



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Match of Kentucky Death
Information Against Social Security
Administration Records

A-04-19-50815 | September 2020

MEMORANDUM

Date: September 15, 2020

Refer To:

To: The Commissioner

From: Inspector General

Subject: Match of Kentucky Death Information Against Social Security Administration Records
(A-04-19-50815)

The attached final report presents the results of the Office of Audit's review. The objectives were to (1) determine whether the Social Security Administration made payments to beneficiaries and/or representative payees who were deceased according to Kentucky's Office of Vital Statistics and (2) identify non-beneficiaries in the State files whose death information did not appear in Agency records.

If you wish to discuss the final report, please call me or have your staff contact Michelle L. Anderson, Assistant Inspector General for Audit, at 410-965-9700.



Gail S. Ennis

Attachment

Match of Kentucky Death Information Against Social Security Administration Records

A-04-19-50815



September 2020

Office of Audit Report Summary

Objectives

To (1) determine whether the Social Security Administration (SSA) made payments to beneficiaries and/or representative payees who were deceased according to Kentucky's Office of Vital Statistics and (2) identify non-beneficiaries in the State files whose death information did not appear in Agency records.

Background

To identify and prevent payments after death, SSA established a program under which States can voluntarily contract with SSA to provide it death data to match against its records. Through Electronic Death Registration (EDR), States electronically submit death reports to SSA. If the decedent's data match SSA records, SSA posts the State death information to its Numident file and terminates payments to deceased beneficiaries. In addition to EDR, SSA receives death information from other sources, such as family members and funeral directors.

We obtained data files that provided the personally identifiable information of approximately 1 million individuals the Kentucky Office of Vital Statistics recorded as deceased from January 1991 through December 2016. We matched the data against SSA's June 2019 records.

Findings

We estimate SSA issued approximately \$2.4 million after death to 35 beneficiaries who the Kentucky Office of Vital Statistics recorded as deceased from January 1991 through December 2016. Identifying and correcting these discrepancies will prevent approximately \$347,000 in additional payments after death over the next 12 months.

We also identified 3,367 non-beneficiaries who were deceased according to the Kentucky Office of Vital Statistics but whose death information was not in SSA's Numident. Resolving these discrepancies will improve the accuracy and completeness of death information the Agency shares with other Federal benefit-paying agencies.

We did not determine why the deaths were not in SSA's Numident or whether the State reported the deaths to SSA. However, SSA rejects EDR death reports that do not pass its formatting and identification tests to prevent posting erroneous death data to its records. We have a separate, ongoing review that will assess the effectiveness of the EDR process.

Agency Actions Resulting from the Audit

In January 2020, we provided SSA with death certificates for the 35 beneficiaries. As of May 22, 2020, SSA had terminated benefits to 20 beneficiaries and initiated recovery of \$468,184 in improper payments.

Recommendations

1. Take action to record deaths on the Numident, terminate payments, and initiate collection of overpayments, as appropriate, for the remaining beneficiaries we identified.
2. Add death information to the Numident, as appropriate, for the 3,367 non-beneficiaries with dates of death we identified using Kentucky records.

SSA agreed with our recommendations.

TABLE OF CONTENTS

Objectives	1
Background.....	1
Results of Review	2
Payments Issued to Deceased Beneficiaries	2
Deceased Non-beneficiaries.....	3
Agency Actions Resulting from the Audit.....	4
Conclusions.....	4
Recommendations.....	5
Agency Comments.....	5
Appendix A – Scope and Methodology	A-1
Appendix B – Agency Comments.....	B-1

ABBREVIATIONS

C.F.R.	Code of Federal Regulations
EDR	Electronic Death Registration
OIG	Office of the Inspector General
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SSA	Social Security Administration
Stat.	United States 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/or representative payees² who were deceased according to Kentucky's Office of Vital Statistics and (2) identify non-beneficiaries³ in the State files whose death information did not appear in Agency records.

