

Audit Report

Match of California Death
Information Against Social Security
Administration Records

A-06-14-24138 / April 2017

MEMORANDUM

Date: April 26, 2017 **Refer To:**

To: The Commissioner

From: Acting Inspector General

Subject: Match of California Death Information Against Social Security Administration Records (A-06-14-24138)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether death information on California Department of Public Health Death Statistical Master Files was recorded on Social Security Administration (SSA) records. We also determined the status of six cases from our 2014 audit of *Payments to Individuals with Deaths Reported in California from 1980 to 1987* (A-06-14-21416) that were pending Office of Investigations review or SSA verification.

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.


Gale Stallworth Stone

Attachment

Match of California Death Information Against Social Security Administration Records

A-06-14-24138



April 2017

Office of Audit Report Summary

Objective

To determine whether death information on California Department of Public Health (CDPH) Death Statistical Master Files was recorded on Social Security Administration (SSA) records. We also determined the status of six cases from our 2014 audit of *Payments to Individuals with Deaths Reported in California from 1980 to 1987* (A-06-14-21416) that were pending Office of Investigations review or SSA verification.

Background

As part of our 2014 audit, we obtained CDPH data that identified the personally identifiable information (PII) of approximately 1.2 million numberholders recorded as having died in California between 1980 and 1987. We matched the data against SSA records and identified 14 cases where SSA issued approximately \$3 million in improper payments to deceased beneficiaries. We also identified about 64,000 non-beneficiary numberholders who were likely deceased but did not have death information on the Numident.

For this review, we purchased CDPH Death Statistical Master Files for the period 1970 through 2004. We matched the data file against SSA payment records and identified beneficiaries in current payment status whose PII matched a deceased individual in the CDPH file.

Findings

Death information on CDPH files was not always recorded on SSA records. At the time of our audit, SSA was issuing benefit payments to 83 individuals whose PII matched that of individuals who died in California from 1970 through 2004.

- In 34 cases, the beneficiaries were deceased. SSA terminated benefits to 28 beneficiaries and identified approximately \$4.6 million in improper payments. SSA suspended payments to five beneficiaries but had not quantified the related improper payments. We estimate improper payments in these five cases totaled approximately \$1.2 million. The remaining case did not involve improper payments.
- In 43 cases, the beneficiaries were alive. SSA and the Office of Investigations determined that none of the cases involved improper payments to the beneficiaries.
- In six cases, SSA was determining the beneficiaries' status. The Office of Operations referred the cases to its regional offices for development.

We also identified approximately 188,000 numberholders who were likely deceased but had no death information on the Numident. At the time of our review, none of these numberholders was receiving SSA payments. We provided SSA with the numberholders' information, and SSA recorded death information on most of these records.

Of the six open cases from our prior review, the Office of Investigations confirmed that four beneficiaries were deceased. SSA terminated the payments and identified \$632,001 in improper payments issued after these beneficiaries' deaths. In the two remaining cases, SSA confirmed the beneficiaries were alive.

Because SSA took prompt action to suspend or terminate benefits and add numberholders' death information to its records, we made no recommendations for further corrective action.

TABLE OF CONTENTS

Objective	1
Background	1
Results of Review	2
Deceased Beneficiaries	3
Living Beneficiaries	4
Deceased Non-beneficiary Numberholders	4
Status of Six Open Cases from Our 2014 Audit	5
Conclusions.....	5
Agency Comments.....	6
Appendix A – Scope and Methodology	A-1
Appendix B – Summary of Improper Payments	B-1
Appendix C – Agency Comments.....	C-1

ABBREVIATIONS

CDPH	California Department of Public Health
OIG	Office of the Inspector General
PII	Personally Identifiable Information
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
U.S.C.	United States Code

OBJECTIVE

Our objective was to determine whether death information on California Department of Public Health (CDPH) Death Statistical Master Files was recorded on Social Security Administration (SSA) records. We also determined the status of six cases from our 2014 audit of *Payments to Individuals with Deaths Reported in California from 1980 to 1987* (A-06-14-21416)¹ that were pending Office of Investigations review or SSA verification.

