

**Annual Report on the Results of Periodic  
Representative Payee Site Reviews  
and Other Reviews**



**Social Security Administration**

**Fiscal Year 2024**

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# **Annual Report on the Results of Periodic Representative Payee Site Reviews and Other Reviews**

**October 1, 2023, through September 30, 2024**

## **Background**

The Social Security Act requires the Social Security Administration (SSA) to report the results of site reviews of specific types of representative payees (payee) and any other reviews of payees conducted during the prior fiscal year (FY).<sup>1</sup> This report provides the results of the reviews of payees who manage the benefits of Social Security, Special Veterans Benefits, and Supplemental Security Income (SSI) beneficiaries. This FY 2024 report is our 21<sup>st</sup> annual report.

This report includes a description of review findings, corrective actions, and the following additional information:

1. The number of reviews.
2. The results of the reviews.
3. The number of cases in which the payee was changed and why.
4. The number of reviews conducted in response to allegations or concerns about the performance or suitability of the payee.
5. The number of cases in which there was a misuse of funds.
6. The total dollar amount of benefits determined to have been misused by a representative payee.
7. The number of cases in which misuse of funds resulted from the negligent failure of SSA to investigate or monitor a representative payee.
8. The final disposition of misuse cases, including any criminal, civil or administrative penalties imposed, the total dollar amount of misused benefits repaid to beneficiaries, and the total dollar amount of misused benefits repaid and recovered.
9. Any updates to prior years' report(s) necessary to reflect recoveries and repayments pertaining to misuse determinations in prior years.
10. Other information, as deemed appropriate.

We presume that a legally competent adult beneficiary can manage or direct someone else to manage their benefits unless there are indicators or evidence to the contrary. We pay legally incompetent adult beneficiaries and most children under age 18 through a payee. A payee is a third party who manages the benefits of a beneficiary to meet the beneficiary's needs such as food, clothing, shelter, medical care, and personal comfort items. After meeting the beneficiaries' current and reasonably foreseeable needs, the payee must conserve or invest any remaining Social Security benefits for the beneficiary's future use.

In all payee selections, our primary concern is the beneficiary's best interests. Our policies reflect our commitment to ensuring that payees use benefits to promote the physical, mental, and emotional well-being of beneficiaries in a manner that preserves the dignity and protects the

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<sup>1</sup> Sections 205(j)(12), 807(k)(2), and 1631(a)(2)(G)(ii) of the Act, 42 U.S.C. §§ 405(j)(12), 1007(k)(2), and 1383(a)(2)(G)(ii). Section 105(a) of the SPSSBA amended section 205(j) of the Act, 42 U.S.C. § 405(j).

basic rights of our beneficiaries. Most payees carefully and compassionately provide much-needed help to beneficiaries on a volunteer basis.

There are approximately 5.7 million payees serving 7.7 million beneficiaries.<sup>2</sup> Payees manage \$81.4 billion in annual benefits. Fifty-one percent of the beneficiaries with payees are minor children. The payee program relies heavily upon family relationships. Family members, primarily parents or spouses, serve 85.9 percent of the beneficiaries who have payees.<sup>3</sup>

Starting in March 2020, we implemented advance designation of representative payee (advance designation). With advance designation, applicants and beneficiaries may designate up to three people who they would like SSA to consider to serve as their representative payee, should the need arise. In FY 2024, we received approximately 1.9 million requests for advance designation. If we determine that a beneficiary needs a payee, we use their advance designation list as the first lead in developing for potential payees. Designees must be willing to serve and apply to be payee, and as with other applicants, we determine whether designees are suitable before appointing them. We issue annual notices to beneficiaries with the information we have on record regarding their designees. Beneficiaries can modify, update, or withdraw their advance designation at any time.

In general, when a beneficiary does not have a relative, legal guardian, or close friend suitable to serve as payee, we may appoint an organizational payee. There are 29,783 organizational payees (less than one percent of all payees) serving approximately 797,467 beneficiaries. Of these organizational payees, 1,206 are fee-for-service (FFS) payees authorized to collect a fee for providing payee services. Fee-for-service payees serve approximately 189,961 beneficiaries.<sup>4</sup>

Our responsibility does not end when we appoint a payee. We monitor payees through our annual accounting and site review processes to ensure they remain suitable and are appropriately managing benefits on behalf of the beneficiary.

We require payees to account annually for how they used the benefits they received. Section 102 of the Strengthening Protections for Social Security Beneficiaries Act (SPSSBA) of 2018 exempts certain payees from this annual payee accounting process:

- Spouses,
- Parents of minor children in their custody and parents of disabled individuals who primarily reside in the same household, and
- Legal guardians of children who primarily reside in the same household.

Certain State mental institutions are also exempt from annual payee accounting, as discussed on page 4 of this report.

For reports prior to FY 2023, due to systems limitations, we were unable to report accounting data for the same fiscal year as the report. Therefore, data in the FY 2023 report included

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<sup>2</sup> Electronic Representative Payee System (eRPS) – October 7, 2024. In the FY 2018 and prior reports, these figures included beneficiaries who received their benefits directly but previously had a representative payee. We started excluding these categories in the FY 2019 and later reports. This figure may be lower than in prior reports.

<sup>3</sup> Office of Research, Evaluation & Statistics (ORES) – December 2023.

<sup>4</sup> Data Source: eRPS – October 7, 2024

accounting data for FY 2022 and FY 2023. Beginning with the FY 2024 report and going forward, we provide same year accounting data.

From October 2023 through September 2024, we mailed 2,680,352 accounting reports. Of the reports mailed, 2,185,487 were initial accounting requests and 494,865 were follow-up or final requests mailed to representative payees who did not reply to an initial request. If a payee does not respond to the initial or follow-up request for an accounting of benefits, they are considered a non-responder payee.

Non-responder cases are referred to the appropriate field office (FO) to make all reasonable attempts to contact the payee; this could include redirecting payments to the FO as our final attempt to ensure the beneficiary has access to their benefits. During FY 2024, there were approximately 178,708 non-responders (about 6.6 percent). Once we make contact, we advise the payee of the importance of this annual accounting, secure a completed accounting report, and determine if the payee remains suitable or if we should find a new payee or pay the beneficiary directly.<sup>5</sup>

In addition to the annual accounting process, we monitor payees' fiduciary performance through site reviews. Site reviews protect beneficiaries from misuse of benefits and help ensure these payees perform their duties and responsibilities in compliance with our policies and procedures. State Protection and Advocacy (P&A) organizations receive grants for performing site reviews on behalf of SSA under Section 101 of the SPSSBA, and they report their review findings to SSA. We immediately investigate any indications of misuse of funds or poor performance by a payee and take all appropriate actions to protect the beneficiary's best interests.

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<sup>5</sup> Data Source: All accounting report data derived from Representative Payee Accounting Database.

