

Audit Report

Match of Maryland and Michigan
Death Information Against Social
Security Records

A-15-18-50632 / March 2019

OIG

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: March 20, 2019 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: Match of Maryland and Michigan Death Information Against Social Security Records (A-15-18-50632)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether 160 individuals Maryland or Michigan vital records agencies identified as deceased, but whom the Social Security Administration was still paying benefits, were overpaid.

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 Maryland and Michigan Death Information Against Social Security Records

A-15-18-50632



March 2019

Office of Audit Report Summary

Objective

To determine whether 160 individuals Maryland or Michigan vital records agencies identified as deceased, but whom the Social Security Administration (SSA) was still paying benefits, were overpaid.

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. SSA's Office of Analytics, Review, and Oversight's analysis of Maryland and Michigan death data identified 160 beneficiaries who were likely deceased and in current payment status.

We obtained from SSA a data file of 160 individuals who had a reported date of death in Maryland from Calendar Years 1979 through 2015 or in Michigan from Calendar Years 1971 through 2010. The deceased individuals' names appeared to coincide with those of beneficiaries receiving payments on SSA's records.

Findings

Of the 160 individuals, 15 were alive. SSA issued approximately \$16.9 million in payments after death to 145 individuals who reportedly died in Maryland from 1979 through 2015 or Michigan from 1971 through 2010. Specifically, at the time of our review, of the 145 beneficiaries,

- our Office of Investigation (OI) was reviewing 125, and
- we referred 20 to SSA for administrative review and/or corrective action.

As of January 9, 2019, SSA suspended or terminated benefits and added death information to its records for 95 of the 145 beneficiaries. SSA had posted approximately \$10.5 million in overpayments. In addition, OI continued reviewing the remaining cases. Therefore, we made no recommendations for further corrective action.

SSA had no comments on the report.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
OASDI	Old-Age, Survivors and Disability Insurance
OI	Office of Investigation
OIG	Office of the Inspector General
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number

OBJECTIVE

Our objective was to determine whether 160 individuals Maryland or Michigan vital records agencies identified as deceased, but whom the Social Security Administration (SSA) was still paying benefits, were overpaid.

BACKGROUND

In Fiscal Year 2018, SSA paid about 70 million beneficiaries over \$1 trillion through its Social Security and Supplemental Security Income (SSI) programs.¹ Under these programs, payment to a beneficiary terminates when the individual dies.²

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.³ When SSA receives and processes death data, its systems terminate payments to beneficiaries. In addition, SSA's systems record dates of death on SSA's Numident file, which stores personally identifiable information for individuals who have been issued a Social Security number (SSN).⁴ SSA uses Numident information to create a full file of death information it shares with other Federal benefit-paying agencies.

SSA had been working with States to streamline death reports through the Electronic Death Registration process,⁵ which States use to verify an individual's SSN before they submit the death report to SSA. SSA can then immediately terminate benefits and post the death to the Numident.⁶ According to SSA, this results in more accurate and timely information. SSA also contracted with Maryland and Michigan to study their historical death records, including time periods that pre-dated Electronic Death Registration. SSA's Office of Analytics, Review, and Oversight's analysis of Maryland and Michigan death data identified 160 beneficiaries who were likely deceased and in current payment status. The Office provided us this information for further review.

¹ SSA, *Agency Financial Report Fiscal Year 2018*, p. 7 (November 2018).

² 20 C.F.R. §§ 404.311(b) and 404.316(b)(1) entitlement to benefits ends with the month before the month the beneficiary dies. 20 C.F.R. 416.1334 eligibility for benefits end with the month in which the recipient dies. Payments are terminated effective with the month after the month of death (govinfo.gov 2018). We use the term "beneficiary" in this report to refer to Old-Age, Survivors and Disability Insurance beneficiaries and/or SSI recipients.

³ *Social Security Act* § 205(r) calls for SSA to match State death data against its payment records to identify and prevent erroneous payments after death.

⁴ SSA, *POMS*, GN 02602.050, sec. A (October 30, 2017).

⁵ SSA, OIG, *State Use of Electronic Death Registration Reporting*, A-09-15-50023 (July 2017). We found States that used Electronic Death Registration did not report all deaths using the system.

⁶ The Numident is the numerically ordered master file of assigned SSNs. For each SSN, there is only one Numident record.

