
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**ORGANIZATIONAL REPRESENTATIVE PAYEE
SERVING AS AN
INDIVIDUAL REPRESENTATIVE PAYEE
IN PHILADELPHIA, PENNSYLVANIA**

September 2009

A-03-09-29094

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.
- 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.
- 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.
- Authority to publish findings and recommendations based on the reviews.

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.



SOCIAL SECURITY

MEMORANDUM

Date: September 23, 2009

Refer To:

To: Laurie Watkins
Regional Commissioner
Philadelphia

From: Inspector General

Subject: Organizational Representative Payee Serving as an Individual Representative Payee in Philadelphia, Pennsylvania (A-03-09-29094)

OBJECTIVE

Our objectives were to determine whether the representative payee (1) had effective safeguards over the receipt and disbursement of payments made under the Old-Age, Survivors and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs; (2) used and accounted for benefit payments in accordance with Social Security Administration (SSA) policies and procedures; and (3) adequately protected personally identifiable information for beneficiaries in its care. In addition, we assessed the risk of the representative payee serving as both an organizational and individual payee.

BACKGROUND

Some individuals cannot manage or direct the management of their finances because of their youth or mental and/or physical impairments. Congress granted SSA the authority to appoint representative payees to receive and manage these beneficiaries' payments.¹ A representative payee may be an individual or an organization. SSA selects representative payees for OASDI beneficiaries or SSI recipients when representative payments would serve the individuals' interests. Representative payees are responsible for managing benefits in the best interest of the beneficiary.² See Appendix B for additional representative payee responsibilities.

¹ We use the term "beneficiary" in this report to refer to both OASDI beneficiaries and SSI recipients. Further, we use the term "benefits" in this report to refer to both OASDI benefits and SSI payments.

² *Social Security Act* §§ 205(j) and 1631(a)(2); 42 U.S.C. §§ 405(j) and 1383(a)(2).

During our August 2009 audit, *Individual Representative Payees Serving Multiple Beneficiaries* (A-13-08-28089), we found that one of the individual representative payees also served as an organizational representative payee for two group homes in Philadelphia, Pennsylvania—Quality Assisted Living and Chestnut Manor I. In addition, we learned the payee did not know the whereabouts of one of the beneficiaries in his care. Based on this information, we initiated a separate review of this representative payee. Our review covers the activities related to the representative payee’s assignment as both an organizational and individual payee. During our audit period, January 1, 2007 to September 30, 2008, the representative payee served as a payee for 27 (active and terminated) SSA beneficiaries and received payments totaling about \$313,000 on their behalf.

Table 1: Representative Payee’s Beneficiaries and Benefit Amount

Type of Payee	Title of Payee/Organization	Beneficiaries	Amount of Benefits
Individual	Representative Payee	9 ^a	\$140,932
Organization	Quality Assisted Living	11	\$104,954
Organization	Chestnut Manor I	7	\$67,074
Total		27	\$312,960

Note a: Although the representative payee was assigned as an individual payee for nine beneficiaries, eight lived at the Quality Assisted Living facility, and one lived at the representative payee’s residence.

National Research Council of the National Academies Report

In July 2007, the National Research Council of the National Academies (National Academies) issued a report, *Improving the Social Security Representative Payee Program: Serving Beneficiaries and Minimizing Misuse*. In its report, the National Academies discussed the results of its national survey including payee performance, prevention and detection of payee misuse, and SSA’s Representative Payment Program policies and practices. The study was restricted to individual payees serving fewer than 15 beneficiaries and non-fee-for-service organizational payees serving fewer than 50 beneficiaries.

The National Academies’ study of payees found several cases in which individuals were payees for numerous beneficiaries and affiliated with organizations that served the beneficiaries, possibly as fee-for-service organizations. In many of these cases, it was reported that the representative payee not only disbursed SSA benefits but also provided services, including shelter and food. Further, it was reported when a payee is a beneficiary’s creditor, either as a landlord or as a provider of board and care, it is unclear whose interests are being served.

