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**OFFICE OF  
THE INSPECTOR GENERAL**

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**SOCIAL SECURITY ADMINISTRATION**

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**FOLLOW-UP: ANALYSIS OF  
INFORMATION CONCERNING  
REPRESENTATIVE PAYEE MISUSE  
OF BENEFICIARIES' PAYMENTS**

**A-13-06-26097**

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**EVALUATION  
REPORT**

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## **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.**
- 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**

**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

### MEMORANDUM

Date: January 18, 2007

Refer To:

To: The Commissioner

From: Inspector General

Subject: Follow-up: Analysis of Information Concerning Representative Payee Misuse of Beneficiaries' Payments (A-13-06-26097)

### OBJECTIVE

Our objective was to determine the extent to which the Social Security Administration (SSA) implemented certain recommendations from our June 2002 report, *Analysis of Information Concerning Representative Payee Misuse of Beneficiaries' Payments*.

### BACKGROUND

Some individuals cannot manage or direct the management of their benefits 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'<sup>1</sup> payments. A representative payee may be an individual or an organization. SSA selects representative payees for Old-Age, Survivors and Disability Insurance beneficiaries or Supplemental Security Income recipients when representative payment would serve the individual's interests.

A representative payee is required to use the funds only for the beneficiary's use and benefit. Benefit misuse occurs when representative payees do not use payments for the beneficiary's current and foreseeable needs or do not conserve unused funds for the beneficiary. SSA is responsible for monitoring representative payees and for investigating all allegations of misuse. When SSA determines misuse has occurred, the suspected violation should be referred to the Office of the Inspector General (OIG) to consider possible criminal, civil, and/or administrative remedies.

Our prior report identified several concerns in SSA's monitoring and oversight of representative payees and made recommendations to address these issues. Of the seven recommendations in our June 2002 report (Appendix B), we reviewed the extent

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<sup>1</sup> For the purpose of this report, the term "beneficiary" is used for both Old-Age, Survivors and Disability Insurance beneficiaries and Supplemental Security Income recipients.

to which SSA implemented six. See Appendix C for detailed discussions of the Scope and Methodology and Appendix D for the Sampling Methodology. We did not review the recommendation regarding SSA's creation and implementation of management controls to ensure compliance with mandatory repayment of misused benefit payments when representative payees are retained after benefit payment misuse has occurred. Our August 17, 2006 report, *Restitution of Misused Funds to Beneficiaries Under Public Law 108-203*, relates to this recommendation. In general, the audit disclosed that SSA adequately implemented section 101 of Public Law 108-203.

During our review, we analyzed information from two Representative Payee System (RPS)<sup>2</sup> data extracts. First, in February 2006,<sup>3</sup> we obtained a data extract of individual representative payees with "misuse determinations"<sup>4</sup> made between November 2002 and February 2006. Second, we obtained a data extract of individual representative payees serving beneficiaries as of April 2006.<sup>5</sup> In addition, we evaluated data recorded in RPS<sup>6</sup> for the 521 individual representative payees identified in our June 2002 review.

The February 2006 data extract indicated SSA made misuse determinations pertaining to 2,603 individual representative payees between November 2002 and February 2006. We examined the data to identify payees having misuse determinations that were not referred to OIG. Of these, we selected a sample of 35 payees for review (Appendix D).

In addition, we evaluated the February 2006 data extract for individual representative payees having misuse determinations made after issuance of our prior report but who were continuing to serve as payees. Specifically, we examined 2,423 payees who had misuse determinations made between January 2003 and December 2005.

Also, we used the February 2006 data extract to analyze data regarding periodic assessments of the continued suitability of individual representative payees who previously misused benefit payments. We examined all 48 payees having (1) misuse determinations made between January 2006 and February 2006 and (2) the misuse of funds ended during this same period.

Finally, our April 2006 data extract identified 5,555,784 individual representative payees serving beneficiaries. We matched these payees' Social Security numbers against Social Security numbers of beneficiaries being served by individual representative

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<sup>2</sup> RPS contains data about representative payee applicants and individuals in the representative payee's care. Social Security Act § 205(j)(3)(F), 42 U.S.C. 405(j)(3)(F).

<sup>3</sup> The data extract was obtained from SSA's records as of February 28, 2006.

<sup>4</sup> For the purpose of this report, the term "misuse determination" denotes when SSA has made a decision that misuse occurred.