BACKGROUND

Section 205(r) of the *Social Security Act* requires that SSA match States' death records against SSA payment records to identify and prevent erroneous payments after death.² In addition, SSA matches death records from other Federal, State, and local agencies. SSA uses the Death Information Processing System to receive and process death information³ as well as record dates of death on the Numident file. The Numident is a database that houses personally identifiable information (PII) for each person issued a Social Security number (SSN). SSA uses death information on the Numident to produce a record of death information, known as the Death Master File.

As part of our 2014 audit, we obtained CDPH data that identified the PII of approximately 1.2 million individuals recorded as having died in California between 1980 and 1987. We matched the data against SSA records and identified 14 cases where SSA had issued approximately \$3 million in improper payments to deceased beneficiaries.⁴ We also identified about 64,000 non-beneficiaries who were likely deceased but did not have death information on the Numident.

For this review, we purchased CDPH Death Statistical Master Files that provide the PII of approximately 7.4 million individuals recorded as having died in California from 1970 through 2004. We matched the data file against SSA payment records and identified beneficiaries in current payment status whose PII matched that of a deceased individual listed in the CDPH file. For more information on our scope and methodology, see Appendix A.

¹ SSA, OIG, *Payments to Individuals with Deaths Reported in California from 1980 to 1987* (A-06-14-21416), August 2014.

² 42 U.S.C. § 405(r).

³ SSA, POMS, GN 02602.051A (December 4, 2015).

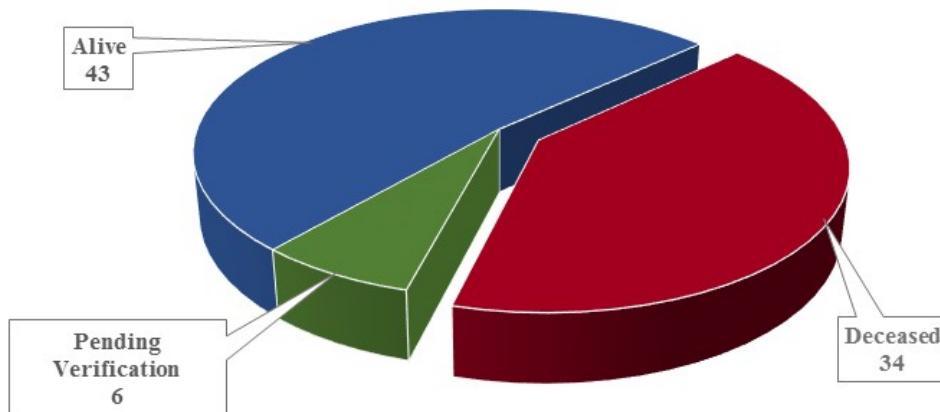
⁴ We use the term "beneficiary" throughout this report in reference to both Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income (SSI) recipients.

RESULTS OF REVIEW

Death information on CDPH files was not always recorded on SSA records. At the time of our audit, SSA was issuing benefit payments to 83 individuals whose PII matched that of individuals recorded as having died in California from 1970 through 2004.⁵ SSA records indicated that 41 instances likely involved fraud. We referred these cases to our Office of Investigations. The other 42 instances appeared to involve multiple individuals using the same SSN. We referred these cases to SSA. The Office of Investigations and SSA:

- Determined 34 beneficiaries were deceased. SSA terminated benefits to 28 beneficiaries and identified approximately \$4.6 million in improper payments. SSA suspended payments in five cases but had not quantified the related improper payments. We estimate improper payments in these five cases totaled approximately \$1.2 million. The remaining case did not involve improper payments.
- Determined 43 beneficiaries were alive, and none of the cases involved improper payments to the beneficiaries.
- Had not determined the status of six beneficiaries. The Office of Operations referred the cases to its regional offices for development.

**Status of 83 Beneficiaries Whose PII Matched
Deceased Individuals in California Death Data Files**



We also identified approximately 188,000 numberholders who were likely deceased but had no death information on the Numident. These numberholders' PII matched that of a deceased individual in CDPH death records. At the time of our review, none of these numberholders was receiving SSA payments. We provided SSA with numberholder information, and SSA subsequently recorded death information on approximately 161,000 of these records. Resolution

⁵ Matching PII included SSN, first and last name, date of birth, and parents' names.

of these discrepancies reduced SSA's exposure to future improper payments and improved the accuracy and completeness of the Death Master File.

