

# Report Summary

Social Security Administration Office of the Inspector General

June 2012



## Objective

To determine whether fee-for-service (FFS) representative payees serving a large volume of Social Security beneficiaries had the resources and ability to fulfill their payee responsibilities. In doing so, we also interviewed beneficiaries of selected FFS payees to determine whether the fees charged significantly impacted resources available to meet their basic needs.

## Background

Some individuals cannot manage or direct the management of their finances because of their youth or mental and/or physical impairments. In such cases, the Social Security Administration (SSA) appoints representative payees to receive and manage these beneficiaries' payments.

SSA provides instructions for serving as a representative payee. These instructions include requirements, suggestions, and best practices.

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-04-11-11146>

## *Representative Payees' Ability to Monitor the Individual Needs of a Large Volume of Beneficiaries (A-04-11-11146)*

### Our Findings

We determined that some FFS payees did not always have resources, procedures, and controls to ensure they fulfilled their payee responsibilities. We identified vulnerabilities that SSA needs to address through clearer guidance to FFS payees.

Specifically, we found payees did not always have (1) sufficient staff to routinely contact and/or visit beneficiaries in their care and relied on outside caseworkers or beneficiary self-reporting to ensure beneficiaries' needs were met; (2) complete or correct telephone number and address for each beneficiary we attempted to interview; and (3) adequate controls over personal spending money provided directly to beneficiaries or provided to third parties on behalf of beneficiaries.

Although the fee can be important in meeting a beneficiary's basic needs, SSA places beneficiaries with FFS payees as a last resort when it cannot find another suitable payee. As such, SSA authorizes qualified organizations to receive compensation for their services.

### Our Recommendations

We recommended the Agency develop and issue clarifying guidance to FFS payees regarding (1) the required frequency of contact and visits with beneficiaries; (2) controls and oversight necessary when providing beneficiaries or third-party caseworkers personal spending money; (3) oversight requirements when payees use third-party caseworkers to monitor and communicate beneficiary needs; and (4) the required frequency with which payees must confirm and update contact information with the beneficiary. We also recommended the Agency refer any specific unresolved beneficiary needs identified in the audit to the attention of the representative payee and ensure necessary fiduciary corrective actions are taken.

SSA agreed with our recommendations.