<sup>5</sup> The data extract was obtained from SSA's records as of April 14, 2006.

<sup>6</sup> We examined data recorded in RPS as of February 21, 2006.

payees. This match identified 800 payees who also had payees themselves. Of these 800, we reviewed all 75 payees who were appointed during Calendar Year 2005.

## RESULTS OF REVIEW

Based on our review, SSA took some level of corrective action on most recommendations we reviewed from our June 2002 report, *Analysis of Information Concerning Representative Payee Misuse of Beneficiaries' Payments*. However, we found there was not full compliance with all Agency policies and procedures applicable to certain recommendations. During our follow-up review, we were unable to identify evidence that SSA referred all misuse cases to OIG for further review. In addition, we identified instances involving pending representative payees that may have resulted in payees serving beneficiaries while having payees for their own benefits at the same time.

### Recommendations from Our Prior Review

Below, we discuss Recommendations 1 through 4, 6 and 7; the corrective actions taken by the Agency; and the results of our review. Recommendation 5 is not discussed in this report because our August 2006 report relates to this recommendation.

**Recommendation 1:** We recommended that SSA develop and implement a process to identify and refer prior known instances of representative payee misuse to the OIG for possible criminal, civil and/or administrative remedies.

The Agency stated it would work with OIG to identify and formally refer all cases involving representative payee misuse, including the 521 instances of misuse identified in our June 2002 report.

SSA staff indicated the 521 misuse cases were referred to OIG for further review. However, Agency staff did not provide evidence that SSA referred all the misuse cases. To verify SSA's referral of prior known instances of payee misuse, we reviewed data for the 521 individual representative payees identified in our prior report. Of the 521, we used information in an OIG information system to determine 124 misuse cases were referred for review. We were unable to identify evidence that SSA referred the remaining 397 misuse cases. Further, we could not determine why the cases were not referred to OIG. At the time of our 2002 review, the 397 representative payees had misused approximately \$4.5 million in benefit payments. As of August 2006, these misuse cases were over 6 years old.

**Recommendation 2:** We recommended SSA follow existing policy<sup>7</sup> for referring all future representative payee misuse cases to the OIG for possible criminal, civil and/or administrative remedies.

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<sup>7</sup> Program Operations Manual System (POMS) GN 00604.045B6c.

The Agency reported it issued Administrative Message (AM) 02108 to field offices on June, 28, 2002. In the reminder, SSA stated

All approved misuse determinations must be referred to the OIG regardless of the misuse amount and disposition of the case (GN 00604.045). Refer misuse determinations to OIG formally, regardless of whether the misused funds are being repaid, have been paid in full or efforts to recover the misused funds have been abandoned.

To assess SSA's referral of payee misuse to OIG, we analyzed certain misuse determinations identified in our February data extract. From November 2002 through February 2006, SSA made misuse determinations for 2,603 individual representative payees. Of the 2,603, we found evidence indicating 734 payees (28 percent) were referred to the OIG. Of the remaining 1,869 payees (72 percent), we selected 35 for further review. In June 2006, we requested SSA provide evidence these payees were referred to OIG or determine why the referrals were not made.

As of October 6, 2006, the Agency had provided information pertaining to 21 payees. Of the 21, SSA reported it was reviewing 9 payees. For the remaining 12 payees, 3 were referred to OIG after our June 2006 inquiry; 2 were not referred because of low dollar values of the misuse; and 1 was not referred because recovery of misused funds was unlikely. SSA reported misuse determination data in RPS for the remaining 6 payees was incorrect. According to Agency staff, these errors occurred because some misuse determinations may have been recorded in RPS before "development" was complete to conclude payees misused funds.

The results of our review indicated SSA staff did not fully comply with AM 02108. Staff interpretation of the policy may have resulted in the misuse determinations not being referred to the OIG. The Agency should increase compliance by initiating referrals through RPS when "approved misuse determinations" are entered into RPS. RPS could be modified so the electronic version of Form SSA-8551-U4 (e8551), *Referral of Potential Violation*, would be generated when the misuse data are entered.

**Recommendation 3:** We recommended SSA comply with Agency policy that representative payees are rarely retained after misuse has occurred.

The Agency issued a reminder<sup>8</sup> stating particular care must always be taken in retaining any payee who has misused funds.

