

**NATIONAL COUNCIL OF SSA FIELD OPERATIONS LOCALS
AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO**

Representing over 50,000 SSA employees across the nation, Puerto Rico and Pacific Islands

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Michael J. Astrue
Commissioner
Social Security Administration
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Commissioner Astrue:

Recently SSA has received a great deal of adverse publicity as a result of the Management Tango Conference in Phoenix AZ the week of July 6, 2009. 700 SSA management personnel attended a 3 day conference in Phoenix AZ at the exclusive Biltmore resort. You, 5 Deputy Commissioners, numerous Associate Commissioners and other Headquarters staff also attended this conference billed by San Francisco Regional Commissioner Pete Spencer as a "management tango". SSA reportedly spent about \$800,000 in travel, per diem, and other costs for this event. In addition, AFGE estimates that the Agency paid salaries for management attendees for the conference and the time spent traveling to and from Phoenix of about \$1.25 million.

AFGE is outraged that you would condone, approve and participate in such an extravagant waste of taxpayer dollars. The Union is especially disturbed that SSA would spend such enormous sums of taxpayer dollars to treat managers to the comforts of a luxurious resort that featured such amenities as 8 swimming pools, 7 tennis courts, two 18 hole golf courses, a spa and 5 restaurants. Managers were filmed by ABC news dancing, drinking alcohol, gambling at a casino and partying. Encouraging a gambling junket as part of the conference materials and as part of the feature extracurricular event is mind boggling in view of disciplinary actions that management has issued to bargaining unit employees in the San Francisco region for gambling related offenses.

Putting on such an event during a severe recession when the country is suffering from a 10% unemployment rate is a sign of unacceptable arrogance and insensitivity to the economic situation of the public that SSA services. Scheduling and conducting such an event in light of the AIG luxury conference controversy indicates incompetence and abuse of authority.

SSA has suffered severe staffing shortages in recent years which caused the Agency to provide the public with poor service in many workload areas. Processing time for disability hearings of over 500 days average has resulted in severe criticism from

Congress and the public. SSA acknowledges a continuing inability to process SSI redeterminations and continuing disability reviews at expected levels causing escalating overpayments of benefits to the public. GAO and OIG have issued reports criticizing SSA's telephone service and the Agency's ever increasing waiting times for service.

This service deterioration caused President Obama to pledge to AFGE to increase appropriations for SSA's administrative budget in order to solve some of these problems. The stimulus package passed earlier this year provided for \$1 billion in additional revenue to SSA for the purpose of improving systems operations and improving the processing of claims and post-entitlement workloads.

Unfortunately you and your subordinates have decided to spend \$ millions of these stimulus funds for unnecessary management conferences around the country. AFGE has discovered that the Phoenix tango is not an isolated event. Management officials have conducted or are scheduled to conduct in the near future similar management conferences for hundreds of SSA management officials at sites such as Ft. Lauderdale FL, San Francisco CA, San Antonio TX, Boston MA, Hunt Valley MD, New Orleans LA, New York City, Kansas City MO, Bellevue WA and Austin TX . SSA is apparently spending \$ millions in travel and per diem costs, hotel set up fees and salaries for participants to these events. Although AFGE has not seen agendas for all these conferences, if the Phoenix meeting agenda is reflective of the conference agendas, these meetings constitute gross misuse of SSA's appropriated funds. Workshops on how managers can be promoted to SES positions are hardly a prudent use of taxpayer dollars during these troubling economic times. Workshops on "interest based bargaining" were a waste of time in view of the fact that very few participants in the Phoenix tango will ever be involved in collective bargaining. In addition, SSA has made it clear to AFGE on numerous occasions that it is unalterably opposed to interest based bargaining with the Union. Why would you waste taxpayer money training managers on skills that they will never use? Extended breaks for the purpose of "networking" while on travel and per diem are an abuse of taxpayer money. Scheduling 1 ¾ hour lunches during which managers danced and boogied on government time is outrageous.

While virtually all the management officials in the San Francisco region were in Phoenix networking, dancing and taking extended catered lunches, SSI recipients were informed that SSA could not issue emergency payments to them because there were no management officials available to approve such payments. One office even posted a sign to that effect. How could this Agency under your supervision be so callous to the public that we serve that poor recipients of SSI benefits were turned away from assistance because managers were spending the week in a luxury resort?

