



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Protection and Advocacy Agencies'
Reviews of Organizational
Representative Payees

A-13-12-12119 | August 2013

MEMORANDUM

Date: August 22, 2013

Refer To:

To: The Commissioner

From: Inspector General

Subject: Protection and Advocacy Agencies' Reviews of Organizational Representative Payees
(A-13-12-12119)

The attached final report presents the results of our audit. Our objective was to assess whether organizational representative payee reviews completed by State Protection and Advocacy agencies complied with the terms of the Social Security Administration's contract with the National Disability Rights Network. We also assessed whether organizational payees were meeting Social Security beneficiaries' needs.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



Patrick P. O'Carroll, Jr.

Attachment

Protection and Advocacy Agencies' Reviews of Organizational Representative Payees

A-13-12-12119



August 2013

Office of Audit Report Summary

Objectives

To assess whether organizational representative payee reviews completed by State Protection and Advocacy (P&A) agencies complied with the terms of the Social Security Administration's (SSA) contract with the National Disability Rights Network (NDRN). We also assessed whether organizational payees were meeting Social Security beneficiaries' needs.

Background

Some individuals cannot manage or direct the management of their finances because of their youth or mental and/or physical impairment. Congress granted SSA the authority to appoint representative payees to receive and manage these beneficiaries' payments.

In September 2009, SSA contracted with NDRN for its P&A agencies to review organizational representative payees. Most States have a P&A agency that assists those with developmental disabilities in receiving appropriate programs and services, such as Social Security benefits.

In Fiscal Year 2011, P&A agencies reviewed 174 employer payees under SSA's contract with NDRN. By April 30, 2012, P&A agencies had reviewed an additional 253 payees identified using a "misuse model" developed by SSA. Of the 427 P&A reviews completed, we sampled and reviewed 20 organizational payees.

Our Findings

P&A agencies submitted final reports, as required by the terms of the contract, and evidence within the reports adequately supported the P&As' conclusions. Nothing came to our attention to indicate the 20 payees we reviewed were not meeting the beneficiaries' needs. However, we found four payees could improve the way they performed their representative payee duties. Specifically, three payees did not comply with SSA's policies and procedures, and one payee did not comply with the *Fair Labor Standards Act* (FLSA).

Our Recommendations

We recommend that SSA:

1. Remind the employer payee in Monmouth, Oregon, to retain adequate documentation and maintain clear ledger entries.
2. Review the record of the Supplemental Security Income recipient we identified as being over the \$2,000 resource limit and recover any overpayment, as applicable.
3. Contact NDRN to ensure the P&A reviewer viewed and obtained copies of the FLSA certificate and/or renewal application from the employer payee in Baltimore, Maryland. If NDRN did not obtain copies of the expired FLSA certificate and renewal application, they must follow up with the payee to obtain the documents. If the payee does not have the documentation, the reviewer should notify the Department of Labor and inform SSA the referral was made.

SSA agreed with our recommendations.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
DCRDP	Deputy Commissioner for Retirement and Disability Policy
FLSA	<i>Fair Labor Standards Act</i>
NDRN	National Disability Rights Network
OASDI	Old-Age, Survivors and Disability Insurance
OCA	Office of Contract Administration
OIG	Office of the Inspector General
OQP	Office of Quality Performance
P&A	Protection and Advocacy
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income

OBJECTIVES

Our objective was to assess whether organizational representative payee reviews completed by State Protection and Advocacy (P&A) agencies complied with the terms of the Social Security Administration's (SSA) contract with the National Disability Rights Network (NDRN). We also assessed whether organizational payees were meeting Social Security beneficiaries' needs.

BACKGROUND

Some individuals cannot manage or direct the management of their finances because of their youth or mental and/or physical impairment. Congress granted SSA the authority to appoint representative payees to receive and manage these beneficiaries' payments.¹ A representative payee may be an individual or an organization. SSA selects representative payees for Old-Age, Survivors and Disability Insurance (OASDI)² and Supplemental Security Income (SSI)³ beneficiaries⁴ when representative payments would serve the individual's interests.

Congress has expressed concern about, and we have reported on, representative payees who also employ the beneficiaries they serve. In March 2010, we reported to Congress⁵ that there was an added risk related to these payees. In acknowledging this risk, SSA implemented a process for visiting specific employer payees. Further, our May 2010 report on *The Social Security Administration's Oversight of Employer Representative Payees* (A-13-10-20125) stated, “. . . an internal quality control process is important to ensure the employer payee reviews conducted by SSA staff and P&As follow appropriate procedures. Once the P&A reviews are completed, we plan to examine a sample of the reviews . . . Our work will focus on determining whether the reviews complied with applicable policies and procedures.”

