



Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

Audit Report

Representative Payees Not in the
Electronic Representative Payee
System

052401 September 2024



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 25, 2024

Refer to: 052401

To: Martin O' Malley
Commissioner

From: Michelle L. Anderson *Michelle L. Anderson*
Assistant Inspector General for Audit
as Acting Inspector General

Subject: Representative Payees Not in the Electronic Representative Payee System

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether Social Security Administration employees properly processed representative payee applications in the Electronic Representative Payee System.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Jeffrey T. Brown, Deputy Assistant Inspector General for Audit.

Attachment

Representative Payees Not in the Electronic Representative Payee System 052401



September 2024

Office of Audit Report Summary

Objective

To determine whether Social Security Administration (SSA) employees properly processed representative payee (payee) applications in the Electronic Representative Payee System (eRPS).

Background

SSA appoints payees to receive and manage the payments of individuals who cannot manage or direct the management of their benefits because of youth or mental and/or physical impairments. A payee may be an individual or an organization.

SSA employees must create and process payee applications in eRPS, an application that processes payee applications and contains all payee-related information, for applicants who have a Social Security number (SSN).

We identified 2 populations from SSA's systems as of April 2021: 73,811 beneficiaries who had pending payees in eRPS with SSNs that differed from the payees on the payment records and 129,644 beneficiaries who had payees on the payment records but did not have payees in eRPS. From each population, we selected a random sample of 200 for review.

We conducted three audits on the accuracy and completeness of information in eRPS. This is third report in the series.

Results

SSA employees did not always properly process payee applications in eRPS. Also, employees did not always resolve pending payee applications or record individual payees' SSNs on the payment records. SSA needs to improve controls to ensure it does not make payments to payees who are not in eRPS. We estimate SSA did not:

- Resolve the pending payee applications for approximately 31,000 beneficiaries and therefore paid approximately \$772 million in benefits to someone other than the payees in eRPS for approximately 16,000 beneficiaries.
- Properly process payee applications to establish, re-establish, or record payees in eRPS for approximately 42,000 beneficiaries who had payees recorded on the payment records. Of these, we estimate approximately 25,000 beneficiaries had payees for whom there were no applications or evidence supporting employees' decisions to select or reinstate the payees. SSA paid these payees approximately \$467 million.
- Record individual payees' SSNs on the payment records for approximately 14,000 beneficiaries whose pending payees in eRPS had SSNs that differed from the payees on the payment records.
- Record the individual payees' SSNs on the payment records for approximately 15,500 beneficiaries who did not have representative payees in eRPS.

Recommendations

We made four recommendations for SSA to improve controls to ensure it resolves pending payee applications in eRPS, properly establishes or records the payees in eRPS, and records payees' SSNs on the payment records.

SSA agreed to implement our recommendations.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
eRPS	Electronic Representative Payee System
MBR	Master Beneficiary Record
OASDI	Old-Age, Survivors, and Disability Insurance
OIG	Office of the Inspector General
Payee	Representative Payee
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
SSR	Supplemental Security Record
U.S.C.	United States Code
WAC	Workload Action Center

OBJECTIVE

Our objective was to determine whether Social Security Administration (SSA) employees properly processed representative payee (payee) applications in the Electronic Representative Payee System (eRPS).

BACKGROUND

SSA administers the Old-Age, Survivors, and Disability Insurance (OASDI) program under Title II of the *Social Security Act*.¹ OASDI provides benefits to wage earners and eligible family members in the event a wage earner retires, becomes disabled, or dies. SSA also administers the Supplemental Security Income (SSI) program under Title XVI of the *Social Security Act*.² SSI is a means-tested program that provides a minimum level of income to individuals who are aged, blind, or disabled and meet certain income and resource limits.

