



## SOCIAL SECURITY

Inspector General

January 24, 2003

Mr. Thomas J. Oscherwitz  
Counsel, Subcommittee on Technology,  
Terrorism and Government Information  
Senate Judiciary Committee  
815 Hart Building  
Washington, D.C. 20510

Dear Mr. Oscherwitz:

In response to your December 10, 2002 request, I am pleased to provide the information you requested related to the Social Security Administration's (SSA) processing of death reports and implementation of prior recommendations to improve its Death Master File.

The enclosed report contains information related to:

- Number and source of death reports processed by SSA;
- Timeliness of death information received by SSA;
- Overview of death termination process;
- Number of fraud cases involving improper payments to deceased individuals;
- Status of recommendations from our September 2002 audit, *Effectiveness of SSA's Death Termination Process (A-09-02-22023)*; and
- Prior recommendations to improve SSA's Death Master File and corrective actions taken by the Agency.

If you have any questions or would like to be briefed on this issue, please call me or have your staff contact Douglas Cunningham, Executive Assistant, at (202) 358-6319.

Sincerely,

Steven L. Schaeffer  
Assistant Inspector General  
for Audit

Enclosure

cc:

James G. Huse, Jr., Inspector General

Larry Dye, Chief of Staff

Larry Love, Counselor to the Commissioner

Dale Sopper, Acting Deputy Commissioner for Finance Assessment and Management

# **CONGRESSIONAL RESPONSE REPORT**

## **The Social Security Administration's Efforts to Process Death Reports and Improve its Death Master File**

**A-09-03-23067**



**JANUARY 2003**

## **Mission**

**We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.**

## **Authority**

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- Promote economy, effectiveness, and efficiency within the agency.
- Prevent and detect fraud, waste, and abuse in agency programs and operations.
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.
- Access to all information necessary for the reviews.
- Authority to publish findings and recommendations based on the reviews.

## **Vision**

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.

## *Background*

---

The Social Security Administration (SSA) receives reports of death from a variety of sources, including friends and relatives of deceased individuals, funeral homes, postal authorities, financial institutions, and Federal and State agencies. Upon receipt of a death report, field offices (FO) and processing centers (PC) enter the information into SSA's automated systems. For all individuals, the death information is recorded on the Numident, a master file that contains personal identifying data about each individual who has been issued a Social Security number (SSN). For individuals currently receiving benefits, the death information is also recorded on the Master Beneficiary Record (MBR) and Supplemental Security Record (SSR), the master files that contain payment data about each individual who has received Social Security benefits.

To identify erroneous payments to deceased individuals, SSA's Death Alert, Control, and Update System (DACUS) performs computer matches with death data received from external and internal sources. The external sources include Federal agencies, such as the Veterans Administration and the Centers for Medicare and Medicaid Services (CMS), and State agencies, such as bureaus of vital statistics (BVS) and social services agencies. The internal sources include SSA's system of records, such as the MBR, SSR, and Numident. DACUS also produces a national file of death information, called the Death Master File (DMF).

DACUS processes the death reports and compares the date of death to SSA's payment records, including the MBR and SSR. If there is no conflicting information, DACUS records the death on the Numident. If payments have been made after death or there is conflicting information about the date of death, DACUS generates an alert to the FO. DACUS also generates a follow-up alert every 30 days until the initial alert has been resolved.

In September 1999, SSA contracted with the National Association for Public Health Statistics and Information Systems (NAPHSIS), an association of State vital records directors and registrars, to develop standards and guidelines for a proposed nationwide system of electronic death registration (EDR). The goal of this system, when fully implemented, is for SSA to receive death reports within 5 days of death and 24 hours of receipt in the State BVS. Under EDR, SSA will verify the SSN with the State BVS at the beginning of the death registration process, thereby allowing the Agency to take immediate termination action without independently verifying the accuracy of the report. EDR is now part of SSA's E-Vital initiative, which will automate the current paper-bound processes to collect and disseminate vital records information.

The facts and conclusions presented in this report are based on prior audit and investigative work, published reports and studies, and interviews with SSA employees. We performed our review during December 2002 in Richmond, California.

# *Results of Review*

---

On December 10, 2002, Senator Dianne Feinstein's and Congressman Luis Gutierrez's staff requested that the Office of the Inspector General (OIG) provide information about SSA's processing of death reports and implementation of prior recommendations to improve its DMF. Specifically, the following information was requested:

- Number and source of death reports processed by SSA;
- Timeliness of death information received by SSA;
- Overview of death termination process;
- Number of fraud cases involving improper payments to deceased individuals;
- Status of recommendations from our September 2002 audit, *Effectiveness of SSA's Death Termination Process (A-09-02-22023)*; and
- Status of prior recommendations to improve the DMF and corrective actions taken by the Agency.

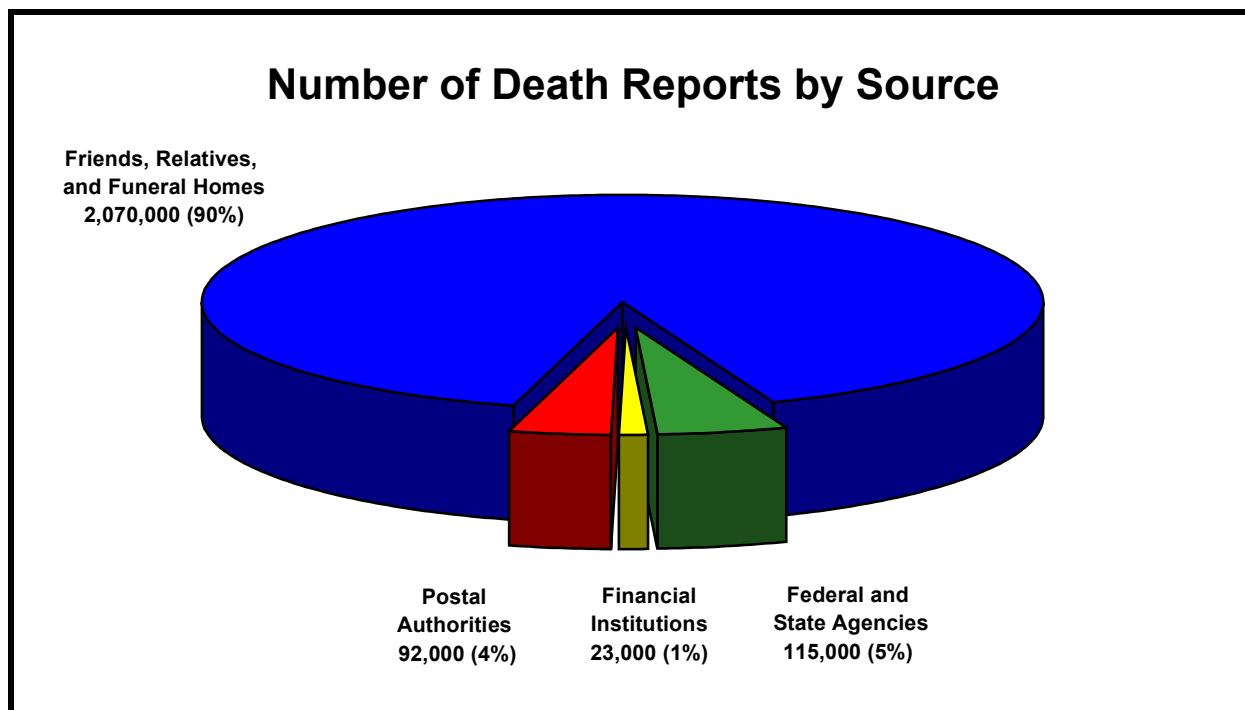
## **NUMBER AND SOURCE OF DEATH REPORTS PROCESSED BY SSA**

About 2.3 million people die in the United States each year, including 2.0 million SSA beneficiaries.<sup>1</sup> Most deaths are reported to SSA by relatives, friends, and funeral homes. In fact, SSA estimates that these reports from first parties account for about 90 percent (2.07 million) of the death reports received.<sup>2</sup> Postal authorities and financial institutions report another 5 percent (115,000). SSA relies on computer matches with other Federal and State agencies to identify the remaining (unreported) deaths. The chart on the following page illustrates the estimated number of death reports by source.

