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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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May 20, 2011

Mr. Patrick O'Carroll, Jr.
Inspector General
Social Security Administration
Windsor Park Building
Baltimore, MD 21235

Dear Mr. O'Carroll:

As members of the United States Senate's Committee on Finance ("Committee"), we have an obligation to review the operations of the Social Security Administration. A report in yesterday's *Wall Street Journal* indicating possible fraud and collusion in the administration of the Social Security Disability Income ("SSDI") program raises serious concerns that demand immediate attention.

According to the recent Social Security Trustees Report, SSDI's finances are in crisis. The fund will be exhausted by 2018, within the 10-year budget window. Given the looming collapse of SSDI, it is imperative that disability claims are properly examined to ensure that only those who are lawfully entitled to benefits receive them. Administrative law judges ("ALJs") serve a critical role in ensuring that this process is fair and impartial. It is essential that their evaluations are beyond reproach, and indications to the contrary should be examined with intense scrutiny. Yet as reported by the *Wall Street Journal*, one particular ALJ in West Virginia has approved 100% of the 729 claims coming before him this year. By any accounting, this raises serious concerns about the propriety and fairness of these judgments.

The integrity of the decision making process for SSDI eligibility is a critical one for taxpayers. The approval of a single disability claim results in a lifetime obligation of approximately \$300,000 that must be borne by taxpayers. This means that the claims approved in just the first six months of 2011 by this one West Virginia ALJ will cost taxpayers over \$218 million. It is no wonder that the disability program is hemorrhaging \$124 billion per year and in permanent fiscal imbalance. Furthermore, these costs are not only a drain on SSDI, but on Medicare and Medicaid as well, two programs that are themselves enormous and growing burdens on American taxpayers and state governments.

While we support the ability of American citizens to receive disability benefits rightly entitled to them by law, the rate of approvals raises questions about the integrity of the approval process. One outlier ALJ would be bad enough, but according to reports, at least 100 of the 1,500 judges at Social Security are approving 90% or more of the cases they review. These numbers defy conventional logic and demand further scrutiny. We have real concerns that for

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some judges, SSDI is being used as an extension of unemployment benefits, rather than as a program to assist the truly disabled. Individuals cannot be allowed to exploit SSDI, transforming it into a supplemental source of unemployment income with enormous and crippling costs to taxpayers.

We are requesting that you personally provide us with a comprehensive briefing to discuss and address not only the issue of ALJ approval of SSDI claims, but more broadly the morphing of SSDI into long-term unemployment compensation at taxpayer expense. Our staff will be reaching out to you to schedule a briefing at your earliest convenience. We appreciate your willingness to discuss this issue, and offer our thanks for your prompt attention to this matter. Should you have any questions regarding this letter, please contact Brendan Dunn (202-224-4515) or Andrew Dockham (202-224-2224).

Sincerely,

A handwritten signature in blue ink that reads "Tom Coburn". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tom Coburn, M.D.
Ranking Member, Subcommittee on
Social Security, Pensions and Family Policy

A handwritten signature in blue ink that reads "Orrin G. Hatch". The signature is cursive and somewhat stylized, with a large initial "O".

Orrin G. Hatch
Ranking Member