

## The Social Security Fraud and Error Prevention Act of 2015

*Purpose: Ensuring that the Social Security Administration has the tools it needs to protect every American's contributions to Social Security.*

### Provides Needed Tools to Stop Fraud and Errors

- Provides a secure stream of dedicated resources to ensure that Social Security can use its most effective tools to root out fraud and prevent waste and errors.
  - Guaranteed investments could only be used for the most critical and effective activities. The Social Security Administration (SSA) would be required to continue investing in basic fraud and error prevention activities out of its regular budget (which also pays for claims processing and customer service) as it does now.
  - Requires SSA to report annually to Congress on its fraud and error fighting performance and to notify Congress if funding is inadequate to protect worker contributions to Social Security.
- High-impact strategies SSA will be able to expand:
  - Reviewing benefits authorized at both the initial application level and the appeals hearing level before sending the first check, in order to stop fraud and errors before a single penny is paid out of Social Security's Trust Funds. **Social Security's Chief Actuary estimates that the pre-payment reviews of initial applications save \$14 on average for every dollar invested.**
  - Reviewing current disability benefit recipients who are the most likely to have recovered or gone back to work, so that benefits are only paid to those who are too sick or disabled to work. **Social Security's Chief Actuary has estimated that on average, targeted reviews of continuing medical eligibility saved taxpayers \$15 for every dollar invested, and Social Security's Inspector General estimated that reviews of work activity can save as much as \$16 for every dollar invested.**
  - Improved recovery of overpayments – both those made due to errors and those that result from fraud – and payment of civil monetary penalties assessed for fraud, to ensure that taxpayers get their money

back and fraudsters are punished. **For every dollar SSA invests in recovering overpayments, Social Security recoups over \$14.**

- Support for U.S. Attorneys to ensure that when SSA catches fraud, it is prosecuted to the fullest extent of the law. **Social Security estimates that this saves Social Security \$8 for every dollar invested.**

### **Expands Social Security's Ability to Investigate and Punish Fraud**

- Provides guaranteed funding for fraud investigation and expands elite fraud-busting teams – called Cooperative Disability Investigations Units (CDIs) – to cover all 50 states.
  - Congressional Republicans have cut SSA's fraud investigation budget in three of the last five years, limiting the Inspector General's ability to follow up on fraud allegations.
  - CDIs, which are teams of front-line Social Security staff, trained investigators from the Inspector General's office and state and local law enforcement, are one of Social Security's most effective fraud-fighting tools, and **have saved taxpayers over \$3.6 billion since they were first established in 1998.** Budget constraints have prevented SSA from establishing CDIs in nearly half the states.
- Makes it a Social Security Act felony to engage in a conspiracy to defraud Social Security, and establishes an additional felony for the individuals who make large fraud conspiracies possible – those who violate a position of trust (such as beneficiary representatives, doctors, translators, or SSA employees) – with a higher penalty of up to 10 years in prison.
- Increases civil monetary penalties for Social Security fraud, which were last adjusted in 1994, for inflation, and creates a higher penalty of \$7,500 per misstatement for those who violate a position of trust. Also ensures those who submit fraudulent medical evidence don't get a second chance to rip off Social Security, similar to the current-law provision which allows Social Security to ban past perpetrators of fraud from being beneficiary representatives.
- Updates the law to ensure that fraudsters that scam seniors on the Internet pay the same fines as those who communicate through the mail.