

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



Social Security Administration

Fiscal Year 2021

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

October 1, 2020 through September 30, 2021

Background

Under the Social Security Act (Act), amended by the Social Security Protection Act of 2004, and the Strengthening Protections for Social Security Beneficiaries Act of 2018 (SPSSBA), the Social Security Administration (SSA) reports 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).¹ Our site reviews strengthen our oversight of payees and supplement the annual accounting process. 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 2021 report is our 18th 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 discovered 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 discovered 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' reports 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 is capable of managing or directing someone else to manage his or her 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.

¹ 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).

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

We have approximately 5.6 million payees for 7.8 million beneficiaries.² Payees manage \$71.3 billion in annual benefits. Fifty-two percent of the beneficiaries with payees are minor children. The payee program relies heavily upon family relationships. Family members, primarily parents or spouses, serve 85.6 percent of the beneficiaries who have payees.³ Of the 5.6 million payees, 31,258 (less than 1 percent) are organizational payees serving approximately 836,000 beneficiaries. Among the 31,258 organizational payees, 1,271 are fee-for-service (FFS) organizational payees that we authorize to collect a fee as payment for providing payee services. FFS organizational payees serve approximately 202,289 beneficiaries.⁴ Generally, we will appoint an organizational payee only when a family member is unable, unavailable, unwilling, or unqualified to serve.

We allow capable applicants and beneficiaries to designate up to three people to serve as their representative payee should the need arise. In FY 2021, approximately 1.5 million people designated someone. If we determine that a beneficiary needs a payee, we use his or her advance designee 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, and beneficiaries can modify, update, or withdraw their advance designation at any time.

Our responsibility does not end when we appoint a payee. Through an annual accounting process and site reviews, we monitor payees to ensure they continue to meet our qualifications and appropriately spend benefits on behalf of the beneficiary. Our monitoring activities also help deter misuse. In addition to monitoring, we require certain payees to account annually for how they used the benefits they received. Section 102 of the SPSSBA exempts custodial parents of minor children and disabled individuals who primarily reside in the same household, legal guardians of children who primarily reside in the same household, as well as spouses, from this annual payee accounting process. Certain State mental institutions are also exempt from annual payee accounting, as discussed on page 4 of this report.

For the period October 2019 through September 2020, we mailed 3,620,395 accounting reports. Of the reports mailed, 2,426,734 were initial accounting reports and 1,193,661 were follow-up reports mailed to representative payees who did not reply to an initial request. During FY 2020, approximately 529,466 payees (about 14.6 percent) failed to complete the accounting forms in a timely manner.⁶ If a payee does not respond to our requests for an accounting report, the appropriate field office (FO) makes all reasonable attempts to contact the payee; this could

² Electronic Representative Payee System (eRPS) – September 13, 2021. 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.

³ Office of Research, Evaluation & Statistics (ORES) – December 2020.

⁴ Data Source: eRPS – September 13, 2021.

⁶ Data Source: All accounting report data derived from Representative Payee Accounting Database. As with previous reports, accounting data covers the prior fiscal year.

include redirecting payments to the FO as our final attempt to ensure the beneficiary has access to their benefits. 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. 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.

In addition to the annual accounting process, we monitor payees' fiduciary performance through site reviews. Site reviews protect beneficiaries from misuse of benefits by organizational and other payees and help ensure these payees carry out 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. The following section explains the payee types and different reviews under SSA's payee monitoring program.

The COVID-19 pandemic presented significant challenges in completing site reviews in FY 2020 and FY 2021. At the onset of the pandemic, SSA temporarily suspended in-person site reviews in the interest of public health. SSA provided P&A grantees temporary guidance to allow completion of portions of the review that did not require in-person contact. In addition, SSA established revised business processes which included phone interviews and video conferences as alternative methods for completing the reviews. We continue to monitor limitations related to in-person interviews to provide updated guidance to P&As as necessary to adapt to our changing environment.

Type of Payees⁷

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 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 2021, 201 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.⁸ 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. **Fee-for-Service (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, similar to organizational volume payees. See sections 205(j)(6)(iii) and 1631(a)(2)(G)(i)(III) 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

⁷ In the FY 2018 and prior reports, the “Individual Payee” type had comprised 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.

⁸ Data Source: Number of State mental institutions taken from Representative Payee Monitoring Tool (RPMT).

on payee and beneficiary characteristics that indicate a higher likelihood of potential misuse. See sections 205(j)(6)(i) and 1631(a)(2)(G)(i)(I) of the Act.

