

FISCAL YEAR 2021 BUDGET JUSTIFICATION



Office of Inspector General
Railroad Retirement Board



UNITED STATES RAILROAD RETIREMENT BOARD
OFFICE OF INSPECTOR GENERAL

February 10, 2020

The Honorable Nancy Pelosi
Speaker of the House of Representatives
H-232 Capitol Building
Washington, DC 20515

Dear Madam Speaker:

We are respectfully submitting the fiscal year 2021 Congressional Budget Justification for the Office of Inspector General (OIG) for the Railroad Retirement Board (RRB). This justification was prepared in compliance with Office of Management and Budget Circular No. A-11. The President's proposed budget for fiscal year 2021 will provide \$11,499,000 to the Limitation on the Office of Inspector General for audit and investigative activities.

The RRB-OIG focuses its audit and investigative efforts on protecting the integrity of the RRB's trust funds and improving the delivery of benefits to the railroad community. The OIG provides comprehensive oversight of all RRB operations and programs.

The OIG is the exclusive provider of financial and internal audit services to the RRB and operates a nationwide investigative program to address allegations of fraud and employee misconduct.

We are requesting your support for the fiscal year 2021 funding level of \$11,499,000 to continue our oversight of agency programs. In fiscal year 2021, we will conduct audits of agency programs and perform investigations of allegations of waste, fraud, and abuse.

This office will continue to efficiently use all available resources to improve agency program operations, reduce fraud against benefit programs, and help ensure the agency provides the highest level of service to its constituents.

Thank you for your support of this proposed budget.

Sincerely,

Original Signed By

Marin J. Dickman, Inspector General

Enclosure

cc: The Honorable Russell T. Vought, Acting Director
Office of Management and Budget



UNITED STATES RAILROAD RETIREMENT BOARD
OFFICE OF INSPECTOR GENERAL

February 10, 2020

The Honorable Michael R. Pence
President of the Senate
S-212 Capitol Building
Washington, DC 20510

Dear Mr. President:

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Office of Inspector General for the Railroad Retirement Board

**JUSTIFICATION OF BUDGET ESTIMATES
FISCAL YEAR 2021**

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Office of Inspector General for the Railroad Retirement Board

EXECUTIVE SUMMARY

The fiscal year 2021 President's budget for the Office of Inspector General (OIG) for the Railroad Retirement Board (RRB) provides \$11,499,000 in budget authority for 54 full-time equivalent (FTEs) staff and miscellaneous expenses. With this funding, the OIG-RRB will endeavor to meet the productivity goals set forth in its Performance Budget.

The RRB-OIG will focus its efforts relating to agency programs and operations on: (1) conducting independent audits and investigations; (2) promoting economy, efficiency, and effectiveness; (3) detecting fraud and abuse; and (4) keeping the Board Members and the Congress informed about problems and recommending corrective actions concerning RRB operations.

The OIG-RRB is requesting \$11,499,000 in fiscal year 2021 to continue audit and investigative coverage of the RRB benefit programs, to identify program weaknesses and reduce fraud in agency programs. The office will focus resources on operational areas with the greatest impact on RRB activities and ensuring proper payments. Investigative resources will be devoted to maintaining the integrity of RRB programs through the investigation of waste, fraud, and abuse.

Office of Inspector General for the Railroad Retirement Board

PROPOSED APPROPRIATION LANGUAGE

LIMITATION ON THE OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, not more than \$11,499,000, to be derived from the railroad retirement accounts and railroad unemployment insurance account.

Office of Inspector General for the Railroad Retirement Board

Explanation of Proposed Appropriation Language

<u>Appropriation Language</u>	<u>Explanation</u>
<i>For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, not more than \$11,499,000 to be derived from the railroad retirement accounts and railroad unemployment insurance account.</i>	This budget requests funding for audit, investigation, and review of the railroad retirement/survivor and unemployment/sickness insurance benefit programs. The Limitation on the Office of Inspector General draws on the following trust fund accounts for funding: Railroad Retirement Account, Social Security Equivalent Benefit Account, and the Railroad Unemployment Insurance Trust Fund.

Office of Inspector General for the Railroad Retirement Board

Authorizing Legislation

<u>Authorizing Legislation</u>	<u>FY 2020</u>		<u>FY 2021</u>	
	<u>Authorized</u>	<u>Current Appropriation</u>	<u>Authorized</u>	<u>Appropriation Requested</u>
Inspector General Act of 1978, as amended	Indefinite	\$11,000,000 <u>a/</u>	Indefinite	\$11,499,000

a/ This amount reflects the appropriated level of funding provided by the Consolidated Appropriations Act, 2020 (P.L. 116-94).

