

*Audit Report*

Follow-up on Deceased  
Representative Payees

# OIG

Office of the Inspector General  
SOCIAL SECURITY ADMINISTRATION

## MEMORANDUM

Date: July 10, 2019 Refer To:

To: The Commissioner

From: Inspector General

Subject: Follow-up on Deceased Representative Payees (A-01-18-50350)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration identified, and took appropriate action on, all cases in which a new representative payee was needed when a current representative payee died.

If you wish to discuss the final report, please call me or have your staff contact Rona Lawson, Assistant Inspector General for Audit, 410-965-9700.



Gail S. Ennis

Attachment

# Follow-up on Deceased Representative Payees

## A-01-18-50350



July 2019

Office of Audit Report Summary

### Objective

To determine whether the Social Security Administration (SSA) identified, and took appropriate action on, all cases in which a new representative payee was needed when a current representative payee died.

### Background

Some individuals cannot manage or direct the management of their finances because of their age or mental and/or physical impairments. For such individuals, payments are made to representative payees who receive and manage the benefit payments. When a representative payee dies, applicable regulations and SSA policy require that SSA will re-evaluate the beneficiary's ability to manage his/her own funds or select a new representative payee.

In three prior audits, we determined SSA's procedures did not always ensure new representative payees were selected when the former representative payees died. SSA agreed with the recommendations in these reports.

To conduct this review, we identified 2,202 Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries and 394 Supplemental Security Income (SSI) recipients with representative payees who had dates of death on SSA's Numident file. We reviewed 100 sample cases: 50 sample cases from each population.

### Findings

SSA did not follow regulations or its policy when it failed to evaluate all beneficiaries'/recipients' ability to manage their own funds and select new representative payees, if appropriate, when the Agency was notified that current representative payees had died. We estimated SSA issued approximately \$10.7 million in OASDI benefits and SSI payments to about 846 deceased representative payees after their deaths. Of the \$10.7 million, we estimated SSA issued \$5.5 million in OASDI benefits to 484 deceased representative payees and \$5.2 million in SSI payments to 362 deceased representative payees.

We also estimated SSA properly ceased payments to about 1,722 representative payees after their deaths; however, approximately 1,542 deceased representative payees' Social Security numbers (SSN) remained on the Master Beneficiary (MBR) or Supplemental Security Records (SSR) for beneficiaries/recipients receiving benefits. Incorrect SSNs in SSA's files compromise SSA's computer-matching efforts.

### Recommendations

We recommend that SSA:

1. Re-evaluate beneficiaries'/recipients' capability to manage funds for those representative payees who had died, assign new representative payees where appropriate, and properly replace the representative payee on the MBR and SSR.
2. Remove the deceased representative payees' SSNs from the MBR and SSR for individuals receiving OASDI benefits or SSI payments where the Agency has replaced the deceased representative payees but their SSNs remain on the records.
3. Ensure employees adhere to regulations and follow Agency policy by providing employees additional training and reminders on the re-evaluation of beneficiaries'/recipients' capability and the procedures to follow when SSA learns of a representative payee's death.

SSA agreed with our recommendations.

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## **ABBREVIATIONS**

C.F.R.	Code of Federal Regulations
DMF	Death Master File
eRPS	electronic Representative Payee System
MBR	Master Beneficiary Record
Numident	Numerical Identification Database
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
SSR	Supplemental Security Record
U.S.C.	United States Code

## OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) identified, and took appropriate action on, all cases in which a new representative payee was needed when a current representative payee died.

## BACKGROUND

Some individuals cannot manage or direct the management of their finances because of their age or mental and/or physical impairments. Congress provided for payment to be made through representative payees who receive and manage the benefit payments for these beneficiaries and recipients.<sup>1</sup> SSA has approximately 6 million payees managing \$70 billion in annual benefits for 8.3 million beneficiaries.<sup>2</sup> When a representative payee dies, applicable regulations and SSA policy require that SSA re-evaluate the beneficiary's ability to manage his/her own funds or select a new representative payee.<sup>3</sup>

Congress mandated that SSA establish a system of accountability for monitoring representative payees.<sup>4</sup> If a representative payee dies and is not replaced, SSA cannot be sure the funds are being used to meet the beneficiary's needs, such as food, clothing, shelter, and medical care.<sup>5</sup> Additionally, if another individual acts as a de facto representative payee, that person is not subject to SSA's financial oversight and reporting responsibilities—such as reporting events to SSA that may affect the individual's entitlement or benefit payment amount.<sup>6</sup>

In three prior audits, we determined SSA's procedures did not ensure it selected new representative payees when the former representative payees died.<sup>7</sup> SSA agreed with the recommendations in these reports. See Appendix A for the status of our prior audit recommendations.

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<sup>1</sup> *Social Security Act*, 42 U.S.C. §§ 405(j) and 1383(a)(2) (govinfo.gov 2017).

<sup>2</sup> SSA, *Annual Report on the Results of Periodic Representative Payee Site Reviews and Other Reviews, Fiscal Year 2018*, p. 2.