SSA appoints payees for beneficiaries³ who cannot manage or direct the management of their Social Security benefits because of their youth or mental and/or physical impairments.⁴ A payee, which may be an individual or an organization, receives OASDI benefits and SSI payments on these beneficiaries' behalf. An individual or organization must complete an application to serve as a payee.⁵ Social Security law and regulations require that payees use the benefits they receive for the beneficiary's needs and in their best interest. Payees are also responsible for keeping records and reporting to SSA on their use of the beneficiaries' funds.⁶

Payee Applications

SSA employees must create and process payee applications in eRPS for applicants who have Social Security numbers (SSN). The application is used to assess the payee's suitability to be a payee.⁷ SSA employees must document payee selections in eRPS.⁸ When SSA selects a payee, eRPS automatically updates the payee information to the Master Beneficiary Record (MBR) for post-entitlement cases. ERPS cannot automatically update the payment records for OASDI or SSI initial entitlements or post-entitlement actions; therefore, SSA employees must manually transfer payee information from eRPS to the payment records.

¹ *Social Security Act* § 201, 42 U.S.C. § 401.

² *Social Security Act* § 1601, 42 U.S.C. § 1381.

³ We use the term "beneficiary" in this report to refer to OASDI beneficiaries and/or SSI recipients.

⁴ *Social Security Act* §§ 205, 1631; 42 U.S.C. §§ 405 (j)(1)(A), 1383(a)(2); 20 C.F.R. §§ 404.2010, 416.610.

⁵ SSA, *POMS*, GN 00501.013 (March 14, 2024) and GN 00502.107 (May 23, 2023).

⁶ 20 C.F.R. §§ 404.2035 and 416.635; SSA, *POMS*, GN 00502.114 (May 23, 2023)

⁷ SSA, *POMS*, GN 00502.107, A.3 (May 23, 2023) and GN 00504.102, A (August 11, 2023).

⁸ SSA, *POMS*, GN 00502.132, A.2 (May 23, 2023).

SSA allows individuals who do not have an SSN to serve as payees (for example, noncitizens who have minor children and applicants who reside outside the United States). Employees cannot create these payee applications in eRPS. Instead, they must obtain and retain a paper application and bypass eRPS to add the payee information directly onto the payment records.⁹

The Electronic Representative Payee System

As most payees have SSNs, SSA uses eRPS to process most payee applications. ERPS contains all payee-related information, such as their name, relationship to the beneficiary, guardianship, and custody.¹⁰ Employees should update and change all payee information in eRPS, except when a payee is terminated or does not have an SSN.

Additionally, if a beneficiary's benefits are suspended, SSA may require that employees verify the payee's continued suitability before reinstating the benefits. When this occurs, employees must document the results of the investigation in eRPS.¹¹

SSA managers use payee information in eRPS reports to prepare congressional reports and trend analyses. Additionally, SSA relies on the accuracy of payee information on the MBR and Supplemental Security Record (SSR), which is transferred from eRPS, to conduct oversight of payees.¹²

Social Security Number Identification

SSA must use an individual's SSN to establish them as a payee in eRPS. When SSA selects the payee, eRPS updates the payee's SSN on the payment records.¹³ SSA uses the SSNs in eRPS to assess payees' continuing suitability. For example, SSA matches death,¹⁴ prisoner, and fugitive felon information with eRPS to identify individual payees who have died, are incarcerated,¹⁵ or have unsatisfied fugitive felon warrants.¹⁶

⁹ SSA, *POMS*, GN 00502.190 (August 26, 2022).

¹⁰ SSA, *POMS*, GN 00502.110, A (May 23, 2023).

¹¹ SSA, *POMS*, GN 00504.160 (April 15, 2016)

¹² The MBR contains information about each claimant who has applied for OASDI benefits. The SSR contains information about individuals who applied for SSI payments.

¹³ We use the term "payment record" in this report to describe the MBR and/or the SSR.

¹⁴ SSA, *POMS*, GN 00502.132 (May 23, 2023).

¹⁵ SSA, *POMS*, GN 00502.132, B.5.a (May 23, 2023) and GN 00504.103 (May 16, 2016).

¹⁶ SSA, *POMS*, GN 00504.102 (August 11, 2023).

