Representative Payees and Beneficiaries Who Were Residing in Different States
A-02-14-14044

August 2014 **Office of Audit Report Summary**

Objective

To determine whether (1) representative payees who were residing in a State different from the beneficiaries they represented used Social Security and Supplemental Security Income payments in the beneficiaries' best interests and (2) the Social Security Administration (SSA) effectively monitored beneficiaries whose representative payees resided in different States.

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 beneficiary's best interests.

SSA should consider all factors when selecting a representative payee, including the applicant's relationship to the beneficiary; the applicant's interest in the beneficiary's well-being; and whether the applicant has custody of, or lives in close proximity to, the beneficiary.

We reviewed 180 beneficiaries who resided in a non-contiguous State from their representative payees.

Our Findings

Based on our observations during our visit, we believe the representative payees were using beneficiaries' benefits to meet their food, clothing, and shelter needs in all but two cases. We referred these two cases to SSA to determine whether the representative payees were suitable to manage benefits for the beneficiaries they represented. SSA has taken action on one of these cases. Additionally, we were unable to determine whether 41 (23 percent) of the beneficiaries' needs were being met because the representative payees or their beneficiaries refused to participate in our review or we were unable to contact them. We also found that SSA did not mail Representative Payee Reports (RPR) to all representative payees, as required, and did not always follow up with representative payees who did not submit their accounting reports.

Our Recommendations

1. Determine the suitability of the representative payee who appeared to not be meeting the needs of the beneficiary at the time of our visit. If the representative payee is unsuitable, SSA should assign a new representative payee.

2. Determine whether additional action is necessary to address the 21 representative payees who refused to participate in our review and the 20 representative payees we were unable to contact.

3. Determine whether additional oversight is required for representative payees who reside in a State different from the beneficiaries they represent based on any action taken in response to Recommendations 1 and 2.

4. Take appropriate action in response to the representative payees who did not submit an RPR.

5. Send RPRs to the seven representative payees who should have received them, but did not.

6. Ensure representative payees for concurrent beneficiaries who become ineligible for Title XVI payments receive RPRs for the Title II benefits the beneficiaries continue to receive.

SSA agreed with our recommendations.