

Individual Representative Payees Who Do Not Have a Social Security Number in the Social Security Administration's Payment Records

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) had adequate controls to ensure it recorded individual representative payees' Social Security numbers (SSN) in its payment records.

Background

SSA is required to obtain the SSNs of representative payee applicants. SSA uses the representative payee's SSN to (1) verify the payee's identifying information; (2) determine whether the payee applicant is receiving Old-Age, Survivors and Disability Insurance or Supplemental Security Income; (3) determine whether the applicant is a convicted felon; and (4) determine whether the applicant previously served as a representative payee and has a history of poor payee performance or misuse.

An individual's SSN is required to establish a representative payee in the Electronic Representative Payee System (eRPS). SSA's automated systems process the representative payee's information and update the Master Beneficiary (MBR) or Supplemental Security Records (SSR).

We identified 224,264 beneficiaries in current pay status who had an individual representative payee who did not have his/her SSN recorded on the MBR/SSR.

Findings

SSA needs to improve controls to ensure it (a) records individual representative payees' SSNs in its payment records and (b) retains the application for representative payees who do not have an SSN. Based on our random sample, we estimate that 150,257 beneficiaries had an individual representative payee who had a valid SSN that SSA should have recorded on the MBR/SSR. Of these, 26,912 beneficiaries had representative payees whom, according to eRPS, SSA had terminated or not selected. From October 2004 to September 2016, SSA paid these representative payees about \$853.1 million. Furthermore, unless it takes corrective action, we estimate SSA will pay these representative payees about \$189.6 million in benefits annually.

In addition, we estimate that 22,426 beneficiaries had an individual representative payee who did not have an SSN, and SSA had not followed its policy to retain the paper application. These representative payees were not in eRPS. From April 2006 to September 2016, SSA paid these representative payees about \$1 billion. Furthermore, unless it takes corrective action, we estimate SSA will pay these representative payees about \$182.5 million in benefits annually.

Recommendations

We recommend that SSA:

1. Take appropriate action for the 77 beneficiaries whose representative payees' SSNs are not on the MBR/SSR, as identified by our audit.
2. Evaluate the results of its actions for the 77 beneficiaries and determine whether it should review the remaining population of 224,164 beneficiaries we identified.
3. Improve controls to ensure (a) it records representative payees' SSNs on the MBR/SSR and (b) its systems generate alerts when there is a discrepancy between representative payee information in eRPS and the MBR/SSR.

SSA agreed with our recommendations.