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-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. See sections 205(j)(6)(i) and 1631(a)(2)(G)(i)(I) 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* that 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 Visit:** We visit all new FFS payees six months after appointment. The purpose of the educational visit is to ensure the payees fully understand their responsibilities and are capable of recordkeeping and reporting. We may also conduct educational visits to any payee type 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 we needed 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 changed our site review process. Instead of our staff completing these reviews, we now award grants to State P&A organizations, who complete the reviews on our behalf and report their findings to us. We implemented this new site review process in FY 2019, which included awarding the grants, training the grantees, and developing new business processes, systems, and security protocols for the grantees.

All P&A site reviews included 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 3,007 payee site reviews in FY 2021 and notified us of possible misuse, payee suitability, 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 2021, we may not have completed all corrective actions in FY 2021. 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 FY, or we may need several months to review records in a case of 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.⁹ If a particular payee type is excluded from a table, there were no site reviews of that category conducted for that payee type.

⁹ 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

Payee Types	Review Types					Total
	<i>Periodic Site Reviews</i>	<i>Targeted Reviews</i>	<i>Educational Visits</i>	<i>State Onsite Reviews</i>	<i>Predictive Model Reviews</i>	
<i>Organizational Volume Payees</i>	627	36	1	0	0	664
<i>State Mental Institutions</i>	0	0	0	37	0	37
<i>FFS Payees</i>	335	11	28	0	0	374
<i>Other Organizational Payees</i>	0	136	1	0	1,236	1,373
<i>Individual Volume Payee</i>	102	32	0	0	0	134
<i>Individual Family Payee</i>	0	42	0	0	285	327
<i>Individual Non-Family Payee</i>	0	35	0	0	63	98
Total	1,064	292	30	37	1,584	3,007

Table 2: Findings Identified During 1,064 Periodic Site Reviews by Payee Type

Findings	Payee Types			Total
	<i>Org. Volume</i>	<i>FFS</i>	<i>Individual Volume</i>	
Incorrect or Unauthorized Fee Charged	4	15	1	20
Over SSI Resource Limit	135	96	9	240
Failure to Report Changes	149	112	45	306
Recordkeeping Findings (e.g. minor math errors, weak internal controls)	301	153	43	497
Potential Payee Suitability Finding – Financial	332	196	57	585
Potential Payee Suitability Issue – Non-Financial	73	78	14	165
Bank Account Issues	305	145	46	496
Annual Accounting Forms Not Returned	178	73	15	266
Same Deficiencies from Previous Reviews Found	76	33	13	122
Dedicated Account Funds Misapplied	0	1	0	1
Payee Did Not Exercise Oversight of Benefits (Conduit Payee)	35	28	6	69
Total	1,588	930	249	2,767

Table 3: Findings Identified During 292 Targeted Reviews by Payee Type

Findings	Payee Types						Total
	<i>Org. Volume</i>	<i>FFS</i>	<i>Other Org.</i>	<i>Indv. Volume</i>	<i>Indv. Family</i>	<i>Indv. Non-Family</i>	
Incorrect or Unauthorized Fee Charged	0	1	0	2	0	0	3
Over SSI Resource Limit	11	3	17	4	1	1	37
Failure to Report Changes	12	2	46	17	14	16	107
Recordkeeping Findings (e.g. minor math errors, weak internal controls)	20	6	96	18	33	30	203
Potential Payee Suitability Issue – Financial	25	5	91	19	22	26	188
Potential Payee Suitability Issue – Non-Financial	6	4	33	5	9	12	69
Bank Account Issues	21	6	95	17	22	14	175
Annual Accounting Forms Not Returned	15	3	40	3	5	0	66
Same Deficiencies from Previous Reviews Found	6	2	5	0	0	2	15
Dedicated Account Funds Misapplied	0	0	0	0	0	0	0
Payee Did Not Exercise Oversight of Benefits (Conduit Payee)	2	1	16	2	6	5	32
Total	118	33	439	87	112	106	895

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

Findings	Payee Types			Total
	<i>Org. Volume</i>	<i>FFS</i>	<i>Other Org.</i>	
Incorrect or Unauthorized Fee Charged	0	0	0	0
Over SSI Resource Limit	0	3	0	3
Failure to Report Changes	0	3	0	3
Recordkeeping Findings (e.g. minor math errors, weak internal controls)	1	11	0	12
Potential Payee Suitability Issue – Financial	1	11	0	12
Potential Payee Suitability Issue – Non-Financial	1	1	0	2
Bank Account Issues	0	11	0	11
Annual Accounting Forms Not Returned	0	3	0	3
Same Deficiencies from Previous Reviews Found	0	0	0	0
Dedicated Account Funds Misapplied	0	0	0	0
Payee Did Not Exercise Oversight of Benefits (Conduit Payee)	1	1	0	2
Total	4	44	0	48

