



Office of Inspector General
Division of Blind Services (DBS) Tracker Application

Report #A-1718DOE-016

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Executive Summary

In accordance with the Department of Education’s fiscal year (FY) 2018-2019 audit plan, the Office of Inspector General (OIG) conducted an audit of the Division of Blind Services (DBS) Tracker application. The purpose of this audit was to determine if DBS has sufficient controls in place to identify and submit eligible claims to the Social Security Administration (SSA) for reimbursement utilizing the Tracker application.

During the audit, we found that DBS generally had sufficient controls in place. However, we noted instances where improvements could be made to strengthen some of these controls. For example, we cited instances where DBS did not have effective procedures in place to ensure that data from other systems were processed accurately and completely; DBS did not utilize the State Verification and Exchange System (SVES) data when identifying potentially eligible claims for submission to SSA; and DBS did not have an internal testing environment for the Tracker application. The Audit Results section below provides details of the instances noted during our audit.

Scope, Objectives, and Methodology

The scope of this engagement included an examination of the Tracker application for the period of August 1, 2017, through October 18, 2018. We established the following objectives for our audit:

1. Determining whether Tracker has sufficient internal controls in place to ensure eligible claims are accurately identified and timely submitted for reimbursement;
2. Determining if DBS designed, selected, and implemented Tracker in compliance with controlling laws, rules, and agency policies; and
3. Ensuring Tracker includes proper application security practices.

To accomplish our objectives we reviewed applicable laws, rules, and regulations; interviewed DBS and Morrow Consulting personnel; reviewed reimbursement requests and related documentation; reviewed client files in the DBS Accessible Web-Based Activity and Reporting Environment (AWARE), SSA Portal, and Tracker; reviewed client wage documentation; reviewed sole source purchasing order #B19E86; and reviewed the Tracker User Guide.

Background

The Social Security Administration (SSA) administers a Vocational Rehabilitation (VR) reimbursement program to help people with disabilities gain employment. SSA will reimburse state VR agencies for the cost of the services they provide to beneficiaries with disabilities, if they result in the persons obtaining employment meeting or exceeding a specified earnings level. Prior to Tracker, DBS used SSA and income data to process reimbursements from Social Security using a system called the Social Security Reimbursement Application (SSRA). SSRA allowed the Division of Blind Services (DBS) to track clients who have enrolled in the VR program to establish when DBS could submit a reimbursement claim to SSA for the rehabilitation services provided to a client. DBS selected the SSRA as a business process management application to:

- Provide a central location to check for VR participant information that could have a potential reimbursement claim;
- Provide the necessary information to SSA to ensure prompt reimbursement; and
- Increase the amount of social security reimbursements received by DBS.

The SSRA system is approximately 10-12 years old, outdated, and no longer supported. In addition, SSA mandated all state agencies submit reimbursement claims through the SSA portal. SSRA did not have this capability. Due to these issues, DBS replaced SSRA with Tracker.

In 2001, Feliciano J. Morrow, owner of Morrow Consulting, LLC created Tracker which combined information from the state's VR case management system, Unemployment Insurance wage records, and SVES Social Security data. The system searches records to determine which cases include the correct Social Security type (supplemental security income (SSI) / social security disability insurance (SSDI)) and meet the earnings requirements for reimbursement. Using the VR information, the system then calculates the amount of time and costs of direct services provided for the identified case. The Tracker application uses this information to create all the necessary documentation to submit reimbursement claims.

In August 2017, DBS acquired the Tracker application at a cost of \$8,000 including installation and a yearly license/subscription fee of \$6,000. This cost entitles DBS to unlimited technical support, initial training, additional follow-up trainings as needed, and access to system updates for five years. Since the implementation of the Tracker application, DBS has received \$1,595,306.50 in reimbursements as of October 31, 2018.

Audit Results

Finding 1: DBS did not have effective procedures in place to ensure that Tracker processed data from other systems completely, accurately, and timely.

