

114TH CONGRESS  
1ST SESSION

# H. R. 1419

To amend title II of the Social Security Act to improve the Social Security Administration's ability to fight fraud, prevent errors, and protect the Social Security Trust Fund, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 2015

Mr. BECERRA (for himself, Mr. LEVIN, Mr. DOGGETT, Mr. LARSON of Connecticut, Mr. BLUMENAUER, Mr. RANGEL, Mr. LEWIS, Mr. THOMPSON of California, Mr. CROWLEY, Mr. DANNY K. DAVIS of Illinois, Ms. LINDA T. SÁNCHEZ of California, Mr. CUMMINGS, Mr. CARTWRIGHT, Ms. SCHAKOWSKY, Ms. MATSUI, and Mr. PIERLUISI) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title II of the Social Security Act to improve the Social Security Administration's ability to fight fraud, prevent errors, and protect the Social Security Trust Fund, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Social Security Fraud  
5 and Error Prevention Act of 2015".

1 **SEC. 2. FRAUD AND ERROR PREVENTION.**

2 (a) IN GENERAL.—Section 201 of the Social Security  
3 Act (42 U.S.C. 401 et seq.) is amended by striking sub-  
4 section (n) and inserting the following:

5 “(n) FRAUD AND ERROR PREVENTION.—

6 “(1) Subject to paragraph (4) and as author-  
7 ized by subparagraph (g)(1), there is hereby appro-  
8 priated from any one or all of the Trust Funds to  
9 the Social Security Administration for each fiscal  
10 year beginning with fiscal year 2016 for fraud and  
11 error prevention activities described in paragraph  
12 (3), in addition to any other amounts otherwise ap-  
13 propriated for such fiscal year, an amount equal to  
14 the sum of—

15 “(A) the applicable dollar amount (deter-  
16 mined under paragraph (2)), plus

17 “(B) an amount equal to the sum of any  
18 fines or other monetary penalties recovered in  
19 the previous fiscal year pursuant to sections  
20 208(a), 1129(a), 1140 (to the extent that such  
21 penalties are imposed for misuse or misrepre-  
22 sentation of words, letters, symbols, or emblems  
23 relating to the Social Security Administration),  
24 and 1632(a).

25 “(2) The applicable dollar amount determined  
26 under this clause is—

1           “(A) for fiscal year 2016, \$1,750,000,000;

2           “(B) for each of fiscal years 2017 through  
3 2021, \$1,800,000,000; and

4           “(C) for each fiscal year thereafter,  
5 \$1,800,000,000 multiplied by the ratio (not less  
6 than 1) of—

7                   “(i) the Consumer Price Index for  
8 Urban Wager Earners and Clerical Work-  
9 ers (CPI-W, as published by the Bureau of  
10 Labor Statistics of the Department of  
11 Labor) for the 1st full calendar year pre-  
12 ceding such fiscal year, to

13                   “(ii) the CPI-W for 2019.

14           “(3) The Commissioner of Social Security may  
15 use funds appropriated under paragraph (1) for the  
16 following purposes:

17                   “(A) Medical continuing disability reviews  
18 conducted pursuant to section 221(i) and sec-  
19 tion 1614(a)(3)(H).

20                   “(B) SSI redeterminations conducted pur-  
21 suant to section 1611(c).

22                   “(C) Work-related continuing disability re-  
23 views conducted pursuant to section 223(f).

1           “(D) Establishment, support, or expansion  
2 of cooperative disability investigations (CDI)  
3 units.

4           “(E) Pre-effectuation reviews conducted  
5 pursuant to section 221(c) and section 1633(e).

6           “(F) Quality reviews of decisions made by  
7 an administrative law judge under this title or  
8 title XVI in accordance with section 221(n).

9           “(G) Recovery of overpayments under sec-  
10 tions 204 and 1631(b).

11           “(H) Recovery of civil monetary penalties  
12 imposed under sections 1129 and 1140.

13           “(I) Supporting prosecution of felonies  
14 under section 208.