When we issued the final report on our 2014 audit, six cases were pending. Since that time, SSA has determined two beneficiaries were alive, and the Office of Investigations confirmed the other four beneficiaries were deceased. SSA terminated the payments to the four beneficiaries and identified \$632,001 in improper payments after these beneficiaries' deaths.

Deceased Beneficiaries

The Office of Investigations and SSA confirmed 34 beneficiaries were deceased.

- SSA terminated payments to 28 beneficiaries and determined it issued \$4.6 million in improper payments (see Appendix B, Table B-1).
 - A California man died in 1983. In April 1997, California authorities charged the man's brother with assault. In September 1997, the brother failed to appear in court and assumed his deceased brother's identity to avoid prosecution. In 2010, SSA approved a disability claim the fugitive filed under his deceased brother's SSN. In 2012, law enforcement captured the fugitive, and, in 2013, a jury convicted and sentenced him to life in prison. SSA determined it had issued \$51,340 in improper payments before it terminated the disability payments in October 2015.
 - A California widow who received survivor's benefits died in 2002. From 2002 until SSA terminated benefit payments in June 2016, the deceased woman's daughter stole \$84,822 in benefits deposited into her mother's account. Investigators also determined the daughter received \$177,646 in low-income housing benefits to which she was not entitled. The daughter pleaded guilty to theft of government funds. In December 2016, she was sentenced to 5 years' probation and ordered to make restitution.
 - An SSI recipient died in October 1995. In 1996, someone claiming to be the decedent filed a widow's benefit claim using her SSN. SSA determined it issued \$238,434 in improper SSI payments and survivor's benefits before it terminated the payments in September 2015. The deceased woman's daughter admitted to stealing the funds from her mother's bank account but denied applying for widow's benefits. The U.S. Attorney's Office declined prosecution due in part to the daughter's age and poor health.
 - A California man died in 1973. Events indicated his half-brother assumed his identity and applied for disability benefits in 1991. Investigators determined the half-brother died in July 2009. SSA issued \$293,970 in improper payments before it terminated the benefits in September 2015. At the time of our review, SSA was working with the Department of the Treasury to reclaim funds remaining in the half-brother's account.
- SSA suspended benefit payments to five beneficiaries but had not quantified the related improper payments. We estimate improper payments in these cases totaled approximately \$1.2 million (see Appendix B, Table B-2).

- In one case, SSA confirmed the numberholder was deceased and recorded the death information in its records. SSA determined the case did not involve improper payments.

Improper payments occurred in 33 of 34 cases because the numberholders' death information did not appear in SSA records. As a result, SSA did not terminate benefit payments when the numberholders died and approved benefit claims identity thieves filed after the numberholders' deaths.

Living Beneficiaries

SSA and the Office of Investigations determined 43 beneficiaries were alive. SSA confirmed the beneficiaries were the actual numberholders, and none of the cases involved improper payments to the beneficiaries.

In 18 cases, the State of California incorporated incorrect SSNs on the decedents' death certificates. SSA identified the decedents' correct SSNs and added corresponding death information to the numberholders' records.

The remaining cases appeared to involve multiple individuals using the SSNs. To illustrate, in eight cases, available documents indicated the State of California generated death certificates after identity thieves using these SSNs died in California. Before their deaths, the identity thieves received SSI payments under the assumed identities. SSA terminated these payments upon notification of death. Years later, the actual numberholders filed for, and began receiving, SSA benefits. SSA officials stated the Office of Systems was removing the identify thieves' information from the current beneficiaries' records.

Deceased Non-beneficiary Numberholders

We identified approximately 188,000 additional numberholders who were likely deceased but had no death information on the Numident. At the time of our review, none of these numberholders was receiving benefits. In January 2016, we provided SSA with a data file that identified these numberholders. SSA informed us in March 2016 that it had added death information to the Numident records of more than 17,000 numberholders who previously received payments that SSA had terminated because of death.⁶

SSA's Office of Business Improvement conducted a comprehensive analysis of the remaining records. After SSA's independent review, it added death information to the Numident records of approximately 144,000 additional numberholders. Because of concerns with the precision of the PII match on the remaining 27,000 records, and to avoid the possibility of erroneously adding death information to living individuals' records, SSA decided not to add death information to these Numident records. We commend SSA for its prompt action.