Table 5: Findings Identified During 37 State Onsite Reviews

Findings	<i>State Mental Institutions Total</i>
Incorrect or Unauthorized Fee Charged	0
Over SSI Resource Limit	4
Failure to Report Changes	7
Recordkeeping Findings (e.g. minor math errors, weak internal controls)	14
Potential Payee Suitability Issue – Financial	18
Potential Payee Suitability Issue – Non-Financial	2
Bank Account Issues	13
Annual Accounting Forms Not Returned	0
Same Deficiencies from Previous Reviews Found	2
Dedicated Account Funds Misapplied	0
Payee Did Not Exercise Oversight of Benefits (Conduit Payee)	0
Total	60

Table 6: Findings Identified During 1,584 Predictive Model Reviews by Payee Type

Findings	Payee Types			Total
	<i>Other Org.</i>	<i>Indv. Family</i>	<i>Indv. Non-Family</i>	
Incorrect or Unauthorized Fee Charged	9	1	0	10
Over SSI Resource Limit	214	0	0	214
Failure to Report Changes	433	67	15	515
Recordkeeping Findings (e.g. minor math errors, weak internal controls)	865	253	59	1,177
Potential Payee Suitability Issue – Financial	696	52	14	762
Potential Payee Suitability Issue – Non-Financial	303	13	11	327
Bank Account Issues	805	42	13	860
Annual Accounting Forms Not Returned	252	12	6	270
Same Deficiencies from Previous Reviews Found	59	0	1	60
Dedicated Account Funds Misapplied	0	3	0	3
Payee Did Not Exercise Oversight of Benefits (Conduit Payee)	79	9	4	92
Total	3,715	452	123	4,290

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

Referrals	Total
Immediate health or safety threat to the beneficiary	58
Possible financial exploitation	28
Beneficiary identified needs	583
Total	669

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 each affected beneficiary’s continued need for a payee. 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 Types¹⁰

Change Reasons	Payee Types							Total
	Org. Volume	State Mental Inst.	FFS	Other Org.	Indv. Volume	Indv. Family	Indv. Non-Family	
Business Closed/Sold	1	0	2	9	0	0	0	12
Payee Uncooperative	0	0	0	2	0	2	1	5
Payee Withdrew	1	0	0	4	0	1	4	10
Poor Performance	0	0	2	3	0	2	4	11
Misuse Investigation	0	0	1	4	1	6	1	13
Total	2	0	5	22	1	11	10	51

¹⁰ RPMT. We derived payee changes due to misuse investigations or misuse findings from FY 2021 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 2021, or by identifying poor payee performance during FY 2021.

Findings of Misuse

We carried 104 pending cases of misuse over from the last year. In FY 2021, we initiated new misuse investigations on an additional 59 cases as a result of our site reviews. By the end of FY 2021, we closed 42 cases with all actions complete. To date, there are 121 pending misuse investigations.

We made misuse determinations on 34 cases and referred them to the Office of the Inspector General (OIG) for review. Of the 34 cases, 28 were organizational payees and 6 were individual payees. We removed the payee in 19 cases and retained the payee in 15 cases.

For the 42 closed cases, 37 were initiated in prior fiscal years and 5 were initiated in FY 2021. We removed the payee in 10 cases and retained the payee in 32 cases.

We retain a payee we label as a misuser *only* if the payee continues to be the best payee for the beneficiary, addresses the finding, *and* makes restitution or has a definite plan to make restitution. An example would be an isolated instance of employee theft by an employee of an otherwise suitable organization. The organization would have to remove the employee, reevaluate their internal controls, and reimburse or set up a payment plan to reimburse all affected beneficiaries.

Sometimes we discover situations of suspected misuse during regularly scheduled site reviews. Although we can discover misuse at any site review, we often initiate targeted reviews from misuse allegations. These allegations come in many forms, including self-reporting by the misuser organization, adverse media reports, referrals from state P&A grantees or other agencies and law enforcement, and allegations made directly to the agency by members of the public.

Payee reviews involving misuse are among the most complex reviews we conduct. We review the financial records of all beneficiaries served by the payee during the period of misuse, make a final misuse determination, share our findings with OIG for potential investigation, and complete administrative actions such as recovery and repayment of misused funds. Depending on the complexity of the investigation, it may take months to several years until the case reaches final resolution.

Under the SPSSBA, the annual report provides in depth misuse data related to the P&A grantee review process. Our reviews found that most payees used beneficiaries' funds properly. In FY 2021, we finalized misuse determinations totaling \$2,364,125. We also repaid or reissued \$2,357,023 of misused funds to affected beneficiaries and recovered \$956,042 from misuser payees.¹¹ The recovery total includes recoveries towards prior years' misuse determinations.

