
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**THE GOLD CREST CARE CENTER – AN
ORGANIZATIONAL REPRESENTATIVE PAYEE
FOR THE SOCIAL SECURITY ADMINISTRATION**

August 2012

A-02-11-11161

AUDIT REPORT



Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
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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.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
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Vision

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SOCIAL SECURITY

MEMORANDUM

Date: August 6, 2012

Refer To:

To: Beatrice M. Disman
Regional Commissioner
New York

From: Inspector General

Subject: The Gold Crest Care Center – An Organizational Representative Payee for the Social Security Administration (A-02-11-11161)

OBJECTIVE

Our objectives were to determine whether the Gold Crest Care Center (GCCC), an organizational representative payee for the Social Security Administration (SSA), (1) had effective controls over the receipt and disbursement of Old-Age, Survivors and Disability Insurance (OASDI) and Supplemental Security Income (SSI) payments and (2) managed payments in accordance with SSA's policies and procedures.

BACKGROUND

Congress granted SSA the authority to appoint representative payees to receive and manage the benefit payments of beneficiaries who cannot manage their finances because of their youth or mental and/or physical impairments.¹ SSA selects representative payees for OASDI beneficiaries² or SSI recipients³ when representative payments would serve the individuals' interests.⁴ Representative payees are

¹ *Social Security Act* §§ 205(j)(1) and 1631(a)(2)(A)(ii)(I), 42 U.S.C. §§ 405(j)(1) and 1383(a)(2)(A)(ii)(I).

² The OASDI program provides retirement and disability benefits to qualified individuals and their dependents as well as to survivors of insured workers. *Social Security Act* § 202 *et seq.*, 42 U.S.C. § 402 *et seq.*

³ The SSI program provides payments to individuals who have limited income and resources and who are age 65 or older, blind, or disabled. *Social Security Act* § 1601 *et seq.*, 42 U.S.C. § 1381 *et seq.*

⁴ *Social Security Act* §§ 205(j)(1) and 1631(a)(2)(A)(ii)(I), 42 U.S.C. §§ 405(j)(1) and 1383(a)(2)(A)(ii)(I).

responsible for managing benefits in the best interest⁵ of the beneficiary,⁶ and they may be an individual or an organization. Refer to Appendix C for additional representative payee responsibilities.

GCCC is a 175-bed skilled nursing home facility in the Bronx, New York. During our audit period, November 1, 2010 to October 31, 2011, GCCC served as representative payee for 37 beneficiaries. Before we began our audit, we found that GCCC managed funds for 84 other SSA beneficiaries for whom it was not the payee of record. These beneficiaries resided in the facility and allowed GCCC to manage their benefits.⁷

For the OASDI beneficiaries GCCC represented, it retained \$50 per month from their benefits for their personal needs allowances (PNA) and used the remaining funds for the cost-of-care it provided. Since Medicaid covers the cost-of-care for the SSI recipients, SSA provided them a \$30 per month PNA, which GCCC retained for their personal needs.

A 2008 Office of the Inspector General investigation led to the conviction of a GCCC employee who misused SSA benefits intended for GCCC residents. Because of the past misuse, we determined whether the representative payee had adequate controls over SSA funds received on behalf of the beneficiaries it represented.

We reviewed all 37 beneficiaries for whom GCCC served as representative payee to determine whether GCCC properly managed their benefits in accordance with SSA policies and procedures. Additionally, we reviewed a sample of the other 84⁸ beneficiaries who allowed GCCC to manage their benefits. See Appendix B for our scope and methodology.

RESULTS OF REVIEW

GCCC accurately recorded the receipt and disbursement of Social Security benefits, spent funds appropriately, and appeared to meet the beneficiaries' basic needs. However, it did not manage benefit payments in accordance with some of SSA's policies and procedures.

⁵ 20 C.F.R. §§ 404.2035(a) and 416.635(a).

⁶ We use the term "beneficiary" generically in this report to refer to both OASDI beneficiaries and SSI recipients.

⁷ We use the term "benefits" in this report to refer to both OASDI benefits and SSI payments.

