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**Committee on Ways and Means
Subcommittee on Social Security**



Statement for the Record

Hearing on Combating Disability Waste, Fraud, and Abuse

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Good morning, Chairman Johnson, Ranking Member Becerra, and members of the Subcommittee. It's a pleasure to appear before you, and I thank you for the invitation to be here today. My name is Tom Brady. I am a Special Agent with the Social Security Administration (SSA) Office of the Inspector General (OIG), and I serve as the Team Leader for the Cooperative Disability Investigations (CDI) Unit in St. Louis, Missouri. I'm joined by Detective Paul Neske of the St. Louis County Police Department, one of our local law enforcement partners in St. Louis, to speak to you about the CDI program, a collaborative anti-fraud effort between SSA and the OIG. Today, we're discussing SSA's Disability Insurance (DI) program and SSA's efforts to secure the program's future. The CDI program has been extremely successful in detecting abuse in SSA's disability programs, specifically in preventing payment on disability cases involving potential fraud. The work of CDI Units across the country is a critical piece of the OIG and SSA's cooperative efforts to limit improper payments in SSA's disability programs.

As Americans continue to adjust their lives as the economy recovers, more and more people are turning to SSA. In Fiscal Year (FY) 2011, SSA received more than 3.2 million initial disability claims. Also, SSA paid about \$130 billion in disability benefits in FY 2011. These numbers challenge SSA's ability to provide world-class service delivery, creating workloads that strain resources, causing delays and backlogs, and leaving the Agency susceptible to fraud and abuse. As more individuals apply for benefits, allegations of unlawful disability claims will also increase across the country, challenging the OIG with regard to stewardship in SSA programs. The CDI Units play a key role in ensuring that SSA and the State Disability Determination Services (DDS) have an avenue to further explore disability claims that appear suspicious. The CDI program helps maintain the level of accuracy and integrity in these programs that the American public deserves.

SSA and OIG jointly established the CDI Program in FY 1998, in conjunction with State DDS and State or local law enforcement agencies, to effectively pool resources and prevent fraud in SSA's disability programs. The Units investigate disability claims under SSA's Title II and Title XVI programs that SSA employees believe are suspicious, and also investigate suspicious claims relating to other Federal and State programs. The CDI program's primary mission is to obtain evidence that can resolve questions of fraud before benefits are ever paid. CDI Units also provide reports to DDS examiners during continuing disability reviews (CDRs) that can be used to cease benefits of in-payment beneficiaries.

In 1998, the CDI program launched with Units in five states. The program currently consists of 25 Units covering 22 states, with the most recent Unit opening in Jackson, Mississippi, in November 2011. In FY 2011, the CDI program reported \$281.2 million in projected savings to SSA's disability programs—the program's greatest single-year savings total—for a return-on-investment of \$14-to-\$1. Since the program was established, through December 2011, the CDI efforts have resulted in \$1.9 billion in projected savings to SSA's disability programs and \$1.2 billion in projected savings to non-SSA programs.

Each CDI Unit comprises an OIG Special Agent who serves as the Team Leader, employees from that State's DDS and an SSA employee who act as programmatic experts, and State or local law enforcement officers. Tapping the skills of each member, the CDI Units receive benefit applications identified as suspicious by the DDS and, where appropriate, investigate these claims. In St. Louis, I have served as the Team Leader since February 2011, and I work side-by-side with Detective Neske, another detective

and an intelligence analyst from the St. Louis County Police Department, a third detective from the Sikeston (Missouri) Police Department, an SSA operations supervisor, and a DDS hearings officer.