Pages 17 – 50 of this report contain narratives that describe misuse identified during FY 2021 site reviews along with updates on misuse identified in prior fiscal years that are still pending.¹² We annotate criminal, civil, and administrative penalties in the narratives where applicable.

¹¹ All misuse dollar amounts derived from FY 2021 regional misuse reports.

¹² All misuse narratives derived from annual regional misuse reports and OIG status updates. A case is resolved when we recover all misused funds or exhaust all collection options (both internal and external collection methods).

Table 9: Site Review Misuse Data¹³

Category	Total
Suspected Misuse Referrals from FY 2021 Site Reviews	164
New Misuse Allegations from FY 2021 Suspected Misuse Referrals	59
Misuse Found Determinations ¹⁴	34
Total Dollars of Misuse Found	\$2,364,125
Total Dollars Recovered from Misuser Payees ¹⁵	\$956,042
Total Dollars Repaid or Reissued to Affected Beneficiaries	\$2,357,023

Table 10: New Misuse Investigations by Review and Payee Type¹⁶

Payee Types	Review Types					Total
	<i>Periodic Site Reviews</i>	<i>Targeted Reviews</i>	<i>Educational Visits</i>	<i>State Onsite</i>	<i>Predictive Model</i>	
<i>Organizational Volume Payees</i>	12	1	0	0	0	13
<i>State Mental Institutions</i>	0	0	0	1	0	1
<i>FFS Payees</i>	4	1	0	0	0	5
<i>Other Organizational Payees</i>	0	9	0	0	14	23
<i>Individual Volume Payee</i>	3	0	0	0	0	3
<i>Individual Family Payee</i>	0	7	0	0	5	12
<i>Individual Non-Family Payee</i>	0	2	0	0	0	2
Total	19	20	0	1	19	59

Table 11: Misuse Found Determinations by Payee Type¹⁷

	Org. Volume	State Mental Inst.	FFS	Other Org.	Indv. Volume	Indv. Family	Indv. Non-Family	Total
Total	10	1	5	12	1	3	2	34

¹³ Data on Tables 9, 10 and 11 derived from FY 2021 regional misuse reports.¹⁴ Total includes completed misuse determinations in FY 2021 regardless of the year we initiated an investigation.¹⁵ Total includes funds recovered in FY 2021 toward misuse determinations finalized in FY 2021 and those finalized in prior fiscal years but still in recovery.¹⁶ New misuse investigations associated with site reviews conducted in FY 2021. See *Table 1* on page 8.¹⁷ Totals include misuse found determinations closed in FY 2021 regardless of the year we initiated an investigation.

FY 2021 New Misuse Allegations

(b) (7)(A) (b) (7)(A)
[Redacted text block]

(b) (7)(A) (b) (7)(A)
[Redacted text block]

Arlington Cove Health Care, Trumann, AR. During a site review, we discovered the State of Arkansas took temporary stewardship of facility due to theft by one of the owners. We initiated a misuse investigation because of this situation and determined \$55,859 in misused funds affecting seventeen beneficiaries. We received proof the owner reimbursed the affected beneficiaries for the full amount of misused funds. 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 issue to OIG. OIG took appropriate action based upon available information. All case actions are complete.

(b) (7)(A) (b) (7)(A)
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FREE, Hauppauge, NY. During the site review, we discovered there was a prior incidence of employee theft. The final amount of misuse was \$2,755 affecting five beneficiaries. We retained the payee because this was an isolated incident, the employees involved no longer work at the facility, and the payee has put in place corrective measures to prevent future incidents. We confirmed the payee reimbursed the affected beneficiaries directly for the full amount of misuse. We referred the case to OIG. OIG took appropriate action based upon available information. All case actions are complete.

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Helio Health, Syracuse, NY. During the site review, we discovered there was an incidence of employee theft. The final amount of misuse was \$93,000 affecting 100 beneficiaries. We retained the payee because this was an isolated incident. The employees involved no longer work at the facility, and the payee notified authorities about the theft and put in place corrective measures to prevent future incidents. We confirmed the payee reimbursed the affected beneficiaries directly for the full amount of misuse. We referred the case to OIG. OIG took appropriate action based upon available information. All case actions are complete.

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Lexington Place Health Care & Rehab, Jonesboro, AR. We initiated a trigger review of this facility when we discovered the State of Arkansas took temporary stewardship of it due to theft by one of the owners. We also initiated a misuse investigation because of this situation and determined \$98,876 in misused funds affecting 33 beneficiaries. We received proof the owner reimbursed the affected beneficiaries for the full amount of misused funds. 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 issue to OIG. OIG took appropriate action based upon available information. All case actions are complete.

