

Report Summary

Social Security Administration Office of the Inspector General

August 2010



Objective

To determine whether the Social Security Administration (SSA) had adequate controls to ensure that child beneficiaries whose benefits were withheld because they did not have representative payees were paid when they attained age 18.

Background

SSA appoints representative payees for individuals who cannot manage or direct the management of their finances because of their youth or mental and/or physical impairments. When necessary, SSA may suspend benefits and initiate a search for a new representative payee. However, upon attaining age 18, child beneficiaries generally no longer require representative payees. For our review, we identified 13,739 child beneficiaries over age 18 that had past-due benefits that were withheld pending the selection of a representative payee.

To view the full report, visit
http://www.ssa.gov/oig/ADO_BEPDF/A-09-09-29116.pdf

Benefits Payable to Child Beneficiaries Who No Longer Need Representative Payees **(A-09-09-29116)**

Our Findings

SSA needed to improve controls to ensure child beneficiaries who attained age 18 were paid benefits that had been previously withheld pending the selection of a representative payee. Based on a random sample of beneficiaries, we found that SSA did not pay an estimated 13,464 beneficiaries approximately \$31.2 million in withheld benefits.

Generally, these errors occurred because SSA did not generate a systems alert to identify beneficiaries who should have been paid withheld benefits when they attained age 18 or SSA employees did not take corrective actions to pay withheld benefits when processing student awards when a child attained age 18.

Our Recommendations

We recommended, and the Agency agreed to:

1. Take corrective action to resolve the benefits withheld from the 49 beneficiaries identified by our audit.
2. Identify and take corrective action on the population of child beneficiaries over age 18 whose benefits were withheld pending the selection of a representative payee.
3. Improve controls to ensure that child beneficiaries who are capable of managing their benefits are paid any benefits that were withheld pending the selection of a representative payee.
4. Remind SSA employees to review beneficiaries' payment records when awarding student benefits and to take corrective actions to pay previously withheld benefits.