Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- Promote economy, effectiveness, and efficiency within the agency.
- Prevent and detect fraud, waste, and abuse in agency programs and operations.
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.
- Access to all information necessary for the reviews.
- Authority to publish findings and recommendations based on the reviews.

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.
MEMORANDUM

Date: July 5, 2011

To: Carolyn L. Simmons
Regional Commissioner
Kansas City

From: Inspector General

Subject: Safe Harbor, A Fee-for-Service Representative Payee for the Social Security Administration (A-07-11-11141)

OBJECTIVE

Our objectives were to determine whether Safe Harbor (1) used and accounted for Social Security benefits in accordance with Social Security Administration (SSA) policies and procedures, (2) had effective safeguards over the receipt and disbursement of Social Security benefits, and (3) adequately protected the beneficiaries' personally identifiable information (PII).

BACKGROUND

Some individuals cannot manage or direct the management of their finances because of their youth or mental and/or physical impairments. Congress granted SSA the authority to appoint representative payees to receive and manage these beneficiaries' payments from the Old-Age, Survivors and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs.1 A representative payee may be an individual or an organization. SSA’s regulations indicate the Agency will select representative payees for beneficiaries when representative payments would serve the individuals' interests.2 Representative payees are responsible for managing benefits in the best interest of the beneficiary.3 See Appendix B for additional representative payee responsibilities. Safe Harbor is a fee-for-service nonprofit organization with two employees, located in Scottsbluff, Nebraska. Safe Harbor, as a representative payee, received payments under SSA’s OASDI and SSI programs on behalf of 154 beneficiaries.

1 Social Security Act §§ 205(j) and 1631(a)(2); 42 U.S.C. §§ 405(j) and 1383(a)(2).


3 Id. Also, we use the term “benefits” to refer to OASDI benefits and SSI payments. Likewise, we use the term “beneficiaries” to refer to OASDI beneficiaries and SSI recipients.
SSA’s Kansas City Regional Office requested this audit, in part, because of an allegation that a former Safe Harbor employee had stolen funds from Safe Harbor clients, including five SSA beneficiaries. Safe Harbor dismissed the employee in September 2009. The case is currently with the United States District Attorney’s Office. Safe Harbor returned all funds allegedly stolen from the SSA beneficiaries. See Appendix C for the scope and methodology of our review.

RESULTS OF REVIEW

Our audit period was from October 1, 2009 to June 30, 2010. We found that Safe Harbor had effective safeguards over the receipt of Social Security benefits. However, Safe Harbor did not:

- Use and account for Social Security benefits in accordance with SSA’s policies and procedures. Specifically, Safe Harbor had inadequate internal controls related to conserved funds and interest-bearing checking accounts. Further, Safe Harbor operated as a conduit payee for 12 of the 50 SSA beneficiaries we reviewed.  

- Have effective safeguards over the disbursement of Social Security benefits. Specifically, Safe Harbor did not have an adequate segregation of duties in its accounting process or perform monthly bank reconciliations. In addition, Safe Harbor did not maintain receipts supporting all expenditures.

- Have adequate safeguards to secure beneficiaries’ personal and financial information.

- Periodically meet with beneficiaries to determine their current and foreseeable needs.

USE AND ACCOUNTING FOR BENEFITS

Safe Harbor did not use and account for Social Security benefits in accordance with SSA’s policies and procedures. Specifically, Safe Harbor

- failed to return conserved funds timely for 82 beneficiaries who were no longer under its care,
- failed to place the conserved funds for 12 beneficiaries in interest-bearing accounts, and
- operated as a conduit payee for 12 SSA beneficiaries.

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A conduit payee turns over all or most of the SSA funds to the beneficiary or other third party who decides how the funds are used.
Conserved Funds

Safe Harbor had retained $42,830 in conserved funds\(^5\) for 82 SSA beneficiaries who had left its care or died. Safe Harbor had retained the funds an average of 7 years.\(^6\) This occurred because Safe Harbor did not have procedures in place to return conserved funds to SSA timely when its payee services ended. During our audit, Safe Harbor returned the $42,830 to SSA.\(^7\)

SSA requires the representative payee to return conserved funds to SSA after the beneficiary leaves the payee’s care. SSA then reissues the conserved funds to the successor payee, or to the beneficiary in direct payment, to meet the beneficiary’s needs.\(^8\) Although SSA does not specify a time in which to return conserved funds, Safe Harbor’s practice of retaining funds belonging to SSA beneficiaries prevented Agency staff from timely reissuing the funds to the new representative payees or to the beneficiaries directly, as appropriate.

