



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Social Security Beneficiaries Who Have Direct Payment While Receiving Veterans Affairs' Benefits Through a Representative Payee

A-01-18-50380 | July 2022



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: July 8, 2022

Refer to: A-01-18-50380

To: Kilolo Kijakazi
Acting Commissioner

From: Gail S. Ennis, 
Inspector General

Subject: Social Security Beneficiaries Who Have Direct Payment While Receiving Veterans Affairs' Benefits Through a Representative Payee

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration should use data from the Department of Veterans Affairs as a lead to trigger a capability assessment when beneficiaries with direct payment receive Department of Veterans Affairs benefits through a representative payee.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Michelle L. Anderson, Assistant Inspector General for Audit.

Attachment

Social Security Beneficiaries Who Have Direct Payment While Receiving Veterans Affairs' Benefits Through a Representative Payee

A-01-18-50380



July 2022

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) should use data from the Department of Veterans Affairs (VA) as a lead to trigger a capability assessment when beneficiaries with direct payment receive VA benefits through a representative payee (payee).

Background

SSA selects a payee, which can be an individual or organization, to receive and manage a beneficiary's payments when SSA determines the beneficiary is incapable of managing or directing the management of his or her own benefits. VA also appoints payees to receive benefit payments on behalf of individuals who cannot manage their own benefits.

We obtained from the VA a file of individuals receiving benefits through a payee. We matched this file to SSA's records. We selected, and mailed questionnaires to, 250 beneficiaries receiving VA benefits through a payee while also receiving SSA benefits directly (without a payee). We used a stratified random sample methodology to focus on different categories of beneficiaries—such as those over age 85—who may be at higher risk of needing payees. According to medical statistics, up to 50 percent of individuals over age 85 may suffer from Alzheimer's disease or dementia. The questionnaire requested information that SSA generally asks for to determine whether an individual may need a payee. We also conducted interviews to clarify responses to our questionnaires.

Results

SSA should use VA data as a lead to trigger capability assessments when beneficiaries with direct payment receive VA benefits through a payee. Of the 250 beneficiaries in our sample, 45 may need a payee to ensure their SSA funds are being used to meet their needs because there is an indication they may be unable to manage or direct the management of their benefits. Forty of these beneficiaries had someone else managing their benefits without SSA's knowledge or approval. Based on our sample, we estimate SSA paid approximately \$11.5 million a month to 8,016 beneficiaries who may need a payee to manage their SSA benefits. If SSA does not take action, we estimate it will pay approximately \$137.5 million to beneficiaries who may need a payee over the next 12 months.

Although SSA policy requires a capability determination when SSA becomes aware of indicators or evidence there is a change in a beneficiary's capability, it does not routinely review capability for its beneficiaries to determine whether they need payees. Also, when a de facto payee (that is, someone managing benefits without SSA's knowledge or approval) manages benefits they are not subject to SSA's payee oversight. If SSA performs capability determinations for beneficiaries receiving VA benefits through a payee, it will be able to oversee the payees it appoints for these beneficiaries who are not capable of directing the management of their benefits.

Recommendations

We recommend SSA:

1. Perform capability determinations for the 45 beneficiaries identified in our sample who may need a payee.
2. Determine whether to routinely obtain VA payee data based on the results of the 45 capability determinations.

SSA agreed with the recommendations.

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ABBREVIATIONS

CDR	Continuing Disability Review
C.F.R.	Code of Federal Regulations
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
Payee	Representative Payee
POMS	Program Operations Manual System
SSA	Social Security Administration
SSAB	Social Security Advisory Board
SSI	Supplemental Security Income
VA	Department of Veterans Affairs
U.S.C.	United States Code

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) should use data from the Department of Veterans Affairs (VA) as a lead to trigger a capability assessment when beneficiaries with direct payment receive VA benefits through a representative payee (payee).¹

BACKGROUND

Agency Programs

SSA's Old-Age, Survivors and Disability Insurance (OASDI) program provides benefits to replace some of the earnings lost because a worker retires, becomes disabled, or dies.² SSA's Supplemental Security Income (SSI) program provides income for aged, blind, or disabled individuals with limited income and resources.³ SSA selects a payee, which can be an individual or organization, to receive and manage a beneficiary's⁴ payments when SSA determines the beneficiary is incapable of managing or directing the management of his/her own benefits, or when direct payment is prohibited.⁵ As of September 2020, approximately 5.7 million payees were managing \$72 billion in annual benefits for 8 million beneficiaries.⁶

According to SSA policy, the Agency presumes all legally competent, adult beneficiaries can manage or direct the management of their benefits unless there are indicators or evidence to the contrary.⁷ When SSA learns a beneficiary has a mental or physical impairment that may prevent him/her from managing or directing the management of benefits, the Agency must make a capability determination as to whether representative or direct payment is in the beneficiary's best interest.⁸ However, the Agency does not assume capability development is needed based solely on disability diagnosis or mental or physical impairment.⁹

¹ While SSA uses the term representative payee, VA uses the term fiduciary to describe someone appointed by VA to receive benefits on behalf of a beneficiary. Throughout this report, we will refer to VA fiduciaries as payees.

² 42 U.S.C. §§ 401-402.

³ 42 U.S.C. §§ 1381-1382.

⁴ We use the term "beneficiary" generically in this report for both OASDI beneficiaries and SSI recipients.

⁵ 42 U.S.C. §§405(j), 1383(a)(2); 20 C.F.R. §§ 404.2010, 416.610. SSA prohibits direct payment to adult beneficiaries who are judged legally incompetent and to children under age 15 who have not been legally emancipated. These beneficiaries do not need capability determinations and must receive benefits through a payee. SSA, *POMS*, GN 00502.001, C. (January 26, 2017).

⁶ SSA, *Annual Report on the Results of Periodic Representative Payee Site Reviews and Other Reviews*, p. 2 (2020).

⁷ SSA, *POMS*, GN 00502.001, A. (January 26, 2017).

⁸ 20 C.F.R. §§ 404.2010 and 416.610; SSA, *POMS*, GN 00502.020, A.1 (January 26, 2017), GN 00502.001, A. (January 26, 2017).

⁹ SSA, *POMS*, GN 00502.020, A. (January 26, 2017).

SSA's policy for developing capability states a beneficiary who exercises direct involvement, control, and choice in identifying, accessing, and managing services to meet their personal needs, is capable, and SSA must pay them directly.¹⁰ SSA makes a finding of incapability only when, based on convincing legal, lay, and medical evidence, using sound and reasoned judgement, it is clearly in the beneficiary's best interest to do so.¹¹ SSA must preserve beneficiaries' independence wherever possible but must also ensure their needs are being met. SSA policy states that the Agency, ". . . decides whether to certify payments through a payee to ensure the physical, mental, and emotional well-being of the beneficiary in a manner that both preserves dignity and protects basic rights."¹² However, the National Academies of Sciences, Engineering and Medicine reported that "...concerns have been expressed about the accuracy of the process by which SSA determines whether beneficiaries are capable of managing their benefits, with some evidence suggesting that underdetection of incapable recipients may be a particular problem."¹³ If beneficiaries without payees cannot manage or direct the management of their own benefits, SSA cannot be sure the funds are being used to meet the beneficiaries' needs, such as food, clothing, shelter, and medical care.

