



ICN 31170-23-170

SOCIAL SECURITY
Office of the Inspector General

MEMORANDUM

Date: June 19, 2001 Refer To:

To: Larry G. Massanari
Acting Commissioner
of Social Security

From: Inspector General

Subject: Old-Age, Survivors and Disability Insurance Benefits Paid to Deceased Auxiliary Beneficiaries (A-01-00-20043)

The attached final report presents the results of our review. Our objective was to determine whether the Social Security Administration had adequate procedures to ensure that Old-Age, Survivors and Disability Insurance benefits were terminated when an auxiliary beneficiary died.

Please comment within 60 days from the date of this memorandum on corrective action taken or planned on each recommendation. If you wish to discuss the draft report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

A handwritten signature in black ink, appearing to read "James G. Huse, Jr."

James G. Huse, Jr.

Attachment

OFFICE OF
THE INSPECTOR GENERAL

SOCIAL SECURITY ADMINISTRATION

OLD-AGE, SURVIVORS AND
DISABILITY INSURANCE BENEFITS
PAID TO DECEASED
AUXILIARY BENEFICIARIES

June 2001

A-01-00-20043

AUDIT REPORT



Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- Promote economy, effectiveness, and efficiency within the agency.
- Prevent and detect fraud, waste, and abuse in agency programs and operations.
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.
- Access to all information necessary for the reviews.
- Authority to publish findings and recommendations based on the reviews.

Vision

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.

Executive Summary

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) had adequate procedures to ensure that Old-Age, Survivors and Disability Insurance (OASDI) benefits were terminated when an auxiliary beneficiary died.

BACKGROUND

The OASDI program provides retirement benefits to insured individuals who have reached the minimum retirement age, survivors' benefits to dependents of insured wage earners in the event the family wage earner dies, and disability benefits to disabled wage earners and their families. Children, widows, spouses, and parents who receive OASDI benefits based on another wage earner's Social Security record are referred to as auxiliary beneficiaries; and their benefit payments should terminate when they die.

SSA uses the Death Alert, Control, and Update System (DACSUS) to receive death data from external and internal sources and to process that information against SSA's records. The purpose of DACUS is to: (1) ensure that all types of benefits to deceased beneficiaries are terminated, if appropriate; and (2) produce a national file of death information known as the Death Master File (DMF).

In May 2000, the Office of the Inspector General's Office of Investigations (OI) conducted a pilot project in Connecticut in which it confirmed that 11 of 33 beneficiaries received over \$180,000 in benefit payments after their dates of death. As a result of OI's pilot project, we initiated this audit to assess the nationwide extent of this weakness in SSA's death matching process.

RESULTS OF REVIEW

SSA can improve its current death matching process to ensure that OASDI benefits are terminated when death notices are received for auxiliary beneficiaries. We estimate that 881 deceased auxiliary beneficiaries received \$31 million in OASDI benefits after their dates of death. Additionally, we estimate that 4,152 auxiliary beneficiaries receiving OASDI payments have a date of death recorded on SSA's Numident file even though the beneficiaries are actually alive.

CONCLUSIONS AND RECOMMENDATIONS

Although SSA's current death matching process identifies and terminates OASDI payments to most deceased beneficiaries, improvements can be made to further refine the process and ensure that SSA does not pay deceased beneficiaries. If SSA does

not take action, additional beneficiaries may be incorrectly paid after their deaths. Further, SSA's death matching process can be refined to ensure that living beneficiaries do not have a date of death on their Numident record, so that living beneficiaries will not have their benefits terminated prematurely.

SSA has plans to upgrade its DACUS system to resolve some of the problems in the future, but the Agency should take steps now to address the death information that conflicts with current payments being made. Specifically, we recommend that SSA:

- Periodically (at least annually) match its DMF against its auxiliary payment records to identify records in which a date of death is posted on the DMF but for which payment records show current benefit payments.
- Resolve the discrepancy between the dates of death on the Numident file and the current payment status on the Master Beneficiary Record for the 2,721 records in our population that are not being reviewed by OI and were not included in our sample. Refer any cases suspected to involve fraud to OI.
- Remind staff to fully follow SSA's procedures when processing death alerts to ensure all records requiring action are identified and corrected.

AGENCY COMMENTS

In response to our draft report, SSA agreed with all of our recommendations. (See Appendix C for SSA's comments.)

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Acronyms

BOAN	Beneficiary's Own Account Number
CPS	Critical Payment System
DACUS	Death Alert, Control, and Update System
DMF	Death Master File
DOD	Date of Death
OASDI	Old-Age, Survivors and Disability Insurance
OI	Office of Investigations
SSA	Social Security Administration

Introduction

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) had adequate procedures to ensure that Old-Age, Survivors and Disability Insurance (OASDI) benefits were terminated when an auxiliary beneficiary died.

