

Puerto Ricans charged with Social Security fraud

21 August 2013, by Danica Coto

Federal authorities had arrested at least 68 people and were seeking seven more Wednesday in a multimillion dollar Social Security fraud case in the U.S. territory of Puerto Rico, which they say has one of the highest rates of fraud involving federal disability benefits.

Those charged include three doctors and 71 Social Security claimants accused of receiving more than \$2 million in disability benefit payments. But the biggest haul allegedly went to a former Social Security worker accused of taking \$2.5 million while directing claimants to doctors who would file false claims.

"There has never been a case like this in the history of the Social Security Administration," said U.S. Attorney Rosa Emilia Rodriguez. "If this fraudulent activity hadn't been stopped, the government would have lost more than \$35 million."

The former Social Security worker claimed to help clients seeking benefits and directed them to doctors who would earn up to \$500 for each fake claim, said Ed Ryan, New York-based special agent in charge of the Inspector General's office of the Social Security Administration's investigations office.

Rodriguez said agents took videos of people that belied their claimed ailments. She said one who claimed back problems was a gym owner who posted a picture of himself on Facebook lifting a girl above his head.

Federal agents launched the investigation in 2009, and gradually "it became apparent that the conspiracy was much larger and far-reaching than we thought," Ryan said.

The magnitude of the fraud led the agency to move the office in charge of reviewing Social Security claims from Puerto Rico to Baltimore, said Carlos

Cases, Puerto Rico-based FBI special agent in charge.

Cases noted that of the top 10 U.S. zip codes tied to people receiving disability benefits, nine are in Puerto Rico. "Not everyone is receiving them fraudulently, but it is worrying," he said. "Something is wrong."

Rep. Sam Johnson, a Texas Republican and the Social Security chairman of the Ways and Means Subcommittee, said he will discuss the Puerto Rican case during a September hearing.

"Clearly this isn't a case of just a few bad apples," he said in a statement. "That such fraud could occur in the first place raises serious and troubling questions regarding Social Security's management of the disability program."

Ryan said that his agency has established a unit in San Juan to help investigate possible Social Security fraud. He said 24 other cities in the U.S. mainland have similar units.

"It's basically to stop the bleeding before it begins," he said.

Rodriguez said that more arrests are expected in upcoming weeks.

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