



Report Summary

Social Security Administration
Office of the Inspector General

South Dakota CARES, Inc., an Organizational Representative Payee for the Social Security Administration (A-06-11-21189)

We initiated this audit at the request of the Social Security Administration's (SSA) Denver Region. Our objective was to determine whether South Dakota CARES, Inc. (South Dakota CARES), used and accounted for the Social Security benefits of 14 specific beneficiaries in accordance with the SSA's policies and procedures.

South Dakota CARES did not always use and account for Social Security benefits in accordance with SSA's policies and procedures. We determined a former South Dakota CARES employee made questionable transactions from 14 beneficiary accounts. We also identified internal control deficiencies related to documentation of transactions, separation of duties, and lack of oversight of the accounting function.

We recognize the employee associated with the transactions no longer works for the payee; and once identified, the payee promptly brought these discrepancies to SSA's attention. However, when a representative payee or its employees misuse SSA funds, the Agency will re-evaluate the payee's suitability to remain a payee. As a result, we recommended SSA (1) pursue recovery of any misused beneficiary funds from South Dakota CARES, (2) reevaluate the payee's suitability to remain an SSA payee, and (3) work with South Dakota CARES or a replacement payee to establish internal procedures and guidelines that ensure the security of beneficiary funds.

The Agency agreed with our recommendations.

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