
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**THE SOCIAL SECURITY ADMINISTRATION'S
TRIENNIAL SITE REVIEWS OF
VOLUME ORGANIZATIONAL
REPRESENTATIVE PAYEES**

May 2012

A-13-11-11127

AUDIT REPORT



Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.



SOCIAL SECURITY

MEMORANDUM

Date: May 31, 2012 Refer To:

To: The Commissioner

From: Inspector General

Subject: The Social Security Administration's Triennial Site Reviews of Volume Organizational Representative Payees (A-13-11-11127)

OBJECTIVE

Our objectives were to determine whether (1) the Social Security Administration (SSA) was conducting triennial site reviews timely and (2) a sample of recent reviews detected signs of potential misuse or significant noncompliance with the Agency'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 impairment. Congress granted SSA the authority to appoint representative payees to receive and manage these beneficiaries' payments.¹ A representative payee may be an individual or an organization. SSA selects representative payees for Old-Age, Survivors and Disability Insurance (OASDI)² and Supplemental Security Income (SSI)³ beneficiaries⁴ when representative payments would serve the individual's interests.

¹ *Social Security Act §§ 205(j)(1)(A) and 1631(a)(2)(A)(ii)(I); 42 U.S.C. §§ 405(j)(1)(A) and 1383(a)(2)(A)(ii)(I).*

² The OASDI program provides benefits to qualified retired and disabled workers and their dependents as well as to survivors of insured workers. *Social Security Act § 201 et seq., 42 U.S.C. § 401 et seq.*

³ The SSI program provides payments to individuals who have limited income and resources and who are age 65 or older, blind, or disabled. *Social Security Act § 1601 et seq.; 42 U.S.C. § 1381 et seq.*

⁴ We use the term "beneficiary" in this report to refer to both OASDI beneficiaries and SSI recipients.

The *Social Security Protection Act of 2004* (SSPA)⁵ requires that SSA conduct periodic reviews of volume organizational payees.⁶ SSA policy specifies when it is to conduct site reviews of each volume payee. For our audit period, reviews conducted on or before October 14, 2011, Agency policy required reviews at least once every 3 years.⁷ Triennial site reviews are conducted to ensure payees are performing their duties satisfactorily and protect beneficiaries from misuse.

In September 2010, the Social Security Advisory Board released an Issue Brief on *Disability Programs in the 21st Century: The Representative Payee Program*.⁸ In this Brief, the Advisory Board recommended, among other things, that the SSA Office of the Inspector General, ". . . review a sample of site visits to organizational payees to ensure that those visits are effective in preventing misuse and ensuring compliance with SSA policies."⁹ The Advisory Board reported ". . . while site reviews are effective as far as they go, they do not fulfill SSA's stewardship responsibility to manage benefit payments in a way that maintains the trust of the public it serves."¹⁰

To determine whether SSA conducted triennial site reviews timely, we reviewed information extracted from the Agency's *Representative Payee Monitoring Application* (RPMA) Website¹¹ for volume organizational payees serving 50 or more beneficiaries. The Office of the Deputy Commissioner for Operations' staff provided the data. As of October 14, 2011, SSA staff reported there were 3,507 active volume organizational representative payees on the RPMA Website. Of this number, we determined 2,705 payees were subject to site reviews.¹²

⁵ Pub. L. No. 108-203 § 102, 42 U.S.C, §§ 405(j) and 1383(a)(2).

⁶ SSA defines volume organizational payees as organizations serving 50 or more beneficiaries.

⁷ As of December 28, 2011, SSA had changed its policy to conduct site reviews for volume organizational payees at least once every 4 years. Reviews of fee-for-service payees continue to be on a 3-year cycle.

⁸ In 1994, when the Congress passed legislation establishing SSA as an independent agency, it created a seven-member bipartisan Advisory Board to advise the President, Congress, and Commissioner of Social Security on Social Security and SSI policy. See *Social Security Independence and Program Improvements Act of 1994*, 103 P.L. 296, 108 Stat. 1464 (1994). See also Social Security Advisory Board Issue Brief Series, *Disability Programs in the 21st Century, The Representative Payee Program*, Volume 2, Number 1, September 2010, http://www.ssab.gov/Documents/Rep_Payee_Program.pdf.