Note: The 1988 amendments to the Inspector General Act of 1978 (P.L. 100-504) included the Railroad Retirement Board as an "establishment" covered by the Inspector General Act. Previously, the Railroad Solvency Act of 1983 (P.L. 98-76) amended the Railroad Retirement Act of 1974 (P.L. 93-445) to provide for an Office of Inspector General at the Railroad Retirement Board.

Office of Inspector General for the Railroad Retirement Board

Budget Authority and Staffing by Activity

<u>Program by Activity</u>	FY 2019			FY 2020			FY 2021		
	<u>Actual FTEs</u>	<u>Budget Amount</u>	<u>Projected FTEs</u>	<u>Budget Amount</u>	<u>Projected FTEs</u>	<u>Budget Amount</u>	<u>Projected FTEs</u>	<u>Budget Amount</u>	
Office of Inspector General									
Audit and Investigation	46	\$11,000,000	54	\$11,000,000	54	\$11,499,000	54	\$11,499,000	
Authorizing Legislation									
		\$11,000,000	a/	\$11,000,000	b/	\$11,000,000	b/	\$11,499,000	

a/ Represents the level of funding provided by the Consolidated Appropriations Act, 2019 (P.L. 116-6).

b/ Represents the level of funding provided by the Consolidated Appropriations Act, 2020 (P.L. 116-94).

Office of Inspector General for the Railroad Retirement Board

Budget Authority by Object Classification

<u>Limitation on the Office of Inspector General a/</u>	<u>FY 2019 ACTUAL EXPENSES</u>	<u>FY 2020 ESTIMATE</u>	<u>FY 2021 BUDGET ESTIMATE</u>	<u>FY 2021 vs. FY 2020 INCREASE/ (DECREASE) c/</u>
<u>Direct Obligations by Object Class</u>				
Personnel Compensation:				
Full-time permanent	\$4,963,476	\$6,109,000	\$6,325,000	\$216,000
Other than full-time permanent	2,362	0	0	0
Other personnel compensation	124,619	136,000	150,000	14,000
Total Personnel Compensation	<u>5,090,457</u>	<u>6,245,000</u>	<u>6,475,000</u>	<u>230,000</u>
Personnel Benefits: Civilian				
Benefits for former personnel	1,984,209	2,589,000	\$2,710,000	121,000
Travel and transportation of persons	0	0	0	0
Rental payments to GSA	295,198	300,000	300,000	0
Communications, utilities and miscellaneous charges	300,000	300,000	300,000	0
Consulting services	59,207	75,000	75,000	0
Other services	0	0	0	0
Supplies and materials	1,254,875	1,266,000	1,414,000	148,000
Equipment	51,735	50,000	50,000	0
Total Direct Obligations	<u>\$9,392,360</u>	<u>\$11,000,000</u>	<u>\$11,499,000</u>	<u>499,000</u>
Unobligated Balance	<u>1,607,640</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Budget Authority	<u>\$11,000,000</u>	<u>\$11,000,000</u>	<u>b/ \$11,499,000</u>	<u>499,000</u>
Total Full-Time Equivalent Usage	<u>46</u>	<u>54</u>	<u>54</u>	<u>0</u>

a/ The Limitation on the Office of Inspector General excludes reimbursable funding the OIG-RRB expects to receive from the Centers for Medicare & Medicaid Services.

b/ Represents the appropriated level of funding provided by the Consolidated Appropriations Act, 2020 (P.L. 116-94).

c/ FY 2021 vs. FY 2020 personnel compensation and benefits change represents fully-staffed salary and benefit costs for 54 FTEs during FY 2021.