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Southwind Nursing and Rehabilitation Center, Crowley, LA. We initiated a trigger review and a misuse investigation after discovering that a bookkeeper at this facility was arrested for theft. The final amount of misuse was \$2,927 affecting four beneficiaries. We retained the payee because this was an isolated incident. The employee involved no longer works at the

facility and the payee has put in place corrective measures to prevent future incidents. We confirmed the payee reimbursed all affected beneficiaries directly for the full amount of misuse. We referred the case to OIG. OIG took appropriate action based upon available information. All case actions are complete.

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Thresholds, Chicago, IL. During the site review, we discovered a prior incidence of employee theft. The final amount of misuse was \$15,740 affecting 13 beneficiaries. The payee repaid the full amount. We retained the payee because this was an isolated incident. The employee involved no longer works at the facility and the payee has placed corrective measures to prevent future incidents. We confirmed the payee reimbursed all affected beneficiaries directly for the full amount of misuse. We referred the case to OIG. OIG took appropriate action based upon available information. All case actions are complete.

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Updates for FY 2020 Misuse Allegations

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Alameda Hospital, Alameda, CA. During the site review, the payee was not able to account for a beneficiary's personal needs allowances. The misuse investigation is ongoing. The estimated amount of misuse was \$240 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 will refer the case to OIG after completing the misuse determination.

Update: After further investigation, we determined that the payee did not misuse any benefits. The payee remains suitable to continue serving. All case actions are complete.

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Angelview Children, Desert Hot Springs, CA. From a site review, we discovered questionable transfers of money and unaccounted purchases and cash withdrawals. The misuse investigation is ongoing. The estimated amount of misuse was \$77,800 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. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

Armstrong Care Inc., Ford City, PA. During the site review, we discovered some financial irregularities. The misuse investigation is ongoing, and the number of affected beneficiaries and the amount of misused funds is not yet available. 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 will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

Aztec Ounce Payee, Anchorage, AK. We discovered this organization charged unauthorized fees for payee services. The final misuse amount was \$2,735 affecting 32 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 this case to OIG. OIG took

appropriate action based upon available information. Reissuance and recovery actions are pending.

Update: We completed all repayment and recovery actions. All case actions are complete.

Campos Care Home, Palmdale, CA. During the site review, we determined the payee may be charging SSI beneficiaries above the allowable state limits for room and board. The misuse investigation is ongoing, and with potentially two affected beneficiaries. The amount of misused funds is not yet available. We retained the payee pending the outcome of the investigation. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

Community Counseling Centers of Chicago, Chicago, IL. We conducted a targeted review when a local media affiliate submitted a FOIA request related to an investigative report it was conducting on this payee, and the Illinois Department of Human Services alleged that this payee was using beneficiary funds to make payroll. The misuse investigation is ongoing. The current estimate of misuse was \$259,746 affecting 205 beneficiaries. We referred the case to OIG. OIG took appropriate action based upon available information. The payee remains suitable pending the outcome of the investigation.

Update: The misuse investigation has been completed. We determined that the final amount of the misused funds was \$259,746. The payee provided proof that they directly reimbursed all affected beneficiaries. We found the payee suitable to continue serving, as their presence provides a tangible benefit to the community it serves. All case actions are complete.

Community Options Inc., Lubbock, TX. During the site review, we discovered a possible incidence of employee theft. The misuse investigation is ongoing, and the number of affected beneficiaries and the amount of misused funds is not yet available. We retained the payee pending the outcome of the investigation. Continued suitability of the payee is contingent on its cooperation and repayment of any misused funds. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

D&D Homes (Beacon St.), Anaheim, CA. We discovered unaccounted cash withdrawals. The misuse investigation is ongoing. The estimated amount of misuse is \$2,083 affecting two beneficiaries. We retained the payee pending the outcome of the investigation. Continued suitability of the payee is contingent on its cooperation, and repayment of any misused funds. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

D&D Homes (Willow St.), Anaheim, CA. During the site review, we discovered suspicious cash withdrawals, unaccounted personal needs allowances, and potential unauthorized charged fees. The misuse investigation is ongoing. The estimated amount of misuse is \$2,456 affecting two beneficiaries. We retained the payee pending the outcome of the investigation. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

D&D Homes, Stanton, CA. During the site review, we discovered suspicious cash withdrawals and unaccounted personal needs allowances. The misuse investigation is ongoing. The estimated amount of misuse is \$637 affecting one beneficiary. We retained the payee pending the outcome of the investigation. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

East Oakland Community Project, Oakland, CA. During a site review, we discovered the payee was using beneficiary funds to offset payroll. The misuse investigation is ongoing. The estimated amount of misuse is \$142,000 affecting five beneficiaries. We retained the payee pending the outcome of the investigation. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

