
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**THE HENRY ITTLESON CENTER, AN
ORGANIZATIONAL REPRESENTATIVE
PAYEE FOR THE SOCIAL SECURITY
ADMINISTRATION**

March 2008

A-02-07-27077

AUDIT REPORT



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- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
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SOCIAL SECURITY

MEMORANDUM

Date: March 27, 2008

Refer To:

To: Beatrice M. Disman
Regional Commissioner
New York

From: Inspector General

Subject: The Henry Ittleson Center - An Organizational Representative Payee for the Social Security Administration (A-02-07-27077)

OBJECTIVE

Our objectives were to determine whether the Henry Ittleson Center (Ittleson Center), as an organizational representative payee for the Social Security Administration (SSA), (1) had effective controls over the receipt and disbursement of Supplemental Security Income (SSI) payments and (2) used and accounted for SSI payments in accordance with applicable regulations and SSA's policies and procedures.

BACKGROUND

Congress granted SSA the authority to appoint representative payees to receive and manage payments for some individuals.¹ Federal regulation indicates that SSA will appoint representative payees if it determines that the beneficiary is not able to manage or direct the management of benefit payments in his or her own interest.² SSA will pay benefits to a representative payee if the beneficiary is legally incompetent or mentally incapable of managing benefit payments or physically incapable of managing or directing the management of benefit payments, or eligible for benefits solely on the basis of disability and drug addition or alcoholism is a contributing factor material to the determination of disability.³

¹ 42 U.S.C. §§ 405(j), 1383(a)(2).

² 20 C.F.R. § 416.601.

³ 20 C.F.R. § 416.610(a).

Generally, if a beneficiary is under age 18, SSA will also pay benefits to a representative payee.⁴ Representative payees are responsible for managing payments in the best interest of the beneficiary.⁵ A representative payee may be an individual or an organization. Refer to Appendix B for additional Representative Payee responsibilities.

The Ittleson Center is operated under the Jewish Board of Family and Children's Services, Inc. (JBFCS). JBFCS is a nonprofit, nonsectarian social services agency in New York City with approximately 185 in- and out-patient facilities offering mental health and social services to individuals. The Ittleson Center is a 32-bed, inpatient residential treatment facility in the Bronx, New York, that provides rehabilitative and special education services for severely emotionally disturbed children ages 5 to 13.

In March 2006, JBFCS terminated for cause an Ittleson Center office manager. JBFCS had found irregularities in the office manager's accounting of petty cash funds. Upon terminating the office manager, JBFCS conducted an internal audit and determined that SSI payments sent to the Ittleson Center on behalf of recipients who were living there were not properly allocated for the recipient's use and benefit. JBFCS reported its findings to SSA at that time. As a result, SSA's New York Regional Office requested we perform an audit of the Ittleson Center. After this request was made, the office manager was indicted on charges related to the misuse of SSA funds.

We obtained copies of negotiated SSI checks from JBFCS for individuals who resided in the Ittleson Center. We then reconciled those checks with other Ittleson Center, JBFCS and SSA Representative Payee System (RPS) records to determine the total number of SSI payments sent to, and managed by, the Ittleson Center from January 1, 2001 through March 31, 2006. Refer to Appendix C for our Scope and Methodology.

RESULTS OF REVIEW

We found the Ittleson Center did not have effective controls over the receipt and disbursement of SSI payments. Additionally, we found SSI payments were not accounted for in accordance with regulatory requirements and SSA's policies and procedures. Specifically, the Ittleson Center did not

- establish adequate internal controls, that is, separation of duties and/or compensating controls for its employees receiving and managing SSI payments and
- maintain financial records in accordance with applicable regulations and SSA guidance to show how SSI payments were used to pay for recipients' current and foreseeable needs.

⁴ 20 C.F.R. § 416.610(b).

⁵ 20 C.F.R. § 416.635.

