

Audit Report

Match of Delaware Death
Information Against Social Security
Administration Records

MEMORANDUM

Date: November 27, 2019 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: Match of Delaware Death Information Against Social Security Administration Records (A-15-18-50662)

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 Delaware's Office of Vital Statistics 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, at 410-965-9700.



Gail S. Ennis

Attachment

Match of Delaware Death Information Against Social Security Administration Records

A-15-18-50662



November 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 Delaware's Office of Vital Statistics and (2) identify non-beneficiaries who were deceased according to the State file but whose death information did not appear in SSA'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 records to SSA, and SSA completes an online, real-time verification of the Social Security number. If the numberholder's data match SSA records, SSA posts the State death information to its Numident file and terminates payments to deceased beneficiaries.

We obtained the personally identifiable information of approximately 200,000 Social Security numberholders the Delaware Office of Vital Statistics recorded as deceased between January 1992 and December 2017. We matched the data against SSA payment records and the Numident.

Findings

SSA issued approximately \$2 million in payments after death to 31 beneficiaries and 2 representative payees whom the State of Delaware recorded as deceased from January 1992 through December 2017. Identifying and correcting these discrepancies will prevent approximately \$440,000 in additional improper payments after death over a 12-month period. We also identified 2,851 non-beneficiaries who were deceased according to the Delaware Office of Vital Statistics but whose death information was not in SSA's Numident.

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. We have a separate ongoing review that will assess the effectiveness of the EDR process.

The Numident contained death information for the two representative payees; however, SSA had not replaced the representative payees at the time of our data match. As of October 2019, SSA had taken action to replace one of the two representative payees we identified.

Agency Actions Resulting from the Audit

As of October 2019, SSA had terminated benefits to 11 of the 31 deceased beneficiaries and 1 of 2 representative payees. It also initiated recovery of \$550,000 in improper payments.

Recommendations

1. Take action on the remaining 20 deceased beneficiaries and 1 deceased representative payee we identified.
2. Take action on the 2,851 deceased non-beneficiaries we identified to add their deaths to the Numident, as appropriate.

SSA agreed with the recommendations.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
EDR	Electronic Death Registration
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSI	Supplemental Security Income
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 Delaware's Office of Vital Statistics and (2) identify non-beneficiaries who were deceased according to the State file but whose death information did not appear in SSA's records.

BACKGROUND

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

When a representative payee⁴ 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 own benefits.⁵ The *Social Security Act* requires that SSA establish a system of accountability for monitoring representative payees.⁶ 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.⁷

¹ We use the term "beneficiary" throughout this report in reference to Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries and/or Supplemental Security Income (SSI) recipients in current payment status.

² *Social Security Act*, 42 U.S.C. § 405(r)(1) (govinfo.gov 2017).

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

⁴ 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 2017).

⁵ 20 C.F.R. §§ 404.2050(d), 416.650(d), 404.2055, and 416.655 (govinfo.gov 2018). SSA may suspend payment under 20 C.F.R. §§ 404.2011(b) and 416.611(b) if it finds that paying the beneficiary directly would cause substantial harm, and the Agency cannot find a suitable representative payee before the next payment is due.

⁶ *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 2017).

⁷ 20 C.F.R. §§ 404.2040(a) and 416.640(a) (govinfo.gov 2018).

We obtained the personally identifiable information of approximately 200,000 Social Security numberholders the Delaware Office of Vital Statistics recorded as deceased between January 1992 and December 2017. Our match of the data against SSA payment records and the Numident identified OASDI beneficiaries and SSI recipients who were in current payment status and representative payees whose personally identifiable information matched that of a decedent in the Delaware data. We also identified decedents who were not receiving OASDI or SSI benefits and whose death information did not appear in SSA's Numident. We obtained death certificates for the OASDI beneficiaries, SSI recipients, and representative payees in current payment status and provided the certificates to SSA. See Appendix A for information on our scope and methodology.

RESULTS OF REVIEW

SSA issued approximately \$2 million in payments after death to 31 beneficiaries and 2 representative payees who were deceased according to the Delaware Office of Vital Statistics⁸ between January 1992 and December 2017.⁹ Identifying and correcting these discrepancies would prevent approximately \$440,000 in additional improper payments after death over a 12-month period. We also identified 2,851 non-beneficiaries who were deceased according to the Delaware Office of Vital Statistics but whose death information was not in SSA's Numident.

