
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**FINANCIAL-RELATED AUDIT OF
AN INDIVIDUAL REPRESENTATIVE
PAYEE FOR THE
SOCIAL SECURITY ADMINISTRATION**

July 2001

A-03-00-10064

AUDIT REPORT



Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the 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.**
- Promote economy, effectiveness, and efficiency within the agency.**
- 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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By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.



SOCIAL SECURITY
Office of the Inspector General

ICN 31208-23-187
MEMORANDUM

Date: JUL 27 2001

Refer To:

To: Myrtle S. Habersham
Regional Commissioner
for Atlanta

Inspector General

Subject: Financial-Related Audit of an Individual Representative Payee for the Social Security Administration (A-03-00-10064)

The attached final report presents the results of our audit. Our objectives were to determine whether the individual representative payee (1) had effective safeguards over the receipt and disbursement of Social Security benefits and (2) ensured Social Security benefits were used and accounted for in accordance with the Social Security Administration's policies and procedures.

Please comment within 60 days from the date of this memorandum on corrective actions taken or planned on each recommendation. If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.


for James G. Huse, Jr.

Attachment

cc:
Fritz Streckewald
JoEllen Felice
Helen Hepner

Executive Summary

OBJECTIVE

Our objectives were to determine whether the individual Representative Payee (Rep Payee) (1) had effective safeguards over the receipt and disbursement of Social Security benefits and (2) ensured Social Security benefits were used and accounted for in accordance with the Social Security Administration's (SSA) policies and procedures.

BACKGROUND

Some individuals cannot manage or direct the management of their finances because of their age or mental and/or physical impairments. Congress granted SSA the authority to appoint Rep Payees to receive and manage these beneficiaries' and recipients' benefit payments. A Rep Payee may be an individual or an organization. SSA selects Rep Payees for Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries or Supplemental Security Income (SSI) recipients when payments to Rep Payees would serve the individual's interest.

Rep Payees are responsible for using benefits to serve the beneficiary's or recipient's best interests. Their duties include:

- Using benefits to meet the beneficiary's or recipient's current and foreseeable needs;
- Conserving and investing benefits not needed to meet the beneficiary's or recipient's current needs;
- Maintaining accounting records of how the benefits are received and used;
- Reporting events to SSA that may affect the beneficiary's or recipient's entitlement or benefit payment amount;
- Reporting any changes in circumstances that would affect their performance as a Rep Payee; and
- Providing SSA annual *Representative Payee Reports* accounting for how benefits were spent and invested.

The individual Rep Payee we audited has served as an SSA Rep Payee since 1980. He is an attorney in a law firm located in Georgia, administering the finances of approximately 90 individuals, 53 of whom received SSA benefits. In addition to meeting SSA requirements, the individual Rep Payee is required to submit annual accounting forms to the county probate court if also acting as a guardian for these individuals. The

Rep Payee is also required to submit annual accounting forms to the Department of Veterans Affairs (VA) if the beneficiary receives VA benefits.

RESULTS OF REVIEW

Based on our audit, the individual Rep Payee we examined generally (1) had effective safeguards over the receipt and disbursement of Social Security benefits and (2) ensured that Social Security benefits were used and accounted for in accordance with SSA's policies and procedures. We found that for all 53 beneficiaries serviced by the Rep Payee, (1) the Rep Payee accurately recorded benefits SSA paid; (2) all expenses appeared to be proper; and (3) the Rep Payee maintained source documents that allowed us to determine that sampled expenses were reasonable and authentic. However, we could not determine whether the Rep Payee properly reported to SSA how benefits were used because SSA could not locate any of the Rep Payee Reports we requested. (See Other Matters section of this report.)

The Rep Payee received \$352,051 in SSA payments for 53 individuals from September 1999 through August 2000. During our audit, we found one case where excess resources led to an \$8,092 SSI overpayment. We also found two cases where disabled beneficiaries had earnings that had not been investigated by SSA at the time of our audit. These earnings may affect the eligibility of the beneficiaries. We determined that SSA's Rep Payee System (RPS) was inaccurate since it (1) lacked information on all the individuals who were under the Rep Payee's care and (2) listed the Rep Payee we were reviewing under two separate accounts. We also found that one individual had two different Rep Payees. In both the overpayment and dual Rep Payee cases, SSA was informed of the events but failed to take timely action. Finally, SSA needs to improve communications with other government agencies, such as VA and the local county, to better coordinate the care of individuals under the Rep Payee's charge.