The study concluded SSA's designation of "individual payee" is too broad. Further, the study reported the designation mixes payees who serve a single or a few beneficiaries with payees who operate group homes for up to 14 beneficiaries. The National Academies' report indicated individual payees who are owners or administrators of group homes have an inherent conflict of interest and, as a result, concluded that payees of this type require special monitoring.

RESULTS OF REVIEW

Our review found that the representative payee did not manage benefits in the beneficiaries' best interests. Specifically, we found that the representative payee (1) did not have effective safeguards over the receipt and disbursement of Social Security benefits and was unable to show that benefits were spent for the beneficiaries' needs; (2) failed to promptly report to SSA that a beneficiary was no longer in his care, as required by SSA policy; and (3) received SSA benefits for beneficiaries not in his care, which may constitute an assignment-like situation prohibited by SSA policy. Moreover, we found that SSA had limited oversight of the representative payee serving in more than one capacity, which hindered the Agency's ability to adequately monitor the representative payee's performance and protect beneficiaries from misuse.

RECEIPT AND DISBURSEMENT OF SOCIAL SECURITY BENEFITS

We found the representative payee did not have adequate internal controls for the receipt and disbursement of Social Security benefits. Specifically, the representative payee did not maintain sufficient supporting documentation to account for the expenditure of beneficiaries' funds. In addition, some bank accounts used by the representative payee to receive and hold beneficiaries' Social Security benefits were not titled properly to show that the representative payee held the accounts in a fiduciary capacity on the beneficiaries' behalf. Lastly, the representative payee commingled benefit payments with his operating account.

Insufficient Supporting Documentation

The representative payee received about \$313,000 in benefit payments during the review period. However, the representative payee was unable to provide supporting documentation to account for about \$105,000 (34 percent) in expenditures for 10 of the 27 beneficiaries in his care (Table 2). The representative payee did not have evidence of an agreement or contract that defined what the representative payee's duties were, the services rendered to the beneficiaries, or the beneficiaries' obligations. For the remaining 17 beneficiaries, the representative payee provided evidence that supported the \$207,000 (66 percent) in expenditures. The evidence included agreements between the representative payee and the beneficiaries that defined the services provided to beneficiaries (for example, room and board, health care services, personal care services, and clothing) and the cost of the care provided by the representative payee.

Federal regulations require that representative payees account for the use of benefits and indicate that payees should keep records of how benefits were used.³ Although we were not able to confirm how these funds were expended without supporting documentation, nothing came to our attention that led us to believe that food, clothing, and shelter were not being provided to the beneficiaries. Furthermore, our interviews with nine beneficiaries did not disclose any concerns that led us to believe the beneficiaries' needs were not being met.

Table 2: Beneficiaries Without Supporting Documentation

Type of Payee	Title of Payee/Organization	Beneficiaries
Individual	Representative Payee	6 ^a
Organization	Quality Assisted Living	2
Organization	Chestnut Manor I	2
Total		10

Note a: All six beneficiaries lived at the Quality Assisted Living facility.

Collective Bank Accounts Did Not Meet SSA Requirements

The representative payee did not properly title two checking accounts used to deposit and issue personal allowances to beneficiaries.⁴ The two collective accounts were not titled to show the funds belonged to SSA beneficiaries.⁵ Instead, both accounts were titled with the name of the two group homes. Federal regulations generally require that payees show the beneficiary's ownership, and SSA policy requires that collective accounts be properly titled to show the representative payee holds the account in a fiduciary capacity on the beneficiaries' behalf.⁶ The beneficiaries must own the account without having access to it, and the payee cannot have a personal interest in the account.⁷

³ 20 C.F.R. §§ 404.2065 and 416.665.

⁴ SSA policy indicates that a minimum of \$30 per month should be set aside by payees to be used for beneficiaries' personal needs (clothing, miscellaneous, transportation expenses, etc.) or saved on his/her behalf for any beneficiary residing in any type of facility; hospitals, nursing homes, etc. SSA Program Operations Manual System (POMS), GN 00602.010 B.2.

⁵ A collective account is established to hold funds belonging to more than one beneficiary.