<sup>3</sup> 20 C.F.R. §§ 404.2050(d), 404.2055, 416.650(d), and 416.655 (govinfo.gov 2018). SSA, *POMS*, GN 00504.100 (February 27, 2019).

<sup>4</sup> *Social Security Act*, 42 U.S.C. §§ 405(j)(3)(A), 405(j)(6)(B), 1383(a)(2)(C)(i) and 1383(a)(2)(F)(iv) and (G)(ii) (govinfo.gov 2017).

<sup>5</sup> 20 C.F.R. §§ 404.2040(a) and 416.640(a) (govinfo.gov 2018).

<sup>6</sup> 20 C.F.R. §§ 404.2035 and 416.635 (govinfo.gov 2018).

<sup>7</sup> SSA, OIG, *The Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased*, A-01-98-61009 (September 1999); *Follow up on the Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased*, A-01-06-16054 (October 2006); and *Deceased Representative Payees*, A-01-14-34112 (June 2015).

## METHODOLOGY

Through matching SSA's Numident file,<sup>8</sup> Master Beneficiary Record (MBR),<sup>9</sup> and Supplemental Security Record (SSR),<sup>10</sup> we identified 2,202 Old-Age, Survivors and Disability Insurance (OASDI) beneficiary records and 394 Supplemental Security Income (SSI) recipient records with representative payees who had dates of death on the Numident. We reviewed 50 sample cases from each population—for a total of 100 cases. We referred cases to SSA as needed. See Appendix B for our scope, methodology, and sample results.

## RESULTS OF REVIEW

SSA did not follow regulations<sup>11</sup> or its policy<sup>12</sup> when it did not evaluate all beneficiaries'/recipients' ability to manage their own funds or select new representative payees, if appropriate, when the Agency was notified the current representative payee died. Based on our sample results, we estimated SSA issued approximately \$10.7 million in OASDI benefits and SSI payments to 846 deceased representative payees. Of the \$10.7 million, we estimated SSA issued \$5.5 million in OASDI benefits to 484 deceased representative payees and \$5.2 million in SSI payments to 362 deceased representative payees.

We calculated these payments from the date of the representative payee's death through (1) the date SSA replaced the representative payee; (2) the date the recipient stopped receiving payments because of suspension or termination for no longer meeting the eligibility requirements; (3) the date SSA started to re-evaluate whether the beneficiary/recipient still needed a representative payee and took steps to assign a new payee where appropriate; or (4) June 2019, whichever was earlier.

Additionally, we estimated—of the 2,596 records identified in our populations—SSA correctly ceased payments to about 1,722 representative payees after their deaths. However, approximately 1,542 deceased representative payees' SSNs remained on the beneficiaries'/recipients' MBR or SSR. Incorrect SSNs in SSA's files compromise SSA's

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<sup>8</sup> We took an extract of the death information from SSA's Numident file. The Numident contains identifying information, such as name, date of birth, parents' names, and, if applicable, date of death, for each individual issued a Social Security number (SSN).

<sup>9</sup> The MBR contains information on OASDI beneficiaries, such as the beneficiary's SSN, benefit application date, benefit entitlement date, monthly benefit amount, and other data including, if applicable, the name and SSN of the beneficiary's representative payee.

<sup>10</sup> The SSR contains information on SSI recipients, such as the recipient's SSN, date of application, monthly payment amount, and other data including, if applicable, the name and SSN of the recipient's representative payee.

<sup>11</sup> 20 C.F.R. §§ 404.2050(d), 404.2055, 416.650(d), and 416.655 (govinfo.gov 2018).

<sup>12</sup> SSA procedures require that a new representative payee be developed when the current representative payee dies. SSA, *POMS*, GN 00504.100, A.2 (February 27, 2019). SSA development includes re-evaluating whether the beneficiary/recipient still needs a representative payee and assigning a new representative payee if needed.

computer-matching efforts.<sup>13</sup> Many of SSA's systems use SSNs to control information about individuals. For example, SSA uses the SSN to perform a variety of data matches both within SSA and with other agencies. These matches assist SSA in determining eligibility as well as whether an individual is deceased and—to the extent an SSN is incorrect—the value of these matches is diminished.<sup>14</sup>

## Sample Results

As of June 2019, of the 100 sampled representative payees:

- 57 were issued \$782,704 in OASDI benefits or SSI payments after their deaths. These representative payees died between October 2009 and May 2018. SSA will need to determine whether the beneficiaries'/recipients' needs were met while payments were sent to the deceased representative payee.
- 43 were not issued OASDI benefits or SSI payments after their deaths.<sup>15</sup> SSA replaced the deceased representative payees for 39 beneficiaries/recipients; however, the deceased representative payees' SSNs remained on the MBR or SSR (that is, SSA updated the new representative payees' names but did not update the SSNs).

In our 2015 audit, we identified 5,202 beneficiaries/recipients with deceased representative payees on their records—and SSA issued payments to 55 percent of the deceased representative payees after their deaths.<sup>16</sup> For our current audit, we identified 2,596 beneficiaries/recipients with deceased representative payees on their records; which is fewer than the prior audit.

Table 1 summarizes our results.

