



Office of the Inspector General  
SOCIAL SECURITY ADMINISTRATION

*Audit Report*

Representative Payee Reviews  
and Educational Visits

*A-13-17-50195 September 2024*



# Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

## MEMORANDUM

**Date:** September 26, 2024

**Refer to:** A-13-17-50195

**To:** Martin O'Malley  
Commissioner

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

**Subject:** Representative Payee Reviews and Educational Visits

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration complied with the *Strengthening Protections for Social Security Beneficiaries Act of 2018* and its policies and procedures related to representative payee reviews and educational visits.

Please provide within 60 days a corrective action plan that addresses the 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 Payee Reviews and Educational Visits

## A-13-17-50195



September 2024

Office of Audit Report Summary

### Objective

Our objective was to determine whether the Social Security Administration (SSA) complied with the *Strengthening Protections for Social Security Beneficiaries Act of 2018* (Act) as well as its policies and procedures related to representative payee (payee) reviews and educational visits.

### Background

The Act requires that SSA award at least \$25 million in annual grants to Protection and Advocacy (P&A) agencies to review payees and 4 percent to the national association grantee (NAG) for training, technical assistance, administrative support, and data collection services for P&A agencies.

The Act also requires that P&A agencies conduct (1) all periodic on-site reviews of payees; (2) educational visits of fee-for-service payees; (3) other payee reviews requested by SSA; and (4) payee reviews—as approved by SSA—the P&A agencies have reason to believe are warranted.

### Results

SSA generally complied with the Act and its policies and procedures related to payee reviews and educational visits. With some exceptions, SSA (1) awarded the correct grant amounts; (2) appropriately selected payees for reviews and educational visits; and (3) ensured P&A agencies complied with SSA's reporting requirements. However, SSA did not always ensure (1) P&A agencies completed educational visits timely and (2) P&A agency and SSA employees took the required actions to resolve deficiencies P&A agencies identified and/or documented those actions as required.

In July 2022, SSA reported it corrected a programming issue that inaccurately calculated the due dates for educational visits. In August 2023, SSA (1) issued an updated business process document for NAG and P&A agencies' use and (2) began visiting select P&A agencies to review their program, financial, and administrative activities.

### Conclusion

SSA must effectively oversee P&A agencies' reviews and educational visits to ensure payees are fulfilling their duties and using beneficiaries' benefits appropriately. SSA must also ensure its employees and P&A agencies take the necessary actions to resolve deficiencies that could affect beneficiaries' eligibility or payees' suitability.

### Recommendation

We recommend SSA ensure P&A agencies and SSA employees take the required actions to resolve deficiencies P&A agencies identified during payee reviews and document those actions as required. SSA agreed to implement our recommendation.

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## **ABBREVIATIONS**

|             |  |
|-------------|--|
| Act         | <i>Strengthening Protections for Social Security Beneficiaries Act of 2018</i> |
| CAP         | Corrective Action Plan   |
| C.F.R.      | Code of Federal Regulations  |
| FFS         | Fee-for-Service  |
| FY          | Fiscal Year  |
| NAG         | National Association Grantee   |
| OASDI       | Old-Age, Survivors, and Disability Insurance                                   |
| OIG         | Office of the Inspector General  |
| P&A         | Protection and Advocacy  |
| Payee       | Representative Payee   |
| POMS        | Program Operations Manual System   |
| Pub. L. No. | Public Law Number  |
| RPMT        | Representative Payee Monitoring Tool   |
| SSA         | Social Security Administration   |
| SSI         | Supplemental Security Income   |
| Stat.       | Statutes at Large  |
| U.S.C.      | United States Code   |

## OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) complied with the *Strengthening Protections for Social Security Beneficiaries Act of 2018* (Act) as well as its policies and procedures related to representative payee (payee) reviews and educational visits.

## BACKGROUND

SSA administers the Old-Age, Survivors, and Disability Insurance (OASDI) program under Title II of the *Social Security Act*. OASDI provides benefits to wage earners and eligible family members in the event a wage earner retires, becomes disabled, or dies.<sup>1</sup> SSA also administers the Supplemental Security Income (SSI) program under Title XVI of the *Social Security Act*. 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.<sup>2</sup> An SSI payment amount can vary month to month, depending on such changes in a recipient's eligibility factors as resources, income, and living arrangements.<sup>3</sup>

Some individuals cannot manage or direct the management of their finances because of their youth and/or mental or physical condition. Congress granted SSA the authority to appoint individuals or organizations as payees to receive and manage these beneficiaries' payments.<sup>4,5</sup> In September 2023, approximately 5.6 million payees managed \$77.9 billion in annual benefits for 7.7 million beneficiaries.

## Awarding Grants

Protection and Advocacy (P&A) agencies are community-level advocates that conduct site reviews and work closely with state and local agencies to ensure beneficiaries' well-being. SSA uses payee reviews and educational visits—conducted by P&A agencies—to ensure payees are meeting beneficiaries' needs and performing their duties and responsibilities in accordance with policies and procedures.<sup>6</sup>

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<sup>1</sup> *Social Security Act* § 202, 42 U.S.C. § 402.

<sup>2</sup> *Social Security Act* § 1602, 42 U.S.C. § 1381(a).