---

<sup>1</sup> U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, *National Vital Statistics Report*, volume 49, number 8, and *Annual Statistical Supplement, 2000 to the Social Security Bulletin*, table 6.F2.

<sup>2</sup> SSA does not capture information concerning first-party death reports. However, these estimates were included in a SSA report, *Process Innovation Review - Death Process Review*, January 1997.



## TIMELINESS OF DEATH INFORMATION RECEIVED BY SSA

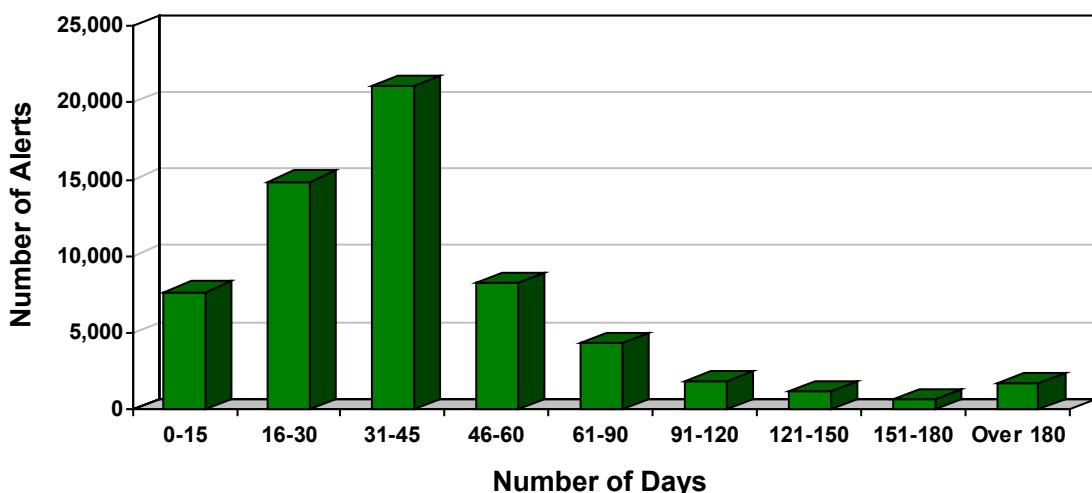
Generally, death reports from first parties (relatives, friends, and funeral homes) are received timely and are considered by SSA to be very reliable. However, since not all deaths are reported by first parties, SSA must rely on computer matches with Federal and State agencies to identify unreported deaths. Each State periodically sends tapes or electronic file transfers to SSA with information on all reported deaths within the State. SSA matches this information with its payment records and generates a death alert if it receives a death report for a beneficiary whose death had not been previously reported (by a first-party source) or if there is discrepant death information on the payment record.

In a previous OIG audit,<sup>3</sup> we obtained a database containing 65,809 initial death alerts for Old-Age, Survivors and Disability Insurance beneficiaries generated from July to December 1999. Our analysis of these alerts disclosed that SSA received death reports from Federal and State agencies within 30 days of death in 36.6 percent of the cases. The chart on the following page illustrates the delays in receiving death reports from external sources based on these alerts.

---

<sup>3</sup> *Effectiveness of the Social Security Administration's Death Termination Process* (A-09-02-22023), September 2001.

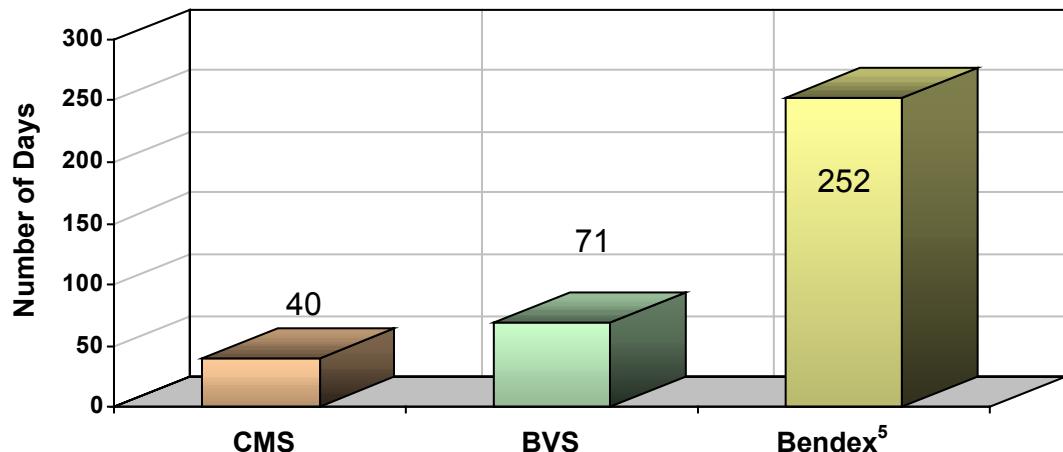
## Delays in Receiving Death Alerts July to December 1999



Additional analysis of the 65,809 alerts revealed that the average elapsed days between the date of death and the day the information was reported to SSA by State agencies was 71 days.<sup>4</sup> This contrasted with the 40 days it took CMS to report deaths to SSA. The delay in receiving death information from States can be attributed to the fact that the current death registration process remains labor intensive, relies on disparate and limited automated procedures, and requires data input at different locations to complete each of the more than 2.3 million death certificates registered each year. Another cause for delays is that often State agencies must consolidate death data received from such local jurisdictions as counties before reporting statewide information to SSA. The following chart shows the average length of time required for various external sources to provide death reports to SSA. Again, the chart is based on our analysis of initial DACUS alerts issued during a 6-month period because SSA does not capture this data on the MBR or SSR master files.

<sup>4</sup> This analysis is based on a population of 65,809 death records that resulted in DACUS alerts.

## Average Length of Time to Receive Death Alerts July to December 1999

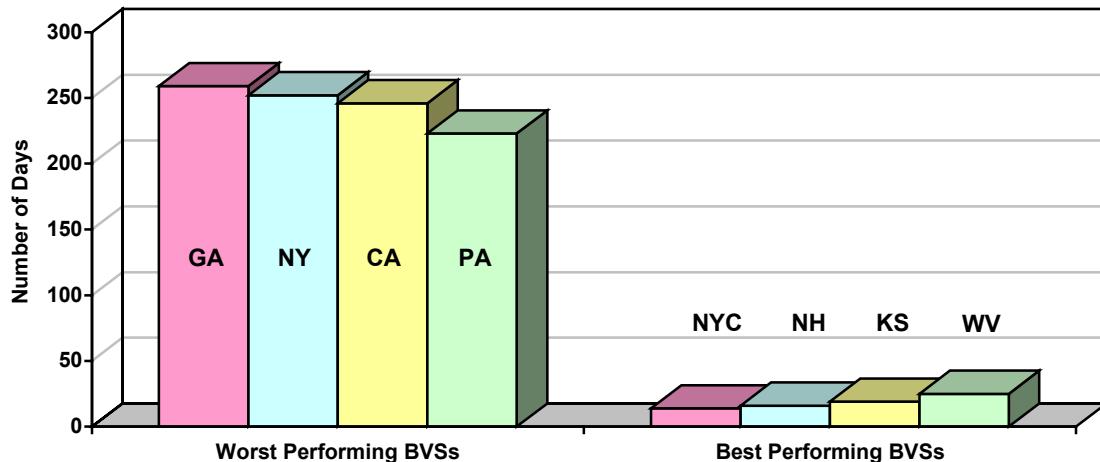


Although the average number of elapsed days from the date of death to the day until it was reported to SSA for all BVSs was 71 days, we noted a significant disparity among the BVS entities, Centers for Medicare and Medicaid Services (CMS), Bureau of Vital Statistics (BVS), and Beneficiary and Earnings Data Exchange (Bandex). For example, we determined that only 4 BVS entities reported deaths within 30 days, while the average for 6 other States exceeded 200 days. The chart below highlights the differences between the worst and best performing BVS organizations.<sup>6</sup> For data on all of the BVSs, see Appendix B.