⁹ Social Security Advisory Board Issue Brief Series, *Disability Programs in the 21st Century, The Representative Payee Program*, Volume 2, Number 1, September 2010, at 2.

¹⁰ *Id.* at page 8.

¹¹ The Agency developed its RPMA Website to monitor and control the triennial review workload. Agency policy indicates the Website identifies all payees subject to triennial review and is the source of management information reports to Congress.

¹² We excluded 663 recently established volume organizational payees and 139 payees serving fewer than 50 beneficiaries.

In addition, we selected for review a sample of 18 volume organizational payees to detect signs of possible misuse of benefits and determine whether payees complied with selected SSA policies and procedures. We selected two of the larger volume organizational payees in each of the nine SSA regions. Our selection was based on data recorded on the RPMA Website as of February 2011. The Agency completed triennial reviews for these 18 payees between Fiscal Years (FY) 2008 and 2010. Our review included representative payee and beneficiary interviews as well as an assessment of the payee's financial recordkeeping. Our review covered a staggered 12-month audit period.¹³ In addition, we used March 2011 RPMA Website data to assess the integrity of the volume organizational payee data recorded on SSA's Website. See Appendices B and C for scope and methodology and our sampling methodology, respectively.

RESULTS OF REVIEW

Generally, SSA conducted the triennial site reviews in accordance with its 3-year cycle policy. We considered the site reviews timely if SSA conducted them within 3 years of October 2011.¹⁴ Of the 2,705 active volume organizational payees, the Agency timely completed triennial reviews for 2,466 (91 percent). However, we determined the Agency did not timely complete triennial reviews for 239 payees (9 percent). In addition, we determined the data recorded on the RPMA Website did not always contain information for all volume organizational representative payees. As a result, we determined SSA did not always identify all volume organizational payees subject to site reviews.

Finally, while we did not find any indications that Social Security benefits were misused by the 18 payees we visited, 11 payees did not comply with all SSA's policies and procedures.

TIMELINESS OF TRIENNIAL REVIEWS

Of the 2,705 volume organizational representative payees subject to review on SSA's RPMA Website as of early FY 2012, we determined the Agency conducted reviews for 2,466 payees within 3 years of October 2011.¹⁵ However, the Agency had not conducted reviews for 239 payees timely.

As of December 2011, SSA had changed its policy to require site reviews at least once every 4 years instead of every 3 years. Of the 239 volume organizational payees, SSA did not review 90 within the new 4-year site review cycle (see Table 1 for details).

¹³ Generally, we based our audit periods on the 12-month period preceding the date(s) we began our site visits with the 18 payees. Our site visits were conducted between June and September 2011.

¹⁴ On October 14, 2011, SSA staff provided an electronic data extract of active payees from the RPMA Website.

¹⁵ *Id.*

Table 1. Timeliness of Site Reviews¹⁶

Number of Volume-Organizational Payees		Reviews Completed Timely	Reviews Not Timely Completed				Total Reviews Not Timely Completed
Beneficiary Count	Payees	Total Reviews Completed Within 3 Years of 10/14/2011	Time Between (1) Last Review Completed; or (2) Date Payee Established - and 10/14/2011				Total Reviews Not Timely Completed
			Between 3.01 and 3.5 Years	Between 3.51 and 4 Years	Between 4.01 and 5 Years	Over 5 Years	
50 to 60	764	673	44	10	25	12	91
61 to 80	686	635	22	8	12	9	51
81 to 100	416	384	19	4	3	6	32
101 to 200	571	525	25	3	7	11	46
Over 200	268	249	12	2	4	1	19
Totals	2705	2466	122	27	51	39	239

On January 12, 2012, we discussed the results of our analysis with Office of the Deputy Commissioner for Operations staff. We requested information about the 90 payees¹⁷ not reviewed within the prior 4 years but, to date, SSA has not provided any additional information.

To comply with SSPA, the Agency should conduct site reviews of all volume organizational payees subject to review. These reviews help ensure payees perform their duties satisfactorily and protect beneficiaries from misuse. Therefore, when SSA does not conduct reviews, it misses an opportunity to detect misuse, assess noncompliance with its policies, and/or identify areas where the payees need improvement.