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<sup>13</sup> In our prior reports, we recommended SSA correct instances where the representative payees' SSNs on the MBR or SSR were incorrect. See SSA, OIG, *The Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased*, A-01-98-61009, p. 12 (September 1999) and *Deceased Representative Payees*, A-01-14-34112, p. 7 (June 2015).

<sup>14</sup> For example, we issued a report on the *Impact on the Social Security Administration's Programs When Auxiliary Beneficiaries Have Incorrect Social Security Numbers*, A-01-03-33020 (November 26, 2003).

<sup>15</sup> SSA did not issue payments to the representative payees for such reasons, as (1) SSA replaced the deceased representative payee timely; (2) the representative payee's death was erroneously recorded on the Numident; or (3) the deceased individual's SSN appeared on the MBR or SSR of beneficiaries and recipients for whom there was no record the deceased individual ever served as representative payee—the result of typographical or other data entry error.

<sup>16</sup> SSA, OIG, *Deceased Representative Payees*, A-01-14-34112, p. 3 (June 2015).

**Table 1: Summary of Sample Results**

Category	Deceased Representative Payees for OASDI Beneficiaries	Deceased Representative Payees for SSI Recipients	Total Deceased Representative Payees
Population of OASDI beneficiaries and SSI recipients in current pay status with representative payees for whom SSA had recorded dates of death on the Numident	2,202	394	2,596
Sample Size	50	50	100
Representative payees SSA did not pay after their deaths	39	4	43
Deceased representative payees to whom SSA sent OASDI benefits or SSI payments after their deaths	11	46	57
OASDI benefits and SSI payments SSA issued to deceased representative payees	\$123,983	\$658,721	\$782,704
Range of payments to deceased representative payees	\$145 to \$45,897	\$168 to \$83,110	\$145 to \$83,110
Average payments to deceased representative payees	\$11,271	\$14,320	\$13,732
Median payments to deceased representative payees	\$2,020	\$10,676	\$10,456
Number of payments issued after death of representative payee	1 to 63	5 to 116	1 to 116
Average number of payments after death of representative payee	12	27	24

SSA's policy is to pay benefits while it seeks a new representative payee, even if it has to pay the beneficiary directly.<sup>17</sup> However, in some cases, direct payment to the incapable beneficiary could cause the beneficiary substantial harm.<sup>18</sup> In these cases, SSA policy allows that benefits can be suspended for a maximum of 1 month while the Agency identifies a new representative payee.<sup>19</sup> Table 2 shows SSA paid the majority of the deceased representative payees more than three benefit checks after their deaths. Of the deceased representative payees to whom SSA issued payments after their deaths, 89 percent were issued more than three payments in our current audit compared with 76 percent in the 2015 audit.

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<sup>17</sup> SSA, *POMS*, GN 00504.100, B.1 (February 27, 2019).

<sup>18</sup> SSA, *POMS*, GN 00504.105, A.2.a (July 19, 2017). Substantial harm means direct receipt of funds by the beneficiary would cause the beneficiary physical or mental injury.

<sup>19</sup> When the beneficiary is legally incompetent or under age 15, suspension is required and may last longer than 1 month. SSA, *POMS*, GN 00504.105, A.2.b (July 19, 2017).

**Table 2: Number of Payments Issued After the Representative Payee Died**

Payments Issued After Death	Representative Payees for OASDI Beneficiaries	Representative Payees for SSI Recipients	Total Deceased Representative Payees
1 to 3	6	0	6
4 to 6	0	3	3
7 to 9	1	2	3
10 to 12	0	4	4
13 to 24	3	20	23
More than 24	1	17	18
<b>Total</b>	<b>11</b>	<b>46</b>	<b>57</b>

As of June 2019, 53 percent of the representative payees to whom SSA sent OASDI benefits or SSI payments after their deaths remained representative payees for beneficiaries or recipients in a current or suspended benefit pay status.<sup>20</sup> Table 3 shows how long it took SSA to replace the deceased representative payees once the Agency knew about the death.<sup>21</sup>

**Table 3: Representative Payees to Whom SSA Issued Payments After Their Deaths—Time Elapsed Before SSA Replaced the Representative Payees**

Number of Months	Representative Payees for OASDI Beneficiaries	Representative Payees for SSI Recipients	Total Deceased Representative Payees
Less than 1	1	0	1
1 to 3	4	0	4
4 to 6	0	2	2
7 to 9	2	2	4
10 to 12	0	7	7
13 to 24	3	18	21
More than 24	1	17	18
<b>Total</b>	<b>11</b>	<b>46</b>	<b>57</b>

<sup>20</sup> As of June 2019, 27 OASDI beneficiaries or SSI recipients were in current pay status, and 3 SSI recipients were suspended after we began our audit fieldwork (of the 57 cases). Of the three SSI recipients who were in a suspended pay status, one was suspended in March 2019 for representative payee development, one was suspended in February 2019 for failure to provide information to SSA, and one was suspended in June 2019 for incarceration in a penal institution.

<sup>21</sup> For those representative payees still listed on the MBR and SSR as of June 2019 (that is, SSA had not replaced the deceased representative payee), we calculated the number of months from the date of death through June 2019.