Department of Veterans Affairs Representative Payee Program

SSA policy states that "[VA] has procedures similar to SSA's representative payee procedures for making payments on behalf of incompetent veterans."¹⁴ VA appoints payees to receive benefit payments on behalf of individuals who cannot manage their own benefits due to injury, disease, or age.¹⁵ In Fiscal Year 2020, VA paid approximately 379,000 Veterans Pension and Survivor Pension recipients; and 163,000 had payees.¹⁶

¹⁰ SSA, *POMS*, GN 00502.001, A. (January 26, 2017).

¹¹ SSA, *POMS*, GN 00502.001, A. (January 26, 2017).

¹² SSA, *POMS*, GN 00502.001, B. (January 26, 2017).

¹³ National Academies of Sciences, Engineering and Medicine, *Informing Social Security's Process for Financial Capability Determination*, p. ix (2016).

¹⁴ SSA, *POMS*, GN 00602.090, A. (March 1, 2011).

¹⁵ Department of Veterans Affairs, Veterans Benefits Administration, *Fiduciary Program*, va.gov (October 2018).

¹⁶ Department of Veterans Affairs, Veterans Benefits Administration, *Annual Benefits Report Fiscal Year 2020*, p. 9 (June 2021).

Table 1 shows the criteria for performing a capability determination at SSA and VA.

Table 1: Comparison of Triggers for Questioning Capability

Agency	Potential Triggers for Questioning Capability
SSA	<ul style="list-style-type: none"> ● Beneficiary has difficulty <ul style="list-style-type: none"> ○ answering questions ○ getting evidence or information necessary to pursue the claim ○ understanding explanations and reporting instructions ● Beneficiary has mental or physical impairment resulting in <ul style="list-style-type: none"> ○ severe disorientation ○ severe impairment of intellect ○ gross deficit in judgement
VA	<ul style="list-style-type: none"> ● 100 percent disability rating for a mental condition ● Finding of legal incompetence by a court¹⁷

As shown in Table 2, both SSA and VA consider legal, medical, and lay evidence¹⁸ but have some differences in which evidence is required or binding.

Table 2: Comparison of Evidence Used in Capability Determinations

Agency	Type of Evidence		
	Legal	Medical	Lay
SSA	Court order is followed when beneficiary is found legally incompetent.	Medical evidence is considered along with lay evidence.	Lay evidence is required if there is no legal finding of incompetence.
VA	Legal evidence is considered but is nonbinding.	Medical evidence is required.	Lay evidence is considered when medical evidence is unclear or unconvincing.

¹⁷ SSA also appoints a payee for adult beneficiaries who are judged legally incompetent, but, because direct payment to these individuals is prohibited, it does not perform capability determinations. SSA, POMS, GN 00502.001, C. (January 26, 2017).

¹⁸ SSA defines lay evidence as anything other than legal or medical evidence. It can be provided by anyone with direct knowledge of facts or circumstances regarding the beneficiary in his/her daily life; this may include nonprofessionals (relatives, friends, neighbors) and health and social service professionals (social workers, occupational therapists, rehabilitation specialists, adult protective services workers). SSA, POMS, GN 00502.020, B. (January 26, 2017), GN 00502.030 (April 5, 2017).

Social Security Administration Coordinates Other Information with the Department of Veterans Affairs

Although SSA does not communicate or share data with VA regarding beneficiaries' capability to manage funds, the two agencies coordinate and share information for other purposes.

- SSA performs routine matches with VA's benefit records to confirm the accuracy of SSI payments by identifying and recording benefits paid by VA.¹⁹
- SSA and VA manually share information on payee misuse between SSA field offices, SSA's Office of the Inspector General (OIG), and VA regional offices.²⁰ SSA policy states, ". . . there may be a need to exchange information between [SSA and VA] about evidence of incapability, identity of the [payee], use of benefits, suspected misuse, etc."²¹ The two agencies also coordinate benefit applications in some cases.²²

METHODOLOGY

We researched SSA and VA's policies and procedures related to payees. We also obtained a file from VA of individuals receiving benefits through a payee in 2018. We matched this file to SSA's OASDI and SSI records of individuals in current pay status without a payee as of March 2021. This match resulted in 39,154 records—that is, individuals receiving VA benefits through a payee while also receiving SSA benefits directly (without a payee). We selected, and mailed questionnaires to, 250 beneficiaries using a stratified random sample methodology to focus on different categories of beneficiaries who may be at a higher risk of needing a payee. This includes individuals who were age 85 or older, had mental impairments, or served as payee for someone else getting SSA benefits. We focused on these categories because:

- According to three medical publications from 2020, up to 50 percent of individuals over age 85 may suffer from Alzheimer's disease or dementia.²³

¹⁹ SSA, *POMS*, SI 02310.005 (March 1, 1998).

²⁰ VA staff notifies SSA's OIG if they are investigating or find misuse by a VA payee who is also an SSA payee. SSA must notify VA if it finds or is investigating improper use by a payee who is also a VA payee. SSA, *POMS*, GN 00602.100, A., B. (March 9, 2020). Usually, contacts between SSA and VA will involve SSA field offices and VA regional offices. SSA, *POMS*, GN 00602.090, A. (March 1, 2011).

²¹ SSA, *POMS*, GN 00602.090, A. (March 1, 2011)

²² An application for survivor benefits filed with either VA or SSA constitutes a common application for survivor benefits from both agencies. When one agency takes a survivor's claim, it will have the applicant complete a "short-form" application for referral to the other agency. SSA, *POMS*, RS 01702.410 (June 30, 2015).

²³ American Psychological Association, *Aging: When should I be concerned about a senior's forgetfulness?*, apa.org (March 18, 2020); Cleveland Clinic, *Alzheimer's Disease*, my.clevelandclinic.org (March 18, 2020); John Hopkins Bloomberg School of Public Health, *Alzheimer's Disease - When Will We Conquer It*, jhsph.edu (March 18, 2020).

- In a prior report, we looked at disabled individuals aged 15 to 65 with mental impairments and in need of a payee. We estimated 208,326 of the 895,151 beneficiaries with mental impairments in our population received over \$200 million in monthly benefits but may have been incapable of managing or directing the management of their SSA funds.²⁴
- Our audit population includes beneficiaries SSA determined could manage funds for individuals receiving SSA benefits. However, most were selected as payee longer than 5 years ago. Therefore, circumstances may have changed since they were selected as an SSA payee, putting at risk both their and others' benefits.

