

Office of the Inspector General

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Principal Deputy Commissioner
of Social Security

Acting Inspector General

Nonresponder Representative Payee Alerts for Supplemental Security Income
Recipients (A-09-96-62004)

Attached is a copy of the subject final report. Our objective was to identify the reasons why representative payees who receive Supplemental Security Income benefits on behalf of recipients do not always provide an annual accounting of how the funds were spent and/or saved.

You may wish to comment on any further action taken or contemplated on our recommendations. If you choose to offer comments, please provide them within the next 60 days. If you wish to discuss the final report, please call me or have your staff contact Daniel R. Devlin, Acting Assistant Inspector General for Audit, at (410) 965-9700.

James G. Huse, Jr.

Attachment

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Report File

**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**NONRESPONDER REPRESENTATIVE
PAYEE ALERTS FOR
SUPPLEMENTAL SECURITY
INCOME RECIPIENTS**

September 1999

A-09-96-62004

**EVALUATION
REPORT**



EXECUTIVE SUMMARY

OBJECTIVE

The objective of this evaluation was to identify the reasons why representative payees (Rep Payee) who receive Supplemental Security Income (SSI) benefits on behalf of recipients do not always provide an annual accounting of how the funds were spent and/or saved.

BACKGROUND

The Social Security Administration (SSA) provides monthly cash payments to recipients under title XVI of the Social Security Act (the Act). If these individuals cannot manage their own finances, Congress authorized SSA to pay the benefits to other individuals or organizations, called Rep Payees, on their behalf. These individuals and organizations, with certain limited exceptions, are required to submit accounting forms annually to assist SSA in determining: (1) the use of benefits during the preceding 12-month reporting period, (2) the continuing suitability of the Rep Payee, and (3) the continuing need for representative payment.

Each month, SSA sends accounting requests to approximately one-twelfth of all Rep Payees. If a Rep Payee does not return the accounting form within 3 months, a second accounting form is mailed. Rep Payees who have not returned their accounting forms within 6 months of the first mailing appear on a listing generated from SSA's computerized data bases. These lists, called nonresponder alerts, are sent to the field offices (FO) for review. Employees are required to follow up with the Rep Payees to obtain the accounting forms.

The Office of the Inspector General (OIG) has conducted a series of evaluations to review and recommend improvements to SSA's annual accounting process. This review, which addresses title XVI of the Act, explores the reasons why Rep Payees do not always return the accounting forms to SSA. This review also presents employee suggestions for increasing the number of Rep Payees who respond to the accounting requests. To accomplish our objective, we developed questionnaires to solicit responses from employees and Rep Payees. We performed field work in Baltimore, Maryland, and Richmond, California, between February 1997 and March 1998.

RESULTS OF REVIEW

We were unable to obtain definitive reasons why Rep Payees who receive SSI benefits on behalf of recipients do not always provide an annual accounting of how the funds were spent and/or saved. This occurred, in part, because of the lack of supporting documentation retained by FO employees. Based on the responses to our questionnaires, we found that 67 of the 110 employees in our sample (61 percent) could not recall the reasons why the Rep Payees had not completed their accounting forms as required.

Generally, our review disclosed that FO employees made reasonable efforts to contact the Rep Payees in our sample. Despite these actions, employees continued to experience problems with Rep Payees who did not return or promptly return their accounting forms to SSA. As a result, 48 of the 110 employees in our sample (44 percent) reported that they routinely suspended benefits or threatened to suspend benefits as a means of obtaining the forms, although such actions are generally prohibited by SSA's procedures.

In addition, 80 of the 110 employees in our sample (73 percent) offered suggestions to improve the annual accounting process. Some of these suggestions included: (1) simplifying the accounting forms and instructions; (2) providing self-addressed, stamped envelopes to the Rep Payees; (3) allowing Rep Payees to provide accounting information over the telephone; (4) strengthening the tracking and processing of the accounting forms; (5) suspending benefits for nonresponse; (6) redirecting the benefit checks to FOs; (7) placing a stern warning directly on the accounting forms; and (8) sending cover letters with due dates along with the forms.

CONCLUSIONS AND RECOMMENDATIONS

SSA has undertaken a number of initiatives to redesign the annual accounting process. We believe that the suggestions made by the FO employees, in whole or in part, warrant further consideration as SSA continues in its ongoing effort to improve Rep Payee performance. We also believe that SSA needs to strengthen its procedures to empower FO employees to redirect or suspend benefits, if necessary, to obtain the accounting forms from uncooperative Rep Payees. These procedures should require FO employees to retain supporting documentation and motivate Rep Payees to complete the required forms, thereby reducing the vulnerability of the Agency to individuals who misuse the benefits received on behalf of SSI recipients. Therefore, we recommend that SSA:

- evaluate the merit of the employee suggestions cited in this report and incorporate the suggestions into future modifications of the annual accounting process as appropriate;

- develop procedures for employees to redirect benefit checks to FOs (and require Rep Payees to provide the accounting forms before releasing the checks) in instances where other attempts to obtain the required forms have been unsuccessful;
- revise procedures to authorize employees to suspend benefits, if necessary, to obtain the accounting forms from uncooperative Rep Payees; and
- instruct FOs to improve controls over the retention of supporting documentation for processing nonresponder alerts and obtaining accounting forms from Rep Payees.

AGENCY COMMENTS AND OIG RESPONSE

In its response, SSA agreed with our first two recommendations. Accordingly, SSA agreed to make further improvements to the annual accounting process and, where appropriate, include the employee suggestions cited in this report. SSA also stated that it would determine the need for revised procedures to allow employees to redirect benefit checks to the FO if it were in the best interest of the recipient.

SSA did not agree with our last two recommendations. Specifically, SSA expressed concern that suspension of benefits to obtain accounting forms from Rep Payees may have an adverse impact on SSI recipients. SSA also stated that the number of transactions processed by its employees might have affected their ability to recall the reasons why Rep Payees did not return the accounting forms. The full text of SSA's comments is included in Appendix C.