We subsequently reviewed payee reports completed by P&A agencies under SSA's contract with NDRN—Contract Number SS00-09-60111.⁶ Under the contract, NDRN used P&A agencies to review organizational representative payees who also serve as employers. The Agency reported,

¹ *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).

² The OASDI program provides benefits to qualified retired and disabled workers and their dependents as well as to survivors of insured workers. *Social Security Act* § 201 *et seq.*; 42 U.S.C. § 401 *et seq.*

³ The SSI program provides payments to individuals who have limited income and resources and who are age 65 or older, blind, or disabled. *Social Security Act* §1601 *et seq.*; 42 U.S.C. § 1381 *et seq.*

⁴ We use the term “beneficiary” in this report to refer to both OASDI beneficiaries and SSI recipients.

⁵ SSA/OIG, Representative Payees Who Employ Beneficiaries or Provide Employment Services (A-13-10-11013), March 19, 2010.

⁶ SSA awarded the contract on September 30, 2009. On June 21, 2012, the Contracting Officer provided a comprehensive contract document that incorporated all contract modifications issued to date. We refer to this document as the “contract” throughout this report.

All States and US Territories have a governor designated P&A agency that assists individuals with disabilities. There are seven distinct Federally funded programs; each targeted at a type of disability or a function including for example, P&A for Individuals with Mental Illness, P&A for Voting Rights, P&A for Individuals with Developmental Disabilities, P&A for Assistive Technology, and P&A for Beneficiaries of Social Security. Persons with disabilities may receive a broad continuum of P&A services under the program for which they are eligible such as removing obstacles to housing, transportation, employment and rehabilitation, etc.

In Fiscal Year 2011, the Agency reported P&A agencies completed reviews of 174 employer payees.

The Agency reported, “After reviewing a sizeable sample of employer payee reviews, SSA did not find any major employer related problems. In August 2011, SSA redirected their resources to focus on conducting reviews by using a misuse predictive model developed by SSA’s Office of Quality Performance.” In July and August 2011, the Agency issued two Task Orders⁷ related to the contract. The Task Orders directed P&As to complete additional reviews of organizational representative payees which SSA selected using the misuse model. The Agency further reported, “The review protocol was also modified to include a comprehensive analysis of the payee’s fiscal integrity and fiduciary responsibility which remains the primary focus of SSA’s reviews.” SSA staff reported it completed an additional 253 reviews. Of the 253, 1 payee was serving as an employer.

From the 427 reviews P&A agencies completed, we selected a sample of 20 organizational payees to examine. We evaluated 10 employer payees and 10 payees using SSA’s misuse model. Our selection included two of the larger organizational payees in each SSA region. For our review, we (a) assessed the P&A agencies’ compliance with terms of the Agency’s contract with NDRN, (b) interviewed 20 payees and 192 beneficiaries, and (c) assessed payees’ financial records. Our review of financial records covered the 12-month period August 2011 to July 2012. See Appendix A for our scope and methodology and Appendix B for our sampling methodology.

RESULTS OF REVIEW

P&A agencies submitted final reports, as required by the contract’s terms, and evidence in the reports adequately supported the P&A agencies’ conclusions. Nothing came to our attention to indicate beneficiaries’ needs were not being met for the 20 payees we reviewed. However, four payees—of which two were organizational employer representative payees—could have improved how they performed their representative payee duties. Specifically, three payees did not comply with SSA’s policies and procedures, and one payee did not comply with the *Fair Labor Standards Act* (FLSA). The P&A agencies did not identify two instances of noncompliance, nor the FLSA-related issue.

⁷ Task Order Numbers SS00-11-30919 and SS00-11-31106.

P&A Agencies' Compliance with Contract Terms

Work completed by the P&A agencies complied with SSA's contract with NDRN. Specifically, we determined whether the P&As provided a final report to SSA, as required by the contract. SSA's contract with NDRN was awarded September 30, 2009 and specified the work NDRN, in collaboration with the P&A agencies, would complete regarding reviews of organizational representative payees. Under the contract terms, "NDRN will submit final reports . . . to the SSA as soon as possible . . . following receipt of the final report from the P&A." The reports should document the results of the P&A review and the conclusions P&As made regarding any potential fraud or mismanagement issues.