<sup>5</sup> These death alerts originated from State welfare agencies and the average is based on 333 alerts in our population.

<sup>6</sup> The State of Illinois was excluded from the graph because our database included only four records from Illinois and those may not be representative.

## Average Length of Time to Report Death Information July to December 1999



## OVERVIEW OF DEATH TERMINATION PROCESS

SSA stores death information on the Numident, a master file that provides personal identifying information for each individual who has been issued a SSN. This information consists of the individual's full name, SSN, and date of birth. Generally, the place of birth and parents' full names are also included. The Numident is updated daily based on death reports received by SSA. However, we noted two vulnerabilities in this process. First, the Numident record for a deceased individual is not updated if such key data as name or SSN from the death report does not match the Numident record. Second, SSA uses unverified death reports to record deaths on the Numident records for nonbeneficiaries.

Also, the completeness of the information on the DMF is not consistent. An academic research study concluded that the file's completeness varies significantly based on the age of the decedents. The results were that death reporting for individuals age 65 or older was over 95 percent complete. However, the DMF contained only 42 percent of deaths for deceased individuals under age 25 and 74 percent for those age 25 to 54.<sup>7</sup>

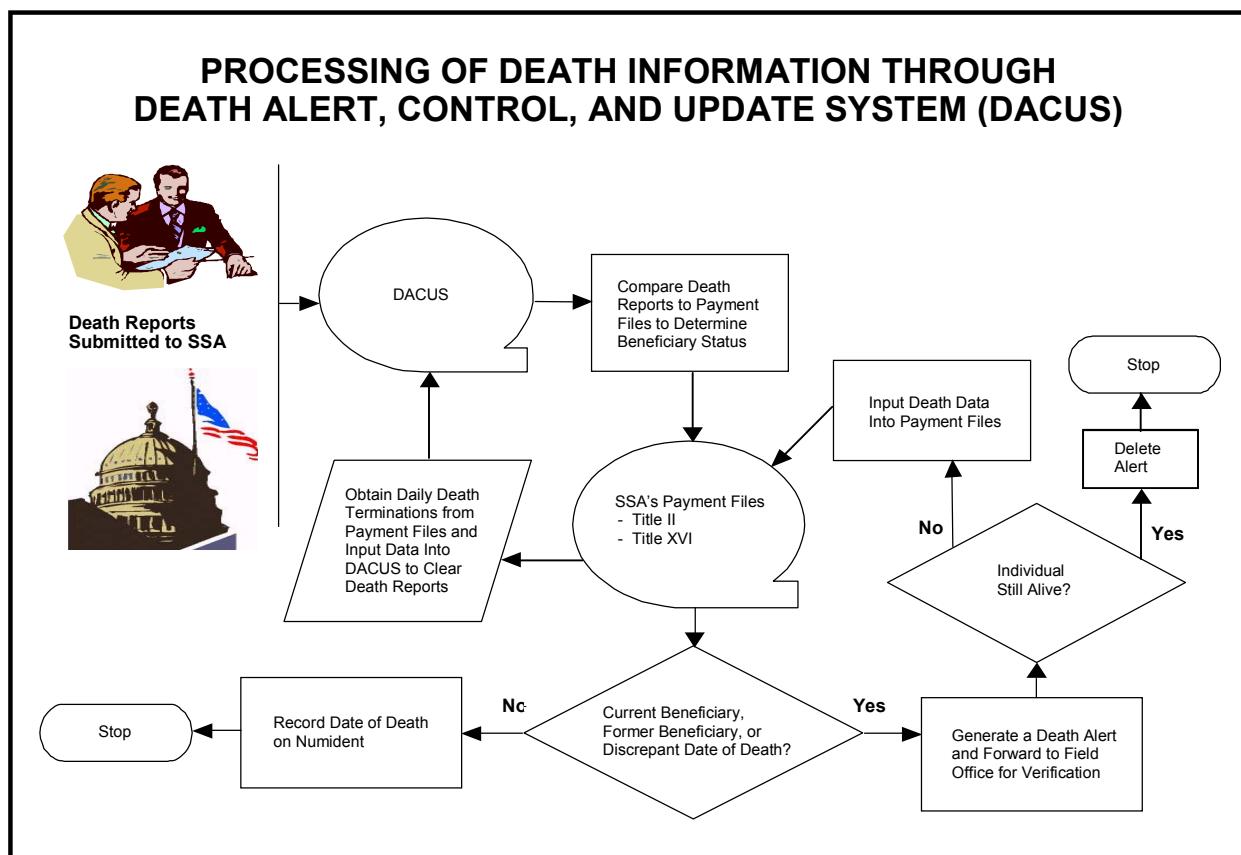
SSA extracts information from the Numident and creates a DMF each quarter. As of February 2002, SSA created a DMF on a weekly and quarterly basis. The DMF is provided to third-party users via computer tapes. Each month, SSA provides a

<sup>7</sup> Social Security Bulletin, *The Social Security Administration's Death Master File: The Completeness of Death Reporting at Older Ages*, Vol. 64, No. 1, 2001/2002.

supplemental tape containing newly recorded deaths and any changes or deletions to the file.

The DMF is distributed to 10 Federal agencies, including 4 that pay Federal benefits. The agencies use the file to identify deceased individuals who are receiving benefits. In addition, the DMF is released to the National Technical Information Service, which responds to requests under the Freedom of Information Act. To limit its liability for erroneous information on the DMF, SSA places the following disclaimer on the file: "ATTENTION ALL USERS: Many of the items in this file have not been verified. You should not conclude that a person listed in this file is necessarily deceased. This person may still be alive . . . Please verify every record before taking action on it . . .".

DACUS processes death information and performs computer matches with other Federal and State agencies. DACUS receives the death reports and compares them to SSA's payment files. If the comparison indicates that payments have been made after death or there is conflicting information about the date of death, DACUS issues an alert to the FO. The FO then determines the validity of the information and takes action, as appropriate, to terminate payments, recover improper payments issued after beneficiary deaths, and correct SSA's records. If there is no conflicting information, DACUS records the death information on the Numident. The following flowchart provides an overview of DACUS.



A more detailed diagram of SSA's death matching process is included as Appendix C to this report.

## FRAUD CASES INVOLVING PAYMENTS TO DECEASED INDIVIDUALS

In Fiscal Year (FY) 2002, OIG investigations resulted in the successful prosecution of 210 individuals who had fraudulently negotiated the checks of deceased Social Security beneficiaries and recipients. In addition, investigative efforts related to deceased individuals resulted in total program savings of \$19,289,842 in FY 2002. Appendix D contains the FY 2002 results of OIG investigations related to deceased beneficiaries and recipients.