RPMA WEBSITE DATA INTEGRITY

SSA needs to improve the integrity of data recorded on the RPMA Website. According to Agency staff, they update data on the RPMA Website each summer.¹⁸ We compared volume organizational representative payee information recorded on the RPMA Website to similar data recorded in SSA's Representative Payee System (RPS).^{19, 20} After

¹⁶ *Id.*

¹⁷ Based on data extracted from RPMA by SSA staff, time between (a) the last review completed or date payee established and (b) October 14, 2011 is 4 years or longer.

¹⁸ The latest update occurred on September 7, 2011.

¹⁹ RPS is the integrated system used to process payee applications, query payee performance, document misuse determinations, and document any other significant information about the payee.

²⁰ The information extracted from RPMA was as of March 17, 2011 and recorded in RPS as of October 26, 2011.

adjusting the data for various reasons,²¹ we identified 124 payees listed in RPS that we could not locate on the RPMA Website. In addition, 25 payees listed as active in RPS were shown as “inactive” on the RPMA Website. We reviewed RPS and determined that, of the 149 payees identified, SSA completed site reviews for 43. However, since we were unable to determine from SSA’s systems whether the Agency completed reviews for 106 payees, we were unable to conclude whether SSA identified all volume organizational representative payees subject to site reviews to the extent required by SSPA. This occurred because the information listed on the RPMA Website was incomplete.

Congress mandated SSA complete periodic reviews of volume organizational payees.²² Based on its policy, SSA’s monitoring is designed to ensure those payees perform their payee duties satisfactorily and protect beneficiaries from misuse . Therefore, it is important that the Agency conduct periodic reviews of all volume organizational payees subject to SSPA. SSA developed the RPMA Website to control its site review workload and manage information reports to Congress. Therefore, it is important that data recorded on the Website be accurate and current. Without accurate data on the Website, SSA may not monitor some payees as directed by SSPA.

On January 12, 2012, we discussed the results of our analysis with Office of the Deputy Commissioner for Operations staff. Staff indicated there might have been discrepancies between RPS data and RPMA Website data because of variations in payee names, fluctuations in beneficiary counts, and timing concerns with recently established or updated payees. Staff explained since SSA only updates the RPMA Website annually, it is impossible for the two databases to contain the same information. Staff explained they update the RPMA Website annually because the Agency only conducted cyclical site reviews, and the annual updates identified recently established payees that were due for a review in the coming year. We provided staff information about our analysis on January 18, 2012; however, to date, SSA has provided no additional information regarding this matter.

PAYEE COMPLIANCE WITH SSA POLICIES AND PROCEDURES

During our review of 18 volume organizational representative payees, 11 had 17 instances of noncompliance with SSA’s policies and procedures. Specifically, we found (a) eight payees did not notify SSA of changes in beneficiary status timely; (b) six payees did not have adequate documentation to account for how beneficiaries’ monthly benefit payments were spent during the audit periods; (c) two payees did not return accountability reports for our audit period; and (d) one payee had incorrectly titled bank accounts. Finally, we determined SSA identified similar instances of noncompliance during its recent site visits of six of the representative payees. See Table 2 for more information.

²¹ We removed payees classified as fee-for-service and payees subject to SSA’s Onsite Review Program.

²² Pub. L. No. 108-203 § 102, 42 U.S.C, §§ 405(j) and 1383(a)(2).

Table 2. Instances of Payee Noncompliance with SSA's Policies and Procedures

SSA Region	Payee Location ²³	Reporting Changes to SSA	Retaining Documentation	Returning Representative Payee Reports	Titling of Bank Account	Total Instances of Non-Compliance
Boston	<i>Hartford, Connecticut</i>					--
	<i>Boston, Massachusetts</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> *			2
New York	<i>Hamilton, New Jersey</i>		<input checked="" type="checkbox"/> *		<input checked="" type="checkbox"/> *	2
	<i>New Hyde Park, New York</i>	<input checked="" type="checkbox"/> *				1
Philadelphia	<i>Washington, DC</i>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		2
	<i>Dover, Delaware</i>	<input checked="" type="checkbox"/>				1
Atlanta	<i>Hoover, Alabama</i>					--
	<i>Birmingham, Alabama</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			2
Chicago	<i>Evanston, Illinois</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			2
	<i>Chicago, Illinois</i>					--
Dallas	<i>Waco, Texas</i>					--
	<i>Fort Worth, Texas</i>	<input checked="" type="checkbox"/>				1
Kansas City	<i>Liberty, Missouri</i>	<input checked="" type="checkbox"/> *				1
	<i>Kansas City, Missouri</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> *		2
Denver	<i>Lakewood, Colorado</i>					--
	<i>Westminster, Colorado</i>					--
San Francisco	<i>Fresno, California</i>					--
	<i>San Francisco, California</i>		<input checked="" type="checkbox"/> *			1
Totals		8	6	2	1	17

*Asterisk indicates instances of noncompliance SSA noted during its site reviews with the payee.

