

Active Representative Payees Who Are Not in the Social Security Administration's Electronic Representative Payee System

A-09-14-34120



February 2017

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) had adequate controls to ensure it did not make payments to representative payees who were not in its electronic representative payee system (eRPS) as required.

Background

In April 2016, SSA implemented eRPS and populated it with information from its legacy payee system (which it established in 1992). SSA employees use eRPS to take and process representative payee applications and make representative payee determinations.

An individual's Social Security number (SSN) is required to establish a representative payee in eRPS, and SSA's automated systems process the information and update the Master Beneficiary (MBR) or Supplemental Security Records (SSR). However, SSA policy allows certain individuals who do not have an SSN to serve as representative payees. This includes undocumented noncitizens who have minor children and applicants who reside outside the United States.

We identified 22,106 beneficiaries who, according to the MBR or SSR, had a representative payee. However, according to eRPS, there was no representative payee information for these beneficiaries.

Findings

SSA needs to improve its controls to ensure it does not make payments to representative payees who are not in eRPS. In addition, we found that SSA did not always retain representative payee applications. Although a control exists in eRPS to ensure new representative payees selected after the system's implementation in April 2016 are recorded in both eRPS and the MBR/SSR, we estimate that 20,116 beneficiaries had representative payees recorded on the MBR/SSR as of January 2014 that SSA had not properly established in eRPS. Of these, we estimate that 5,084 beneficiaries had a representative payee for whom there was no paper application supporting SSA's selection of the representative payees. As of December 2015, SSA had paid these representative payees approximately \$218 million.

This occurred because SSA did not take appropriate action to record the representative payees in its representative payee system (the predecessor to eRPS), and they were subsequently excluded from eRPS. In addition, SSA employees did not always obtain or retain paper applications, as required. Finally, SSA's systems did not generate alerts when there was an active representative payee on the MBR/SSR for whom there was no eRPS record.

Recommendations

We recommend that SSA:

1. Take appropriate action to establish in eRPS records for the 91 beneficiaries identified by our audit.
2. Evaluate the results of its corrective action for the 91 beneficiaries and determine whether it should take appropriate action to address the remaining population of beneficiaries identified by our audit.
3. Remind employees to retain paper applications as required.

SSA agreed with our recommendations.