
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**MINOR CHILDREN RECEIVING BENEFITS
WITHOUT A REPRESENTATIVE PAYEE**

May 2011 A-13-10-10104

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:

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- 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.**

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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 4, 2011

Refer To:

To: The Commissioner

From: Inspector General

Subject: Minor Children Receiving Benefits Without a Representative Payee (A-13-10-10104)

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) appointed representative payees for minor children in accordance with its policies.

BACKGROUND

Some individuals are not able to manage or direct the management of their finances because of their youth or mental and/or physical impairment. For such beneficiaries, Congress provided for payment through a representative payee who receives and manages benefit payments for the beneficiary.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/or Supplemental Security Income (SSI)³ beneficiaries⁴ when representative payments would serve the individual's interests.⁵

It is important that minor children have representative payees to manage their benefits to ensure the payments are for their current and foreseeable needs. Therefore, SSA generally presumes minor children (that is, under age 18) to be incapable of managing

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

² The OASDI program provides benefits to qualified retirement eligible and disabled workers and their dependents as well as to survivors of insured workers (*Social Security Act* § 202 *et seq.*, 42 U.S.C. § 402 *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" generically in this report to refer to both OASDI beneficiaries and SSI recipients.

⁵ The *Social Security Act* §§ 205(j)(1) and 1631(a)(2)(A)(ii)(I), 42 U.S.C. §§ 405(j)(1) and 1383(a)(2)(A)(ii)(I).

their own benefit payments.⁶ SSA policy states children under age 15 must have a representative payee.⁷ As a result, SSA usually appoints a payee to manage the benefits of children. However, according to Agency policy,⁸ SSA can pay a child age 15 through 17 directly if one of the following conditions exists.

- The child is entitled to disability benefits based on his/her own earnings.
- The child is on active duty in the armed forces.
- The child is living alone and self-supporting.
- The child is a parent and filed for his/her own or his/her child's benefits, and has experience handling finances.
- The child is within 7 months of attaining age 18.
- The child has demonstrated the ability to handle finances, and no qualified payee is available.

In addition, SSA can pay beneficiaries who are ages 15 through 17 directly on an interim basis even if they do not meet the above criteria, pending efforts to identify a new representative payee.⁹ If the Agency determines a child is capable of receiving direct payment of his/her benefits, SSA must document the results of its capability determination on the child's record in the Representative Payee System (RPS) or on a Report of Contact if RPS is not available.¹⁰

As of April 2010, the Agency had determined there were approximately 5.4 million children under age 18 where representative payees managed the OASDI or SSI benefit payments. During the same period, we identified 1,351 beneficiaries under age 15 on SSA's records who were being paid directly. We provided the list of the 1,351 children under age 15 to the Agency for review and corrective action. We also identified 567 beneficiaries ages 15 through 17 who were being paid directly on 1 segment¹¹ of the Master Beneficiary (MBR) and Supplemental Security Records (SSR). Therefore, we estimate there are about 11,340 beneficiaries, ages 15 through 17, who are being paid directly in all 20 segments of the MBR and SSR. Of the 567, we selected 81 children and determined whether SSA had complied with its policies and procedures for issuing payments directly to minor children. Our review included payments issued

⁶ SSA, POMS, GN 00502.070 A.

⁷ Id.

⁸ SSA, POMS, GN 00502.070.

⁹ SSA, POMS GN 00504.105 A.2.b.

¹⁰ SSA, POMS, GN 00502.070 C.

¹¹ The MBR and SSR are divided into 20 segments with each segment representing 5 percent of all OASDI and SSI benefit records.

under both the OASDI and SSI programs. See Appendices B and C for our scope and methodology and sampling methodology, respectively.

RESULTS OF REVIEW

SSA did not always appoint representative payees for minor children in accordance with its policies. We found SSA did not appoint representative payees, as required,¹² for 1,351 minor children under the age of 15, who we estimate received about \$32.9 million in benefit payments.

In addition, of the 81 children ages 15 through 17 reviewed, we found SSA did not comply with its policies and procedures for 26 children who managed their own payments. The Agency confirmed it erroneously placed eight OASDI and eight SSI beneficiaries into direct pay who did not meet the capability determination criteria. Based on our sample, we estimate the Agency erroneously placed about 1,720 OASDI and 160 SSI child beneficiaries in direct pay. We estimate these children received about \$31.8 million and \$1.5 million in benefit payments, respectively.