BACKGROUND

The OASDI program provides retirement benefits to insured individuals who have reached the minimum retirement age, survivors' benefits to dependents of insured wage earners in the event the family wage earner dies, and disability benefits to disabled wage earners and their families. Children, widows, spouses, and parents who receive OASDI benefits based on another wage earner's Social Security record are referred to as auxiliary beneficiaries; and their benefit payments should terminate when they die.¹

To identify deceased beneficiaries and prevent erroneous payments after death, SSA matches death records from Federal, State,² and local public agencies against its payment records. SSA also receives and processes death notifications from beneficiaries' representative payees, relatives, friends, and neighbors; as well as from funeral homes and financial institutions. When SSA receives notification of a death (for a beneficiary or non-beneficiary), it is recorded on the Agency's Numident file³ and becomes part of the Death Master File (DMF).⁴

In February 1988, SSA implemented the Death Alert, Control, and Update System (DACUS) to receive death data from external and internal sources, and to process that information against SSA's payment records. DACUS sends an alert to the appropriate SSA field office for processing when death information is received that does not agree with SSA payment records. For example, if DACUS shows a date of death for a beneficiary, but the SSA payment record shows that the beneficiary is alive, an alert is generated and the discrepancy will be investigated. If the field office determines the

¹ As stated in 20 CFR 404.316, 20 CFR 404.332, 20 CFR 404.337, 20 CFR 404.341, 20 CFR 404.352, and 20 CFR 404.371.

² Section 205(r) of the Social Security Act requires that SSA match States' death records against SSA payment records.

³ The Numident file, which includes approximately 66 million records, contains identifying information (such as name, date of birth, date of death, mother's maiden name, etc.) for each individual issued a Social Security number.

⁴ The DMF is the repository for adding, correcting, and deleting death information received from SSA's routine death matching operation and is housed in SSA's Numident file.

date of death is accurate, steps will be taken to terminate the payments and collect any benefits paid after the date of death. (See the flowchart in Appendix B for a diagram of SSA's death matching process).

DACUS ensures that all types of benefits to deceased beneficiaries are terminated, if appropriate; and produces a national file of death information—the DMF. Specifically, the function of DACUS is to:

- receive death reports from various sources;
- compare the dates of death to SSA's payment records to detect conflicting information or incorrect payments made after a beneficiary's death;
- generate, control, and follow up on alerts to SSA field staff if there is conflicting data with or among the payment records; and
- post death information to SSA's DMF.

DACUS does not generate death alerts when the only conflict in death information is with SSA's Numident file. Also, when DACUS receives death information and compares it to SSA's Numident and payment files without a successful match (due to mismatches on name, date of birth, etc.), the record is posted to an exception file.⁵ According to SSA staff, DACUS statistics for 1999 show:

- over 2.3 million death records were added to the system;
- 384,549 death records were modified on the system;
- 23,494 death records were deleted from the system; and
- 118,810 death records were exceptions and therefore not processed (45,239 exceptions for gender; 42,896 exceptions for dates of birth; and 30,675 exceptions for name).

⁵ An Office of the Inspector General report titled "Performance Measure Review: Summary of PriceWaterhouseCoopers, LLP Review of SSA's Performance Data" (A-02-00-20024) issued in March 2000 recommended that SSA develop policies and procedures for the resolution of exceptions in DACUS and establish a work group with primary responsibility for this. SSA agreed and DACUS release 5 will be the vehicle for implementing changes recommended by the workgroup.

In May 2000, the Office of the Inspector General, Office of Investigations (OI) notified us that it had investigated two cases involving individuals who were receiving auxiliary benefits under the OASDI program, even though they were deceased and SSA's Numident file contained records of their deaths. Further, SSA's DACUS matching operation had not identified these auxiliary beneficiaries as receiving payments after death. Based on the results of these two cases, OI initiated a pilot project in Connecticut which identified 33 beneficiaries receiving auxiliary benefits even though there were dates of death on SSA's Numident file. OI confirmed that 11 of the 33 beneficiaries were deceased by obtaining death certificates from the Bureau of Vital Statistics in Connecticut. Furthermore, over \$180,000 in benefits were incorrectly paid after the dates of death for these 11 beneficiaries. As a result of OI's pilot project, we initiated this audit to assess the nationwide extent of this system weakness.

SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Matched a file of auxiliary beneficiaries (spouse, widow, parent, child) against the DMF and identified 5,033 beneficiaries nationwide who continued to receive OASDI benefit payments in May 2000 despite their dates of death on SSA's DMF.
- Sampled 200 of the 5,033 beneficiaries for review and had the appropriate SSA field office confirm whether each beneficiary was actually deceased. (See Appendix A for details of our sampling methodology.)
- For those beneficiaries in our sample who were deceased, we calculated the amount of OASDI benefits paid since the dates of death.
- Referred cases suspected of fraud to OI.
- Discussed with SSA staff possible causes for why the cases were not identified during SSA's routine death matching process.
- Researched the Programs Operations Manual System, the Code of Federal Regulations, and the Social Security Act.

