

# Volume Representative Payee for the Social Security Administration in Connecticut

## A-15-18-50443



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Office of Audit Report Summary

### Objective

To determine whether the (1) representative payee had effective safeguards over the receipt and disbursement of Social Security benefit payments for individuals in her care and (2) benefit payments were used and accounted for in accordance with Social Security Administration (SSA) policies and procedures.

### Background

Congress granted SSA the authority to appoint representative payees for those beneficiaries judged incapable of managing or directing the management of their benefit payments because they have a mental or physical disability or are a child. Representative payees manage benefits in the beneficiary's best interest and ensure Social Security payments are used for the beneficiary's current maintenance, including food, shelter, clothing, medical care, and personal comfort items.

During our audit period, February 1, 2017 through January 31, 2018, the representative payee under review served 503 beneficiaries. According to SSA records, she was both an individual and organizational payee. We reviewed a random sample of 50 beneficiaries' files to ensure the benefit payments were used and accounted for in accordance with SSA policies and procedures. In addition, we visited several facilities to interview beneficiaries and their social workers.

### Findings

During our review period, the representative payee ensured the basic needs of the 50 beneficiaries in our random sample were met. The representative payee generally (1) ensured Social Security benefits were used in accordance with SSA's policies and procedures and (2) had effective safeguards over the receipt and disbursement of Social Security benefits.

For the 50 beneficiaries in our sample, we found support for all major living expenses, such as rent, utilities, and medical expenses. We found the representative payee did not maintain documentation to account for how 37 beneficiaries used their personal spending allowance. We recognize there is an inherent tension between SSA's policies and procedures for representative payees and the payee's obligations pursuant to her court-appointed status as a conservator for the beneficiaries. These obligations require "least restrictive means of intervention" necessary to meet the conserved person's needs. In addition, we found 4 beneficiaries were charged over \$150 in bank overdraft fees, and 28 were charged over \$1,000 in automated teller machine charges.

We also found the representative payee should improve controls to restrict unauthorized access to beneficiaries' records and should, as resources allow, improve controls over beneficiaries' funds by assigning different individuals to maintain accounting/bank records and sign checks. Finally, SSA's system had categorized the representative payee as an individual payee and her law firm as an organizational payee.

### Recommendations

We made seven recommendations to SSA concerning this representative payee's safeguards over the receipt and disbursement of Social Security benefit payments and accounting for the use of benefits.

SSA agreed with our recommendations.