Non-Interest Bearing Collective Checking Account

Safe Harbor’s collective account is a non-interest-bearing account.\(^9\) According to SSA, the representative payee with a collective account should place a beneficiary’s conserved funds in excess of $500 in an interest-bearing account or other investment that is relatively free of risk.\(^10\) Twelve of the 50 beneficiaries in our sample had conserved funds that exceeded $500. However, Safe Harbor had not placed their conserved funds in an interest-bearing account.

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\(^5\) Conserved funds are the benefits remaining (or saved) after the immediate or reasonably foreseeable needs of the beneficiary are met. See SSA, POMS, GN 00603.001.A (November 15, 2004).

\(^6\) Safe Harbor had held conserved funds for one account since May 1997.

\(^7\) Safe Harbor returned the conserved funds of five deceased beneficiaries to SSA. However, Safe Harbor should have returned the conserved funds to the legal representative of the beneficiary’s estate (SSA, POMS, GN 00603.100.B.2 (September 4, 2002)). Safe Harbor sent the conserved funds for one deceased beneficiary to the Nebraska Medicaid Recovery Agency.


\(^9\) A collective bank account contains the funds of two or more individuals. Upon its approval, SSA allows a representative payee to open this type of account because it can reduce the administrative burden of maintaining individual accounts for each beneficiary and it can eliminate or reduce service charges and other fees charged to beneficiaries by the financial institution (See SSA, POMS, GN 00603.020.A (June 5, 2008)).

\(^10\) SSA, POMS, GN 00603.020.B.1.c (June 5, 2008).
Conduit Payee

From our sample of 50 beneficiaries, we found that Safe Harbor operated as a conduit payee for 12 beneficiaries. Seven of the 12 beneficiaries lived in care facilities, which included nursing homes, assisted-living facilities, and room-and-board facilities; and 5 beneficiaries lived independently. A conduit payee gives all or most of the SSA benefits to a third party or to the beneficiary. Further, a conduit payee does not exercise control over the benefits, and cannot accurately account for the use of the benefits.\(^{11}\) SSA requires the representative payee to document expenditures to show that the needs of the beneficiaries are met and to provide accurate benefit accountings to SSA.\(^{12}\)

For the seven beneficiaries in care facilities, Safe Harbor turned over all or most of their SSA benefits—less its payee fees—to the care facilities. As a conduit payee, Safe Harbor did not control or account for how the beneficiary’s personal allowance was spent by the care facility or by the beneficiary at the care facility. Specifically, Safe Harbor did not collect cash ledgers and receipts from the care facilities to account for the $4,140 in personal allowances.

For the five beneficiaries living independently, Safe Harbor turned over all or most of the SSA benefits to the five individuals—less the beneficiaries’ rent and its payee fees. In total, Safe Harbor provided $17,194 to the beneficiaries. Safe Harbor did not require the beneficiaries to keep receipts and other documentation to show how they spent these benefits.

SAFEGUARDS FOR THE DISBURSEMENT OF BENEFITS

Our review determined that Safe Harbor did not have effective safeguards over the disbursement of Social Security benefits. Specifically, Safe Harbor did not:

- have an adequate segregation of duties in its accounting process,
- perform monthly bank reconciliations, or
- maintain receipts supporting all expenditures.

Segregation of Duties

Safe Harbor did not have adequate segregation of employee duties in its accounting process. Specifically, one employee had sole access to the accounting records. This employee recorded the deposits of SSA funds in the ledgers, authorized expenditures, recorded the expenditures in the ledgers, printed the checks, and controlled the check stock. A second employee matched the printed checks to available supporting

\(^{11}\) SSA, POMS, GN 00605.066.B.2 (November 9, 2001); GN 00605.067.D.1 (September 18, 2007).

\(^{12}\) SSA, POMS, GN 00502.113.C.1 and D.3 (January 30, 2009); GN 00602.001 (March 5, 2002).
documentation verifying the payment amount and vendor. However, the second employee did not sign or authorize the checks for payment.

