



Report Summary

Social Security Administration
Office of the Inspector General

Audit of Cottonwood, Incorporated, - An Organizational Representative Payee for the Social Security Administration (Limited Distribution) (A-07-03-13024)

We found that Cottonwood, Incorporated needed to strengthen and implement more effective safeguards over the receipt and disbursement of Social Security benefits and ensure SSA benefit payments were used in accordance with SSA policies and procedures. Specifically, Cottonwood

- Had insufficient controls over cash disbursements that resulted in an employee theft of about \$27,000 in SSA beneficiaries' funds.
- Did not review or maintain receipts for items purchased by its employees from beneficiaries' funds.
- Allowed beneficiaries' unsupervised access to their checkbooks.
- Did not properly title beneficiaries' bank accounts.
- Did not receive all SSA benefit payments via direct deposit or hold beneficiaries' conserved funds in interest-bearing accounts.

This report contains information that is sensitive and confidential. For security reasons, distribution of this report was limited to those with a need to know.