources are available and based on the value that they can add to addressing the OIG's identified major management challenges and to improve RRB operations.

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OA must conduct the following mandated work:

- audit of the RRB's consolidated financial statements pursuant to the requirements of the Accountability of Tax Dollars Act of 2002;
- evaluation of RRB information security pursuant to the Federal Information Security Modernization Act of 2014 (FISMA);
- evaluation of the RRB's compliance with the Improper Payments Elimination and Recovery Act of 2010 (IPERA);
- review of IG requirements for the Government Charge Card Abuse and Prevention Act of 2012; and
- review of the RRB's Implementation of the Digital Accountability and Transparency Act (DATA Act) of 2014.

OA's audits and evaluations for fiscal year 2016 are broadly classified into the following major areas:

- financial accountability;
- Railroad Retirement Act and Railroad Unemployment Insurance Act benefit program operations;
- RRB contracts and contracting activities;
- Railroad Medicare program operations;
- security, privacy and information management; and
- Improper Payments Elimination and Recovery Act of 2010 oversight.

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In addition, OA:

- makes recommendations for improvement in the administration of RRB programs and tracks the status of progress towards corrective action;
- administers a comprehensive quality assurance program that ensures compliance with Generally Accepted Government Auditing Standards, OIG policies and procedures, the Council of the Inspectors General on Integrity and Efficiency quality standards for Federal Offices of Inspector General, and other requirements; and
- informs Congress and RRB Board Members of current and potential problems, as well as management's progress in implementing corrective actions to address identified weaknesses.

### **Office of Investigations**

OI investigates RRB programs and operations and submits for prosecution throughout the United States cases relating to:

- the fraudulent receipt of RRB disability, unemployment, sickness, and retirement-survivor benefits;
- Railroad Medicare fraud;
- conspiracy to defraud RRB benefit programs;
- false reporting by railroad employers; and
- criminal, civil, and administrative misconduct by RRB personnel.

Investigative efforts can result in criminal convictions, civil judgments and penalties, administrative recovery of program benefit funds, and/or administrative sanctions.

## **STATUTORY RESPONSIBILITIES**

In addition to the statutory authorities and responsibilities established under the Inspector General Act of 1978, as amended, the following Public Laws impact the OIG's statutory mission.

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**Public Law**

**Provisions Impacting the OIG**

Accountability of Tax Dollars Act of 2002  
(P.L. 107-289)

This law requires specific Federal executive branch agencies (including the RRB) to prepare and submit financial statements to the Office of Management and Budget and the Congress.

Chief Financial Officers Act of 1990  
(P.L. 101-576)

Requires assessments of the RRB's internal control environment to assure the issuance of reliable financial information and to deter fraud, waste, and abuse of RRB resources.

Consolidated Appropriations Act, 2008  
(P.L. 110-161)

Restored the OIG's authority to conduct audits and investigations of the Railroad Medicare program.

Digital Accountability and Transparency Act (DATA Act) of 2014

Requires the OIG to assess the RRB's compliance with requirements of the DATA Act to improve government transparency.

Government Charge Card Abuse and Prevention Act of 2012

Requires an annual assessment by the OIG of the RRB's controls over its charge card program to prevent fraud and abuse.

Improper Payments Elimination and Recovery Act of 2010

Requires the OIG to assess the RRB's compliance with the Act annually.

Federal Information Security Management Act of 2014 (FISMA) (44 U.S.C. § 3531, et. seq.)

Requires that OIG evaluate the RRB's overall information security program and practices.

Railroad Retirement Act, as amended  
(45 U.S.C. § 231, et. seq.)

Provides retirement, survivor, and disability benefits to eligible railroad employees and their families.

Railroad Unemployment Insurance Act, as amended (45 U.S.C. § 351, et. seq.)

Provides unemployment and sickness benefits to eligible railroad employees.

Social Security Act (42 U.S.C. Ch. 7)

Requires the RRB to serve as an administering agent for payment of Social Security benefits when railroad annuitants are entitled to social security benefits under the Social Security Act.

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**Public Law**

Reports Consolidation Act of 2000  
(P.L. 106-531)

**Provisions Impacting the OIG**

Requires Inspectors General to provide a summary and assessment of the most serious management and performance challenges facing Federal agencies and their progress in addressing them.