Office of Inspector General for the Railroad Retirement Board

Contractual Services

	<u>FY 2019 ACTUAL</u>	<u>FY 2020 ESTIMATE</u>	<u>FY 2021 ESTIMATE</u>
<u>Contracts</u>			
OPM security investigations	\$30,000	\$23,000	\$20,000
Information technology support services	110,000	110,000	112,000
OIG network assessment	0	50,000	50,000
Microsoft Enterprise	55,000	55,000	60,000
Data analytics	15,000	15,000	15,000
Other Services	200,000	100,000	0
Contract Audits	299,000	840,000	1,105,000
Statement of Social Insurance Audit	<u>41,000</u>	<u>41,000</u>	<u>50,000</u>
Contract Program Total	<u>\$750,000</u>	<u>\$1,234,000</u>	<u>\$1,412,000</u>

Office of Inspector General for the Railroad Retirement Board

Personnel Summary

		<u>FY 2019</u> <u>ACTUAL</u>	<u>FY 2020</u> <u>ESTIMATE</u>	<u>FY 2021</u> <u>ESTIMATE</u>
IG		1	1	1
	Subtotal	1	1	1
ES-00		1	3	3
	Subtotal	1	3	3
GS/GM-15		2	2	2
GS/GM-14		9	9	9
GS/GM-13		17	14	14
GS-12		13	20	20
GS-11		3	4	4
GS-10		0	0	0
GS-09		1	1	1
GS-08		0	0	0
GS-07		0	0	0
GS-06		0	0	0
GS-05		0	0	0
GS-04		0	0	0
GS-03		0	0	0
GS-02		0	0	0
GS-01		0	0	0
	Subtotal	45	50	50
End of Year: Total full-time permanent employment		47	54	54
Full-time equivalent (FTE) usage		46	54	54

END OF YEAR

Average ES salary	\$189,600	\$186,767	\$188,767
Average GS/GM grade	12.77	12.62	12.62
Average GS/GM salary without premium pay	\$111,571	\$108,916	\$110,016
Average GS/GM salary with premium pay	\$122,871	\$118,916	\$120,116

Office of Inspector General for the Railroad Retirement Board

Amounts Available for Obligation

<u>Financing</u>	<u>FY 2019 Actual</u>	<u>FY 2020 Estimate</u>	<u>FY 2021 Estimate</u>
Obligations from new authority	\$9,392,360	\$11,000,000	\$11,499,000
Plus: Unobligated balance	1,607,640	0	0
	<hr/>	<hr/>	<hr/>
Limitation on the Office of Inspector General	\$11,000,000 a/	\$11,000,000 b/	\$11,499,000

Relation of direct obligations to outlays

Obligations incurred	\$9,392,360	\$11,000,000	\$11,499,000
Obligated balance, start of year	---	1,411,223	1,411,223
Obligated balance, end of year	(1,411,223)	(1,411,223)	(1,411,223)
	<hr/>	<hr/>	<hr/>
Direct Outlays	\$7,981,137	\$11,000,000	\$11,499,000

a/ Represents the level of funding provided by the Consolidated Appropriations Act, 2019 (P.L. 116-6).

b/ Represents the level of funding provided by the Consolidated Appropriations Act, 2020 (P.L. 116-94).

Note: Funding for the audit and investigative activities of the Railroad Retirement Board – Office of Inspector General is transferred from the Railroad Retirement Account (RRA), the Social Security Equivalent Benefit (SSEB) Account, and the Railroad Unemployment Insurance Account (RUIA). The President's budget reflects budget authority for administrative expenses in the RRA, SSEB Account, and the RUIA. The Limitation on the Office of Inspector General receives its spending authority from offsetting collections equal to the appropriation amount.

Office of Inspector General for the Railroad Retirement Board

APPROPRIATIONS HISTORY TABLE

FISCAL YEAR	PRESIDENT'S BUDGET	HOUSE ALLOWANCE	SENATE ALLOWANCE	APPROPRIATION	
2009	\$7,806,000	\$7,806,000	\$7,806,000	\$7,806,000	a/
2010	\$8,186,000	\$8,186,000	\$8,186,000	\$8,186,000	b/
2011	\$8,936,000	----	----	\$8,169,628	c/
2012	\$9,259,000	----	----	\$8,154,559	d/
2013	\$8,820,000	----	----	\$7,973,686	e/
2014	\$8,877,000	----	----	\$8,272,000	f/
2015	\$8,750,000	----	----	\$8,437,000	g/
2016	\$9,450,000	----	----	\$8,437,000	h/
2017	\$10,499,000	----	----	\$10,000,000	i/
2018	\$8,437,000	----	----	\$11,000,000	j/
2019	\$8,437,000	----	----	\$11,000,000	k/
2020	\$11,000,000	----	----	\$11,000,000	l/
2021	\$11,499,000				

a/ Represents the amount made available by the Consolidated Appropriations Act, 2009 (P.L. 111-8).