## Type of Payees<sup>6</sup>

Below we define the different payee types:

1. **Organizational Volume Payee:** An organization serving 50 or more beneficiaries. This category of payee does not include fee-for-service (FFS) payees or certain State mental institutions. We review volume payees every four years. See sections 205(j)(6)(iii) and 1631(a)(2)(G)(i)(III) of the Act. Examples of payees included in this category are State and local social service agencies, private non-profit social service agencies, and nursing homes.
2. **State Mental Institutions:** A State-operated psychiatric hospital providing care and treatment. As of October 2024, 186 State mental institutions participate in our onsite review program established under sections 205(j)(3)(B) and 1631(a)(2)(C)(ii) of the Act.<sup>7</sup> These sections of the statute do not require participating State mental institutions to provide an annual accounting form for each of the beneficiaries they serve. Instead, we conduct a site review of each institution at least once every three years. Institutions deciding not to participate in this onsite review program must complete annual accounting forms for each beneficiary they serve and are still subject to periodic site reviews. (See “State Onsite Reviews” in the section titled “Type of Payee Reviews.”)
3. **FFS Payee:** A State or local government agency or a certified community-based nonprofit social service organization we authorize to collect a fee for payee services. The agency or organization must regularly serve five or more beneficiaries. We review FFS payees every three years. See sections 205(j)(4), 205(j)(6)(ii), 1631(a)(2)(D), and 1631(a)(2)(G)(i)(II) of the Act.
4. **Other Organizational Payee:** Government agencies, and organizations, other than those described above, serving 49 or fewer beneficiaries. We use a predictive model to select organizations for review. The model selects payees for review based on payee and beneficiary characteristics that indicate a higher likelihood of potential misuse.
5. **Individual Volume Payee:** An individual who serves 15 or more beneficiaries. We review individual volume payees every four years, like organizational volume payees. See sections 205(j)(6)(i) and 1631(a)(2)(G)(i)(I) of the Act. Examples of payees in this category include individual community advocates who work in conjunction with local agencies, or individuals who offer guardianship services.
6. **Individual Family Payee:** An individual who serves 14 or fewer beneficiaries and is a relative. We use a predictive model to select individual non-volume family payees serving 14 or fewer beneficiaries for review. The model selects payees for review based on payee and beneficiary characteristics that indicate a higher likelihood of potential misuse.
7. **Individual Non-Family Payee:** An individual who serves 14 or fewer beneficiaries and is a non-relative. We use a predictive model to select individual non-family payees serving 14 or

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<sup>6</sup> In the FY 2018 and prior reports, the “Individual Payee” type consisted of counts for the subtypes of “Individual Volume,” “Individual Family,” and “Individual Non-Family” payees. In the FY 2019 and later reports, we provide counts for these as separate types to comply with the requirements of the SPSSBA.

<sup>7</sup> Data Source: Number of State mental institutions taken from the Representative Payee Monitoring Tool (RPMT) on 10/21/2024.

fewer beneficiaries for review. The model selects payees for review based on payee and beneficiary characteristics that indicate a higher likelihood of potential misuse. See sections 205(j)(6) of the Act. Examples of payees in this category could be a friend, an unrelated guardian, or an unrelated volunteer payee.

## **Types of Payee Reviews**

Below we define our payee reviews. We also report the results of our reviews and the findings of the reviews. Please see *Appendix A*, which provides detailed descriptions of some of these findings.

1. **Periodic Site Review:** At least once every 3 or 4 years, we monitor the performance of individual volume payees, organizational volume payees, and FFS payees, through a face-to-face meeting with the payee and an examination of the payee's records. We assess the payee's recordkeeping and interview beneficiaries. We complete these reviews according to sections 205(j)(6) and 1631(a)(2)(G)(i) of the Act.
2. **Targeted Review:** A targeted review is a site review conducted in response to an event that raises a question about the payee's performance or suitability. To initiate a targeted review, the event must meet certain criteria. Examples of events that may trigger a targeted review include allegations of misuse or improper use of benefits from a beneficiary or third party, reports of employee theft, adverse media coverage, and an investigation of the payee by another governmental agency. We categorize targeted reviews according to who initiated the review. A targeted review initiated by SSA staff is a Quick Response Check, while a targeted review initiated by a P&A grantee is a P&A Initiated Review.
3. **Educational (Edu.) Visit:** We visit all new FFS payees six months after we authorize them to collect a fee. The purpose of educational visits is to ensure the payees fully understand their responsibilities and are capable of recordkeeping and reporting. We may also conduct educational visits to any type of payee at any time. For example, we may make an educational visit to a volume payee if we learn the payee had changes in key personnel or need to evaluate their recordkeeping practices.
4. **State Onsite Reviews:** We conduct onsite reviews at least once every three years to evaluate the fiduciary performance of State mental institutions serving as payees for our beneficiaries, pursuant to sections 205(j)(3)(B) and 1631(a)(2)(C)(ii) of the Act. P&A grantees go to the institution to conduct financial accountings and to observe and visit the beneficiaries served by the institution.
5. **Predictive Model Reviews:** We use a predictive model to select organizational payees serving 49 or fewer beneficiaries and individual payees serving 14 or fewer beneficiaries for review. This model selects organizational and individual payees based on payee and beneficiary characteristics that indicate a higher likelihood of potential misuse.



## **Results of Our Reviews**

Section 101 of the SPSSBA of 2018 transformed our site review process. SSA staff no longer completes payee site reviews. As of FY 2019, state P&As are awarded grants annually and use SSA systems to complete the reviews, following our business process, grant terms and conditions, and agency security protocols. We actively monitor site review progress and regularly meet with P&As to discuss their performance.

All P&A site reviews include the examination of the payee's financial records and supporting documentation as well as beneficiary's living conditions. P&A grantees develop and implement corrective action plans to ensure payees remedy fiduciary findings, such as incorrect titling of bank accounts, recordkeeping findings, and overdue accounting reports. P&A grantees conducted 4,018 payee site reviews in FY 2024 and notified us of possible misuse, payee suitability concerns, and other sensitive findings. In addition, P&A grantees made referrals to outside agencies for immediate health and safety threats, financial exploitation, and other identified beneficiary needs.

Although this report covers reviews conducted in FY 2024, some reviews and corrective actions span multiple years. For example, a payee reviewed late in the year may not have finished correcting the titles on payee bank accounts by the end of the fiscal year, or we may need several months to review records in a case of widespread misuse.

**Table 1** provides the total number of reviews performed by type of review and payee category. We included a detailed description of the findings discovered throughout the review process and the corrective actions taken in *Appendix A*.

**Tables 2-6** describe findings identified during the different types of reviews.<sup>8</sup> If a particular payee type is excluded from a table, there were no site reviews of that category conducted for that payee type.

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<sup>8</sup> Data from tables 1-6 derived using our RPMT. In FY 2019, deficiency categories may have represented multiple errors by the same payee from a single review, resulting in more deficiencies than reviews. Beginning in FY 2020, we only count one deficiency per review, even if multiple instances of the same deficiency occur.

***Table 1: Number of Reviews by Review Type and Payee Type***

	Review Type					
Payee Type	Periodic	Targeted	Edu. Visit	State Onsite	Predictive Model	Total
<b>Organizational Volume Payee</b>	701	31	1	0	0	<b>733</b>
<b>State Mental Institution</b>	0	0	0	50	0	<b>50</b>
<b>FFS Payee</b>	401	11	20	0	0	<b>432</b>
<b>Other Organizational Payee</b>	0	166	6	0	1,716	<b>1,888</b>
<b>Individual Volume Payee</b>	92	42	0	0	0	<b>134</b>
<b>Individual Family Payee</b>	0	48	1	0	553	<b>602</b>
<b>Individual Non-Family Payee</b>	0	46	2	0	131	<b>179</b>
<b>Total</b>	<b>1,194</b>	<b>344</b>	<b>30</b>	<b>50</b>	<b>2,400</b>	<b>4,018</b>

***Table 2: Findings Identified During 1,194 Periodic Site Reviews by Payee Type***

Finding	Payee Type			Total
	Org. Volume	FFS	Indiv. Volume	
Over SSI Resource Limit	218	152	25	395
Failure to Report Changes	207	150	34	391
Recordkeeping Findings (e.g., minor math errors, weak internal controls)	438	256	49	743
Potential Payee Suitability Finding – Financial	431	239	44	714
Potential Payee Suitability Issue – Non-Financial	146	126	16	288
Bank Account Issues	402	200	33	635
Annual Accounting Forms Not Returned	283	126	11	420
Same Deficiencies from Previous Reviews Found	177	107	16	300
Dedicated Account Funds Misapplied	1	0	0	1
Payee Did Not Exercise Oversight of Benefits (Conduit Payee)	38	35	7	80
<b>Total</b>	<b>2,341</b>	<b>1,391</b>	<b>235</b>	<b>3,967</b>