The questionnaires asked the beneficiaries a set of questions to (1) confirm they were receiving VA benefits and (2) allow us to make a preliminary assessment on whether SSA should make a capability determination for the beneficiary. We included questions SSA generally asks beneficiaries when it assesses capability to manage SSA funds or direct the management of SSA funds. We also interviewed beneficiaries, VA payees, or others (as needed) to clarify responses to our questionnaires.

See Appendix A for more information on our scope and methodology, Appendix B for more information on our stratified sample, Appendix C for characteristics of the beneficiaries in our strata, and Appendix D for a copy of the questionnaire sent to the beneficiaries.

RESULTS OF REVIEW

SSA should use VA data as a lead to trigger capability assessments when beneficiaries with direct payment receive VA benefits through a payee. Of the 250 beneficiaries in our sample, 45 may need a payee to ensure their SSA funds are being used to meet their needs because they may not be able to manage or direct the management of their benefits. Forty of these beneficiaries had someone else managing their benefits without SSA's knowledge or approval. When beneficiaries are not capable of managing or directing the management of their benefits, their benefits are at risk of mismanagement and SSA has no way to ensure their needs are being met in keeping with the purpose of SSA's representative payee program.

Based on our sample, we estimate SSA paid approximately \$11.5 million a month to 8,016 beneficiaries who may have needed a payee to manage their benefits.²⁵ If SSA does not take action, we estimate it will pay \$137.5 million to beneficiaries who may need a payee over the next 12 months. Although SSA policy requires a capability determination when it becomes aware of indicators or evidence that there is a change in a beneficiary's capability,²⁶ it does not routinely review capability for its beneficiaries to determine whether they need payees. Also, SSA does not oversee individuals or organizations that assist in managing benefits as de facto payees.²⁷ If SSA performs capability determinations for beneficiaries receiving VA benefits

²⁴ SSA, OIG, *Disabled Individuals with Mental Impairments in Need of a Representative Payee*, A-07-11-11110, pp. 3 and 4 (September 2012).

²⁵ For this estimate, we combined the projected dollar amounts from stratum 1 with the sample results from strata two through five (See Table B-3, rows *Point Estimate for Monthly Benefit* and *Monthly Benefit Payment to Sampled Beneficiaries Who May Need a Payee*). This resulted in estimates of \$11,455,412.

²⁶ SSA, *POMS*, GN 00502.055, A. (January 21, 2005).

²⁷ We use the term "de facto payees" to refer to individuals or organizations managing benefits for potentially incapable individuals without SSA's knowledge and approval.

through a payee, it will be able to oversee the payees it appoints for beneficiaries who are not capable of managing or directing the management of their benefits.

Sample Results from Matching Veterans Affairs Data—Some Agency Beneficiaries May Need Payees

Of the 250 beneficiaries in our sample, 45 who received \$69,324 in monthly benefits may need a payee.²⁸ Of the 45 beneficiaries, 26 were age 85 or older.²⁹ Table 3 has our results. (See Appendix B for details on our response rates and statistical projections.)

Table 3: Sample Results - Beneficiaries Who May Need a Payee

Strata	Description	Population	Sampled Cases	Responses to OIG's Questionnaire	May Need a Payee
1	Beneficiaries aged 85 or older	17,379	50	31	23
2	Beneficiaries with mental impairments ³⁰	6,889	50	28	5
3	Beneficiaries serving as a payee	243	50	31	4
4	Beneficiaries in more than one high-risk group (age 85 or older or mental impairment or serving as a payee for someone else)	634	50	26	5 ³¹
5	All other beneficiaries (under age 85, no mental impairment, not serving as a payee for someone else)	14,009	50	29	8
TOTAL		39,154	250	145	45

²⁸ We received 145 responses. We concluded that 45 of these beneficiaries may have needed a payee and 100 beneficiaries were capable. The U.S. Postal Service returned 8 questionnaires as undeliverable with no current address available, 13 beneficiaries died after we mailed the questionnaires, and we received no response from the remaining 84 beneficiaries. For a breakdown of these numbers by strata, see Table B-2 and Table B-3.

²⁹ Of these 26 beneficiaries, 23 were in Stratum 1 (aged 85 or older) and 3 were in Stratum 4 (beneficiaries in more than 1 high-risk group).

³⁰ SSA determined these individuals were disabled because they had a mental impairment. For a breakdown of the impairments included in this stratum, see Table C-3.

³¹ Of these five beneficiaries, three were age 85 or older.

Examples of beneficiaries who may need payees follow:

- A 98-year-old beneficiary receiving \$1,362 a month has a history of forgetting to pay bills and getting confused while driving. Her daughter-in-law, who serves as her power of attorney and VA payee, took the beneficiary into her home and managed her affairs before moving her to a nursing home where she could receive a higher level of care. In July 2021, when the daughter-in-law completed our questionnaire, the beneficiary was recovering from a broken hip in the rehabilitation facility of the nursing home where she resided and planned to return to regular nursing care at the same facility. SSA reviewed this case and agreed this information indicated there may be a change in the beneficiary's capability and was sufficient for SSA to initiate a capability determination to determine whether SSA should appoint a payee to manage the funds in the beneficiary's best interest.
- A 68-year-old beneficiary was living in an assisted living facility in Ohio and receiving \$1,809 a month in retirement benefits. Her brother-in-law completed our questionnaire stating that he managed the beneficiary's VA and SSA benefits. We also spoke with the beneficiary's sister and healthcare power of attorney who stated the beneficiary cannot manage her finances at all because she has severe obsessive-compulsive disorder and is on several medications. After the beneficiary's husband passed away, she was unable to stay alone and went into assisted living. SSA reviewed this case and stated, "These facts indicate a change in the beneficiary's ability to manage her benefits and indicate a need to make a capability determination."

In both cases, we were unable to speak to the beneficiaries, but, instead, received third-party reports that led us to conclude the beneficiaries could not manage or direct the management of their finances. SSA policy requires that a capability determination be conducted when it receives a lead, such as these third-party reports, that the beneficiary has a mental or physical condition that prevents the management or the direction of the management of the beneficiary's finances.³² Therefore, SSA should perform capability determinations for these beneficiaries.

SSA policy only allows for reevaluation of capability when new information comes to light.³³ While SSA employees may become aware of indicators or evidence that there is a change in a beneficiary's capability during routine reviews for other purposes, such as continuing disability reviews (CDR) or SSI redeterminations, these reviews are not conducted to determine capability and capability may not be developed.³⁴ Only 10 of the 45 beneficiaries in our sample who may need a payee were subject to CDRs and none of them were subject to SSI redeterminations.

³² SSA, POMS, GN 00502.020, A.1. (January 26, 2017).

³³ SSA employees develop capability and make a capability determination when they become aware of indicators or evidence that there is a change in the beneficiary's capability. SSA, POMS, GN 00502.055 A. (January 21, 2005).

