

Report Summary

Social Security Administration Office of the Inspector General

February 2011



Objective

To determine whether the Developmental Disabilities Association of New Jersey, Incorporated (DDA) (1) had effective controls over the receipt and disbursement of Old-Age, Survivors and Disability Insurance (OASDI) and Supplemental Security Income (SSI) payments; and (2) managed payments in accordance with the Social Security Administration's (SSA) policies and procedures.

Background

SSA selects representative payees for OASDI beneficiaries or SSI recipients when representative payments would serve the individuals' interests. A representative payee may be an individual or an organization. DDA served as the representative payee for 56 beneficiaries in 2009.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-02-10-41084.pdf>

***The Developmental Disabilities Association of New Jersey, Incorporated – An Organizational Representative Payee for the Social Security Administration
(A-02-10-41084)***

Our Findings

DDA did not have effective controls over the receipts and disbursement of benefits. It did not reconcile bank statements to the beneficiary ledgers to ensure accuracy. We also identified questionable transfers for a total of \$13,165 from a beneficiary collective account to DDA's operating account. The disbursement of beneficiary funds at DDA's group homes lacked the segregation of duties to ensure integrity of the funds.

DDA did not manage payments in accordance with SSA's policies and procedures. It charged beneficiaries more than actual costs incurred for trips it arranged. Additionally, funds allocated for future travel plans affected the SSI eligibility of seven beneficiaries. Also, beneficiary funds for planned travel were comingled with those of DDA's operating account. Furthermore, DDA did not follow its agreement with the local field office to have expenditures over \$100 pre-approved. DDA received SSA payments totaling \$10,151 for two beneficiaries for whom it was not the representative payee of record.

Our Recommendations

We recommend that SSA's New York Regional Office:

1. Work with DDA to reconcile beneficiary ledger balances to their collective account bank statement and resolve any variances.
2. Instruct DDA to return the \$13,165 inappropriately withdrawn from the beneficiary collective account.
3. Work with DDA to improve the segregation of duties for the disbursement of beneficiary funds in its group homes.
4. Determine whether improper use or misuse of benefits occurred as a result of DDA's use of benefits for its travel program and direct DDA to use the beneficiary collective account to administer all beneficiaries' receipts and disbursement transactions.
5. Review the record of the seven beneficiaries who appeared to have exceeded the \$2,000 resource limit, take appropriate action, and instruct DDA to monitor the conserved fund balances of SSI recipients and notify SSA if the balance exceeds \$2,000.
6. Instruct DDA to follow agreed-upon procedures with the local field office before withdrawing fund for expenditures over \$100.
7. Conduct follow-up reviews of the representative payee to ensure it is complying with SSA's requirements.

SSA agreed with all of our recommendations.