SSA was aware of the representative payees' deaths within 1 month in 82 percent of the cases,<sup>22</sup> compared with 77 percent of cases in the 2015 audit. Table 4 compares the representative payees' dates of death to the dates SSA became aware of the deaths.

**Table 4: Representative Payees to Whom SSA Issued Payments After Their Deaths—Time Elapsed Before SSA Knew About the Deaths**

Number of Months	Representative Payees for OASDI Beneficiaries	Representative Payees for SSI Recipients	Total Representative Deceased Payees
Less than 1	10	37	47
1 to 3	1	6	7
4 to 6	0	1	1
7 to 9	0	1	1
More than 24	0	1	1
<b>Total</b>	<b>11</b>	<b>46</b>	<b>57</b>

Although SSA knew about the representative payees' deaths within 1 month (Table 4) in the majority of cases, the Agency took longer than 12 months (Table 3) to replace the deceased representative payees in 68 percent of the cases in which it issued funds to deceased representative payees.

## Examples of Deceased Representative Payees

If a representative payee dies and SSA does not replace him/her, the Agency cannot be sure the funds are being used to meet the beneficiary's needs, such as food, clothing, shelter, and medical care.<sup>23</sup> Below are some examples of deceased representative payees to whom SSA sent OASDI benefits and SSI payments after their deaths. As of June 2019, SSA had not replaced these beneficiaries' deceased representative payees or determined whether the funds were being used appropriately for the beneficiaries' needs.<sup>24</sup>

- One representative payee was managing SSI payments for his spouse when he died in 2018. The SSI payments were issued by direct deposit. The State of Florida notified SSA 3 days after the representative payee's death, and the representative payee's own records were updated accordingly. However, SSA did not stop the payments to the deceased representative payee on the spouse's record and issued \$12,694 from February 2018 through June 2019.

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<sup>22</sup> This is based on the date the Agency recorded the representative payees' deaths on the Numident.

<sup>23</sup> For examples of representative payees who misused SSA funds or did not meet the beneficiary's needs, see SSA, OIG, *Semiannual Report to Congress April 1, 2018 – September 30, 2018 Fall Edition*, pp. 21 and 22. Misuse of funds occurs when the representative payee does not use the funds for the needs of the beneficiary. SSA, *POMS*, GN 00604.001, D.3 (April 24, 2012).

<sup>24</sup> We sent the sample cases to SSA on December 18, 2018.

- One representative payee died in March 2014. A funeral home notified SSA of the representative payee's death within 4 days, but the Agency did not stop the OASDI benefit payments after the representative payee died and issued \$45,897 from April 2014 through June 2019.

In the following cases, SSA issued funds to the deceased representative payees, but then replaced them.

- One representative payee died in March 2018 while she was managing her daughter's OASDI and SSI funds. SSA was notified of the representative payee's death within 10 days and appointed the father as the new representative payee for the child's OASDI benefits in April 2018; however, the Agency did not replace the child's mother as representative payee on the SSR. Consequently, SSA issued \$1,653 in SSI payments to the deceased representative payee from April 2018 through January 2019, when the Agency updated the SSR with a new representative payee.
- One representative payee was managing his wife's SSI payments when he died in December 2017. Although SSA was notified of the representative payee's death in December 2017, the Agency did not replace him as representative payee until December 2018, when SSA selected the recipient's mother to manage her payments going forward. Because of the delay in replacement, SSA issued \$8,825 in SSI payments to the deceased representative payee from January through December 2018.

For the sample cases in which SSA replaced the deceased representative payees who received OASDI benefits or SSI payments after their deaths, either the new representative payees were family members or SSA determined the individuals could manage their own benefit payments.

## Why SSA Did Not Always Update the Deceased Representative Payees' Information

SSA introduced a new electronic Representative Payee System (eRPS) in April 2016 as part of its efforts to address prior OIG recommendations. However, there were problems associated with the rollout. Although SSA was notified of the representative payees' deaths,<sup>25</sup> information was not always processed in SSA's systems, and, sometimes, SSA employees did not complete required manual actions to replace the deceased representative payees on the MBR and SSR.

SSA's eRPS is a Web-based system that processes representative payee applications, documents significant information about representative payees, and documents reasons for representative payee appointments or non-appointments.<sup>26</sup> SSA launched eRPS on April 18, 2016 to replace its

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<sup>25</sup> See Table 3 and Table 4 for more information on when SSA became aware of the representative payees' deaths.

<sup>26</sup> For more information on eRPS, see Appendix C.

previous Representative Payee System.<sup>27</sup> The eRPS operates independently of the MBR and SSR but is designed to interact with these systems to update the representative payee information. Sometimes employees bypassed eRPS, death information was not properly propagating to eRPS, or cases did not process completely through eRPS because of unknown SSNs,<sup>28</sup> incorrect entitlement, or other reasons. These issues resulted in the deceased representative payees' names and/or SSNs remaining on the beneficiaries'/recipients' MBR/SSR.

SSA has issued workaround instructions<sup>29</sup> and new releases to address issues associated with the eRPS rollout. For example, to resolve OASDI cases, SSA employees need to take an action in eRPS to transmit the new representative payee information to the MBR. For SSI cases, SSA employees have to take actions in eRPS and in the Modernized SSI Claims System<sup>30</sup> to send the representative payee selections to the SSR.