We did not determine why the deaths we identified were not in SSA's Numident or whether Delaware 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. We have a separate ongoing review that will assess the effectiveness of the EDR process.¹⁰

The Numident contained death information for both representative payees; however, SSA had not replaced the representative payees at the time of our data match. In several prior audits,¹¹ we found SSA did not always replace representative payees or assess the continuing need for a representative payee after it posted death information to the payees' Numident records.

⁸ The Delaware Department of Health retains death data for individuals who die in the State as well as Delaware residents who die outside the State, either domestically or abroad, where possible.

⁹ While we took steps to ensure the death certificates for all 31 deceased beneficiaries belonged to the true numberholder, the true numberholder could be alive. See Appendix A for more information about the steps we took to determine whether the true numberholder was deceased.

¹⁰ We do not assert the EDR process is the exclusive cause of unrecorded deaths on SSA records.

¹¹ 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).

Payments Issued to Deceased Beneficiaries

SSA issued approximately \$1.8 million in payments after death to 31 beneficiaries the State of Delaware recorded as deceased between January 1992 and December 2017. Examples follow.

- A retirement beneficiary died in May 2016. SSA records did not contain a date of death and therefore SSA issued approximately \$28,000 in payments after death. We referred this case to SSA in July 2018. The beneficiary's representative payee concealed the death and was subsequently assessed an overpayment for the full amount, which has been repaid.
- A disability beneficiary died in April 2016. SSA records did not contain a date of death and therefore SSA issued approximately \$33,000 in payments after death. We referred this case to SSA in July 2018. As of October 2019, SSA had recovered \$10,000.
- A retirement beneficiary died in March 2006. SSA records did not contain a date of death and therefore SSA issued approximately \$178,000 in payments after death. We referred this case to SSA in July 2018. As of October 2019, SSA had not recovered any of the improper payments.
- A retirement beneficiary died in April 2005. When Delaware reported the death to SSA, it transposed a digit of the decedent's Social Security number. SSA records did not contain a date of death and therefore SSA has issued approximately \$234,000 in payments after death. We referred this case to SSA in August 2019. As of October 2019, SSA had not recovered any of the improper payments.

In January 2009, Delaware began reporting deaths to SSA through the EDR process. Yet, as illustrated in Table 1, 80.6 percent of the beneficiaries SSA had improperly paid died after the State began reporting death information to SSA via EDR.

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

Year of Death	Number of Beneficiaries	Percent of Total Beneficiaries
1992-2000	3	9.7
2001-2008	3	9.7
2009-2017	25	80.6
Total	31	100

In August 2019, we provided SSA the death certificates for the 31 beneficiaries to take appropriate actions. We estimate identifying and correcting these discrepancies will prevent approximately \$410,000 in additional payments after death over a 12-month period.¹²

Payments to Deceased Representative Payees

We identified two deceased representative payees to whom SSA had issued over \$220,000 in payments after death. 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 own benefits.¹³ The *Social Security Act* requires that SSA establish a system of accountability for monitoring representative payees.¹⁴ 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.¹⁵

The Numident contained death information for the two representative payees; however, SSA had not replaced them. In several prior audits,¹⁶ we found SSA did not always replace representative payees after it posted death information to their Numident records.

In July 2018, we provided our Office of Investigations information on one of the two deceased representative payees. By January 2019, SSA had replaced the deceased representative payee, which prevented \$15,000 in additional improper payments after death over a 12-month period. In August 2019, we provided SSA with information on the remaining representative payee, which is pending further action. If the Agency does not take action on the remaining case, we estimate it will pay approximately \$15,000 in additional payments after death over a 12-month period.¹⁷

¹² We based this estimate on the assumption that conditions would remain the same over the 12 months. To estimate the annual amount of overpayments that would occur without corrective action, we identified the most recent payment before referral/corrective action for each record and multiplied it by 12 months.

¹³ 20 C.F.R. §§ 404.2050(d), 416.650(d), 404.2055, and 416.655 (govinfo.gov 2018). SSA may suspend payment under 20 C.F.R. §§ 404.2011(b) and 416.611(b) if it finds that paying the beneficiary directly would cause substantial harm, and the Agency cannot find a suitable representative payee before the next payment is due.

