

Audit Report

Match of Washington Death
Information Against Social Security
Administration Records

A-06-17-50172 / May 2018



MEMORANDUM

Date: May 23, 2018 **Refer To:**

To: The Commissioner

From: Acting Inspector General

Subject: Match of Washington Death Information Against Social Security Administration Records
(A-06-17-50172)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether death information in Washington State Department of Health death data files was recorded in Social Security Administration 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.

A handwritten signature in black ink that reads "Gale Stallworth Stone".

Gale Stallworth Stone

Attachment

Match of Washington Death Information Against Social Security Administration Records

A-06-17-50172



May 2018

Office of Audit Report Summary

Objective

To determine whether death information in Washington State Department of Health (WSDH) death data files was recorded in Social Security Administration (SSA) records.

Background

To identify and prevent payments after death, section 205(r) of the *Social Security Act* requires that SSA establish a program under which States can voluntarily contract with the Agency to provide death data to match against its records.

We obtained WSDH data files that contained approximately 1.8 million Social Security numberholders who died in Washington during Calendar Years 1968 through 2014.

We matched the data files against SSA payment records and identified beneficiaries in current payment status and representative payees whose personally identifiable information matched that of a deceased individual listed in the WSDH files. We also matched the data files against SSA's full file of death records to identify individuals who were not receiving payments (that is, non-beneficiaries) and had unrecorded deaths in SSA's Numident system.

Findings

We identified a relatively small number of instances in which death information in WSDH files did not appear in SSA records. As a result, SSA issued about \$978,000 in benefits after death to 18 individuals who died in Washington during Calendar Years 2000 through 2014. Our Office of Investigations is reviewing one additional case where it appeared a beneficiary received payments after death. If the investigation confirms the beneficiary is deceased, we estimate SSA issued about \$161,000 in payments after the beneficiary's death.

We also identified seven deceased representative payees who were issued \$260,880 in payments after their deaths. During our audit, SSA replaced, or was replacing, these representative payees. Finally, we identified 17,160 non-beneficiaries who were deceased according to WSDH data but did not have a death information in SSA records.

Conclusion

While we found SSA issued payments after death for a small number of beneficiaries who died in Washington, the cases represent an opportunity for SSA to reduce improper payments and improve the completeness of its death information.

We provided SSA with WSDH death data and any necessary death certificates to update its records or take other appropriate action on these cases. SSA had completed, or was completing, action to address these cases. Therefore, we made no recommendation for corrective action.

TABLE OF CONTENTS

Objective	1
Background	1
Results of Review	2
Payments Issued to Deceased Beneficiaries	2
Payments to Deceased Representative Payees.....	3
Deceased Non-beneficiary Numberholders	4
Conclusions.....	4
Agency Comments.....	5
Appendix A – Scope and Methodology	A-1
Appendix B – Summary of Improper Payments	B-1
Appendix C – Agency Comments.....	C-1

ABBREVIATIONS

C.F.R.	Code of Federal Regulations
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code
WSDH	Washington State Department of Health

OBJECTIVE

Our objective was to determine whether death information in Washington State Department of Health (WSDH) death data files was recorded in Social Security Administration (SSA) records.

BACKGROUND

To identify and prevent payments after death, section 205(r) of the *Social Security Act* requires that SSA establish a program under which States can voluntarily contract with the Agency to provide death data to match against its records.¹ When SSA receives and processes death data, its systems terminate payments to deceased beneficiaries.² In addition, SSA's systems input dates of death in the Numident file, which stores personally identifiable information for all Social Security numberholders.³ SSA uses Numident information to create a full file of death information as well as a publically available Death Master File.⁴ SSA is required to provide its full file of death information to other Federal benefit-paying agencies⁵ to prevent payments after death.

We obtained WSDH death data files that provided the personally identifiable information of approximately 1.8 million Social Security numberholders recorded as having died in Washington during Calendar Years 1968 through 2014. We matched the data files against SSA payment records and identified beneficiaries and representative payees in current payment status whose personally identifiable information matched that of a deceased individual listed in the WSDH files. We also matched the data files against SSA's full file of death records to identify individuals who were not receiving Old-Age, Survivors and Disability Insurance (OASDI) benefits or Supplemental Security Income (SSI) payments (that is, non-beneficiaries) and had unrecorded deaths in SSA's Numident system. See Appendix A for more information on our scope and methodology.

¹ 42 U.S.C. § 405(r) (2015).

² We use the term “beneficiary” throughout this report in reference to OASDI beneficiaries and/or SSI recipients.

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

⁴ The publicly available Death Master File is an extract of SSA's full file of death information that does not include State death data. SSA provides the Death Master File to the Department of Commerce, which sells it to public and private customers. SSA, *POMS*, GN 03315.015 A (January 6, 2017).

⁵ 42 U.S.C. § 405 (r)(3) (2015). Other Federal benefit-paying agencies include the Railroad Retirement Board, Centers for Medicare and Medicaid Services, Internal Revenue Service, Department of Veterans Affairs, and Office of Personnel Management.

