

# Report Summary

Social Security Administration Office of the Inspector General

September 2010



## Objectives

To determine whether Safe Haven (1) used and accounted for Social Security benefits in accordance with the Social Security Administration's (SSA) policies and procedures, (2) had effective safeguards over the receipt and disbursement of Social Security benefits, and (3) adequately protected the beneficiaries' personally identifiable information.

## Background

Some individuals cannot manage or direct the management of their finances because of their youth or mental and/or physical impairments. Congress granted SSA the authority to appoint representative payees to receive and manage these beneficiaries' payments. Representative payees are responsible for managing benefits in the best interest of the beneficiary.

To view the full report, visit  
<http://www.ssa.gov/oig/ADO/BEPDF/A-07-10-21062.pdf>

## ***Safe Haven, A Fee-for-Service Representative Payee for the Social Security Administration (A-07-10-21062)***

## Our Findings

Our audit period was from October 1, 2008 to September 30, 2009. During this time, Safe Haven had the appropriate safeguards to secure beneficiaries' personal and financial information. Further, Safe Haven had effective safeguards over the receipt of Social Security benefits. However, Safe Haven did not use and account for benefits in accordance with SSA's policies and procedures. Specifically, Safe Haven operated as a conduit payee for over half the 50 beneficiaries we reviewed and had inadequate internal controls related to Supplemental Security Income resource limits, conserved funds, interest-bearing accounts, representative payee fees, and representative payee reporting. In addition, Safe Haven did not have effective safeguards over the disbursement of Social Security benefits. Specifically, Safe Haven did not have adequate bond coverage, did not maintain receipts supporting all expenditures, and did not have adequate segregation of duties when disbursing beneficiaries' funds. Finally, Safe Haven may not have been meeting the needs of some beneficiaries.

## Our Recommendations

We made a series of recommendations including that SSA refrain from placing additional beneficiaries with Safe Haven until the representative payee has implemented corrective actions to ensure Social Security benefits are properly used and accounted for, the disbursement of Social Security benefits is safeguarded, and the needs of beneficiaries are being met. If these corrective actions are not implemented timely, SSA should place this representative payee's beneficiaries with a new representative payee.

SSA agreed with our recommendations. The representative payee stated it is working with SSA to implement corrective actions on all of the audit findings.