Of the 17 instances of payee noncompliance identified during our site visits, the Agency had identified 7. However, the additional 10 instances of noncompliance we detected may not have existed when SSA conducted its reviews.

²³ Payee staff provided address information during interviews.

Reporting Changes to SSA

Federal regulations require that representative payees notify SSA of any changes that affect their performance as a representative payee.²⁴ In addition, Federal regulations state a representative payee has the responsibility to notify SSA of any event or change that will affect the amount of benefits received, the right to receive benefits, or how benefits will be received.²⁵ We determined eight payees did not notify SSA of such changes. Specifically, (1) five payees did not report when SSI beneficiaries' conserved funds exceeded the resource limit; (2) two payees did not report beneficiary income; and (3) one payee did not report when a beneficiary left its care.

SSI Beneficiaries' Resources

Five payees did not notify SSA timely when the beneficiaries' ledger balances exceeded the \$2,000 maximum allowed.²⁶ Representative payees are responsible for informing SSA when beneficiaries' resources exceed the allowable limit.²⁷ For

180 beneficiaries reviewed, we identified 5 payees that served 8 beneficiaries who exceeded the SSI resource limit (see Table 3 for more information). As a result, we estimate these individuals received approximately \$18,130²⁸ in potential SSI overpayments during our audit period. The periods of potential estimated overpayments ranged from 1 to 12 months. For example, our review of an SSI beneficiary's ledger disclosed a payee located in Washington, DC, held excess conserved funds for that individual for about 10 months. As a result of our review, the payee explained the overpaid funds would be returned to the Agency. We confirmed the payee returned an overpayment amount of \$4,365 to SSA in September 2011.

²⁴ 20 C.F.R. §§ 404.2035(f) and 416.635(f).

²⁵ 20 C.F.R. §§ 404.2035(d) and 416.635(d).

²⁶ The resource limit for SSI beneficiaries is \$2,000 for an individual and \$3,000 for a married couple. 20 C.F.R. § 416.1205(c); See also SSA, POMS, SI 01110.003 A.2 (December 8, 2010).

²⁷ 20 C.F.R. §§ 416.704(c), and 416.635(d). See also SSA, *Guide for Organizational Representative Payees – Changes to Report*.

²⁸ We estimated the amount by multiplying the number of months a beneficiary was over the resource limit by the beneficiaries' monthly SSI payment amount.

Table 3. SSI Beneficiaries Exceeded the Resource Limit

Beneficiary	Payee Location	Number of Months of Ineligibility²⁹	Total Amount Over the \$2,000 Limit	Monthly SSI Payment Amount	Total Benefits Improperly Paid
A	Boston, MA	3	\$1,299	\$572	\$1,716
B	New Hyde Park, NY	3	\$270	\$30	\$90
C	New Hyde Park, NY	11	\$3,002	\$30	\$330
D	New Hyde Park, NY	12	\$29,834	\$30	\$360
E	Washington, DC	10	\$10,375	\$1,159	\$11,590
F	Birmingham, AL	1	\$181	\$674	\$674
G	Birmingham, AL	3	\$413	\$674	\$2,022
H	Fort Worth, TX	2	\$22	\$674	\$1,348
Total					\$18,130

Beneficiary Income

We determined two payees did not notify the Agency timely of eight beneficiaries' earned or unearned income.³⁰ At the time of our visits, the payees were aware the beneficiaries in their care were working. For example, during beneficiary interviews

in Dover, Delaware, we determined two beneficiaries were working, but the payee had not reported the estimated wages to SSA. As a result of our review, staff at the payee's office provided the wages to their local SSA field office in August 2011. During our September 2011 site visit with a payee in Evanston, Illinois, we determined the payee had not notified SSA of six beneficiaries' earned and/or unearned income. SSA policy requires that representative payees report wages for any months the income has changed.³¹ Policy also states, "If a disabled beneficiary works and receives earnings in any amount, it may be indicative of medical improvement and cessation of disability."³²

Beneficiaries Leave Payee's Care

At the time of our review, one payee did not always notify SSA when a beneficiary left its care. Representative payees are responsible for notifying SSA of events or changes that will affect their ability to fulfill the

²⁹ Cells shaded in grey indicate months of ineligibility extended beyond our audit period.