b/ Represents the amount made available by the Consolidated Appropriations Act, 2010 (P.L. 111-117).

c/ Represents the amount made available by the Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10), less \$16,372 rescinded in accordance with P.L. 112-10.

d/ Represents the Consolidated Appropriations Act, 2012 (P.L. 112-74) amount of \$8,170,000, less \$15,441 rescinded in accordance with P.L. 112-74.

e/ Represents the level of funding provided by the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6).

f/ Represents the level of funding provided by the Consolidated Appropriations Act, 2014 (P.L. 113-76).

g/ Represents the level of funding provided by the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235).

h/ Represents the level of funding provided by the Consolidated Appropriations Act, 2016 (P.L. 114-113).

i/ Represents the level of funding provided by the Consolidated Appropriations Act, 2017 (P.L. 115-31).

j/ Represents the level of funding provided by the Consolidated Appropriations Act, 2018 (P.L. 115-141).

k/ Represents the level of funding provided by the Consolidated Appropriations Act, 2019 (P.L. 116-6).

l/ Represents the level of funding provided by the Consolidated Appropriations Act, 2020 (P.L. 116-94).

Office of Inspector General for the Railroad Retirement Board

STAFFING HISTORY

Actual and Projected Full-Time Equivalent Employment

Fiscal Year	Total FTEs	Change from previous year	Percent change from previous year	Cumulative FTE changes	Cumulative percent change since fiscal year 1993
1993	99	---	---	---	---
1994	93	-6	-6.1%	-6	-6.1%
1995	88	-5	-5.4%	-11	-11.1%
1996	74	-14	-15.9%	-25	-25.3%
1997	62	-12	-16.2%	-37	-37.4%
1998	59	-3	-4.8%	-40	-40.4%
1999	59	0	0.0%	-40	-40.4%
2000	54	-5	-8.5%	-45	-45.5%
2001	51	-3	-5.6%	-48	-48.5%
2002	51	0	0.0%	-48	-48.5%
2003	53	2	3.9%	-46	-46.5%
2004	51	-2	-3.8%	-48	-48.5%
2005	50	-1	-2.0%	-49	-49.5%
2006	51	1	2.0%	-48	-48.5%
2007	48	-3	-5.9%	-51	-51.5%
2008	47	-1	-2.1%	-52	-52.5%
2009	48	1	2.1%	-51	-51.5%
2010	53	5	10.4%	-46	-46.5%
2011	53	0	0.0%	-46	-46.5%
2012	52	-1	-1.9%	-47	-47.5%
2013	48	-4	-7.7%	-51	-51.5%
2014	49	1	2.1%	-50	-50.5%
2015	48	-1	-2.0%	-51	-51.5%
2016	47	-1	-2.1%	-52	-52.5%
2017	48	1	2.1%	-51	-51.5%
2018	48	0	0.0%	-51	-51.5%
2019	46	-2	-4.2%	-53	-53.5%
2020	54	<u>a/</u> 8	17.4%	-45	-45.5%
2021	54	<u>a/</u> 0	0.0%	-45	-45.5%

a/ Reflects estimated FTEs.

Office of Inspector General for the Railroad Retirement Board

EXPLANATION OF THE FISCAL YEAR 2021 REQUEST

The Office of Inspector General (OIG) for the Railroad Retirement Board (RRB) is responsible for promoting economy, efficiency, and effectiveness; and for identifying and preventing fraud, waste, and abuse in agency programs. The RRB administers comprehensive retirement/survivor and unemployment/sickness insurance benefit programs for the nation's railroad workers and their families. It is the RRB's mission to pay accurate and timely benefits. During fiscal year 2019, the RRB paid approximately \$13.1 billion in retirement and survivor benefits to 535,000 beneficiaries, including \$1 billion in disability annuities. It also paid \$93.2 million in unemployment and sickness insurance benefits to about 9,300 unemployment insurance beneficiaries and 14,700 sickness insurance beneficiaries.

The RRB contracts with a separate Medicare Part B carrier to process the Medicare Part B claims of qualified railroad retirement beneficiaries. As of September 30, 2019, there were approximately 455,000 such beneficiaries enrolled in the Medicare Part B program through the RRB. During fiscal year 2019, the RRB's separate Part B carrier paid approximately \$832.4 million in benefits.

The OIG conducts audits, management reviews, and inspections of RRB program operations; and provides recommendations for improvement to agency management. The OIG also identifies and investigates cases of waste, fraud, and abuse in RRB programs; and makes referrals for prosecution and monetary recovery actions.

