
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**INDIVIDUAL REPRESENTATIVE PAYEES
FOR THE SOCIAL SECURITY
ADMINISTRATION IN THE
BOSTON REGION**

December 2004 A-01-05-15048

**EVALUATION
REPORT**



Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- **Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- **Promote economy, effectiveness, and efficiency within the agency.**
- **Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- **Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- **Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- **Independence to determine what reviews to perform.**
- **Access to all information necessary for the reviews.**
- **Authority to publish findings and recommendations based on the reviews.**

Vision

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.



SOCIAL SECURITY

MEMORANDUM

Date: December 8, 2004

Refer To:

To: Manuel J. Vaz
Regional Commissioner
Boston

From: Assistant Inspector General
for Audit

Subject: Individual Representative Payees for the Social Security Administration in the Boston Region (A-01-05-15048)

OBJECTIVE

Our objective was to confirm that beneficiaries in the care of representative payees existed; and, through personal observation and interviews, to determine whether the beneficiaries' food, clothing and shelter needs were being met.

BACKGROUND

Some individuals cannot manage or direct the management of their finances because of their youth or mental and/or physical impairments. Congress granted the Social Security Administration (SSA) the authority to appoint representative payees to receive and manage these beneficiaries' benefit payments.¹ A representative payee may be an individual or an organization. SSA selects representative payees for Old-Age, Survivors and Disability Insurance beneficiaries and Supplemental Security Income recipients when representative payments would serve the individual's interests.

SSA's primary concern is to select the payee who will best serve the beneficiary's interest; and preference is normally given to a parent, legal guardian, spouse or relative of a beneficiary.² SSA considers payments to a representative payee to have been used for the benefit of the beneficiary if they were spent on the beneficiary's

¹ The Social Security Act §§ 205(j)(1)(A) and 1631(a)(2)(A)(ii), 42 U.S.C. §§ 405(j)(1)(A) and 1383(a)(2)(A)(ii).

² 20 C.F.R. §§ 404.2021 and 416.621.

maintenance—which includes the costs incurred in “...obtaining food, shelter, clothing, medical care, and personal comfort items.”³

We conducted a nation-wide review of individual representative payees serving 14 or fewer beneficiaries (see Appendix B for details). There are approximately 4.3 million of these types of representative payees who serve approximately 5.5 million beneficiaries. To provide statistically valid nation-wide projections, we selected 275 individual representative payees for review, of which 11 were in the Boston Region.⁴ These 11 representative payees received and managed approximately \$8,867 in monthly benefits for 14 beneficiaries.

RESULTS OF REVIEW

We confirmed the existence of the 14 beneficiaries in the care of the 11 representative payees in the Boston Region; and, through personal observation and interviews, we found the beneficiaries' food, clothing and shelter needs were being met.⁵ Nothing came to our attention that would lead us to believe the representative payees did not use the Social Security benefits received for the beneficiaries' needs. Furthermore, our contact with the payees provided the local SSA staff the opportunity to address other issues facing the payees and beneficiaries. Below is some information related to our representative payee site visits.

- (1) At the time of our visit to Burlington, Vermont, the beneficiary was 17 years old and receiving Title II survivor benefits—which will stop when she reaches age 18. Based on our observations and those of the SSA District Manager who accompanied us on our visit, it appeared the beneficiary may have been eligible for disability benefits. The SSA District Manager was able to discuss with the representative payee the process of applying for disability benefits for the beneficiary; and the representative payee was grateful for the information.
- (2) We met with a woman in Providence, Rhode Island, who was receiving Title II survivor benefits and was serving as representative payee for her 7-year-old daughter. After conducting our interview, the representative payee informed us that she was extremely grateful for the benefits they receive from Social Security and she would not know what to do if she did not receive the monthly payments.
- (3) An SSA field office employee accompanied us when we visited a representative payee and her son in Belmont, New Hampshire. During the interview, the representative payee informed us that her daughter is serving as representative payee for her own son and does not appear to be handling his benefits

³ 20 C.F.R. §§ 404.2040(a) and 416.640(a).

⁴ Originally, we had 12 cases in the Boston Region. However, one of the cases was replaced because the representative payee and beneficiary moved to Puerto Rico.

⁵ Of the 11 representative payees, 10 payees were the beneficiaries' mother and 1 payee was a relative.

appropriately. Furthermore, she stated that she wanted to become her grandson's representative payee. The SSA field office employee took down the information regarding this situation so the Agency could look into it.

- (4) An SSA Field Representative accompanied us on our visit to a representative payee in Springfield, Massachusetts. The representative payee handled the benefits for three of her children (a son and two daughters). While we were conducting our interview, the representative payee informed us she wanted her older daughter, who was 21 years old and receiving Title XVI disability benefits, to handle her own benefits. The representative payee believed that allowing her daughter to handle her own funds would teach her a valuable lesson about handling money. However, the representative payee informed us that her daughter's doctor would not sign a form stating that she was capable of handling her own money. The SSA Field Representative indicated the beneficiary seemed capable of handling her own benefits, and he recommended that they make an appointment at the local SSA field office to discuss having the daughter receive her own benefits.

Our remaining seven visits occurred without any problems being identified. All 11 representative payees appeared to be aware of their responsibilities for the beneficiaries' Social Security funds. Also, the beneficiaries' needs appeared to be met by the representative payees in all cases.