P&As submitted final reports, as required by the terms of the contract, for all of the 20 payees we reviewed. We examined the final reports the P&A agencies completed for these organizational payees. Based on the evidence in the reports, we found the information adequately supported the P&A agencies' conclusions.

Accounting of Receipt and Disbursement of Funds

Our assessment of the 20 organizational representative payees' financial records found instances of inadequate accounting of the receipt and disbursement of funds. Of the 20 payees, 3 did not comply with SSA's policy requiring that representative payees maintain accurate and complete records for the Social Security benefits they manage. One payee lacked sufficient oversight of beneficiary accounts. Another payee did not retain adequate documentation to support how it spent beneficiary payments. Finally, a payee failed to notify SSA when a beneficiary in its care exceeded the allowable resource limit.

Oversight of Beneficiary Accounts

We determined a payee in Matteson, Illinois, was not maintaining sufficient oversight of beneficiary accounts. The P&A had also reported this finding in one of its previous reviews. At the time of our review, the payee was managing monthly benefits for 40 beneficiaries. We found the payee did not (a) monitor beneficiary personal spending, (b) track beneficiary-conserved fund balances on accounting ledgers, or (c) retain all supporting documentation for bank reconciliations.

The P&A agency's review of the payee identified problems related to oversight of beneficiary accounts. The P&A agency's final report, dated December 16, 2011, discusses its concerns about possible mismanagement of beneficiary funds. During an October 2011 site visit, the payee informed the P&A agency that the State of Illinois' Department of Human Services' Office of the Inspector General (OIG) was investigating misappropriation of funds by an employee.

In addition, the P&A agency's review found the payee did not retain ledgers or receipts to track beneficiary spending. The P&A noted beneficiaries did not always receive their personal spending money in a timely manner, and found, on one occasion, a check written for a

beneficiary's personal spending had bounced. At the time of its visit, the payee had notified the P&A of the Illinois Department of Human Services OIG investigation.

Another component of the Illinois Department of Human Services—Office of Contract Administration (OCA)—also conducted an on-site review of the payee in January 2012. OCA's review found the payee's recordkeeping and oversight of beneficiary fiduciary accounts was inadequate. For example, OCA reported the payee did not use check registers to track beneficiary balances. Instead, the payee verified beneficiary account information using bank statements. OCA's report stated, "This method of recordkeeping can result in overdrafts; will not likely detect possible errors by the bank; and is not in accordance with sound fiscal standards."

Our review of the Matteson, Illinois, payee found its monitoring of beneficiary spending was still inadequate. During an interview with a payee official in August 2012, staff explained the payee did not monitor beneficiaries' personal spending. The official explained staff did not believe it was their business to track how individuals spent their personal money. The official reported SSA had advised the payee to begin collecting receipts related to beneficiary personal spending. However, the official indicated staff was not always able to collect receipts, but now requires that beneficiaries sign a statement acknowledging their refusal to provide the requested information.

Our review of financial records found the payee did not use accounting ledgers to track beneficiaries' conserved fund balances. Payee staff stated they tracked beneficiaries' conserved fund balances by reviewing beneficiary bank statements. We agree with the Illinois Department of Human Services that this practice could put beneficiaries' accounts at risk for overdrafts and associated fees. In addition, we do not believe this is the most effective method of monitoring SSI recipients' accounts to ensure they do not exceed the resource limit.

We requested the payee provide copies of bank reconciliations with supporting documentation for 2 consecutive months in our audit period. The payee did not provide the requested data for one individual. Payee staff explained the person responsible for maintaining these data abruptly terminated her employment with the payee and did not leave any records for review.

SSA's *Guide for Organizational Representative Payees* requires that payees maintain a separate record for each beneficiary in their care. The guidance further requires that payees keep records of all Social Security payments, bank statements, and receipts for major purchases made on the beneficiary's behalf for at least 2 calendar years.⁸ Finally, the guidance states payees should conduct monthly reconciliations of ledgers and bank records as soon as they receive bank statements. This practice will give representative payees the opportunity to correct errors and inconsistencies in their records.⁹

⁸ SSA's *Guide for Organizational Representative Payees*, page 6 <http://www.ssa.gov/payee/NewGuide/toc.htm>

⁹ Id., page 17

In November 2012, we inquired about the actions SSA took regarding the results discussed in the December 2011 P&A report. The Agency informed us it completed a “quick response” review in April 2012 and determined the payee misused \$150 of Social Security payments. The payee remitted payment to SSA during the 45-day appeal period. On June 17, 2013, the Agency reported it had determined the payee in Matteson, Illinois, should continue serving as a representative payee. According to the Agency, the misuse was an isolated event involving one employee of the facility whose employment the payee has since terminated.

