

Audit Report

Match of New Mexico Death
Information Against Social Security
Administration Records

A-06-18-50759 | September 2019

OIG

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 5, 2019 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: Match of New Mexico Death Information Against Social Security Administration Records (A-06-18-50759)

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 New Mexico Department of Health vital records and (2) identify non-beneficiaries who were deceased according to the State file but 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, 410-965-9700.



Gail S. Ennis

Attachment

Match of New Mexico Death Information Against Social Security Administration Records

A-06-18-50759



September 2019

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 New Mexico Department of Health vital records and (2) identify non-beneficiaries who were deceased according to the State file but 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 reports to SSA, and SSA completes an online, real-time verification of the Social Security number. If the numberholders' data match SSA records, SSA posts the State death information to its Numident file and terminates payments to deceased beneficiaries.

We obtained New Mexico Department of Health death data that provided the personally identifiable information of approximately 481,000 Social Security numberholders who died in New Mexico from January 1980 through December 2017. We matched the data against SSA's Numident and payment records.

Findings

SSA issued approximately \$3.8 million in payments after death to 68 beneficiaries who died in New Mexico between December 1984 and December 2017. Identification and correction of these discrepancies will prevent approximately \$800,000 in additional improper payments after death over the next 12 months. We also identified 4,880 non-beneficiaries who were deceased according to New Mexico Department of Health vital records but whose death information was not in SSA's records. Our data match did not identify any deceased representative payees who were receiving SSA payments.

We did not determine why this death information did not appear in SSA records or whether the deaths were reported to SSA. According to SSA, New Mexico reports about 83 percent of its deaths to SSA via EDR. However, SSA rejects EDR death reports that do not pass its formatting and identification tests to prevent postings of erroneous death information to its records. To help determine the causes of unposted death information, we are planning a review that will assess the effectiveness of the EDR process.

Agency Actions Resulting from the Audit

As of August 30, 2019, SSA had terminated benefits to 55 of the 68 deceased beneficiaries and initiated recovery of \$2.8 million in improper payments.

Recommendations

We recommend SSA:

1. Complete action on the 13 remaining deceased beneficiaries we identified.
2. Add death information for the 4,880 deceased non-beneficiaries identified to the Numident, as appropriate.

SSA agreed with our recommendations.

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ABBREVIATIONS

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 representative payees who were deceased according to New Mexico Department of Health vital records and (2) identify non-beneficiaries who were deceased according to the State file but whose death information did not appear in the Agency's records.

BACKGROUND

To identify and prevent payments after death, the *Social Security Act* 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.² 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.

We obtained New Mexico Department of Health death data that provided the personally identifiable information of approximately 481,000 Social Security numberholders who died in New Mexico during Calendar Years 1980 through 2017 and matched the data against SSA payment and Numident records. See Appendix A for details on our scope and methodology.

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 Section 205(r)(1) of the *Social Security Act*, 42 U.S.C. § 405(r)(1) (govinfo.gov 2017).

³ SSA, *POMS*, GN 02602.050, A (October 30, 2017).

RESULTS OF REVIEW

We identified 68 beneficiaries⁴ in current pay status and 4,880 non-beneficiaries who were deceased according to New Mexico Department of Health vital records but who did not have death information in SSA records. Our data match did not identify any deceased representative payees receiving SSA payments.

We did not determine why this death information did not appear in SSA records or whether the deaths were reported to SSA. According to SSA, New Mexico reports about 83 percent of its deaths to SSA via EDR. However, SSA rejects EDR death reports that do not pass its formatting and identification tests to prevent postings of erroneous death information to its records. To help determine the causes of unposted death information, we are planning a review that will assess the effectiveness of the EDR process.⁵

Payments Issued to Deceased Beneficiaries

SSA issued approximately \$3.8 million in payments after death to 68 beneficiaries who died in New Mexico between December 1984 and December 2017. Examples follow.

- A retirement beneficiary died in December 2009. SSA records did not contain a date of death and therefore the benefits continued. SSA issued over \$141,000 in payments after death.
- A disability beneficiary died in February 2014. SSA records did not contain a date of death and therefore the benefits continued. SSA issued over \$46,000 in payments after death.
- A retirement beneficiary died in May 2013. SSA records did not contain a date of death and therefore the benefits continued. SSA issued over \$80,000 in payments after death.

In most cases, payments were made after death because the beneficiaries' death information was not in SSA's records.⁶ New Mexico began electronically reporting deaths to SSA through the EDR process in August 2006. Yet, as illustrated in Table 1, 85 percent of the beneficiaries SSA had improperly paid died *after* the State began reporting death information to SSA via EDR.

⁴ We initially referred 69 beneficiaries to SSA. While we took steps to ensure the death certificates for all 69 beneficiaries belonged to the true numberholder, SSA determined one beneficiary was alive and the true numberholder. We could not explain why the beneficiary's personally identifiable information was incorporated onto a decedent's death certificate. It is possible SSA may determine additional beneficiaries are alive as it takes action on unresolved cases (see Appendix A).

⁵ We do not assert the EDR process is the exclusive cause of unrecorded deaths on SSA records.

⁶ At the time of our review, five beneficiaries' death information appeared in the Numident.

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

Year of Death	Number of Beneficiaries	Percent of Total Beneficiaries
1980-1983	0	0
1984-2006	10	15
2007-2017	58	85
Total	68	100

Source: OIG Analysis of New Mexico Death Data.

