

# Individuals Who Have Appeals or New Claims After Cooperative Disability Investigations May Have Supported Prior Denial or Cessation Determinations

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Office of Audit Report Summary

### Objective

To determine whether electronic folders for subsequent appeals or new claims contained documentation of Cooperative Disability Investigation (CDI) Units' reports of investigations (ROI) that may have provided evidence to support prior denial or cessation determinations.

### Background

In Fiscal Year (FY) 1998, the Social Security Administration (SSA) and Office of the Inspector General (OIG) jointly established the CDI program. The CDI program pools the resources and expertise of SSA, OIG, State disability determination services (DDS), and State or local law enforcement agencies to prevent fraud in SSA's disability programs. CDI Units investigate disability cases under SSA's Title II and XVI programs. The CDI program's primary mission is to obtain evidence that can resolve questions of potential fraud before benefits are paid. CDI Units also provide reports to DDS examiners on questionable in-payment beneficiaries during continuing disability reviews. As of March 2016, there were 37 CDI Units covering 32 States; Washington, D.C.; and the Commonwealth of Puerto Rico. SSA plans to add one additional CDI Unit in FY 2016.

### Findings

During FYs 2010 through 2014, CDI Units completed investigations on 18,486 individuals who were subsequently denied disability benefits after an initial application or had benefits ceased after a continuing disability review. At the time of our audit:

- 5,255 of these individuals were receiving benefits. From these, we randomly selected 50 individuals who met the criteria of having (1) a certified electronic folder and (2) an allowance decision after appeal to the reconsideration or administrative law judge (ALJ) hearing level or filing a new disability claim after the date of the CDI Unit's investigation.
- 13,231 of these individuals were not receiving benefits at the time of our audit. From these, we randomly selected 50 individuals who met the criteria of having a (1) certified electronic folder and (2) denial or cessation determination after appeal to the reconsideration or ALJ hearing level or filing a new disability claim after the date of the CDI Unit's investigation.

Our review of these 100 individuals found the following:

- Administrative law judges (ALJ) were less likely to have included a discussion of the ROI in their decision rationales for individuals allowed benefits than in rationales for individuals denied benefits.
- Employees were less likely to have flagged electronic folders alerting adjudicators to the ROI for individuals allowed benefits.
- Employees were less likely to have carried the ROI forward to the new claim folders for individuals allowed benefits based on a new claim.

### Recommendations

We made three recommendations to address our findings.

SSA agreed with our recommendations.