CONCLUSIONS AND RECOMMENDATIONS

Generally, the Rep Payee we audited met its responsibilities. However, we found one instance where excessive resources led to an overpayment and two additional cases of earnings that SSA is still investigating. We also determined that the RPS did not contain a complete listing of individuals under the Rep Payee's care and one individual had dual Rep Payees. In the overpayment and the dual Rep Payees cases, SSA was informed of the events but failed to take timely action. In addition, communications between SSA and other agencies caring for individuals under the Rep Payee needed improvement.

We recommend that SSA:

- Ensure the Rep Payee returns funds it received for the recipient who was ineligible due to excess resources.
- Re-emphasize procedures with the Rep Payee for notifying SSA when events occur that affect the eligibility of individuals in its care.
- Update the RPS to consolidate the multiple entries for this Rep Payee and include all individuals for whom this Rep Payee was selected. In addition, ensure that all individuals assigned a Rep Payee have only one Rep Payee for all SSA benefits received.
- Take timely action on program-related issues reported to SSA by the Rep Payee, such as excessive resources and dual Rep Payees.
- Consider changing its method of communication and information sharing with other government agencies, such as assigning a point-of-contact between SSA and other agencies assisting the individuals under the Rep Payee's care.

AGENCY COMMENTS

In response to our draft report, SSA agreed with our recommendations and stated that the Agency already initiated corrective actions. Specifically, SSA collected the identified overpayment. In addition, SSA contacted the Rep Payee to (1) reinforce the need for timely reporting of any events affecting an individual's eligibility and (2) update and correct the Rep Payee's information in the RPS. The full text of SSA's comments can be found in Appendix A of this report.

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Acronyms

DFCS	Dekalb County Division of Family and Children Services
MBR	Master Beneficiary Record
OASDI	Old-Age, Survivors and Disability Insurance
Rep Payee	Representative Payee
RPS	Representative Payee System
RPR	Representative Payee Report
SSA	Social Security Administration
SSI	Supplemental Security Income
SSR	Supplemental Security Record
VA	Department of Veterans Affairs

OBJECTIVE

Our objectives were to determine whether the individual representative payee (Rep Payee) (1) had effective safeguards over the receipt and disbursement of Social Security benefits and (2) ensured Social Security benefits were used and accounted for in accordance with the Social Security Administration's (SSA) policies and procedures.

BACKGROUND

Some individuals cannot manage or direct the management of their finances because of their age or mental and/or physical impairments. Congress granted SSA the authority to appoint Rep Payees to receive and manage these beneficiaries' and recipients' benefit payments. A Rep Payee may be an individual or an organization. SSA selects Rep Payees for Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries or Supplemental Security Income (SSI) recipients when payments to Rep Payees would serve the individual's interest.

REPRESENTATIVE PAYEE RESPONSIBILITIES

Rep Payees are responsible for using benefits to serve the beneficiary's or recipient's best interests. Their duties include:

- Using benefits to meet the beneficiary's or recipient's current and foreseeable needs;
- Conserving and investing benefits not needed to meet the beneficiary's or recipient's current needs;
- Maintaining accounting records of how the benefits are received and used;
- Reporting events to SSA that may affect the beneficiary's or recipient's entitlement or benefit payment amount;
- Reporting any changes in circumstances that would affect their performance as a Rep Payee; and
- Providing SSA annual *Representative Payee Reports* accounting for how benefits were spent and invested.

In addition, the individual Rep Payee we audited is required to submit annual accounting forms to the county probate court if acting as a guardian. The Rep Payee is also required to submit annual accounting forms to the Department of Veterans Affairs (VA) if the beneficiary receives VA benefits.

As noted above, the Rep Payee is required to report events to SSA that may affect the individual's entitlement or benefit payment amount. For example, under the SSI program a recipient is limited to \$2,000 in resources to remain eligible for benefits.¹ If the recipient exceeds this resource limit, SSA suspends the recipient's SSI payments. Such payments will resume if the recipient's resources later fall below the limit. As a result, the Rep Payee must notify SSA if a recipient's resources exceed the limit in any given month.

