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To: David C. Childs A-76comments/OMB/EOP@EOP

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Subject: comments on proposed changes to A-76

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December 12, 2002

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Mr. David C. Childs  
Office of Federal Procurement Policy  
Office of Management and Budget  
725 17<sup>th</sup> Street NW  
New Executive Office Building  
Room 9013  
Washington, DC 20503

Re: Office of Management and Budget  
Performance of Commercial Activities  
Federal Register Vol. 67, No. 223 (11/19/02)

Dear Mr. Childs:

The enclosed/attached comments regarding the proposed revision to OMB Circular No. A-76 that is posted at "www.omb.gov" are my own, based on my experience as a Social Security Administration (SSA) Claims Representative beginning September 4, 1973 and as an American Federation of Government Employees (AFGE) representative for approximately 1500 employees in the Seattle Region of SSA. The employees work in Field Operations (field offices and teleservice centers), in Offices of Hearings and Appeals, and in the Regional Office of Quality Assurance. I serve as Seattle Regional Vice President on the national AFGE councils for each of these components, in addition to holding the position of President of AFGE Local 3937. These comments are not offered on behalf of SSA, or AFGE at large.

My comments about the Federal Register notice are followed by information in a second enclosure/attachment regarding my experience as an AFGE representative dealing with work outsourcing issues at SSA.

If OMB is interested in receiving and considering additional information or documents concerning SSA's outsourcing activities, I would be glad to provide them. I would also appreciate receiving responses to my concerns.

Comments and information are provided today by regular mail to your address shown above, electronically to A-76comments@omb.eop.gov., and by fax to (202) 395-5105.

enclosures/attachments

Sincerely,  
/s/  
Steve Kofahl

## **Comments in Response to Federal Register Posting Vol. 67, No. 223 (11/19/02)**

### **Office of Management and Budget**

#### **Performance of Commercial Activities**

It is unfortunate that the Administration has chosen to implement a radical revision of OMB Circular A-76 and related guidelines following a posting in the Federal Register and a brief public comment period. Congress, starting with its responsible oversight committees, should have had the opportunity to conduct hearings and gather input from the individuals and groups that will be adversely affected. Federal and contractor employees and their representatives, as well as citizens and the organizations who advocate for them, deserve opportunities to discuss and debate the impact on worker livelihoods and public service delivery that will result from the substantial proposed changes. Renewed emphasis on limiting the ability of state and local governments, crippled by their own budget deficits caused in part by the Federal Government's abandonment of its historic obligations, from contracting with the Federal government for services, arguably infringes on state's rights. Have governors and state legislatures weighed in on this aspect of the proposal? Before proceeding with implementation, I strongly urge OMB to allow those who provide government services at all levels, and those they serve, the chance to have their voices heard.

Through expanded use of public-private competition, and more direct conversion of public work to the private sector with no competition, the Executive Branch asserts that cost savings will be realized, service delivery to the public will be enhanced, and management of commercial activities will improve. However, data does not exist to back up these claims, and nothing in the proposed revisions will shed any light on where we are now, much less where we are going. The Administration's conclusion ignores the fact that Federal employees often win competitions under the existing A-76 process, proving that the public sector often does work better and at lower cost than the private sector. It is not true that GAO has consistently found cost-savings from contracting. A number of GAO reports have suggested otherwise, and several agencies are on GAO's High-Risk list because of their problems with managing contracts. We must not forget that contractors for the Immigration and Naturalization Service, not Federal workers, sent student visas to long-dead hijackers.

The Federal Government does not know how many non-Federal employees currently provide services under contract or otherwise as members of the shadow workforce. Nobody can say how many tax dollars are spent in this way, or what levels of service quality are achieved. The proposed overhaul will do nothing to improve data collection or accountability, and the new streamlined processes for moving work to the private sector will make management and control of this work more problematic.

Greater reliance on Federal Acquisition Regulation (FAR) concepts and practices may make privatization simpler and easier, but will also make waste, fraud, and abuse simpler and easier. As with management of service contracting, GAO has likewise been quite critical of agencies' administration of the FAR and the lack of accountability in those processes. Even the proposal acknowledges that the current A-76 process serves as a necessary safeguard as compared to the FAR, but opts for the latter based only on what "many believe" to be a better approach. Again, there is no data or experience supporting this approach to service contracting.