No one person should control all aspects of financial transactions. Adequate segregation of duties and oversight of the accounting functions ensure division of key duties and responsibilities among different people to reduce the risk of error, misuse, and/or fraud. The limited number of staff at Safe Harbor makes total segregation of duties difficult to achieve, but the payee could institute compensating controls, such as requiring both employees to authorize payments by countersigning checks.

Bank Reconciliations

Safe Harbor had not performed bank reconciliations since August 1998. Since Safe Harbor has a limited segregation of duties in its accounting process, it is important that Safe Harbor adequately reviews and monitors the accounting process. One significant review function is monthly bank reconciliations.

Because of concerns SSA expressed about an unexplained balance in Safe Harbor’s collective account, we completed a reconciliation of the collective bank account as of October 13, 2009. Our reconciliation identified that the bank account contained $37,219 more than what was reported in the accounting records as belonging to Safe Harbor or its clients (See Table 1). We could not identify to whom these funds belonged.

<table>
<thead>
<tr>
<th>Safe Harbor's Bank Account Balance</th>
<th>$253,276</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Accounts</td>
<td>$207,750</td>
</tr>
<tr>
<td>Safe Harbor Insurance Account</td>
<td>$2,004</td>
</tr>
<tr>
<td>Safe Harbor Management Fees Account</td>
<td>$6,303</td>
</tr>
<tr>
<td>Total funds reported as belonging to Safe Harbor or its clients</td>
<td>$216,057</td>
</tr>
<tr>
<td>Additional funds not reported as belonging to Safe Harbor or its clients</td>
<td>$37,219</td>
</tr>
</tbody>
</table>

For effective oversight of the accounting functions, an employee not involved with the deposit or withdrawal of beneficiary funds should complete monthly bank reconciliations. In addition, someone independent of performing the bank reconciliation

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14 SSA’s inquiries into the alleged theft by a former Safe Harbor employee identified that Safe Harbor’s bank account contained over $150,000 more than the accounting records indicated belonged to Safe Harbor or its clients. SSA was concerned that these funds may belong to SSA beneficiaries.
should certify that the reconciliation was complete and accurate. With Safe Harbor’s small staff, it would be difficult to have an employee independent of the deposit and withdrawal of funds perform the bank reconciliation. However, Safe Harbor’s Director told us that she will begin performing monthly bank reconciliations, and that a member of Safe Harbor’s Board of Directors will assist in the process.

Receipts and Other Supporting Documentation

For the 50 beneficiaries in our sample, we found Safe Harbor did not maintain receipts and other documentation to support how it spent 46 percent of the total expenditure of beneficiaries’ funds. Specifically, of the $395,962 expended during the audit period for the 50 beneficiaries we reviewed, Safe Harbor did not have receipts or other supporting documentation for $180,802. For the $180,802 not supported by documentation, we examined Safe Harbor’s ledgers and canceled checks to identify the purpose of the expenditures. The ledgers and canceled checks provided expense information for what appeared to be legitimate purposes, such as rent, food, utilities, and other items. Although we cannot confirm how the funds were actually expended without receipts and supporting documentation, nothing came to our attention during our examination of the ledgers and canceled checks that led us to believe the expenditures were not for the beneficiaries’ needs.

Inadequate documentation for beneficiaries’ personal allowances and specific needs was of particular concern. Safe Harbor did not require beneficiaries to provide receipts or care facilities to provide documentation of beneficiaries’ expenditures to show how they spent their allowances. Accordingly, we found that only $402 (0.5 percent) of the $84,198 provided to the beneficiaries and care facilities in personal allowances had documentation to support the expenditures. According to SSA, the payee is responsible for keeping accurate and complete records to show how benefits are used. This includes the beneficiaries’ personal allowances. The representative payee should control and maintain the appropriate ledger and receipts for these expenses. Maintenance of this documentation is a safeguard the representative payee must have in place for all expenditures, regardless of the monetary value, to show that Social Security benefits were spent for the beneficiaries’ needs.

The representative payee took steps during the audit to resolve the lack of documentation for expenditures. The payee is encouraging (1) beneficiaries to mail or bring in receipts and invoices to Safe Harbor and (2) care facilities to send documentation of beneficiaries’ expenditures.

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15 Missing documentation included lease agreements, care facility agreements, and receipts for personal allowances, specific personal needs, and other expenses.

