



# News Release

SOCIAL SECURITY

## **Commissioner Astrue Asks Inspector General to Investigate California and Hawaii Disability Determination Services**

Michael J. Astrue, Commissioner of Social Security, today asked the agency's Inspector General to investigate allegations that the states of California and Hawaii have recently implemented practices that deny applicants the right to receive full consideration of their Social Security disability claims.

In a memo to Patrick P. O'Carroll, Inspector General, Social Security Administration, Commissioner Astrue writes, "As you know, Gov. Schwarzenegger has insisted on furloughing California Disability Determination Service (DDS) employees, despite the fact that we fully fund both their salaries and overhead. According to Congressman Robert Filner, the State is attempting to find ways to improperly circumvent the effects of the furlough at the expense of some of the State residents who are in the greatest need."

At a hearing before the House Ways and Means Subcommittee on Social Security yesterday, Congressman Filner (D-CA) testified that the California DDS is denying the claims of disability applicants who fail to return a 25-page report within 20 days – a practice which has been adopted since the institution of furloughs. He reported that one office had closed 30 percent of its cases due to the applicants' failure to return the completed form within 20 days. In addition, he testified the California DDS may be manipulating its service numbers by assigning claims to fictional examiners or supervisors. According to the Congressman, this scheme would allow the DDS to hide the fact these cases are not actually being reviewed.

"I am concerned about the State of Hawaii DDS, which is furloughing its DDS employees for as many days as California, and which has made statements about new business efficiencies that closely track statements made by California officials," Commissioner Astrue writes to the Inspector General. "Accordingly, I ask that you also review that agency to ensure they are also fully adhering to all SSA rules and policies."

The text of Commissioner's Astrue's memo is below:

*At yesterday's hearing before the House Ways and Means Subcommittee on Social Security, I testified about some disturbing practices the State of California has instituted that aggravate, rather than help, in response to its budgetary situation. As you know, Gov. Schwarzenegger has insisted on furloughing California Disability Determination Service (DDS) employees, despite*

*the fact that we fully fund both their salaries and overhead. According to Congressman Robert Filner, the State is attempting to find ways to improperly circumvent the effects of the furlough at the expense of some of the State residents who are in the greatest need.*

*Congressman Filner indicated that since the furloughs began, the California DDS has begun denying the claims of those disability applicants who fail to return a 25-page report within 20 days. This practice, if true, places applicants in an untenable position because the substantial amount of information required must often be gathered from third parties. If an applicant fails to return complete information within the time set by the State, the DDS deems the applicant to have failed to cooperate and closes the file, thereby depriving that applicant of fair and full consideration.*

*I am also greatly concerned by Congressman Filner's report that the California DDS may be manipulating its service numbers by "staging" claims, assigning them to fictional examiners or supervisors, rather than to actual examiners. According to Congressman Filner, this practice would allow the DDS to claim that the cases have been assigned, rather than indicate that they are still in queue, thus minimizing the effects of the furlough.*

*If true, these practices are, of course, very disturbing. Therefore, I am asking you to undertake a full review of the practices of the California DDS to determine the scope and breadth of any inappropriate practices.*

*I am also concerned about the State of Hawaii, which is furloughing its DDS employees for as many days as California, and which has made statements about new business efficiencies that closely track statements made by California officials. Accordingly, I ask that you also review that agency to ensure they are fully adhering to all SSA rules and policies.*

*Thank you for your assistance.*