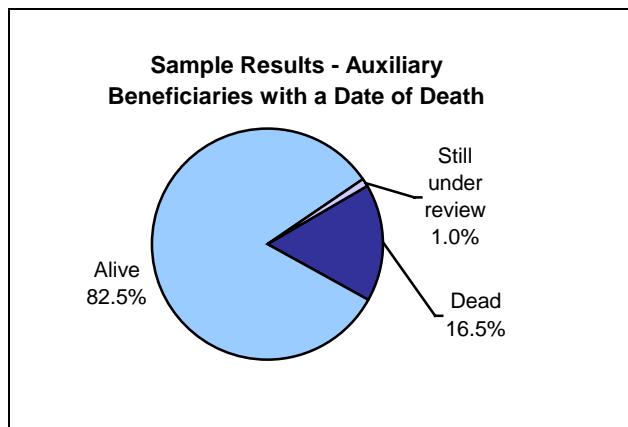
We conducted our audit between September 2000 and January 2001 in Boston, Massachusetts. The entities audited were SSA's Field Offices under the Deputy Commissioner for Operations and the Office of Systems Design and Development under the Deputy Commissioner for Systems. We conducted our audit in accordance with generally accepted government auditing standards.

Results of Review

SSA can improve its current death matching process to ensure that OASDI benefits are terminated when death notices are received for auxiliary beneficiaries. We estimate that SSA paid \$31 million in OASDI benefits to 881 deceased auxiliary beneficiaries between their dates of death and December 2000. Additionally, we estimate that 4,152 auxiliary beneficiaries receiving OASDI payments have erroneous dates of death recorded on SSA's Numident file even though the beneficiaries were actually alive as of December 2000.

SAMPLE RESULTS - OASDI BENEFITS PAID TO AUXILIARY BENEFICIARIES WITH A DATE OF DEATH

Our review of 200 beneficiary sample cases receiving auxiliary benefits despite a date of death posted to SSA's Numident file showed that:



- 33 (or 16.5 percent) were deceased and 27 of the 33 received OASDI benefits after they died;
- 165 (or 82.5 percent) had erroneous dates of death on SSA's Numident file; and
- 2 (or 1.0 percent) are still under review by SSA to determine whether they are deceased.

OASDI PAYMENTS TO DECEASED AUXILIARY BENEFICIARIES

We found that 33 of our 200 sample beneficiaries (16.5 percent) were actually deceased, and SSA paid over \$1.07 million in OASDI benefits to 27 of the 33 beneficiaries after their dates of death (through December 2000). These 27 beneficiaries continued to be paid benefits between 19 and 154 months after their deaths, with an average of 63 months elapsing between a beneficiary's death and December 2000 (when we completed our review of the cases).

After SSA field office staff confirmed that the beneficiaries were deceased, they initiated the necessary steps to reclaim the funds, a portion of which was still in the bank accounts where the benefits were direct deposited after the beneficiaries' deaths. As of January 2001, SSA had recovered \$104,000 of the benefits paid after death, and SSA continues to take action to collect the remaining funds.

SSA did not pay OASDI benefits to 6 of the 33 deceased auxiliary beneficiaries after their dates of death because the deaths were recent and the payments were stopped promptly. Specifically, six of the beneficiaries in our sample were initially receiving benefit payments even though their Numident records showed dates of death between 1991 and 1997.⁶ However, these six auxiliary beneficiaries actually died between April and October 2000. The correct dates of death were posted to their records and benefits were terminated at the time of their actual deaths in 2000.

An example of one of the beneficiaries in our sample is a widow who was receiving auxiliary benefits under the OASDI program in May 2000 based on her husband's Social Security payment record even though her Numident record showed that she died on November 30, 1993. We referred this case to the appropriate SSA field office and the SSA staff confirmed with the City Clerk's office that the beneficiary died in 1993. As a result, SSA:

- Terminated the benefit payments in November 2000.
- Calculated that over \$100,000 had been inappropriately paid since the date of death.
- Requested photocopies of the cashed checks from the Treasury Department.
- Referred the case to the local OI office since the benefit checks were cashed after the beneficiary died.

Possible Deceased Beneficiary Cases

In addition to the 33 beneficiaries who have been confirmed by SSA as deceased, 2 of our 200 sample cases have not yet been confirmed to be either dead or alive. SSA is still in the process of working these cases. However, as of January 2, 2001, SSA had suspended benefit payments for both cases and at least one month had elapsed without any contact from the beneficiary regarding the non-receipt of the prior month's benefits. This is a strong indication that these individuals are actually deceased; and as of January 2001, these two beneficiaries received \$171,000 in benefits since the dates of death shown on their records. As a result, these cases are unresolved and we are treating them as being dead.

Referrals to OI

We referred the cases in our sample in which the beneficiaries were actually deceased and were paid benefits after their dates of death to OI for investigation. It appears in some cases that someone may have accessed the funds paid after the auxiliaries' deaths. Additionally, OI matched our population of 5,033 deceased auxiliary

⁶ The six auxiliary beneficiaries initially had erroneous dates of death of April 1990, May 1991, June 1991, December 1991, October 1995, and September 1997.

beneficiaries against their own file of deceased beneficiaries most likely to involve fraud and accepted 2,198 for possible investigation.⁷ The remaining 2,835 cases are not being pursued by OI at this time since activity on these beneficiaries' records indicate the dates of death may be erroneous due to one or more of the following reasons:

- SSA's Critical Payment System (CPS) shows a payment was made after the date of death;
- the date of death for the auxiliary beneficiary is the same as the primary wage earner's date of death; or
- the auxiliary beneficiary's date of death was before his/her date of initial entitlement to benefits.

