

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.