³⁴ SSA, POMS, GN 00502.055 B. (January 21, 2005). SSA is required by law to perform a CDR for disabled beneficiaries at least every 3 years except where it determined that the disability was permanent. The Commissioner determines the appropriate times for case reviews involving a permanent disability. 42 U.S.C. § 421(i); SSA, POMS, DI 13004.005 A. (September 22, 2016). A redetermination is a review of an SSI recipient's non-medical eligibility factors (that is, income, resources, and living arrangements) to determine whether the beneficiary is still eligible for and receiving the correct SSI payment. SSA, POMS, SI 02305.001 (September 5, 2019).

Three of these beneficiaries underwent a full medical CDR between 2014 and 2019.³⁵ In two of these reviews, the SSA employee concluded that capability did not need to be addressed; and in the third review, capability was not mentioned. However, our review of these cases indicated that the beneficiaries may need a payee.

The remaining 35 beneficiaries were receiving retirement benefits and were not subject to routine reviews that might uncover evidence related to capability. Many of the beneficiaries in our sample who may need payees reportedly suffered from Alzheimer's, dementia, or other conditions that may prevent them from directing the management of their finances. However, the Agency has no controls for the routine re-evaluation of beneficiaries' capabilities.³⁶ Because up to 50 percent of individuals over age 85 may suffer from Alzheimer's disease or dementia,³⁷ the Agency may reasonably expect changes in beneficiaries' conditions or abilities over time.

In a 2010 report, we estimated that approximately 1 million beneficiaries over age 85 may have been incapable of managing or directing the management of their benefits.³⁸ We recommended SSA establish additional controls to better identify aged beneficiaries who need payees. SSA disagreed with this recommendation because of the significant resources involved. SSA also stated that targeting aged beneficiaries would create the appearance of discrimination and interference with their rights. However, we note that this recommendation was designed to ensure payments to these beneficiaries were used for their intended purpose.

³⁵ When SSA conducts a full medical CDR, it will make every reasonable effort to obtain a complete 12-month medical history, current information about physical and mental conditions, and any work activity to decide whether the individual remains disabled under the Agency's medical improvement criteria. SSA, *POMS*, DI 28001.001 (May 15, 2015). The remaining seven beneficiaries received Forms SSA-455 between 2014 and 2020, but none of the questions related to capability. Six of these beneficiaries completed and returned their Form, while the remaining beneficiary did not. As of June 2022, SSA was following up. SSA, *POMS*, DI 13004.005, B. (September 22, 2016).

³⁶ Although SSA does not routinely re-evaluate capability for all beneficiaries, it has provisions to confirm capability for beneficiaries who are at or near 100-years-old who are living in foreign countries. SSA, *POMS*, GN 02602.500, B.3 (March 4, 2020). SSA also confirms capability of beneficiaries age 90 and above who are in current pay, have a domestic address, and have not used Medicare for 3 or more years. SSA, *POMS*, GN 02602.600, B.3 (March 9, 2020).

³⁷ American Psychological Association, *Aging: When should I be concerned about a senior's forgetfulness?*, apa.org (March 18, 2020); Cleveland Clinic, *Alzheimer's Disease*, my.clevelandclinic.org (March 18, 2020); John Hopkins Bloomberg School of Public Health, *Alzheimer's Disease - When Will We Conquer It*, jhsph.edu (March 18, 2020).

³⁸ SSA, OIG, *Aged Beneficiaries in Need of Representative Payees*, A-09-09-29002 (April 2010).

Beneficiaries with De Facto Payees

Of the 45 beneficiaries who may have needed a payee, 40 had a de facto payee managing their benefits without SSA's knowledge and approval.³⁹ Although SSA policy allows individuals to direct someone else to manage their benefits,⁴⁰ the information we obtained during our review indicates these 40 beneficiaries may not be capable of directing the management of benefits. SSA had not evaluated these beneficiaries' de facto payees' qualifications and suitability to serve the beneficiaries' best interests.⁴¹ In selecting a payee, SSA evaluates an applicant's qualifications and suitability to serve the beneficiary's interests.⁴² SSA generally requires face-to-face interviews with applicants to evaluate their suitability and explain their duties and responsibilities as payees.⁴³ SSA also reviews the applicant's Social Security number; verifies identity and income; reviews criminal history; and evaluates any relationship to the beneficiary, custody arrangements, and past performance if they currently or previously served as a payee.⁴⁴ Examples of beneficiaries with de facto payees follow:

- An 86-year-old beneficiary lives in a Maryland nursing home and receives \$1,597 a month in retirement benefits. We spoke with her daughter who serves as her VA payee, has power of attorney, and manages her SSA benefits. She reported that her mother was unable to direct the management of her benefits because she has dementia. SSA reviewed this case and stated the information provided could be a sign of cognitive decline and is sufficient information for SSA to initiate a capability determination.
- A 95-year-old beneficiary was living in a nursing home and receiving \$922 a month in retirement benefits. We spoke with a family friend who is her VA payee and power of attorney. He told us the beneficiary's Social Security benefits go directly to the nursing home to manage. SSA reviewed the details of this case and declined to perform a capability determination for this beneficiary. SSA stated, "There is insufficient evidence to determine whether a capability determination should be initiated. . . . Existence of a [power of attorney] makes no finding about an individual's capability or competence, and does not diminish the rights of the individual."⁴⁵ More information is needed to determine whether the beneficiary manages or is directing the management of her benefit." SSA also stated, ". . . information provided by OIG does not indicate a change in the beneficiary's ability to manage or direct the management of her benefits." Considering the third-party reports the beneficiary's nursing home is receiving her benefits on her behalf, and she has a payee for her VA benefits, we believe it is in the beneficiary's interest for SSA to determine her capability.

³⁹ These 40 beneficiaries include all 26 who may need a payee who were age 85 or older.

⁴⁰ SSA, *POMS*, GN 00502.020, A. (January 26, 2017).

⁴¹ Prospective payees are required to submit a Form SSA-11. Payee applications are processed through SSA's Electronic Representative Payee System unless it is not possible. When an application cannot be processed through the system, the payee applicant must complete a paper version of the application, Form SSA-11-BK. SSA, *POMS*, GN 00502.107, A. (June 21, 2017).

⁴² SSA, *POMS*, GN 00502.113, A. (April 15, 2016).

⁴³ SSA, *POMS*, GN 00502.113, A, B. (April 15, 2016).

⁴⁴ SSA, *POMS*, GN 00502.117 (April 14, 2014); GN 00502.132 (June 23, 2017).

⁴⁵ SSA policy states the existence of a power of attorney does not diminish the individual's rights and does not usually grant the third party the right to manage the individual's assets. It typically makes no finding about the individual's capability or competence. SSA, *POMS*, GN 00502.139, A.6 (April 15, 2016).