To determine whether payees who misused funds continued to serve as payees, we examined information in RPS for the 521 payees identified in our prior report. In addition, we identified and reviewed the 2,423 individual representative payees with misuse determinations between January 2003 and December 2005. We found 81 (15.5 percent) of the 521, and 556 (22.9 percent) of the 2,423 individuals were retained to serve as payees. Further examination revealed most individuals retained as payees

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<sup>8</sup> AM 02108.

were relatives of the beneficiaries. SSA policy ranks natural and adoptive parents and other relatives “high” in its preferred order of payee selection (see Table 1).

**Table 1: Payees Retained After Misuse Relationship to Beneficiaries**

<i>Relationship of Payee to Beneficiary</i>	<i>Committed Misuse June 2002 Review</i>	<i>Misuse Determinations January 2003 to December 2005</i>	<i>Total</i>
Mother	61	342	403
Father	12	59	71
Other Relative	7	63	70
Grandparent	1	19	20
Child	0	14	14
Spouse	0	10	10
Other Individual (Friend etc.)	0	47	47
Blank	0	2	2
<b>Total</b>	<b>81</b>	<b>556</b>	<b>637</b>

Also, after SSA initially determined funds had been misused, the RPS data indicated three individual representative payees subsequently committed misuse.

**Recommendation 4:** We recommended SSA periodically assess the continued suitability of representative payees who previously misused benefit payments. SSA should closely monitor these representative payees to detect and prevent the misuse of benefit payments belonging to its most vulnerable beneficiaries.

The Agency stated it would review instructions to clarify and emphasize the requirements to monitor payees retained after misusing beneficiary funds and explore the use of system controls to ensure follow-up reviews to assess representative payee continued suitability. SSA did not issue new or modified policy concerning requirements to monitor payees retained after misusing beneficiary funds. Also, new system controls were not instituted for follow-up reviews to assess representative payee continued suitability.

Regarding monitoring payees who previously misused funds, SSA policy<sup>9</sup> directs that the appointment of questionable payees must be monitored by personal contact. This includes payees who have questionable prior or current service. Further, Agency policy<sup>10</sup> directs the use of diaries as a method of facilitating such follow-up activities.

To determine whether SSA assessed the continued suitability of payees who previously misused benefit payments, we examined all 48 individual representative payees who had (1) misuse determinations made between January and February 2006 and (2) the

<sup>9</sup> POMS GN 00504.185.

<sup>10</sup> POMS GN 00502.134.

misuse of funds ended during the same period. Of the 48 payees, 41 (85 percent) were no longer serving as individual representative payees, and 7 (15 percent) were still serving as payees. For these seven payees, we did not find diaries pertaining to follow-up activities, as required by SSA’s policy (see Table 2).

**Table 2: Relationship of Payees to Beneficiaries Served**

<i>Relationship of Payee to Beneficiary</i>	<i>Number of Payees</i>	<i>Amount of Benefits Payments Misused by Payee</i>
Mother	2	\$18,859
Other Relative	3	4,082
Grandparent	1	4,656
Child	1	2,356
<b>Total</b>	<b>7</b>	<b>\$29,953</b>

In May 2006, we requested that SSA provide information regarding the seven diaries. SSA staff stated the diaries had not been established. However, they did not provide information concerning why the diaries were not established. Other than the diaries, SSA staff explained no other documentation would be available to indicate follow-up activities were initiated for these seven payees.

**Recommendation 6:** We recommended SSA automate the process that identifies incarcerated representative payees. This process should alert SSA of the need to assess an individual’s continued suitability to serve as a representative payee.

The Agency reported its process of identifying incarcerated representative payees has been automated since November 2002. SSA also reported the Prisoner Update Processing System (PUPS) and RPS data are matched on a daily basis to timely identify representative payees who are incarcerated.

We verified that an automated process was in place to match PUPS and RPS data. Our report on *The Effectiveness of Policies and Procedures Used to Identify Incarcerated Representative Payees* stated the Agency’s use of information from PUPS and RPS data matches. In September 2004, we reported the data matching was occurring between PUPS and RPS. However, for some cases, we could not identify evidence that SSA conducted reviews to determine the suitability of the incarcerated representative payees.

**Recommendation 7:** We recommended SSA implement management controls to prevent the appointment of individuals as representative payees who have a representative payee managing their own benefits, and identify individuals currently serving as representative payees that become incapable of managing their own benefits.