The harmful impact on the struggling U.S. economy of increased contracting-out of Federal work must be considered. Although Federal pay and benefits for comparable work generally lag well behind compensation in the private sector, most Federal employees are nevertheless paid a living wage. OMB now claims, without evidence to back it up, that cost savings over 30% can be expected when contract employees perform work. Personnel costs by

far represent the greatest expense in almost all endeavors, and the private sector (unlike the Federal sector) is in business to make profits. If we assume that taxpayers will have to support a 12%-15% profit margin, and that corporate executives will be very well-compensated, contract worker wages and benefits must be severely reduced in comparison to those provided to Federal employees. America's shrinking middle class will disappear even faster. Consumer spending, Federal and state tax revenues, and public services from all levels will be significantly reduced. Hundreds of thousands of individuals, and many communities, will suffer the effects. Some could be ruined financially.

The Federal Register notice posting lets Federal employees know that they are not highly valued, and may not even have a future with their employer. Those who might consider Government service have received the same message. The GAO has identified the "human capital crisis", the Federal Government's problems with recruiting and retaining employees, as a major challenge and concern. This posting has exacerbated the problems, and implementation of the proposal as it is crafted would be devastating. It will not make Government service more attractive when employees' jobs are repeatedly subjected to contracting-out. Insecurity and stress will only increase with more post-award administration of agreements by which some employees manage to hang on to their jobs. Many new Federal employees are entering service through the Federal Career Intern Program as temporary employees. They are denied right of first refusal for jobs with contractors, and direct conversion of temporary employees is allowed without any competition. Whether OMB cares about these public servants or does not, the Administration needs to understand that this poor work environment will negatively impact on service to the American public.

Payment of depressed wages and benefits to more contract employees, along with the departure through reductions-in-force and early retirement of more demoralized Federal employees, will surely have short-term and long-term negative impact on delivery of vital services by the Federal Government. GAO has sounded the alarm about the "brain drain" and loss of institutional knowledge resulting from the exodus of "baby boomers" from public service. What kind of brainpower and knowledge will be acquired with conversion to a low-wage, temporary workforce of contract employees? How will important programs be properly administered when institutional knowledge disappears and is not replaced? Ironically, this initiative will yield an opposite outcome to what OMB claims is the intended outcome.

Creation of inventories of commercial activities and of inherently governmental activities places a tremendous burden on underfunded agencies. Since increased competitive sourcing is the centerpiece of the President's Management Agenda, agency officials who compile and update these lists and are otherwise involved in the new process will be highly motivated to identify activities as commercial, whether they are or are not, and to compete or convert them. The revised Circular makes it clear that favorable performance evaluations for them will depend upon it, as will the bonuses and promotions that flow from appraisal systems. Managers are expected to identify those functions that are commercial within existing positions, potentially resulting in the expensive and disruptive re-engineering of positions and agencies. Creating both inventories will be burdensome, but this division of positions into functions will be a nightmare. Again, the easy way out will be to identify virtually all activities as commercial, as managers seek to meet the Administration's ambitious arbitrary privatization goals. Interestingly enough, those officials charged with moving the agenda in their agencies are the only employees protected through identification as "inherently governmental" in the new Circular.

The new definition of "inherently governmental" obfuscates the distinction between work that should be done by Federal employees and that which may be subject to competition, providing no examples to guide agency decision-makers in trying to interpret the new language, and thus opening the door to more outsourcing. It is not more clearly written than OFPP Policy Letter 92-1, and even the Commercial Activities Panel, stacked with privatization proponents, had no opportunity to weigh-in on creating this new definition. The most outrageous proposed change may be the presumption that all Federal work is commercial unless proven to meet the highly subjective old and proposed definitions of "inherently governmental". This change and the others in this proposal make it clear that these changes are not about fair competition at all, but about creating an uneven playing field that advantages contractors. What we really have is an Administration effort to move work to the private sector, without proper regard for the interests of taxpayers who rely upon the services provided by their Government.

The new standard competition process for each action, absent special dispensation from OMB on a case-by-case basis, will have to be finished in 12 months or less. The rush to put Federal jobs up for bid will lead to mistakes, waste, and abuse. Requirements for endless re-competition will place further strains on agencies hard-pressed now to perform core functions. Agencies that fail to bid on behalf of their own workers will risk direct conversion of jobs or job functions without competition. Waivers can be granted by OMB, allowing direct conversion without competition, based on an “explanation” of either “significant” cost savings or service quality improvements by the agency official responsible for A-76 Circular implementation. This allows agencies and OMB far too much freedom to exclude Federal employees from competition without justification.