⁶ Federal regulations, 20 C.F.R. §§ 404.2035 and 416.635, specifically indicate that a representative payee has a responsibility to keep any benefits received separate from his or her own funds and show the ownership by the beneficiary/recipient unless he or she is the spouse or natural or adoptive parent or stepparent and lives in the same household with the beneficiary/recipient or is a State or local government agency for whom SSA has granted an exception to this requirement. Also, see SSA, POMS, GN 00603.020. B.

⁷ Id.

Individual Bank Accounts Did Not Meet SSA Requirements

The representative payee did not properly title individual bank accounts for four of the nine beneficiaries who had bank accounts. The four accounts that were not properly titled were established for the Chestnut Manor I facility. While the accounts included the organization's and beneficiaries' names, they did not show the organization was the representative payee. SSA policy indicates that accounts are to be properly titled with the names of the beneficiary and the representative payee.⁸ In addition, the title should clearly show that the payee holds the funds in trust for the beneficiary and has only a fiduciary interest in the account.⁹ The proper titling of accounts allows protection with Federal Deposit Insurance Corporation-insured financial institutions and allows for protection from the representative payee's creditors if needed.

Commingling of Benefit Payments

We found the representative payee commingled 18 beneficiaries' payments with his operating account. Federal regulations indicate that a representative payee has a responsibility to keep any benefits received on behalf of beneficiaries separate from his or her own funds.¹⁰ According to the representative payee, he received the beneficiaries' payments by paper check, cashed the checks at a local check-cashing facility, and deposited the funds in the organization's operating account. The representative payee did not maintain check registers or copies of the canceled checks to account for about \$170,000 (54 percent) of the \$313,000 in payments received for the 18 beneficiaries. SSA's Guide for Representative Payees¹¹ encourages payees to have benefit payments direct-deposited into a bank account. Direct deposit is a more secure way of receiving payments, protects beneficiaries from loss and theft, and improves recordkeeping.

REPORTING CHANGES IN BENEFICIARY CIRCUMSTANCES

Our review found that the representative payee did not promptly report changes in beneficiary circumstances to SSA. Specifically, we found the representative payee did not notify SSA that a beneficiary in his care had been missing. SSA policy requires that a representative payee promptly report to SSA any changes that may affect the individual's entitlement or payment amount.¹²

⁸ SSA, POMS, GN 00603.010. B.1.

⁹ SSA, POMS, GN 00603.010. A.

¹⁰ 20 C.F.R. §§ 404.2035(b) and 416.635(b).

¹¹ Social Security, A Guide For Representative Payees, January 2009, page 13.

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

While conducting our previous audit, we learned that one of the beneficiaries in the payee's care had been missing since early September 2008. During two visits in September 2008, the representative payee informed us that he did not know the beneficiary's whereabouts and failed to report this event to SSA. We informed SSA on September 24, 2008 that the beneficiary had been missing. SSA paid the October 2008 benefits to the representative payee but suspended the payments from November 2008 to February 2009 when the beneficiary was found living in another State. In February 2009, the Agency assigned a new representative payee who received the suspended benefit payments for the 4-month period. Because we immediately reported this event to SSA, it avoided the representative payee receiving an overpayment for this beneficiary from November 2008 to February 2009.

UNREPRESENTED BENEFICIARIES

The representative payee received payments totaling about \$33,000 for three beneficiaries for whom he was not the representative payee of record. These arrangements appear to be a landlord/tenant arrangement, which may constitute an assignment-like situation that is prohibited by SSA policy.¹³

Direct Deposit of Checks

We found that about \$32,000 in Social Security payments was direct deposited into the representative payee's operating account for the Quality Assisted Living facility for two beneficiaries who were not assigned a representative payee. One beneficiary, who was receiving OASDI and SSI benefits, resided at the Quality Assisted Living facility. The other beneficiary, who was receiving SSI disability payments, resided in another property owned by the representative payee. Thus, these arrangements appear to be a landlord/tenant arrangement, which may constitute an assignment-like situation and is prohibited by SSA policy. Since the payee is receiving their benefit payments, SSA should determine whether the two beneficiaries can manage or direct the management of their finances and if not, assign an appropriate representative payee.