OI also did not accept for investigation cases that involved a beneficiary other than a widow/widower or a beneficiary living in a foreign country.

REASONS WHY DECEASED AUXILIARY BENEFICIARIES WERE NOT IDENTIFIED THROUGH SSA'S ROUTINE DEATH MATCHING PROCESS

SSA created DACUS in 1988 to identify potential discrepancies between death records and payment records. However DACUS does not identify all discrepancies which would result in the termination of benefits to deceased beneficiaries. Our audit identified the following specific issues:

- If a beneficiary is currently receiving OASDI benefits and a SSA employee posts a date of death to the individual's Numident record through DACUS and does not also input a death termination to the Master Beneficiary Record, benefit payments will not automatically terminate and a DACUS alert will not be generated as a result of the discrepancy. SSA staff indicated that this was a known problem that they are working on, but they could not provide an estimated time for correcting it.
- DACUS is not designed to identify dual entitlement cases.⁸ SSA is aware of this problem and is working to resolve it, but SSA staff asserted that some dual entitlement cases involving a death termination are identified through other SSA

⁷ In addition to the 2,198 cases that appeared in both Office of Audit and OI's data extracts, OI identified an additional 736 deceased auxiliary cases for possible investigation for a total of 2,934 cases. As of February 2001, the Boston Regional OI office, in conjunction with SSA, has investigated 18 beneficiaries who were deceased and received approximately \$597,000 in benefits after their dates of death. Approximately \$297,000 of the funds have been lost to fraud and \$300,000 are recoverable through SSA's Treasury reclamation process. Additionally, in one case out of New York, family members of an individual who had been deceased since August 1996, handed over to OI Special Agents 51 OASDI checks totaling \$43,276. The recovered checks have been returned to SSA and payments terminated.

⁸ Beneficiaries who are entitled to OASDI benefits based on their own Social Security record as well as based on another wage earner's record are referred to as dually entitled.

systems. Out of our 200 sample cases, 8 beneficiaries⁹ were dually entitled and were not identified by SSA's other systems for resolution of the discrepancy between the auxiliary record's current payment status and a report of death.

- DACUS processes cases based on the beneficiary's own account number (BOAN). Therefore, if a BOAN (i.e., Social Security number) for the auxiliary beneficiary was not on the primary wage earner's record at the time DACUS processed the death notification, the case would not be identified. We could not determine whether the auxiliaries' BOANs were present on the wage earner's payment record at the time the date of death was reported to SSA and posted to the Numident.

Additionally, if a BOAN is not cross referenced to a beneficiary's other payment records, SSA staff may not be aware that the beneficiary is receiving payments on another wage earner's record, and will not take the necessary action to resolve the death alert.

ERRONEOUS DATES OF DEATH ON LIVING BENEFICIARIES' RECORDS

We found that 165 of the 200 beneficiaries (82.5 percent) in our sample are alive and had erroneous dates of death posted to their Numident records. As of January 2001, SSA had corrected 142 of these records by removing the erroneous dates of death from the Numident records; and the remaining 23 records were in the process of being corrected.

A specific example includes a widow who was receiving benefits under her husband's Social Security payment record. The husband died in 1959 and the widow filed and started receiving benefits under his record in 1962. The widow continues to receive benefit payments today even though SSA posted a date of death of July 15, 1997 to her Numident record in December of that year. Benefits did not terminate when the date of death posted to the Numident. In October 2000, SSA staff interviewed the widow and confirmed that she was alive. SSA then corrected the Numident record by removing the erroneous date of death. According to SSA staff at the field office, the beneficiary indicated that this was the third time she had been contacted by SSA regarding an erroneous record of her death.

It is important that SSA take all the necessary steps to correct erroneous dates of death, since this could lead to poor public relations and could impact SSA's commitment to provide the public with superior customer service. The beneficiary in our example is only 1 of 65 individuals who had previously proven to SSA that they were alive.¹⁰ If SSA had taken all the required steps to correct these beneficiaries'

⁹ Out of the 8 cases, 4 were actually deceased and 4 were alive.

¹⁰ We determined that 65 beneficiaries were previously contacted by SSA for erroneous dates of death because: (1) SSA's CPS showed emergency payments were made for 51 cases when benefits were prematurely terminated due to erroneous reports of death, (2) SSA field office staff informed us that

records (both the payment record(s) and the Numident record) upon the initial contact, these beneficiaries would not have been inconvenienced on multiple occasions to prove their identity and/or benefits would not have been terminated prematurely.