Earnings can also affect an individual's eligibility for SSA benefits. For example, if individuals are able to perform substantial gainful activity,² they may not be entitled to receive SSA disability payments. The Rep Payee is required to report the earnings of individuals receiving disability payments, and SSA then investigates these earnings to determine whether the individual should continue to be eligible for benefits.

REPRESENTATIVE PAYEE SYSTEM

About 6.5 million individuals have Rep Payees—approximately 4.2 million are OASDI beneficiaries, 1.7 million are SSI recipients, and 500,000 are entitled to both OASDI and SSI.³ Table 1 reflects the types of Rep Payees and the number of individuals they serve.

¹ 20 C.F.R. § 416.202(d) indicates that individuals are eligible for SSI benefits if they do not have more resources than are permitted. 20 C.F.R. § 416.1205 sets forth the statutory resource limit of \$2,000 for single individuals and \$3000 for married individuals.

² The term "substantial gainful activity" (SGA) is used to describe a level of work activity and earnings. "Substantial" work activity involves doing significant physical or mental work, or a combination of both, that is productive. SSA's Program Operations Manual System (POMS) § DI 24001.025 indicates that more than \$700 per month is considered substantial earnings for non-blind individuals for the months of July 1999 through December 2000. According to POMS § DI 24001.001, "gainful" work activity is the kind of work usually done for pay, whether in cash or in kind, or for profit, whether or not a profit is realized.

³ Numbers do not add due to rounding.

Table 1: SSA Rep Payees

Type of Rep Payee	Number of Rep Payees	Number of Individuals Served
Individual Payees: Parents, Spouses, Adult Children, Relatives, and Others	4,155,000	5,750,000
Organizational Payees: State Institutions, Local Governments and Others	44,150	690,000
Organizational Payees: Fee-for-Service	850	60,000
Total	4,200,000	6,500,000

The SSA Rep Payee System (RPS) contains information about Rep Payees and beneficiaries and/or recipients who have payees. The information includes current and prior Rep Payees, applicants who are not selected, applicants who should not be selected, and misuse of funds indicators. The RPS also includes information on the beneficiaries/recipients who are under a Rep Payee’s care, were previously under a Rep Payee’s care, or are being placed under a Rep Payee’s care pending SSA approval.

SELECTED INDIVIDUAL REPRESENTATIVE PAYEE

The Rep Payee we audited has served as an SSA Rep Payee since 1980. He is an attorney in a law firm located in Georgia, administering the finances of approximately 90 individuals. From September 1999 through August 2000, 53 of these individuals received \$352,051 in SSA benefits (see Table 2). Most of them also received other income, such as VA benefits and investment income. Their conserved funds ranged from \$365 to over \$1.3 million.⁴ In addition, these individuals ranged in age from 8 to 91 and received benefits for a variety of reasons, including disabilities, retirement, or a death in the family.

⁴ The individuals with larger estates were OASDI beneficiaries whose assets were not relevant to their eligibility.

Table 2: Benefits Received from SSA by Rep Payee

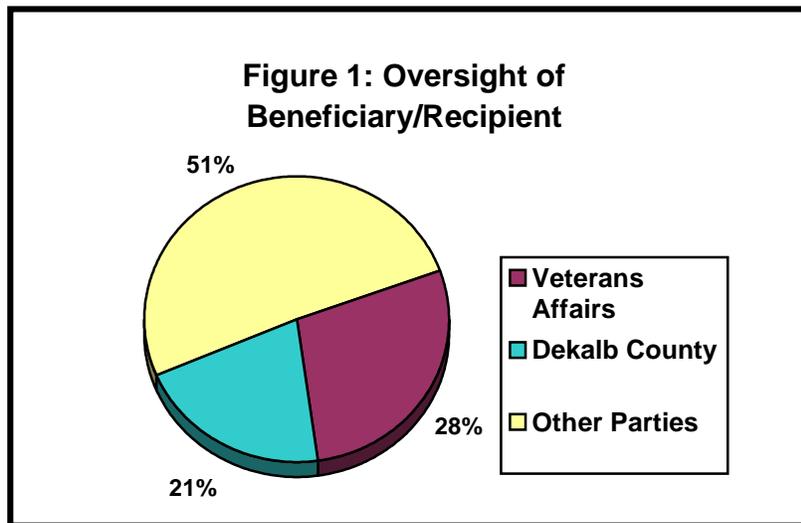
	Number of Cases	Benefits Received		Total Benefits Received
		SSI	OASDI	
SSI Only	3	\$15,660	0	\$15,660
OASDI Only	47	0	\$320,781	320,781
Concurrent	3	4,726	10,884	15,610
Total	53	\$20,386	\$331,665	\$352,051