Endorsement of Beneficiary's Check

The representative payee also received payments totaling about \$1,000 for another beneficiary who lived at the Quality Assisted Living facility from August through October 2008. It should be noted that SSA's records did not indicate that the beneficiary had been assigned a representative payee. We found that the representative payee endorsed and cashed benefit checks for the beneficiary, who was receiving both OASDI and SSI benefits for disability. The representative payee stated that he cashed the checks at the beneficiary's request because the beneficiary did not have any

¹³ The *Social Security Act* provides, in part, that the right of any person to any future payment under this title shall not be transferable or assignable. The *Social Security Act* § 207(a), 42 U.S.C. § 407(a). SSA policy states, "Any arrangement in which the claimant shares control of the funds from his or her benefit with a person or entity that has an interest in charging or collecting money from the claimant is an assignment-like situation that violates SSA's policy." SSA, POMS, GN 02410.001. D.2.

identification. Further, he stated that, as of November 2008, the beneficiary no longer lived at the Quality Assisted Living facility. However, our review of SSA's records showed that the payments continued to be mailed to the Quality Assisted Living facility until May 2009. Further review indicated that these checks were endorsed by either the beneficiary or the beneficiary and someone other than the representative payee. We were not able to determine the relationship between the beneficiary and the other person who had endorsed the checks.

SSA policy states that the beneficiary's mailing address should be where he/she resides or his/her own post office box (or the residence address or post office box of his/her representative payee).¹⁴ This policy also indicates that any other address is questionable and will not be acceptable if it facilitates an assignment of benefits; or directs checks to a location where the payee cannot readily negotiate them; or permits the check payee to conceal information which, if known to SSA, would result in nonpayment of benefits, substitution of payee, etc. In June 2009, SSA determined that the beneficiary could not manage her finances and assigned a representative payee not affiliated with the Quality Assisted Living facility to receive and manage her benefits.

OVERSIGHT OF REPRESENTATIVE PAYEE

We found SSA had limited oversight of the representative payee serving as both an individual and organizational payee. The representative payee had three separate entries (individual payee; organizational payee: Chestnut Manor; and Quality Assisted Living) in SSA's database used to track and monitor representative payees, and the entries were not linked to provide SSA with a complete view of the payee. This hindered the Agency's ability to adequately monitor the representative payee's performance and protect beneficiaries from misuse.

Monitoring of Payee's Performance

Our review determined that the representative payee served as an individual payee for 12 years (since 1997) and served as an organizational payee for 10 years (since 1999). SSA was unaware the representative payee served in both capacities simultaneously primarily because SSA's Representative Payee System (RPS),¹⁵ which is an integrated system used to maintain records of representative payees and their assigned beneficiaries, was not designed to show if a representative payee was serving in more than one capacity or operated more than one facility. The RPS had three separate entries for the representative payee, and the entries were not linked to provide SSA with a complete view of the payee.

¹⁴ POMS, GN, 02605.005. A.

¹⁵ The RPS processes payee applications, queries payee performance, processes mass change actions (including change of address of organizational payees), documents misuse determinations, documents any significant information about the payee, and documents reasons for payee appointment or non-appointment.

During Fiscal Years (FY) 2007 through 2009, SSA did not conduct any reviews of the representative payee. We believed this occurred because the Agency was unaware of the representative payee's dual designation as a payee, and the payee served a small number of beneficiaries under each designation (no more than 11 beneficiaries, as shown in Table 1). In FY 2007, SSA began conducting random reviews of organizational representative payees serving fewer than 50 beneficiaries and individual payees serving fewer than 15 beneficiaries to verify how payees used benefits and to help ensure they were carrying out their responsibilities. However, we found that for FYs 2007 to 2009, the Philadelphia Region had conducted random reviews of 33 individual payees, and only 2 (6 percent) of these payees served fewer than 10 beneficiaries. On average, these individual payees served 12 beneficiaries, 3 more than the representative payee served. Further, we found the Region had conducted 87 random reviews of organizational payees serving 50 or fewer beneficiaries, and none of the organizational payees served fewer than 19 beneficiaries. On average, they served 46 beneficiaries, 28 more than the representative payee served at both facilities.

