

Audit Report

Match of Pennsylvania Death
Information Against Social Security
Administration Records

A-15-18-50679 | March 2020

OIG

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: March 23, 2020 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: Match of Pennsylvania Death Information Against Social Security Administration Records (A-15-18-50679)

The attached final report presents the results of the Office of Audit's review. The objectives were to (1) determine whether the Social Security Administration made payments to beneficiaries and representative payees who were deceased according to the Commonwealth of Pennsylvania and (2) identify non-beneficiaries in the Commonwealth's death files whose death information did not appear in the Agency's records.

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



Gail S. Ennis

Attachment

Match of Pennsylvania Death Information Against Social Security Administration Records

A-15-18-50679



March 2020

Office of Audit Report Summary

Objectives

To (1) determine whether the Social Security Administration (SSA) made payments to beneficiaries and representative payees who were deceased according to the Commonwealth of Pennsylvania and (2) identify non-beneficiaries in the Commonwealth's death files whose death information did not appear in the Agency's records.

Background

To identify and prevent payments after death, SSA established a program under which States can voluntarily contract with SSA to provide it with death data to match against its records. SSA and the States developed the Electronic Death Registration (EDR) process to improve the accuracy and timeliness of death information.

Through EDR, States electronically submit death records to SSA, and SSA completes an online, real-time verification of the Social Security number. If the numberholder's data match SSA records, SSA posts the State death information to its Numident file and terminates payments to deceased beneficiaries.

We obtained the personally identifiable information of approximately 5 million Social Security numberholders the Pennsylvania Department of Health recorded as deceased between January 1979 and December 2017. We matched the data against SSA payment records and the Numident.

Findings

SSA issued approximately \$19.2 million in payments after death to 369 beneficiaries and 31 representative payees whom the Commonwealth of Pennsylvania recorded as deceased from January 1979 through December 2017. Identifying and correcting these discrepancies will prevent approximately \$5 million in additional improper payments after death over a 12-month period. We also identified 93,560 non-beneficiaries who were deceased according to the Pennsylvania Department of Health but whose death information was not in SSA's Numident.

We did not determine why the deaths were not in SSA's Numident or whether the State reported the deaths to SSA. However, SSA rejects EDR death reports that do not pass its formatting and identification tests to prevent posting erroneous death data to its records. We have a separate, ongoing review that will assess the effectiveness of the EDR process.

The Numident contained death information for 29 of the 31 representative payees; however, SSA had not replaced the representative payees at the time of our data match. As of February 2020, SSA had taken action to replace 26 of the 31 representative payees we identified.

Agency Actions Resulting from the Audit

As of February 2020, SSA had terminated benefits to 320 of the 369 deceased beneficiaries and 26 of 31 representative payees and initiated recovery of \$14 million in improper payments.

Recommendations

1. Take action on the remaining 49 deceased beneficiaries and 5 deceased representative payees we identified.
2. Take action on the 93,560 deceased non-beneficiaries we identified to add their deaths to the Numident, as appropriate.

SSA agreed with the recommendations.

TABLE OF CONTENTS

Objectives	1
Background	1
Results of Review	2
Payments Issued to Deceased Beneficiaries	3
Payments to Deceased Representative Payees.....	4
Deceased Non-beneficiaries.....	5
Conclusions.....	6
Agency Actions Resulting from the Audit.....	6
Recommendations.....	6
Agency Comment	6
Appendix A – Scope and Methodology	A-1
Appendix B – Agency Comments.....	B-1

ABBREVIATIONS

C.F.R.	Code of Federal Regulations
EDR	Electronic Death Registration
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSI	Supplemental Security Income
Stat.	Statutes at Large
U.S.C.	United States Code

OBJECTIVES

Our objectives were to (1) determine whether the Social Security Administration (SSA) made payments to beneficiaries¹ and representative payees who were deceased according to the Commonwealth of Pennsylvania and (2) identify non-beneficiaries in the Commonwealth's death files whose death information did not appear in the Agency's records.

