

Audit Report

Match of Louisiana Death
Information Against Social Security
Administration Records

MEMORANDUM

Date: December 22, 2020 **Refer To:**
To: The Commissioner
From: Inspector General
Subject: Match of Louisiana Death Information Against Social Security Administration Records (A-06-18-50907)

The attached final report presents the results of the Office of Audit's review. The objectives were to (1) determine whether the Social Security Administration made payments to beneficiaries and/or representative payees who were deceased according to Louisiana 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 Louisiana Death Information Against Social Security Administration Records

A-06-18-50907



December 2020

Office of Audit Report Summary

Objectives

To (1) determine whether the Social Security Administration (SSA) made payments to beneficiaries and/or representative payees who were deceased according to Louisiana 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 1.6 million Social Security numberholders the Louisiana Department of Health recorded as deceased from January 1979 through December 2019. We matched the data against SSA records.

Findings

We estimate SSA issued \$15.8 million in payments after death to at least 288 beneficiaries who died in Louisiana from January 1979 through December 2019. We estimate identifying and correcting these discrepancies will prevent approximately \$3.1 million in additional payments after death over a 12-month period. We did not identify any deceased representative payees who were receiving SSA payments.

We also identified 23,695 non-beneficiaries who were deceased according to Louisiana 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. However, SSA rejects EDR death reports that do not pass its formatting and identification tests to prevent posting erroneous death data to its records.

Agency Actions Resulting from the Audit

As of December 18, 2020, SSA had terminated payments to 257 deceased beneficiaries and initiated recovery of \$11 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 23,695 non-beneficiaries with dates of death we identified using Louisiana 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 payees who were deceased according to Louisiana Department of Health vital records and (2) identify non-beneficiaries² 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.³ Under these programs, payment to a beneficiary terminates when the individual dies.⁴

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.⁵ 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,⁶ 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.⁷

We obtained data files that provided the personally identifiable information of approximately 1.6 million individuals the Louisiana Department of Health recorded as deceased from January 1979 through December 2019. We matched the data against SSA's payment records and identified 304 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 and SSA, as appropriate. We also matched the death data against the Numident

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 "Non-beneficiaries" refers to deceased individuals who were not in current payment status as of March 2020.

³ SSA, *Monthly Statistical Snapshot*, December 2019.

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

⁵ *Social Security Act*, 42 U.S.C. § 405(r)(1) (govinfo.gov 2018).

⁶ SSA, *POMS*, GN 02602.050, A (September 3, 2019).

⁷ 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.

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 \$15.8 million in payments after death to at least 288 of the 304 beneficiaries whom the Louisiana Department of Health recorded as deceased from January 1979 through December 2019.⁸ Identifying and correcting these discrepancies will prevent approximately \$3.1 million in additional payments after death over a 12-month period. We did not identify any deceased representative payees who were receiving SSA payments. We also identified 23,695 non-beneficiaries who were deceased according to Louisiana 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 had previously reported the deaths to SSA. However, SSA rejects EDR reports that do not pass its formatting and identification tests to prevent posting erroneous death data to its records.⁹ We issued a separate report on a review that assessed SSA's rejection of State-submitted EDR reports.¹⁰

Payments Issued to Deceased Beneficiaries

We identified 304 current beneficiaries whose personally identifiable information matched that of a deceased individual in the Louisiana death data. We randomly selected and reviewed 50 cases to estimate payments issued after death to these beneficiaries. Our review of available records indicated 50 of 50 randomly selected beneficiaries were deceased. Based on our sample results, we estimate SSA issued \$15.8 million in payments after death to at least 288 of the 304 beneficiaries who died in Louisiana from January 1979 through December 2019. See Appendix B for our sampling methodology and results. Examples follow.

- A retirement beneficiary died in August 1999. SSA records did not contain a date of death and therefore benefit payments continued. SSA issued approximately \$450,000 in payments after death before SSA suspended the payments in August 2020.

⁸ 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.

⁹ We do not assert the EDR process is the exclusive cause of unrecorded deaths on SSA records.

¹⁰ SSA, OIG, *The Social Security Administration's Rejection of State Electronic Death Registration Reports*, A-08-19-50499, (September 2020).

- A retirement beneficiary died in August 2005. SSA records did not contain a date of death and therefore benefit payments continued. SSA issued approximately \$350,000 in payments after death. The Office of Investigations determined approximately \$320,000 remains in the deceased beneficiary's bank account. SSA is working with the Department of the Treasury to reclaim the funds from the beneficiary's account.¹¹
- A retirement beneficiary died in November 2007. SSA records did not contain a date of death and therefore benefit payments continued. SSA determined it issued \$94,997 in payments after death before terminating the payments in April 2020.

Louisiana began reporting deaths electronically to SSA through the EDR process in July 2012. Yet, as illustrated in Table 1, nearly 80 percent of the beneficiaries whom SSA had improperly paid died between 2013 and 2019.¹²

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

Year of Death	Number of Beneficiaries	Percent of Total Beneficiaries
1979-2012	63	20.7
2013-2019	241	79.3
Total	304	100.0

Source: OIG Analysis of Louisiana Death Data.