The Agency reported it had established systems controls to prevent the selection of individuals who have a payee as a payee for someone else. In September 2001, RPS began generating an alert when (1) a payee applicant is a current beneficiary with a

payee or (2) a person is applying to serve as payee for a beneficiary who is a payee for another individual. If the user ignores the alert and attempts to process the payee selection, RPS blocks the selection.

For representative payees who had payees that already existed on the RPS database, SSA performed a match to identify such cases. The results of the match were sent to SSA's field offices for review. SSA also conducted matches in April 2002 and August 2003 to identify any remaining inappropriate selections.

To determine whether individual representative payees had payees, we analyzed our April 2006 RPS data extract. The data indicated 800 payees also had representative payees. Of the 800, we selected for further review all 75 payees who were appointed during Calendar Year 2005.

Our analysis of the RPS records identified data errors in 70 of 75 records. These records contained data that erroneously identified individual representative payees who were also being served by other payees. Since we did not detect data errors in the remaining five RPS records, we discussed these records with Agency staff.

Of the five records, Agency staff explained four involved payees whose applications were pending. Based on information provided by SSA staff, the RPS alert implemented in 2001 did not identify instances involving pending representative payees. As a result, if pending representative payees were actually appointed, but not recorded as a payee in RPS, the 2001 RPS alert would not be generated to prevent the selection of an individual who had a payee from being a payee for someone else. SSA staff indicated this is most likely what occurred regarding the four records we identified. Agency staff was unable to determine the cause for the remaining record.

Agency staff stated additional management controls were implemented in April 2005 to address instances involving pending representative payees. The four records we identified involving pending representative payees had payees actually appointed before this date. We referred the five payees to the Office of the Deputy Commissioner for Operations, Office of Public Service and Operations Support for further action.

SSA should review some of the records we did not examine to identify additional representative payees who also have payees themselves. Our analysis of the five records referred to the Agency for further action had one condition in common. These records listed appointment dates designating the individuals as payees and assigning these same individuals their own payees within 6 months. Of the 725 records identified, 261 had this condition. We believe SSA should review these 261 payees.

## CONCLUSION AND RECOMMENDATIONS

SSA has taken action to implement recommendations from our June 2002 report. However, we found the Agency's actions did not always result in full compliance with SSA's policies and procedures. We encourage the Agency to continue its corrective actions, and reaffirm our prior recommendations concerning referral of representative payees' misuse of funds to the OIG. To further improve oversight and monitoring of payees, we recommend SSA:

1. Comply with its existing policy for referring all representative payee misuse cases to the OIG, or evaluate the impact current policy has on Agency operations and revise policy to reflect a risk-based approach.
2. Determine whether it would be cost-effective to require that staff initiate referrals through RPS when approved misuse determinations are entered into the system.
3. Review the 261 payees we identified to determine whether they should continue to serve as payees.

## AGENCY COMMENTS

The Agency agreed with our recommendations. The full text of the Agency's comments is included in Appendix E.



Patrick P. O'Carroll, Jr.

# Appendices

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APPENDIX A – Acronyms

APPENDIX B – Recommendations from June 2002 Report, *Analysis of Information Concerning Representative Payee Misuse of Beneficiaries' Payments* (A-13-01-11004)

APPENDIX C – Scope and Methodology

APPENDIX D – Sampling Methodology

APPENDIX E – Agency Comments

APPENDIX F – OIG Contacts and Staff Acknowledgments

## Acronyms

AM	Administrative Message
OIG	Office of the Inspector General
POMS	Program Operations Manual System
PUPS	Prisoner Update Processing System
RPS	Representative Payee System
SSA	Social Security Administration

### Recommendations from June 2002 Report, *Analysis of Information Concerning Representative Payee Misuse of Beneficiaries' Payments (A-13-01-11004)*

In our June 2002 report, *Analysis of Information Concerning Representative Payee Misuse of Beneficiaries' Payments*, we stated when misuse occurs, SSA must take action to remedy or correct the beneficiary's situation. We recommended SSA:

1. Develop and implement a process to identify and refer prior known instances of representative payee misuse to the Office of the Inspector General (OIG) for possible criminal, civil and/or administrative remedies.
2. Follow existing policy for referring all future representative payee misuse cases to the OIG for possible criminal, civil and/or administrative remedies.
3. Comply with Agency policy that representative payees are rarely retained after misuse has occurred.
4. Periodically assess the continued suitability of representative payees that previously misused benefit payments. SSA should closely monitor these representative payees to detect and prevent the misuse of benefit payments belonging to its most vulnerable beneficiaries.
5. Create and implement management controls to ensure compliance with mandatory repayment of misused benefit payments when representative payees are retained after benefit payment misuse has occurred.<sup>1</sup>
6. Automate the process that identifies incarcerated representative payees. This process should alert SSA of the need to assess an individual's continued suitability to serve as a representative payee.
7. Implement management controls to prevent the appointment of individuals as representative payees who have a representative payee managing their own benefits, and identify individuals currently serving as representative payees that become incapable of managing their own benefits.

