(2) whether the ALJ properly evaluated plaintiff's credibility and subjective symptoms. Pl.'s Mem. at 2-7, 8-11; Def.'s Mem. at 2-6, 6-8.

Having carefully studied, inter alia, the parties' written submissions and the Administrative Record ("AR"), the court finds that the ALJ did not err in evaluating the relevant medical evidence. The court also finds, however, that the ALJ inappropriately discounted plaintiff's credibility and her subjective complaints. Therefore, the court remands this matter to the Commissioner in accordance with the principles and instructions enunciated in this Memorandum Opinion and Order.

II.

#### FACTUAL AND PROCEDURAL BACKGROUND

Plaintiff, who was forty-two years old on the date of her November 23, 2010 administrative hearing, has a tenth-grade education. *See* AR at 31, 118. Her past relevant work includes employment as a stores laborer, an industrial and commercial grounds keeper, and a security guard. *Id.* at 38.

On March 6, 2009, plaintiff applied for SSI, alleging that she has been disabled since June 6, 2007 due to diabetes, asthma, and high blood pressure. *See* AR at 118-21, 131. Plaintiff's application was denied initially and upon reconsideration, after which she filed a request for a hearing. *Id.* at 44, 45, 46-50, 51, 52-56, 57.

On November 23, 2010, plaintiff, represented by counsel, appeared and testified at a hearing before the ALJ. AR at 23-35, 37-38, 41-43. The ALJ also heard testimony from Sandra Fioretti, a vocational expert ("VE"). *Id.* at 36-41. On December 22, 2010, the ALJ denied plaintiff's request for benefits. *Id.* at 11-17.

Applying the well-known five-step sequential evaluation process, the ALJ found, at step one, that plaintiff has not engaged in substantial gainful activity since March 6, 2009, the date of plaintiff's SSI application. AR at 13.

At step two, the ALJ found that plaintiff suffers from severe medically determinable impairments consisting of diabetes mellitus and hypertension. AR at

13. The ALJ further found that plaintiff's obesity, asthma, and incontinence are non-severe impairments because they are not documented by the medical evidence of record as causing work-related limitations. *Id*.

At step three, the ALJ determined that the evidence does not demonstrate that plaintiff's impairments, either individually or in combination, meet or medically equal the severity of any listing set forth in 20 C.F.R. Part 404, Subpart P, Appendix 1. AR at 13-14.

The ALJ then assessed plaintiff's residual functional capacity ("RFC")½ and determined that she can perform light work with the following limitations: "[plaintiff] can lift and/or carry 20 pounds occasionally and 10 pounds frequently; stand and/or walk 6 hours in an 8-hour workday with normal breaks; sit 6 hours in an 8-hour workday with normal breaks; and perform postural activities of climbing stairs, stooping, crouching, crawling, and kneeling occasionally." AR at 14 (emphasis omitted).

The ALJ found, at step four, that plaintiff lacks the ability to perform her past relevant work. AR at 15.

At step five, based upon plaintiff's vocational factors and RFC, the ALJ found that "there are jobs that exist in significant numbers in the national economy that [plaintiff] can perform." AR at 15 (emphasis omitted). The ALJ therefore concluded that plaintiff was not suffering from a disability as defined by the Social Security Act. *Id.* at 11, 17.

Plaintiff filed a timely request for review of the ALJ's decision, which was

Legislation Proceed to an intermediate step in which the ALJ assesses the claimant's residual functional capacity." *Massachi v. Astrue*, 486 F.3d 1149, 1151 n.2 (9th Cir. 2007).

denied by the Appeals Council. AR at 1-3, 5. The ALJ's decision stands as the final decision of the Commissioner.

