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payees who might be more likely to commit fraud, Curt Decker, the executive director of National Disability Rights Network, says that oversight is still a challenge. In some cases, he says, it might be "virtually impossible" to know about severe abuse being committed by payees. "It's a reliance on people to do the right thing."

Eighty five percent of all payees are family members of the recipient. In situations where a family member isn't available, a social service nonprofit often steps in. Sometimes individuals not related to the disability recipient will serve as a payee. It's the latter type of payees, says Decker, that are particularly difficult to monitor.

One of the most infamous cases of payee abuse involved six disabled adults being held in subhuman dungeon-like conditions. Last year, five individuals in Philadelphia were indicted on wide range of criminal charges, including racketeering, hate crimes against disabled people, sex trafficking, forced human labor, theft, fraud, among others.

Linda Weston, the alleged ringleader in the scheme, targeted disabled individuals, luring them into her family home and telling them that she would serve as their payee and take care of them, according to the federal indictment. Once the victim signed over their control of their benefits, they were moved to a locked room, basement, attic or closet. They were fed a low-calorie, high-starch diet to keep their energy levels low. Victims were denied access to medical attention and even bathrooms. If they complained, they were beaten. Weston had previously been convicted of killing her sister's boyfriend in the 1980s, but was still approved to be a payee. Law enforcement didn't find out about Weston through an accounting form, a passerby accidentally discovered the victims being held in the basement.

Another infamous case involved Henry's Turkey Farm in rural Iowa. The farm, which was found to have exploited 32 people, recruited disabled men from Texas. Offering to serve as their payee, the farm also promised the men work gutting turkeys. The farm charged the men for room and board out of their disability checks and paid them \$65 a month for their labor. Most of the workers also lived in an aging bunkhouse with only a space heater for warmth. They were subject to physical abuse, denied medical care and had their freedom of movement restricted. This

arrangement went on for more than 20 years.

In 2012, the Oregon Department of Human Services investigated four alleged cases of financial abuse by a payee. "Social Security really doesn't have any reasonable mechanism for enforcing how payees act," said Bob Joondeph, executive director of Disability Rights Oregon. "There is a way to remove a payee, but it's rare; it's cumbersome."

Joondeph's organization recently joined the Oregon Law Center in suing the Social Security Administration for its handling of clients following the Safety Net of Oregon closure. Joondeph says that part of the problem is that it's difficult to determine the credibility of complaints from disability beneficiaries because it often comes back to the question of, "What got you a payee to begin with?"

A look at complaints against Portland-based organizational payees filed by their clients with the Oregon attorney general underscores this point. Many complaints are rambling and difficult to size up, yet some express concerns over how their money is being handled.

The Social Security Administration has taken some steps to provide greater oversight of the payee program. It has shifted its approach in reviewing payee accounting forms from giving extra attention to a random sample to now giving more scrutiny to those that have more potential for abuse. In Philadelphia, the Social Security Administration began a pilot program to screen and bar payee applicants convicted of crimes such as robbery and fraud. However, the agency has not developed a comprehensive plan for addressing the challenges this program faces over the long term, according to a recent Government Accountability Office report, which notes that the Office of the Inspector General has identified the program as a significant managerial challenge.

During a June 2013 congressional subcommittee hearing on the payee system, LaTina Burse Greene, an assistant deputy commissioner at the Social Security Administration, told the panel that the agency is legally barred from accessing an FBI database to background potential payees. She acknowledged that relying on self-reporting of applicants is inadequate. She also said the Social Security Administration has been starved of resources.

"So for the last three years, we have

received a billion dollars less than the president's budget," she said. "We have lost over ten thousand employees since fiscal year 2011, and we will lose more this fiscal year. We currently expend 1,900 work hours on representative payee activities alone. That investment in representative payee activities won't increase unless we get more resources from Congress."

"From a social policy point of view, (the payee system) is a very inexpensive way to deal with the fact that a lot of people who receive benefits have problems handling their own money," says Joondeph. However, this inexpensive way might not be viable in the long term. Currently there is a shortage of payees, which is expected to get worse as the population ages.

According to the most recent report from the Government Accountability Office on the payee program, "the proportion of elderly individuals is projected to grow to nearly 20 percent of the total population over the next two decades and it is estimated that the number of aged beneficiaries could increase from over 38 million in 2012 to over 72 million in 2035." The report notes that efforts by the Social Security Administration to find more payees have been unsuccessful. "This projected growth in the size of the beneficiary population has implications for the Representative Payee Program and the resources required to find and monitor payees in the future."

Mellani Calvin, a Portland-based non-attorney representative for people seeking disability benefits, says that being a payee is a pretty thankless job. Most payees are allowed to keep about \$40 a month from the disability check, which averages around \$900, in compensation. Calvin explains that in order for someone to become a professional payee they would need to take on a large number of clients, many of whom have mental illnesses or issues with substance abuse.

"Small entrepreneurs don't really want to engage with huge federal bureaucracies," she said.

Kim Allen is a money management specialist at Central City Concern overseeing the social service nonprofit's payee service, which hovers around 120 clients. She says that Central City Concern runs a tight program with many layers of oversight, and the money they take out of each disability check doesn't cover their costs. She also says that the money taken out of some disability recipients checks, which can be as low as \$530, can present a

real hardship for clients.

"Here's my biggest beef," says Kathleen Roy, director of mental health services for Central City Concern. "This is such an essential service for keeping people well and in safe housing and to just kind of have a life, but there is no payment for it."

