

Jones & Jones, LLC, A Representative Payee for the Social Security Administration

A-13-14-24137



January 2016

Office of Audit Report Summary

Objectives

Our objectives were to determine whether Jones & Jones, LLC, (Jones & Jones) a representative payee for the Social Security Administration (SSA), (1) had effective safeguards over the receipt and disbursement of Social Security benefits, (2) used and accounted for Social Security benefits in accordance with SSA's policies and procedures, and (3) adequately protected beneficiaries' personally identifiable information.

Background

Some individuals cannot manage or direct the management of their finances because of their youth and/or mental and/or physical condition. Congress granted SSA the authority to appoint a representative payee to receive and manage these beneficiaries' payments. A representative payee may be an individual or an organization. SSA selects representative payees for Old-Age, Survivors and Disability Insurance beneficiaries and Supplemental Security Income recipients when representative payments would serve the individual's interests. Jones & Jones assisted living facilities in Richmond, Virginia, is an organizational representative payee licensed by the Virginia Department of Social Services. The facility has a 160-bed capacity and tends to the needs of the mentally ill, infirmed, and aged.

Findings

Except for the four items discussed below, Jones & Jones generally had effective safeguards over the receipt and disbursement of Social Security benefits in accordance with SSA's policies and procedures. It also adequately protected beneficiaries' personally identifiable information during our audit period, May 1, 2013 through April 30, 2014. We identified instances where Jones & Jones did not properly use and account for Social Security benefits. Specifically, Jones & Jones did not always notify SSA when a beneficiary left its care; conserve beneficiaries' funds; and prepare Form SSA-6234, *Representative Payee Report*. Furthermore, Jones & Jones received and managed Social Security payments for six beneficiaries for whom it was not the official representative payee.

Recommendations

We recommend that SSA:

1. Instruct Jones & Jones to timely notify SSA when a beneficiary leaves its care.
2. Collect the \$15,661 we identified as paid to Jones & Jones for the beneficiaries who left its care in 2013 and 2014.
3. Instruct Jones & Jones to conserve all appropriate funds for beneficiaries.
4. Instruct Jones & Jones to establish a process for completing Form SSA-6234.
5. Determine whether the six beneficiaries we identified need a representative payee.

SSA agreed with our recommendations.