

# **EXECUTIVE SUMMARY**

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## **PURPOSE**

This report presents Social Security Administration (SSA) staff attitudes toward their participation in the data-gathering phase of our inspections of SSA's representative payee accounting process. It also includes employees' suggestions for minimizing the risk of misuse of benefits by representative payees and improving the current annual accounting process.

## **BACKGROUND**

If SSA beneficiaries cannot manage their own finances, Congress has authorized SSA to pay the benefits to other individuals or organizations on their behalf. SSA calls these individuals and organizations representative payees. As of December 1994, approximately 6.6 million SSA beneficiaries had payees. Payee responsibilities are wide and varied, and include submittal of an annual accounting to SSA reporting about benefits received, used, and conserved.

SSA has undertaken initiatives to strengthen the entire annual accounting process. To assist in this effort, SSA requested that the Office of the Inspector General (OIG) conduct a series of inspections to review and recommend improvements to the annual accounting process. To complete these inspections, we solicited the assistance of SSA field office staff throughout the country to interview a selected sample of beneficiaries and their payees, and custodians and collateral contacts as appropriate and possible.

## **SURVEY RESULTS**

More than one-half of the managers participating in the survey indicated that it had either a moderate or great impact on their offices' normal workloads, but 72 percent of them reported that they viewed their participation as worthwhile.

Approximately 90 percent of nonmanagerial interviewers felt positive about their participation in the survey and more than half of them said that anything done to lessen the impact of this additional workload would also have decreased the effectiveness of the survey.

Ninety-one percent of the interviewers indicated that the current payee accounting system is inadequate and needs to be improved.

Forty percent of the interviewers indicated that SSA should profile payees so that SSA could concentrate its limited resources on scrutinizing high-risk payees.

## **CONCLUSION**

SSA field office managers and employees are willing to participate in studies to improve SSA processes even though their participation may have a short-term, negative impact on productivity. The survey participants believe that the current payee accounting system needs to be improved. Their recommendation for improvement was to profile representative payees by category so that the Agency could focus its limited resources on scrutinizing those who possess characteristics which may make them more likely to misuse benefits.

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# INTRODUCTION

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## PURPOSE

This report presents SSA staff attitudes toward their participation in the data-gathering phase of our inspections of the representative payee accounting process. It also includes employees' suggestions for minimizing the risk of misuse of benefits by representative payees and improving the current annual accounting process.

## BACKGROUND

SSA administers two programs under *The Social Security Act*-title II (Old-Age, Survivors, and Disability Insurance) and title XVI (Supplemental Security Income). These two programs provide monthly benefits to approximately 49.2 million beneficiaries and recipients (collectively called beneficiaries) who are aged, disabled, or survivors.

If beneficiaries cannot manage their own finances, Congress has authorized SSA to pay the benefits to other individuals or organizations on their behalf. SSA calls these individuals and organizations representative payees (hereinafter called payees). As of December 1994, approximately 6.6 million SSA beneficiaries had payees. Payee responsibilities include, but are not limited to, frequently monitoring the beneficiary's current well-being for food, shelter, clothing, medical care, and personal needs; informing SSA of changes in the payee's own circumstances that would affect the payee's performance; reporting events to SSA that may affect the beneficiary's entitlement or amount of benefits, such as work or marriage; and submitting an annual accounting to SSA reporting about benefits received, used, and conserved.

SSA has undertaken initiatives to strengthen the entire annual accounting process. To assist in this effort, SSA requested that OIG conduct a series of inspections to review and recommend improvements to the annual accounting process. The results of these inspections have been presented in a series of reports dealing with the demographics of beneficiaries and payees, poor performance by payees, effectiveness and efficiency of the payee accounting review process, nonresponder payees, and problems with the completion of the accounting forms. In addition, we plan on issuing a roll-up report which will provide overall recommendations for improving the accounting process.

To complete these inspections, we selected a sample of 3,010 title II and title XVI cases with payees scheduled to receive initial accounting forms during October 1994. Under our direction, SSA staff interviewed the payee for each sample case as well as beneficiaries, custodians, and collateral contacts as appropriate and possible. Interviewers attempted to conduct all interviews face-to-face and in respondents' homes.

