

Statement of the Honorable Robert B. Aderholt

Social Security Administration

I want to welcome Commissioner O'Malley to this subcommittee for the first hearing for the Social Security Administration in over a decade. The last hearing held by this subcommittee was ten years ago under my friend, and former colleague, Mr. Kingston.

I also want to acknowledge Commissioner O'Malley's effort to come meet with me in person. I have chaired this subcommittee for the past two years, and less than half the of the leadership of the agencies funded in this bill have come to sit down with me.

I appreciate that you are one of the few who see the value in having a sit down, in-person discussion, and I thank you for being one of the few exceptions of this Administration.

However, I want to strongly encourage you to take that same courtesy you showed me, and extend it to the American public served by your employees.

Less than half of your employees are reporting to work, according to a report published by the Office of Management and Budget. I urge you to prioritize having all employees return to work.

Field offices are front line, direct service to America's seniors. Anything less than a full resumption of activities is a disservice to the taxpayer.

Prior audit reports have highlighted concerns with SSA's ability to measure productivity in telework and noted that the agency did not restrict telework by job position. It is unacceptable

that an agency with more than fifty thousand employees would not have a policy of determining whether an employee's job is inherent front line customer service.

I also want to note concern with the unprecedented, abrupt closure of field offices for two days earlier this year. We were unable to find precedent for such an action by the Social Security Administration, and you provided almost no notice to the public to reschedule meetings.

For an agency that acknowledges its unique role in customer service, I would expect a better understanding of the importance of public access to in-person options. The work you do impacts every American and they deserve more than a few days' notice of office closures.

Since fiscal year 2014, your agency has received an increase in its appropriation nearly every year. Over the past decade, the administrative funding to run the agency has increased by nearly \$2 billion dollars.

While I recognize the agency has not received the amount requested in the President's Budget for some of those years – such an increase does represent an amount far greater than other agencies and programs in this bill.

There are several programs that have not received a single increase in that same time span. These are programs helping children and families in the child welfare system, assistance with the purchase of low-cost medication, and maintaining independence in their homes for seniors.

The reality is the nation's fiscal situation has forced Congress to make priorities. For much of the past decade, discretionary spending caps have been agreed to by both parties to reign in out-of-control beltway deficits.

Such spending limits have curtailed the practice of routinely giving agencies inflationary adjustments, and in many cases, administrative needs have had to compete with other spending priorities like funding special needs education, job training, and maintaining America's lead in biomedical innovation.

This subcommittee has made tough choices considering limited resources, the same types of challenging decisions every family has faced over the past four years of rising inflation and stagnant wages.

At the end of the day, we are responsible with making the most prudent decisions with the funding we have.

I would like to spend some time discussing concerning use of SSA's resources, specifically regarding its employees. In September of this year, the inspector general released a management advisory report discussing SSA's use of premium pay, including overtime pay. The agency has no policy regarding an employee's use of overtime on paid leave days – meaning, the agency permits employees to earn overtime on the exact same days they are claiming paid leave.

In a small sample, the OIG found over 750 instances of SSA paying employees for overtime on the EXACT same days the employee claimed paid leave. In a small subset of cases, the employee claimed a full eight hours of paid leave and was STILL paid overtime for the same day!

In addition, the agency only provides guidance on the amount of overtime given to employees. Agency guidance states employees should receive no more than 18 hours of overtime a week, but the agency has no policy on instances when employees exceed this amount.

In a six-year span, OIG found more than three thousand examples of employees working more than 18 hours of overtime in one week. For a subset of employees, SSA paid the employee more than one thousand hours of overtime – that’s the equivalent of hiring another worker.

To understand how much money we’re talking about per employee, in one example, an employee with a base pay of around 85 thousand dollars earned nearly 95 thousand dollars in overtime! Meaning employees are doubling their salary, and the agency would get fifty percent more work, and spend the same amount of money, if they just made a hire opposed to excessive use of overtime.

One option to help stretch limited funding further would be sound and fair policies regarding abuse of premium pay throughout the agency.

