

Congressman Xavier Becerra
Testimony before the Human Resources Subcommittee
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Mr. Chairman, thank you for the opportunity to talk about my bill to fight errors and fraud in Social Security.

I want to begin by noting that the Social Security Administration (SSA) has very effective tools to prevent fraud and errors, and these tools have been proven to work. What SSA does not have – thanks to Congressional budget cuts over the past 5 years – is the resources to fully deploy those tools in defense of Social Security and Supplemental Security Income (SSI).

Today I want to talk about my legislation, “The Social Security Fraud and Error Prevention Act of 2015.” I also want to discuss how the budget decisions Congress has made over the past five years have undermined SSA’s ability to use the very effective tools it has developed for this purpose.

Congressional budget cuts have undermined Social Security’s fraud-fighting efforts. In each of the past five years, SSA received an average of a billion dollars less than it needed to manage Social Security and Supplemental Security Income (SSI). I said, a “billion,” not a “million.” SSA’s budget is lower now than it was in 2010, even though it is providing services to more than 7.5 million additional Americans.

Since 2010, SSA’s local offices – the front lines against fraud and errors – have lost more than 5,000 skilled employees to budget cuts, and dozens of local offices have closed their doors. And, to the point of this hearing, thanks to budget cuts, SSA has fewer fraud investigators on the beat now than it had 5 years ago.

In two of the last four years, this Congress has failed to allocate funding provided by the Budget Control Act for Social Security and SSI eligibility reviews, which have been demonstrated to save as much as \$13 for every dollar we invest. Using the most conservative estimates of return on investment, American taxpayers lost between \$2 billion and \$6 billion because of this irresponsible action.

Some say SSA should “prioritize” the work it does, but SSA’s budget is stretched thin in every way. Budget cuts are also undermining the customer service that American workers pay for with their tax dollars and contributions. Americans are waiting more than 2 weeks just to schedule an appointment in a Social Security office. Callers to Social Security’s 800 number wait an average of 22 minutes – if they get through at all. More than a third of callers get a busy signal or give up before getting an operator. Processing times for applications for those who qualify on the basis of a disability are rising. Right now, over a million people are awaiting a hearing before an SSA Administrative Law Judge, and wait times are in excess of 450 days.

Time and time again, SSA has proven that it can effectively fight fraud and errors if Congress just provides the resources. SSA recently discovered sophisticated fraud conspiracies in New York and Puerto Rico. Thanks to the vigilance of SSA’s front-line employees and the hard work of its investigators, hundreds of arrests have been made, benefits have been terminated, and improperly-paid benefits are being recovered.

SSA has developed a wide array of tools to prevent payment errors, ranging from simple pre-payment reviews to sophisticated computer modeling that identifies patterns most likely to signal fraud or errors. On average, using these tools saves more than \$10 for every dollar SSA can invest.

Last year, about 1,300 people were convicted of Social Security fraud based on investigations conducted by Social Security’s Inspector General. Special SSA fraud prosecutors secured nearly \$9 million in restitution for the Social Security trust fund.

There is a plan in Congress to help SSA fight fraud and prevent errors. Nearly a year and a half ago, Ways and Means Democrats introduced “The Social Security Fraud and Error Prevention Act” (H.R. 1419 in this Congress).

Our bill provides a secure stream of dedicated resources to ensure that Social Security can use its most effective, proven tools to root out fraud and prevent waste and errors. It also incorporates recommendations made by SSA’s Inspector

General. We would invest in pre- and post-payment case reviews, to make sure that only those who are supposed to receive benefits get them. We would ensure that SSA has enough resources to recover overpayments and collect the monetary penalties that are assessed for fraud. We would guarantee the fraud investigation budget of the Social Security Inspector General, and we would fund special prosecutors for Social Security, in order to end the budget cuts that have let some criminals get away with fraud.

Our bill would also expand Social Security's ability to detect and punish fraud, by expanding elite fraud-fighting units and increasing penalties against those who conspire to commit fraud, including those in a position of trust – such as doctors - - who provide false evidence of disability.

The Ways and Means Committee has yet not considered our bill – or any other plan to support SSA's efforts to reduce fraud and errors.

But I hope we soon will.