

Statement of Senator Larry E. Craig
Senate Special Committee on Aging
Ensuring the Integrity of Social Security Programs: Protecting
Seniors for Representative Payee Fraud
September 9, 2003

We are here this morning to discuss an aspect of Social Security that is very important to our nation's Seniors. Through the Representative Payee program, the Social Security Administration appoints representatives for persons that have difficulty managing their own benefits. As you all know, Social Security benefits are often the only source of income for millions of older Americans. The integrity and accountability of the Representative Payee program is critical to ensure the well being of our most vulnerable citizens.

In May of 2000, this committee held an investigative hearing that revealed numerous instances of misuse of Social Security funds by Representative Payees. It is time to take another look at this program to determine what work remains to be done to protect the Social Security benefits paid to the vulnerable elderly.

There are currently 5.4 million Representative Payees who manage benefits for 7.6 million beneficiaries. Each Representative Payee has a legal responsibility to use Social Security payments for the use and benefit of the beneficiary. Although the vast majority of individual and organizational payees are honest and trustworthy, our investigation has confirmed that abuses still occur.

The Social Security Administration's Inspector General has reported that in a 6 year period, over 3,200 Representative Payees misused approximately \$26 million in benefits entrusted to their management. The full extent of these abuses remains unknown.

In a recent case, authorities successfully prosecuted a woman on murder charges. The lady murdered her spouse for whom she was also the Representative Payee. She was further convicted of misusing Social Security benefits intended for her husband.

While we commend the efforts the Social Security Administration and the Inspector General have made thus far in combating fraud, the problems I have cited raise the following questions that I hope to have answered today: To what extent are older persons under the Representative Payee program still being harmed under the current system? And most importantly, what is currently being done to intensify the protections within the Representative Payee program?