

# Controls over Claimant Representative Fee Petition Payments

## A-05-13-13061



September 2014

Office of Audit Report Summary

### Objective

To determine whether claimant representative fee petition payments were (1) authorized by required parties, (2) paid in the appropriate amount, (3) supported by sufficient evidence, and (4) tracked by management.

### Background

The Social Security Administration (SSA) must authorize any fees payable for services performed by an appointed claimant representative. Appointed claimant representatives may seek the Agency's authorization for their fee by following one of two alternative and mutually exclusive processes: (1) a fee agreement filed before a favorable decision is rendered or (2) a fee petition that is generally filed when services have ended.

Based on the information submitted with the fee petition, such as hours worked and services provided, SSA will authorize a reasonable fee. A claimant representative may request that the Agency pay the authorized fee out of a claimant's past-due benefits if the claimant representative is an attorney or a non-attorney who has met certain prerequisites. Authorized fee amounts that are not available from past-due benefits must be collected from the claimant.

### Our Findings

Our control testing of 50 fee petition payments that exceeded \$6,000 in Fiscal Year 2012 found controls were not always working as intended. Specifically, while we found sufficient support authorizing the fee payments, SSA did not always (1) pay fees in accordance with SSA policies and the petition specifications, (2) maintain required documentation for the fee petition process, or (3) adequately track fee petitions in its management information systems. For example, we identified payment processing errors in 16 (32 percent) of the 50 cases we reviewed. In seven instances, SSA incorrectly issued direct fee payments to former claimant representatives who withdrew or had been discharged, before the favorable decision.

In 2011, an Office of Disability Adjudication and Review Fee Petition Workgroup identified weaknesses in fee petition processing similar to those identified in our review. The workgroup recommended increased training, system improvements, and greater centralization of the process. At the time of our review, SSA was still in the planning stages to integrate claimant-specific and related claimant representative data maintained in approximately 19 separate systems. While the Agency has provided additional training and guidance on fee petitions, it still needs to integrate the various claimant representative systems to improve the underlying fee petition process.

### Our Recommendations

We recommend that SSA:

1. Provide additional training and guidance to employees to improve payment processing, documentation, and management information associated with fee petitions.
2. Expedite implementation of an integrated management information system that will provide complete and timely information and facilitate inter-component communication on fee petitions.
3. Review the error cases in our sample and take the necessary actions to resolve these errors, as appropriate.

SSA agreed with our recommendations.