An example of the vulnerability posed by unreported deaths is a recent Ohio case in which a woman was ordered to repay \$123,310 of SSA funds that she had fraudulently negotiated. The OIG Cleveland office opened an investigation into an alleged scheme by a woman who continued to withdraw monthly benefits payable to her father, after his death in September 1992. Over the course of several years, she withdrew \$123,310 in SSA funds from a joint account she had shared with the deceased. The woman did not report her father's death to either SSA or the bank. The woman, a long-time resident of Georgia, went to Akron, Ohio nearly every month to make withdrawals. She was confronted by OIG when she attempted to make a withdrawal and subsequently admitted her guilt. She was sentenced in the United States District Court, Northern District of Georgia, Atlanta Division, on July 2, 2002 for embezzling Social Security benefits. Her sentence included the payment of restitution to SSA in the amount of \$123,310, as well as 5 months' incarceration and 3 years' supervised probation.

## STATUS OF RECOMMENDATIONS FROM RECENT OIG AUDIT

SSA agreed with six of the seven recommendations included in our audit, "Effectiveness of SSA's Death Termination Process" (A-09-02-22023). Specifically, SSA agreed to obtain systems support for EDR and stated that implementation is scheduled for September 2003. At that time, SSA expects to be able to process records from State BVS agencies that implement EDR systems. However, full implementation with 90 percent of the States participating will not occur until 2005 or later. Consequently, SSA also agreed to continue to work with NAPHSIS to develop and implement EDR and stated that it had awarded contracts in September 2002 to New York City, South Dakota, Montana, and Minnesota.

SSA agreed to issue a memorandum to remind employees to process all death alerts in a timely manner and follow up on reclamation actions with the Department of the Treasury to ensure that payments after death are recovered. SSA has since issued both memorandums. SSA also agreed that debt collection tools should be used to the largest extent possible. Furthermore, SSA initiated an Information Technology project to facilitate the use of authorized debt collection tools available to the Agency.

However, SSA disagreed with our recommendation to evaluate the feasibility of systems modifications to (1) simultaneously issue a “come-in” letter along with the death alert and (2) automatically suspend benefits if there is no response to the “come-in” letter. SSA stated that the corrective actions for other recommendations in the report should address the concerns raised in this recommendation. Although eventual implementation of EDR may provide a solution for the long term, we believe that SSA should evaluate other alternatives for the short term. Therefore, we encourage SSA to assess the feasibility of systems modifications to further automate the death reporting process.

For a detailed description of the status of recommendations for the audit, “Effectiveness of SSA’s Death Termination Process,” see Appendix E.

## **PRIOR RECOMMENDATIONS TO IMPROVE THE DMF**

The OIG has issued 11 reports since 1999 that contain recommendations to improve the reliability of the DMF. Among these recommendations were matching the DMF against benefit records and reconciling the 1.3 million deaths recorded in SSA’s benefit payment files that do not appear in the DMF. As part of its annual financial statement audits, Pricewaterhouse Coopers also included recommendations to improve the reliability of the DMF. SSA has generally agreed with these recommendations; however, the Agency has deferred corrective actions on some recommendations due to limited resources. For the status on prior recommendations related to improving the DMF, see Appendix G.

# *Conclusion*

---

SSA currently relies on relatives, friends, and funeral homes to report beneficiary deaths in a timely manner. In fact, this occurs in about 90 percent of the cases. SSA matches Federal and State death information against its payment records to identify those deaths that are not reported by first parties. Generally, State death information is considered by SSA to be very reliable, but its effectiveness is diminished the longer SSA must wait for the information. State death data tends to take longer to process than other sources of death information. However, SSA plans to implement a nationwide system of electronic death registration. The eventual goal is for the Agency to receive death information from States within 5 days of death and 24 hours of receipt in the State BVS.

Although SSA has initiated actions to improve the accuracy of the information in the DMF, we believe that continued efforts are needed to ensure its accuracy and reliability. Currently, the accuracy of the DMF is compromised in two ways. First, the DMF does not contain every deceased SSN holder. Second, the DMF contains individuals who are not actually deceased. The DMF's deficiencies need correcting to increase its reliability, thus improving its usefulness to other Government agencies and the public.

# *Appendices*

---

**Appendix A** – Acronyms

**Appendix B** – Elapsed Time from Date of Death to Receipt of Death Alert

**Appendix C** – SSA's Death Matching Process

**Appendix D** – Fraud Cases Involving Payments to Deceased Individuals During Fiscal Year 2002

**Appendix E** – Status of Recommendations for Audit of “Effectiveness of SSA’s Death Termination Process” (A-09-02-22023)

**Appendix F** – Reports Related to SSA’s Death Master File

**Appendix G** – Prior Recommendations to Improve SSA’s Death Master File

**Appendix H** – OIG Contacts and Staff Acknowledgments

### **Acronyms**

Bdex	Beneficiary and Earnings Data Exchange
BVS	Bureau of Vital Statistics
CMS	Centers for Medicare and Medicaid Services
DACUS	Death Alert, Control, and Update System
DMF	Death Master File
EDR	Electronic Death Registration
FO	Field Office
FY	Fiscal Year
MBR	Master Beneficiary Record
NAPHSIS	National Association for Public Health Statistics and Information Systems
OIG	Office of the Inspector General
PC	Processing Center
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
SSR	Supplemental Security Record

## **Appendix B**

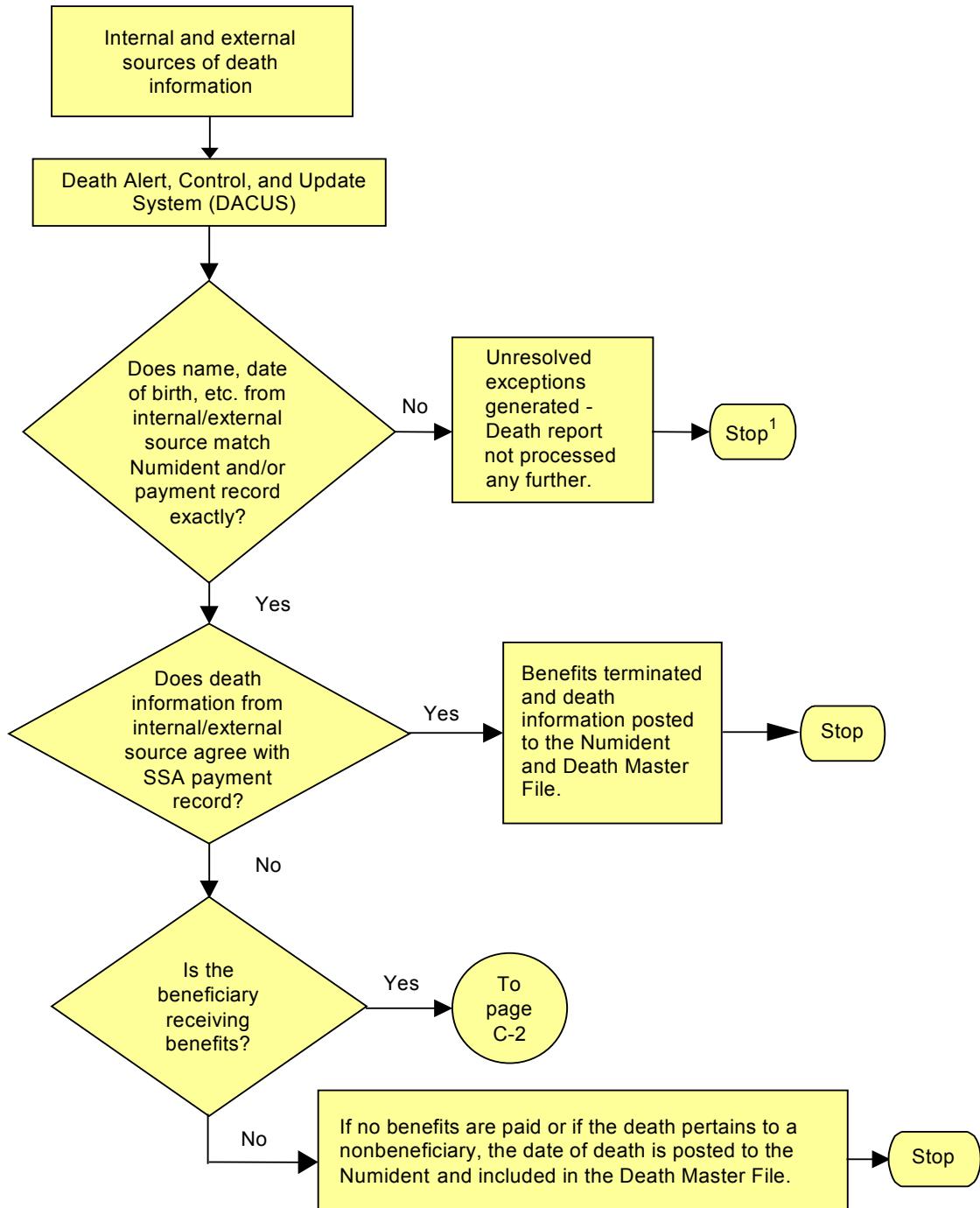
### **Elapsed Time from Date of Death to Receipt of Death Alert<sup>1</sup>**