Within our samples, we had instances where the beneficiaries received both OASDI benefits and SSI payments, and SSA replaced the representative payees for the OASDI benefits, but Agency personnel did not take the required manual actions to update the SSI payments. This resulted in SSA issuing the SSI payments to the deceased representative payees but issuing the OASDI benefits to the new (living) representative payees.

## CONCLUSIONS

SSA did not follow regulations or its policy when it failed to evaluate all beneficiaries'/recipients' ability to manage their own funds and select new representative payees, if appropriate, when the Agency was notified that current representative payees died. Although SSA knew within 1 month about the representative payees' deaths, in the majority of cases, it took the Agency longer than 12 months to replace the deceased representative payees in about 50 percent of cases in which SSA issued payments to deceased representative payees.

Although SSA introduced eRPS, the Agency still requires that employees take manual actions to replace deceased representative payees. Because SSA continues improving its representative payee process by issuing instructions for workarounds and releasing updated versions of eRPS, we are not making any recommendations related to SSA's systems.

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<sup>27</sup> In our samples, the date of filing for OASDI or SSI for 99 cases was before the April 18, 2016 eRPS launch date. The one remaining case had a date of filing after April 18, 2016.

<sup>28</sup> Unknown SSNs do not match to any SSN currently assigned, which could be caused by typographical errors when entering the SSN or the representative payee may not have an SSN.

<sup>29</sup> SSA, Instruction, MSS16-045 eRPS REV (October 18, 2016).

<sup>30</sup> The Modernized SSI Claims System is the Agency's primary data collection and processing system for the SSI program. The information collected in the system is used to build the SSR, which SSA uses to make SSI payments.

## RECOMMENDATIONS

We recommended SSA:

1. Re-evaluate beneficiaries'/recipients' capability to manage funds for those representative payees who had died, assign new representative payees where appropriate, and properly replace the representative payee on the MBR and SSR.<sup>31</sup>
2. Remove the deceased representative payees' SSNs from the MBR and SSR for individuals receiving OASDI benefits or SSI payments where the Agency has replaced the deceased representative payees but their SSNs remain on the records.<sup>32</sup>
3. Ensure employees adhere to regulations and follow Agency policy by providing employees additional training and reminders on the re-evaluation of beneficiaries'/recipients' capability and the procedures to follow when SSA learns of a representative payee's death.

## AGENCY COMMENTS

SSA agreed with the recommendations, see Appendix D.



Rona Lawson  
Assistant Inspector General for Audit

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<sup>31</sup> We conducted additional analysis on our populations and determined that, as of February 2019, SSA needed to replace 442 deceased representative payees for OASDI beneficiaries and SSI recipients who were receiving SSA benefits. This included 39 sample cases and 403 cases from our populations.

<sup>32</sup> We conducted additional analysis on our populations and determined that, as of February 2019, deceased representative payees' SSNs were still on the MBR or SSR for 1,880 beneficiaries/recipients who were receiving SSA benefits even though SSA had replaced the deceased representative payees. This included 45 sample cases and 1,835 cases from our population.

# *APPENDICES*

## **Appendix A – PRIOR AUDIT RECOMMENDATION STATUS**

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Table A–1, Table A–2, and Table A–3 contains the status of the recommendations from our prior three reports on deceased representative payees.

**Table A–1: Recommendation Status for September 1999 Report**

<i>The Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased, A-01-98-61009 (September 1999)</i>	
<b>Recommendation 1</b>	Routinely match the Death Master File (DMF) <sup>1</sup> against the Master Representative Payee File to identify deceased representative payees and select new representative payees for all beneficiaries and/or recipients affected.
<b>Agency Response</b>	SSA agreed.
<b>Status</b>	SSA closed this recommendation on December 31, 2001. According to SSA, in February 2001, it completed a match of the DMF, Master Representative Payee File, and Master Beneficiary Record (MBR)/Supplemental Security Record (SSR). The match identified records where it appeared SSA was paying a living representative payee and the Representative Payee System needed to be updated as well as those records where the MBR/SSR indicate that the payee may be deceased. SSA field offices received alerts to investigate those cases where the representative payee may be deceased. In addition, beginning November 2001, SSA's post-entitlement online system, when processing death alerts, checks the Representative Payee System and alerts users if the Social Security number (SSN) input belongs to a representative payee.
<b>Recommendation 2</b>	Issue a memorandum that emphasizes the correct procedures to be performed by field office personnel to ensure that funds paid to deceased representative payees are accounted for and transferred to the new representative payees when replacing deceased representative payees. This memorandum should include instructions for referring cases where fraud is suspected.
<b>Agency Response</b>	SSA agreed.
<b>Status</b>	SSA closed this recommendation on March 31, 2001. SSA released an Emergency Message to all SSA field offices on November 1, 1999 that instructed personnel on the correct procedure in handling conserved funds and ensure they are transferred to SSA or the new representative payee. It also addressed action to take where misuse or fraud is suspected.
<b>Recommendation 3</b>	Identify and correct instances in which erroneous dates of death are contained on representative payee MBRs. These corrections should be made before updating the DMF by matching against dates of death contained on MBRs.
<b>Agency Response</b>	SSA agreed.

