

Audit Report

Match of Colorado Death Information
Against Social Security
Administration Records

MEMORANDUM

Date: March 19, 2021 **Refer To:**
To: The Commissioner
From: Inspector General
Subject: Match of Colorado Death Information Against Social Security Administration Records
(A-06-18-50849)

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/or representative payees who were deceased according to Colorado records and (2) identify non-beneficiaries in the State files whose death information did not appear in Agency records.

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



Gail S. Ennis

Attachment

Match of Colorado Death Information Against Social Security Administration Records

A-06-18-50849



March 2021

Office of Audit Report Summary

Objectives

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

Background

To identify and prevent payments after death, SSA established a program under which States can voluntarily contract with SSA to provide it death data to match against its records.

Through Electronic Death Registration (EDR), States electronically submit death reports to SSA. If the decedent's data match SSA records, SSA posts the State death information to its Numident file and terminates payments to deceased beneficiaries. In addition to EDR, SSA receives death information from other sources, such as family members and funeral directors.

We obtained data files that provided the personally identifiable information of 2.2 million individuals the State of Colorado recorded as deceased from January 1900 through September 2019. We matched the data against SSA payment records and the Numident file.

Findings

SSA issued approximately \$8.6 million in payments after death to 194 beneficiaries who died in Colorado from January 1900 through September 2019. Identifying and correcting these discrepancies will prevent approximately \$2.5 million in additional payments after death over a 12-month period. We did not identify any deceased representative payees who were receiving SSA payments.

We identified 8,773 non-beneficiaries who were deceased according to Colorado records but whose death information was not in SSA's Numident. Resolving these discrepancies will improve the accuracy and completeness of death information the Agency shares with other Federal benefit-paying agencies.

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.

Agency Actions Resulting from the Audit

As of March 12, 2021, SSA had terminated payments to 179 deceased beneficiaries and initiated recovery of approximately \$7.3 million in improper payments.

Recommendations

1. Take action to record deaths on the Numident, terminate payments, and initiate collection of overpayments, as appropriate, for the remaining beneficiaries we identified.
2. Add death information to the Numident, as appropriate, for the 8,773 non-beneficiaries with dates of death we identified using Colorado records.

SSA agreed with our recommendations.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
EDR	Electronic Death Registration
OIG	Office of the Inspector General
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SSA	Social Security Administration
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/or representative payees² who were deceased according to Colorado records and (2) identify non-beneficiaries³ in the State files whose death information did not appear in Agency records.

BACKGROUND

In October 2020, SSA paid approximately \$96 billion under the Old-Age, Survivors and Disability Insurance and Supplemental Security Income programs to approximately 70 million beneficiaries.⁴ Under these programs, payment to a beneficiary terminates when the individual dies.⁵

To identify and prevent payments after death, the *Social Security Act*⁶ requires that SSA establish a program under which States can voluntarily contract with SSA to provide it death data to match against its 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 verifies the Social Security number online and in real-time. If the decedent's 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,⁷ and terminates payments to deceased beneficiaries. In addition to EDR, SSA receives death information 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.⁸

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

² SSA appoints a representative payee to receive and manage benefit payments when SSA determines it serves the individual’s best interest regardless of legal competency or incompetency of the individual. *Social Security Act*, 42 U.S.C. §§ 405(j) and 1383(a)(2)(A)(ii) (govinfo.gov 2018).

³ “Non-beneficiaries” refers to deceased individuals who were not in current payment status as of September 2019.

⁴ SSA, *Monthly Statistical Snapshot*, October 2020, https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/2020-10.html (last visited January 11, 2021).

⁵ 20 C.F.R. §§ 404.311(b), 404.316(b)(1), and 416.1334 (govinfo.gov 2020).

⁶ 42 U.S.C. § 405(r)(1) (govinfo.gov 2018).

⁷ SSA, *POMS*, GN 02602.050, A (October 30, 2017).