The Rep Payee serves as Guardian of Property⁵ for 45 of the 53 individuals covered in our audit. Guardian of Property duties include exercising ordinary diligence in dealing with the individual’s financial affairs and property. As a Guardian of Property, the Rep Payee is bonded and can be held liable to the individual for losses occurring due to a lack of diligence. Although the Rep Payee is not allowed to receive a fee from SSA for assisting these 53 individuals, Georgia law allows a Guardian of Property to earn commissions for administering the finances of individuals in their care. For example, the Rep Payee earns a commission on the receipt of OASDI benefits. However, the Rep Payee does not earn a commission for individuals receiving only SSI benefits.

The Rep Payee works with other parties who serve as the Guardians of the Person.⁶ A Guardian of the Person ensures an individual’s physical needs are met. Guardians of the Person for the 53 beneficiaries in our audit included family members, caregivers, and government agencies, such as the VA and the Dekalb County’s Division of Family and Children Services (DFCS). See Figure 1 for details.

⁵ Under Georgia law, a Guardian of Property may be appointed for incapacitated adults to the extent that such adults are incapable of managing their estates and that the appointment is necessary either because the property will be wasted or dissipated unless proper management is provided or because the property is needed for the support, care, or well-being of such adults or those entitled to be supported by such adults. GA. CODE ANN. § 29-5-1(a)(2).

⁶ Georgia law indicates that a Guardian of the Person is someone appointed over the person of incapacitated adults, to the extent that such adults lack sufficient understanding or capacity to make significant responsible decisions concerning their persons or to the extent they are incapable of communicating such decisions. GA. CODE ANN. § 29-5-1(a)(1).



SCOPE AND METHODOLOGY

Our audit covered the period of September 1, 1999 through August 31, 2000. To accomplish our objectives, we:

- Reviewed the Social Security Act, SSA regulations, rules, policies and procedures pertaining to Rep Payees.
- Contacted the SSA regional office and field office staff to obtain background information about the Rep Payee's performance.
- Obtained from SSA's RPS a list of individuals who were in the Rep Payee's care and received SSA funds as of September 25, 2000 or who left the Rep Payee's care after August 31, 1999.
- Obtained from the Rep Payee a list of individuals who were in his care and received SSA funds as of September 25, 2000 or who left his care after August 31, 1999.
- Compared and reconciled the RPS and the Rep Payee's lists to identify the population of SSA individuals who were in the Rep Payee's care from September 1, 1999 through August 31, 2000.
- Reviewed and tested the Rep Payee's internal controls over the receipt and disbursement of OASDI benefits and SSI payments.
- Performed the following tests for each beneficiary and recipient:
 - Compared and reconciled benefit amounts paid according to the Rep Payee's records to benefit amounts paid according to SSA's records.

- Reviewed the Rep Payee's accounting records to determine whether benefits were properly spent or conserved on the individual's behalf. We also determined whether SSA was due a refund for any overpaid benefits.
- Traced a sample of recorded expenses to source documents and examined the underlying documentation for reasonableness and authenticity.
- Interviewed a sample of the Rep Payee's beneficiaries, personal guardians, or caregivers to determine whether their basic needs were being met.
- Requested a sample of 30 RPRs from SSA to determine whether income and expenses were correctly reported.
- Reviewed 38 RPRs provided by the Rep Payee to determine whether income and expenses were correctly reported to SSA.
- Interviewed Dekalb County Probate Court, DFCS, and VA representatives to understand and verify their accounting and monitoring processes.
- Reviewed selected Probate Court and VA records to independently verify information obtained from the Rep Payee.
- Recomputed a sample of commissions earned by the Rep Payee for his duties as a court-appointed guardian.

We performed our audit of the Rep Payee in Decatur, Georgia, and Philadelphia, Pennsylvania, from October 2000 to March 2001. We conducted our audit in accordance with generally accepted government auditing standards.

