

Audit Report

Match of Ohio Death Information
Against Social Security
Administration Records

OIG

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: November 24, 2020 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: Match of Ohio Death Information Against Social Security Administration Records
(A-06-18-50768)

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 Ohio Department of Health vital 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 Ohio Death Information Against Social Security Administration Records

A-06-18-50768



November 2020

Office of Audit Report Summary

Objectives

To (1) determine whether the Social Security Administration (SSA) made payments to beneficiaries and representative payees who were deceased according to Ohio Department of Health vital 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 to provide SSA with death data to match against SSA's records. Through the Electronic Death Registration (EDR) system, 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 approximately 4.6 million Social Security numberholders the Ohio Department of Health recorded as deceased from January 1970 through December 2017. We matched the data against SSA records.

Findings

We estimate SSA issued \$28.6 million in payments after death to 711 beneficiaries and 3 representative payees who died in Ohio from January 1970 through December 2017. We estimate that identifying and correcting these discrepancies prevented, or will prevent, approximately \$7.9 million in additional payments after death over a 12-month period.

We also identified 51,807 non-beneficiaries who were deceased according to Ohio Department of Health vital 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. SSA rejects EDR death reports that do not pass its formatting and identification test so it does not post erroneous death data to its records.

Agency Actions Resulting from the Audit

As of November 13, 2020, SSA had replaced all 3 deceased representative payees, terminated payments to 376 deceased beneficiaries, and initiated recovery of \$20.2 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 51,807 non-beneficiaries with dates of death we identified using Ohio 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 representative payees² who were deceased according to Ohio Department of Health vital records and (2) identify non-beneficiaries³ in the State files whose death information did not appear in Agency records.

BACKGROUND

In December 2019, SSA paid approximately \$93 billion under the Old-Age, Survivors and Disability Insurance and Supplemental Security Income programs to approximately 69 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* requires that SSA establish a program under which States can voluntarily contract to provide SSA with death data to match against SSA's records.⁶ 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

When a representative payee dies, SSA must replace the payee or send payments directly to the beneficiary. SSA may pay the beneficiary directly on an interim basis until it finds a suitable payee or on a permanent basis if it determines the beneficiary is capable of managing his/her

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 December 2018.

⁴ SSA, *Monthly Statistical Snapshot*, December 2019.

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

⁶ *Social Security Act*, 42 U.S.C. § 405(r)(1) (govinfo.gov 2018).

⁷ SSA, *POMS*, GN 02602.050, A (September 3, 2019).

⁸ 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.

own benefits.⁹ The *Social Security Act* requires that SSA establish a system of accountability for monitoring representative payees.¹⁰ If a representative payee dies and is not replaced, SSA cannot be sure the funds are being used to meet the beneficiary's needs, such as food, clothing, shelter, and medical care.¹¹

We obtained data files that provided the personally identifiable information of approximately 4.6 million individuals the Ohio Department of Health recorded as deceased from January 1970 through December 2017. We matched the data against SSA's payment records and identified beneficiaries and representative payees whose personally identifiable information matched that of deceased individuals. We obtained death certificates for these beneficiaries and provided the certificates to our Office of Investigations or SSA, as appropriate. 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

We estimate SSA issued \$28.6 million in payments after death to 711 beneficiaries and 3 representative payees whom the Ohio Department of Health recorded as deceased from January 1970 through December 2017.¹² Identifying and correcting these discrepancies will prevent approximately \$7.9 million in additional payments after death over a 12-month period. We also identified 51,807 non-beneficiaries who were deceased according to Ohio Department of Health vital records but whose death information was not in SSA's Numident.

We did not determine why this death information was not in SSA records or whether the State reported the deaths to SSA. SSA rejects EDR reports that do not pass its formatting and identification tests to prevent posting erroneous death data to its records.¹³ We issued a separate report on a review that assessed SSA's rejection of State-submitted EDR reports.¹⁴

⁹ 20 C.F.R. §§ 404.2050(d), 416.650(d), 404.2055, and 416.655 (govinfo.gov 2020). SSA may suspend payments under 20 C.F.R. §§ 404.2011(b) and 416.611(b) (govinfo.gov 2020) if it finds paying the beneficiary directly would cause substantial harm, and the Agency cannot find a suitable representative payee before the next payment is due.