⁸ We initially identified 36 beneficiaries for whom GCCC served as representative payee and 85 other beneficiaries who allowed GCCC to manage their benefits. Upon reviewing a selected sample of 30 of the 85 beneficiaries, we determined that GCCC was the representative payee for one of the beneficiaries. The individual was not on the original list provided by GCCC of the beneficiaries for which it was the representative payee.

RECEIPT AND DISBURSMENT OF BENEFITS

During our audit period, GCCC received benefit checks for the beneficiaries it represented. It photocopied the checks and kept a log of every check received. When disbursing funds, GCCC maintained sufficient documentation to support expenditures.

We interviewed 12 beneficiaries to determine whether they thought GCCC met their basic needs. The beneficiaries reported they were well cared for and satisfied with GCCC's management of their funds.

MANAGEMENT OF BENEFITS

While GCCC accurately recorded the receipt and disbursement of Social Security benefits, it did not manage payments in accordance with some of SSA's policies and procedures. Specifically, GCCC

- commingled beneficiaries' funds with its operating account,
- used SSI recipients' payments for their cost-of-care,
- did not report changes in beneficiaries' circumstances to SSA,
- did not spend the required amount of at least \$360 per year for the beneficiaries' personal needs, and
- did not return beneficiaries' conserved funds to SSA in accordance with SSA policies when it no longer served as the representative payee.

Commingled Beneficiary Funds

Generally, GCCC should not commingle beneficiary funds with payees' personal or organizational operating funds.⁹ During our audit period, GCCC commingled beneficiaries' funds with its operating funds. SSA policy required that the representative payee deposit funds in an account titled to show the payee had only a fiduciary interest in the funds.¹⁰ GCCC deposited SSA payments received on behalf of OASDI beneficiaries to its operating account, retained the majority of the payments to reimburse itself for cost-of-care, and issued \$50 to each beneficiary's account for their PNA. GCCC followed the same procedures for the SSI recipients and issued \$30 in PNA to each recipient's account. GCCC corrected this practice in December 2011. As of that date, beneficiaries were receiving SSA payments by direct deposit to individual accounts.

⁹ SSA, POMS, GN 00603.010 A (June 5, 2008). There are certain limited exceptions that do not apply to GCCC. For example, in some cases, parents, spouses, and State or local organizational payees do not have to maintain separate accounts. See SSA, POMS, GN 00603.010 B.1. (June 5, 2008)

¹⁰ Id.

Use of Recipient's SSI Payment for Cost-of-Care

According to SSA policy, any SSI payments due a recipient who resides in an institution receiving Medicaid funds are for personal needs only and may not be used for institutional charges for care.¹¹ GCCC retained SSI payments totaling \$8,776 to pay for three recipients' costs-of-care.

GCCC retained \$948 from \$1,148 in SSI payments received on behalf of two SSI recipients for whom it served as the representative payee. The \$948 belonged to the recipients for their PNA. However, GCCC used the payment to pay for the cost-of-care it provided. In a similar manner, GCCC retained \$7,828 from \$8,088 in SSI payments that belonged to another SSI recipient for whom it was not the payee of record. The recipient received the payments in error and had an \$8,028 overpayment on her record.¹² Since GCCC retained the payments, SSA should pursue collection from GCCC to resolve the overpayment.

Reporting Changes in Beneficiary Circumstances

One of a representative payee's responsibilities is to notify SSA of any event that may affect the beneficiary's entitlement or payment amount.¹³ GCCC did not report some beneficiaries' deaths to SSA. Specifically, GCCC did not notify SSA of the death of a beneficiary in September 2011 for whom it served as a representative payee. Also, GCCC did not report the February 2011 death of a beneficiary for whom it was not the representative payee but for whom it managed benefits.

GCCC staff stated they were uncertain whether the beneficiaries passed away in the nursing home or after they transferred to hospitals. GCCC did not learn of the beneficiaries' deaths until it received invoices from funeral homes for unpaid funeral expenses. SSA records did not indicate the beneficiaries had died. As of the date of this report, the records for both beneficiaries were in suspension status for the development of addresses.¹⁴ We informed SSA that the beneficiaries were deceased and requested that it update its records accordingly.

¹¹ SSA, POMS, GN 00603.050 A (September 4, 2002).

