

Report Summary

Social Security Administration Office of the Inspector General

March 2009



Objective

To assess the Social Security Administration's (SSA) controls to prevent fugitive felons from serving as representative payees.

Background

Some individuals cannot manage their finances because of their youth, mental, and/or physical impairments. Congress granted SSA the authority to appoint representative payees to receive and manage these individuals' Social Security benefit payments.

In a March 2003 report, we concluded that SSA should use fugitive warrant information to screen representative payees because a fugitive felon may not be in the best position to manage a beneficiary's funds. After our report was issued, the *Social Security Protection Act of 2004* was signed into law. This law, which took effect in April 2005, contains a provision that disqualifies fugitive felons from serving as representative payees.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-01-08-18021.pdf>

Fugitive Felons Serving as Representative Payees **(A-01-08-18021)**

Our Findings

SSA's controls need to be improved to prevent fugitive felons from serving as representative payees. Based on our sample, we estimate that since the law took effect in April 2005 through September 2008, about \$75.8 million in Social Security funds was paid to about 6,527 fugitive felons. These payees received benefits for about 8,384 SSA beneficiaries.

Of the \$75.8 million, we estimate that approximately \$47.6 million (63 percent) in benefits was paid to about 2,070 representative payees whose warrants remained unsatisfied through September 2008. Additionally, about \$19.4 million will be paid over the next 12 months if these warrants remain unsatisfied and the fugitive felons continue serving as representative payees.

Our Recommendations

We recommend SSA:

1. Conduct a match between the Fugitive Felon SSA Control File and Representative Payee System to identify all representative payees with unsatisfied felony warrants (including those representative payees who were selected before November 2005) and determine whether more suitable representative payees are needed.
2. Review its current computer matching process to ensure that, in the future, alerts are generated and resolved for all representative payees with outstanding felony warrants.

SSA agreed with the recommendations.