¹⁴ *Social Security Act*, 42 U.S.C. §§ 405(j)(3)(A) and (6), 1383(a)(2)(C)(i), (F)(iv) and (G) (govinfo.gov 2017).

¹⁵ 20 C.F.R. §§ 404.2040(a) and 416.640(a) (govinfo.gov 2018).

¹⁶ See Footnote 11.

¹⁷ See Footnote 12.

Deceased Non-beneficiaries

We identified 2,851 non-beneficiaries¹⁸ who were deceased according to Delaware Department of Health vital records but who did not have death information in SSA's Numident. As shown in Table 2, 83.6 percent of these individuals died *before* the State began reporting death information to SSA via EDR in January 2009.

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

Year of Death	Number of Non-beneficiaries	Percent of Total Non-beneficiaries
1992-2008	2,383	83.6
2009-2017	468	16.4
Total	2,851	100

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.¹⁹ In August 2019, we provided SSA with data that identified 2,851 non-beneficiaries for it to take the necessary action. SSA stated that, because these types of cases do not involve improper payments, their cleanup is a low priority and resource-dependent.

CONCLUSIONS

SSA issued approximately \$2 million in payments after death to 31 beneficiaries and 2 representative payees who were recorded as deceased by the State of Delaware between January 1992 and December 2017. Identifying and correcting these discrepancies will prevent approximately \$440,000 in additional improper payments after death over a 12-month period. We also identified 2,851 non-beneficiaries who were deceased according to Delaware 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.

¹⁸ We matched Delaware 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 OASDI benefits or SSI payments.

¹⁹ 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. Also, 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 ACTIONS RESULTING FROM THE AUDIT

As of October 2019, SSA had terminated benefits to 11 of the 31 deceased beneficiaries and 1 of 2 representative payees. It also initiated recovery of \$550,000 in improper payments.

RECOMMENDATIONS

We recommend SSA:

1. Take action on the remaining 20 deceased beneficiaries and 1 deceased representative payee we identified.
2. Take action on the 2,851 deceased non-beneficiaries we identified to add their deaths to the Numident, as appropriate.

AGENCY COMMENT

SSA agreed with the recommendations; see 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 Delaware Department of Health vital records death data and identified approximately 200,000 recorded death events between January 1992 and December 2017. We matched these records against SSA’s Enumeration Verification System and payment records and identified the following:
 - 31 Old-Age, Survivors and Disability Insurance (OASDI) beneficiaries and/or Supplemental Security Income (SSI) recipients in current payment status whose names and dates of birth matched those of deceased individuals in the Delaware death data.¹
 - Reviewed SSA’s systems, Delaware death data, LexisNexis, and public records, as necessary.
 - Determined whether SSA (a) documented substantive contact with the beneficiary after the date of death in Delaware 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 death certificates from Delaware, Maryland, and New Jersey and referred the 31 cases to SSA.
 - 2 deceased representative payees with beneficiaries in current payment status as of April 2018 whose Social Security numbers, names, and dates of birth matched those of deceased individuals in the Delaware death data. We obtained Delaware death certificates for these two payees and referred the cases to SSA.
 - 2,851 individuals² whose Social Security numbers, names, and dates of birth matched those of deceased non-beneficiaries in the Delaware death data but whose death information was not in SSA’s Numident as of June 2019. We referred these cases to SSA.

¹ We matched the Social Security number, name, and date of birth on the Delaware Department of Health vital records death data with SSA’s Numident for 20 of the 31 deceased beneficiaries. For the remaining 11 deceased beneficiaries, the name and date of birth on the Delaware Department of Health vital records death data matched SSA’s Numident. However, we matched additional identifying information from the death data with SSA records to confirm the death data belonged to the true numberholder.

² This is in reference to deceased individuals who were not in current payment status at the time of our review. Of the 2,851 non-current pay records, 1,271 never applied for benefits, and the remaining 1,580 had either applied and were denied or were in a non-pay status.

- Calculated payments issued after death to the 31 beneficiaries and 2 representative payees.

We conducted our audit from July to October 2019 at SSA Headquarters in Woodlawn, Maryland. We determined the data used for this audit were sufficiently reliable to meet our audit objectives. 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: November 22, 2019

Refer To: S1J-3

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 Delaware Death Information Against Social Security Administration Records" (A-15-18-50662) -- INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations. We continue to make incremental changes to increase the completeness of death information in our records and promote program integrity by preventing 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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