<sup>3</sup> SSA, *POMS*, SI 01110.001.B.3 (October 25, 1990) and SI 00501.001 (November 30, 2023).

<sup>4</sup> *Social Security Act* §§ 205(j)(1)(A) and 1631(a)(2)(A)(ii)(I); 42 U.S.C. §§ 405(j)(1)(A) and 1383(a)(2)(A)(ii)(I).

<sup>5</sup> For this review, we used the term “beneficiary” to include both OASDI beneficiaries and SSI recipients who have payees.

<sup>6</sup> For this review, we use the term “payee reviews” to include periodic, state on-site, targeted, and predictive model reviews. See Appendix B for detailed information.

The Act requires that SSA award at least \$25 million in annual grants to the P&A agencies to conduct:<sup>7</sup>

- all periodic on-site payee reviews;
- educational visits for fee-for-service (FFS) payees;<sup>8,9</sup>
- other payee reviews requested by SSA; and
- payee reviews—as approved by SSA—the P&A agencies believe are warranted.

The national association grantee (NAG) is a non-profit membership organization for the federally mandated P&A systems and the client assistance programs for individuals with disabilities. The Act requires that SSA award the NAG 4 percent of the total amount of annual grants it awards P&A agencies for the training, technical assistance, administrative support, and data collection services it provides P&A agencies.

In grant years 2 through 4, SSA awarded the NAG approximately \$3.1 million and 57 P&A agencies \$77.8 million to complete payee reviews and educational visits.<sup>10</sup>

## Selecting Payees for Reviews and Educational Visits

SSA selects the payees for which the P&A agencies will conduct reviews or educational visits. Volume payees—which include individuals who serve as payee for 15 or more beneficiaries and organizations that serve 50 or more beneficiaries—must be reviewed every 4 years.<sup>11</sup> Six months after SSA appoints an FFS payee, SSA must select the payee for an educational visit to ensure the payee fully understands their responsibilities and are capable of recordkeeping and reporting.<sup>12</sup> For more information about how SSA selects payees for reviews and educational visits, see Appendix B.

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<sup>7</sup> *Strengthening Protections for Social Security Beneficiaries Act of 2018*, Pub. L. No.115-165, § 101, 132 Stat. 1257, pp. 1258-1260 (2018).

<sup>8</sup> The Act calls for “initial onsite assessments of organizations.” *Strengthening Protections for Social Security Beneficiaries Act of 2018*, Pub. L. No.115-165, § 101, 132 Stat. 1257, p. 1258 (2018). SSA refers to these initial on-site assessments as “educational visits.”

<sup>9</sup> An FFS payee is an organizational payee that has SSA’s written permission to collect a fee from beneficiaries to serve as their payee.

<sup>10</sup> Each year, SSA awarded the NAG 1 grant for the period June 1 through May 31 and 57 grants to P&A agencies for the period August 1 through July 31.

<sup>11</sup> SSA, *Annual Report on the Results of Periodic Representative Payee Site Reviews and Other Reviews*, Fiscal Year 2023, p. 4.

<sup>12</sup> SSA, *Annual Report on the Results of Periodic Representative Payee Site Reviews and Other Reviews*, Fiscal Year 2023, p. 6. SSA also conducts an educational visit when it determines a visit is warranted for any type of payee.

## Conducting Reviews and Educational Visits

The Act requires that P&A agencies conduct payee reviews and educational visits in accordance with SSA's policies and procedures.<sup>13</sup> SSA's policies and procedures describe the types and frequency of payee reviews and educational visits pertaining to SSA's payee monitoring program as well as the responsibilities of P&A agencies, the NAG, and SSA. SSA provided NAG and P&A agencies a business process document as guidance to perform their respective duties and explain their responsibilities according to SSA's policies and procedures.<sup>14</sup> P&A agencies used the business process document to conduct payee reviews and educational visits, and the NAG used it to assist P&A agencies.<sup>15</sup>

In FYs 2019 through 2021, P&A agencies conducted 6,870 payee reviews and educational visits (for additional details, see Appendix B).

## Reporting Requirements

SSA's grants require that NAG and P&A agencies submit to SSA:

- Semi-annual progress reports that summarize work and accomplishments to date. Progress reports are due no later than January and July 30 each year.
- Quarterly financial reports that report the grants' financial progress. Financial reports are due to SSA 1 month after the end of each calendar quarter.

## The Social Security Administration's Monitoring Requirements

According to Federal regulation, SSA should monitor the P&A agencies to determine whether they are complying with the grants' terms and conditions and program objectives are being achieved.<sup>16</sup> The grant agreements specify that SSA will monitor P&A agencies' performance by evaluating the number and types of reviews they finished during the grant years in relation to the targets SSA established; evaluating the quality of the reviews; and determining whether they adhered to the benchmarks SSA established.

If P&A agencies fail to comply with Federal statutes, Federal regulations, or the terms of the Federal award, SSA may take such actions as temporarily withholding cash payments pending the P&A agencies' correction of deficiencies or deny the agency's use of funds for the costs of the action SSA determined was not in compliance.

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<sup>13</sup> *Strengthening Protections for Social Security Beneficiaries Act of 2018*, Pub. L. No.115-165, § 101, 132 Stat. 1257, pp. 1258-1260 (2018).

<sup>14</sup> SSA, *Business Process Document: Representative Payee Reviews and Educational Visits—P&A Grantee* (June 2019).

