

Highlights of [GAO-11-724](#), a report to the Subcommittee on Social Security, Committee on Ways and Means, House of Representatives

Why GAO Did This Study

The Social Security Administration's (SSA) Disability Insurance (DI) program paid almost \$123 billion in benefits in fiscal year 2010 to more than 10 million workers and dependents. The program is poised to grow further as the baby boom generation ages. GAO examined (1) what is known about the extent to which SSA makes overpayments to, and recovers overpayments from, DI beneficiaries who exceed program earnings guidelines, and (2) potential DI program vulnerabilities that may contribute to overpayments to beneficiaries who have returned to work. To answer these questions, GAO reviewed work continuing disability review (work CDR) policies and procedures, interviewed SSA headquarters and processing center officials, visited 4 of 8 processing centers, and reviewed a random nongeneralizable sample of 60 CDR case files across those 4 centers (15 from each).

What GAO Recommends

GAO recommends that SSA develop and adopt agencywide performance goals for recovering DI overpayments and processing work CDRs, require supervisory review of certain repayment plans, address a system limitation which precludes an accurate record of debt owed SSA, and explore options for obtaining more timely earnings information. SSA agreed with four of five recommendations. It disagreed with the need for supervisory review of repayment plans while acknowledging the need for more related guidance to its staff.

View [GAO-11-724](#) or key components. For more information, contact Daniel Bertoni at (202) 512-7215 or bertonid@gao.gov.

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DISABILITY INSURANCE

SSA Can Improve Efforts to Detect, Prevent, and Recover Overpayments

What GAO Found

Disability Insurance overpayments detected by SSA increased from about \$860 million in fiscal year 2001 to about \$1.4 billion in fiscal year 2010. SSA estimates about 72 percent of all projected DI overpayments were work-related during fiscal years 2005 through 2009. While the agency collected, or recovered, \$839 million in overpayments in fiscal year 2010, monies still owed by beneficiaries grew by \$225 million that same year, and cumulative DI overpayment debt reached \$5.4 billion. SSA does not have agencywide performance goals for debt collection—for example, the percent of outstanding debt collected annually. And while SSA has a policy for full repayment within 3 years, 19 of the 60 work CDR cases GAO reviewed had repayment plans exceeding 3 years. SSA officials said that lengthy repayment plans are often the result of an individual's limited income, but SSA does not review or approve repayment plans which exceed agency policy. During the course of the review, GAO also found a limitation in SSA's Recovery of Overpayments, Accounting and Reporting (ROAR) system. Used to track overpayments and collections, ROAR does not reflect debt due SSA past year 2049, so the total balance due the program is unknown and likely larger than the agency is reporting. SSA officials acknowledged this issue, but are unable to determine the extent of the problem at this time. They told GAO they have a work group which will recommend action to correct the problem. But until this issue is addressed, SSA officials said that the agency can only track and report on overpayments scheduled to be repaid through 2049. The amount owed after that year is unreflected in current totals even as it annually increases. SSA officials reported that the agency has ongoing initiatives to enhance debt collection.

SSA has numerous policies and processes in place to perform work CDRs, though two key weaknesses have hindered SSA's ability to identify and review beneficiary earnings which affect eligibility for DI benefits. First, SSA lacks timely earnings data on beneficiaries who return to work. In 49 of the 60 CDR cases GAO reviewed, there was no evidence in the file that the beneficiary reported his or her earnings, as required by program guidelines. To identify unreported work and earnings, SSA primarily relies on data matching with the Internal Revenue Service (IRS), then sends these matches to staff for a work CDR. However, the IRS data may be more than a year old when received by SSA, and SSA says it is not cost-effective to gain access to and use other sources of earnings information, such as the National Directory of New Hires database. In addition, GAO found that cases may wait up to 15 additional months before SSA staff begin work on the CDRs. Second, SSA lacks formal, agencywide performance goals for work CDRs. While it targets 270 days to complete a case, actual processing time ranged from 82 to 992 days (with a median of 396 days) in the 60 cases GAO reviewed, and overpayments which accrued as a result topped \$1 million total. SSA officials reported several initiatives to more effectively prioritize work CDR cases—for example, those with the largest potential overpayment amounts—but these efforts are in the early stages, and GAO could not yet assess their effectiveness as part of this review.