Because of the lack of financial records, we were unable to determine how the SSI funds received by the Ittleson Center were used. Still, as a result of the lack of internal controls and financial records, we found 468 payments totaling approximately \$33,000 for 39 SSI recipients from January 1, 2001 through March 31, 2006 were not properly safeguarded or accounted for in accordance with Federal regulations and SSA's policies and procedures.

INTERNAL CONTROLS

We identified weaknesses in the internal controls over SSI payments received by the Ittleson Center. Specifically, the Ittleson Center did not have adequate separation of duties and/or compensating controls for the receipt and disbursement of SSI payments.

The office manager at the Ittleson Center received recipients' monthly SSI checks. The office manager bundled all of the checks received and sent them to JBFCS' Accounts Payable department along with a form detailing each check's number, payee and dollar amount. This was done by the office manager primarily on a monthly basis. The Accounts Payable department reconciled the checks with the form, deposited the checks, and prepared and sent a consolidated check payable to the office manager. In turn, the office manager was to cash the consolidated check and use the money to meet the monthly needs of SSI recipients the Ittleson Center represented. However, there were no records to show how the office manager used the SSI monies from the consolidated checks, and JBFCS did not routinely monitor how the office manager handled the funds.

The lack of separation of duties created an environment where theft was possible and recipients' funds were at-risk of misuse. When establishing or reevaluating internal control procedures, organizational representative payees should consider the best way to separate employee duties. Ideally, a different person should be assigned to perform each of the following basic duties regarding paper checks: (1) receive checks from mail delivery; (2) record checks received in the financial records; (3) sign checks for approved disbursements; and (4) maintain and document the use of the accounts for the recipient's benefit. When it is not possible to assign a different person for each duty, compensating controls should be put in place to ensure that a recipient's benefit is properly managed by the representative payee in accordance with SSA's policies. Also, management should perform routine reviews of the use of SSI payments to ensure they are being used according to SSA policies.

FINANCIAL RECORDS

We requested from JBFCS the financial records detailing how the Ittleson Center used and accounted for payments received on behalf of SSI recipients who were inpatient residents at the facility from January 1, 2001 through March 31, 2006. Through its attorney, JBFCS provided some of the documentation we requested. Specifically, it provided photocopies of SSI checks it received and the forms the office manager completed before forwarding the bundled SSI checks to JBFCS' Accounts Payable

department. JBFCS also provided us with photocopies of the consolidated checks it forwarded back to the Ittleson Center office manager. These documents were primarily recorded on a monthly basis.

The documentation provided by JBFCS did not include records that detailed how the SSI payments were used and accounted for by the office manager to meet the needs of the SSI recipients. Also, JBFCS did not provide us with records of conserved funds or annual accounting reports of how SSI payments were used for each recipient. Additionally, we did not receive any records that indicated SSI recipients' beginning and ending SSI account balances as they entered and left the Ittleson Center.

Federal regulations require that representative payees keep accurate and complete records to show the amount of SSI and Title II benefit payments received and how the money was used.⁶ These regulations also require that, upon becoming a representative payee, payees keep accurate and complete records for beginning account balances, and, upon relinquishing their representative payee responsibilities, return/transfer any remaining account balances to SSA.⁷ SSA's policy requires that expenses be supported and the supporting documentation maintained for 2 years.⁸ Lastly, SSA policy indicates that SSA should be provided an annual accounting for the use of accounts.⁹

Since JBFCS did not provide us with financial records detailing the status of SSI payments, we were unable to determine how the payments were used. However, we determined the number and dollar amount of SSI payments received by the Ittleson Center as a representative payee by reconciling checks made out to, and/or negotiated (cashed) by, the Ittleson Center with SSA's Representative Payee System data extracts.¹⁰ Per our reconciliation, the Ittleson Center received 468 payments totaling \$32,699.75 for 39 SSI recipients from January 1, 2001 through March 31, 2006.

⁶ 20 C.F.R. §§ 416.665 and 404.2065.

⁷ 20 C.F.R. §§ 416.665 and 404.2060.

⁸ SSA, Guide for Organizational Representative Payees, Managing and conserving funds, <http://www.socialsecurity.gov/payee/NewGuide/managing.htm>.