***Table 3: Findings Identified During 344 Targeted Reviews by Payee Type***

Finding	Payee Type						Total
	Org. Volume	FFS	Other Org.	Indiv. Volume	Indiv. Family	Indiv. Non-Family	
<b>Over SSI Resource Limit</b>	12	7	43	10	0	3	<b>75</b>
<b>Failure to Report Changes</b>	10	5	42	18	9	20	<b>104</b>
<b>Recordkeeping Findings (e.g., minor math errors, weak internal controls)</b>	26	6	121	27	36	41	<b>257</b>
<b>Potential Payee Suitability Issue – Financial</b>	20	6	122	27	27	33	<b>235</b>
<b>Potential Payee Suitability Issue – Non-Financial</b>	7	5	36	10	10	18	<b>86</b>
<b>Bank Account Issues</b>	15	6	92	16	21	22	<b>172</b>
<b>Annual Accounting Forms Not Returned</b>	7	3	48	5	5	4	<b>72</b>
<b>Same Deficiencies from Previous Reviews Found</b>	5	4	40	3	0	0	<b>52</b>
<b>Dedicated Account Funds Misapplied</b>	0	0	0	0	0	0	<b>0</b>
<b>Payee Did Not Exercise Oversight of Benefits (Conduit Payee)</b>	2	1	11	3	5	6	<b>28</b>
<b>Total</b>	<b>104</b>	<b>43</b>	<b>555</b>	<b>119</b>	<b>113</b>	<b>147</b>	<b>1,081</b>

***Table 4: Findings Identified During 30 Educational Visits by Payee Type***

Finding	Payee Type			Total
	Indiv. Non-Family	FFS	Other Org.	
Over SSI Resource Limit	0	5	0	5
Failure to Report Changes	0	8	1	9
Recordkeeping Findings (e.g., minor math errors, weak internal controls)	2	14	2	18
Potential Payee Suitability Issue – Financial	2	11	4	17
Potential Payee Suitability Issue – Non-Financial	0	4	1	5
Bank Account Issues	1	6	4	11
Annual Accounting Forms Not Returned	0	1	2	3
Same Deficiencies from Previous Reviews Found	0	0	1	1
Dedicated Account Funds Misapplied	0	0	0	0
Payee Did Not Exercise Oversight of Benefits (Conduit Payee)	0	2	0	2
<b>Total</b>	<b>5</b>	<b>51</b>	<b>15</b>	<b>71</b>

**Table 5: Findings Identified During 50 State Onsite Reviews**

<b>Finding</b>	<b>State Mental Institutions Total</b>
<b>Over SSI Resource Limit</b>	1
<b>Failure to Report Changes</b>	1
<b>Recordkeeping Findings (e.g., minor math errors, weak internal controls)</b>	6
<b>Potential Payee Suitability Issue – Financial</b>	18
<b>Potential Payee Suitability Issue – Non-Financial</b>	1
<b>Bank Account Issues</b>	5
<b>Annual Accounting Forms Not Returned</b>	0
<b>Same Deficiencies from Previous Reviews Found</b>	1
<b>Dedicated Account Funds Misapplied</b>	0
<b>Payee Did Not Exercise Oversight of Benefits (Conduit Payee)</b>	0
<b>Total</b>	<b>33</b>

***Table 6: Findings Identified During 2,400 Predictive Model Reviews by Payee Type***

Finding	Payee Type			Total
	Other Org.	Indiv. Family	Indiv. Non-Family	
Over SSI Resource Limit	548	12	6	<b>566</b>
Failure to Report Changes	570	93	32	<b>695</b>
Recordkeeping Findings (e.g., minor math errors, weak internal controls)	1,169	389	104	<b>1,662</b>
Potential Payee Suitability Issue – Financial	1,037	112	36	<b>1,185</b>
Potential Payee Suitability Issue – Non-Financial	406	50	23	<b>479</b>
Bank Account Issues	1,056	206	58	<b>1,320</b>
Annual Accounting Forms Not Returned	464	23	10	<b>497</b>
Same Deficiencies from Previous Reviews Found	451	2	4	<b>457</b>
Dedicated Account Funds Misapplied	0	1	0	<b>1</b>
Payee Did Not Exercise Oversight of Benefits (Conduit Payee)	102	27	20	<b>149</b>
<b>Total</b>	<b>5,803</b>	<b>915</b>	<b>293</b>	<b>7,011</b>

## Outside Agency Referrals

If the reviewers observed certain situations affecting the beneficiary’s well-being, they made a referral to the appropriate agency. **Table 7** provides the counts for outside agency referrals for all review types. We include a detailed description of these referrals in *Appendix B*.

***Table 7: Outside Agency Referrals Resulting from All Review Types***

Referral	Total
<b>Immediate health or safety threat to the beneficiary</b>	<b>80</b>
<b>Possible financial exploitation</b>	<b>21</b>
<b>Beneficiary identified needs</b>	<b>2,012</b>
<b>Total</b>	<b>2,113</b>

## Change of Payee Situations

When the payee under review was determined unsuitable to continue serving in this role, we removed them. In these instances, the FO conducted a capability determination to evaluate the continued need for a payee for each affected beneficiary. Based on the results of the capability determinations, the FO initiated direct payment to beneficiaries determined to be capable and assigned a new payee to beneficiaries deemed incapable. **Table 8** provides the reasons for payee changes resulting from all onsite reviews. For additional information on payee changes involving misuse cases, see the *Findings of Misuse* section, page 15.

***Table 8: Payee Change Reasons for All Review Types<sup>9</sup>***

Change Reason	Payee Type							Total
	Org. Volume	State Mental Inst.	FFS	Other Org.	Indiv. Volume	Indiv. Family	Indiv. Non-Family	
<b>Business Closed/Sold</b>	3	0	0	5	0	0	1	<b>9</b>
<b>Payee Uncooperative</b>	0	0	0	2	0	0	1	<b>3</b>
<b>Payee Withdrew</b>	0	0	0	2	0	0	3	<b>5</b>
<b>Poor Performance</b>	0	0	0	0	0	1	5	<b>6</b>
<b>Misuse Investigation</b>	3	0	2	9	2	7	2	<b>25</b>
<b>Total</b>	<b>6</b>	<b>0</b>	<b>2</b>	<b>18</b>	<b>2</b>	<b>8</b>	<b>12</b>	<b>48</b>

<sup>9</sup> RPMT. We derived payee changes due to misuse investigations or misuse findings from FY 2024 regional misuse reports based on completed site reviews that had a concurrent misuse investigation. Those changes were a result of either a completed misuse determination in FY 2024, or by identifying poor payee performance during FY 2024.



## **Findings of Misuse**

Misuse allegations come in many forms, including self-reporting by the payee, adverse media reports, referrals from state P&A grantees or other agencies and law enforcement, and allegations made directly by beneficiaries or members of the public. Although we can discover misuse at any site review, we often initiate targeted site reviews from misuse allegations.

For allegations of misuse, we review the financial records of all beneficiaries served by the payee during the period of alleged misuse, make a final misuse determination, share our findings with the Office of the Inspector General (OIG) for potential criminal investigation, and complete administrative actions such as recovery and repayment of misused funds. Upon completion of our investigation, we make a determination of “misuse found” or “misuse not found.” Misuse found means we reviewed the circumstances of the allegation and determined that the payee did not use or conserve the benefits paid for the beneficiary’s current or future needs. Misuse not found means that after investigation we determined the payee did use or conserve the benefits for their current or future needs, or that the allegation resulted from a misunderstanding of payee duties, miscommunication with the payee, or a complaint that the payee cannot or will not give the beneficiary money to spend on something that is clearly not in their best interest.

It may take months to several years until the case reaches final resolution, depending on the complexity of the allegation and OIG’s criminal investigation. We retain a payee *only* if the payee continues to be suitable *and* makes restitution or has a definite plan to do so. An example of a payee we retain would be an otherwise well-performing organization with an isolated instance of employee theft.