<sup>15</sup> See Footnote 14.

<sup>16</sup> 2 C.F.R. § 200.301.



## **SCOPE AND METHODOLOGY**

To accomplish our objective, we reviewed the Act and compared its requirements to SSA's FY 2019 through 2021 annual grant agreements and award amounts for the NAG and 12 P&A agencies. During our audit period, we also reviewed (1) a random sample of 30 payee reviews the P&A agencies completed and (2) 100 educational visits that P&A agencies should have completed. See Appendix A for more information about our scope and methodology.

## **RESULTS OF REVIEW**

SSA generally complied with the Act and its policies and procedures related to payee reviews and educational visits. With some exceptions, SSA (1) awarded the correct grant amounts; (2) appropriately selected payees for reviews and educational visits; and (3) ensured P&A agencies complied with SSA's reporting requirements. However, SSA did not always ensure (1) P&A agencies completed educational visits timely and (2) P&A agency and SSA employees took the required actions to resolve deficiencies P&A agencies identified and/or documented those actions as required.

### **Grants Awarded**

The Act requires that SSA award P&A agencies at least \$25 million in annual grants to conduct their reviews and educational visits. In addition, the Act requires that SSA award NAG 4 percent of the total amount of annual grants awarded to P&A agencies (at least \$1 million).

In the first year SSA awarded grants, employees misinterpreted the Act's requirements and awarded approximately \$24 million to the P&A agencies (instead of at least \$25 million).<sup>17</sup> SSA appropriately awarded annual grants to the P&A agencies and NAG in grant years 2 through 4.

### **Payees Selected for Reviews and Educational Visits**

Between FYs 2019 and 2021, 3,033 volume payees were due for reviews. SSA appropriately selected 2,950 (97 percent) of the reviews for P&A agencies to conduct but did not appropriately select 83 (3 percent). In addition, 100 FFS payees were due for educational visits. SSA appropriately selected 94 of the educational visits for P&A agencies to conduct but did not appropriately select 6.

SSA did not select some of the payees for reviews or visits even though they were due because SSA employees did not include all the information about the payees that the Agency's Representative Payee Monitoring Tool (RPMT) needed to automatically select them.<sup>18</sup>

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<sup>17</sup> The first grant year period for NAG was June 1, 2018 through May 31, 2019 and for P&A agencies was August 1, 2018 through July 31, 2019. We did not determine the effect of SSA not awarding the total grant amounts required by the Act had on NAG and the P&A agencies.

<sup>18</sup> SSA uses RPMT to manage the P&A agencies' completion of payee review cases.

## Progress and Financial Reports Submitted

We reviewed 254 reports NAG and P&A agencies submitted to SSA during our audit period.<sup>19</sup>

- Of the 91 semiannual progress reports submitted, 82 (90 percent) were submitted timely and 9 (10 percent) were not.
- Of the 163 quarterly financial reports submitted, 152 (93 percent) were submitted timely and 11 (7 percent) were not.<sup>20</sup> See Table 1.

**Table 1: Timeliness of Reports NAG and P&A Agencies Submitted**

| Description                            | Semiannual Progress Reports Submitted |              | Quarterly Federal Financial Reports Submitted |              | Total Reports |
|--|---------------------------------------|--------------|---|--------------|---------------|
|  | NAG                                   | P&A Agencies | NAG   | P&A Agencies |               |
| Submitted Timely to SSA                | 5                                     | 77           | 12  | 140          | 234           |
| Not Submitted Timely to SSA            | 0                                     | 6            | 1   | 10           | 17            |
| Missing Submission Dates <sup>21</sup> | 2                                     | 1            | 0   | 0            | 3             |
| <b>Total Reports Reviewed</b>          | <b>7</b>                              | <b>84</b>    | <b>13</b>                                     | <b>150</b>   | <b>254</b>    |

SSA relies on these reports to monitor P&A agencies' performance and compliance with requirements of the grants. For example, when a P&A agency reported to SSA it had difficulty obtaining records from payees, SSA may have been unaware of the potential delays in completing the reviews. If P&A agencies do not submit the reports timely, SSA may not know about these program delays and problems as well as the financial status of the annual grants awarded that could affect the completion of payee reviews and educational visits. Further, if P&A agencies cannot complete their reviews, SSA will not have assurance that payees are meeting the beneficiaries' needs.

<sup>19</sup> In FY 2020, P&A agencies submitted a total of 59 reports to meet the quarterly requirement.

<sup>20</sup> We did not determine why the NAG and P&A agencies did not submit their reports timely.

<sup>21</sup> SSA did not provide supporting documentation that identified the dates NAG and P&A agencies submitted these semiannual progress reports.