CONCLUSION

We determined that all 14 beneficiaries existed and were in the care of their representative payee. In addition, based on our observations, the individuals' food, clothing and shelter needs appeared to be met. Further, our contact with the payees provided the local SSA staff the opportunity to address other issues facing the payees and beneficiaries—thus contributing to SSA's goal for delivering high quality, citizen-centered service.

AGENCY COMMENTS

SSA was pleased with the results of the review. (See Appendix C for the full text of SSA's comments.)



Steven L. Schaeffer

Appendices

[**APPENDIX A**](#) – Scope and Methodology

[**APPENDIX B**](#) – Sampling Methodology

[**APPENDIX C**](#) – Agency Comments

[**APPENDIX D**](#) – OIG Contacts and Staff Acknowledgments

Appendix A

Scope and Methodology

Our population included all individual representative payees within the contiguous 48 States serving 14 or fewer beneficiaries as of May 20, 2004. To accomplish our objective, we:

- Reviewed the Social Security Administration's policies and procedures for monitoring representative payees and their responsibilities for the beneficiaries in their care.
- Obtained a data extract of representative payees from the Representative Payee System as of May 2004 meeting our selection criteria.
- Selected a random sample of 275 representative payees nation-wide. We are issuing a separate report on the nation-wide results, as well as separate reports for each of the Social Security Administration's 10 regions.¹

For the 11 representative payees in the Boston Region, we

- verified the identities of 11 representative payees and 14 beneficiaries they served;
- interviewed 11 representative payees;
- interviewed/observed 14 beneficiaries; and
- visited and observed the living conditions of 14 beneficiaries.

We performed our review in Connecticut, Massachusetts, New Hampshire, Rhode Island, and Vermont from July to October 2004. We conducted our review in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

¹ SSA OIG, *Nation-Wide Survey of Individual Representative Payees for the Social Security Administration* (A-13-05-25006), *Individual Representative Payees for the Social Security Administration in the Boston Region* (A-01-05-15048), *Individual Representative Payees for the Social Security Administration in the New York Region* (A-02-05-15049), *Individual Representative Payees for the Social Security Administration in the Philadelphia Region* (A-14-05-15050), *Individual Representative Payees for the Social Security Administration in the Atlanta Region* (A-13-05-15051), *Individual Representative Payees for the Social Security Administration in the Chicago Region* (A-05-05-15052), *Individual Representative Payees for the Social Security Administration in the Dallas Region* (A-06-05-15053), *Individual Representative Payees for the Social Security Administration in the Kansas City Region* (A-07-05-15054), *Individual Representative Payees for the Social Security Administration in the Denver Region* (A-07-05-15055), *Individual Representative Payees for the Social Security Administration in the San Francisco Region* (A-09-05-15056), and *Individual Representative Payees for the Social Security Administration in the Seattle Region* (A-09-05-15057).

Sampling Methodology

We obtained a data extract from the Social Security Administration's Representative Payee System of all individual representative payees having 14 or fewer beneficiaries in their care as of May 20, 2004. This population was 5,380,635 representative payees serving 6,818,696 beneficiaries.

From this population, we excluded representative payees who had any of the following characteristics:

- resided outside of the 48 contiguous United States;
- served only as their own representative payee, as reflected in the Representative Payee System;
- had all beneficiaries in their care in non-current pay status;
- had an invalid state code or military address; or
- managed total funds of \$50 or less each month.

This reduced our population to 4,306,779 representative payees serving 5,520,303 beneficiaries. We randomly selected 275 representative payees from this population for review. Initially, 12 of the 275 sample cases chosen were located in the Boston Region. However, one of the selected representative payees moved from the Boston Region. Accordingly, our review of the Boston Region consisted of 11 representative payees.

Appendix C

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: November 30, 2004 **Refer To:** S1D2G3/QA

To: Steven L. Schaeffer
Assistant Inspector General for Audit

From: Manuel J. Vaz /s/
Regional Commissioner
Boston

Subject: Individual Representative Payees for the Social Security Administration in the Boston Region
(A-01-05-15048)

Thank you for the opportunity to comment on the draft report, Review of Individual Representative Payees for the Social Security Administration in the Boston Region.

We are very pleased with the results of this review and the fact that there are no recommendations and necessary actions.

If you have any questions, please call me or have your staff contact Chris Bimber at (617) 565-2882.

Appendix D

OIG Contacts and Staff Acknowledgments

OIG Contacts

Judith Oliveira, Director, (617) 565-1765

David Mazzola, Auditor Manager, (617) 565-1807

Acknowledgments

In addition to those named above:

Alexander Rosania, Auditor

Frank Salamone, Auditor

For additional copies of this report, please visit our web site at
www.socialsecurity.gov/oig or contact the Office of the Inspector General's Public Affairs Specialist at (410) 965-3218. Refer to Common Identification Number A-01-05-15048.

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Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of our Office of Investigations (OI), Office of Audit (OA), Office of the Chief Counsel to the Inspector General (OCCIG), and Office of Executive Operations (OEO). To ensure compliance with policies and procedures, internal controls, and professional standards, we also have a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts and/or supervises financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations and projects on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as OIG liaison to the Department of Justice on all matters relating to the investigations of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Chief Counsel to the Inspector General

OCCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Finally, OCCIG administers the Civil Monetary Penalty program.

Office of Executive Operations

OEO supports OIG by providing information resource management and systems security. OEO also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OEO is the focal point for OIG's strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act of 1993.