

Representative Payee Selections Pending in the Representative Payee System

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) properly resolved representative payee selections that were pending in its Representative Payee System (RPS).

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' benefit payments.

SSA employees use RPS to take and process representative payee applications. When SSA selects a representative payee and updates the Master Beneficiary and Supplemental Security Records with this information, it is compared with information in RPS. If the payee selection could not be processed or the information does not match, the representative payee selection remains in a pending status. SSA's automated system then generates an alert every 30 days to remind field office employees to take manual action to resolve the discrepancy.

SSA conducts an annual clean-up operation for representative payee selections that are pending in RPS. The cleanup is designed to move pending representative payee selections to an active or non-active status, when appropriate.

Our Findings

SSA did not always resolve representative payee selections that were pending in its RPS. Based on our random sample, we estimate that SSA:

- Did not resolve the representative payee selections for 29,092 beneficiaries. Of these, SSA paid \$132.5 million in benefits to someone other than the selected representative payees for 8,951 beneficiaries.
- Improperly changed the representative payee selections to a non-selected status for 20,141 beneficiaries. Of these, SSA paid \$265 million in benefits to someone other than the selected representative payees for 11,749 beneficiaries.
- Incorrectly recorded beneficiary information in RPS for 5,595 beneficiaries.
- Did not timely resolve the representative payee selections for 17,343 beneficiaries.

Our Recommendations

We recommend that SSA:

1. Take appropriate action to resolve the representative payee selections pending in RPS for the 98 beneficiaries identified by our audit.
2. Evaluate the results of its corrective actions for the 98 beneficiaries and determine whether it should review the remaining population of beneficiaries who have representative payee selections pending in RPS.
3. Determine whether it should modify the RPS clean-up operation to ensure it does not improperly change representative payee selections to a non-selected status.
4. Determine whether it should develop additional guidance to ensure representative payee selections are properly and timely resolved.

SSA agreed with our recommendations.