⁹ SSA, Guide for Organizational Representative Payees, Required Duties, <http://www.socialsecurity.gov/payee/NewGuide/duties.htm>.

¹⁰ We were unable to determine Ittleson Center resident beginning SSI account balances.

Through its attorney, we provided JBFCS all of the records we used to determine the amount of SSI payments the Ittleson Center received. Upon review of our evidence, JBFCS verified it received 433 of the 468 payments we identified, for a total of \$20,778.75.¹¹

Although Ittleson did not confirm the remaining 35 payments, SSA's New York Regional Office determined through the Treasury Check Information System¹² that checks for the 35 payments we identified, totaling \$11,921, were, in fact, made out to the Ittleson Center. Refer to Appendix D for further details of SSI payments made to the Ittleson Center.

CONCLUSIONS AND RECOMMENDATIONS

We concluded JBFCS and the Ittleson Center did not have effective controls over the receipt and disbursement of SSI payments, and that SSI payments were not accounted for in accordance with applicable regulations and SSA policies and procedures. The Ittleson Center's inability to properly account for the SSI payments in question inherently limits its ability to protect such assets from misuse and/or misappropriation. Although we could not determine from the accounting records provided whether misuse occurred for the 468 payments in question, the control environment in place at the Ittleson Center rendered the nearly \$33,000 in SSI accounts at-risk for misuse. To that end, it is imperative that SSA determine whether misuse occurred so appropriate corrective action may be taken. We recommend that SSA:

1. Determine whether the SSI payments received by the Ittleson Center as a representative payee were misused and, if misuse occurred, take the appropriate actions.
2. Work with JBFCS and Ittleson Center, for as long as they are a payee, to establish effective internal controls over the receipt and management of SSI payments and to ensure that complete financial records supporting the receipt, recording, disbursement and maintenance of SSI payments are maintained.

¹¹ JBFCS completed an internal audit in March 2006 of SSI funds received by the Ittleson Center from January 2001 to January 2006. Through the audit, JBFCS concluded that \$33,885 was not properly allocated for the use and benefit of recipients residing at the Ittleson Center. Through our review of the evidence JBFCS used for its internal audit, we determined that it included both SSA and non-SSA funds issued by New York State in the total of funds it found were improperly allocated for the use of recipients in its care. While we were provided with some of the evidence JBFCS used for its internal audit, we were not provided with a final copy of the audit itself.

¹² The United States Department of the Treasury's (Treasury) Financial Management Service developed the Treasury Check Information System. It records and reconciles the worldwide issuance and payment of United States Treasury checks. The system allows users to query to whom Treasury payments were made and in what form (checks/direct deposit).

3. Determine whether any of the other 185 JBFCS facilities are serving as a representative payee, and, if so, ensure the facilities are properly accounting for and managing all SSI payments they receive in accordance with applicable regulations and SSA policies and procedures.

AGENCY AND REPRESENTATIVE PAYEE COMMENTS

SSA and JBFCS agreed with our recommendations. We note that JBFCS lists all of its facilities that currently serve as a representative payee in its comments on this report. (Please see Appendix E for the full text of SSA's comments and Appendix F for the full text of JBFCS' comments).

A handwritten signature in black ink, appearing to read "Patrick P. O'Carroll, Jr.", with a stylized flourish at the end.

Patrick P. O'Carroll, Jr.

Appendices

[APPENDIX A](#) - Acronyms

[APPENDIX B](#) - Representative Payee Responsibilities

[APPENDIX C](#) - Scope and Methodology

[APPENDIX D](#) - Payments to Henry Ittleson Center for Supplemental Security Income Recipients

[APPENDIX E](#) - Agency Comments

[APPENDIX F](#) - Representative Payee's Comments

[APPENDIX G](#) - OIG Contacts and Staff Acknowledgments

Acronyms

C.F.R.	Code of Federal Regulations
Ittleson Center	Henry Ittleson Center
JBFCFS	Jewish Board of Family and Children's Services, Inc.
OIG	Office of the Inspector General
POMS	Program Operations Manual System
RPS	Representative Payee System
SSA	Social Security Administration
SSI	Supplemental Security Income
Treasury	Department of the Treasury
U.S.C.	United States Code