³⁰ Income is any item an individual receives in cash or in-kind that can be used to meet his or her need for food or shelter. Examples of earned income include wages or net earnings from self-employment. Examples of unearned income include alimony payments or prizes and awards.

³¹ SSA, POMS, SI 00820.143 (January 19, 2011).

³² SSA, POMS, GN 00605.562 B (10) (July 14, 2006).

responsibilities of being a payee.³³ An example of such an event is when a beneficiary moves, or no longer needs a payee. During an interview with a payee in Liberty, Missouri, payee staff described the procedures for notifying SSA when a beneficiary leaves its care. Staff explained they do not report this type of information to SSA. Instead, the office leaves it up to the beneficiary to self-report their move. Although none of the beneficiaries in our sample left the payee's care during our audit period, we reminded the payee of its responsibility to report changes to SSA. The payee explained it would begin reporting changes to SSA, as appropriate. In July 2009, the Agency also noted this finding during its triennial review with the payee.

Retaining Documentation

Representative payees are responsible for retaining detailed and accurate records of how they used the benefits to provide an accurate report to SSA when requested.³⁴ Examples of documentation that indicates how benefits are used include written records of payments received from SSA; bank statements and cancelled checks; and receipts for rent, utilities, and major purchases made for the beneficiaries.

We determined six payees did not retain adequate documentation to support how they spent benefit payments. Of the six payees, SSA previously noted this finding during recent site visits with three of the payees. For example, during our visit with a payee in Boston, Massachusetts, we found 11 expenses, ranging from \$30 to \$1,300, for which the payee did not provide receipts. The Agency completed a site review with this payee in August 2010. During that visit, SSA noted the lack of receipts for expenditures as an area of concern and recommended the payee retain receipts for expenses of \$100 or more. If payees do not retain adequate documentation, there is an increased risk of unauthorized expenditures.

Returning Representative Payee Reports

Representative payees are responsible for keeping beneficiary records and reporting the use of benefits by completing a Representative Payee Report (RPR)³⁵ annually. SSA uses the RPR to monitor how the payee spent and/or saved the benefits on the beneficiary's behalf and identify situations where representative payment may no longer be appropriate or the payee may no longer be suitable. Our review of SSA's systems indicated two payees had not returned the accountability reports for three beneficiaries during our audit period. SSA detected this issue during its September 2009 site visit with a payee in Kansas City, Missouri. We discussed the missing reports with a payee in Washington, DC, and the staff explained they neglected to complete the reports for

³³ 20 C.F.R. §§ 416.704(c), 416.635(f) and GN 00502.113.C.1 (October 13, 2011); SSA, *Guide for Organizational Representative Payees – Reporting Events to SSA*.

³⁴ SSA, POMS, GN 00502.113 C.(1) (October 13, 2011).

³⁵ SSA, POMS, GN 00605.001 B.(1) (November 7, 2008).

the period ended December 31, 2010. However, staff stated they were completing the required forms and planned to mail them to SSA's Data Operations Center in Wilkes-Barre, Pennsylvania. We confirmed SSA received the completed accountability reports.

Titling of Bank Accounts

A payee in Hamilton, New Jersey, had not titled the individual beneficiary bank accounts in a manner that identified the beneficiaries as the owners and the payee as the fiduciary. The Agency noted the improper bank account titles during its site review with the payee in September 2010. However, the payee did not take corrective action after SSA's site review. At the time of our site visit in August 2011, we found the individual checking accounts remained titled incorrectly. If the bank account is improperly titled, there is a risk of inadequate management of the beneficiaries' funds. SSA policy states the individual account title must show that the funds belong to the beneficiary and that the representative payee only has a fiduciary interest in the account.³⁶

CONCLUSION AND RECOMMENDATIONS

Generally, SSA conducted triennial reviews timely. However, SSA did not always identify all volume organizational payees subject to site reviews. We were unable to locate 126 payees on the RPMA Website, and found 27 payees listed as active in RPS, but identified as inactive on the RPMA Website. Finally, while we did not find any indications of Social Security benefits misused by the 18 payees we visited, 11 of the payees did not comply with all SSA's policies and procedures.