Scope and Methodology

We obtained from SSA a data file of 160 individuals who had a reported date of death in Maryland from Calendar Years 1979 through 2015 or in Michigan from Calendar Years 1971 through 2010. The deceased individuals' names appeared to coincide with those of beneficiaries receiving payments on SSA's records.

Of the 160 beneficiaries SSA identified, 103 reportedly died in Maryland, and 57 reportedly died in Michigan. We obtained death certificates from the Maryland – Division of Vital Records and Michigan – Department of Health and Human Services that appeared to relate to each beneficiary. We matched these death records to SSA's Old-Age, Survivors and Disability Insurance and SSI payment records to identify beneficiaries who were receiving payments but who had a date of death according to a State record. We calculated payments after the recorded dates of death as of June 2018. For more information on our scope and methodology, see Appendix A.

RESULTS OF REVIEW

Of the 160 individuals, 15 were alive. SSA issued approximately \$16.9 million in payments after death to 145 individuals who reportedly died in Maryland from 1979 through 2015 or Michigan from 1971 through 2010. Specifically, at the time of our review, of the 145 beneficiaries,

- our Office of Investigations (OI) was reviewing 125, and
- we referred 20 to SSA for administrative review and/or corrective action.

Investigations

As of the date of this review, OI was reviewing 125 beneficiaries and had confirmed the deaths of some. As these investigations are completed, OI will provide them to SSA so it can take necessary action. We determined SSA paid approximately \$14.7 million after these beneficiaries' reported dates of death. Examples follow.

- A beneficiary reportedly died in June 2000. The beneficiary's daughter received, and converted to her own use, her mother's benefits. The woman pleaded guilty to theft of Government funds and was ordered to pay \$169,586 in restitution to SSA. This case was closed.
- A beneficiary reportedly died in July 2007. Benefit payments continued until February 2018. SSA recorded the death and posted a \$198,354 overpayment in March 2018.
- A beneficiary reportedly died in February 1994. Benefit payments continued until March 2018. SSA recorded the death and posted a \$275,154 overpayment in April 2018.

- A beneficiary reportedly died in April 1974. An individual started receiving benefits on the deceased beneficiary's record in February 1997. These benefits continued until August 2018. SSA recorded the death and posted a \$381,940 overpayment. Also, there appeared to be six additional beneficiaries on this record for whom SSA posted an additional \$327,303 in overpayments.

Referrals to SSA

We referred 20 cases of deceased beneficiaries to SSA for administrative review and/or corrective action. We determined SSA paid about \$2.2 million after these beneficiaries' deaths. As of October 2018, SSA had recorded about \$1.7 million in overpayments for the 20 beneficiaries, which includes a recovered \$64,147 overpayment. These overpayments ranged from \$2,553 to \$343,735.

- In four cases, OI's review indicated the beneficiaries were deceased. OI provided death information to SSA so it could terminate benefits and reclaim the funds. One of the four beneficiaries died in May 1994, and SSA recorded the death in June 2018, which resulted in a \$299,549 overpayment.
- SSA confirmed the deaths for two of the referrals. The overpayment amounts were \$2,533 and \$4,810.
- For the remaining 14, SSA posted \$661,903 in overpayments.

Beneficiaries Determined to Be Alive

After interviewing beneficiaries and family members, OI and/or SSA determined 15 beneficiaries were alive. Because a death had not been recorded, no further action was needed for these 15 beneficiaries. Examples follow.

- The death certificate for a beneficiary indicated he died in October 1992. An OI review determined the beneficiary was not deceased based on interviews with family members and the beneficiary.
- A beneficiary's death certificate indicated he died in April 2007. SSA determined the beneficiary was not deceased because the beneficiary visited an SSA office in 2007 and provided identity documents. As a result, SSA removed the erroneous death termination and reinstated benefits in June 2007.
- A beneficiary's death certificate indicated he died in May 1978. OI determined the beneficiary was not deceased based on an interview with the beneficiary.
- A beneficiary's death certificate indicated she died in June 1986. SSA determined the beneficiary was not deceased. SSA determined it had incorrectly issued the same SSN to two people. The death certificate was for another individual with the same SSN.