## STRATEGIC PLANNING

### Annual Performance Plan

Our Annual Performance Plan provides a vehicle to measure and quantify our progress towards the strategic goals as outlined in this Strategic Plan. This process aids in the accurate measurement of our accomplishments and provides an opportunity for annual reflection.

### External Factors That May Affect the Achievement of Our Strategic Goals

**Funding:** We have prepared our Strategic Plan and performance objectives on the assumption that our annual funding levels will remain fairly stable. However, should our appropriations be reduced or restricted, we will not be able to fund our current staff or provide the necessary resources to support their work and ensure planned performance levels.

**Limitations on Authority:** Our performance levels were developed based on our prior experiences. However, we have no authority to ensure the RRB's implementation of our audit recommendations or to ensure action on our investigative case referrals to the Department of Justice.

**New Statutory Requirements:** New statutory requirements may impose additional oversight activities or reporting responsibilities upon our organization. As a result, we may be required to reallocate resources from planned activities to meet these legislative mandates. The necessary reallocation of staff could potentially have a significant impact on our ability to meet our performance goals.

### Strategic Planning and Input from Stakeholders

The OIG's staff members worked together to identify the long term vision and framework for our Strategic Plan. We used the Inspector General's Act of 1978, as amended, as a resource and identified how the responsibilities set forth in the statute relate to the programs and operations of the RRB. Our current work and experiences were used as the foundation for this analysis. Additionally, we took into account stakeholder feedback.

We define our stakeholders as RRB Board Members, RRB Management Officials, Members of Congress, the Department of Justice, other Federal agencies, the Council of the Inspectors General on Integrity and Efficiency, the Inspector General community at large, OIG employees, and the railroad community. We consult with our stakeholders on a continual basis to help define our goals and focus our efforts and resources to achieve the parameters set forth in our mission statement.

## **MISSION STATEMENT**

The OIG promotes economy, efficiency, and effectiveness in the RRB's programs and operations by focusing our audit and investigative efforts on protecting the integrity of the RRB's trust funds and improving the delivery of benefits to the railroad community.

## **VISION STATEMENT**

The OIG employs a skilled and professional workforce dedicated to the goals and mission of the Office. The OIG:

- conducts audits/evaluations, management reviews, and inspections of the RRB's programs and operations;
- provides recommendations for improvement to RRB management;
- prevents and detects fraud, waste, and abuse in the RRB's programs and operations;
- reviews and makes recommendations regarding existing and proposed legislation and regulations relating to the RRB's programs and operations; and
- informs RRB Board Members and the Congress of fraud, waste and abuse in the RRB's programs and operations.

## **STRATEGIC GOALS**

This plan establishes three strategic goals:

1. Add value to the RRB's programs and operations.
2. Protect the integrity of the RRB's programs, operations, and trust funds.
3. Ensure quality and excellence in the OIG's work and products.

The first goal addresses our independent oversight of the RRB's programs and operations. In support of this goal, we evaluate agency program functions, assess program efficiency, and advise management regarding necessary actions to improve agency performance.

The second goal involves compliance reviews and enforcement activities to identify systemic weaknesses in the RRB's programs and operations. Our objective is to reduce the potential for waste, fraud, and abuse in the RRB's programs and operations and to create a deterrent for future fraudulent activities.

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The final goal focuses on the OIG's internal operations. We will identify ways to streamline audits and investigations by utilizing new technologies, providing staff training, and improving planning processes.

**Goal 1 - Add value to the RRB's programs and operations.**

The OIG's products and services are used by the RRB, the Congress, and other interested parties to improve the efficiency, effectiveness, and integrity of the RRB's programs and operations.

We will achieve this goal by:

- Focusing the OIG's work on major RRB programs and operations. Major areas include the annual financial statement audit; security, privacy, and information management; improper payments; RRB contracting activity; RRB Medicare program operations; and RRB benefit payment. We will review operating performance in both program and administrative functions to ensure that agency activities promote efficiency and minimize the potential for fraud, waste, and abuse.
- Providing accurate, objective, and timely information to the RRB, the Congress, and other interested parties.
- Promoting actions on the OIG's recommendations.