16 SSA, POMS, GN 00502.113.C.1 and D.3.b (January 30, 2009).

17 SSA regulations indicate that representative payees must account for the use of benefits, should keep records of how benefits were used to complete accounting reports, and must make those records available upon SSA’s request. 20 C.F.R. §§ 404.2065 and 416.665.
PROTECTION OF PII

We found Safe Harbor did not have adequate physical security controls to restrict unauthorized access to beneficiaries’ sensitive personal and financial information. Safe Harbor maintained a separate folder for each beneficiary’s PII and financial information. The folders were stored in several filing cabinets throughout the three rooms of the payee’s office, including the room with the public entrance. The cabinets had locks but no keys. Accordingly, the filing cabinets remained unlocked, which allowed access to the beneficiaries’ files at all times. The check stock and the signature stamp were also unsecured.

Physical control and access restrictions over beneficiaries’ sensitive financial information and PII are essential internal controls to reduce the risk of loss and unauthorized use. By not maintaining adequate safeguards over the beneficiaries’ PII, Safe Harbor increased the risk of loss and the unauthorized use of the information. Safe Harbor stated that it has implemented safeguards to resolve the conditions we found during our review, such as:

- acquiring lockable filing cabinets with keys for clients’ financial information and PII;
- moving all PII from the room with the public entrance to other rooms with lockable doors;
- securing the check stock in a locked cabinet; and
- securing the signature stamp in a locked cabinet.

BENEFICIARY VISITS

None of the 10 beneficiaries we interviewed indicated Safe Harbor had met with them in person to determine their current and foreseeable needs. SSA requires that a representative payee regularly meet with the beneficiary to ascertain the beneficiary’s current and foreseeable needs, although SSA does not specify how often the representative payee should meet with the beneficiary. Safe Harbor met with some clients when they visited the office. However, Safe Harbor considered it too intrusive to call beneficiaries or to visit beneficiaries in their residences to check on the living conditions and determine how they were doing. During the audit, Safe Harbor’s Director started visiting beneficiaries in their homes, and found that the visits strengthened the payee’s relationship with the beneficiaries. Safe Harbor plans to make these visits a regular practice.

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19 SSA, POMS, GN 00502.113.C.1 (January 30, 2009).
CONCLUSION AND RECOMMENDATIONS

Safe Harbor needs to improve its safeguards over the use, accounting, and disbursement of Social Security benefits. Specifically, Safe Harbor did not use and account for Social Security benefits in accordance with SSA’s policies and procedures, effectively safeguard the disbursement of Social Security benefits, and adequately protect the beneficiaries’ personal and financial information. We also found that Safe Harbor did not meet with beneficiaries to ascertain their current and foreseeable needs.

To meet the requirements of SSA policies and procedures and to reduce the risk of error, misuse, and theft of beneficiary funds, Safe Harbor initiated several corrective actions during the course of our audit. For example, Safe Harbor returned conserved funds and stated it had improved the security of PII. Furthermore, Safe Harbor is implementing the collection of receipts and documentation from beneficiaries and care facilities, plans to involve a Board member in the bank reconciliation process, and plans to meet with beneficiaries periodically. In addition to the actions taken by Safe Harbor during our review, we recommend that SSA

1. Remind Safe Harbor to return conserved funds timely in accordance with SSA’s instructions.

2. Encourage Safe Harbor to place beneficiaries’ conserved funds of $500 or more in an interest-bearing account or a relatively risk-free investment.

3. Determine whether Safe Harbor is the appropriate representative payee for those individuals for whom it is a conduit payee.

4. Ensure Safe Harbor establishes effective safeguards over the accounting process including a proper segregation of duties and monthly bank reconciliations.

5. Instruct Safe Harbor to maintain sufficient documentation for all the beneficiaries it serves to support that Social Security benefits are used in the best interest of the beneficiaries.

6. Verify the adequacy of Safe Harbor’s implementation of PII safeguards.

7. Encourage Safe Harbor to meet periodically with all beneficiaries to ascertain their current and foreseeable needs.

AGENCY COMMENTS

SSA agreed with our recommendations (see Appendix D). With regard to corrective actions, SSA stated that in August 2011, its field office staff in Scottsbluff, Nebraska, would meet with Safe Harbor to ensure full implementation of our recommendations. Further, SSA stated that Safe Harbor has already implemented most of our
recommendations. Specifically, Safe Harbor established a policy that limits the amount of time to retain conserved funds; hired an independent accounting agency to reconcile beneficiary accounts; implemented changes to protect beneficiary PII; and started visiting beneficiaries.

