

Objective

To determine common traits and vulnerabilities noted during reviews of Social Security Administration (SSA) high-volume individual representative payees.

Background

A representative payee may be an individual or an organization. A representative payee receives and disburses benefit payments on a beneficiary's behalf. Representative payees are responsible for ensuring benefit payments are used for the beneficiary's current maintenance, including food, shelter, clothing, medical care, and personal comfort items.

Despite all of a representative payee's responsibilities, only fee-for-service payees are allowed to collect a fee. SSA procedures prohibit volume individual representative payees from collecting a fee from SSA benefits for their services except in certain circumstances such as when they serve as a court-appointed legal guardian.

This review focused on volume individual representative payees, that is, individuals serving as a payee for 15 or more beneficiaries. Using the Philadelphia regional Intranet site (Philanet), we identified approximately 500 payees throughout SSA's 10 regions.

Findings

Some beneficiaries must rely on a representative payee to receive and disburse SSA benefit payments on their behalves. Because the Agency approves representative payee applications—and these payees serve some of SSA's most vulnerable beneficiaries—we believe it is important that the Agency provide sufficient oversight. Specifically, we believe SSA should ensure payees use and account for benefit payments in accordance with Agency policies and procedures.

We identified approximately 500 high-volume individual payees in Philanet's Representative Payee Monitoring Application as of October 2014. Of those 500 payees, we noted 47 cared for 50 or more beneficiaries. These payees were responsible for determining beneficiaries' current needs for day-to-day living and using their payments to meet those needs. During our prior reviews of seven high-volume individual payees, 3 of whom were included in the 47 payees noted above, we found that all collected unallowable and/or excessive fees. However, during SSA's site reviews of the high-volume individual payees with 50 or more beneficiaries, the Agency found only 4 had collected fees. We did not review the accuracy of SSA's site review results and therefore did not draw conclusions on these results. However, we believe SSA could improve its site reviews by adopting some tests we perform in our audits of representative payees.

Recommendations

We made two recommendations that SSA enhance its continuous monitoring program to help identify the issues consistently found by the Office of the Inspector General in its audits of high-volume individual representative payees.

SSA agreed with the recommendations.