Per the Federal Information System Control Audit Manual (FISCAM) Critical Element BP-1 (Transaction data input is complete, accurate, valid, and confidential), “The entity should have policies and procedures in place to reasonably assure that all authorized source documents and input files are complete and accurate, properly accounted for, and transmitted in a timely manner for input to the computer system. Among these, management should establish procedures to reasonably assure that all inputs into the application have been processed and accounted for, and any missing or unaccounted for source documents or input transactions have been identified and investigated. Finally, procedures should be established to reasonably assure that all source documents (paper or electronic form) have been entered and accepted to create a valid transaction. Automatic input from other applications should be integrated either through an interface (external applications) or configuration (cross-modular within the same application).”

Accessible Web-Based Activity and Reporting Environment (AWARE)

Tracker pulls and processes data from AWARE on a weekly basis. An AWARE case is ready for import into the Tracker application when it is determined that the client and counselor have created an individualized plan for employment (IPE). Upon transfer of the AWARE cases, the VR Data Import Log records the type of data, date, result (success or failure), and the number of records added and updated.

In order to verify that all cases with a created IPE were transferred to Tracker, we compared a list of all cases in AWARE for which a client and counselor created an IPE from March 29, 2018, to September 23, 2018, to a list of all individuals in the Tracker application. We located all 1,748 cases in Tracker; however, we noted Tracker does not record the individual date of import for each AWARE case transferred into Tracker. The VR Data Import Log within tracker records the date and number of records transferred into Tracker, but you cannot identify individual case records within the VR Data Import Log. As a result, we were unable to determine whether the cases were transferred timely, only that they had transferred over by the time we conducted the comparison. We additionally noted DBS has not developed a process to validate that all applicable records in AWARE are identified and added or updated to Tracker.

Florida Education and Training Placement Information Program (FETPIP)

DBS staff imports the Unemployment Insurance wage data, provided by FETPIP, into Tracker on a quarterly basis. DBS provides the list of all customers in the Tracker application to FETPIP and FETPIP matches the clients, via social security number, with their respective wage information. FETPIP then sends the wage data to DBS for import into the Tracker application. In order to determine whether data added to the Tracker application from FETPIP was accurate and complete, we compared the record count from the FETPIP wage file to the VR log file, which captures the number of records added and updated. During the processing cycle on August 31, 2018, the VR Data Import Log recorded 422,775 records updated and 10,012 records added to the Tracker application. We compared the total record count from the VR Data Import

Log to the Quarter 1 2018 wage data from FETPIP, which was imported into Tracker. The Quarter 1 FETPIP file contained 425,342 records. The comparison identified a 2,567 record discrepancy between the FETPIP file and the VR Data Import Log in the Tracker application files.¹ We attempted to compare the FETPIP file cases to the Tracker records added, but determined Tracker does not capture detailed records of cases updated and added. The log only reflects the total number of records imported. We noted DBS has not developed a process to validate that all applicable records in FETPIP are added or updated to Tracker. Without a detailed log, DBS is unable to verify the completeness of data moving into Tracker.

The absence of a process to verify data transferring from external systems into Tracker prevents DBS from effectively verifying the accuracy or completeness of data received by the Tracker application. Additionally, the lack of detail captured by the VR Data Import Log does not allow DBS to identify individual cases added to the Tracker application or when they were added. In the event that an error occurs during data transfer or processing, it would be difficult for DBS staff to identify where the error occurred and, consequently, correct the data.

Recommendation

We recommend that DBS implement procedures to verify the applicable records from the FETPIP and AWARE systems are completely and accurately transferred to Tracker in a timely manner. We recommend that DBS request Morrow Consulting, LLC improve the data import log to provide more detailed information, which would allow DBS to track the specific records updated and added to the Tracker application.

DBS Management Response

Concur. DBS concurs with the finding and corresponding recommendations. While Tracker does provide data import logs for various data imports into Tracker from external sources, the information provided is a high-level summary and does not provide the detailed information needed to confirm that all data from external sources is completely and accurately imported and processed by the Tracker application. DBS will work with the vendor to implement audit fields and records for each imported file and record type. These new audit fields and records will provide the data needed to produce new data import audit reports. DBS will work with the vendor to implement new data import audit reports directly within the Tracker application itself. If needed, DBS also has the ability to create and implement new data import audit reports outside of Tracker. These external reports, however, would be dependent on the new audit fields and records that must be implemented within Tracker. The preferred method is to completely build the data import audit process within the Tracker application. DBS will immediately initiate discussions with the vendor to design and implement the processes described above. The completion timeframe of all described actions is dependent on the availability of the vendor.

