

Report Summary

Social Security Administration Office of the Inspector General

November 2010



Objective

To determine whether the Social Security Administration (SSA) accurately paid authorized fees to attorneys and non-attorney representatives for Title XVI claims through its One-Time Payment system.

Background

To assist with obtaining Title XVI payments, claimants may appoint a qualified representative. Generally, SSA approves claimants' representative fees through either a fee agreement or a fee petition. SSA typically calculates representative fees based on a claimant's past-due benefits. A representative may also be eligible for "direct" payment—SSA withholds the fee from the claimant's benefits and issues the payment directly to the representative. When SSA's system cannot automatically calculate and pay the fee, the fee is manually processed through SSA's One-Time Payment system.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-04-10-11026.pdf>

Claimant Representative Fees Paid Through SSA's One-Time Payment System (A-04-10-11026)

Our Findings

Our review of 250 fees paid during the period July 1, 2007 to June 30, 2009 found 95 (38 percent) had payment errors totaling \$68,532. As such, we estimated that approximately 10,306 fees had payment errors totaling about \$7.4 million. The majority of the errors was overpayments. Most overpayments occurred because SSA did not properly consider how concurrent entitlement to Title II benefits would impact the Title XVI representative fee.

We also tested certain fees approved under a fee petition and found, for 18 of 39 claimants, SSA incorrectly paid fees totaling \$36,155. The majority of these errors was also overpayments. The overpayments occurred because SSA paid fees in excess of the "direct" payment limit—25 percent of past-due benefits.

Our Recommendations

We recommended that SSA:

- Require that an experienced peer or supervisor review fees, involving concurrent benefits, before the fee is processed through the One-Time Payment system.
- Determine whether representatives collected additional fees from claimants when SSA paid fees in excess of the "direct" payment limit. If so, take actions to have the representative return the fee to SSA for credit to the claimant.
- Recover the overpaid, and pay the underpaid, representative fees identified during our review

SSA agreed with our recommendations.