#### III.

#### STANDARD OF REVIEW

This court is empowered to review decisions by the Commissioner to deny benefits. 42 U.S.C. § 405(g) (2010). The findings and decision of the Social Security Administration must be upheld if they are free of legal error and supported by substantial evidence. *Mayes v. Massanari*, 276 F.3d 453, 458-59 (9th Cir. 2001). But if the court determines that the ALJ's findings are based on legal error or are not supported by substantial evidence in the record, the court may reject the findings and set aside the decision to deny benefits. *Aukland v. Massanari*, 257 F.3d 1033, 1035 (9th Cir. 2001); *Tonapetyan v. Halter*, 242 F.3d 1144, 1147 (9th Cir. 2001).

"Substantial evidence is more than a mere scintilla, but less than a preponderance." *Aukland*, 257 F.3d at 1035. Substantial evidence is such "relevant evidence which a reasonable person might accept as adequate to support a conclusion." *Reddick v. Chater*, 157 F.3d 715, 720 (9th Cir. 1998); *Mayes*, 276 F.3d at 459. To determine whether substantial evidence supports the ALJ's finding, the reviewing court must review the administrative record as a whole, "weighing both the evidence that supports and the evidence that detracts from the ALJ's conclusion." *Mayes*, 276 F.3d at 459. The ALJ's decision "cannot be affirmed simply by isolating a specific quantum of supporting evidence." *Aukland*, 257 F.3d at 1035 (quoting *Sousa v. Callahan*, 143 F.3d 1240, 1243 (9th Cir. 1998)). If the evidence can reasonably support either affirming or reversing the ALJ's decision, the reviewing court "may not substitute its judgment for that of the ALJ." *Id.* (quoting *Matney ex rel. Matney v. Sullivan*, 981 F.2d 1016, 1018 (9th Cir. 1992)).

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#### IV.

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#### **DISCUSSION**

#### A. The ALJ Did Not Err in Evaluating the Medical Evidence

Plaintiff contends the ALJ "fail[ed] to include Plaintiff's gastrointestinal problem and chronic diarrhea as a severe impairment." Pl.'s Mem. at 3. And plaintiff argues that "the ALJ has completely disregarded all of the Plaintiff's complaints and the medical evidence supporting the impairments, symptoms and limitations in her upper and lower extremities." *Id.* at 6. Plaintiff further asserts the ALJ failed to include any limitations "regarding the Plaintiff's need to frequently use the bathroom" or "any limitations involving the Plaintiff's upper extremities in his assessment of Plaintiff's residual functional capacity." *Id.* at 3, 6.

In determining a claimant's RFC, an ALJ must consider all relevant evidence in the record, including medical records, lay evidence, and the effects of symptoms (including pain) that are reasonably attributed to a medically determinable impairment. *Robbins v. Soc. Sec. Admin.*, 466 F.3d 880, 883 (9th Cir. 2006); *see* Social Security Ruling ("SSR") 96-5p,<sup>2/</sup> 1996 WL 374183, at \*5 (July 2, 1996); 20 C.F.R. § 416.945(a)(3) (2012) (a claimant's assessed RFC is based upon all the relevant evidence in the case record). As discussed above, the ALJ determined that plaintiff has the RFC to perform light work with the following limitations: lift and carry twenty pounds occasionally and ten pounds frequently; stand and walk six hours in an eight-hour workday with normal breaks; sit six hours in an eight-hour workday with normal breaks; and perform postural activities of climbing stairs,

<sup>&</sup>lt;sup>2/</sup> "The Commissioner issues Social Security Rulings to clarify the Act's implementing regulations and the agency's policies. SSRs are binding on all components of the [Social Security Administration]. SSRs do not have the force of law. However, because they represent the Commissioner's interpretation of the agency's regulations, we give them some deference. We will not defer to SSRs if they are inconsistent with the statute or regulations." *Holohan v. Massanari*, 246 F.3d 1195, 1203 n.1 (9th Cir. 2001) (internal citations omitted).

stooping, crouching, crawling, and kneeling occasionally.<sup>3</sup>/ AR at 14.