Therefore, we recommend SSA:

1. Comply with its policies to complete site reviews timely.
2. Determine whether it is cost-effective to update the RPMA Website more frequently to identify all volume organizational payees subject to site reviews.
3. Review the records of the eight SSI beneficiaries we identified as being over the \$2,000 resource limit and the eight beneficiaries we identified as having unreported income, and recover any overpayments, as applicable.

AGENCY COMMENTS

SSA agreed with our recommendations. See Appendix D for the Agency's comments.



Patrick P. O'Carroll, Jr.

³⁶ SSA, POMS GN 00603.010 A (June 5, 2008).

Appendices

[APPENDIX A – Acronyms](#)

[APPENDIX B – Scope and Methodology](#)

[APPENDIX C – Sampling Methodology](#)

[APPENDIX D – Agency Comments](#)

[APPENDIX E – OIG Contacts and Staff Acknowledgments](#)

Appendix A

Acronyms

C.F.R.	Code of Federal Regulations
FY	Fiscal Year
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
RPMA	<i>Representative Payee Monitoring Application</i>
RPR	Representative Payee Report
RPS	Representative Payee System
SSA	Social Security Administration
SSI	Supplemental Security Income
SSPA	<i>Social Security Protection Act of 2004</i>
U.S.C.	United States Code

Scope and Methodology

To accomplish our objective, we:

- ✓ Reviewed applicable laws and regulations.
- ✓ Reviewed Social Security Administration (SSA) policies and procedures related to site reviews.
- ✓ Reviewed prior Office of the Inspector General reports.
- ✓ Obtained and analyzed information extracted from the Agency's Representative Payee Monitoring Application (RPMA) Website for volume organizational payees serving 50 or more beneficiaries. We obtained the data as of October 14, 2011 from staff in the Office of the Deputy Commissioner for Operations. The data file identified 3,507 volume organizational representative payees on the RPMA Website. From this file, we determined 2,705 payees were subject to SSA's site review policies. We excluded 663 recently established volume organizational payees and 139 payees serving less than 50 beneficiaries. The extract included the most recent dates of SSA site reviews for each of the 2,705 payees. We used these data to determine whether the Agency completed site reviews timely.
- ✓ Obtained a report from the RPMA Website of all reviews completed for large volume organizational representative payees for the period Fiscal Years 2008 through 2010. These data were from the RPMA Website on February 1, 2011. From these data, we:
 - ✓ Selected a sample of 18 organizational payees to determine whether Social Security benefits were misused or significant noncompliance occurred.
 - ✓ Selected two of the largest payees in each of SSA's regions where we have audit staff.¹ In selecting the organizations, we excluded those payees SSA had already scheduled for site reviews under the *Social Security Protection Act of 2004* in 2011. See Appendix C, Sampling Methodology, for more information.
 - Conducted site visits of each selected payee.
 - Completed interviews of selected representative payees and beneficiaries.
 - Assessed the payee's financial recordkeeping for a 12-month audit period.²

¹ The Office of Audit has staff in all SSA regions except the Seattle Region.

² We developed our audit periods based on the 12-month period preceding the date(s) we began our site visits with the 18 payees. Our site visits were conducted between June and September 2011.

- ✓ Assessed the integrity of the volume organizational payee data recorded on the RPMA Website.
 - Compared data to an extract of volume organizational payees recorded in SSA's Representative Payee System to determine whether the Agency identified all volume payees subject to site reviews.

The principal entity audited was the Office of the Deputy Commissioner for Operations. We performed our review in Baltimore, Maryland, from June 2011 through February 2012. In addition, we performed work in Alabama, California, Colorado, Connecticut, Delaware, Illinois, Massachusetts, Missouri, New Jersey, New York, Texas, and Washington DC. We tested the data obtained for our review and determined them to be sufficiently reliable to meet our objectives. Although we found and reported a data integrity issue, we were able to use the data for our intended purpose. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Sampling Methodology

In February 2011, we obtained a report from the Representative Payee Monitoring Application Website consisting of all triennial reviews completed for large volume organizational representative payees for Fiscal Years 2008 through 2010. From this file, we selected a sample of 18 organizational payees to determine whether the payees complied with the Social Security Administration's (SSA) policies and procedures. We selected two of the larger payees in each of SSA's regions where we have audit staff.¹ In selecting the organizations, we excluded those payees SSA had already scheduled for site reviews in 2011.

