

# Report Summary

Social Security Administration Office of the Inspector General

February 2011



## Objective

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

## Background

Some individuals cannot manage or direct the management of their finances because of their youth or mental and/or physical impairments. SSA selects individuals to serve as representative payee for these beneficiaries. The representative payee under review is a volume individual payee who served approximately 182 beneficiaries.

To view the full report, visit  
[http://www.ssa.gov/oig/ADO\\_BEPDF/A-05-10-21061.pdf](http://www.ssa.gov/oig/ADO_BEPDF/A-05-10-21061.pdf)

## *An Individual Representative Payee for the Social Security Administration in Grand Rapids, Michigan (A-15-10-11077)*

## Our Findings

Although we found various deficiencies in the representative payee's business practices, we found that the representative payee generally accounted for benefits in accordance with SSA's policies and procedures. We noted that the representative payee provided high-quality relationships and numerous support services for the beneficiaries in his care; however, we found that the representative payee did not have effective safeguards over the receipt and disbursement of Social Security benefits. We also noted that the representative payee did not adequately protect the beneficiaries' PII. Although the representative payee did not have effective safeguards, we did not find that the benefits were at risk for misuse. In addition, we did not find any quality of care issues. During our audit, the representative payee began taking corrective actions on our findings.

## Our Recommendations

We recommend that SSA instruct the representative payee to (1) maintain sufficient documentation for all the beneficiaries it serves to support that Social Security benefits are used in the best interest of the beneficiaries, (2) maintain a cash receipt log for cash disbursements to beneficiaries, (3) follow SSA's requirements for the proper titling of individual bank accounts, (4) place beneficiaries' conserved funds of \$500 or more in an interest-bearing account or a relatively risk-free investment, (5) follow SSA's requirements for the use of collective bank accounts, (6) implement internal and physical security controls to safeguard beneficiaries' financial records, PII, and assets, and (7) implement adequate segregation of duties for the disbursement of benefits.

The Agency concurred with our recommendations.