¹² The error was due to an inaccurate determination of the recipient's living arrangement by SSA. A recipient's living arrangement can affect the SSI payment amount. From March to August 2011, the recipient received \$1,368 per month based on a living arrangement of an individual residing in a privately operated, non-medical residential facility for adults, or certain adults with disabilities, certified by the appropriate State agency. Residents in GCCC are entitled to receive \$30 from SSI based on a living arrangement of an individual residing in a public or private medical institution where Medicaid is paying more than 50 percent of the cost-of-care.

¹³ 20 C.F.R. §§ 404.2035(d) and 416.635(d).

¹⁴ SSA may suspend a beneficiary's benefit if it is determined that the beneficiary's address should be verified or a notice is returned as "Undeliverable" and the correct address cannot be promptly verified.

PNA Spent

SSA policy generally requires that payees spend a minimum of \$30 per month, or \$360 per year, for the personal needs of any beneficiary who resides in any institution, such as a nursing home.¹⁵ We reviewed the personal ledgers of the 37 beneficiaries for whom GCCC was the representative payee of record and found GCCC did not spend the required amount on PNA for 19.

Personal needs items include, but are not limited to,

- clothing;
- personal articles, such as cosmetics and grooming aids;
- furnishings, such as quilts, pictures, and a recliner;
- medical expenses or equipment not supplied by the care facility or State/Federal programs, such as hearing aids, eyeglasses, and special wheelchairs; or
- miscellaneous items, such as movie tickets, restaurant meals, and magazine subscriptions.

GCCC stated it did not spend the required amount because some beneficiaries' families had purchased personal items for the beneficiaries. However, it is the representative payee's responsibility to ascertain the beneficiaries' current and foreseeable needs and spend at least \$360 a year on those needs. If it is not possible to spend the required \$360, the representative payee should document the circumstances and inform SSA.¹⁶

Conserved Funds

When a beneficiary dies, SSA policy provides that a representative payee should turn over conserved funds to the legal representative of the beneficiary's estate.¹⁷ For a beneficiary with a successor payee, SSA generally requires that the payee return conserved funds to SSA after the payee's service to a beneficiary end. SSA then reissues the conserved funds to the successor payee so they are available for the beneficiary's needs.¹⁸

¹⁵ SSA, POMS, GN00605.067 D.3. and G (August 18, 2007). If the amount of benefits paid throughout the reporting period is less than \$360, the payee is expected to spend that amount on the beneficiary's personal needs. In rare circumstances, spending \$30 per month may not be appropriate, but, in these cases, the circumstances should be clearly documented either by the payee on the annual reporting form or by SSA personnel following any necessary development. *Id.*

¹⁶ *Id.*

¹⁷ SSA, POMS, GN 00603.100.B.2 (May 5, 2011); See also SSA, *Guide for Organizational Representative Payee – Conserved Funds After the Beneficiary Dies.*

¹⁸ SSA, POMS, GN 00605.370.A (August 20, 2010), GN 00603.055.A (December 6, 2010), GN 00502.113.C.1 (October 13, 2011); See also SSA, *Guide for Organizational Representative Payee – Conserved Funds After You Stop Being Payee.*

GCCC did not return two beneficiaries' conserved funds,¹⁹ totaling \$1,907, to SSA. Instead, it transferred the conserved funds to the nursing homes in which the beneficiaries later resided. We also found GCCC retained the conserved funds of \$324 from a deceased beneficiary for whom it was not the payee of record. GCCC did not transfer the conserved funds to the beneficiary's estate until more than 6 months after the beneficiary's death.

UNREPRESENTED BENEFICIARIES

GCCC received and managed payments for 84 beneficiaries for whom it was not the representative payee of record. All 84 beneficiaries resided in GCCC. Per GCCC staff, the beneficiaries preferred that GCCC handle their funds, as opposed to an outside bank, and GCCC preferred this arrangement since it helped ensure it received funds for the cost-of-care. While GCCC reported both parties preferred this arrangement, it may constitute an assignment-like situation in which the claimant shares control of the funds for his or her benefit with an entity that has an interest in charging or collecting money from the claimant.

We interviewed three beneficiaries for whom GCCC was not the representative payee of record. One beneficiary was unable to respond to any of our questions. The two other beneficiaries provided very limited responses. Since most of the residents in GCCC are aged or disabled, they may be incapable of managing or directing the management of their benefit payments. Therefore, SSA should determine whether the interests of these beneficiaries would be better served by designating a representative payee.