Retaining Documentation

Representative payees are responsible for retaining detailed and accurate records of how they use the benefits to provide an accurate report to SSA when requested.¹⁰ An organizational employer representative payee in Monmouth, Oregon, did not provide all beneficiary accounting ledgers¹¹ for the 12-month period we reviewed. Therefore, we were unable to ascertain how the payee spent all the beneficiaries’ payments during our review period.

Accounting ledgers provided by the payee were generally handwritten and difficult to read. Further, for select beneficiaries, the income recorded in the accounting ledgers did not always reflect the benefit payment amounts recorded in SSA’s information systems. We contacted the payee about the accounting ledgers and requested additional information. As of May 6, 2013, we had not received any additional information from the payee.

SSA guidance suggests representative payees use a computerized program that provides understandable and up-to-date reports so both SSA and the beneficiary can see how much money was received, how the money was spent, and how much money remains.¹² If payees do not retain adequate documentation, there is an increased risk of unauthorized expenditures. Finally, the guidance provides representative payees with an example of a monthly accounting ledger. The guidance states payees may use the sample ledger, or something like it, to help keep track of the funds payees manage. It further states use of accounting ledgers will make reporting to SSA much easier.¹³ If the payee continues its practice of preparing hand-written accounting ledgers, the ledgers should be legible. We reviewed the P&A agency’s final report dated February 28, 2011. Within the report, the P&A did not identify this issue.

¹⁰ SSA, POMS, GN 00502.113 C.(1) (October 13, 2011).

¹¹ Representative payees track beneficiary funds using accounting ledgers.

¹² SSA’s *Guide for Organizational Representative Payees*, page 48.

¹³ *Id.*, page 1.

SSI Recipient Exceeded the Resource Limit

Representative payees are responsible for informing SSA when an SSI recipient's resources exceed the allowable limit.¹⁴ We determined an organizational payee in North Attleboro, Massachusetts, did not notify SSA timely when a concurrently entitled¹⁵ recipient's ledger balances exceeded the \$2,000 maximum allowed.¹⁶ The recipient's ledger balances exceeded the resource limit for each of the 12 months in our audit period and continued after our audit period. As a result, we estimate this individual received approximately \$618¹⁷ in potential SSI overpayments during our audit period. Our analysis further indicates potential overpayments due to ineligibility beyond our audit period. However, we did not obtain ledgers for months beyond our audit period to quantify any additional overpayments that occurred. We reviewed the P&A agency's final report dated April 13, 2012. Within the report, the P&A did not identify this issue.

Noncompliance with FLSA

FLSA provides that disabled workers whose disabilities impair their ability to perform the type of work being done in the establishment may be employed at wage rates below the minimum otherwise required. FLSA permits such employment only under certificates issued by the Department of Labor.

During beneficiary interviews for an organizational employer representative payee in Baltimore, Maryland, we determined the payee paid employed beneficiaries \$6.15 per hour, \$1.10 less than the current Federal minimum wage of \$7.25 per hour.

To confirm the payee had received authorization to pay the special minimum wage rate, we requested a copy of the payee's FLSA certificate. The payee did not provide the certificate. However, the payee stated its certificate had expired, and it was applying for an updated FLSA certificate. The payee further explained staff would provide a copy of the certificate application once it was complete. We also requested a copy of the payee's expired certificate. To date, we have not received the certificate application or the expired certificate.

FLSA states, "If an application for renewal has been properly and timely filed, an existing special minimum wage certificate shall remain in effect until the application for renewal has been granted or denied." Without evidence of the expired certificate and a timely filed application for renewal, we believe the payee may have underpaid employed beneficiaries in the

¹⁴ 20 C.F.R. §§ 416.704(c), and 416.635(d). *See also* SSA, *Guide for Organizational Representative Payees – Additional Reporting Events for SSI Beneficiaries*, page 7.

¹⁵ A "concurrent" beneficiary is one who receives both OASDI and SSI monthly benefit payments.

¹⁶ The resource limit for SSI beneficiaries is \$2,000 for an individual and \$3,000 for a married couple. 20 C.F.R. § 416.1205(c); *See also* SSA, POMS, SI 01110.003 A.2 (December 8, 2010).