RESULTS OF REVIEW

We identified a relatively small number of instances in which death information in WSDH files did not appear in SSA records. As a result, SSA

- issued 18 beneficiaries about \$978,000 in payments after their deaths;
- issued 7 representative payees \$260,880 in payments after their deaths; and
- did not have death information in its records for 17,160 non-beneficiaries who were deceased according to WSDH.

Our Office of Investigations is reviewing one additional case where it appeared SSA issued payments after a beneficiary's death. If the investigation confirms the beneficiary is deceased, we estimate SSA issued approximately \$161,000 in payments after the beneficiary's death.

We provided SSA with WSDH death data and any necessary death certificates to update its records or take other appropriate action on these cases. SSA had completed, or was completing, action to address the cases.

Payments Issued to Deceased Beneficiaries

We identified 18 deceased beneficiaries who were issued approximately \$978,000 in payments after death.⁶

- SSA terminated benefits for 17 beneficiaries and identified \$955,826 in payments after their deaths (see Appendix B, Table B-1). Examples follow.
 - A disability beneficiary died in April 2011. SSA records did not contain a date of death and therefore disability benefit payments continued. Our Office of Investigations confirmed the beneficiary was deceased and referred the case to SSA. SSA determined it issued \$122,644 in payments after death before it terminated the benefits in October 2017. SSA was working to recover the overpayment from the beneficiary's bank account.
 - A retirement beneficiary died in November 2011. SSA records did not contain a date of death and therefore retirement benefits continued. Our Office of Investigations confirmed the beneficiary was deceased and continued investigating this case. SSA determined it issued \$127,074 in payments after death before it terminated the benefits in December 2017. SSA is working to recover approximately \$75,000 remaining in the beneficiary's bank account.

⁶ In three additional cases that did not involve overpayments, SSA confirmed the beneficiaries were deceased and input their death information in SSA records.

- A widow receiving survivor's benefits died in March 2013. SSA records did not contain a date of death and therefore widow's benefits continued. Our Office of Investigations confirmed the beneficiary was deceased and opened a criminal investigation. SSA determined it issued \$47,844 in payments after death before it terminated the benefits in December 2017.
- Our Office of Investigations referred one case to SSA to terminate a deceased beneficiary's payments and quantify related overpayments. We estimate that overpayments in this case total approximately \$22,000 (see Appendix B, Table B-2).

The Office of Investigations is reviewing one additional case where it appeared payments continued after the beneficiary's death. If it confirms the beneficiary is deceased, we estimate SSA issued approximately \$161,000 in payments after the beneficiary's death (see Appendix B, Table B-3).

Payments were made after death in these cases because the beneficiaries' death information did not appear in SSA's records. As a result, SSA did not terminate benefit payments after the individuals' deaths.

Payments to Deceased Representative Payees

We identified seven representative payees who were deceased. As of October 2017, we estimated SSA had issued \$260,880 to these representative payees after their deaths (see Appendix B, Table B-4).

When a representative payee dies, SSA must replace the payee.⁷ By replacing deceased representative payees, SSA aims to ensure funds are used to meet the beneficiary's needs, such as food, clothing, shelter, and medical care.

SSA systems contained death information for each of the deceased representative payees, but Agency staff had not replaced the decedents with new representative payees. This is a known systems issue that we previously reported to SSA.⁸ In November 2017, we provided SSA these seven cases for corrective action. As of January 2018, SSA had replaced, or was replacing, the deceased representative payees.

⁷ 20 C.F.R. §§ 404.2050(d), 416.650(d) (2004).

⁸ SSA, OIG, *Deceased Representative Payees*, A-01-14-34112 (June 2015).

Deceased Non-beneficiary Numberholders

We identified 17,160 non-beneficiaries⁹ who were deceased according to WSDH data but did not have death information in SSA records. Most of these individuals died in the 1980s, see Table 1.

Table 1: Deceased Non-Beneficiaries by Year of Death

Year of Death	Number of Records	Portion of Records
1968-1979	873	5.1%
1980-1989	12,409	72.3%
1990-1999	1,956	11.4%
2000-2014	1,922	11.2%
TOTAL	17,160	100%

Resolving these discrepancies will reduce SSA's exposure to future improper payments and improve the accuracy and completeness of the death information SSA maintains and shares with other Federal benefit-paying agencies.¹⁰ In November 2017, we provided SSA with a file identifying all 17,160 individuals for corrective action. SSA stated that because these cases do not currently involve improper payments, any future clean-up of these cases is a lower priority and resource dependent.

CONCLUSIONS

WSDH death information did not always appear in SSA's records. As a result, we estimated SSA issued approximately \$978,000 in payments after death to 18 beneficiaries who died in Washington between 2000 and 2014. One additional case under investigation appeared to involve approximately \$161,000 in payments after death. We also identified seven deceased representative payees who were issued \$260,880 in payments after death. Finally, we identified 17,160 non-beneficiaries who were deceased according to WSDH data but whose death information did not appear on the Numident.