The Agency reported that 10 of the 26 child beneficiaries, ages 15 through 17, were capable of managing their own benefit payments. However, SSA had not documented its capability determinations on the children's records as required by SSA policy.

In summary, we estimate benefits totaling about \$32.9 million were improperly paid to 1,351 children under age 15. In addition, we estimate benefits totaling approximately \$33.3 million for about 1,880 children ages 15 through 17 were also improperly paid. In total, we estimate approximately \$66.2 million in benefits was improperly paid. Further, without the proper appointment of representative payees, there is no apparent oversight to ensure the funds were used for the children's best interests.

REPRESENTATIVE PAYEES FOR MINOR CHILDREN UNDER AGE 15

SSA confirmed it did not appoint representative payees for the 1,351 minor children under age 15 we identified. In April 2010, we requested the Agency assign representative payees for the 1,351 children. As of December 2010, the Agency indicated it had appointed representative payees for 1,333 (99 percent) of the 1,351 children.

For 16 children, SSA staff suspended the benefit payments pending appointment of payees to manage the children's finances. In many of these cases, the Agency explained it had been unsuccessful in its attempts to locate the children or their parents. In one example, the Agency stated it had exhausted all attempts to contact the parent of a child (including a home visit in September 2010). As a result, the payments will remain in a suspended status until the child is located and SSA appoints a payee. In

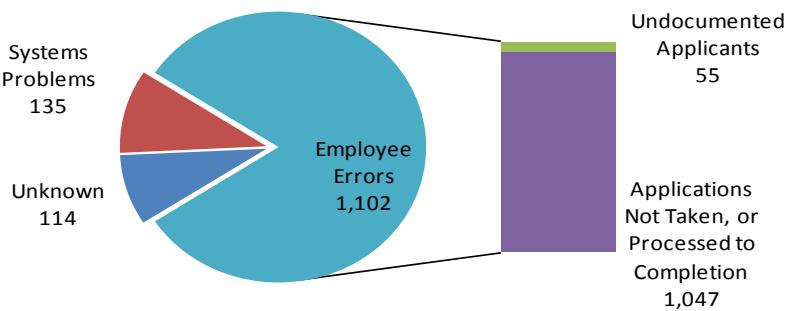
¹² SSA, POMS, GN 00502.070 A. This SSA policy states, in part, that children under age 15 must have a payee. SSA, POMS GN 00504.105 A.2.b. requires suspension of benefits pending payee selection for beneficiaries under age 15.

December 2010, based on the information provided by SSA, we referred 2 of the 16 children to our Office of Investigations for additional review. We believe the Agency should determine whether referrals to the Office of Investigations are appropriate for any of the remaining 14 cases. Lastly, two children were no longer eligible for benefits.

Because the Agency had not appointed payees for 1,351 children under age 15, we estimate SSA paid about \$32.9 million in benefits without proper oversight as to whether the funds were used for the best interest of the children. This occurred because the Agency was not monitoring how the benefits were spent. The Agency used information in RPS about appointed payees to send its annual *Representative Payee Report*, Form SSA-623. SSA uses this Report to monitor how payees are spending and/or saving benefits on behalf of beneficiaries and identify situations where the payees may no longer be suitable.

To determine why minor children under age 15 were receiving benefits without representative payees, we requested the Agency analyze the records of the 1,351 children we identified, and explain why the children did not have representative payees. Figure 1 identifies the various explanations SSA provided.

Figure 1: Reasons Why Children Under Age 15 Did Not Have Payees



SSA Employee Processing Errors

Of the 1,351 children, the Agency indicated 1,102 (82 percent) were not appointed representative payees because of SSA employee processing errors.

Applications Not Taken or Not Processed to Completion

Specifically, in 1,047 cases, the Agency explained that SSA employees either did not take or did not process to completion representative payee applications. For example, Agency staff explained in one case a 10-year-old child had been receiving paper checks in her own name because the SSA technician who took the initial benefit claim application failed to complete a representative payee application in RPS.

In another example, an 11-year-old child became entitled to OASDI benefits in 2003. The Agency explained SSA staff entered a payee application from the child's mother in RPS but did not process it to completion. In 2005, a database cleanup process removed the application.¹³ SSA did not appoint a payee for the child until June 2010. Staff explained that a cleanup process eventually removes payee applications that remain pending—not processed to completion—in RPS (usually over 365 days). A total of 314 children did not have representative payees appointed because previous payee applications were removed during database cleanups.