TABLE OF CONTENTS

| | Page |
|---|------|
| EXECUTIVE SUMMARY | i |
| INTRODUCTION | 1 |
| RESULTS OF REVIEW | 7 |
| EMPLOYEES OFTEN COULD NOT RECALL THE REASONS FOR NONRESPONSE | 7 |
| ▪ Reasons for Nonresponse Provided by Rep Payees to FO Employees | 8 |
| ▪ Employee Opinions on the Reasons for Nonresponse by Rep Payees | 9 |
| EMPLOYEES USED SUSPENSION OF BENEFITS TO OBTAIN ACCOUNTING FORMS | 10 |
| CHRONIC NONRESPONDERS WERE DIFFICULT TO CONTACT | 11 |
| EMPLOYEE SUGGESTIONS FOR IMPROVING THE ANNUAL ACCOUNTING PROCESS | 12 |
| EMPLOYEE SUGGESTIONS FOR MOTIVATING THE CHRONIC NONRESPONDERS | 14 |
| CONCLUSIONS AND RECOMMENDATIONS | 15 |
| APPENDICES | |
| APPENDIX A - Employee Questionnaire | |
| APPENDIX B - Rep Payee Questionnaire | |
| APPENDIX C - Agency Comments | |
| APPENDIX D - Major Contributors to the Report | |
| APPENDIX E - SSA Organizational Chart | |

INTRODUCTION

OBJECTIVE

The objective of this evaluation was to identify the reasons why representative payees (Rep Payee) who receive Supplemental Security Income (SSI) benefits on behalf of recipients do not always provide an annual accounting of how the funds were spent and/or saved.

BACKGROUND

The Social Security Administration (SSA) administers the SSI program under title XVI of the Social Security Act (the Act). According to the Social Security Accountability Report for Fiscal Year 1998, the SSI program provided total annual cash benefits of about \$27.4 billion to 6.6 million recipients who were aged, blind, or disabled and had limited income and resources. As of December 1997, there were about 2.2 million recipients, or almost 34 percent, who could not manage their own finances.

If individuals cannot manage their own finances, Congress authorized SSA to pay the benefits to other individuals or organizations on their behalf. SSA refers to these individuals and organizations as Rep Payees. The Act allows SSA to appoint Rep Payees for recipients.¹ Rep Payees include, but are not limited to, parents with or without custody of children, spouses, other relatives, legal guardians, friends who display strong concern for the recipient's welfare, and institutions with or without custody of the recipient.

Until 1983, SSA did not have a mandate to conduct an accounting of the funds that Rep Payees received on behalf of recipients. However, following the outcome of a class-action lawsuit² filed against the Agency and an amendment to the Act,³ SSA was required to obtain annual accountings from all Rep Payees with certain limited exceptions. This information is used to determine: (1) the use of benefits during the preceding 12-month reporting period, (2) the continuing suitability of the Rep Payee, and (3) the continuing need for representative payment.

¹ Section 1631(a)(2)(A)(ii), 42 United States Code 1383(a)(2)(A)(ii).

² Jordan v. Schweiker, No. CIV-79-994-W (W.D. Okla., Mar. 17, 1983); see also Jordan v. Bowen, 808 F.2d 733 (10th Cir. 1987); and Jordan v. Heckler, No. CIV-79-994-W, slip. op. (W.D. Okla., Jan. 18, 1985).

³ Social Security Disability Benefits Reform Act of 1994, Public Law 98-460, section 16, 98 Stat. 1794, 1809 (1984).

Rep Payee Responsibilities

Rep Payees must submit an annual accounting of benefits received, used, and conserved on behalf of SSI recipients. In addition, Rep Payees have the following responsibilities:

- monitor the recipient's current well-being for food, shelter, clothing, medical care, and personal needs;
- inform SSA of changes in the Rep Payee's own circumstances that would affect the Rep Payee's performance;
- return benefits to which the recipient is not entitled; and
- report events to SSA that may affect the recipient's entitlement or amount of benefits, such as work, marriage, and changes in address or custody.

Accounting Form

SSA developed a standardized accounting form for all SSI recipients. The Form SSA-623, *Representative Payee Report*, asks how Rep Payees used the funds for food and shelter, savings, and other expenditures (e.g., clothing, education, medical and dental expenses, and personal items). The form also asks Rep Payees about: (1) changes in the recipient's custody, (2) whether the Rep Payee or another person controlled the SSA benefits, and (3) any personal felony convictions during the previous 12 months.

Annual Accounting Process

Each month, SSA sends annual accounting requests to approximately one-twelfth of all individuals serving as Rep Payees. Rep Payees usually receive their accounting requests on the anniversary of the month they were selected to be Rep Payee, although either SSA or the Rep Payee may designate another reporting period. SSA uses a contractor to mail the accounting forms to the Rep Payees.

When the contractor mails the accounting forms to the Rep Payees, SSA establishes a centralized tracking file to control the return of the forms. When a Rep Payee returns the form, SSA clears the tracking file to acknowledge receipt. If a Rep Payee does not return the accounting form to the Wilkes-Barre Data Operations Center in Pennsylvania within 3 months, the contractor mails a second accounting form. If a Rep Payee returns the form as a result of the second request, SSA clears the tracking file.

Rep Payees who have not returned their accounting forms within 6 months of the first mailing appear on a listing generated from the centralized tracking file. These lists, called nonresponder alerts, are sent to field offices (FO) for employees to follow up with