¹ The 2,567 record discrepancy is based on the assumption that the 10,012 added records are a subset of the 422,775 updated records. Therefore, the FETPIP file contained 2,567 more records than reflected in the Tracker import log. Through further research, we were unable to conclusively determine the total record count imported. In the event the 10,012 added records are not a subset, the discrepancy would indicate the Tracker import log contained 7,445 more records than the FETPIP file.

Finding 2: DBS did not utilize SVES data when identifying potentially eligible claims for submission to SSA.

Per 416.2201 Code of Federal Regulations (CFR), “In general, sections 1615(d) and (e) of the Social Security Act (the Act) authorize payment from the general fund for the reasonable and necessary costs of vocational rehabilitation (VR) services provided certain disabled or blind individuals who are eligible for supplemental security income (SSI) benefits, special SSI eligibility status, or federally administered State supplementary payments. Payment will be made for VR services provided on behalf of such an individual in cases where -

- (a) The furnishing of the VR services results in the individual’s completion of a continuous 9-month period of substantial gainful activity (SGA) as specified in 416.2210 through 413.2211; or
- (b) The individual continues to receive disability or blindness benefits, even though his or her disability or blindness has ceased, under section 1631 (a) (6) of the Act because of his or her continued participation in an approved VR program which we have determined will increase the likelihood that he or she will not return to the disability or blindness rolls (see § 416.2212).”

The social security disability thresholds for blind individuals during federal years 2016 through 2018 are as follows:

- 2016- \$5,460/quarter
- 2017- \$5,850/quarter
- 2018 -\$5,910/quarter

Disabled or blind individuals, who are receiving supplemental security income (SSI) or social security disability insurance (SSDI) benefits and have met the SGA threshold for nine continuous months, are eligible for reimbursements from SSA. DBS utilizes the Tracker application to identify claims that meet these requirements. Currently, DBS does not use SSI and SSDI information to determine claim eligibility as SSA has not yet approved Tracker to retain the State Verification and Exchange System (SVES) Social Security data. DBS is currently determining eligibility solely based on the achievement of nine months of SGA.

To verify that Tracker is accurately identifying claims for reimbursement, we reviewed a sample of claims from December 15, 2017, to October 18, 2018, which Tracker did not mark as eligible for reimbursement. We compared the 2017-2018 wage data for 21 of the 24,061 cases not marked as eligible to the quarterly SGA rate. We identified one of the 21 sampled cases where the reported wage data was above the SGA threshold for three consecutive quarters and Tracker did not flag the case as eligible for submittal. We notified DBS of the case and requested additional explanation. As a result, DBS manually submitted the identified case on November 15, 2018, and the SSA Portal rejected the claim with the following message “No SVR Claim created/updated. No such person for this SSN claim.”

Based on their understanding of the VR claim reimbursement process in Tracker, DBS staff stated the case should have been identified for potential reimbursement regardless of SSI/SSDI status. From their understanding, Tracker was configured to ignore whether or not an individual was receiving SSA benefits, and would create a claim solely upon achievement of nine months

of SGA. Upon further research and discussions with Morrow Consulting, they determined that the receipt of SSI/SSDI benefits is necessary in order for Tracker to consider a case for a reimbursement claim. The receipt of SSI or SSDI benefits in Tracker is indicated via three separate methods:

1. Via the SVES file from SSA (includes SSI and SSDI benefit data).
2. Via data imported from the AWARE Case Management System.
3. Via the 'In Use' Response file from SSA.

Failure to utilize SSI and SSDI data in Tracker could prohibit Tracker from identifying and flagging all eligible cases for potential reimbursement preventing DBS from submitting and receiving all potential reimbursement funds. In response, DBS decided to initiate the review and approval process with SSA to allow the usage of the SVES file within Tracker. DBS plans to complete and submit the necessary paperwork to SSA in early 2019.

Recommendation

We recommend DBS complete the federal SVES review and approval process and utilize SSI and SSDI information to determine reimbursement eligibility. We further recommend that, upon receipt of SVES data, DBS review all cases that were not submitted to SSA from August 1, 2016, through the date of SVES receipt, to ensure all eligible claims not previously identified are submitted to SSA.