Having carefully reviewed the record and the parties' written submissions, the court finds that the ALJ's RFC finding is supported by substantial evidence. In arriving at the RFC, the ALJ gave significant weight to the medical opinions of state agency medical consultants Dr. G. Lockie and Dr. J. Hartman. *See* AR at 15; *see also* AR at 200-01, 262-63. Plaintiff argues that "neither of these state agency opinions should be given any substantial weight given the fact that they reviewed only a small portion of the available medical evidence of record in this case which clearly reflects that this Plaintiff is more limited than as suggested by those state agency reviewing physicians." Pl.'s Mem. at 4. While it is true that the consulting physicians did not incorporate each and every medical exhibit in their opinions, both physicians' opinions are supported by and consistent with the record as a whole. *Andrews v. Shalala*, 53 F.3d 1035, 1041-42 (9th Cir. 1995) (non-examining physician's opinion may constitute substantial evidence if it is "supported by other evidence in the record and [is] consistent with it").

Plaintiff argues that "the relevant medical evidence of record reflects Plaintiff complaining of weakness in her hands and legs which was confirmed on examination by the treating physician on October 24, 2008." Pl.'s Mem. at 4 (citing AR at 187). But a May 8, 2009 examination of plaintiff's bilateral hands "reveal[ed] normal alignment at the phalanges, metacarpals, and carpal bones without fracture, osseous destruction, erosion, soft tissue calcification, or radiopaque foreign body." AR at 297-98. Plaintiff also points to records containing complaints of chronic diarrhea and asserts she "was diagnosed with clostridium

Light work "involves lifting no more than 20 pounds at a time with frequent lifting or carrying of objects weighing up to 10 pounds. Even though the weight lifted may be very little, a job is in this category when it requires a good deal of walking or standing, or when it involves sitting most of the time with some pushing and pulling of arm or leg controls." 20 C.F.R. § 416.967(b) (2012).

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stable" upon discharge. *Id.* at 288. In addition, plaintiff was advised that she could be seen as an outpatient, and that she should continue taking Imodium "as needed for diarrhea." *Id.*Further, although "Plaintiff has consistently complained of having neurological symptoms and limitations [a]ffecting her upper and lower extremities" (Pl.'s Mem. at 5), the objective findings in the record do not support her claims. As the ALJ found, "[plaintiff] presents with a variety of complaints of musculoskeletal aches and pains but radiographic evidence is generally negative aside from mild findings of scoliosis and slight anterior wedging of cervical vertebrae." AR at 14. For instance, an examination of plaintiff's lumbar spine revealed "Mild levoscoliosis, otherwise negative" results, notwithstanding plaintiff's allegations of back strain and sprain. *Id.* at 301. And despite complaining of pain in her feet, an

difficile with colitis, which was confirmed by blood test on June 1, 2009."<sup>4</sup> Pl.'s

Mem. at 4 (citing AR at 236, 244). Although plaintiff was hospitalized twice – May

31 to June 3, 2009 (see AR at 228-61) and December 2 to 6, 2009 (see AR at 265-

difficile. The June 3, 2009 Discharge Summary indicated that plaintiff's condition

improved with intravenous antibiotics and fluids, and that upon discharge plaintiff's

"Clostridium difficile with colitis . . . [was] improving." *Id.* at 236. Similarly, the

December 6, 2009 Discharge Summary indicated that plaintiff was "clinically

89) – for chronic diarrhea and diagnosed with Clostridium difficile, there is no

objective medical evidence of any limitations due to diarrhea or Clostridium

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dislocation, and revealed no significant radiographically identifiable abnormality.

x-ray of plaintiff's right and left feet failed to demonstrate any fractures or

<sup>&</sup>lt;sup>4</sup> Clostridium difficile is "a species that is part of the normal colon flora in infants and some adults; it produces a toxin that can cause pseudomembranous enterocolitis in patients receiving antibiotic therapy." *Dorland's Illustrated Medical Dictionary* 374 (32nd ed. 2012). Colitis is "inflammation of the colon." *Id.* at 384.