Beneficiary Activity

SSA identified 160 beneficiaries who were likely deceased and in current pay status. Fifteen beneficiaries were determined to be alive. For the remaining 145, we reviewed the Master Beneficiary and Supplement Security Records for each of the beneficiaries. We verified 143 of the beneficiaries were in current payment status and receiving benefits on their own or another record, such as a surviving spouse. Specifically,

- 118 began receiving benefits before their reported date of death, and these payments continued through our review period.
- 25 began receiving benefits after their reported date of death: 6 began receiving payments within 1 year of their reported death, and 19 began receiving payments several years after their reported deaths. Of these 25, 13 had earnings posted after a reported date of death.
 - A beneficiary's death certificate reported he died in October 1997 at age 52. According to SSA's records, the beneficiary began receiving benefits in December 2006. In addition, we noted the beneficiary had earnings posted on his record through 2010.
 - A beneficiary's death certificate stated he died in April 1976 at age 18. According to SSA's records, the beneficiary began receiving benefits in March 2008. In addition, we noted the beneficiary had earnings posted on his record through 2007. This beneficiary also requested replacement SSN cards three times after his reported date of death.
- 2 reportedly deceased individuals were not receiving benefits.

We also found that 5 of the 145 beneficiaries had a date of death on SSA's Master Beneficiary Record but not on the Supplemental Security Record. As a result, these five beneficiaries were still receiving SSI payments as of June 2018. Further, we noted the Agency paid a lump-sum death payment to one beneficiary's next of kin on December 26, 2013.

Of the 145 beneficiaries, we also noted, after the reported date of death,

- 19 were issued a replacement SSN card, and
- 55 had an informational change made to their SSA record.

We also used a commercial computer-assisted research service to determine whether any of the 145 beneficiaries had a date of death. Of the 145 beneficiaries, 17 had a date of death recorded on the commercial record.

CONCLUSIONS

SSA identified 160 beneficiaries who were likely deceased and in current pay status. Fifteen beneficiaries were determined to be alive. For the remaining 145, we determined Maryland and Michigan death information was not always recorded on SSA's records. As a result, SSA issued approximately \$16.9 million in payments to 145 individuals who reportedly died in Maryland from 1979 through 2015 or Michigan from 1971 through 2010. Correcting these cases represents an opportunity for SSA to reduce its exposure to future overpayments and improve the accuracy and completeness of the death information it maintains.

As of January 9, 2019, SSA had suspended or terminated benefits and added death information to its records for 95 of the 145 beneficiaries. SSA had posted about \$10.5 million in overpayments. In addition, OI continued reviewing the remaining cases. Therefore, we made no recommendations for further corrective action.

AGENCY COMMENT

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



Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

The Social Security Administration (SSA) obtained death records from the Maryland Division of Vital Records and Michigan Department of Health and Human Services vital records offices. After matching these data against Old-Age, Survivors and Disability Insurance (OASDI) and Supplemental Security Income (SSI) payment records, SSA identified 160 who appeared to be deceased but in current payment status. SSA referred these 160 cases to the Office of the Inspector General (OIG) to identify beneficiaries who were overpaid after death.

To accomplish our objective, we:

- Reviewed applicable sections of the *Social Security Act* and SSA's rules, policies, and procedures.
- Reviewed prior OIG reports.
- Matched the 160 death records to SSA's records including, but not limited to, SSA's OASDI and SSI records as of June 2018.
- For the 160 individuals listed as deceased but who appeared to be receiving OASDI benefits or SSI payments, we
 - obtained death certificates;
 - verified identities by matching parents' names;
 - referred verified cases to the Office of Investigations (OI) for review;
 - referred to SSA cases OI determined did not involve potential fraud or did not meet case opening guidelines;
 - calculated payments after death for cases under review by SSA or OI as of June 2018; and
 - reviewed SSA's records to determine whether an overpayment was posted to the record as of January 2019.

We conducted our audit from November 2017 through January 2019 in Baltimore, Maryland. The principal entity reviewed was the Office of Analytics, Review, and Oversight. We concluded that the data used were sufficiently reliable to meet our objective. 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 objective. We believe that 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: March 13, 2019

Refer To: S1J-3

To: Gail S. Ennis
Inspector General

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

From: Stephanie Hall
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, "Match of Maryland and Michigan Death Information Against Social Security Records" (A-15-18-50632) -- 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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