State	Number of Death Alerts	Total Elapsed Days	Average Elapsed Days (rounded)
Georgia	592	153,364	259
Illinois	4	1,013	253
New York	219	55,199	252
California	265	65,061	246
Pennsylvania	401	89,237	223
Nebraska	4	861	215
Ohio	112	21,669	193
Maine	22	4,073	185
District of Columbia	91	16,846	185
Indiana	80	14,511	181
Massachusetts	180	31,620	176
Kentucky	123	19,423	158
Michigan	303	47,707	157
Tennessee	385	58,274	151
Louisiana	249	37,602	151
Minnesota	32	4,806	150
Alaska	5	720	144
Washington	87	12,425	143
Utah	42	5,882	140
South Carolina	157	20,541	131
North Carolina	228	28,578	125
Connecticut	113	13,955	123
Texas	587	71,373	122
Rhode Island	48	5,264	110
Vermont	10	1,050	105
Iowa	31	3,217	104
New Mexico	35	3,590	103

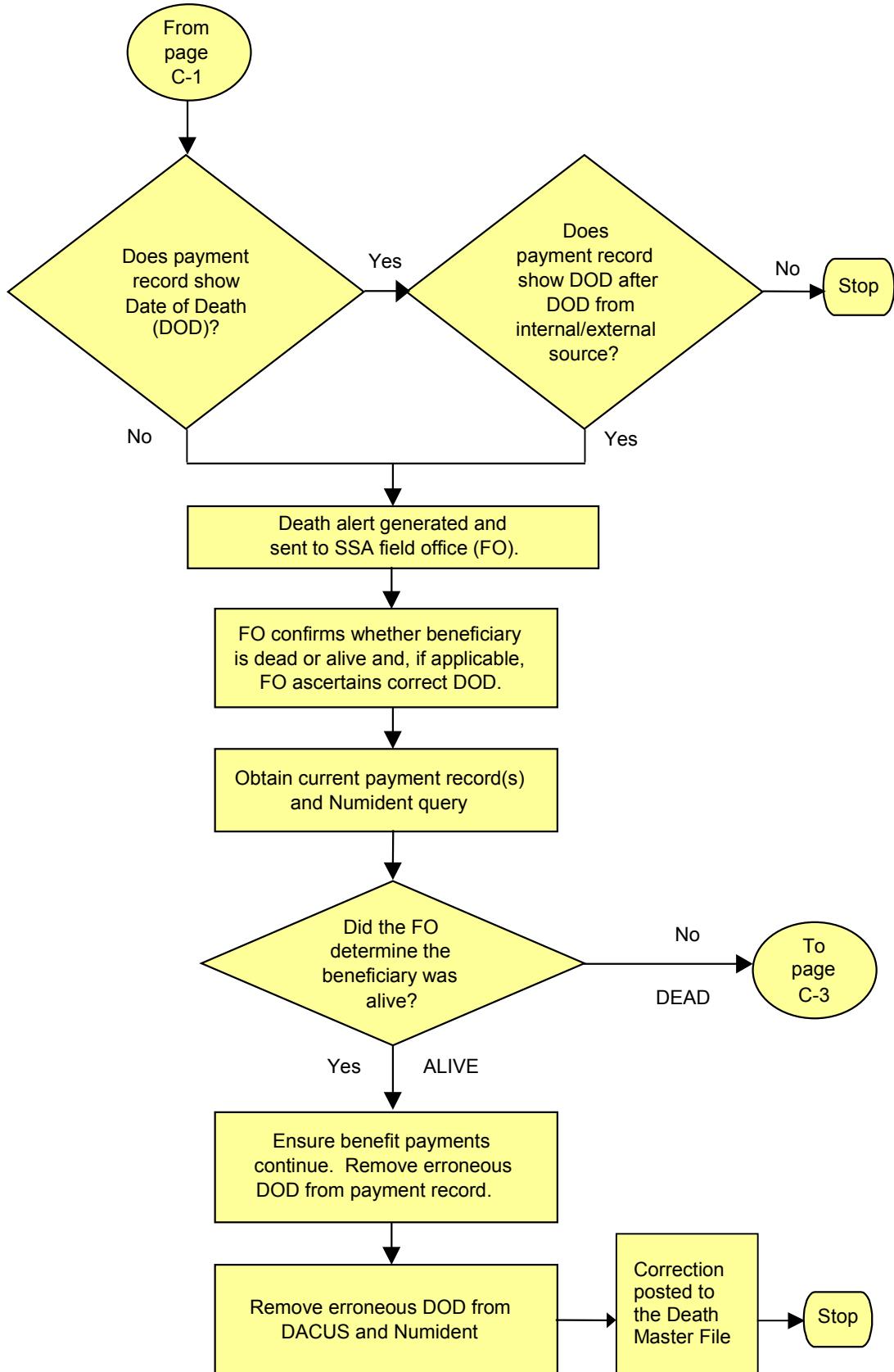
<sup>1</sup> Social Security Administration, Death Alert, Control, and Update System, July to December 1999. This data is unaudited.

State	Number of Death Alerts	Total Elapsed Days	Average Elapsed Days (rounded)
Virginia	164	15,480	94
Montana	23	1,817	79
Wyoming	8	624	78
Arizona	116	8,650	75
Florida	758	55,004	73
Maryland	487	33,799	69
Mississippi	177	11,734	66
Nevada	116	7,670	66
Alabama	303	19,801	65
New Jersey	697	43,759	63
Colorado	188	11,269	60
Wisconsin	129	7,722	60
Oregon	111	6,615	60
South Dakota	17	959	56
Oklahoma	230	12,367	54
Arkansas	109	5,579	51
Hawaii	74	3,760	51
Missouri	337	16,842	50
North Dakota	16	738	46
Idaho	46	1,765	38
Delaware	74	2,627	36
Puerto Rico	583	19,949	34
West Virginia	240	6,090	25
Kansas	251	4,894	19
New Hampshire	333	5,243	16
New York City	6,742	95,558	14
Total	16,734	1,188,176	71