REASONS WHY ERRONEOUS DEATHS ARE ON SSA RECORDS

Our audit identified several reasons why erroneous dates of death are on SSA records:

- Sometimes a deceased beneficiary's date of death will get posted to another beneficiary's Numident record. Specifically, we found that in 80 of our 200 sample cases (40 percent) the date of death of someone else on the primary record was posted to the auxiliary beneficiary's Numident record.¹¹ Although SSA is aware of this problem, they have not been able to pinpoint how or why it happens.
- When an auxiliary's benefits are erroneously terminated for death, SSA's procedures require that the erroneous date of death be removed from the payment record. When payments are resumed, SSA's procedures also require that the erroneous date of death be removed from the beneficiary's Numident record. This is a 2-step process since the correction of the payment record does not automatically correct the Numident record. A separate action must be taken to correct the Numident.

From our review of 200 sample cases, it appears that SSA does not always fully comply with these procedures. This is based on the fact that 57 of our 200 sample cases (29 percent) involved a prior termination of benefits based on an erroneous date of death. SSA's records show that: (a) the erroneous dates of death were removed from the payment records, (b) benefit payments were reinstated, and (c) payments were made to the beneficiaries through SSA's CPS for the amount of benefits not paid based on the erroneous dates of death. However, only the beneficiaries' payment records were corrected. The erroneous dates of death were not deleted from SSA's Numident file; and, as a result, these beneficiaries appeared to be deceased and continuing to receive benefits after their dates of death.

In November 2000, SSA completed its initiative for DACUS release 2.2 to correct this problem. This new version of DACUS will now automatically delete the Numident death record when a person who was erroneously terminated due to death is reinstated on their payment record.¹²

8 beneficiaries indicated that they had been contacted before about the erroneous date of death, and (3) for the remaining 6 cases, both the CPS data and comments from SSA field office staff showed that these beneficiaries had been contacted previously on this matter.

¹¹ For 77 cases, the wage earner's date of death was posted as the auxiliary's date of death. For three cases, the representative payees' date of death was posted as the auxiliary's date of death.

¹² We did not test whether DACUS release 2.2 was working as intended.

Conclusions and Recommendations

Although SSA's current death matching process identifies and terminates OASDI payments to most deceased beneficiaries, improvements can be made to further refine the process and ensure that SSA does not pay deceased beneficiaries. If SSA does not take action, additional beneficiaries may be incorrectly paid after their deaths. Further, SSA's death matching process can be refined to ensure that living beneficiaries do not have a date of death on their Numident record, so that living beneficiaries will not have their benefits terminated prematurely.

SSA has plans to upgrade its DACUS system to resolve some of the problems in the future, but the Agency should take steps now to address the death information that conflicts with current payments being made. Specifically, we recommend that SSA:

1. Periodically (at least annually) match its DMF against its auxiliary payment records to identify records in which a date of death is posted on the DMF but for which payment records show current benefit payments.
2. Resolve the discrepancy between the dates of death on the Numident file and the current payment status on the Master Beneficiary Record for the 2,721 records in our population that are not being reviewed by OI and were not included in our sample. Refer any cases suspected to involve fraud to OI.
3. Remind staff to fully follow SSA's procedures when processing death alerts to ensure all records requiring action are identified and corrected.

AGENCY COMMENTS

In response to our draft report, SSA agreed with all of our recommendations. Specifically, SSA (1) plans to conduct a match of auxiliary payment records in July 2001; (2) expects to complete its review of the 2,721 records by the end of the fiscal year; and (3) issued a memorandum on April 11, 2001 reminding staff to fully follow death alert procedures. (See Appendix C for SSA's comments.)