15           “(4) Funds appropriated under paragraph (1)  
16 for a fiscal year shall not be available for obligation  
17 until the report required to be submitted under  
18 paragraph (5) 60 days prior to the beginning of  
19 such fiscal year has been submitted.

20           “(5) Not later than 60 days prior to the begin-  
21 ning of each fiscal year after 2015, the Commis-  
22 sioner of Social Security shall submit a report to the  
23 Committee on Ways and Means of the House of  
24 Representatives, the Committee on Finance of the

1 Senate, and the Office and Management and Budget  
2 that includes the following:

3 “(A) A plan for conducting the fraud and  
4 error prevention activities described in para-  
5 graph (3) in such fiscal year, including—

6 “(i) an itemized statement of the dol-  
7 lar amounts expected to be spent on each  
8 such activity during such fiscal year;

9 “(ii) an itemized statement of the esti-  
10 mated long-term savings to the Trust  
11 Funds and the Treasury expected to be ob-  
12 tained as a result of each such activity,  
13 and a statement of the estimated total  
14 value of benefits paid under this title solely  
15 as a result of such activities;

16 “(iii) performance targets for each  
17 such activity; and

18 “(iv) a certification from the Chief  
19 Actuary of the Social Security Administra-  
20 tion that the plan will improve the actu-  
21 arial status of the Trust Funds.

22 “(B) An assessment of the fraud and error  
23 prevention activities described in paragraph (3)  
24 conducted in the previous fiscal year, includ-  
25 ing—

1           “(i) an itemized statement of the dol-  
2           lar amounts spent on each such activity  
3           during such fiscal year;

4           “(ii) an itemized statement of the esti-  
5           mated long-term savings to the Trust  
6           Funds and the Treasury obtained as a re-  
7           sult of each such activity, and a statement  
8           of the estimated total value of benefits  
9           paid under this title solely as a result of  
10          such activities;

11          “(iii) an assessment of the extent to  
12          which performance targets set in the appli-  
13          cable plan for such fiscal year were met;

14          “(iv) an explanation and a corrective  
15          action plan for any failure to meet such  
16          performance targets;

17          “(v) an assessment of whether funds  
18          made available under paragraph (1) for  
19          such fiscal year were adequate to protect  
20          the Trust Funds from fraud and errors, an  
21          explanation of any such funds that re-  
22          mained unobligated at the end of the fiscal  
23          year, and recommendations for needed ad-  
24          justments to future funding in order to  
25          protect the Trust Funds from fraud and

1 errors and any additional cost-effective  
2 strategies for improving the actuarial sta-  
3 tus of the Trust Funds; and

4 “(6) Of the discretionary amounts made avail-  
5 able for ‘Social Security Administration—Limitation  
6 on Administrative Expenses’ for each fiscal year be-  
7 ginning with fiscal year 2016, the amount obligated  
8 for the activities described in paragraph (3) shall be  
9 not less than the sum of—

10 “(A) \$273,000,000; plus

11 “(B) the amount obligated from funds  
12 made available for ‘Social Security Administra-  
13 tion—Limitation on Administrative Expenses’  
14 for fiscal year 2014 for the activities described  
15 in subparagraphs (C) through (I) of paragraph  
16 (3).”.

17 (b) OFFICE OF INSPECTOR GENERAL.—Section 201  
18 of the Social Security Act (42 U.S.C. 401 et seq.), as  
19 amended by subsection (a), is further amended by adding  
20 at the end the following:

21 “(o) OFFICE OF INSPECTOR GENERAL FRAUD IN-  
22 VESTIGATIONS.—

23 “(1) As authorized by subparagraph (g)(1),  
24 there is hereby appropriated from any one or all of  
25 the Trust Funds to the Office of Inspector General

1 of the Social Security Administration for each fiscal  
2 year beginning with fiscal year 2016 for the Office  
3 of Investigations, in addition to any other amounts  
4 otherwise appropriated for such fiscal year, an  
5 amount equal to the applicable dollar amount (deter-  
6 mined under paragraph (2)).