BACKGROUND

To identify and prevent payments after death, the *Social Security Act*² requires that SSA establish a program under which States can voluntarily contract with SSA to provide it with death data to match against their records. Accordingly, SSA and the States developed the Electronic Death Registration (EDR) process to improve the accuracy and timeliness of death information. Through EDR, States electronically submit death reports to SSA, and SSA completes an online, real-time verification of the Social Security number. If the numberholder data match SSA records, SSA automatically posts the State death information to the Numident, an SSA database that stores personally identifiable information for all Social Security numberholders,³ and terminates payments to deceased beneficiaries. EDR is not the only way SSA receives death information; it also posts death information to its records based on death reports from other sources, such as family members and funeral directors. SSA uses Numident information to create a file of death information it shares with other Federal benefit-paying agencies.

When a representative payee⁴ dies, SSA must replace the payee or send payments directly to the beneficiary. SSA may pay the beneficiary directly on an interim basis until it finds a suitable representative payee or on a permanent basis if it determines the beneficiary is capable of managing his/her own benefits.⁵ The *Social Security Act* requires that SSA establish a system of accountability to monitor representative payees.⁶ 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.⁷

¹ We use the term "beneficiary" throughout this report in reference to Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries and/or Supplemental Security Income (SSI) recipients in current payment status.

² *Social Security Act*, 42 U.S.C. § 405(r)(1) (govinfo.gov 2017).

³ SSA, POMS, GN 02602.050, A (September 3, 2019).

⁴ SSA appoints a representative payee to receive and manage benefit payments when SSA determines it serves the individual's best interest regardless of the legal competency or incompetency of the individual. *Social Security Act*, 42 U.S.C. §§ 405(j) and 1383(a)(2)(A)(ii) (govinfo.gov 2017).

⁵ 20 C.F.R. §§ 404.2050(d), 416.650(d), 404.2055, and 416.655 (govinfo.gov 2018). SSA may suspend payment under 20 C.F.R. §§ 404.2011(b) and 416.611(b) if it finds that paying the beneficiary directly would cause substantial harm, and the Agency cannot find a suitable representative payee before the next payment is due.

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

⁷ 20 C.F.R. §§ 404.2040(a) and 416.640(a) (govinfo.gov 2018).

We obtained the personally identifiable information of approximately 5 million Social Security numberholders the Pennsylvania Department of Health recorded as deceased between January 1979 and December 2017. Our match of the data against SSA payment records and the Numident identified OASDI beneficiaries and SSI recipients who were in current payment status and representative payees whose personally identifiable information matched that of a decedent in the Pennsylvania data. We also identified decedents who were not receiving OASDI benefits or SSI payments and whose death information did not appear in SSA's Numident. We obtained death certificates for the OASDI beneficiaries, SSI recipients, and representative payees in current payment status and provided the certificates to SSA. See Appendix A for information on our scope and methodology.

RESULTS OF REVIEW

We referred to SSA 433 beneficiaries and representative payees who may have received improper payments after death. SSA stated 33 are still alive and 400 are either confirmed deceased or still under investigation. (See Appendix A for additional information.) For these 400 cases, SSA issued approximately \$19.2 million in payments after the deaths of 369 beneficiaries and 31 representative payees who were recorded as deceased according to the Pennsylvania Department of Health between January 1979 and December 2017.⁸ Identifying and correcting these discrepancies would prevent approximately \$5 million in additional improper payments after death over a 12-month period. We also identified 93,560 non-beneficiaries who were deceased according to the Commonwealth of Pennsylvania but whose death information was not in SSA's Numident.

We did not determine why the deaths we identified were not in SSA's Numident or whether Pennsylvania reported those deaths to SSA. However, SSA rejects EDR reports that do not pass its formatting and identification tests to prevent posting erroneous death data to its records. We have a separate ongoing review that will assess the effectiveness of the EDR process.⁹

⁸ While we took steps to ensure the death certificates for all 369 deceased beneficiaries belonged to the true numberholders, the true numberholders could be alive. See Appendix A for more information about the steps we took to determine whether the true numberholder was deceased.

⁹ We do not assert the EDR process is the exclusive cause of unrecorded deaths on SSA records. Pennsylvania began reporting death records through EDR in October 2015.

The Numident contained death information for 29 of the 31 representative payees; however, SSA had not replaced the representative payees at the time of our data match. In several prior audits,¹⁰ we found SSA did not always replace representative payees or determine whether the beneficiaries still needed representative payees after it posted death information to the representative payees' Numident records.