¹⁰ *Social Security Act*, 42 U.S.C. §§ 405(j)(3)(A) and (6), and 1383(a)(2)(C)(i), (F)(iv) and (G) (govinfo.gov 2018).

¹¹ 20 C.F.R. §§ 404.2040(a) and 416.640(a) (govinfo.gov 2020).

¹² 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.

¹³ We do not assert the EDR process is the exclusive cause of unrecorded deaths on SSA records.

¹⁴ SSA, OIG, *The Social Security Administration's Rejection of State Electronic Death Registration Reports*, A-08-18-50499, (September 2020).

Payments Issued to Deceased Beneficiaries

We identified 726 current beneficiaries whose personally identifiable information matched that of a deceased individual in the Ohio death data. We randomly selected and reviewed 50 cases to estimate payments issued after death to these beneficiaries. Review of available records indicated 49 of 50 randomly selected beneficiaries were deceased.¹⁵ Based on our sample results, we estimate SSA issued \$28.6 million in payments after death to 711 beneficiaries who died in Ohio from January 1970 through December 2017. See Appendix B for our sampling methodology and results. Examples follow.

- A widow receiving survivor benefits died in April 1994. SSA records did not contain a date of death and therefore the benefit payments continued. SSA determined it issued \$201,636 in payments after death before it terminated the payments in January 2020.
- A retirement beneficiary died in July 2013. SSA records did not contain a date of death and therefore benefit payments continued. SSA determined it issued \$75,654 in payments after death before it terminated the payments in March 2020.
- A retirement beneficiary died in April 2016. SSA records did not contain a date of death and therefore benefit payments continued. SSA determined it issued \$69,784 in payments after death before it terminated the payments in April 2020.

Ohio began reporting deaths electronically to SSA through the EDR process in December 2006. Yet, as illustrated in Table 1, approximately 95 percent of the beneficiaries died between 2007 and 2017.¹⁶

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

Year of Death	Number of Beneficiaries	Percent of Total Beneficiaries
1970-2006	34	4.7
2007-2017	692	95.3
Total	726	100.0

Source: OIG Analysis of Ohio Death Data.

¹⁵ SSA records indicated one beneficiary was alive and had been a victim of identity theft.

¹⁶ SSA issued payments after death to fewer than .1 percent of the 4.6 million individuals who were deceased according to the Ohio Department of Health.

We provided SSA information, including death certificates, on the deceased beneficiaries. We estimate that correcting these discrepancies prevented or will prevent approximately \$7.9 million in additional improper payments after death over a 12-month period.¹⁷

Payments to Deceased Representative Payees

We identified three representative payees who died in Ohio to whom SSA had issued \$97,182 in payments after their deaths. The Numident contained death information for one of the three representative payees; however, SSA had not replaced the representative payee. In several prior audits,¹⁸ we found SSA did not always replace representative payees after it posted death information to their Numident records. We provided SSA information on the deceased representative payees. During the audit, SSA replaced the payees and prevented \$37,332 in additional payments after death over a 12-month period.¹⁹

Deceased Non-beneficiaries

We identified 51,807 non-beneficiaries²⁰ who were deceased according to Ohio Department of Health vital records but who did not have death information in SSA's Numident. As shown on Table 2, approximately 88 percent of these individuals died before the State began reporting death information to SSA via EDR in December 2006.

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

Year of Death	Number of Non-beneficiaries	Percent of Total Non-beneficiaries
1970-2006	45,705	88
2007-2017	6,102	12
Total	51,807	100.0

Source: OIG Analysis of Ohio Death Data.

¹⁷ We based this estimate on the assumption that conditions will remain the same for a 12-month period. See Appendix B, Table B-3.

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

¹⁹ We based this estimate on the assumption that conditions will remain the same for a 12-month period. See Appendix B, Table B-4.

²⁰ We matched Ohio 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.

We provided SSA information on the 51,807 non-beneficiaries. Resolving these discrepancies will improve the accuracy and completeness of the death information SSA shares with other Federal benefit-paying agencies.²¹

AGENCY ACTIONS RESULTING FROM THE AUDIT

As of November 13, 2020, SSA had replaced all 3 deceased representative payees, terminated payments to 376 deceased beneficiaries, and initiated recovery of \$20.2 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 51,807 non-beneficiaries with dates of death we identified using Ohio records.

AGENCY COMMENTS

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



Michelle L. Anderson
Assistant Inspector General for Audit

²¹ 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).