7 “(2) The applicable dollar amount determined  
8 under this clause is—

9 “(A) for fiscal year 2016, \$60,000,000;

10 “(B) for each fiscal year thereafter,  
11 \$60,000,000 multiplied by the ratio (not less  
12 than 1) of—

13 “(i) the Consumer Price Index for  
14 Urban Wager Earners and Clerical Work-  
15 ers (CPI-W, as published by the Bureau of  
16 Labor Statistics of the Department of  
17 Labor) for the 1st full calendar year pre-  
18 ceding such fiscal year, to

19 “(ii) the CPI-W for 2014.”.

20 **SEC. 3. EXPANSION OF COOPERATIVE DISABILITY INVES-**  
21 **TIGATIONS UNITS.**

22 Not later than October 1, 2018, the Commissioner  
23 of Social Security shall take any necessary actions to en-  
24 sure that cooperative disability investigations (CDI) units  
25 have been established to provide coverage for each of the

1 50 States, the District of Columbia, Puerto Rico, Guam,  
2 the Northern Mariana Islands, the Virgin Islands, and  
3 American Samoa.

4 **SEC. 4. CODIFICATION OF REQUIREMENT TO CONDUCT**  
5 **QUALITY REVIEWS.**

6 Section 221 of the Social Security Act is amended  
7 by adding at the end the following:

8 “(n)(1) The Commissioner of Social Security shall  
9 conduct quality reviews in accordance with section 969 of  
10 part 404 of title 20, Code of Federal Regulations, in cases  
11 described in section 970(a) of such part (as such sections  
12 were in effect on January 1, 2015) with respect to deci-  
13 sions in connection with applications for benefits under  
14 this title and title XVI, in a sufficient number to ensure  
15 compliance with laws, regulations, and other guidance  
16 issued by the Commissioner of Social Security.

17 “(2) The Commissioner of Social Security shall annu-  
18 ally submit to the Committee on Ways and Means of the  
19 House of Representatives and the Committee on Finance  
20 of the Senate a report that includes—

21 “(A) the total number of cases selected for a  
22 quality review as described in paragraph (1);

23 “(B) the number of such cases in which a deci-  
24 sion is remanded; and

1           “(C) the number of such cases in which a deci-  
2           sion is modified or reversed.”.

3 **SEC. 5. REPORT ON WORK-RELATED CONTINUING DIS-**  
4 **ABILITY REVIEWS.**

5           Section 223 of the Social Security Act is amended  
6 by adding at the end the following:

7           “(k) REPORT ON WORK-RELATED CONTINUING DIS-  
8 ABILITY REVIEWS.—The Commissioner of Social Security  
9 shall annually submit to the Committee on Ways and  
10 Means of the House of Representatives and the Committee  
11 on Finance of the Senate a report on the number of work-  
12 related continuing disability reviews conducted pursuant  
13 to subsection (f). Such report shall include—

14           “(1) the total number of reports of earnings re-  
15 ceived by the Commissioner in the previous calendar  
16 year from individuals receiving benefits on account  
17 of disability under this title or title XVI;

18           “(2) the number of such reports that resulted  
19 in a determination by the Commissioner to conduct  
20 a work-related continuing disability review with re-  
21 spect to the beneficiary to whom such report per-  
22 tains, and the basis on which such determinations  
23 were made;

1           “(3) in the case of a beneficiary selected for a  
2 work-related continuing disability review on the basis  
3 of a report of earnings—

4           “(A) the average number of days between  
5 the submission of the report and the initiation  
6 of the review, and the average number of days  
7 between the initiation and the completion of the  
8 review;

9           “(B) the number of such reviews com-  
10 pleted during such calendar year, and the num-  
11 ber of such reviews that result in a suspension  
12 or termination of benefits;

13           “(C) the number of such reviews that had  
14 not been completed as of the end of such cal-  
15 endar year;

16           “(4) the total savings to the Trust Funds and  
17 the Treasury generated from benefits terminated as  
18 a result of such reviews; and

19           “(5) with respect to individuals for whom a  
20 work-related continuing disability review was com-  
21 pleted during such calendar year—

22           “(A) the number who participated in the  
23 Ticket to Work program under section 1148  
24 during such calendar year;

1           “(B) the number who used any program  
2           work incentives during such calendar year; and

3           “(C) the number who received vocational  
4           rehabilitation services during such calendar  
5           year with respect to which which the Commis-  
6           sioner of Social Security reimbursed a State  
7           agency under section 222(d).”.