Payments Issued to Deceased Beneficiaries

SSA issued approximately \$18 million in payments after death to 369 beneficiaries the Commonwealth of Pennsylvania recorded as deceased between January 1979 and December 2017. Examples follow.

- A disability beneficiary died in August 1991. SSA records did not contain a date of death and therefore SSA issued approximately \$174,000 in payments after death. We referred this case to SSA in February 2019. As of February 2020, SSA had not recovered any of the improper payments.
- A disability beneficiary died in December 2017. SSA records did not contain a date of death and therefore SSA issued approximately \$30,000 in payments after death. We referred this case to SSA in February 2019. As of February 2020, SSA had recovered \$2,000 of the improper payments.
- A retirement beneficiary died in December 2006. SSA records did not contain a date of death and therefore SSA issued approximately \$127,000 in payments after death. We referred this case in February 2019. The beneficiary's representative payee concealed the death and was assessed an overpayment for the full amount. As of February 2020, SSA had not recovered any of the improper payment.
- A retirement beneficiary died in November 2010. SSA records did not contain a date of death and therefore SSA issued approximately \$76,000 in payments after death. We referred this case to SSA in February 2019. As of February 2020, SSA had not recovered any of the improper payments.
- A disabled SSI recipient died in February 2017. SSA records did not contain a date of death and therefore SSA issued approximately \$21,000 in payments after death. We referred this case to SSA in February 2019. As of February 2020, SSA had recovered the full amount.

As shown in Table 1, 332 (90 percent) of the 369 beneficiaries whom SSA improperly paid died between 2009 through 2017.

¹⁰ SSA, OIG, *Follow-up on Deceased Representative Payees*, A-01-18-50350 (July 2019); *Deceased Representative Payees*, A-01-14-34112, (June 2015); *Follow up on the Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased*, A-01-06-16054, (October 2006); and *The Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased*, A-01-98-61009, (September 1999).

Table 1: Beneficiaries Whose Personally Identifiable Information Matched that of a Deceased Individual in Pennsylvania Death Data

Year of Death	Number of Beneficiaries	Percent of Total Beneficiaries
1979-1988	1	0.3
1989-1998	7	1.9
1999-2008	29	7.9
2009-2017	332	90.0
Total	369	100.0

Note: Difference due to rounding

On October 8, 2015, Pennsylvania began reporting deaths to SSA through the EDR process. Yet, 268 (72.6 percent) of the 369 beneficiaries SSA had improperly paid died after the Commonwealth began reporting death information to SSA via EDR.

In February 2019, we provided our Office of Investigations information on 255 beneficiaries to take appropriate actions. In July 2019, we provided SSA with information on the remaining 114 beneficiaries and death certificates for all 369 referrals. We estimate identifying and correcting these discrepancies will prevent approximately \$4.8 million in additional payments after death over a 12-month period.¹¹

Payments to Deceased Representative Payees

We identified 31 deceased representative payees to whom SSA had issued \$1.2 million in payments after death. When a representative payee dies, SSA must replace the representative payee or send payments directly to the beneficiary. SSA may pay the beneficiary directly on an interim basis until it finds a suitable representative payee, or on a permanent basis if it determines the beneficiary is capable of managing his/her own benefits.¹² The *Social Security Act* requires that SSA establish a system of accountability for monitoring representative payees.¹³ 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.¹⁴

¹¹ We based this estimate on the assumption that conditions would remain the same over the 12 months. To estimate the annual amount of overpayments that would occur without corrective action, we identified the most recent payment before referral/corrective action for each record and multiplied it by 12 months.

¹² 20 C.F.R. §§ 404.2050(d), 416.650(d), 404.2055, and 416.655 (govinfo.gov 2018). SSA may suspend payment under 20 C.F.R. §§ 404.2011(b) and 416.611(b) if it finds that paying the beneficiary directly would cause substantial harm, and the Agency cannot find a suitable representative payee before the next payment is due.

¹³ See Footnote 6.

¹⁴ 20 C.F.R. §§ 404.2040(a) and 416.640(a) (govinfo.gov 2018).

