Social Security Administration Leadership And Policies Under The Trump Administration

Introduction

The Social Security Administration (SSA) <u>distributed</u> cash benefits to over 72 million people in August, with...

- ... nearly 60 million people receiving old-age and survivors insurance benefits.
- ... 8.4 million people with work-limiting disabilities receiving benefits through the Social Security Disability Insurance (SSDI) program.
- ... 7.4 million low-income elderly and disabled people receiving Supplemental Security Income (SSI), sometimes alongside other Social Security benefits.

These programs bring more people out of poverty than any other program in the U.S.

For its part, the SSA—an independent agency—does not have much power over retirement benefits beyond its ability to ensure smooth administration (or not). The SSA does, however, maintain a decent amount of latitude over the SSI and SSDI programs. Under the Trump administration, many people who rely on these programs were made to suffer, as his SSA officials—often underqualified and ideologically hostile to workers and beneficiaries—looked to cut Social Security.

Personnel

Former President Trump filled top roles at the SSA with people actively hostile to Social Security beneficiaries, as well as campaign donors with no real experience relevant to the agency.

For the role of SSA commissioner, Trump nominated **Andrew Saul**, a GOP <u>mega donor</u> and "<u>one-time handbag king</u>" with <u>tens of millions</u> in assets. Saul was not entirely lacking in public service experience, however. While serving as the vice chairman of New York's Metropolitan Transit Authority (MTA), he ran a short-lived congressional campaign in the run-up to the 2008 presidential cycle, but he <u>dropped out</u> of the race four days after the New York Times <u>revealed</u> he had accepted donations from companies bidding on MTA contracts—potentially a violation of state ethics rules.

Saul's most relevant experience was as George W. Bush's <u>Chair</u> of the Federal Retirement Thrift Investment Board, which manages the retirement savings plan for federal workers, the Thrift Savings Plan (TSP). But the TSP is much more similar to a private 401(k) plan than publicly-funded Social Security benefits, which led advocates like Nancy Altman of Social Security Works to <u>point out</u> at the time of his nomination

that while Saul's experience with the TSP "was undoubtedly valuable, it has little value to helping him run the Social Security system, unless he seeks to privatize the program."

When President Biden fired Saul, an action he should have taken on day one but instead held off for months, Saul embarrassed himself by calling his firing a "palace coup." He argued that his termination was illegal—despite the Supreme Court clearly ruling that the President has the authority to fire the Commissioner.

Trump appointed Mark Warshawsky to be Deputy Commissioner for Retirement and Disability Policy, despite his record of hostility to Social Security. At the Department of the Treasury, Warshawsky worked on President George W. Bush's plan to privatize Social Security, which later earned him a nomination to the Social Security Advisory Board. In 2016, in the midst of stints at <u>various</u> private companies specializing in retirement income, Warshawsky published an article peddling the lie that SSDI is rife with "waste and fraud," and bloated by people who could be working. (In reality, even the austerity-minded Committee for a Responsible Federal Budget acknowledges that fraud is "less common in the SSDI program than many believe" and "not a major cost driver for the program.")

Several other papers Warshawsky wrote while at the Koch-funded Mercatus Center expressed skepticism about whether or not the SSA's extremely stringent standards for assessing disability were in fact too lenient. After his SSA role, Warshawsky joined the American Enterprise Institute, a longtime proponent of cuts to Social Security and privatization.

When SSA's Inspector General position opened up, Trump nominated **Gail Ennis** to the role. Inspectors General are supposed to function as independent watchdogs, but seemingly her only qualification was being a campaign donor (including up through August 2017). In her first financial disclosure, she disclosed receiving a salary of over \$2 million working for WilmerHale, representing three massive banks and one hedge fund-Bank of America, JP Morgan Chase, HSBC, and Ken Griffin's Citadel.

Policies

As the public contends with reports that Trump would consider cutting Social Security benefits in a second term, it's important to reflect on the record of his SSA officials, who proposed slashing SSA-administered disability benefits for the most vulnerable Americans.

The Trump administration pursued this unjustifiable crackdown on disability benefits despite the fact that applicants who are denied benefits tend to struggle in the labor market, which suggests that the SSA is generally too harsh in its disability determinations rather than too lenient.

At the same time, Trump's officials implemented anti-union policies within the agency hurting SSA workers who do the critical work that allows the agency to administer benefits.

Kicking People Off Disability Benefits

The Trump administration implemented several measures to take disability benefits away from people who relied on them, including:

- An executive order reclassifying Administrative Law Judges (ALJs)—who handle disability cases for the SSA—as political appointees, allowing the administration to install ALJs who were ideologically hostile to disability benefits.
- Admonishing ALJs who approved disability benefits at relatively high rates, including instructing them to rely less on the opinions of claimants' doctors.
- Implementing a rule <u>removing</u> the inability to speak English as a consideration in determining whether a disabled individual could obtain work. Previously, SSA rules had stated that "because English is the dominant language of the country, it may be difficult for someone who doesn't speak English to do a job, regardless of the amount of education the person may have in another language."