Results of Review

Based on our examination, we concluded that the Rep Payee generally (1) had effective safeguards over the receipt and disbursement of Social Security benefits and (2) ensured Social Security benefits were used and accounted for in accordance with SSA's policies and procedures. However, we could not determine whether the Rep Payee properly reported to SSA how benefits were used because SSA could not locate any of the RPRs. During our audit, we found one case where the Rep Payee did not timely notify SSA of changes in an individual's eligibility. We also found two cases where disabled beneficiaries had earnings that may affect their eligibility. However, these earnings were not reported to the Rep Payee nor investigated by SSA. Additionally, we found (1) SSA's RPS was inaccurate; (2) one individual had two different rep payees; and (3) SSA needs to improve communications with other government agencies involved with individuals under the Rep Payee's care.

OVERSIGHT OF SSA BENEFITS

We determined that, for the 53 beneficiaries who received \$352,051 in SSA funds during the period of review, the Rep Payee accurately recorded benefits received from SSA as well as expenses incurred on behalf of the individuals under its care. Based on our testing of expenditures, we concluded that the Rep Payee maintained source documents for the sample items, which allowed us to determine the expenses were reasonable and authentic. We could not determine whether the Rep Payee properly reported to SSA how benefits were used because SSA could not locate any of the RPRs that we requested (see Other Matters section of this Report).

ELIGIBILITY ISSUES

In 1 of the 53 cases we reviewed, the Rep Payee received SSI payments for an ineligible recipient who had exceeded the \$2,000 resource limit. This individual inherited about \$15,000 in 1998, making her ineligible for SSI payments. As a result, the recipient was overpaid \$8,092 in SSI payments, including \$4,596 in our audit period and \$3,496 outside the audit period.⁷ The Rep Payee informed SSA of this inheritance in March 2000, noting it had just learned of these resources. However, the accounting records show the Rep Payee could have informed SSA of these funds as early as October 1999. SSA did not take timely action after the Rep Payee notified SSA field office staff of the inheritance, and as a result we referred this same issue to SSA. SSA ceased SSI payments to this individual in March 2001 and is taking action to recover the overpayment.

We also found that two disabled beneficiaries had earnings during our audit period that could have affected their eligibility for benefits. These earnings were not reported to the Rep Payee. OASDI beneficiaries receive disability benefits based on SSA's finding that

⁷ Our estimate of overpayments includes the period from July 1999 through March 2001.

they are unable to perform substantial gainful activity. Earnings of individuals receiving disability benefits should be reported to SSA and evaluated. One beneficiary earned \$9,492 in 1999, and another earned \$3,406 in 1998 and \$2,682 in 1999.⁸ Although the earnings were posted to SSA's Master Earnings File, the first individual failed to report the earnings to the Rep Payee, while the second individual earned the money before the current Rep Payee was appointed. We referred these cases to field office staff for investigation and appropriate action.

REPRESENTATIVE PAYEE SYSTEM WAS NOT ACCURATE

The RPS information on our Rep Payee was not always accurate and/or did not match information found on SSA's Master Beneficiary Record (MBR) and the Supplemental Security Record (SSR).⁹ The RPS contains information about Rep Payees who receive OASDI benefits and SSI payments on behalf of others. This includes general information about current and prior Rep Payees, the number of beneficiaries/recipients for whom the applicant has applied or been selected, misuse of funds information, and a listing of the beneficiaries/recipients in the Payee's care.

We found:

- Three individuals were under the Rep Payee's care during our review period but were missing from the RPS list of active individuals for our Rep Payee. In addition, one individual was properly shown on the SSR under the Rep Payee, while the other two individuals were incorrectly listed under a different Rep Payee's name on the SSR and/or MBR.
- One individual was deceased and should have appeared on the RPS under the Rep Payee's listing of individuals whose benefits were terminated.
- The Rep Payee was shown in the RPS under two listings: the name of the law firm and the name of the individual attorney serving as Rep Payee within the law firm. The attorney's name was the correct account.

We could not determine the causes for the RPS errors and omissions. However, inaccurate and missing information on the RPS could result in SSA using erroneous data in their evaluation of Rep Payees.

⁸ We could not determine either individual's monthly earnings from SSA's records.

⁹ SSA's MBR contains information about OASDI beneficiaries. SSA's SSR contains SSI recipient information.