We provided SSA information, including death certificates, for the deceased beneficiaries. We estimate that correcting these discrepancies will prevent approximately \$3.1 million in additional improper payments after death over a 12-month period.¹³

¹¹ Treasury can reclaim Federal benefit payments sent to U.S. financial institutions after a beneficiary's death.

¹² SSA issued payments after death to fewer than .1 percent of the 1.6 million individuals who were deceased according to the Louisiana Department of Health.

¹³ We based this estimate on the assumption that conditions will remain the same for a 12-month period. See Appendix B, Table B-3.

Deceased Non-beneficiaries

We identified 23,695 non-beneficiaries¹⁴ who were deceased according to Louisiana Department of Health vital records but who did not have death information in SSA's Numident. As shown on Table 2, approximately 94 percent of these individuals died before the State began reporting death information to SSA via EDR in July 2012.

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

Year of Death	Number of Non-beneficiaries	Percent of Total Non-beneficiaries
1979-2012	22,180	93.6
2013-2019	1,515	6.4
Total	23,695	100.0

Source: OIG Analysis of Louisiana Death Data.

We provided SSA information on the 23,695 non-beneficiaries. Resolving these discrepancies will improve the accuracy and completeness of the death information SSA shares with other Federal benefit-paying agencies.¹⁵

AGENCY ACTIONS RESULTING FROM THE AUDIT

As of December 18, 2020, SSA had terminated payments to 257 deceased beneficiaries and initiated recovery of \$11 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 23,695 non-beneficiaries with dates of death we identified using Louisiana records.

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

¹⁵ Although SSA shares its death information with other Federal benefit-paying agencies, those agencies should independently verify the individual's death before they take adverse action. In addition, based on January 2013 legislation, SSA was taking steps to improve the accuracy of its death information; *Improper Payments Elimination and Recovery Improvement Act of 2012*, Pub. L. No. 112-248, § 5(g)(1), 126 Stat. 2390, p. 2396 (2013).

AGENCY COMMENTS

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



Michelle L. Anderson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objectives, we:

- Reviewed Federal laws and regulations related to death matches with State agencies; the Social Security Administration’s (SSA) policies and procedures; and prior Office of the Inspector General reports.
- Obtained a Louisiana Department of Health vital records data file and identified approximately 1.6 million individuals recorded as having died in Louisiana from January 1979 through December 2019. We matched these records against SSA’s Enumeration Verification System and March 2020 payment records and identified:
 - 304 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 Louisiana death data.
 - Reviewed SSA’s systems, Louisiana death data, and public records as necessary.
 - Determined whether SSA (a) documented contact with the beneficiary¹ after the date of death in Louisiana records, (b) had previously determined the beneficiary was a victim of identity theft, or (c) listed two individuals on the same Numident record and the deceased individual was not the beneficiary. If so, we considered the beneficiary to be alive, and if not, we considered the beneficiary to be deceased.
 - Obtained available Louisiana death certificates² and referred the cases to the Office of Investigations and/or SSA.
 - 23,695 non-beneficiaries³ whose Social Security numbers, names, and dates of birth matched those of deceased individuals in the Louisiana death data but whose death information was not in SSA’s Numident as of June 2020. We referred these cases to SSA.
- Calculated payments issued after death for 50 randomly selected beneficiaries 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 We did not obtain 2 of the 304 decedents’ death certificates.

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, between March and August 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 304 current pay beneficiaries whose personally identifiable information matched that of a deceased individual in the Louisiana death data file.¹ From this population, we selected a random sample of 50 to determine the payments issued after death as of March 2020.

We determined SSA had issued the deceased beneficiaries approximately \$15.8 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	304
Sample Size	50

Table B–2: Payments to Deceased Beneficiaries

Description	Number of Deceased Beneficiaries	Payments After Death as of March 2020
Sample Results	50	\$2,607,249
Point Estimate	304	\$15,852,079
Projection – Lower Limit	288	\$10,458,896
Projection – Upper Limit	304	\$21,245,261

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

¹ The Louisiana Department of Health vital records data file contained personally identifiable information of approximately 1.6 million individuals who died in Louisiana from January 1979 through December 2019.

We estimate identification and correction of these discrepancies prevented, or will prevent, approximately \$3.1 million in additional payments after death over the next 12 months, as shown in Table B-3.²

Table B-3: Payments to Deceased Beneficiaries over the Next 12 Months

Description	Number of Deceased Beneficiaries	Payments After Death Avoided
Sample Results with Ongoing Payment Errors as of April 2020	45	\$507,088
Point Estimate	274	\$3,083,100
Projection – Lower Limit	247	\$2,665,089
Projection – Upper Limit	290	\$3,501,111

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

² We based this estimate on the assumption that conditions will remain the same for the next 12 months.

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: December 18, 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, "Match of Louisiana Death Information Against Social Security Administration Records" (A-06-18-50907) – INFORMATION

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

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

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