Representative Payee Responsibilities

Representative payees are responsible for using payments to serve the recipient's best interests. The responsibilities include:¹

- Determine the recipient's current needs for day-to-day living, and use his or her payments to meet those needs.
- Conserve and invest payments not needed to meet the recipient's current needs.
- Maintain accounting records of how the payments are received and used.
- Report events to the Social Security Administration (SSA) that may affect the individual's entitlement or payment amount.
- Report any changes in circumstances that would affect their performance as a representative payee.
- Provide SSA an annual Representative Payee Report to account for payments spent and invested.
- Return any payments to SSA to which the recipient is not entitled.
- Return conserved funds to SSA when no longer the representative payee for the recipient.
- Ensure Supplemental Security Income recipients do not exceed their resource limits, be aware of any other income they may have and monitor their conserved funds.

¹ 20 C.F.R. §§ 404, subpart U, and 416, subpart F.

Scope and Methodology

Our objectives were to determine whether the Henry Ittleson Center (Ittleson Center), as an organizational representative payee for the Social Security Administration (SSA), (1) had effective controls over the receipt and disbursement of Supplemental Security Income (SSI) payments and (2) used and accounted for SSI payments in accordance with applicable regulations and SSA policies and procedures. To accomplish our objectives, we:

- Reviewed applicable laws, Federal regulations and SSA policies and procedures pertaining to representative payees.
- Obtained background information about the Ittleson Center and its parent organization, the Jewish Board of Family and Children's Services, Inc. (JBFCS).
- Determined whether the Ittleson Center complied with SSA's Guide for Organizational Representative Payees, which corresponds to Code of Federal Regulations 20, Section 404, subpart U and Section 416, subpart F. Per the Guide, a representative payee must establish some form of a payee accounting system that will track the following for each recipient:
 - how much SSI funds were received,
 - how much of the funds were spent,
 - how funds were spent, and
 - the balance saved for each recipient.
- Obtained copies of negotiated SSI checks from JBFCS for residents who resided in the Ittleson Center. We then reconciled the checks with other Ittleson, JBFCS and SSA Representative Payee System (RPS) records to determine the total number of SSI payments sent to, and managed by, the Ittleson Center from January 1, 2001 through March 31, 2006, the tenure of the former office manager.
- Reviewed Ittleson Center internal controls over the receipt, maintenance and disbursement of SSI payments.
- Had discussions with representative personnel from JBFCS, SSA's New York Regional Office, and the New York Office of Investigations.

We determined SSA's RPS computer-processed data and data recorded on SSI paper checks to be reliable for our intended use. We tested certain data elements of data extracts generated from the SSA's RPS. We completed the test to determine the completeness, accuracy and validity of the data. These tests allowed us to assess the reliability of the data and achieve our audit objectives.

We performed our work at the New York Audit Division, New York, New York, from July through October 2007. We conducted our audit in accordance with generally accepted government auditing standards.

Payments to Henry Ittleson Center for Supplemental Security Income Recipients

We have excluded Henry Ittleson Center resident names, dates of residency and specific check payment amounts in the table below to protect their privacy. We have provided this detailed information to the Social Security Administration in a separate letter.

Recipient	Number of Payments	Total Dollar Amount
1	22	\$690.00
2	26	\$3,845.00
3	3	\$645.00
4	5	\$150.00
5	15	\$450.00
6	23	\$690.00
7	11	\$330.00
8	6	\$180.00
9	4	\$120.00
10	1	\$90.00
11	20	\$4,245.00
12	8	\$1,314.00
13	5	\$180.00
14	4	\$195.00
15	1	\$178.95
16	14	\$420.00
17	20	\$600.00
18	6	\$180.00
19	1	\$30.00
20	7	\$210.00
21	7	\$5,472.00
22	25	\$755.00
23	1	\$824.00
24	24	\$720.00
25	16	\$480.00
26	20	\$605.00
27	6	\$240.00
28	17	\$540.00
29	10	\$1,254.00
30	2	\$210.00
31	8	\$240.00
32	29	\$1,351.80

