

# Report Summary

Social Security Administration Office of the Inspector General

March 2012



## Objective

To determine whether children in the Florida State foster care program had appropriate representative payees.

## Background

The Social Security Administration (SSA) appoints representative payees for individuals who are not able to manage or direct the management of their finances because of their youth or mental and/or physical impairment. According to SSA, foster care agencies have traditionally been among its most dependable payees. State foster care agencies may not always know whether the child is receiving SSA benefits. States can use SSA's State Verification and Exchange System (SVES) to determine whether the child is receiving benefits.

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-13-11-11173>

## *Benefit Payments Managed by Representative Payees of Children in the Florida State Foster Care Program (A-13-11-11173)*

### Our Findings

We identified 328 children served by representative payees who were not the foster care agency, Community-Based Care (CBC) agency, or the foster care parents. We randomly selected 50 of the 328 children for review to determine whether suitable representative payees served them. Of the 50, we did not review

11 because 6 children's payees were changed to a parent, grandparent, or relative as a result of custody change; 3 children became their own payees because of age; 1 child's payee was changed to a CBC agency; and 1 child had a CBC agency to apply to serve as payee, but SSA determined the mother was a more suitable payee

The Agency reported 19 (49 percent) of the 39 children had suitable representative payees. For the remaining 20 children, SSA determined (a) 12 were being served by unsuitable payees, 9 of whom misused about \$46,000 in children's benefit payments; (b) 1 child's benefits were suspended pending completion of the Agency's misuse assessment; and (c) 7 had suitable payees, but SSA changed the payees in accordance with Agency policy.

We estimate 79 children in the Florida State foster care program were served by unsuitable representative payees. Of these, 59 children had an estimated \$300,000 in benefits misused. If the Agency does not identify and replace the unsuitable payees who misused Social Security payments, we estimate an additional \$330,000 may be misused during the next 12 months.

### Our Recommendations

1. Modify the existing SVES data exchange agreement to include verifying that a child is receiving SSA benefits.
2. Conduct suitability assessments for the representative payees associated with the remaining 71 children in pay status as of December 12, 2011 with payees who are not DCF, community-based care agencies, or the foster care parents.

SSA agreed with our recommendations.