One of the most alarming proposed changes concerns the introduction of “best value” considerations in sourcing decisions. Taxpayers will be gouged when a contractor who would charge more for services is selected over another source based on subjective factors that have not been quantified and are unverifiable. To make matters worse, a contractor will be allowed to redefine what the Government wants through a phased evaluation process. In response to a solicitation, a corporation can offer more than the Government has asked for, at higher cost to taxpayers. The contracting officer can then reissue a solicitation with new requirements. At any point in the process, an offer by an agency to accomplish work with Federal employees will be rejected without further consideration if it is not deemed to be among the “most highly rated”, yet another subjective determination. Agencies, unlike their private sector competitors, do not have the resources to continually modify their offers under tight timeframes, so will drop out of the race. On the other hand, large corporations have experience with takeovers and the funds to invest in them.

The proposed revisions are anti-competitive, rather than an enhancement of public-private competition, in a number of ways. Federal employees and their representatives who, unlike the Headquarters officials spearheading this effort, actually know the work will not have meaningful involvement in developing work statements, in creating initial and revised (phased evaluation) agency offers, in making “best value” determinations, or even in defending their jobs! Objective, well-reasoned decisions that are in the public interest cannot be made without us. In the proposed new Circular A-76 process, as with matters processed under the FAR, the excuse for cutting us out of the process is often based on alleged “conflicts of interest”. Managers charged with representing my interests are compelled by the President’s Management Agenda and arbitrary goals to award contracts to private sector competitors, and based on past experience with the A-76 process will likely seek future employment with them. How will OMB address my concerns about Management’s conflicts of interest, and level the playing field to restore legitimate competition?

OMB suggests that few managers have the training and experience to conduct proper competitions under the existing procedure. Why is it an improvement for them to also become familiar with the FAR provisions (few are), and to learn to somehow make “best value” assessments without direct knowledge or reliable data about the functions being considered for competition? If management accountability is the problem, it is a management problem that ought to be addressed by management. Why use it as a reason to take my job? Change is also justified by an assertion that the current process is “gamed” to benefit Federal employees. If I claim that the process is now “gamed” to favor contractors in order to reward them for their campaign contributions, and will give them far greater advantages under this proposal while returning us to the spoils system of one century ago, who is right?

Competition and re-competition of Inter-Service Support Agreements (ISSAs), and termination of these inter-agency agreements if not competed, may disrupt essential services and will waste taxpayer dollars in pairs of agencies at the same time. An exception is made when inherently governmental functions are involved if the agency providing services bears no responsibility to the customer agency. Why would OMB want any provider of services to bear no responsibility to its customers?

Once the Federal Government stops performing a function, it permanently loses the skilled personnel and budget capacity to perform in the future. If only the winning contractor retains the ability to do the work, dependent agencies and taxpayers are over a barrel. The contractor, who may have offered a low bid to win the competition, then can raise costs to a prohibitive level. There are no Federal employees in place to offer a lower cost alternative, and the Agency has no choice. They must pay the price set by that service provider, or do without service all together. This clearly eliminates competition, increases costs, and makes the service provider unaccountable to clients and taxpayers.

It appears disingenuous for OMB to promise training and support to ensure Federal employees can compete effectively. Who will provide us all of this support and training, and how could it be delivered timely in the new faster process? With employee representatives locked out of the room when agency managers predisposed to privatization are developing all the important products, how will we be able to compete at all?

Failure to adequately fund and staff agencies is one way to dismantle and discredit programs and services. This privatization scheme is another way to achieve the same goal. The Administration and its agencies lack the baseline data or the resources needed to support the proposed faux competition process, so performance of agency missions will suffer. This will support further cuts, putting programs important to the American people in a death spiral. Managers will contract-out in desperation, and the people will lose control of their government to corporate interests who despise government, but will gladly take the public's tax dollars. A process has been proposed that is anti-worker, anti-union, and inherently anti-competition. It is an attack on all Americans and on the essential Government programs that were designed to serve them. This major overhaul needs a major overhaul, with a place at the table for employee representatives and a real opportunity for public discussion and debate.