Oregon has already seen the potential impact of not having enough payees. In April, Safety Net of Oregon, a nonprofit that served as a representative payee was ordered to shut its doors after a review by the Social Security Administration found that it \$600,000 in clients' funds were unaccounted for. With about 1,000 clients, it was the state's largest payee service. It was also considered by some to be the payee of last resort. Documents describe Linda Stelling, the nonprofit's CEO, as appearing overwhelmed.

When the nonprofit was ordered to shut, it created a crisis for hundreds of its former clients who had to navigate the Social Security bureaucracy to find a new payee or risk not being able to access their money for rent, medications and other necessities.

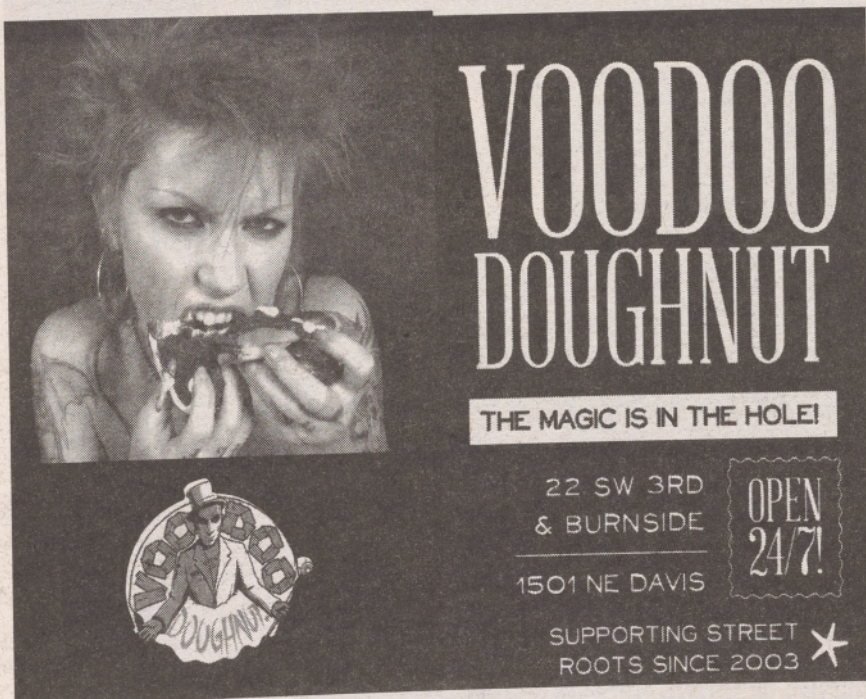
"Social Security, because of the lack of community services, has relied on this nonprofit incapable of doing this job," says George Wall, a disability attorney.

Wall says that the solution is to first acknowledge that serving as a payee is going to be a money-loser. Second, he says, some government agency should step up with a more comprehensive approach, not just serving as a payee but also providing "wrap-around" services, connecting clients with housing and other services. He says that Santa Clara County, Calif., used to do that, and he'd like to see the approach brought back.

However, having the same entity serve as a payee and also provide services could be problematic. A 2007 study from the National Research Council noted, "When a representative payee is a creditor of a beneficiary, either as a landlord or as a provider of board and care, it is unclear whose interests are being served."

Decker, of the National Disability Rights Network, says that it's time to review the whole system, but in the shorter term it is a question of resources.

"People like to pretend that money is not an issue and it is," he says. "In a very bad budget climate with lots of talk about deficit reduction that means individuals might be exploited or abused."

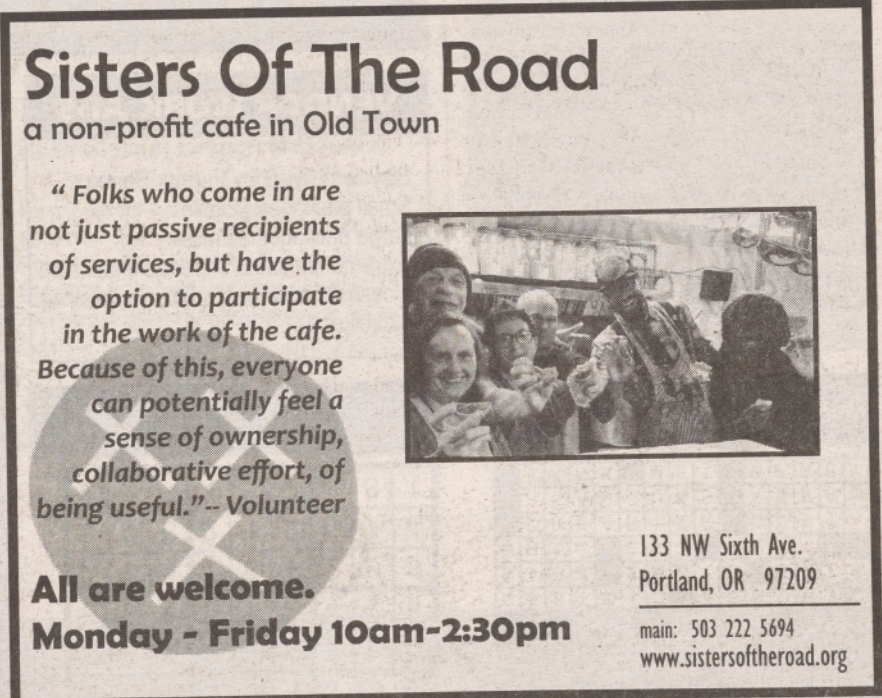


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