

Report Summary

Social Security Administration Office of the Inspector General

February 2010



Objective

To determine whether Sunshine Payee Corporation (Sunshine) (1) had effective safeguards over the receipt and disbursement of Social Security benefits and (2) ensured Social Security benefits were used and accounted for in accordance with the Social Security Administration's (SSA) policies and procedures.

Background

SSA selects representative payees for Old-Age, Survivors and Disability Insurance beneficiaries or Supplemental Security Income recipients when representative payments would serve the individuals' interests. A representative payee may be an individual or an organization. Since 2003, Sunshine has operated under the current owners as a fee-for-service (FFS) representative payee.

To view the full report, visit
<http://www.ssa.gov/oig/ADO/BEPDF/A-08-09-29106.pdf>

Sunshine Payee Corporation, a Fee-For-Service Representative Payee for the Social Security Administration **(A-08-09-29106)**

Our Findings

Sunshine did not always comply with SSA's policies and procedures. Specifically, we found that:

- Sunshine did not reconcile bank statement balances with its beneficiaries' ledger balances.
- Sunshine did not obtain sufficient bond coverage for loss or theft of beneficiary funds.
- Sunshine did not identify the fiduciary relationship between the payee and the beneficiaries in its bank account title.
- Sunshine charged \$342 in fees for months when no benefits were payable.

Our Recommendations

We recommend that SSA's Atlanta Regional Office:

1. Work with Sunshine to reconcile its bank statement balances to the beneficiaries' general ledger balances and resolve any resulting differences.
2. Ensure Sunshine secures a bond and/or insurance policy that fully protects beneficiary funds. If Sunshine cannot obtain a bond that meets Agency requirements, consider reducing the number of beneficiaries Sunshine can serve or initiate steps to revoke Sunshine's authorization to collect fees.
3. Work with SSA Central Office staff to clarify steps the Agency should take when FFS representative payees do not secure the appropriate bond but continue to collect fees. That is, SSA's policy should specify whether FFS representative payees should be required to refund fees collected when they do not secure the required bond.
4. Direct Sunshine to modify its collective account title to specifically identify the fiduciary relationship between it and the beneficiaries.

SSA generally agreed with the recommendations.