TWO REPRESENTATIVE PAYEES FOR THE SAME INDIVIDUAL

One individual had two different Rep Payees; the Rep Payee in our review received the OASDI benefits, and a second party received the SSI payments. As a result, the Rep Payee, as the legal guardian, did not have control over all of this individual's property. When the Rep Payee discovered the error in February 2000, it contacted the field office, and the issue was not resolved until November 2000 (9 months later).

With two different Rep Payees, one Rep Payee might not be kept informed of the individual's needs, making it difficult to decide how benefits could best be used for the individual's care and well being. SSI eligibility also could be affected when there is more than one Rep Payee. For instance, OASDI benefits could accumulate over the legal resource limit, making an individual ineligible for SSI payments.

COMMUNICATIONS WITH OTHER GOVERNMENT AGENCIES

In discussions with DFCS and VA staff, we determined that SSA did not effectively communicate and coordinate with other government agencies regarding individuals under the Rep Payee's care. These agencies serve as Guardians of the Person for individuals who cannot make significant decisions concerning their person. Staff from these agencies periodically visit the individuals' residences. Staff from both agencies expressed frustration when dealing with SSA and stated a desire for a more efficient exchange of information. As an example, both agencies cited the need to know the amount of SSA benefits received when setting up a budget for an individual.

In discussions with SSA employees, we found SSA was not fully aware of the role Guardians of the Person play in caring for SSA beneficiaries/recipients. While our Rep Payee had responsibility for an individual's fiduciary affairs, the Guardian of the Person also had a duty to see that the individual's physical needs were met. In fact, the Guardians of the Person have more frequent contact with the individuals, although they are not shown in SSA's records. Only the Rep Payee listed in SSA's records can readily obtain information from SSA, even though the individuals in our review were often being cared for by two parties—the Rep Payee and Guardians of the Person. When we mentioned this situation to field office staff, they noted that SSA cannot release any information to the Guardian of the Person due to privacy concerns. Nonetheless, one of the agencies suggested that a designated point of contact between SSA and the Guardians of the Person could help to facilitate the exchange of information.

Conclusions and Recommendations

Generally, the Rep Payee we audited met its responsibilities. However, we found one instance where excessive resources led to an overpayment and two additional cases of earnings that SSA is still investigating. We also determined that the RPS did not contain a complete listing of individuals under the Rep Payee's care and one individual had dual Rep Payees. In the overpayment and the dual Rep Payees cases, SSA was informed of the events but failed to take timely action. In addition, communications between SSA and other agencies caring for individuals under the Rep Payee needed improvement.

We recommend that SSA:

1. Ensure the Rep Payee returns funds it received for the recipient who was ineligible due to excess resources.
2. Re-emphasize procedures with the Rep Payee for notifying SSA when events occur that affect the eligibility of individuals in its care.
3. Update the RPS to consolidate the multiple entries for this Rep Payee and include all individuals for whom this Rep Payee was selected. In addition, ensure that all individuals assigned a Rep Payee have only one Rep Payee for all SSA benefits received.
4. Take timely action on program-related issues reported to SSA by the Rep Payee, such as excessive resources and dual Rep Payees.
5. Consider changing its method of communication and information sharing with other government agencies, such as assigning a point-of-contact between SSA and other agencies assisting the individuals under the Rep Payee's care.

AGENCY COMMENTS

In response to our draft report, SSA agreed with our recommendations and stated that the Agency had already initiated corrective actions. Specifically, SSA collected the overpayment identified. In addition, SSA contacted the Rep Payee to (1) reinforce the need for timely reporting of any events affecting an individual's eligibility and (2) update and correct the Rep Payee's information in the RPS. The full text of SSA's comments can be found in Appendix A of this report.

Other Matters

To determine whether the individual Rep Payee in our audit properly reported to SSA how benefits were used, we requested from SSA the most recently completed RPRs for 30 of the Rep Payee's beneficiaries. While the Rep Payee's staff members stated they submitted RPRs to SSA for all their beneficiaries, SSA was unable to provide any of the original RPRs we requested. Because SSA did not provide all the RPRs requested, we could not independently confirm that our audited Rep Payee met its reporting responsibilities. For the 30 RPRs SSA did not provide, we do not know whether the Rep Payee failed to submit the RPRs to SSA or whether the Rep Payee provided them to SSA and SSA could not locate them.

