

Deceased Representative Payees

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) identified all cases in which a new representative payee was needed when a current payee died.

Background

Some individuals are not able to manage or direct the management of their finances because of their age or mental and/or physical impairments. For such individuals, Congress provided for payment to be made through representative payees who receive and manage their benefit payments. When a representative payee dies, applicable regulations indicate SSA will select a new payee.

In two prior audits, we determined SSA's procedures did not ensure new representative payees were selected when the former payees died. SSA agreed with the recommendations in these reports.

To conduct our current review, we identified 3,847 Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries and 1,355 Supplemental Security Income (SSI) recipients who had representative payees with dates of death on the Death Master File. We reviewed 200 sample cases: 100 sample cases from each population.

Findings

SSA did not ensure new representative payees were selected when current payees died. Based on our sample results, we estimated 2,548 deceased payees received approximately \$46.8 million in OASDI benefits and SSI payments. Of the \$46.8 million, we estimated SSA issued approximately

- \$36.4 million in OASDI benefits to 1,654 deceased representative payees and
- \$10.4 million in SSI payments to 894 deceased representative payees.

We also estimated that about 2,014 payees did not receive funds after the dates of death; however, about 1,715 deceased payees' SSNs remained on the beneficiaries/recipients' Master Beneficiary (MBR) or Supplemental Security Records (SSR). Incorrect Social Security numbers (SSN) in SSA's files compromises SSA's computer matching efforts.

Recommendation

We recommend SSA review the remaining OASDI beneficiaries and SSI recipients in our populations where (1) the Agency continues to issue benefit payments to deceased representative payees and refer any potential fraud cases to our investigators and (2) the deceased payee was replaced but his/her SSN remains on the MBR/SSR.

SSA agreed with the recommendation.