

Report Summary

Social Security Administration Office of the Inspector General

December 2009



Objective

To assess the Social Security Administration's (SSA) payment of Supplemental Security Income (SSI) to parents or relatives serving as representative payees for children they were not supporting.

Background

The SSI program is intended to be a program of last resort.

Generally, residents of public institutions are not eligible for SSI payments. However, in some cases, SSI recipients under age 18 remain eligible for payments while residing in institutions.

Furthermore, children residing in certain medical facilities receiving substantial Medicaid or private health insurance payments on their behalf, may also remain eligible for SSI payments. However, in these cases, the children are only eligible for a reduced Federal SSI payment of no more than \$30.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-01-09-29113.pdf>

Supplemental Security Income Payments to Parents or Relatives Not Supporting Children (A-01-09-29113)

Our Findings

We found that some parents/relatives serving as representative payees received SSI payments for children they were not supporting. Based on our review, we estimate that approximately 320 children resided in institutions, and their parents/relatives did not contribute to the cost of care at the institutions. These parents/relatives received approximately \$8.3 million in SSI payments for children they were not supporting. In addition, we estimate the Government could realize potential savings of about \$1.9 million per year if SSA limited these children to reduced SSI payments—similar to how children residing in certain medical facilities are limited to a \$30 Federal SSI payment.

Furthermore, we were unable to determine whether parents/relatives contributed to the cost of care for about 260 children residing in institutions. The parents/relatives of these children received approximately \$3.6 million in SSI payments and possibly did not contribute to the children's cost of care at the institutions.

For example, in one case, a 17-year-old SSI recipient resided in an institution for children with autism in which a third party paid for his care. He had not lived with his father since at least July 2000. His father served as his representative payee and received about \$36,000 on behalf of his disabled son for the period July 2000 to May 2009. This child's father earned about \$98,000 in 2008—and this income did not have any impact on his son's SSI payments.

Our Recommendations

We recommend SSA consider whether it is equitable to reduce SSI payments to parents/relatives serving as representative payees for children they are not supporting. If SSA determines it is equitable to do so, the Agency should seek the legislative revisions needed to enact this change in policy.

SSA agreed with the recommendation.