

Opening Statement of Senator Tom Coburn

Permanent Subcommittee on Investigations: *Social Security Disability Fraud: Case Studies in Federal Employees and Commercial Drivers Licenses*

August 4, 2010

I would like to thank Senator Levin for holding this hearing.

Today, we are here to focus on the results of a Government Accountability Office investigation into the Social Security Administration's (SSA) disability programs. In it, GAO found that tens of thousands of beneficiaries may be scamming the program, or at least getting benefits they do not deserve.

The purpose of this hearing is to ask questions about the report and about how we eliminate fraud and save taxpayer money in these programs. Last year, the agency's disability programs paid almost **\$159 billion** in disability claims. At last count, **1 in 20 Americans** received disability payments through these programs.

As a doctor, I am certainly aware of the issues and difficulties that a disabled individual faces. Common, everyday tasks that you and I take for granted can be difficult, if not impossible, for these good people. Many of these folks depend on these payments to survive. I firmly believe that these programs truly help disabled Americans that rightfully qualify. However, determining that someone is truly disabled and unable to work at any job in the national economy – the standard used by SSA – should be a high bar to meet.

The challenge is how do you stop the cheaters. In my profession, I have also encountered scores of healthy individuals that want nothing more than to scam the system. We cannot afford to allow healthy people to waste our money. Nor can the Disability Insurance Trust Fund afford it. The Congressional Budget Office recently concluded that the Trust Fund will be exhausted by 2018.

GAO's investigation into fraud in the Social Security disability programs is not its first. In 1997, they designated the SSI program as "high risk" due to years of mismanagement and overpayments. GAO also previously identified nearly **\$3 billion** in overpayments from 1999 to 2003 in the DI program alone. In today's report, GAO found **\$10.7 billion** more in overpayments from fiscal years 2004 to 2008.

In response to these numbers, SSA's disappointing reply was that "overpayments are unavoidable." This is unacceptable. It is also in direct contradiction with the President's mandate that overpayments in government programs be eliminated.

The increase in the size of these programs has also led to an increase in fraud. At present, SSA primarily relies on beneficiaries to self-report that they are working or no longer disabled, which they rarely do for fear of losing their benefits. While SSA also uses federal databases to see if people are working, these policing mechanisms aren't working.

By simply cross-referencing a list of federal employees against the list of disability recipients, GAO determined that at least 1,500 federal workers were improperly – and in some cases,

fraudulently – receiving disability checks while they were also working full-time government jobs. In fact, GAO determined that at least one of these individuals *even worked at the Social Security Administration*. At the very least, SSA must do a better job of making sure that federal employees aren't abusing its programs.

GAO also uncovered 62,000 individuals in 12 states on disability who hold active Commercial Drivers Licenses. Everyone who holds a Commercial Drivers License must undergo a medical exam. It seems unlikely that a person could pass a medical exam if they were truly disabled. Yet, it happened 62,000 times in just 12 states. While holding a Commercial Drivers License is not definitive proof that an individual is no longer disabled or working, it certainly is a strong indication that warrants further review.

Fraud on these programs is unacceptable and raises major concerns with SSA's administration of the disability programs. As our Subcommittee and GAO continue to investigate these problems, we hope to further educate ourselves and the public on how these individuals are defrauding the system, expose them, and fix the problem.

Finally, I don't want to put all of the blame on SSA. It is Congress who created these two complicated disability programs. And with the creation of a government program comes the responsibility to provide oversight and ensure that it is running effectively and properly. Sadly, it does not seem to be the case. Many of the problems seem to be systemic and have plagued these programs for years. They come from a culture that believes that SSA is an entitlement agency, and not an enforcement agency. The reality is that it is both, and one of these priorities should not be elevated above the other. It is imperative that Congress address these problems to protect the integrity of these programs for those who rightfully qualify for them.

I want to thank the witness for being here today and look forward to their testimony.