



U.S. RAILROAD RETIREMENT BOARD

## OFFICE OF INSPECTOR GENERAL

*This report summary presents the abbreviated results of the subject audit. The full report includes information protected from disclosure and has been designated for limited distribution pursuant to 5 U. S. C. § 552.*

# Audit of the Railroad Retirement Board's Representative Payee Program from Fiscal Year 2023 through Fiscal Year 2024

Report No. 25-07

June 12, 2025



## **What RMA Found**

RMA Associates, LLC (RMA) determined that: 1) the Railroad Retirement Board's (RRB) monitoring process for representative (rep) payees was inadequate to monitor rep payee spending; 2) RRB did not secure a vendor for a new background check system contract timely after the contract with the previous vendor expired; 3) RRB did not have a written policy for determining what would classify an applicant as a high-risk rep payee; 4) RRB did not create an assessable unit for its Rep Payee program and as a result did not establish a chart of controls for the program; and 5) RRB was not fully compliant with its required procedure, as rep payee documentation for its appointment and monitoring processes was not always complete or uploaded to its imaging system.

RMA determined that these issues occurred primarily because RRB either lacked policies and procedures, did not adhere to them, or its rep payee monitoring process was inadequate. Limited RRB staffing resources and inadequate training also factored into the cause.

RMA also concluded that the RRB sufficiently used interviews when warranted throughout the rep payee process and had sufficient procedures for reporting fraud and abuse of annuitants with rep payees.

## **What RMA Recommended**

RMA made 23 recommendations to address their findings and to strengthen RRB's policies, procedures, and internal controls over rep payee appointment and monitoring, and to ensure rep payees safeguard retirement benefits for RRB's annuitants who cannot care for themselves. RRB concurred with all 23 recommendations.

## **What We Did**

RRB Office of Inspector General (OIG) engaged RMA to conduct a performance audit of the RRB's Rep Payee program. During fiscal years 2023 and 2024, the RRB paid \$256.5 million and \$260.6 million to 11,977 and 11,697 rep payees, respectively.

This audit was conducted in accordance with generally accepted government auditing standards. RMA is responsible for the audit report and the conclusions expressed therein. RRB OIG does not express any assurance on the conclusions presented in RMA's audit report.

The overall objectives were to assess whether RRB's rep payee appointments and monitoring process, including its timeliness and completeness, was compliant with its policies and procedures; policies and procedures were sufficient to ensure that benefits were used for the needs of the annuitant; face-to-face interviews were utilized sufficiently; and if sufficient procedures were in place for reporting fraud, abuse, and/or neglect of the annuitants.

The scope of the audit was the RRB's Rep Payee program from October 1, 2022, through September 30, 2024.