SSA policy allows for benefits to be paid directly to a nursing home when that nursing home is either serving as the beneficiary's payee or the beneficiary does not have a payee.⁴⁶ However, in a previous audit of a nursing home managing the benefits of Social Security beneficiaries, we concluded that nursing facilities that receive Social Security payments without applying to be payees for incapable beneficiaries may avoid SSA's oversight of payees.⁴⁷ We recommended SSA review the capability of the beneficiaries for whom the audited nursing facility was not payee but continued receiving their Social Security payments to determine whether payees were needed. SSA agreed with our recommendation.⁴⁸

Pursuant to the *Strengthening Protections for Social Security Beneficiaries Act of 2018*,⁴⁹ SSA is required to conduct periodic on-site reviews of individual payees, including family members, based on risk of potential misuse or unsuitability.⁵⁰ If another individual acts as a de facto payee, that person is not subject to SSA's financial oversight and reporting responsibilities—such as reporting events to SSA that may affect the individual's entitlement or benefit payment amount. In these 40 cases, individuals are managing Social Security payments on behalf of beneficiaries who may not be capable of managing or the directing the management of the funds and have not had recent capability determinations and without applying to be payee, which circumvents SSA's oversight.

Lack of Coordination Among Federal Agencies for Payee Data

In a 2004 report, the Government Accountability Office recommended that SSA convene an inter-agency study group, comprising representatives from various fiduciary (payee) programs, to assess the cost and benefits of sharing the identities of beneficiaries that Federal agencies have in common and have determined to be incapacitated.⁵¹ While VA indicated its willingness to participate in this study group, SSA indicated that leading such a group was beyond its purview. Although SSA shares concern about incapacitated people's general welfare SSA stated its responsibility focuses on ensuring any SSA benefits incapacitated people receive are used for their maintenance and welfare.⁵²

⁴⁶ SSA, *POMS*, GN 00603.020, C.1 (February 14, 2017).

⁴⁷ SSA, *OIG, Envoy, a Representative Payee for the Social Security Administration, A-13-18-50292*, p. 13 (July 2018).

⁴⁸ SSA, *OIG, Envoy, a Representative Payee for the Social Security Administration, A-13-18-50292*, pp. 10 and 13 (July 2018).

⁴⁹ 42 U.S.C. §405(j)(6), as amended by *Strengthening Protections for Social Security Beneficiaries Act of 2018*, Pub. L. No. 115-165, 132 Stat. 1259.

⁵⁰ As of April 2022, we have an on-going audit (*The Social Security Administration's Review of Representative Payees, A-13-17-50195*) to determine the effectiveness of SSA's controls and procedures for monitoring payees in accordance with the *Strengthening Protections for Social Security Beneficiaries Act of 2018*, Federal regulations, and Agency policies.

⁵¹ Government Accountability Office, *Guardianships, Collaboration Needed to Protect Incapacitated Elderly People, GAO-04-655*, pp. 31 and 32 (2004).

⁵² Government Accountability Office, *Guardianships, Collaboration Needed to Protect Incapacitated Elderly People, GAO-04-655*, pp. 33 and 34 (2004).

In its 2016 report, the National Academies of Sciences, Engineering, and Medicine recommended that SSA, VA, and other relevant Federal agencies assess the extent of the inconsistency in identifying beneficiaries who are incapable of managing funds when individuals receive benefits from more than one agency and based on the findings, the relevant agencies should explore mechanisms to facilitate ongoing inter-agency communication regarding beneficiaries' capability.⁵³

In January 2018, the Social Security Advisory Board (SSAB) released a report that "...discusses the need for inter-agency collaboration in approaching how to determine if an individual needs assistance" and directly addresses representative payment coordination between SSA and the VA.⁵⁴ The report notes that, while there are multiple Federal agencies with payee responsibilities, there is little coordination among them. Every agency creates its own rules and procedures and assigns its own payee, which leads to duplicative regulations and confusing policy differences—such as when a person who receives benefits from multiple agencies is assigned a payee in one program and deemed capable of managing their benefits in another.⁵⁵

However, SSAB did not recommend that SSA take any actions. Rather, SSAB recommended that the Office of Management and Budget "... study how best to coordinate the management of federal benefits for people who have been determined to be financially incapable . . ." and "[c]onsider the creation of a shared database for federal benefit-paying agencies . . . The database will assist in improving financial capability determinations, [payee] selection, and oversight of the program".⁵⁶ In January 2022, the Office of Management and Budget reported it had not specifically addressed either recommendation.

In September 2020, SSA informed us it was not taking action to coordinate with VA to determine whether SSA beneficiaries need a capability assessment because they had a VA payee. SSA stated it had compared its capability determination process for its beneficiaries and the VA process for determining mental incompetency in VA beneficiaries and noted meaningful differences between the two agencies' processes. Based on these differences, the Agency concluded that information VA has determined an individual is mentally incompetent is not valuable to SSA's determination of whether the individual is incapable; but SSA did not obtain or test data to confirm this conclusion. SSA did not pursue additional information sharing with the VA.

⁵³ National Academies of Sciences, Engineering and Medicine, *Informing Social Security's Process for Financial Capability Determination*, p. 12 (2016).

⁵⁴ SSAB, *Improving Social Security's Representative Payee Program*, pp. 1, 2, and 19 (2018).

⁵⁵ SSAB, *Improving Social Security's Representative Payee Program*, p. 19 (2018).

⁵⁶ SSAB, *Improving Social Security's Representative Payee Program*, p. 22 (2018).

CONCLUSIONS

SSA should use VA data as a lead to trigger capability assessments when beneficiaries with direct payment receive VA benefits through a payee. If SSA does not use the data, we estimate it will pay \$137.5 million to beneficiaries who may need a payee over the next 12 months and these funds may not be used to meet their needs for food, clothing, shelter, and medical care.

Although SSA policy requires a capability determination when it becomes aware of indicators or evidence there is a change in a beneficiary's capability, it does not routinely review capability for its beneficiaries to determine whether they need payees. Also, when a de facto payee manages benefits, they are not subject to SSA's payee oversight. If SSA performs capability determinations for beneficiaries receiving VA benefits through a payee, it will be able to oversee the payees for those beneficiaries who are not capable of directing the management of their benefits. We believe SSA should use VA information to identify beneficiaries who need payees.

RECOMMENDATIONS

We recommend SSA:

1. Perform capability determinations for the 45 beneficiaries identified in our sample who may need a payee.
2. Determine whether to routinely obtain VA payee data based on the results of the 45 capability determinations.

AGENCY COMMENTS

SSA agreed with the recommendations. See Appendix E.

