

## Why GAO Did This Study

Representative Payees—persons who SSA staff appoint to manage Social Security benefits for those unable to do so for themselves—play an important role in ensuring that beneficiary needs are met. In fiscal year 2012, about 5.9 million payees managed \$72 billion in annual benefits for nearly 8.4 million beneficiaries, a number that is likely to grow as the population ages. Congress and others have expressed concerns that SSA may not be well positioned to administer the Representative Payee Program, as currently structured, in the future. This report examines (1) administrative challenges facing the program and steps SSA has taken to address them and (2) long-term challenges and actions SSA has taken or could take to address them.

To answer these objectives, GAO reviewed relevant research, policies, federal laws and regulations, and other documents. GAO interviewed SSA officials and other parties, and visited the Philadelphia Regional Office. GAO also reviewed program trend data and studies on challenges associated with an aging population. GAO reviewed options SSA could consider to address program challenges and conducted interviews to identify the strengths and weaknesses of these options.

## What GAO Recommends

GAO recommends that SSA (1) evaluate the effectiveness of its criminal bar pilot, (2) estimate long-term program needs, and (3) develop a long-term strategy for addressing challenges that includes assessing options to streamline the program. SSA agreed with all three recommendations.

# SSA REPRESENTATIVE PAYEE PROGRAM

## Addressing Long-Term Challenges Requires a More Strategic Approach

### What GAO Found

The Social Security Administration (SSA) struggles to effectively administer its Representative Payee Program, despite steps taken to address its challenges in identifying, selecting, and monitoring representative payees. For example, due to increasing workloads and staff attrition, SSA field office managers in some offices said they sometimes have to perform payee program duties that lower level staff typically handle. SSA has also experienced an increasing number of beneficiaries who may not have a suitable payee available. In an effort to address this challenge, SSA hosted a webinar to recruit additional payees. However, SSA officials said this effort did not result in the addition of any new payees. SSA also faces challenges ensuring that payees who are selected are suitable for the task. To help address this challenge, SSA implemented a pilot program in its Philadelphia region to screen and bar payee applicants who have been convicted of certain crimes. The pilot relies on self-reported information from payee applicants, but SSA plans to screen applicants by accessing a commercial database that contains state-level criminal information. This database, however, does not contain information from every state and it is not clear how SSA will address this limitation. SSA also faces challenges monitoring payees' use of beneficiaries' SSA funds—a time-consuming process. SSA developed an electronic accounting process that allows payees to submit reports online, which saves SSA time on handling the reports and scanning paper reports. However, it does not lessen the need for SSA staff to review some of these reports. SSA has also taken other steps to improve the administration of the program, but the SSA Office of the Inspector General (OIG) nonetheless continues to identify the program as a major SSA management challenge.

Although changing demographics and resource constraints will challenge the future administration of the Representative Payee Program, SSA has done little to position itself for the long term. The projected growth in the aged population, as well as the incidence of individuals with dementia, will have implications for the program, as SSA will have to spend more resources finding and monitoring payees. These challenges are exacerbated by staff and resource constraints, which could make SSA less able to identify and address payee benefit misuse. Some of the steps SSA has taken align with goals in the agency's Strategic Plan. For example, SSA's piloting of a new payee screening and selection process is an effort to better protect the program from fraud, waste, and abuse—one of the objectives included in the plan. Nonetheless, SSA does not plan to assess whether the pilot actually reduces the incidence of benefit misuse in the long run. Further, SSA has not projected the future need for payees, the likely characteristics of beneficiaries, or the resources needed to administer the program. Others have identified a range of options that could help SSA address its long-term challenges by increasing its pool of payees and better targeting its monitoring practices. Experts and stakeholders we interviewed identified trade-offs for each of these options, citing the need to balance the potential benefit of reducing SSA's workloads with the possible increased risk of benefit misuse by payees. SSA has considered some options, but it has not fully assessed and compared the potential benefits and feasibility of implementing these options.