The Numident contained death information for 29 of the 31 representative payees; however, SSA had not replaced them. In several prior audits,¹⁵ we found SSA did not always replace representative payees after it posted death information to their Numident records.

In February 2019, we provided our Office of Investigations information on 27 deceased representative payees. In July 2019, we provided SSA with information on the remaining 4 representative payees and death certificates for all 31 referrals. By February 2020, SSA had replaced 26 of the deceased representative payees, which prevented \$240,000 in additional improper payments after death over a 12-month period. If the Agency does not take action on the remaining five referrals, we estimate it will pay approximately \$40,000 in additional payments after death over a 12-month period.¹⁶

Deceased Non-beneficiaries

We identified 93,560 non-beneficiaries¹⁷ who were deceased according to the Commonwealth of Pennsylvania but who did not have death information in SSA's Numident. Of the 93,560 non-beneficiaries, 92,356 (99 percent) died *before* the State began reporting death information via EDR in October 2015 (see Table 2).

Table 2: Non-beneficiaries Whose Personally Identifiable Information Matched that of a Deceased Individual in the Pennsylvania Death Data

Year of Death	Number of Non-beneficiaries	Percent of Total Non-beneficiaries
1979-1988	65,349	70
1989-1998	15,249	16
1999-2008	8,545	9
2009-2017	4,417 ¹⁸	5
Total	93,560	100

Resolving these discrepancies will reduce SSA's exposure to future improper payments and improve the accuracy and completeness of the death information it shares with other Federal

¹⁵ See Footnote 10.

¹⁶ See Footnote 11.

¹⁷ We matched Pennsylvania death records that included a validated Social Security number, name, and date of birth (per SSA's Enumeration Verification System process) against SSA's Numident. We excluded individuals who were receiving OASDI benefits or SSI payments.

¹⁸ For Calendar Years 2009 through 2017, the 4,417 non-beneficiaries include 3,213 who died before and 1,204 who died after EDR was implemented in Pennsylvania.

benefit-paying agencies.¹⁹ In July 2019, we provided SSA with data that identified 93,560 non-beneficiaries for it to take the necessary action. SSA stated that, because these types of cases do not involve improper payments, their cleanup is a low priority and resource-dependent.

CONCLUSIONS

SSA issued approximately \$19.2 million in payments after death to 369 beneficiaries and 31 representative payees whom the Commonwealth of Pennsylvania recorded as deceased between January 1979 and December 2017. Identifying and correcting these discrepancies will prevent approximately \$5 million in additional improper payments after death over a 12-month period. We also identified 93,560 non-beneficiaries who were deceased according to the Pennsylvania Department of Health but whose death information did not appear in SSA records. Posting death information to the individuals' Numident records will reduce SSA's exposure to future improper payments and improve the accuracy and completeness of the death information the Agency shares with other Federal benefit-paying agencies.

AGENCY ACTIONS RESULTING FROM THE AUDIT

As of February 2020, SSA had terminated benefits to 320 of the 369 deceased beneficiaries and 26 of 31 representative payees, and initiated recovery of \$14 million in improper payments.

RECOMMENDATIONS

We recommend SSA:

1. Take action on the remaining 49 deceased beneficiaries and 5 deceased representative payees we identified.
2. Take action on the 93,560 deceased non-beneficiaries we identified to add their deaths to the Numident, as appropriate.

AGENCY COMMENT

SSA agreed with the recommendations; see Appendix B.



Rona Lawson
Assistant Inspector General for Audit

¹⁹ Although SSA shares its death information with other Federal benefit-paying agencies, those agencies should independently verify the individual's death before they take adverse action. Also, based on January 2013 legislation, SSA was taking steps to improve the accuracy of its death information; *Improper Payments Elimination and Recovery Improvement Act of 2012*, Pub. L. No. 112-248, § 5(g)(1), 126 Stat. 2390, p. 2396 (2013).

