

Report Summary

Social Security Administration Office of the Inspector General

August 2009



Objective

To determine whether certain characteristics of representative payees result in an increased risk of benefit misuse.

Background

The Social Security Administration (SSA) selects representative payees to receive and manage the benefits of incapable beneficiaries. In July 2007, the National Academy of Sciences (NAS) issued a report on *Improving the Social Security Representative Payee Program: Serving Beneficiaries and Minimizing Misuse* that identified several characteristics of individual representative payees that may be potential indicators of misuse or poor performance. For our review, we identified a population of representative payees who had at least three of the NAS characteristics.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-09-08-38055.pdf>

Characteristics of Representative Payees That May Increase the Risk of Benefit Misuse (A-09-08-38055)

Our Findings

We found the NAS characteristics should be used to identify representative payees who have an increased risk of benefit misuse. Our review disclosed that 42 of the 60 representative payees reviewed engaged in 1 or more practices that increased the risk of benefit misuse. Specifically, we found

- 5 would not confirm whether beneficiaries were in their care,
- 39 did not maintain adequate documentation to support expenditures,
- 2 did not provide basic needs of beneficiaries,
- 8 acted as conduit payees,
- 9 did not report events affecting the benefit payments of beneficiaries, and
- 1 acted as a “de facto” representative payee.

Our Recommendations

We recommend that SSA:

1. Ensure corrective actions are taken for the representative payees and beneficiaries identified by our audit.
2. Use the five NAS characteristics to evaluate whether representative payee applicants are suitable and will serve the best interests of beneficiaries.
3. Consider additional monitoring of representative payees who have one or more of the NAS characteristics.

SSA generally agreed with our recommendations.