Our FY 2024 reviews found that most payees used beneficiaries’ funds properly. Out of 4,018 completed reviews, we initiated new misuse investigations on only 55 cases. In FY 2024, we carried 152 pending cases of misuse over from the last year’s report. We closed 49 cases with all actions complete and 163 cases remained pending further misuse development. For the 49 closed cases, 44 were initiated in prior fiscal years and 5 were initiated in the fiscal year of this report. We removed the payee in 13 cases and retained the payee in 36 cases. We also made misuse determinations on 41 pending cases and referred them to the OIG for review. Of the 41 cases, 25 were organizational payees and 16 were individual payees. We removed the payee in 23 cases and retained the payee in 17 cases.

Ultimately, we finalized misuse determinations totaling \$812,833. We also repaid or reissued \$1,115,191 of misused funds to affected beneficiaries and recovered \$286,288 from payees and followed policy to discontinue collection efforts of \$145,110 of misuse.<sup>10</sup> The recovery and repayment totals include recoveries and repayments from prior years’ misuse determinations.

- **Tables 9-10** provide data first for all suspected misuse referrals and then for those only related to charging fees from the P&A reviewers to SSA by review and payee type.
- **Table 11** provides a summary of site review misuse cases, as well as dollar amounts for misuse found, repayment, and recovery actions.
- **Tables 12-13** display new misuse cases by review and payee type, and final misuse determinations by payee type only. We completed many of those reviews in prior years.

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<sup>10</sup> All misuse dollar amounts derived from FY 2024 regional misuse reports of determinations, repayments, reissuances, and recoveries.

Pages 19 to 63 of this report contain narratives that describe misuse identified during FY 2024 site reviews along with updates on allegations from prior fiscal years that are still pending. Each narrative details the circumstances of the allegation, whether the investigation is ongoing or complete, whether we retained or removed the payee, and whether the case has been referred to OIG. We write all narratives from regional misuse reports and OIG status updates.

For individual payees who served 14 or fewer beneficiaries at the time misuse occurred, SSA is required to make a negligence determination. This determination documents whether SSA followed established procedures to investigate and monitor the payee, and if SSA will repay the misused benefits pending payee restitution. On cases where SSA is found negligent, we do not delay reimbursement of the misused funds to affected beneficiaries even if recovery from the payee is pending. Where SSA is not negligent, reimbursement of the misused funds to affected beneficiaries occurs as we recover those funds from the payee. SSA is required to repay benefits in all misuse cases involving organizations or individuals who served more than 14 beneficiaries.

On cases where we determined that misuse occurred, we annotate in the narrative the amount of misuse, the amount that has been repaid to the affected beneficiaries, and the amount that has been recovered from the payee. We also annotate criminal and civil penalties imposed by a court or OIG. Recovery efforts may be prolonged against payees who have closed or are no longer serving as payee. We also establish debt records to collect future benefits from individual payees. We consider a case resolved when we recover all misused funds or exhaust all recovery options, both internal and external collection methods.

***Table 9: Site Review Total Suspected Misuse<sup>11</sup>***

Payee Types	Review Types					Total
	Periodic	Targeted	Edu. Visits	State Onsite	Predictive Model	
<b>Org. Volume</b>	24	3	0	0	0	<b>27</b>
<b>State Mental Institutions</b>	0	0	0	0	0	<b>0</b>
<b>FFS</b>	13	1	1	0	0	<b>15</b>
<b>Other Org.</b>	0	12	1	0	60	<b>73</b>
<b>Indiv. Volume</b>	5	5	0	0	0	<b>10</b>
<b>Indiv. Family</b>	0	10	0	0	10	<b>20</b>
<b>Indiv. Non-Family</b>	0	9	0	0	4	<b>13</b>
<b>Total</b>	<b>42</b>	<b>40</b>	<b>2</b>	<b>0</b>	<b>74</b>	<b>158</b>

<sup>11</sup> RPMT – Table 9 shows all new instances of suspected misuse based on site review findings. There can be multiple instances of suspected misuse for a single site review, and some result with no misuse being found. The report narratives contain pending and complete misuse found investigations only. Table 10 contains the same findings related only to incorrect or unauthorized fees. The P&As refer these findings to SSA for evaluation and appropriate action.

***Table 10: Site Review Suspected Misuse Related to Charging Fees***

Payee Types	Review Types					Total
	Periodic	Targeted	Edu. Visits	State Onsite	Predictive Model	
<b>Org. Volume</b>	3	1	0	0	0	<b>4</b>
<b>State Mental Institutions</b>	0	0	0	0	0	<b>0</b>
<b>FFS</b>	7	0	1	0	0	<b>8</b>
<b>Other Org.</b>	0	0	0	0	11	<b>11</b>
<b>Indiv. Volume</b>	4	4	0	0	0	<b>8</b>
<b>Indiv. Family</b>	0	0	0	0	0	<b>0</b>
<b>Indiv. Non-Family</b>	0	2	0	0	0	<b>2</b>
<b>Total</b>	<b>14</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>11</b>	<b>33</b>

***Table 11: Site Review Misuse Summary***<sup>12</sup>

Category	Total
<b>Site Review Total Suspected Misuse</b>	<b>158</b>
<b>Site Review Suspected Misuse Related to Charging Fees</b>	<b>33</b>
<b>New Misuse Investigations from Suspected Misuse</b>	<b>55</b>
<b>Misuse Found Determinations</b> <sup>13</sup>	<b>41</b>
<b>Misuse Unfounded or Not Found Determinations</b>	<b>28</b>
<b>Total Dollars of Misuse Found</b>	<b>\$812,333</b>
<b>Total Dollars Recovered from Payees</b> <sup>14</sup>	<b>\$254,414</b>
<b>Total Dollars Repaid or Reissued to Affected Beneficiaries</b>	<b>\$1,115,191</b>

<sup>12</sup> Data on Tables 11, 12 and 13 derived from FY 2024 regional misuse reports.

<sup>13</sup> Total includes completed misuse determinations in FY 2024 regardless of the year we initiated an investigation.

<sup>14</sup> Total includes funds recovered in FY 2023 toward misuse determinations finalized in FY 2023 and those finalized in prior fiscal years but still in recovery.

***Table 12: New Misuse Investigations by Review and Payee Type<sup>15</sup>***

	Review Types					
Payee Types	Periodic	Targeted	Edu. Visits	State Onsite	Predictive Model	Total
<b>Org. Volume</b>	6	2	0	0	0	<b>8</b>
<b>State Mental Institutions</b>	0	0	0	0	0	<b>0</b>
<b>FFS</b>	4	1	0	0	0	<b>5</b>
<b>Other Org.</b>	0	5	1	0	20	<b>26</b>
<b>Indiv. Volume</b>	0	1	0	0	0	<b>1</b>
<b>Indiv. Family</b>	0	11	0	0	1	<b>12</b>
<b>Indiv. Non-Family</b>	0	1	0	0	2	<b>3</b>
<b>Total</b>	<b>10</b>	<b>21</b>	<b>1</b>	<b>0</b>	<b>23</b>	<b>55</b>

***Table 13: Misuse Found Determinations by Payee Type<sup>16</sup>***

	Payee Types							
Misuse Found	Org. Volume	State Mental Inst.	FFS	Other Org.	Indiv. Volume	Indiv. Family	Indiv. Non-Family	Total
<b>Total</b>	10	0	5	10	2	11	3	<b>41</b>

<sup>15</sup> New misuse investigations associated with site reviews conducted in FY 2024. See *Table 1* on page 8.

<sup>16</sup> Totals include misuse found determinations closed in FY 2024 regardless of the year we initiated an investigation.

FY 2024 New Misuse Allegations

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**Cardinal McCloskey House, Valhalla, NY.** During the site review, the payee reported an incident of employee theft. We made a final misuse determination of \$6,494 affecting eight beneficiaries. The payee showed proof that it directly reimbursed the affected beneficiaries the full misused amount. We referred the case to OIG. OIG took appropriate action based on available information. We retained the facility and found them suitable to continue serving as payee, since they cooperated fully with the investigation and terminated the employee in question. All case actions are complete.