Educare Community Living Corporation, Brownwood, TX. During the site review, we discovered an incidence of possible employee theft. The misuse investigation is ongoing, and the number of affected beneficiaries and the amount of misused funds is not yet available. We retained the payee pending the outcome of the investigation. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

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Grace Assisted and Independent Living, Houston, TX. We discovered this organization might be withholding beneficiary personal needs allowances. The misuse investigation is

ongoing, and the number of affected beneficiaries and the amount of misused funds is not yet available. We retained the payee pending the outcome of the investigation. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

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Individual Family Payee, (b) (6), (b) (7)(C). During a site review, a beneficiary made a misuse allegation stating that this payee might be withholding funds. The estimated amount of misuse is \$7,446 affecting one beneficiary. For now, we retained the payee because the investigation is in

the initial stages. Our suitability determination could change based on the outcome of the investigation. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

Individual Family Payee, (b) (6), (b) (7)(C) We discovered that (b) (6), (b) (7)(C) [REDACTED]. The estimated amount of misused funds is \$8,401 affecting one beneficiary. We removed the payee and took appropriate action finding the beneficiary a new payee. We referred the case to OIG. OIG took appropriate action based upon available information. The misuse investigation is ongoing.

Update: The misuse investigation determined that no misuse occurred. All case actions are complete.

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Individual Non-Family Payee, (b) (6), (b) (7)(C) We conducted a targeted review after a beneficiary made a misuse allegation against this payee. The misuse investigation is ongoing, and the number of affected beneficiaries and the amount of misused funds is not yet available. 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 will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

Individual Non-Family Payee, (b) (6), (b) (7)(C) During a site review, we received a complaint of alleged financial exploitation by this payee. The misuse investigation is ongoing, and the amount of misused funds is not yet available. There are potentially two affected beneficiaries. We retained the payee pending the outcome of the investigation. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

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Individual Volume Payee, (b) (6), (b) (7)(C) During a site review, a beneficiary made a misuse allegation against this payee. The misuse investigation is ongoing potentially affecting one beneficiary, and the amount of misused funds is not yet available. We retained the payee pending the outcome of the investigation. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

Keystone Guardian Services, Elizabethville, PA. From a site review, we discovered that this organization might be charging beneficiaries unauthorized fees. The misuse investigation is ongoing, and the number of affected beneficiaries and the amount of misused funds is not yet available. We retained the payee pending the outcome of the investigation. Continued suitability of the payee is contingent on its cooperation and repayment of any misused funds. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

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Lincoln Heights Healthcare, Star City, AR. We completed a targeted review when local media reported that the State of Arkansas took control of this facility. We discovered potential theft by the owner of the facility. The misuse investigation is ongoing, and the number of affected beneficiaries and the amount of misused funds is not yet available. We removed the payee, and took appropriate action for all beneficiaries, either finding a new payee or transitioning the beneficiaries to direct payment.

Update: We made a final misuse determination of \$55,945 affecting 18 beneficiaries. We referred the case to OIG. OIG took appropriate action based upon available information. We recovered all misuse funds and reimbursed the affected beneficiaries. All case actions are complete.

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Martin de Porres Care, Lake Charles, LA. We completed a targeted review when we discovered that local law enforcement issued arrest warrants for two employees for allegedly stealing from this organization. The estimated amount of misuse is \$57,000 affecting 51 beneficiaries. The organization refunded the stolen funds to beneficiary accounts, but we cannot confirm they have been made whole until we complete our misuse determination. We retained the payee pending the outcome of the investigation. Continued suitability is contingent on its cooperation and repayment of all misused funds. We will refer the case to OIG after completing the misuse determination.

Update: We made a final misuse determination of \$64,469 affecting 25 beneficiaries. We referred the case to OIG. OIG took appropriate action based upon available information. We recovered all misuse funds and reimbursed the affected beneficiaries. All case actions are complete.

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Melvin and Mary Burns Resource Center, Harvey, LA. During the site review, we discovered that this payee might be using beneficiary funds to maintain their business operating account. The misuse investigation and the amount of misused funds or number of affected beneficiaries are currently unknown. We retained the payee pending the outcome of the investigation. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

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Prescott Manor Nursing Home, Prescott, AR. We completed a targeted review when local media reported that the State of Arkansas took control of this facility. We discovered potential theft by the owner of the facility. The misuse investigation is ongoing. The number of affected beneficiaries and the amount of misused funds is not yet available. We removed the payee, and took appropriate action for all beneficiaries, either finding a new payee or transitioning the beneficiaries to direct payment.

Update: We made a final misuse determination of \$24,857 affecting 11 beneficiaries. We referred the case to OIG. OIG took appropriate action based upon available information. We recovered all misuse funds and reimbursed the affected beneficiaries. All case actions are complete.