## SSA's Death Matching Process

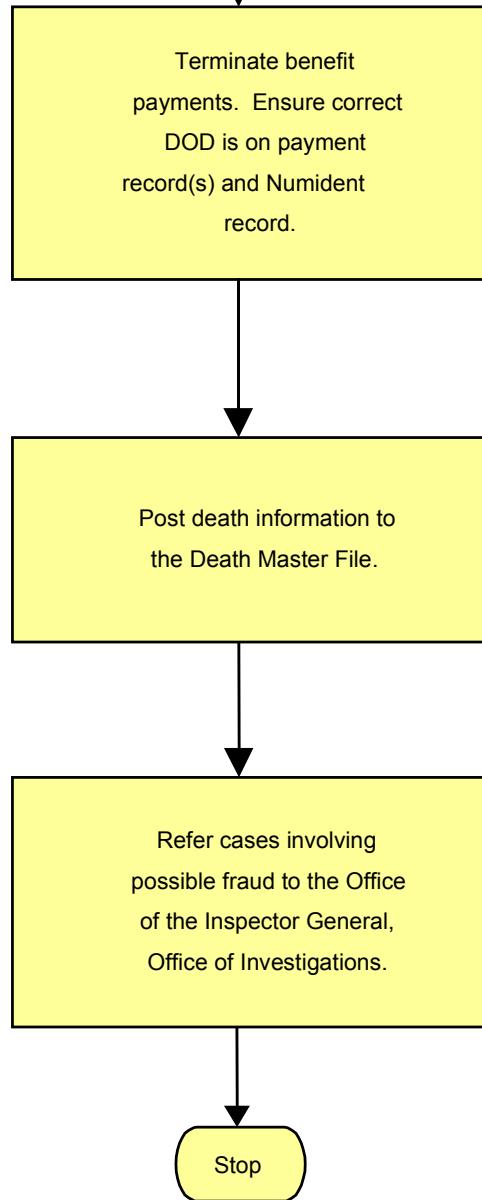


<sup>1</sup> For 2002, there were 110,286 death records that did not match Numident records because of discrepancies in the name, Social Security number, date of birth, or gender. Although SSA does not currently process these exceptions, the Agency will begin to process exceptions in September 2003.



From  
page  
C-2

Beneficiary      Deceased



## **Appendix D**

### **Fraud Cases Involving Payments to Deceased Individuals During Fiscal Year 2002<sup>1</sup>**

Action <sup>2</sup>	Convictions	Scheduled Recoveries	Fines	Settlements and Judgments	Restitution	Program Savings
Title II OASI	168	\$8,831,768	\$12,136	\$61,571	\$5,752,907	\$15,723,178
Title II Disability	18	1,193,088	175	0	489,955	2,016,055
Title XVI Aged	10	94,630	6,900	6,180	38,313	520,668
Title XVI Disability	14	162,770	5,200	19,130	137,710	1,029,941
Total	210	\$10,282,256	\$24,411	\$86,881	\$6,418,885	\$19,289,842

<sup>1</sup> Social Security Administration (SSA), Office of the Inspector General, Allegation and Case Investigative System, Fiscal Year 2002.

<sup>2</sup> SSA administers the Old-Age and Survivors Insurance (OASI), Disability Insurance (DI), and Supplemental Security Income (SSI) programs under titles II and XVI of the Social Security Act. The OASI and DI programs provides benefits to retired and disabled workers, including their dependents and survivors. The SSI program provides benefits to financially needy individuals who are aged, blind, and/or disabled.

# **Status of Recommendations for Audit of “Effectiveness of SSA’s Death Termination Process” (A-09-02-22023)<sup>1</sup>**

<b>OIG Recommendation</b>	<b>SSA Corrective Action</b>
1. Modify its automated systems to support Electronic Death Registration (EDR), including the on-line verification of Social Security numbers, processing of verified and unverified State death reports, and termination of benefits upon receipt of verified State death reports. <sup>2</sup>	The Social Security Administration (SSA) agreed to obtain systems support for EDR. The "back-end" planning and analysis phase has already been completed. The "front-end" Internet Verification phase has also been completed. The requirements phase is currently underway. Full implementation is scheduled for September 2003, at which time SSA will accept EDR records for immediate termination. (Status provided September 2002.)
2. Encourage State bureau of vital statistics (BVS) agencies to develop and implement EDR systems. <sup>2</sup>	SSA is working with the National Association for Public Health Statistics and Information Systems (NAPHSIS) and State BVS agencies to develop and implement EDR systems. In September 2001, SSA awarded a contract to NAPHSIS to (1) develop a comprehensive educational plan for the various participants, (2) arrange marketing sessions with various Federal agencies that use death data, (3) serve as a consultant to States that are ready to implement EDR, and (4) serve as a technical advisor to States that are not ready to implement EDR. (Status provided September 2002.)

<sup>1</sup> Issued September 17, 2002.

<sup>2</sup> SSA initiated these projects before the recommendations were issued by the Office of the Inspector General.

OIG Recommendation	SSA Corrective Action
3. Work with other Federal and State agencies to obtain additional funding for EDR.	SSA is working with the National Centers for Health Statistics to obtain sources of funding for EDR. SSA initiated the nationwide rollout of EDR by awarding contracts to the District of Columbia and New Hampshire in September 2001. SSA awarded four additional State contracts in September 2002. (Status provided September 2002.)
4. Issue a memorandum to reiterate that field offices (FO) should process death alerts as expeditiously as possible to minimize improper payments to deceased beneficiaries.	SSA issued a memorandum to remind its employees to process all death alerts in a timely manner. (Status provided September 2002.)
5. Evaluate the feasibility of systems modifications to (1) simultaneously issue the "come-in" letter to the beneficiary when the death alert is sent to the FO, and (2) automatically suspend benefits if the beneficiary does not respond to the "come-in" letter.	SSA stated that the expansion of EDR and systems modifications should address the concerns raised in this recommendation. SSA also stated that further study may be necessary to determine the workload ramifications of automated "come-in" letters. (Status provided September 2002.)
6. Issue a memorandum to reiterate that processing centers (PC) should follow up on the status of reclamation actions with the Department of the Treasury (Treasury) to ensure that payments after death are recovered.	SSA issued a memorandum to remind its employees to follow up on reclamation actions with Treasury to ensure that payments after death are recovered. (Status provided September 2002.)
7. Encourage PCs to maximize the use of debt collection tools available to the Agency to recover payments after the death of a beneficiary.	SSA agreed that debt collection tools should be used to the extent possible. In addition, SSA initiated an Information Technology project to facilitate the use of authorized debt collection tools available to the Agency. Scheduling for the project has not yet been completed. (Status provided September 2002.)

# Reports Related to SSA's Death Master File

The following reports can be accessed by using the OIG home page – [www.ssa.gov/oig](http://www.ssa.gov/oig)

- “Effectiveness of SSA’s Death Termination Process” ([A-09-02-22023](#)) issued by the Social Security Administration (SSA)/Office of the Inspector General (OIG) in September 2002
- “Early Alert: Disclosure of Personal Information on Representative Payees” (A-01-99-82008) issued by the Social Security Administration (SSA)/Office of the Inspector General (OIG) in January 1999
- “The Social Security Administration’s Procedures to Identify Representative Payees Who Are Deceased” ([A-01-98-61009](#)) issued by SSA/OIG in September 1999
- Pricewaterhouse Coopers, LLP (PwC) Management Letter on Recommendations to Improve Management Controls and Operations Resulting from the Fiscal Year (FY) 1999 Financial Statement Audit issued in November 1999
- “Performance Measure Review: Summary of Pricewaterhouse Coopers, LLP Review of SSA’s Performance Data” ([A-02-00-20024](#)) issued by SSA/OIG in March 2000
- “Improving the Usefulness of the Social Security Administration’s Death Master File” ([A-09-98-61011](#)) issued by SSA/OIG in July 2000
- “Disclosure of Personal Beneficiary Information to the Public – Early Alert” issued by SSA/OIG in October 2000
- “Old-Age, Survivors and Disability Insurance Benefits Paid to Deceased Auxiliary Beneficiaries” ([A-01-00-20043](#)) issued by SSA/OIG in June 2001

- “Unresolved Death Alerts Over 120 Days Old” ([A-09-00-10001](#)) issued by SSA/OIG in August 2001<sup>1</sup>
- “Disclosure of Personal Beneficiary Information to the Public” ([A-01-01-01018](#)) issued by SSA/OIG in January 2002
- “Controls Over the Social Security Administration’s Processing of Death Records from the Department of Veterans Affairs (VA)” ([A-01-01-21038](#)) issued by SSA/OIG in February 2002<sup>2</sup>
- “Old-Age, Survivors and Disability Insurance and Supplemental Security Income Payments to Deceased Beneficiaries and Recipients” ([A-06-02-12012](#)) issued by SSA/OIG in October 2002

---

<sup>1</sup> Includes findings and recommendations to improve the processing of death alerts and reliability of death data, which affects the accuracy of the DMF.

