



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Social Security disability program overpayments
Da: Tuesday, April 11, 2006

In response to a request from Senate Finance Committee Chairman Chuck Grassley, the Social Security Administration's Office of Inspector General released a report this week on disability program overpayments.

This report concluded that 15 percent of disability beneficiaries were overpaid between October 2003 and November 2005. Although the Social Security Administration was able to detect most of these overpayments, nearly one out of every six beneficiaries who was overpaid was not promptly or correctly identified. [See Appendix Table F-4 and Table F-6]

The Inspector General concluded that given perfect knowledge of all the facts, the agency would have assessed an overpayment, or not issued a payment, with respect to \$14.2 billion in annual benefits. Instead, the agency assessed overpayments, or stopped payments, with respect to \$8.9 billion in annual benefits. [See Appendix Table F-16]

The \$5.3 billion difference reflects undetected overpayments that may or may not ever be recovered. This amount is equal to 4.8 percent of total Social Security Disability Insurance and Supplemental Security Income benefits paid in Fiscal Year 2004.

Senator Grassley said, "Social Security Administration officials have established procedures to detect and prevent the vast majority of improper payments. They should be commended for their efforts. However, as this report shows, they need to make additional efforts to fully address the problem."