

Report Summary

Social Security Administration Office of the Inspector General

July 2009



Objective

To determine whether selected individual payees (1) operated as organizations or group homes, (2) met the needs of the beneficiaries being served, and/or (3) misused Social Security benefits.

Background

In July 2007, the National Research Council of the National Academies (National Academies) issued a report on *Improving the Social Security Representative Payee Program: Serving Beneficiaries and Minimizing Misuse*. In its report, the National Academies concluded that the Social Security Administration's (SSA) current designation of individual payee is too broad. The report also indicated that individual payees who are owners or administrators of group homes have an inherent conflict of interest. It was also concluded that payees of this type require special monitoring.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-13-08-28089.pdf>

Individual Representative Payees Serving Multiple Beneficiaries (A-13-08-28089)

Our Findings

Of the 16 individual representative payees reviewed, we found 3 operated group homes or assisted living facilities and 7 were guardians. Of these seven guardians, three had business licenses for the services provided to the beneficiaries. Based on conditions found, we believed a separate review was warranted for one payee. Generally, based on our review, we found the remaining 15 individual representative payees met the needs of the beneficiaries being served and did not misuse Social Security benefits. However, we questioned whether the shelter or clothing needs of three beneficiaries were met. In addition, we identified two payees charging unauthorized fees. Finally, we identified three payees not complying with SSA's policies and procedures.

Our Recommendations

We recommend SSA:

1. Include steps to determine whether payees are operating group homes when individual representative payees are selected for review. If the payees are operating group homes, take additional steps to verify the needs of the beneficiaries are met and the expenses are reasonable and supported.
2. Review the concerns reported to Agency staff regarding the specific payees we reviewed and take appropriate action.

SSA agreed with the recommendations.