



PHOTO BY JOANNE ZUHL

John Munro's limited income was legally administered through his representative payee. The company representing him closed its doors in April with only three weeks' notice to customers such as Munro, who suffers from health issues that make it impossible for him to manage the money himself.

In those we trust

Gaps in oversight leave clients vulnerable in nation's multi-billion-dollar payee system

BY JAKE THOMAS
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It could have happened in any town in any state.

The checks were supposed to be deposited and used to pay for rent, utilities, food and other necessities for a disabled individual. The official report found otherwise.

In 2012, an investigator from Columbia County was sent to check out Tara Anderson, who was managing the disability benefits for someone who couldn't handle their own money because of their impairment. Anderson claimed she never used the money for her own benefit, but the investigation found that she had spent the money on rental cars, fake cigarettes, a trip to the bowling alley, online purchases and others. According to the report Anderson "financially exploited" the person she was supposed to be helping.

Anderson was a representative payee, someone who is assigned by the Social Security Administration to administer the disability benefits for someone who has been deemed incapable of managing their own finances. The person she was said to have exploited is referred to in the report as "AV," alleged victim. And there are many more AV's out there.

The allegations of financial exploitation brought against Anderson represent just a small sliver of the problems within a massive, and growing program. In fiscal year 2012, there were about 5.9 million representative payees who managed \$72 billion annually for 8.4 million beneficiaries.

John Munro, a Street Roots vendor, is one of those beneficiaries. He, along with about 1,000 clients of Safety Net of Oregon, recently had to scramble to find a new

payee after the company closed under the weight of a federal investigation. He worries about what has become of his monthly support, an inheritance trusted to a now shuttered company.

The representative payee program has long suffered from a lack of oversight, allowing countless numbers of some of the country's most disabled people to become targets for financial exploitation or worse. As the country's population ages, new strains will be placed on the program as its struggles to find payees. Oregon recently got a taste of some of those problems when it saw its largest payee shut its doors, throwing some of its most vulnerable people into turmoil.

"In summary, we found that SSA struggles to effectively administer its Representative Payee Program, despite steps the agency has taken to address its challenges in identifying, selecting, and monitoring representative payees," Daniel Bertoni, a director at the Government Accountability Office, told a congressional panel last year. For fiscal year 2013, the Social Security Administration referred 7,600 cases of possible malfeasance by payees to the Office of the Inspector General, of which 136 have been sentenced. However, Bertoni told the panel that there's no way to know how prevalent payee fraud is because there is no adequate mechanism to sniff it out.

The Social Security Administration and Congress have long known that there are problems with the representative payee program. For more than a decade, a steady stream of reports have trickled out of the Government Accountability Office and the Office of the Inspector General, two federal oversight agencies, detailing the

shortcomings of the program.

One report found that the Social Security Administration had trouble getting payees who misused funds to pay them back, and some individuals who misused funds were still serving as payees. Another report found that the administration has had trouble getting payees to respond to requests for documentation of how the benefit money was spent. Another report found that the Social Security Administration has had trouble with preventing incarcerated people and fugitive felons from serving as payees.

Felons are allowed to serve as payees, as long as they haven't been convicted of certain crimes, such as human trafficking, fraud, kidnapping and abuse. However, a 2010 report from the Office of the Inspector General found that payee applicants don't always note past convictions.

A big part of the problem is the Social Security Administration has limited tools to make sure payees are not abusing the people they're supposed to be helping. Individual payees are required to turn in accounting forms describing how the benefit money was spent to cover the basic needs of the recipient. A 2007 study by the National Research Council called the monitoring process an "empty threat" that could be thwarted by a crooked payee who fills out the accounting forms with plausible yet false information.

Although the administration has recently taken steps to better identify and scrutinize

Weston had previously been convicted of killing her sister's boyfriend in the 1980s, but was still approved to be a payee.

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