

Representative Payee Criminal Bar Policy

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August 2018

Office of Audit Report Summary

Objective

To assess the Social Security Administration's (SSA) compliance with its criminal bar policy as implemented, and to determine whether individual representative payees with a criminal history were convicted of any of the felonies identified in the criminal bar policy.

Background

In February 2014, SSA implemented a policy that bars individuals from serving as payees if they have been convicted of one of 12 felonies—such as fraud, homicide, or forgery—unless they meet certain exclusions.

On April 13, 2018, the *Strengthening Protections for Social Security Beneficiaries Act of 2018* became law. It prohibits individuals convicted of certain crimes from serving as payees (including existing payees), unless they meet an exemption determined by SSA.

We identified 28,497 individuals who had a prior criminal record and were serving as representative payees as of April 2017. From this population, we sampled 180 payees for review.

Findings

SSA's implementation of its criminal bar policy had not identified and barred convicted felons from serving as individual representative payees. In addition, we identified individual representative payees with a criminal history who SSA should bar from serving as payees. Of the 180 payees we reviewed, 13 had been convicted of 1 of 12 barred felonies. Of the 13 payees, SSA

- did not comply with its policy and selected five individuals after it implemented its policy,
- selected four individuals before it implemented its policy, and
- selected four individuals who met an exclusion because they had a custodial relationship with the beneficiaries they served.

SSA took action for the five payees it selected after it implemented the policy and the four selected before it implemented the policy. These nine payees received about \$363,000 in benefit payments after they were convicted of forgery, insurance fraud, robbery, or identity fraud. Based on the results of our review, we estimate 396 payees received about \$13.7 million in benefit payments subsequent to their barred felony convictions.

Finally, we determined Agency staff did not document criminal information for payees selected after the policy was implemented, as required.

Recommendations

We recommend SSA:

1. Determine whether it should review the 4,856 payees we identified in its efforts to comply with the *Strengthening Protections for Social Security Beneficiaries Act of 2018*.
2. Remind staff to obtain and document criminal information for representative payee applicants, as appropriate.

The Agency agreed with our recommendations.