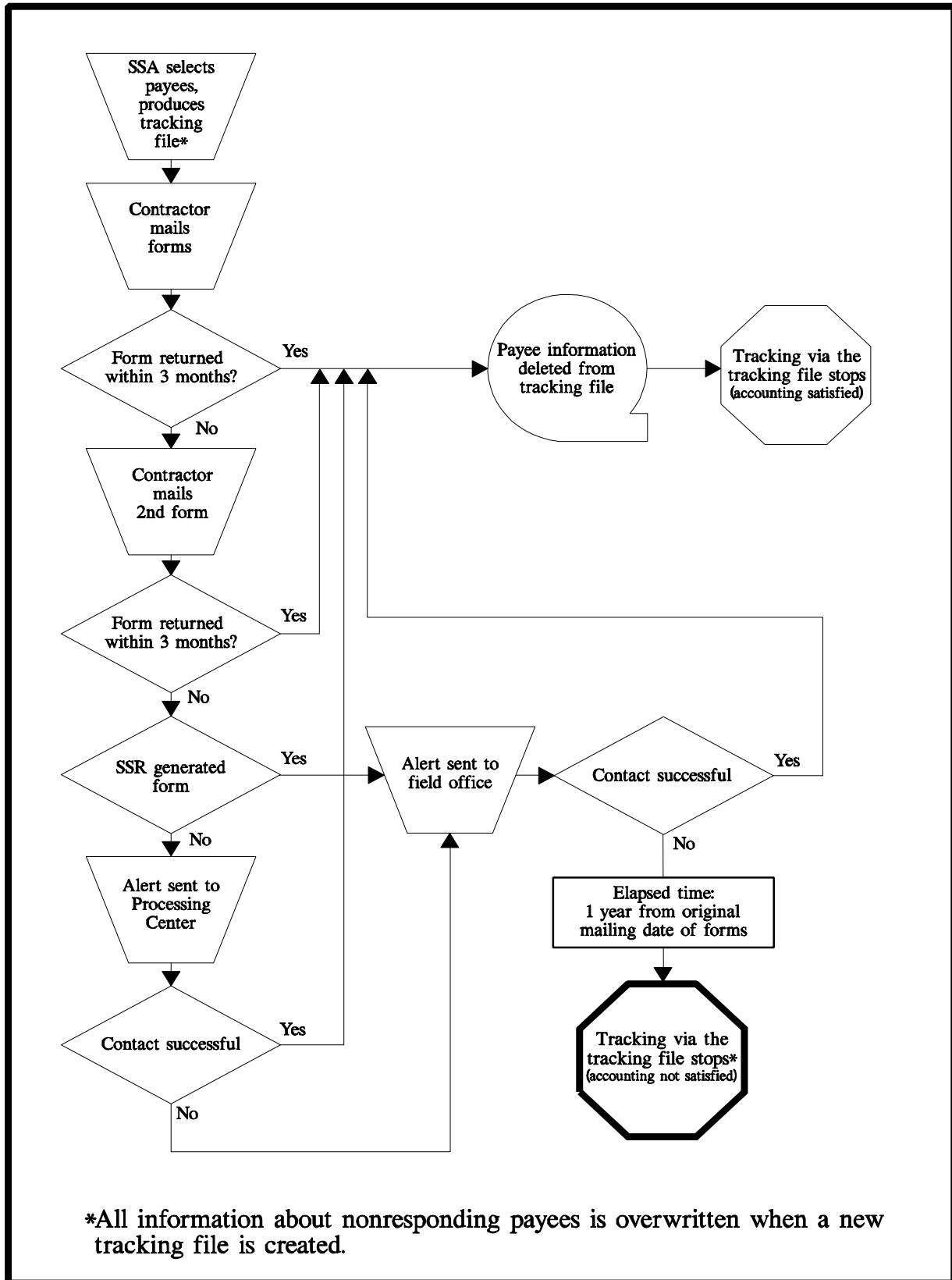
the Rep Payees. When FO employees process a nonresponder alert, they are required to perform the following four steps:

- Verify, through the use of SSA's on-line data bases, that the Rep Payee has not already submitted the accounting form.
- Attempt to contact the Rep Payee to ascertain the reason why the form was not returned.
- Obtain an accounting form from the Rep Payee by mail or, under certain circumstances, during a face-to-face interview.
- Clear the nonresponder alert from the control file when the required form has been received.⁴

The following chart provides an overview of the annual accounting process, including the tracking of accounting forms that are not returned by the Rep Payees.

⁴ Program Operations Manual System section GN 00605.085.

Tracking of Unreturned Accounting Forms Stops After 1 Year



*All information about nonresponding payees is overwritten when a new tracking file is created.

SCOPE AND METHODOLOGY

Based on SSA's Supplemental Security Income Record (SSR), there were a total of 20,780 nonresponder alerts sent to FOs in November 1996 for SSI Rep Payees who had not completed their accounting forms. From this universe, we selected a random sample of 123 nonresponder alerts⁵ representing 109 FOs in 32 States. Of this amount, 79 alerts were subsequently cleared after SSA employees took follow-up actions to obtain the accounting forms. The remaining 44 alerts involved Rep Payees who had not submitted their accounting forms to SSA within 12 months after the forms were mailed. These alerts covered 43 FOs in 22 States. We performed field work in Baltimore, Maryland, and Richmond, California, between February 1997 and March 1998.

To accomplish our objective, we:

- reviewed the Act and SSA's Program Operations Manual System (POMS), as applicable to the scope of our evaluation;
- conducted interviews with SSA Headquarters officials, FO employees, and Rep Payees;
- reviewed the findings and recommendations made in prior Office of the Inspector General (OIG) audit and evaluation reports;
- extracted a random sample of nonresponder alerts and obtained SSR queries from SSA's computerized data bases; and
- developed questionnaires, surveyed FO employees and Rep Payees, and summarized the responses.

For all 123 nonresponder alerts in our sample, we mailed the questionnaire to the FO employees (see Appendix A). We designed the questionnaire to evaluate the actions taken by FOs to process the nonresponder alerts and determine the procedures used by employees to obtain the accounting forms from Rep Payees. In addition, we asked FO employees about: (1) the reasons provided by the Rep Payees for their nonresponse, and (2) the reasons that the employees believed may have caused the nonresponse. We also solicited employee suggestions for improving the annual accounting process and motivating Rep Payees to complete the required forms. Our response rate was 89 percent, which represented 110 of the 123 questionnaires in our sample.

⁵ We initially selected 150 nonresponder alerts for review. However, because of limitations in SSA's on-line data bases, we were unable to track the status of 27 of the 150 alerts. Therefore, we reduced our sample to the 123 nonresponder alerts for which tracking information was available.

For the 44 nonresponder alerts where Rep Payees had not submitted their accounting forms within 12 months after the forms were mailed,⁶ we surveyed the Rep Payees by telephone and completed the questionnaire (see Appendix B). We designed the questionnaire to identify Rep Payees' opinions towards the accounting forms and the annual accounting process. Although we reviewed SSA's on-line data bases and interviewed FO employees, we could not always obtain current telephone numbers for the Rep Payees. Our response rate was 43 percent, which represented 19 of the 44 questionnaires in our sample.

The scope of our review was limited to surveying FO employees and Rep Payees to solicit unbiased responses to our questionnaires. We made no attempt to substantiate the statements made by these individuals. To accomplish the objective of our review, we tracked SSA's efforts to obtain the accounting forms over a period of time. We did not contact FO employees until 3 to 9 months after they had processed the nonresponder alerts. Because of a lack of available information, 67 of the 110 employees in our sample (61 percent) could not recall the reasons why the Rep Payees had not returned their accounting forms.

This evaluation was initiated at the request of SSA's Headquarters. We conducted the evaluation in accordance with the ***Quality Standards for Inspections*** issued by the President's Council on Integrity and Efficiency.

⁶ Called chronic nonresponders.

RESULTS OF REVIEW

We were unable to obtain definitive reasons why Rep Payees who receive SSI benefits on behalf of recipients do not always provide an annual accounting of how the funds were spent and/or saved. This occurred, in part, because of the lack of supporting documentation retained by FO employees. Based on the responses to our questionnaires, we found that 67 of the 110 employees in our sample (61 percent) could not recall the reasons why the Rep Payees had not completed their accounting forms as required.

