

Report Summary

Social Security Administration Office of the Inspector General

July 2009



Objective

To identify individuals receiving Disability Insurance (DI) benefits who may have worked, earned wages and concealed those wages by using a relative's Social Security number (SSN).

Background

In 2005, our Office of Investigations (OI) found instances of husbands drawing DI benefits for back injuries and mental problems while their wives, according to earnings records, operated saw mills and drove log trucks. The timing of their wives' earnings coincided with the beginning of their spouses' disability benefits. These investigations revealed the individuals were receiving DI benefits while concealing wages earned under their wives' SSNs. Had the Social Security Administration (SSA) known the beneficiaries were working, it could have avoided making improper payments. Based on these findings, OI suggested we initiate a review to identify similar cases.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-15-07-17088.pdf>

Disabled Beneficiaries Hiding Wages (A-15-07-17088)

Our Findings

We made 36 referrals to OI. OI identified two primary DI beneficiaries who engaged in substantial gainful activity, earned wages and concealed those wages. OI presented two of these cases to the U.S. Attorney's Office for prosecution. A third case was identified where the primary beneficiary intentionally did not report wages earned to SSA. SSA established overpayments totaling \$418,881 on these three cases. Of the remaining 33 referrals, OI is reviewing 5 for possible fraud and has closed 28 because of unsubstantiated evidence of fraud. Based on our overpayment findings related to the three cases in the segment under review, if similar characteristics were exhibited in, and similar research efforts conducted on, the remaining segments of the Master Beneficiary Record, we estimate further analysis could potentially yield approximately \$8.4 million in overpayments.

Our Recommendations

The cases identified through our data analysis reflect potential disability overpayments that may result because primary beneficiaries are hiding wages by using the SSN of their spouse or child. The analysis we undertook was labor-intensive and yielded a small number of actual cases. To that end, we could not recommend that the Agency integrate such a process into its procedures; however, we did recommend that SSA perform a work continuing disability review on the 300 cases referred to it. SSA agreed with our recommendation.