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**IGHL, Manorville, NY.** During the site review, the payee reported an incident of employee theft. We made a final misuse determination of \$1,480 affecting seven beneficiaries. The payee showed proof that it directly reimbursed the affected beneficiaries the full misused amount. We referred the case to OIG. OIG took appropriate action based on available information. We retained the facility and found them suitable to continue serving as payee, since they cooperated fully with the investigation and terminated the employee in question. All case actions are complete.

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**Maryhaven Center of Hope, Port Jefferson Station, NY.** During the site review, the payee reported an incident of employee theft. We made a final misuse determination of \$50,790 affecting 11 beneficiaries. The payee showed proof that it directly reimbursed the affected beneficiaries the full misused amount. We referred the case to OIG. OIG took appropriate action based on available information. We retained the facility and found them suitable to continue serving as payee, since they cooperated fully with the investigation and terminated the employee in question. All case actions are complete.

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**Warren Washington & Albany ARC (WWAARC), Queensbury, NY.** During the site review, the payee reported an incident of employee theft. We made a final misuse determination of \$6,692 affecting 15 beneficiaries. The payee showed proof that it directly reimbursed the affected beneficiaries the full misused amount. We referred the case to OIG. OIG took appropriate action based on available information. We retained the facility and found them suitable to continue serving as payee, since they cooperated fully with the investigation and terminated the employee in question. All case actions are complete.

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**We Care Homes Inc, Lafayette, LA.** During the site review, the payee reported an incident of employee theft. We made a final misuse determination of \$57,669 affecting fifteen beneficiaries. The payee showed proof that it directly reimbursed the affected beneficiaries the full misused amount. We referred the case to OIG. OIG took appropriate action based on available information. We retained the facility and found them suitable to continue serving as payee, since they cooperated fully with the investigation and terminated the employee in question. All case actions are complete.

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Updates for FY 2023 Misuse Allegations

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**Bayview Nursing & Rehab Center, Alameda, CA.** During the site review, the payee was not able to account for several large purchases. We initiated a misuse investigation. The estimated amount of misuse and number of affected beneficiaries is unknown. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

**Bellwood Developmental Center, Bellwood, IL.** During the site review, the payee was not able to account for cash disbursements made to case managers. We initiated a misuse investigation. The estimated amount of misuse is \$2,550 affecting six beneficiaries. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** We made a final misuse determination of \$2,550 affecting six beneficiaries. We confirmed that the payee directly reimbursed the beneficiaries the full amount of misuse. The payee terminated the employee responsible for causing the misuse. We retained the payee. All case actions are complete.

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**Center for Community Resources, Carlton, PA.** During the site review, we discovered that the payee allegedly ordered multiple debit cards for beneficiaries and then use funds on them for personal expenditures. We initiated a misuse investigation. The estimated amount of misuse is unknown affecting three beneficiaries. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** We made a final misuse determination of \$16,802 affecting three beneficiaries. The payee provided proof that it reimbursed the affected beneficiaries the full amount of misuse. We referred the case to OIG. OIG took appropriate action based on available information. We retained the payee as suitable. All case actions are complete.

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**December Nine Company Ltd, El Paso, TX.** During the site review, the payee reported multiple incidents of employee theft. We initiated a misuse investigation. The estimated amount of misuse is \$17,479 affecting fourteen beneficiaries. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** We made a final misuse determination of \$19,570 affecting sixteen beneficiaries. We referred the case to OIG. OIG took appropriate action based upon available information. The payee provided proof that it reimbursed the beneficiaries the full amount of misuse. We retained the payee and determined that it remains suitable. All case actions are complete.

**East County Protective Services, Lakeside, CA.** During the site review, we discovered that the payee charged unauthorized fees and did not return funds received for deceased beneficiaries. We initiated a misuse investigation. The estimated amount of misuse and number of affected beneficiaries is unknown. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. We referred the case to OIG. OIG took appropriate action based on available information. The misuse investigation is ongoing.

**Update:** After further investigation, we determined that no misuse occurred. However, due to the findings of the investigation, we removed the payee and took appropriate action for all beneficiaries, either finding new payees or transitioning beneficiaries to direct payment. All case actions are complete.

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**Elwyn New Jersey, Vineland, NJ.** During the site review, the payee reported a prior incident of employee theft. We initiated a misuse investigation. The estimated amount of misuse and number of affected beneficiaries is unknown. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

**Freedom Living, Houston, TX.** During the site review, we discovered that the balance of the collective account was less than the amount of conserved funds reported by the payee on the beneficiary ledgers. We initiated a misuse investigation. The estimated amount of misuse is \$12,000 affecting one beneficiary. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

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**Hands of Heartland Incorporated, Bellevue, NE.** During the site review, the payee reported that an employee was fired for inappropriate use of a beneficiary's debit card. We initiated a misuse investigation. The estimated amount of misuse is \$200 affecting one beneficiary. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** We made a final misuse determination of \$139. The payee provided proof that it reimbursed the affected beneficiary the full misused amount. We referred the case to OIG. OIG took appropriate action based on available information. We retained the payee and determined the facility remains suitable. All case actions are complete.

**Illinois Housing & Disability Services, Park Forest, IL.** During the site review, the reviewer discovered an allegation of an isolated instance of employee theft. An employee allegedly used a beneficiary's bank debit card and was terminated. We initiated a misuse investigation. The estimated amount of misuse is \$1,033 affecting one beneficiary. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

**Illinois Mentor Community Services Inc, Bourbonnais, IL.** During the site review, the reviewer discovered a prior incident of employee theft. The employee was previously terminated, and the payee placed corrective measures to prevent future incidents. We initiated a misuse investigation. The estimated amount of misuse is \$1,540 affecting four beneficiaries. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** We made a final misuse determination of \$1,540. We referred the case to OIG. OIG took appropriate action based on available information. The payee directly reimbursed the affected beneficiaries the full amount of misuse. We determined the payee remains suitable to serve. All case actions are complete.

**Individual Family Payee, (b) (6), (b) (7)(C)** During the site review, a beneficiary made an allegation of misuse and filed a police report against their payee, alleging the payee was withholding their funds and not meeting their needs. The estimated amount of misuse is \$34,871 affecting one beneficiary. We

referred the case to OIG. OIG took appropriate action based on available information. The misuse investigation is ongoing. We retained the payee pending the outcome of the investigation. Continued suitability is contingent on their cooperation, the results of the investigation, and repayment of any misused funds.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

**Individual Family Payee,** (b) (6), (b) (7)(C) During the site review, there was an allegation that the payee was using the beneficiary's funds for personal use. We initiated a misuse investigation. The estimated amount of misuse is \$7,000 affecting one beneficiary. We removed the payee and appointed a successor payee for the beneficiary. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** After further investigation, we determined that no misuse occurred. All case actions are complete.

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**Individual Family Payee, (b) (6), (b) (7)(C)** We initiated a misuse investigation. The estimated amount of misuse and number of affected beneficiaries is unknown. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

**Individual Family Payee, (b) (6), (b) (7)(C)** During the site review, a beneficiary made an allegation of misuse. We initiated a misuse investigation. The estimated amount of misuse and number of affected beneficiaries is unknown. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

**Individual Family Payee, (b) (6), (b) (7)(C)** During the site review, we discovered the payee was using the beneficiary's funds for personal use. We initiated a misuse investigation. The estimated amount of misuse is \$166 affecting one beneficiary. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

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**Individual Non-Family Payee, (b) (6), (b) (7)(C)** During the site review, it appeared the payee was collecting unauthorized fees. The estimated amount of misuse is \$840, affecting one beneficiary. We will refer the case to OIG after completing the misuse determination. We retained the payee, and continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

**Individual Non-Family Payee, (b) (6), (b) (7)(C)** During the site review, we discovered the payee potentially used beneficiary funds for personal use. We initiated a misuse investigation. The estimated amount of misuse is \$1,000 affecting one beneficiary. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

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**Individual Volume Payee, (b) (6), (b) (7)(C)** During the site review, we discovered that the payee used funds on expenses not related to the beneficiary. The estimated amount of misuse is \$658 affecting one beneficiary. We will refer the case to OIG after completing the misuse determination. We retained the payee, and continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing.