Discrepant Representative Payee Information

ERPS generates alerts to notify employees of discrepant information between eRPS and the payment records so they can take corrective action. One of the alerts is generated by Stuck Sweeper, a monthly function that reviews payee applications in “Ready to Process” status that are over 14-days-old and compares the data between eRPS and the payment records. If there is a discrepancy, such as the payee’s SSN on the payment record does not match the application in eRPS, Stuck Sweeper generates an alert to notify an SSA employee to resolve the discrepancy. In addition, eRPS issues development alerts when employees update eRPS or the payment records and there are discrepancies between the two systems, such as conflicting information regarding the payee’s SSN. ERPS does not generate alerts when payees are active on the payment records but terminated in eRPS.

The Workload Action Center (WAC) program stores and controls the Stuck Sweeper and development alerts. The WAC generates a list of pending eRPS alerts and notifies field office employees of the cases that are pending corrective action. SSA stated eRPS alerts remain in eRPS until employees resolve them. However, there are no follow-up notifications to remind employees that action is needed. SSA uses the WAC to track these alerts. After 180 days, any unresolved alerts are removed from, and are no longer tracked in, the WAC. SSA stated managers can assign alerts to users but are not required to do so. Also, SSA does not specify the timeframes in which employees are required to resolve alerts so management can prioritize workloads. SSA only has policy on timeframes for resolving alerts pertaining to beneficiaries in foster care¹⁷ and checking payee applicants’ criminal background.¹⁸

SCOPE AND METHODOLOGY

We conducted three audits of the accuracy and completeness of information in eRPS. This is the third report in the series.¹⁹ For this audit, we identified two populations of beneficiaries as of April 2021:

- **Population 1:** 73,811 beneficiaries who had pending payees²⁰ in eRPS with SSNs that differed from the payees on the payment records.
- **Population 2:** 129,644 beneficiaries who had payees on the payment records but did not have payees in eRPS.

We selected 2 random samples for our review: 200 beneficiaries from each population. (For additional information about our scope, methodology, and sampling results, see Appendix A.)

¹⁷ SSA, POMS, GN 00502.157 (June 20, 2019).

¹⁸ SSA, POMS, GN 00502.302 (November 16, 2023).

¹⁹ This report is a part of a larger comprehensive audit of eRPS. Because of the size of the audit, we are reporting the results separately in three reports. The other reports are related to capability determinations for disabled beneficiaries and discrepancies in eRPS.

²⁰ For the purposes of this report, we refer to payees whose applications were not in “completed” status in eRPS as pending payees.

RESULTS OF REVIEW

SSA employees did not always properly process payee applications in eRPS. Also, employees did not always resolve pending payee applications or record individual payees' SSNs on the payment records. SSA needs to improve controls to ensure it does not make payments to payees who are not in eRPS. Based on our random sample, we estimate SSA employees did not:

- Resolve the pending payee applications for approximately 31,000 beneficiaries. Of these, SSA paid approximately \$772 million in benefits owed to about 16,000 beneficiaries to individuals or organizations other than the payees who were pending in eRPS.
- Properly process applications to establish, re-establish, or record payees in eRPS for approximately 42,000 beneficiaries. Of these, approximately 25,000 beneficiaries had payees for whom there were no applications or evidence supporting SSA's selections or reinstatement of the payees who appeared on the payment records and SSA paid these payees approximately \$467 million.
- Record on the payment records the SSNs of the payees who were serving approximately 14,000 beneficiaries. Additionally, we estimate SSA did not record the individual payees' SSNs on the payment records for approximately 15,500 beneficiaries who did not have payees in eRPS.

Payee Applications Not Resolved in the Electronic Representative Payee System

SSA did not resolve pending payee applications in eRPS for 83 of 200 beneficiaries. These payees were pending in eRPS for an average of 1,534 days (4.2 years).²¹

- SSA did not record on the payment records the payees that were in eRPS for 44 beneficiaries, which resulted in SSA issuing \$2.39 million to payees other than those whose applications were pending in eRPS.
- SSA recorded on the payment records of 39 beneficiaries the payees that were in eRPS; however, the Agency did not resolve the pending payee applications and properly establish the payees in eRPS.

