



Highlights of [GAO-10-444](#), a report to congressional requesters

SOCIAL SECURITY ADMINISTRATION

Cases of Federal Employees and Transportation Drivers and Owners Who Fraudulently and/or Improperly Received SSA Disability Payments

Why GAO Did This Study

The Social Security Administration (SSA) administers two of the nation's largest cash benefits programs for people with disabilities: the Social Security Disability Insurance (DI) program, which provides benefits to workers with disabilities and their family members, and the Supplemental Security Income (SSI) program, which provides income for individuals with disabilities who have limited income and resources. In 2008, SSA provided about \$142 billion in financial benefits for these two programs. As part of the American Recovery and Reinvestment Act of 2009, the federal government also paid \$250 to each SSA recipient, such as DI beneficiaries, SSI recipients, and old-age retirement beneficiaries.

GAO was asked to (1) determine whether federal employees and commercial drivers and company owners may be improperly receiving disability benefits and (2) develop case study examples of individuals who fraudulently and/or improperly receive these benefits. To do this, GAO compared DI and SSI benefit data to civilian payroll records of certain federal agencies and carrier/driver records from the Department of Transportation (DOT) and 12 selected states. GAO also interviewed SSA disability beneficiaries and recipients.

What GAO Recommends

GAO makes two recommendations for SSA to detect and prevent fraudulent and improper payments. SSA agreed with our recommendations, but disagreed with some facts presented.

View [GAO-10-444](#) or [key components](#). For more information, contact Gregory Kutz at (202) 512-6722 or kutzg@gao.gov.

What GAO Found

GAO analysis of SSA and federal salary data found that there are indications that about 1,500 federal civilian employees may have improperly received benefits. In addition, GAO obtained data from 12 selected states and found that 62,000 individuals received or had renewed commercial driver's licenses after SSA determined that the individuals met the federal requirements for full disability benefits. Under DOT regulations, these individuals' eligibility must be medically certified every 2 years. Lastly, GAO found about 7,900 individuals with registered transportation businesses who were receiving SSA disability benefits. SSA regulations allow certain recipients to work and still receive their disability benefits. Thus, each case would require an investigation to determine whether there were fraudulent payments, improper payments, or both. The GAO analyses provide an indicator of potentially improper and fraudulent activity related to SSA benefits for federal employees, commercial drivers, and registrants of commercial vehicle companies. SSA currently does not perform a federal payroll or DOT records match to identify individuals improperly receiving benefits.

GAO nonrepresentatively selected and investigated 20 examples of individuals who improperly and in some cases fraudulently received disability payments. The following table describes 3 of these cases.

Examples of Fraudulent or Improper Disability Benefits

Job performed	Estimated overpayment	State	Case details
Screener for Transportation Safety Administration	\$108,000	CA	SSA approved disability benefits in 1995 for mood disorders. Recipient began federal employment in 2003. For several years, SSA notified recipient that the disability benefits will increase based on the wages earned in the prior year.
Home improvement contractor	Cannot be determined	MD	SSA approved disability benefits in 1998 for vascular disease. Recipient admitted fraud to GAO, noting that the company is operating under the spouse's name because he is on disability.
Office assistant for Social Security Administration	\$11,000	AZ	SSA approved disability benefits in 2003 for mood disorders. Although recipient began working for SSA in 2007, SSA had no information on the employment in the SSA disability file.

Source: GAO.

For these 20 cases, SSA did not have the processes to effectively prevent improper and/or fraudulent payments. To see video clips of three individuals working at their federal jobs, see <http://www.gao.gov/products/GAO-10-444>. GAO identified several issues arising from the investigations. For example, SSA continued to improperly pay individuals who informed SSA of their employment. Using a process called Automated Earnings Reappraisal Operations (AERO), SSA examined the earnings for several individuals and automatically increased these individuals' disability payments because of raises in salary from their federal employment. SSA officials stated that they currently do not use AERO to identify individuals who have returned to work. In addition, 18 individuals received \$250 stimulus payments while they were improperly receiving SSA disability payments.