APPENDICES

Appendix A –SCOPE AND METHODOLOGY

To conduct our review, we:

- Researched and reviewed applicable sections of the U.S. Code and Social Security Administration's (SSA) and the Department of Veterans Affairs' (VA) relevant regulations, rules, policies, and procedures.
- Researched and reviewed relevant SSA, VA, and Government Accountability Office reports.
- Obtained a file from the VA of individuals receiving benefits through a fiduciary in 2018.
 - Ran the VA file through SSA's Enumeration Verification System to validate the Social Security numbers, names, dates of birth, and genders.
 - Matched the validated VA records against SSA's Old-Age, Survivors and Disability Insurance (OASDI) and Supplemental Security Income (SSI) records in current pay status as of March 2021 without a representative payee (payee). This match resulted in 39,154 records.
 - Analyzed the 39,154 records based on age, disability, and whether the beneficiary was a payee for someone else who was collecting SSA benefits. See Figure B–1.
 - Selected 250 beneficiaries using a stratified random sample methodology, as shown in Figure B–1.
 - Reviewed the Master Beneficiary and/or Supplemental Security Record, Representative Payee System, Veterans Benefits Administration Query, and Disability Control File for each sample case.
 - Replaced beneficiaries in our sample who had dates of death on these records.
 - Determined whether the beneficiary was serving as a payee, and if so:
 - for how many beneficiaries he/she was serving as payee and
 - the dollar amount of benefits managed.
 - Mailed questionnaires to the 250 sampled beneficiaries to verify the beneficiary was receiving VA benefits through a fiduciary and gather information to determine whether the beneficiary may need a payee for his/her OASDI or SSI benefit. For a copy of the questionnaire, see Appendix D.
 - Interviewed beneficiaries, VA payees, or others, as needed, to clarify responses to our questionnaires.
 - Followed up with non-responders.
 - Conducted a preliminary analysis of responses that identified 63 beneficiaries who may have needed a formal capability assessment to determine whether a payee was needed.

- Provided SSA information on the 63 beneficiaries identified in our preliminary analysis.¹
- Reviewed SSA's Office of Operations' feedback on the 63 beneficiaries and concluded 45 beneficiaries may need a formal capability assessment to determine whether a payee is needed.
- Contacted SSA's Office of Policy to clarify circumstances where our policy interpretation did not agree with the feedback received from SSA's Office of Operations.
- Estimated, based on the sample, the number of SSA beneficiaries who may need a payee.
- Quantified the monthly and annual amount of OASDI and/or SSI funds paid to beneficiaries who may need a payee.
- Interviewed SSA subject matter experts to obtain information on the Agency's coordination with the Railroad Retirement Board.
- Contacted the Office of Management and Budget to obtain information on any actions it took, or was planning to take, in response to the Social Security Advisory Board's 2018 report, *Improving Social Security's Representative Payee Program*.

We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components, including control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objective. We identified the following component and principle as significant to the audit objective.

- Component 4: Information and Communication
 - Principle 13: Use quality information

We conducted our review between May 2021 and January 2022 in Boston, Massachusetts. We determined the data used for this audit were sufficiently reliable to meet our audit objective. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹ Additionally, we referred 64 cases with new telephone numbers, 8 cases with new addresses reported by the beneficiaries or third parties, 7 cases with non-working addresses for which we were unable to identify a new address (that is, undeliverable mail), and 4 cases with non-working addresses for which we identified a possible new address but have not received a response from the beneficiary.

Appendix B –SAMPLING METHODOLOGY AND RESULTS

Sampling Methodology

We identified 39,154 Old-age, Survivors and Disability Insurance (OASDI) and/or Supplemental Security Income (SSI) beneficiaries in current pay as of March 2021 with no representative payee (payee) on the Social Security Administration's (SSA) records but with a payee on Department of Veterans Affairs (VA) records as of Calendar Year 2018.

From our population of 39,154, we identified 25,145 who may be high-risk for needing a payee. This includes individuals who were age 85 or older, had mental impairments, or served as payee for someone else getting SSA benefits. We focused on these categories because of the following:

- According to medical statistics, up to 50 percent of individuals over age 85 may suffer from Alzheimer's disease or dementia.¹
- In a prior Office of the Inspector General review, we looked at disabled individuals aged 15 to 65 with mental impairments in need of a payee and estimated 208,326 of the 895,151 mentally impaired beneficiaries in our population received over \$200 million in monthly benefits but may have been incapable of managing or directing the management of their SSA funds.²
- Our current audit population included individuals SSA determined could manage funds for other SSA beneficiaries. However, most were selected as payee more than 5 years ago. Therefore, circumstances may have changed since they were selected as an SSA payee.

We then selected 250 beneficiaries using a stratified random sample methodology, as shown in Figure B-1.

¹ American Psychological Association, *Aging: When should I be concerned about a senior's forgetfulness?*, apa.org (March 18, 2020); Cleveland Clinic, *Alzheimer's Disease*, my.clevelandclinic.org (March 18, 2020); John Hopkins Bloomberg School of Public Health, *Alzheimer's Disease - When Will We Conquer It*, jhsph.edu (March 18, 2020).

² SSA, OIG, *Disabled Individuals with Mental Impairments in Need of a Representative Payee*, A-07-11-11110, pp. 3 and 4 (September 2012).

Figure B-1: Breakout of the Population of SSA Beneficiaries Receiving Direct Payment and VA Beneficiaries with a Payee