Our review disclosed that, except in one instance,⁷ FO employees made reasonable efforts to contact the Rep Payees in our sample. Despite these actions, employees continued to experience problems with Rep Payees who did not return or promptly return their accounting forms to SSA. As a result, 48 of the 110 employees in our sample (44 percent) reported that they routinely suspended benefits or threatened to suspend benefits as a means of obtaining the forms, although such actions are generally prohibited by SSA's procedures. In addition, 80 of the 110 employees (73 percent) offered suggestions to improve the annual accounting process.

EMPLOYEES OFTEN COULD NOT RECALL THE REASONS FOR NONRESPONSE

We found that 67 of the 110 employees in our sample (61 percent) were unable to recall the reasons why the Rep Payees had not returned their accounting forms. An additional 23 employees reported that the Rep Payees did not—or would not—provide a reason for their nonresponse. Only 20 of the 110 employees could: (1) provide supporting documentation of their efforts to obtain the accounting forms, and (2) recall the specific reasons provided by the Rep Payees for not submitting the required forms to SSA.

POMS requires FO employees to file supporting documentation, such as reports of contact with Rep Payees, along with the accounting forms.⁸ POMS also states that “forms may be filed in the claims folder or stored in a central location, but they must be retrievable. This is necessary in the event that the form must be reviewed for a misuse or fraud allegation.” The accounting forms must be retained for a minimum of 2 years.

⁷ In this instance, the FO employee did not attempt to follow up with the Rep Payee because the recipient was no longer in current pay status.

⁸ POMS section GN 00605.085.

However, if the accounting forms or supporting documentation contain indications of fraud or misuse, including remarks which require further investigation, they should be retained on a permanent basis.⁹

Nevertheless, four employees stated that they had destroyed the supporting documentation when the accounting forms were received. We believe that the lack of supporting documentation retained by FO employees contributed significantly to their inability to recall the reasons for nonresponse provided by Rep Payees. We also believe that the lack of supporting documentation retained by FO employees compromises the integrity of the annual accounting process and hinders the effectiveness of investigative efforts by OIG. Therefore, we recommend that SSA instruct FOs to improve controls over the retention of supporting documentation for processing nonresponder alerts and obtaining accounting forms from Rep Payees.

In addition, 46 of the 110 employees in our sample (42 percent) could not recall the ultimate disposition of the nonresponder alerts (e.g., if the forms were submitted at all). This highlights a weakness in SSA's tracking system, which retains historical information of Rep Payees' return of accounting forms for only 1 year.¹⁰ SSA overwrites its computerized data bases when it mails accounting forms to Rep Payees for the following year (see chart on page 4). Consequently, FO employees are unable to determine how often Rep Payees do not respond (if they have ever responded) to an accounting request.

Reasons for Nonresponse Provided by Rep Payees to FO Employees

Although only 20 employees provided the specific reasons for nonresponse cited by the Rep Payees in our sample, another 19 employees provided reasons often cited by Rep Payees for not returning their accounting forms. These employees believed that the cited reasons were representative of the types of responses generally provided by SSI Rep Payees. In total, 39 employees could recall the reasons, either specific to the Rep Payees in our sample or relative to Rep Payees in general, why the accounting forms were not completed.

Based on the responses provided by Rep Payees to these employees, we found that 27 of the 39 Rep Payees (69 percent) had attributed their reasons for nonresponse to the misdelivery of forms. These Rep Payees informed FO employees that the accounting forms either were already submitted or had never been received. Another three Rep Payees acknowledged receipt of the form, but stated that they were no

⁹ POMS section GN 00605.040.

¹⁰ This condition was previously reported in our evaluation, *"Monitoring Representative Payee Performance: Nonresponding Payees"* (A-09-96-64208), dated December 16, 1996. SSA agreed to develop an improved tracking system for maintaining historical data on nonresponding Rep Payees.

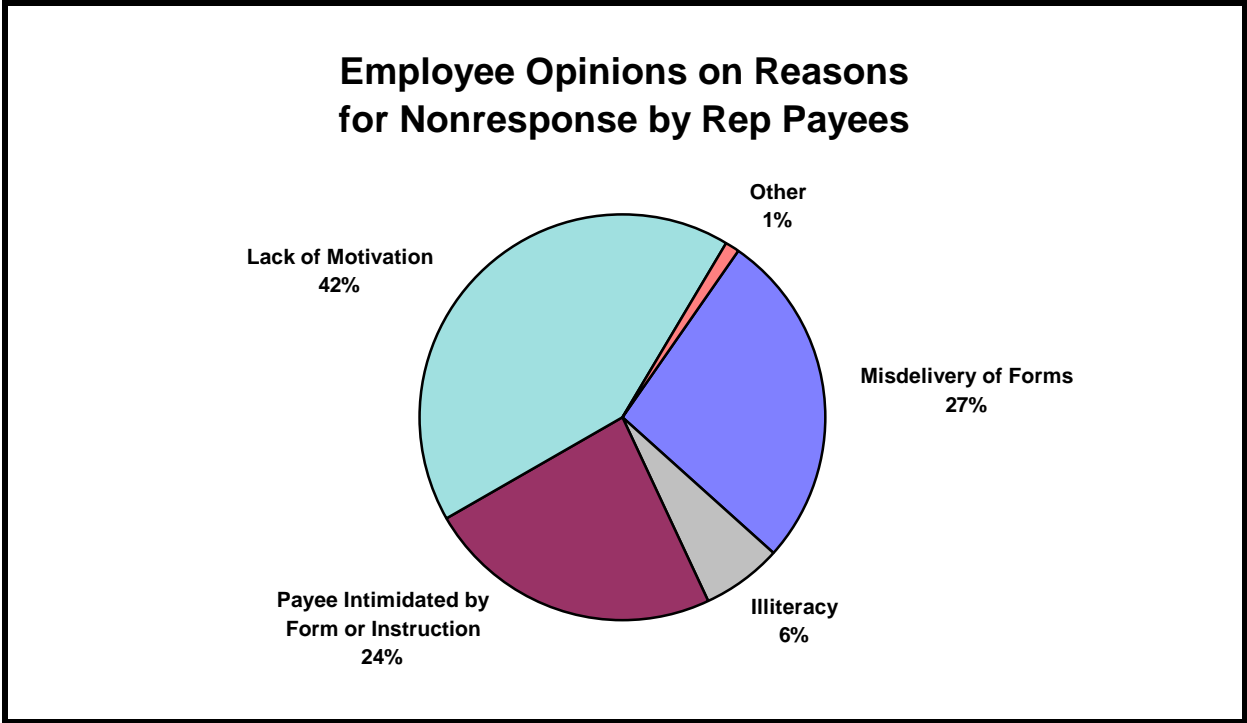
longer the Rep Payee for the recipient. These explanations are generally consistent with the number of employee suggestions to improve SSA's procedures for handling the accounting forms and maintaining current addresses for Rep Payees.

