

Follow-up on Deceased Representative Payees

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July 2019

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) identified, and took appropriate action on, all cases in which a new representative payee was needed when a current representative payee died.

Background

Some individuals cannot manage or direct the management of their finances because of their age or mental and/or physical impairments. For such individuals, payments are made to representative payees who receive and manage the benefit payments. When a representative payee dies, applicable regulations and SSA policy require that SSA will re-evaluate the beneficiary's ability to manage his/her own funds or select a new representative payee.

In three prior audits, we determined SSA's procedures did not always ensure new representative payees were selected when the former representative payees died. SSA agreed with the recommendations in these reports.

To conduct this review, we identified 2,202 Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries and 394 Supplemental Security Income (SSI) recipients with representative payees who had dates of death on SSA's Numident file. We reviewed 100 sample cases: 50 sample cases from each population.

Findings

SSA did not follow regulations or its policy when it failed to evaluate all beneficiaries'/recipients' ability to manage their own funds and select new representative payees, if appropriate, when the Agency was notified that current representative payees had died. We estimated SSA issued approximately \$10.7 million in OASDI benefits and SSI payments to about 846 deceased representative payees after their deaths. Of the \$10.7 million, we estimated SSA issued \$5.5 million in OASDI benefits to 484 deceased representative payees and \$5.2 million in SSI payments to 362 deceased representative payees.

We also estimated SSA properly ceased payments to about 1,722 representative payees after their deaths; however, approximately 1,542 deceased representative payees' Social Security numbers (SSN) remained on the Master Beneficiary (MBR) or Supplemental Security Records (SSR) for beneficiaries/recipients receiving benefits. Incorrect SSNs in SSA's files compromise SSA's computer-matching efforts.

Recommendations

We recommend that SSA:

1. Re-evaluate beneficiaries'/recipients' capability to manage funds for those representative payees who had died, assign new representative payees where appropriate, and properly replace the representative payee on the MBR and SSR.
2. Remove the deceased representative payees' SSNs from the MBR and SSR for individuals receiving OASDI benefits or SSI payments where the Agency has replaced the deceased representative payees but their SSNs remain on the records.
3. Ensure employees adhere to regulations and follow Agency policy by providing employees additional training and reminders on the re-evaluation of beneficiaries'/recipients' capability and the procedures to follow when SSA learns of a representative payee's death.

SSA agreed with our recommendations.