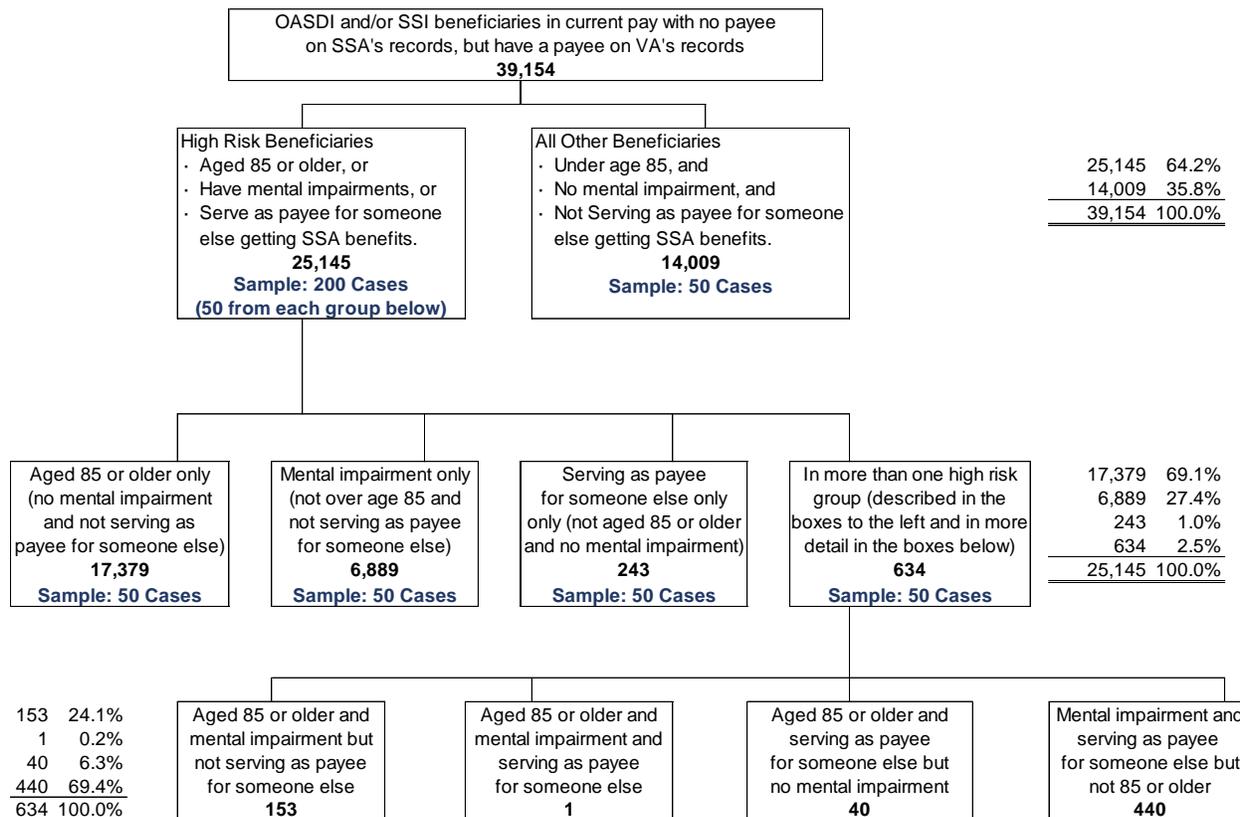


Table B-1: Stratification of Population

1	Beneficiaries aged 85 or older	17,379
3	Beneficiaries serving as a payee	243
5	All other beneficiaries (under age 85, no mental impairment, not serving as a payee for someone else)	14,009

Sampling Results

For each sample case, we mailed a questionnaire to the beneficiary to (1) confirm the beneficiary was receiving VA benefits and (2) make a preliminary assessment of whether the beneficiary should have a capability determination. We mailed follow-up questionnaires to non-responders. We received responses from 145 (58 percent) beneficiaries. See Table B–2.

Table B–2: Response Rates

Category	Stratum 1	Stratum 2	Stratum 3	Stratum 4	Stratum 5	Total
Sample Size	50 (100%)	50 (100%)	50 (100%)	50 (100%)	50 (100%)	250 (100%)
Responses	31 (62%)	28 (56%)	31 (62%)	26 (52%)	29 (58%)	145 (58%)
Non-Responders	11 (22%)	20 (40%)	18 (36%)	20 (40%)	15 (30%)	84 (34%)
Died	4 (8%)	1 (2%)	1 (2%)	2 (4%)	5 (10%)	13 (5%)
Incorrect Address	4 (8%)	1 (2%)	0 (0%)	2 (4%)	1 (2%)	8 (3%)

We reviewed each response and conducted telephone interviews with beneficiaries (or the individual who completed the form for the beneficiary) who appeared to need a payee to obtain more information. We then reviewed these cases based on SSA feedback and concluded 45 beneficiaries in our sample may need a formal capability assessment to determine whether a payee is needed. See Table B–3.

Table B-3: Estimate of Number of Beneficiaries Who May Need a Payee and the SSA Benefits Paid to Them

Category	Stratum 1	Stratum 2	Stratum 3	Stratum 4	Stratum 5	Total
Population	17,379	6,889	243	634	14,009	39,154
Sample Size	50	50	50	50	50	250
Attribute Projection						
Sampled Beneficiaries Who May Need a Payee	23	5	4	5	8	45
Point Estimate	7,994	5	4	5	8	8,016
Upper Limit	10,168					
Lower Limit	5,885					
Dollar Projections						
Monthly Benefit Payment to Sampled Beneficiaries Who May Need a Payee	\$32,853	\$7,219	\$10,046	\$8,012	\$11,194	\$69,324
12-month Estimate in Sample	\$394,236	\$86,628	\$120,552	\$96,144	\$134,328	\$831,888
Point Estimate for Monthly Benefit	\$11,418,941					
Upper Limit for Monthly Benefit	\$14,725,568					
Lower Limit for Monthly Benefit	\$8,112,315					
12-month Estimate for Population	\$137,027,292	\$86,628	\$120,552	\$96,144	\$134,328	\$137,464,944

Note: All statistical projections were calculated at the 90-percent confidence level. We only did a statistical projection for Stratum 1 and we added this to the actual results in Strata 2, 3, 4, and 5. We did not project for the other Strata because of the low number of sampled beneficiaries who may need a payee.

Appendix C –CHARACTERISTICS OF BENEFICIARIES

The following tables show the characteristics of the 39,154 beneficiaries in current pay with no payees on the Social Security Administration’s records but who have payees on the Veterans Affairs’ records.

Table C–1: Beneficiary Ages

Age as of March 2021	Number of Beneficiaries
Under 31 years old	60
31 to 40 years old	854
41 to 50 years old	1,204
51 to 60 years old	1,953
61 to 70 years old	5,241
71 to 80 years old	10,062
81 to 84 years old	2,207
Total Under Age 85	21,581
85 to 90 years old	7,488
91 to 100 years old	9,798
Over 100 years old	287
Total Aged 85 or Older	17,573
Total	39,154

Table C–2: Top Diagnoses for Beneficiaries Who Are Receiving Disability Benefits or Who Received Disability Benefits Before They Switched to Retirement Benefits

Diagnosis	Number of Beneficiaries
Depression, Bipolar and Related Disorders	2,352
Schizophrenia	2,055
Anxiety Disorders	1,685
Disorders of Back (Discogenic and Degenerative)	1,467
Neurocognitive Disorders	1,018
Vascular Insult to the Brain	785
Osteoarthritis and Allied Disorders	575
Chronic Ischemic Heart Disease	260
Multiple Sclerosis	220
Parkinson’s Disease	176
Intellectual Disorder	127
Late Effects of Injuries to the Nervous System	127
Disorders of Muscle, Ligament and Fascia	126
Other and Unspecified Arthropathies	119
Trauma and Stressor-Related Disorders	116
Diabetes Mellitus	114
Traumatic Brain Injury	112
Peripheral Neuropathy	103
Chronic Respiratory Disorders	99
Epilepsy	96
All Others	2,482
Total	14,214

Table C–3: Beneficiaries with Mental Disorder Diagnoses

Diagnosis	Number of Beneficiaries
Depression, Bipolar and Related Disorders	2,352
Schizophrenia	2,055
Anxiety Disorders	1,685
Neurocognitive Disorders	1,018
Intellectual Disorder	127
Trauma and Stressor-Related Disorders	116
Personality Disorders	88
Somatic Symptom and Related Disorders	21
Attention Deficit/Hyperactivity Disorder	9
Autism Spectrum Disorders	9
Learning Disorders	1
Impulse Control Disorders	1
Eating Disorders	1
Total	7,483