⁸ Examples of other Federal agencies include the Railroad Retirement Board, Centers for Medicare & Medicaid Services, Internal Revenue Service, Department of Veterans Affairs, and Office of Personnel Management.

We obtained data files that provided the personally identifiable information of approximately 2.2 million individuals the State of Colorado recorded as deceased from January 1900 through September 2019. We matched the death data against SSA's payment records to identify beneficiaries and a representative payee whose personally identifiable information matched that of deceased individuals. We obtained death certificates, as needed, for these beneficiaries and provided those certificates to SSA. We also matched the death data against the Numident to identify non-beneficiaries whose death information was not in SSA's system. See Appendix A for information on our scope and methodology.

RESULTS OF REVIEW

SSA issued approximately \$8.6 million in payments after death to 194 beneficiaries whom the State of Colorado recorded as deceased from January 1900 through September 2019.⁹ Identifying and correcting these discrepancies will prevent approximately \$2.5 million in additional payments after death over a 12-month period. We also identified 8,773 non-beneficiaries who were deceased according to Colorado records but whose death information was not in SSA's Numident. We did not identify any deceased representative payees who were receiving SSA payments.

We did not determine why this death information was not in SSA records or whether the State had previously reported the 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.¹⁰ We issued a separate report on a review that assessed SSA's rejection of State-submitted EDR reports.¹¹

Payments Issued to Deceased Beneficiaries

We identified 194 current beneficiaries whose personally identifiable information matched that of a deceased individual in the Colorado death data. Our review of available records indicated these beneficiaries were deceased. SSA issued these beneficiaries approximately \$8.6 million in payments after death. Examples follow.

- A retirement beneficiary died in May 1995. SSA records did not contain a date of death and therefore benefit payments continued. SSA issued approximately \$280,000 in payments after death before it terminated the payments in September 2020.

⁹ While we took steps to ensure the death certificates for all the deceased beneficiaries belonged to the true numberholder, the true numberholder could be alive for pending cases. See Appendix A for more information about the steps we took to determine whether the true numberholder was deceased.

¹⁰ We do not assert the EDR process is the exclusive cause of unrecorded deaths on SSA records.

¹¹ SSA, OIG, *The Social Security Administration's Rejection of State Electronic Death Registration Reports*, A-08-18-50499 (September 2020).

- A retirement beneficiary died in August 2008. SSA records did not contain a date of death and therefore benefit payments continued. SSA issued approximately \$280,000 in payments after death before it terminated the payments in September 2020.
- A retirement beneficiary died in September 2000. SSA records did not contain a date of death and therefore benefit payments continued. SSA issued approximately \$350,000 in payments after death before it terminated the payments in September 2020.

Colorado began reporting deaths electronically to SSA through the EDR process in 2015. Yet, as illustrated in Table 1, approximately 93 percent of the beneficiaries whom SSA had improperly paid died between 2015 and 2019.¹²

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

Year of Death	Number of Beneficiaries	Percent of Total Beneficiaries
1986-2014	14	7
2015-2019	180	93
Total	194	100

Source: OIG Analysis of Colorado Death Data.

We provided SSA information, including death certificates, on the deceased beneficiaries. Identifying and correcting these discrepancies will prevent approximately \$2.5 million in additional improper payments after death over a 12-month period.¹³

¹² SSA issued payments after death to fewer than 1 percent of the 2.2 million individuals who were deceased according to the State of Colorado.

¹³ We based this estimate on the assumption that conditions will remain the same for a 12-month period.

Deceased Non-beneficiaries

We identified 8,773 non-beneficiaries¹⁴ who were deceased according to Colorado records but who did not have death information in SSA's Numident. As shown on Table 2, approximately 81 percent of these individuals died before the State began reporting death information to SSA via EDR in 2015.

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

Year of Death	Number of Non-beneficiaries	Percent of Total Non-beneficiaries
1944-2014	7,084	81
2015-2019	1,689	19
Total	8,773	100

Source: OIG Analysis of Colorado Death Data.