¹⁷ We estimated the amount by multiplying the number of months the beneficiary was over the resource limit by the beneficiary's monthly SSI payment amount.

payee's care, since the employed beneficiaries earned prior wages at a rate less than the Federal minimum wage.

During its site review of this payee in December 2010, a P&A agency noted it had interviewed three beneficiaries who the payee paid less than minimum wage authorized under an FLSA special minimum wage certificate. We reviewed the P&A agency's final report dated February 18, 2011. In the report, the P&A did not specify whether it reviewed the FLSA certificate during its site visit.

CONCLUSIONS

P&A agencies submitted final reports, as required by the contract terms, and evidence in the reports adequately supported the conclusions made by the P&A agencies. Nothing came to our attention to indicate beneficiaries' needs were not met by the 20 payees we reviewed. However, three payees did not comply with SSA's policies and procedures, and one payee did not comply with the FLSA.

RECOMMENDATIONS

We recommend that SSA:

1. Remind the employer payee in Monmouth, Oregon, to retain adequate documentation and maintain clear ledger entries.
2. Review the record of the SSI recipient we identified as being over the \$2,000 resource limit and recover any overpayment, as applicable.
3. Contact NDRN to ensure the P&A reviewer viewed and obtained copies of the FLSA certificate and/or renewal application from the employer payee in Baltimore, Maryland. If NDRN did not obtain copies of the expired FLSA certificate and renewal application, they must follow up with the payee to obtain the documents. If the payee does not have the documentation, the reviewer should notify the Department of Labor and inform SSA the referral was made.

AGENCY COMMENTS

SSA agreed with our recommendations. See Appendix C for the full text of the Agency's comments.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed applicable laws and regulations.
- Reviewed Social Security Administration (SSA) policies and procedures related to site reviews.
- Reviewed prior Office of the Inspector General reports.
- Obtained two reports from the Office of the Deputy Commissioner for Retirement and Disability Policy of organizational payees reviewed by Protection and Advocacy (P&A) agencies under SSA’s contract—Contract Number SS00-09-6011¹—with the National Disability Rights Network (NDRN). SSA awarded the contract September 30, 2009.
 - One report contained 174 employer representative payees P&As reviewed during Fiscal Year 2011.
 - The second report contained 253 organizational payees P&As reviewed under task orders related to the contract. The task orders directed the P&As to review organizational payees selected using a “misuse model” developed by SSA’s Office of Quality Performance (OQP). P&As completed these reviews by April 30, 2012.
- Selected a sample of 20 organizational payees to assess whether the P&A reviews complied with terms of the Agency’s contract with NDRN, and Social Security beneficiaries’ needs were met. We selected 10 payees from the file of 174 employer payees and selected an additional 10 payees from the file of 253 payees identified using OQP’s misuse model. We selected 2 of the largest payees in each of SSA’s 10 regions. See Appendix B, Sampling Methodology, for more information.
 - Obtained copies of the *Final Reports* completed by P&As to determine whether:
 - P&As complied with certain terms of Contract Number SS00-09-6011 for submitting final reports; and
 - Evidence contained in the reports adequately supported the P&A’s conclusions.
 - Interviewed selected representative payees and beneficiaries.

¹ SSA awarded the contract on September 30, 2009. On June 21, 2012, the Contracting Officer provided a comprehensive contract document that incorporated all contract modifications issued to date. This document is referred to as the “contract” throughout this report.

- Observed employed beneficiaries' work environments.
- Assessed the payee's financial records covering a 12-month period.

The principle entities audited were the Offices of the Deputy Commissioners for Retirement and Disability Policy and Operations. We conducted our review in Baltimore, Maryland, from August 2012 through April 2013. In addition, we performed work in California, Colorado, Georgia, Illinois, Indiana, Iowa, Kansas, Massachusetts, New York, Oregon, Texas, and Vermont. We tested the data obtained for our review and determined them to be sufficiently reliable to meet our objectives. 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 objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B – SAMPLING METHODOLOGY

In July 2012, staff from the Social Security Administration’s (SSA) Office of the Deputy Commissioner for Retirement and Disability Policy (DCRDP) provided a file of 174 organizational employer representative payees Protection and Advocacy (P&A) agencies reviewed during Fiscal Year 2011 under the Agency’s contract with the National Disability Rights Network (NDRN)—Contract Number SS00-09-60111¹. In June 2012, DCRDP staff provided a file of 253 organizational representative payees P&As reviewed under the contract with NDRN. SSA selected these payees for review using a misuse model developed by its Office of Quality Performance. P&As completed the 253 site reviews by April 30, 2012.

