

Report Summary
Social Security Administration Office of the Inspector General

June 2010

Organizational Representative Payee in Ohio (A-05-08-48109)

Objective

To determine whether Consciously Aware Services that Empower, Inc. (CASE), an organizational representative payee, had effective safeguards over the receipt and disbursement of Social Security Administration (SSA) benefits and these benefits were used and accounted for in accordance with SSA's policies and procedures.

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. CASE is a nonprofit agency founded in February 2004 and based in Cleveland, Ohio. SSA paid approximately \$1.1 million to CASE during our 12-month audit period from July 2006 through June 2007 on behalf of 218 beneficiaries.

To view the full report, visit <http://www.ssa.gov/oig/ADOBEPDF/A-05-08-48109.pdf>

Our Findings

Our review found that CASE did not have effective safeguards over the receipt and disbursement of SSA benefits, and SSA cannot be assured that these benefits were used and accounted for in accordance with its policies and procedures. Of the \$1.1 million SSA paid to CASE, about \$132,600, or 12 percent of these funds, was not accounted for appropriately during our audit period. CASE owes approximately \$30,200 to SSA beneficiaries because of unrecorded deposits, uncashed checks, and excessive fees. Furthermore, CASE lacked adequate documentation supporting approximately \$102,400 in withdrawals from the collective account related to about \$97,000 in debit/credit card withdrawals and approximately \$5,400 transferred to the operating account. We estimate CASE owes SSA approximately \$172,200 related to funds owed to specific beneficiaries from our audit period (\$30,200) and unreturned funds related to the ending balances when it ceased to operate as a representative payee (\$142,000). We also found CASE was serving as a representative payee for individuals without appropriately notifying SSA.

In terms of SSA's oversight of CASE, SSA did not (1) ensure CASE's mission was consistent with the duties expected of a representative payee, (2) perform a timely financial analysis of CASE, (3) ensure CASE had appropriate bond insurance coverage protecting the Agency's interests, and (4) maintain current addresses for 79 beneficiaries transferred from CASE to new representative payees.

Matters for Consideration

Even though CASE is no longer operating as an SSA representative payee, the Agency still needs to take actions regarding the beneficiaries formerly served by CASE. We recommended that the Chicago Regional Commissioner: (1) appropriately adjust the account balances of the beneficiaries, (2) ensure regional employees are aware of the policies, and procedures regarding representative payee oversight, and (3) ensure that the contact information of beneficiaries transferred from CASE is updated in SSA records. The Agency concurred with our recommendations.