<sup>2</sup> *Ibidem.*

### Prior Recommendations to Improve SSA's Death Master File

<b>Report</b>	<b>Findings</b>	<b>Recommendations</b>
"Early Alert: Disclosure of Personal Information on Representative Payees" (A-01-99-82008) issued by the Social Security Administration (SSA)/Office of the Inspector General (OIG) in January 1999	OIG reported that 39 individuals, acting as representative payees for beneficiaries, were erroneously listed as deceased on SSA's Death Master File (DMF); 22 of these 39 individuals had their personal information available to the public on the Internet. Their personal information was available at no charge and included information such as Social Security numbers (SSN), full names, dates of birth, and (erroneous) dates of death.	<p>SSA should verify the death information for the 6,004 representative payees our match showed as deceased on the DMF, but currently serving as representative payees for beneficiaries on the Master Beneficiary Record (MBR) and Supplemental Security Record (SSR).</p> <p>[The Office of Systems conducted a match among the DMF, Master Representative Payee File, MBR, and SSR to identify inconsistencies. SSA reviewed and corrected the discrepancies identified by the match. A similar match is planned for January 2003. SSA issued instructions to its field offices for addressing these cases in February and March 2001. (Status provided December 2002.)]</p>
"The Social Security Administration's Procedures to Identify Representative Payees Who Are Deceased" (A-01-98-61009) issued by SSA/OIG in September 1999	OIG reported that incorrect death information was recorded on the DMF and MBR. Specifically, OIG estimated that 465 representative payees were recorded as deceased on the DMF and/or the MBR even though they were still alive.	<p>SSA should identify and correct instances in which an MBR contains an erroneous date of death for a representative payee.</p> <p>[The Office of Systems conducted a match among the DMF, Master Representative Payee File, MBR, and SSR to identify inconsistencies. SSA reviewed and corrected the discrepancies identified by the match. A similar match is planned for January 2003. (Implemented March 2002.)]</p>

Report	Findings	Recommendations
Pricewaterhouse Coopers, LLP (PwC) Management Letter on Recommendations to Improve Management Controls and Operations Resulting from the Fiscal Year (FY) 1999 Financial Statement Audit issued in November 1999	<p>PwC reported that a comparison of the MBR and Numident identified a projected 17,340 records where the individual was alive and currently receiving Old-Age, Survivors and Disability Insurance (OASDI) benefit payments but was listed as deceased on the Numident. This was only slightly lower than the 18,880 records PwC projected in 1998 and higher than the 16,380 records projected in 1997.</p> <p>Additionally, PwC's comparison between the SSR and the Numident in 1999 identified a projected 980 records where the individuals were alive and currently receiving Supplemental Security Income (SSI) payments but were listed as deceased on the Numident. This was also slightly different from the 1,320 records projected in 1998 and the 1,200 records projected in 1997.</p> <p>In 1997, PwC estimated 719,493 discrepancies between dates of death on the MBR and the Numident. Further, it estimated 232,306 discrepancies between the SSR and the Numident. These estimates decreased in 1998 after SSA took action to correct the data. However, PwC still found 2,625 discrepancies between the MBR and the Numident and 2,274 discrepancies between the SSR and the Numident. These discrepancies decreased further in 1999 to 1,902 between the MBR and the Numident and 1,580 between the SSR and the Numident.</p>	<p>SSA should design and implement data integrity checking programs for the full production databases to identify the total population of records with potential data integrity problems.</p> <p>[SSA stated that it had initiated a project where death dates from Death Alert, Control, and Update System (DACSUS) were being matched to those on the MBR and SSR to detect errors and correct discrepancies. However, due to limited resources, proven MBR and SSR dates have not been posted to the Numident. (Status provided May 2001.)]</p>

Report	Findings	Recommendations
<p>“Performance Measure Review: Summary of Pricewaterhouse Coopers, LLP Review of SSA’s Performance Data” (<a href="#">A-02-00-20024</a>) issued by SSA/OIG in March 2000</p>	<p>PwC reported that its review of SSA’s performance data identified that individuals who are alive and currently receiving OASDI and/or SSI benefits are listed as deceased on the DMF.</p>	<p>SSA should develop policies and procedures for the resolution of unmatched items in DACUS and establish a workgroup with primary responsibility for resolution.</p> <p>[SSA formed a workgroup in March 2001. The workgroup prepared a report containing recommendations for exception processing. The Office of Income Security Programs prepared this report. The Agency will begin to process the workgroup recommendations in September 2003. (Status provided September 2002.)]</p>
<p>“Improving the Usefulness of the Social Security Administration’s Death Master File” (<a href="#">A-09-98-61011</a>) issued by SSA/OIG in July 2000</p>	<p>OIG reported that SSA’s master payment files contained death information that had not been included in its DMF. OIG determined that about 1.3 million deaths remained unrecorded on the Numident. It also reported that the DMF did not identify which deaths had been sufficiently verified by SSA as a basis for awarding or terminating benefits.</p>	<p>SSA should reconcile the 1.3 million deaths that were recorded on the MBR but not recorded on the Numident and ensure that, in the future, all deaths are included on the DMF.</p> <p>SSA should annotate the DMF to identify which deaths have been sufficiently verified by the Agency prior to awarding or terminating benefits.</p> <p>[The Office of Operations is responsible for addressing unrecorded deaths. The Office of Systems developed a quarterly match operation, which generates alerts to the field for investigation and processing. The actual reconciliation between the DMF and MBR is addressed by Operations personnel. Effective September 2001, SSA annotated the DMF to contain codes for proven deaths and verified deaths.]</p>

Report	Findings	Recommendations
<p>“Disclosure of Personal Beneficiary Information to the Public – Early Alert” issued by SSA/OIG in October 2000</p>	<p>OIG informed SSA that auxiliary beneficiaries were erroneously listed as deceased on the DMF, and their personal information was available to the public on the Internet.</p>	<p>There were no recommendations in this Early Alert.</p>
<p>“Old-Age, Survivors and Disability Insurance Benefits Paid to Deceased Auxiliary Beneficiaries” (<a href="#">A-01-00-20043</a>) issued by SSA/OIG in June 2001</p>	<p>OIG reported that SSA can improve its current death matching process to ensure that OASDI benefits are terminated when death notices are received for auxiliary beneficiaries. OIG estimated that 881 deceased auxiliaries received \$31 million in OASDI benefits after their dates of death.</p> <p>Additionally, OIG estimated that 4,152 auxiliary beneficiaries receiving OASDI payments had dates of death recorded on the Numident even though the beneficiaries were actually alive.</p>	<p>SSA should periodically (at least annually) match the DMF against its auxiliary payment records to identify records in which a date of death is posted on the DMF but for which payment records show current benefit payments.</p> <p>SSA should resolve the discrepancy between the dates of death on the Numident and the current payment status on the MBR for the 2,721 records in our population that are not under review by OIG’s Office of Investigations.</p> <p>SSA should remind staff to follow procedures when processing death alerts to ensure all records requiring action are identified and corrected.</p> <p>[SSA agreed to periodically match the DMF against its payment records. SSA completed its review of the 2,721 cases in September 2001. In addition, SSA issued a memorandum reminding staff to follow its procedures. OIG is currently conducting a follow-up review and plans to issue a report in FY 2003. (Implemented March 2002.)]</p>

