

Social Security

Protecting Your Investment



The risk of fraud in a far-reaching, complex system

Social Security provides benefits to about one-fifth of the American population and serves as a vital protection for working men and women, children, people with disabilities, and the elderly. The agency will pay about \$887 billion in Social Security benefits to almost 60 million individuals in 2015. More than 8 million people annually receive Supplemental Security Income (SSI). Beyond those who receive benefits, about 165 million people pay Social Security taxes and will benefit from the program in the future. That means nearly every American has an interest in Social Security, and we're committed to protecting their investment in these vital programs.

Because the agency's benefit programs are so far-reaching and complex, we face the ongoing challenge of protecting the programs from fraud. To meet this challenge, we work closely with our Office of the Inspector General (OIG), which Congress has designated the agency lead for fraud detection and prevention.

Zero tolerance

Social Security aggressively investigates allegations of fraud and aggressively pursues prosecution of people who commit fraud. Our message to those who attempt to defraud Social Security is clear: We will find you; we will prosecute you; we will seek the maximum punishment under the law, and we will fight to restore the money you've stolen from the American people.

Fraud represents a very small percentage of our overall payments. While we can't prevent all fraud schemes any more than law enforcement can prevent all crime, our multi-faceted anti-fraud program has a proven track record of success in protecting Social Security programs and taxpayers against most fraud. Moreover, we will continue pursuing additional anti-fraud initiatives, because Social Security has zero tolerance for fraud. We believe any level of fraud is unacceptable.

How we fight fraud

The OIG works closely with our frontline employees to identify fraud, root out offenders, and bring them to justice. We don't pursue only people who misrepresent their disability status or ability to work. People who apply for, or who are receiving benefits, are required to give us accurate information about their income, living arrangements, medical condition, and other details that

may affect eligibility. OIG investigates people who provide false, incomplete, or inaccurate information, or who fail to tell us about a change in their circumstances that affects their benefits (such as starting to work or moving) for potential fraud.

Section 1140 of the Social Security Act protects Social Security's symbols, emblems, and name. We investigate companies and people who misrepresent and use the agency's name and image to sell their services, products, or messages. We also fight to prevent others from selling agency forms and publications, that we provide at no charge, without our authorization.

Tools we use to fight fraud

In close coordination with OIG, Social Security uses a variety of proven techniques that identify fraud and help investigators analyze suspicious or questionable claims. We are successful at combating fraud by using data analytics, collaborating with various agencies to pool investigative resources, and employing technology to root out fraud. Below are a few examples of Social Security's anti-fraud initiatives.

- The **Cooperative Disability Investigations (CDI)** program is one of Social Security's most successful anti-fraud initiatives. CDI units bring together personnel from Social Security, OIG, state disability determination services (DDS), and state and local law enforcement agencies to analyze and investigate suspicious or questionable Social Security disability claims. Currently, we have 37 units covering 31 states, Puerto Rico, and Washington DC. The CDI units primarily resolve suspected fraud before benefits are ever paid. The efforts of the CDI units help disability examiners make informed decisions, ensure payment accuracy, and generate significant taxpayer savings, for both federal and state programs.
- **Social Security fraud prosecutors** work with offices of the U.S. Attorney around the country to bring federal criminal charges against individuals who defraud Social Security programs. These prosecutors obtain criminal sanctions to include imprisonment, and recover funds for the agency through criminal restitution and forfeiture.
- In addition to criminal charges and restitution, federal law (Section 1129 of the Social Security Act) gives us the authority to impose a **Civil Monetary Penalty** against people who defraud Social Security. When OIG's investigators find evidence that someone

provided false information or withheld information that could affect eligibility for benefits, we can impose a civil monetary penalty of up to \$5,000 for each occurrence and an assessment in lieu of damages, of up to double the amount of benefits paid as a result of the fraud. We may also impose a civil monetary penalty and assessment against representative payees or joint bank account holders who misuse payments. We may impose such penalties outside a courtroom, through a settlement, or through a hearing before an administrative law judge. We collect penalties through administrative actions, including withholding future benefit payments.

- We are also authorized to impose **Administrative Sanctions** (Section 1129A of the Social Security Act), when a person knowingly provides false or misleading information to us or fails to report information relevant to eligibility or benefit amount. During a sanction period, benefits stop. The sanction periods are 6 months for the first occurrence, 12 months for the second occurrence, and 24 months for each additional occurrence.
- Social Security's centralized **Fraud Prevention Units** identify potential fraud and fraud trends that we can apply to cases nationwide. Using specialized experience and data analytics, experts detect and prevent fraud at the earliest possible point in the decision-making process.
- Social Security's **National Anti-Fraud Committee** works to make sure our agency is fighting fraud in the best and most efficient way possible. Co-chaired by OIG, the committee considers best practices and new techniques to detect and prevent fraud. It also provides a forum to collaborate and develop strategies to detect and prevent fraud, and evaluates new anti-fraud initiatives.
- One of the leading reasons people receive undue SSI payments is because they fail to properly notify us that they have more money in their financial accounts than allowed while collecting payments. The **Access to Financial Institutions (AFI)** program allows us to identify financial accounts, often never disclosed to us, that have large amounts of money that would preclude the individual from receiving SSI payments. Learn more about AFI at www.socialsecurity.gov/improperpayments/afi.html.

The right amount at the right time

Not all improper payments occur due to fraud. That doesn't mean we don't try to recover those payments or prevent them from happening. Social Security has a number of safeguards in place to ensure we pay people the

right benefit amount at the right time. For example, Social Security periodically reviews cases of those receiving disability benefits to ensure they are still eligible to receive them. We conduct a **continuing disability review** on each person receiving disability benefits approximately every three to seven years.

For people receiving SSI payments, we regularly review a person's income, resources, and living arrangements to make sure they still meet the eligibility requirements. We conduct a **redetermination** on most SSI recipients about once every one to six years.

When we find that a person has been paid money that they shouldn't have received, we work to collect any amount of benefits paid incorrectly. If the person continues to receive benefits, we withhold a portion of his or her monthly payment until the debt, or overpayment, is paid.

In addition to these safeguards, Social Security regularly conducts quality assurance and performance reviews to make sure decisions and payments are correct for people applying for and receiving benefits. These quality assurance reviews happen along each step of the way, from initial decisions to the processing of appeals, to the ongoing payment of benefits. It's another way we strive to make sure we pay the right amount at the right time.

Join us in protecting your investment— Report fraud, waste, and abuse

You play a key role in protecting your investment in Social Security. If you suspect fraud, report it to the OIG. OIG evaluates every allegation of fraud, and for those cases where it determines fraud has occurred, aggressively pursues the case. We encourage you to report any suspected fraud, waste, or abuse. It's easy to report fraud online by visiting OIG's *Fraud, Waste, and Abuse* page at <http://oig.ssa.gov/report>. You may also call the Social Security Fraud Hotline at **1-800-269-0271**, from 10 a.m. to 4 p.m. Eastern Time, Monday through Friday.

While Social Security employees remain one of our best lines of defense against fraud, we also rely on you to let us know when you suspect someone is committing fraud against Social Security. Remember, they are stealing your tax dollars. Reporting fraud is a smart thing to do—and the right thing to do.

For more information on our anti-fraud efforts, and to find a more comprehensive list of the tools and initiatives we use to combat fraud, visit www.socialsecurity.gov/antifraudfacts.



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