**Update:** After further investigation, we determined that no misuse occurred. We removed the payee for other reasons and took appropriate action for all beneficiaries, either finding a new payee or transitioning the beneficiary to direct payment. All case actions are complete.

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**Macomb Family Services Inc, Clinton Township, MI.** During the site review, the payee was allegedly charging unauthorized fees for certain services. We initiated a misuse investigation. The estimated amount of misuse and number of affected beneficiaries are unknown. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

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**Oak Leyden Developmental Services, Oak Park, IL.** During the site review, the reviewer discovered a prior incident of employee theft, but the payee was unable to determine who took the funds. We initiated a misuse investigation. The estimated amount of misuse is \$659 affecting five beneficiaries. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, repayment of any misused funds, and their ability to implement protective measures to avoid reoccurrence of the incident. We referred the case to OIG. OIG took appropriate action based on available information. The misuse investigation is ongoing.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

**Park Anaheim Health Care Center, Anaheim, CA.** During the site review, we discovered large and unusual purchases. We initiated a misuse investigation. The estimated amount of misuse and number of affected beneficiaries is unknown. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

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**Reliable Payee Services Inc, McKeesport, PA.** During the site review, we discovered that the payee is allegedly charging unauthorized fees. We initiated a misuse investigation. The estimated amount of misuse is unknown, affecting one beneficiary. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination. We retained the payee, and continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

**Riverstone Manor, Walnutport, PA.** During the site review, we discovered that the payee is allegedly charging unauthorized fees. We initiated a misuse investigation. The estimated amount of misuse and number of affected beneficiaries is unknown. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination. We retained the payee, and continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

**Sam's Place, Wharton, TX.** During the site review, the payee could not provide documentation for large disbursements from beneficiary funds. We initiated a misuse investigation. The estimated amount of misuse is \$18,428, affecting four beneficiaries. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination. We retained the payee, and continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

**Serenity Foundations, Somerset, KY.** During the site review, the payee reported a prior instance of employee theft. The payee had already terminated the employee who committed the theft. We initiated a misuse investigation and made a final misuse determination of \$3,542 affecting three beneficiaries. We retained the payee, and continued suitability is contingent on their cooperation and repayment of any misused funds. We referred the case to OIG. OIG took appropriate actions based upon available information. Recovery and repayment are ongoing.



**Update:** The payee provided proof that they reimbursed the affected beneficiaries the full amount of misused funds. The payee remains suitable. All case actions are complete.

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**The Tunland Corporation, Las Vegas, NV.** During the site review, the payee reported that there was an employee on administrative leave due to allegations of mismanagement of beneficiary funds. We initiated a misuse investigation. The estimated amount of misuse is unknown affecting twenty-five beneficiaries. We retained the payee, but continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds. We referred the case to OIG. OIG took appropriate action based on available information. The misuse investigation is ongoing.

**Update:** After further investigation, we determined that no misuse occurred. This issue occurred prior to the site review and was previously reported to us and resolved. We retained the payee. All case actions are complete.

**Torias Support Care Services, Tampa, FL.** During the site review, the payee could not account for questionable expenditures and large transfers that had no supporting documentation. We initiated a misuse investigation. The estimated amount of misuse is \$14,556, affecting five beneficiaries. We will refer the case to OIG after completing the misuse determination. We removed the payee and took appropriate action for all beneficiaries, either finding a new payee or transitioning the beneficiary to direct payment.

**Update:** After further investigation, we determined that no misuse occurred. All case actions are complete.

**Wedgewood Operating, Glassboro, NJ.** During the site review, we determined that the payee might be double reimbursing itself for purchases. We initiated a misuse investigation. The estimated amount of misuse and number of affected beneficiaries is unknown. We will refer the case to OIG after completing the misuse determination. We retained the payee, and continued suitability is contingent on their cooperation, the outcome of the investigation, and repayment of any misused funds.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

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**Updates for 2022 Misuse Allegations**

**B&D Management, Salem, OR.** We initiated a site review when the Department of Veteran’s Affairs informed SSA they stopped doing business with this payee for overcharging fees. The payee did not cooperate with the review and was found unsuitable to serve. We removed the payee and took appropriate action for all beneficiaries, either finding new payees or transitioning beneficiaries to direct payment. The estimated amount of misuse is \$5,000 affecting 12 beneficiaries. The misuse investigation is ongoing.

**Update:** We referred the case to OIG. OIG took appropriate action based upon available information. After further investigation, we determined that no misuse occurred. All case actions are complete.

**Bjorklund House, Oak Forest, IL.** During the site review we discovered two separate instances of employee theft. The initial estimated amount of misuse is \$2,968 affecting two beneficiaries. We retained the payee pending the outcome of the investigation. Continued suitability of the payee is contingent on their cooperation and repayment of any misused funds. We referred the case to OIG. OIG took appropriate action based on available information. The payee reimbursed one of the affected beneficiaries \$2,354. We will address any outstanding repayment or recovery actions after completing the misuse determination. The misuse investigation is ongoing.

**Update:** We made a final misuse determination in the amount of \$2,698 affecting two beneficiaries. The payee provided proof the reimbursed the remaining misused amount to the affected beneficiaries. We determined the payee remains suitable. All case actions are complete.

**Cedar Street Homes, Norwalk, CA.** During the site review, it was determined the payee reimbursed itself for undocumented expenses. The estimated amount of misuse is \$1,448 affecting one beneficiary. We retained the payee pending the outcome of the investigation. Continued suitability of the payee is contingent on their cooperation and repayment of any misused funds. We referred the case to OIG. OIG took appropriate action based upon available information. The misuse investigation is ongoing.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

**Expressions Unlimited Co, Albuquerque, NM.** During the site review, we discovered undocumented purchases and possible theft. We initiated a misuse investigation and made a final determination of \$772 affecting three beneficiaries. We referred the case to OIG. OIG took appropriate action based on available information. We removed the payee and took appropriate action for all beneficiaries, either finding a new payee or transitioning them to direct payment. We repaid the affected beneficiaries the full amount of misuse. Recovery of the full amount of misuse is pending.

**Update:** We have exhausted all collection efforts. Recovery of the full misuse amount from the former payee is still outstanding and remains unlikely. Since we were unsuccessful in recovering the full misuse amount of \$772. We have stopped further recovery efforts since the amount of misuse is under \$3,000. All case actions are complete.

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**Individual Family Payee,** (b) (6), (b) (7)(C) During the site review, it was alleged that the payee was using the beneficiary's funds to pay for personal use. The estimated amount of misuse is unknown, affecting one beneficiary. We will refer the case to OIG after completing the misuse determination. We retained the payee pending the outcome of the investigation. Continued suitability of the payee is contingent on their cooperation and repayment of any misused funds. We referred the case to OIG. OIG took appropriate action based on available information. The misuse investigation is ongoing.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

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**Individual Volume Payee, (b) (6), (b) (7)(C)** During the site review, we discovered that the payee charged unauthorized fees. The estimated amount of misuse and number of affected beneficiaries are presently unknown. We referred the case to OIG. OIG took appropriate action based upon available information. We retained the payee pending the outcome of the investigation. Continued suitability of the payee is contingent on their cooperation and repayment of any misused funds. The misuse investigation is ongoing.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

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**Living Waters Ministry of Hope, Lowell, MA.** During the site review, we found that the payee charged an unauthorized fee. We made a final misuse determination of \$340 affecting one beneficiary. We removed the payee and took appropriate action for the beneficiary, either finding a new payee or transitioning the beneficiary to direct payment. We referred the case to OIG. OIG took appropriate action based upon available information. We notified the payee of the misuse determination. Recovery and repayment of the full misuse amount are outstanding.