During the representative payee application process, an SSA employee interviews the potential payee(s) and records the applicant's information in RPS. After the employee evaluates suitability and determines who would be most qualified to serve as payee, the employee must return to RPS and select the representative payee. If an employee fails to select a payee, the application(s) will remain pending in RPS. The Agency keeps track of pending RPS applications on its Workload Management System and Representative Payee Applications Pending Website. Agency guidance¹⁴ encourages employees to review the pending payee list at least once each month to identify cases that need to be cleared or completed. However, we could not locate policy requiring the clearance of these lists. In addition, staff indicated they did not consider this workload a top priority in some field offices since they do not receive workload credit¹⁵ for clearing the pending RPS applications.

¹³ Periodically, SSA's Office of Systems completes cleanups of RPS. According to staff, the purpose of the cleanups is to move applications that have become "stuck" in a pending status for over 365 days.

¹⁴ *A Guide to Cleaning Up RPS Lists*, developed by the San Francisco Region.

¹⁵ The Agency monitors and assigns District Office Workload Report credit for the completion of certain field office workloads to measure the amount of employee work power expended on specific tasks. Not every workload activity receives credit. SSA uses this information to estimate future workloads and budget/staffing requirements.

Undocumented Applicants

For 55 children, the employee processing errors involved situations where representative payee applicants, the children's parents, were undocumented individuals. The parents did not have valid Social Security numbers (SSN). According to SSA policy,¹⁶ Agency staff can appoint undocumented parents as representative payees. However, RPS does not accept representative payee applications without SSNs because the SSN serves as the unique identifier in RPS. Staff explained it is a manual process to select an undocumented parent as a representative payee. RPS does not process or record such selections. Therefore, SSA is unable to monitor how undocumented parents spend children's benefits, because the Agency does not send these payees Forms SSA-623.

When an undocumented parent wants to serve as a representative payee, the individual completes a *Request to Be Selected As Payee*, Form SSA-11. Once field office staff completes the paper form, SSA's processing centers handle the requests concerning OASDI beneficiaries; and the field office handles requests for SSI recipients. Once SSA staff selects applicants, the processing center staff manually inputs data into the Manual Adjustment, Credit, and Award Data Entry System to have beneficiaries' payments issued to the payees. Field office staff enters data into the Supplemental Security Income Data Input screens to have SSI payments issued to the selected payees. After payment, the processing center/field office faxes the paper SSA-11 into the Non-Disability Repository for Evidentiary Documents. SSA does not retain the paper documents.

Based on discussions with SSA staff, we believe cases involving undocumented payee applicants are causing confusion among Agency employees. As a result, (1) incomplete representative payee applications occur, and (2) SSA paid children directly. For example, the Agency confirmed it paid a 12-year-old child directly because the child's mother did not have an SSN, and it did not process her representative payee application to completion. Based on our inquiry, the Agency appointed the child's stepfather as the child's payee in September 2010.

Systems Problems

The Agency indicated 135 (10 percent) of the children were receiving benefits without representative payees because of systems problems. In one response, the Agency explained a payee application became stuck in the system, and SSA staff needed to retrigger the payee selection. SSA appointed a representative payee for the child in this case in June 2010. In another example, the Agency stated a child was entitled on two different records, and there was a systems processing issue on the second record. SSA appointed a payee for this child in June 2010.

¹⁶ SSA, POMS, GN 00502.117 A.1.a.

Unknown

Finally, the Agency was unable to explain why 114 (8 percent) of the 1,351 children did not have payees. In one case, a 6-year-old OASDI beneficiary had been receiving direct payment. The Agency responded it was “unable to determine how this occurred.” SSA appointed a payee for the child in June 2010.

CAPABILITY DETERMINATIONS FOR CHILDREN AGES 15 THROUGH 17 IN DIRECT PAY

SSA is required to make capability determinations regarding whether children ages 15 through 17 are capable of managing their own benefit payments. SSA pays benefits directly to these children only if certain conditions exist.¹⁷ Agency policy¹⁸ directs staff to record capability determinations for children on the *Beneficiary/Recipient Special Text* screen in RPS or on a Report of Contact if RPS is not available. Based on our review of SSA’s records for a sample of 81 children ages 15 through 17, we determined the Agency did not comply with its policies and procedures for 26 child beneficiaries who were managing their own benefit payments.