In May and June 2019, we provided SSA the death certificates for the beneficiaries so it would terminate their benefits, initiate recovery of payments made after their deaths, and refer cases with possible fraud to our Office of Investigations. We estimate that identification and correction of these discrepancies will prevent approximately \$800,000 in additional improper payments after death over the next 12 months.⁷

Deceased Non-beneficiary Numberholders

We identified 4,880 non-beneficiaries⁸ who were deceased according to New Mexico Department of Health vital records but who did not have death information in the Numident. As illustrated in Table 2, approximately 88 percent of these individuals died *before* the State began reporting death information to SSA via EDR.

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

Year of Death	Number of Individuals	Percent of Total Individuals
1980-2006	4,300	88
2007-2017	580	12
Total	4,880	100

Source: OIG Analysis of New Mexico Death Data.

⁷ We based this estimate on the assumption that conditions will remain the same for the next 12 months.

⁸ This excludes the 68 beneficiaries issued Old-Age, Survivors and Disability Insurance benefits or Supplemental Security Income payments after death.

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 benefit-paying agencies.⁹ In June 2019, we provided SSA with data that identified all 4,880 individuals for it to take the necessary action. SSA stated that, because these types of cases do not involve improper payments, any future cleanup of these cases is a low priority and resource-dependent.

CONCLUSIONS

We determined SSA issued improper payments after death or had not recorded death information in the Numident records of a small percentage of the approximately 481,000 decedents in the New Mexico Department of Health vital records data file. SSA issued approximately \$3.8 million in payments after death to 68 beneficiaries who died in New Mexico between December 1984 and September 2017. Identification and correction of these discrepancies will prevent approximately \$800,000 in additional improper payments after death over the next 12 months. We also identified 4,880 non-beneficiaries who were deceased according to New Mexico vital records 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.

We did not determine why the deaths were not in SSA's Numident or whether the State reported the deaths to SSA. While New Mexico reports deaths to SSA through the EDR process, SSA rejects EDR death reports that do not pass its formatting and identification tests to prevent postings of erroneous death information to its records.

AGENCY ACTIONS RESULTING FROM THE AUDIT

As of August 30, 2019, SSA had terminated benefits to 55 of the 68 deceased beneficiaries and initiated recovery of \$2.8 million in improper payments.

⁹ Although SSA shares its death information with other Federal benefit-paying agencies, the other agencies should independently verify the individual's death before they take adverse action. Also, based on a January 2013 law, SSA is 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).

RECOMMENDATIONS

We recommend SSA:

1. Complete action on the 13 remaining deceased beneficiaries we identified.
2. Add death information for the 4,880 deceased non-beneficiaries identified to the Numident, as appropriate.

AGENCY COMMENTS

SSA agreed with our recommendations. SSA's comments are included in Appendix B.



Rona Lawson
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 New Mexico Department of Health vital records data file and identified approximately 481,000 individuals recorded as having died in New Mexico from January 1980 through December 2017. We matched these records against SSA's Enumeration Verification System, payment records, and Numident and identified the following:
 - 69 Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income recipients in current pay status whose names and dates of birth matched those of deceased individuals in the New Mexico death data. We obtained New Mexico death certificates for 69 individuals, referred these cases to SSA, and calculated payments issued after death to the beneficiaries.
 - Reviewed SSA's systems, New Mexico death data, LexisNexis, and public records, as necessary.
 - Determined whether SSA (a) documented contact with the beneficiary *after* the date of death in New Mexico 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 New Mexico death certificates and referred the 69 cases to SSA. As of August 30, 2019, SSA had terminated benefits to 55 deceased beneficiaries and initiated recovery of approximately \$2.8 million in improper payments. SSA also determined one beneficiary was alive and the true numberholder.
 - 4,880 non-beneficiaries¹ who were deceased according to New Mexico data but whose death information was not in SSA's Numident as of March 2019. We referred these cases to SSA.

We conducted our audit from May to August 2019 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 entities audited were the Offices of the Deputy Commissioners for Operations and Systems. We conducted this performance audit in accordance with generally accepted

¹ Non-beneficiaries refers to deceased individuals who were not in current payment status at the time of our review. Of the 4,880 non-beneficiaries, 2,290 had never applied for benefits and 2,590 had either applied and were denied or were in a non-pay status.

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 objective.

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: August 30, 2019

Refer To: S1J-3

To: Gail S. Ennis
Inspector General

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

From: Stephanie Hall
Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, "Match of New Mexico Death Information Against Social Security Administration Records" (A-06-18-50759) -- INFORMATION

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

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

**SSA COMMENTS ON THE OFFICE OF INSPECTOR GENERAL DRAFT REPORT,
“MATCH OF NEW MEXICO DEATH INFORMATION AGAINST SOCIAL SECURITY
ADMINISTRATION RECORDS” (A-06-18-50759)**

GENERAL COMMENTS

The receipt of timely and accurate death information greatly reduces the occurrence of improper payments to deceased beneficiaries. The death information we collect aids us in preventing approximately \$50 million in improper payments each month. The Electronic Death Registration (EDR) process provides us with timely and accurate death information, and the current President’s Budget provides funding for expansion of EDR to provide faster, better quality data on deaths. One of EDR’s key features allows States to match a deceased person’s Social Security Number and other identifying information to our records to ensure accuracy before submission.

Once we learn of a beneficiary’s death, we take timely action to post the information to our records and suspend or terminate payments. We reject EDR reports that we cannot verify to prevent any postings of erroneous death information to our records.

We will continue to make incremental changes to increase the completeness of death information in our records and promote program integrity through deterring improper payments.

Our response to the recommendations are below.

Recommendation 1

Complete action on the 13 remaining deceased beneficiaries we identified.

Response

We agree.

Recommendation 2

Add death information for the 4,880 deceased non-beneficiaries identified to the Numident, as appropriate.

Response

We agree to post death information as resources allow for records that pass our screening process.

MISSION

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