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<sup>1</sup> The DMF consists of records with dates of death on the Social Security Administration's (SSA) Numident file. The Numident file contains identifying information, such as name, date of birth, parents' names, and, if applicable, date of death, for each individual issued an SSN.

***The Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased, A-01-98-61009 (September 1999)***

<b>Status</b>	SSA closed this recommendation on March 31, 2002. According to SSA, it compared a segment of the DMF, MBR, and SSR for records with dates of death of 1990 or later so discrepant cases could be sent to the field offices for manual review. On January 25, 2002, SSA confirmed the test run of the one segment produced workable data and approved continuation for the remaining segments. On March 8, 2002, alerts were sent to SSA field offices for action. Pre-1990 matches were attempted, but SSA found the MBR and Numident data were so unreliable pre-1990 that the match identified problems where none existed or missed problems that did exist. SSA determined no further investigation would be completed for the pre-1990 cases since it was believed that, if a beneficiary was not receiving his/her benefits, he/she would have contacted SSA.
<b>Recommendation 4</b>	Identify and correct instances where the SSNs of representative payees on the MBR and the SSR are erroneous. These corrections should be made before matching these files with the DMF.
<b>Agency Response</b>	SSA agreed.
<b>Status</b>	SSA closed this recommendation on December 31, 2001. In December 2001, a clean-up process was run and alerts were directed to the field offices for processing. SSA's Office of Systems will continue producing alerts for the field offices.
<b>Recommendation 5</b>	Implement an edit check to ensure that the representative payee SSN is updated on the MBR whenever a new representative payee's name is added.
<b>Agency Response</b>	SSA agreed.
<b>Status</b>	SSA closed this recommendation on December 31, 2000. According to SSA, a change was implemented on January 22, 2001. SSA's system now suspends benefits to any auxiliaries when the parent payee dies so a new payee can be developed, even if there is a surviving spouse in the household. This prevents a discrepancy between the representative payee coding on the MBR and the person who is actually receiving the benefits.
<b>Recommendation 6</b>	Identify those individuals acting as representative payees for SSI recipients who are not included in the Master Representative Payee File and ensure their inclusion.
<b>Agency Response</b>	SSA agreed.
<b>Status</b>	SSA closed this recommendation on December 31, 2002. According to SSA, in Phase 2 of the Representative Payee Accountability Improvement Project, the Organization Representative Payee Identification code was added to the SSR. This was completed in September 2002.

**Table A–2: Audit Recommendation Status for October 2006 Report**

<i>Follow up on the Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased, A-01-06-16054 (October 2006)</i>	
<b>Recommendation 1</b>	Ensure the needs of the remaining beneficiaries and recipients in the Office of the Inspector General's (OIG) population are being met and that all deceased payees are replaced with new representative payees.
<b>Agency Response</b>	SSA agreed.
<b>Status</b>	SSA closed this recommendation on December 31, 2007. According to SSA, all the cases identified by OIG as having a deceased representative payee were investigated and a new representative payee was assigned or the beneficiary was deemed capable of managing his/her own funds. Also, a number of the cases had an erroneous death notice that SSA corrected.
<b>Recommendation 2</b>	Continue its efforts to upgrade systems to ensure deceased payees are identified and replaced in a timely manner.
<b>Agency Response</b>	SSA agreed.
<b>Status</b>	SSA closed this recommendation on June 29, 2007. SSA implemented the Death Alert Control and Update System Release 2.0, which routes electronic death record reports to SSA's systems. This release was implemented on March 30, 2007.

**Table A–3: Audit Recommendation Status for June 2015 Report**

<i>Deceased Representative Payees, A-01-14-34112 (June 2015)</i>	
<b>Recommendation</b>	Review the remaining Old-Age, Survivors and Disability Insurance beneficiaries and Supplemental Security Income recipients in our populations where the (1) Agency continues to issue benefit payments to deceased representative payees to manage and refer any potential fraud cases to our investigators and (2) deceased representative payee was replaced but his/her SSN remains on the MBR/SSR.
<b>Agency Response</b>	SSA agreed.
<b>Status</b>	<p>SSA closed this recommendation on June 27, 2016. However, as of February 2019, of the 5,202 cases identified in the 2015 audit</p> <ul style="list-style-type: none"> <li>• 1 recipient still had a deceased representative payee on his record and</li> <li>• 89 beneficiaries and recipients still had the deceased representative payee's SSN on the MBR or SSR, even though the representative payee had been replaced.<sup>2</sup></li> </ul> <p>As of May 2019, SSA planned to work on these cases.</p>

<sup>2</sup> These 90 cases are included in our current audit population of 2,596.