We provided SSA information on the 8,773 non-beneficiaries. Resolving these discrepancies will improve the accuracy and completeness of the death information SSA shares with other Federal benefit-paying agencies.¹⁵

AGENCY ACTIONS RESULTING FROM THE AUDIT

As of March 12, 2021, SSA had terminated payments to 179 deceased beneficiaries and initiated recovery of approximately \$7.3 million in improper payments.

RECOMMENDATIONS

We recommend SSA:

1. Take action to record deaths on the Numident, terminate payments, and initiate collection of overpayments, as appropriate, for the remaining beneficiaries we identified.
2. Add death information to the Numident, as appropriate, for the 8,773 non-beneficiaries with dates of death we identified using Colorado records.

¹⁴ We matched Colorado death records that included a validated Social Security number, name, and date of birth (per Enumeration Verification System process) against SSA's Numident. We excluded individuals who were receiving Old-Age, Survivors and Disability Insurance benefits or Supplemental Security Income payments.

¹⁵ 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. In addition, 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).

AGENCY COMMENTS

SSA agreed with our recommendations. The full text of SSA's comments is included in Appendix B.



Michelle L. Anderson
Assistant Inspector General for Audit

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 Colorado Department of Public Health and Environment vital records data file and identified approximately 2.2 million individuals recorded as having died in Colorado from January 1900 through September 2019. We matched these records against SSA’s Enumeration Verification System and September 2019 payment records and identified:
 - 223 Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income recipients in current payment status whose names and dates of birth matched those of deceased individuals in the Colorado death data and appeared to be deceased.
 - For 206 beneficiaries,¹ we:
 - Reviewed SSA’s systems, Colorado death data, and public records as necessary.
 - Determined whether SSA (a) documented contact with the beneficiary after the date of death in Colorado 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 available Colorado death certificates and referred the cases to SSA. As of February 16, 2021, SSA had
 - determined 12 beneficiaries were alive;
 - determined 178 beneficiaries were deceased—SSA terminated their payments and identified approximately \$7.2 million in payments after death; and
 - continued reviewing 16 cases.

¹ We use the term “beneficiary” in this Appendix in reference to Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income recipients in current payment status.

- We had previously referred the 17 other deceased beneficiaries to SSA as part of our on-going *Match of Centers for Medicare and Medicaid Services Death Information Against Social Security Administration Records* (A-06-18-50653). We purchased the 17 beneficiaries' death certificates and referred the cases to SSA through our Office of Investigations. During the audit, SSA terminated the beneficiaries' payments and determined it issued approximately \$580,000 in payments after death. We excluded the cases from this audit's results.
- 8,773 non-beneficiaries² whose Social Security numbers, names, and dates of birth matched those of deceased individuals in the Colorado death data but whose death information was not in SSA's Numident as of September 2019. We referred these cases to SSA.
- Identified payments issued after death for 194 beneficiaries.³

We conducted our audit in Dallas, Texas, between July and December 2020. We determined the data used for this audit were sufficiently reliable to meet our audit objectives. We assessed the significance of internal controls necessary to satisfy our audit objectives. We determined that internal controls were not significant to our audit objectives; therefore, we did not assess the design, implementation, or operating effectiveness of internal controls. 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

² Refers to individuals who were not in current payment status at the time of our review.

³ For 178 beneficiaries, we used the overpayments SSA calculated and recorded on the individuals' payment records. We calculated overpayments for the remaining 16 beneficiaries.

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: March 12, 2021

Refer To:

To: Gail S. Ennis
Inspector General

A handwritten signature in blue ink, appearing to read "Scott Frey".

From: Scott Frey
Chief of Staff

Subject: Office of the Inspector General Draft Report, "Match of Colorado Death Information Against Social Security Administration Records" (A-06-18-50849) – INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations. We are taking action on the remaining cases OIG identified. Additionally, we continue to make improvements to our death information to promote program integrity and prevent improper payments.

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



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