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<sup>1</sup> We did not include this recommendation in our review. Our August 17, 2006 report *Restitution of Misused Funds to Beneficiaries Under Public Law 108-203*, relates to this recommendation.

### Scope and Methodology

The review was a follow-up of the recommendations in our June 2002 report, *Analysis of Information Concerning Representative Payee Misuse of Beneficiaries' Payments*. Our objective was to determine the extent to which the Social Security Administration (SSA) implemented certain recommendations from our June 2002 report.

To accomplish our objective, we:

- Interviewed officials from SSA's Offices of Central Operations, Public Service and Operations Support, and Systems to determine the status of corrective actions taken to address recommendations in our June 2002 report.
- Reviewed applicable Federal laws and SSA policy relating to the Representative Payee System (RPS).
- Reviewed prior Office of the Inspector General reports.
- Obtained an understanding of the Prisoner Update Processing System's functionality.
- Obtained and reviewed management information generated from interfacing of Prisoner Update Processing System and RPS.
- Reviewed SSA's Administrative Messages and other forms of internal communications pertaining to the Representative Payment Program.
- Examined data recorded in SSA's information systems regarding the representative payees identified in our prior report.
- Analyzed two electronic data extracts of information recorded in RPS: (1) a February 2006<sup>1</sup> data extract of 2,603 individual representative payees with "misuse determinations"<sup>2</sup> between November 2002 and February 2006 and (2) an April 2006<sup>3</sup> data extract of 5,555,784 individual representative payees serving beneficiaries.

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<sup>1</sup> The data extract was obtained from SSA's records as of February 28, 2006.

<sup>2</sup> For the purpose of this report, the term "misuse determination" is used to denote when SSA made a decision that misuse occurred.

<sup>3</sup> The data extract was obtained from SSA's records as of April 14, 2006.

For the February 2006 data extract, we reviewed three specific segments of data. From the extract population, we selected a sample of 35 cases for further review. We also selected for review the 2,423 payees with misuse determinations between January 2003 and December 2005. In addition, we reviewed all 48 payees with misuse determinations between January and February 2006 and the misuse of funds ended during this same time period.

Regarding our April 2006 data extract, we matched payees' Social Security numbers against the Social Security numbers of beneficiaries being served by individual representative payees. This match identified 800 payees who also had payees managing their benefits. Of the 800, we reviewed all 75 payees who were appointed during Calendar Year 2005.

We determined that the data used in this report were sufficiently reliable given our review objectives and intended use of the data. The electronic data used in our review were primarily extracted from RPS. We assessed the reliability of the electronic data by reviewing the data extract for all the data elements needed to meet our objective. We also traced information from the data extract to the RPS source database. Finally, we verified the data extract contained the criteria we requested.

We performed our review at SSA Headquarters in Baltimore, Maryland, between January and September 2006. The entity audited was the Office of Operations under the Deputy Commissioner for Operations. We conducted our evaluation in accordance with *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

### Sampling Methodology

We used sampling to determine the cause of representative payee misuse cases not being referred to the Office of the Inspector General (OIG) for possible criminal, civil and/or administrative remedies. On February 28, 2006, we obtained a data extract from the Representative Payee System of 2,603 individual representative payees with “misuse determinations” between November 2002 and February 2006. From these data we selected a sample of 35 cases for further review.

To obtain the sample, we sorted the cases by misuse amount and extracted the misuse determinations with the five highest amounts of misused funds. We then separated the remaining misuse determinations into two groups: (1) misuse determinations with misuse amounts above \$10,000 and (2) misuse determinations with misuse amounts below \$10,000. Next, we selected 15 misuse determinations with misuse amounts above \$10,000 and 15 misuse determinations below \$10,000. We extracted the 35 misuse determinations meeting these criteria and requested that the Social Security Administration provide information about the disposition of these instances of misused funds. Specifically, we requested the Social Security Administration inform us of the following.