Patrick P. O’Carroll, Jr.
Appendices

APPENDIX A – Acronyms
APPENDIX B – Representative Payee Responsibilities
APPENDIX C – Scope and Methodology
APPENDIX D – Agency Comments
APPENDIX E – OIG Contacts and Staff Acknowledgments
# Appendix A

## Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.F.R.</td>
<td>Code of Federal Regulations</td>
</tr>
<tr>
<td>OASDI</td>
<td>Old-Age, Survivors and Disability Insurance</td>
</tr>
<tr>
<td>OIG</td>
<td>Office of the Inspector General</td>
</tr>
<tr>
<td>PII</td>
<td>Personally Identifiable Information</td>
</tr>
<tr>
<td>POMS</td>
<td>Program Operations Manual System</td>
</tr>
<tr>
<td>SSA</td>
<td>Social Security Administration</td>
</tr>
<tr>
<td>SSI</td>
<td>Supplemental Security Income</td>
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</table>
Representative Payee Responsibilities

Representative payees are responsible for using Social Security benefits to serve the beneficiary’s best interests. The responsibilities include the following.¹

- Determine the beneficiary’s current needs for day-to-day living and use his or her payments to meet those needs.
- Conserve and invest benefits not needed to meet the beneficiary’s current needs.
- Maintain accounting records of how the benefits are received and used.
- Report events to the Social Security Administration (SSA) that may affect the individual’s entitlement or benefit payment amount.
- Report any changes in circumstances that would affect their performance as a representative payee.
- Provide SSA an annual Representative Payee Report to account for benefits spent and invested.
- Return any payments to SSA to which the beneficiary is not entitled.
- Return conserved funds to SSA when no longer serving as the representative payee for the beneficiary.
- Be aware of other income Supplemental Security Income recipients may have, and monitor their conserved funds to ensure they do not exceed resource limits.

¹ 20 C.F.R. §§ 404.2035 and 416.635.
Appendix C

Scope and Methodology

Our audit covered the period October 1, 2009 to June 30, 2010. To accomplish our objectives, we:

- Reviewed applicable Federal laws and regulations as well as Social Security Administration (SSA) policies and procedures pertaining to representative payees.

- Communicated with the SSA Kansas City Regional Office and the Scottsbluff, Nebraska, Field Office to obtain background information and prior audits regarding Safe Harbor.

- Compared and reconciled the payee’s list of SSA beneficiaries in Safe Harbor’s care to a list obtained from SSA’s Representative Payee System.

- Reviewed Safe Harbor’s internal controls over the receipt and disbursement of Social Security benefits.

- Selected a sample of 50 beneficiaries in the representative payee’s care during the audit period and performed the following tests.
  - Compared and reconciled benefit amounts received according to Safe Harbor’s records to benefit amounts paid according to SSA’s records.
  - Reviewed Safe Harbor’s accounting records to determine whether benefits were properly spent or conserved on the individual’s behalf.
  - Traced all recorded expenses to available source documents and examined the documentation for reasonableness and authenticity.

- Reconciled bank records and Safe Harbor’s records for all individuals in Safe Harbor’s collective account.

- Interviewed a sample of 10 beneficiaries to determine whether their basic needs were being met and observed their living conditions.

- Reviewed the current Representative Payee Accounting Reports for all 50 beneficiaries to determine whether Safe Harbor properly reported to SSA how their benefits were used.

- Reviewed data extracts from SSA’s systems to determine whether payments were sent to Safe Harbor when Safe Harbor was not the beneficiary’s official representative payee.
We performed our fieldwork for this review in Scottsbluff, Nebraska, and Kansas City, Missouri, between October 2010 and February 2011. We tested the data obtained for our audit and determined them to be sufficiently reliable to meet our objective. 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 objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.
Agency Comments
June 15, 2011 4:08

Subject: Audit No. 22010124 Draft Report - Safe Harbor, a Fee-for-Service Representative Payee for the Social Security Administration- Kansas City Response

To: Inspector General

From: Regional Commissioner
Kansas City Region

Subject: Safe Harbor, a Fee-for-Service Representative Payee for the Social Security Administration–Response

Thank you for the opportunity to review and comment on the Safe Harbor, A Fee-for-Service Representative Payee for the Social Security Administration (A-07-11-11141) draft report. We agree and fully support OIG’s recommendations. The responses to the individual audit recommendations are listed below.

