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CONTACT: [Aaron Fobes](#), [Julia Lawless](#)
(202) 224-4515

Hatch Statement at Senate Finance Hearing to Consider the Nomination of Carolyn Watts Colvin for Social Security Commissioner

WASHINGTON – Today, Finance Committee Ranking Member Orrin Hatch (R-Utah) released the following statement regarding the Senate Finance Committee hearing to consider the nomination of Carolyn Watts Colvin for Social Security Commissioner:

Thank you Chairman Wyden for holding today's hearing, and welcome Ms. Colvin.

I have enjoyed meeting with you in the past. Today, and with questions that follow, we have an opportunity to learn more about your past management performance and how you would, if confirmed, face the challenges of the future.

Over the past 10 years, the Social Security Administration's administrative budget has increased by 34 percent, well above the 24 percent growth in the number of disabled and retired beneficiaries, to a level of almost \$11.7 billion. The budget has grown at an average annual pace of more than 3.5 percent, above the average growth of even nominal GDP.

Social Security's administrative funding continues to take up greater shares of the Labor HHS appropriations bill, inevitably crowding out other programs relating to health and education. Yet all we seem to hear from SSA is a need for more, and that any problems in administering programs can be solved if only SSA receives more funds.

In a hearing in this committee just last week that was supposed to be a fresh look at the disability program, a representative of SSA devoted significant time to repeating what are, in my view, becoming stale talking points demanding more funds for the agency.

SSA officials have been marching to the Hill repeatedly to decry staffing reductions that SSA itself decided to make, just as the agency decided to pay \$244 million in bonuses between fiscal years 2008 and 2013.

What I'd like to learn more about today, Ms. Colvin, is what you have done in managing administrative funding provided to SSA, which has cumulated to more than \$104 billion over the past 10 years, and what you would do moving forward.

I hope that your answers will not simply be that SSA needs more funds.

I hope to learn more today and in follow-up questions about what you have done, and what you would do, if confirmed, to increase efficiency in SSA, reduce billions of dollars of administrative waste and overpayments associated with Social Security programs and, of course, to fight fraud.

While there are many concerns to discuss, let me briefly identify just a few items.

The first is fraud and overpayments.

To give you an example, uncollected overpayments in the disability program have recently grown to more than \$10 billion.

Think about that.

Overpayments in the disability program alone are almost equal to the Social Security Administration's entire annual administrative budget.

There also is an unacceptably high overpayment rate in the SSI program.

And, there have been disturbing discoveries of fraud, as in the Puerto Rico cases, the New York City cases, and the West Virginia cases.

As for fraud, a bipartisan investigation by a Senate subcommittee, led by Senators McCain, Coburn, Carper, and Levin, has presented compelling evidence of fraud in the DI program in West Virginia.

Even so, it is my understanding that an alleged rogue disability-insurance attorney involved in the West Virginia cases is still representing claimants in Social Security's DI program. And, as I understand it, allegedly corrupt Administrative Law Judges have retired with full retirement benefits from SSA.

It is hard to see how that is an adequate response and how, if this is indeed the case, we can effectively provide deterrence against future fraud.

Ms. Colvin, I hope that today we will hear from you about your plans to address fraud and overpayments in the Social Security programs.

A second item of concern is waste.

There have been recent revelations that Social Security spent nearly \$300 million over six years on a computer processing system for disability cases that has been identified by an

outside evaluator as having “delivered limited functionality.” The Chairman of the House Ways and Means Subcommittee on Social Security has called for you, Ms. Colvin, to stop further spending on the system and has called for an investigation into the failed implementation of the system.

That’s just one example of waste at SSA that has been uncovered. There are a number of other examples I could mention. Indeed, it is not hard to find enormous amounts of questionable and likely wasteful spending and payments when you read through the numerous reports by Social Security’s Office of Inspector General.

Ms. Colvin, during today’s hearing, I hope to get a better sense from you what your plans are to eliminate the obvious instances of wasteful spending we’ve been seeing at SSA.

As you can see, Mr. Chairman, we have a lot to discuss today.

I am pleased that you are here today, Ms. Colvin, so that we can learn more about your stewardship of a staggeringly large administrative budget, and what your plans would be to improve SSA’s management and to fight the disturbing amount of fraud and waste at Social Security should you be confirmed.

Thank you, Mr. Chairman.

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