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objectives, we:

- Reviewed Federal laws and regulations related to death matches with State agencies; the Social Security Administration’s (SSA) policies and procedures; and prior Office of the Inspector General reports.
- Obtained Pennsylvania Department of Health death data and identified approximately 5 million recorded death events between January 1979 and December 2017. We matched these records against SSA’s Enumeration Verification System and payment records and identified the following.
 - 400 Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries and/or Supplemental Security Income (SSI) recipients in current payment status whose names and dates of birth matched those of deceased individuals in the Pennsylvania death data.
 - Reviewed SSA’s systems, Pennsylvania death data, LexisNexis, and public records, as necessary.
 - Determined whether SSA (a) documented substantive contact with the beneficiary after the date of death in Pennsylvania records; (b) had previously determined the beneficiary was a victim of identity theft; or (c) listed two individuals on the same Numident record, and the deceased individual was not the beneficiary. If so, we considered the beneficiary to be alive, and if not, we considered the beneficiary to be deceased.
 - Obtained Pennsylvania death certificates and referred the 400 cases to SSA.
 - Calculated improper payments for the 369 deceased beneficiaries.¹
- 33 deceased representative payees with beneficiaries in current payment status as of June 2019 whose Social Security numbers, names, and dates of birth matched those of deceased individuals in the Pennsylvania death data.
 - Obtained Pennsylvania death certificates and referred the 33 cases to SSA.
 - Calculated improper payments for 31 deceased representative payees.

¹ We matched the Social Security number, name, and date of birth on Pennsylvania Department of Health vital records death data with SSA’s Numident for 261 of the 369 deceased beneficiaries. For the remaining 108 deceased beneficiaries, the name and date of birth on the Pennsylvania Department of Health vital records death data matched SSA’s Numident, but the Social Security number did not match. However, we matched additional identifying information from the death data with SSA records to confirm the death data belonged to the true numberholder.

- 93,560 individuals² whose Social Security numbers, names, and dates of birth matched those of deceased non-beneficiaries in the Pennsylvania death data but whose death information was not in SSA's Numident as of June 2019. We referred these cases to SSA.
- Calculated payments issued after death to the 369 beneficiaries and 31 representative payees.

We conducted our audit from June 2019 to February 2020 at SSA Headquarters in Woodlawn, Maryland. We determined the data used for this audit were sufficiently reliable to meet our audit objectives. The primary entities audited were the Offices of the Deputy Commissioners for Operations and Systems. 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 our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

² This is in reference to deceased individuals who were not in current payment status at the time of our review. Of the 93,560 non-beneficiary records, 64,188 never applied for benefits and the remaining 29,372 either had applied and were denied or were in a non-pay status.

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: March 19, 2020

Refer To: S1J-3

To: Gail S. Ennis
Inspector General

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

From: Stephanie Hall
Chief of Staff

Subject: Office of the Inspector General Draft Report, "Match of Pennsylvania Death Information Against Social Security Administration Records" (A-15-18-50679) -- INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations. We continue to make incremental changes to increase the completeness of death information in our records and promote program integrity by preventing improper payments. Changes to our system in 2016 improved our ability to identify and replace deceased representative payees, and we continue to provide training and reminders to technicians regarding deceased representative payees.

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

MISSION

By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration's (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

CONNECT WITH US

The OIG Website (<https://oig.ssa.gov/>) gives you access to a wealth of information about OIG. On our Website, you can report fraud as well as find the following.

- OIG news
- audit reports
- investigative summaries
- Semiannual Reports to Congress
- fraud advisories
- press releases
- congressional testimony
- an interactive blog, “[Beyond The Numbers](#)” where we welcome your comments

In addition, we provide these avenues of communication through our social media channels.



[Watch us on YouTube](#)



[Like us on Facebook](#)



[Follow us on Twitter](#)



[Subscribe to our RSS feeds or email updates](#)

OBTAIN COPIES OF AUDIT REPORTS

To obtain copies of our reports, visit our Website at <https://oig.ssa.gov/audits-and-investigations/audit-reports/all>. For notification of newly released reports, sign up for e-updates at <https://oig.ssa.gov/e-updates>.

REPORT FRAUD, WASTE, AND ABUSE

To report fraud, waste, and abuse, contact the Office of the Inspector General via

Website: <https://oig.ssa.gov/report-fraud-waste-or-abuse>

Mail: Social Security Fraud Hotline
P.O. Box 17785
Baltimore, Maryland 21235

FAX: 410-597-0118

Telephone: 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. Eastern Standard Time

TTY: 1-866-501-2101 for the deaf or hard of hearing