## Resolving Deficiencies Identified During Payee Reviews

P&A agencies are responsible for addressing the (1) incorrect titling of bank accounts; (2) untimely or overdue accounting reports; and (3) recordkeeping problems. SSA is responsible for addressing the remaining types of deficiencies.<sup>22</sup>

Of the 30 reviews sampled, P&A agency and SSA employees did not take the appropriate actions for 16 (53 percent) payee reviews and did for the remaining 14 (47 percent).<sup>23</sup>

### *Protection & Advocacy Agencies' Actions to Resolve Deficiencies*

SSA requires that P&A agencies document deficiencies they identify when they conduct reviews; instruct payees on the corrective action they must take; and follow up to ensure the payees took the appropriate corrective action.<sup>24</sup>

For 10 of the 16 payee reviews, P&A agencies did not document whether they followed up on reported deficiencies to ensure the payees took the appropriate corrective action. For example, a P&A agency review found a payee did not provide records because the payee deposited the beneficiary's benefits onto a direct express card. The P&A agency recommended the payee maintain a ledger of monthly expenses to document they appropriately used the beneficiary's benefits. The P&A agency should have followed up with the payee to determine whether they took the recommended action. However, there was no information in RPMT to indicate the P&A agency followed up with the payee to resolve the deficiency.

When P&A agencies do not include information they have verified the payee took corrective actions, SSA cannot be certain the P&A agencies followed up with the payees to ensure they took the appropriate action.

This occurred because SSA did not provide P&A agencies clear guidance and training. In response to an internal quality review, SSA reported it facilitated RPMT refresher training for each P&A agency between August 2021 and February 2022 to encourage P&A agencies' consistent and proper use of RPMT. In August 2023, SSA (1) issued an updated business process document for NAG and P&A agencies' use and (2) began visiting select P&A agencies to review their program, financial, and administrative activities.

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<sup>22</sup> SSA is responsible for addressing deficiencies that include, but not limited to changing a beneficiary's address in SSA records, following up with a beneficiary when he/she has SSI resources that exceed \$2,000, or following up with a payee when beneficiary's funds are included in its operating account.

<sup>23</sup> For the 16 payee reviews with unresolved deficiencies, 9 required corrective actions by both P&A agencies and SSA; 6 required corrective actions by SSA; and 1 required corrective action by a P&A agency.

<sup>24</sup> SSA, *Business Process Document: Representative Payee Reviews and Educational Visits—P&A Grantee* (June 10, 2019).

## ***The Social Security Administration’s Actions to Resolve Deficiencies***

When P&A agencies report deficiencies, including those that may affect beneficiaries’ eligibility or payees’ suitability, SSA requires that its employees follow the appropriate SSA policy to address and resolve all deficiencies the P&A agencies do not resolve.<sup>25</sup>

For 15 of the 16 payee reviews, P&A agencies identified deficiencies that required SSA to take action, but there was no evidence SSA had done so. For example:

- A P&A agency found SSA had an incorrect address for a beneficiary. The agency reported the change of address to SSA; however, there was no evidence SSA updated the beneficiary’s records.
- A P&A agency found an SSI recipient had resources that may have exceeded the allowable limits. The agency reported this to SSA; however, there was no evidence SSA took action to determine whether the beneficiary was eligible for the SSI payments SSA issued.
- A P&A agency found a payee transferred a beneficiary’s funds to its operating account. The agency reported this to SSA; however, there was no evidence SSA followed up with the payee and took action to ensure the beneficiary’s funds were not misused.

SSA did not provide the reasons why its employees did not take the necessary actions in response to the information the P&A agencies reported.

## **Required Educational Visits**

According to SSA’s policy, P&A agencies must complete an educational visit within 6 months after SSA appoints an organization to serve as an FFS payee.<sup>26</sup>

Between FYs 2019 and 2021, P&A agencies did not complete educational visits that were due for 74 of 100 FFS payees as required.<sup>27,28</sup> For the remaining 26, P&A agencies completed educational visits within the required timeframes or completed payee reviews instead.

SSA reported P&A agencies did not complete educational visits for FFS payees as required because its “start-up period was extended over 12 to 18 months.” This delayed the start of educational visits in FY 2019, and the COVID-19 pandemic contributed to the P&A agencies’ inability to complete educational visits.<sup>29</sup> SSA also reported RPMT had a programming issue that inappropriately calculated the educational visits’ due dates.

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<sup>25</sup> SSA, *Business Process Document: Representative Payee Reviews and Educational Visits—P&A Grantee* (June 10, 2019).

<sup>26</sup> SSA, *Annual Report on the Results of Periodic Representative Payee Site Reviews and Other Reviews, Fiscal Year 2023*, p. 6.

<sup>27</sup> We did not include in our review FFS payees who began serving beneficiaries before October 1, 2018.

<sup>28</sup> As of October 2023, P&A agencies completed 9 of these 74 overdue educational visits.

<sup>29</sup> This start-up period included SSA determining whether P&A agency employees were suitable to perform the work and issuing Government-furnished laptops in accordance with the grants’ terms and conditions.

To ensure P&A agencies completed timely educational visits, in March 2022, SSA informed us it advised the P&A agencies to continue with educational visits as soon as possible. SSA also reported that, in July 2022, it corrected RPMT's programming issue that inaccurately calculated the due dates for educational visits.<sup>30</sup>

## **The Social Security Administration's Monitoring Plan for Corrective Actions**

In January 2021, SSA implemented a monitoring plan for corrective actions because it found P&A agencies were not always complying with the grants' performance requirements. SSA reported, when P&A agencies do not improve their performance to a satisfactory level in 3 months, its monitoring plan permits SSA employees to extend the evaluation period for 3 more months and consider placing P&A agencies in a high-risk status. SSA stated its employees could also consider pursuing remedies for non-compliance in accordance with 2 C.F.R. § 200.