Of the 26, the Agency confirmed it erroneously placed 16 children—8 OASDI beneficiaries and 8 SSI recipients—into direct pay status. These children did not meet the capability determination criteria for managing their own benefit payments. For example, we identified a 15-year-old child as being her own payee on both her MBR and in RPS. The selection date (or date the direct payment began) was listed as May 2008, indicating the child had been receiving direct payment since age 13. Since SSA staff did not document a capability determination, we forwarded the information to the Agency and requested clarification. The Agency confirmed the child’s receiving benefit payments directly was an error and explained it appeared to be the result of a manual action. In addition, after receiving our referral, SSA appointed the child’s mother as the payee on October 1, 2010.

Based on our sample, we estimate SSA erroneously placed about 1,720 OASDI and about 160 SSI child beneficiaries into direct pay status who did not meet the capability determination criteria for managing their own benefit payments. We estimate these children received about \$31.8 million and \$1.5 million in OASDI and SSI benefit payments, respectively. SSA paid these benefits without any oversight as to whether the funds were used for the children’s best interest. In these instances, Agency staff explained that SSA paid the children directly because of employee processing errors.

¹⁷ SSA, POMS, GN 00502.070.

¹⁸ SSA, POMS, GN 00502.070 C.

For 10 of the 26 instances of noncompliance in our sample, Agency staff explained they presumed the children were capable of receiving direct payment since certain allowable conditions existed. However, staff did not record capability determinations on the children's records, as required by policy.

For example, information on a 17-year-old child's record in RPS indicated she was placed in direct pay in March 2009 at age 16. We requested additional data about this case. The Agency responded the child had been considered capable of receiving direct payment because she was married. However, SSA confirmed that it did not document the capability determination on the child's record, as required by policy.

CONCLUSION AND RECOMMENDATIONS

SSA did not always appoint representative payees for minor children in accordance with its policies. We estimate the Agency did not appoint representative payees, as required, for approximately 3,200 children under age 18 who had received about \$66.2 million in benefit payments. Since these children did not have representative payees, the Agency was not able to monitor how the benefits were spent. We found the majority of the problems were caused by employee processing errors.

Therefore, we recommend SSA:

1. Remind employees to follow policies and procedures when issuing direct payments to children under age 18. Specifically, (1) appoint representative payees for all children under age 15 and (2) document capability determinations for children ages 15 through 17 who are deemed capable of receiving direct payment.
2. Follow up on the 14 children under age 15 whose benefit payments were suspended pending appointment of payees and determine whether any of the cases should be referred to our Office of Investigations for further action.
3. Identify pending representative payee applications for children under age 15 before completing RPS database cleanups. If follow-up actions are required, refer the identified applications for additional review.
4. Determine whether there is a cost-effective method for identifying undocumented representative payees and requiring such payees to account for the use of benefits they receive on the behalf of child beneficiaries.
5. Determine whether it is cost-effective to periodically review a list of children under age 18 in direct pay status as a monitoring control. At a minimum, we believe all children under age 15 without a representative payee should be identified on a periodic basis so that payees can be appointed.

AGENCY COMMENTS

SSA agreed with Recommendations 1 through 4. The Agency partially agreed with Recommendation 5. In response to Recommendation 5, SSA agreed to evaluate the feasibility of periodically identifying all children under age 15 without a representative payee so that payees can be appointed. However, the Agency stated action to address Recommendation 1 would ensure staff process and monitor children under age 18 in accordance with policy. Hence, SSA believes it does not need additional monitoring for children between ages 15 and 18. The full text of the Agency's comments is included in Appendix D.



Patrick P. O'Carroll, Jr.

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

MBR	Master Beneficiary Record
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
RPS	Representative Payee System
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
SSR	Supplemental Security Record
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 minor children receiving benefits.
- Reviewed prior Office of the Inspector General reports.
- Obtained and analyzed two electronic data extracts from SSA's Master Beneficiary (MBR) and Supplemental Security Records (SSR).
 - ✓ One data extract consisted of minor children under age 15 who were receiving direct payment of Old-Age, Survivors and Disability Insurance (OASDI) or Supplemental Security Income (SSI) benefit payments, but did not have Agency-appointed representative payees managing those payments. We identified 1,351 minor children. We used data from all 20 segments of the MBR and SSR¹ to identify these beneficiaries.² We forwarded information concerning the 1,351 minor child beneficiaries to the Agency for review and corrective action in April 2010. We requested the Agency analyze the cases and provide information as to why the children did not have representative payees. We also requested that SSA appoint representative payees for the children.
 - ✓ The other data extract consisted of children ages 15 through 17 who were receiving direct payment of OASDI or SSI benefits but did not have Agency-appointed representative payees managing those payments. We identified 567 children on 1 segment of the MBR and SSR. We estimate there are about 11,340 children³ age 15 through 17 receiving OASDI or SSI benefits without a payee in all 20 segments of the MBR and SSR. Of the 567, we reviewed the records for a sample of 81 children (see Appendix C for our sampling methodology). We reviewed their records to assess whether the Agency complied with its policies and procedures regarding issuing payments directly to children ages 15 through 17.