Id. at 318-19.

In support of plaintiff's upper and lower extremity impairments, plaintiff seeks to submit "a nerve conduction study performed on Plaintiff's extremities by Dr. Raj Karnani, M.D., a neurologist who performed testing on Plaintiff's extremities on November 17, 2010." Pl.'s Mem. at 6. Plaintiff argues that "this nerve conduction study is both new and material and should be considered in the decision making process in this case." *Id.* at 7. Although a district court may remand a case to the Commissioner for consideration of new evidence, it may do so "only upon a showing that the [] . . . new evidence . . . is material and that there is good cause for the failure to incorporate such evidence into the record in a prior proceeding." 42 U.S.C. § 405(g) (2010); see Mayes, 276 F.3d at 462. Also, the evidence must "relate[] to the period on or before the date of the [ALJ's] hearing decision." 20 C.F.R. § 416.1476(b)(1) (2012). Evidence is material "where there is a reasonable possibility that the new evidence would have changed the outcome of the [Commissioner's] determination had it been before him." Booz v. Sec'y of Health & Human Servs., 734 F.2d 1378, 1380 (9th Cir. 1984) (internal quotation marks, emphasis, and citation omitted).

In this case, even assuming, without deciding, that the nerve conduction study is material, plaintiff has failed to demonstrate "good cause for the failure to incorporate such evidence into the record in a prior proceeding." *See* 42 U.S.C. § 405(g) (2010); *Booz*, 734 F.2d at 1380. "A claimant does not meet the good cause requirement by merely obtaining a more favorable report once his . . . claim has been denied." *Mayes*, 276 F.3d at 463. Plaintiff here merely asserts that "this report was unfortunately not available to Plaintiff for submission to the Defendant Administration prior the ALJ's decision." Pl.'s Mem. at 7. As defendant points out, "Plaintiff makes no showing that the report, which predates the administrative hearing, the ALJ's decision, and the Appeals Council's denial of review, was unavailable in the sense that it could not have been obtained earlier." Def.'s Mem.

at 4; see Key v. Heckler, 754 F.2d 1545, 1551 (9th Cir. 1985) (finding no "good cause" where the claimant submitted medical report prepared after the hearing, but gave no reason for not soliciting the information sooner). Thus, a remand to consider this evidence is not warranted here.

# B. The ALJ Improperly Discounted Plaintiff's Credibility and Subjective Complaints

Plaintiff argues that the ALJ failed to properly assess her credibility. *See* Pl.'s Mem. at 8-11. Specifically, plaintiff contends that the ALJ improperly discounted her credibility based on lack of supporting objective medical evidence and "failed to specify which statements by Plaintiff concerning pain, functional limitations, and other symptoms were not 'sufficiently credible.'" *Id.* at 10. The court disagrees with plaintiff that the ALJ failed to specify which statements by plaintiff were incredible; but the court finds the ALJ improperly discounted plaintiff's credibility based solely on lack of supporting objective medical evidence.

A claimant carries the burden of producing objective medical evidence of his or her impairments and showing that the impairments could reasonably be expected to produce some degree of the alleged symptoms. *Benton ex rel. Benton v. Barnhart*, 331 F.3d 1030, 1040 (9th Cir. 2003). But once the claimant meets that burden, medical findings are not required to support the alleged severity of pain. *Bunnell v. Sullivan*, 947 F.2d 341, 345 (9th Cir. 1991) (en banc); *see also Light v. Soc. Sec. Admin.*, 119 F.3d 789, 792 (9th Cir. 1997) ("claimant need not present clinical or diagnostic evidence to support the severity of his pain" (citation omitted)).