The new Executive Director of the Safe Harbor facility understands her representative payee responsibilities and will continue working closely with the Scottsbluff, Nebraska field office management team to ensure the organization meets SSA policy requirements. In addition, the Scottsbluff, Nebraska field office management team will meet with Safe Harbor in August to ensure all recommendations are fully implemented.

Recommendation 1 – Remind Safe Harbor to return conserved funds timely in accordance with SSA’s instructions.

- Safe Harbor implemented a new policy that limits the amount of time the organization can retain conserved funds for any client. The Scottsbluff field office will continue to monitor the organization to ensure this policy is practiced and that conserved funds are returned in a timely manner.

Recommendation 2 – Encourage Safe Harbor to place beneficiaries’ conserved funds of $500.00 or more in an interest-bearing account or a relatively risk-free investment.

- The field office will ensure Safe Harbor establishes an interest-bearing account for the individuals the organization serves.

Recommendation 3 – Determine whether Safe Harbor is the appropriate representative payee for those individuals for whom it is a conduit payee.

- The field office reviewed the 154 beneficiaries Safe Harbor served to determine whether the organization was operating as a conduit payee. Based on our findings, 37 beneficiaries were either placed in direct pay or assigned a more suitable representative payee. Safe Harbor will not be selected as representative payee for new beneficiaries/ recipients until they can successfully meet all of our policy requirements and demonstrate that they are consistently complying with the recommendations in this report.
Recommendation 4 – Ensure Safe Harbor establishes effective safeguards over the accounting process including a proper segregation of duties and monthly bank reconciliations.

- Safe Harbor implemented new procedures to ensure the timely distribution of checks and reconciliation of beneficiaries’/recipients’ accounts. The organization hired an independent accounting agency to reconcile the beneficiary accounts (on an ongoing basis). In addition, a board member will help reconcile the accounts monthly.

Recommendation 5 – Instruct Safe Harbor to maintain sufficient documentation for all the beneficiaries it serves to support that Social Security benefits are used in the best interest of the beneficiaries.

- Safe Harbor implemented a new procedure to scan all documentation of expenditures and they place documents in a separate file for each client. This allows the organization to easily access all expenditure documentation for Social Security purposes.

Recommendation 6 – Verify the adequacy of Safe Harbor’s implementation of PII safeguards.

- Safe Harbor has implemented a number of changes to protect beneficiary personal data. All file cabinets were removed from the front office. In addition, the organization has purchased two large locking file cabinets to store beneficiary files.

The doors to the center office are locked at all times and only the Administrative Assistant and the Executive Director have keys. The check stock is maintained in a locked file cabinet with the signature stamp. All computers are now password protected and all employees are required to sign a confidentiality statement upon employment with the facility. When visiting the facility, the field office will ensure the facility continues to secure beneficiary’s/recipients’ personal information.

Recommendation 7 – Encourage Safe Harbor to meet periodically with all beneficiaries to ascertain their current and foreseeable needs.

- Safe Harbor staff has started visiting beneficiaries/recipients. The organization indicates this practice has strengthened relationships with their customers. The field office will monitor Safe Harbor and ensure the organization meets with beneficiaries/recipients periodically.

If you have any questions, please contact me at 816-936-5700. If your staff needs additional information or assistance, they may contact Kathy Smith, Center for Programs Support, at 816-936-5643 or Shelli Reicks, Center for Programs Support, at 816-936-5655.

/s/
Charles J. Mitchum for
Carolyn L. Simmons
Appendix E

OIG Contacts and Staff Acknowledgments

OIG Contacts

Mark Bailey, Director, Kansas City Audit Division
Ken Bennett, Information Technology Specialist

Acknowledgments

In addition to those named above:

Carol Cockrell, Evaluator
Scott Richter, Auditor
Nicholas Moore, Auditor

For additional copies of this report, please visit our web site at www.socialsecurity.gov/oig or contact the Office of the Inspector General's Public Affairs Specialist at (410) 965-3218. Refer to Common Identification Number A-07-11-11141.
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OA conducts financial and performance audits of the Social Security Administration’s (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA’s financial statements fairly present SSA’s financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA’s programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

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