## **Appendix B – SCOPE, METHODOLOGY, AND SAMPLE RESULTS**

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To accomplish our objective, we:

- Reviewed applicable sections of the *Social Security Act* and Social Security Administration's (SSA) regulations, rules, policies, and procedures.
- Obtained an extract from SSA's Numident of records with dates of death as of June 2018.
- Obtained Master Beneficiary Records (MBR) for Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries and Supplemental Security Records (SSR) for Supplemental Security Income (SSI) recipients who were receiving payments as of September 2018.
- Extracted MBRs and SSRs that had individual representative payees with dates of death per the Numident.
- Compared the Social Security numbers (SSN) on the MBR and SSR against SSNs in the Numident and identified
  - 3,221 OASDI beneficiary records who had potentially deceased representative payees on the MBR and
  - 436 SSI recipient records who had potentially deceased representative payees on the SSR.
- Matched the dates SSA selected the representative payees (from the MBR and SSR) against the dates of death in the Numident and removed from our population
  - 1,013 OASDI beneficiary records for whom SSA replaced the representative payees before the representative payees' deaths and
  - 39 SSI recipient records for whom SSA replaced the representative payees before the representative payees' deaths.

- Cross-checked the remaining populations—2,208 OASDI beneficiary records and 397 SSI recipient records who had potentially deceased representative payees<sup>1</sup>—with the Numident<sup>2</sup> as of October 2018 and removed from our population
  - 6 OASDI beneficiary records with representative payees who no longer had dates of death on the Numident and
  - 3 SSI recipient records with representative payees who no longer had dates of death on the Numident.
- Randomly sampled and reviewed
  - 50 cases from the remaining 2,202 OASDI beneficiary records<sup>3</sup> with representative payees who had dates of death on the Numident and
  - 50 cases from the remaining 394 SSI recipient records<sup>4</sup> with representative payees who had dates of death on the Numident.
- Reviewed the remaining population of 2,152 OASDI beneficiary records<sup>5</sup> with representative payees who had dates of death on the Numident and determined as of February 2019,
  - 193 OASDI beneficiary records still had deceased representative payees;
  - 1,849 OASDI beneficiary records did not have deceased representative payees, but the deceased representative payees' SSNs remained on the beneficiary records; and
  - 110 OASDI beneficiary records were no longer receiving benefits or SSA was in the process of replacing the representative payees.

<sup>1</sup> We calculated the 2,208 OASDI beneficiary records from the 3,221 OASDI records less the 1,013 OASDI beneficiary records. We calculated the 397 SSI recipient records from the 436 SSI recipient records less the 39 SSI recipient records.

<sup>2</sup> SSA's Numident contains identifying information, such as name; date of birth; parent's names; and, if applicable, date of death, for each individual issued an SSN. We took an extract of the death information from SSA's Numident.

<sup>3</sup> The 2,202 OASDI beneficiary records was calculated from the 2,208 OASDI beneficiary records less the 6 OASDI beneficiary records.

<sup>4</sup> The 394 SSI recipient records was calculated from the 397 SSI recipient records less the 3 SSI recipient records.

<sup>5</sup> This number is the 2,202 population less the 50 sample cases subjected to additional analysis.

- Reviewed the remaining population of 344 SSI recipient records<sup>6</sup> with representative payees who had dates of death on the Numident and determined as of February 2019,
  - 233 SSI recipient records still had deceased representative payees;
  - 41 SSI recipient records did not have deceased representative payees, but the deceased representative payees' SSNs remained on the recipient records; and
  - 70 SSI recipient records were no longer receiving payments or SSA was replacing the representative payees.
- Referred cases to SSA for corrective action where the deceased representative payees were
  - still serving as representative payees for OASDI beneficiaries or SSI recipients or
  - no longer serving as representative payees; however, their SSNs remained on the payment records.
- Estimated the number of deceased representative payees and the amount of funds SSA issued to them based on our sample results.
- Compared the dates the representative payees died to the dates SSA was made aware of the deaths (based on the Numident's cycle date) to determine how long it took the Agency to stop issuing funds to the deceased representative payees. To perform this calculation, we compared the cycle date (date SSA knew about the death) on the deceased representative payee's Numident record to the earlier of (1) the date of selection for the new representative payee or date the beneficiary/recipient became his/her own payee; (2) the date the beneficiary or recipient died; or (3) June 2019, if the deceased representative payee was still on the payment record.

We conducted our review between December 2018 and June 2019 in Boston, Massachusetts. The principal entities audited were the Offices of Benefit Information Systems and Disability Information Systems under the Office of the Deputy Commissioner/Chief Information Officer of Systems and SSA's field offices and processing service centers under the Office of the Deputy Commissioner for Operations. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on our audit objectives. We tested the data obtained for our audit and determined them to be sufficiently reliable to meet our objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>6</sup> This number is the 394 population less the 50 sample cases subjected to additional analysis.

