

Group and Boarding Homes Serving as Representative Payees

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Office of Audit Report Summary

Objectives

To determine whether specific group and boarding home representative payees were (1) meeting the needs of the beneficiaries they were serving and/or (2) misusing Social Security benefits.

Background

Congress has granted the Social Security Administration (SSA) the authority to appoint representative payees to receive and manage the benefit payments of beneficiaries who cannot manage their finances because of their youth or mental and/or physical impairments.

We identified 31 representative payees that were group or boarding homes serving 25 or more beneficiaries. Of the 31, we selected 12 representative payees for further review based on the number of beneficiaries and their location.

Our Findings

The 12 group and boarding home representative payees we reviewed were meeting the needs of the beneficiaries they were serving. Nothing came to our attention to indicate the 12 group and boarding home representative payees we reviewed were not meeting the needs of the 84 beneficiaries they were serving. Additionally, we did not detect any misuse of Social Security benefits. Furthermore, the room and board charges by the group and boarding home payees were appropriate.

However, 8 of the 12 group and boarding home payees did not comply with 1 or more of SSA's policies and procedures. Specifically, some of the payees we reviewed (a) did not report 6 beneficiaries' resources exceeded the \$2,000 allowable limit for Supplemental Security Income eligibility; (b) comingled the Social Security payments of 12 beneficiaries with operating funds; (c) titled 23 beneficiaries' bank accounts incorrectly; and (d) did not perform bank reconciliations for 30 beneficiaries.

Our Recommendations

We recommend that SSA:

1. Review the records of six beneficiaries we identified as being over the \$2,000 resource limit and recover any overpayments, if applicable.
2. Direct one payee to discontinue the practice of depositing beneficiaries' benefit payments into its operating account.
3. Direct two payees to modify their collective account title to identify the fiduciary relationship between the payee and its beneficiaries.
4. Work with five representative payees to reconcile their bank statement balances to the beneficiaries' general ledger balances and resolve any resulting differences.

SSA agreed with our recommendations.