Recipient	Number of Payments	Total Dollar Amount
33	13	\$390.00
34	25	\$2,010.00
35	3	\$90.00
36	27	\$810.00
37	24	\$725.00
38	5	\$1,100.00
39	4	\$140.00
Total	468	\$32,699.75

Agency Comments

March 5, 2008

To: Inspector General

From: Regional Commissioner
New York

Subject: The Henry Ittleson Center - An Organizational Representative Payee for the Social Security Administration (A-02-07-27077)

We have reviewed the draft report and offer the following comments on each of the recommendations:

- 1. Determine whether the SSI payments received by the Ittleson Center as a representative payee were misused and, if misuse occurred, take the appropriate actions.**

We will pursue whether misuse occurred and take appropriate action as necessary.

- 2. Work with JBFCS and Ittleson Center, for as long as they are a payee, to establish effective internal controls over the receipt and management of SSI payments and to ensure that complete financial records supporting the receipt, recording, disbursement and maintenance of SSI payments are maintained.**

As recommended, we will work with the aforementioned agencies to establish more effective controls to insure they adhere to payee guidelines.

- 3. Determine whether any of the other 185 JBFCS facilities are serving as a representative payee, and, if so, ensure the facilities are properly accounting for and managing all SSI payments they receive in accordance with applicable regulations and SSA policies and procedures.**

We researched the JBFCS and found that there were 19 organizations in RPS and only 15 of the 19 are currently active payees, 2 of them being the Ittleson locations. The JBFCS website only contained a list of approximately 130 organizations, many of whom were listed more than once as they sponsored multiple programs. We would appreciate if OIG could provide their list of the 185 facilities to insure that we can identify all that are currently representative payee for any beneficiaries/recipients.

We, again, want to express our appreciation for your office's assistance in conducting the audit of the Henry Ittleson Center on our behalf. Should your staff have any questions, they may contact Dennis Mass, Director, Center for Programs Support at 212 264-4004.

/s/
Beatrice M. Disman

Representative Payee's Comments



Jewish Board of Family
and Children's Services, Inc.

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March 14, 2008

BY ELECTRONIC MAIL

Mr. Timothy Nee
Director, Office of Audit
Social Security Administration
Office of Inspector General
Federal Building, Room 3737
26 Federal Plaza
New York, NY 10278
Timothy.Nee@ssa.gov

Re: Draft Audit Report #A-02-07-27077

Dear Mr. Nee:

On behalf of the Henry Ittleson Center for Childhood Development (“Ittleson”) and the Jewish Board of Family and Children’s Services, Inc. (“JBFCFS”), I am writing in response to the above-numbered draft audit report entitled “The Henry Ittleson Center – An Organizational Representative Payee for the Social Security Administration.” Thank you for allowing us the opportunity to comment on the draft report before it is finalized.

Background

As you may know, in a letter dated May 19, 2006, JBFCFS self-disclosed to the regional Social Security Administration (“SSA”) office the apparent conversion of Supplemental Security Income (“SSI”) benefits by Ittleson’s terminated office manager, Laverne Garrett. In that letter, JBFCFS explained that approximately \$33,885 in SSI benefits for the period from January 2001 to January 2006 appeared

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120 West 57th Street
New York, NY 10019
www.jbfcfs.org

Tel: (212) 582-9100
Fax: (212) 245-2096
e-mail: admin@jbfcfs.org

• Member of the Executive Committee



not to have been properly allocated for the use and benefit of the beneficiaries for whom Ittleston served as representative payee.

Obviously, then, we agree with your draft audit report's conclusion that approximately \$33,000 in SSI funds were not properly safeguarded or accounted for. Moreover, in our May 19, 2006 self-disclosure letter, JBFCS made clear its intention to make full restitution of these apparently misused SSI benefits, either to SSA or the intended beneficiaries, as SSA directs.¹ We reiterate that intention here.