For the 18 payees, we randomly selected² a sample of at least 10 beneficiaries for a review of their financial records. Of the 10 beneficiaries at each payee's location, we selected at least 5 to be interviewed. Based on our review of financial records and interviews with beneficiaries, nothing came to our attention to indicate the beneficiaries' needs were not being met, or that beneficiary funds were being misused. See Table C-1 for our sample populations.

Table C-1. Volume Organizational Representative Payees Selected for Review

Region	Payee Location	Number of Beneficiaries Served ³
Boston	<i>Hartford, Connecticut</i>	393
	<i>Boston, Massachusetts</i>	1,302
New York	<i>Hamilton, New Jersey</i>	4,450
	<i>New Hyde Park, New York</i>	193
Philadelphia	<i>Washington, DC</i>	731
	<i>Dover, Delaware</i>	854
Atlanta	<i>Hoover, Alabama</i>	237
	<i>Birmingham, Alabama</i>	170
Chicago	<i>Evanston, Illinois</i>	214
	<i>Chicago, Illinois</i>	528
Dallas	<i>Waco, Texas</i>	522
	<i>Fort Worth, Texas</i>	308
Kansas City	<i>Liberty, Missouri</i>	268
	<i>Kansas City, Missouri</i>	774
Denver	<i>Lakewood, Colorado</i>	190
	<i>Westminster, Colorado</i>	153
San Francisco	<i>Fresno, California</i>	2,539
	<i>San Francisco, California</i>	1,167

¹ The Office of Audit has staff in all SSA regions except the Seattle Region.

² We took a non-statistical selection of 10 beneficiaries for the payee in Washington, DC.

³ As of May through July 2011.

Appendix D

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: May 14, 2012

Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Dean S. Landis /s/
Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, "The Social Security Administration's Triennial Site Reviews of Volume Organizational Representative Payees" (A-13-11-11127)—
INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Amy Thompson at (410) 966-0569.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,
“THE SOCIAL SECURITY ADMINISTRATION’S TRIENNIAL SITE REVIEWS OF
VOLUME ORGANIZATIONAL REPRESENTATIVE PAYEES” (A-13-11-11127)**

Recommendation 1

SSA should comply with its policies to complete site reviews timely.

Response

We agree.

Recommendation 2

SSA should determine whether it is cost-effective to update the RPMA Website more frequently to identify all volume organizational payees subject to site reviews.

Response

We agree.

Recommendation 3

SSA should review the records of the eight SSI beneficiaries we identified as being over the \$2,000 resource limit and the eight beneficiaries we identified as having unreported income, and recover any overpayments, as applicable.

Response

We agree.

Appendix E

OIG Contacts and Staff Acknowledgments

OIG Contacts

Shirley E. Todd, Director, Evaluation Division

Randy Townsley, Audit Manager

Acknowledgments

In addition to those named above:

Nicole Gordon, Auditor-in-Charge

For additional copies of this report, please visit our Website at <http://oig.ssa.gov> or contact the Office of the Inspector General's Public Affairs Staff at (410) 965-4518. Refer to Common Identification Number A-13-11-11127.

DISTRIBUTION SCHEDULE

Commissioner of Social Security
Chairman and Ranking Member, Committee on Ways and Means
Chief of Staff, Committee on Ways and Means
Chairman and Ranking Minority Member, Subcommittee on Social Security
Majority and Minority Staff Director, Subcommittee on Social Security
Chairman and Ranking Minority Member, Committee on the Budget, House of Representatives
Chairman and Ranking Minority Member, Committee on Oversight and Government Reform
Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives
Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives
Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate
Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate
Chairman and Ranking Minority Member, Committee on Finance
Chairman and Ranking Minority Member, Subcommittee on Social Security Pensions and Family Policy
Chairman and Ranking Minority Member, Senate Special Committee on Aging
Social Security Advisory Board

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts investigations related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Counsel to the Inspector General

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Also, OCIG administers the Civil Monetary Penalty program.

Office of External Relations

OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

Office of Technology and Resource Management

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG's strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.