To assist SSA employees, we provided training during nine sessions at five locations around the country. We also trained some staff by telephone using a condensed version of the on-site training. The training consisted of an introduction to the inspection, review of the discussion guides to be used during interviews, and role-playing to identify potential questions about administering the guides. Interviewers were requested to summarize each interview and highlight information not captured directly in the

discussion guides. In addition, interviewers often provided their overall professional impression of each case.

## METHODOLOGY

In October 1995, we mailed questionnaires to the managers and interviewers who worked at the 158 field offices from which our 3,010 cases were selected. The objective of the survey was to solicit unprejudiced responses to our questions in the questionnaires. We made no attempt to substantiate statements made by the individuals, nor did we ensure that all questionnaires were completed and returned. As of December 1996, we had received 123 questionnaires from managers and 163 from interviewers.

The questionnaires were designed to determine management and staff attitudes concerning their participation in the inspections, including the impact of their participation on the offices' workloads. In addition, we asked these individuals to assess the procedures that they were required to follow while conducting interviews. We also solicited suggestions for minimizing the risk of misuse of benefits by payees and improving the current payee annual accounting process.

This survey was conducted according to the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

# S U R V E Y   R E S U L T S

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## EMPLOYEE ATTITUDES TOWARD PARTICIPATION IN OUR INSPECTION

### *Management Attitudes*

Over 55 percent of the managers said that participating in our inspections had either a moderate or great impact on their offices' normal workloads. Nevertheless, 72 percent of them reported that they viewed their participation in the study as worthwhile. Many of the managers cited the importance of improving the payee accounting system and their eagerness to contribute to possible solutions to its problems as reasons why they felt that their participation was worthwhile. And, when asked whether they would chose to participate in the inspections again, more than two-thirds of the managers responded that they would despite its impact on their offices' workloads.

Moreover, 71 percent of the managers said that they would be willing to participate in *similar* studies in the future. Thus, it appears that managers may be willing to suffer a short-term negative impact on productivity in order to participate in studies which they believe might result in worthwhile recommendations to improve SSA systems. However, many of these managers indicated that before agreeing to participate in any future studies they would like better information on the number of cases, time requirements, and estimated travel costs before committing to participate.

### *Interviewer Attitudes*

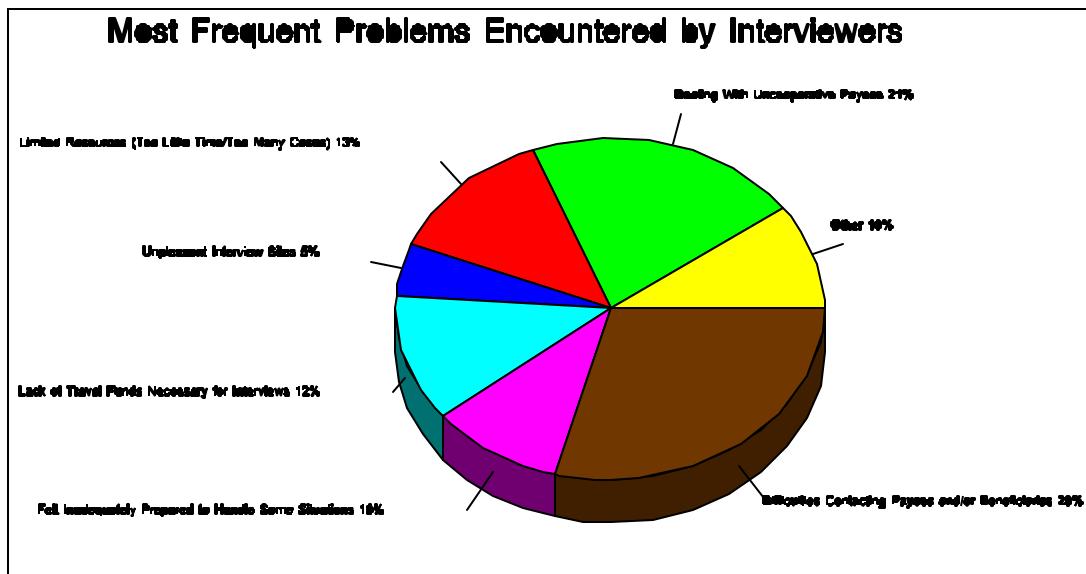
Like their managers, the majority of interviewers (over 60 percent) believed that their participation in our inspection had a moderate or great impact on their offices' workloads. In spite of this perceived impact, almost 90 percent of the interviewers felt positive about their participation in the study and over 52 percent of them said that nothing could have been done to lessen the impact on their workload without also lessening the effectiveness of the study.