## Sample Results

### *Populations and Sample Sizes*

- Population:
  - 2,202 OASDI beneficiary records with deceased representative payees
  - 394 SSI recipient records with deceased representative payees
- Sample Size:
  - 50 OASDI beneficiary records with deceased payees
  - 50 SSI recipient records with deceased payees

**Table B–1: Estimated Number of Deceased Representative Payees Issued Funds for OASDI Beneficiaries and SSI Recipients**

	OASDI Sample	SSI Sample	Total
Sample Results	11	46	57
Point Estimate	484	362	846
Upper Limit	740	382	
Lower Limit	285	328	

**Note:** Projections were calculated at the 90-percent confidence level.

**Table B–2: Estimated Funds Issued to Deceased Representative Payees**

	OASDI Sample	SSI Sample	Total
Sample Results	\$123,983	\$658,721	\$782,704
Point Estimate	\$5,460,211	\$5,190,724	\$10,650,935
Upper Limit	\$9,705,798	\$6,538,077	
Lower Limit	\$1,214,625	\$3,843,372	

**Note:** Projections were calculated at the 90-percent confidence level.

**Table B-3: Estimated Number of Representative Payees Not Issued Funds After Death**

	OASDI Sample	SSI Sample	Total
Sample Results	39	4	43
Point Estimate	1,718	4 <sup>7</sup>	1,722
Upper Limit	1,917		
Lower Limit	1,462		

**Note:** Projections were calculated at the 90-percent confidence level.

**Table B-4: Estimated Number of Deceased Representative Payees' SSNs Remaining on the Beneficiaries'/Recipients' MBRs/SSRs (This is a subset of Table B-3)**

	OASDI Sample	SSI Sample	Total
Sample Results	35	1	36
Point Estimate	1,541	1 <sup>8</sup>	1,542
Upper Limit	1,770		
Lower Limit	1,272		

**Note:** Projections were calculated at the 90-percent confidence level.

<sup>7</sup> No projection on this number due to small error rate.

<sup>8</sup> No projection on this number due to small error rate.

## **Appendix C – ELECTRONIC REPRESENTATIVE PAYEE SYSTEM**

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The Social Security Administration's (SSA) electronic Representative Payee System (eRPS) is an integrated Web-based system used to process representative payee applications, track representative payee performance, document misuse allegations, and document any significant information about the representative payee. The same representative payee should be appointed for all benefits to which the person is entitled and one representative payee application should apply for all benefits payable.<sup>1</sup>

SSA launched the system on April 18, 2016 to replace its Representative Payee System. The eRPS operates independently of the Master Beneficiary Records (MBR) and Supplemental Security Records (SSR) that house information on Old-Age, Survivors and Disability Insurance beneficiaries and Supplemental Security Income recipients but is designed to interact with these systems to keep the beneficiaries' and recipients' records as accurate as possible with the most recent available information.

When a representative payee application is in eRPS, it will be in one of eight statuses: pending, attested, selected, protested, reconsideration, ready to process, complete, and complete stuck. Forty seven sample cases from our audit had new representative payee applications in eRPS in the following statuses.<sup>2</sup>

- **Ready to Process:** Indicates that all issues are resolved and the application is ready to transfer to the MBR/SSR.
- **Complete:** Indicates the application was adjudicated, and, if the representative payee was selected, the MBR or SSR was updated. If this has not occurred, the case will remain in “Ready to Process” status.
- **Complete Stuck:** Indicates that systems manually updated the application to this status because the case did not automatically update to complete because of an unknown Social Security number, incorrect entitlement, or other reason.

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<sup>1</sup> SSA, POMS, GN 00502.183, B.3 (June 16, 2017).

<sup>2</sup> Of the 47 cases in our samples, 20 were in ready to process status, 24 were in complete status, and 3 were in complete stuck status.

## **Appendix D – AGENCY COMMENTS**

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### **SOCIAL SECURITY**

#### **MEMORANDUM**

Date: June 26, 2019 Refer To: S1J-3

To: Gail S. Ennis  
Inspector General

From: Stephanie Hall  
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Follow-up on Deceased Representative Payees”  
(A-01-18-50350) -- INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.

Sincerely

A handwritten signature in blue ink that reads "Stephanie Hall".

Stephanie Hall  
Acting Deputy Chief of Staff

**SSA COMMENTS ON THE OFFICE OF INSPECTOR GENERAL DRAFT REPORT,  
“FOLLOW-UP ON DECEASED REPRESENTATIVE PAYEES” (A-01-18-50350)**

Since OIG conducted its review in 2015, we have made significant progress in reducing the number of instances where we did not take appropriate action to update payment records when a representative payee died. In 2016, we implemented the electronic Representative Payee System (eRPS) that, along with our Death Information Processing System (DIPS), alerts our field offices to take action in these instances. Although these systems have improved our ability to control the deceased representative payee workload, we agree that additional training for our technicians will improve our accuracy.

Our responses to the recommendations are below.

**Recommendation 1**

Re-evaluate beneficiaries/recipients’ capability to manage funds for those representative payees who had died, assign new representative payees where appropriate, and properly replace the representative payee on the MBR and SSR.

**Response**

We agree.

**Recommendation 2**

Remove the deceased representative payees’ SSNs from the MBR and SSR for individuals receiving OASDI benefits or SSI payments where the Agency has replaced the deceased representative payees but their SSNs remain on the records.

**Response**

We agree.

**Recommendation 3**

Ensure employees adhere to regulations and follow Agency policy by providing employees additional training and reminders on the re-evaluation of beneficiaries/recipients’ capability and the procedures to follow when SSA learns of a representative payee’s death.

**Response**

We agree.

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