CONCLUSION AND RECOMMENDATIONS

While GCCC managed Social Security benefits in a manner for the good of the beneficiaries it represented, it did not always adhere to some of SSA's policies and procedures. Accordingly, we recommend that SSA:

1. Instruct GCCC to return \$948 of PNA to the individual accounts of two SSI recipients.
2. Pursue collection from GCCC of the \$8,028 in overpayments that resulted from an inaccurate living arrangement determination of an SSI recipient.
3. Remind GCCC to (a) notify the Agency timely when a beneficiary is deceased or no longer in its care and (b) return benefit payments and conserved funds to SSA when no longer serving as representative payee for a beneficiary.
4. Remind GCCC of the requirement to spend at least \$360 per year for each beneficiary's personal needs or inform SSA of the circumstance that prevents it from doing so.

¹⁹ Conserved funds are the benefits remaining (or invested) after the immediate or reasonably foreseeable needs of the beneficiary are met. See SSA, POMS, GN 00603.001 A (November 15, 2004).

5. Determine whether to assign a representative payee for beneficiaries who reside in GCCC and for whom GCCC manages benefits but who do not have a representative payee on record.

AGENCY AND REPRESENTATIVE PAYEE COMMENTS AND OIG RESPONSE

GCCC generally agreed with our Recommendations. SSA agreed with Recommendations 3 and 5. In response to Recommendation 1, SSA stated, in part, that it needed to determine whether the \$948 paid a valid debt to GCCC. Per SSA, the payee may use past-due benefits to pay for past care and maintenance if the creditor is a Title XIX facility in which the recipient resides. GCCC stated that it applied the \$948 to the recipients' cost-of-care for the month it received the payments. Since the payments were not used to pay for past care and maintenance, GCCC should return the \$948 to the individual accounts.

In disagreeing with Recommendation 2, SSA stated it could not pursue collection of the overpayment from GCCC because GCCC was not the representative payee. While GCCC was not the official representative payee for the recipient, it managed the recipient's funds and used the funds to pay itself for the recipient's cost-of-care. GCCC continues managing payments for the recipient without being the representative payee. This practice makes it troublesome for SSA to recoup the overpayment. GCCC requested that we provide an explanation of the overpayment and instruction on how to return the funds to SSA. We forwarded the overpayment notice to GCCC and advised it to return the SSI payment to the local SSA field office.

In disagreeing with Recommendation 4, SSA stated that its policy requires the representative payee to use or save \$30 per month for the recipient's personal needs. Per our review of the policy, representative payees should spend a minimum of \$30 per month for the personal needs of any beneficiary who resides in a nursing home unless the amount of benefits paid throughout the report period is less than \$360.²⁰ The policy also states that, in rare circumstances, spending \$30 per month on personal needs may not be appropriate. In these cases, the circumstances should be clearly documented either by the representative payee on the annual accounting report, which GCCC did not do, or by SSA personnel following any necessary development. GCCC stated that it would appropriately document any future instances of not spending the required amount.



Patrick P. O'Carroll, Jr.

²⁰ SSA, POMS, GN 00605.067 D.3 (August 18, 2007).

Appendices

APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – Representative Payee Responsibilities and Social Security
Administration Oversight

APPENDIX D – Agency Comments

APPENDIX E – Representative Payee Comments

APPENDIX F – OIG Contacts and Staff Acknowledgments

Acronyms

C.F.R.	Code of Federal Regulation
ERPA	Electronic Representative Payee Accounting
GCCC	Gold Crest Care Center
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
PNA	Personal Needs Allowances
POMS	Program Operations Manual System
RPS	Representative Payee System
SSA	Social Security Administration
SSI	Supplemental Security Income

Scope and Methodology

Our audit covered the period November 1, 2010 through October 31, 2011. To accomplish our objectives, we:

