



Written by [Brian Koenig](#) on September 18, 2012

Report: 25 Percent of Disability Benefits Improperly Awarded

While record numbers of Americans are migrating to the disability rolls, new data show that more than a quarter of the cases observed between 2006 and 2010 were improperly awarded. In an [18-month investigation](#) launched by the U.S. Senate's Permanent Subcommittee on Investigations, auditors found that about 25 percent of the 300 sampled disability cases were granted benefits "without properly addressing insufficient, contradictory and incomplete evidence."



Commissioned by Sen. Tom Coburn (R-Okla.), the 136-page Senate report concluded that the Social Security Disability Insurance and Supplemental Security income programs are "teetering on financial bankruptcy." According to estimates, the average lifetime disability award calculates to about \$300,000, meaning inept decisions over whether a potential recipient should receive disability benefits could translate into an enormous taxpayer expense.

The report focuses primarily on ambiguous benefit rulings delivered by administrative law judges, including an Oklahoma judge who doled out more than \$1.6 million in lifetime disability benefits in just a three-year period. Judge Howard O'Bryan of Oklahoma City awarded benefits for about 90 percent of over 5,400 cases from 2007 to 2009, the majority of which were held "on-the-record" without hearings, the report noted.

Instead of documenting a written analysis, some judges "cut and paste" images of medical records to present favorable award decisions. O'Bryan was one judge who was told numerous times to end this practice. Among other findings in the report:

- SSA [Social Security Administration] relied on insufficient and contradictory medical evidence at every level in the application process. While the most significant problems were found at the ALJ [administrative law judge] level, problems were also found with decisions made at the state-based Disability Determination Services (DDS).
- ALJs often gave most weight to medical records from attorneys and least weight to independent DDS doctors. Attorneys often submitted one- or two-page forms in which a doctor found a person totally disabled. Some ALJs called these "dead man's reports" and "store bought opinions."
- ALJs failed to hold proper hearings, preventing them from collecting objective and useful information. Some hearings were less than 5 minutes long; at some hearings a claimant did not speak; and at some hearings questions were asked only by attorneys, with none from ALJs.
- SSA relied heavily on the vocational "grids" to find claimants disabled on their 50th or 55th birthdays. SSA finds claimants disabled using the grids four times more frequently than for meeting medical listings — a reversal of past practice.



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Coburn's analysis also noted that since January 2009, the SSA added nearly six million Americans to the disability rolls. By 2011, 10.6 million people were receiving a combined \$130 billion in disability payments, the report added.

"The question is: Are benefits going only to those who are supposed to be getting to them?" Coburn [asked](#) last week during a hearing that addressed the issue. "The purpose of this program is to make sure that all Americans have a safety net if they become disabled and can no longer work. It should be remembered though that this law means 'being unable to work any job in the national economy.'" Expounding on the financial implications of unwarranted benefit rulings, the Oklahoma Senator [added](#):

Oversight of these programs by Congress, however, is critical to the long-term vitality of this important safety net. Congress and SSA need to ensure that benefits are protected for those who would choose to work, but cannot do so because of their disability. Every person who is wrongfully added to the disability rolls by the agency takes money out of the pockets of the disabled. If Congress fails to ensure the financial sustainability of our nation's disability programs, everyone loses. Taxpayers will bear heavier costs; the Social Security Administration will have to do more with less; and most worrisome, there will be nothing left to give to those who need it most.

Responding to the report, the SSA acknowledged the committee's distress and pledged to improve its results to prevent taxpayer waste. "We share the subcommittee's concern that a small number of judges have failed our expectations with regard to a balanced application of the law, proper documentation, proper hearings and proper judicial conduct," Mark Hinkle, a spokesman for the agency, affirmed.

The SSA's ineptitude to deliver benefits to legitimately disabled Americans has arguably led to another record-breaking month for the number of workers collecting federal disability payments. In September, about 8.8 million Americans were on the disability rolls, according to [new data](#) released by the agency.

"The 8,786,049 workers taking federal disability in September is a net increase of 18,108 from the 8,767,941 workers who took federal disability in August," CNSNews.com [reported](#). "Over the past 45 years, the number of American workers taking federal disability payments has increased four-fold relative to the number actually working."

In August 1967, about [74.7 million Americans](#) were in the labor force, while about 1.2 million were collecting federal disability insurance — meaning, at the time there were about 65 Americans working for each worker on disability. This August, about 142.1 million Americans were in the labor force, while about 8.8 million were receiving disability benefits, translating into a mere 16.2 people working for each person on disability.

Meanwhile, the Obama administration remains devoted to expanding the welfare state with record-breaking spending on food stamps and other government welfare programs — all while the federal government's financial decline continues apace.

Photo: Sen. Tom Coburn (R-Okla.) during the the U.S. Senate's Permanent Subcommittee on Investigations hearing on the Social Security Administration's disability program.



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