

Highlights of [GAO-11-756T](#), a report to Subcommittee on Social Security and Oversight, Committees 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 has grown rapidly in recent years and is poised to grow further as the baby boom generation ages. GAO examined (1) what is known about the extent SSA makes work-related overpayments to, and recovers overpayments from, DI beneficiaries, and (2) SSA's policies and procedures for work continuing disability reviews (work CDRs) and potential DI program vulnerabilities that may contribute to overpayments to beneficiaries who have returned to work. To answer these questions, GAO reviewed work CDR policies and procedures, interviewed SSA headquarters and processing center officials, and visited 4 of 8 processing centers. We reviewed a random nongeneralizable sample of 60 CDR case files across those 4 centers to ensure we had a wide range of cases for our review (15 cases from each). These 4 centers received almost 80 percent of all work CDRs from SSA's Internal Revenue Service enforcement data match in fiscal year 2009.

What GAO Recommends

GAO has ongoing work on this issue and has no recommendations at this time.

View [GAO-11-756T](#) or key components. For more information, contact Dan Bertoni at (202) 512-7215 or bertonid@gao.gov.

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DISABILITY INSURANCE

Preliminary Observations on SSA 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, though the full extent of overpayments to beneficiaries who have returned to work and are no longer eligible is unknown. Overpayments may also go to beneficiaries who are no longer eligible due to medical improvement, but 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 total DI overpayment debt reached \$5.4 billion. SSA does not have agency-wide performance goals for debt collection, for example, the percent of outstanding debt collected annually. And while SSA does have a policy for full repayment within three years, 19 of the 60 continuing disability review (work CDR) cases we reviewed had repayment plans exceeding three years. SSA officials told us 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 our review, we 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 us they have a work group which will recommend action to correct the problem. But until this issue is addressed, SSA officials told us 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 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 we reviewed, there was no evidence in the file that the beneficiary reported returning to work, as required by the program. To identify these unreported 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, we found cases may wait up to 15 additional months before SSA staff begin work on the CDR. Second, SSA lacks formal, agency-wide performance goals for work CDRs. While it targets 270 days to develop a case, actual processing time taken ranged from 82 to 992 days (with a median of 396 days) in the 60 cases we 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 we could not yet assess their effectiveness.