SSA's monitoring plan did not address when NAG and P&A agencies do not comply with reporting requirements. SSA stated it implemented a process in FY 2024 whereby SSA employees send automated reminders when NAG and/or P&A agencies do not submit reports timely and consider pursuing possible remedies of non-compliance after they have sent several reminders.

SSA could strengthen its monitoring plan to provide guidance to SSA employees on how to appropriately use remedies when the NAG and P&A agencies do not comply with performance and/or reporting requirements.

## **CONCLUSION**

SSA must effectively oversee P&A agencies' reviews and educational visits to ensure payees are fulfilling their duties and using beneficiaries' benefits appropriately. SSA must also ensure its employees and P&A agencies take the necessary actions to resolve deficiencies that could affect beneficiaries' eligibility or payees' suitability.

## **RECOMMENDATION**

We recommend SSA ensure P&A agencies and SSA employees take the required actions to resolve deficiencies P&A agencies identified during payee reviews and document those actions as required.

## **AGENCY COMMENTS**

SSA agreed to implement our recommendation; see Appendix D.

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<sup>30</sup> We did not independently verify that SSA's corrective actions resolved the programming issue.

## OTHER MATTER

SSA's grant agreements require that NAG and P&A agencies submit publications for its review before it publishes them.

Of the 12 P&A agencies we reviewed, 9 had videos, program guides, frequently asked questions, fact sheets, and podcasts that did not include a disclaimer phrase on their websites, and 1 appropriately included the phrase. The remaining two P&A agencies did not have information or publications pertaining to SSA's representative payee program or payee monitoring that required the disclaimer phrase.<sup>31,32</sup>

We did not determine whether the P&A agencies submitted the materials to SSA for review before their publication and, if so, whether SSA reviewed and approved them. Nonetheless, these went undetected because SSA did not always monitor the P&A agencies' websites and publications to ensure they contained the appropriate language.

We shared our observations with SSA. In response, SSA reported it has since implemented a process to monitor grantee websites and publications that includes reviewing all website links pertaining to SSA's representative payee program.

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<sup>31</sup> According to the grants awarded, the disclaimer should state: "This document is funded through a Social Security grant agreement. Although Social Security reviewed this document for accuracy, it does not constitute an official Social Security communication."

<sup>32</sup> According to the grant awards, P&A agencies have some discretion with the phrasing. For example, P&A agencies can state "We developed this website at U.S. taxpayer expense" or "We published this brochure at U.S. taxpayer expense."

# ***APPENDICES***

## Appendix A – SCOPE AND METHODOLOGY

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To accomplish our objective, we:

- Reviewed pertinent sections of the Social Security Administration’s (SSA) policies and procedures, applicable laws, and regulations.
- Reviewed prior Office of the Inspector General reports that pertained to the representative payee (payee) monitoring program.
- Reviewed SSA’s Office of Analytics, Review, and Oversight report; relevant audits and quality reviews; and other risk assessments.
- Obtained data related to changes in SSA’s payee monitoring program since the *Strengthening Protections for Social Security Beneficiaries Act of 2018* was implemented and effects of the COVID-19 pandemic on payee-monitoring efforts.
- Obtained and reviewed SSA’s 2019 business process document to understand the process the national association grantee (NAG) and Protection and Advocacy (P&A) agencies used to complete payee reviews and educational visits.<sup>1</sup>
- Obtained and reviewed financial data to determine whether SSA awarded the required grant amounts for our audit period, Fiscal Years (FY) 2019 through 2021, to NAG and P&A agencies in compliance with the *Strengthening Protections for Social Security Beneficiaries Act of 2018*.
- Obtained and reviewed a data file of active payees during our audit period to determine whether SSA selected payees for reviews and educational visits in compliance with its policies and procedures.<sup>2</sup>
- Of the 58 grants awarded, we selected a judgmental sample of 13—1 grant awarded to NAG and 12 grants awarded to the P&A agencies that had the highest funded amounts for each FY during our audit period—and completed the following:
  - Interviewed SSA employees to obtain their understanding of the payee review and educational visit processes.<sup>3</sup>
  - Determined whether the P&A agencies and NAG met the reporting requirements for the period in our review.

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<sup>1</sup> SSA, *Business Process Document: Representative Payee Reviews and Educational Visits—P&A Grantee* (June 2019).

<sup>2</sup> For purposes of this review, we use the term “payee reviews” to generically reference periodic, state on-site, targeted, and predictive model reviews. See Appendix B for detailed information.

<sup>3</sup> P&A agencies are community-level advocates that conduct site reviews and work closely with state and local agencies to ensure beneficiaries’ well-being.



- Determined whether the P&A agencies completed the reviews and adhered to the SSA-established benchmarks.
- Obtained and reviewed payee information related to payee reviews and educational visits selected during our audit period from SSA’s Electronic Representative Payee System and Representative Payee Monitoring Tool. We reviewed the following:
  - 30 of 4,241 payee reviews—10 reviews from each FY in our audit period—to determine whether P&A agencies complied with SSA’s policies and procedures for completing payee reviews.<sup>4</sup>
  - 100 active fee-for-service payees to determine whether the P&A agencies completed educational visits, as required by the *Strengthening Protections for Social Security Beneficiaries Act of 2018* and SSA’s policies and procedures.