With regard to the first recommendation of the draft audit report (i.e., to determine whether the funds at issue were misused), we have assumed from the outset of this matter not only that SSI funds were not properly accounted for during Ms. Garrett's tenure as office manager, but also that she misused the funds. Indeed, on March 20, 2007, Ms. Garrett was arrested and charged with theft of government property, in violation of Title 18, United States Code, Section 641. On January 17, 2008, Ms. Garrett pleaded guilty to that charge. Accordingly, we believe that your first recommendation is fully addressed by the record.

While the theft of beneficiaries' funds was solely for Ms. Garrett's benefit, the lack of effective internal controls at the facility apparently facilitated her wrongdoing. Since the discovery of Ms. Garrett's wrongdoing, we have undertaken an extensive examination of the procedures and controls surrounding Ittleston's management of SSI funds in its role as an organizational representative payee. We are pleased to report that a revamped and far-more robust SSI system is now operational at Ittleston; its details are set forth below.

SSI Procedures and Controls at Ittleston

A JBFCS transition coordinator works with the local SSA office to set up Ittleston as the representative payee for each new client who is eligible for SSI.² JBFCS has opened a master account for Ittleston at Sterling Bank. Upon intake, JBFCS's fiscal department ("Fiscal") sets up an interest-bearing sub-account in the name of each client. Ittleston's office manager uses SSA's on-line system to set up direct deposit for each client. SSI funds are deposited directly into clients' sub-accounts. (If a

¹ We note that the draft audit report fails to mention that this matter was initiated by JBFCS's self-disclosure to SSA on May 19, 2006. In order to ensure that the record is complete, fair, and accurate, we would appreciate your including this information in the final audit report.

² Ittleston is a residential facility for emotionally disturbed children. Ittleston serves as the representative payee for its clients because they are unable to manage or direct the management of their SSI funds.

physical SSI check arrives at Ittleson, the office manager forwards it to Fiscal, and Fiscal deposits the check into the client's sub-account.)

The office manager maintains a spreadsheet to keep track of all deposits and withdrawals. To confirm direct deposit amounts, the office manager checks the Sterling Bank on-line system and also receives a ledger from Fiscal monthly. The spreadsheet also tracks how client funds were spent.

Ittleson's milieu director reports clients' balances to team leaders on a regular basis. When a client wants to make use of his/her personal needs funds, the client signs a carbon-copy withdrawal slip indicating the purchase that he/she would like to make. The client's team leader also signs the withdrawal slip. The milieu director keeps a copy of the signed withdrawal slip, and the other signed copy goes to the office manager for her records. The office manager sends a request e-mail to Fiscal alerting them to the planned withdrawal. The office manager cc's Ittleson's program director and milieu director on the request e-mail. Fiscal then transfers the funds from the client's sub-account to Ittleson's master account.

The office manager and program director are the only individuals with ATM cards linked to the master account, although Sterling Bank has yet to issue functioning ATM cards to Ittleson. Once the cards arrive, the procedure will be as follows: upon an e-mail response from Fiscal that it has made the funds available in the master account, one of the two ATM cardholders withdraws the funds. The milieu director examines the ATM receipt to confirm that the amount withdrawn is the amount originally requested by the client (or clients, if withdrawals for several clients were made at once) and signs the receipt. The office manager keeps the ATM receipt.

While the Ittleson staff awaits the arrival of the functioning ATM cards, Ittleson withdraws funds by requesting a check from Fiscal. The office manager sends a request e-mail to Fiscal listing the requested amount for each client. The office manager cc's the program director and milieu director on the e-mail. Fiscal debits clients' sub-accounts and sends Ittleson a consolidated check in the name of the office manager. The office manager cashes the check at Commerce Bank and attaches the check stub to a print-out of the request e-mail to Fiscal.