Pretera Center Money Management of Charleston, Charleston, WV. A beneficiary made a misuse allegation against this payee. The misuse investigation is ongoing. The number of affected beneficiaries and the amount of misused funds is not yet available. We retained the payee pending the outcome of the investigation. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

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Riverside County Mental Health, Riverside, CA. During a site review, the organization could not document various expenses and potentially charged beneficiaries unauthorized fees. The misuse investigation is ongoing. The estimated misuse amount is \$11,668 affecting five beneficiaries. We retained the payee pending the outcome of the investigation. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

Southern Community, Dry Branch, GA. This organization reported during its site review that a former employee stole funds. The payee terminated the employee and referred the matter to local law enforcement. The estimated amount of misuse is \$2,132 affecting three beneficiaries. We retained the payee because the theft was an isolated incident, and the payee is cooperating with our investigation. The payee alleges that it reimbursed the affected beneficiaries, and we requested financial records to complete the investigation and took action to prevent future misuse. We referred the case to OIG. OIG took appropriate action based upon available information. We are working on completing the misuse determination.

Update: We made a final misuse determination that matched our estimate. The payee provided proof that it directly reimbursed all affected beneficiaries the full amount of misuse funds. We determined the payee is suitable to continue serving. All case actions are complete.

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The Wilson Family Caring Center, Houston, TX. We discovered potential financial misappropriation as the organization’s bank statements and ledgers do not reconcile. The misuse investigation is ongoing, and the number of affected beneficiaries and the amount of misused funds is not yet available. We retained the payee pending the outcome of the investigation. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

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Windmill Village, Lubbock, TX. During the site review, we discovered an incidence of possible employee theft. The misuse investigation is ongoing, and the number of affected beneficiaries and the amount of misused funds is not yet available. We retained the payee pending the outcome of the investigation. Continued suitability of the payee is contingent on its cooperation and repayment of any misused funds. We referred the case to OIG. OIG took appropriate action based upon available information.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

Woodruff Care Home, Bellflower, CA. During the site review, the payee failed to disclose conserved funds it had from some beneficiaries. The beneficiaries were unaware the organization held their monies. The misuse investigation is ongoing. The estimated amount of misuse is \$21,000 affecting three beneficiaries. We retained the payee pending the outcome of the investigation. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined that no misuse occurred. The payee remains suitable to continue serving. All case actions are complete.

Updates for FY 2019 Misuse Allegations

Arc of North Texas, Plano, TX. This organization reported during its site review that it was going out of business citing financial difficulties due to employee theft. The misuse investigation is ongoing affecting 29 beneficiaries, and the amount of misused funds is not yet available. We removed the payee and took appropriate action for all beneficiaries, either finding a new payee or transitioning the beneficiary to direct payment. We had trouble gathering financial records for the misuse investigation since the organization went out of business and is not cooperating. We will refer the case to OIG after completing the misuse determination.

Update: The misuse investigation determined, based on the evidence we were able to collect, that no misuse occurred. All case actions are complete.

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Copperas Cove Nursing and Rehab Center, Copperas Cove, TX. This organization reported an incident of employee theft during the site review. We made a final misuse determination of \$200 affecting one beneficiary. We retained the payee because the theft was an isolated incident, and they are cooperating with our investigation. The organization no longer employs the individual who misused the funds, and the payee referred the finding to local law enforcement. If we confirm misuse, continued suitability of the payee is contingent on repaying the misused funds. We will refer the case to OIG after completing the misuse determination.

Update: We revised our final misuse determination to \$1,913 affecting four beneficiaries. We confirmed that the payee reimbursed the affected beneficiaries directly the entire misuse amount. We referred the case to OIG. OIG took appropriate action based upon available information. All case actions are complete.

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Genesis, Austin, TX. We discovered this organization charged fees more than those permissible. The misuse investigation is ongoing, and the number of affected beneficiaries and

the amount of misused funds is not yet available. We removed the payee and took appropriate action for all beneficiaries, either finding a new payee or transitioning the beneficiary to direct payment. We will refer the case to OIG after completing the misuse determination.

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

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Konstrutive Solutions, Portland OR. We conducted a targeted review based on allegations of the organization charging unauthorized fees. The final misuse amount was \$480 affecting two beneficiaries. We removed the payee and took appropriate action 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 are in the process of recovering and repaying the misused funds.

Update: We revised our final misuse amount from \$480 to \$360. Affected beneficiaries were previously reimbursed. The payee is closed and have not cooperated in recovery efforts. We exhausted all avenues of collection and were not able to recover these misused funds. All case actions are complete.