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## **SOCIAL SECURITY ADMINISTRATION OUTSOURCING ISSUES**

### **Third Party Involvement in Disability Claims**

#### **Background**

Beginning January 1, 1974, the Social Security Administration (SSA) assumed responsibility for administration of the Supplemental Security Income (SSI) program, which provides needs-based benefits for the aged, blind, and disabled. The Social Security Disability program, paying benefits based on workers' earnings rather than on need, was already in place. Before SSI, the states administered needs-based programs to serve this population. Initially, SSA believed this new program could be run with minimal increased staff. This assessment proved wrong, and in subsequent years additional staffing eventually allowed the Agency to get a handle on this workload.

From 1985-1989, SSA eliminated 17,000 positions through attrition, almost all of them in front-line service delivery and quality review functions. The Agency relied on future anticipated automation improvements to compensate for the loss. It didn't work, and overall service delivery has suffered ever since. Trained SSA employees are needed to deliver equitable, compassionate, quality service to secure, develop, and adjudicate benefit applications under our complex and ever-changing disability programs. Automation is no substitute for personal interaction with SSA tailored to a client's needs.

In a futile attempt to replace trained SSA employees in the disability benefit application processes, and to reach more potentially eligible individuals, the Agency established Federally funded agreements, primarily with non-profit organizations, through the SSI Outreach Demonstration Program. Agency officials subsequently entered into other informal arrangements by which non-profit, for-profit, and state organizations screened potential applicants for basic eligibility, and in many cases filled out application forms.

### **Retired SSA Manager Runs Third Party Business**

Reportedly while still an Agency employee, a Seattle Region SSA field office manager established a for-profit disability claim venture in approximately 1988. According to employees from that office, this manager illegally allowed access to files and electronic records in SSA space by business associates, and traveled with a subordinate SSA employee at taxpayer expense while engaged in this business venture. Employees throughout the Region heard through the grapevine that a subordinate management official from the office reported the manager's activities to Regional SSA officials, and was rewarded with a promotion in exchange for otherwise keeping quiet. We were also told that the Regional Commissioner warned the offending manager's peers throughout the Region not to engage in similar behavior. We also heard that the guilty party, though excluded from SSA space, was allowed to remain on paid leave for several months until attaining retirement age. This individual continued to operate and expand the business, hiring a number of retired high-ranking management officials to join in the venture, and is still in business. My complaint to the Health & Human Services Inspector General about the reported cover-up was handed off to the SSA Deputy Commissioner for Operations (DCO), who replied by advising me that nothing could or would be done because several years had passed, the individual was no longer an Agency employee, and no evidence of wrongdoing existed. In 1995, an Associate Deputy Commissioner, in another component, contacted me to voice disappointment in, and disagreement with, the DCO response.

This business contracts with states and at least one national non-profit agency to take disability applications in order to transfer responsibility for income support and medical benefits to the Federal Government. In 1995, responding to a complaint from an SSA manager in the Denver Region, the SSA Office of Inspector General (SSA OIG) investigated and found that the business was involved in questionable fee arrangements with business clients whereby \$500 was paid for every disability claim that established entitlement, but nothing if a claim was disallowed. The business intentionally failed to record claimant income that would have precluded entitlement or reduced payment. Outdated, inaccurate data from state files was entered into the record, with no interview conducted with an applicant. Applications were being illegally signed by employees of the business rather than by proper applicants. Although I understand that the improper signing of applications stopped, the SSA OIG refused to provide any other information in response to my inquiry about the investigation outcome. The business continues to operate, and its arrangement with SSA as a third party operative remains in place.

### **Third Party Fraud and Abuse Raise Concerns**

About ten years ago, the national media began carrying stories about fraud and abuse by third parties involved in the disability claims process. Some rather sophisticated schemes were

discovered that resulted in erroneous entitlements based on submission of phony medical and non-medical evidence, substitution of individuals other than the actual applicant at interviews and medical examinations, and “coaching” of applicants by third parties in alleged mental impairment cases. The House Ways & Means Committee held hearings. At the initiation of states that were addressing Medicaid fraud in connection with these cases, cooperative efforts commenced with SSA and law enforcement agencies. Doctors, state employees, and “middlemen” who coached applicants (who often were non-English-speaking or claimed to be) were indicted and convicted. There are currently 17 Cooperative Disability Investigation Units (CDIUs) formed by SSA’s Offices of Operations and Disability, in conjunction with the Office of the Inspector General. They are primarily involved in investigating and prosecuting these cases. According to the “Inspector General Statement on SSA’s Major Management Challenges” during Fiscal Year 2002, the CDIUs reportedly prevented over \$62.9 million in improper payments. I believe that the cases uncovered by CDIUs over the years represent just the “tip of the iceberg” in third party disability claim fraud, and that SSA must take effective measures to prevent fraud, not just expend resources on prosecution, in order to properly protect taxpayer interests.