BACKGROUND

To identify and prevent payments after death, the *Social Security Act*⁴ requires that SSA establish a program under which States can voluntarily contract to provide SSA with death data to match against SSA's 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 verifies the Social Security number online and in real-time. If the decedent's data match SSA records, SSA automatically posts the State death information to the Numident, an SSA database that stores personally identifiable information for all Social Security numberholders,⁵ and terminates payments to deceased beneficiaries. In addition to EDR, SSA receives death information from other sources, such as family members and funeral directors. SSA uses Numident information to create a file of death information it shares with other Federal benefit-paying agencies.⁶

We obtained data files that provided the personally identifiable information of approximately 1 million individuals the Kentucky Office of Vital Statistics⁷ recorded as deceased from January 1991 through December 2016. We matched the death data against SSA's June 2019 payment records and identified beneficiaries whose personally identifiable information matched that of deceased individuals. We obtained death certificates for these beneficiaries and provided the certificates to SSA. We also matched the death data against the Numident to identify non-beneficiaries whose death information was not in SSA's system. Our match did not identify

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

² 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 2018).

³ Non-beneficiaries refers to deceased individuals who were not in current payment status as of June 2019.

⁴ *Social Security Act*, 42 U.S.C. § 405(r)(1) (govinfo.gov 2018).

⁵ SSA, *POMS*, GN 02602.050, A (September 3, 2019).

⁶ Other Federal agencies include the Railroad Retirement Board, Centers for Medicare and Medicaid Services, Internal Revenue Service, Department of Veterans Affairs, and Office of Personnel Management.

⁷ The Kentucky Department for Public Health retains death data for individuals who die in the State as well as Kentucky residents who die outside the State.

deceased representative payees who had beneficiaries under their care.⁸ See Appendix A for our scope and methodology.

RESULTS OF REVIEW

SSA issued approximately \$2.4 million after death to 35 beneficiaries who the Kentucky Office of Vital Statistics recorded as deceased from January 1991 through December 2016.⁹ Identifying and correcting these discrepancies will prevent approximately \$347,000 in additional payments after death over the next 12 months. We also identified 3,367 non-beneficiaries who were deceased according to Kentucky Office of Vital Statistics records but whose death information was not in SSA's Numident.

We did not determine why the death information did not appear in SSA records or whether the State reported the deaths to SSA. However, SSA rejects EDR reports that do not pass its formatting and identification tests to prevent posting erroneous death data to its records.¹⁰

Payments Issued to Deceased Beneficiaries

We identified 35 current beneficiaries whose personally identifiable information matched that of a deceased individual in the Kentucky death data. Review of available records indicated all 35 beneficiaries were deceased. Based on our review, SSA issued approximately \$2.4 million in payments after death to the 35 beneficiaries who died in Kentucky from January 1991 through December 2016. Examples follow.

- An individual receiving retirement benefits died in April 2004. SSA records did not contain a date of death and therefore retirement benefits continued. As of December 2019, SSA had issued approximately \$165,000 in payments after death.
- A widow receiving survivor benefits died in October 2006. SSA records did not contain a date of death and therefore the survivor benefits continued. As of December 2019, SSA had issued approximately \$153,000 in payments after death.

⁸ 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. 20 C.F.R. §§ 404.2040(a) and 416.640(a) (govinfo.gov 2019).

⁹ While we took steps to ensure the death certificates for the 35 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 In July 2020, OIG issued the draft report, *The Social Security Administration's Rejection of State Electronic Death Registration Reports*, A-08-18-50499.

- An individual receiving disability benefits died in November 2008. SSA records did not contain a date of death and therefore disability benefits continued. As of December 2019, SSA had issued approximately \$154,000 in payments after death.

Kentucky began reporting deaths electronically to SSA through the EDR process on July 1, 2010. As illustrated in Table 1,¹¹ 68.6 percent of the beneficiaries died between 2010 and 2016.¹²

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

Year of Death	Number of Beneficiaries	Percent of Total Beneficiaries
2004 - 2009	11	31.4
2010 - 2016	24	68.6
Total	35	100.0

Source: OIG Analysis of Kentucky Death Data.