Appendices

Appendix A

Sampling Methodology and Results

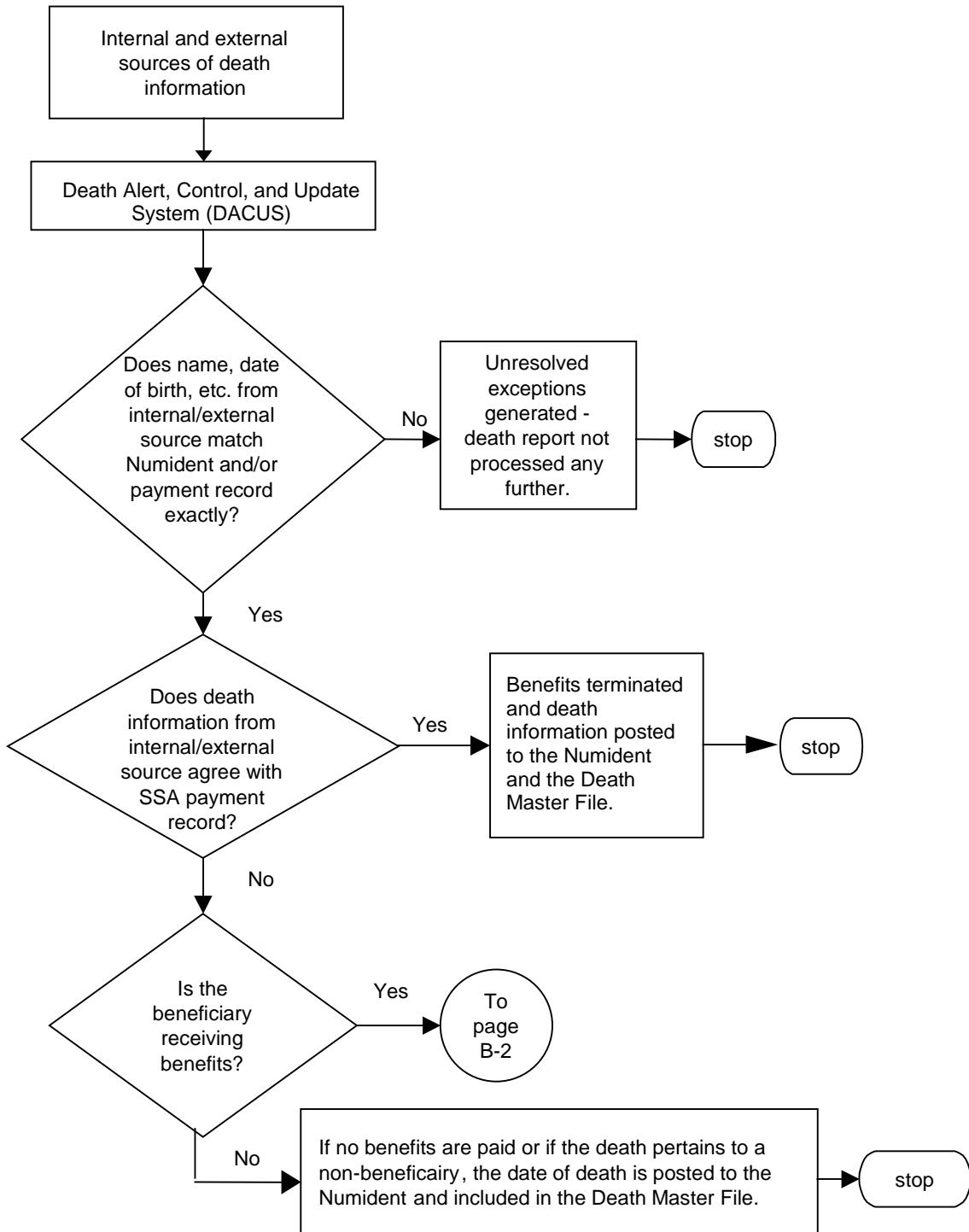
From the Social Security Administration (SSA), we obtained the June 1999 Death Master File (DMF) and matched it against a data extract of auxiliary beneficiaries receiving OASDI benefits as of May 2000. This match resulted in 5,033 beneficiaries who were receiving payments and also had dates of death recorded to the Numident as of May 2000.

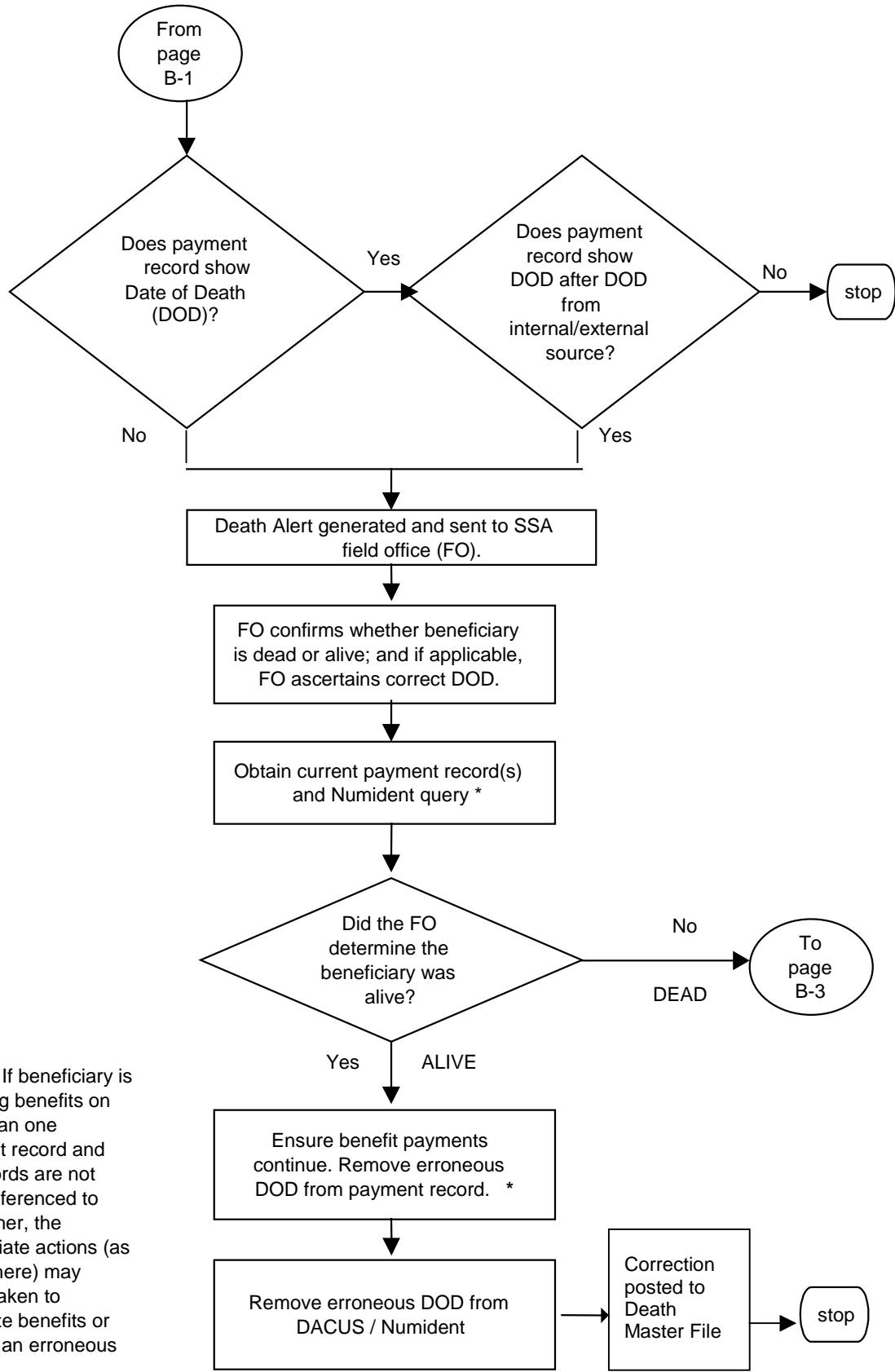
Our sample results and projections are detailed in the table below.

