

Emmaus Homes, a Fee-for-Service Representative Payee for the Social Security Administration

A-07-17-50217



April 2017

Office of Audit Report Summary

Objective

To determine whether Emmaus Homes (1) had effective safeguards over the receipt and disbursement of Social Security benefits, (2) used and accounted for Social Security benefits in accordance with Social Security Administration (SSA) policies and procedures, and (3) adequately protected beneficiaries' personally identifiable information.

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. Representative payees are responsible for managing benefits in the beneficiaries' best interests. Our audit period was May 1, 2015 through April 30, 2016.

Findings

Emmaus Homes had effective safeguards over the receipt and disbursement of Social Security benefits, used and accounted for benefits in accordance with SSA policies and procedures, and adequately protected beneficiaries' personally identifiable information.

However, in May 2015, Emmaus Homes' routine review of disbursements found four employees misused eight beneficiaries' funds, totaling \$449. Following discovery of the misuse, Emmaus Homes returned the stolen funds to the beneficiaries, terminated the employment of the four employees, and added a secondary review of purchases and receipts. Emmaus Homes did not report the misuse of funds to SSA, as required by SSA's guidance to organizational representative payees.

Recommendation

We recommend SSA remind Emmaus Homes to report benefit misuse to SSA immediately upon discovery.

SSA and Emmaus Homes agreed with our recommendation.