### **SSA-AFGE Third Party Assistance Team**

In September 1994, the Social Security Administration and the American Federation of Government Employees established a team to gather information, and to develop policies and procedures for third parties involved in taking benefit applications, in large part to address problems such as those described above. The Team concluded that all third parties are motivated by a desire to establish entitlements, unlike SSA employees who are charged with administering the Social Security Act equitably and with no financial interest in the outcome (award or denial) of a disability claim. Front-end eligibility screening by individuals who are not fully trained in complex SSA programs was identified as a problem. Potentially eligible individuals who were erroneously “screened out” were discouraged from applying and lost benefits, while ineligible individuals “screened in” inappropriately created unnecessary work for SSA. This was determined to be a problem in the SSI Outreach Program as well as in other third party arrangements.

The Team collected a great deal of data, and a statistically valid national survey of managers and employees was conducted in 1996.

The Team also requested a “probe” of third party activities by the Office of Quality Assurance (OQA). This limited study revealed incomplete applications and payment errors. Fraud or similar fault was also found, including erroneous entitlements and overpayments caused by failure by a religious order taking claims for its members to acknowledge the members’ income. The Team asked for more quality studies to document the extent of the problem.

The Team also wrote systems requirements to establish a third party identifier so that SSA would at least know that a particular type of third party had been involved in a claim, and would

thereby have the ability to select cases for quality and integrity reviews, and to take any needed corrective actions.

SSA-AFGE consensus findings and consensus recommendations that were presented to the Agency in 1997 called for no further expansion of third party involvement until a statistically valid sample of cases had undergone quality/integrity reviews, with a third party systems identifier in place.

No further quality reviews have been done, and there is still no third party systems identifier. In fact, the requests pending with OQA and Office of Systems have been deleted from their schedules. However, the Agency has recently become involved in new third party arrangements, perhaps thinking that is what they are expected to do in order to support the President's Management Agenda.

The 1996 national survey of employees and managers verified that there were substantial problems with quality and integrity when third parties were involved in the disability claims process, and that third party involvement does not improve timeliness and productivity.

### **Contracting at Offices of Hearings & Appeals**

SSA is now using contractors to copy disability claim files, to assemble files for hearings, and to serve as hearing reporters. Contract employees copy files containing extremely sensitive medical and other personal information in reception areas in full view of visitors, and even take files out of SSA space to be copied. File assembly is done so poorly by contractors that SSA employees report that they sometimes have to spend as much time assisting contractors and reassembling files, as they would have spent doing the work themselves. Contract employees are not subject to the same background checks as Federal employees, and are not under direct SSA management control. This creates an unacceptable security risk for employees and our clients. AFGE has received a report that one contract employee engaged in threatening behavior directed at an Administrative Law Judge, and that another attempted to carry a gun into an office, both of which are prohibited by federal law.

### **Contracting of Quality Assurance Functions**

Regional Offices of Quality Assurance (ROQA) units have lost the capacity, because of staff cuts, to conduct sufficient independent reviews to ensure that quality is maintained in SSA operations. There are so few comprehensive reviews done that statistically valid data on decisional and payment accuracy does not exist below the national level, and for many workloads not even at that level. Some important work processes are not measured or reviewed at all.

Audits and special studies are increasingly contracted-out to firms whose employees have no program knowledge. Contractors are presumably motivated to give Agency managers what they want (favorable reports) in order to gain additional contracts. Auditors with SSA's Office of Inspector General, who are also largely unfamiliar with the work done on the front lines, accept the contractor reports. The GAO, likewise too understaffed to conduct reviews or provide

independent analysis, also must accept them. Throughout the process, no individual with strong program knowledge and independence has looked at anything because of staffing constraints in ROQA. The Agency, having been consistently criticized by the independent Social Security Advisory Board, now claims to care more about quality. Until sufficient numbers of reviews are being done by independent, knowledgeable SSA employees, I will remain skeptical.

