

Report Summary

Social Security Administration Office of the Inspector General

March 2011



Objective

To ensure the selected representative payee had effective safeguards over the receipt and disbursement of Social Security benefits. We also determined whether the representative payee used and accounted for these benefits in accordance with the Social Security Administration's (SSA) policies and procedures.

Background

Some individuals cannot manage or direct the management of their finances because of their youth or mental and/or physical impairments. SSA selects individuals to serve as representative payees for these beneficiaries. Representative payees are responsible for managing benefits in the beneficiary's best interest. During our review period of June 1, 2007 to May 31, 2008, the representative payee under review served approximately 164 SSA beneficiaries.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-15-09-19062.pdf>

An Individual Representative Payee for the Social Security Administration in Michigan (A-15-09-19062)

Our Findings

Although it appeared the representative payee provided a suitable level of care for the beneficiaries, our review of records suggested she did not properly use and account for the Social Security benefits received on behalf of the beneficiaries in her care. Specifically, the representative payee used family members to perform services and make purchases for the beneficiaries; used cashier's checks to spend down the beneficiaries' account; and collected excessive fees from the beneficiaries. These actions by the representative payee put the beneficiaries' funds at risk for improper use or possible misappropriation.

Our Recommendations

We recommend SSA:

1. Refrain from placing additional beneficiaries with this individual payee until a thorough review of the payee's accounting practices has been performed. At the conclusion of this review, determine whether the current beneficiaries should remain in the representative payee's care.
2. Perform a more-depth review of the beneficiaries' accounting records to ensure they are not being charged excessive fees through the representative payee's case management business; and that funds are conserved for the beneficiaries' future needs.
3. Consider seeking restitution of \$1,592 on the behalf of the one beneficiary from whom the representative payee collected unallowable fees from September 2006 through August 2008.
4. Work with independent accounting firms hired to conduct triennial reviews of representative payees to obtain access to the firm's work papers to support the results of the work completed.

SSA agreed with the recommendations.