In addition to weak rules around premium pay, the agency also has weak policies regarding outside employment and instances of conflicts of interest and misconduct amongst SSA employees.

In June of this year, the OIG found that although SSA advises *voluntary* reporting of outside work for *most* staff, only six percent submit required financial disclosures that include such employment.

This lack of a defined requirement to report outside employment, providing zero transparency for agency management, has led to cases of unauthorized SSA system access for outside jobs. In one case, an employee accessed databases for over three years to share sensitive information with an outside employer for financial gain.

Let me be clear – this lack of a reporting requirement for outside employment is not the norm among federal service agencies.

For example, the Department of Health and Human Services, the largest civilian agency, and overseen by this subcommittee has codified this requirement. HHS has made it clear that employees wanting to engage in outside activities need approval first and must submit a form requesting such approval for outside activity.

If there are changes in the employee's duties or the outside organization, a new form is required. The Postal Service and the Department of Housing and Urban Development also require employees to seek approval for most outside activities.

It is troubling an agency of your size, with a workforce that by necessity must have direct access to a vast amount of sensitive information on most Americans, has no such similar requirement.

This is yet another example where enhancing SSA's core management practices, such as implementing effective policies, could help prevent conflicts of interest, ensuring employees act ethically, and prioritize taxpayer interests without exploiting the system.

In that same OIG report, yet another SSA employee was found to have spent over two years using leave to manage their own personal business.

Unfortunately, there have been far too many cases of SSA employees engaged in fraudulent activity connected to their federal employment. Administrative law judges have been found guilty of disability fraud, in some cases resulting in hundreds of millions of taxpayer losses.

Supervisors have been caught drawing off supplemental security income benefits into private accounts for personal gain.

Workers have stolen beneficiary personal information and rerouted SSA payments. In several cases the fraud occurred over the course of years of employment before being caught.

These are cases occurring throughout the nation in Colorado, Kentucky, Pennsylvania, and North Carolina. Employee misconduct remains a real risk throughout the agency.

At the last hearing for this agency with Mr. Kingston, he brought up several of the challenges facing the agency- many of its employees are in retirement range, numerous SSA local offices have been closed due to budget restraints, and the office hours at SSA locations serving the public continue to grow shorter.

At the same time, the number of people filing for their social security benefits has grown significantly, with the baby boomer generation reaching retirement age and a record number of people have applied for disability benefits.

It is obvious that finding solutions, other than just more money, is imperative to address such mounting pressures. Mr. Kingston encouraged the agency to take a serious look at its service delivery approach and how it interacts with the public.

The agency clearly needs to examine how it can better serve the public online. While SSA has moved some elements of its services online, it's my understanding that either they don't function very well or the online portion does not address a meaningful share of the process – and so either way, the public is required to seek service at their local SSA office. I am sad to see that ten years later, little has changed.

The agency has struggled to implement IT systems that result in correct payments to the correct beneficiaries. Recent reports estimate your agency made over 72 billion dollars in overpayments between 2015 and 2022, an average of 9 billion dollars a year.

While I understand you have made efforts to improve the collection process on these overpayments, it certainly seems reasonable to ask if the easier option would be to make correct payments in the first place.

Spending scarce resources trying to recoup payments, much of which will not be able to be repaid, hardly seems to be the solution we should be prioritizing.

An independent assessment of SSA's IT modernization plan, by the accounting firm Ernst and Young, concluded the agency's modernization program was not effectively designed and, in some instances, the agency failed to implement or comply with its own policies and procedures.

The audit also found in some instances the cost and return on investment were not being tracked. In fact, in the past few years spending on IT has decreased by more than 80 million dollars.

Multiple agencies have had to face the challenges of fiscal discipline with a growing population, and I want to hear today about how SSA is leading the path to creating a sustainable customer service model, that meets the needs of the public, and balances the interests of the workforce and the taxpayer.

I want to thank you again for coming before us today Commissioner O'Malley.

I now yield to the gentlelady from Connecticut our Ranking Member, Rosa DeLauro, for her opening statement.