

Protection and Advocacy Agencies' Reviews of Organizational Representative Payees

A-13-12-12119



August 2013

Office of Audit Report Summary

Objectives

To assess whether organizational representative payee reviews completed by State Protection and Advocacy (P&A) agencies complied with the terms of the Social Security Administration's (SSA) contract with the National Disability Rights Network (NDRN). We also assessed whether organizational payees were meeting Social Security beneficiaries' needs.

Background

Some individuals cannot manage or direct the management of their finances because of their youth or mental and/or physical impairment. Congress granted SSA the authority to appoint representative payees to receive and manage these beneficiaries' payments.

In September 2009, SSA contracted with NDRN for its P&A agencies to review organizational representative payees. Most States have a P&A agency that assists those with developmental disabilities in receiving appropriate programs and services, such as Social Security benefits.

In Fiscal Year 2011, P&A agencies reviewed 174 employer payees under SSA's contract with NDRN. By April 30, 2012, P&A agencies had reviewed an additional 253 payees identified using a "misuse model" developed by SSA. Of the 427 P&A reviews completed, we sampled and reviewed 20 organizational payees.

Our Findings

P&A agencies submitted final reports, as required by the terms of the contract, and evidence within the reports adequately supported the P&As' conclusions. Nothing came to our attention to indicate the 20 payees we reviewed were not meeting the beneficiaries' needs. However, we found four payees could improve the way they performed their representative payee duties. Specifically, three payees did not comply with SSA's policies and procedures, and one payee did not comply with the *Fair Labor Standards Act* (FLSA).

Our Recommendations

We recommend that SSA:

1. Remind the employer payee in Monmouth, Oregon, to retain adequate documentation and maintain clear ledger entries.
2. Review the record of the Supplemental Security Income recipient we identified as being over the \$2,000 resource limit and recover any overpayment, as applicable.
3. Contact NDRN to ensure the P&A reviewer viewed and obtained copies of the FLSA certificate and/or renewal application from the employer payee in Baltimore, Maryland. If NDRN did not obtain copies of the expired FLSA certificate and renewal application, they must follow up with the payee to obtain the documents. If the payee does not have the documentation, the reviewer should notify the Department of Labor and inform SSA the referral was made.

SSA agreed with our recommendations.