Employee Opinions on the Reasons for Nonresponse by Rep Payees

In addition to asking employees to tell us what the Rep Payees in our sample had cited as their reasons for nonresponse, we asked employees to tell us what they believed were other likely or underlying reasons. A total of 93 of the 110 (85 percent) employees in our sample provided responses to this question. Not surprisingly, these responses were markedly different than those provided when the employees were simply asked to convey what the Rep Payees had stated.

Our review disclosed that 39 of the 93 employees (42 percent) believed that the Rep Payees simply lacked the motivation to return the forms. This observation was often accompanied by the opinion that Rep Payees placed a low priority on their responsibility to account for the benefits received on behalf of SSI recipients. These employees also believed that the lack of consequences for nonresponse (or, conversely, the lack of financial incentives for prompt response) only reinforced the Rep Payees' opinions that the accounting forms were not important. Although these employees supported the need for an annual accounting and regarded it as one of the Rep Payee's most significant duties, they did not believe that Rep Payees necessarily shared this perception.

Furthermore, 22 of the 93 employees (24 percent) reported that they thought the accounting forms or accompanying instructions were too difficult for Rep Payees to understand. These employees stated that they felt Rep Payees were either: (1) intimidated by the forms or instructions and did not attempt to complete the forms, or (2) discouraged from completing the forms because the recordkeeping requirements were overly burdensome. It is significant to note that misdelivery of accounting forms comprised 27 of the 39 reasons for nonresponse (69 percent) provided by Rep Payees, but only 25 of the 93 opinions for nonresponse (27 percent) provided by employees. The following chart summarizes the employees' opinions for the reasons why Rep Payees did not respond to the accounting requests.



EMPLOYEES USED SUSPENSION OF BENEFITS TO OBTAIN ACCOUNTING FORMS

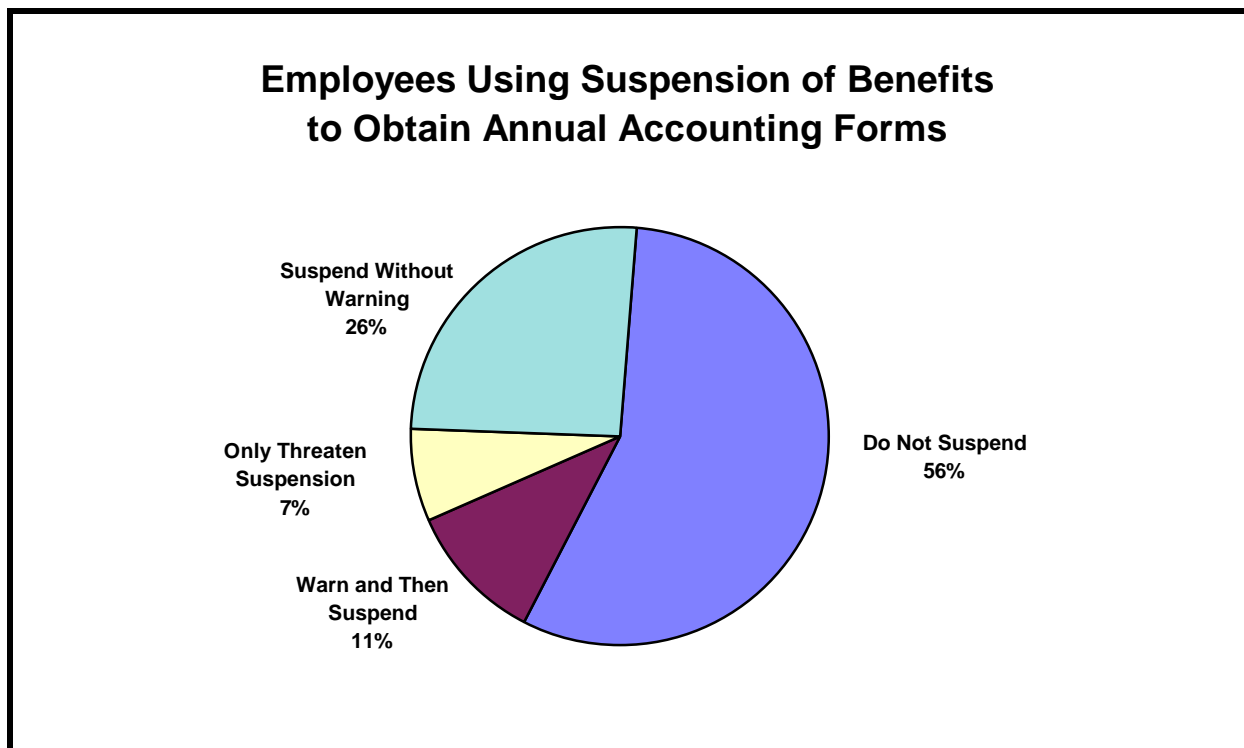
SSA’s procedures do not specify the approach to be used by FO employees in their efforts to obtain the accounting forms from SSI Rep Payees. Consequently, we found that some employees used a conservative approach, while others used a more aggressive one. Employees using a conservative approach sent a notice to the Rep Payees as a reminder that SSA had not yet received the accounting forms as requested. By contrast, employees using an aggressive approach warned Rep Payees (either orally or in writing) that, unless their accounting forms were submitted by a given date, SSA may suspend benefits, change Rep Payees, or both.

POMS states that suspension of benefits shall not be used as a tool for achieving contact with a Rep Payee.¹¹ POMS also states that “failure to return an accounting form is not a valid reason to suspend benefits automatically.”¹² Nevertheless, we noted that the use or threat of suspension was reported by 48 of the 110 employees in our sample (44 percent). Of this amount, 28 employees routinely suspended benefits without warning if the Rep Payees could not be contacted or refused to submit the accounting forms after repeated inquiries. An additional 12 employees warned Rep Payees that benefits could be suspended if the accounting forms were not returned and then proceeded to do so. The remaining eight employees threatened suspension but

¹¹ POMS section GN 00605.090.

¹² POMS section GN 00504.110.

did not actually suspend benefits. The following chart reflects the use of suspension of benefits by the employees in our sample.



These employees reported that suspending benefits, with or without warning, was the best tool for “getting the attention” of uncooperative Rep Payees who did not respond to the accounting requests. We believe that suspension of benefits should be encouraged—not discouraged—as a means of obtaining the required forms. Therefore, we recommend that SSA revise its procedures to authorize employees to suspend benefits, if necessary, to obtain the accounting forms from uncooperative Rep Payees.