In January 2020, we provided SSA with Kentucky death data and death certificates for the 35 beneficiaries so it could terminate their benefits, initiate recovery of payments made after their deaths, and refer cases with possible fraud to our Office of Investigations. We estimate identifying and correcting these discrepancies will prevent approximately \$347,000 in additional payments after death over the next 12 months.¹³

Deceased Non-beneficiaries

We identified 3,367 non-beneficiaries¹⁴ who were deceased according to the Kentucky Office of Vital Statistics but who did not have death information in SSA’s Numident. Of the 3,367 non-beneficiaries, 3,025 (89.8 percent) died *before* the State began reporting death information via EDR in July 2010 (see Table 2).¹⁵

¹¹ SSA issued payments after death to less than 1 percent of the 1 million beneficiaries who were deceased according to the Kentucky Office of Vital Statistics.

¹² For Calendar Years 2010 through 2016, the 24 beneficiaries include 2 who died before and 22 who died after EDR was implemented in Kentucky.

¹³ We based this estimate on the assumption that conditions would remain the same for the next 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.

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

¹⁵ For Calendar Years 2010 through 2016, the 460 beneficiaries include 118 who died before and 342 who died after EDR was implemented in Kentucky.

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

Year of Death	Number of Non-beneficiaries	Percent of Total Non-beneficiaries
1991 - 1996	870	26
1997 - 2002	705	21
2003 - 2009	1,332	39
2010 - 2016	460	14
Total	3,367	100

Source: OIG Analysis of Kentucky Death Data.

In January and February 2020, we provided SSA data that identified all 3,367 non-beneficiaries for necessary action. SSA stated, “It is currently our plan to post death information for the non-beneficiary cases . . . via our IT Modernization Enumeration Domain efforts in [Fiscal Year]21 at the earliest, as [Fiscal Year]20 planning efforts are complete.” Resolving these discrepancies will improve the accuracy and completeness of the death information SSA shares with other Federal benefit-paying agencies.¹⁶

AGENCY ACTIONS RESULTING FROM THE AUDIT

As of May 22, 2020, SSA had terminated benefits to 20 beneficiaries and initiated recovery of \$468,184 in improper payments.

CONCLUSIONS

SSA issued payments after death or had not recorded death information on its Numident on a small percentage of approximately 1 million decedents in the Kentucky Office of Vital Statistics data files. However, based on our review, SSA issued approximately \$2.4 million in payments after death to 35 beneficiaries who died in Kentucky from January 1991 through December 2016. Identifying and correcting these discrepancies will prevent approximately \$347,000 in additional payments after death over the next 12 months.

We also identified 3,367 non-beneficiaries who were deceased according to the Kentucky Office of Vital Statistics but whose death information was not in SSA’s Numident. Resolving these discrepancies will improve the accuracy and completeness of death information the Agency shares with other Federal benefit-paying agencies.

¹⁶ Although SSA shares its death information with other Federal benefit-paying agencies, those agencies should independently verify the individual’s death before they take adverse action. In addition, based on January 2013 legislation, SSA was taking steps to improve the accuracy of its death information; *Improper Payments Elimination and Recovery Improvement Act of 2012*, Pub. L. No. 112-248, § 5(g)(1), 126 Stat. 2390, p. 2396 (2013).

RECOMMENDATIONS

We recommend SSA:

1. Take action to record deaths on the Numident, terminate payments, and initiate collection of overpayments, as appropriate, for the remaining beneficiaries we identified.
2. Add death information to the Numident, as appropriate, for the 3,367 non-beneficiaries with dates of death we identified using Kentucky records.

AGENCY COMMENTS

SSA agreed with our recommendations. SSA's comments are included in Appendix B.