By not monitoring representative payees that serve a small number of beneficiaries under multiple designations, SSA is at risk that representative payees may not be meeting their responsibilities and beneficiary payments may not be used in the best interest of the beneficiary.

Transferring Payees Between Payee Designation

Because SSA was unaware that the payee served as both an individual payee and organizational payee for two facilities, the payee was able to transfer beneficiaries between the two different designations without SSA's knowledge. We found the representative payee had transferred two beneficiaries from his organization designation for the Quality Assisted Living facility to his individual payee designation even though the two beneficiaries continued to live at that facility. According to the RPS, the organizational payee was terminated because a more suitable payee was assigned, yet both beneficiaries remained under the care of the same payee. Without the ability to link payee records, there is an increased risk that payees can transfer beneficiaries between their facilities even when SSA has determined that they are no longer suitable to perform payee responsibilities.

CONCLUSION AND RECOMMENDATIONS

The representative payee needs to improve safeguards over the receipt and disbursement of Social Security benefits. Specifically, we found the representative payee did not (1) maintain sufficient supporting documentation that would account for the expenditure of beneficiaries' funds; (2) title bank accounts in accordance with SSA's policy; or (3) establish direct deposit for all beneficiaries. We also found the representative payee failed to report to SSA changes in a beneficiary's circumstances

that could affect the benefits. Finally, we found that SSA had limited oversight of the representative payee serving in more than one capacity, which hindered the Agency's ability to adequately monitor the payee's performance and protect beneficiaries from misuse.

We recommend SSA:

1. Refrain from placing additional beneficiaries with this representative payee until the representative payee has implemented corrective actions to ensure Social Security benefits are properly used and accounted for. If these corrective actions are not implemented within 6 months, consider placing each of the representative payee's beneficiaries with a new representative payee.
2. Instruct the representative payee to follow SSA's requirements for the proper titling of bank accounts and keep accurate and complete records for each beneficiary.
3. Encourage the representative payee to have payments direct deposited into accounts for beneficiaries in his care who do not have bank accounts.
4. Instruct the representative payee to promptly notify SSA of any changes in a beneficiary's circumstances.
5. Determine whether the two beneficiaries not assigned a representative payee can manage or direct the management of their finances and if not, assign a representative payee.
6. Update the RPS to consolidate the multiple entries for the representative payee at the Quality Assisted Living Facility and include all beneficiaries for whom this representative payee is assigned.
7. Conduct follow-up reviews of the representative payee to ensure the payee is complying with SSA's requirements.

AGENCY AND REPRESENTATIVE PAYEE COMMENTS

SSA agreed with our recommendations, and Quality Assisted Care, Inc. has indicated it has taken certain corrective actions. See Appendix D for the full text of SSA's comments and Appendix E for the full text of comments from Quality Assisted Care, Inc.



Patrick P. O'Carroll, Jr.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Representative Payee Responsibilities

APPENDIX C – Scope and Methodology

APPENDIX D – Agency Comments

APPENDIX E – Representative Payee Comments

APPENDIX F – OIG Contacts and Staff Acknowledgments

Acronyms

FY	Fiscal Year
National Academies	National Research Council of the National Academies
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
RPS	Representative Payee System
SSA	Social Security Administration
SSI	Supplemental Security Income

Representative Payee Responsibilities

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

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

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

Scope and Methodology

In conducting this review, we:

- Reviewed applicable laws, regulations, and Social Security Administration (SSA) policies and procedures pertaining to representative payees.
- Reviewed prior work performed by the Office of the Inspector General and SSA in the representative payee area.
- Contacted the SSA Philadelphia Regional Office and Philadelphia field office staffs to obtain background information and prior audits regarding the individual representative payee.
- Reviewed the 27 beneficiaries (active and terminated) in the representative payee's care for the period January 1, 2007 to September 30, 2008 and performed the following tests.
 - ✓ Compared and reconciled a list of Social Security beneficiaries in the representative payee's care from the payee to a list obtained from SSA's Representative Payee System.
 - ✓ Reviewed the most current Representative Payee Accounting Reports for assigned beneficiaries to determine whether the representative payee properly reported to SSA how benefits were used.
 - ✓ Reviewed the representative payee's internal controls over the receipt and disbursement of Social Security benefits.
 - ✓ Reviewed the payee's accounting records to determine whether benefits were properly spent or conserved on the individual's behalf.
 - ✓ Observed the living conditions and interviewed nine beneficiaries to determine whether their basic needs were being met.
 - ✓ Reviewed the representative payee's policies and procedures for the protection of personally identifiable information.

We performed our fieldwork in Philadelphia, Pennsylvania, between November 2008 and May 2009. We found the data used for this audit were sufficiently reliable to meet our audit objectives. We conducted this performance 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.

Agency Comments

Thursday, August 27, 2009

Subject: Comments on Draft Report (22009007) re: Org. Payee Serving as Individual Payee in Phila., PA

Thank you for the opportunity to comment on this draft report. We agree with the recommendations being made and will take appropriate action upon release of the final report. We will need the names and SSNs of the beneficiaries to whom Recommendations 3, 4, and 5 relate in order to take the corrective action needed.

We understand that you have shared parts of the draft report with Austin Virgo, the payee, and are awaiting comments from him as well. We look forward to hearing what he has to say.

If you have any questions, feel free to contact Jim Siegel, of the Center for Program Support, at (215) 597-1364.

Laurie Watkins
Regional Commissioner
Philadelphia Region

Representative Payee Comments

**QUALITY ASSISTED CARE INC.
3411 N 17 STREET
PHILADELPHIA, PA, 19140
OFFICE: 215-223-4475/ CELL: 215-768-1982**

**Date: September 4, 2009
From: Austin Virgo.
To: Social Security Administration
Att: Carol Madonna**

Subject: Plan of Correction

Corrective action has been implemented to ensure Social Security benefits are properly used and accounted for.

Each beneficiary who reside at Quality Assisted Care and Chestnut Manor now has an established checking account that shows beneficiary's name first as owner and organization as representative payee. Were their benefits will be directly deposited in their individual account.

The monthly rental contract charges for each beneficiary include personal care services, food, clothing, transportation, and shelter will be transfer from the beneficiary checking account to the organization business account. A minimum of eighty five dollars of the beneficiary funds will be available for the beneficiary personal and spending needs. Each beneficiary will sign as they received their \$85.00. Complete and accurate record will be kept for each beneficiary.

Social Security Administration will be notified promptly of any changes in beneficiary circumstances as required by Social Security Administration.

OIG Contacts and Staff Acknowledgments

OIG Contacts

Cylinda McCloud-Keal, Director, Philadelphia Audit Division

Carol Madonna, Audit Manager

Acknowledgments

In addition to those named above:

Walter Mingo, Senior Auditor

For additional copies of this report, please visit our web site at www.socialsecurity.gov/oig or contact the Office of the Inspector General's Public Affairs Staff Assistant at (410) 965-4518. Refer to Common Identification Number A-03-09-29094.

DISTRIBUTION SCHEDULE

Commissioner of Social Security

Office of Management and Budget, Income Maintenance Branch

Chairman and Ranking Member, Committee on Ways and Means

Chief of Staff, Committee on Ways and Means

Chairman and Ranking Minority Member, Subcommittee on Social Security

Majority and Minority Staff Director, Subcommittee on Social Security

Chairman and Ranking Minority Member, Committee on the Budget, House of Representatives

Chairman and Ranking Minority Member, Committee on Oversight and Government Reform

Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives

Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives

Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate

Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate

Chairman and Ranking Minority Member, Committee on Finance

Chairman and Ranking Minority Member, Subcommittee on Social Security Pensions and Family Policy

Chairman and Ranking Minority Member, Senate Special Committee on Aging

Social Security Advisory Board

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts 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 reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts investigations 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 liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Counsel to the Inspector General

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG 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. Also, OCIG administers the Civil Monetary Penalty program.

Office of External Relations

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.