The fiscal year 2021 Performance Budget, including the President's proposed administrative budget and projected performance statistics for fiscal years 2020 and 2021, is included in this budget justification.

The OIG is requesting \$11,499,000 in fiscal year 2021 to conduct its independent oversight of agency operations. The OIG will continue its efforts to perform fraud investigations, identify operational weaknesses, and detect internal control

Office of Inspector General for the Railroad Retirement Board

deficiencies in RRB benefit programs. The OIG will also continue its work with agency managers to ensure implementation of corrective actions.

The OIG conducts its operation through two major components: the Office of Audit and the Office of Investigations. A discussion of fiscal year 2021 priority areas for audit and investigative activities follows.

OFFICE OF AUDIT

The mission of the Office of Audit (OA) is to (1) promote economy, efficiency, and effectiveness in the administration of RRB programs, and (2) detect and prevent fraud and abuse in such programs. Through the Inspector General, OA keeps the Board Members and the Congress informed of current and potential problems and deficiencies in RRB operations and the status of progress towards corrective action.

During fiscal year 2021, in addition to its mandated work, OA will focus on areas affecting program performance, the efficiency and effectiveness of agency operations, and areas of potential fraud, waste, and abuse. Additionally, OA will continue its emphasis on long term systemic problems and solutions and will address major issues that affect the RRB's service to rail beneficiaries and their families. OA has identified seven broad areas of potential audit coverage:

- 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
- Improper Payments Elimination and Recovery Act of 2010 Oversight
- Effectiveness and Efficiency of Agency Operations

Office of Inspector General for the Railroad Retirement Board

During fiscal year 2021, OA must accomplish the following mandated activities:

- Audit of the RRB's financial statements pursuant to the requirements of the Accountability of Tax Dollars Act of 2002
- Evaluation of information security pursuant to the Federal Information Security Management Act of 2014 (FISMA)
- Audit of the RRB's compliance with the Improper Payments Elimination and Recovery Act of 2010
- Review of IG requirements for Government Charge Card Abuse and Prevention Act of 2012
- Identification of performance and management challenges for fiscal year 2021
- Semiannual reporting in accordance with the Inspector General Act of 1978, as amended
- Audit of RRB's Compliance under the Digital Accountability and Transparency Act of 2014

The portion of OA resources dedicated to conducting mandated audits continues to be significant. In fiscal year 2019, nearly 76 percent of direct audit time was spent completing mandated audits, and this percent is expected to remain consistent in fiscal year 2021.

Although our mandated work results in important audit findings and agency oversight, it increasingly limits other audits that can be undertaken without an increase in resources.

Placed in context, the OA currently reports on these six major challenges facing the RRB:

1. Agency Disability Integrity
2. Information Technology Security and System Modernization
3. Management of Railroad Medicare
4. Payment Accuracy and Transparency
5. Financial Management and Reporting Issues
6. Compliance

Office of Inspector General for the Railroad Retirement Board

Consequently, with increased resources, the OA could meet all Congressional mandates and provide additional audit oversight.

During fiscal year 2021, OA will complete the audit of the RRB's fiscal year 2020 financial statements and begin its audit of the agency's fiscal year 2021 financial statements. OA contracts with a consulting actuary for technical assistance in auditing the RRB's Statement of Social Insurance and the Statement of Changes in Social Insurance Amounts. OA also hired a contractor for fiscal year 2020 and 2021 FISMA audits. In addition, OA conducts audits of individual information systems that are required to support an annual evaluation of federal information system controls. Our work in this area is targeted toward the identification and elimination of security deficiencies and control weaknesses in the RRB's information security systems, including controls over sensitive personally identifiable information.

OA undertakes additional projects with the objective of allocating available audit resources to areas in which they will have the greatest value. In making that determination, OA utilizes a strategic planning process to focus on areas affecting program performance, efficiency, and effectiveness of agency operations, and areas of potential fraud, waste, and abuse. OA also considers staff availability, current trends in management, and Congressional and Presidential concerns. The OA annual work plan is the primary tool for directing and controlling OA activities.