Employees would not be able to make necessary payee updates through eRPS for these 83 beneficiaries because employees did not properly establish them in eRPS.

²¹ The average number of days pending represents 82 payees because 1 payee was incorrectly associated with the beneficiary in our sample.

This occurred because, for beneficiaries with initial or SSI post-entitlement, SSA employees did not complete the manual process required to transfer the payee's information from eRPS to the payment records. When employees are required to take manual actions, without adequate controls, there is increased risk that employees will not complete those actions in accordance with policies and procedures. In addition, in some instances, employees selected payees in eRPS; however, the system did not automatically update the payees' information on the MBR in post-entitlement cases. SSA stated that, because of the age of these cases, it could not determine why this occurred.²² Further, eRPS did not transfer the payees' information to the payment records because of discrepant information between the systems; therefore, the payee applications could not be processed, and the payees remained in a pending status.

ERPS generated alerts to notify employees of the discrepancies for 81 of 83 beneficiaries, but employees did not take action to resolve the alerts. Alerts were not generated for the remaining two beneficiaries because their records did not meet the criteria.

In one of these examples, we found that, while an employee determined in January 2017 that a beneficiary was incapable of managing or directing the management of their benefit. The employee selected the beneficiary's mother to serve as their payee, but the mother was never entered into the record as a payee because SSA employees did not complete the required manual process to transfer the payee's information from eRPS to the payment record. As of October 2022, SSA had paid the beneficiary \$51,233, and the selected payee was still in a pending status. By continuing to pay benefits directly to a beneficiary whom the Agency has determined is not capable of managing their own benefits, there is increased risk the beneficiary's needs may not be met.

Payees Not in the Electronic Representative Payee System

Of the 200 beneficiaries in our sample, 65 had payees who were not in eRPS at the time of our review. SSA employees recorded these payees on the payment records but did not properly process the payee application to establish, re-establish, or record these payees in eRPS. Of the 65 beneficiaries:

- 38 had payees for whom there were no applications or evidence that supported employees' selections or reinstatement of the payees. SSA paid these 38 payees approximately \$1 million.
- 27 had evidence supporting employees' selections or reinstatement of the payees; however, employees did not properly record the payees in eRPS.

This occurred because SSA did not properly record the payees in eRPS. For example, employees did not obtain a payee's application, as required. In some instances, when SSA resumed benefits that had been suspended or terminated, employees did not properly develop or document the payee determination. Also, employees terminated unsuitable payees in eRPS but continued paying benefits to them according to the payment records.

²² According to SSA, files that are transferred from eRPS to the payment records are retained for 1 year.

ERPS does not generate alerts when payees are active on the payment records but are either not in eRPS or are in eRPS in a terminated status. When a beneficiary's entitlement to benefits on the payment record ceases, the payee will also be terminated in eRPS. Should the beneficiary later become entitled to benefits again, SSA's systems do not notify employees to re-establish the previously terminated payee eRPS.

ERPS generated alerts to notify employees of the discrepancies for 38 of the 65 beneficiaries whose payees on the payment record were terminated or not the active payee in eRPS; however, employees did not resolve the alerts.²³ While managers can obtain reports to determine how long alerts have been pending and these alerts can be assigned to users, SSA does not require that employees process the alerts within a specific timeframe.

For example, a beneficiary had a payee on the payment record, but SSA did not establish an eRPS record for the payee. The payee received \$4,850 on the beneficiary's behalf from March 2020 through January 2023. Finally, SSA may be unable to assess the payee's suitability because an employee did not record or document a payee application supporting their decision to select the payee.