The process typically begins with a fraud referral from the DDS or SSA to the CDI Unit. We also receive fraud referrals from SSA's Office of Disability Adjudication and Review, private citizens, anonymous sources, and other law enforcement agencies. Disability fraud can involve malingering, filing multiple applications, concealing work or other activities, and exaggerating or lying about disabilities. The CDI Unit Team Leader screens the referral, and if it's accepted as a case, the Team Leader will work with the State or local law enforcement members of the team to investigate the allegation, either by interviewing the applicant and third parties and/or conducting surveillances of the applicant. Upon completion of the investigation, a report detailing the investigation is sent to the DDS, where DDS staff serves as the ultimate decision-making entity in determining whether a person is eligible to receive a monthly disability benefit payment. If the claimant is already receiving benefits, DDS and/or SSA will determine whether the person's benefits should be continued or terminated. There are also, in some cases, opportunities for criminal prosecution and the imposition of civil monetary penalties or administrative sanctions.

In one recent case, our CDI Unit investigated a 45-year-old woman who had been collecting Social Security disability benefits since December 2009. At the time her disability claim was allowed, the woman alleged chronic back pain, and she said she was using a cane for assistance. During a CDR by the Missouri DDS in 2011, the woman alleged that she was unable to sit, stand, or walk for long periods, that she could not bend or squat, and that she spent "about 75 percent of her day in bed." She said she used a cane to move around, however, the DDS examiner noticed the woman had a normal gait, and her case was referred to the CDI Unit for further investigation.

During a subsequent surveillance, Detective Neske observed the woman exit her house and carry a wooden cane in her left hand. The woman walked down several steps and on a sidewalk with a normal gait toward a parked car. She reached the vehicle, placed the cane in the vehicle's back seat through the open front passenger window, opened the front passenger door, and sat in the front passenger seat.

I later observed the vehicle arrive at a doctor's office, where the woman was scheduled to have a consultative examination. The woman exited the vehicle near the front door to the office, and then walked toward the door, using the cane in her right hand for assistance. She had a limp in her gait and her pace was very slow and lethargic. When she reached the steps leading to the front door, she took each step one by one. She later exited the building in the same slow and lethargic manner, using the cane to walk down the steps, one by one. She entered the same vehicle that brought her to the appointment.

Detective Neske and I followed the vehicle, which stopped at a nearby gas station. The woman exited the vehicle and walked without a cane and with a normal gait to the station's convenience store. She then purchased two drinks, carried them outside, and entered the vehicle. The vehicle traveled to another residence, which the woman entered without the assistance of a cane, and she soon left the residence with a child's play-seat. She entered the vehicle and returned to her residence, exiting the vehicle, walking with a normal gait, and carrying the child's play-seat and her cane into her residence.

After receiving the CDI Unit's report, the Missouri DDS ceased the woman's disability benefits in June 2011. The woman requested reconsideration from the DDS, and in October, the DDS issued a decision that confirmed its original decision to cease her benefits. She then requested an appeals hearing before

an Administrative Law Judge, which was held on Jan. 9, 2012. The judge requested and received a copy of our surveillance video, and we are awaiting a final decision.

The St. Louis CDI Unit, like the other 24 CDI Units across the country, is continually saving money and ensuring the integrity of SSA's disability programs. Since the inception of the St. Louis CDI Unit in September 1999 through December 2011, the Unit has opened 1,926 cases and closed 1,903 cases, resulting in more than 1,200 cases of fraud or similar fault. The Unit's work has resulted in \$84.2 million in projected SSA savings and \$32.6 million in projected non-SSA savings.

Several years ago, the Government Accountability Office recommended expansion of the CDI program to all 50 states, and the OIG and local law enforcement agencies like the St. Louis County Police Department share that enthusiasm. The OIG and SSA are committed to expanding the CDI program and ensuring disability program savings for the Agency. Plans for future expansion are made on a yearly basis and are contingent upon the availability of funds; expansion sites for FY 2012 and FY 2013 have not been decided at this time.

The CDI program helps maintain the level of accuracy and integrity in SSA's disability programs that the American public deserves, and it reduces improper payments, deters fraud, and saves taxpayer dollars. We in the St. Louis CDI Unit are proud to make sure the people in our community who truly need assistance receive their benefit payments in an efficient and proper manner. We look forward to continuing to work with SSA in this vitally important and growing program.

I thank you again for the invitation to speak with you today, and Detective Neske and I would be happy to answer any questions.