

Report Summary

Social Security Administration Office of the Inspector General

March 2010



Objective

To ensure the selected representative payee had effective safeguards over the receipt and disbursement of Social Security benefits. We also determined whether the representative payee used and accounted for these benefits 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 youth or mental and/or physical impairments. SSA selects individuals to serve as representative payee for these beneficiaries. Representative payees are responsible for managing benefits in the beneficiary's best interest. During our review period of March 1, 2008 to February 28, 2009, the representative payee under review served approximately 162 beneficiaries.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-15-09-19150.pdf>

An Individual Representative Payee for the Social Security Administration in Los Angeles, California (A-15-09-19150)

Our Findings

Our review determined that the representative payee generally had sufficient internal controls for the receipt and disbursement of Social Security benefits. In addition, the representative payee provided a suitable level of care for the beneficiaries. However, we identified an issue involving the conservatorship and trustee fees the representative payee collected.

The representative payee collected approximately \$450,000 in fees during our 12-month review period from 89 of the 162 beneficiaries he served. For 15 of these beneficiaries, the SSA benefit was their only source of income. By collecting large fees from the beneficiaries, the representative payee was rapidly depleting the beneficiaries' funds. This action left fewer funds available for the beneficiaries' foreseeable needs.

Our Recommendation

We recommended that SSA refer the 15 beneficiaries who had over 50 percent of their Social Security benefits taken in fees, and these benefits were their only source of income, to the Regional Chief Counsel for review. SSA agreed with our recommendation.