8   **SEC. 6. COORDINATION OF REPORTS RELATING TO DIS-**  
9           **ABILITY BENEFITS.**

10          Section 221(i)(3) of the Social Security Act (42  
11   U.S.C. 421(i)(3)) is amended by adding at the end the  
12   following: “To the extent the Commissioner of Social Se-  
13   curity determines to be necessary for maximum efficiency,  
14   the Commissioner may submit a combined report con-  
15   sisting of the information required to be submitted under  
16   this paragraph, subsection (c)(3)(C), subsection (n)(2),  
17   section 201(n)(5), and section 223(k).”.

18   **SEC. 7. INCREASED PENALTIES IN CERTAIN CASES OF**  
19           **FRAUD.**

20          (a) CONSPIRACY TO COMMIT SOCIAL SECURITY  
21   FRAUD.—Section 208(a) of the Social Security Act (42  
22   U.S.C. 408(a)) is amended—

23           (1) in paragraph (7)(C), by striking “or” at the  
24           end;

1           (2) in paragraph (8), by adding “or” at the  
2           end; and

3           (3) by inserting after paragraph (8) the fol-  
4           lowing:

5           “(9) conspires to commit any offense described in any  
6           of paragraphs (1) through (4),”.

7           (b) INCREASED CRIMINAL PENALTIES FOR CERTAIN  
8           INDIVIDUALS IN POSITIONS OF TRUST.—Section 208(a)  
9           of such Act (42 U.S.C. 408(a)), as amended by subsection  
10          (a), is further amended by striking the period at the end  
11          and inserting “, except that in the case of a person who  
12          receives a fee or other income for services performed in  
13          connection with any determination with respect to benefits  
14          under this title, or who is a physician or other health care  
15          provider who submits medical evidence in connection with  
16          any such determination, such person shall be guilty of a  
17          felony and upon conviction thereof shall be fined under  
18          title 18, United States Code, or imprisoned for not more  
19          than ten years, or both.”.

20          (c) INCREASED CIVIL MONETARY PENALTIES FOR  
21          CERTAIN INDIVIDUALS IN POSITIONS OF TRUST.—Section  
22          1129(a)(1) of such Act (42 U.S.C. 1320a–8(a)(1)) is  
23          amended, in the matter following subparagraph (C), by  
24          inserting after “withholding disclosure of such fact” the  
25          following: “, except that in the case of such a person who

1 receives a fee or other income for services performed in  
2 connection with any such determination or who is a physi-  
3 cian or other health care provider who submits medical  
4 evidence in connection with any such determination, the  
5 amount of such penalty shall be not more than \$7,500”.

6 (d) REFERENCES TO SOCIAL SECURITY AND MEDI-  
7 CARE IN ELECTRONIC COMMUNICATIONS.—

8 (1) IN GENERAL.—Section 1140(a)(1) of the  
9 Social Security act (42 U.S.C. 1320b–10(a)(1)) is  
10 amended by inserting “(including any electronic or  
11 Internet-related communication)” after “or other  
12 communication”.

13 (2) TREATMENT AS SEPARATE VIOLATIONS.—  
14 Section 1140(b) of such Act (42 U.S.C. 1320b–  
15 10(b)) is amended by adding at the end the fol-  
16 lowing: “In the case of any items referred to in sub-  
17 section (a)(1) consisting of an electronic or Internet-  
18 related communication, each dissemination, viewing,  
19 or accessing of the electronic or Internet-related  
20 communication which contains one or more words,  
21 letters, symbols, or emblems in violation of sub-  
22 section (a) shall represent a separate violation.”.

