

Report Summary

Social Security Administration Office of the Inspector General

September 2010



Objective

To answer three questions from the Subcommittee on Social Security related to the Social Security Administration's (SSA) process for identifying and preventing improper disability benefit payments to individuals who return to work.

Background

On September 7, 2010, the Subcommittee on Social Security asked us three questions.

1. Are there feasible, cost-effective improvements SSA could make to its existing process to identify and prevent improper payments or fraud related to individuals who returned to work and no longer meet the eligibility criteria for Disability Insurance benefits and/or Supplemental Security Income (SSI) payments?
2. Do you have any recommendations for legislative changes that could prevent or address these issues?
3. What reports have you issued on these topics in the past?

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-01-11-21043.pdf>

Congressional Response Report: The Social Security Administration's Process for Identifying and Preventing Improper Payments to Individuals Who Return to Work (A-01-11-21043)

Our Findings

SSA has a number of projects underway or planned to improve the identification and prevention of improper payments to disabled beneficiaries who return to work. Also, the Office of the Inspector General (OIG) has completed several reviews and SSA continues to address recommendations in this area.

Question 1: Yes, there are improvements SSA could make—or is in the process of making—to identify and prevent improper payments or fraud related to disabled beneficiaries who return to work and no longer meet eligibility criteria. However, the Agency would need to devote additional resources to effectively implement these improvements because reviewing work activity and earnings is a complex process that requires staff to consider all the return to work provisions in the *Social Security Act*.

Question 2: Although reforms aimed at simplifying SSA's programs are undoubtedly difficult to implement, we believe reducing the complexity of these programs, without sacrificing their intent, would help reduce millions of dollars in improper payments that occur each year. For example, since SSA has to evaluate earnings and work incentives prior to stopping benefits when someone works—and cannot simply stop paying benefits because wages are reported—simplifying these provisions could have a positive impact.

Question 3: In recent years, the OIG has issued seven reports related to improper payments to disabled beneficiaries or recipients who return to work. In general, the recommendations centered around SSA's need to perform more work continuing disability reviews (CDR), medical CDRs, and SSI redeterminations.