¹ The MBR and SSR are divided into 20 segments with each segment representing 5 percent of OASDI and SSI benefit records.

² We use the term "beneficiary" generically in this report to refer to both OASDI beneficiaries and SSI recipients.

³ We multiplied our population of 567 from 1 segment by 20 to estimate our results to the population.

The principle entity audited was the Office of the Deputy Commissioner for Operations. We performed our review in Baltimore, Maryland, from April through October 2010. 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 objective. We tested the data obtained for our audit and determined it was sufficiently reliable to meet our objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Sampling Methodology

We obtained and analyzed two electronic data extracts using information from the Social Security Administration's (SSA) Master Beneficiary (MBR) and Supplemental Security Records (SSR). One extract consisted of minor children under age 15 who were directly receiving Old-Age, Survivors and Disability Insurance (OASDI) or Supplemental Security Insurance (SSI) benefits but did not have Agency-appointed representative payees managing the payments. We used data from all 20 segments of the Agency's MBR and SSR¹ and identified 1,351 child beneficiaries under age 15.² The other extract consisted of child beneficiaries ages 15 through 17 who were also receiving OASDI or SSI benefits but did not have representative payees. We used data from 1 segment of the MBR and SSR and identified 567 children. We estimate SSA paid 11,340³ beneficiaries ages 15 through 17 directly on all 20 segments of the MBR and SSR.

For the population of minor children under age 15, we requested the Agency analyze the cases, provide information as to why the children did not have representative payees, and appoint representative payees for the children, as appropriate. As of December 2010, the Agency indicated it appointed representative payees for 1,333 (99 percent) of the 1,351 children. In addition, for 16 children, SSA suspended benefit payments pending appointment of payees to manage the children's finances. In most of these cases, the Agency had been unsuccessful in its attempts to contact or locate the children's parents. Lastly, two children were no longer eligible for benefits. We estimated the 1,351 minor children under age 15 had received approximately \$32.9 million in benefit payments.

¹ The MBR and SSR are divided into 20 segments with each segment representing 5 percent of all OASDI and SSI benefit records.

² We use the term "beneficiary" generically in this report to refer to both OASDI beneficiaries and SSI recipients.

³ We multiplied our population of 567 for one segment by 20 to estimate our results to the population.

Table C-1: Amount of Benefits Received by Children Under 15 the Agency Erroneously Placed into Direct Pay	
Population	1,351
Sample Size	50
Amount of Benefits Received by Children Under 15 Erroneously Placed into Direct Pay	\$1,218,759
Projection of Benefits Received	
Point Estimate	\$32,930,868
Lower Limit	\$25,312,297
Upper Limit	\$40,549,439

Note: All projections are at the 90-percent confidence level

From the population of children between ages 15 through 17, we identified two sampling frames: (1) OASDI beneficiaries and (2) SSI recipients. We identified 536 OASDI beneficiaries and 31 SSI recipients. We randomly selected 50 OASDI beneficiaries and reviewed information recorded in SSA's information systems for the beneficiaries. In addition, we reviewed information recorded in the information systems for each of the 31 SSI recipients. In total, we examined data for 81 children between ages 15 and 17.

Table C-2: Sample Population			
	OASDI Beneficiaries	SSI Recipients	Totals
Population Size (1 Segment)	536	31	567
Sample Size	50	31	81

For the 81 children, we reviewed information recorded in SSA's Representative Payee System (RPS) to determine whether the Agency documented its capability determination on the child's RPS record. We also reviewed information in SSA's payment records to determine whether the Agency had documented its capability determination elsewhere on the child's record. Specifically, we reviewed information from the children's MBRs and SSRs, and the Modernized Supplemental Security Income Claims System⁴ for relevant remarks.