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 components and principles as significant to our audit objective:

- Component 3: Control Activities
  - Principle 10: Design Control Activities
  - Principle 12: Implement Control Activities
- Component 4: Information and Communication
  - Principle 13: Use of Quality Information
- Component 5: Monitoring
  - Principle 17: Remediate Deficiencies

We conducted our audit from January 2022 to December 2023. The principal entities audited were the Offices of Operations and Budget, Finance and Management. We assessed data reliability by (1) comparing the number of grants and related dollars reported by SSA to another source; (2) tracing pertinent grant data in the award to the system that produced it; and (3) tracing the data fields from the payee file to the information reported in SSA’s system. We found the data used for this audit to be sufficiently reliable to meet our audit objective.

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<sup>4</sup> See Appendix C for more information about our sampling methodology and results.

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 findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## Appendix B – PROTECTION & ADVOCACY AGENCIES’ PAYEE REVIEWS AND EDUCATIONAL VISITS

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The *Strengthening Protections for Social Security Beneficiaries Act of 2018* requires that Protection & Advocacy (P&A) agencies conduct (1) all periodic representative payee (payee) reviews, (2) educational visits of fee-for-service (FFS) payees, (3) payee reviews as requested by the Commissioner of the Social Security Administration (SSA) and (4) payee reviews P&A agencies have reason to believe are warranted.<sup>1,2</sup> For the grants awarded, P&A agencies conducted the following types of payee reviews and educational visits:<sup>3,4</sup>

- **Periodic Reviews** are conducted for volume and FFS payees at least once every 3 to 4 years to monitor the payee’s performance.<sup>5</sup>
- **State On-site Reviews** are conducted at least once every 3 years to evaluate the fiduciary performance of state mental institutions serving as beneficiaries’ payees.
- **Targeted Reviews** are conducted in response to an event that raises a question about the payee’s performance or suitability.
- **Predictive Model Reviews** are conducted for organizational payees serving 49 or fewer beneficiaries and individual payees serving 14 or fewer beneficiaries based on payee and beneficiary characteristics that indicate a higher likelihood of potential misuse.
- **Educational Visits** are conducted for all FFS payees 6 months after SSA appoints the payee to ensure the payee fully understands their responsibilities and are capable of recordkeeping and reporting.<sup>6</sup>

During our audit period, Fiscal Years (FY) 2019 through 2021, P&A agencies conducted 6,870 payee reviews and educational visits. See Table B–1 for the number of payee reviews and educational visits completed during our audit period.

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<sup>1</sup> The Act calls for initial on-site assessments of organizations *Strengthening Protections for Social Security Beneficiaries Act of 2018*, Pub. L. No. 115-165, § 101, 132 Stat. 1257, p. 1258 (2018). SSA refers to these initial on-site assessments as “educational visits.”

<sup>2</sup> SSA considers reviews P&A agencies have reason to believe are warranted as “P&A Initiated Reviews.” SSA authorizes these reviews before the P&A agencies conducts them.

<sup>3</sup> SSA, *Annual Report on the Results of Periodic Representative Payee Site Reviews and Other Reviews, Fiscal Year 2023*, p. 6.

<sup>4</sup> For purposes of this review, we use the term “payee reviews” to include periodic, state on-site, targeted, and predictive model reviews.

<sup>5</sup> Volume payees refers to individual payees serving 15 or more beneficiaries and organizational payees serving 50 or more beneficiaries.

<sup>6</sup> SSA also conducts an educational visit anytime it determines a visit is warranted for any type of payee.

**Table B–1: Payee Reviews and Educational Visits Conducted by P&A Agencies**

| Review Type              | FY 2019      | FY 2020      | FY 2021      | Total        |
|--------------------------|--------------|--------------|--------------|--------------|
| Periodic On-site Reviews | 290          | 1,001        | 1,064        | 2,355        |
| State On-site Reviews    | 12           | 39           | 37           | 88           |
| Targeted Reviews         | 71           | 310          | 292          | 673          |
| Predictive Model Reviews | 756          | 1,307        | 1,584        | 3,647        |
| Educational Visits       | 39           | 38           | 30           | 107          |
| <b>Total</b>             | <b>1,168</b> | <b>2,695</b> | <b>3,007</b> | <b>6,870</b> |

***Conducting Payee Reviews and Educational Visits***

The national association grantee (NAG) and P&A agencies use SSA’s Representative Payee Monitoring Tool (RPMT) to manage and document their payee reviews and educational visits. SSA employees use RPMT to monitor NAG and P&A agencies’ actions, and review documentation related to payee reviews and educational visits. Figure B–1 illustrates the process for conducting payee reviews and educational visits.

**Figure B–1: SSA’s Process for Conducting Payee Reviews and Educational Visits<sup>7</sup>**



- **Selection** – SSA selects the payee reviews and educational visits for the P&A agencies to conduct and reviews and approves/rejects P&A initiated reviews.
- **Preparation** – SSA prepares the applicable SSA forms P&A agencies use to conduct payee reviews and educational visits, selects the beneficiary sample, and releases information to P&A agencies to begin its payee reviews and educational visits.
- **Scheduling** – P&A agencies schedule interviews with the payees, beneficiaries, legal guardians or third parties.<sup>8</sup>
- **Review** – P&A agencies complete interviews with payees, beneficiaries, legal guardians or third parties and applicable SSA forms.
- **Resolving Deficiencies** –The P&A agencies document all issues, notifications, referrals, and deficiencies as well as prepare and submit the corrective action plan (CAP) to the NAG for review.