Instead, once a claimant has met the burden of producing objective medical evidence, an ALJ can reject the claimant's subjective complaint "only upon (1) finding evidence of malingering, or (2) expressing clear and convincing reasons for doing so." *Benton*, 331 F.3d at 1040. The ALJ may consider the following factors in weighing the claimant's credibility: (1) his or her reputation for truthfulness; (2)

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inconsistencies either in the claimant's testimony or between the claimant's testimony and his or her conduct; (3) his or her daily activities; (4) his or her work record; and (5) testimony from physicians and third parties concerning the nature, severity, and effect of the symptoms of which she complains. *Thomas v. Barnhart*, 278 F.3d 947, 958-59 (9th Cir. 2002).

Here, the ALJ did not find evidence of malingering. See generally AR at 11-17. Thus, in rejecting plaintiff's credibility the ALJ was required to articulate clear and convincing reasons. See Benton, 331 F.3d at 1040. Although these reasons may include findings from the objective medical evidence, these reasons may not be based solely on the medical evidence. Rather, where, as here, the plaintiff produced sufficient medical evidence of underlying impairments that are likely to cause some degree of her alleged symptoms, the ALJ errs to the extent he rejects the plaintiff's credibility based solely upon a lack of objective findings to support her allegations.<sup>5</sup>/ See Bunnell, 947 F.2d at 345 ("once [a] claimant produces objective medical evidence of an underlying impairment, an [ALJ] may not reject [the] claimant's subjective complaints based solely on a lack of objective medical evidence to fully corroborate the alleged severity of pain" (citation omitted)); SSR 96-7p, 1996 WL 374186, at \*1 (July 2, 1996) (claimant's "statements about the intensity and persistence of pain or other symptoms or about the effect the symptoms have on his

Plaintiff provided sufficient medical evidence of her underlying impairments - diabetes mellitus, hypertension, and chronic diarrhea - that were likely to produce the symptoms she described. See, e.g., AR at 174 (plaintiff was diagnosed with, inter alia, hypertension in a May 15, 2007 treatment note), 228-61 (plaintiff was hospitalized for chronic diarrhea from May 31 to June 3, 2009), 265-89 (plaintiff was hospitalized for chronic diarrhea from December 2 to 6, 2009), 299 (in a June 12, 2009 treatment note, plaintiff was assessed with diarrhea and hypertension), 312 (plaintiff was assessed with diarrhea on July 10, 2009), 315 (plaintiff was assessed with diarrhea on July 24, 2009), 321 (in a November 10, 2009 treatment note, plaintiff was assessed with hypertension and diabetes mellitus type 2).

or her ability to work may not be disregarded solely because they are not substantiated by objective medical evidence").

The ALJ here concluded plaintiff's "statements concerning the intensity, persistence and limiting effects of her symptoms are credible only to the extent that they are consistent with [her assessed] residual functional capacity." AR at 15. In rejecting plaintiff's credibility, the ALJ found that:

[Plaintiff] was quite dramatic in her testimony of bowel incontinence which is not documented in the objective evidence. Likewise, the evidence does not come close to corroborating the subjective complaints of 15-20 urgent and emergency trips to the bathroom on bad days which assertedly number 15-20 days per month. According to [plaintiff's] testimony, some days she is afraid to leave the bathroom and she has recently began wearing adult diapers. The medical evidence of record is filled with subjective complaints that are routinely refuted by objective testing.

*Id.* Plaintiff argues that "[t]he ALJ is simply misstating the facts in this case in an attempt to discredit Plaintiff's testimony" and directs the court to "Plaintiff's consistent complaints of chronic diarrhea, the two hospital admissions for diarrhea, positive blood tests for clostridium difficile, and the notes at the time of discharge regarding the frequency of bowel movements." Pl.'s Mem. at 9 (citing AR at 288).