23 (e) INFLATION ADJUSTMENT OF CERTAIN CIVIL  
24 MONETARY PENALTIES.—Title XI of the Social Security

1 Act is amended by inserting after section 1129B the fol-  
2 lowing:

3 **“SEC. 1129C. CIVIL MONETARY PENALTY INFLATION AD-**  
4 **JUSTMENT.**

5 “(a) ADJUSTMENT BY REGULATION.—The Commis-  
6 sioner of Social Security shall, not later than 180 days  
7 after the date of enactment of the Social Security Fraud  
8 and Error Prevention Act of 2015, and at least once every  
9 4 years thereafter—

10 “(1) by regulation adjust the maximum amount  
11 of each civil monetary penalty by the inflation ad-  
12 justment described under subsection (b); and

13 “(2) publish each such regulation in the Fed-  
14 eral Register.

15 “(b) AMOUNT OF ADJUSTMENT.—The inflation ad-  
16 justment under subsection (a) shall be determined by in-  
17 creasing the maximum amount of each civil monetary pen-  
18 alty by the cost-of-living adjustment. Any increase deter-  
19 mined under this subsection shall be rounded to the near-  
20 est—

21 “(1) multiple of \$1,000 in the case of penalties  
22 greater than \$1,000 but less than or equal to  
23 \$10,000; and

1           “(2) multiple of \$5,000 in the case of penalties  
2 greater than \$10,000 but less than or equal to  
3 \$100,000.

4           “(c) DEFINITIONS.—For purposes of this section—

5           “(1) the term ‘civil monetary penalty’ means—

6                   “(A) a penalty imposed by paragraph (1)  
7 or (3) of section 1129(a); and

8                   “(B) a penalty imposed by paragraph (1)  
9 or (2) of section 1140(b).

10           “(2) the term ‘cost-of-living adjustment’ means  
11 the percentage (if any) for each civil monetary pen-  
12 alty by which—

13                   “(A) the Consumer Price Index for Urban  
14 Wager Earners and Clerical Workers (CPI–W,  
15 as published by the Bureau of Labor Statistics  
16 of the Department of Labor) for the month of  
17 June of the calendar year preceding the adjust-  
18 ment, exceeds

19                   “(B) the CPI–W for the month of June of  
20 the calendar year in which the amount of such  
21 civil monetary penalty was last set or adjusted  
22 pursuant to law.

23           “(d) APPLICATION OF INCREASE.—Any increase  
24 under this Act in a civil monetary penalty shall apply only

1 to violations which occur after the date the increase takes  
2 effect.”.

3 **SEC. 8. EXCLUSION OF CERTAIN MEDICAL EVIDENCE IN**  
4 **DISABILITY CASES.**

5 (a) IN GENERAL.—Section 223(d)(5) of the Social  
6 Security Act (42 U.S.C. 423(d)(5)) is amended by adding  
7 at the end the following:

8 “(C) In making any determination with respect to  
9 whether an individual is under a disability or continues  
10 to be under a disability, the Commissioner of Social Secu-  
11 rity may not consider, except for good cause as determined  
12 by the Commissioner, any evidence furnished by a physi-  
13 cian or other health care provider who—

14 “(i) has been barred from practice in any State;

15 “(ii) has been assessed a penalty under section  
16 1129 for the submission of false evidence; or

17 “(iii) is excluded (at the time of such deter-  
18 mination) from participation in any Federal health  
19 care program under section 1128.”.

20 (b) REGULATIONS.—Not later than 1 year after the  
21 date of the enactment of this Act, the Commissioner of  
22 Social Security shall issue regulations to carry out the  
23 amendment made by subsection (a).

24 (c) EFFECTIVE DATE.—The amendment made by  
25 subsection (a) shall apply with respect to determinations

1 of disability made on or after the date that is 1 year after  
2 the date of enactment of this Act.

3 **SEC. 9. REPEAL OF PROGRAM INTEGRITY ADJUSTMENTS**  
4 **TO DISCRETIONARY SPENDING LIMITS.**

5 Section 251(b)(2)(B)(i) of the Balanced Budget and  
6 Emergency Deficit Control Act of 1985 is amended—

7 (1) in subclause (II), by adding “and” at the  
8 end;

9 (2) in subclause (III), by striking the semicolon  
10 at the end and inserting a period; and

11 (3) by striking subclauses (IV) through (X).

○