<sup>7</sup> SSA, *Business Process Document: Representative Payee Reviews and Educational Visits—P&A Grantee* (June 2019).

<sup>8</sup> For educational visits, P&A agencies do not schedule or conduct beneficiary, legal guardian, or third-party interviews.

- **Final Reporting** – NAG reviews and approves the CAP then sends it to SSA for review and approval. The P&A agency then sends the approved CAP letter to the payee, receives CAP evidence from the payee, and submits the final report package to NAG. NAG reviews and approves the final report package before sending it to SSA for approval.<sup>9,10</sup>

After SSA approves a P&A agency's final report package, its employees close the review in RPMT and documents the results in the Electronic Representative Payee System.<sup>11</sup>

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<sup>9</sup> The final report package includes such information as the payee interview form, beneficiary interview forms, reconciliation sheets, and CAP.

<sup>10</sup> The Act requires that P&A agencies submit a report to SSA on each completed review. *Strengthening Protections for Social Security Beneficiaries Act of 2018*, Pub. L. No.115-165, § 101, 132 Stat. 1257, p. 1258 (2018).

<sup>11</sup> SSA uses the Electronic Representative Payee System to process payee applications and document significant information about each payee and beneficiary in SSA's representative payee monitoring program.

## Appendix C – SAMPLING METHODOLOGY AND RESULTS

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Using the data obtained from the Social Security Administration (SSA) for Fiscal Years (FY) 2019 through 2021, we reviewed:

- Grants awarded to determine whether the national association grantee (NAG) and Protection and Advocacy (P&A) agencies complied with certain terms and conditions we determined were significant to the *Strengthening Protections for Social Security Beneficiaries Act of 2018*, and SSA’s oversight of the P&A agencies for representative payee (payee) reviews and educational visits.
- Payee reviews conducted by the P&A agencies to determine whether P&A agencies and SSA complied with SSA’s policies and procedures.<sup>1</sup>

### Compliance with Terms and Conditions of Grants Awarded

SSA awarded 58 annual grants since the *Strengthening Protections for Social Security Beneficiaries Act of 2018* was enacted. One grant was awarded to NAG and 57 grants to P&A agencies. SSA awarded grants to NAG on June 1 and P&A agencies on August 1 each year.<sup>2</sup> We selected 13 of 58 grants for our review and had 2 sampling frames for grant testing.

For Sampling Frame 1, we selected 100 percent of the grants awarded to the NAG population, which did not require a sample selection. See Table C–1 for the population and sample size for grant testing.

**Table C–1: Population and Sample Size for Grant Testing**

| Grantee                         | Population of Grants | Sample of Grants | Percent of Population |
|---------------------------------|----------------------|------------------|-----------------------|
| Sampling Frame 1 - NAG          | 1                    | 1                | 100                   |
| Sampling Frame 2 – P&A Agencies | 57                   | 12               | 21                    |
| <b>Total</b>                    | <b>58</b>            | <b>13</b>        |                       |

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<sup>1</sup> P&A agencies are community-level advocates that conduct site reviews and work closely with state and local agencies to ensure beneficiaries’ well-being.

<sup>2</sup> The scope of our audit is FYs 2019 to 2021 (October 1, 2018 to September 30, 2021). We did not include in our review the grant award period that ended after September 30, 2021.

For Sampling Frame 2, we judgmentally selected 12 P&A agencies with the highest granted funds, which represented 21 percent of the population. See Table C–2 for the percentage of P&A agency grant funding.

**Table C–2: Percent of P&A Agency Grant Funding  
(dollars in millions)**

| Grant Year | Total Funding for 12 P&A Agencies | Total Funding for 57 P&A Agencies | Percent |
|------------|-----------------------------------|-----------------------------------|---------|
| 1          | \$13,951                          | \$24,043                          | 58      |
| 2          | \$14,448                          | \$25,450                          | 57      |
| 3          | \$14,781                          | \$25,939                          | 57      |
| 4          | \$15,086                          | \$26,450                          | 57      |

### Sampling Errors for Reporting Requirements

SSA did not always provide adequate oversight to ensure P&A agencies complied with certain terms and conditions of the grants awarded. Specifically, P&A agencies did not comply with the reporting requirements in 17 instances; and NAG did not comply with reporting requirements in 3 instances. See Table C–3 for the errors related to reporting requirements of the annual grants awarded.

**Table C–3: Errors Related to Reporting Requirements**

| Grantee                         | Status Reporting Requirements     |                     |
|---------------------------------|-----------------------------------|---------------------|
|                                 | Semiannual Reporting <sup>3</sup> | Quarterly Reporting |
| Sampling Frame 1 – NAG          | 2                                 | 1                   |
| Sampling Frame 2 – P&A Agencies | 7                                 | 10                  |

<sup>3</sup> Because submission dates were missing, we could not confirm the timeliness of two NAG semi-annual reports. Also, six semi-annual reports were submitted about 3 months to 2 years late, and we could not confirm one report submitted by a P&A agency because submission dates were missing.