Based on our review of the 81 children, the Agency confirmed it erroneously placed 16 children into direct pay. Eight of the children were OASDI beneficiaries, and the remaining eight were SSI recipients. Estimating our results to all 20 segments of the MBR and SSR, the Agency erroneously placed approximately 1,720 OASDI beneficiaries into direct pay who received about \$31.8 million in benefit payments. In addition, we estimated the Agency erroneously placed approximately 160 SSI recipients into direct pay who received about \$1.5 million in benefit payments.

⁴ SSA uses this system for SSI recipients only.

Table C-3: Number of Children (Ages 15 Through 17) SSA Erroneously Placed into Direct Pay

	OASDI Beneficiaries	SSI Recipients ⁵	Total
Sample Size	50	31	81
Number of Children Erroneously Placed into Direct Pay	8	8	16
Projection of Children Erroneously Placed into Direct Pay			
Point Estimate (1 Segment of the MBR and SSR)	86	8	
Lower Limit	46	--	
Upper Limit	142	--	
Total Estimate (20 Segments of the MBR and SSR)	1,720	160	1,880

Note: All projections are at the 90-percent confidence level.

Table C-4: Amount of Benefits Received by Children (Ages 15 Through 17) the Agency Erroneously Placed into Direct Pay

	OASDI Beneficiaries	SSI Recipients ⁶	Total
Sample Size	50	31	81
Amount of Benefits Received by Children Erroneously Placed into Direct Pay	\$148,259	\$75,140	
Projection of Benefits Received			
Point Estimate (1 Segment of the MBR and SSR)	\$1,589,336	--	
Lower Limit	\$461,143	--	
Upper Limit	\$2,717,530	--	
Total Estimate (20 Segments of the MBR and SSR)	\$31,786,720	\$1,502,800	\$33,289,520

Note: All projections are at the 90-percent confidence level.

⁵ We reviewed all 31 cases from one segment of the SSR. Therefore, there was no projection of our results to the segment. We multiplied our findings by 20 to estimate our results to the population.

⁶ Id.

Appendix D

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: April 15, 2011 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 (OIG) Draft Report, "Minor Children Receiving Benefits Without a Representative Payee" (A-13-10-10104)--INFORMATION

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

Please let me know if we can be of further assistance. Please direct staff inquiries to Chris Molander at extension 57401.

Attachment

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, “MINOR CHILDREN RECEIVING BENEFITS WITHOUT A REPRESENTATIVE PAYEE” A-13-10-10104

We offer the following responses to your recommendations.

Recommendation 1

Remind employees to follow policies and procedures when issuing direct payments to children under age 18. Specifically, (1) appoint representative payees for all children under age 15 and (2) document capability determinations for children ages 15 through 17 who are deemed capable of receiving direct payment.

Response

We agree. We will publish an Administrative Message (AM) that instructs staff to follow policies.

Recommendation 2

Follow-up on the 14 children under age 15 whose benefit payments were suspended pending appointment of payees and determine whether any of the cases should be referred to our Office of Investigations for further action.

Response

We agree. We are reviewing these cases. We will refer them to the Office of Investigations, if appropriate.

Recommendation 3

Identify pending representative payee applications for children under age 15 before completing Representative Payee System database cleanups. If follow-up actions are required, refer the identified applications for additional review.

Response

We agree. We will query the Representative Payee System to identify potential pending representative payee applications prior to completing scheduled database clean-ups.

Recommendation 4

Determine whether there is a cost-effective method for identifying undocumented representative payees and requiring such payees to account for the use of benefits they receive on the behalf of child beneficiaries.

Response

We agree. We will evaluate options to determine if there is a cost-effective way to identify undocumented representative payees.

Recommendation 5

Determine whether it is cost-effective to periodically review a list of children under age 18 in direct pay status as a monitoring control. At a minimum, we believe all children under age 15 without a representative payee should be identified on a periodic basis so that payees can be appointed.

Response

We do not agree with the first part of your recommendation to periodically review all cases for children under age 18 who are in direct pay status. We expect the reminder noted in recommendation number one will ensure staff are processing and monitoring these cases in accordance with our policy.

We agree with the second part of your recommendation and will evaluate the feasibility of periodically identifying all children under age 15 who do not have a representative payee.

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

Gregory Trenchard, Auditor

Upeksha Peramune, Auditor

Michael Atherton, IT Specialist

Alla Resman, IT Specialist

Brennan Kraje, Statistician

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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.