

# Disabled Individuals with Mental Impairments Acting as Representative Payees

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September 2013

Office of Audit Report Summary

### Objective

To identify representative payees who were receiving Disability Insurance (DI) or Supplemental Security Income (SSI) because of a mental impairment who may have been incapable of performing their representative payee responsibilities.

### Background

Some individuals cannot manage or direct the management of their benefits because of their youth or mental and/or physical impairments. In selecting a representative payee, the Social Security Administration (SSA) evaluates an applicant's qualifications and suitability to serve the beneficiary's interests.

For this review, we identified 331,388 individuals with a mental impairment who were serving as representative payees for beneficiaries whom SSA determined were not capable of managing their own benefits.

### Our Findings

Our review of 105 representative payees receiving DI or SSI because of a mental impairment identified 22 who may have been incapable of managing or directing the management of their benefits and those of the beneficiaries for whom they served as representative payees. Further, of the 105 representative payees, we were unable to interview 17. Based on these results, we question the suitability of 39 (37 percent) of the 105 representative payees and estimate that benefits totaling approximately \$866,000 may be at risk of misuse or improper use during a 1-year period.

In addition, 23 representative payees may no longer have been medically eligible for disability benefits. If these 23 representative payees have medically improved and are no longer eligible to receive benefits, we estimate that benefits totaling over \$252,000 will be improperly paid during a 1-year period.

### Our Recommendations

We recommend SSA:

1. Conduct capability and suitability determinations for the 22 representative payees we found may have been incapable of managing or directing the management of SSA benefits.
2. Contact the 17 representative payees we could not interview to determine whether they are capable of managing their own benefits and those of the beneficiaries they serve.
3. Review the synopsis of our interviews with the 23 representative payees who may no longer have been medically eligible for disability benefits and determine which representative payees should have a continuing disability review conducted.

SSA agreed with Recommendation 1 and partially agreed with Recommendation 2. SSA stated for four representative payees it sees no reason to question the individuals' ability to manage benefits simply because they declined to participate in our review. SSA disagreed with Recommendation 3. However, SSA did review the synopsis of our interviews and concluded it would not conduct any CDRs. Therefore, SSA satisfied the intent of our recommendation.