Payees' Social Security Numbers Missing on Payment Records

For 63 of 400 beneficiaries, SSA did not record the individual payees' SSNs on the payment records.²⁴ This occurred because employees manually updated payee information in some instances. SSA's systems allow employees to manually add or update payee information on the payment records, because employees cannot use eRPS when a payee does not have SSNs. However, SSA does not have controls to prevent employees from directly updating the payment records even when payees are active in eRPS and have their own SSNs. In these instances, employees should update payee information in eRPS and should not directly update the payment records. Additionally, eRPS generated alerts to notify employees of the discrepancies for 57 of 63 beneficiaries, but SSA employees did not take action to resolve the alerts eRPS generated.²⁵

For the 63 beneficiaries whose payees' SSNs the Agency had not recorded on the payment records, there is a risk that SSA will not detect when payees die, are incarcerated, or are fugitive felons. In addition, the information between the payment records and eRPS would not interface properly, preventing payee data from updating the payment records and eRPS and resulting in discrepancies between the systems.

²³ SSA did not explain why alerts were generated for those payees who were terminated in eRPS.

²⁴ The 63 beneficiaries represent 39 in our finding of beneficiaries with payee applications not resolved in eRPS; and 24 in our finding of beneficiaries with payees not in eRPS. The 400 beneficiaries represent the 200 we sampled from population 1 and the 200 we sampled from population 2 (the 2 populations are mutually exclusive).

²⁵ The 57 beneficiaries represent 38 from our sample of beneficiaries with payee applications not resolved in eRPS; and 19 from our sample of beneficiaries with payees not in eRPS.

CONCLUSIONS

By not properly establishing payees in eRPS, beneficiaries may have received payments directly, despite being appointed a payee because of the beneficiary's youth or mental and/or physical impairment. Additionally, improperly establishing payees in eRPS may lead to payments being improperly made to someone other than the Agency-selected payee, who may not be a suitable payee. In addition, the payee may continue receiving payments after that payee relationship has terminated, increasing the risk that payees may misuse the beneficiaries' benefits and the beneficiaries' needs may not be met. Generally, when payees misuse benefits, the Agency must reissue the benefits to the beneficiaries or to new payees and must attempt to recover the misused funds from the prior payees.

RECOMMENDATIONS

We recommend that SSA:²⁶

1. Review and take corrective action as needed for the 83 beneficiaries whose payee applications SSA had not resolved in eRPS; 65 beneficiaries who have payees in the payment record that SSA had not recorded in eRPS; and 63 beneficiaries whose payees' SSNs were missing on the payment records.
2. Evaluate the results of its review for the beneficiaries in Recommendation 1 and determine whether it should review the remaining populations.
3. Improve controls to ensure employees resolve eRPS alerts, resolve pending payee applications in eRPS, and properly establish or record the payees in eRPS, such as establishing a timeframe for resolving alerts and management controls such as supervisory review to monitor unresolved alerts.
4. Conduct training and issue reminders to ensure employees resolve alerts and record payees' SSNs on the payment records.

AGENCY COMMENTS

SSA agreed to implement our recommendations; see Appendix B.

²⁶ In our FY 2024 draft report related to eRPS discrepancies, we recommend SSA establish a process or ad-hoc workload to ensure employees resolve inconsistencies between eRPS and the payment records, including, but not limited to, removing active payees in eRPS that are not on the payment records and establishing active payees in eRPS, when necessary. This recommendation and subsequent corrective actions will address the findings we identified in this report related to unresolved alerts. Therefore, we did not include the recommendation in this report to prevent repetition and overlap.

OTHER MATTER

From our sample of beneficiaries who had payees on the payment records but did not have payees in eRPS, we found nine payees who appear to be non-citizens who are ineligible for SSNs. SSA did not have paper applications to support employees' decisions to select them as payees, as required by policy. SSA paid these payees a total of approximately \$345,000. Since SSA is required to obtain and retain paper applications when non-citizens—who are ineligible for SSNs—apply to serve as payees, the Agency should consider acting on these cases and improving controls (for example, issue reminders, conduct refresher training, or establishing policies) to ensure employees obtain and retain paper applications for payees who do not have their own SSNs.