⁶ SSA input death information on these records in response to recommendations made in our prior audits *Title II Deceased Beneficiaries Who Do Not Have Death Information on the Numident* (A-09-11-21171), July 2012, and *Title XVI Deceased Recipients Who Do Not Have Death Information on the Numident* (A-09-12-22132), May 2013.

Status of Six Open Cases from Our 2014 Audit

When we issued our final report in 2014, investigations were in progress for four cases. In addition, SSA had agreed to determine whether two other beneficiaries were the correct numberholders and take additional actions, as appropriate.

- The Office of Investigations confirmed all four beneficiaries were deceased. SSA terminated the payments and determined it issued \$632,001 in improper payments after these beneficiaries' deaths.

Table 1: Status of Four Prior Audit Cases with Investigations in Progress

Case	Payment Status	Improper Payment Amount	Investigation Status
1	Terminated October 2014	\$227,755	Prosecution Declined
2	Terminated September 2014	130,003	Guilty Plea-Sentenced to Probation
3	Terminated May 2016	79,343	Criminal Case Referred to U.S. Attorney's Office
4	Terminated October 2016	194,900	Criminal Case Pending
		\$632,001	

- SSA verified two beneficiaries were alive. In November 2014, SSA removed an identity thief's earnings from one record, established a \$5,908 overpayment on the beneficiary's payment record, and reduced the beneficiary's monthly benefit amount by \$114.

CONCLUSIONS

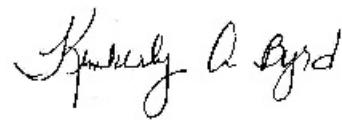
Death information on CDPH files was not always recorded on SSA records. Because the death information did not appear in Agency records for the cases we identified, SSA did not terminate benefit payments when the numberholders died and approved claims identity thieves filed using the deceased numberholders' PII. As a result, SSA issued approximately \$5.8 million in improper payments to 33 beneficiaries who died in California from 1970 through 2004. We also identified approximately 188,000 numberholders who were likely deceased but had no death information on the Numident. At the time of our review, none of these numberholders was receiving SSA payments. During the audit, SSA added death information to most of these numberholders' records.

Of the six open cases from our 2014 audit, SSA determined that two beneficiaries were alive, and the Office of Investigations determined that four beneficiaries were deceased. SSA terminated the payments and identified \$632,001 in improper payments after these beneficiaries' deaths.

Because SSA took prompt action to suspend or terminate benefits and add numberholders' death information to its records, we made no recommendations for further corrective action.

AGENCY COMMENTS

SSA appreciated acknowledgement of its prompt corrective action and had no further comments. The full text of SSA's comments is included in Appendix C.



for

Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed Federal laws and regulations related to death matches with State agencies.
- Reviewed the Social Security Administration's (SSA) policies and procedures.
- Obtained a California Department of Public Health (CDPH) death data file of approximately 7.4 million individuals recorded as having died in California from January 1, 1970 through December 31, 2004.
- Identified 187,976 numberholders who had no death entry on the Numident and whose Social Security number (SSN), name, and/or date of birth (within a 2-year variance) matched deceased individuals listed in the CDPH death data file.
- Identified 138 Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income recipients in current payment status as of November 2014 whose SSN, first and last names, and date of birth matched individuals listed as deceased in the CDPH death data file. We obtained death certificates from CDPH for each of the 138 individuals.
- Reviewed the Master Beneficiary and Supplemental Security Records, the Detailed Earnings Query, Lexis-Nexis, and the Numident for the 138 identified records. Based on review of these cases, we:
 - Determined 55 of the 138 individuals in current pay status were not the same individuals who died in California from 1970 through 2004.
 - In 27 instances, CDPH data included discrepancies in such additional identifiers as place of birth and parents' names.
 - In 19 instances, California provided the wrong SSN on the death certificate, and we identified an alternate SSN for the decedent.
 - In nine instances, SSA had already determined the death information was erroneous and corrected the Numident record and/or removed earnings that did not belong to the numberholder.
 - Referred 41 cases to our Office of Investigations for fraud development.
 - Referred the remaining 42 cases to SSA for review.
- Quantified potential improper payments after death.

