

Agency Actions Concerning Misuse of Benefits by Organizational and Volume Individual Representative Payees

A-13-12-21247



February 2016

Office of Audit Report Summary

Objective

To review Agency actions concerning misuse of benefit payments by organizational and volume individual representative payees.

Background

Some individuals are not able to manage or direct the management of their benefit payments because of their youth or a mental or physical condition. For such beneficiaries, the Social Security Administration (SSA) will select an individual or an organization to serve as payee to receive and manage payments on a beneficiary's behalf.

The *Social Security Protection Act of 2004* (SSPA) defines benefit misuse and identifies actions SSA should take regarding benefit misuse by certain representative payees. To protect the beneficiary's best interests, SSA examines allegations of misuse, determines the facts, and makes a formal determination of whether misuse occurred.

Once misuse is determined, SSPA directs SSA to reissue misused benefits to the beneficiary and recover the misused benefits from the payee found to have misused benefits.

SSA policy also requires that staff refer misuse to the Office of the Inspector General and document the payee's suitability to continue serving as payee.

Findings

SSA generally complied with SSPA requirements and its procedures when organizational and volume individual representative payees misused benefits. However, in some cases, SSA did not (1) reissue benefits misused by organizational and volume individual payees, as required; (2) obtain restitution from payees that misused benefits; (3) document its decision to allow payees that misused benefits to continue serving as payees, as required by its policies; or (4) report all payee misuse cases to the Office of the Inspector General.

Recommendations

We recommended SSA take several actions to improve how it addresses instances of misuse by organizational and volume individual representative payees, including reissuing certain benefit payments, obtaining restitution from certain organizational and volume individual representative payees, and documenting its decision to retain payees that misused benefits.

SSA agreed with our recommendations.