



Stop Disability Fraud Act of 2014 (H.R. 5260)

Summary of Provisions

Title I: Combating Conspiracy Fraud

Sec. 101 - Requires nationwide access to Cooperative Disability Investigation (CDI) units, jointly run by the Social Security Administration (SSA) and the Office of the Inspector General (OIG), and consisting of staff from local SSA offices, the OIG, State Disability Determination Services (DDS), and local law enforcement. CDI units generally investigate suspected fraud before benefits are awarded. (Effective no later than October 1, 2016)

Sec. 102 - Prevents evidence submitted by unlicensed or sanctioned physicians and health care providers from being considered when determining disability. (Effective for determinations made on or after one year after enactment)

Sec. 103 - Allows the SSA to immediately disqualify or suspend, after notice, a claimant representative who has been disbarred or is convicted of a felony or a crime of moral turpitude in Federal or State court. (Effective upon enactment)

Sec. 104 - New and Stronger Penalties:

- Creates a new specific felony for conspiracy to commit Social Security fraud, punishable by up to 5 years in prison, fines generally up to \$250,000, or both. (Effective upon enactment)
- Increases the maximum felony penalty from 5 years to 10 years for individuals in positions of trust (including claimant representatives, doctors and other health care providers, translators, and current or former SSA employees) who use their specialized knowledge to defraud the SSA, in addition to fines (generally up to \$250,000).
- Increases the maximum Civil Monetary Penalty (CMP) that the SSA can levy against individuals in a position of trust from \$5,000 to \$7,500 for each false statement, representation, conversion, or omission the individual makes or causes to be made. (Effective upon enactment)
- Requires the Commissioner to establish rules to fine or impose other sanctions as appropriate for claimant representatives who violate Social Security rules and regulations. (Effective upon enactment)
- Establishes a new CMP, up to \$7,500, for claimant representatives who knowingly charge or collect from claimants fees in excess of allowable amounts. Representatives who do so are also subject to an assessment of up to twice the amount of benefits received. (Effective upon enactment)

- Adjusts current CMPs for inflation and provides for ongoing inflation adjustments every four years, consistent with other Federal CMPs. (Adjustment is required not later than 180 days after enactment and at least once every four years thereafter; each adjustment applies to violations occurring after the adjustment)
- Requires that courts must order individuals who commit fraud to pay full restitution. Under current law, requiring restitution is optional. (Applies to violations occurring on or after the date of enactment)
- Clarifies that the prohibitions and penalties contained in Section 1140 of the Social Security Act, regarding the misuse of symbols, emblems, and names, also apply to electronic and Internet communications, and treats each Internet viewing as a separate offense. (Effective upon enactment)
- Disqualifies individuals from receiving benefits during a trial work period if they are fined with a CMP for making false statements or concealing work activity. (Effective upon enactment)

Sec. 105 - Requires the SSA OIG to conduct biennial reviews of a sample of the highest earning claimant representative firms to ensure compliance with SSA policies. (Effective not later than one year after enactment)

Title II: Strengthening Program Protections

Sec. 201 - Requires the Commissioner to conduct quality reviews of hearing dispositions in sufficient numbers to ensure compliance with laws, regulations, and other guidance issued by the Commissioner. These reviews include reviews both before and after a case has been finalized, or “effectuated.” The Commissioner is also required to annually report the results of these reviews to Congress. (Effective upon enactment)

Sec. 202 - Requires the Commissioner to establish standard qualifications for all decision makers and their advisors (medical consultants, medical advisors, and vocational consultants) involved in the disability determination process. (Effective one year after the date of enactment)

Sec. 203 - Requires the Commissioner to annually publish productivity, processing time, pending, and decision outcomes for each hearing officer, hearing office, region, and the nation, along with the same data by office, State, region, and the nation for each determination level (initial, reconsideration, CDR, and CDR reconsideration) for each DDS. (To be completed no later than one year after the date of enactment)

Sec. 204 - Requires Social Security and Supplemental Security Income (SSI) data be reviewed and, where appropriate, standardized to improve data interoperability among human service programs. (Effective 24 months after enactment)

Title III: Modernizing Disability Programs

Sec. 301 - Requires the Commissioner to update the 1979 medical-vocational regulatory guidelines for determining disability by considering new employment opportunities made possible by advances in treatment, rehabilitation and technology. (Effective as soon as possible after the date of enactment)

Sec. 302 - Expands current research and demonstration authority to:

- Develop instruments to assess function that are rapid, reliable, and objective to inform the disability determination process. (To be completed no later than the end of calendar year 2016)
- Study the availability and effects of more fully considering assistive devices and workplace accommodations in the disability determination process. (To be completed no later than the end of calendar year 2016)

Beginning no later than June 9th of each year, require annual reporting to Congress on the progress of any research authorized under this section, including past and future costs, along with evaluation progress. Any new research requires written notification sent to Congress 90 days in advance of project initiation including project design, costs, and evaluation plan. (Effective upon enactment)

Sec. 303 - Authorizes the Commissioner to refer denied applicants to public or private sector employment support providers. (Effective for claims filed 180 days after enactment)

Sec. 304 - Requires the Commissioner to establish online tools enabling individuals receiving Disability Insurance and SSI benefits to assess the impact of work on eligibility and benefit amounts of Federal and State programs. (To be completed no later than one year after the date of enactment)

Title IV: Other Program Improvements

Sec. 401 - Requires that the proceeds from the sale of buildings purchased by the Social Security trust funds be returned to the trust funds and prohibits spending by the trust funds exceeding actual operation and maintenance costs. (Effective upon enactment)

Sec. 402 - Requires Federal agencies that receive SSA death data to pay the full cost of creating the file, including the cost of the highly accurate State electronic death records. Also requires the SSA to reimburse the States for ensuring the completeness, timeliness, and accuracy of their death data. Adds State and local pension plans to the list of acceptable users of the SSA's full death date file, in addition to Federal agencies under current law. (Effective 60 days after enactment)

Sec. 403 - Authorizes State DDS disability hearing officers to also conduct reconsideration hearings resulting from initial disability cessation determinations made by a Federal component. (Effective for determinations made 180 days after enactment)