Report	Findings	Recommendations
<p>“Unresolved Death Alerts Over 120 Days Old” (<a href="#">A-09-00-10001</a>) issued by SSA/OIG in August 2001<sup>1</sup></p>	<p>OIG reported that SSA’s controls and procedures were not effective to ensure that the DACUS 120-day aged alert report is reviewed and resolved in a timely and consistent manner.</p> <p>OIG identified \$782,099 of payments attributable to 206 deceased individuals that could have been avoided had the death alerts been resolved within 30 days of their appearance on the DACUS 120-day aged alert report. In addition, OIG performed a computer match using death records from the State of California and identified 72 individuals who were deceased but continued to receive payments totaling \$959,545 after their deaths.</p>	<p>SSA should monitor the DACUS 120-day aged alert report on a nationwide basis and develop specific procedures, including time frames, for regional offices to process death alerts. In addition, SSA should expedite implementation of DACUS Release 3 to simplify the clearance of death alerts, provide on-line management information, and reduce the number of error conditions resulting in unproductive alerts.</p> <p>[SSA agreed to develop procedures for processing and monitoring death alerts over 120 days old. However, SSA reported that it could not expedite the implementation of DACUS Release 3 due to limited resources. (Status provided November 2001.)]</p>
<p>“Payments Made to Selected Representative Payees after the Deaths of Social Security Beneficiaries” (<a href="#">A-13-01-21028</a>) issued by SSA/OIG in September 2001</p>	<p>OIG reported several conditions that increased the risk of misuse of payments made after a beneficiary’s death. Specifically, OIG reported that dates on death certificates and SSA’s payment records did not always match.</p>	<p>SSA should resolve beneficiary date of death discrepancies identified by OIG and develop and implement procedures for the timely and accurate recordation of dates of death.</p> <p>[SSA initiated action to begin correcting the records containing date of death discrepancies and agreed to review representative payee procedures to prevent future occurrences of similar problems. (Status provided September 2002.)]</p>

<sup>1</sup> Includes findings and recommendations to improve the processing of death alerts and reliability of death data, which affects the accuracy of the DMF.

Report	Findings	Recommendations
<p>“Disclosure of Personal Beneficiary Information to the Public” (<a href="#">A-01-01-01018</a>) issued by SSA/OIG in January 2002</p>	<p>OIG reported that SSA is releasing private information, including SSNs, for individuals erroneously listed as deceased on its DMF. OIG estimated that 4,152 OASDI auxiliary beneficiaries were erroneously listed as deceased in the June 1999 release of the DMF. Further, 4,077 of these 4,152 beneficiaries (98 percent) had their personal identifying information (such as names, dates of birth, and SSNs) available to the public on the Internet.</p>	<p>SSA should routinely match the DMF with the Master Representative Payee File to identify representative payees managing beneficiaries’ funds after a date of death. Also, SSA should implement prior recommendations to address erroneous dates of death on SSA’s systems.</p> <p>[The Office of Systems conducted a match among the DMF, Master Representative Payee File, MBR, and SSR to identify inconsistencies that indicate a representative payee change might be necessary. Cases identified in this match were provided to field offices for follow-up. SSA plans to conduct a similar match in January 2003. Also, SSA provided information regarding recent actions taken to address many of the prior recommendations. (Implemented January 2002.)]</p>
<p>“Controls Over the Social Security Administration’s Processing of Death Records from the Department of Veterans Affairs (VA)” (<a href="#">A-01-01-21038</a>) issued by SSA/OIG in February 2002<sup>2</sup></p>	<p>OIG reported that SSA made improper payments to deceased beneficiaries which could have been avoided if SSA had processed VA death information timely. OIG estimated that about \$467,725 in improper payments were made to 302 deceased OASDI beneficiaries in the months between March and May 2001. In addition, OIG found that the death information provided by VA was not always accurate.</p>	<p>SSA should routinely review its management information systems input and output reports to ensure the VA death information is processed completely. In addition, SSA should process VA death information within a month of when it is received to ensure payments to deceased beneficiaries are terminated promptly.</p> <p>[SSA agreed to (1) review its reports to ensure the VA death information is processed correctly, and (2) process the VA death reports upon their receipt. (Implemented March 2002.)]</p>

<sup>2</sup> *Ibidem.*

Report	Findings	Recommendations
<p>“Old-Age, Survivors and Disability Insurance and Supplemental Security Income Payments to Deceased Beneficiaries and Recipients” (<a href="#">A-06-02-12012</a>) issued by SSA/OIG in October 2002</p>	<p>OIG reported that SSA did not act to correct cases that had been identified as having a date of death discrepancy between the MBR or SSR and Numident records. Consequently, SSA made payments to individuals after their death. Also, private information for many living individuals was inadvertently listed in death records that were made available to the public.</p>	<p>SSA should ensure the data match for the entire population is completed to identify cases that need to be corrected and recover payments made after death. SSA should also ensure the 71 alive individuals, whose records were still listed in Internet death records, are removed from the DMF.</p> <p>In addition, SSA should determine whether the remaining 71 unresolved cases were alive, and, if so, remove them from the DMF and recover payments made after death. SSA should also establish a schedule (such as quarterly) to conduct routine periodic data integrity matches to identify date of death discrepancies for review and correction.</p> <p>[SSA completed the data match in August 2002 and agreed to initiate corrective action on the results of the match in September 2002. In addition, SSA agreed to review the 71 cases against the DMF to determine if they have been removed and submitted the 71 unresolved cases to the appropriate office for review, which should be completed in October 2002. Furthermore, SSA implemented an automated utility to (1) perform a comparison of the DMF against the MBR and SSR to detect inconsistent death data, and (2) provide a quarterly report that lists names and SSNs requiring investigation. (Status provided September 2002.)]</p>

## ***Appendix H***

---

# **OIG Contacts and Staff Acknowledgments**

### ***OIG Contacts***

Bill Fernandez, Director, Western Audit Division, (510) 970-1739

Jack H. Trudel, Deputy Director, (510) 970-1733

### ***Acknowledgments***

In addition to those named above:

Joseph I. Robleto, Senior Auditor

Timothy E. Meinholtz, Senior Auditor

Rina A. Meushaw, Program Analyst, Policy, Planning and Technical Services

Dawn J. Zgorski, Investigations Analyst, Manpower and Administration Division

For additional copies of this report, please visit our web site at [www.ssa.gov/oig](http://www.ssa.gov/oig) or contact the Office of the Inspector General's Public Affairs Specialist at (410) 966-1375. Refer to Common Identification Number A-09-03-23067.

## **Overview of the Office of the Inspector General**

### **Office of Audit**

The Office of Audit (OA) conducts comprehensive financial and performance audits of the Social Security Administration's (SSA) programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers' Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress, and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency, rather than detecting problems after they occur.

### **Office of Executive Operations**

OEO supports the OIG by providing information resource management; systems security; and the coordination of budget, procurement, telecommunications, facilities and equipment, and human resources. In addition, this office is the focal point for the OIG's strategic planning function and the development and implementation of performance measures required by the *Government Performance and Results Act*. OEO is also responsible for performing internal reviews to ensure that OIG offices nationwide hold themselves to the same rigorous standards that we expect from SSA, as well as conducting investigations of OIG employees, when necessary. Finally, OEO administers OIG's public affairs, media, and interagency activities, coordinates responses to Congressional requests for information, and also communicates OIG's planned and current activities and their results to the Commissioner and Congress.

### **Office of Investigations**

The Office of Investigations (OI) conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

### **Counsel to the Inspector General**

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation, and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.