However, a number of respondents felt that they were not given enough time to complete *both* their normal workloads and the work related to the inspection. In fact, almost 30 percent of the respondents said that *reducing* their regular duties or the number of sample cases that they were expected to complete would have resulted in a "*more positive*" experience for them.

The interviewers were generally satisfied with the technical support and training provided to them by OIG during the course of the inspections. Nearly all of those who called OIG for technical support during the course of the study reported that they had received "adequate responses," though 3 percent of the respondents reported that OIG failed to return messages on a timely basis. Several employees mentioned that the training sessions should have placed a little more emphasis on how to implement the discussion guides and less on how the cases were selected.

## EMPLOYEE ASSESSMENT OF THE INSPECTION PROCEDURES

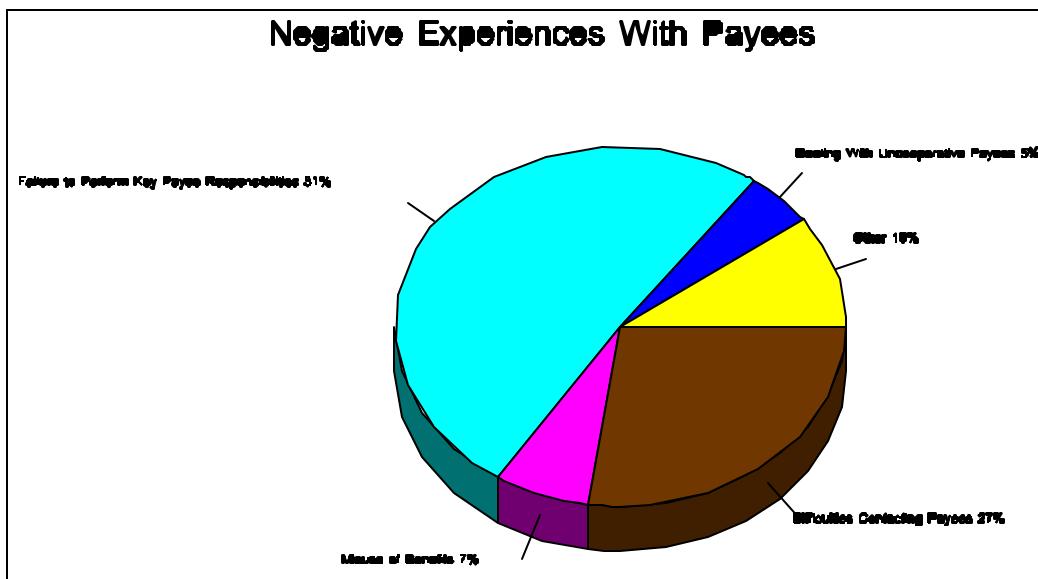
Again, most employees stated that the inspection procedures could not have been altered to lessen the inspection's impact on their offices' workloads without also lessening the effectiveness of the study. However, some of the respondents said that OIG should have developed criteria which would have allowed the use of telephone or office interviews for certain low-risk cases. The use of telephone and office interviews for certain low-risk cases could have reduced travel time and the overall average processing time for some cases. This suggestion was probably borne out of employee frustration caused by the difficulties encountered attempting to contact some beneficiaries and payees. In fact, the most frequent problem encountered by interviewers during the course of the inspections was difficulties related to scheduling face-to-face interviews. These difficulties, along with other problems reported by interviewers, are included in the chart below:



## EMPLOYEE PERCEPTIONS OF THE CURRENT PAYEE SYSTEM

We did not include specific questions in the questionnaire designed to solicit employee opinions of the current payee accounting system. However, when asked for suggestions for improving the current accounting system, 91 percent of the interviewers indicated that the current payee accounting system was inadequate and needs to be improved. Based on the large number of interviewers who suggested fundamental changes to the system, we can only conclude that the interviewers believe that the current system is fundamentally flawed. Indeed, one interviewer stated that "*the current reporting system does not prevent or even deter misuse if someone wants to misuse benefits.*" The belief that the current payee system is vulnerable to abuse and that SSA does not provide enough oversight over its payees is apparently shared by many of the interviewers since more than half of their suggestions for improving the current payee system would provide for more oversight.

Over 82 percent of the interviewers reported having had some negative experiences with payees. As shown in the chart below, the majority of these negative experiences generally involved payees who failed to perform key payee responsibilities. These include failure to: (1) maintain records; (2) complete accounting forms timely; (3) monitor beneficiaries' needs properly; or (4) inform SSA of events which could impact beneficiaries' entitlement to benefits. Of the remaining negative experiences reported, almost one-third of them involved difficulties obtaining information from payees either because the payees could not be located or because they were being uncooperative.



As the chart above illustrates, only a small number of respondents have ever been directly involved in a case where a payee had misused a beneficiary's benefits. However, it is these cases which undermine not only the public's confidence in the current payee system, but they also undermine employee confidence in the system. The most blatant case of misuse of benefits by a payee reported involved a father who was acting as the payee for his 17-year-old son. The father, who was unemployed, was also receiving benefits based on having a child-in-care. Allegedly, the father was unable to produce receipts showing how he had spent his son's benefits, nor was he able to adequately explain how some of the benefits were used when asked to do so. It was subsequently determined that the beneficiary was not in his father's care, and was instead living with his mother in a different city. According to the SSA employee who reported this case, SSA ultimately determined that the father had been overpaid about \$17,000.

## **EMPLOYEE RECOMMENDATIONS TO REDUCE THE RISK OF MISUSE OF FUNDS**

Many of the respondents believed that having annual face-to-face interviews with beneficiaries and their payees would be the ideal solution to many of the representative payee problems. However, given budgetary constraints and decreasing SSA staff, requiring annual face-to-face interviews for *every* case with a payee would not be feasible. Consequently, SSA must continue to rely on the mailing of accounting forms to payees as the principal method for monitoring their performance. However, the results of our survey indicate that the current accounting forms are inadequate and require revision. In fact, one-third of interviewers said that SSA should change either the wording or the format of the current accounting forms and 19 percent said that SSA should consider devising a different accounting

process.

When asked how SSA could improve its process for monitoring payee performance, 40 percent of the interviewers indicated that SSA should profile payees so that the Agency could concentrate its limited resources on scrutinizing high-risk payees. The interviewers reported the following factors may be indicative of payee performance:

- 43 percent of the respondents said *regular contact*, such as living with the beneficiary, was a primary factor in predicting whether the payee would have a genuine interest in the care of the beneficiary;
- 36 percent of the respondents felt that *relatives* made the best payees; and
- 27 percent that *institutional payees* generally make good payees.

## **C O N C L U S I O N**

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Our survey indicates that SSA field office managers and employees are willing to participate in studies that they believe will result in worthwhile recommendations to improve SSA systems even if their participation may have a short-term negative impact on their offices' productivity. The employees surveyed believe that the current representative payee accounting system needs to be improved, and they seemed eager to contribute to possible solutions. Many employees felt that the current representative payee accounting forms are inadequate and require revision. In addition, the field office employees thought that SSA should attempt to profile representative payees so that the Agency could focus its limited resources on scrutinizing those who possess characteristics which may make them more likely to misuse beneficiary benefits.

We appreciate the survey participants' assessment of our inspection procedures. Their comments and suggestions will be helpful in designing and conducting future inspections.

## **APPENDIX A**

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### **LIST OF CONTRIBUTORS**

This inspection report was prepared by the Office of Audit in San Francisco under the direction of Scott Patterson, Director, Division of Evaluations and Technical Services. Project staff included:

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