## Compliance with Policy and Procedures for Payee Reviews

We received a data file as of September 30, 2021 that contained the population of payee reviews and educational visits for FYs 2019, 2020, and 2021. SSA categorized the payee reviews and educational visits into four main stages (see Table C-4).

**Table C-4: Total Population of Payee Reviews and Educational Visits for FYs 2019 Through 2021**

| Stage        | Description  | Number of Payee Reviews and Educational Visits |
|--------------|--|--|
| Not Started  | Payee reviews and educational visits in the Staging, Preparation, Not Started (Released and Assigned) categories.  | 1,272  |
| In Progress  | Payee reviews and educational visits in the Pre-interview (Scheduling and Scheduling Confirmed) and In-progress (Interview, Corrective Action Plan [CAP] national association grantee [NAG] Review, CAP Regional Office Review, and CAP Evidence Collection) categories. | 2,925  |
| Finished     | Payee reviews and educational visits NAG Final Review, Regional Office Final Review, Close Out and Completed categories.   | 6,049  |
| Cancelled    | Did not have stage groups because these payee reviews and educational visits were not completed.   | 8,235  |
| <b>Total</b> |  | <b>18,481</b>                                  |

Based on the data received from SSA, we selected payee reviews and educational visits in the Close Out and Completed categories of the Finished Stage.<sup>4</sup> See Table C-5 for the payee reviews and educational visits in the finished stage for FYs 2019 through 2021.

<sup>4</sup> The Finished Stage includes NAG's final review, Regional Office Final Review, Close Out and Completed categories. To ensure we reviewed all documentation, we focused on the Close Out and Completed categories of the Finished stage which includes NAG and the Regional Office's final reviews.



**Table C–5: Payee Reviews and Educational Visits in the Finished Stage for FYs 2019 Through 2021**

| Category                     | Number of Payee Reviews and Educational Visits |
|------------------------------|--|
| NAG Final Review             | 291  |
| Regional Office Final Review | 424  |
| Close Out                    | 1,515  |
| Completed                    | 3,819  |
| <b>Total</b>                 | <b>6,049</b>                                   |

Of the 6,049 reviews and visits in the Finished Stage, we selected 5,334 payee reviews and educational visits in the Close Out and Completed categories for sampling purposes. See Table C–6 for the population of payee reviews by type.

**Table C–6: Population by Payee Review Type**

| Payee Review Type        | Population   |
|--------------------------|--------------|
| Periodic On-site Reviews | 1,802        |
| State On-site Reviews    | 75           |
| Targeted Reviews         | 551          |
| Predictive Model Reviews | 2,848        |
| Educational Visits       | 58           |
| <b>Total</b>             | <b>5,334</b> |

Next, we consolidated the types of payee reviews into one sampling frame.<sup>5</sup> From the 5,334 payee reviews, we removed 1,093, including:

- 58 educational visits from our population because we determined whether the P&A agencies conducted those educational visits for all payees who began collecting a fee for services in FYs 2019 – 2021 as another part of our review.
- 1,035 payee reviews that did not have a deficiency noted during the review.

To assess compliance with policies and procedures for payee reviews, we randomly selected 30 of 4,241 payee reviews—10 payee reviews from each FY—to ensure our sample represented the population from which it was drawn. See Table C–7 for the sampling frame of payee reviews for FYs 2019 through 2021.

<sup>5</sup> SSA confirmed periodic, state on-site, targeted, and predictive model payee reviews have a similar process for completion. Therefore, we included these reviews in one sampling frame.

**Table C–7: Sampling Frame of Payee Reviews by FY**

| <b>Payee Review Type</b> | <b>FY 2019</b> | <b>FY 2020</b> | <b>FY 2021</b> | <b>Total</b> |
|--------------------------|----------------|----------------|----------------|--------------|
| Periodic On-site Reviews | 776            | 435            | 175            | 1,386        |
| State On-site Reviews    | 19             | 11             | 0              | 30           |
| Targeted Reviews         | 283            | 146            | 31             | 460          |
| Predictive Model Reviews | 1,474          | 758            | 133            | 2,365        |
| <b>Total</b>             | <b>2,552</b>   | <b>1,350</b>   | <b>339</b>     | <b>4,241</b> |
| <b>Sampled Items</b>     | <b>10</b>      | <b>10</b>      | <b>10</b>      | <b>30</b>    |

### Sampling Errors for Deficiencies Resolved

Based on our assessment of 30 payee reviews, SSA did not ensure (1) the P&A agencies resolved deficiencies for 10 payee reviews, and (2) SSA staff resolved deficiencies for 15 payee reviews. See Table C–8 for the errors related to the deficiencies identified by P&A agencies.

**Table C–8: Errors Related to Deficiencies Identified by P&A Agencies**

| <b>Responsible Entity</b> | <b>Number of Reviews</b> |
|---------------------------|--------------------------|
| P&A Agency                | 1                        |
| SSA                       | 6                        |
| Both                      | 9                        |

## Appendix D – AGENCY COMMENTS

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## SOCIAL SECURITY

### MEMORANDUM

Date: September 19, 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 Payee Reviews and Educational Visits” (A-13-17-50195) -- INFORMATION

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

We are tracking all representative payee reviews through completion using our monitoring tool and payees must correct all deficiencies identified before the review can be closed. Furthermore, we cannot complete a case until all deficiencies are resolved.

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



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