From the population of 427 organizational payees, we selected a sample of 20 to assess whether the reviews complied with terms of the Agency’s contract with NDRN and selected Social Security beneficiaries’ needs were met. We selected 10 payees from the file of 174 employer payees and an additional 10 payees from the file of 253 payees identified using OQP’s misuse model. The selected payees were 2 of the largest payees in each of SSA’s 10 regions.

For the 20 payees, we selected a sample of 198 beneficiaries for a review of their financial records. We interviewed and observed 192 of those beneficiaries. Based on our review of financial records and interviews with beneficiaries, nothing came to our attention to indicate the beneficiaries’ needs were not met. See Table B–1 for more information.

¹ SSA awarded the contract on September 30, 2009. On June 21, 2012, the Contracting Officer provided a comprehensive contract document that incorporated all contract modifications issued to date. We refer to this document as the “contract” throughout this report.

Table B-1: Organizational Representative Payees Selected for Review

Region	Payee Location	Number of Beneficiaries Served²
Boston	<i>Barre, Vermont</i>	254
	<i>North Attleboro, Massachusetts</i>	31
New York	<i>New York, New York</i>	526
	<i>Far Rockaway, New York</i>	48
Philadelphia	<i>Baltimore, Maryland</i>	306
	<i>Baltimore, Maryland</i>	46
Atlanta	<i>Albany, Georgia</i>	86
	<i>Atlanta, Georgia</i>	44
Chicago	<i>Fort Wayne, Indiana</i>	364
	<i>Matteson, Illinois</i>	40
Dallas	<i>Burleson, Texas</i>	250
	<i>Arlington, Texas</i>	27
Kansas City	<i>Lenox, Iowa</i>	30
	<i>Pittsburg, Kansas</i>	49
Denver	<i>Grand Junction, Colorado</i>	137
	<i>Fort Collins, Colorado</i>	21
San Francisco	<i>Santa Monica, California</i>	84
	<i>Napa, California</i>	15
Seattle	<i>Monmouth, Oregon</i>	50
	<i>Springfield, Oregon</i>	37

² As of July-September 2012

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: August 13, 2013 **Refer To:** SIJ-3

To: Patrick P. O’Carroll, Jr.
Inspector General

From: Katherine Thornton /s/
Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Protection and Advocacy Agencies’ Reviews of Organizational Representative Payees” (A-13-12-12119)--INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

Attachment

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "PROTECTION AND ADVOCACY AGENCIES' REVIEWS OF ORGANIZATIONAL REPRESENTATIVE PAYEES" (A-13-12-12119)

Recommendation 1

Remind the employer payee in Monmouth, Oregon, to retain adequate documentation and maintain clear ledger entries.

Response

We agree. By August 30, 2013, we plan to complete all necessary actions to implement this recommendation.

Recommendation 2

Review the record of the SSI recipient we identified as being over the \$2,000 resource limit and recover any overpayment, as applicable.

Response

We agree. By the end of fiscal year 2013, we plan to complete a review of the record OIG identified as being over the resource limit and take action to recover any overpayment, if necessary.

Recommendation 3

Contact NDRN to ensure that the P&A reviewer viewed and obtained copies of the FLSA certificate and/or renewal application from the employer payee in Baltimore, Maryland. If NDRN did not obtain copies of the expired FLSA certificate and renewal application, they must follow-up with the payee to obtain the documents. If the payee does not have the documentation, the reviewer should notify the Department of Labor and inform SSA that the referral was made.

Response

We agree. On June 13, 2013, we contacted the National Disability Rights Network (NDRN) to obtain copies of the Fair Labor Standards Act (FLSA) certificate and renewal application. NDRN agreed to ensure that the Protection and Advocacy reviewer viewed and obtained copies of the FLSA certificate or renewal application. NDRN agreed to follow-up with the payee to obtain the documents. If the payee does not have the certificate or renewal application, NDRN agreed to notify the Department of Labor and inform us that it made the referral. As appropriate, we will follow up with NDRN.

Appendix D – MAJOR CONTRIBUTORS

Shirley E. Todd, Director, Evaluation Division

Randy Townsley, Audit Manager

Nicole Gordon, Auditor-In-Charge

MISSION

By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration's (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

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