

# Summary of the Gold Crest Care Center – An Organizational Representative Payee for the Social Security Administration A-02-11-11161



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Social Security Administration Office of the Inspector General

## Objective

To determine whether the Gold Crest Care Center (GCCC) (1) had effective controls over the receipt and disbursement of Old-Age, Survivors and Disability Insurance and Supplemental Security Income (SSI) payments and (2) managed payments 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. Congress granted SSA the authority to appoint representative payees to receive and manage these beneficiaries' payments. Representative payees are responsible for managing benefits in the best interest of the beneficiary.

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-02-11-11161>.

## Our Findings

We found that GCCC accurately recorded the receipt and disbursement of Social Security benefits, spent funds appropriately, and appeared to meet the beneficiaries' basic needs. However, it did not manage payments in accordance with some of SSA's policies and procedures. For example, it commingled beneficiaries' funds with its operating account and used SSI recipients' payments for their cost-of-care. Specifically, it retained \$948 from SSI payments received on behalf of two SSI recipients for whom it served as the representative payee and \$7,828 from \$8,088 that belonged to another SSI recipient for whom it was not the payee of record. The latter recipient received the payment in error and had an \$8,028 overpayment.

GCCC also did not report changes in beneficiaries' circumstances to SSA. Furthermore, GCCC did not spend the required amount on beneficiaries' personal needs in all cases. Lastly, we found that GCCC did not return beneficiaries' conserved funds to SSA in accordance with SSA policies when it no longer served as the representative payee in some cases.

## Our Recommendations

We recommend that SSA's New York Regional Office:

1. Instruct GCCC to return \$948 of Personal Needs Allowances to the individual accounts of two SSI recipients.
2. Pursue collection from GCCC of the \$8,028 in overpayments that resulted from an inaccurate living arrangement determination of an SSI recipient.
3. Remind GCCC to (a) notify the Agency timely when a beneficiary is deceased or no longer in its care and (b) return benefit payments and conserved funds to SSA when no longer serving as representative payee for a beneficiary.
4. Remind GCCC of the requirement to spend at least \$360 per year for each beneficiary's personal needs or inform SSA of the circumstance that prevents it from doing so.
5. Determine whether to assign a representative payee for beneficiaries who reside in GCCC and for whom GCCC manages benefits but who do not have a representative payee on record.

SSA agreed with Recommendations 3 and 5.