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Skyline Support Services, Mankato, MN. We conducted a targeted review based on allegations of excessive fees charged to beneficiaries. The original final misuse amount was \$4,165 affecting 28 beneficiaries. We removed the payee and took appropriate action for all the 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. When we began recovery attempts, the payee began cooperating and provided new evidence for us to revise the misuse determination.

Update: We revised our final misuse amount to \$2,655 affecting 157 beneficiaries. We reimbursed all affected beneficiaries the full amount of misused benefits. Recovery attempts from the payee have been unsuccessful, as the organization is now defunct. Collection of the outstanding debt is unlikely, and there are no further recovery actions we can take. All case actions are complete.

Spring Hills at Morristown, Morristown, NJ. We conducted a targeted review in response to a local media report alleging theft by an employee of this organization. The misuse investigation is ongoing. The number of affected beneficiaries and the amount of misused funds are not yet available. The organization no longer employs the individual who misused the funds, and the payee referred the finding to local law enforcement. We retained the payee because the payee is cooperating with the investigation. If we confirm misuse, continued suitability of the payee is contingent on repaying the misused funds. We are trying to determine if the stolen funds were indeed Social Security benefits. It appears the organization did not serve as representative payee for the individual mentioned in the media report. We will refer the case to OIG after completing the misuse determination.

Update: After further investigation, our investigation found that no misuse occurred. The former employee stole non-SSA funds and engaged in credit card fraud. All case actions are complete.

Updates for FY 2018 Misuse Allegations

Behavioral Health Network, Springfield, MA. We retained this organization because the misuse was due to an isolated employee theft incident. The misuse investigation is ongoing, and the estimated amount of misused funds was \$989, affecting eight beneficiaries. The payee reimbursed the beneficiaries, but we cannot confirm they have been made whole until we complete our investigation.

Update: The payee changed its name to Venture Community Services. We made a final misuse determination of \$1,336 affecting eight beneficiaries. We confirmed that the payee reimbursed the affected beneficiaries for the difference between our estimated and final misuse amounts. We referred the case to OIG. OIG took appropriate action based upon available information. All case actions are complete.

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Tenco Industries, Ottumwa, IA. We retained this organization because the misuse was due to an isolated employee theft incident. The misuse investigation is ongoing, and we originally estimated amount of misused funds at \$52,000, affecting 15 beneficiaries. The organization is cooperating with the investigation and making changes to prevent future misuse. We made a final misuse determination of \$88,186 affecting 20 beneficiaries. We referred the case to OIG. OIG took appropriate action based upon available information.

Update: We reimbursed the affected beneficiaries the full amount of misuse and recovered the full misuse amount from the payee through a payment plan. All case actions are complete.

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Updates for FY 2017 Misuse Allegations

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Updates to FY 2015 Misuse Allegations

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Updates to FY 2014 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
Over SSI Resource Limit	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 collection process.
Incorrect or Unauthorized Fee Charged	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.
Failure to Report Changes	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>Payee Did Not Exercise Oversight of Benefits (Conduit Payee)</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. We also reminded the payees to report whenever they believe a beneficiary in their care is capable of managing his or her money. For those beneficiaries we found to be capable, we began paying them directly.</p>
<p>Annual Accounting Forms Not Returned</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.</p>
<p>Recordkeeping Findings (e.g., minor math errors, weak internal controls)</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>Misuse Suspected</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&A grantee's findings. If the allegation was unfounded, we closed out the finding. If further investigation was needed, we made a misuse determination and notified the payees when a misuse investigation substantiated the allegation; or we are still investigating the misuse allegations.</p>
<p>Potential Payee Suitability Finding – Financial</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</p>

		payee and worked with them to ensure they improved.
Potential Payee Suitability Finding – Non-Financial	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.	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.
Bank Account Issues	<p>Issues with Bank Account could involve the following:</p> <ol style="list-style-type: none"> 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. 2. Bank Account Not Interest Bearing - Payees did not use interest-bearing accounts for beneficiaries' funds. 3. Collective Account Not Approved by SSA - Payees did not obtain our approval before 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. 	<ol style="list-style-type: none"> 1. At our direction, payees re-titled their accounts. 2. We directed the payees to move beneficiaries' funds to interest-bearing accounts. 3. We reviewed the accounts to ensure each met our requirements. 4. We directed payees to move beneficiaries' funds into correctly titled accounts.

	4. Beneficiary Funds in Agency Operating Account - Payees deposited beneficiaries' funds in an operating account that did not reflect beneficiaries' ownership of funds	
Same Deficiencies from Previous Reviews Found	Payee repeated the same deficiencies found in a previous review.	Conduct a suitability determination of the payee according to established policy.
Dedicated Account Funds Misapplied	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 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 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.