

# Payments to Aged Representative Payees

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Office of Audit Report Summary

### Objective

To determine whether the Social Security Administration (SSA) needs additional controls to identify aged representative payees who are incapable of, or no longer, managing beneficiaries' funds.

### Background

SSA appoints representative payees to receive and manage the payments of those beneficiaries who cannot manage or direct the management of their benefits because of youth or mental and/or physical impairments. A representative payee may be an individual or an organization. SSA selects representative payees when representative payments would serve the individual's interests.

A representative payee is responsible for reporting changes in address or circumstances that may affect his/her performance as payee, notifying SSA if the beneficiary no longer needs a payee, and submitting an annual Form SSA-623, *Representative Payee Report*, to SSA.

Medical statistics state that up to 50 percent of individuals over age 85 may suffer from Alzheimer's disease or dementia. We identified 42,931 representative payees who, according to the Master Beneficiary and Supplemental Security Records, were age 85 or older and had at least 1 beneficiary in their care.

### Findings

SSA needs to improve controls to identify aged representative payees who are incapable of, or no longer, managing beneficiary funds. Based on our sample results, we estimate approximately 6,859 representative payees were over age 85 and no longer managed approximately \$6.8 million in monthly benefits for the beneficiaries in their care. These beneficiaries had other individuals or organizations managing their Social Security benefits without SSA's knowledge and approval or were capable of managing their own benefits.

Generally, this occurred because representative payees did not always notify SSA of events or changes that affected their performance as representative payees, as required. In addition, the Form SSA-623 does not specifically ask representative payees whether the beneficiary no longer needs a payee or they are no longer responsible for the beneficiary.

### Recommendation

We recommend that SSA determine whether it should conduct random reviews or revise the Form SSA-623 to better identify aged representative payees who are incapable of, or no longer, managing beneficiary funds.

SSA agreed with our recommendation.