



Highlights of [GAO-04-929](#), a report to the Chairman, Committee on Finance, U.S. Senate

## Why GAO Did This Study

The Social Security Administration's (SSA) Disability Insurance (DI) program is one of the nation's largest cash assistance programs for disabled workers. In fiscal year 2003, the DI program provided about \$70 billion in financial assistance to approximately 7.5 million disabled workers, their spouses, and dependent children. This program has grown in recent years and is poised to grow further as the baby boom generation ages. The Senate Committee on Finance asked GAO to (1) determine the amount of overpayments in the DI program, particularly those attributable to earnings or work activity, and (2) identify any vulnerabilities in SSA's processes and policies for verifying earnings that may contribute to work-related overpayments.

## What GAO Recommends

GAO is making recommendations to the Commissioner of Social Security directing the agency to explore new tools and data sources that can be used to more effectively detect and prevent earnings-related overpayments. SSA agreed with GAO's recommendations and provided information on several initiatives that are planned or underway to address them, such as a new computer match using information from the Office of Child Support Enforcement's National Directory of New Hires to verify beneficiaries' earnings in a more timely manner.

[www.gao.gov/cgi-bin/getrpt?GAO-04-929](http://www.gao.gov/cgi-bin/getrpt?GAO-04-929).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robert E. Robertson at (202) 512-7215 or [robertsonr@gao.gov](mailto:robertsonr@gao.gov).

# DISABILITY INSURANCE

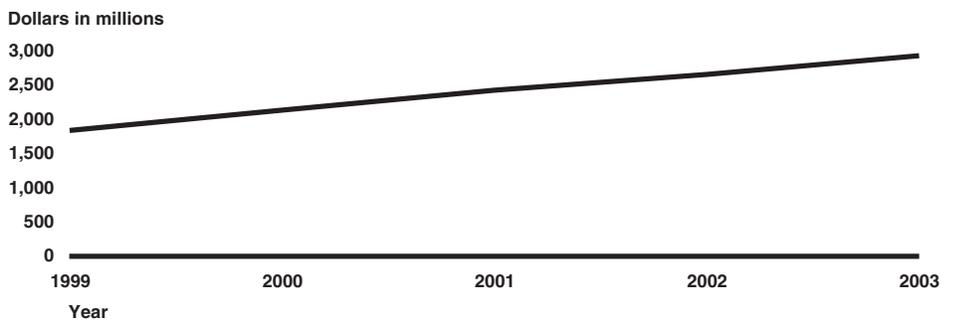
## SSA Should Strengthen Its Efforts to Detect and Prevent Overpayments

### What GAO Found

Overpayment detections in the DI program increased from \$772 million in fiscal year 1999 to about \$990 million in 2003. The true extent of overpayments resulting from earnings that exceed agency guidelines is currently unknown. Based on available data from SSA, GAO found that about 31 percent of all DI overpayments are attributable to DI beneficiaries who worked and earned more than allowed. Moreover, GAO found that these overpayments contributed to mounting financial losses in the program. From 1999 to 2003, total overpayment debt increased from about \$1.9 billion to nearly \$3 billion.

Three basic weaknesses impede SSA's ability to prevent and detect earnings-related overpayments. First, the agency lacks timely data on beneficiaries' earnings and work activity. Second, SSA uses inefficient processes to perform work continuing disability reviews (work CDRs). Third, the agency relies on potentially inaccurate management information to effectively monitor and oversee some parts of this workload. These weaknesses contributed to some work CDR cases GAO identified that were as much as 7 years old, resulting in potential and established overpayments as large as \$105,000 per beneficiary. In addition, GAO found that SSA relies on potentially inaccurate management information to administer its work CDR workload. SSA is developing new automated systems that may potentially address some of these problems and could help the agency balance the important goals of encouraging individuals with disabilities return to work, while also ensuring program integrity. However, it is too early to determine how effective such systems will be.

**Total Overpayment Debt Is Increasing (1999–2003)**



Source: GAO analysis based on SSA data.