Having duly reviewed the record, the court agrees with plaintiff that the ALJ's credibility finding is not supported by substantial evidence in the record. Specifically, contrary to the ALJ's finding that "the evidence does not come close to corroborating the subjective complaints of 15-20 urgent and emergency trips to the bathroom" (AR at 15), the December 6, 2009 Discharge Summary report indicated that plaintiff was "usually having diarrhea 18 times a day and [on the day of discharge], the diarrhea episodes went down to six times." *Id.* at 288. In addition to plaintiff's hospital admissions in May/June 2009 and December 2009, the record

reflects that plaintiff made repeated complaints of diarrhea to her treating physician between May 2009 and July 2010. *See id.* at 297, 299, 303, 312, 313, 315, 321, 327, 331, 332, 337, 338, 339, 344. Although much of this medical evidence of diarrhea is based on plaintiff's own reporting, this is not surprising given the nature of the ailment. In any event, there is sufficient objective medical evidence for the court to determine that the ALJ's credibility finding – that plaintiff's subjective complaints were not corroborated by medical evidence – was not supported by substantial evidence.

Moreover, even if the ALJ's credibility finding had been supported by substantial evidence, the one reason he gave, lack of corroborating medical evidence, was insufficient by itself. An ALJ "may not reject a claimant's subjective complaints based solely on a lack of objective medical evidence to fully corroborate the alleged severity of pain." *Bunnell*, 947 F.2d at 345 (citation omitted). Here, the ALJ failed to state any other legally valid reason for discounting plaintiff's credibility. *See* AR at 15.

Defendant maintains the ALJ also rejected plaintiff's credibility based upon "Plaintiff's symptom exaggeration." Def.'s Mem. at 7. Although the ALJ suggested plaintiff's symptoms were exaggerated, he did not rely on this reason to reject plaintiff's credibility. *See* AR at 15. Instead, the ALJ stated that "[t]he medical evidence of record is filled with subjective complaints that are routinely refuted by *objective testing*." *Id.* (emphasis added). Thus, the ALJ's two purported reasons for discounting plaintiff's credibility are, in essence, equivalent and insufficient.

Accordingly, the court finds that the ALJ failed to provide clear and convincing reasons for discounting plaintiff's subjective complaints of pain and limitation.

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#### V.

#### **REMAND IS APPROPRIATE**

The decision whether to remand for further proceedings or reverse and award benefits is within the discretion of the district court. McAllister v. Sullivan, 888 F.2d 599, 603 (9th Cir. 1989). Where no useful purpose would be served by further proceedings, or where the record has been fully developed, it is appropriate to exercise this discretion to direct an immediate award of benefits. See Benecke v. Barnhart, 379 F.3d 587, 595-96 (9th Cir. 2004); Harman v. Apfel, 211 F.3d 1172, 1179-80 (9th Cir. 2000) (decision whether to remand for further proceedings turns upon their likely utility). But where there are outstanding issues that must be resolved before a determination can be made, and it is not clear from the record that the ALJ would be required to find plaintiff disabled if all the evidence were properly evaluated, remand is appropriate. See Benecke, 379 F.3d at 595-96; Harman, 211 F.3d at 1179-80.

Here, as set out above, remand is required because the ALJ erred in failing to properly evaluate plaintiff's credibility. On remand, the ALJ shall reconsider plaintiff's subjective complaints with respect to her physical impairments and the resulting limitations, and either credit plaintiff's testimony or provide clear and convincing reasons supported by substantial evidence for rejecting them. And, if necessary, the ALJ shall obtain additional information and clarification regarding plaintiff's functional limitations. The ALJ shall then proceed through steps four and five to determine what work, if any, plaintiff is capable of performing.

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# VI. CONCLUSION

IT IS THEREFORE ORDERED that Judgment shall be entered REVERSING the decision of the Commissioner denying benefits, and REMANDING the matter to the Commissioner for further administrative action consistent with this decision.

Dated: May 31, 2012



SHERI PYM UNITED STATES MAGISTRATE JUDGE