One Unsuccessful Attempt To Kick People Off Disability Benefits

The Trump administration did not always succeed in its goal of cutting lifelines for people with disabilities. In one particularly cruel proposal, the Trump administration looked to alter the Continuing Disability Review system, changing reviews to be more frequent and onerous for millions of people. Effectively, the proposed rule would have made it harder for many people receiving benefits to maintain them. The SSA predicted that, if adopted, the rule would result in \$2.6 billion in program savings (read: benefit cuts) over 10 years. The proposed rule was withdrawn by the Biden administration.

Stripping SSI Benefits From Citizens In Puerto Rico

Under Trump, the SSA <u>sued</u> a U.S. citizen, Jose Luis Vaello-Madero, to claw back SSI benefits it argued he had improperly received after moving to Puerto Rico. Federal law bars residents of Puerto Rico from receiving SSI, but the Obama administration opted not to go after Vaello-Madero, who could not reasonably be expected to afford the \$28,000 Trump's SSA later demanded. Vaello-Madero argued in court that the law was unconstitutional since it denied him equal protection—it discriminated against him for being a resident of Puerto Rico. A lower court judge agreed with him.

Unfortunately, Biden's Justice Department continued Trump's SSA's lawsuit, and the Supreme Court ultimately ruled that the Constitution's guarantee of equal protection doesn't cover citizens in Puerto Rico who are eligible for SSI benefits.

Levying Massive Fines On Poor People With Disabilities

Under Trump, the SSA expanded its effort to claw back benefits it had mistakenly paid, in many cases trying to extract tens of thousands of dollars from people who clearly could not afford to pay. The SSI and SSDI programs have very stringent eligibility requirements—for example, an individual cannot have more than \$2,000 in assets while receiving SSI. People often do not know they should not be receiving benefits, and the SSA is slow to cease them. These programs are often the only source of income for the people on them, and naturally, people spend the money as it comes in.

A 2022 Washington Post investigation found that, "Over a seven-month period ending in mid-2019, 83 people were charged a total of \$11.5 million... a jump from less than \$700,000 for all of 2017." The individual cases here show the cruelty—for instance, a part-time worker with cerebral palsy and an intellectual disability got a notice from the SSA that she owed the agency over \$60,000. Or take the case of a woman with multiple sclerosis who was notified she owed the SSA \$27,000 because she incorrectly reported a \$4,000 life insurance policy. Still, when a whistleblower attempted to call attention to this issue, Inspector General Gail Ennis <u>retaliated</u> against her.

Biden's SSA Commissioner Martin O'Malley took significant steps this year to lessen the burden on people who have received benefits improperly.

Under Biden, Trump Officials Slowed The Rollout Of Stimulus Checks

Two weeks before the American Rescue Plan (ARP) was signed by President Biden, the IRS asked the SSA to share data with the agency necessary for making stimulus payments automatic for some Social Security and SSI beneficiaries. Commissioner Saul and the Trump-nominated Deputy Commissioner David Black initially rebuffed the request. Two weeks after the ARP became law, and a full month after the IRS initially asked for the data, the SSA still had not sent the data. Saul and Black finally complied after House Democrats demanded the SSA share the data within 24 hours, but their refusal to act delayed \$1,400 stimulus payments to over 30 million people—many of them among the poorest people in the country.

Anti-Worker And Anti-Union Management Practices

Predictably, Trump's SSA officials did not always competently manage the agency, often fighting with workers and the unions representing them. In December 2020, Commissioner Saul and Deputy Commissioner Black both received no confidence votes from the American Federation of Government Employees' (AFGE) Council 220, a union

representing 26,000 SSA workers. Saul also received a no confidence vote from the union that represents the SSA's Administrative Law Judges.

An independent arbitrator had found earlier that year that SSA management, including Saul and Black, had violated federal labor law during negotiations with the ALJs, denying the union information relevant to bargaining. Saul and Black also clashed hard with the AFGE Council 220 in contract negotiations in 2018 and 2019. In an early 2021 call for then-President-elect Biden to fire the duo, the president of the AFGE Council 220 offered a succinct summary: "Things started going downhill when they came on board."

Inspector General Ennis similarly clashed with workers. When workers in her office expressed concerns after being notified that the office was monitoring their computers and threatened discipline for those she determined were slacking off, Ennis rebuffed their concerns. In 2022, federal employees ranked SSA's Office of the Inspector General the 431st best place to work out of 432 internal agency offices. Apparently, Biden had no intention of firing Ennis, but she nonetheless resigned at the end of June ahead of a report that found she had repeatedly obstructed a probe into her office.

Conclusion

In the ways that it was able to, the Trump administration cut Social Security. The Biden administration, in several instances, did not work fast enough to replace Trump's officials and reverse the harm done by them. Still, a retread of Trump's SSA, staffed by similarly underqualified and ideologically hostile appointees would be disastrous for a significant number of Americans.

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