CHRONIC NONRESPONDERS WERE DIFFICULT TO CONTACT

Of the 123 nonresponder alerts in our sample, a total of 44 alerts involved Rep Payees who were chronic nonresponders. These Rep Payees had not submitted their accounting forms to SSA within 12 months after the forms were mailed, despite two accounting requests from the contractor and follow-up inquiries by FO employees. As part of our review, we attempted to contact the chronic nonresponders directly to ascertain the reasons why they had not submitted the required forms.

We successfully contacted 19 of the 44 chronic nonresponders in our sample (43 percent). For an additional five chronic nonresponders, we left telephone messages and made numerous telephone calls but were unable to contact the Rep Payees to complete the questionnaires. For the remaining 20 chronic nonresponders,

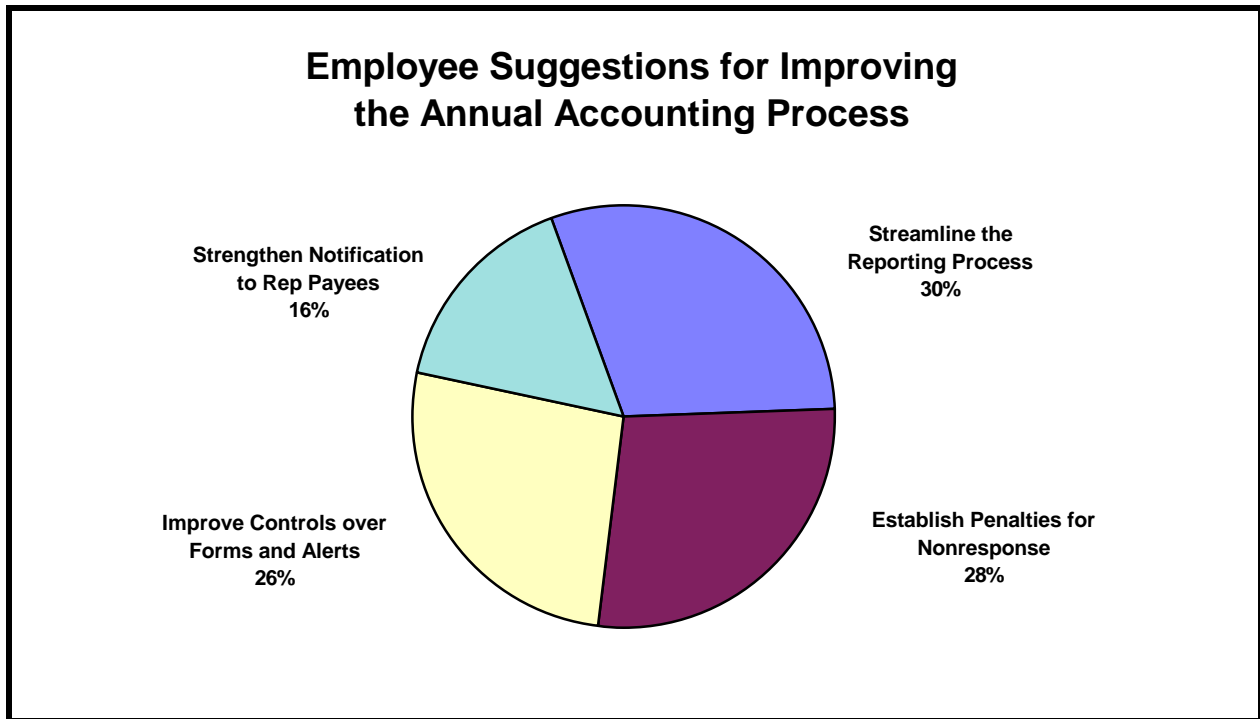
our primary obstacle was that we were unable to locate current telephone numbers. Through review of SSA's on-line data bases and interviews with FO employees, we found that SSA did not have telephone numbers for 5 of these Rep Payees and the telephone numbers for the other 15 Rep Payees were no longer current.

We believe that the lack of current telephone numbers for the chronic nonresponders raises serious questions about their suitability to act as Rep Payees. If the chronic nonresponders refuse to submit the accounting forms and cannot be contacted, SSA does not have reasonable assurance that the SSI benefits are properly used on behalf of recipients. As a result, the program is vulnerable to fraud, waste, and abuse. Furthermore, SSA's tracking system is not designed to identify Rep Payees who are chronic nonresponders.¹³

EMPLOYEE SUGGESTIONS FOR IMPROVING THE ANNUAL ACCOUNTING PROCESS

We asked FO employees for their suggestions to improve the annual accounting process, including the Rep Payees' response rates to the accounting requests. Based on the responses provided by 80 of the 110 (73 percent) employees in our sample, we grouped the employee suggestions into the following categories: Category I - streamlining the reporting process; Category II - establishing penalties for nonresponse; Category III - improving controls over forms and alerts; and Category IV - strengthening notification to Rep Payees. The percentage of responses in each category is illustrated in the following chart and an explanation of these categories is provided in the following paragraphs.

¹³ Ibidem, 10.



Category I

Streamline the Reporting Process - For 24 of the 80 employees (30 percent), there was a consensus that the reporting process should be streamlined to make it more “user friendly.” These employees suggested that: (1) some Rep Payees (e.g., parents with custody of children) be exempt from the requirement to submit annual accounting forms; (2) the accounting forms and accompanying instructions be simplified; (3) self-addressed, stamped envelopes be provided to the Rep Payees for convenience; (4) Rep Payees be allowed to provide accounting information over the telephone (and possibly sign the form at a later date); and (5) financial incentives be offered to Rep Payees to return the accounting forms in a timely manner.

Category II

Establish Penalties for Nonresponse - An additional 22 of the 80 employees (28 percent) provided suggestions related to the suspension of benefits or assessment of penalties for nonresponse. These employees stated that suspending benefit checks until the accounting form is received or threatening to change Rep Payees were effective tools for increasing the number of Rep Payees who return their accounting forms. Several employees also stated that redirecting benefit checks to the FOs has proven to be a particularly useful technique. Using this approach, when the Rep Payees visit the FOs to inquire about the status of their benefit checks, they must provide the accounting information before the FOs release the checks.

Category III

Improve Controls over Forms and Alerts - Another 21 of the 80 employees (26 percent) suggested that SSA improve its procedures for handling the accounting forms and nonresponder alerts. These employees stated that SSA should track the accounting forms more effectively and process them more efficiently to avoid the creation of unnecessary alerts. Some employees reported that nonresponder alerts are often generated for Rep Payees who have already submitted their forms because SSA does not expeditiously process the information. In addition, other employees reported that SSA needs to ensure that the accounting forms are sent to the Rep Payees' current addresses.