OFFICE OF INVESTIGATIONS

The Office of Investigations (OI) focuses its efforts on identifying, investigating and presenting cases for prosecution, throughout the United States, concerning fraud in RRB benefit programs. OI conducts investigations relating to the fraudulent receipt of RRB sickness, unemployment, disability, or retirement benefits. OI investigates railroad employers and unions when there is an indication that they have submitted false reports to the RRB. OI also conducts investigations involving fraudulent claims submitted to the Railroad Medicare program. These investigative efforts can result in criminal convictions, civil

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judgments and penalties, or the recommendation for administrative recovery of program benefit funds.

OI initiates cases based on information from a variety of sources. For example, the RRB conducts computer matching of employment and earnings information reported to state governments and the Social Security Administration with RRB benefits paid data. Fraud referrals are made to OI if a match is found. OI also receives allegations of fraud through the OIG Hotline, contacts with state, local and federal agencies, and information developed through audits conducted by the OIG's OA.

The Inspector General Empowerment Act of 2016 strengthened an OIG's ability to identify fraudulent or improper government payments through data analytics. The OIG will continue their commitment to proactively designing projects aimed at promoting economy, efficiency, and effectiveness in the RRB's program and operations. In addition to identifying potential targets previously undetected through the RRB's standard program integrity measures, OIG will make the necessary recommendations to resolve identified program weaknesses and prevent future occurrences.

OI Investigative Results for Fiscal Year 2019

<u>Civil</u>			<u>Financial</u>
<u>Judgments</u>	<u>Indictments/Informations</u>	<u>Convictions</u>	<u>Accomplishments</u>
15	25	39	\$107,438,003.66 ¹

OI anticipates an ongoing caseload of approximately 280 investigations in fiscal year 2021. During fiscal year 2019, OI opened 193 new cases and closed 150. As of January 16, 2020, OI had cases open in 39 states and the District of Columbia, with an estimated fraud loss totaling over \$315 million. This potential fraud amount is related not only to programs administered exclusively by the

¹ Financial accomplishments reflect the full amount of restitution, fines, damages, or penalties ordered including dollar amounts related to programs administered exclusively by the RRB and, in connection with OI's joint investigative work, from other federal programs such as Medicare or Social Security that were included in the disposition. Judicial sentences associated with joint casework are not necessarily delineated by agency.

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RRB but also to other federal programs such as Medicare or Social Security which have been identified during OI's joint investigative work.

OI will concentrate its resources on cases with the highest fraud losses. Typically, these cases are related to the RRB's disability and Medicare programs. Disability fraud cases currently constitute approximately 35 percent of OI's total caseload. These cases involve more complicated schemes and often result in the recovery of substantial funds for the agency's trust funds. OI will continue to dedicate considerable time and resources in the investigation of nationwide schemes to defraud the RRB disability program. These types of cases usually require sizeable resources including travel by special agents to conduct surveillance, more sophisticated investigative techniques, and numerous witness interviews. The schemes are often complex and, in some instances, may include conspiratorial involvement by attorneys. These cases usually require very sophisticated financial analysis, since the schemes are often cloaked in what could appear to be legitimate business practices.

The OI continues to work joint cases with other Offices of Inspector General and federal law enforcement agencies that have responsibility for healthcare fraud matters. Medicare fraud investigations currently represent approximately 21 percent of OI's total caseload and more than \$298 million in potential fraud losses. OI's collaborative joint investigative efforts ensure that RRB beneficiaries are protected from sham medical practitioners, and that the Railroad Medicare program's interests are safeguarded from fraudulent schemes.

OI will continue to investigate fraud violations of railroad employees collecting unemployment or sickness insurance benefits while working and receiving wages from an employer. Unemployment fraud cases currently constitute 19 percent of our investigative caseload. OI will also investigate retirement fraud, which typically involves the theft and fraudulent cashing of U.S. Treasury checks or the withdrawal of electronically deposited RRB benefits.

OI will continue to use the Department of Justice's Affirmative Civil Enforcement program to prosecute cases that do not meet criminal prosecution thresholds.

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In fiscal year 2021, OI will continue to coordinate its efforts with agency program managers to address vulnerabilities in benefit programs that allow fraudulent activity to occur and will recommend changes to ensure program integrity. OI plans to continue proactive projects to identify fraud matters that are not detected through the agency's program policing mechanisms. Findings will be conveyed to agency management through OIG systemic implication reports to alert officials of operational weaknesses that may result in fraud or abuse against RRB programs. OI will also continue to work with RRB program managers to ensure the appropriate and timely referral of all fraud matters to the OIG.

OI will also investigate complaints involving administrative irregularities and any alleged misconduct by agency employees.