DBS Management Response

Concur. DBS concurs with the finding and corresponding recommendations. The receipt of SSI or SSDI benefits in Tracker is tracked via three separate methods:

1. The SVES file from SSA which includes SSI and SSDI benefit data.
2. The data import from the AWARE Case Management System which tracks the assignment of SSI/SSDI benefits by client as recorded by DBS staff.
3. The 'In Use' Response file from SSA which only allows the assignment of an individual as 'in-use' to DBS if that individual is receiving SSI or SSDI benefits.

While the lack of SVES file data in Tracker does not prevent cases from being submitted for reimbursement (as long as the other two methods are used to record and track SSI/SSDI benefits), DBS acknowledges that it is preferable to utilize all three methods, and has decided to initiate the review and approval process with SSA for the use of the SVES file within Tracker. DBS plans to complete and submit to SSA the necessary paperwork to initiate the SVES file approval process in early 2019. Upon the receipt and import of SVES data into Tracker, DBS will review all cases in Tracker to ensure that any eligible claims not previously identified are submitted to SSA for reimbursement consideration. Lastly, the vendor is currently considering adding a configuration option to Tracker which would allow Tracker to ignore whether or not an individual was receiving SSA benefits, and would create a reimbursement claim based solely upon achievement of nine months of SGA.

Finding 3: DBS did not have an internal testing environment for the Tracker application.

The National Institute of Standards and Technology (NIST) is responsible for developing information security standard and guidelines. The NIST Special Publication 800-53 Revision 4, Security and Privacy Controls for Federal Information Systems and Organizations, CM-4, Security Impact Analysis states, “Control: The organization analyzes changes to the information system to determine potential security impacts prior to change implementation.

Control Enhancements: (1) *Security Impact Analysis / Separate Test Environments.* The organization analyzes changes to the information system in a separate test environment before implementation in an operational environment, looking for security impacts due to flaws, weaknesses, incompatibility, or intentional malice.

Supplemental Guidance: Separate test environment in this context means an environment that is physically or logically isolated and distinct from the operational environment. The separation is sufficient to ensure that activities in the test environment do not impact activities in the operational environment, and information in the operational environment is not inadvertently transmitted to the test environment. Separate environments can be achieved by physical or logical means. If physically separate test environments are not used, organizations determine the strength of mechanism required when implementing logical separation (e.g., separation achieved through virtual machines). Related controls: SA-11, SC-3, SC-7.”

Morrow Consulting, LLC is responsible for modifications to the Tracker application and provides the modifications and updates to DBS as scripts. Upon receipt of the scripts, DBS loads and runs the scripts on the server to apply the modifications to the code or apply updates to the application. DBS is currently accepting all scripts from Morrow Consulting without placing them in a test environment prior to production. Although DBS creates a backup for all data prior to accepting application modifications in case an error occurs, creating an internal test environment would allow the changes to be tested for bugs or design flaws prior to introducing the changes to production and exposing the system to risks. We also noted that while DBS has an established approval/change management process for modifications or updates made to Tracker, the formal approval process was not followed for script modifications applied to Tracker after implementation. The objective of change control is to facilitate appropriate handling of all changes. There is a risk that, without utilizing the change control procedures, the system will not process information as intended and reimbursement claims may not be appropriately submitted. There is also a greater chance that information will be lost or access given to unauthorized persons.

Recommendation

We recommend DBS follow the established approval/change management process for modifications or updates made to the Tracker application. In addition, we recommend the DBS create an internal testing environment for the Tracker application.

DBS Management Response

Concur. DBS concurs with the finding and corresponding recommendations. DBS will immediately utilize the established DBS Information Technology approval/change management process for all modifications or updates made to the Tracker application. DBS will also establish a separate test environment for Tracker that is totally independent of Production Tracker in order to fully test each modification to Tracker for errors or design flaws prior to implementing the change in Production.

Closing Comments

The Office of the Inspector General would like to recognize and acknowledge the Division of Blind Services and staff for their assistance during the course of this audit. Our fieldwork was facilitated by the cooperation and assistance extended by all personnel involved.

To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our audit was conducted under the authority of section 20.055, F.S., and in accordance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, and Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General. The audit was conducted by Louvens Merilien and supervised by Tiffany Hurst, CIA, Audit Director.

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