

Report Summary

Social Security Administration Office of the Inspector General

May 2010



Objective

To provide information regarding the Social Security Administration's (SSA) oversight of representative payees who also act as employers for the beneficiaries they serve.

Background

In a January 2010 letter, the Chairmen and Ranking Members of the House Subcommittees on Social Security and Income Security and Family Support, Committee on Ways and Means, wrote "...there were numerous media reports regarding SSA beneficiaries who worked for Henry's Turkey Service. ...Since many of these men were Social Security beneficiaries, [the Subcommittee members] were concerned about whether SSA has appropriate monitoring in place to ensure other beneficiaries are not in the same situation."

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-13-10-20125.pdf>

Congressional Response Report: The Social Security Administration's Oversight of Employer Representative Payees (A-13-10-20125)

Results of Review

Members of the two Subcommittees requested information about SSA's oversight of representative payees who also act as employers to the beneficiaries they serve. Information requested pertained to seven specific issues concerning SSA's Representative Payment Program. Our report provided the information requested.

Conclusions

Between 1979 and 2009, before news reports surfaced about the beneficiaries' living conditions, the Agency had contact with Hill Country Farms, Incorporated, (HCF) regarding specific eligibility issues. However, the Agency reported HCF had not been subject to an on-site payee review.

In February 2009, several news articles reported substandard living conditions for HCF beneficiaries working in Iowa. The Agency reported that, as of February 27, 2009, new representative payees had been appointed for the beneficiaries. SSA received conserved funds for many, but not all, of the beneficiaries.

Since the HCF situation came to light, SSA has taken action to increase monitoring of payees who are also employers. In 2009, SSA reported its staff conducted special reviews of 328 employer payees. The Agency reported it did not detect significant problems related to performance of duties for these representative payees. Further, SSA has contracted with National Disability Rights Network to review 350 additional employer payees.

We believe an internal quality control process is important to ensure the employer payee reviews conducted by SSA staff and State Protection and Advocacy (P&A) agencies follow appropriate procedures. Once the P&A reviews are completed, we plan to examine a sample of the reviews performed by both the Agency and the P&As. Our work will focus on determining whether the reviews complied with applicable policies and procedures.