



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Grassley: Social Security Administration must better protect Disability Insurance Program

WASHINGTON — Sen. Chuck Grassley said today that a new government report raises serious concerns about the Social Security Administration's inability to effectively monitor disability program beneficiaries who return to work and are overpaid by the Social Security Administration for many years, despite having earnings that would disqualify them from the program.

"The disability program was designed to help disabled people who are unable to work enough to fully support themselves," Grassley said. "The Social Security Administration's failure to identify those who work and earn more than the law allows undermines the integrity of the disability program and hastens the insolvency of the trust fund."

The report issued today by the Government Accountability Office (GAO) highlights a number of problems with the Social Security Administration's oversight of the Disability Insurance program. According to the report, overpayments in the disability program were about \$990 million in fiscal year 2003. Approximately 31 percent of that amount was attributable to beneficiaries who worked and earned more than permitted by law. The report also cautioned that this percentage likely understates the true level of overpayments in the Social Security Administration's disability program because of limitations in the data.

Under current law, individuals who are receiving disability payments become ineligible if they work and earn more than a specified amount for an extended period of time.

The new study found that the procedures implemented by the Social Security Administration to monitor beneficiaries' work activity often failed to identify such activity in a timely manner and that administrative weaknesses prevented the Social Security Administration from knowing the true number and status of overpayment cases actually being processed each year. Moreover, investigators for the Government Accountability Office identified cases in many field offices of the Social Security Administration in which individuals had returned to work and been overpaid for as long as seven years, resulting in improper payments totaling between \$28,000 and \$105,000.

Grassley requested the review by the Government Accountability Office. Grassley is

chairman of the Senate Committee on Finance, which is responsible for oversight of the Social Security program. The report – GAO-04-929 – can be accessed via the Web site of the Government Accountability Office, at www.gao.gov.