⁹ We matched Washington death records with a validated Social Security number, name, date of birth, and gender (per Enumeration Verification System process) to SSA's Death Master File and excluded individuals who were receiving OASDI or SSI benefits.

¹⁰ 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 January 2013 legislation, 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, Sec. 5(g)(1), 126 Stat. 2390, p. 2396 (January 10, 2013).

We provided SSA with WSDH death data and any necessary death certificates to update its records or take other appropriate action on these cases. SSA completed or was completing action to address the cases. Therefore, we made no recommendation for corrective action.

AGENCY COMMENTS

SSA had no comments on the report (see Appendix C).

A handwritten signature in black ink, appearing to read "Rona Lawson".

Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed Federal laws and regulations related to death matches with State agencies; the Social Security Administration’s (SSA) policies and procedures; and prior Office of the Inspector General reports.
- Obtained a Washington State Department of Health (WSDH) death data files identifying approximately 1.8 million individuals recorded as having died in Washington during Calendar Years 1968 through 2014. The WSDH data files included approximately 1.4 million deceased individuals’ Social Security numbers.¹ We matched these records against the following.
 - SSA payment records and identified 29 Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income recipients in current payment status whose Social Security numbers, names and dates of birth matched deceased individuals in the WSDH files. We obtained WSDH death certificates for all 29 individuals and referred most² of these cases to SSA or our Office of Investigations.
 - SSA and/or the Office of Investigations determined seven individuals were alive.
 - SSA and/or the Office of Investigations determined 21 individuals were deceased.
 - SSA suspended or terminated payments to 18 beneficiaries and quantified, or was quantifying, overpayments.
 - SSA determined the other three cases did not involve overpayments.
 - The Office of Investigations opened a criminal investigation in the remaining case.
 - SSA payment records and identified deceased representative payees with beneficiaries in current payment status as of June 2017. We also quantified the payments that SSA issued to the representative payees after their deaths.
 - SSA’s Enumeration Verification System³ and full death file, and identified 17,160 deceased numberholders who did not appear in the Death Master File as of March 2017 or have death information on the Numident.

¹ WSDH data files for years 1968 through 1977 included the Social Security numbers of only 3 of the approximately 293,000 individuals who died in Washington during that period.

² SSA had already taken corrective action on two cases before our referrals.

³ For all 17,160 numberholders, the Enumeration Verification System verified that the Social Security number, name, date of birth, and gender information listed in the WSDH data matched information in SSA’s Death Master File.

We conducted our audit from October 2017 to January 2018 at SSA's Regional Office in Dallas, Texas. We determined the data used for this audit were sufficiently reliable to meet our audit objective. The primary entity audited was the Office of the Deputy Commissioner for Operations. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B – SUMMARY OF IMPROPER PAYMENTS

Table B–1: Payments After Death – the Social Security Administration Terminated Payments and Computed Improper Payment Amounts

Case	Date of Death	Months Paid After Death	Amount
1	April 2011	79	\$122,644
2	September 2012	60	64,255
3	December 2013	46	35,910
4	March 2014	45	86,751
5	July 2014	39	24,092
6	March 2013	56	47,844
7	August 2000	201	6,512
8	December 2010	83	49,173
9	April 2014	32	31,013
10	November 2014	37	45,464
11	May 2012	67	78,129
12	January 2014	46	46,426
13	November 2011	74	127,074
14	April 2012	69	45,122
15	March 2013	59	65,307
16	December 2013	51	22,890
17	August 2012	67	57,220
Total			\$955,826

Table B–2: Estimated Payments After Death – the Social Security Administration is Terminating Payments and Calculating Improper Payments

Case	Date of Death	Months Paid After Death	Amount
1	October 2014	26	\$22,171
Total			\$22,171

Table B–3: Estimated Payments After Death – Investigation in Progress

Case	Date of Death	Months Paid After Death	Amount
1	April 1982	187	\$160,995
Total			\$160,995

Table B–4: Payments to Deceased Representative Payees

Case	Date of Death	Months Paid After Death	Amount
1	November 2013	47	\$50,916
2	December 2014	34	25,654
3	December 2014	34	32,634
4	September 2014	37	57,430
5	September 2014	37	35,650
6	December 2014	34	52,340
7	December 2014	34	6,256
Total			\$260,880

Table B–5: Total Questioned Costs/Funds Put to Better Use

Source	Amount
Improper Payments-Benefits Terminated (Table B-1)	\$955,826
Estimated Additional Improper Payments (Table B-2)	22,171
Estimated Investigation Pending Improper Payments (Table B-3)	160,995
Payments to Deceased Representative Payees (Table B-4)	260,880
Total	\$1,399,872

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: May 18, 2018

Refer To: S1J-3

To: Gale S. Stone
Acting Inspector General

Stephanie Hall

From: Stephanie Hall
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Match of Washington Death Information Against Social Security Administration Records” (A-06-17-50172) -- INFORMATION

Thank you for the opportunity to review the draft report. We have no comments.

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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