Michelle L. Anderson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objectives, we:

- Reviewed Federal laws and regulations related to death matches with State agencies, the Social Security Administration’s (SSA) policies and procedures, and prior Office of the Inspector General reports.
- Obtained Kentucky Office of Vital Statistics death data and identified approximately 1 million recorded death events from January 1991 through December 2016. We matched these records against SSA’s Enumeration Verification System and June 2019 payment records and identified:
 - 35 Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income recipients in current payment status whose names and dates of birth matched those of deceased individuals in the Kentucky death data.¹
 - Reviewed SSA’s systems and Kentucky death data.
 - Determined whether SSA (a) documented contact with the beneficiary² after the date of death in Kentucky records, (b) had previously determined the beneficiary was a victim of identity theft, or (c) listed two individuals on the same Numident³ record and the deceased individual was not the beneficiary. If so, we considered the beneficiary alive; if not, we considered the beneficiary deceased.
 - Obtained death certificates from Kentucky and referred the 35 cases to SSA.
 - 3,367 individuals⁴ whose Social Security numbers, names, and dates of birth matched those of deceased non-beneficiaries⁵ in the Kentucky 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 Kentucky vital records data file with SSA’s Numident for the 35 deceased beneficiaries.

² We use the term “beneficiary” throughout this report in reference to Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income recipients in current payment status.

³ The Numident is an SSA database that stores personally identifiable information for all Social Security numberholders.

⁴ This is in reference to deceased individuals who were not in current payment status at the time of our review. Of the 3,367 non-current pay records, 1,149 never applied for benefits, and the remaining 2,218 had either applied and SSA denied the application or they were no longer in a pay status.

⁵ Non-beneficiaries refers to deceased individuals who were not in current payment status as of June 2019.

- Our match did not identify any deceased representative payees who currently had beneficiaries under their care.
- Calculated payments issued after death to the 35 beneficiaries.

We conducted our audit in Atlanta, Georgia, between December 2019 and March 2020. We determined the data used for this audit were sufficiently reliable to meet our audit objectives. We assessed the significance of internal controls necessary to satisfy the audit objective. We determined that internal controls were not significant to the audit objective; therefore, we did not assess the design, implementation, or operating effectiveness of internal controls.

The primary entities audited were the Offices of the Deputy Commissioners for Operations and Systems. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe 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: September 3, 2020

Refer To:

To: Gail S. Ennis
Inspector General

Stephanie Hall

From: Stephanie Hall
Chief of Staff

Subject: Office of the Inspector General Draft Report, "Match of Kentucky Death Information Against Social Security Administration Records" (A-04-19-50815) – INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations. We are working through the remaining cases OIG identified; however, the current national pandemic has delayed our ability to conduct required in-person interviews to verify individuals' identities. Additionally, we continue to make improvements to our death information to promote program integrity and prevent improper payments.

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

MISSION

By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration's (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

CONNECT WITH US

The OIG Website (oig.ssa.gov) gives you access to a wealth of information about OIG. On our Website, you can report fraud as well as find the following.

- OIG news
- audit reports
- investigative summaries
- Semiannual Reports to Congress
- fraud advisories
- press releases
- congressional testimony
- an interactive blog, "[Beyond The Numbers](#)" where we welcome your comments

In addition, we provide these avenues of communication through our social media channels.



[Watch us on YouTube](#)



[Like us on Facebook](#)



[Follow us on Twitter](#)



[Subscribe to our RSS feeds or email updates](#)

OBTAIN COPIES OF AUDIT REPORTS

To obtain copies of our reports, visit our Website at oig.ssa.gov/audits-and-investigations/audit-reports/all. For notification of newly released reports, sign up for e-updates at oig.ssa.gov/e-updates.

REPORT FRAUD, WASTE, AND ABUSE

To report fraud, waste, and abuse, contact the Office of the Inspector General via

Website: oig.ssa.gov/report-fraud-waste-or-abuse

Mail: Social Security Fraud Hotline
P.O. Box 17785
Baltimore, Maryland 21235

FAX: 410-597-0118

Telephone: 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. Eastern Standard Time

TTY: 1-866-501-2101 for the deaf or hard of hearing