



Written by [Brian Koenig](#) on May 24, 2011

Taxpayers Scammed by Fraudulent Disability Benefits

The role of an Administrative Law Judge — who determines whether or not a claim is accepted — is to verify that potential disability benefits are "fair and impartial," but according to an article by the [Wall Street Journal](#), West Virginia Judge David Daugherty has approved all 729 claims that have reached his desk this year, denying not a single person their "right" to government entitlements. Last year, the judge held an ambitious [record](#) of 1,280 to 4, approving 99.7 percent of his decisions. The chances of winning in front of an Administrative Law Judge (ALJ) is slightly better than 50 percent, on average.



"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 percent or more of the cases they review. These numbers defy conventional logic and demand further scrutiny," [wrote](#) the two Republican Senators. "We have real concerns that for 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."

Sens. Hatch and Coburn argue that the validity of SSDI eligibility is critical for taxpayers, as one single disability claim delivers a lifetime obligation of \$300,000. This leaves the generous Judge Daugherty responsible for \$218 million in benefits — in just the first six months of 2011.

Disposition data from the Social Security Administration's [website](#) furnishes a lengthy list of judges and data containing total dispositions, decisions, allowances, and favorable or partially favorable decisions. Two judges who particularly shine are one in Kingsport, Tennessee, who has [approved](#) 99 percent of his 358 cases so far this year and a Birmingham, Alabama, judge who has also approved 99 percent of his 320 cases.

In response to the Senators' letter, investigators from the Social Security Administration's Inspector General's office are now touring the Huntington Social Security Administration office, interviewing staff members and, reportedly, removing one of the office's computers.

The [Wall Street Journal](#) [reported](#):

At least two congressional probes are being launched or expanded as a result of the [Daugherty] article, congressional aides said. Utah Sen. Orrin Hatch, the top Republican on the Senate Finance Committee, said he planned to look at how the agency grants disability claims. And the House Ways and Means Committee plans to broaden an existing investigation into how Social Security disability programs are administered.

Critics say the process for approving disability benefits is loosely audited and far too subjective.



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Furthermore, pressure from the Social Security Administration to trim the 730,000-case backlog is motivating judges to expedite benefits. But with an investigation now underway, observers hope that the rampant abuse of government entitlements will ease up.

An aging baby boomer generation and an ever-mounting wall of government debt are cascading into the [entitlement](#) pool. Critics declare that fraud and abuse must come to an end, because with 10.2 million beneficiaries and \$124 billion in benefits paid out in 2010, and only \$104 billion paid in SSDI taxes, the program perpetually loses money.

According to an [analysis of the program](#) by the *Providence Journal*, "At the end of 2001, Social Security paid disability benefits to about 6.9 million disabled workers and dependents of disabled workers. By the end of 2010, that number had ballooned to about 10.2 million, an increase of about 47 percent." And the problem escalates: "This also affects the federal Medicare health insurance program; SSDI recipients become eligible for Medicare benefits after two years on the disability insurance rolls."

The appeals system for SSDI applicants who are rejected as claimants has the following steps: Reconsideration, Hearing, Appeals Council, and, finally, Federal District Court.

Photo of Tom Coburn: AP Images



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