APPENDICES

Appendix A – SCOPE, METHODOLOGY, AND SAMPLING RESULTS

To accomplish our objective, we:

- Reviewed the applicable sections of the *Social Security Act*, the United States Code, and the Social Security Administration’s (SSA) *Program Operations Manual System*.
- Corresponded with SSA employees from the Offices of Operations and the Chief Information Officer.
- Identified 73,811 beneficiaries who had pending representative payees (payee) in the Electronic Representative Payee System (eRPS) with Social Security numbers that differed from the payees on the Master Beneficiary Record/Supplemental Security Record (MBR/SSR) as of April 2021.
- Identified 129,644 beneficiaries who had payees on the MBR/SSR but who did not have payees in eRPS as of April 2021.
- Selected a random sample of 200 beneficiaries from each population to determine whether SSA (1) properly resolved the payee applications pending in eRPS, (2) properly established and recorded payees in eRPS, and (3) recorded individual payee social security numbers on the MBR/SSR.
- Reviewed the MBR, SSR, eRPS, and Evidence Portal for each sample case.
- Provided the potential-error cases to SSA for its review and updated our analysis based on their feedback.
- Obtained information from SSA subject-matter experts to determine why the errors occurred.

We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components, including control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objective. We identified the following component and principles as significant to the audit objective.

- Component 3: Control Activities
 - Principle 10: Design control activities
 - Principle 11: Design activities for the information system
 - Principle 12: Implement control activities

We assessed the reliability of the computer-processed data by performing electronic testing and reviewing existing information about the data and the system that produced them. We also traced a statistically random sample of data to source documents. We determined the data were sufficiently reliable for the purposes of this report.

We conducted our audit work from October 2021 to March 2024. The entities audited were the Offices of the Deputy Commissioners for Operations and the Chief Information Officer. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Sampling Results

To conduct this review, we used a simple random sample statistical approach. This is a standard statistical approach used to create a sample from a population completely at random. As a result, each sample item had an equal chance of being selected throughout the sampling process, and the selection of one item had no impact on the selection of other items. Therefore, we were guaranteed to choose a sample that represented the population, absent human biases, and ensured statistically valid conclusions of, and projections to, the entire population under review. Our sampling approach for this review ensures that our reported projections are statistically sound and defensible.

Payee Applications Not Resolved in the Electronic Representative Payee System

To determine whether SSA properly resolved the individual payee applications pending in eRPS, we obtained a data extract of the eRPS pending file, MBR, and SSR for beneficiaries who were in current pay as of April 2021. We used this information to identify 73,811 beneficiaries who had pending payees in eRPS with SSNs that differed from the payees on the MBR/SSR. From this population, we selected a random sample of 200 beneficiaries.

Table A–1: Population and Sample Size

Description	Beneficiaries
Population Size	73,811
Sample Size	200

SSA did not resolve pending payee applications in eRPS for 83 of the 200 beneficiaries in our sample. Of these, SSA did not record the payees in eRPS on the MBR/SSR and paid approximately \$2.39 million to payees other than those with applications pending in eRPS for 44 of the 83 beneficiaries. Projecting our sample results to the population of 73,811 beneficiaries, we estimate SSA did not resolve the payee applications for 30,632 beneficiaries. Of these, we estimate SSA paid \$772 million in benefits to someone other than the payees in eRPS for 16,238 beneficiaries.

Table A–2: Payee Applications Not Resolved

Description	Beneficiaries
Sample Results	83
Point Estimate	30,632
Projection - Lower Limit	26,315
Projection - Upper Limit	35,089

Note: All statistical projections are at the 90-percent confidence level.

Table A–3: Benefits Paid to Someone Other Than the Pending Payees

Description	Beneficiaries	Payments
Sample Results	42 ¹	\$2,070,370
Point Estimate	16,238	\$771,798,526
Projection - Lower Limit	12,750	\$552,579,704
Projection - Upper Limit	20,193	\$991,017,348

Note: All statistical projections are at the 90-percent confidence level.