The problem with reliance on contractors, rather than on ROQA reviewers, has been demonstrated recently. We have learned that over 500,000 SSI beneficiaries may have been underpaid because claims were not also taken to entitle them to Social Security Disability benefits. Some underpayments are for years as early as 1974. The complex corrective actions needed to fix the mess are placing a tremendous strain on field office employees. The problem was discovered in 1991 by an employee who, with assistance from AFGE, finally got the Agency to acknowledge the problem ten years later.

AFGE recently alerted SSA's Commissioner that disability applications did not include questions needed to obtain information for proper benefit computations. This involves a provision that was supposed to go into effect in 1984 to credit workers, mostly women, for years in which they cared for very young children and were not able to work. The Agency does not know how many of these cases exist, or how long it will take to make corrections and pay underpayments.

#### Other Problems with Outsourcing at SSA

There have been a number of other problems with outsourcing at SSA.

Personal Earnings and Benefit Estimate Statements have been mailed in large numbers to the wrong individuals. These contained identifying information, personal earnings information, and estimated benefits that would be paid in the future. With concerns about identity theft mounting, this was a very serious failure by the contractor.

SSA notices mailed by contractors have been sent late, generating extra calls to overworked employees in our teleservice centers and field offices.

Agreements negotiated with states, by which they directly provide information that results in the issuance of Social Security Numbers to newborns, are cause for concern. Some children have not yet been named when the state supplies information to SSA, or parents change names after the information is transmitted. There are sometimes long delays before states process these actions. In either case, parents may apply for Social Security Numbers directly with SSA before the state action processes, to get a correct name on the card or to get it sooner so a child can be claimed as a dependent for tax purposes or to apply for some benefit. Multiple cards with different names and numbers are then issued, producing a key record for creating a false identity. Effective July 29, 2002, SSA decided to stop correcting processing exceptions when state input fails to establish a record and issue a card. Instead, our Agency will rely on state vital statistics agencies to correct and resubmit the data. The Enumeration at Birth process already provided opportunities for someone in a state office to establish the first record needed to establish a false

identity. Now we are not even handling the processing exceptions that might alert us to mass production of false identities by an individual not working under Agency control.

The Agency conducted a series of "Project Network" vocational rehabilitation pilots in the 1990's. Reports generated during this test showed that SSA employees who provided case management services were successfully moving disabled beneficiaries off the rolls and returning them to gainful employment, with high public satisfaction. The contractor charged with preparing the final evaluation report for SSA after the pilots ended never delivered it. AFGE heard that the contractor had gone out of business, but we do not know how much taxpayers had already spent for the undelivered product. Preliminary information received by AFGE suggests that the Agency's current "Ticket to Work" initiative, managed and operated almost entirely by contractors at great expense to taxpayers, has resulted in very few "tickets" being issued or beneficiaries returned to work. The corporation selected by SSA to manage this contract is also involved in the largest new third party claims-taking initiative. Contracts with this business to deliver other social services have been terminated by several states, in some cases based on failure to perform, and in others because of legal problems.

## Conclusion

There should be little argument that the mission of the Social Security Administration, to determine entitlement to benefits and the amount to be paid to those eligible, is inherently governmental. All jobs and functions that support this mission are inherently governmental as well, and should only be accomplished by civil servants who can be held directly accountable by clients and Agency managers. Only SSA employees are charged with administering our complex programs equitably to protect the interests of taxpayers and clients alike, while contractors and other third parties are motivated by the desire to obtain taxpayer-funded payments and medical benefits for their clients and/or to make profits from public monies.

The Agency maintains highly sensitive personal information and medical records, both electronically and on paper, for virtually all Americans. Identity theft, based on obtaining Social Security Numbers and other identifying information maintained in our records, is a growing problem that must be addressed. These records must be protected from improper disclosure and misuse. Several years ago, SSA considered contracting-out the Agency's toll-free 800# service to prisoners! Let's not go there!

Experience has shown that both routine and complex workloads outsourced to the private and non-profit sectors cannot be controlled by the Agency. SSA has, unfortunately, demonstrated an unwillingness to address problems caused by contractors and other third parties, or to even mark cases to show where they have touched our work. Rather than promote the outsourcing of more functions, the Administration should examine what is going on now with outsourced SSA functions, and take responsibility for getting the activities under control. Taxpayers and clients continue to be harmed. This is unacceptable in programs such as ours, that are so vital to the economic security and well-being of virtually all Americans.

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