Appendices

Agency Comments

SOCIAL SECURITY

MEMORANDUM

Date: June 27, 2001

Refer To: Bluke21322

To: Inspector General

From: Regional Commissioner
Atlanta GA

Subject: RESPONSE-Financial-Related Audit of An Individual Representative Payee for the Social Security Administration (A-03-00-10064)

We appreciate the time and effort put forth in the representative payee review recently performed in our Region. In reference to the audit draft report submitted for review, we have the following comments:

First item - We have a long established procedure in force by which overpaid funds are recovered. When a claimant is overpaid for any reason, overpayment notices are sent and the recovery procedure is followed as needed from that point forward. The specific record addressed in the review has been resolved. The payee repaid the overpaid amount in full on May 9, 2001.

Second item - The Field Office contacted the payee via telephone to reinforce the need for timely reporting of any events affecting the eligibility of claimants for which he serves as payee. A system of contact is in place whereby the payee can contact the Social Security office via E-mail or telephone to provide updates or make inquiries on behalf of the individuals he serves.

Third item - The Field Office is working with the payee to prepare a list of all claimants requiring corrective action with regard to multiple payee entries, address updates, and any other items needing such action. The Social Security office will take the appropriate action when the list is received.

Fourth item - Timeliness of actions is recognized as a critical concern. The Field Office will ensure the continued timely processing of action items reported by the payee.

Fifth item - Social Security routinely shares information as requested with the agencies in question (DFCS and VA). Requests are received either via mail or fax and the requested information is provided.

We are pleased with the results of the review showing that for the 53 beneficiaries who received \$352,051 in SSA funds during the period of review, benefits received and expenditures were accurately recorded. The payee audited met his responsibilities for monitoring and providing for his customers' needs. The areas requiring special attention or reminders have been identified and appropriate actions have been initiated.

The representative payee program is a very important part of our ongoing workload and requires careful handling of each case. We weigh the factors in every case to establish the best possible means of payment to each of our beneficiaries. The Atlanta Region remains committed to providing the best possible service to our customers. We are especially attentive to our most vulnerable claimants, those requiring the services of a representative payee.

Please let me know if I can be of further assistance or your staff may contact Barbara Luke at 404-562-1322.

/s/
Myrtle S. Habersham

OIG Contacts and Staff Acknowledgments

OIG Contact

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Acknowledgments

In addition to the individuals named above:

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Michael Thomson, Senior Auditor

Walter Mingo, Auditor

Kimberly Beauchamp, Writer/Editor

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Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives	1
Chairman, Committee on Appropriations, U.S. Senate	1
Ranking Minority Member, Committee on Appropriations, U.S. Senate	1
Chairman, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate	1
Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate	1
Chairman, Committee on Finance	1
Ranking Minority Member, Committee on Finance	1
Chairman, Subcommittee on Social Security and Family Policy	1
Ranking Minority Member, Subcommittee on Social Security and Family Policy	1
Chairman, Senate Special Committee on Aging	1
Ranking Minority Member, Senate Special Committee on Aging	1
Vice Chairman, Subcommittee on Government Management Information and Technology	1
President, National Council of Social Security Management Associations, Incorporated	1
Treasurer, National Council of Social Security Management Associations, Incorporated	1
Social Security Advisory Board	1
AFGE General Committee	9
President, Federal Managers Association	1
Regional Public Affairs Officer	1
Total	97

Overview of the Office of the Inspector General

Office of Audit

The Office of Audit (OA) conducts comprehensive financial and performance audits of the Social Security Administration's (SSA) programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress, and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency.

Office of Executive Operations

OEO supports the OIG by providing information resource management; systems security; and the coordination of budget, procurement, telecommunications, facilities and equipment, and human resources. In addition, this office is the focal point for the OIG's strategic planning function and the development and implementation of performance measures required by the *Government Performance and Results Act*. OEO is also responsible for performing internal reviews to ensure that OIG offices nationwide hold themselves to the same rigorous standards that we expect from SSA, as well as conducting investigations of OIG employees, when necessary. Finally, OEO administers OIG's public affairs, media, and interagency activities, coordinates responses to Congressional requests for information, and also communicates OIG's planned and current activities and their results to the Commissioner and Congress.

Office of Investigations

The Office of Investigations (OI) conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Counsel to the Inspector General

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation, and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.