Payees Not in the Electronic Representative Payee System

To determine whether SSA properly established and recorded payees in eRPS, we obtained a data extract from the MBR and SSR of 129,644 beneficiaries in current pay who had a payee on the MBR/SSR but did not have a payee in eRPS as of April 2021. From this population, we selected a random sample of 200 beneficiaries for review.

Table A–4: Population and Sample Size

Description	Beneficiaries
Population Size	129,644
Sample Size	200

For 65 beneficiaries, SSA recorded payees on the MBR/SSR but did not properly establish or record these payees in eRPS. Of these, SSA paid \$989,323 to 38 beneficiaries with payees for whom there was no application or evidence supporting SSA’s selection or reinstatement of the payees. Projecting our sample results to the population of 129,644 beneficiaries, we estimate 42,134 beneficiaries had payees recorded on the MBR/SSR that SSA had not properly established in eRPS. Of these, we estimate that 24,632 beneficiaries had a payee for whom there was no application supporting SSA’s selection or reinstatement of the payees and were paid approximately \$467 million.

¹ There were a total of 44 errors, but we removed 2 beneficiaries from the projection, totaling \$317,028 (\$174,770 and \$142,258) because they were outliers.

Table A–5: Payees Not in eRPS

Description	Beneficiaries
Sample Results	65
Point Estimate	42,134
Projection - Lower Limit	35,042
Projection - Upper Limit	49,736

Note: All statistical projections are at the 90-percent confidence level.

Table A–6: Payments to Payees Who Had no Application Support

Description	Beneficiaries	Payments
Sample Results	36 ²	\$713,975
Point Estimate	24,632	\$467,487,791
Projection - Lower Limit	18,875	\$301,505,538
Projection - Upper Limit	31,301	\$633,470,045

Note: All statistical projections are at the 90-percent confidence level.

Payees’ Social Security Numbers Missing on the Payment Records

SSA did not record the individual payees’ SSNs on the MBR/SSR for 39 of 200 beneficiaries in our population of 73,811 beneficiaries who had pending payees in eRPS with SSNs that differed from the payees on the MBR/SSR. Projecting our sample results to the population of 73,811 beneficiaries, we estimate that SSA did not record the individual payee SSNs on the MBR/SSR for 14,393 beneficiaries.

Table A–7: Payee SSNs Missing on the Payment Records (73,811 Population)

Description	Beneficiaries
Sample Results	39
Point Estimate	14,393
Projection - Lower Limit	11,080
Projection - Upper Limit	18,216

Note: All statistical projections are at the 90-percent confidence level.

SSA did not record the individual payee SSNs on the MBR/SSR for 24 of 200 beneficiaries in our population of 129,644 beneficiaries who had a payee on the MBR/SSR but did not have a payee in eRPS. Projecting our sample results to the population of 129,644 beneficiaries, we estimate that SSA did not record the individual payee SSNs on the MBR/SSR for 15,557 beneficiaries.

² There were a total of 38 errors, but we removed 2 beneficiaries from the projection, totaling \$275,348 (\$97,129 + \$178,219) because they were outliers.

Table A–8: Payee SSNs Missing on the Payment Records (129,644 Population)

Description	Beneficiaries
Sample Results	24
Point Estimate	15,557
Projection - Lower Limit	10,912
Projection - Upper Limit	21,334

Note: All statistical projections are at the 90-percent confidence level.

Appendix B – AGENCY COMMENTS




SOCIAL SECURITY

MEMORANDUM

Date: September 11, 2024

Refer To: TQA-1

To: Michelle L. H. Anderson
Acting Inspector General

From: Dustin Brown 
Acting Chief of Staff

Subject: Office of the Inspector General Draft Report, "Representative Payees Not in the Electronic Representative Payee System" (052401) – INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations.

Please let me know if I can be of further assistance. You may direct staff inquiries to Hank Amato at (407) 765-9774.



Mission:

The Social Security Office of the Inspector General (OIG) serves the public through independent oversight of SSA's programs and operations.

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Social Security-related scams and Social Security fraud, waste, abuse, and mismanagement, at oig.ssa.gov/report.

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