

# Report Summary

Social Security Administration Office of the Inspector General

September 2009



## Objective

To determine whether the representative payee (1) had effective safeguards over the receipt and disbursement of payments made under the Old-Age, Survivors and Disability Insurance and Supplemental Security Income programs; (2) used and accounted for benefit payments in accordance with policies and procedures; and (3) protected personally identifiable information for beneficiaries in its care. In addition, we assessed the risk of the representative payee serving as both an organizational and individual payee.

## Background

The Social Security Administration (SSA) selects representative payees to receive and manage the benefits for individuals who cannot manage or direct the management of their finances. A representative payee may be an individual or organization.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-03-09-29094.pdf>

## ***Organizational Representative Payee Serving as an Individual Representative Payee in Philadelphia, Pennsylvania (A-03-09-29094)***

### Our Findings

Our review found that the representative payee did not manage benefits in the beneficiaries' best interests. Specifically, we found that the representative payee (1) did not have effective safeguards over the receipt and disbursement of Social Security benefits and was unable to show that benefits were spent for the beneficiaries' needs; (2) failed to promptly report to SSA that a beneficiary was no longer in his care, as required by SSA policy; and (3) received SSA benefits for beneficiaries not in his care, which may constitute an assignment-like situation prohibited by SSA policy. Moreover, we found that SSA had limited oversight of the representative payee serving in more than one capacity, which hindered the Agency's ability to adequately monitor the representative payee's performance and protect beneficiaries from misuse.

### Our Recommendations

Our recommendations included to (1) instruct the representative payee to follow SSA's requirements for the proper titling of bank accounts and keep accurate and complete records for each beneficiary; (2) encourage the representative payee to have payments direct deposited into accounts for beneficiaries in his care who do not have bank accounts; (3) instruct the representative payee to promptly notify SSA of any changes in a beneficiary's circumstances; (4) determine whether the two beneficiaries not assigned a representative payee can manage or direct the management of their finances and if not, assign a representative payee; and (5) update the Representative Payee System to consolidate the multiple entries for the representative payee at the Quality Assisted Living Facility and include all beneficiaries for whom this representative payee is assigned.

SSA agreed with all our recommendations.