The office manager sorts the client funds into envelopes for each client. The office manager gives the envelopes and a copy of the request e-mail to the milieu director, who distributes the envelopes to staff members. A staff member uses the cash to purchase the requested item for each client. The staff member provides the receipt and change to the office manager, who records the transaction in her spreadsheet and places change in client's designated change pouch. The office manager reconciles account information and ledgers monthly and sends a copy of the reconciliation

information to the business manager, who oversees office managers at multiple JBFCs sites. The office manager also monitors client funds to ensure that balances do not exceed \$2,000.

Upon discharge, the transition coordinator is responsible for identifying the name and address of the next representative payee, ensuring that the client's funds are transferred to that payee and recording the transaction in his/her case notes.

As the foregoing demonstrates, from their arrival at Ittleson to their ultimate disbursement, there are numerous checks and balances in place to protect client funds, including a process that creates several types of records that can be cross-referenced against each other. The remedial steps having been taken, JBFCs will monitor Ittleson's compliance with these procedures in order to ensure that clients' SSI benefits are protected. In addition, in response to the second recommendation of the draft audit report, we look forward to working with SSA to answer any questions about the current system and to assure you that the improved procedures and controls will be maintained over time.

Other JBFCs Facilities

We take note that the third recommendation of the draft audit report is to "determine whether any of the other 185 JBFCs facilities are serving as a representative payee, and, if so, ensure the facilities are properly accounting for and managing all SSI payments they receive in accordance with applicable regulations and SSA policies and procedures." As a result of the events at Ittleson in 2006, JBFCs decided to review and, as necessary, improve procedures at our 25 other facilities that serve as representative payees.³ We have determined that Ittleson (during Ms. Garrett's tenure) was an outlier in its lack of effective recordkeeping. With one exception, all of our representative payee facilities keep records that track, for each beneficiary, the receipt, spending and saving of SSI funds. (Caring Families, a quasi-foster care program on Staten Island, is working to implement an improved accounting system.) All of our facilities have controls in place to prevent funds from being misused. In any event, in the belief that a compliance system can always be enhanced, we are continuing to implement redundant controls, for instance, by instituting direct deposit and by further separating SSI responsibilities among several employees wherever

³ For your reference, the JBFCs facilities that serve as representative payees are: Ittleson, Goldsmith, Linden Hill, Bronx Community Residence, Bruner Avenue Community Residence, Brooklyn Community Residence, Abraham Residence, Maple House, Bronx Intensive, Far Rockaway Intensive, Brooklyn Intensive, Kings Intensive, Mishkon, Kingsbrook, Shemesh, Bais, Gan, H.A.R., M'Lochim, Pardes, N'vei, Mt. Vernon ICF, Vernondale ICF, New Rochelle IRA, Staten Island Community Residence, and Caring Families.

Mr. Timothy Nee

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possible.⁴ In short, JBFCS has made and will continue to make efforts to ensure its compliance with SSI regulations and prevent the sort of weaknesses identified in the draft audit report and exploited by Ms. Garrett.

Thank you for your consideration of our response. If you have any questions or comments, please do not hesitate to call me at (212) 632-4630.

Very truly yours,



Ellen D. Josem, Esq.

Associate Executive Director & General Counsel

cc: Michael G. McGovern, Esq.

⁴ Thus far, we have implemented direct deposit systems at: Ittleson, Goldsmith, Linden Hill, Bronx Community Residence, Abraham Residence, Mishkon, Kingsbrook, Mt. Vernon ICF, Vernondale ICF and New Rochelle IRA.

OIG Contacts and Staff Acknowledgments

OIG Contacts

Tim Nee, Director, (212) 264-5295

Vicki Abril, Audit Manager, (212) 264-0504

Acknowledgments

In addition to those named above:

Abraham Pierre, Auditor

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OA conducts and/or supervises financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations and projects on issues of concern to SSA, Congress, and the general public.

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OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as OIG liaison to the Department of Justice on all matters relating to the investigations of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Chief Counsel to the Inspector General

OCCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Finally, OCCIG administers the Civil Monetary Penalty program.

Office of Resource Management

ORM supports OIG by providing information resource management and systems security. ORM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, ORM is the focal point for OIG's strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act of 1993.