

Report Summary

Social Security Administration Office of the Inspector General

February 2012



Objective

To determine whether the Social Security Administration (SSA) had adequate controls to ensure it took appropriate actions for beneficiaries whose payments had been withheld pending the selection of a representative payee.

Background

Generally, benefits should not be suspended when a beneficiary requires a representative payee and none is immediately available. Instead, SSA must initiate a search for a suitable representative payee and make interim direct payment to the beneficiary. However, benefits must be suspended in those situations where direct payment is prohibited. SSA must suspend benefits to legally incompetent adults or child beneficiaries under age 15.

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-09-10-11065>

Beneficiaries in Suspended Payment Status Pending the Selection of a Representative Payee (A-09-10-11065)

Our Findings

Although SSA had improved its controls and procedures, additional actions are necessary to ensure (1) adult beneficiaries are not improperly suspended pending the selection of a representative payee, (2) field offices are properly evaluating child beneficiaries' (ages 15 through 17) capability to manage benefits, and (3) representative payees are selected as quickly as possible for child beneficiaries under age 15:

- \$18.1 million in benefits was improperly suspended and should have been paid directly to 3,039 adult beneficiaries;
- \$4.3 million in benefits was suspended that could have been paid directly to 1,201 child beneficiaries ages 15 through 17; and
- \$8.1 million in benefits was not paid timely to 2,544 child beneficiaries under age 15.

Our Recommendations

We recommended that SSA:

1. Remind employees to pay legally competent adult beneficiaries directly on an interim basis while it searches for a representative payee.
2. Remind employees to evaluate whether child beneficiaries ages 15 through 17 are capable of managing their benefits.
3. Select representative payees as quickly as possible for child beneficiaries under age 15.
4. Determine and resolve why the representative payee Website-tracking program did not include all beneficiaries in suspense pending the selection of a representative payee.

SSA agreed with all our recommendations.