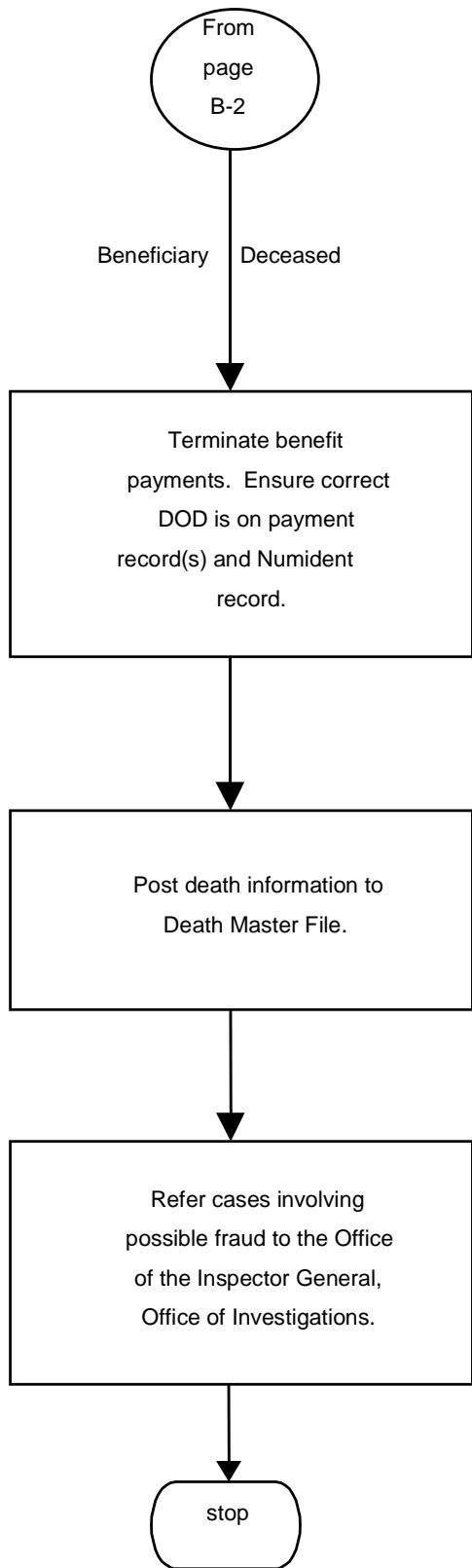
Sample Results and Projections	
Population size	5,033
Sample size	200
Attribute Projections	
Sampled cases where the beneficiary is deceased	35
Projection of cases where the beneficiary is deceased	881
Projection lower limit	669
Projection upper limit	1,129
Sampled cases with an erroneous date of death – beneficiary is alive	165
Projection of cases with an erroneous date of death	4,152
Projection lower limit	3,904
Projection upper limit	4,364
Dollar Projections/Estimates	
Sample Results – Overpayments paid after confirmed death	\$1,249,191
Projection – Overpayments paid after confirmed death	\$31,435,889
Projection lower limit	\$20,323,954
Projection upper limit	\$42,547,824

Note: All projections are at the 90 percent confidence level.