Category IV

Strengthen Notification to Rep Payees - Finally, 13 of the 80 employees (16 percent) provided suggestions to notify Rep Payees about the importance and mandatory nature of the accounting forms. These employees stated that SSA needs to better inform and educate Rep Payees about their duties and responsibilities as Rep Payees, including the use of "hands-on" training sessions to instruct Rep Payees on how to complete the forms. Other suggestions included: (1) sending cover letters with due dates along with the accounting forms, and (2) placing a notice directly on the accounting forms to alert Rep Payees that failure to submit the forms could result in the suspension of benefits.

EMPLOYEE SUGGESTIONS FOR MOTIVATING THE CHRONIC NONRESPONDERS

We also asked FO employees for their suggestions to motivate the chronic nonresponders, those Rep Payees who had not submitted their accounting forms to SSA within 12 months after the forms were mailed. These chronic nonresponders had ignored the accounting requests mailed by the contractor and repeated inquiries by FO employees. As a result, the responses to our questionnaires emphasized the need for alternative procedures when other attempts to obtain the accounting forms were unsuccessful.

Of the 110 employees in our sample, 103 employees (94 percent) provided responses to this question. For 63 of the 103 employees (61 percent), there was general agreement that suspending benefits or redirecting benefit checks to FOs was the best (if not the only) way to obtain the accounting forms from chronic nonresponders. Other suggestions included assessing penalties for nonresponse, replacing the Rep Payees, issuing stern warning letters, and simplifying the forms and instructions.

CONCLUSIONS AND RECOMMENDATIONS

We were unable to obtain definitive reasons why Rep Payees who receive SSI benefits on behalf of recipients do not always provide an annual accounting of how the funds were spent and/or saved. This occurred, in part, because of the lack of supporting documentation retained by FO employees. Based on the responses to our questionnaires, we found that 67 of the 110 employees in our sample (61 percent) could not recall the reasons why the Rep Payees had not completed their accounting forms as required.

Generally, our review disclosed that FO employees made reasonable efforts to contact the Rep Payees in our sample. Despite these actions, employees continued to experience problems with Rep Payees who did not return or promptly return their accounting forms to SSA. As a result, 48 of the 110 employees in our sample (44 percent) reported that they routinely suspended benefits or threatened to suspend benefits as a means of obtaining the forms, although such actions are generally prohibited by SSA's procedures. In addition, 80 of the 110 employees (73 percent) offered suggestions to improve the annual accounting process.

Although SSA has undertaken a number of initiatives to redesign the annual accounting process, we believe that the suggestions made by the FO employees, in whole or in part, warrant further consideration as SSA continues in its ongoing effort to improve Rep Payee performance. We also believe that SSA needs to strengthen its procedures to empower FO employees to redirect or suspend benefits, if necessary, to obtain the accounting forms from uncooperative Rep Payees. These procedures should require FO employees to retain supporting documentation and motivate Rep Payees to complete the required forms, thereby reducing the vulnerability of the Agency to individuals who misuse the SSI benefits received on behalf of recipients. Therefore, we recommend that SSA:

1. evaluate the merit of the employee suggestions cited in this report and incorporate the suggestions into future modifications of the annual accounting process as appropriate;
2. develop procedures for employees to redirect benefit checks to FOs (and require Rep Payees to provide the accounting forms before releasing the checks) in instances where other attempts to obtain the required forms have been unsuccessful;
3. revise procedures to authorize employees to suspend benefits, if necessary, to obtain the accounting forms from uncooperative Rep Payees; and

4. instruct FOs to improve controls over the retention of supporting documentation for processing nonresponder alerts and obtaining accounting forms from Rep Payees.

AGENCY COMMENTS AND OIG RESPONSE

In its response, SSA agreed with two of the four recommendations. For the first two recommendations, SSA agreed to make further improvements to the annual accounting process and, where appropriate, include the employee suggestions cited in this report. SSA also stated that it would determine the need for revised procedures to allow employees to redirect benefit checks to the FO if it is in the best interest of the recipient. SSA added that it would convene a workgroup to (1) identify those Rep Payees who do not return the accounting forms, and (2) research the legal and statutory authorities for implementing such procedures. SSA's planned actions adequately address both of these recommendations.

For the last two recommendations, SSA expressed concern that suspension of benefits to obtain accounting forms from Rep Payees may have an adverse impact on SSI recipients. SSA also stated that the number of transactions processed by its employees may have affected their ability to recall the reasons why Rep Payees did not return the accounting forms. We acknowledge these comments. Nevertheless, because of the number of employees in our sample who suspended benefits and/or could not recall the reasons for nonresponse, we believe these issues warrant further evaluation by the workgroup. We encourage SSA to reconsider its response to our last two recommendations.

In addition, SSA provided technical comments that have been considered and incorporated, where appropriate, in this final report. The full text of SSA's comments is included in Appendix C.

APPENDICES

EMPLOYEE QUESTIONNAIRE

We are conducting a review of nonresponder representative payee (Rep Payee) alerts. The primary objective of our review is to develop recommendations for increasing the number of Rep Payees who return their annual accounting forms after receiving the Social Security Administration's (SSA) initial request. To accomplish this objective, we are surveying a random sample of field office (FO) employees by e-mail and telephone. Our survey questionnaire includes questions which will help us determine how FO employees process nonresponder alerts. The questionnaire also includes questions designed to solicit your opinions on (1) why nonresponders do not return their annual accounting forms in a timely manner, and (2) changes that could be made to the annual accounting process that may motivate more Rep Payees to submit the required forms.

The employee who processed the alert for the nonresponder named below should answer most of the questions on the questionnaire. However, if the identity of the employee who processed the alert is unknown, the survey should be directed toward management personnel so that we can determine the procedures generally followed at the office to process nonresponder alerts. If the identity of the employee who processed the alert is known but he or she does not remember the specific steps taken to obtain the accounting form for the nonresponder in our sample, then that employee should answer the survey questions by describing the procedures that he or she generally followed when processing nonresponder alerts received at the time that the sample alert was sent to his or her office.