Table C-4: Ages of Beneficiaries with Mental Disorders

Age as of March 2021	Number of Beneficiaries
Under 31 years old	46
31 to 40 years old	710
41 to 50 years old	953
51 to 60 years old	1,304
61 to 70 years old	2,125
71 to 80 years old	2,097
81 to 84 years old	94
Total Under Age 85	7,329
85 to 90 years old	117
91 to 100 years old	37
Over 100 years old	0
Total Aged 85 or Older	154
Total	7,483

Appendix D –QUESTIONNAIRE MAILED TO SAMPLED BENEFICIARIES



Office of the Inspector General SOCIAL SECURITY ADMINISTRATION

July 14, 2021

Beneficiary Name
Beneficiary Address
Beneficiary Telephone

Sample Case Number: X

Dear <insert Beneficiary Name>:

The Social Security Administration's (SSA) Office of the Inspector General (OIG), Office of Audit, is conducting a review of individuals who receive benefits from more than one Federal agency. We randomly selected you to participate in this review. We did not select you because of any questions about your entitlement to benefits. Your responses will contribute to improved Government services for individuals receiving benefits.

If you have any questions or would prefer to respond over the telephone, please contact <OIG Employee Name> at XXX-XXX-XXXX or email <insert email address>.

If the name, mailing address, and/or telephone number above are not correct, please cross out the incorrect information and write the correct information next to it. After we receive your response, we may contact you to follow-up.

Please answer the following questions.

(1.) Please check the box next to the option that most accurately describes your circumstances.

- I am currently receiving Department of Veterans Affairs (VA) benefits.
 I used to receive VA benefits, but I am not currently receiving VA benefits. (Please list the dates you received benefits below.)

- I have never received VA benefits. (If you select this option, STOP. Do not answer questions 2 – 11. Go to page 3 to sign and date the questionnaire. Return the completed questionnaire per the instructions on page 3.)

(2.) Is someone (such as a fiduciary) currently helping you manage your VA benefits?

Circle one: **Yes / No**

If **Yes**, list the name of the person or entity who has helped you manage your VA benefits:

If **No**, has anyone helped you manage your VA benefits in the past, and if so list the name of the person or entity that helped you:

(3.) Does anyone help you manage your SSA benefits?
Circle one: **Yes / No**

If **Yes**, list the name of the person or entity who helps you manage your SSA benefits and describe what help you receive:

(4.) Do you live alone? Circle one: **Yes / No**

If **No**, who lives with you?

(5.) Do you have a court appointed legal guardian and/or a conservator?
Circle one: **Yes / No**

If **Yes**, what does your guardian and/or conservator do for you?

(6.) If you have a checking account, do you write your own checks?
Circle one: **Yes / No / I do not have a checking account**

If **No**, who handles your checking account? _____

a) Have you ever written a check or paid with a debit card when you did not have money in the bank ("bounced" check/insufficient funds)?

Circle one: **Yes / No / I do not have a checking account or debit card**

If **Yes**,

How often has this happened? _____

Why do you think this happened? _____

What did you do when it happened? _____

Do you review and understand your bank statements? _____

(7.) What do you spend money on each month?

Rent/mortgage Utilities Phone Food Transportation

Medication/Medical Bills Other. Please specify.

(8.) Have you ever forgotten to pay any of your bills?
Circle one: **Yes / No**

If **Yes**,

How often do you forget to pay your bills? _____

How did you find out about it? _____

What did you do when you found out you forgot to pay your bills?

(9.) Do you buy your own groceries?

Circle one: **Yes / No**

a) If **No**, how do you get your groceries?

b) Do you decide what groceries you need to get?

Circle one: **Yes / No**

If **No**, who decides for you? _____

(10.) What would you do if you ran out of food?

(11.) If you take medication, do you need help remembering when or how much to take?

Circle one: **Yes / No**

a) If **Yes**, how are you reminded to take your medication?

I understand that the information above will be used as part of an SSA OIG review and that the accuracy of the information is important to facilitate improvements in the administration of Federal benefits. I have reviewed all the information on this form and affirm that it is true and correct to the best of my knowledge.

(Signature of person completing this form)

(Telephone number) (Date)

(Printed name of person completing this form)

Please return this completed questionnaire to us in the enclosed envelope by **August 13, 2021**. You may also fax it to (XXX) XXX-XXXX or email it to <insert email>.

If you have any questions about this questionnaire, please contact <OIG Employee> at XXX-XXX-XXXX or email <insert email>.

Sincerely,

<insert signature>

Privacy Act Statement
Collection and Use of Personal Information

The Inspector General Act of 1978, as amended, allows the SSA OIG to collect this information. Furnishing us this information is voluntary. Failing to provide all or part of the information will not have any effect on your SSA benefit.

We will use the information to improve Government services for individuals receiving benefits. We may also share your information for the following purposes, called routine uses:

- To Federal, State, or local agencies where disclosure is necessary in order to obtain records relevant and necessary to a civil or administrative investigation of the Office of Inspector General; and
- To Federal, State, and local agencies, or to other entities administering federally funded programs where necessary to take action based on an OIG investigation or audit which identifies individuals not entitled to program benefits or individuals delinquent on loan payments under federally funded programs.

If we refer any information to SSA, SSA may also share this information in accordance with the Privacy Act and other Federal laws. For example, where authorized, SSA may use and disclose this information in computer matching programs, in which SSA records are compared with other records to establish or verify a person's eligibility for Federal benefit programs and for repayment of incorrect or delinquent debts under these programs.

A list of additional routine uses is available in the SSA OIG's System of Records Notice (SORN) OIG-002, entitled Civil and Administrative Investigative Files of the Inspector General, as published in the Federal Register (FR) on September 30, 1982, at 47 FR 43190, and SSA SORNs 60-0090, entitled Master Beneficiary Record, as published in the FR on January 11, 2006, at 71 FR 1826; 60-0103, entitled Supplemental Security Income Record and Special Veterans Benefits, as published in the FR on January 11, 2006, at 71 FR 1830; and 60-0222, entitled Master Representative Payee File, as published in the FR on November 2, 2018, at 83 FR 55228. Additional information, and a full listing of all SSA SORNs, is available on our website at www.ssa.gov/privacy.

Appendix E – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: June 23, 2022

Refer To: TQA-1

To: Gail S. Ennis
Inspector General

From: Scott Frey
Chief of Staff

Subject: Office of the Inspector General Draft Report "Social Security Beneficiaries Who Have Direct Payment While Receiving Veterans Affairs' Benefits Through a Representative Payee" (A-01-18-50380) — INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations.

Please let me know if I can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.



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