- Reviewed the *Social Security Act*, applicable Federal regulations, and the Social Security Administration's (SSA) policies and procedures pertaining to representative payees.
- Reviewed prior Office of the Inspector General and SSA work in the representative payee area.
- Contacted SSA's New York Regional Office to obtain background information and prior audits regarding the individual representative payee.
- Obtained from SSA's Representative Payee System (RPS) a list of individuals who were served by the Gold Crest Care Center (GCCC) during the audit period.
- Interviewed GCCC management and obtained beneficiary information and available financial records, including a list of individuals who had GCCC as a representative payee and had received SSA funds at some point during the audit period.
- Compared the RPS list, Master Beneficiary Record, and Supplemental Security Record and reconciled them to GCCC's list to identify the population of SSA beneficiaries served by GCCC during the audit period.
- Created and reviewed a data extract from SSA's system to determine whether payments were sent to GCCC when GCCC was not the beneficiary's official representative payee.
- Initially, we identified 36 beneficiaries for whom GCCC served as representative payee and 85 beneficiaries who allowed GCCC to manage their benefits without being their representative payee. We performed a 100-percent review of the population of 36 beneficiaries for whom GCCC served as the representative payee during the audit period and randomly selected a sample of 30 beneficiaries from the 85 beneficiaries who did not have a payee, but allowed GCCC to manage their benefit payments during the audit period. Upon review of the sample, we determined that GCCC was the representative payee for 1 of the 30 beneficiaries. The individual was not on the original list provided by GCCC of beneficiaries for which it was representative payee.

- We performed the following tests for the 66 beneficiaries.
 - Compared and reconciled benefit amounts received according to GCCC's records to benefit amounts paid according to SSA's records.
 - Reviewed GCCC's accounting records to determine whether benefits were properly spent or conserved on the individual's behalf.
 - Traced all recorded expenses to available source documents and examined the documentation for reasonableness and authenticity.
- We reviewed the most current Electronic Representative Payee Accounting (ERPA) reports for 20 of the 37 beneficiaries GCCC represented to determine whether the representative payee properly reported to SSA how they used the benefits. For the remaining beneficiaries, the ERPA reporting period (10 beneficiaries) was not within the audit period or GCCC was not issued an ERPA (7 beneficiaries).
- To determine whether their basic needs were being met, we observed the living conditions and interviewed nine beneficiaries for whom GCCC served as the representative payee and three beneficiaries who did not have a payee but allowed GCCC to manage their benefit payments.

We tested the data obtained for our audit and determined they were sufficiently reliable to meet our objective. We performed our fieldwork at GCCC's administrative offices in the Bronx, New York, in February 2012. We conducted additional analysis at the New York Audit Division in March 2012.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Representative Payee Responsibilities and Social Security Administration Oversight

Representative Payee Responsibilities

Representative payees are responsible for using benefits to serve the beneficiary's best interests. The responsibilities include the following.¹

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

¹ 20 C.F.R. §§ 404.2035 and 416.635.

SSA Oversight

To oversee its representative payees, SSA implemented the Expanded Monitoring Program for fee-for-service and volume payees and the Onsite Review Program for State institutions. Under the Expanded Monitoring Program, SSA conducts a site review of all fee-for-service and volume payees at least once every 3 years.

Fee-for-service and volume payees are also subject to random reviews, quick response checks, and educational visits. The purpose of the Expanded Monitoring Program is to (1) allow SSA to determine whether representative payees are performing satisfactorily, (2) deter potential misuse, (3) keep the lines of communication open between representative payees and local SSA offices, (4) reinforce SSA's efforts to educate representative payees about their duties and responsibilities, and (5) be responsive and proactive in determining what representative payees need from SSA.

Agency Comments

June 28, 2011

Subject: OIG Audit Signed Draft Report (A-02-11-11161)-Gold Crest Care Center-An Organizational Rep Payee: NY REPLY

Thank you for the opportunity to comment on each of the recommendations regarding the **OIG Audit No A-02-11-11161 The Gold Crest Care Center-An Organizational Representative Payee.**

Recommendation #1

SSA reserves agreement to recommendation #1 pending further information. Both beneficiaries (*beneficiaries' names redacted*) received retroactive benefits in the months shown below. Before we can agree to the recommendation, we would need to know if the funds were used to pay a valid debt to GCCC or should be returned to the beneficiaries.