We will use the following indicators to measure our progress:

- 1) Percentage of RRB program officials contacted to provide input on the annual audit work plan.
- 2) Percentage of OA products issued within 240 days of entrance or by the mandated reporting deadline, if applicable.
- 3) Timeliness of the Semiannual Report to the Chairman regarding corrective action for audit recommendations.
- 4) Percentage of reports filed on time.

**Goal 2 - Protect the integrity of the RRB's programs, operations, and trust funds.**

This goal addresses the third element of the OIG's vision, to prevent and detect fraud and abuse in the RRB's programs and operations. To achieve this goal, we review and investigate allegations of fraud that are referred to our office through a variety of internal

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and external sources. We develop proactive strategies to identify systemic fraud and abuse and make recommendations to address the causes. Based on the recommendations issued by this office, the agency has the responsibility to establish the necessary controls in its programs and operations.

We will achieve this goal by:

- Analyzing RRB programs and operations to identify those that are most susceptible to fraud and abuse and those programs for which the agency's policing mechanisms are ineffective. We will continue to develop traditional information sources, both within and outside the agency, that provide information concerning allegations of fraud and abuse.
- Taking timely actions in response to allegations of fraud and abuse. We will take a proactive approach to developing electronic information sources and methodologies that will allow us to conduct our investigations and analysis in the most efficient manner. We will provide the necessary support for prosecutors to conduct appropriate criminal or civil actions to address allegations of fraud or abuse.
- Providing all interested parties, i.e., prosecutors, agency officials, the Congress, and others as warranted, with complete, accurate, and timely reports concerning the results of our audit and investigative activities. We will alert agency officials and the Congress regarding significant issues that will impact agency programs and operations. We will encourage publication of judicial results by prosecutors to strengthen the deterrent effect of those actions.
- Conducting timely follow-up actions to ensure the agency addresses our systemic issue recommendations.
- Monitoring progress for all matters referred for judicial action.
- Encouraging prosecutors to complete a satisfaction survey at the conclusion of all judicial proceedings to provide honest feedback regarding OI's investigative activities.

We will measure our results as reflected below:

- 1) Percentage of allegations evaluated with a decision whether to initiate an investigation within 30 days of receipt.
- 2) Percentage of investigative cases closed, or in judicial process, during a fiscal year which resulted in a successful action, i.e., criminal indictment, criminal conviction, civil judgment or settlement, administrative action, or monetary recovery.

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- 3) Number of OIG initiated projects to identify fraud cases that are not detected through agency policing procedures.

**Goal 3 - Ensure quality and excellence in the OIG's work and products.**

To carry out its mission in a competent and efficient manner, the OIG must have a skilled and motivated work force. All staff members must have the knowledge and skills required to perform their duties. The OIG's management will support its staff by providing the means to carry out the mission of the Office and implementing a comprehensive quality assurance program.

We will achieve this goal by:

- Focusing on recruitment and retention of a professional staff that is highly skilled and appropriately developed.
- Ensuring that the staff is fully supported with the necessary training, tools, services, and direction to carry out their oversight duties effectively and efficiently.
- Implementing a comprehensive quality assurance program that ensures compliance with OIG policies and procedures; Generally Accepted Government Auditing Standards, the Council of the Inspectors General on Integrity and Efficiency quality standards for Federal Offices of Inspector General; and other requirements.

We will use the following indicators to measure our progress:

- 1) Percentage of employees meeting the training requirements of their professions.
- 2) Percentage of auditors holding the appropriate credentials to satisfy government, Council of the Inspectors General on Integrity and Efficiency, and applicable professional standards.
- 3) Number of continuing professional education hours completed by auditors during a two year period met Generally Accepted Government Auditing Standards requirements.
- 4) Percentage of audits, evaluations, inspections, and investigations subject to an internal quality assurance review.

## **CONCLUSION**

This Strategic Plan identifies the goals and priorities of our office and works in conjunction with our annual Performance Plan. This dual process aids in the accurate measurement of our accomplishments and provides an opportunity for annual reflection.

We will continue to dedicate our audit and investigative programs and resources to protecting the integrity of the RRB's trust funds and offering recommendations for agency improvement.