

Introduction of H.R. 4090, the Social Security Fraud and Error Prevention Act of 2014

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Mister Speaker, for 77 years, Social Security has been the bedrock of economic security for American families. Generations of Americans have contributed to Social Security with every paycheck, knowing that they and their families will be protected if they die, become disabled, or retire. As a result of their contributions -- \$14.6 trillion over Social Security's lifetime -- Social Security currently has a \$2.7 trillion surplus.

Social Security benefits are modest -- about \$15,000 a year for an average senior and even less for a disabled worker -- but for most recipients, their Social Security paycheck is more than half their monthly income.

As a representative of those Americans and the Ranking Democrat on the Social Security Subcommittee, I believe we have no more important responsibility than to make sure that Americans receive their earned Social Security benefits on time, and in full. That means protecting Social Security against fraud and errors, and it means doing so in a way that does not delay needed benefits for honest, hard-working Americans.

Social Security's overpayment rate is 0.22 percent. Most of these overpayments are because of errors, but a small part of it is fraud. But Social Security employees believe -- and I agree with them -- that we could do even more to safeguard Social Security.

Recently the Social Security Administration has uncovered several fraud conspiracies where Social Security contributions made by honest Americans were stolen to pay benefits to people who didn't earn them. In one of the conspiracies, the ringleaders even instructed people to pretend they were disabled as a result of the tragic events of September 11.

The good news is, when you invest in developing quality, well-trained employees to protect Social Security, it pays off. Social Security's front-line employees detected the fraud, and with the help of Social Security's trained investigators, the ringleaders have been charged with felonies and Social Security has begun the process of recovering the money stolen from the trust fund.

But the bad news is that these conspiracies show that Social Security is a tempting target for those willing to break the law, and Social Security's hardworking staff need more tools to fight them and to make sure Social Security only pays benefits to those who should receive them.

That's why my colleagues and I are introducing the **Social Security Fraud and Error Prevention Act of 2014**. Our bill gives Social Security new tools to find fraud and errors, recoup money that should be in the trust funds, and throw the book at people who steal from Social Security.

First, our bill makes sure that if you break the law, Social Security has the resources to make sure the crime is investigated and prosecuted. We would require SSA to have special fraud-busting investigative

units covering all 50 states, provide the resources needed to staff them with the right people, and increase prosecutions of people who steal from Social Security.

Second, our bill makes sure the penalty is equivalent to the crime. Because Social Security requires applicants to prove they are eligible for benefits by providing extensive medical and vocational evidence, cheating Social Security usually requires collusion from trusted people like doctors, beneficiary representatives, and judges. Our bill would increase the monetary penalties for fraud, but most importantly, as Social Security's Inspector General recommends, we would significantly increase the penalty for fraud by those who know better. We'd make it a felony to conspire to defraud Social Security, so prosecutors can nail fraud ringleaders, and we allow prosecutors to ask for a long sentence – up to 10 years – against those who violated a position of trust to breach Social Security's defenses.

Third, our bill makes sure Social Security can afford to use the tools that have been effective in detecting and preventing fraud and errors before a single penny is paid out of the Trust Funds.

Over the years, Social Security has developed a number of proven techniques that significantly reduce fraud and errors.

What's holding them back?

To be frank, money.

Despite a growing number of Americans applying for and receiving Social Security, SSA's budget is lower now than it was four years ago. They've lost one out of ten front-line workers to budget cuts. And Republicans in Congress blocked hundreds of millions of dollars that the Budget Control Act authorized for SSA's most cost-effective methods of preventing waste, fraud and abuse.

Our bill would change that, providing SSA with guaranteed funding for their most effective strategies to prevent fraud and errors. The bill will also provide additional resources to recoup benefits that shouldn't have been paid, along with penalties, if the payments were the result of fraud.

We'd demand something in exchange for the guaranteed money: complete transparency and accountability. Social Security could only use the dedicated funds for the most important and effective strategies. They would have to report annually to Congress how much they spent and what savings their efforts generated for Social Security's trust funds. And the new funds would only be available for additional fraud and error fighting -- not to replace what they're already spending out of their regular budget.

Our bill isn't the complete answer to protecting Social Security's trust fund. As we consulted Social Security employees, managers, experts, and beneficiary advocates, they all told us the same thing: The best defense against fraud and errors is a well-staffed, well-trained SSA. And for that to happen, Republicans in Congress have to agree to fund SSA's overall budget.

But providing guaranteed funding to fight fraud will at least spare SSA from having to choose between preventing fraud and processing applications so that Americans receive the benefits they earned on time and in full.

I hope we can work together in a bipartisan way to enact this bill and protect Social Security.