**Update:** We reimbursed the affected beneficiary the full amount of misuse. We were unsuccessful in recovering the full misuse amount of \$340. We have stopped further recovery efforts since the amount of misuse is under \$3,000. All case actions are complete.

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**Multicultural Neurobehavioral Rehab Center, Waltham, MA.** During the site review, we discovered that the payee potentially charged the beneficiaries for room and board, when they were not in the custody of the payee. The estimated misuse amount is \$2,869 affecting two beneficiaries. The misuse investigation is ongoing. The payee voluntarily discontinued serving as payee, and we took appropriate action for all beneficiaries, either finding a new payee or transitioning them to direct payment as appropriate. We will refer the case to OIG after completing the misuse determination.

**Update:** After further investigation, we determined that no misuse occurred. All case actions are complete.

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**SERV Achievement Centers, Ewing, NJ.** During the site review we discovered an incident of potential employee theft. The estimated amount is \$3,007 affecting three beneficiaries. We retained the payee pending the outcome of the investigation. Continued suitability of the payee is contingent on their cooperation and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** We made a final misuse determination of \$3,007. The payee provided proof that they reimbursed the affected beneficiaries the full misuse amount. We referred the case to OIG. OIG took appropriate action based upon available information. The payee cooperated with the investigation and terminated the employee in question, so we retained the facility and allowed them to continue serving as payee. All case actions are complete.



**The Lodge Inc. of Pennsylvania, Lancaster, PA.** During the site review, we discovered that the payee may be charging unauthorized fees. The estimated amount of misuse and number of affected beneficiaries is unknown. We retained the payee pending the outcome of the investigation. Continued suitability of the payee is contingent on their cooperation and repayment of any misused funds. The misuse investigation is ongoing. We will refer the case to OIG after completing the misuse determination.

**Update:** After further investigation, we determined that no misuse occurred. We retained the payee. All case actions are complete.

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**Updates for 2021 Misuse Allegations**

**Appearance Quality Home Inc, Hesperia CA.** During the site review, the payee was not able to account for various beneficiaries' personal needs allowances. The amount of estimated misuse was unknown, affecting 10 beneficiaries. We retained the payee pending the outcome of the investigation. Continued suitability of the payee is contingent on their cooperation and repayment of any misused funds. We referred the case to OIG. OIG took appropriate action based upon available information. We made a final misuse determination of \$3,154 affecting one beneficiary. We removed the payee and took appropriate action for all beneficiaries, either finding a new payee or transitioning the beneficiary to direct payment. Repayment and recovery actions are pending.

**Update:** We recovered the full amount of misuse and reimbursed it to the affected beneficiaries. All case actions are complete.

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Updates for FY 2020 Misuse Allegations

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**Adm. Valley Grande Manor, Brownsville, TX.** During the site review, we discovered an incident of employee theft. The final misuse amount was \$2,170 affecting eight beneficiaries. We retained the payee because the theft was an isolated incident, and the payee cooperated with our investigation and took corrective action to prevent future misuse. The organization terminated the individual who misused the funds and referred the issue to local law enforcement. We referred the case to OIG. OIG took appropriate action based upon available information. The facility changed ownership, and we continued our recovery attempts against the previous owners. We retained the new ownership group as an organizational payee, since they are not responsible for the prior misuse. We repaid all outstanding benefits to affected beneficiaries, and reimbursement is complete. We continued collection attempts from the prior ownership group with no success.

**Update:** Recovery of the full misuse amount from the former payee is still outstanding and remains unlikely. We were unsuccessful in recovering the full misuse amount of \$2,170. We have stopped further recovery efforts since the amount of misuse is under \$3,000. All case actions are complete.

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**Erie County Department of Social Services, Buffalo, NY.** We received a complaint that an employee of this organization funneled beneficiary money from the organization to family and friends. The estimated amount of misuse is \$50,000 affecting 80 beneficiaries. The payee terminated the employee and referred the issue to local law enforcement. We retained the payee pending the outcome of the investigation. We referred the case to OIG. OIG took appropriate action based upon available information. We made a final misuse determination of \$42,574. We conducted a favorable suitability determination and retained the payee contingent on ongoing recovery and repayment actions.

**Update:** The payee reimbursed the affected beneficiaries the full amount of misuse and provided proof to SSA. The payee remains suitable. All case actions are complete.

**Genesis, San Antonio, TX.** We discovered this organization charged fees more than those permissible. The estimated amount of misuse was \$754 affecting three beneficiaries. We removed the payee and took appropriate action for all beneficiaries, either finding a new payee or transitioning the beneficiary to direct payment. We referred the case to OIG. OIG took appropriate action based upon available information. We made a final misuse determination of \$586 affecting two beneficiaries. We repaid the full amount to all affected beneficiaries and exhausted recovery efforts from the payee. The full amount of misuse remains due.

**Update:** Recovery of the full misuse amount from the former payee is still outstanding and remains unlikely. Since we were unsuccessful in recovering the full misuse amount of \$586, we have stopped further recovery efforts since the amount of misuse is under \$3,000. All case actions are complete.

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**Individual Family Payee,** (b) (6), (b) (7)(C) We conducted a targeted review when we discovered the payee was charged with exploitation of one of the beneficiaries they served. We initiated a misuse investigation. We removed the payee, and took appropriate action for all beneficiaries, either finding a new payee or transitioning the beneficiaries to direct payment. We referred the case to OIG. OIG took appropriate action based upon available information. We made a final misuse determination of \$82,475 affecting one beneficiary. A negligence determination was pending, and we began collecting misused funds from the payee’s monthly Social Security benefits during its development, but the payee passed away in August 2023. We recovered \$16,024 prior to the payee’s passing. We are researching if there are any additional collection options with our internal stakeholders before abandoning recovery of the remaining \$66,451.

**Update:** The investigation determined SSA was not negligent in appointing or monitoring this payee, so benefits will be repaid as they are recovered from the payee. We could not complete collection of the misused funds due to the former payee’s passing. Since SSA cannot repay funds until they are recovered and can no longer recovery funds due to the former payee’s passing, there are no further collection or repayment actions to take. All case actions are complete.

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Updates for FY 2019 Misuse Allegations

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Updates for FY 2018 Misuse Allegations

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**Easter Seals El Mirador, Santa Fe, NM.** We retained this organization because the misuse was due to an isolated incident of employee theft, and they are cooperating with our investigation. The initial estimated amount of misused funds was \$11,467 affecting 11 beneficiaries. If we determine there was misuse, continued suitability of the payee is contingent on repaying any additional funds. We referred the case to OIG. OIG took appropriate action based upon available information. We made a final misuse determination of \$5,789 affecting twelve beneficiaries. We recovered the full misuse amount from the payee and determined the payee remains suitable to serve. To date, we have repaid \$4,592 to the affected beneficiaries. Repayment actions continue.

**Update:** We repaid all remaining misused benefits to the affected beneficiaries. All case actions are complete.

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**Individual Volume Payee, (b) (6), (b) (7)(C)** We uncovered misuse caused by the payee charging fees more than those permissible. The payee refused to cooperate. We estimated the misuse amount at \$36,027 affecting 20 beneficiaries. We removed the payee and took appropriate action for all beneficiaries, either finding a new payee or transitioning them to direct pay. We referred the case to OIG. OIG took appropriate action based upon available information. After additional development, we made a final misuse determination of \$36,661 affecting 20 beneficiaries. We repaid the affected beneficiaries the full amount of misuse. The payee filed for bankruptcy, and recovery actions are pending. Our agency is pursuing recoupment through the bankruptcy case.

**Update:** The overpayment debt was discharged during the bankruptcy proceedings. We will not be able to recover this debt as the individual is free from personal liability to repay it per the court's ruling. All case actions are complete.

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Updates for FY 2017 Misuse Allegations

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Updates to FY 2016 Misuse Allegations

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Updates to FY 2015 Misuse Allegations

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Updates to FY 2013 Misuse Allegations

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## **Conclusion**

Individuals who need payees are among our most vulnerable beneficiaries. We carefully follow statute and regulations when deciding to appoint a payee, and when we do, we make every effort to choose one who is well qualified.