SSA's Death Matching Process







Appendix C

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date May 25, 2001

Refer To: S1J-3

To: James G. Huse, Jr.
Inspector General

From: Larry G. Massanari
Acting Commissioner of Social Security

Subject: Office of the Inspector General (OIG) Draft Report, "Old-Age, Survivors and Disability Insurance Benefits Paid to Deceased Auxiliary Beneficiaries" (A-01-00-20043)—
INFORMATION

A handwritten signature in black ink, appearing to read "Larry G. Massanari". Below the signature, the words "Social Security" are printed in a smaller, sans-serif font.

We appreciate OIG's efforts in conducting this review and agree with the corrective actions recommended. Our comments on the specific recommendations are attached.

Please let us know if we can be of further assistance. Staff questions may be referred to Dan Sweeney on extension 51957.

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT,
"OLD-AGE, SURVIVORS AND DISABILITY INSURANCE BENEFITS PAID TO DECEASED
AUXILIARY BENEFICIARIES" (A-01-00-20043)**

Recommendation 1

Periodically (at least annually) match its Death Master File (DMF) against its auxiliary payment records to identify records in which a date of death is posted on the DMF but for which payment records show current benefit payments.

Comment

We agree. The Office of Systems will conduct a one-time match against auxiliary payment records in July 2001. Inclusion of scheduled periodic matching in the Client/Enumeration 5-year Plan is to be discussed at the next planning committee meeting, scheduled for August 2001.

Recommendation 2

Resolve the discrepancy between the dates of death on the Numident file and the current payment status on the Master Beneficiary Record for the 2,721 records in our population that are not being reviewed by the Office of Investigation (OI) and were not included in our sample. Refer any cases suspected to involve fraud to OI.

Comment

We agree. On April 24, 2001, the Office of Operations released the records to the regions with instructions/procedural references on how the discrepancies should be resolved. The instructions also included directions on referring suspected fraud cases to OI. We expect this workload to be completed by the end of the fiscal year.

Recommendation 3

Remind staff to fully follow the Social Security Administration's (SSA) procedures when processing death alerts to ensure all records requiring action are identified and corrected.

Comment

We agree and have taken action to implement the recommendation. On April 11, 2001, a memorandum was released nationwide reminding staff to fully follow the procedures when processing death alerts, ensuring all records requiring action are identified and corrected.

Appendix D

OIG Contacts and Staff Acknowledgments

OIG Contacts

Rona Rustigian, Acting Director, Disability Program Audit Division, (617) 565-1819

Judith Oliveira, Acting Deputy Director, (617) 565-1765

Acknowledgments

In addition to those named above:

Kevin Joyce, Auditor

Katie Hallock, Auditor

Joseph LoVecchio, Auditor

For additional copies of this report, please contact Office of the Inspector General's Public Affairs Specialist at (410) 966-5998. Refer to Common Identification Number A-01-00-20043.

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Ranking Minority Member, Subcommittee on Human Resources	
Chairman, Committee on Budget, House of Representatives	
Ranking Minority Member, Committee on Budget, House of Representatives	
Chairman, Committee on Government Reform and Oversight	
Ranking Minority Member, Committee on Government Reform and Oversight	
Chairman, Committee on Governmental Affairs	
Ranking Minority Member, Committee on Governmental Affairs	

Chairman, Committee on Appropriations, House of Representatives	1
Ranking Minority Member, Committee on Appropriations, House of Representatives	1
Chairman, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives	1
Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives	1
Chairman, Committee on Appropriations, U.S. Senate	1
Ranking Minority Member, Committee on Appropriations, U.S. Senate	1
Chairman, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate	1
Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate	1
Chairman, Committee on Finance	1
Ranking Minority Member, Committee on Finance	1
Chairman, Subcommittee on Social Security and Family Policy	1
Ranking Minority Member, Subcommittee on Social Security and Family Policy	1
Chairman, Senate Special Committee on Aging	1
Ranking Minority Member, Senate Special Committee on Aging	1
Vice Chairman, Subcommittee on Government Management Information and Technology	1
President, National Council of Social Security Management Associations, Incorporated	1
Treasurer, National Council of Social Security Management Associations, Incorporated	1
Social Security Advisory Board	1
AFGE General Committee	9
President, Federal Managers Association	1
Regional Public Affairs Officer	1
Total	97

Overview of the Office of the Inspector General

Office of Audit

The Office of Audit (OA) conducts comprehensive financial and performance audits of the Social Security Administration's (SSA) programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress, and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency.

Office of Executive Operations

The Office of Executive Operations (OEO) supports the Office of the Inspector General (OIG) by providing information resource management; systems security; and the coordination of budget, procurement, telecommunications, facilities and equipment, and human resources. In addition, this office is the focal point for the OIG's strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act. OEO is also responsible for performing internal reviews to ensure that OIG offices nationwide hold themselves to the same rigorous standards that we expect from the Agency, as well as conducting employee investigations within OIG. Finally, OEO administers OIG's public affairs, media, and interagency activities and also communicates OIG's planned and current activities and their results to the Commissioner and Congress.

Office of Investigations

The Office of Investigations (OI) conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Counsel to the Inspector General

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation, and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.