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 an Ohio Department of Health vital records data file and identified approximately 4.6 million individuals recorded as having died in Ohio from January 1970 through December 2017. We matched these records against SSA’s Enumeration Verification System and December 2018 payment records and identified:
 - 726 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 Ohio death data.
 - Reviewed SSA’s systems, Ohio death data, and public records as necessary.
 - Determined whether SSA (a) documented contact with the beneficiary¹ after the date of death in Ohio 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 Ohio death certificates, as appropriate,² and referred the 726 cases to our Office of Investigations and/or SSA.
 - Three deceased representative payees with beneficiaries in current payment status as of December 2019 whose Social Security numbers, names, and dates of birth matched those of deceased individuals in the Ohio death data. We referred these three cases to SSA.
 - 51,807 non-beneficiaries³ whose Social Security numbers, names, and dates of birth matched those of deceased individuals in the Ohio death data but whose death information was not in SSA’s Numident as of March 2019. We referred these cases to SSA.
- Calculated payments issued after death for 50 randomly selected beneficiaries and the 3 representative payees and estimated our results (see Appendix B).

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.

² Of the 726 deceased beneficiaries identified as of December 2018, we obtained 690 death certificates. We did not obtain death certificates for 36 beneficiaries, because SSA added death information to these individual’s Numident records before we began purchasing the certificates in July 2019.

³ Refers to deceased individuals who were not in current or suspended payment status at the time of our review.

We conducted our audit in Dallas, Texas, from March 2019 to April 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.

Appendix B – SAMPLING METHODOLOGY AND RESULTS

We identified 726 beneficiaries in current payment status as of December 2018 whose personally identifiable information matched that of a deceased individual in the Ohio death data file.¹ We randomly selected and reviewed 50 cases to estimate payments issued after death to these beneficiaries.

We estimate that SSA had issued the deceased beneficiaries approximately \$28.6 million in payments after their deaths. The following tables provide the details of our sample results and statistical projections.

Table B–1: Population and Sample Size

Description	Amounts
Population	726
Sample Size	50

Table B–2: Improper Payments to Deceased Beneficiaries

Description	Number of Deceased Beneficiaries	Improper Payments as of December 2018
Sample Results	49	\$1,967,784
Point Estimate	711	\$28,572,225
Projection – Lower Limit	662	\$21,777,013
Projection – Upper Limit	725	\$35,367,437

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

¹ The Ohio Department of Health vital records data file contained personally identifiable information of approximately 4.6 million individuals who died in Ohio from January 1970 through December 2017.

We estimate identification and correction of these discrepancies prevented, or will prevent, approximately \$7.9 million in additional improper payments after death over a 12-month period, as shown in the following table.²

Table B–3: Improper Payments to Deceased Beneficiaries over a 12-Month Period

Description	Number of Deceased Beneficiaries	Improper Payments Avoided
Sample Results with Ongoing Payment Errors as of January 2019	49	\$543,727
Point Estimate	711	\$7,894,919
Projection – Lower Limit	662	\$7,025,553
Projection – Upper Limit	725	\$6,796,643

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

We identified three representative payees in current payment status whose personally identifiable information matched that of a deceased individual in the Ohio death data file. As of December 2019, SSA had issued the representative payees \$97,182 in payments after their deaths. We provided SSA with information on each of the three deceased representative payees and, by February 2020, SSA had replaced the payees and prevented \$37,332 in additional payments after death over a 12-month period.³ The following table provides the details of our case results and estimation.

Table B–4: Improper Payments to Deceased Representative Payees

Description	Amounts
Deceased Representative Payees Receiving Beneficiary Payments	3
Total Payments Issued After Representative Payees' Deaths	\$97,182
Average Monthly Payment to Deceased Representative Payees	\$1,037
Average Annual Payment to Deceased Representative Payees	\$12,444
Estimated Payment After Death over A 12-Month Period (\$12,444 * 3)	\$37,332

² We based this estimate on the assumption that conditions remained the same for a 12-month period.

³ We based this estimate on the assumption that conditions remained the same for a 12-month period.

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: November 10, 2020

Refer To:

To: Gail S. Ennis
Inspector General

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

From: Stephanie Hall
Chief of Staff

Subject: Office of the Inspector General Draft Report, OIG Draft Report "Match of Ohio Death Information Against Social Security Administration Records" (A-06-18-50768) – 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.

**Mission:**

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