Conclusion

In fiscal year 2021, the OIG will continue to focus its resources on the review and improvement of RRB operations and will conduct activities to ensure the integrity of agency trust funds. This office will continue to work with agency officials to ensure the agency is providing quality service to railroad workers and their families. The OIG will also aggressively pursue all individuals who engage in activities to fraudulently receive RRB funds, including Railroad Medicare funds.

Office of Inspector General for the Railroad Retirement Board

FISCAL YEAR 2021 PERFORMANCE BUDGET

The audit and investigative programs of the Office of Inspector General (OIG) are dedicated to protecting the integrity of the Railroad Retirement Board's (RRB) trust funds and improving the delivery of benefits to the railroad community. The OIG has developed the Fiscal Year 2021 Performance Budget to support our mission by establishing performance measures for our strategic goals.

The OIG is aware that external factors may significantly affect planned activities and the allocation of resources during any given fiscal year. New legislative mandates may necessitate the delay of scheduled projects to ensure that we meet new statutory requirements.

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 RRB's programs and operations;

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- 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 problems in the RRB's programs and operations.

STRATEGIC GOALS

This plan establishes the following 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.

The third 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.

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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, information systems and security, improper payments, and e-Government initiatives. 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 OIG recommendations.

Goal 2 – Protect the integrity of the agency’s programs, operations, and trust funds.

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

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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.

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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.

PERFORMANCE BUDGET

The Annual Performance Budget for fiscal year 2021 provides performance indicators consistent with our strategic goals. Actual performance is provided in the following exhibit for fiscal years 2016 through 2019. Performance for fiscal year 2020 reflects the appropriated level of resources provided by the Consolidated Appropriations Act, 2020 (P.L. 116-94). Fiscal year 2021 performance reflects the President’s proposed budget level of \$11,499,000.

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Railroad Retirement Board Office of Inspector General FY 2021 Performance Budget	FY 2016 Actual (\$8.437M)	FY 2017 Actual (\$10.000M)	FY 2018 Actual (\$11.000M)	FY 2019 Actual (\$11.000M)	FY 2020 Estimate (\$11.000M)	FY 2021 Request (\$11.499M)
Strategic Goal I: Add value to the RRB's programs and operations.						
The OIG will solicit suggestions for audits and reviews for the annual audit work plan from 100% of the agency's organizational components.	100%	100%	100%	100%	100%	100%
Seventy-five percent of audit reports will be issued within 240 days of entrance or by the mandated reporting deadline.	67%	75%	100%	79%	75%	75%
Agency management agrees with 80% of recommendations made in audit, evaluation, and inspection reports.	75%	76%	92%	42%	80%	80%
Reports on the progress of corrective actions for audit recommendations will be issued to the RRB Chairman within 35 days of the 6 month reporting period.	35 days	35 days	35 days	35 days	35 days	35 days
The OIG will file 100% of reports on time and acknowledge 100% of requests for information within three working days.	100%	100%	100%	100%	100%	100%
	100%	100%	100%	100%	100%	100%

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Railroad Retirement Board Office of Inspector General FY 2021 Performance Budget	FY 2016 Actual (\$8.437M)	FY 2017 Actual (\$10.000M)	FY 2018 Actual (\$11.000M)	FY 2019 Actual (\$11.000M)	FY 2020 Estimate (\$11.000M)	FY 2021 Request (\$11.499M)
Strategic Goal II: Protect the integrity of the RRB's programs, operations, and trust funds.						
Percentage of allegations evaluated and submitted for disposition within 30 days of receipt.	93%	93%	90%	94%	90%	90%
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.	36%	44%				
Percentage of cases closed during fiscal year to total cases open during the fiscal year.			37%	32%	35%	35%
Completed OIG projects to identify fraud cases that are not detected through agency policing procedures.	10	7	9	8	7	7

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Strategic Goal III: Ensure quality and excellence in the OIG's work and products.						
Percentage of employees meeting the training requirements of their profession.	100%	100%	100%	100%	100%	100%
All auditors hold the appropriate credentials to satisfy government, CIGIE and applicable standards.	100%	100%	100%	100%	100%	100%
All auditors will receive 80 hours of continuing professional education over 2 years.	100%	100%	100%	100%	100%	100%
Eighty percent of audits, evaluations, and inspections are subjected to an internal quality assurance review.	100%	100%	66.7%	100%	100%	100%

