



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Wednesday, March 3, 2004

Grassley Praises President's Signing of Social Security Anti-Fraud Bill

WASHINGTON -- Sen. Chuck Grassley, chairman of the Committee on Finance, today praised President Bush's signing of bipartisan legislation to rein in several sources of fraud, waste, and abuse of Social Security programs. On Tuesday, the President signed into law the *Social Security Protection Act of 2004*, which Grassley shepherded through the Senate.

"Like any government program, Social Security attracts its share of con artists and scammers," Grassley said. "Fugitive felons work the system so they get Social Security benefits on the lam. Some financial guardians of the disabled make off with the payments of those in their care. We have to plug these spigots of waste, fraud and abuse. Every penny down the drain doesn't help a deserving person. I'm glad the President signed these common-sense reforms into law."

Last September, Grassley received Finance Committee approval of the *Social Security Protection Act of 2003*, which he said gives the Social Security Administration important new tools to fight waste, fraud and abuse. The bill ultimately approved reflected a bipartisan agreement reached between the Senate and the House. Highlights include:

Greater protection of representative payees. Grassley said the Social Security Act authorizes the appointment of representative payees to receive and manage the Social Security benefits of individuals who cannot manage their own finances because of mental or physical impairments. A representative payee may be an individual or an organization, including non-profits and state or local government agencies. Over the years, there have been numerous reports that representative payees have misused the benefits entrusted to their care. As chairman of the Senate Special Committee on Aging, Grassley held hearings on this issue and developed legislation to address this serious problem. The bill signed into law includes the protections Grassley proposed in the last Congress. For example, the bill ensures that the government can replace the payments stolen from the beneficiary.

Fugitive felons. Grassley said the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 included a provision making fugitive felons ineligible to receive benefits under the Supplemental Security Income program. Since then, the Social Security Office of Inspector

General and the General Accounting Office have raised concerns that fugitive felons remain eligible to receive benefits under the Old Age, Survivors and Disability Insurance program. Grassley co-sponsored legislation to address this disparity. However, some recently have raised concerns that a number of cases involve minor offenses that are decades-old and will never be prosecuted.

“I don’t believe the fugitive felon program should be blindly implemented,” Grassley said. “So the provision in this bill gives the Social Security Administration the authority to continue paying benefits under extenuating circumstances.”