The results of our site reviews give us confidence that our monitoring efforts protect these beneficiaries by:

- Deterring payee misconduct,
- Providing a strong oversight message to payees,
- Ensuring that FFS payees continue to be qualified under the law,
- Establishing open lines of communication between our agency and the payees, and
- Promoting good payee practices.

As stewards of public funds, we take our responsibility to our beneficiaries and the taxpayers seriously. We look forward to continuing to work with Congress on measures to improve our programs.

**Appendix A – Descriptions of Findings and Corrective Actions Taken**

	Description of Payee Findings	Corrective Action Taken
<b>Over SSI Resource Limit</b>	SSI recipients acquire or accumulate countable resources that exceed \$2,000 for an individual or \$3,000 for a couple, thus causing ineligibility.	We reminded payees of the resource limit and the requirement to report when recipients exceed the limit. We recommended the payees put controls in place to flag accounts nearing this limit. In addition, we sent overpayment notices to begin the recovery process.
<b>Incorrect or Unauthorized Fee Charged</b>	In some cases, the payees charged a fee that we did not authorize. In other situations, we authorized the payees to charge a fee, but the payees charged fees in excess of the statutory limit.	We reviewed the P&A grantees findings. If we determined unauthorized fees were charged, we instructed payees who were not FFS payees to stop charging fees and developed for misuse. We also instructed the approved FFS payees to stop charging a fee in excess of the statutory limit. Regardless of the length of time or amount of the erroneous fees charged, the payee must refund the excess amounts to the beneficiary immediately upon discovery. If unable to resolve the excess fees, the FO should initiate development for a new payee, investigate, and develop for possible misuse of benefits.
<b>Failure to Report Changes</b>	Payees failed to comply with reporting responsibilities for both Social Security and SSI beneficiaries. The most common findings in this area were a failure to report a change in a beneficiary’s residence address or change in income.	We reviewed reporting responsibilities with payees who did not report the changes and updated each beneficiary’s record.

<p><b>Payee Did Not Exercise Oversight of Benefits (Conduit Payee)</b></p>	<p>Payees did not use the beneficiaries' benefits for their current needs, but rather gave the funds directly to the beneficiaries.</p>	<p>We completed capability determinations for the beneficiaries who received their benefits in full directly from the payees to determine if the beneficiaries could manage their own money. For those beneficiaries we found capable, we began paying them directly. We evaluated the payee's continued suitability to serve and changed payees when appropriate. We reminded retained payees to report whenever they believe a beneficiary in their care is capable of managing his or her money.</p>
<p><b>Annual Accounting Forms Not Returned</b></p>	<p>Payees did not complete annual accounting forms to account for how they used beneficiaries' funds.</p>	<p>We obtained outstanding accounting forms from payees. If the payee did not cooperate with these efforts, we determined them unsuitable to continue serving and transitioned beneficiaries to new payees or direct payment.</p>
<p><b>Recordkeeping Findings (e.g., minor math errors, weak internal controls)</b></p>	<p>Payees had poor recordkeeping practices or made bookkeeping errors.</p>	<p>We instructed payees on how to improve their recordkeeping, and we worked diligently with payees to ensure they improved.</p>
<p><b>Misuse Suspected</b></p>	<p>There was an allegation of misuse during the review, or there was an indication of misuse during review of financial records.</p>	<p>We reviewed the P&amp;A grantee's findings. If the allegation was unfounded, we closed out the finding. If further investigation was needed, we made a misuse determination, notified the payees, and pursued recovery of funds when a misuse investigation substantiated the allegation; or we are still investigating the misuse allegations.</p>

<p><b>Potential Payee Suitability Finding – Financial</b></p>	<p>A financial finding brought into question the suitability of the payee to serve, such as failure to properly and effectively administer beneficiary funds or failure to meet insurance or financial obligations.</p>	<p>We determined the payees were unsuitable to continue serving after investigation of the finding and transitioned beneficiaries to new payees or direct payment if appropriate, or we are still looking into these findings. In other cases, we determined the payee remained suitable, and instructed these payees on how to improve their performance as payee and worked with them to ensure they improved.</p>
<p><b>Potential Payee Suitability Finding – Non-Financial</b></p>	<p>A non-financial finding brought into question the suitability of the payee to serve, such as a potential conflict of interest or failure to provide information requested during the review.</p>	<p>We determined the payees were unsuitable to continue serving after investigation of the finding and transitioned beneficiaries to new payees or direct payment if appropriate, or we are still looking into these findings. In other cases, we determined the payee remained suitable, and instructed these payees on how to improve their performance as payee and worked with them to ensure they improved.</p>
<p><b>Bank Account Issues</b></p>	<p>Issues with Bank Account could involve the following:</p> <ol style="list-style-type: none"> <li>1. Incorrect Titling of Bank Accounts - Bank accounts did not clearly reflect that the beneficiary, rather than the payee, was owner of the account, or the payee did not title the account in such a way to prevent the beneficiary from gaining direct access to the account. The bank account(s) in question may be an individual or collective account.</li> <li>2. Bank Account Not Interest Bearing - Payees did not use interest-bearing accounts for beneficiaries' funds.</li> <li>3. Collective Account Not Approved by SSA - Payees did not obtain our approval before</li> </ol>	<ol style="list-style-type: none"> <li>1. At our direction, payees re-titled their accounts.</li> <li>2. We directed the payees to move beneficiaries' funds to interest-bearing accounts.</li> <li>3. We reviewed the accounts to ensure each met our requirements.</li> <li>4. We directed payees to move beneficiaries' funds into correctly titled accounts.</li> </ol>

	<p>they deposited a beneficiary's funds in a collective bank account. Payees must ask for and receive permission before depositing a beneficiary's funds to ensure the account is properly titled, account records are clear and up-to-date, and the payee has agreed to make account and supporting records available.</p> <p>4. Beneficiary Funds in Agency Operating Account - Payees deposited beneficiaries' funds in an operating account that did not reflect beneficiaries' ownership of funds</p>	
<b>Same Deficiencies from Previous Reviews Found</b>	Payee repeated the same deficiencies found in a previous review.	Conduct a suitability determination of the payee according to established policy.
<b>Dedicated Account Funds Misapplied</b>	The site review findings determined the payee may have knowingly misapplied funds from a dedicated bank account.	Investigate the finding and seek repayment from the payee for the misapplied amount on a dollar-for-dollar basis.

## **Appendix B – Descriptions of Types of Referrals**

### **Referrals to appropriate local, state, or federal agency for health or safety findings to the beneficiary**

If the reviewer becomes aware of a serious risk of harm to the beneficiary, for example:

- Immediate health and safety threat,
  - Flagged for immediate action by SSA,
  - Evidence of physical abuse (e.g., bruises, burns, scars, etc.),
  - Malnourishment,
  - Unsafe housing and living conditions, or
  - Worker exploitation.
- Noncritical health or safety finding.

### **Referrals to appropriate local, state, or federal agency for possible financial exploitation by individuals other than the representative payee**

If the reviewer becomes aware of possible financial exploitation of a beneficiary by someone other than the representative payee (e.g., by family, friends, neighbors, caregivers, acquaintances, employers, or strangers), for example:

- Taking the beneficiary's money without permission,
- Failing to repay borrowed money or return property,
- Charging too much for services or not being responsive to requests the beneficiary paid the individual, agency, or company to do,
- Purchasing new or unusual "gifts," or
- Exerting pressure on the beneficiary to change his or her will, life insurance, retirement annuity, etc.

### **Referrals to appropriate resource for beneficiary identified needs**

The reviewer may refer the beneficiary to available resources in the beneficiary's community to assist with any beneficiary identified need, only with written consent of the beneficiary or legal guardian, including:

- Community resources,
- Employment-related services,
- Housing assistance,
- Occupational/vocational skills or services, and
- Any other needs the reviewer identifies that will assist the beneficiary.