AFGE finds the conduct of SSA officials who approved, condoned and participated in this gross and continuing abuse of taxpayer funds used for unnecessary management conferences to be completely unacceptable and an example of management malfeasance. While the Agency is demanding more resources from Congress to process increasing workloads and eliminating backlogs, you have created a situation in which SSA is now a subject of public ridicule regarding the wasteful expenditure of tax

dollars for frivolous management conferences. Such misuse of tax revenues will create an understandable mistrust in Congress of the Agency's ability to manage its budget in a responsible manner and create the likelihood that future requests for necessary appropriations for administrative expenses in SSA will be rejected by Congress. You have placed the Agency in jeopardy of obtaining adequate appropriations due to your inability to manage Agency resources in a responsible manner.

If you and your subordinate managers felt that it was necessary to provide training to managers on topics like diversity, relationships at the worksite, and multi-generational communications, such training could have been given through SSA's state of the art Interactive Video Training network (IVT). Training on these topics was handled through power point presentations. Such training is ideally suited for IVT. The decision to spend \$800,000 for travel related expenses and pay salaries for lost productivity for those traveling to the event constitutes a gross misuse of appropriated funds when such training could have easily been given via IVT cheaper and more efficiently with the same result. To schedule such training for managers at ostentatious resorts while bargaining unit employees are trained for as long as 3 months at a time via IVT is an even more arrogant abuse. The goal, obviously, in conducting the Phoenix tango and the other management conferences was not training which could be done by IVT but, rather for partying and "networking".

Spending \$ millions for multiple management conferences shows further abuse when one considers actions that you have taken to deny bargaining unit employees benefits and recognition. Two years ago you cancelled sending 40 year SSA employee's travel to Baltimore to attend the awards ceremony where they were to receive their 40 year certificates. SSA had paid for these trips in the past as a reward and in appreciation of the long time service of such veteran SSA employees. You cancelled these trips to Baltimore for employees in the field to receive their awards to save money. Instead the award recipients were told they could participate in a virtual award ceremony on IVT. Many of these hard working employees had never had the opportunity to travel to Baltimore and see the Agency Headquarters. Many have told me that they looked forward to the awards event and were extremely disappointed when their physical presence at the awards ceremony was rejected by you. After saving money by not sending 40 year employees to Baltimore to receive their recognition, you condone and authorize abuses like the Phoenix tango. What an insult that is to employees who have spent their lives providing service to the public. You should be ashamed of yourself.

You have also refused to implement the increase in transit subsidies that Congress authorized in the stimulus economic recovery legislation of 2009. Congress increased the subsidy to up to \$225. SSA is currently paying only \$60/month in the field and \$105/month in Washington DC. Other Agency's have implemented the increase. You're providing Agency lip service regarding its commitment to a greener America. Paying more transit subsidies will encourage employees to use public transportation and, consequently, result in reduced environmental pollution from automobile exhaust. Without explanation, you have refused to implement the legislation increasing the transit

subsidies. Instead you have approved far greater expenditures on management conferences.

The Union has discovered that in FY 08 SSA shorted bargaining unit employees of up to \$3 million in award funds. Inexplicably, management never distributed award money that the Agency agreed to pay as part of the settlement of the current AFGE-SSA contract. Instead you allocated \$ millions for management conferences.

Now Regional Commissioner Spencer has issued misleading talking points to bargaining unit employees so that they can respond to public complaints about SSA's inappropriate spending practices. Asking employees to participate in your charade and cover up constitutes more inappropriate behavior.

Mr. Spencer has now told the press that the management tango was scheduled due to death threats to employees and the need to relieve stress that such death threats created. If we weren't addressing a gross misuse of tax dollars his explanations would be laughable. Employees get death threats, so managers go to a lavish resort to relieve stress? Mr. Spencer is not telling the truth. A review of incident reports shows that there are no death threats. You should spare the Agency further ridicule and fire Mr. Spencer for his incompetence.

AFGE strongly urges you to take action to cancel all remaining scheduled management conferences (i.e., Kansas City, Hunt Valley and Fort Lauderdale). The management officials responsible for this severe misuse of appropriated funds are guilty of malfeasance. They should be fired. Besides Mr. Spencer, it appears that Linda McMahon has authorized and encouraged Regions to spend \$ millions on these conferences when the revenue could be used for a more constructive purpose such as processing the Agency's backlogged work. Her actions are malfeasant and, therefore, she should be removed.

You are ultimately responsible for this scandal. It's time for you to do the taxpayers and the SSA customers a favor. Resign.

Witold Skwierczynski
President

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