According to GN 00602.030 B, a payee does not need SSA approval to pay a valid debit if he/she determines it is in the beneficiary's best interest, unless the payee is also the creditor. A creditor payee must obtain SSA approval prior to using benefits for self-reimbursement. **Exception:** If the creditor is a title XIX facility in which the title II or title XVI beneficiary resides, the payee must allocate two month's personal needs allowance (\$60) to the beneficiary's resident account. The payee then may use remaining past-due benefits to pay for past care and maintenance without obtaining SSA approval.

(Name redacted) received:

- \$90 check mailed 4/19/2011 for months 2/11-4/11
- \$30 check for 5/1/2011
- \$788 check mailed 5/3/2011 for months 12/2008-10/2009

Total \$908

(Name redacted) received:

- \$210 check mailed 8/12/2011 for months 7/00-5/01
- \$30 check mailed 8/1/2011

Total \$240

Recommendation #2

SSA disagrees with recommendation #2. GCCC was not the payee at the time of the incorrect living arrangement. According to SSA policy, we cannot pursue the collection of the overpayment of \$8,028 (*beneficiary's name redacted*) from GCCC because the home was not the representative payee. Further investigation from OIG may be warranted to determine if GCCC intentionally kept the improper payments.

Recommendation #3

SSA agrees with recommendation #3.

Recommendation #4

SSA disagrees with recommendation #4. Per GN 00605.067D.3 regulations require that a title XVI recipient in a title XIX facility, receive the SSI standard payment amount for the recipient's personal needs or saved on his behalf. Further GN 00602.010B.2. states payees should set aside a minimum of \$30 per month to be used for the beneficiary's personal needs or saved on his/her behalf. The payee is required to allot a minimum of \$30 a month and any unspent monthly personal needs be saved. The payee is not required to spend the total amount.

Recommendation #5

SSA agrees with recommendation 5 and will conduct capability determinations for the beneficiaries who reside in GCCC and for whom GCCC manages benefits but is not the representative payee of record.

Questions regarding the above may be directed to Angela Caruso of the Center for Programs Support at 212-264-4402.

/s/
Julio Infiesta
ARC-MOS, NY

Representative Payee Comments

July 15, 2012

Subject: Goldcrest

Thank you for your assistance Vincent.

Regarding *(name redacted)* and *(name redacted)*, the money was applied to the months it was received.

For *(name redacted)*, we need some sort of letter identifying that overpayments were made and how much she should have received. As she was receiving a higher amount, she was given \$50 of the Social Security check as would be the case with any typical Medicaid resident. Once we have that information, we can begin to reduce her SSI payment allocation to repay SSA for the overpayments she received (She does NOT currently have sufficient funds to repay the \$180 or so that I believe she received in error.) We will also need instructions on refunding the overpayments which were retained by the facility, assuming that is the decision of SSA.

Regarding the \$360, a number of the residents spent the \$360, or very close to it. Additionally, as the residents are alert, they are spending their own money even though the facility acts as Rep Payee. For example, *(name redacted)*, *(name redacted)*, *(name redacted)*, *(name redacted)*, *(name redacted)*, and *(name redacted)* spent money on the beautician, clothing items, and also take out cash on a regular basis. The residents in general are very possessive of their funds and do not want the facility to spend the \$360 for them. Were we to spend it for them then tell them they can't take money out for the vending machines, for example, they become very agitated.

Some of them wish to conserve their money, and the family provides them with \$360 worth of personal items. For example, *(name redacted)* and *(name redacted)* had family who would pay for things to maintain funds in resident accounts, ultimately using them for burial if not spent by resident. *(Name redacted)* does not WANT her money spent.

Some of the larger expenditures on clothing were: *(name redacted)* \$265, *(name redacted)* \$335, *(name redacted)* \$350, *(name redacted)* \$251.

Understanding that the intent of the law is to allow the residents to enjoy more than just basic room and board, we believe we have been fulfilling that. Going forward, we will take more care to report more clearly in the annual reports.

Thank you,

Jonathan Gewirtz

OIG Contacts and Staff Acknowledgments

OIG Contacts

Tim Nee, Director, New York Audit Division

Christine Hauss, Audit Manager

Acknowledgments

In addition to those named above:

Vincent Huang, Program Analyst

Brennan Kraje, Statistician

William Kearns, IT Specialist

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OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

Office of Technology and Resource Management

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG's strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.