Region No. _____ Auditor: _____

Office/Telephone: _____

District Office No. _____ Field Office: _____ State: _____

Sample No. _____

| | | |
|------------|-------------------------|-------------|
| <u>SSN</u> | <u>Recipient's Name</u> | <u>BOAN</u> |
| _____ | _____ | _____ |

Person Interviewed

Job Title

Telephone

Date

***Instructions:** Questions 1 through 3 should be answered by the office's or module's management personnel. If the identity of the employee who processed the sample alert is known, then the remaining questions should be answered by that employee. If the identity of the employee is unknown, then management personnel should answer all questions.*

1. What is the job position of the employee who was assigned to process the sample nonresponder alert?

- Claims Representative
- Service Representative
- Contact Specialist
- Other (Please describe: _____)

- Benefit Authorizer
- Claims Authorizer
- Checks, Claims Recovery Examiner

- District Manager
- Assistant District Manager
- Branch Manager
- Assistant Branch Manager
- Supervisor
- Unknown (*If so, the remaining questions should be answered by management personnel.*)

2. Please describe how nonresponder alerts are assigned to employees for processing in your office?

3. How are nonresponder alert transactions categorized compared to other types of transactions? Please explain your answer.

- High priority
- Routine priority
- Low priority

4. Do you process title II and title XVI alerts nonresponder alerts the same?

_____ Yes

_____ No (If no, please explain your answer.)

5. What procedures were followed to obtain (in the attempt to obtain) the accounting form for the nonresponder in our sample?

If the identity of the employee assigned to process this alert is not known, then management personnel should describe the procedures that are generally followed to process nonresponder alerts. If the employee assigned to process this alert does not remember the specific steps taken to obtain the accounting form in our sample, then he or she should describe the procedures generally followed to process nonresponder alerts.

6. When, if ever, do you follow up on your initial contact with nonresponders? Do you follow the same procedures when following up as you do when making initial contact? If not, explain what is done differently?

7. Please describe:

a. Where are title II nonresponders instructed to send their completed accounting forms?

b. Where are title XVI nonresponders instructed to send their completed accounting forms?

c. Are photocopies of the accounting forms made and retained by you before the accounting form is forwarded to its ultimate destination?

8. When are nonresponder alerts cleared? (For example, for a title II alert, when is the diary code changed from "3" to "1" on the Master Representative Payee File?)

9. Do you document your efforts to obtain the accounting forms from the nonresponders? If yes, can you send us copies of the documentation related to our sample item?

10. Did the nonresponder in our sample return his or her accounting form after you made contact with him or her?

11. Did the nonresponder indicate why he or she had not returned the accounting form earlier (when the initial request was sent)? If yes, then what were the reasons why the nonresponder did not return the accounting form?

12. What do you believe may be other potential reasons for nonresponse and what is the basis for your opinion?
13. In your opinion, what might motivate chronic nonresponders (those who do not submit their accounting forms even after you make contact with them) to complete the required forms?
14. What do you think could be done to increase the number of Rep Payees who respond to SSA's initial accounting request (without the need for SSA to make second or third requests)?
15. What recommendations, if any, would you make to improve the annual accounting process?

REP PAYEE QUESTIONNAIRE

We are conducting a review of nonresponder representative payee (Rep Payee) alerts. The primary objective of our review is to develop recommendations for increasing the number of Rep Payees who return their annual accounting forms after receiving the Social Security Administration's (SSA) initial request. To accomplish this objective, we are surveying a random sample of Rep Payees by telephone. Our survey questionnaire includes questions which will help us determine how field office employees process nonresponder alerts. The questionnaire also includes questions designed to solicit your opinions on (1) why nonresponders do not return their annual accounting forms in a timely manner, and (2) changes that could be made to the annual accounting process that may motivate more Rep Payees to submit the required forms.

Region No. _____ Auditor: _____

Office/Telephone: _____

District Office No. _____ Field Office: _____ State: _____

Sample No. _____

| | | | |
|--|--------------|--------------------------|------------|
| Rep Payee's Full Name | | Rep Payee's Phone Number | |
| _____ | | _____ | |
| Recipient's Full Name | | Recipient's BOAN | |
| _____ | | _____ | |
| Accounting period for which data was not provided: | | | |
| _____ | | | |
| Accounting form sent to Rep Payee: | Form SSA-623 | Form SSA-6230 | |
| Type of benefit: | Title II | Title XVI | Concurrent |

Instructions: Ask to speak to the Rep Payee named above. Introduce yourself and inform the Rep Payee that you are with SSA and that you are currently working on a study of SSA's annual accounting process. The goal of this study is to identify suggestions that will result in improvements to the annual accounting process. Confirm that the individual was the Rep Payee for the sample recipient by asking:

Were you the Rep Payee for the recipient during the accounting period?

If the individual was the Rep Payee for the sample recipient for the accounting period in question, inform the nonresponder that SSA's records indicate that he or she has not returned the annual Rep Payee accounting form (either Form SSA-623 or Form SSA-6230) for the sample recipient. Then ask:

Did you return the accounting form?

If the Rep Payee indicates that he or she returned the accounting form, then ask:

When was the accounting form returned?

If the Rep Payee claims that he or she returned the accounting form, then go to questions 3, 4, and 6. If the Rep Payee states that he or she did not return the accounting form, then ask all of the following questions.

Questions:

1. Did you receive the request for accounting for the period in question?
 - a. *If yes, then ask:* Were there any particular circumstances that prevented you from returning the forms?
 - b. *If there were no unique or special circumstances that prevented the Rep Payee from returning the accounting forms, then ask:* Is there anything that SSA could have done (or still could possibly do) that might have encouraged you to return the accounting form?
 - c. *If the Rep Payee states that he or she did not receive the accounting request, confirm that the Rep Payee still lives at the address on SSA's records by asking:* What is your current address?
 - d. *If the current address provided by the Rep Payee is not the same address as that on SSA's records, then ask:* Have you moved recently? If so, when?
2. Have you ever completed or attempted (started) to complete an accounting form in the past?

3. *If yes, then ask:* Please tell me about your overall experiences when trying to fill out the accounting forms? *If the Rep Payee requests that you clarify or explain the question further, then ask:* Did you find the accounting form easy or difficult to complete? What is the reason (basis) for your opinion?

4. *After the Rep Payee has finished telling you about his or her experience with the accounting forms, then ask the following questions:*
 - a. How would you rate the difficulty of completing the accounting forms on a scale of 1 to 5, with "1" being very easy and "5" being very difficult?

①

 - b. How would you rate the instructions for completing the accounting forms on a scale of 1 to 5, with "1" being very easy and "5" being very difficult or confusing to understand?

①

 - c. Do you believe the accounting forms need to be changed? If so, please tell us what should be done.

5. *If the Rep Payee has never even attempted to fill out the accounting forms, then ask:* What has prevented you from completing the accounting forms? *If the Rep Payee requests that you clarify or explain the question further, then ask:* Are the accounting forms too long or too intimidating? Is there a language barrier?

6. Do you believe that you should be required to submit the accounting forms on an annual basis?

AGENCY COMMENTS

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SSA ORGANIZATIONAL CHART