1. Were the misuse determinations referred to the OIG?
2. If the misuse determinations were referred to OIG, when (date)?
3. If the misuse determinations were not referred to OIG, please explain the reason.

## Agency Comments



## SOCIAL SECURITY

### MEMORANDUM

**Date:** January 12, 2007 **Refer To:** S1J-3

**To:** Patrick P. O'Carroll, Jr.  
Inspector General

**From:** Larry W. Dye /s/  
Chief of Staff

**Subject:** Office of the Inspector General (OIG) Draft Report, "Follow-up: Analysis of Information Concerning Representative Payee Misuse of Beneficiaries' Payments" (A-13-06-26097)—  
INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the draft report content and recommendations are attached.

Please let me know if we can be of further assistance. Staff inquiries may be directed to Ms. Candace Skurnik, Director, Audit Management and Liaison Staff, at extension 54636.

Attachment:  
SSA Response

**COMMENTS ON THE OFFICE OF INSPECTOR GENERAL (OIG) DRAFT REPORT,  
“FOLLOW-UP: ANALYSIS OF INFORMATION CONCERNING REPRESENTATIVE  
PAYEE MISUSE OF BENEFICIARIES’ PAYMENTS” (A-13-06-26097)**

Thank you for the opportunity to review and comment on the draft report. We appreciate your conducting this follow-up analysis of information concerning Representative Payee (Rep Payee) misuse of beneficiaries’ payments. The Agency is committed to making sure that our most vulnerable beneficiaries, who are not capable of managing their own funds due to age or mental capacity, have proper Rep Payees. We continue to review and assess Rep Payees to make sure they manage benefits properly and use the money on behalf of the beneficiary.

Recommendation 1

SSA should comply with its existing policy for referring all Rep Payee misuse cases to the OIG, or evaluate the impact current policy has on Agency operations and revise policy to reflect a risk-based approach.

Comment

We agree. We will continue to comply with existing policy and refer all Rep Payee misuse cases to the OIG. Also, we agree to determine whether the referral of every confirmed misuse case to the OIG is feasible or if a risk-based approach should be developed. We are interested in the idea of the establishment of some kind of risk-based approach for referring misuse cases; for example, a tolerance which would not require the referral of cases with relatively small amounts of misuse. However, because the current policy is based on the OIG’s request that all misuse cases be referred, we ask that the OIG assist the Agency in determining if a risk-based approach (e.g., a tolerance for referrals) is feasible.

Recommendation 2

SSA should determine whether it would be cost-effective to require that staff initiate referrals through Representative Payee System (RPS) when approved misuse determinations are entered into the system.

Comment

We agree. Implementing this recommendation would increase the likelihood of misuse cases being properly referred to OIG. We will work to determine if it would be cost-effective to enhance the RPS to include an automatic referral to OIG.

Recommendation 3

SSA should review the 261 payees the OIG identified to determine whether they should continue to serve as payees.

## Comment

We agree that all cases that have beneficiaries, with Rep Payees, who serve as a Rep Payee for other beneficiaries, should be reviewed and corrected. Any misuse determination cases will be referred to the OIG.

## OIG Contacts and Staff Acknowledgments

### ***OIG Contacts***

Shirley E. Todd, Director, General Management Audit Division (410) 966-9365

Randy Townsley, Audit Manager, General Management (410) 966-1039

### ***Acknowledgments***

In addition to those named above:

Eugene Crist, Auditor

For additional copies of this report, please visit our web site at [www.socialsecurity.gov/oig](http://www.socialsecurity.gov/oig) or contact the Office of the Inspector General's Public Affairs Specialist at (410) 965-3218. Refer to Common Identification Number A-13-06-26097.

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Social Security Advisory Board

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The Office of the Inspector General (OIG) is comprised of our Office of Investigations (OI), Office of Audit (OA), Office of the Chief Counsel to the Inspector General (OCCIG), and Office of Resource Management (ORM). To ensure compliance with policies and procedures, internal controls, and professional standards, we also have a comprehensive Professional Responsibility and Quality Assurance program.

## **Office of Audit**

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

## **Office of Investigations**

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

## **Office of the Chief Counsel to the Inspector General**

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

## **Office of Resource Management**

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