We conducted our audit from October 2015 to February 2017 at SSA's Regional Office in Dallas, Texas. We determined the data used for this audit were sufficiently reliable to meet our audit objective. The primary entity audited was 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 our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix B – SUMMARY OF IMPROPER PAYMENTS

Table B–1: Improper Payments to Deceased Beneficiaries—the Social Security Administration Terminated Payments and Computed Improper Payment Amounts

Case	Entitlement Date	Date of Death	Improper Payment	Case Status
1	June 1991	December 1973	\$293,970	Closed – suspect deceased
2	May 1982	January 2003	71,475	Investigation on-going
3	May 2006	October 1990	113,239	Closed - prosecution declined
4	January 1998	February 2001	164,611	Closed with partial reclamation from bank
5	May 2004	April 2004	225,056	Closed - prosecution declined
6	December 1977	October 2001	172,749	Investigation on-going
7	March 1992	June 1999	185,523	Investigation on-going
8	December 1992	February 2002	177,926	Investigation on-going
9	July 1996	October 1995	238,434	Closed - prosecution declined
10	April 2010	July 1983	51,340	Identify thief in prison serving life sentence
11	May 2004	December 1973	125,353	Closed - prosecution declined
12	July 1997	May 1974	133,752	Identity thief pled guilty-sentenced to 60 days in custody
13	January 1999	November 2001	194,920	Investigation on-going
14	March 1995	June 2001	215,760	Investigation on-going
15	July 1992	December 2001	126,068	Investigation on-going
16	December 1970	August 2001	147,359	Investigation on-going
17	January 1995	June 1990	175,962	Investigation on-going
18	October 2012	November 1994	29,850	Illegal alien/identity thief was indicted and in custody
19	May 1997	January 2001	186,939	Investigation on-going
20	February 1976	May 2002	84,822	Daughter pled guilty to Theft of Government Funds
21	December 1991	October 2001	88,245	Investigation closed—referred to SSA for reclamation
22	May 2000	April 1979	168,095	Investigation on-going
23	January 2010	November 1977	54,183	Closed - prosecution declined
24	August 2012	February 1974	28,653	Investigation on-going
25	June 2004	September 2004	143,131	Investigation on-going
26	October 1991	June 1994	396,424	Investigation on-going
27	March 1976	May 1993	289,484	Investigation on-going
28	May 1995	February 2000	298,845	Investigation on-going
Total			\$4,582,168	

Table B–2: Estimated Improper Payments to Deceased Beneficiaries—the Social Security Administration Suspended Payments but Had Not Computed Improper Payment Amounts

Case	Entitlement Date	Date of Death	Payment Suspension Date	Estimated Improper Payments	Case Status
1	March 1993	April 1995	June 2015	\$300,344	Investigation on-going
2	September 2009	December 1977	November 2015	86,965	Investigation on-going
3	October 1993	April 1993	January 2016	396,189	Investigation on-going
4	December 1979	December 2003	March 2016	157,161	Investigation on-going
5	April 1999	May 2001	February 2017	258,685	Investigation on-going
Total				\$1,199,344	

Table B–3: Questioned Costs—Improper Payments Computed by the Social Security Administration and Estimated Improper Payments in Suspended Payment Cases

Source	Amount
Improper Payments—Benefits Terminated (Table B-1)	\$4,582,168
Estimated Improper Payments—Benefits Suspended (Table B-2)	1,199,344
Total	\$5,781,512

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: April 12, 2017 Refer To: S1J-3

To: Gale Stallworth Stone
Acting Inspector General

From: Stephanie Hall /s/
Acting Deputy Chief of Staff

Subject: Office of the Inspector General OIG Draft Report, “Match of California Death Information Against Social Security Administration Records” (A-06-14-24138)--INFORMATION

Thank you for the opportunity to review the draft report. We appreciate OIG’s acknowledgement that we took prompt corrective action to address the findings identified during the course of the audit. We have no further comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

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